

An aerial photograph of a modern urban development. A prominent feature is a blue pedestrian bridge with an orange metal truss structure crossing over a road. The surrounding area includes green spaces, modern buildings, and a winding blue path. The image is framed by a white and purple geometric border.

# LASSILA & TIKANOJA INTERIM REPORT Q1/2023

Eero Hautaniemi, President & CEO

Valtteri Palin, CFO

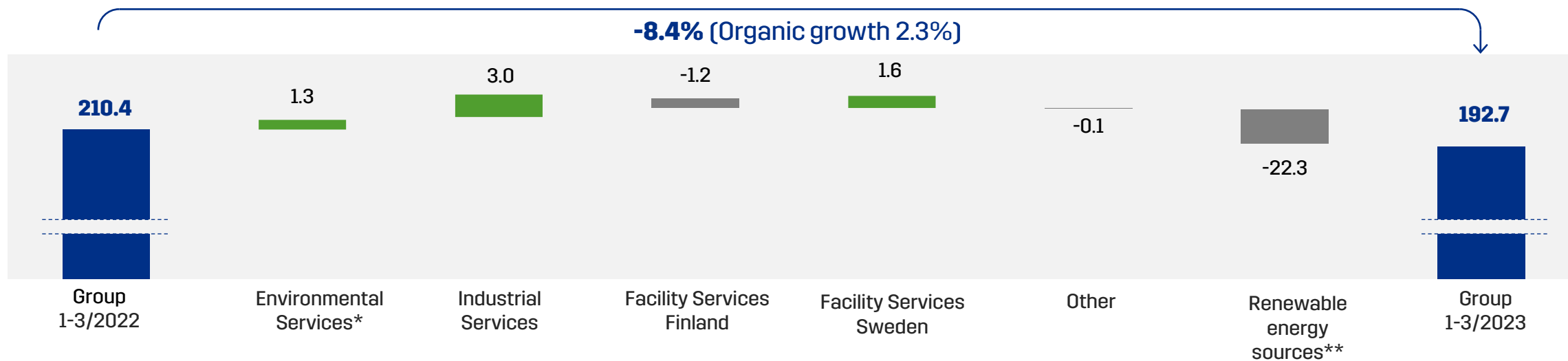
3 May 2023

# IN FOCUS IN Q1

- Net sales were EUR 192.7 million (210.4)
- Adjusted operating profit was EUR 1.4 million (0.0)
- Net cash flow from operating activities after investments per share was EUR 0.50 (-0.16)
- The result of Facility Services Finland improved substantially



# NET SALES



MEUR	Q1/23	Q1/22	Change%	2022
Environmental Services*	<b>66.3</b>	65.0	2.0	<b>287.1</b>
Industrial Services	<b>26.1</b>	23.1	12.9	<b>132.0</b>
Facility Services Finland	<b>67.1</b>	68.3	-1.7	<b>256.3</b>
Facility Services Sweden	<b>34.5</b>	32.9	4.9	<b>140.4</b>
L&T Group	<b>192.7</b>	210.4	-8.4	<b>844.1</b>

\*Environmental Services net sales excluding the renewable energy sources

\*\*Renewable energy sources change Q1 2023 vs. Q1 2022



# ADJUSTED OPERATING PROFIT

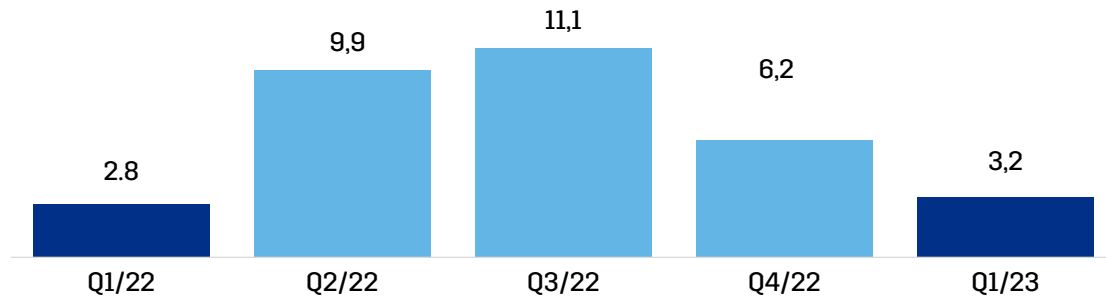


MEUR	Q1/23	Q1/22	Change%	2022
Environmental Services*	<b>3.2</b>	2.8	15.6	<b>30.0</b>
Industrial Services	<b>0.1</b>	0.2	-37.4	<b>13.6</b>
Facility Services Finland	<b>0.2</b>	-2.3		<b>-0.5</b>
Facility Services Sweden	<b>-1.0</b>	-0.2		<b>0.4</b>
Other	<b>-1.1</b>	-0.6		<b>-2.8</b>
Renewable energy sources	-	0.1		<b>0.3</b>
Adjusted operating profit	<b>1.4</b>	0.0		<b>40.9</b>

