



LASSILA & TIKANOJA INTERIM REPORT Q3 2024

Eero Hautaniemi, President & CEO
Joni Sorsanen, CFO

25 October 2024

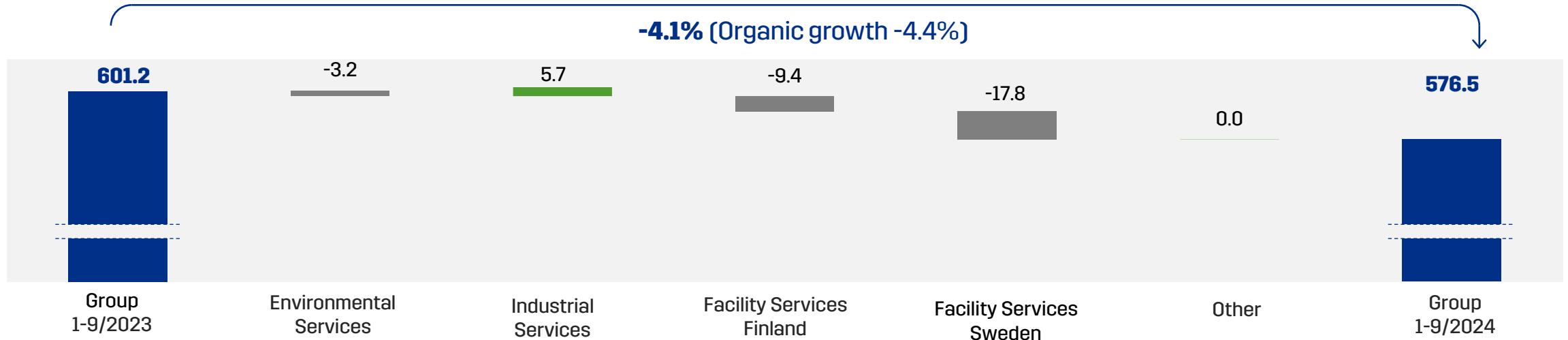
IN FOCUS IN Q3

Solid performance in the circular economy businesses despite a challenging business cycle

All business lines in Facility Services Finland improved their result year-on-year
The turnaround programme progressed well

Sustainability metrics developed well, especially occupational safety metric TRIF and carbon footprint

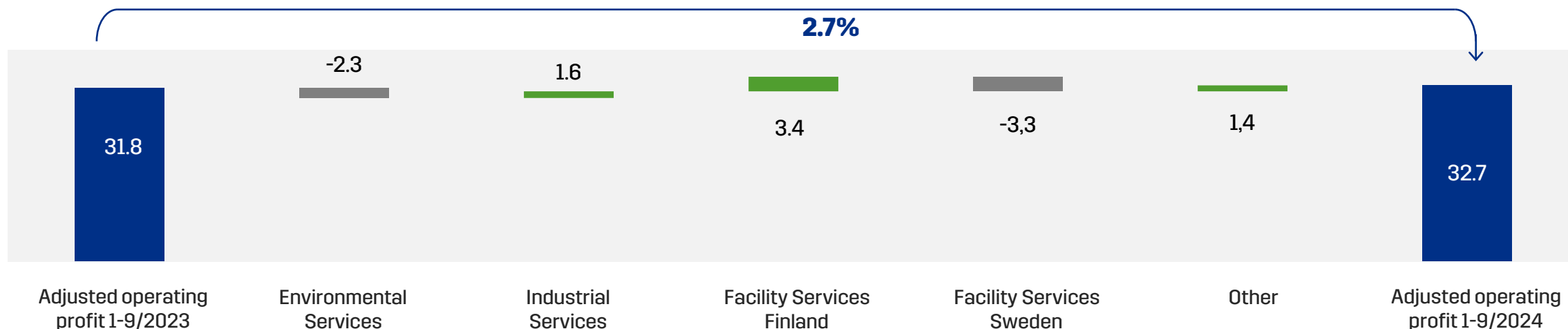
NET SALES



MEUR	Q3/24	Q3/23	Change%	1-9/24	1-9/23	Change%	2023
Environmental Services	72.3	74.1	-2.4	211.6	214.8	-1.5	283.7
Industrial Services	38.8	39.0	-0.7	108.9	103.1	5.6	141.0
Facility Services Finland	57.4	58.8	-2.3	179.2	188.6	-5.0	250.0
Facility Services Sweden	25.2	30.3	-17.1	80.9	98.7	-18.1	133.2
L&T Group	192.3	200.9	-4.3	576.5	601.2	-4.1	802.1



ADJUSTED OPERATING PROFIT

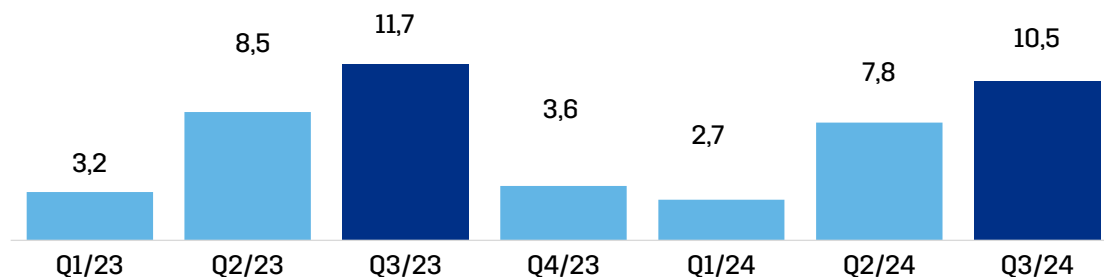


MEUR	Q3/24	Q3/23	Change%	1-9/24	1-9/23	Change%	2023
Environmental Services	10.5	11.7	-10.5	21.2	23.5	-9.6	27.1
Industrial Services	5.9	6.1	-4.0	11.7	10.2	15.4	14.0
Facility Services Finland	4.9	3.2	55.1	6.8	3.4	101.8	4.4
Facility Services Sweden	-1.5	0.2	-117.9	-6.0	-2.8	-117.9	-3.7
Group administration and other	0.1	-0.0		-1.0	-2.4		-2.8
Adjusted operating profit	20.0	21.2	-5.8	32.7	31.8	2.7	39.0

