



LASSILA & TIKANOJA INTERIM REPORT Q3 2022

Eero Hautaniemi, President & CEO
Valtteri Palin, CFO
27 October 2022





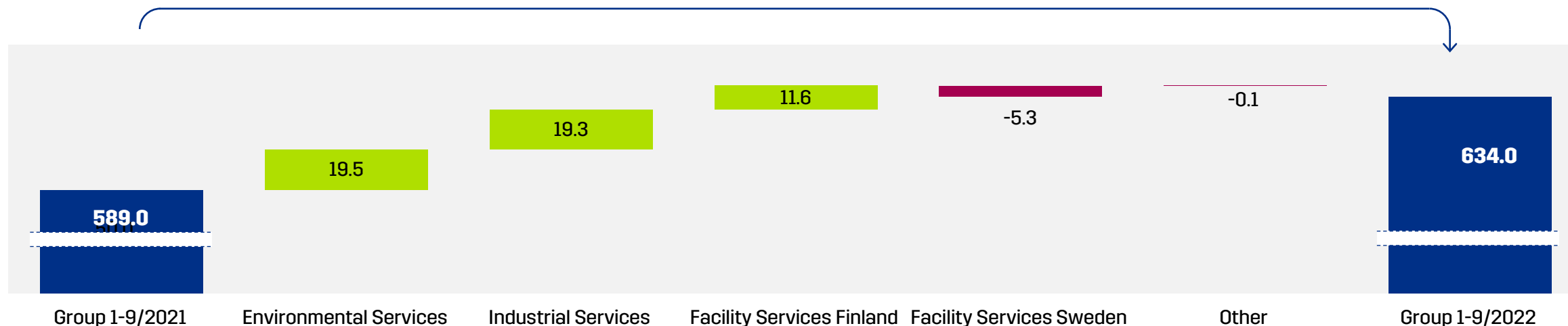
IN FOCUS

Q3 2022

- Net sales grew by 3.1% to EUR 204.4 million (198.4)
 - Net sales growth excluding the renewable energy sources business was 7%
- Adjusted operating profit was EUR 20.3 million (18.5)
- Strong quarter in Environmental Services and Industrial Services
- EcoVadis, a leading ratings platform for assessing sustainability, awarded the highest possible Platinum rating to L&T in its assessment

NET SALES

7.6% (Organic growth 4.8%)

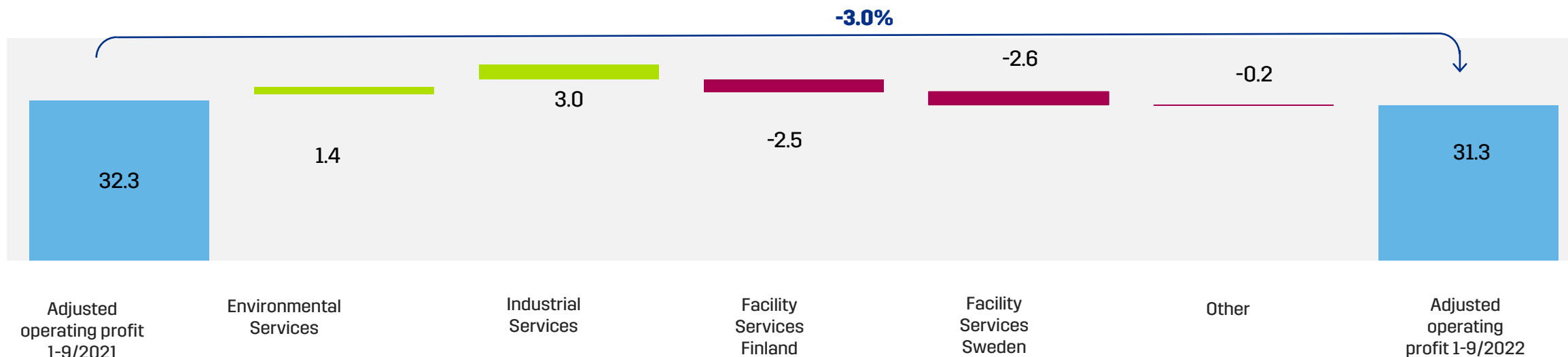


MEUR	Q3/22	Q3/21	Change%	1-9/22	1-9/21	Change%	2021
Environmental Services	75.0	77.2*	-2.9	250.1*	230.7*	8.4	320.5*
Industrial Services	38.9	29.8	30.4	95.7	76.4	25.3	105.1
Facility Services Finland	60.2	59.9	0.5	191.7	180.1	6.4	243.1
Facility Services Sweden	31.9	32.7	-2.6	100.7	106.0	-5.0	149.8
L&T Group	204.4	198.4	3.1	634.0	589.0	7.6	812.5

*Environmental Services Net sales excluding the renewable energy sources in 1-9/22 were EUR 216.0 million (194.2), in Q3/21 EUR 70.1 million and in 2021 EUR 265.5 million



ADJUSTED OPERATING PROFIT



MEUR	Q3/22	Q3/21	Change%	1-9/22	1-9/21	Change%	2021
Environmental Services	11.1	10.3*	8.0	24.1*	22.7*	6.1	29.8*
Industrial Services	7.0	4.1	71.7	10.4	7.5	39.8	9.2
Facility Services Finland	2.0	2.9	-30.4	-1.3	1.2	-210.0	1.8
Facility Services Sweden	0.2	1.5	-84.6	-0.1	2.5	-105.2	3.9
Other	-0.1	-0.3	65.4	-1.8	-1.6	-10.9	-2.2
Adjusted operating profit	20.3	18.5	9.8	31.3	32.3	-3.0	42.4

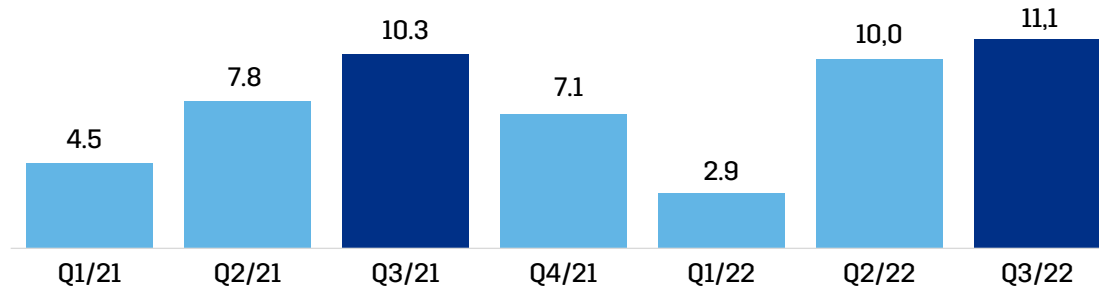
The cost impact of COVID-19 and fuel prices was EUR 5.2 million in Q1/2022

