



LASSILA & TIKANOJA INTERIM REPORT Q1/2024

Eero Hautaniemi, President & CEO

Valtteri Palin, CFO

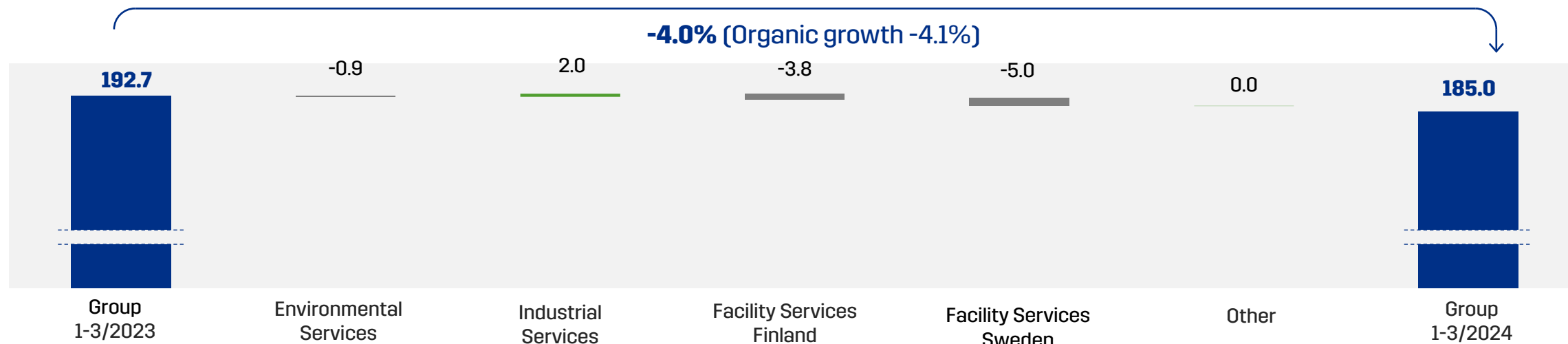
26 April 2024

IN FOCUS IN Q1/2024

- Net sales increased in Industrial Services. The process cleaning business in Sweden expanded to the Gävleborg region through the acquisition of PF Industriservice AB
- In Environmental Services efficiency measures started in Q4/2023, largely compensated for the negative effects of the municipalisation of residential packaging waste collection
- In Facility Services Finland the turnaround program progressed well
- In Facility Services Sweden measures to streamline the cost structure and improve the efficiency of operations progressed but the loss of a large customer contract end of 2023 effected the result of the division.



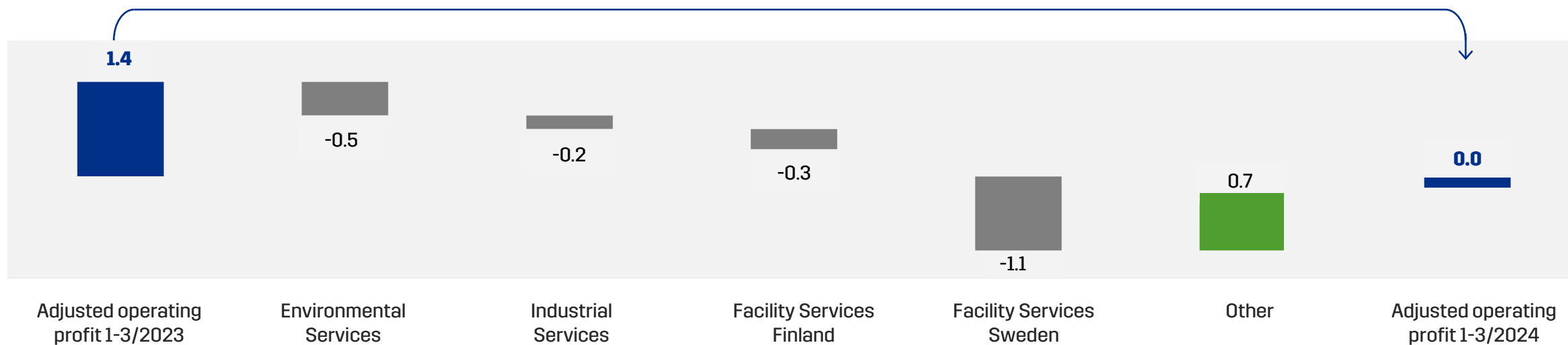
NET SALES



MEUR	Q1/24	Q1/23	Change%	2023
Environmental Services	65.4	66.3	-1.4	283.7
Industrial Services	28.1	26.1	7.8	141.0
Facility Services Finland	63.3	67.1	-5.7	250.0
Facility Services Sweden	29.5	34.5	-14.6	133.2
L&T Group	185.0	192.7	-4.0	802.1



ADJUSTED OPERATING PROFIT



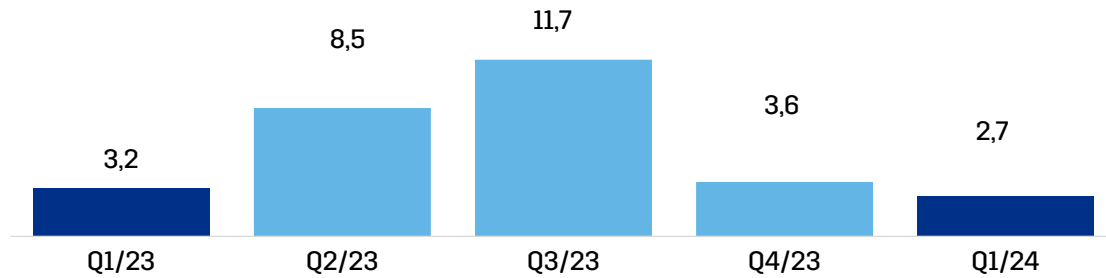
MEUR	Q1/24	Q1/23	Change%	2023
Environmental Services	2.7	3.2	-16.5	27.1
Industrial Services	-0.1	0.1		14.0
Facility Services Finland	-0.1	0.2		4.4
Facility Services Sweden	-2.1	-1.0		-3.7
Other	-0.4	-1.1		-2.8
Adjusted operating profit	0.0	1.4		39.0



