



Lassila & Tikanoja plc
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Lassila & Tikanoja plc: Interim Report 1 January–31 March 2022

NET SALES GREW CLEARLY – OPERATING PROFIT AFFECTED BY HIGH SICKNESS-RELATED ABSENCE AND INCREASED FUEL PRICES

Unless otherwise mentioned, the figures in brackets refer to the corresponding period in the previous year.

- Net sales for the first quarter were EUR 210.4 million (192.0). Net sales increased by 9.6%. Organic growth was 5.2%.
- Adjusted operating profit was EUR 0.0 million (3.6) and operating profit was EUR -0.3 million (3.7). Earnings per share were EUR -0.02 (0.07). Cash flow from operating activities remained on the same level at EUR 13.9 million (13.5).
- Adjusted operating profit was negatively affected by sickness-related absence caused by the coronavirus pandemic and increased fuel prices. The company estimates the cost impact to have been EUR 5.2 million in the first quarter. The negative annual impact of rising fuel prices will be offset by price increases and cost savings implemented in February–April.
- Industrial Services expanded into the Swedish process cleaning market and strengthened its market share in hazardous waste business in Finland.

Outlook for the year 2022

Net sales and adjusted operating profit in 2022 are estimated to be at the same level as in the previous year.

PRESIDENT AND CEO EERO HAUTANIEMI:

“Net sales grew both organically and due to acquisitions during the review period. Adjusted operating profit fell short of the comparison period (3.6), amounting to EUR 0.0 million. The company estimates that the increase in sickness-related absence caused by the coronavirus pandemic and the impact of higher fuel prices on adjusted operating profit amounted to EUR -5.2 million in the first quarter.

Conditions in the first quarter were exceptional. The coronavirus pandemic significantly increased employees’ sickness-related absence in Finland, and there was heavy snowfall in Southern Finland, which increased production costs in Environmental Services and Facility Services Finland’s property maintenance.

The immediate effects of the war in Ukraine on Lassila & Tikanoja are minor. L&T does not operate in Russia, Belarus or Ukraine or have significant customer relationships with a Russian background. The impact of the war on the Company is indirect and caused by the rise in fuel prices. The negative annual impact of rising fuel prices will be offset by price increases and cost savings implemented in February–April.

The implementation of the strategy and development projects progressed according to plan in January-March and we were able to grow in our core businesses by strengthening our market share.

The organisational structure of Environmental Services was revised and the building of a new ERP system proceeded. The new organisational structure gives more commercial responsibility to the regional organisation and strengthens the major customer sales organisation's expertise in environmental responsibility management and consulting. Industrial Services expanded into the Swedish process cleaning market through an acquisition. In addition, the Industrial Services division strengthened its position in hazardous and non-hazardous waste recycling services by acquiring Fortum's hazardous waste SME business in Finland.

In Facility services Finland, the cost efficiency improvement measures implemented in Finland in the last quarter of 2021 and the revised organisational structure compensated for the cost burden caused by high sickness-related absence rates in January-March. Energy efficiency services in Finland continued to grow in Technical Services."

GROUP NET SALES AND FINANCIAL PERFORMANCE

January–March

Lassila & Tikanoja's net sales for the first quarter totalled EUR 210.4 million (192.0), an increase of 9.6% year-on-year. The rate of organic growth was 5.2%. Adjusted operating profit was EUR 0.0 million (3.6), representing 0.0% (1.9) of net sales. Operating profit was EUR -0.3 million (3.7), representing -0.1% (1.9) of net sales. Earnings per share were EUR -0.02 (0.07).

Net sales increased in Environmental Services, Industrial Services and Facility Services Finland. Net sales decreased in Facility Services Sweden. Operating profit declined in Environmental Services and Facility Services in Finland and Sweden. Operating profit was unchanged from the comparison period in Industrial Services.

The increase in sickness-related absence caused by the coronavirus pandemic and rising fuel prices had an estimated negative effect of EUR 5.2 million on the Group's adjusted operating profit. Profit for the period was affected negatively by the increase in net financial expenses to EUR -1.0 million (-0.6).

Financial summary

	1-3/2022	1-3/2021	Change %	1-12/2021
Net sales, EUR million	210.4	192.0	9.6	812.5
Adjusted operating profit, EUR million	0.0	3.6	-99.9	42.4
Adjusted operating margin, %	0.0	1.9		5.2
Operating profit, EUR million	-0.3	3.7	-107.5	42.2
Operating margin, %	-0.1	1.9		5.2
EBITDA, EUR million	13.5	16.4	-17.7	95.1
EBITDA, %	6.4	8.5		11.7
Profit before tax, EUR million	-1.2	3.2	-138.8	39.0
Earnings per share, EUR	-0.02	0.07	-128.9	0.90
Net cash flow from operating activities after investments per share, EUR	-0.16	0.11	-240.4	0.05
Return on equity (ROE), %	-1.5	5.6		17.1
Invested capital, EUR million	413.0	363.4	13.7	406.0
Return on invested capital (ROI), %	-0.3	4.1		10.8
Equity ratio, %	30.4	31.6		33.7
Gearing, %	103.3	84.9		79.4

NET SALES AND OPERATING PROFIT BY DIVISION

Environmental Services

January–March

Net sales of Environmental Services grew to EUR 87.3 million (76.2) in the first quarter. Operating profit declined to EUR 2.9 million (4.5).

The number of corporate customers and waste volumes increased as a result of active sales to new customers. The demand for recycled raw materials and prices rose. The organisational structure of Environmental Services was revised. The new organisational structure gives more commercial responsibility to the regional organisation and strengthens the major customer sales organisation, which will be supported with stronger expertise in environmental responsibility management and consulting.

Production costs of Environmental Services increased due to the snowy winter in Southern Finland, as well as the high level of sickness-related absence due to the coronavirus pandemic and the sharp rise in fuel prices. The increase in fuel prices will be shifted to customer prices by price increases implemented in February and April. In renewable energy sources, the heavy snowfall decreased the heating value of stored wood fuels, which had a negative impact on the sales margin.

Industrial Services

January–March

The Industrial Services division's net sales for the first quarter increased to EUR 23.1 million (19.6). Operating profit was EUR 0.2 million (0.2).

In February, Industrial Services entered the Swedish process cleaning market by acquiring 70 per cent of the shares of Sand & Vattenbläst i Tyringe AB ("SVB") that offers process cleaning services in Sweden. Operating in Southern Sweden, SVB's net sales in the last fiscal year were approximately EUR 10 million and the company has approximately 60 employees. The integration of the Swedish business proceeded according to plan and the performance was good in the first quarter. In addition, the Industrial Services division strengthened its position in hazardous and non-hazardous waste recycling services by acquiring Fortum's hazardous waste SME business in Finland at the beginning of February.