*Environmental Services operating profit excluding the renewable energy sources was in 1-9/22 EUR 23.8 million (22.3), in Q3/21 EUR 10.2 million and in year 2021 EUR 28.9 million

OPERATING PROFIT BY DIVISION

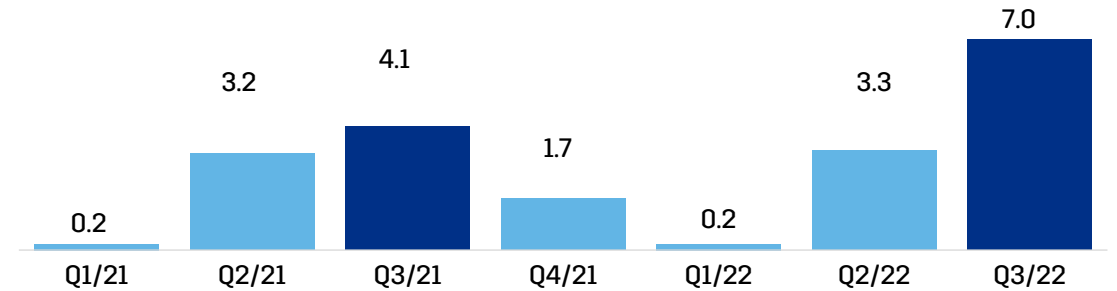
ENVIRONMENTAL SERVICES

MEUR



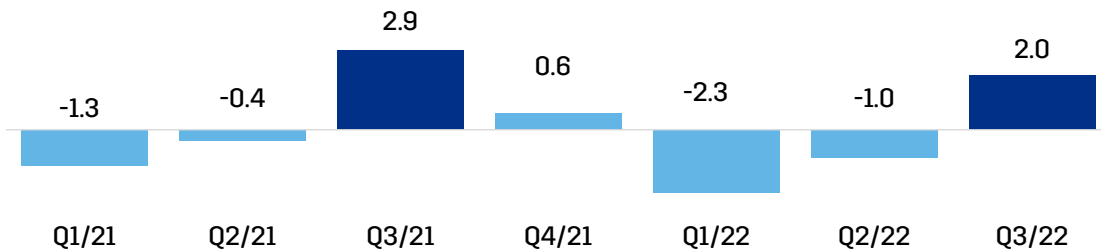
INDUSTRIAL SERVICES

MEUR



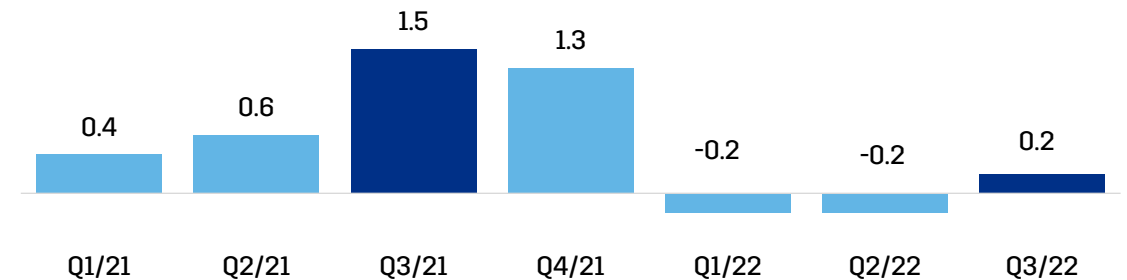
FACILITY SERVICES FINLAND

MEUR



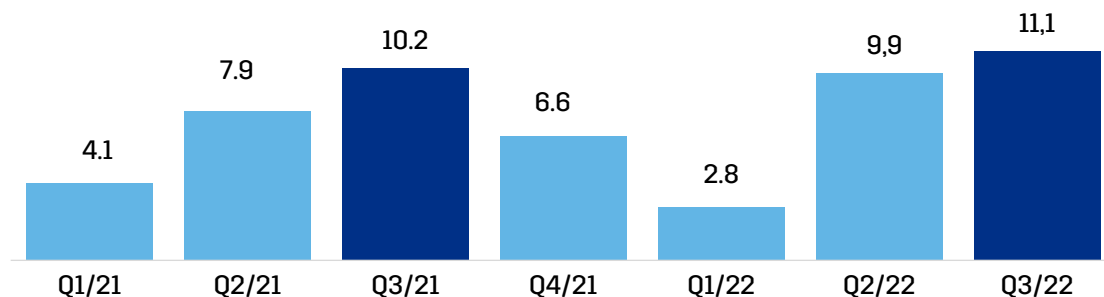
FACILITY SERVICES SWEDEN

MEUR

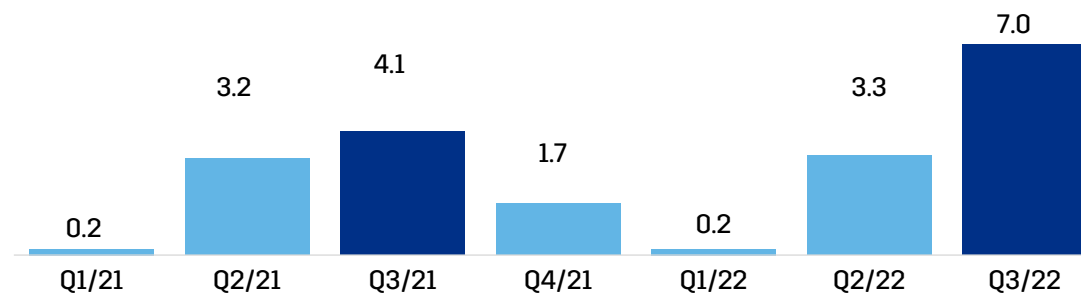


OPERATING PROFIT BY DIVISION

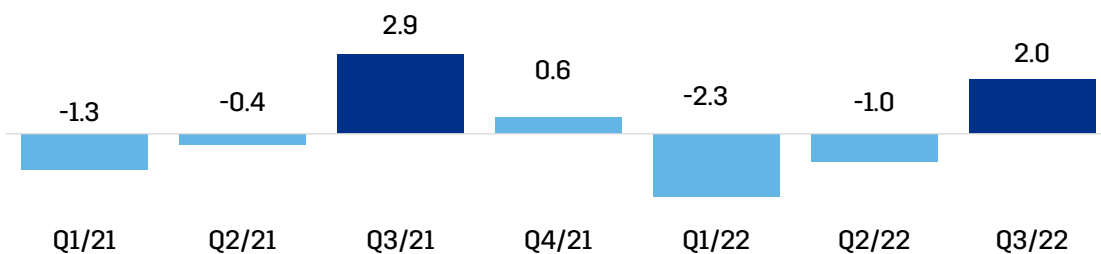
ENVIRONMENTAL SERVICES excl. the renewable energy sources MEUR