OPERATING PROFIT BY DIVISION

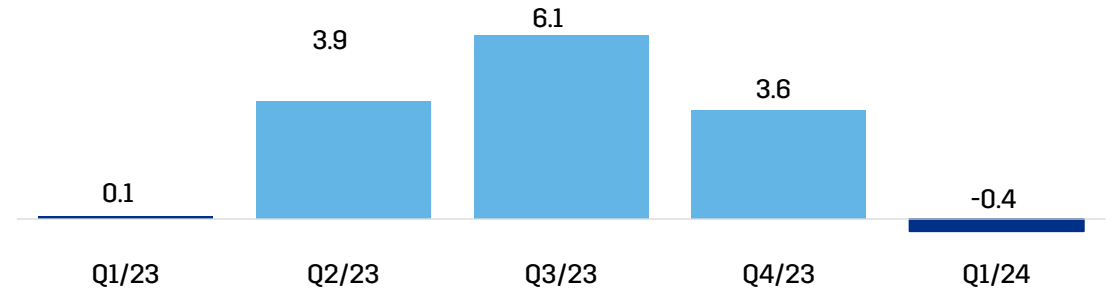
ENVIRONMENTAL SERVICES

MEUR



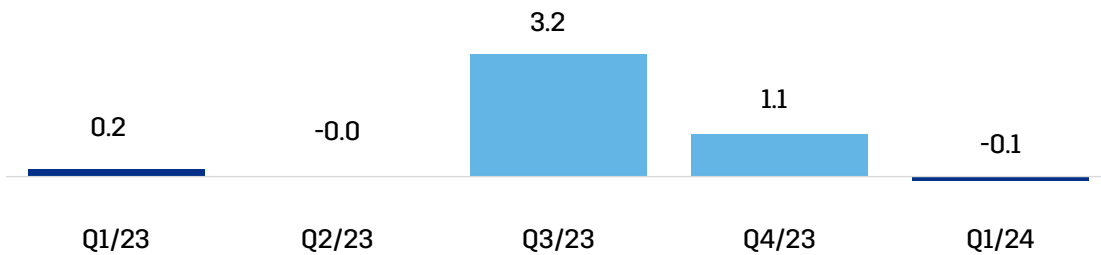
INDUSTRIAL SERVICES

MEUR



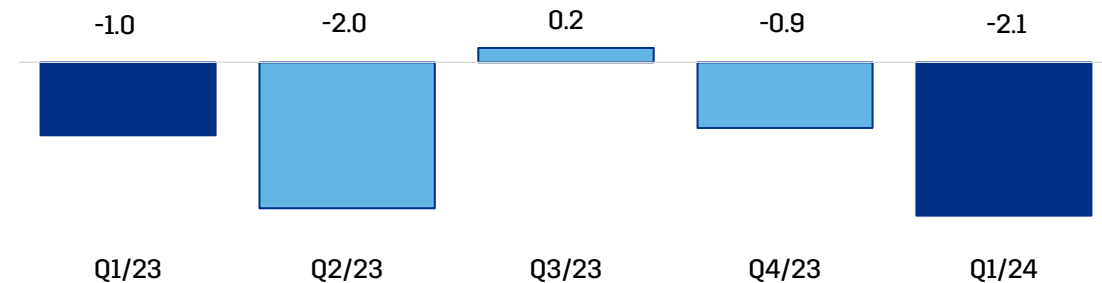
FACILITY SERVICES FINLAND

MEUR



FACILITY SERVICES SWEDEN

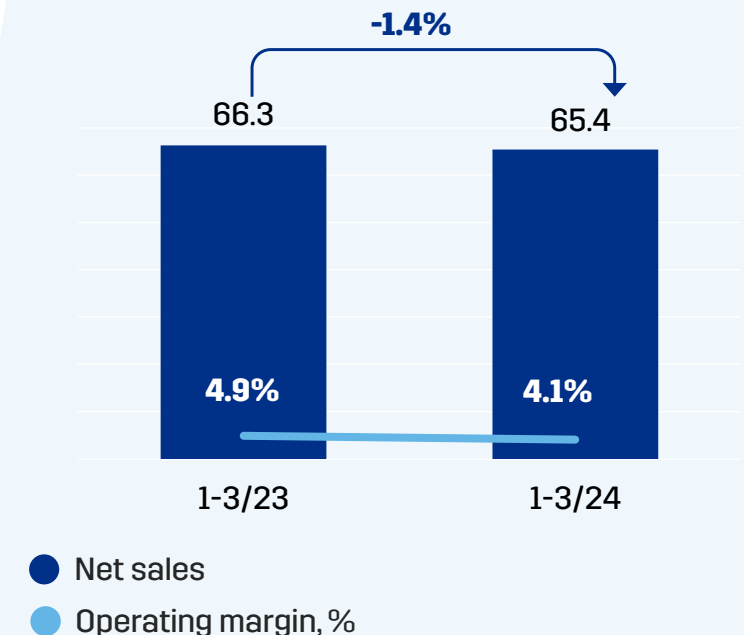
MEUR



ENVIRONMENTAL SERVICES

- The challenging economic environment and the political strikes reduced demand of recycling and waste management services. The market share of the division grew slightly. Secondary raw material prices stabilised.
- The restructuring and efficiency measures progressed well and largely compensated for the effects of the municipalisation of residential packaging waste

