

An aerial photograph of a city waterfront. In the center, a bridge with a tall, angled pylon spans across a body of water. To the right, a modern building with a red structural element is visible. The foreground shows a paved walkway lined with green trees. A small boat is moving across the water in the lower left. The sky is blue with light clouds.

LASSILA & TIKANOJA INTERIM REPORT Q1 2022

Eero Hautaniemi, President & CEO

Valtteri Palin, CFO

27 April 2022





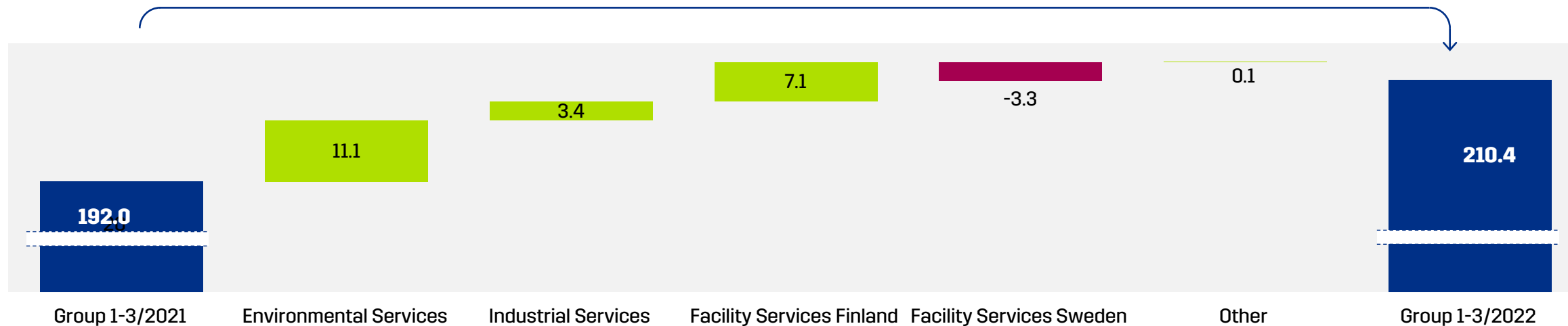
IN FOCUS

Q1 2022

- Strategy implementation well on track
- Net sales grew by 9.6% to EUR 210.4 million (192.0)
 - Organic growth was 5.2%
- Adjusted operating profit was EUR 0.0 million (3.6)
 - The cost impact of COVID-19 and fuel prices was EUR 5,2 million
- Higher fuel prices will be compensated Q2 onwards with price increases and cost savings implemented February-April
- Industrial services entered the Swedish process cleaning market through the acquisition of SVB

NET SALES

9.6% (Organic growth 5.2%)

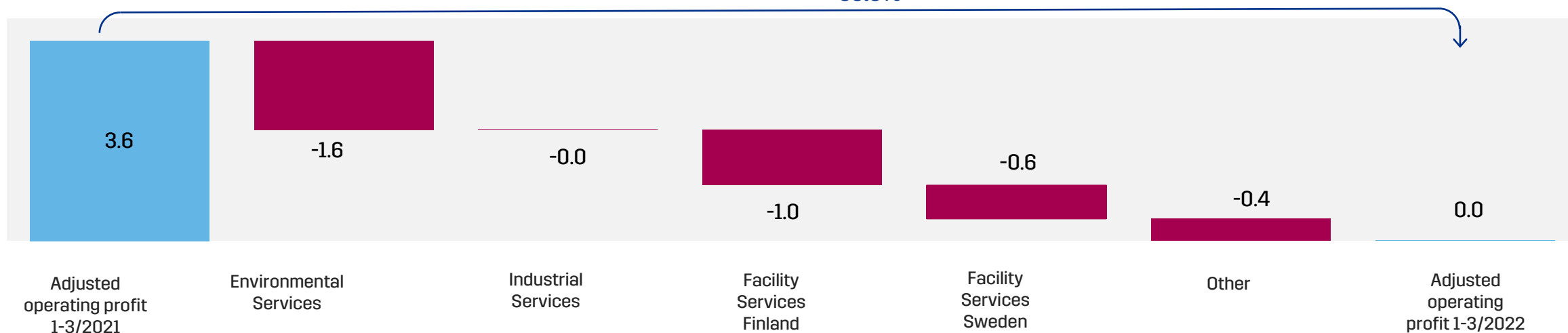


MEUR	Q1/22	Q1/21	Change%	2021
Environmental Services	87.3	76.2	14.6	320.5
Industrial Services	23.1	19.6	17.5	105.1
Facility Services Finland	68.3	61.2	11.6	243.1
Facility Services Sweden	32.9	36.2	-9.1	149.8
L&T Group	210.4	192.0	9.6	812.5



ADJUSTED OPERATING PROFIT

-99.9%

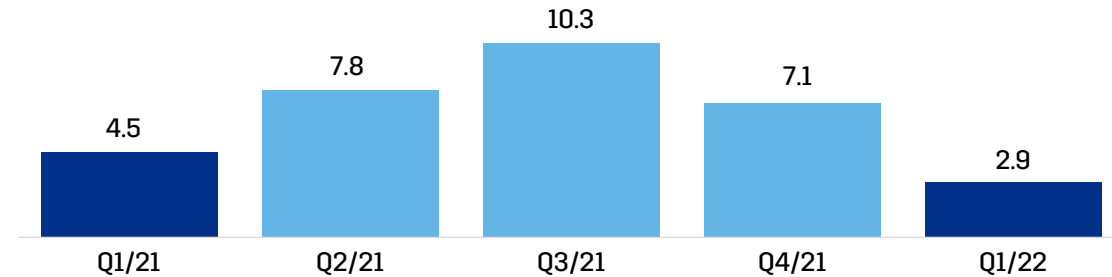


	Q1/22	Q1/21	Change%	2021
Environmental Services	2.9	4.5	-36.1	29.8
Industrial Services	0.2	0.2	-6.0	9.2
Facility Services Finland	-2.3	-1.3	-76.2	1.8
Facility Services Sweden	-0.2	0.4	-146.6	3.9
Other	-0.6	-0.3	-509.5	-2.2
Adjusted operating profit	0.0	3.6	-99.9	42.4