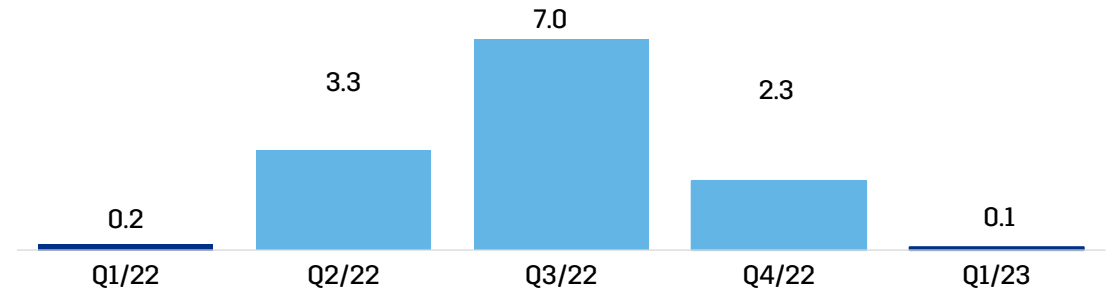


# OPERATING PROFIT BY DIVISION

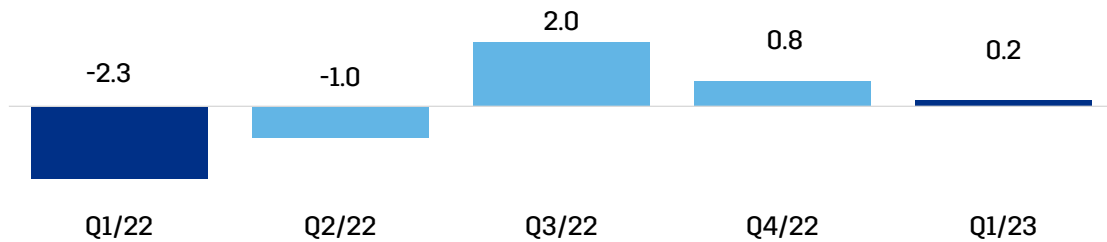
## ENVIRONMENTAL SERVICES excl. renewable energy sources MEUR



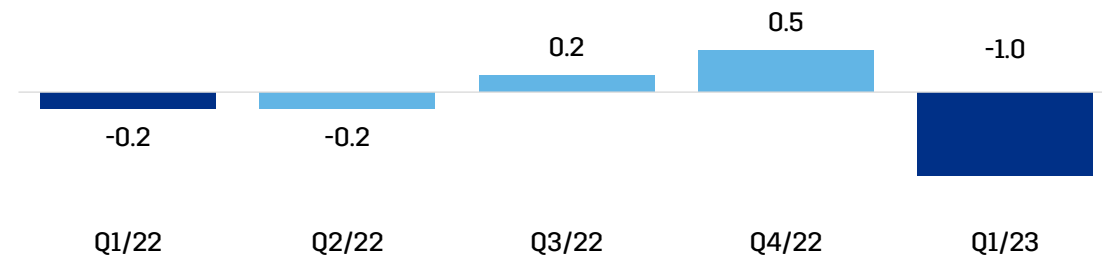
## INDUSTRIAL SERVICES MEUR



## FACILITY SERVICES FINLAND MEUR



## FACILITY SERVICES SWEDEN MEUR

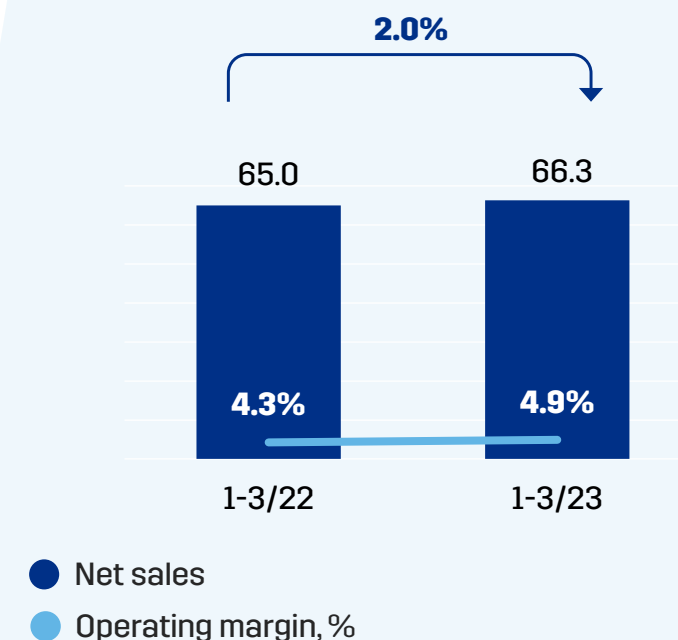


# ENVIRONMENTAL SERVICES

EXCL. RENEWABLE ENERGY SOURCES

- The number of B2B customers increased thanks to active sales efforts
- The prices of recycled raw materials remained at the low level seen in late 2022
- Industrial action in the transport sector made resource allocation more difficult, and increased overtime led to higher costs in the review period

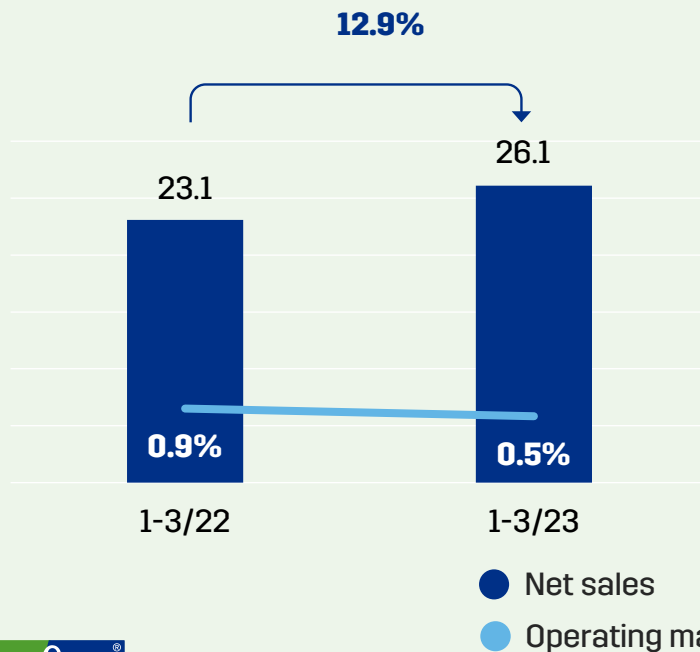
MEUR	Q1/23	Q1/22	Change%	2022
Net sales	<b>66.3</b>	65.0	2.0	<b>287.1</b>
EBITDA	<b>10.3</b>	9.6	7.5	<b>56.9</b>
Operating profit	<b>3.2</b>	2.8	15.6	<b>30.0</b>
Operating margin, %	<b>4.9</b>	4.3		<b>10.4</b>