Industrial Services continued active method development. Tuusula site commissioned a new system for the treatment of septic tank sands that reduces the amount of waste to be disposed of and transported. More new projects were started in the environmental construction business line than in the comparison period, and the treatment centres' performance was strong. Sickness-related absence caused by the coronavirus and the rise in the price of fuels increased production costs. The increase in fuel prices will be shifted to customer prices by price increases implemented in February and April.

Facility Services Finland

January–March

Facility Services Finland's net sales for the first quarter grew to EUR 68.3 million (61.2). Operating profit decreased to EUR -2.3 million (-1.3).

The cleaning business grew and its market position improved. In the property maintenance organisation, roles and responsibilities were revised. The goal is a structure that corresponds to the cleaning business line, allowing supervisors to focus on supporting employees and customer managers on interacting with customers. Energy efficiency services continued to grow in Technical Services.

The coronavirus pandemic significantly increased sickness-related absence, which increased production costs in all business lines, especially in cleaning. The rise in the price of fuels increased production costs. The cost savings brought about by the measures implemented in Finnish property maintenance and technical services last year materialised as expected and compensated for the significant increase in production costs, especially as a result of the coronavirus pandemic.

Facility Services Sweden

January–March

Facility Services Sweden's net sales for the first quarter decreased to EUR 32.9 million (36.2). Operating profit declined to EUR -0.2 million (0.4). Operating profit before amortisation of purchase price allocations of acquisitions was EUR 0.3 million (1.0).

The coronavirus pandemic caused a high level of sickness-related absence in January and February, which increased production costs and weakened the sale of high-margin additional services. The level of sickness-related absence normalised in March. The increase in fuel prices increased production costs. Several new customer contracts were signed in technical services.

FINANCING

Cash flow from operating activities remained on the same level at EUR 13.9 million (13.5). Net cash flow from operating and investing activities amounted to EUR -6.0 million (4.3). Net cash flow after investments was reduced by acquisitions, which had a total impact of approximately EUR 13 million. A total of EUR 2.5 million in working capital was released (1.8 released).

At the end of the period, interest-bearing liabilities amounted to EUR 220.8 million (184.6). Net interest-bearing liabilities totalled EUR 198.5 million (151.7). Average interest rate on long-term loans, excluding IFRS 16 liabilities, with interest rate hedging, amounted to 1.1% (1.3).

Of the EUR 100.0 million commercial paper programme, EUR 20.0 million (11.0) was in use at the end of the period. A committed credit limit totalling EUR 40.0 million was not in use, as was the case in the comparison period. The Company signed a credit limit linked to sustainability targets during the review period. The credit limit will mature in the first quarter of 2025.

Net financial expenses amounted to EUR -1.0 million (-0.6). Net financial expenses increased due to the increase in interest bearing debt caused by acquisitions. The effect of exchange rate changes on net financial expenses was EUR 0.0 million (0.2). Net financial expenses were 0.5% (0.3) of net sales.

The equity ratio was 30.4% (31.6) and the gearing ratio was 103.3% (84.9). Cash and cash equivalents at the end of the period amounted to EUR 22.3 million (32.9). Overdue trade receivables and credit losses have not increased as a result of the coronavirus pandemic or the war in Ukraine.

DISTRIBUTION OF ASSETS

The Annual General Meeting held on 17 March 2022 resolved that a dividend of EUR 0.46 per share, totalling EUR 17.5 million, be paid on the basis of the balance sheet that was adopted for the financial year 2021. The dividend was paid to shareholders on 28 March 2022.

CAPITAL EXPENDITURE

Gross capital expenditure for the first quarter totalled EUR 28.5 million (9.4). Acquisitions accounted for approximately EUR 21 million of the capital expenditure. Other capital expenditure consisted primarily of machine and equipment purchases, as well as investments in information systems and buildings.

SUSTAINABILITY

Environmental responsibility

Climate benefits for customers created by L&T

	Q1/2022	Q1/2021	2021	Target	Target to be achieved by
Carbon handprint (tCO ₂ e)	364,000	361,000	1,100,000	growth faster than net sales	

The carbon handprint illustrates the climate benefits of a product, process or service, i.e. the emission reduction potential for the user. L&T's carbon handprint reduces the customer's carbon footprint. Our services generated emission reductions for customers through, for example, customers replacing virgin raw materials with secondary raw materials, and fossil fuels with biofuels and solid recovered fuels.

Progress towards science-based emission reduction targets, using 2018 as the baseline

	Q1/2022	Q1/2021	2021	Target	Target to be achieved by
Carbon footprint (tCO ₂ e)	8,500	9,550	37,800		
Carbon footprint intensity (gCO ₂ e/km)	710	836	767	476	2030

L&T's strategic objective is to halve the carbon footprint of its operations by 2030 and to reduce the indirect emissions generated by its supply chain. The emission reduction target set by L&T has been validated by the Science Based Targets initiative. The achievement of this objective will be promoted by switching to zero-emission transport technologies and fuels and by opting for renewable energy at L&T's properties. The carbon footprint during the review period was affected by the change in the renewable fuel distribution obligation, which lowered diesel emissions in particular.

Social responsibility

Overall accident frequency

	Q1/2022	Q1/2021	2021	Target	Target to be achieved by
Overall accident frequency (TRIF)	26	26	24	20	2024

L&T eliminates hazards and improves its own safety as well as the safety of customers and other stakeholders through effective proactive measures, such as risk assessments, safety observations, Safety Walks and occupational safety sessions.

Well-being at work

	Q1/2022	Q1/2021	2021	Target	Target to be achieved by
Occupational health rate (proportion of employees with no sickness-related absences)	67	77	45	45	2024
Sickness-related absences (%)	6.5	5.4	5.0	4.5	2024

In the first half of the year, sickness-related absence increased year-on-year as a result of the coronavirus pandemic, reaching a high level of 6.5 (5.4) per cent.

Current issues related to sustainability

In February, Lassila & Tikanoja published its Annual Review 2021, which includes a sustainability report in accordance with the Global Reporting Standard (GRI) as well as a report on risks and opportunities related to climate change in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. L&T published a review related to the EU taxonomy on the proportion of L&T's net sales, investments and operating expenses related to the mitigation of, and adaptation to, climate change. L&T's EU taxonomy eligibility is 56 per cent of net sales, 57 per cent of investments and 54 per cent of operating expenses. The company announced that it had signed a revolving credit facility tied to sustainability targets during the first quarter.

PERSONNEL

In the first quarter, the average number of employees converted into full-time equivalents was 7,055 (6,846). At the end of the period, L&T had 8,367 (8,033) full-time and part-time employees. Of these, 7,015 (6,577) worked in Finland and 1,352 (1,456) in Sweden.