OPERATING PROFIT BY DIVISION

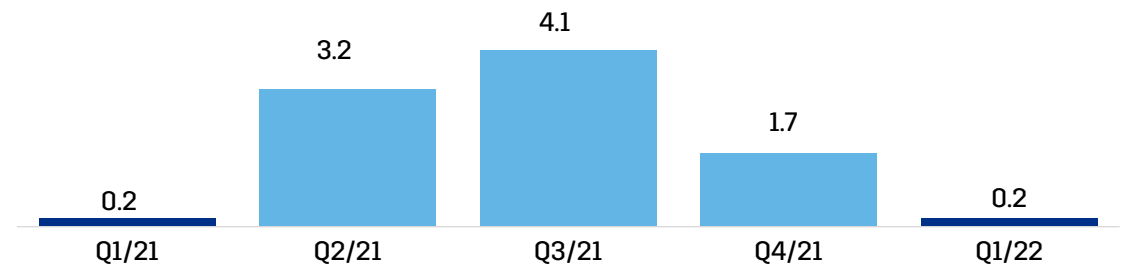
ENVIRONMENTAL SERVICES

MEUR



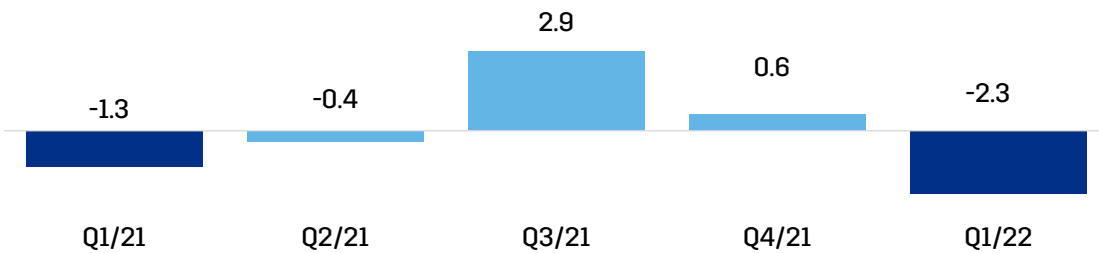
INDUSTRIAL SERVICES

MEUR



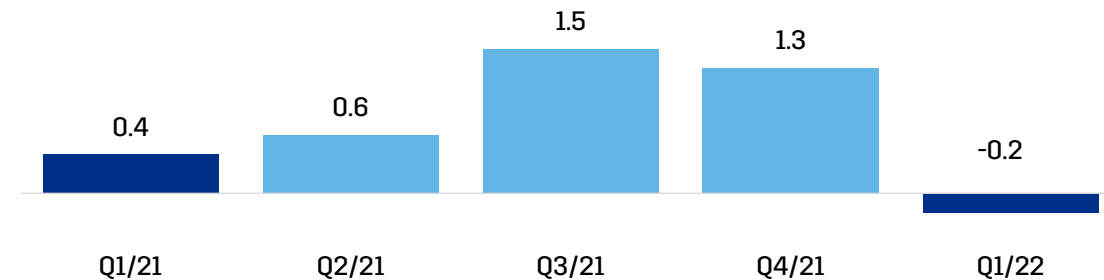
FACILITY SERVICES FINLAND

MEUR



FACILITY SERVICES SWEDEN

MEUR

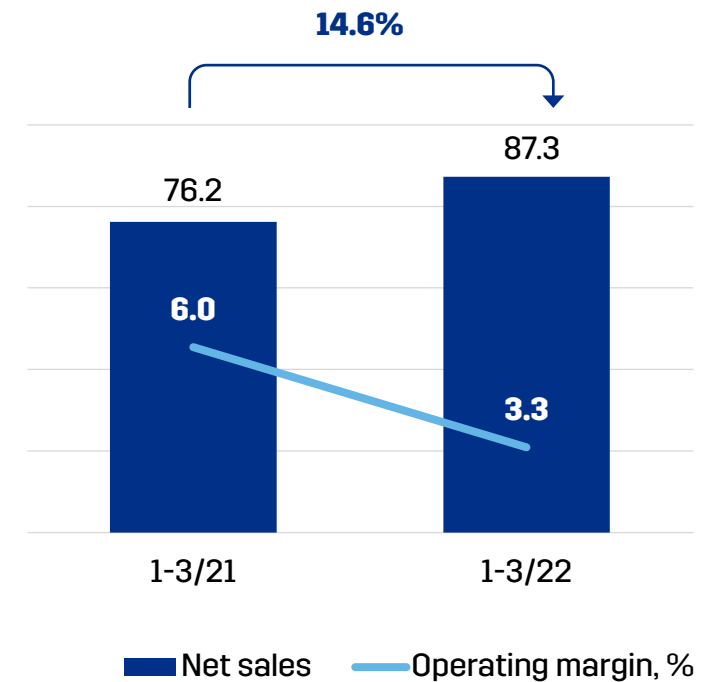


ENVIRONMENTAL SERVICES



- Good growth driven by increased market share
- More commercial responsibility was given to regional organisation
- Key account management and major customer sales were strengthened with environmental responsibility consulting
- Production costs were higher due to COVID-19, increased fuel prices and difficult winter conditions in Southern Finland

MEUR	Q1/22	Q1/21	Change%	2021
Net sales	87.3	76.2	14.6	320.5
EBITDA	9.7	10.9	-11.4	56.5
Operating profit	2.9	4.5	-36.1	29.8
Operating margin, %	3.3	6.0		9.3