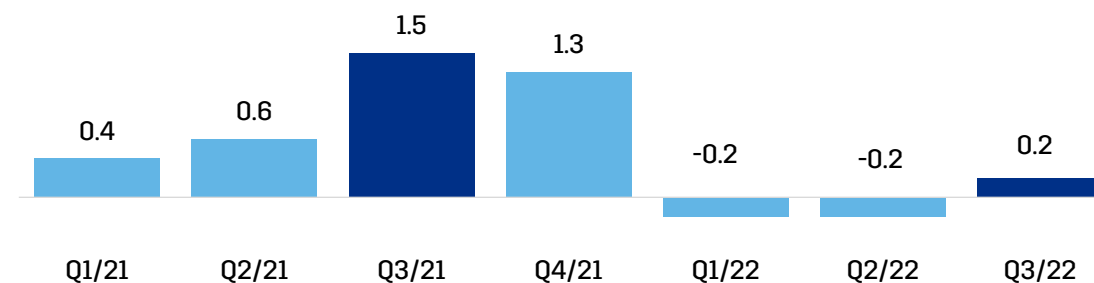
INDUSTRIAL SERVICES MEUR



FACILITY SERVICES FINLAND MEUR



FACILITY SERVICES SWEDEN MEUR

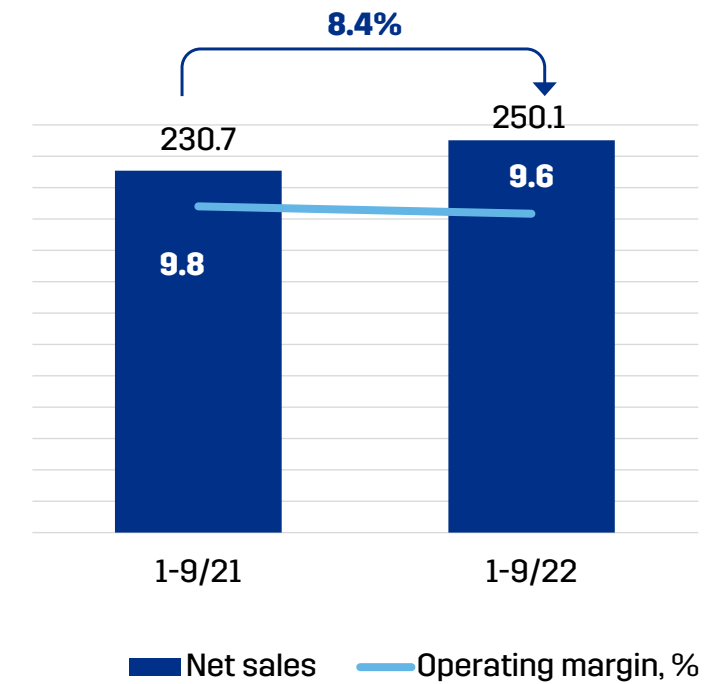


ENVIRONMENTAL SERVICES



- The number of B2B customers continued to grow and the demand for recycled raw materials remained solid

MEUR	Q3/22	Q3/21	Change%	1-9/22	1-9/21	Change%	2021
Net sales	75.0	77.2	-2.9	250.1	230.7	8.4	320.5
EBITDA	17.9	17.2	4.2	44.4	42.9	3.6	56.5
Operating profit	11.1	10.3	8.0	24.1	22.7	6.1	29.8
Operating margin, %	14.9	13.4		9.6	9.8		9.3



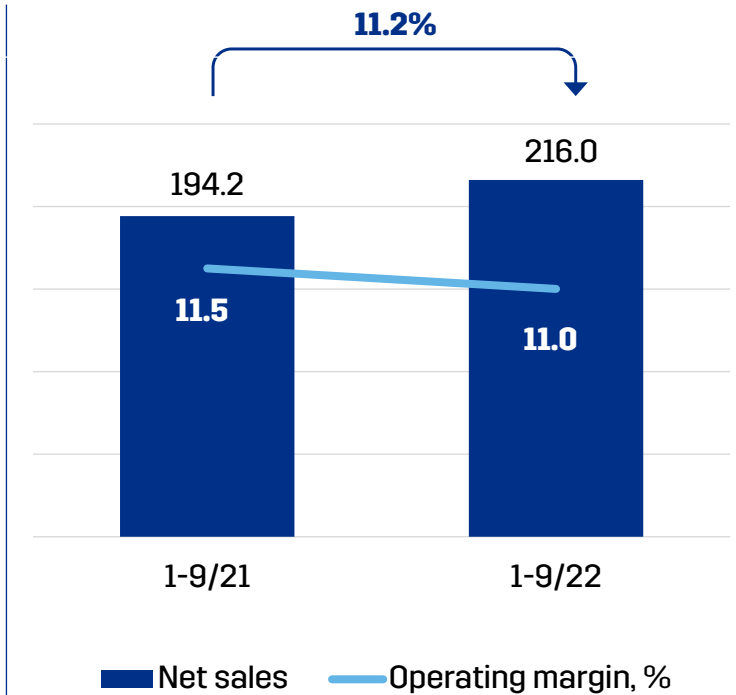
ENVIRONMENTAL SERVICES

EXCL. RENEWABLE ENERGY SOURCES BUSINESS



- The number of B2B customers continued to grow and the demand for recycled raw materials remained solid

MEUR	Q3/22	Q3/21	Change%	1-9/22	1-9/21	Change%	2021
Net sales	75.0	70.1	7.0	216.0	194.2	11.2	265.5
EBITDA	17.9	17.0	5.3	44.2	42.3	4.4	55.5
Operating profit	11.1	10.2	9.3	23.8	22.3	6.9	28.9
Operating margin, %	14.9	14.6		11.0	11.5		10.9

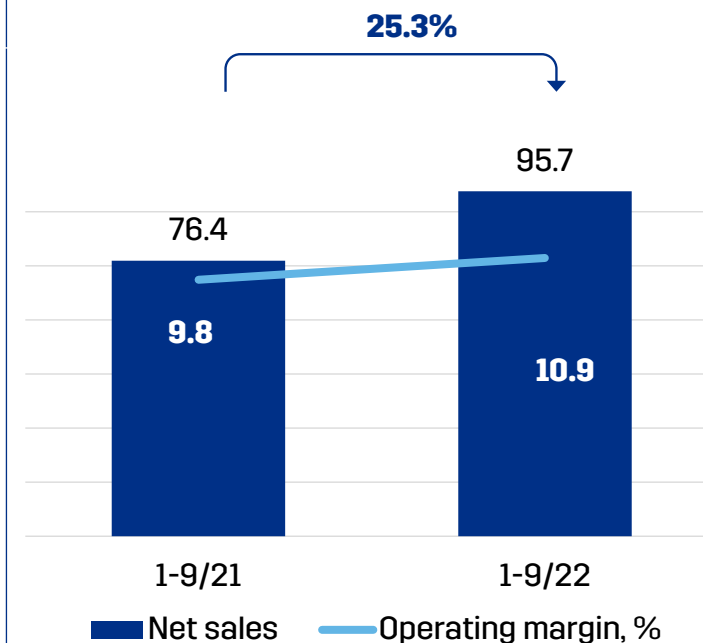


INDUSTRIAL SERVICES



- The demand for hazardous waste services was strong and several new soil decontamination projects begun
- Resource allocation for the annual maintenance breaks succeeded well