# INDUSTRIAL SERVICES

- The hazardous waste business saw strong demand, and the prices of recycled raw materials were at a good level
- In the environmental construction business demand remained high and new customer projects started
- In the process cleaning business in Sweden demand was lower compared to the high level seen in the comparison period

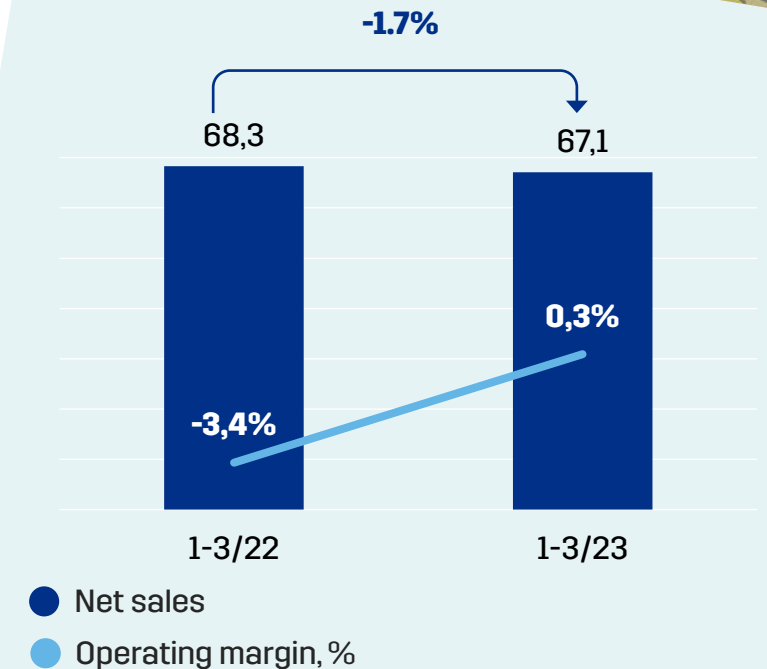


MEUR	Q1/23	Q1/22	Change%	2022
Net sales	<b>26.1</b>	23.1	12.9	<b>132.0</b>
EBITDA	<b>3.3</b>	3.0	11.2	<b>25.0</b>
Adjusted operating profit	<b>0.1</b>	0.2	-37.4	<b>13.6</b>
Adjusted operating margin, %	<b>0.5</b>	0.9		<b>10.3</b>

# FACILITY SERVICES FINLAND

- The measures taken in the latter half of 2022 to streamline the cost structure improved the profit performance
- In the cleaning business, the efficiency of production improved, and personnel turnover decreased from the high level seen in late 2022
- The rising costs caused by high inflation were, for the most part, passed on to customer prices

MEUR	Q1/23	Q1/22	Change%	2022
Net sales	<b>67.1</b>	68.3	-1.7	<b>256.3</b>
EBITDA	<b>2.4</b>	-0.0		<b>8.5</b>
Operating profit	<b>0.2</b>	-2.3		<b>-0.5</b>
Operating margin, %	<b>0.3</b>	-3.4		<b>-0.2</b>

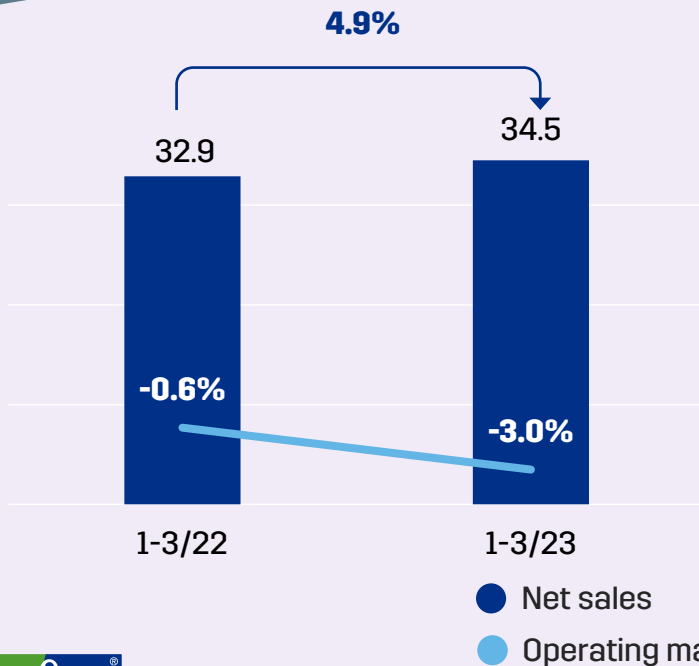






# FACILITY SERVICES SWEDEN

- Customer agreements in the Swedish business are mostly fixed-price contracts, and the increased production costs could not be passed on to customers
- The division has a programme ongoing to simplify operating models and adapt them to the changed business environment. The results of the programme are expected to realise during the next 18 months



MEUR	Q1/23	Q1/22	Change%	2022
Net sales	<b>34.5</b>	32.9	4.9	<b>140.4</b>
EBITDA	<b>0.2</b>	1.5	-85.5	<b>6.3</b>
Operating profit*	<b>-1.0</b>	-0.2		<b>0.4</b>
Operating margin, %	<b>-3.0</b>	-0.6		<b>0.3</b>

\*Operating profit before the amortisation of purchase price allocations of acquisitions was EUR -0.7 million (0.3) in Q1 2023

# SUSTAINABILITY HIGHLIGHTS Q1/2023

## L&T's Net Promoter Score NPS improved by 5 points and was 31

- L&T received positive feedback for supporting customers with meeting their sustainability targets and service quality