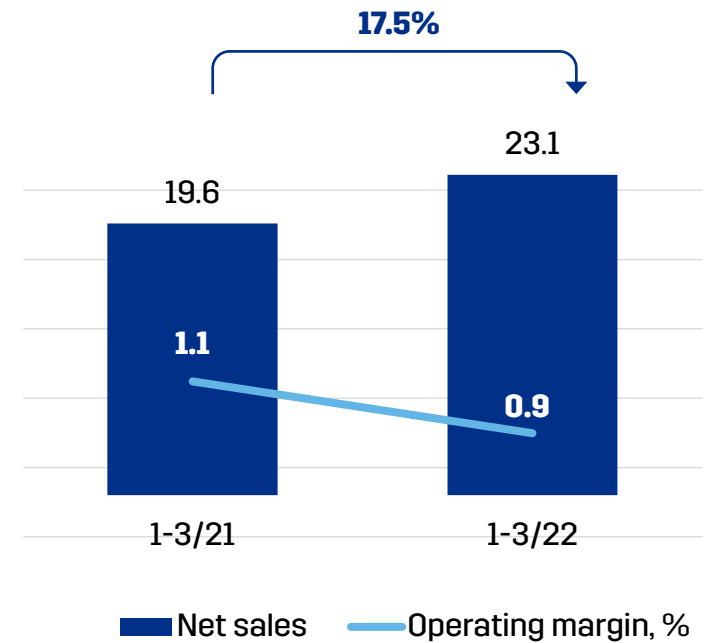


INDUSTRIAL SERVICES



- Strong growth in net sales generated by environmental construction and acquisitions
- Production costs were higher due to COVID-19 and increased fuel prices

MEUR	Q1/22	Q1/21	Change%	2021
Net sales	23.1	19.6	17.5	105.1
EBITDA	3.0	2.5	17.7	18.6
Operating profit	0.2	0.2	-6.0	9.2
Operating margin, %	0.9	1.1		8.7



INDUSTRIAL SERVICES ENTERED THE SWEDISH MARKET AND STRENGTHENED ITS POSITION IN HAZARDOUS WASTE IN FINLAND

L&T acquired 70 percent of the shares of Sand & Vattenbläst i Tyringe AB ("SVB")

Operating in Southern Sweden, SVB's net sales in the last fiscal year were ~ EUR 10 million and the company has 60 employees

SVB offers process cleaning services such as high pressure washing, high-power vacuuming and water cleaning services to industrial customers

The acquisition took place 1 February, 2022, and the financials of the company are reported as part of Industrial Services starting from the first quarter of 2022.

L&T acquired Fortum's SME segment hazardous waste business operations in Finland

Some 2000-3000 new SME customers

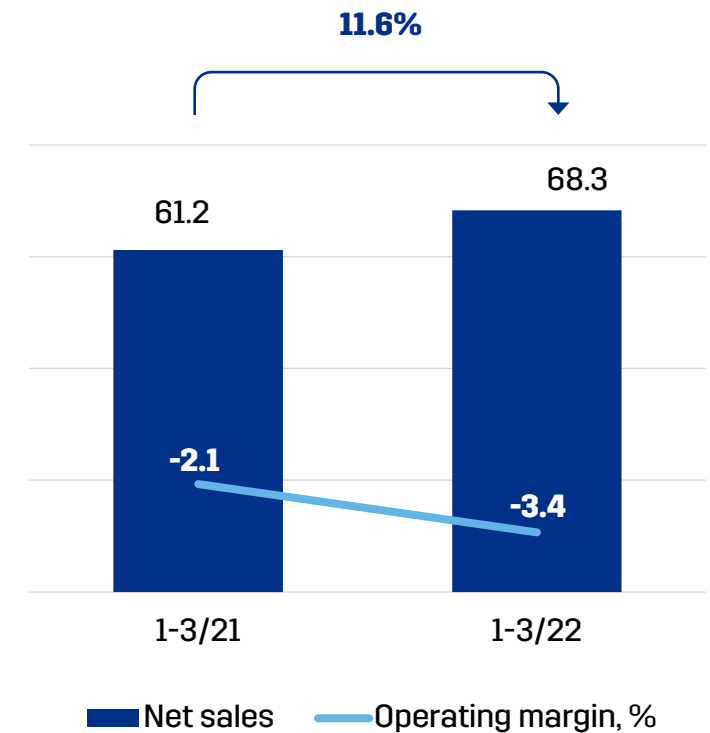
The estimated annual net sales of the SME business operations are EUR 5-6 million

L&T is able to offer excellent customer experience, good digital tools and high recycling rate for the new customers

FACILITY SERVICES FINLAND

- Production costs were higher due to COVID-19. Cost saving measures implemented last year were successful and compensated most of the significant increase in production costs
- Strong performance in the cleaning business line

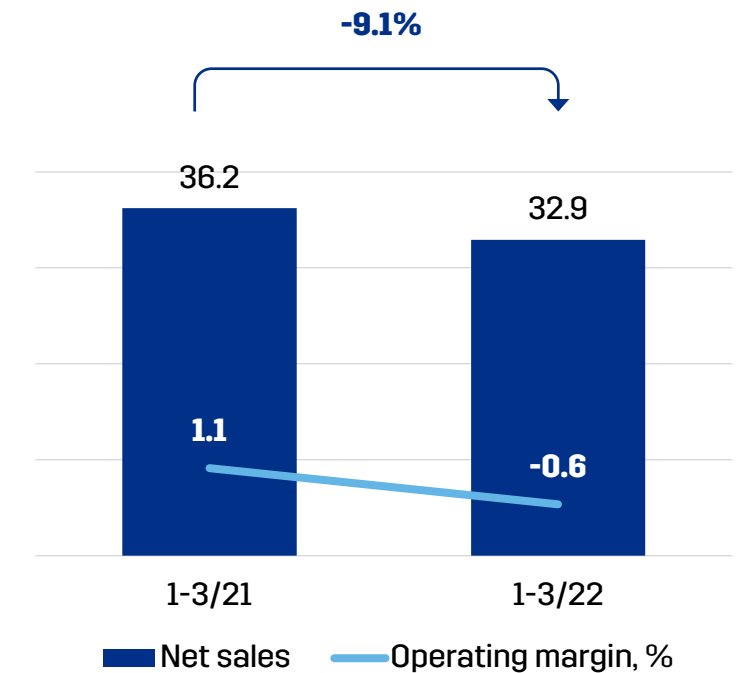
MEUR	Q1/22	Q1/21	Change%	2021
Net sales	68.3	61.2	11.6	243.1
EBITDA	0.0	1.1	-101.1	11.0
Operating profit	-2.3	-1.3	-76.2	1.8
Operating margin, %	-3.4	-2.1		0.7