The objective of L&T's personnel policies and plans is to ensure that the number, competence and retention of personnel are at the level required for effective performance. As a labour-intensive company, employees' ability to work and function and maintaining it throughout their careers until retirement on old-age pension is essential.

Several projects were launched to ensure the availability of personnel. Co-operation with municipal employment services and state organisations was intensified and channels for recruiting foreign labour were opened. In cooperation with Staffpoint, L&T also provides jobs for refugees from Ukraine. L&T continued to develop its recruitment practices and employer image. Extensive digital marketing increased potential jobseekers' awareness of the permanent and summer jobs available at L&T. The Group signed 682 new employment contracts in January–March. Of these, 539 were valid until further notice. L&T offers more than 950 summer jobs in summer 2022 for people in the early stages of their careers across Finland and Sweden.

SHARES AND SHARE CAPITAL

Traded volume and price

The volume of trading in L&T's shares in January–March was 4.7 million shares, which is 12.2% (11.0) of the average number of outstanding shares. The value of trading was EUR 55.1 million (61.0). The highest share price was EUR 13.62 and the lowest EUR 10.26. The closing price was EUR 10.82. At the end of the review period, the market capitalisation excluding the shares held by the company was EUR 412.6 million (542.4).

Own shares

At the end of the period, the company held 661,874 of its own shares, representing 1.7% of all shares and votes.

Share capital and number of shares

The company's registered share capital amounts to EUR 19,399,437 and the number of outstanding shares was 38,137,000 at the end of the period. The average number of shares excluding the shares held by the company was 38,128,554.

Shareholders

At the end of the period, the company had 24,318 (23,944) shareholders. Nominee-registered holdings accounted for 7.4% (8.9) of the total number of shares.

Authorisations for the Board of Directors

The Annual General Meeting held on 17 March 2022 authorised Lassila & Tikanoja plc's Board of Directors to decide on the repurchase of the company's own shares using the company's unrestricted equity. In addition, the Annual General Meeting authorised the Board of Directors to decide on a share issue and the issuance of special rights entitling their holders to shares.

The Board of Directors is authorised to purchase a maximum of 2,000,000 company shares (5.2% of the total number of shares). The repurchase authorisation is effective for 18 months.

The Board of Directors is authorised to decide on the issuance of new shares or shares which may be held by the company through a share issue and/or issuance of option rights or other special rights conferring entitlement to shares, referred to in Chapter 10, Section 1 of the Finnish Companies Act, so that under the authorisation, a maximum of 2,000,000 shares (5.2% of the total number of shares) may be issued and/or conveyed. The authorisation is effective for 18 months.

RESOLUTIONS BY THE ANNUAL GENERAL MEETING

The Annual General Meeting, which was held on 17 March 2022, adopted the financial statements and consolidated financial statements for 2021, released the members of the Board of Directors and the President and CEO from liability, and approved the Remuneration Report for the Governing Bodies.

The Annual General Meeting resolved that a dividend of EUR 0.46 per share, totalling EUR 17.5 million, be paid on the basis of the balance sheet adopted for the financial year 2021. It was decided that the dividend be paid on 28 March 2022.

The Annual General Meeting confirmed the number of members of the Board of Directors as six. Teemu Kangas-Kärki, Laura Lares, Sakari Lassila, Jukka Leinonen, Laura Tarkka and Pasi Tolppanen were re-elected to the Board until the end of the following Annual General Meeting.

The Annual General Meeting elected PricewaterhouseCoopers Oy, Authorised Public Accountants, as the auditor until the close of the next Annual General Meeting. PricewaterhouseCoopers Oy announced that it will name Samuli Perälä, Authorised Public Accountant, as the principal auditor.

The Annual General Meeting resolved to amend the third sentence of Section 4 of the Articles of Association so that the General Meeting elects the Chairman and the Vice-Chairman of the Board.

The resolutions of the Annual General Meeting were announced in more detail in a stock exchange release on 17 March 2022.

BOARD OF DIRECTORS

The members of Lassila & Tikanoja plc's Board of Directors are Teemu Kangas-Kärki, Laura Lares, Sakari Lassila, Jukka Leinonen, Laura Tarkka and Pasi Tolppanen. At its constitutive meeting after the Annual General Meeting, the Board of Directors elected Jukka Leinonen as Chairman of the Board and Sakari Lassila as Vice Chairman.

Sakari Lassila was elected as the Chairman of the Audit Committee and Teemu Kangas-Kärki and Laura Tarkka as the members of the committee. The Board elected Jukka Leinonen as the Chairman of the Personnel and Sustainability Committee, with Laura Tarkka and Pasi Tolppanen as the members of the committee.

KEY EVENTS DURING THE REVIEW PERIOD

On 1 February 2022, the company announced that the Industrial Services division has acquired 70 per cent of the shares of Sand & Vattenbläst i Tyringe AB ("SVB") that offers process cleaning services in Sweden. Through the acquisition, L&T's Industrial Services division entered the Swedish process cleaning market.

On 23 March 2022, the company announced that Tina Hellstadius (M.Sc./Technology) had been appointed Senior Vice President, Facility Services Sweden and a member of the Group Executive Board effective 19 April 2022. Hellstadius succeeded Erik Sundström, who will retire on 30 June 2022.

On 28 March 2022, the company announced that it had signed a revolving credit facility of EUR 40 million tied to sustainability targets. The revolving credit facility matures in the first quarter of 2025. The agreement includes a one-year extension option. The agreement was signed with Danske Bank.

EVENTS AFTER THE REVIEW PERIOD

The company's management is not aware of any events of material importance after the review period that might have affected the preparation of the interim report.

NEAR-TERM RISKS AND UNCERTAINTIES

The measures and recommendations issued by the authorities to restrict the COVID-19 pandemic, and the resulting customer-specific production restrictions and adjustment measures, are still expected to cause disruptions in service production during 2022. More contagious variants of COVID-19 have increased the number of sickness-related absences during the first quarter and can continue to do so in the near term, which can cause disruptions in L&T's service production and increase costs.

The company has no operations or holdings in Russia, Belarus or Ukraine, and there are no significant Russian-owned companies in the customer base, so the immediate effects of the war in Ukraine will be minor. However, indirect impacts on overall economic activity in Finland and Sweden may have a negative impact on net sales and profit.

Higher costs, especially fuel prices, have had a negative impact on the company's financial performance during the first quarter and can continue to do so in the near term. Fluctuations in the price of oil influence both fuel costs and the prices of oil-based secondary raw materials, such as recycled plastic and regenerated lubricants.

Any increase in interest rates may increase the company's interest costs.

The company has several ERP system renewal projects under way. Temporary additional costs arising from system deployments and establishing the operating model may weigh down the company's result.

Challenges related to the availability of labour may increase production costs.

More detailed information on Lassila & Tikanoja's risks and risk management will be provided in the 2021 Annual Report and in the Report of the Board of Directors and the consolidated financial statements.