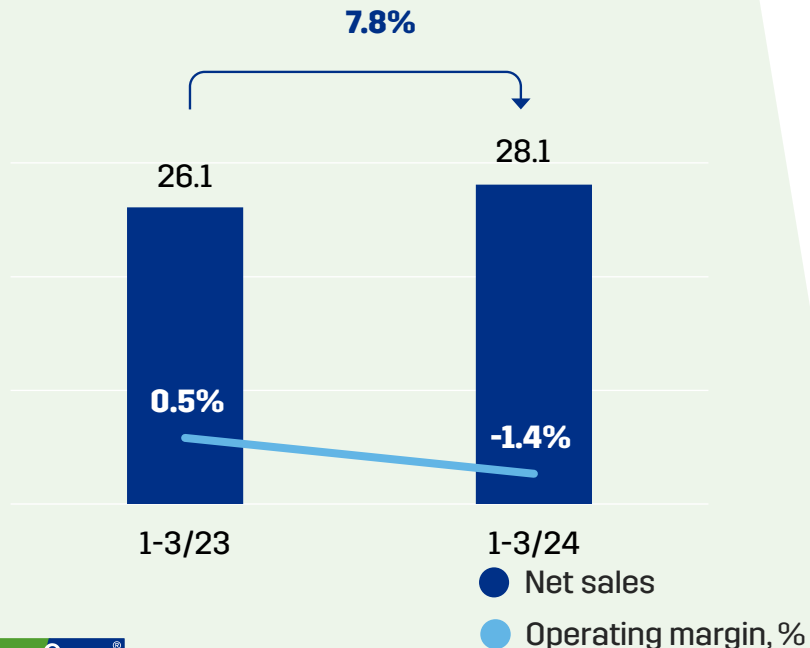
MEUR	Q1/24	Q1/23	Change%	2023
Net sales	65.4	66.3	-1.4	283.7
EBITDA	10.1	10.3	-1.8	57.5
Operating profit	2.7	3.2	-16.5	27.1
Operating margin, %	4.1	4.9		9.5
Employees	1,534	1,554		1,576





INDUSTRIAL SERVICES

- Demand remained strong in environmental construction
- Political strikes in Finland weakened the demand for hazardous waste services to a small extent, and some process cleaning activities were postponed from the first quarter to the second quarter
- The process cleaning business expanded in Sweden to the Gävleborg region through an acquisition of PF Industriservice AB. After the acquisition, Industrial services employes some 100 professionals in Sweden



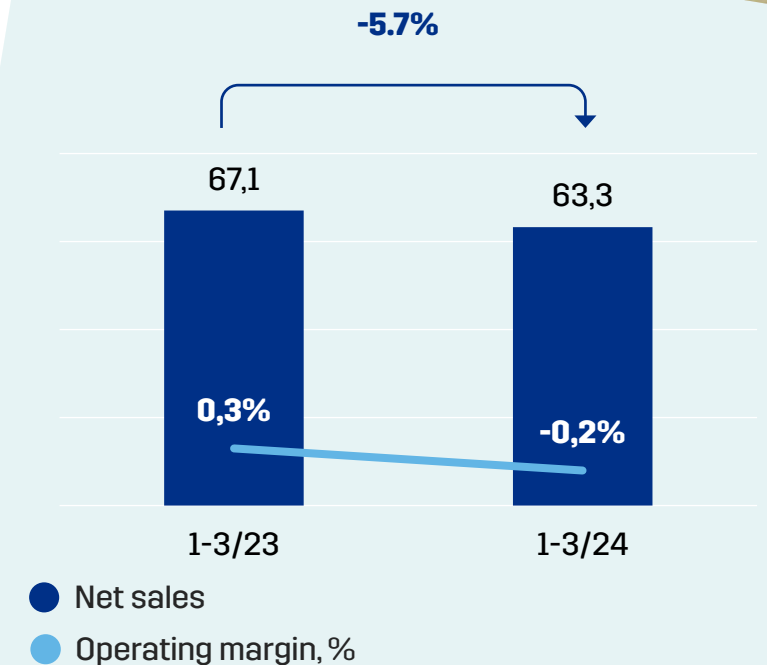
MEUR	Q1/24	Q1/23	Change%	2023
Net sales	28.1	26.1	7.8	141.0
EBITDA	2.8	3.3	-13.8	26.6
Adjusted operating profit	-0.1	0.1		14.0
Adjusted operating margin, %	-0.4	0.5		9.9
Employees	680	627		679

FACILITY SERVICES FINLAND

- Measures to streamline the cost structure and improve operational efficiency continued successfully
- The results of the cleaning business line was stronger than in the comparison period and the demand for data-driven cleaning services grew
- A provision of EUR 0.6 million was booked for potential additional disability pension contributions



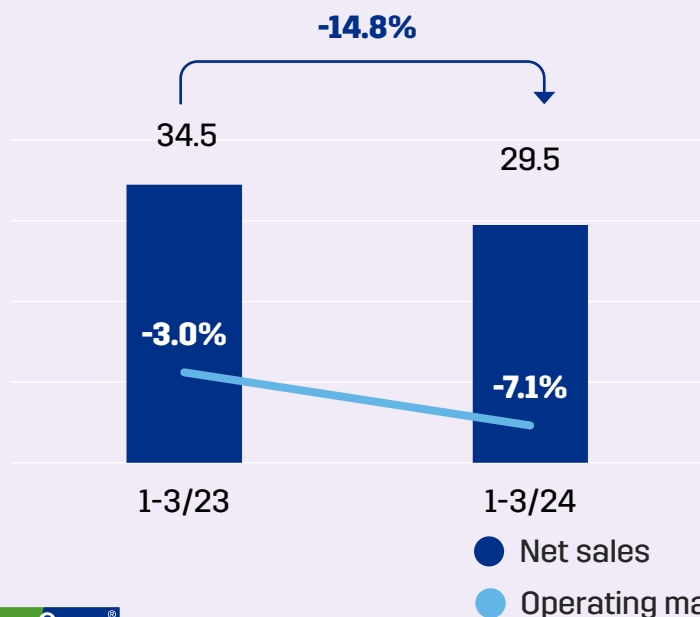
MEUR	Q1/24	Q1/23	Change%	2023
Net sales	63.3	67.1	-5.7	250.0
EBITDA	1.6	2.4	-35.5	12.5
Operating profit	-0.1	0.2		4.4
Operating margin, %	-0.2	0.3		1.8
Employees	4,257	4,654		4,603





