

Press release

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Oras Invest's Year 2020: Strong development in exceptional conditions

Oras Invest's year 2020 was remarkable in many ways. The uncertainty due to COVID-19 pandemic complicated the businesses and made Oras Invest and its companies prepare for the worst in the beginning of the year. In terms of financial results, however, Oras Invest companies performed well during the year.

"Some industries suffered more than others from the global pandemic, but in general, our companies have navigated the crisis with good results, showing excellent ability to quickly adapt to changing conditions. I want to express my sincere thanks to all of the almost 13,000 people who work with our companies", says President & CEO **Annika Paasikivi**.

The most notable event in 2020 was the tender offer from PPG Industries, Inc. to acquire all the shares of Tikkurila. Other industrial companies also expressed their interest in tendering for Tikkurila. Oras Invest decided in early 2021 to sell its shares directly to PPG with a price of EUR 34.00 per share, which increased the overall deal security and ensured a significantly higher offer price for all shareholders. The transfer of shares is expected to take place during the first half of 2021.

Oras Invest's net asset value grew by 40% to EUR 1.2 billion (0.9). In the last two years, the net asset value has almost doubled, aided by the favourable development of the owned companies as well as equity markets in general. Oras Invest received dividend income of EUR 33 million (31) in 2020, and the balance sheet continues to be practically debt free.

The combined net sales of the owned companies totaled EUR 4.4 billion in 2020.

Oras Group continued to develop well after some challenging years. Net sales remained flat at EUR 226 million but profitability and cash flow improved significantly as a result of improved efficiency in manufacturing and quality management. Comparable operating profit was EUR 31 million (16), 13.8% of net sales (7.2%). In 2020, Oras Group returned to a good operational level enabling investment into future growth.

Uponor demonstrated a record strong performance, with all three segments performing well, and reached all of its long-term financial targets. Net sales were EUR 1,136 million (1,103) and comparable operating profit was EUR 143 million (93), 12.6% of sales (8.4%). Uponor announced a forthcoming change of CEO in 2021, as **Jyri Luomakoski**, the CEO for the last 12 years, will leave the company in August.

Kemira's systematic actions to improve profitability showed good results, as profitability developed strongly in 2020 despite a decline in net sales. In total, net sales declined by 9% to EUR 2,427 million (2,659) but comparable operating profit increased by 6% to EUR 238 million (224), 9.8% of sales (8.4%).

Tikkurila's net sales fluctuated in early 2020 but development was strong in the second half of 2020, driven by increased renovation activity during the pandemic and successful execution of Tikkurila's strategic actions. In total, net sales increased by 3% to EUR 582 million (564) and comparable operating profit increased by 38% to EUR 64 million (46), 11% of sales (8.2%).

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In 2020, Oras Invest continued its sustainability work by setting sustainability goals with its owned companies. These guidelines have been published as part of Oras Invest Annual Review 2020.

“This is the first year we are reporting our companies’ sustainability performance, and the work continues to integrate sustainability more comprehensively into their long-term strategies and financial targets”, says Annika Paasikivi.

In April 2021, **Heli Leskinen** (M.Sc. Econ.) was appointed as Chief Financial Officer and member of the executive committee of Oras Invest. She has previously worked as Investment Manager at Oras Invest.

Based on its long-term vision, Oras Invest will remain in family ownership and continues focusing its ownership on selected companies in building and water industry. “We are committed to actively developing our owned companies and creating sustainable value beyond economic trends “, Annika Paasikivi says.

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Oras Invest’s Annual Review and Financial Statements 2020 are available at www.orasinvest.fi.