Helsinki, 26 April 2022

LASSILA & TIKANOJA PLC

Board of Directors
Eero Hautaniemi
President and CEO

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The Group's key figures

Key figures

	1-3/2022	1-3/2021	1-12/2021
Earnings per share, EUR	-0.02	0.07	0.90
Diluted earnings per share, EUR	-0.02	0.07	0.90
Net cash flow from operating activities after investments per share, EUR	-0.16	0.11	0.05
EVA, MEUR	-7.0	-2.5	15.9
Adjusted operating profit, MEUR	0.0	3.6	42.4
Operating profit, MEUR	-0.3	3.7	42.2
Gross capital expenditure, MEUR	28.5	9.4	72.3
Equity per share, EUR	5.04	4.69	5.52
Return on equity (ROE), %	-1.5	5.6	17.1
Invested capital, MEUR	413.0	363.4	406.0
Return on invested capital (ROI), %	-0.3	4.1	10.8
Equity ratio, %	30.4	31.6	33.7
Gearing, %	103.3	84.9	79.4
Net interest-bearing liabilities, MEUR	198.5	151.7	167.1
Average number of employees in full-time equivalents	7,055	6,846	7,319
Total number of full-time and part-time employees at end of the period	8,367	8,033	8,171
Number of outstanding shares adjusted for issues, 1,000 shares			
average during the period	38,129	38,108	38,111
at the end of the period	38,137	38,112	38,112
average during the period, diluted	38,156	38,120	38,127

Reconciliation of alternative performance measures

RECONCILIATION OF EVA RESULT TO OPERATING PROFIT

MEUR	1-3/2022	1-3/2021	1-12/2021
Operating profit	-0.3	3.7	42.2
Invested capital (rolling 12-month quarterly average)	403.8	369.4	391.4
Cost calculated on invested capital	-6.7	-6.2	-26.3
EVA	-7.0	-2.5	15.9

RECONCILIATION OF ADJUSTED OPERATING PROFIT TO OPERATING PROFIT

MEUR	1-3/2022	1-3/2021	1-12/2021
Operating profit	-0.3	3.7	42.2
Items affecting comparability:			
- costs arising from the discontinuation of business*	-0.2	-0.7	-2.1
- costs arising from business restructurings	-	0.5	0.6
- gains or losses arising from divestments	-	0.0	-
- costs arising from acquisitions	0.5	0.0	1.7
Adjusted operating profit	0.0	3.6	42.4

* In 2020, Lassila & Tikanoja decided on the discontinuation of its Russian operations. In 2021, L&T sold its shares in Russian subsidiaries. The costs related to the discontinuation were revised by EUR +2.1 million in 2021 and by EUR +0.2 million during the first quarter of 2022.

RECONCILIATION OF GROSS CAPITAL EXPENDITURE

MEUR	1-3/2022	1-3/2021	1-12/2021
Intangible and tangible assets from business acquisitions	22.6	-	31.4
- increases to right-of-use assets excl. heavy vehicles from business acquisitions	-1.4	-	-0.3
Other increases to intangible and tangible assets	14.1	17.2	64.4
- increases to right-of-use assets excl. heavy vehicles	-5.9	-7.1	-19.1
- other adjustments	-0.8	-0.7	-3.9
Gross capital expenditure	28.5	9.4	72.3

Calculation of key figures

Earnings per share: result for the period attributable to the equity holders of the parent company / adjusted average basic number of shares

Diluted earnings per share: result attributable to the equity holders of the parent company / adjusted average diluted number of shares

Net cash flow from operating activities after investments/share: Net cash flow from operating and investing activities / adjusted average basic number of shares

EVA: operating profit - cost calculated on invested capital (average of four quarters)
WACC 2022: 6.62% and 2021: 6.72%

Adjusted operating profit: operating profit +/- items affecting comparability

Items affecting comparability: substantial costs arising from business restructurings or acquisitions, gains and losses from divestments and costs arising from the discontinuation of businesses

EBITDA: operating profit + depreciation + impairments

Equity per share: equity attributable to the equity holders of the parent company / adjusted basic number of shares at the balance sheet date

Return on equity, % (ROE): (result for the period / equity (average)) x 100

Invested capital: equity + interest-bearing financial liabilities

Return on invested capital, % (ROI): (result before taxes + financial expenses) / Equity + interest-bearing financial liabilities (average of the beginning of the period and the end of the period) x 100

Equity ratio, %: equity / (total equity and liabilities - advances received) x 100

Gearing, %: net interest-bearing liabilities / equity x 100

Net interest-bearing liabilities: interest-bearing liabilities - cash and cash equivalents

Gross capital expenditure: Investments in intangible and tangible assets excluding right-of-use assets and other adjustments, including leased heavy vehicles and assets acquired through acquisitions.

Organic growth: (Net sales for the reporting period - net sales from business acquisitions during previous 12 months - net sales for the comparative period + net sales from divestments during previous 12 months) / (net sales for the comparative period - net sales from divestments during previous 12 months)

Primary financial statements

Consolidated income statement

MEUR	1-3/2022	1-3/2021	1-12/2021
Net sales	210.4	192.0	812.5
Other operating income	0.6	0.6	3.8
Materials and services	-81.4	-71.6	-282.5
Employee benefit expenses	-88.7	-82.9	-342.6
Other operating expenses	-27.4	-21.7	-95.9
Depreciation, amortisation and impairment	-13.8	-12.7	-52.9
Operating profit	-0.3	3.7	42.2
Financial income and expenses	-1.0	-0.6	-3.3
Share of the result of associated companies	0.0	0.0	0.0
Result before taxes	-1.2	3.2	39.0
Income taxes	0.5	-0.6	-4.6
Result for the period	-0.7	2.6	34.4
Attributable to:			
Equity holders of the company	-0.7	2.6	34.4
Earnings per share attributable to the equity holders of the parent company:			
Earnings per share, EUR	-0.02	0.07	0.90
Diluted earnings per share, EUR	-0.02	0.07	0.90

Consolidated statement of comprehensive income

MEUR	1-3/2022	1-3/2021	1-12/2021
Result for the period	-0.7	2.6	34.4
Items not to be recognised through profit or loss			
Items arising from re-measurement of defined benefit plans	0.0	0.0	-0.0
Items not to be recognised through profit or loss, total	0.0	0.0	-0.0
Items potentially to be recognised through profit or loss			
Hedging reserve, change in fair value	0.4	0.1	0.3
Currency translation differences	-0.5	-1.4	-1.6
Items potentially to be recognised through profit or loss, total	-0.0	-1.3	-1.3
Other comprehensive income, total	-0.0	-1.3	-1.4
Total comprehensive income, after tax	-0.8	1.3	33.0
Attributable to:			
Equity holders of the company	-0.8	1.3	33.0