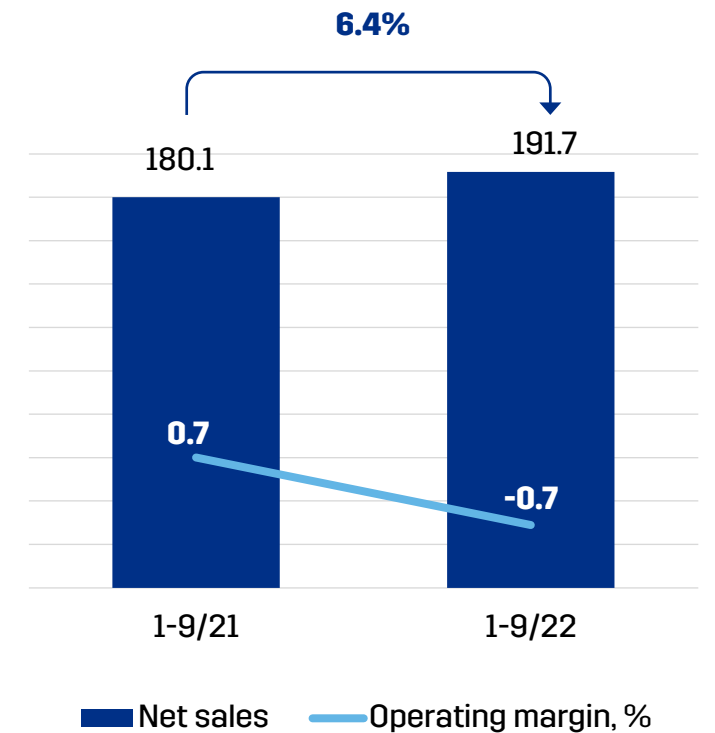
MEUR	Q3/22	Q3/21	Change%	1-9/22	1-9/21	Change%	2021
Net sales	38.9	29.8	30.4	95.7	76.4	25.3	105.1
EBITDA	10.2	6.4	59.0	19.4	14.3	35.9	18.6
Operating profit	7.0	4.1	71.7	10.4	7.5	39.8	9.2
Operating margin, %	17.9	13.6		10.9	9.8		8.7



FACILITY SERVICES FINLAND

- The labour market remained challenging and employee turnover increased
- The general cost inflation increased the production costs and they could not be fully passed on to customer prices, especially in property maintenance
- Measures to reduce costs and improve profitability continued

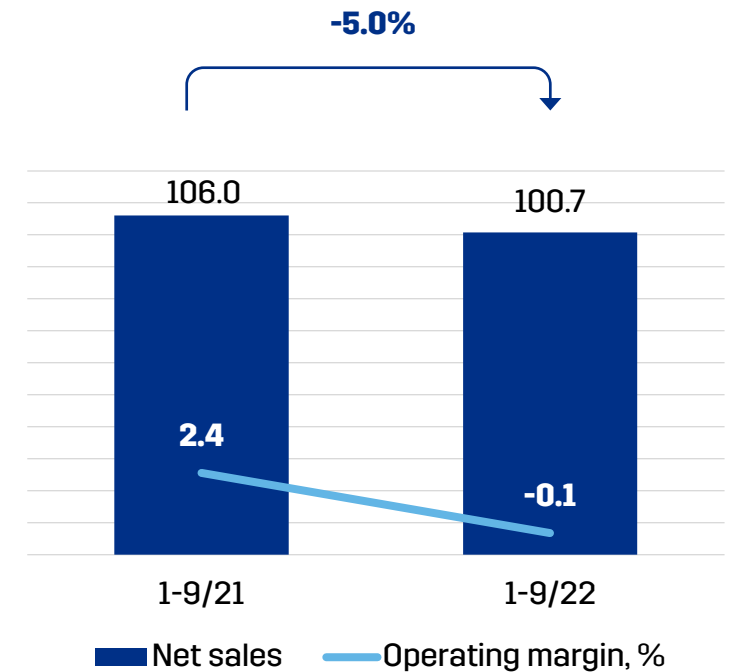
MEUR	Q3/22	Q3/21	Change%	1-9/22	1-9/21	Change%	2021
Net sales	60.2	59.9	0.5	191.7	180.1	6.4	243.1
EBITDA	4.3	5.2	-17.5	5.5	8.2	-32.8	11.0
Operating profit	2.0	2.9	-30.4	-1.3	1.2	-210.0	1.8
Operating margin, %	3.4	4.9		-0.7	0.7		0.7



FACILITY SERVICES SWEDEN

- The general cost inflation increased production costs and the higher production costs could not be fully passed on to customers
- Measures to reduce costs and simplify the way of working continued

MEUR	Q3/22	Q3/21	Change%	1-9/22	1-9/21	Change%	2021
Net sales	31.9	32.7	-2.6	100.7	106.0	-5.0	149.8
EBITDA	1.6	3.1	-49.0	4.6	7.1	-36.0	10.4
Operating profit	0.2	1.5	-84.6	-0.1	2.5	-105.2	3.9
Operating margin, %	0.7	4.5		-0.1	2.4		2.6



SUSTAINABILITY HIGHLIGHTS IN Q3

Energy efficiency improvements for Technopolis and other facility owners and managers

L&T's people managers and supervisors have attended diversity and inclusion workshops to support building an inclusive L&T culture

EcoVadis, a leading ratings platform for assessing sustainability, awarded the highest possible Platinum rating to L&T in its assessment

