



LASSILA & TIKANOJA
INTERIM REPORT Q1 2021

Eero Hautaniemi, President & CEO

Valtteri Palin, CFO

29 April 2021



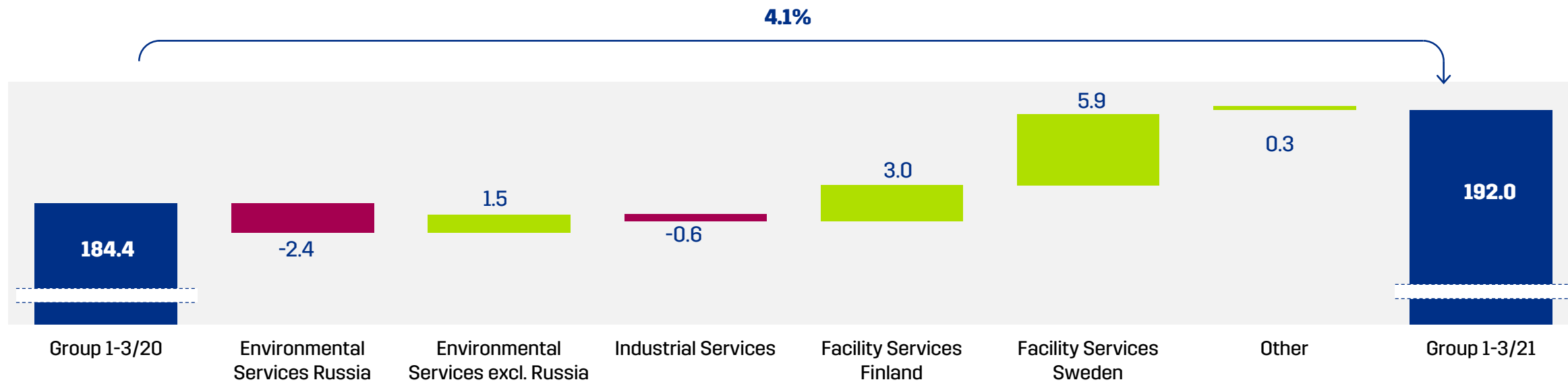


HIGHLIGHTS

Q1 2021

- Comparable operating profit grew in all divisions
- Adjusted operating profit was EUR 3.6 million (2.9)
- The coronavirus pandemic continued to affect all divisions. Decisive actions limited the business impacts
- During Q1, the carbon emission reduction created by L&T operations was (tCO₂) 360,524 which corresponds to the annual emissions of 35,000 Finns
 - L&T started to report sustainability related results on a quarterly basis

NET SALES

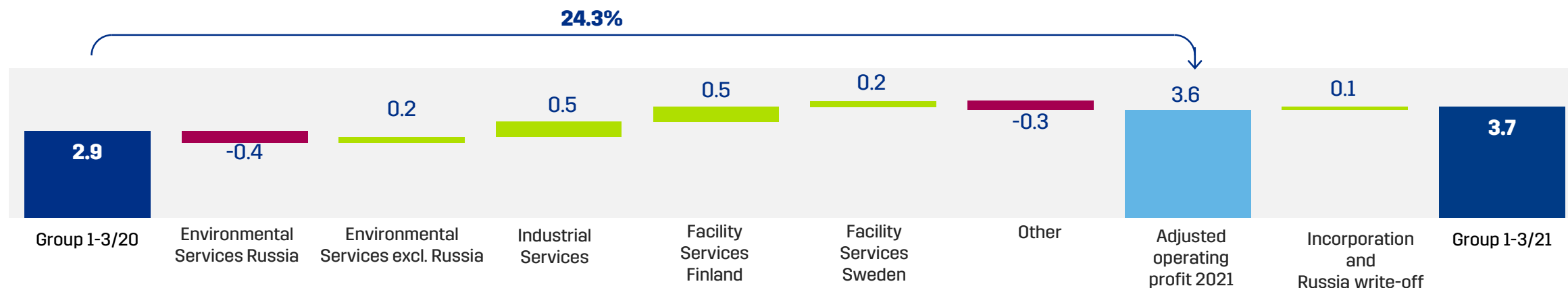


MEUR	Q1/21	Q1/20	Change %	2020
Environmental Services *	76.2	77.1	-1.2	289.4
Industrial Services	19.6	20.2	-3.0	101.8
Facility Services Finland	61.2	58.2	5.2	232.3
Facility Services Sweden	36.2	30.3	19.3	134.5
L&T Group	192.0	184.4	4.1	751.9

* Includes 2.4 MEUR net sales of discontinued Russian operations (Q1/2020)



ADJUSTED OPERATING PROFIT



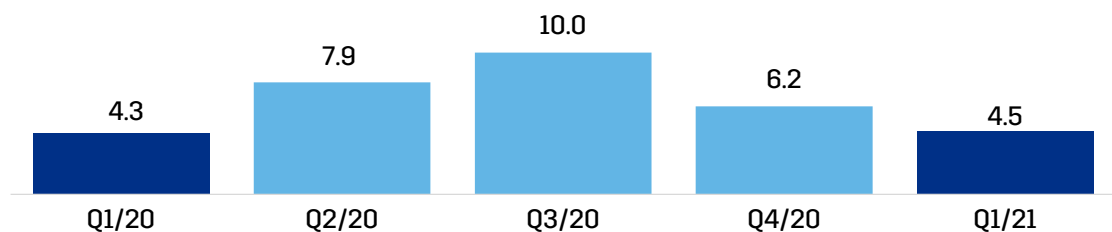
MEUR	Q1/21	Q1/20	Change %	2020
Environmental Services*	4.5	4.7	-3.4	20.0
Industrial Services	0.2	-0.3	172.0	7.1
Facility Services Finland	-1.3	-1.8	29.3	3.2
Facility Services Sweden	0.4	0.2	102.1	3.5
Other	-0.1	0.1	-214.5	-5.6
Adjusted operating profit	3.6	2.9	24.3	39.0
L&T Group	3.7	2.9	29.3	28.2