OPERATING PROFIT BY DIVISION

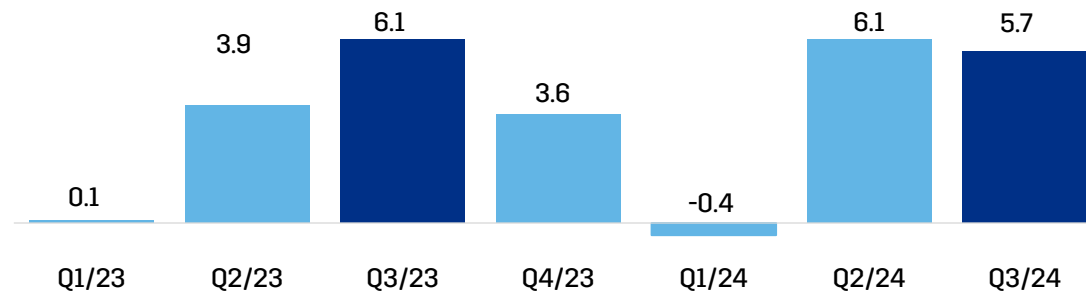
ENVIRONMENTAL SERVICES

MEUR



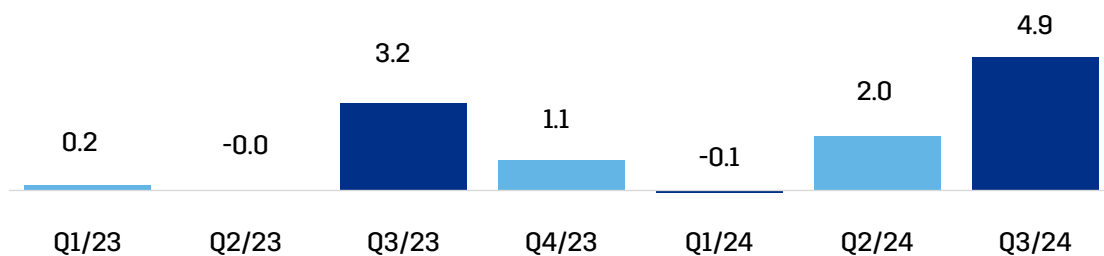
INDUSTRIAL SERVICES

MEUR



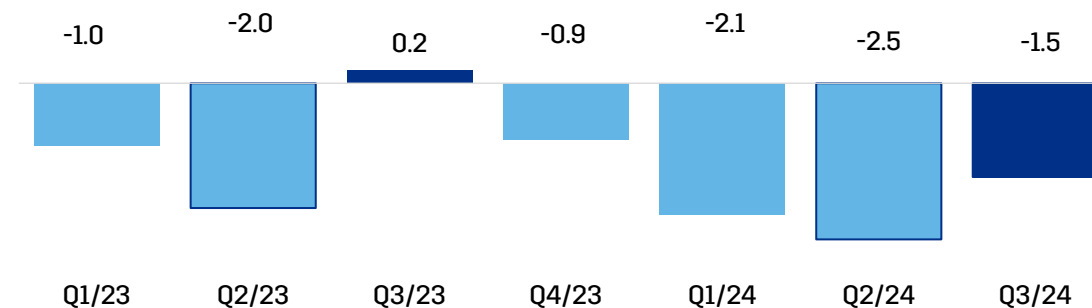
FACILITY SERVICES FINLAND

MEUR



FACILITY SERVICES SWEDEN

MEUR

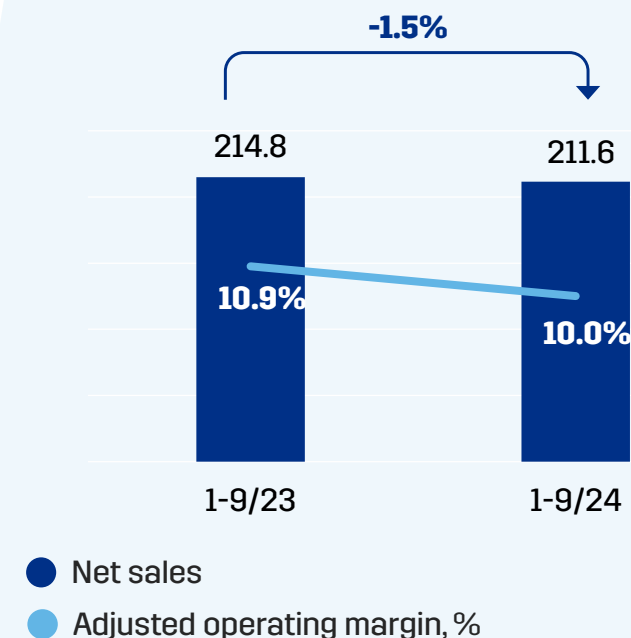


ENVIRONMENTAL SERVICES

- The challenging business cycle affected the demand for recycling and waste management services
- Market share amongst B2B customers and producer responsibility organisations remained strong
- The efficiency measures started in H1 progressed well
- In October, L&T announced the acquisition of Stena Recycling's pallet business in Finland



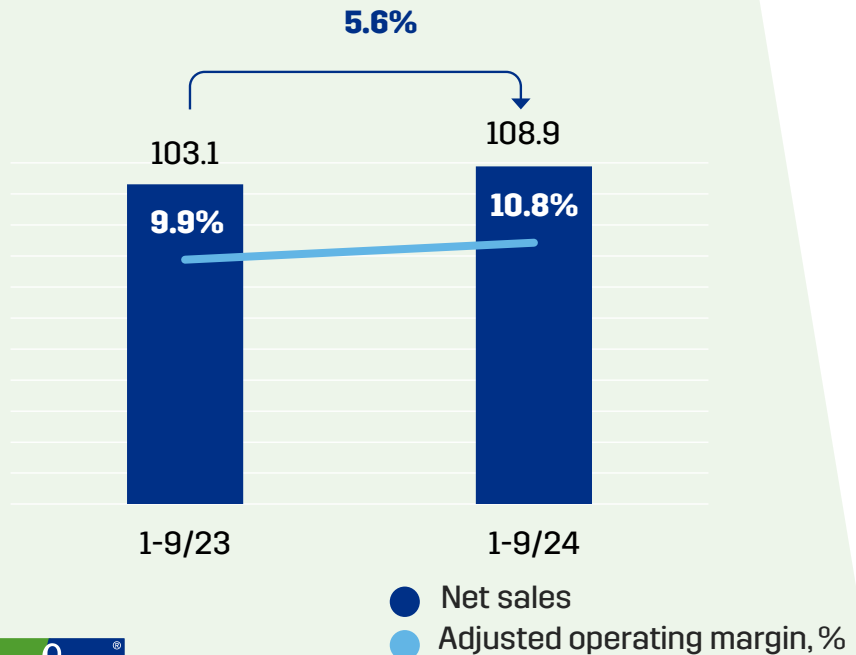
MEUR	Q3/24	Q3/23	Change%	1-9/24	1-9/23	Change%	2023
Net sales	72.3	74.1	-2.4	211.6	214.8	-1.5	283.7
EBITDA	17.9	20.7	-13.4	43.4	46.7	-7.0	57.5
Adjusted operating profit	10.5	11.7	-10.5	21.2	23.5	-9.6	27.1
Adjusted operating margin, %	14.5	15.8		10.0	10.9		9.5
Employees				1,544	1,624		1,576





INDUSTRIAL SERVICES

- Demand for hazardous waste services continued strong
- Annual maintenance breaks were carried out as planned and resourcing was successful



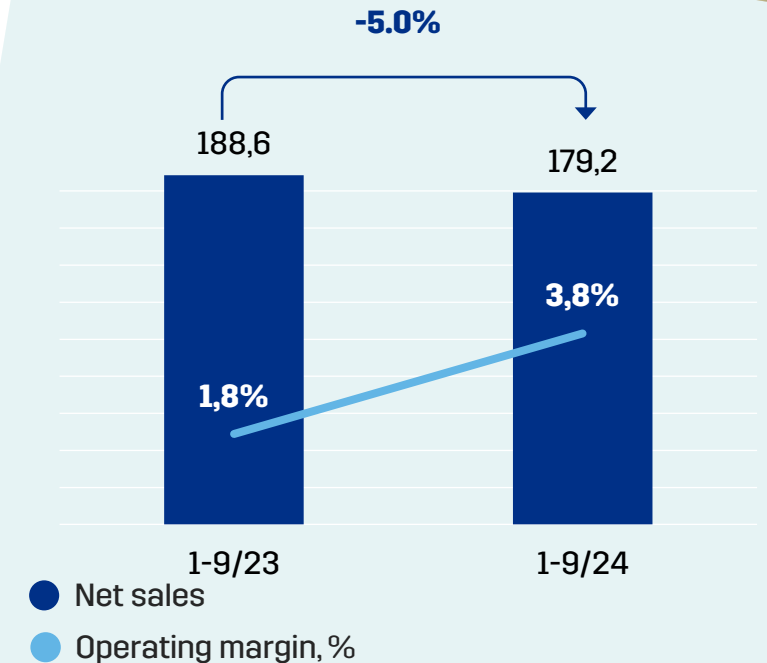
MEUR	Q3/24	Q3/23	Change%	1-9/24	1-9/23	Change%	2023
Net sales	38.8	39.0	-0.7	108.9	103.1	5.6	141.0
EBITDA	9.0	9.3	-3.0	21.3	19.7	8.1	26.6
Adjusted operating profit	5.9	6.1	-4.0	11.7	10.2	15.4	14.0
Adjusted operating margin, %	15.2	15.7		10.8	9.9		9.9
Employees				732	713		679