FACILITY SERVICES SWEDEN

- A large customer contract ended in the end of 2023, and the loss of the contract was not fully compensated by new customer accounts during the review period
- The division has a programme ongoing to simplify operating models and adapt them to the changed business environment. The number of personnel has reduced by over 150 employees from the comparison period



MEUR	Q1/24	Q1/23	Change%	2023
Net sales	29.5	34.5	-14.8	133.2
EBITDA	-0.9	0.2		1.3
Operating profit*	-2.1	-1.0		-3.7
Operating margin, %	-7.1	-3.0		-2.8
Employees	1,103	1,289		1,187

*Operating profit before the amortisation of purchase price allocations of acquisitions was EUR -1.8 million (-0.7) in Q1 2024

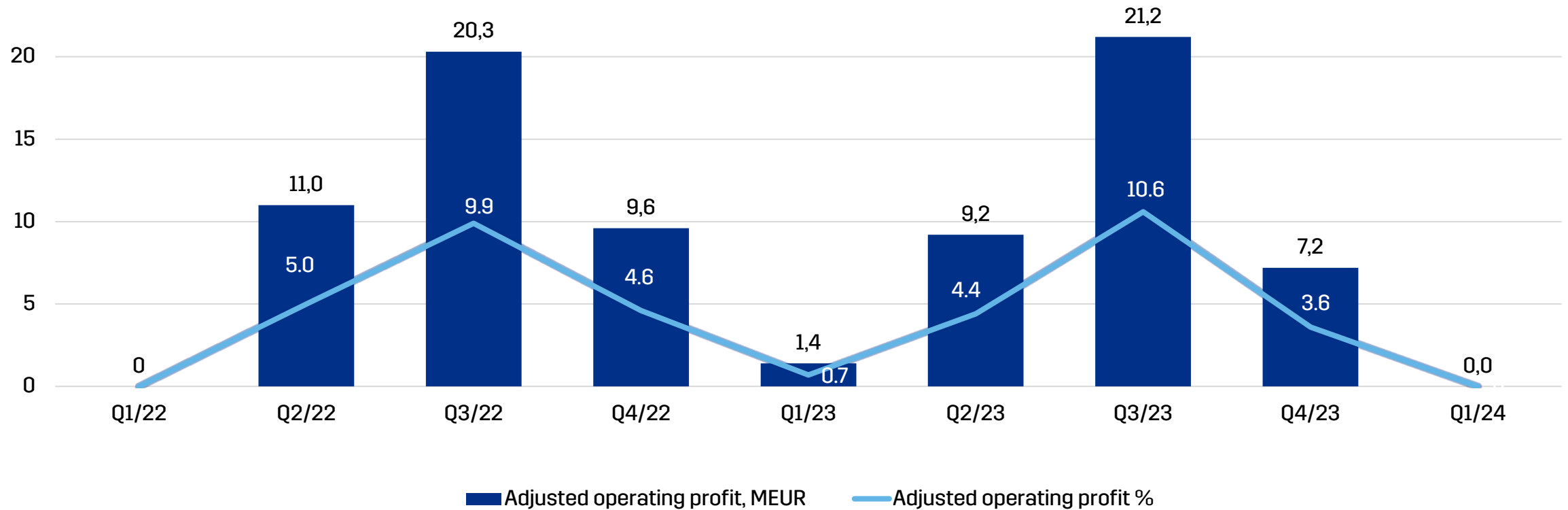


SUSTAINABILITY SCORE CARD 1-3/2024

- Lassila & Tikanoja published in February its Annual Review 2023, 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	2020	2021	2022	2023	1-3/2023	1-3/2024	Target 2024	Target 2026	Target 2030
CARBON FOOTPRINT (tCO2-ekv)	36,700	37,800	34,200	31,200	8,000	6,900	29,800		24,400
CARBON HANDPRINT (MCO2-ekv)	-506.8	-524.9	-534.5	-457.0	-125.8	-115.2			
TRIF	24	24	23	23	26	21	21	19	15
SICK LEAVE (%)	4.7	5.1	5.6	5.1	6.5	5.5	4.7	4.3	4