OPERATING PROFIT BY DIVISION

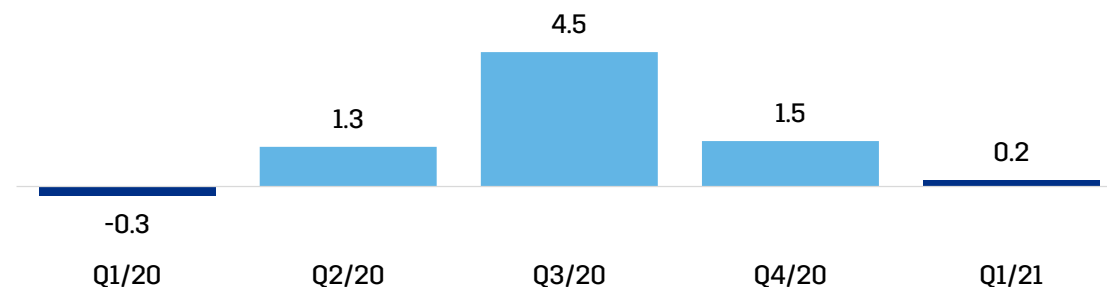
ENVIRONMENTAL SERVICES excl. Russia

MEUR



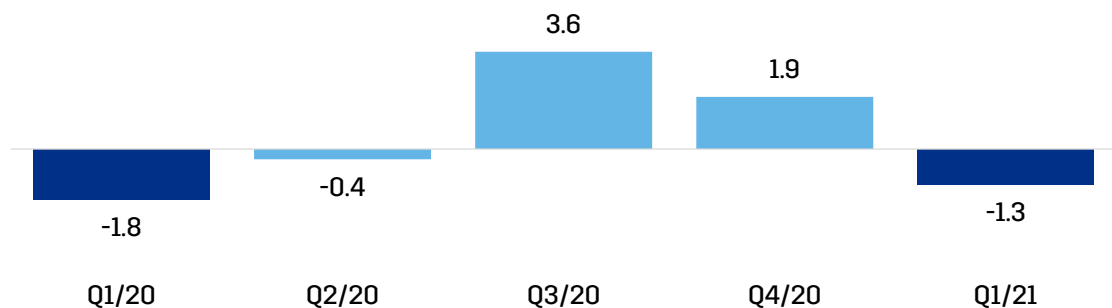
INDUSTRIAL SERVICES

MEUR



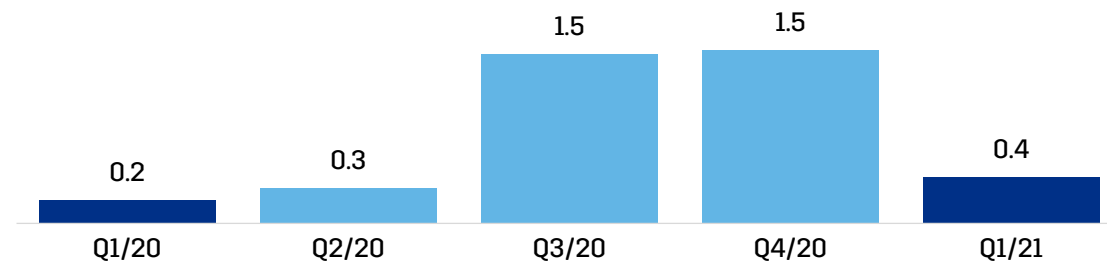
FACILITY SERVICES FINLAND

MEUR



FACILITY SERVICES SWEDEN

MEUR

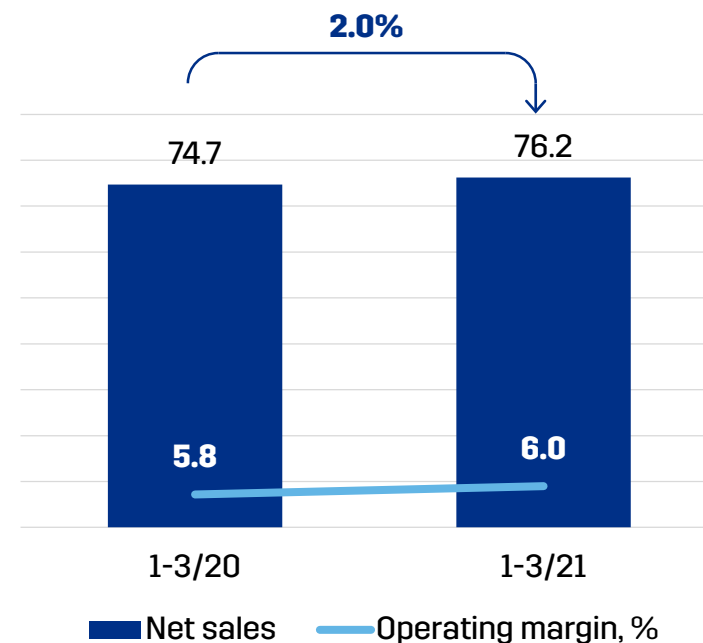


ENVIRONMENTAL SERVICES EXCL. RUSSIA



- Waste volumes were on a lower level due to the pandemic-related restrictions
- Sales in bioenergy services were strong because of the cold winter
- Higher fuel prices and heavy snowfall increased production costs