## Code of Conduct refresher training for all white-collar employees started

- Renewed Whistle Blowing channel launched

## L&T's CO2 emissions from own operations decreased in Q1 due to increased use of biofuels and changes in driving style

- L&T updated its sustainability programme in February

L&T NON-FINANCIAL  
STRATEGIC TARGETS  
2022-2026

**Service  
promotion**  
NPS index > 50

**Employee  
recommendation eNPS**  
> 50

**Positive environmental impact**  
Carbon handprint growth > Net sales  
growth  
Carbon footprint -50% by 2030 from  
2018

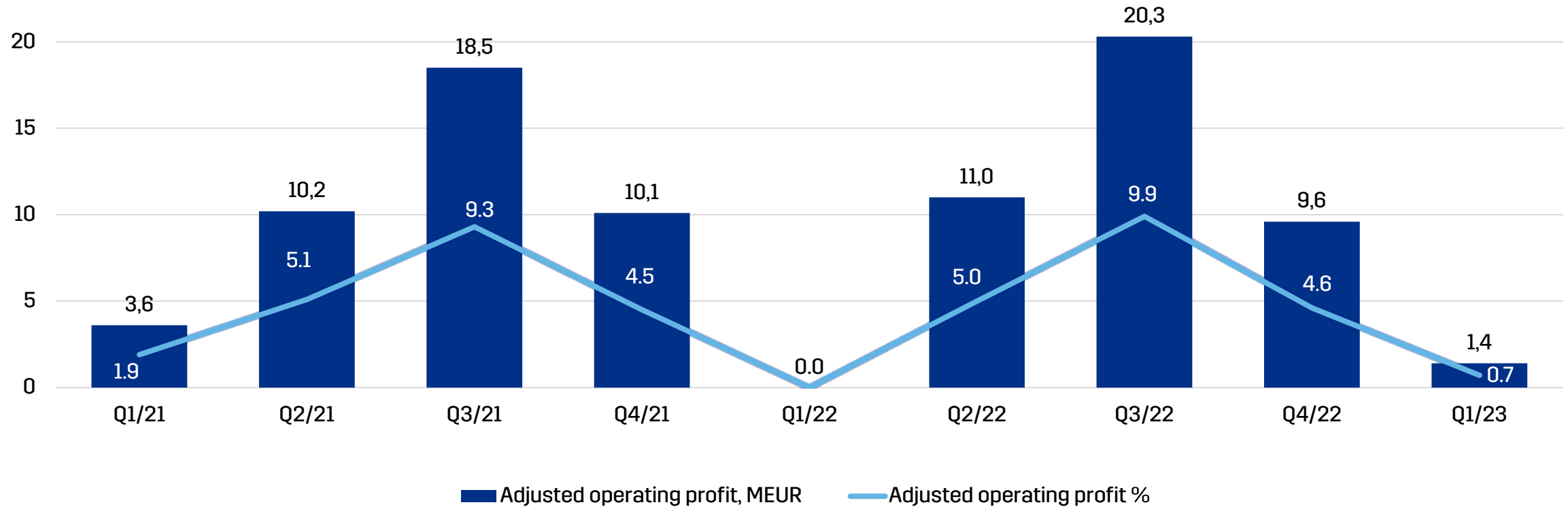


# SUSTAINABILITY SCORE CARD Q1/2023

- The renewable fuel distribution obligation in Finland was reduced by 7.5 percentage points in July. The change significantly increases transport emissions in Finland in will also impact L&T's CO2 emissions in Q1

<b>L&amp;T</b>	2019	2020	2021	2022	Q1/2022	<b>Q1/2023</b>	Target 2023	Target 2026	Target 2030
<b>CARBON FOOTPRINT (tCO2-ekv)</b>	43 100	36 700	37 800	31 700	8 500	7 543			
<b>CARBON HANDPRINT (tCO2-ekv)</b>	-526.600	-506.800	-524.900	-534.500	-125.800	-126.500			
<b>RECYCLING RATE (%)</b>	54.8	58.6	58.4	59,4	-	-	59.5	65	70
<b>TRIF</b>	23	24	24	23	26	23	22	19	15
<b>OCCUPATIONAL HEALTH RATE (%)</b>	42	50	44	40	59	61	50	57	60
<b>SICK LEAVE (%)</b>	5.0	4.7	5.1	5.6	6.5	5.6	4.8	4.3	4