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

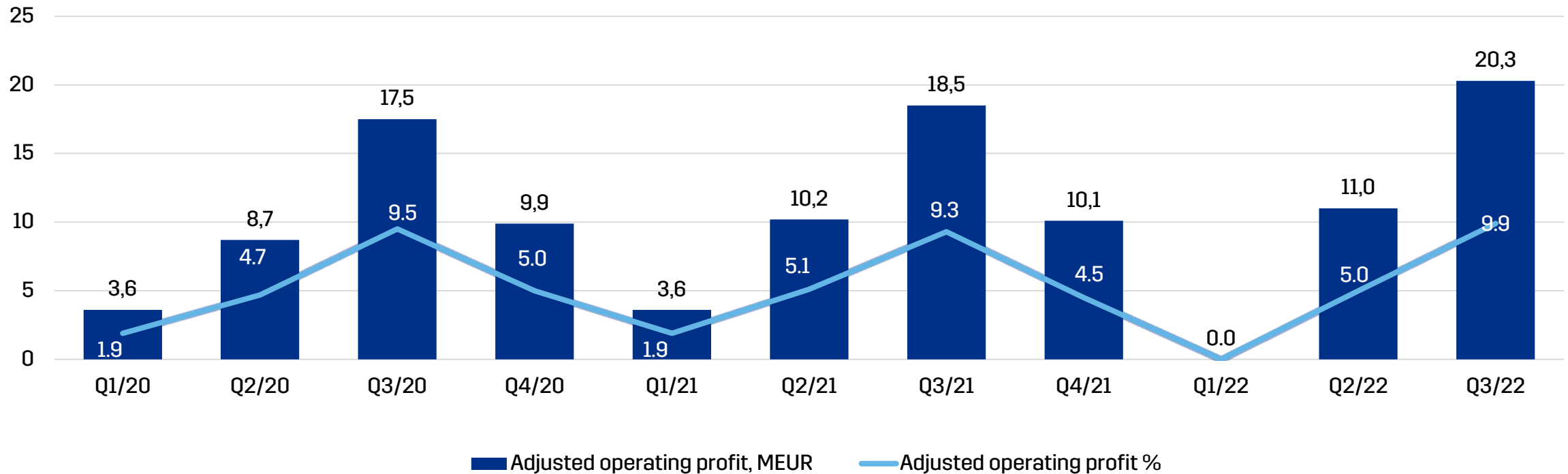


SUSTAINABILITY SCORE CARD 2022

- The renewable fuel distribution obligation in Finland was reduced by 7.5 percentage points in July. The change significantly increases transport emissions in Finland and will also have a negative impact on L&T's transport emissions in 2022
- The carbon handprint of the renewable energy sources business will no longer be reported as part of L&T Group after Q2

L&T	2018	2019	2020	2021	1-9/2022	1-9/2021	Target 2022	Target 2026	Target 2030
CARBON FOOTPRINT (tCO2-ekv)	47 400	43 100	36 700	37 800	24 200	27 700			
EMISSION INTENSITY (gCO2-ekv/km)	952	867	818	771	661	763	748	594	476
CARBON HANDPRINT (tCO2-ekv)	1 187 000	1 172 000	1 231 000	1 104 000	388 000	752 000			
TRIF	25	23	24	24	23	23	23	19	15
OCCUPATIONAL HEALTH RATE (%)	40	42	50	44.3	47	55	50	57	60
SICK LEAVE (%)	5.0	5.0	4.7	5.1	5.5	4.6	4.6	4.3	4

ADJUSTED OPERATING PROFIT



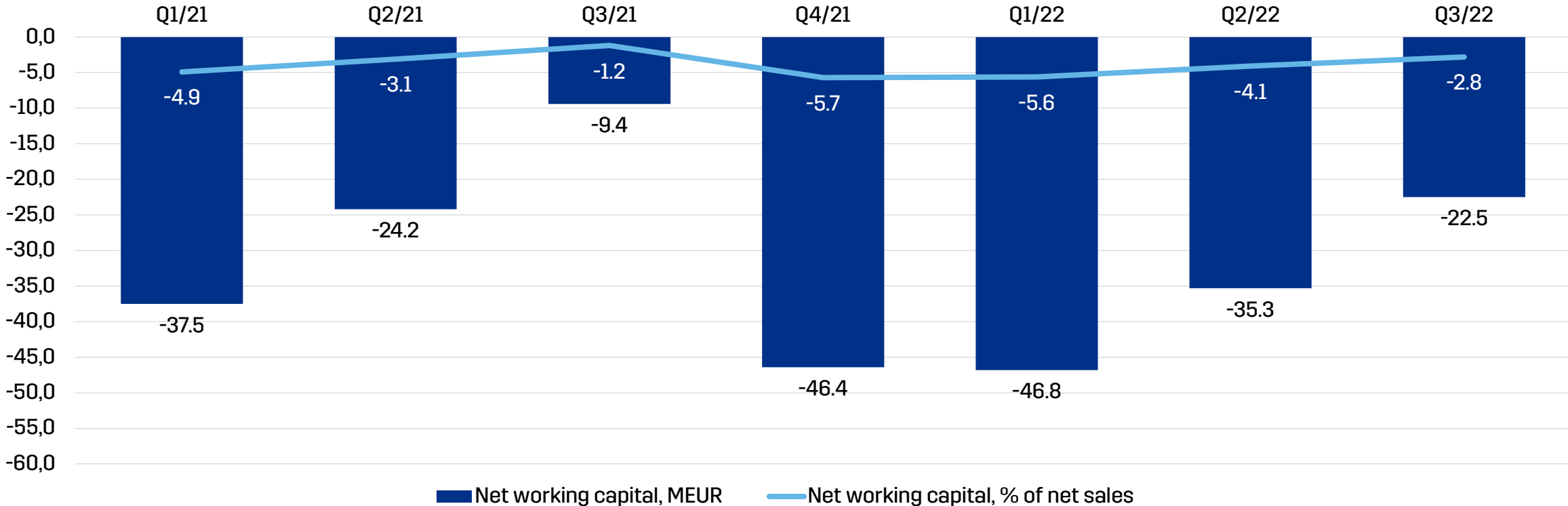
The cost impact of COVID-19 and fuel prices was EUR 5.2 million in Q1/2022

KEY FIGURES

	Q3/22	Q3/21	Change %	1-9/22	1-9/21	Change %	2021
Capital expenditure, MEUR	10.1	13.8	-27.2	45.8	54.0	-15.3	72.3
Share of business acquisitions in capital expenditure, MEUR				21.8	27.0	-19.1	31.0
Depreciation, amortisation and impairment, MEUR	13.9	13.4	3.5	41.8	39.7	5.4	52.9
Return on equity (ROE), %				12.9	16.5		17.1
Invested capital, EUR million				440.1	410.0		406.0
Return on investment (ROI), %				9.4	10.9		10.8
Equity ratio, %				32.7	33.1		33.7
Gearing, %				95.0	92.6		79.4
Total number of employees at the end of the period				8,637	8,729		8,171

NET WORKING CAPITAL

- Renewable energy sources business was re-classified as an assets held for sale and that improved the net working capital by EUR 21 million in Q4/2021