Consolidated statement of financial position

MEUR	3/2022	3/2021	12/2021
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	182.3	153.2	172.1
Other intangible assets	37.4	28.4	32.5
	219.7	181.7	204.6
Tangible assets	157.3	141.7	153.0
Right-of-use assets	71.9	72.8	69.8
	229.2	214.5	222.8
Other non-current assets			
Deferred tax assets	6.4	5.2	5.6
Other receivables	2.1	1.3	2.2
	8.5	6.5	7.8
Total non-current assets	457.4	402.7	435.2
Current assets			
Inventories	5.9	30.7	5.9
Trade receivables	74.9	73.3	86.8
Contract assets	30.6	25.1	22.8
Income tax receivables	5.7	3.8	7.3
Other receivables	11.3	11.1	10.4
Cash and cash equivalents	22.3	32.9	28.6
	150.6	176.9	161.8
Assets classified as held for sale	34.9	-	38.3
Total current assets	185.5	176.9	200.0
Total assets	642.9	579.6	635.3

Consolidated statement of financial position

MEUR	3/2022	3/2021	12/2021
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the equity holders of the parent company			
Share capital	19.4	19.4	19.4
Other reserves	-6.3	-6.3	-6.3
Invested unrestricted equity reserve	0.6	0.6	0.6
Retained earnings	178.5	165.0	196.7
Total equity	192.2	178.8	210.4
Liabilities			
Non-current liabilities			
Deferred tax liabilities	31.2	27.4	30.2
Retirement benefit obligations	1.6	1.4	1.4
Provisions	8.2	7.1	8.1
Financial liabilities	180.4	155.8	175.8
Other liabilities	3.7	0.1	0.1
	225.0	191.8	215.5
Current liabilities			
Financial liabilities	40.4	28.7	19.9
Trade and other payables	169.4	177.4	172.3
Income tax liabilities	0.9	-	3.3
Provisions	2.8	2.8	2.7
	213.6	209.0	198.1
Liabilities related to assets classified as held for sale	12.2	-	11.2
Total liabilities	450.8	400.8	424.9
Total equity and liabilities	642.9	579.6	635.3

Consolidated statement of cash flows

MEUR	1-3/2022	1-3/2021	1-12/2021
Cash flow from operating activities			
Result for the period	-0.7	2.6	34.4
Adjustments			
Income taxes	-0.5	0.6	4.6
Depreciation, amortisation and impairment	13.8	12.7	52.9
Financial income and expenses	1.0	0.6	3.3
Impact of the discontinuation of Russian operations	-0.2	-0.7	-2.1
Other	0.3	-0.1	-2.2
Net cash generated from operating activities before change in working capital	13.6	15.7	90.9
Change in working capital			
Change in trade and other receivables	5.3	3.6	-12.1
Change in inventories	3.1	-0.0	-1.9
Change in trade and other payables	-5.8	-1.8	-1.0
Change in working capital	2.5	1.8	-15.1
Interest paid	-1.0	-0.8	-3.7
Interest received	0.0	0.1	0.3
Income taxes paid	-1.3	-3.2	-6.7
Net cash from operating activities	13.9	13.5	65.6
Cash flow from investing activities			
Acquisition of subsidiaries and businesses, net of cash acquired	-13.3	-	-23.2
Purchases of tangible and intangible assets	-7.1	-9.4	-42.3
Proceeds from the sale of tangible and intangible assets	0.2	0.2	1.7
Change in other non-current receivables	0.3	-	-0.1
Net cash used in investing activities	-19.8	-9.2	-63.9
Net cash flow from operating and investing activities	-6.0	4.3	1.7
Cash flow from financing activities			
Proceeds from short-term borrowings	20.0	-	40.0
Repayments of short-term borrowings	-	-4.0	-55.0
Proceeds from long-term borrowings	-	-	25.0
Repayments of lease liabilities	-5.0	-4.4	-18.1
Dividends paid	-15.3	-13.2	-15.2
Net cash generated from financing activities	-0.3	-21.6	-23.4
Net change in cash and cash equivalents	-6.3	-17.3	-21.7
Cash and cash equivalents at beginning of the period	28.6	50.2	50.2
Effect of changes in foreign exchange rates	-0.0	-0.0	-0.0
Cash and cash equivalents at end of the period	22.3	32.9	28.6

Consolidated statement of changes in equity

MEUR	Share capital	Currency translation differences	Hedging reserve	Invested unrestricted equity reserve	Retained earnings	Total equity
Equity 1 January 2022	19.4	-5.9	-0.4	0.6	196.7	210.4
Total comprehensive income						
Result for the period					-0.7	-0.7
Other comprehensive income		-0.5	0.4		0.0	-0.0
Total comprehensive income	-	-0.5	0.4	-	-0.7	-0.8
Transactions with shareholders						
Share-based benefits					0.1	0.1
Dividends paid					-17.5	-17.5
Transactions with shareholders, total	-	-	-	-	-17.4	-17.4
Equity 31 March 2022	19.4	-6.4	0.0	0.6	178.5	192.2
Equity 1 January 2021	19.4	-4.3	-0.7	0.6	177.5	192.6
Total comprehensive income						
Result for the period					2.6	2.6
Other comprehensive income		-1.4	0.1		0.0	-1.3
Total comprehensive income	-	-1.4	0.1	-	2.6	1.3
Transactions with shareholders						
Share-based benefits					0.0	0.0
Dividends paid					-15.2	-15.2
Returned dividends					0.0	0.0
Transactions with shareholders, total	-	-	-	-	-15.3	-15.3
Other changes					0.3	0.3
Equity 31 March 2021	19.4	-5.7	-0.6	0.6	165.0	178.8

Notes

1. Accounting policies

This Interim Report is in compliance with the IAS 34 Interim Financial Reporting standard. The Interim Report has been prepared with application of the IFRS standards and interpretations in effect on 31 December 2021 and the new and amended standards and interpretations entered into force on 1 January 2022. From year 2022 onwards, change in inventory is not presented separately on the face of the consolidated income statement, it is included in line Materials and services. The information presented in this Interim Report has not been audited.

The Alternative Performance Measures reported by the company are EVA, net cash flow from operating activities after investments per share, Gross capital expenditure, EBITDA and adjusted operating profit. The alternative performance measures and the calculation formulas for the measures are presented in section Key figures.

More detailed information on accounting policies is presented in the consolidated financial statements of Lassila & Tikanoja plc as of 31 December 2021.

When preparing the interim report, the Group has taken the coronavirus pandemic and the war in Ukraine into account. The potential impacts of the continuation of the pandemic and the war in Ukraine have been taken into account according to the management's best understanding, for example, in the valuation of assets. On the basis of management's monitoring and estimates, these have not had a material impact on the preparation of the interim report.