ADJUSTED OPERATING PROFIT

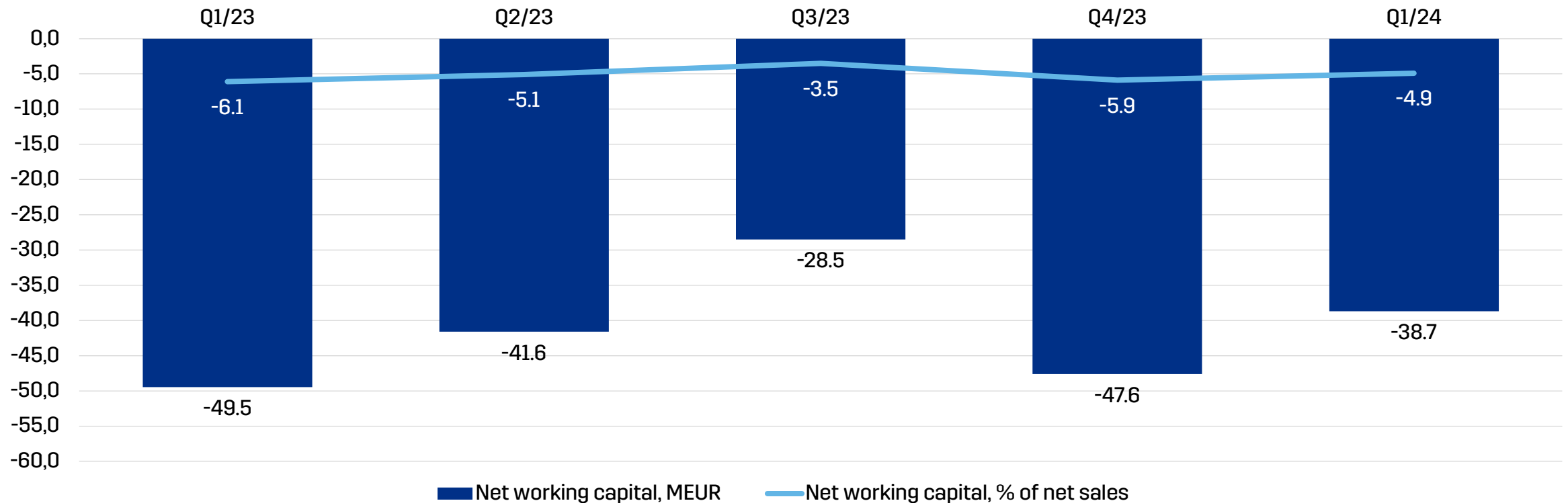


KEY FIGURES

	Q1/24	Q1/23	Change %	2023
Capital expenditure, MEUR	11.1	13.8	-19.5	60.3
Share of business acquisitions in capital expenditure, MEUR	2.0	-		-
Depreciation, amortisation and impairment, MEUR	13.8	14.0	-1.5	57.4
Share of result of associated companies & joint ventures	2.1	1.5		3.6
Return on equity (ROE), %	-1.4	2.2		13.3
Capital employed, EUR million	418.5	421.8		425.9
Return on capital employed (ROCE), %	9.9	11.4		10.3
Earnings per share, EUR	-0.02	0.03		0.79
Net cash flow from operating activities after investments per share, EUR	-0.25	0.50		1.33
Equity ratio, %	33.4	32.7		36.8
Gearing, %	85.8	84.5		69.3
Total number of employees at the end of the period	7,686	8,244		8,159



NET WORKING CAPITAL

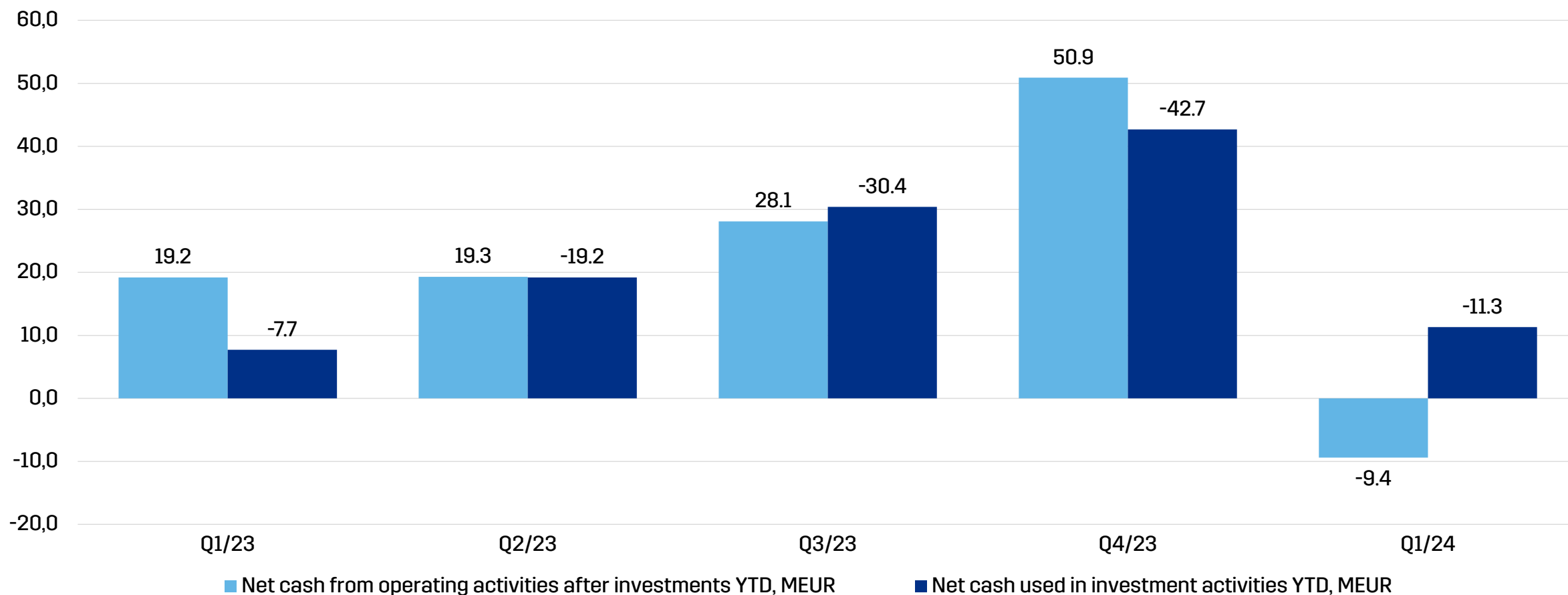


Net working capital = Current assets - income tax receivables - cash and cash equivalents - other non-current liabilities excluding deferred consideration - current trade and other payables
Net working capital, % of net sales = Net working capital / 12 month rolling net sales * 100