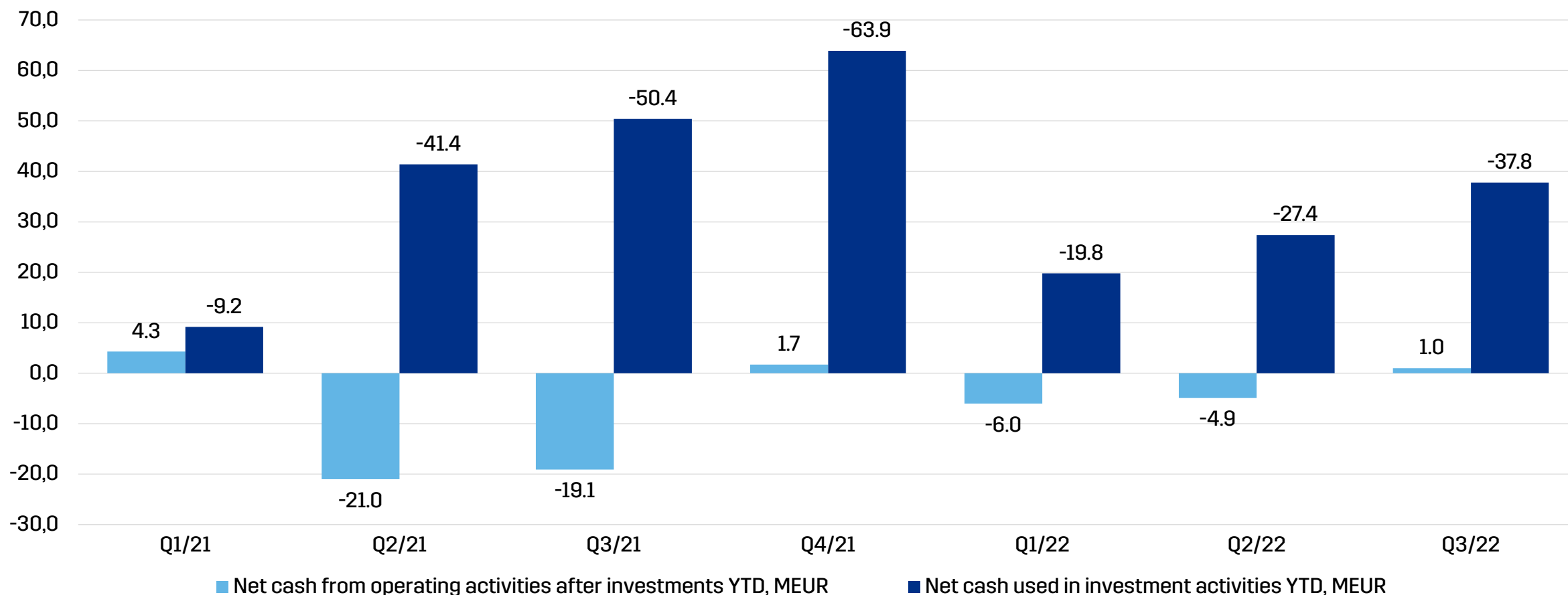


Net working capital = Current assets - income tax receivables - cash and cash equivalents - other non-current liabilities excluding deferred consideration- current trade and other payables
 Net working capital, % of net sales = Net working capital / 12 month rolling net sales * 100