FACILITY SERVICES SWEDEN

- New customer contracts were signed in technical services
- COVID-19 related absence was high in January and February and normalised in March
- High fuel and energy prices increased production costs

MEUR	Q1/22	Q1/21	Change%	2021
Net sales	32.9	36.2	-9.1	149.8
EBITDA	1.5	1.7	-13.8	10.4
Operating profit	-0.2	0.4	-146.6	3.9
Operating margin, %	-0.6	1.1		2.6



SUSTAINABILITY HIGHLIGHTS

Together with Kesko and Bewi, L&T pilots recycling styrofoam into insulation material for construction industry

L&T joins Confederation of Finnish Industries and Staffpoint project to provide jobs for Ukrainian refugees in Finland

L&T participates in a pilot program to test science based target setting for biodiversity

L&T offers some 950 summer jobs during summer 2022

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

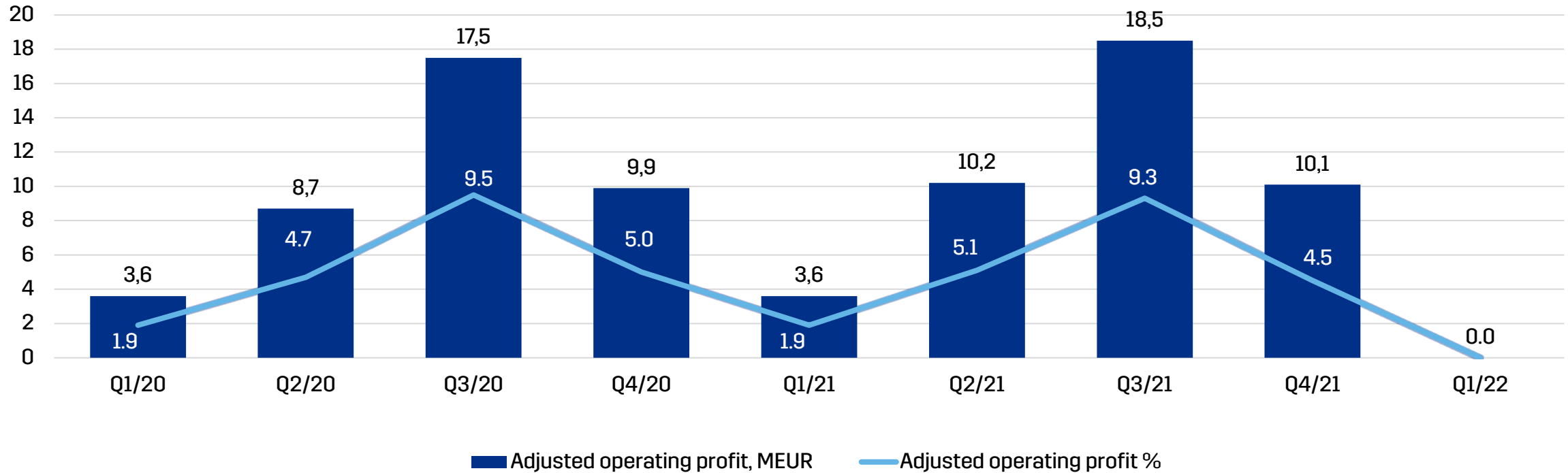


SUSTAINABILITY SCORE CARD 2022

- Carbon footprint developed favorably due to increased use of renewable diesel
- Sick leave percentage was significantly higher than in Q1/2021

L&T	2018	2019	2020	2021	1/2022	1/2021	Target 2022	Target 2024	Target 2030	Compared to Q1/2021
RECYCLING RATE (%)	54.2	54.8	58.6	58.4	-	-	59.5	60	70	
CARBON FOOTPRINT (tCO2-ekv)	47 400	43 100	36 700	37 800	8 500	9 550				-10 %
EMISSION INTENSITY (gCO2-ekv/km)	952	867	818	771	710	836	748	712	476	-15 %, +5% km
CARBON HANDPRINT (tCO2-ekv)	1 187 000	1 172 000	1 231 000	1 104 000	364 000	361 000				
TRIF	25	23	24	24	26	26	23	20	15	
OCCUPATIONAL HEALTH RATE (%)	40	42	50	44.3	67	77	50	55	60	
SICK LEAVE (%)	5.0	5.0	4.7	5.1	6.5	5.4	4.6	4.5	4	

ADJUSTED OPERATING PROFIT



The change in the accounting policy for information system cloud services in the financial year 2021 due to IFRIC's agenda decision had a negative impact of EUR 1.0 million on the result for the last quarter in 2021.