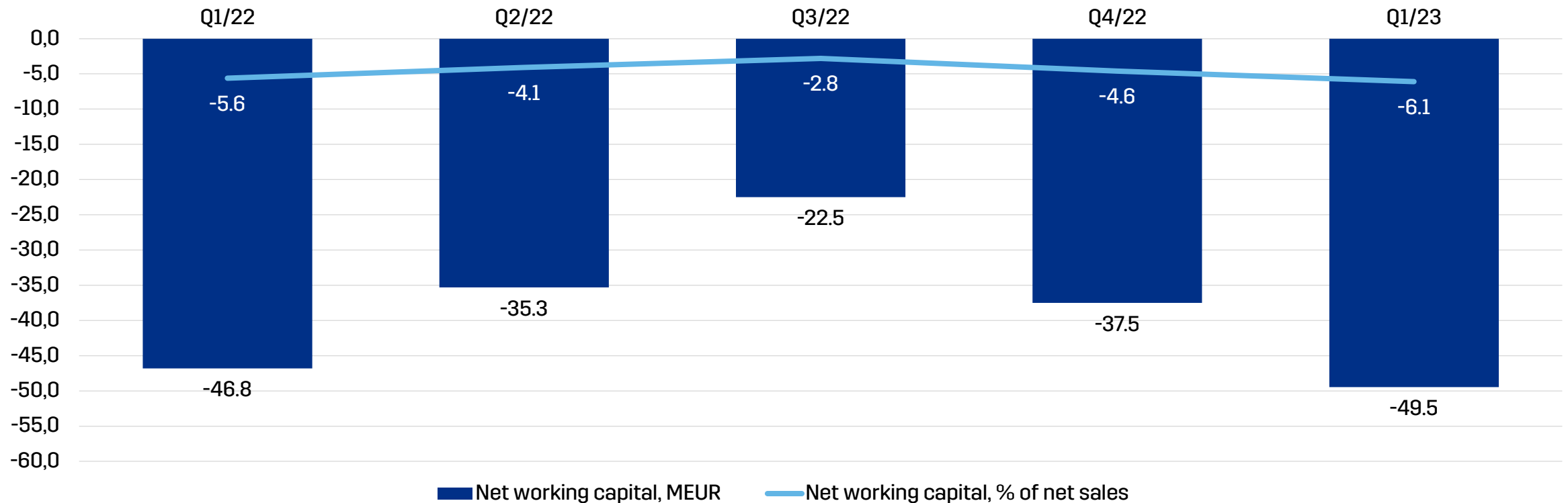
# ADJUSTED OPERATING PROFIT



# KEY FIGURES

	Q1/23	Q1/22	Change %	2022
Capital expenditure, MEUR	<b>13.8</b>	28.5	-51.5	<b>58.2</b>
Share of business acquisitions in capital expenditure, MEUR	-	21.0	-100.0	<b>21.5</b>
Depreciation, amortisation and impairment, MEUR	<b>14.0</b>	13.8	1.5	<b>55.4</b>
Return on equity (ROE), %	<b>2.2</b>	-1.5		<b>14.6</b>
Capital employed, EUR million	<b>421.8</b>	413.0		<b>437.2</b>
Return on capital employed (ROCE), %	<b>11.4</b>	9.9		<b>10.4</b>
Earnings per share, EUR	<b>0.03</b>	-0.02		<b>0.83</b>
Net cash flow from operating activities after investments per share, EUR	<b>0.50</b>	-0.16		<b>1.08</b>
Equity ratio, %	<b>32.7</b>	30.9		<b>34.3</b>
Gearing, %	<b>84.5</b>	103.3		<b>75.9</b>
Total number of employees at the end of the period	<b>8,244</b>	8,367		<b>8,371</b>