FACILITY SERVICES FINLAND

- All business lines achieved a better result than in the comparison period
- Measures to streamline the cost structure and improve operational efficiency continued successfully

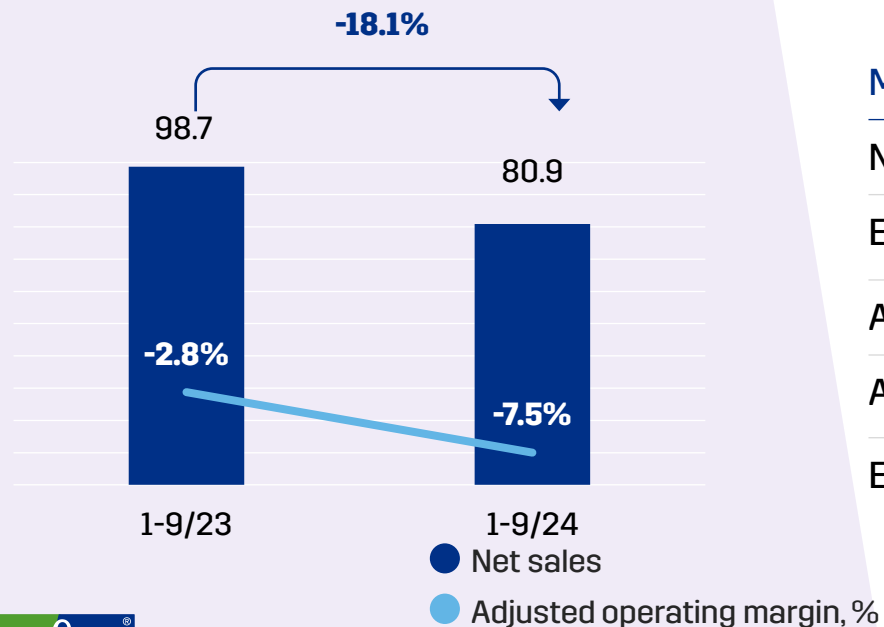
MEUR	Q3/24	Q3/23	Change%	1-9/24	1-9/23	Change%	2023
Net sales	57.4	58.8	-2.3	179.2	188.6	-5.0	250.0
EBITDA	6.6	5.1	28.7	11.8	9.7	21.8	12.5
Operating profit	4.9	3.2	55.1	6.8	3.4	101.8	4.4
Operating margin, %	8.6	5.4		3.8	1.8		1.8
Employees				4,196	4,816		4,603





FACILITY SERVICES SWEDEN

- A large customer contract ended in the end of 2023, and the loss of the contract was not sufficiently compensated by new customer accounts during the review period
- The division has a programme ongoing to simplify operating models and streamline the cost structure
- The number of employees has been reduced by some 120 year-on-year



MEUR	Q3/24	Q3/23	Change%	1-9/24	1-9/23	Change%	2023
Net sales	25.2	30.3	-17.1	80.9	98.7	-18.1	133.2
EBITDA	-0.4	1.4		-2.5	0.9		1.3
Adjusted operating profit*	-1.5	0.2		-6.0	-2.8	-117.9	-3.7
Adjusted operating margin, %	-5.8	-0.7		-7.5	-2.8		-2.8
Employees				1,149	1,267		1,187

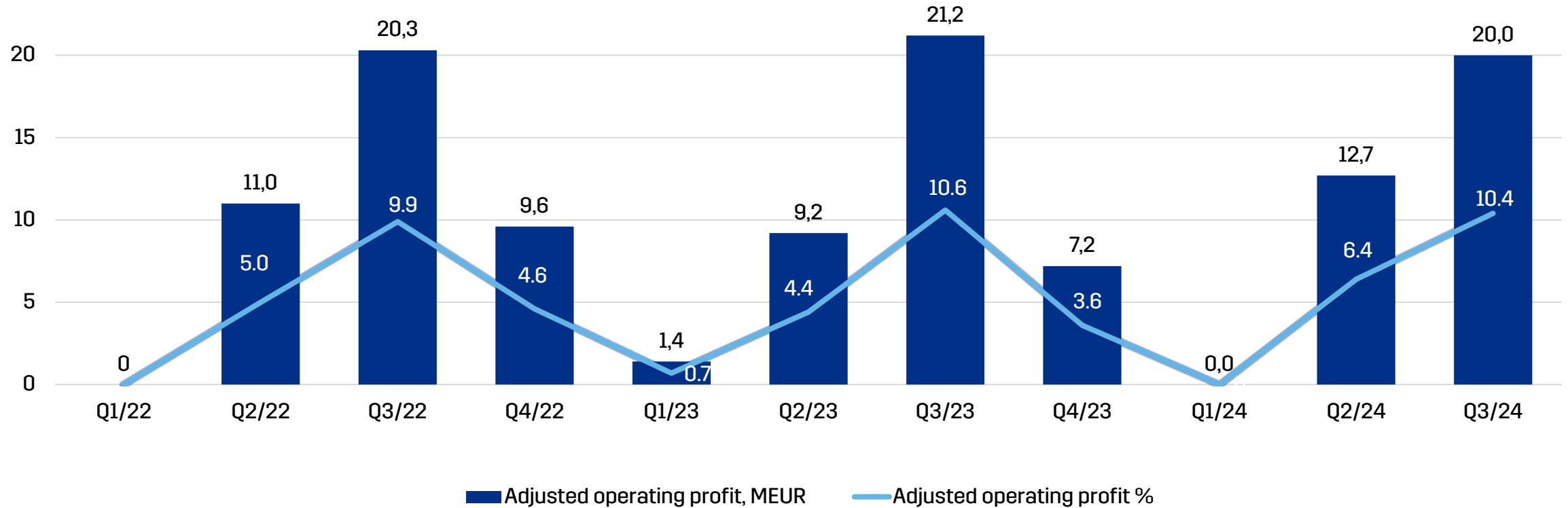
*Operating profit before the amortisation of purchase price allocations of acquisitions was EUR -1.1 million (0.5) in Q3 2024 and EUR -5.1 million (-1.9) in January-September 2024

SUSTAINABILITY SCORE CARD 1-9/2024

- Occupational safety continued to develop well due to increased training and safety culture development

L&T	2020	2021	2022	2023	1-9/2023	1-9/2024	Target 2024	Target 2026	Target 2030
CARBON FOOTPRINT (tCO2-ekv)	36,700	37,800	34,200	31,200	23,400	20,900	29,800	27,200	24,400
CARBON HANDPRINT (MCO2-ekv)	-506.8	-524.9	-534.5	-457.0	-339.2	-322.4			
TRIF	24	24	23	23	23	19	21	19	15
SICK LEAVE (%)	4.7	5.1	5.6	5.1	4.9	4.7	4.7	4.3	4