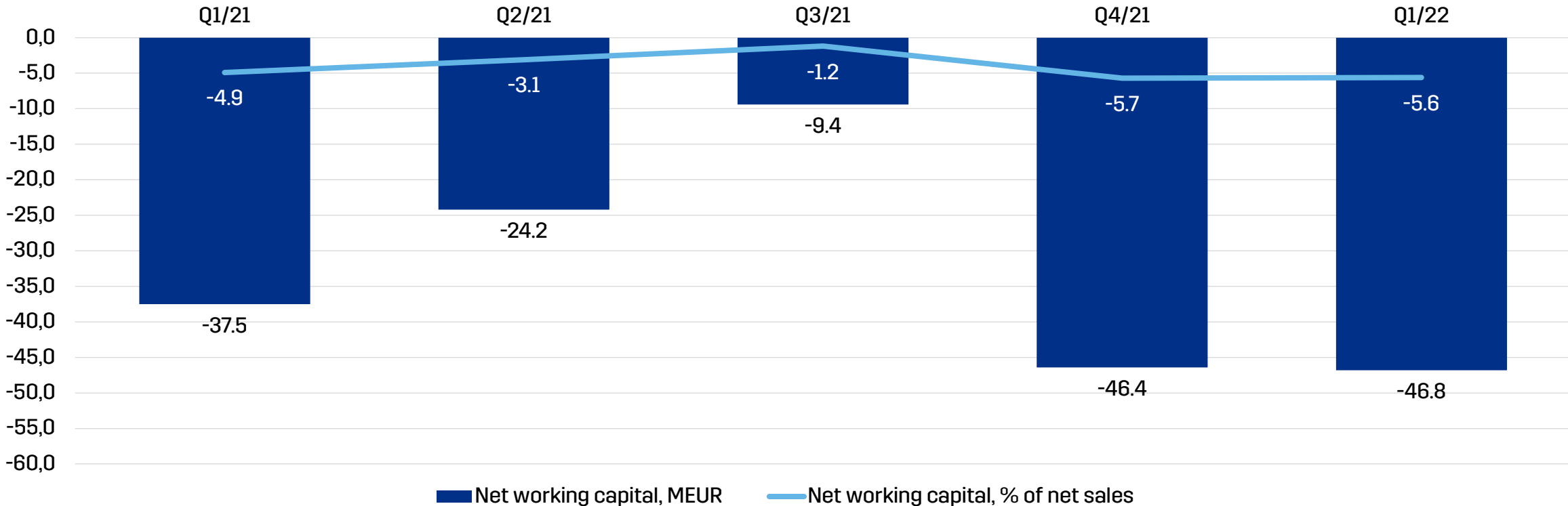


KEY FIGURES

	Q1/22	Q1/21	Change %	2021
Gross capital expenditure, MEUR	28.5	9.4	202.0	72.3
Depreciation, amortisation and impairment, MEUR	13.8	12.7	8.7	52.9
Net cash flow from operating activities after investments, MEUR	-6.0	4.3		1.7
Return on equity (ROE), %	-1.5	5.6		17.1
Invested capital, EUR million	413.0	363.4		406.0
Return on investment (ROI), %	-0.3	4.1		10.8
Equity ratio, %	30.4	31.6		33.7
Gearing, %	103.3	84.9		79.4
Total number of employees at the end of the period	8,367	8,033		8,171

NET WORKING CAPITAL

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

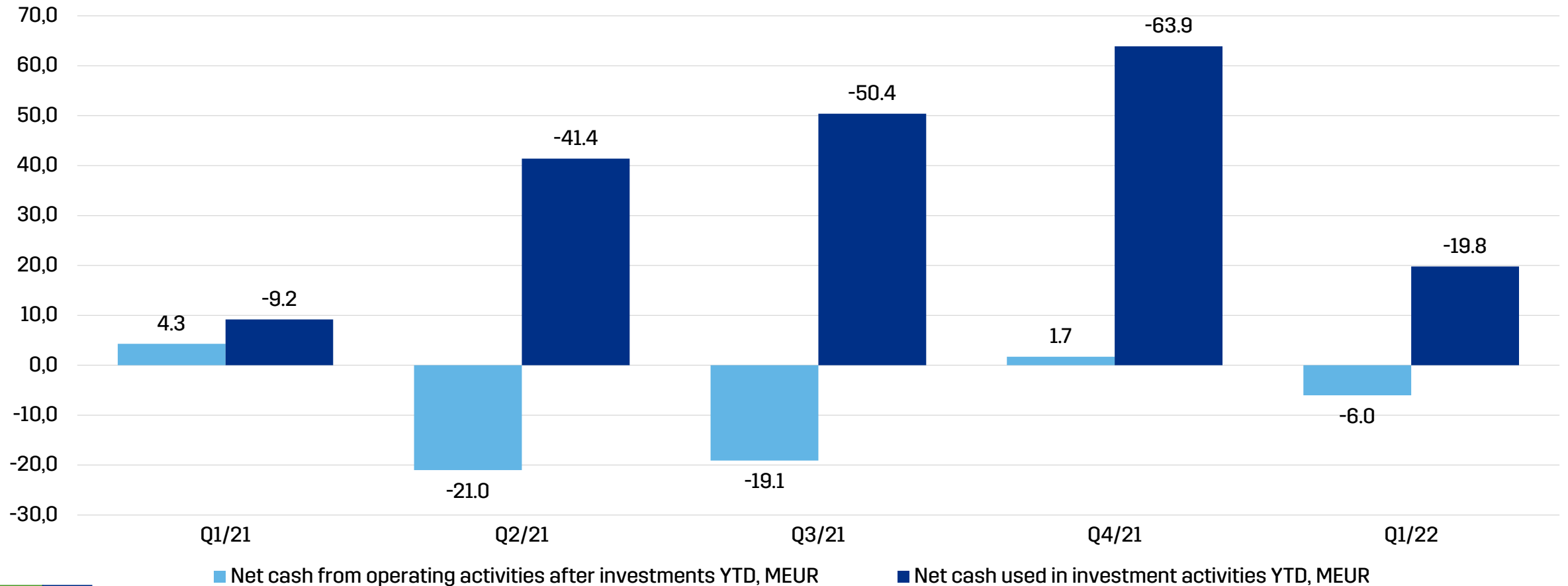


Net working capital = Current assets - income tax receivables - cash and cash equivalents - other non-current liabilities excluding deferred consideration- current trade and other payables
 Net working capital, % of net sales = Net working capital / 12 month rolling net sales * 100