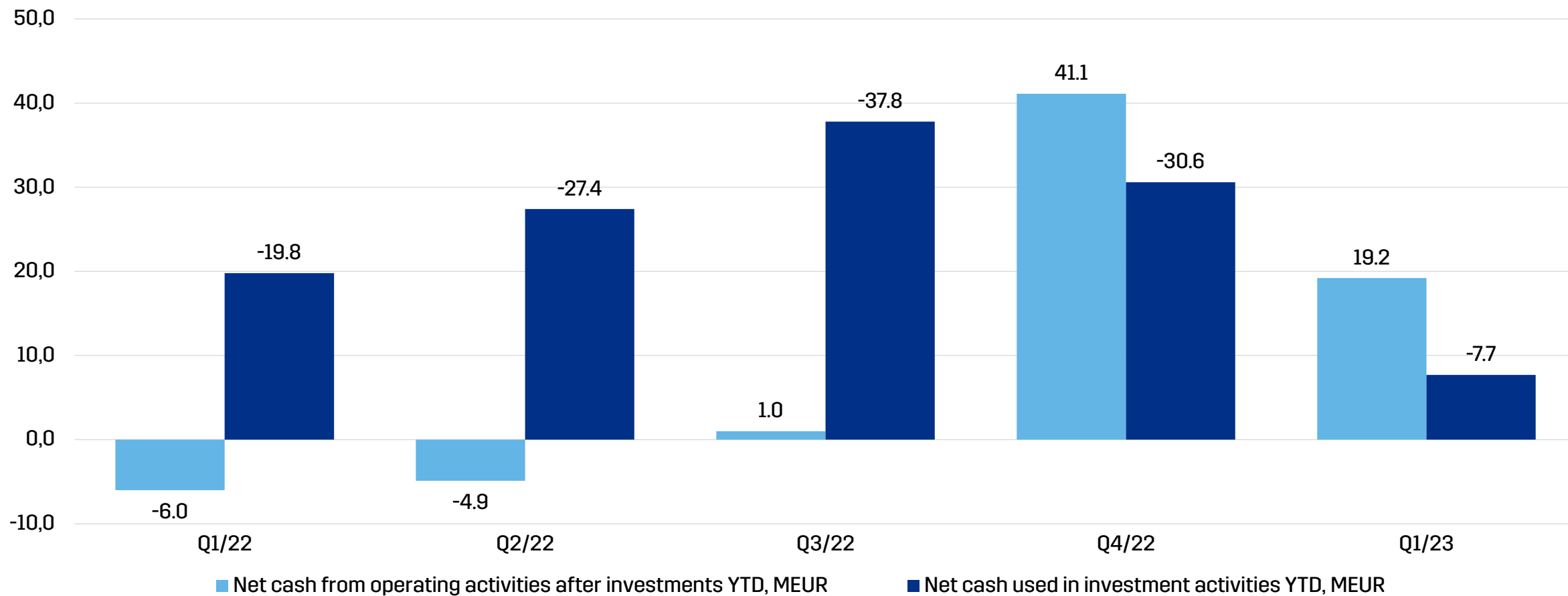
# NET WORKING CAPITAL



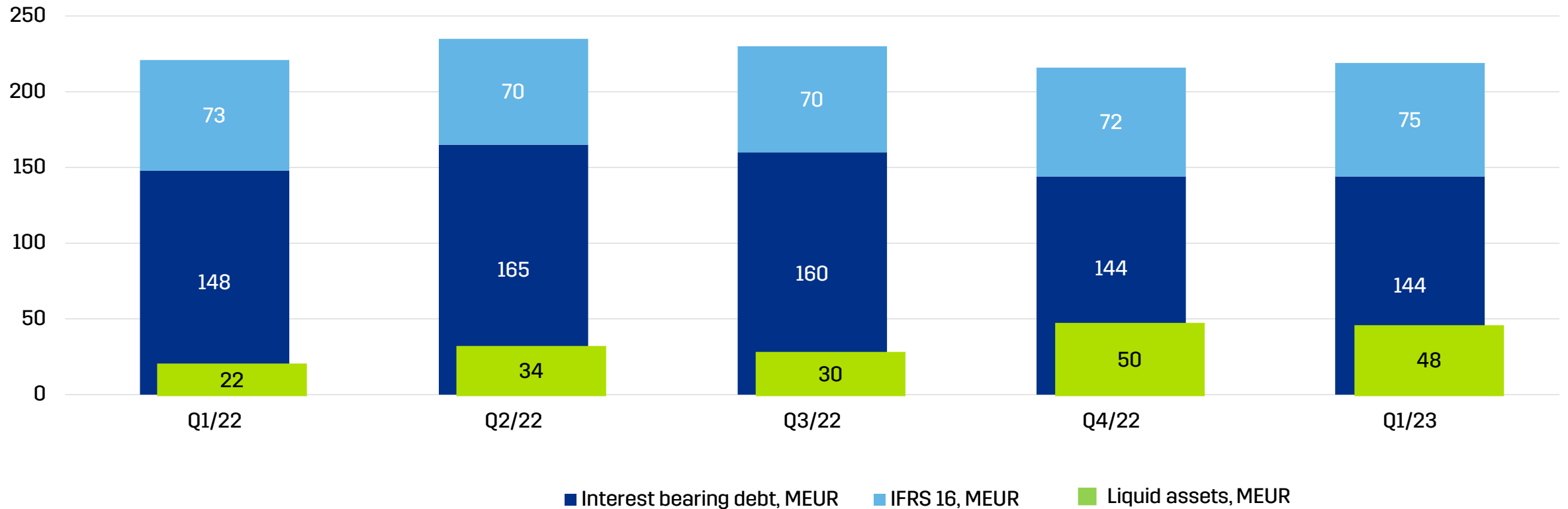
Net working capital = Current assets - income tax receivables - cash and cash equivalents - other non-current liabilities excluding deferred consideration - current trade and other payables  
 Net working capital, % of net sales = Net working capital / 12 month rolling net sales \* 100



# NET CASH FLOW AND NET INVESTMENTS



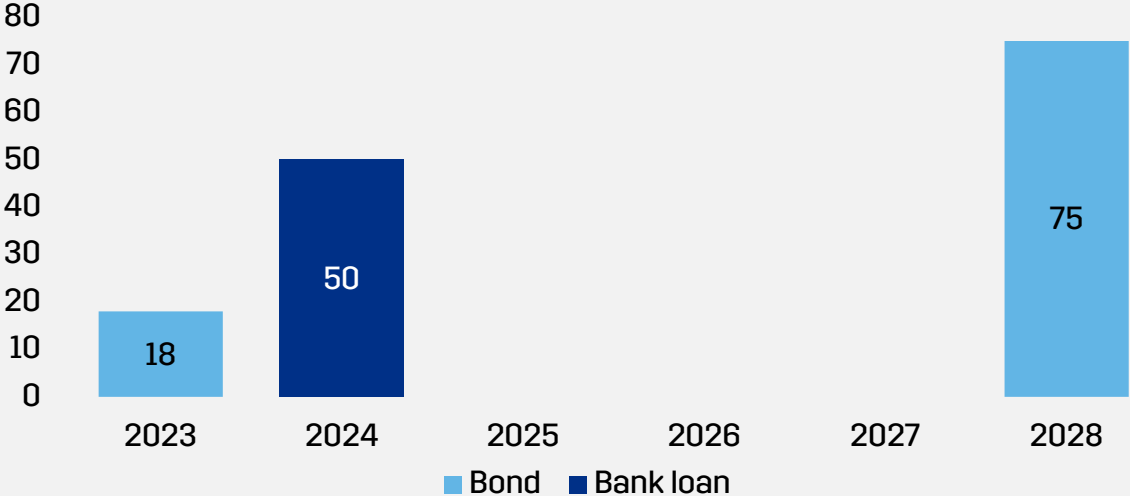
# INTEREST BEARING DEBT AND LIQUIDITY





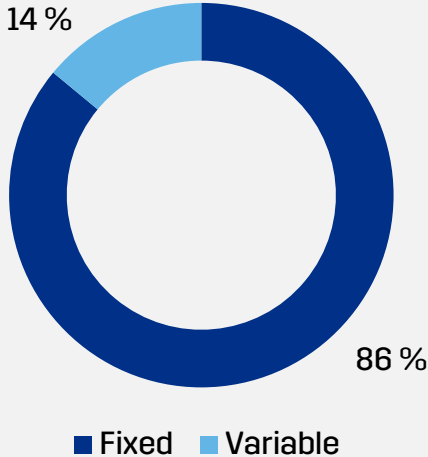
# MATURITY STRUCTURE OF LOANS

Loans, MEUR



Loans do not include commercial papers

Weighted average of effective interest rate 2.8% (1.1%)





# OUTLOOK FOR 2023

Net sales and adjusted operating profit in 2023 are estimated to be at the same level as in the previous year even though the comparison period includes net sales from the Renewable energy sources business in the amount of EUR 35.4 million.