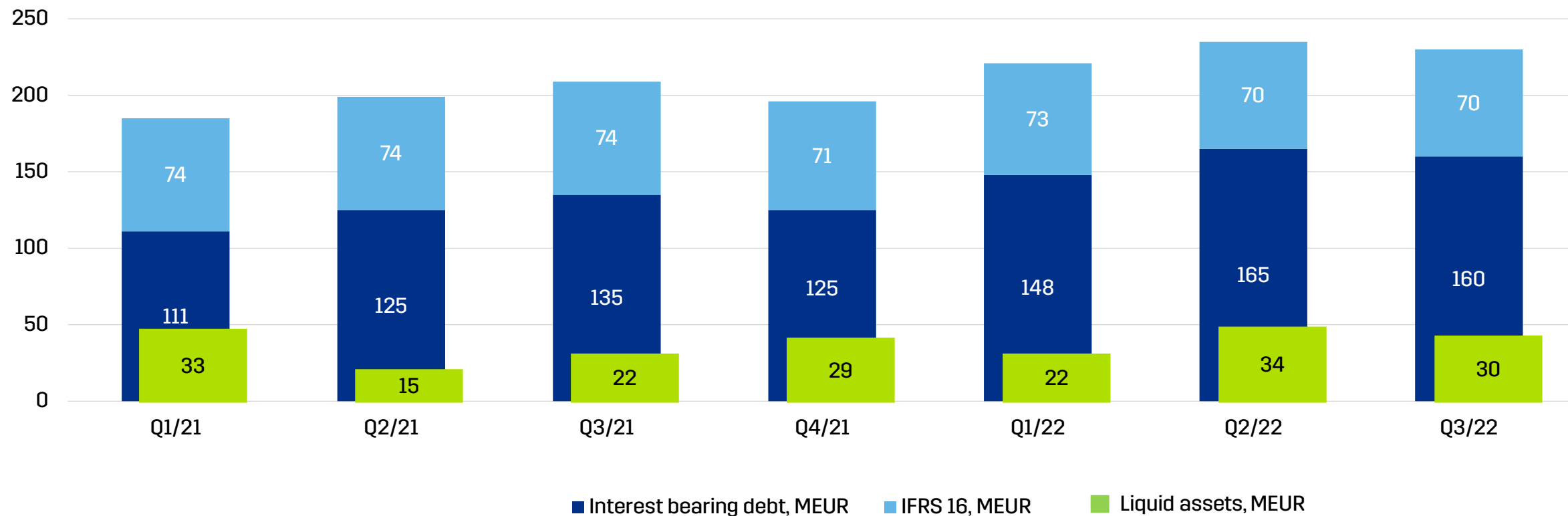


NET CASH FLOW AND NET INVESTMENTS

- Acquisitions were EUR 13.0 million (EUR 23.0 million) in YTD cash flow

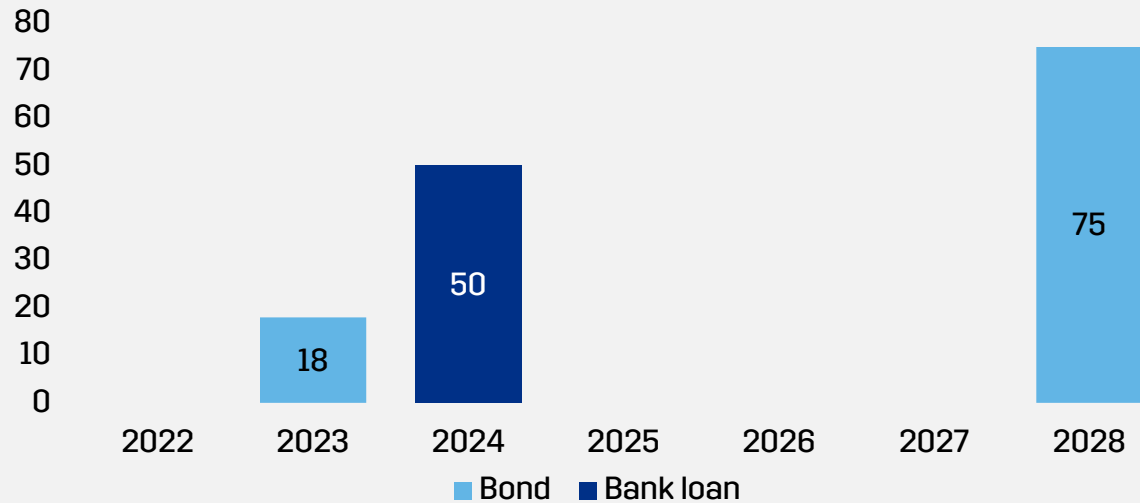


INTEREST BEARING DEBT AND LIQUIDITY



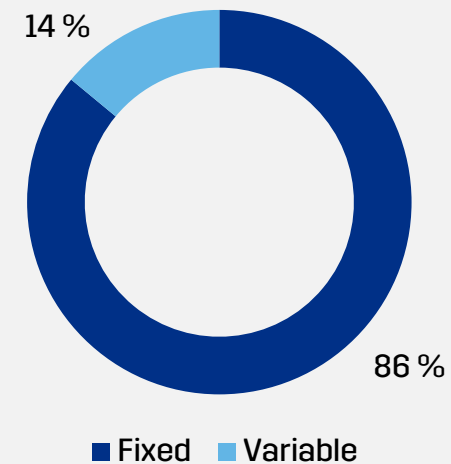
MATURITY STRUCTURE OF LOANS

Loans, MEUR



Loans do not include commercial papers

Weighted average of effective interest rate 2.5% (1.1%)





OUTLOOK FOR 2022

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

Starting from 1 July 2022 the renewable energy sources business will no longer be consolidated to the Group net sales. The renewable energy sources business was merged with Neova Oy's corresponding business and was given the name Laania Plc. The net sales of L&T's Renewable energy sources business in January-June were EUR 35.4 million

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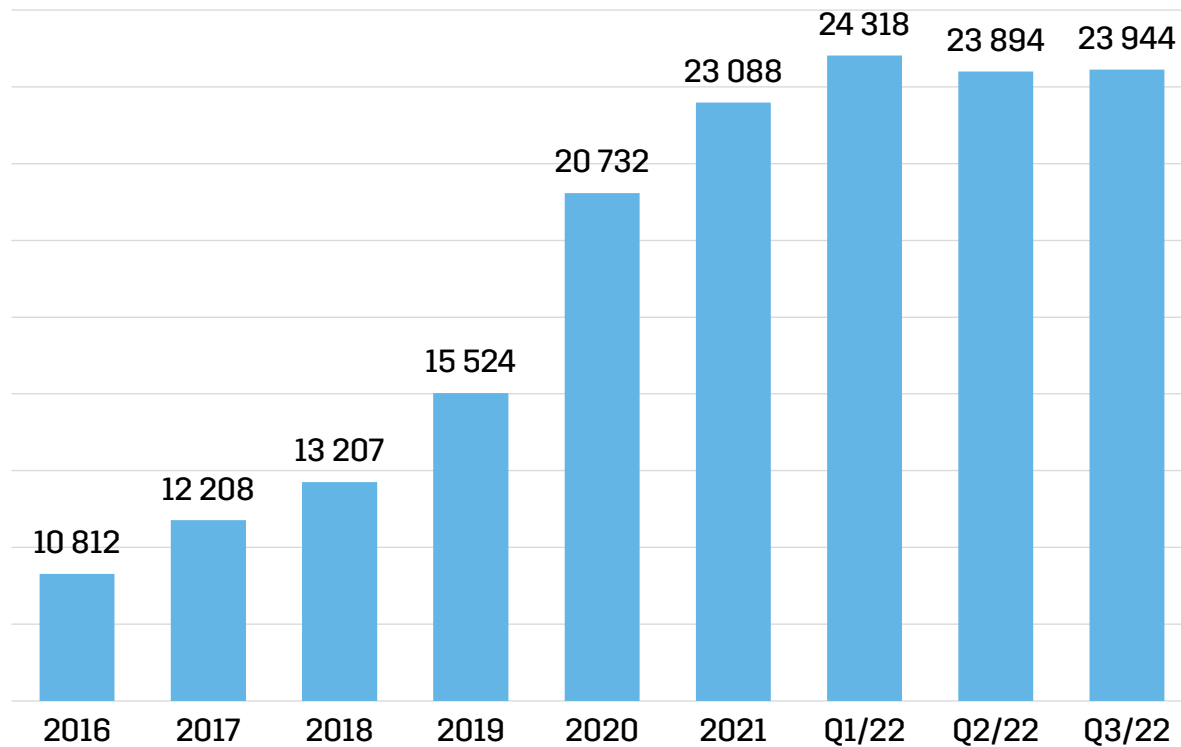