ADJUSTED OPERATING PROFIT



Q3 FINANCIAL HIGHLIGHTS

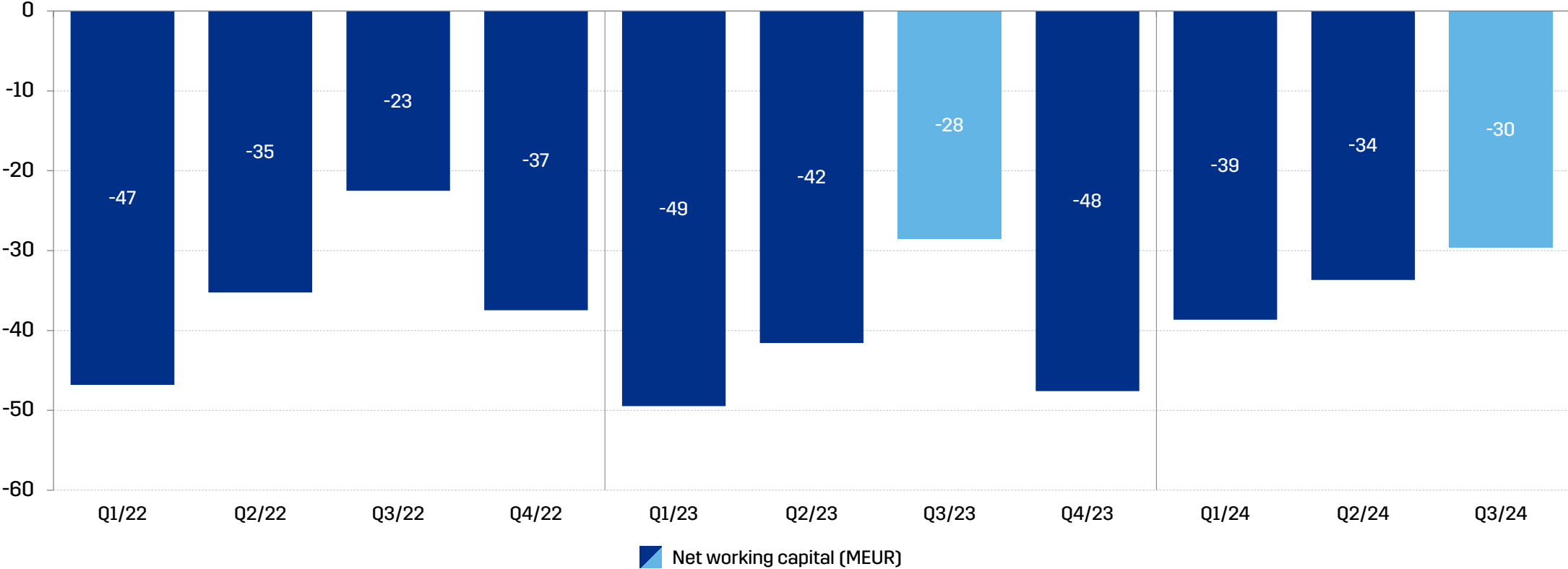
Cash flow gradually improving after weak Q1

Financial position strengthened compared to previous quarter and year-on-year

EPS and ROCE affected by non-recurring items

NET WORKING CAPITAL

- Net working capital improved by EUR 1.2 million year-on-year despite decrease in net sales
- Development follows the quarterly pattern evident in previous years

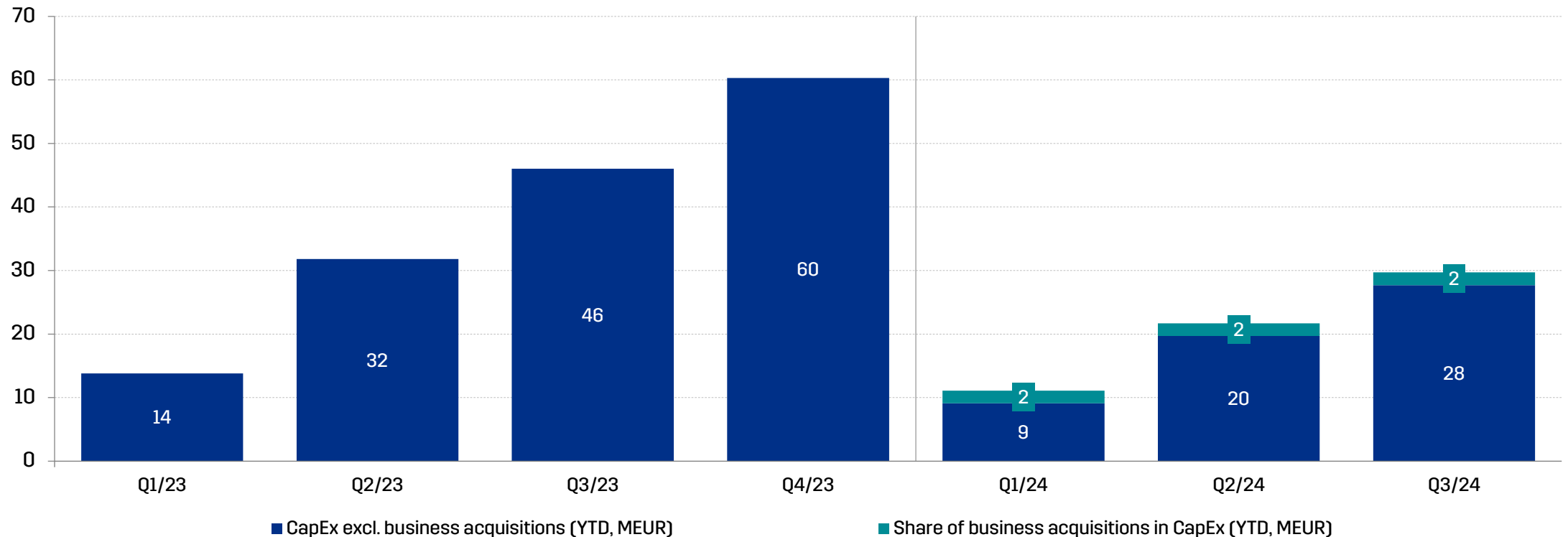


Net working capital = Current assets - income tax receivables - cash and cash equivalents - other non-current liabilities excluding deferred consideration - current trade and other payables
 Net working capital, % of net sales = Net working capital / 12 month rolling net sales * 100