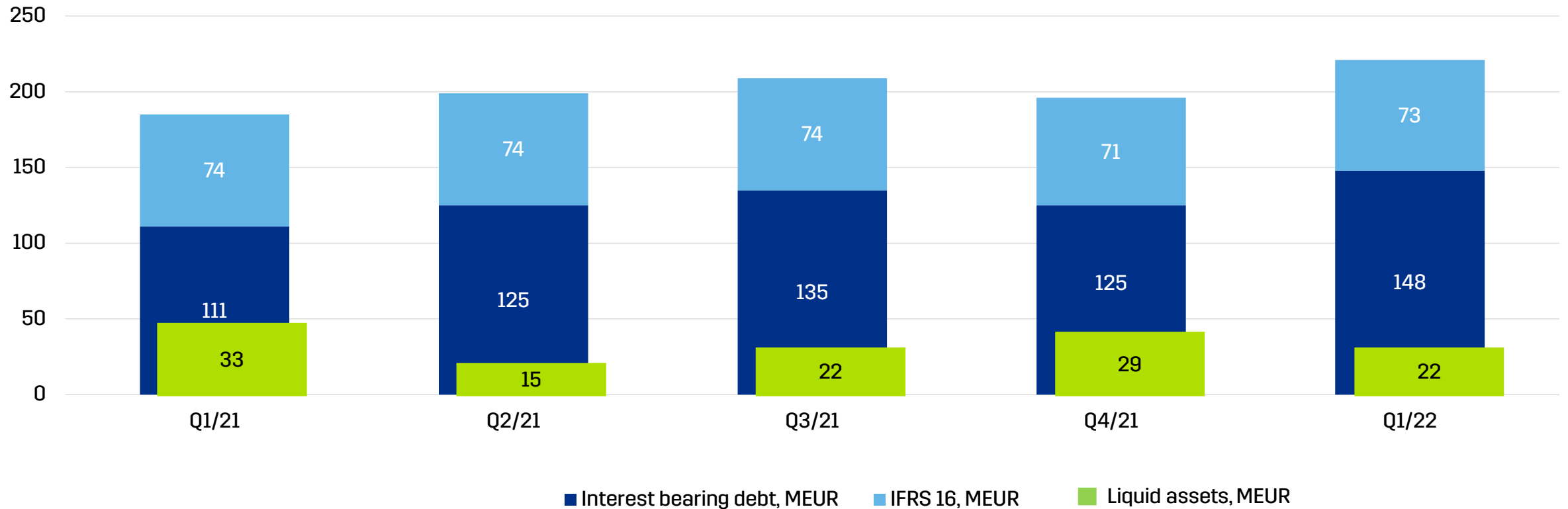
NET CASH FLOW AND NET INVESTMENTS

- Acquisitions were EUR 13.3 million in Q1 cash flow



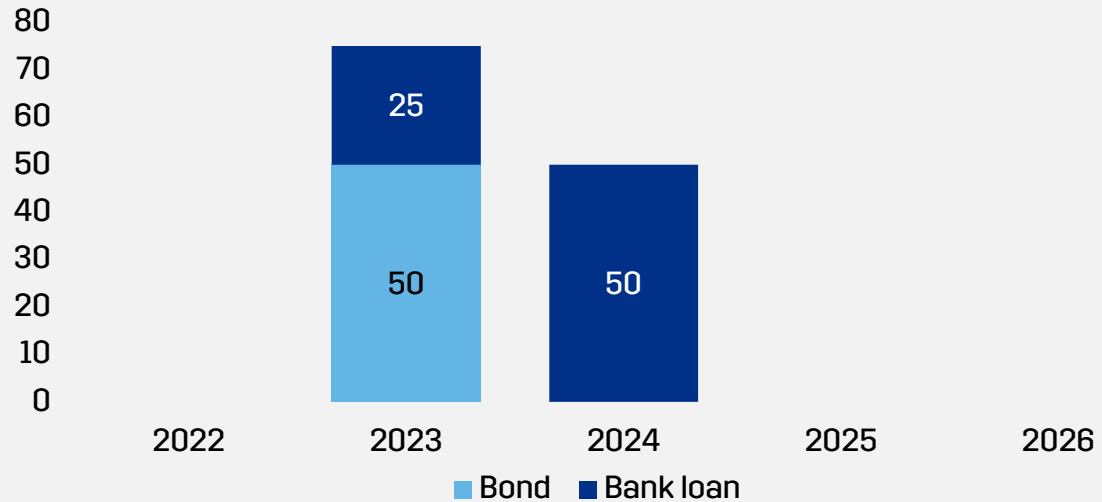
INTEREST BEARING DEBT AND LIQUIDITY

- Sustainability linked revolving credit facility of EUR 40 million was signed in Q1



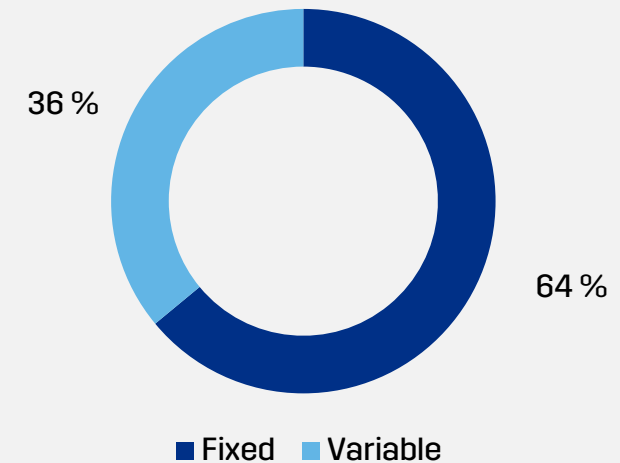
MATURITY STRUCTURE OF LOANS

Loans, MEUR



Loans do not include commercial papers

Weighted average of effective interest rate 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.