MEUR	Q1/21	Q1/20	Change %	2020
Net sales	76.2	74.7	2.0	285.3
EBITDA	10.9	10.6	3.3	53.5
Operating profit	4.5	4.3	5.3	28.4
Operating margin, %	6.0	5.8		10.0

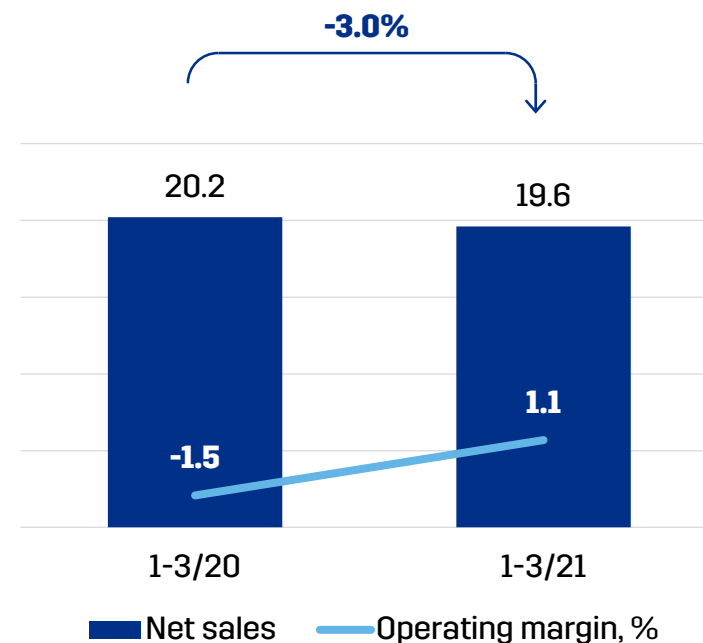


INDUSTRIAL SERVICES



- Market share in industrial customer segment increased
- Project business was on a lower level than comparison period
- Profitability improved due to operational efficiency and service development

MEUR	Q1/21	Q1/20	Change %	2020
Net sales	19.6	20.2	-3.0	101.8
EBITDA	2.5	2.2	12.9	17.3
Operating profit	0.2	-0.3	172.0	7.1
Operating margin, %	1.1	-1.5		7.0

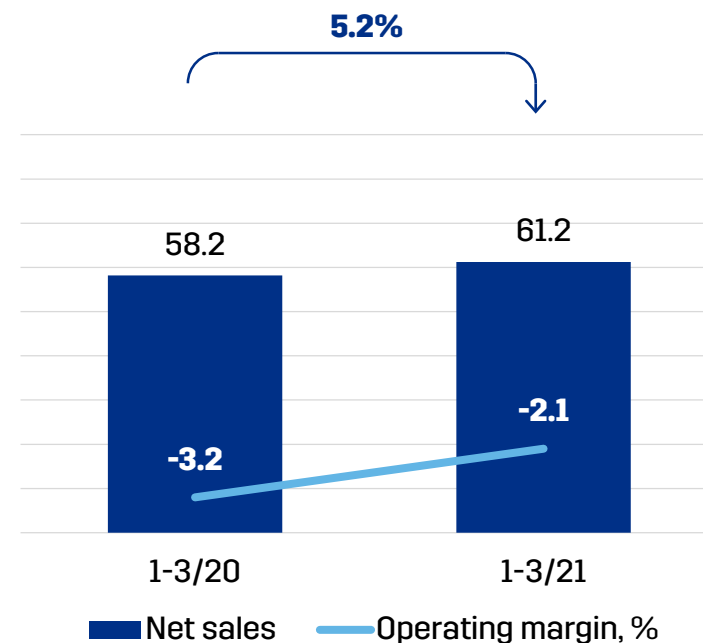


FACILITY SERVICES FINLAND



- Net sales grew due to successful sales and heavy snowfall
- Efficiency measures and higher service quality improved operating profit from the comparison period

MEUR	Q1/21	Q1/20	Change %	2020
Net sales	61.2	58.2	5.2	232.3
EBITDA	1.1	1.2	-10.6	13.5
Operating profit	-1.3	-1.8	29.3	3.2
Operating margin, %	-2.1	-3.2		1.4

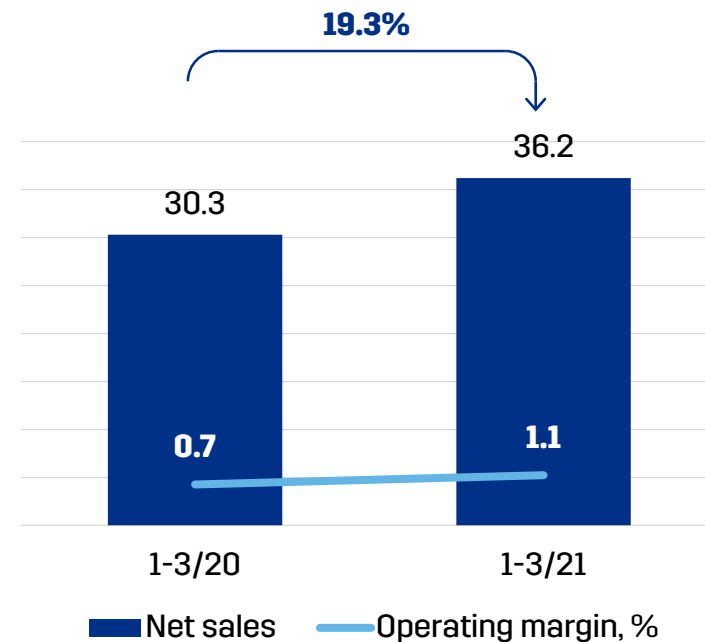


FACILITY SERVICES SWEDEN



- Net sales increased mainly because of heavy snowfall
- Operating profit grew due to improved efficiency
- The pandemic continued to have a negative impact on the division