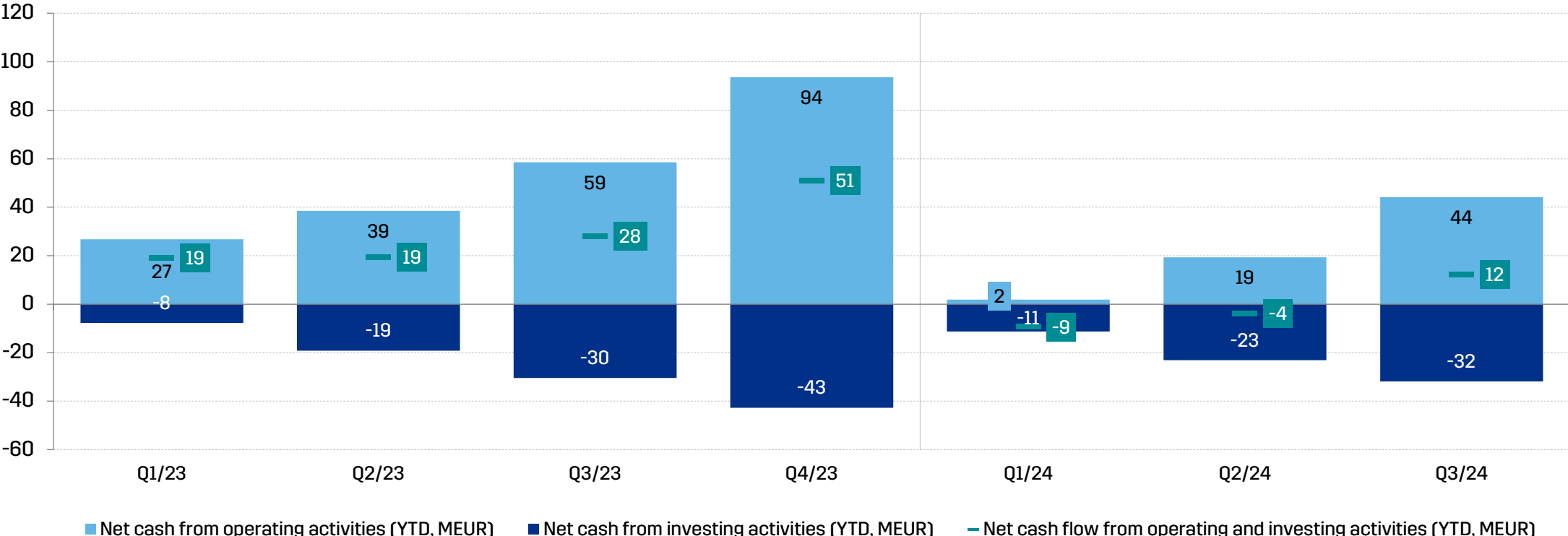
CAPITAL EXPENDITURE

- Capital expenditure January-September 2024 was EUR 29.7 million (46.0) showing a decrease of EUR 16.3 million or 35.5%
- The decrease is attributable to Environmental Services



NET CASH FLOW AND NET INVESTMENTS

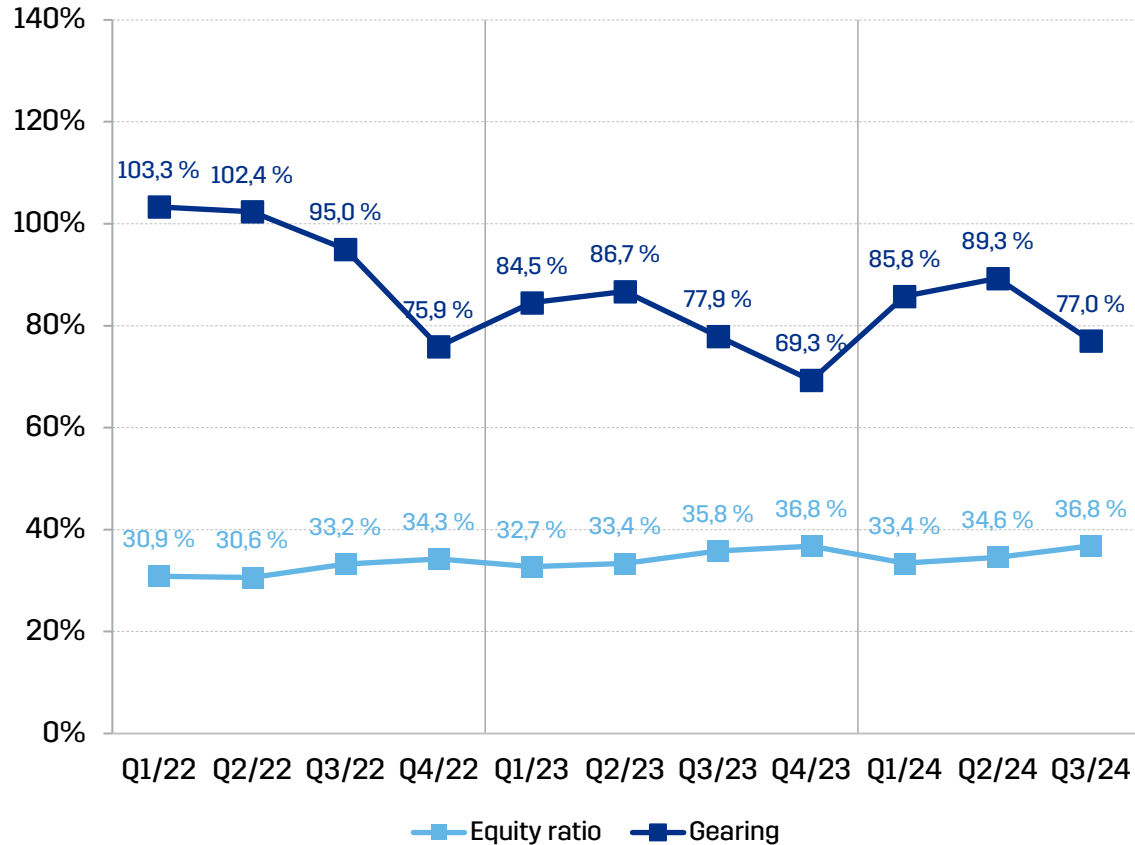
- Operating cash flow January-September 2024 was EUR 44.1 million (58.5), affected by the weak Q1
- January-September 2024 operating cash flow after investments was EUR 12.2 million (28.1)
- Comparison period's cash flow was positively impacted by significant tax refunds