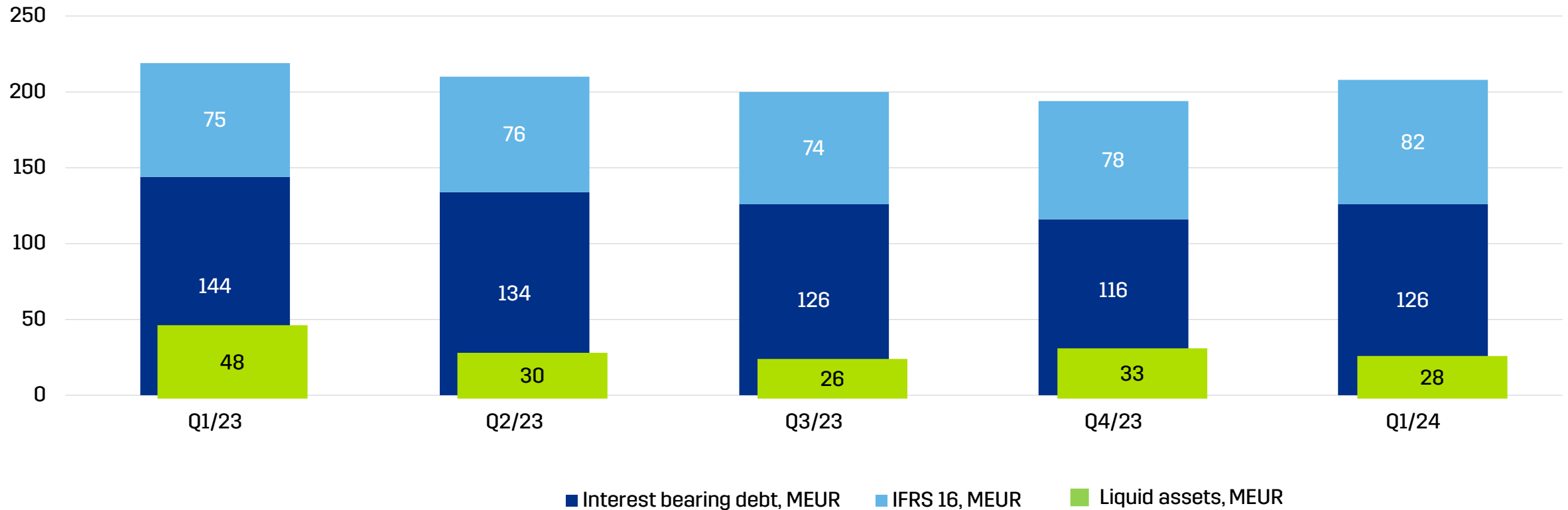


NET CASH FLOW AND NET INVESTMENTS

L&T reduced its factoring financing by EUR 10 million as planned during Q1

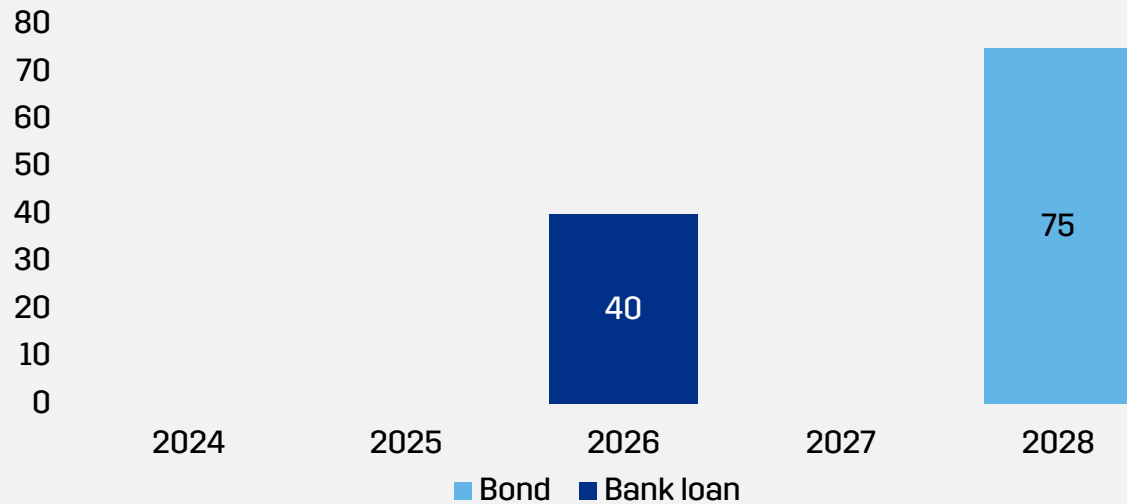


INTEREST BEARING DEBT AND LIQUIDITY



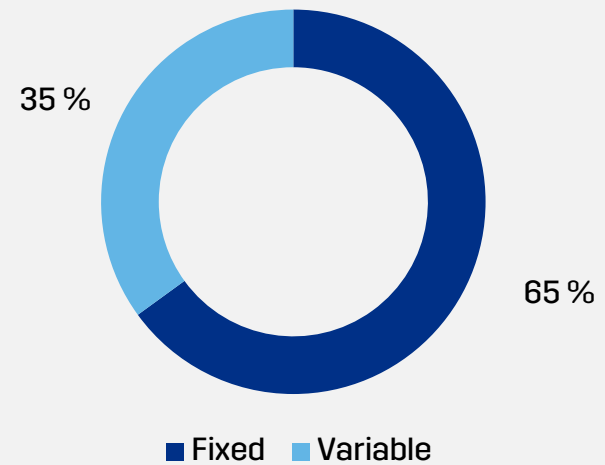
MATURITY STRUCTURE OF LOANS

Loans, MEUR



Loans do not include commercial papers

Weighted average of effective interest rate 4.0%
(2.8%)