MEUR	Q1/21	Q1/20	Change %	2020
Net sales	36.2	30.3	19.3	134.5
EBITDA	1.7	1.5	15.5	8.4
Operating profit	0.4	0.2	102.1	3.5
Operating margin, %	1.1	0.7		2.6



SUSTAINABILITY HIGHLIGHTS FROM Q1

New services for Metsä Group

- L&T to provide waste management and other services for the construction of the Kemi bioproduct mill

Lower sickness rate and cost of work left undone in Finland

- Occupational health rate was 77 % and sickness rate 5.4 % (target 2024: 4.5 %)
 - Sickness rate in Sweden remained high
- Employee recommendation rate remained high according to initial results of the recent employee survey

Cold winter affected carbon handprint and carbon footprint

- Carbon handprint was (tCO₂) 360,524 which corresponds to the annual emissions of 35,000 Finns.
- Carbon footprint intensity was (gCO₂e/km) 836 (target 2024: 712)
 - 8 new biogas vehicles
 - Increased use of HVO

L&T NON-FINANCIAL
STRATEGIC TARGETS
2019–2024

**Service
promotion**
NPS index > 25

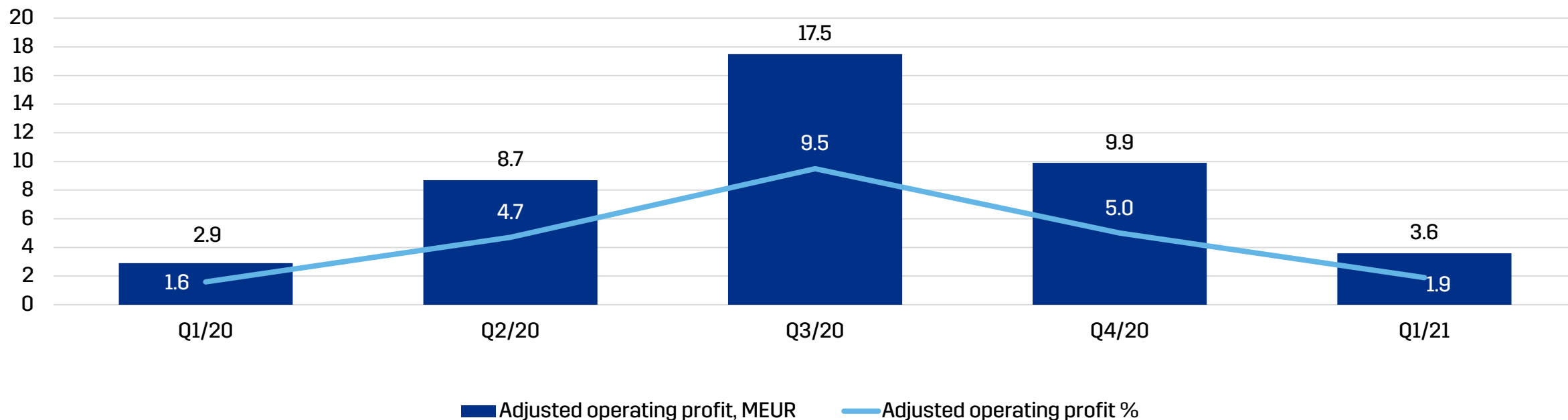
**Employee
recommendation**
> 80 %

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

GROUP SUSTAINABILITY PERFORMANCE Q1/2021

L&T Group	2018	2019	2020	Q1/2021	Target 2024	Target 2030	Reporting cycle
Recycling rate (%)	54.2	54.8	58.6	-	60	70	Biannually
Carbon footprint (tCO2e)	47 400	43 100	36 700	9 550			Quarterly
Carbon footprint intensity (gCO2e/km)	952	867	818	836	712	476	Quarterly
Carbon handprint (tCO2)	1 187 000	1 172 100	1 231 700	360 524	growth faster than net sales		Quarterly
TRIF	25	23	24	26	20	15	Quarterly
Occupational health rate (%)	40	42	50	77	45	48	Quarterly
Sickness rate (%)	5	5	4.7	5.4	4.5	4	Quarterly
Average retirement age	63.2	63.1	63.5	-	64	65	Annually
Employee recommendation rate (%)	72	73	82	-	>80	>90	Biannually