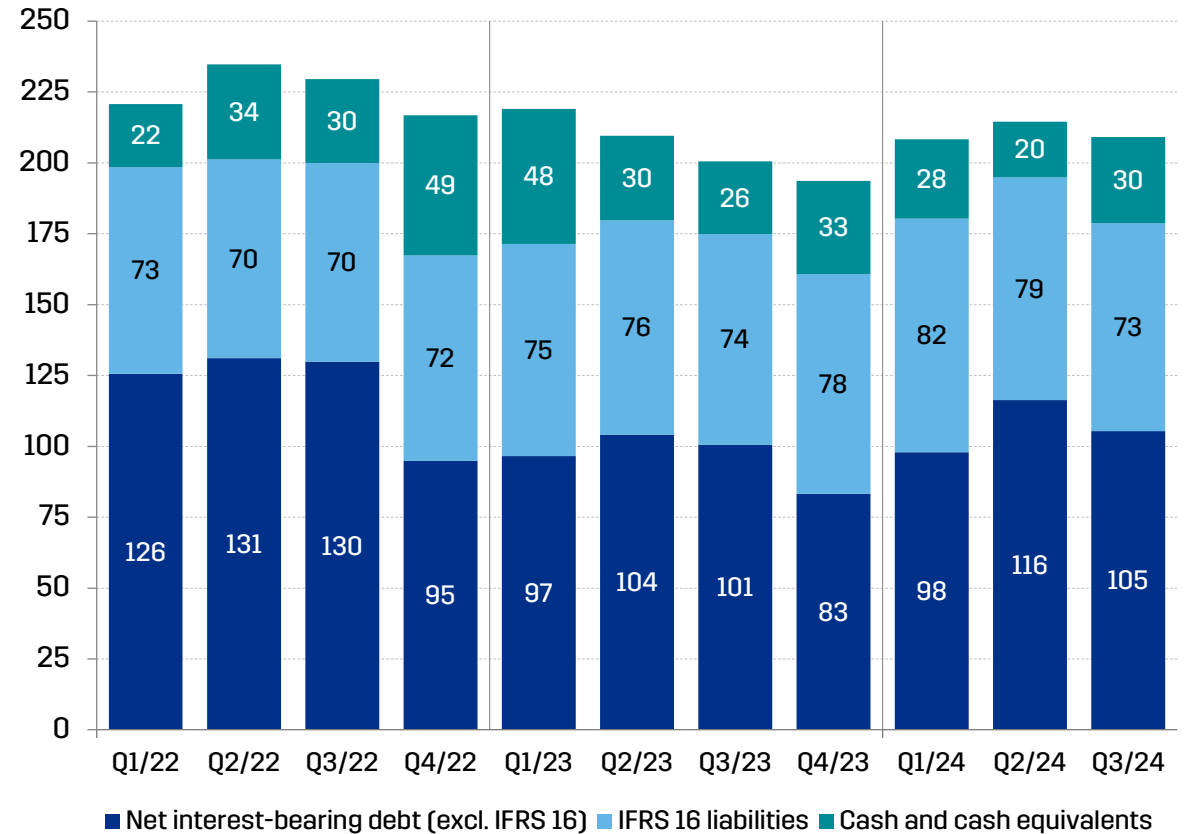
FINANCIAL POSITION

- Financial position strengthened compared to previous quarter and year-on-year

Equity ratio and gearing by quarter 2022-2024

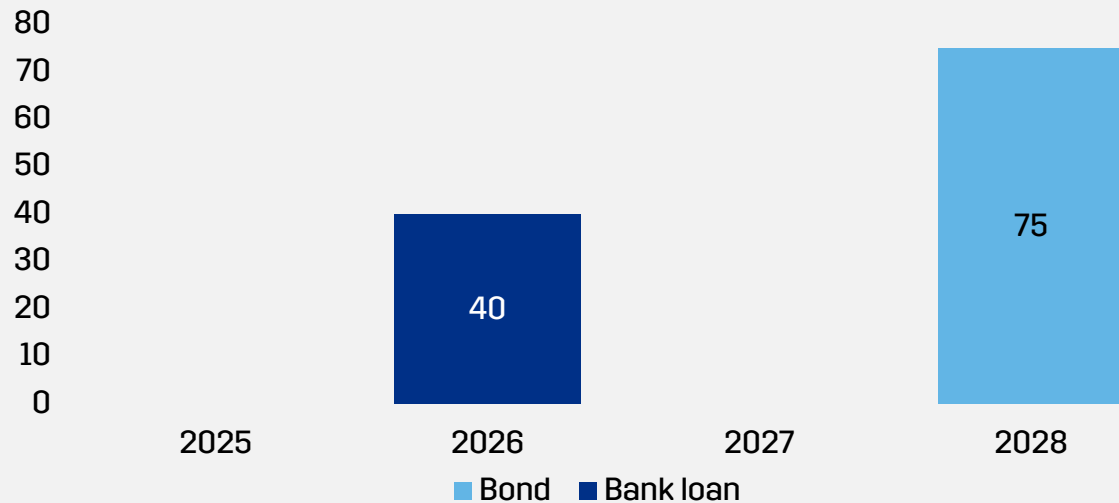


Net debt specification by quarter 2022-2024

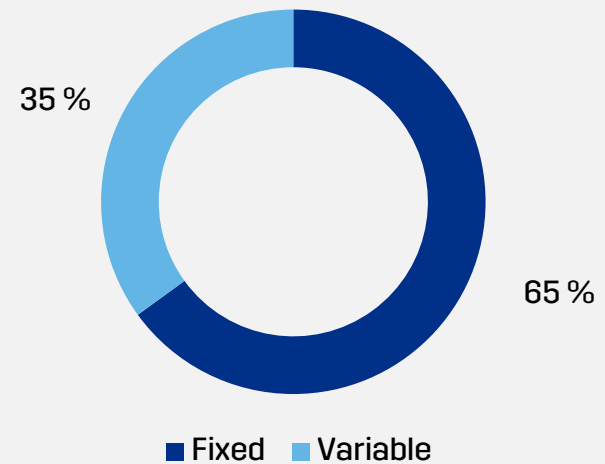


MATURITY STRUCTURE OF LONG-TERM LOANS

Loans, MEUR

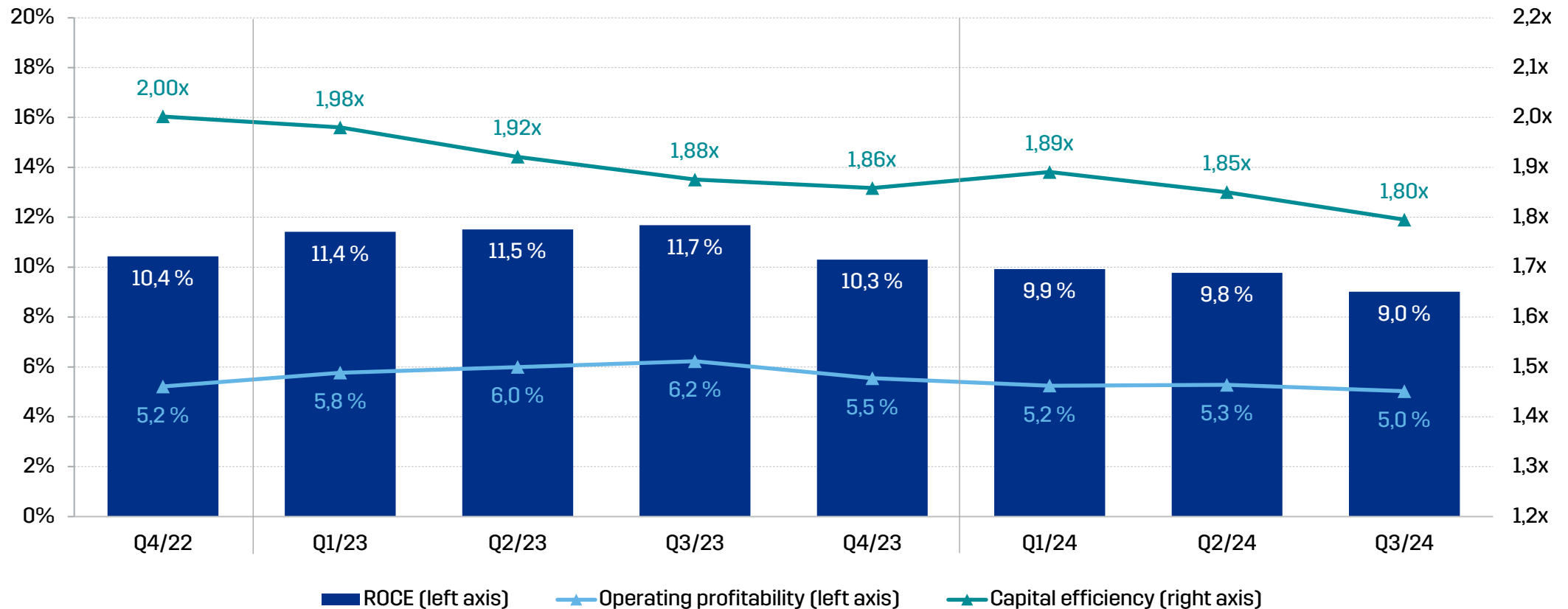


Weighted average of effective interest rate 3.8% (4.0%)



RETURN ON CAPITAL EMPLOYED

- Return on capital employed in Q3/2024 was 9.0% (11.7) burdened by one-off items and weakened performance in Facility Services Sweden division