2. Segment information

MEUR	1-3/2022	1-3/2021	Change %	1-12/2021
Net sales				
Environmental Services	87.3	76.2	14.6	320.5
Industrial Services	23.1	19.6	17.5	105.1
Facility Services Finland	68.3	61.2	11.6	243.1
Facility Services Sweden	32.9	36.2	-9.1	149.8
Interdivisional net sales	-1.2	-1.2		-6.1
Total	210.4	192.0	9.6	812.5
Operating profit				
Environmental Services	2.9	4.5	-36.1	29.8
Industrial Services	0.2	0.2	-6.0	9.2
Facility Services Finland	-2.3	-1.3	-76.2	1.8
Facility Services Sweden	-0.2	0.4	-146.6	3.9
Group administration and other	-0.9	-0.1	-509.5	-2.4
Total	-0.3	3.7	-107.5	42.2
EBITDA				
Environmental Services	9.7	10.9	-11.4	56.5
Industrial Services	3.0	2.5	17.7	18.6
Facility Services Finland	-0.0	1.1	-101.1	11.0
Facility Services Sweden	1.5	1.7	-13.8	10.4
Group administration and other	-0.6	0.2	-432.0	-1.2
Total	13.5	16.4	-17.7	95.1

%	1-3/2022	1-3/2021	1-12/2021
Operating margin			
Environmental Services	3.3	6.0	9.3
Industrial Services	0.9	1.1	8.7
Facility Services Finland	-3.4	-2.1	0.7
Facility Services Sweden	-0.6	1.1	2.6
Total	-0.1	1.9	5.2
EBITDA margin			
Environmental Services	11.1	14.3	17.6
Industrial Services	12.8	12.8	17.7
Facility Services Finland	-0.0	1.7	4.5
Facility Services Sweden	4.5	4.8	6.9
Total	6.4	8.5	11.7

Other segment information

MEUR	1-3/2022	1-3/2021	1-12/2021
Gross capital expenditure			
Environmental Services	3.8	6.2	41.7
Industrial Services	24.0	2.2	14.5
Facility Services Finland	0.3	0.3	13.6
Facility Services Sweden	0.2	0.5	1.8
Group administration and other	0.2	0.2	0.6
Total	28.5	9.4	72.3
Depreciation and amortisation			
Environmental Services	6.8	6.4	26.7
Industrial Services	2.7	2.3	9.4
Facility Services Finland	2.3	2.4	9.1
Facility Services Sweden	1.7	1.3	6.5
Group administration and other	0.3	0.3	1.2
Total	13.8	12.7	52.9

MEUR	3/2022	3/2021	12/2021
Assets			
Environmental Services	308.2	281.9	314.5
Industrial Services	132.8	96.5	110.5
Facility Services Finland	90.0	78.5	83.9
Facility Services Sweden	89.0	80.6	94.5
Group administration and other	22.9	42.1	32.0
Total	642.9	579.6	635.3
Liabilities			
Environmental Services	89.9	86.7	89.1
Industrial Services	47.5	35.9	42.3
Facility Services Finland	57.8	54.2	55.4
Facility Services Sweden	22.8	23.6	27.4
Group administration and other	232.8	200.4	210.7
Total	450.8	400.8	424.9
Invested capital			
Environmental Services	218.3	195.2	225.3
Industrial Services	88.4	60.6	68.2
Facility Services Finland	32.2	24.3	28.4
Facility Services Sweden	66.2	57.0	67.1
Group administration and other	7.9	26.2	17.0
Total	413.0	363.4	406.0

3. Segment information by quarter

MEUR	1-3/2022	10-12/2021	7-9/2021	4-6/2021	1-3/2021
Net sales					
Environmental Services	87.3	89.9	77.2	77.2	76.2
Industrial Services	23.1	28.7	29.8	26.9	19.6
Facility Services Finland	68.3	63.0	59.9	59.0	61.2
Facility Services Sweden	32.9	43.8	32.7	37.1	36.2
Interdivisional net sales	-1.2	-2.0	-1.3	-1.6	-1.2
Total	210.4	223.5	198.4	198.6	192.0
Operating profit					
Environmental Services	2.9	7.1	10.3	7.8	4.5
Industrial Services	0.2	1.7	4.1	3.2	0.2
Facility Services Finland	-2.3	0.6	2.9	-0.4	-1.3
Facility Services Sweden	-0.2	1.3	1.5	0.6	0.4
Group administration and other	-0.9	-0.8	-0.8	-0.7	-0.1
Total	-0.3	9.9	18.0	10.6	3.7
EBITDA					
Environmental Services	9.7	13.6	17.2	14.8	10.9
Industrial Services	3.0	4.3	6.4	5.4	2.5
Facility Services Finland	-0.0	2.7	5.2	1.9	1.1
Facility Services Sweden	1.5	3.2	3.1	2.3	1.7
Group administration and other	-0.6	-0.6	-0.4	-0.4	0.2
Total	13.5	23.2	31.4	24.1	16.4
Operating margin, %					
Environmental Services	3.3	7.9	13.4	10.2	6.0
Industrial Services	0.9	5.9	13.6	11.9	1.1
Facility Services Finland	-3.4	1.0	4.9	-0.7	-2.1
Facility Services Sweden	-0.6	3.1	4.5	1.7	1.1
Total	-0.1	4.4	9.1	5.3	1.9
EBITDA margin, %					
Environmental Services	11.1	15.2	22.2	19.1	14.3
Industrial Services	12.8	14.8	21.4	20.1	12.8
Facility Services Finland	-0.0	4.3	8.7	3.3	1.7
Facility Services Sweden	4.5	7.4	9.3	6.3	4.8
Total	6.4	10.4	15.8	12.1	8.5

4. Disaggregation of revenue

Net sales consist of services for which revenue is recognised over time, products for which revenue is recognised at a point in time as well as lease income. Services for which revenue is recognised over time include sales revenue from long-term service agreements, separately ordered services and the project business. Services for which revenue is recognised at a point in time include revenue from the sale of equipment and materials.