CONTACTS



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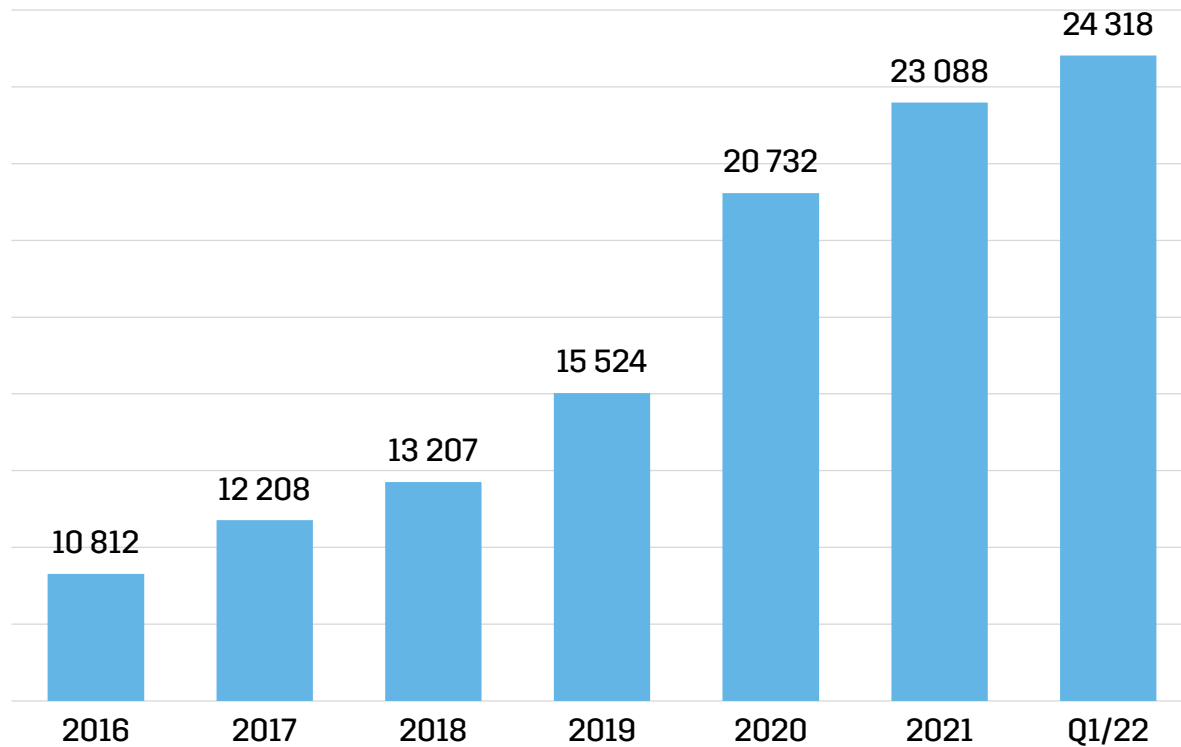