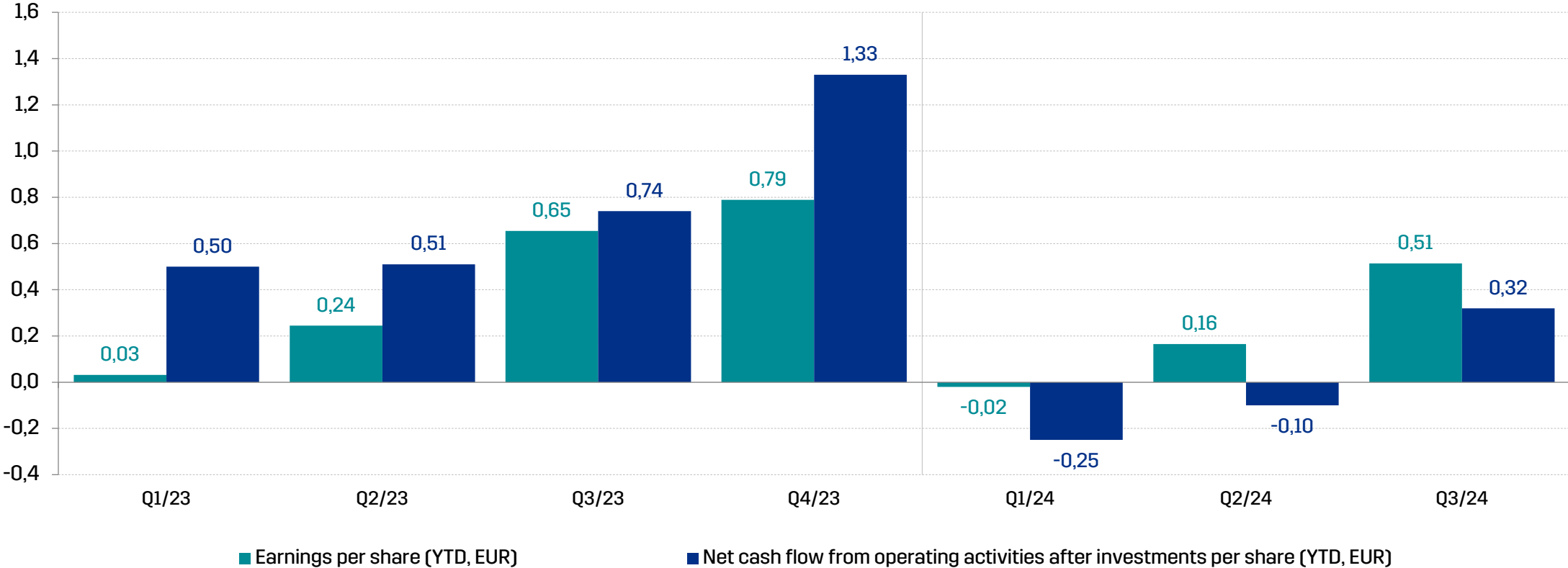


Operating profitability refers to EBIT + Financial income + Share of result of associated companies & joint ventures (R12m) / Net sales (R12m)
 Capital efficiency = Net sales (rolling 12 months) / Capital employed (average)



EARNINGS PER SHARE AND CASH FLOW PER SHARE

- Earnings per share in January-September 2024 was EUR 0.51 (0.65) affected by one-off items and increase in net finance costs year-on-year
- Net operating cash flow after investments per share gradually improving after weak Q1





OUTLOOK FOR 2024

Updated 1 August, 2024

Net sales in 2024 are estimated to be at the same level as in the previous year, and adjusted operating profit is estimated to be at the same level or better compared to the previous year.

Previous outlook

Net sales in 2024 are estimated to be at the same level as in the previous year, and operating profit is estimated to be at the same level or better compared to the previous year.

CONTACTS



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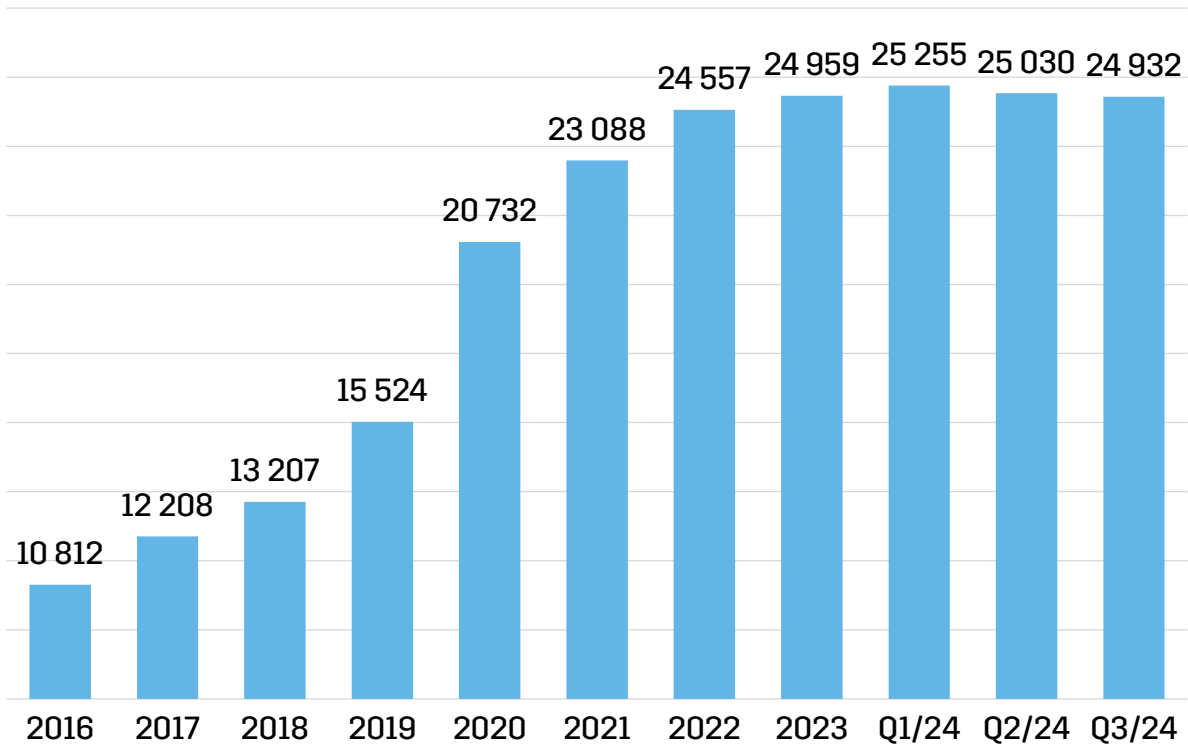