	Long-term service agreements	Separately ordered services	Project business	Sales of equipment and materials	Lease income	Total net sales
1-3/2022, MEUR						
Environmental Services	49.6			36.9	0.8	87.3
Industrial Services	10.4	10.8	0.8	1.1		23.1
Facility Services Finland	46.8	19.7	1.7			68.3
Facility Services Sweden	15.0	17.0	0.9			32.9
Total	121.9	47.4	3.4	38.1	0.8	211.6
Interdivisional sales						-1.2
External net sales, total						210.4
1-3/2021, MEUR						
Environmental Services	44.4			31.0	0.8	76.2
Industrial Services	9.2	9.3	0.1	1.0		19.6
Facility Services Finland	41.9	16.8	2.5			61.2
Facility Services Sweden	16.3	19.1	0.8			36.2
Total	111.8	45.2	3.4	32.0	0.8	193.3
Interdivisional sales						-1.2
External net sales, total						192.0
1-12/2021, MEUR						
Environmental Services	207.8			109.5	3.2	320.5
Industrial Services	47.5	49.7	3.5	4.4		105.1
Facility Services Finland	170.6	66.3	6.3			243.1
Facility Services Sweden	64.5	80.4	4.9			149.8
Total	490.4	196.4	14.6	113.9	3.2	818.6
Interdivisional sales						-6.1
External net sales, total						812.5

5. Business acquisitions

BUSINESS ACQUISITIONS 2022

On 1 February 2022, Lassila & Tikanoja's Industrial Services division acquired 70 per cent of the shares of Sand & Vattenbläst i Tyringe AB ("SVB") that offers process cleaning services in Sweden. The acquisition also includes SVB owned Cisternservice i Hässleholm AB. Through the acquisition, L&T's Industrial Services division enters the Swedish process cleaning market. SVB is consolidated with 100 per cent share to the Group and L&T has recognised in financial liabilities an estimated value of deferred consideration for the acquisition. The deferred consideration is measured at fair value through profit or loss.

L&T acquired the business operations of Fortum Waste Solutions Oy's small and medium-sized business segment for hazardous and non-hazardous waste on 1 February 2022. Following the acquisition, L&T will have new customers across Finland.

The acquisition price calculations prepared according to IFRSs are still preliminary.

In the first quarter of the year 2022, the fair values of Sihvari's assets were adjusted by EUR 0.4 million. The adjustment is included in the table in column Business acquisitions 1-3/2022.

BUSINESS ACQUISITIONS 2021

On 31 March 2021, Lassila & Tikanoja acquired the waste management and recycling business of Someron Kiinteistöhuolto Järvinen Ky.

On 30 April 2021, Lassila & Tikanoja acquired the entire share capital of Serveco Oy.

On 1 June 2021, Lassila & Tikanoja acquired the entire share capital of Sihvari Oy. The shares of Turun Seudun Hyötykuljetus Oy, owned by Sihvari, were also included in the acquisition.

On 1 July 2021, Lassila & Tikanoja acquired the entire share capital of Spectra Oy.

Fair value total, MEUR	Business	Business	Sihvari Oy	Other
	acquisitions	acquisitions		business
	1-3/2022	1-3/2021	1-12/2021	1-12/2021
Intangible assets	5.6	-	6.0	1.4
Tangible assets	4.9	-	1.7	0.3
Right-of-use assets	1.4	-	3.1	-
Inventories	0.1	-	0.5	-
Receivables	1.8	-	2.2	1.4
Cash and cash equivalents	1.2	-	0.2	2.4
Total assets	15.0	-	13.8	5.4
Other liabilities	6.4	-	8.3	2.5
Deferred tax liabilities	1.0	-	1.2	0.2
Total liabilities	7.4	-	9.6	2.7
Net assets acquired	7.6	-	4.2	2.7
Total consideration	18.1	-	17.0	8.8
Goodwill	10.5	-	12.8	6.1
Effect on cash flow				
Total consideration	-18.1	-	-17.0	-8.8
Deferred consideration	3.6	-	-	-
Consideration paid in cash	-14.5	-	-17.0	-8.8
Cash and cash equivalents of the acquired company	1.2	-	0.2	2.4
Cash flow from investing activities	-13.3	-	-16.8	-6.4

The figures for such acquired businesses, that are not material to the Group when considered separately, are stated in aggregate.

6. Assets and liabilities classified as held for sale

On December 17, 2021, Lassila & Tikanoja Plc and Neova Oy signed an agreement to merge their fuel wood businesses. Neova's fuel wood business will be transferred to L&T Biowatti Oy, and with the merger the company will continue as an independent limited company. L&T's share of the joint venture will be 55 per cent and Neova's 45 per cent, but based on the agreement both parties will have joint control over the joint venture. The establishment of a joint venture requires an approval of the Competition and Consumer Authority and until then the parties will continue their own business activities independently as separate companies. The merger of the businesses is expected to be finalised by the end of 2022. L&T has decided to classify L&T Biowatti Oy's assets and liabilities as held for sale. The items are measured at the lower of probable sales price less costs of sales and the book value. L&T Biowatti Oy is reported as part of Environmental Services segment.

MEUR	1-3/2022	1-3/2021	1-12/2021
Intangible and tangible assets	0.3	-	0.4
Right-of-use assets	0.6	-	0.5
Other non-current receivables	0.4	-	0.4
Inventories	22.7	-	25.7
Trade and other receivables	10.9	-	11.3
Assets Total	34.9	-	38.3
Non-current financial liabilities	0.5	-	0.4
Current financial liabilities	0.1	-	0.1
Trade payables	10.1	-	7.1
Other payables	1.5	-	3.6
Liabilities Total	12.2	-	11.2

7. Changes in intangible assets

MEUR	1-3/2022	1-3/2021	1-12/2021
Carrying amount at the beginning of the period	204.6	182.9	182.9
Business acquisitions	16.2	-	26.3
Other capital expenditure	1.3	1.5	5.7
Disposals	-0.0	-0.0	-2.2
Depreciation, amortisation and impairment	-2.0	-1.8	-7.1
Transfers between items	-0.0	0.2	0.2
Exchange differences	-0.4	-1.0	-1.0
Carrying amount at the end of the period	219.7	181.7	204.6

8. Changes in tangible assets

MEUR	1-3/2022	1-3/2021	1-12/2021
Carrying amount at the beginning of the period	222.8	210.7	210.7
Business acquisitions	6.4	-	5.1
Other capital expenditure	12.8	15.7	58.7
Disposals	-0.9	-0.8	-5.6
Depreciation, amortisation and impairment	-11.8	-10.8	-45.9
Transfers between items	0.0	-0.2	-0.2
Exchange differences	-0.1	-0.1	-0.0
Carrying amount at the end of the period	229.2	214.5	222.8

The carrying amount of tangible assets at the end of the reporting period includes right-of-use assets totalling EUR 71.9 million (72.8) and depreciation in the amount of EUR 4.9 million (4.3).

9. Capital commitments

MEUR	3/2022	3/2021	12/2021
Intangible assets	1.6	10.0	0.0
Tangible assets	9.1	4.5	17.2
Total	10.7	14.4	17.2

10. Provisions

The Group's provision include environmental provisions and other provisions. The most significant provisions recognised in the statement of financial position are the site restoration provisions for landfills and contaminated soil processing sites. Other provisions consist mainly of provisions for restructuring and accident insurance contribution.

Environmental provisions are recognised when the Group has an existing obligation that is likely to result in a payment obligation, the amount of which can be reliably estimated. Environmental provisions related to the restoration of sites are made at the commencement of each project. The costs recognised as a provision, as well as the original acquisition cost of assets, are depreciated over the useful life of the asset, and provisions are discounted to present value.