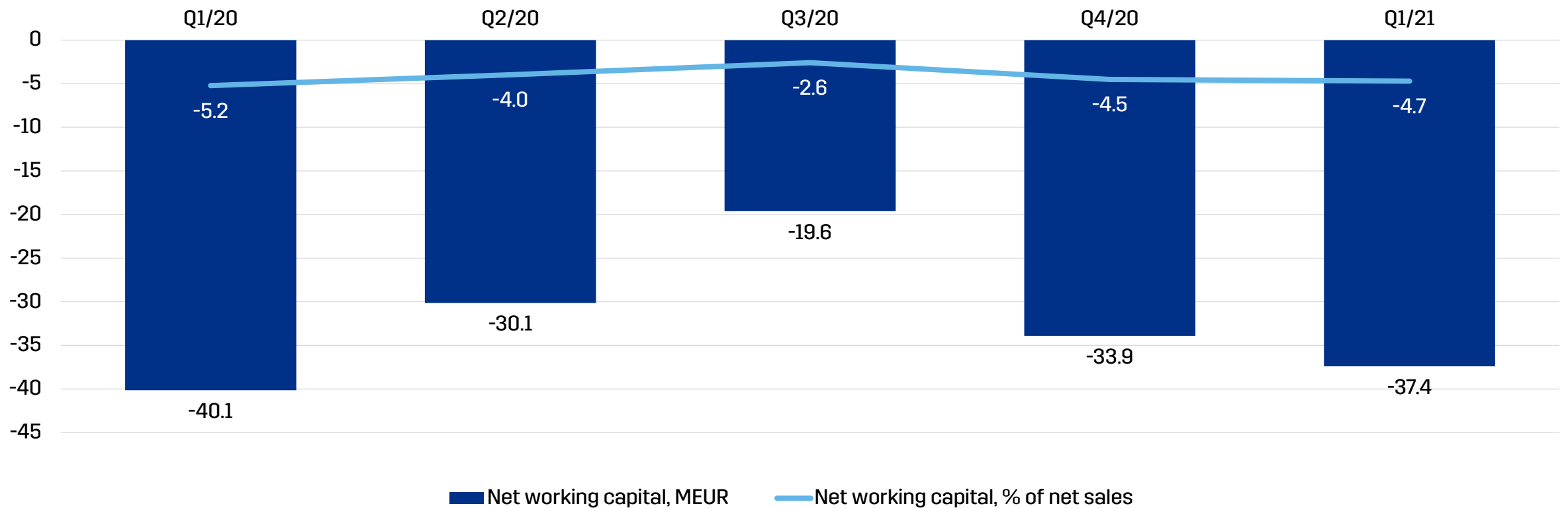
ADJUSTED OPERATING PROFIT



Adjusted operating profit was introduced as an alternative performance measure in September 2020. Year-on-year adjusted operating profit excludes substantial costs arising from business restructuring (EUR 0.5 million), and gains and losses from divestments (EUR 0.0 million). The cost arising from the discontinuation of Russian businesses was reduced by EUR 0.7 million.

NET WORKING CAPITAL

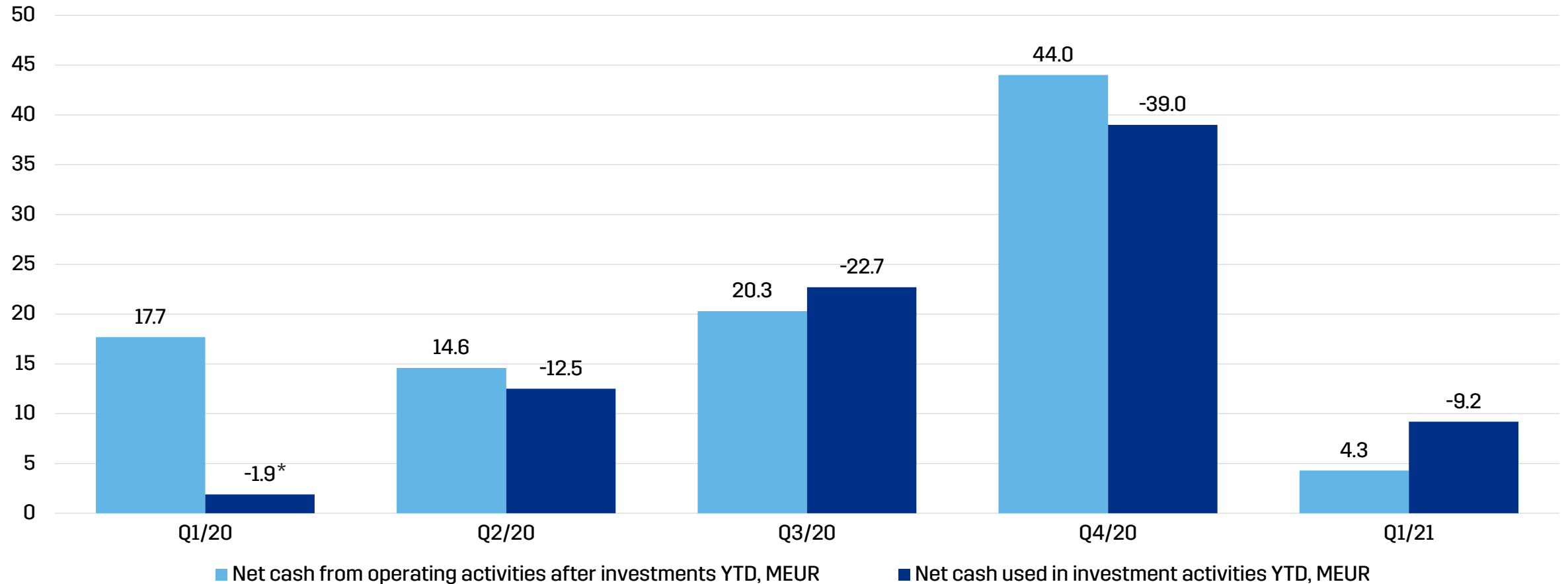
- Strong net working capital management during the pandemic
- Inventories grew in renewable energy sources as planned by EUR 7 million