SHAREHOLDERS

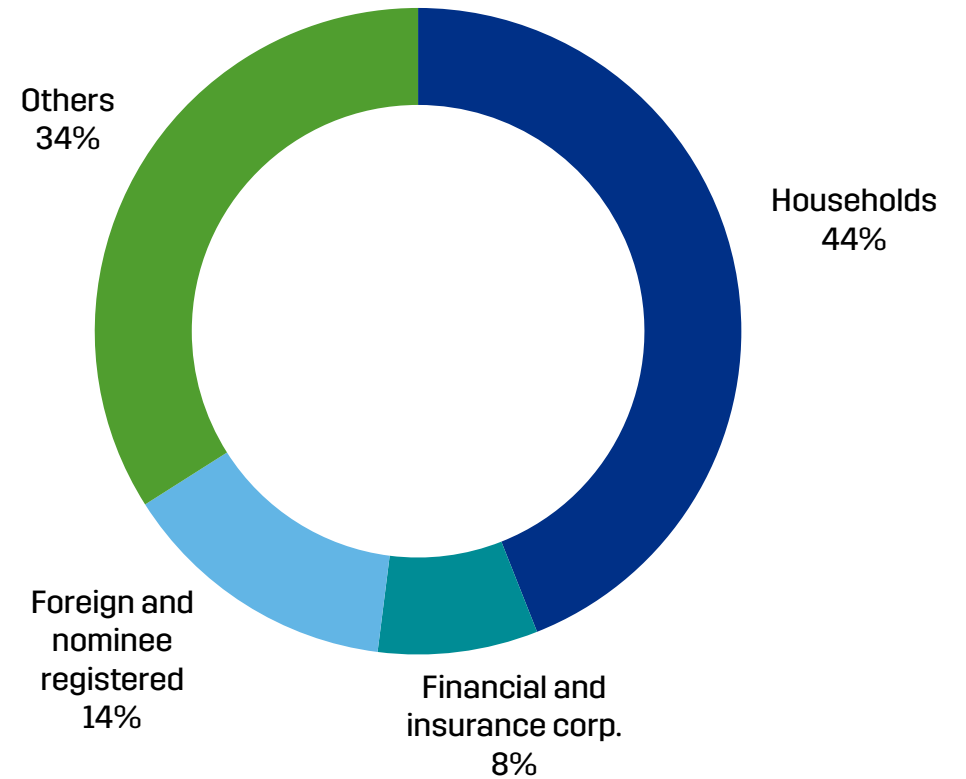


SHAREHOLDER STRUCTURE

Number of shareholders



Shareholder structure



MAJOR SHAREHOLDERS ON 30 SEPTEMBER 2024

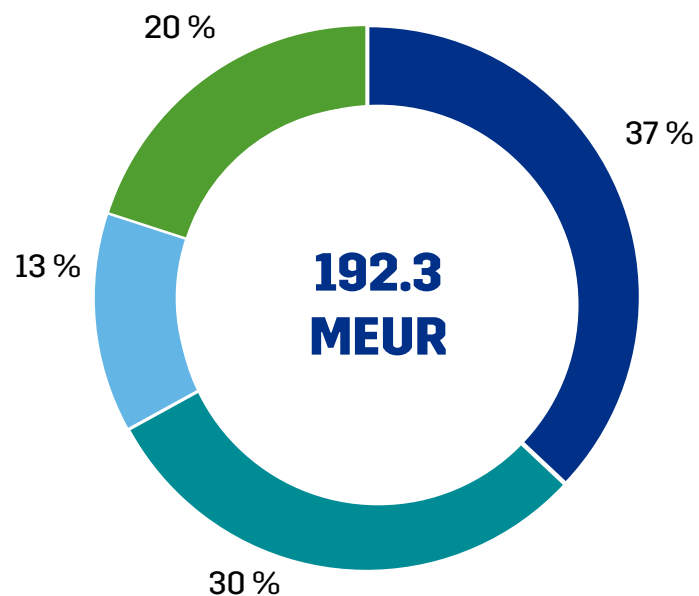
Shareholder	Shares	%
Evald and Hilda Nissi's Foundation	3,496,487	9.01
Nordea Nordic Small Cap Fund	1,656,300	4.27
Maijala Juhani	1,529,994	3.94
Bergholm Heikki	875,000	2.26
Åbo Akademi University Foundation	816,282	2.10
Ilmarinen Mutual Pension Insurance Company	790,000	2.04
Varma Mutual Pension Insurance Company	729,791	1.88
Maijala Mikko	720,000	1.86
Lassila & Tikanoja Oyj	609,941	1.57
Elo Mutual Pension Insurance Company	574,180	1.48
Ownership structure / sector	Shares	%
Nominee-registered shares	5,447,897	14.04
Number of shares	38,798,874	100.00
Number of shareholders	24,932	



APPENDIX

KEY FIGURES

NET SALES Q3/2024



- 37% Environmental Services
- 30% Facility Services Finland
- 13% Facility Services Sweden
- 20% Industrial Services

	Q3/24	Q3/23	Change%	1-9/24	1-9/23	Change%	2023
Net sales, MEUR	192.3	200.9	-4.3	576.5	601.2	-4.1	802.1
EBITDA, MEUR	32.7	36.7	-10.8	69.9	75.3	-7.2	95.8
Operating profit, MEUR	18.9	21.1	-10.3	28.2	31.7	-11.0	38.4
Operating margin, %	9.8	10.5		4.9	5.3		4.8
Earnings per share, EUR	0.35	0.41	-14.9	0.51	0.65	-21.5	0.79

Consolidated income statement

MEUR	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Net sales	192.3	200.9	576.5	601.2	802.1
Other operating income	0.5	2.6	2.9	4.3	6.2
Materials and services	-54.6	-57.7	-168.6	-182.8	-246.5
Employee benefit expenses	-80.2	-84.4	-257.2	-264.0	-352.8
Other operating expenses	-25.3	-24.8	-83.8	-83.5	-113.1
Depreciation, amortisation and impairment	-13.8	-15.6	-41.6	-43.6	-57.4
Operating profit	18.9	21.1	28.2	31.7	38.4
Financial income	0.2	0.4	0.5	2.3	2.5
Financial expenses	-2.4	-2.2	-6.8	-6.4	-8.7
Exchange rate differences (net)	0.0	0.0	-0.0	-0.1	-0.0
Financial income and expenses	-2.2	-1.8	-6.2	-4.2	-6.3
Share of the result of associated companies and joint ventures	0.2	0.3	2.3	2.5	3.6
Result before taxes	16.9	19.6	24.3	30.0	35.7
Income taxes	-3.6	-3.9	-4.7	-5.1	-5.7
Result for the period	13.3	15.6	19.6	24.9	30.1
Attributable to:					
Equity holders of the company	13.3	15.6	19.6	24.9	30.1
Earnings per share attributable to the equity holders of the parent company:					
Earnings per share, EUR	0.35	0.41	0.51	0.65	0.79
Diluted earnings per share, EUR	0.35	0.41	0.51	0.65	0.79



Consolidated statement of financial position

MEUR	30 Sep 2024	30 Sep 2023	31 Dec 2023
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	180.9	179.2	180.8
Other intangible assets	41.7	36.1	38.2
	222.5	215.3	219.0
Tangible assets	167.2	161.5	166.0
Right-of-use assets	71.3	72.9	76.0
	238.5	234.3	242.0
Other non-current assets			
Shares in associated companies and joint ventures	18.1	16.5	17.6
Other shares and holdings	0.2	0.2	0.2
Deferred tax assets	4.9	4.1	3.1
Other receivables	1.0	1.6	1.5
	24.2	22.4	22.5
Total non-current assets	485.2	472.0	483.5
Current assets			
Inventories	9.1	8.2	7.8
Trade receivables	78.2	83.8	85.9
Contract assets	35.5	41.4	30.8
Income tax receivables	1.3	3.5	1.2
Other receivables	7.0	9.4	7.9
Cash and cash equivalents	30.4	25.6	32.9
	161.5	172.0	166.5
Total current assets	161.5	172.0	166.5
Total assets	646.7	644.0	649.9

MEUR	30 Sep 2024	30 Sep 2023	31 Dec 2023
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the equity holders of the parent company			
Share capital	19.4	19.4	19.4
Other reserves	-12.7	-14.0	-11.5
Invested unrestricted equity reserve	0.6	0.6	0.6
Retained earnings	224.7	218.4	223.6
Total equity	232.0	224.5	232.2
Liabilities			
Non-current liabilities			
Deferred tax liabilities	27.9	28.0	28.5
Retirement benefit obligations	1.1	1.2	1.2
Provisions	6.7	7.2	7.2
Financial liabilities	169.8	167.9	171.7
Other liabilities	12.7	12.6	13.2
	218.2	216.9	221.7
Current liabilities			
Financial liabilities	39.3	32.6	22.1
Trade and other payables	153.0	164.3	172.8
Income tax liabilities	2.9	5.1	0.3
Provisions	1.3	0.6	0.9
	196.5	202.6	196.1
Total liabilities	414.6	419.5	417.7
Total equity and liabilities	646.7	644.0	649.9



CIRCULAR ECONOMY - MADE REAL