OUTLOOK FOR 2024

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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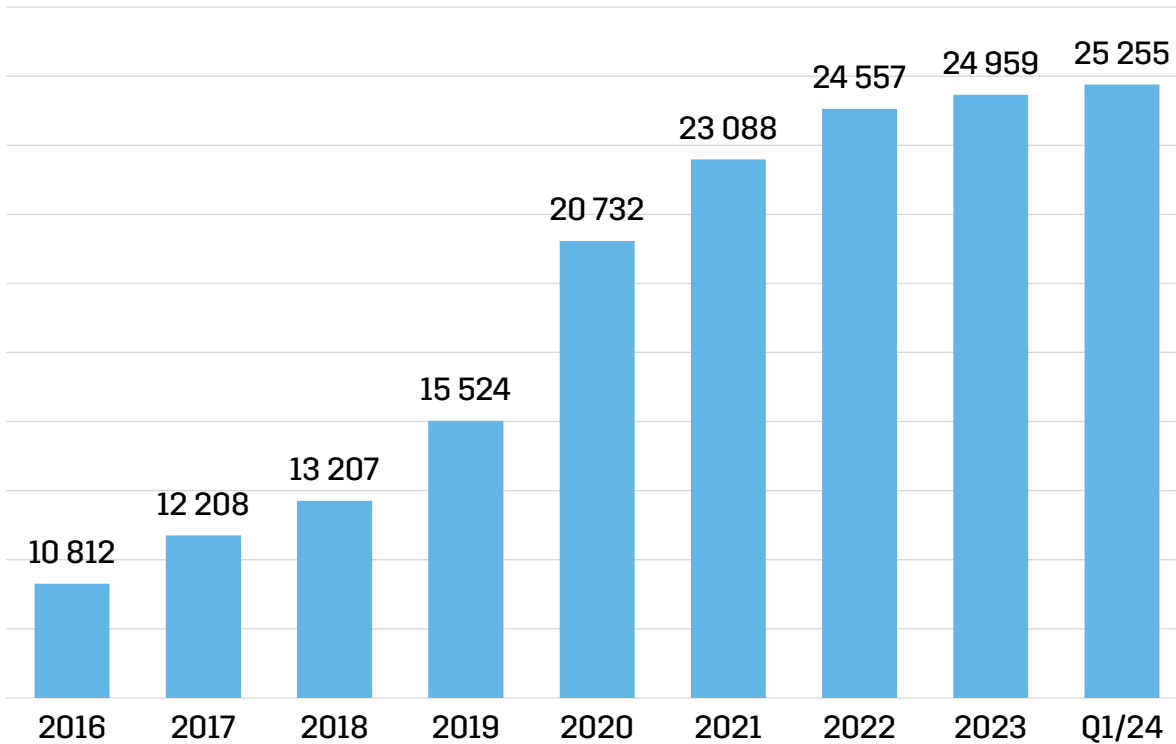