# CONTACTS



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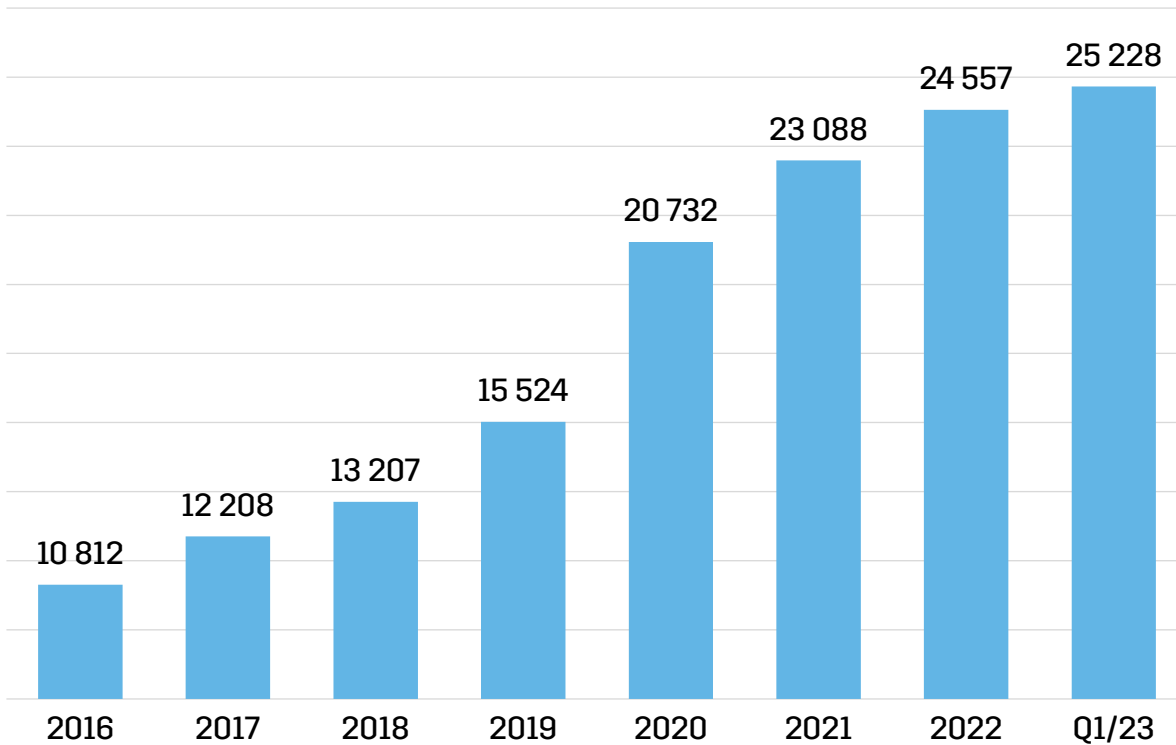