Obligations covered by the environmental provisions

The Group has leased site that it uses as landfill from the city of Kotka. In Varkaus the Group uses a site for intermediate storing, processing and final disposal of contaminated soil. At the expiry of the leases or at the discontinuation of operations, the Group is responsible for site restoration comprising landscaping and post-closure environmental monitoring called for in the terms and conditions of environmental permits.

The Group owns the Munaistenmetsä landfill in Uusikaupunki and the land area associated with it. The landfill site serves as a final disposal area for municipal waste, contaminated soil and industrial by-products.

The material recycling centre in the landfill area in Oulu receives, processes and recovers various types of waste and side streams, such as industrial waste, contaminated soil, construction and demolition waste as well as municipal waste.

In December 2021, the Group acquired a new landfill in Pori. At first, the landfill area receives various types of waste from the seller, including plaster, construction and demolition waste as well as contaminated soil and other smaller items. After the update of the environmental permit in the second half of 2022, the reception will be expanded to cover other vendors of similar waste fractions. At the same time, the landfill area will also be licenced for receipt and processing of hazardous waste.

MEUR	3/2022	3/2021	12/2021
Non-current provisions	8.2	7.1	8.1
Current provisions	2.8	2.8	2.7
Total	11.0	9.9	10.8

MEUR	Environmental provisions	Other provisions	Total
Provisions 1 Jan 2022	8.1	2.7	10.8
Additions	0.1	0.4	0.5
Used	-0.0	-0.0	-0.1
Reversals	-	-0.3	-0.3
Effect of discounting	0.0	-	0.0
Provisions 31 Mar 2022	8.2	2.8	11.0

MEUR	Environmental provisions	Other provisions	Total
Provisions 1 Jan 2021	7.0	2.4	9.5
Additions	0.1	0.5	0.6
Used	-0.1	-0.1	-0.2
Effect of discounting	0.0	0.0	0.0
Provisions 31 Mar 2021	7.1	2.8	9.9

11. Financial assets and liabilities by category

MEUR	3/2022	Amortised costs	Derivatives under hedge accounting	Fair value through profit or loss	Carrying amounts by balance sheet item	Fair value hierarchy level
Non-current financial assets						
	Other receivables	1.5			1.5	
Current financial assets						
	Trade and other receivables	106.1			106.1	
	Derivative receivables		0.1		0.1	2
	Cash and cash equivalents	22.3			22.3	
	Total financial assets	129.9	0.1		129.9	
Non-current financial liabilities						
	Borrowings	127.1			127.1	2
	Lease liabilities	53.4			53.4	
	Deferred consideration*			3.6	3.6	3
Current financial liabilities						
	Borrowings	20.8			20.8	2
	Lease liabilities	19.6			19.6	
	Trade and other payables	76.2			76.2	
	Total financial liabilities	297.0	-	3.6	300.6	

* Deferred consideration is related to the acquisition of Sand & Vattenbläst i Tyringe AB ("SVB") on 1 February 2022. SVB offers process cleaning services in Sweden. SVB is consolidated with 100 per cent share to the Group and L&T has recognised in financial liabilities an estimated value of deferred consideration for the acquisition. The deferred consideration is measured at fair value through profit or loss and it matures on 1 February 2026 at the earliest.

MEUR	3/2021	Amortised costs	Derivatives under hedge accounting	Fair value through profit or loss	Carrying amounts by balance sheet item	Fair value hierarchy level
Non-current financial assets						
	Other receivables	1.3			1.3	
Current financial assets						
	Trade and other receivables	98.6			98.6	
	Cash and cash equivalents	32.9			32.9	
	Total financial assets	132.8	-	-	132.8	
Non-current financial liabilities						
	Borrowings	99.7			99.7	2
	Lease liabilities	56.1			56.1	
Current financial liabilities						
	Borrowings	11.0			11.0	2
	Lease liabilities	17.7			17.7	
	Trade and other payables	80.9			80.9	
	Derivative liabilities		0.7		0.7	2
	Total financial liabilities	265.5	0.7	-	266.3	

The fair values of the balance sheet items measured at amortised cost do not significantly differ from the carrying amounts.

12. Contingent liabilities

MEUR	3/2022	3/2021	12/2021
Securities for own commitments			
Mortgages on rights of tenancy*	0.1	0.1	0.1
Company mortgages*	1.7	0.0	1.7
Other securities	0.0	0.0	0.1
Bank guarantees required for environmental permits	18.1	13.9	16.7
Other bank guarantees	10.8	10.4	11.0
Mortgages under own control			
Company mortgages*	6.4	6.3	6.4

Other securities are security deposits.

*The figures of the comparison period have been adjusted.

Liabilities associated with derivative agreements

Interest rate swaps

MEUR	3/2022	3/2021	12/2021
Nominal values of interest rate swaps			
Maturity not later than one year	-	-	-
Maturity later than one year and not later than five years	30.0	30.0	30.0
Maturity later than five years	-	-	-
Total	30.0	30.0	30.0
Fair value	0.0	-0.7	-0.5

The interest rate swaps are used for hedging cash flows related to floating rate loans. The hedges have been effective, and the changes in their fair values are shown on the consolidated statement of comprehensive income for the period. The fair values of the swap contracts are based on the market data on the balance sheet date.

13. Related party transactions

The related parties of the Lassila & Tikanoja Group are the senior management (members of the Board of Directors, President and CEO of the Lassila & Tikanoja Plc and the other members of the Group Executive Board) and the immediate family of the senior management and companies controlled by the aforementioned persons, the Group's subsidiaries, the associated company (Suomen Keräystuote Oy) and the L&T sickness fund.

The contributions paid by the group companies to the L&T sickness fund during the reporting period amounted to EUR 0.2 million (0.2). The Group has transactions between the group companies in the ordinary course of business. The Group has no significant business transactions with other related parties.

Helsinki, 26 April 2022

LASSILA & TIKANOJA PLC
Board of Directors

Eero Hautaniemi
President and CEO

For additional information, please contact:
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Lassila & Tikanoja is a service company that is putting the circular economy into practice. Together with our customers, we keep materials and properties in productive use for as long as possible and we enhance the use of raw materials and energy. This is to create more value with the circular economy for our customers, personnel and society in a broader sense. Achieving this also means growth in value for our shareholders. Our objective is to continuously grow our actions' carbon handprint, our positive effect on the climate. We assume our social responsibility by looking after the work ability of our personnel as well as offering jobs to those who are struggling to find employment, for example. With operations in Finland and Sweden, L&T employs 8,171 people. Net sales in 2021 amounted to EUR 812.5 million. L&T is listed on Nasdaq Helsinki.

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