KEY FIGURES

	Q1/21	Q1/20	Change %	2020
Capital expenditure, MEUR	9.4	9.0	5.5	48.2
Depreciation, amortisation and impairment, MEUR	12.7	17.6	-27.8	57.0
Net cash flow from operating activities after investments, MEUR	4.3	17.7		44.0
Return on equity (ROE), %	5.6	0.1		9.6
Invested capital, EUR million	363.4	364.7		379.2
Return on investment (ROI), %	4.1	3.2		7.5
Equity ratio, %	31.6	29.3		33.0
Gearing, %	84.9	95.6		70.9
Total number of employees at the end of the period	8 033	8 306		8 139

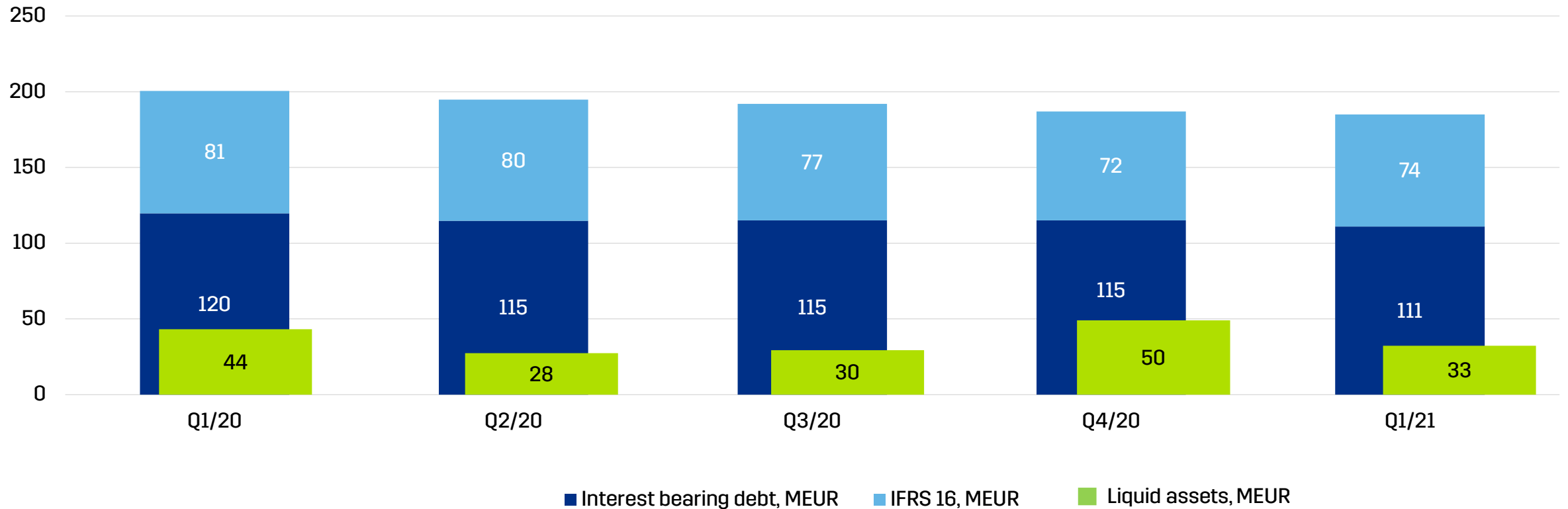
NET CASH FLOW AND NET INVESTMENTS



*Includes sale of property

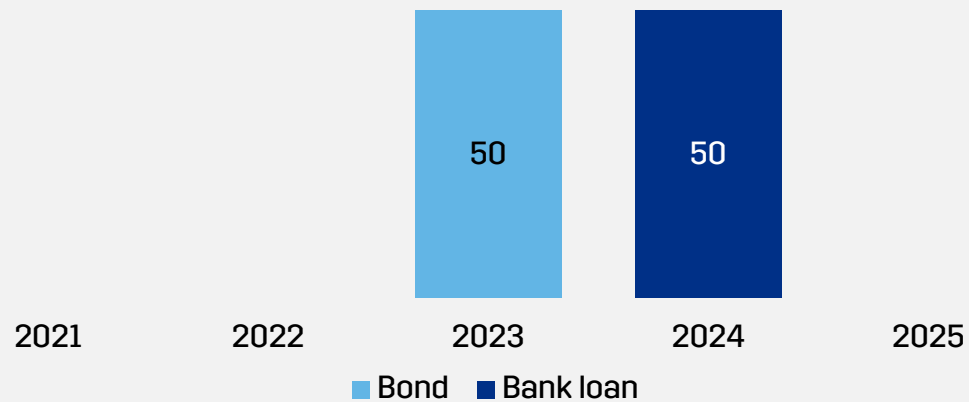
INTEREST BEARING DEBT AND LIQUIDITY

- Amount of commercial papers reduced by EUR 9 million



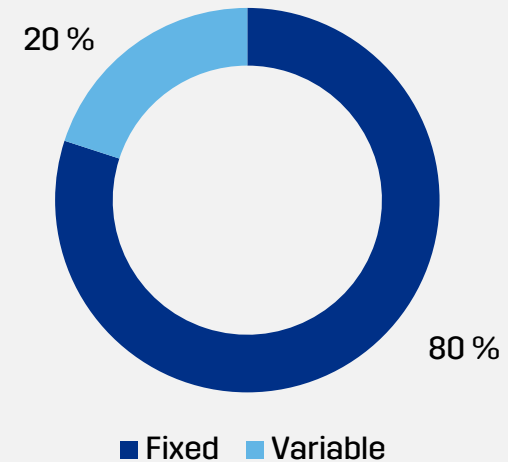
MATURITY STRUCTURE OF LOANS

Loans, MEUR



Loans do not include commercial papers

Weighted average of effective interest rate 1.3 %





OUTLOOK FOR 2021

Full-year net sales for 2021 are expected to remain at the same level and adjusted operating profit is estimated to remain at the same level or improve