SHAREHOLDERS

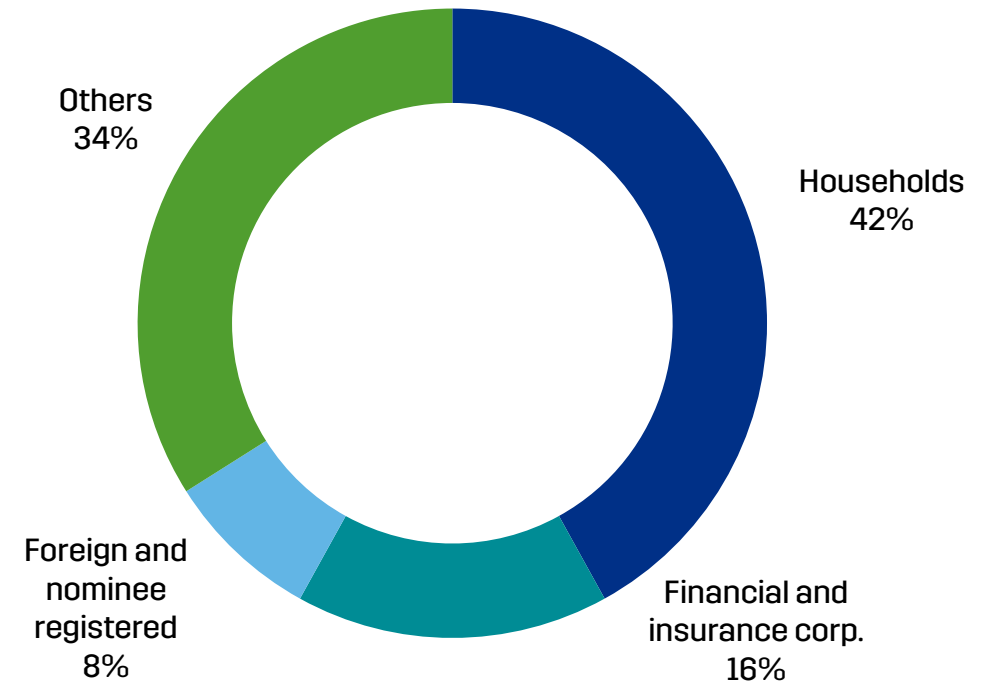


SHAREHOLDER STRUCTURE

Number of shareholders



Shareholder structure



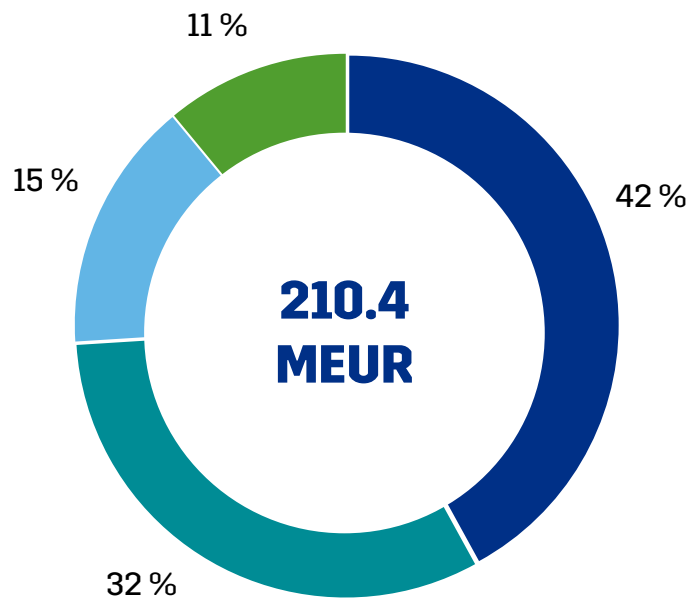
MAJOR SHAREHOLDERS ON 31 MARCH 2022

Shareholder	Shares	%
Evald and Hilda Nissi's Foundation	3,057,902	7.88
Mandatum Life Insurance Company Limited	3,026,147	7.80
Nordea Funds Ltd	1,730,836	4.46
Maijala Juhani	1,529,994	3.94
Åbo Akademi University Foundation	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
Lassila & Tikanoja Oyj	661,874	1.71
Ownership structure / sector	Shares	%
Nominee-registered shares	2,875,645	7.41
Number of shares	38,798,874	100.00
Number of shareholders	24,318	

APPENDIX

KEY FIGURES

NET SALES Q1/2022



- 42% Environmental Services
- 32% Facility Services Finland
- 15% Facility Services Sweden
- 11% Industrial Services

	Q1/22	Q1/21	Change%	2021
Net sales, MEUR	210.4	192.0	9.6	812.5
EBITDA, MEUR	13.5	16.4	-17.7	95.1
Operating profit, MEUR	-0.3	3.7	-107.5	42.2
Operating margin, %	-0.1	1.9		5.2
EVA, MEUR	-7.0	-2.5	-180.7	15.9
Earnings per share, EUR	-0.02	0.07	-128.9	0.90

Consolidated income statement

MEUR	1-3/2022	1-3/2021	1-12/2021
Net sales	210.4	192.0	812.5
Other operating income	0.6	0.6	3.8
Materials and services	-81.4	-71.6	-282.5
Employee benefit expenses	-88.7	-82.9	-342.6
Other operating expenses	-27.4	-21.7	-95.9
Depreciation, amortisation and impairment	-13.8	-12.7	-52.9
Operating profit	-0.3	3.7	42.2
Financial income and expenses	-1.0	-0.6	-3.3
Share of the result of associated companies	0.0	0.0	0.0
Result before taxes	-1.2	3.2	39.0
Income taxes	0.5	-0.6	-4.6
Result for the period	-0.7	2.6	34.4
Attributable to:			
Equity holders of the company	-0.7	2.6	34.4
Earnings per share attributable to the equity holders of the parent company:			
Earnings per share, EUR	-0.02	0.07	0.90
Diluted earnings per share, EUR	-0.02	0.07	0.90

Consolidated statement of financial position

MEUR	3/2022	3/2021	12/2021
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	182.3	153.2	172.1
Other intangible assets	37.4	28.4	32.5
	<u>219.7</u>	<u>181.7</u>	<u>204.6</u>
Tangible assets	157.3	141.7	153.0
Right-of-use assets	71.9	72.8	69.8
	<u>229.2</u>	<u>214.5</u>	<u>222.8</u>
Other non-current assets			
Deferred tax assets	6.4	5.2	5.6
Other receivables	2.1	1.3	2.2
	<u>8.5</u>	<u>6.5</u>	<u>7.8</u>
Total non-current assets	457.4	402.7	435.2
Current assets			
Inventories	5.9	30.7	5.9
Trade receivables	74.9	73.3	86.8
Contract assets	30.6	25.1	22.8
Income tax receivables	5.7	3.8	7.3
Other receivables	11.3	11.1	10.4
Cash and cash equivalents	22.3	32.9	28.6
	<u>150.6</u>	<u>176.9</u>	<u>161.8</u>
Assets classified as held for sale	34.9	-	38.3
Total current assets	185.5	176.9	200.0
Total assets	642.9	579.6	635.3

MEUR	3/2022	3/2021	12/2021
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	-6.3	-6.3
Invested unrestricted equity reserve	0.6	0.6	0.6
Retained earnings	178.5	165.0	196.7
Total equity	<u>192.2</u>	<u>178.8</u>	<u>210.4</u>
Liabilities			
Non-current liabilities			
Deferred tax liabilities	31.2	27.4	30.2
Retirement benefit obligations	1.6	1.4	1.4
Provisions	8.2	7.1	8.1
Financial liabilities	180.4	155.8	175.8
Other liabilities	3.7	0.1	0.1
	<u>225.0</u>	<u>191.8</u>	<u>215.5</u>
Current liabilities			
Financial liabilities	40.4	28.7	19.9
Trade and other payables	169.4	177.4	172.3
Income tax liabilities	0.9	-	3.3
Provisions	2.8	2.8	2.7
	<u>213.6</u>	<u>209.0</u>	<u>198.1</u>
Liabilities related to assets classified as held for sale	12.2	-	11.2
Total liabilities	450.8	400.8	424.9
Total equity and liabilities	642.9	579.6	635.3

CIRCULAR ECONOMY – MADE REAL