SHAREHOLDERS

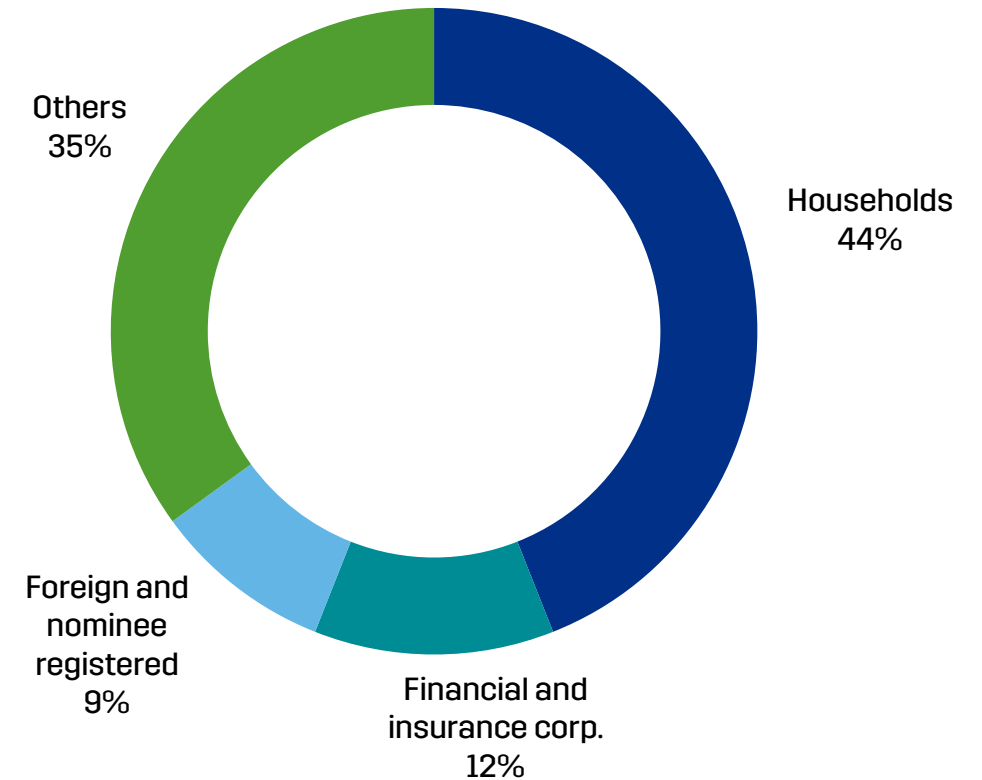


SHAREHOLDER STRUCTURE

Number of shareholders



Shareholder structure



MAJOR SHAREHOLDERS ON 31 MARCH 2024

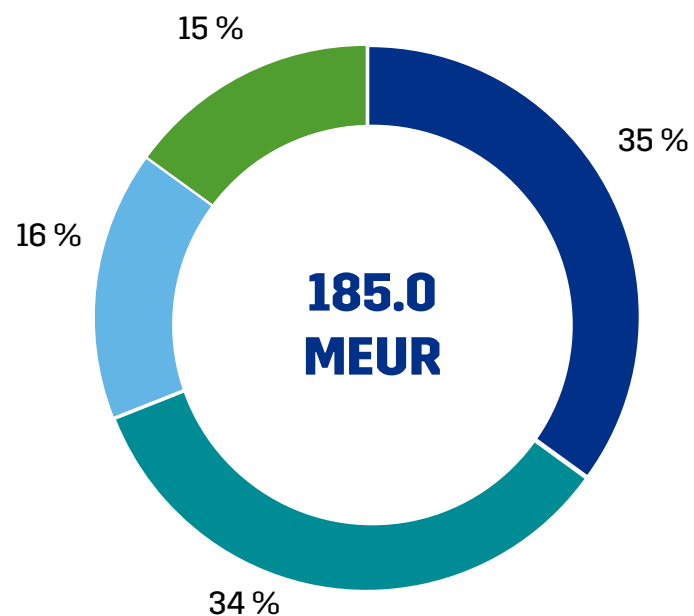
Shareholder	Shares	%
Evald and Hilda Nissi's Foundation	3,496,487	9.01
Nordea Funds Ltd	1,710,206	4.41
Maijala Juhani	1,529,994	3.94
Mandatum Life Insurance Company Limited	1,333,367	3.44
Åbo Akademi University Foundation	1,066,282	2.75
Bergholm Heikki	875,000	2.26
Ilmarinen Mutual Pension Insurance Company	790,000	2.04
Varma Mutual Pension Insurance Company	729,791	1.88
Maijala Mikko	720,000	1.86
Lassila & Tikanoja Oyj	623,273	1.61
Ownership structure / sector	Shares	%
Nominee-registered shares	3,368,274	8.68
Number of shares	38,798,874	100.00
Number of shareholders	25,255	



APPENDIX

KEY FIGURES

NET SALES Q1/2024



- 35% Environmental Services
- 34% Facility Services Finland
- 16% Facility Services Sweden
- 15% Industrial Services

	Q1/24	Q1/23	Change%	2023
Net sales, MEUR	185.0	192.7	-4.0	802.1
EBITDA, MEUR	12.1	15.4	-21.7	95.8
Operating profit, MEUR	-1.7	1.4		38.4
Operating margin, %	-0.9	0.7		4.8
Earnings per share, EUR	-0.02	0.03		0.79

Consolidated income statement

MEUR	1-3/2024	1-3/2023	1-12/2023
Net sales	185.0	192.7	802.1
Other operating income	1.9	0.8	6.2
Materials and services	-57.8	-62.4	-246.5
Employee benefit expenses	-87.3	-86.7	-352.8
Other operating expenses	-29.7	-29.0	-113.1
Depreciation, amortisation and impairment	-13.8	-14.0	-57.4
Operating profit	-1.7	1.4	38.4
Financial income	0.2	0.4	2.5
Financial expenses	-2.0	-2.0	-8.7
Exchange rate differences (net)	-0.0	-0.0	-0.0
Financial income and expenses	-1.8	-1.6	-6.3
Share of the result of associated companies and joint ventures	2.1	1.5	3.6
Result before taxes	-1.4	1.4	35.7
Income taxes	0.6	-0.2	-5.7
Result for the period	-0.8	1.2	30.1
Attributable to:			
Equity holders of the company	-0.8	1.2	30.1
Earnings per share attributable to the equity holders of the parent company:			
Earnings per share, EUR	-0.02	0.03	0.79
Diluted earnings per share, EUR	-0.02	0.03	0.79



Consolidated statement of financial position

MEUR	31 Mar 2024	31 Mar 2023	31 Dec 2023
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	180.1	180.1	180.8
Other intangible assets	40.1	37.2	38.2
	220.2	217.3	219.0
Tangible assets	165.6	153.6	166.0
Right-of-use assets	80.6	73.6	76.0
	246.2	227.2	242.0
Other non-current assets			
Shares in associated companies and joint ventures	17.9	15.5	17.6
Other shares and holdings	0.2	0.2	0.2
Deferred tax assets	2.3	2.4	3.1
Other receivables	1.5	1.8	1.5
	21.8	19.9	22.5
Total non-current assets	488.2	464.4	483.5
Current assets			
Inventories	8.6	8.5	7.8
Trade receivables	77.3	69.7	85.9
Contract assets	33.4	34.9	30.8
Income tax receivables	2.0	3.2	1.2
Other receivables	9.6	10.6	7.9
Cash and cash equivalents	28.0	47.6	32.9
	159.0	174.5	166.5
Total current assets	159.0	174.5	166.5
Total assets	647.2	638.9	649.9

MEUR	31 Mar 2024	31 Mar 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	-13.9	-11.6	-11.5
Invested unrestricted equity reserve	0.6	0.6	0.6
Retained earnings	204.0	194.3	223.6
Total equity	210.2	202.8	232.2
Liabilities			
Non-current liabilities			
Deferred tax liabilities	26.6	28.0	28.5
Retirement benefit obligations	1.1	1.2	1.2
Provisions	6.8	7.3	7.2
Financial liabilities	176.5	179.2	171.7
Other liabilities	12.5	12.7	13.2
	223.5	228.4	221.7
Current liabilities			
Financial liabilities	31.8	39.8	22.1
Trade and other payables	180.2	166.1	172.8
Income tax liabilities	-	1.1	0.3
Provisions	1.4	0.8	0.9
	213.5	207.8	196.1
Total liabilities	437.0	436.2	417.7
Total equity and liabilities	647.2	638.9	649.9

CIRCULAR ECONOMY - MADE REAL