CONTACTS



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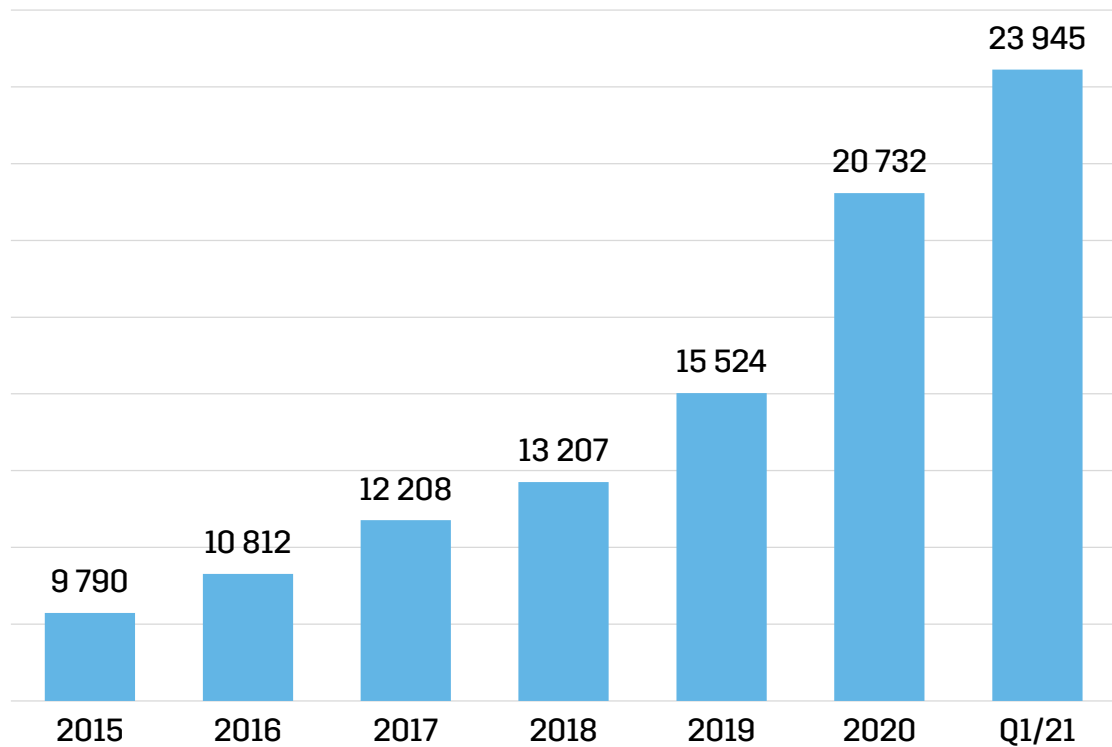