SHAREHOLDERS

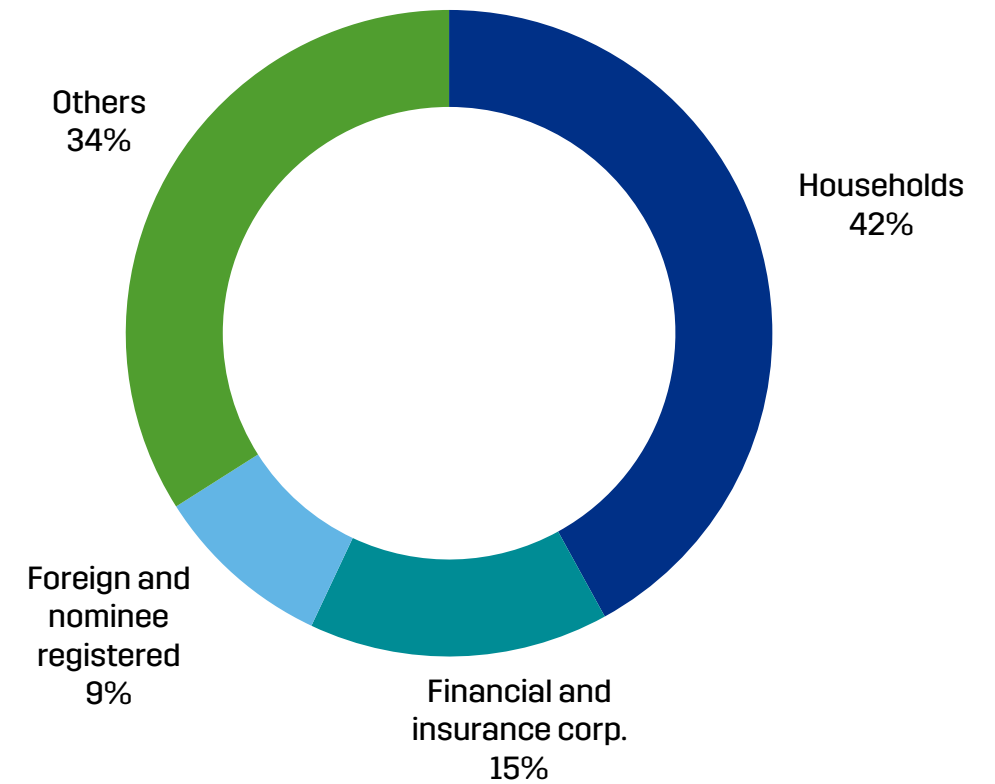


SHAREHOLDER STRUCTURE

Number of shareholders



Shareholder structure



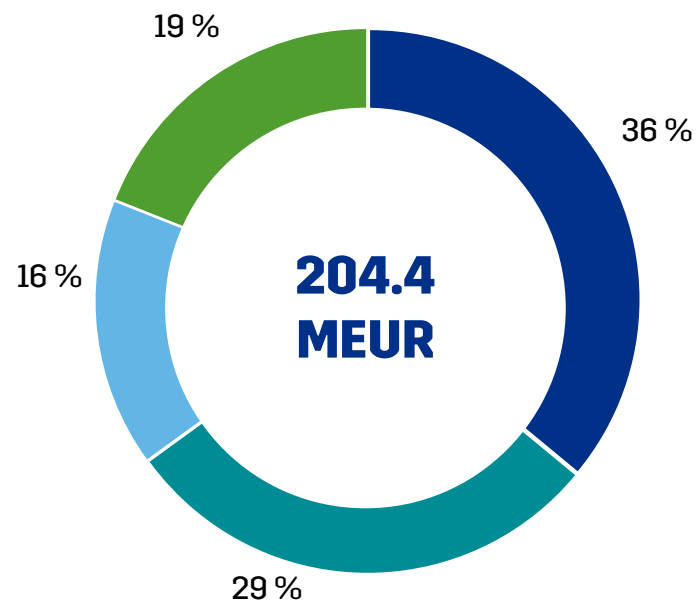
MAJOR SHAREHOLDERS ON 30 SEPTEMBER 2022

Shareholder	Shares	%
Evald and Hilda Nissi's Foundation	3,146,487	8.11
Mandatum Life Insurance Company Limited	3,028,547	7.81
Nordea Funds Ltd	1,717,533	4.43
Maijala Juhani	1,529,994	3.94
Åbo Akademi University Foundation	1,066,282	2.75
Bergholm Heikki	865,000	2.23
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	3,168,102	8.17
Number of shares	38,798,874	100.00
Number of shareholders	23,994	

APPENDIX

KEY FIGURES

NET SALES Q3/2022



- 36% Environmental Services
- 29% Facility Services Finland
- 16% Facility Services Sweden
- 19% Industrial Services

	Q3/22	Q3/21	Change%	1-9/2022	1-9/2021	Change%	2021
Net sales, MEUR	204.4	198.4	3.1	634.0	589.0	7.6	812.5
EBITDA, MEUR	34.1	31.4	8.5	71.8	71.9	-0.2	95.1
Operating profit, MEUR	20.2	18.0	12.2	30.0	32.3	-7.0	42.2
Operating margin, %	9.9	9.1		4.7	5.5		5.2
EVA, MEUR	12.9	11.2	15.4	9.0	12.9	-29.9	15.9
Earnings per share, EUR	0.38	0.37	4.7	0.53	0.64	-16.7	0.90

Consolidated income statement

MEUR	7-9/2022	7-9/2021	1-9/2022	1-9/2021	1-12/2021
Net sales	204.4	198.4	634.0	589.0	812.5
Other operating income	0.5	0.5	2.0	2.3	3.8
Materials and services	-62.0	-62.5	-215.8	-199.0	-282.5
Employee benefit expenses	-83.2	-81.8	-264.3	-252.9	-342.6
Other operating expenses	-25.7	-23.1	-84.0	-67.5	-95.9
Depreciation, amortisation and impairment	-13.9	-13.4	-41.8	-39.7	-52.9
Operating profit	20.2	18.0	30.0	32.3	42.2
Financial income	0.1	0.0	0.2	0.1	0.3
Financial expenses	-1.6	-1.0	-4.2	-2.7	-3.8
Exchange rate differences (net)	-0.1	0.1	-0.2	0.1	0.3
Financial income and expenses	-1.6	-0.8	-4.2	-2.5	-3.3
Share of the result of associated companies and joint ventures	-0.2	0.0	-0.2	0.0	0.0
Result before taxes	18.4	17.1	25.6	29.8	39.0
Income taxes	-3.8	-3.2	-5.3	-5.4	-4.6
Result for the period	14.6	14.0	20.3	24.4	34.4
Attributable to:					
Equity holders of the company	14.6	14.0	20.3	24.4	34.4
Earnings per share attributable to the equity holders of the parent company:					
Earnings per share, EUR	0.38	0.37	0.53	0.64	0.90
Diluted earnings per share, EUR	0.38	0.37	0.53	0.64	0.90

Consolidated statement of financial position

MEUR	9/2022	9/2021	12/2021
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	181.6	172.1	172.1
Other intangible assets	35.8	34.2	32.5
	217.4	206.3	204.6
Tangible assets	156.8	145.8	153.0
Right-of-use assets	68.8	74.2	69.8
	225.6	220.0	222.8
Other non-current assets			
Shares in associated companies and joint ventures	6.2	0.0	0.0
Other shares and holdings	0.2	0.2	0.2
Loan receivables from joint ventures	19.0	-	-
Deferred tax assets	6.7	5.7	5.6
Other receivables	1.9	1.1	2.0
	34.1	7.1	7.8
Total non-current assets	477.1	433.4	435.2
Current assets			
Inventories	6.9	34.5	5.9
Trade receivables	79.6	82.3	86.8
Contract assets	43.9	34.5	22.8
Income tax receivables	4.8	3.0	7.3
Other receivables	11.3	10.7	10.4
Cash and cash equivalents	29.7	22.4	28.6
	176.2	187.4	161.8
Assets classified as held for sale	-	-	38.3
Total current assets	176.2	187.4	200.0
Total assets	653.3	620.8	635.3

MEUR	9/2022	9/2021	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	-9.2	-5.7	-6.3
Invested unrestricted equity reserve	0.6	0.6	0.6
Retained earnings	199.7	186.8	196.7
Total equity	210.5	201.2	210.4
Liabilities			
Non-current liabilities			
Deferred tax liabilities	30.8	28.7	30.2
Retirement benefit obligations	1.5	1.3	1.4
Provisions	8.0	6.8	8.1
Financial liabilities	176.2	179.9	175.8
Other liabilities	5.1	0.2	0.1
	221.5	217.0	215.5
Current liabilities			
Financial liabilities	53.4	28.9	19.9
Trade and other payables	164.3	171.1	172.3
Income tax liabilities	1.5	-	3.3
Provisions	2.2	2.6	2.7
	221.3	202.6	198.1
Liabilities related to assets classified as held for sale	-	-	11.2
Total liabilities	442.8	419.6	424.9
Total equity and liabilities	653.3	620.8	635.3

CIRCULAR ECONOMY - MADE REAL