# SHAREHOLDERS

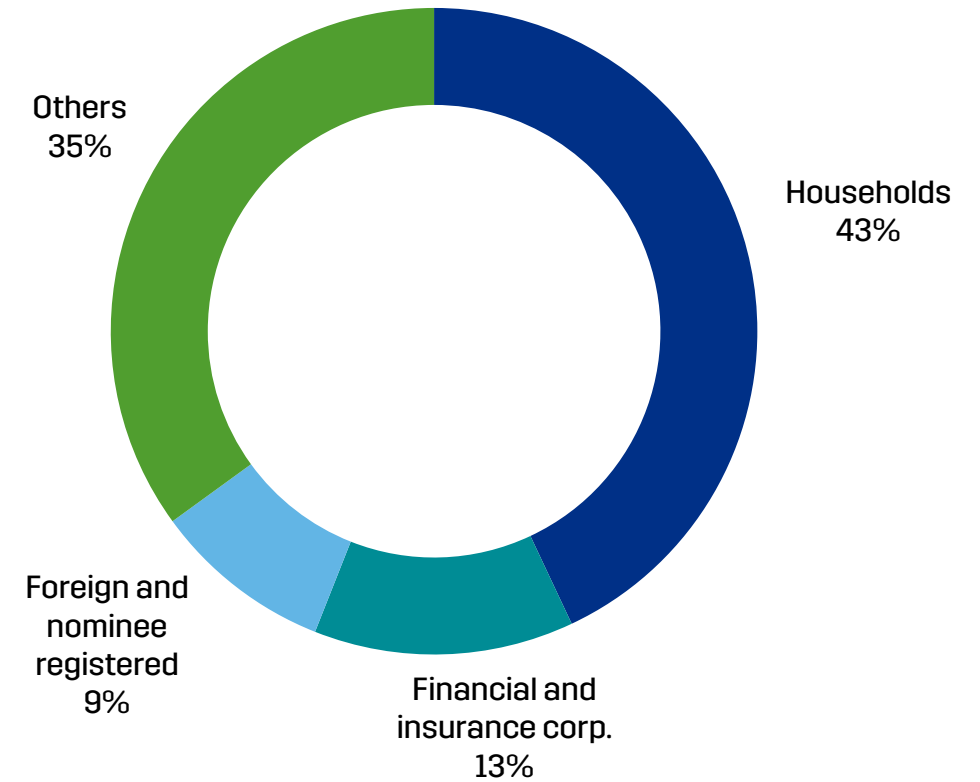


# SHAREHOLDER STRUCTURE

## Number of shareholders



## Shareholder structure



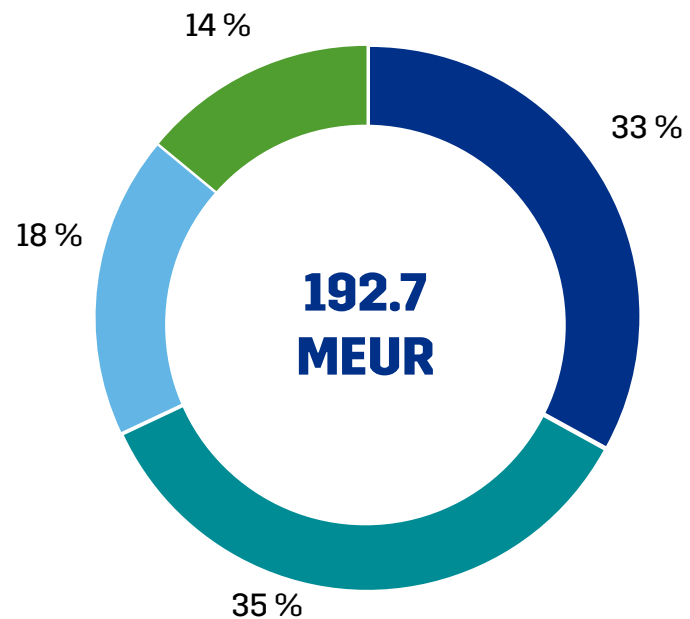
# MAJOR SHAREHOLDERS ON 31 MARCH 2023

Shareholder	Shares	%
Evald and Hilda Nissi's Foundation	3,496,487	9.01
Mandatum Life Insurance Company Limited	2,155,047	5.55
Nordea Funds Ltd	1,673,551	4.31
Maijala Juhani	1,529,994	3.94
Åbo Akademi University Foundation	1,066,282	2.75
Bergholm Heikki	875,000	2.26
Ilmarinen Mutual Pension Insurance Company	790,000	2.04
Varma Mutual Pension Insurance Company	729,791	1.88
Maijala Mikko	720,000	1.86
Lassila & Tikanoja Oyj	653,256	1.68
Ownership structure / sector	Shares	%
Nominee-registered shares	3,294,089	8.49
Number of shares	38,798,874	100.00
Number of shareholders	25,228	

# APPENDIX

# KEY FIGURES

## NET SALES Q1/2023



- 33% Environmental Services
- 35% Facility Services Finland
- 18% Facility Services Sweden
- 14% Industrial Services

	Q1/23	Q1/22	Change%	2022
Net sales, MEUR	<b>192.7</b>	210.4	-8.4	844.1
EBITDA, MEUR	<b>15.4</b>	13.5	14.3	98.3
Operating profit, MEUR	<b>1.4</b>	-0.3		42.9
Operating margin, %	<b>0.7</b>	-0.1		5.1
Earnings per share, EUR	<b>0.03</b>	-0.02		0.83



## Consolidated Income statement

MEUR	1-3/2023	1-3/2022	1-12/2022
<b>Net sales</b>	192.7	210.4	844.1
Other operating income	0.8	0.6	8.7
Materials and services	-62.4	-81.4	-286.7
Employee benefit expenses	-86.7	-88.7	-353.1
Other operating expenses	-29.0	-27.4	-114.7
Depreciation, amortisation and impairment	-14.0	-13.8	-55.4
<b>Operating profit</b>	1.4	-0.3	42.9
Financial income	0.4	0.0	0.4
Financial expenses	-2.0	-1.0	-6.0
Exchange rate differences (net)	-0.0	0.0	-0.2
Financial income and expenses	-1.6	-1.0	-5.8
Share of the result of associated companies and joint ventures	1.5	0.0	0.7
<b>Result before taxes</b>	1.4	-1.2	37.8
Income taxes	-0.2	0.5	-6.3
<b>Result for the period</b>	1.2	-0.7	31.5
<b>Attributable to:</b>			
Equity holders of the company	1.2	-0.7	31.5
<b>Earnings per share attributable to the equity holders of the parent company:</b>			
Earnings per share, EUR	0.03	-0.02	0.83
Diluted earnings per share, EUR	0.03	-0.02	0.83

## Consolidated statement of financial position

MEUR	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets			
Goodwill	180.1	182.3	180.7
Other intangible assets	37.2	37.4	36.5
	217.3	219.7	217.2
Tangible assets	153.6	157.3	155.3
Right-of-use assets	73.6	71.9	71.2
	227.2	229.2	226.6
Other non-current assets			
Shares in associated companies and joint ventures	15.5	0.0	14.0
Other shares and holdings	0.2	0.3	0.2
Deferred tax assets	2.4	2.9	1.9
Other receivables	1.8	1.8	1.9
	19.9	5.0	17.9
<b>Total non-current assets</b>	<b>464.4</b>	<b>453.9</b>	<b>461.7</b>
<b>Current assets</b>			
Inventories	8.5	5.9	7.8
Trade receivables	69.7	74.9	91.0
Contract assets	34.9	30.6	30.8
Income tax receivables	3.2	5.7	8.7
Other receivables	10.6	11.3	11.0
Cash and cash equivalents	47.6	22.3	49.5
	174.5	150.6	198.8
Assets classified as held for sale	-	34.9	-
<b>Total current assets</b>	<b>174.5</b>	<b>185.5</b>	<b>198.8</b>
<b>Total assets</b>	<b>638.9</b>	<b>639.4</b>	<b>660.5</b>

MEUR	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity attributable to the equity holders of the parent company			
Share capital	19.4	19.4	19.4
Other reserves	-11.6	-6.3	-10.6
Invested unrestricted equity reserve	0.6	0.6	0.6
Retained earnings	194.3	178.5	211.0
<b>Total equity</b>	<b>202.8</b>	<b>192.2</b>	<b>220.4</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	28.0	27.6	28.1
Retirement benefit obligations	1.2	1.6	1.2
Provisions	7.3	8.2	7.4
Financial liabilities	179.2	180.4	177.5
Other liabilities	12.7	10.5	13.3
	228.4	228.3	227.5
<b>Current liabilities</b>			
Financial liabilities	39.8	40.4	39.3
Trade and other payables	166.1	162.6	170.5
Income tax liabilities	1.1	0.9	1.0
Provisions	0.8	2.8	1.7
	207.8	206.7	212.6
Liabilities related to assets classified as held for sale	-	12.2	-
<b>Total liabilities</b>	<b>436.2</b>	<b>447.2</b>	<b>440.1</b>
<b>Total equity and liabilities</b>	<b>638.9</b>	<b>639.4</b>	<b>660.5</b>

# **CIRCULAR ECONOMY - MADE REAL**