SHAREHOLDERS

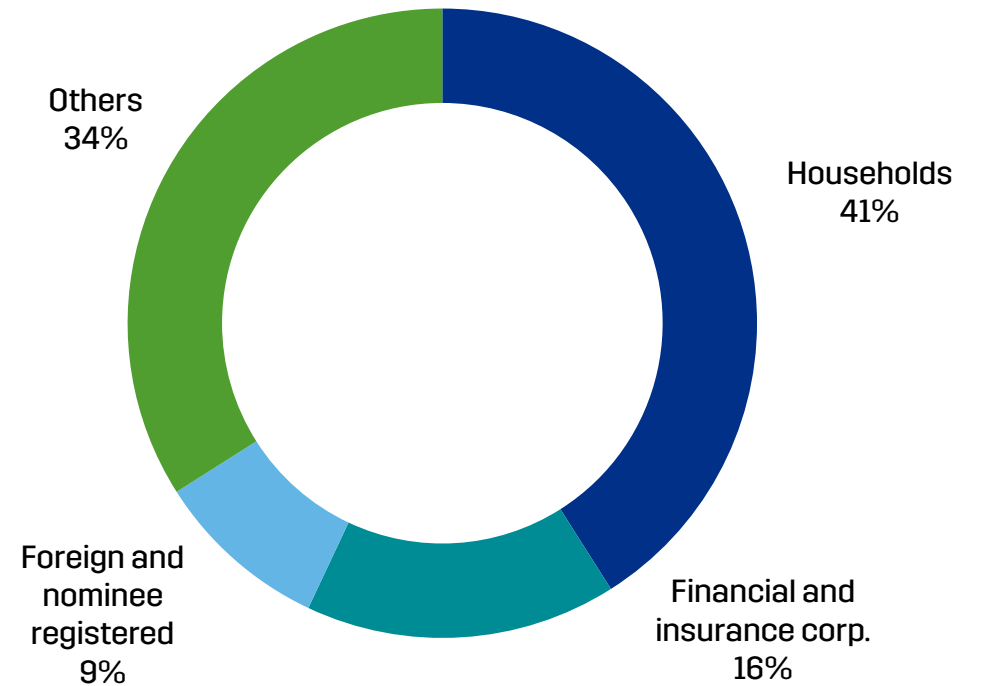


SHAREHOLDER STRUCTURE

Number of shareholders



Shareholder structure



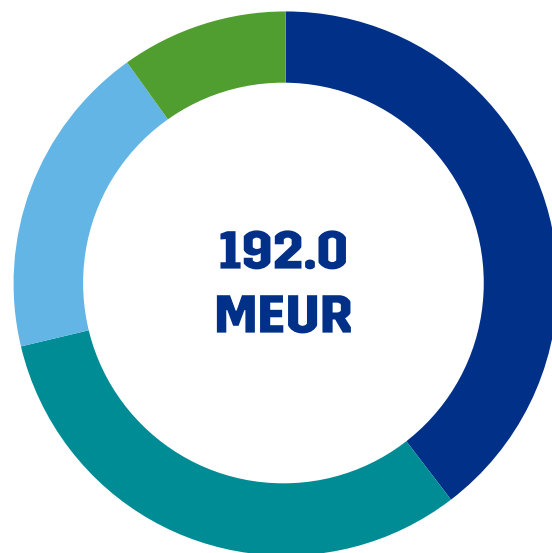
MAJOR SHAREHOLDERS ON 31 MARCH 2021

Shareholder	Shares	%
Mandatum Life Insurance Company Limited	3,033,249	7.82
Evald and Hilda Nissin Foundation	2,413,584	6.22
Nordea Investment Funds	1,641,538	4.23
Maijala Juhani	1,529,994	3.94
Elo Mutual Pension Insurance Company	1,072,133	2.76
Stiftelsen för Åbo Akademi	1,066,282	2.75
Ilmarinen Mutual Pension Insurance Company	1,024,836	2.64
Bergholm Heikki	835,178	2.15
Varma Mutual Pension Insurance Company	729,791	1.88
Maijala Mikko	720,000	1.86
Ownership structure / sector	Shares	%
Nominee-registered shares	3,465,609	8.93
Number of shares	38,798,874	100.00
Number of shareholders	23,945	

APPENDIX

KEY FIGURES

NET SALES Q1/2021



- 39% Environmental Services
- 32% Facility Services Finland
- 19% Facility Services Sweden
- 10% Industrial Services

	Q1/21	Q1/20	Change %	2020
Net sales, MEUR	192.0	184.4	4.1	751.9
EBITDA, MEUR	16.4	20.4	-19.7	85.2
Operating profit, MEUR	3.7	2.9	29.3	28.2
Operating margin, %	1.9	1.6		3.8
EVA, MEUR	-2.5	-3.4	26.6	3.7
Earnings per share, EUR	0.07	0.00		0.50

CONSOLIDATED INCOME STATEMENT

MEUR	1-3/2021	1-3/2020	1-12/2020
Net sales	192.0	184.4	751.9
Other operating income	0.6	7.5	9.3
Change of inventory	0.2	1.8	8.7
Materials and services	-71.8	-66.7	-263.9
Employee benefit expenses	-82.9	-81.1	-315.1
Other operating expenses	-21.7	-25.5	-105.6
Depreciation and impairment	-12.7	-17.6	-57.0
Operating profit	3.7	2.9	28.2
Financial income and expenses	-0.6	-2.8	-4.9
Share of the result of associated companies	0.0	0.0	0.0
Profit before tax	3.2	0.1	23.3
Income taxes	-0.6	0.0	-4.3
Profit for the period	2.6	0.0	19.0
Attributable to:			
Equity holders of the company	2.6	0.0	19.1
Non-controlling interest	0.0	0.0	-0.1
Earnings per share attributable to equity holders of the parent company:			
Earnings per share, EUR	0.07	0.00	0.50
Diluted earnings per share, EUR	0.07	0.00	0.50

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MEUR	3/2021	3/2020	12/2020
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	153.2	149.9	154.0
Other intangible assets	28.4	30.4	28.9
	181.7	180.2	182.9
Property, plant and equipment	141.7	127.3	139.8
Right of use asset	72.8	80.1	8.9
	214.5	207.4	210.7
Other non-current assets			
Deferred tax assets	5.2	4.7	4.5
Other receivables	1.3	1.3	1.3
	6.5	6.0	5.8
Total non-current assets	402.7	393.7	399.4
Current assets			
Inventories	30.7	23.2	30.7
Trade receivables	73.3	70.5	82.9
Contract assets	25.1	27.5	19.4
Other receivables	14.9	15.6	14.0
Cash and cash equivalents	32.9	43.7	50.2
	176.9	180.5	197.2
Total current assets	176.9	180.5	197.2
Total assets	579.6	574.2	596.6

MEUR	3/2021	3/2020	12/2020
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of the parent company			
Share capital	19.4	19.4	19.4
Other reserves	-6.3	-14.5	-5.0
Invested unrestricted equity reserve	0.6	0.6	0.6
Retained earnings	165.0	158.4	177.5
	178.8	164.0	192.6
Non-controlling interest	0.0	0.1	0.0
Total equity	178.8	164.1	192.6
Liabilities			
Non-current liabilities			
Deferred tax liabilities	27.4	28.1	28.3
Retirement benefit obligations	1.4	1.3	1.4
Provisions	7.1	5.4	7.1
Financial liabilities	155.8	164.0	155.4
Other liabilities	0.1	0.3	0.1
	191.8	199.1	192.3
Current liabilities			
Financial liabilities	28.7	36.5	31.3
Trade and other payables	177.4	172.4	178.0
Provisions	2.8	2.1	2.4
	209.0	211.0	211.8
Total liabilities	400.8	410.1	404.0
Total equity and liabilities	579.6	574.2	596.6

CIRCULAR ECONOMY – MADE REAL