

FINANCIAL TARGETS

VALTERI PALIN
CFO





**FINANCIAL
TARGETS**

**FINANCIALLY
WELL-POSITIONED FOR
FUTURE GROWTH AND
INVESTMENTS**



IMPORTANT NOTICE

The following applies to this presentation, the oral presentation of the information in this presentation by Lassila & Tikanoja plc (the “Company” or “Lassila & Tikanoja or “L&T”) or any person on behalf of the Company, and any question-and-answer session that follows the oral presentation (collectively, the “Information”). In accessing the Information, you agree to be bound by the following terms and conditions.

This presentation does not constitute an offer of or an invitation by or on behalf of, Lassila & Tikanoja, or any other person, to purchase any securities.

The Information is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident of, or located in, any locality, state, country or other jurisdiction where such distribution or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

The Information contains forward-looking statements. All statements other than statements of historical fact included in the Information are forward-looking statements. Forward-looking statements give the Company’s current expectations and projections relating to its financial condition, results of operations, plans, objectives, future performance and business. These statements may include, without limitation, any statements preceded by, followed by or including words such as “target,” “believe,” “expect,” “aim,” “intend,” “may,” “anticipate,” “estimate,” “plan,” “project,” “will,” “can have,” “likely,” “should,” “would,” “could” and other words and terms of similar meaning or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the Company’s actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which it will operate in the future.

The Information, including but not limited to forward-looking statements, applies only as of the date of this document and is not intended to give any assurances as to future results. Market data used in the Information not attributed to a specific source are estimates of the Company and have not been independently verified.



SOLID PERFORMANCE IN ALL DIVISIONS DESPITE CHALLENGING BUSINESS CYCLE IN Q3/2023

Adjusted operating profit:

EUR 31.8 million (31.3)

January-September

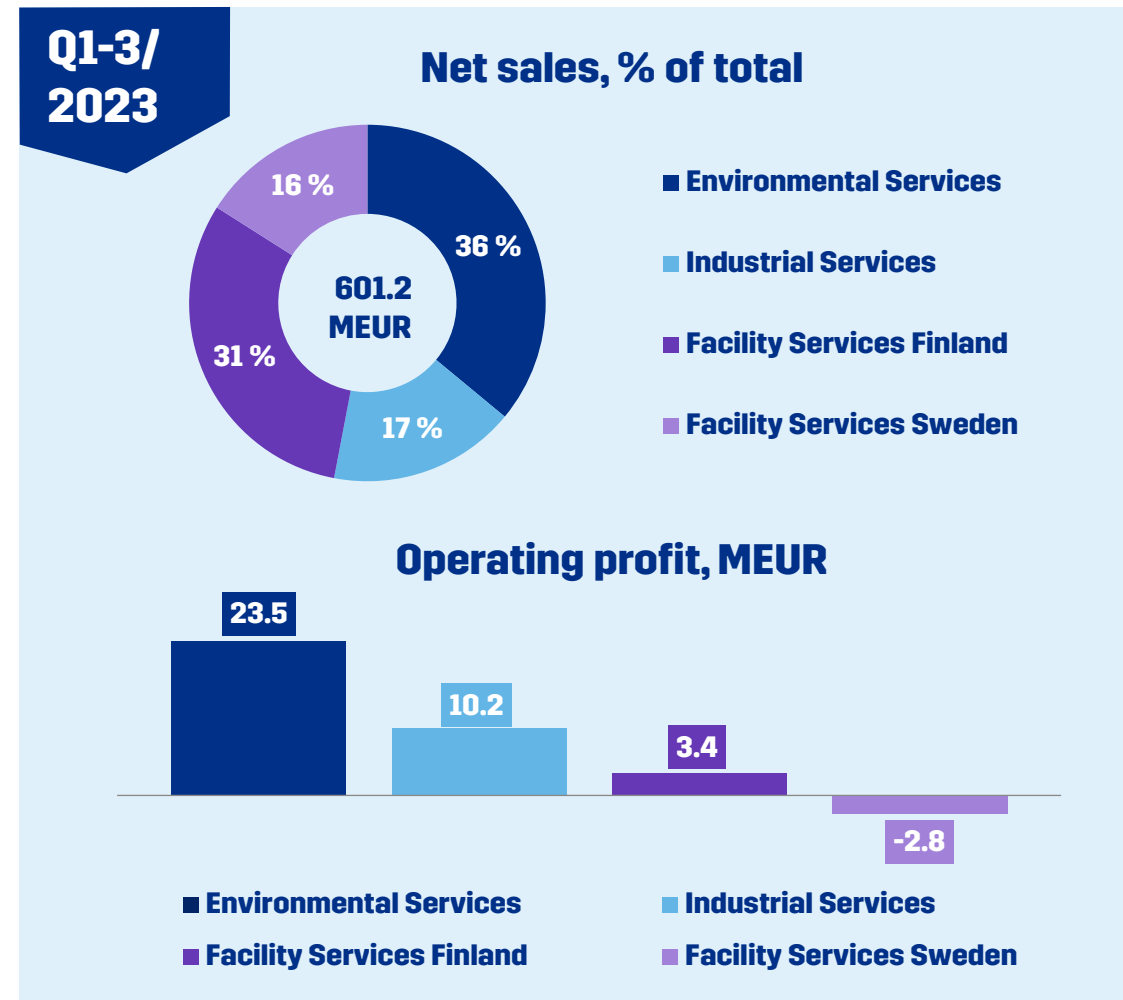
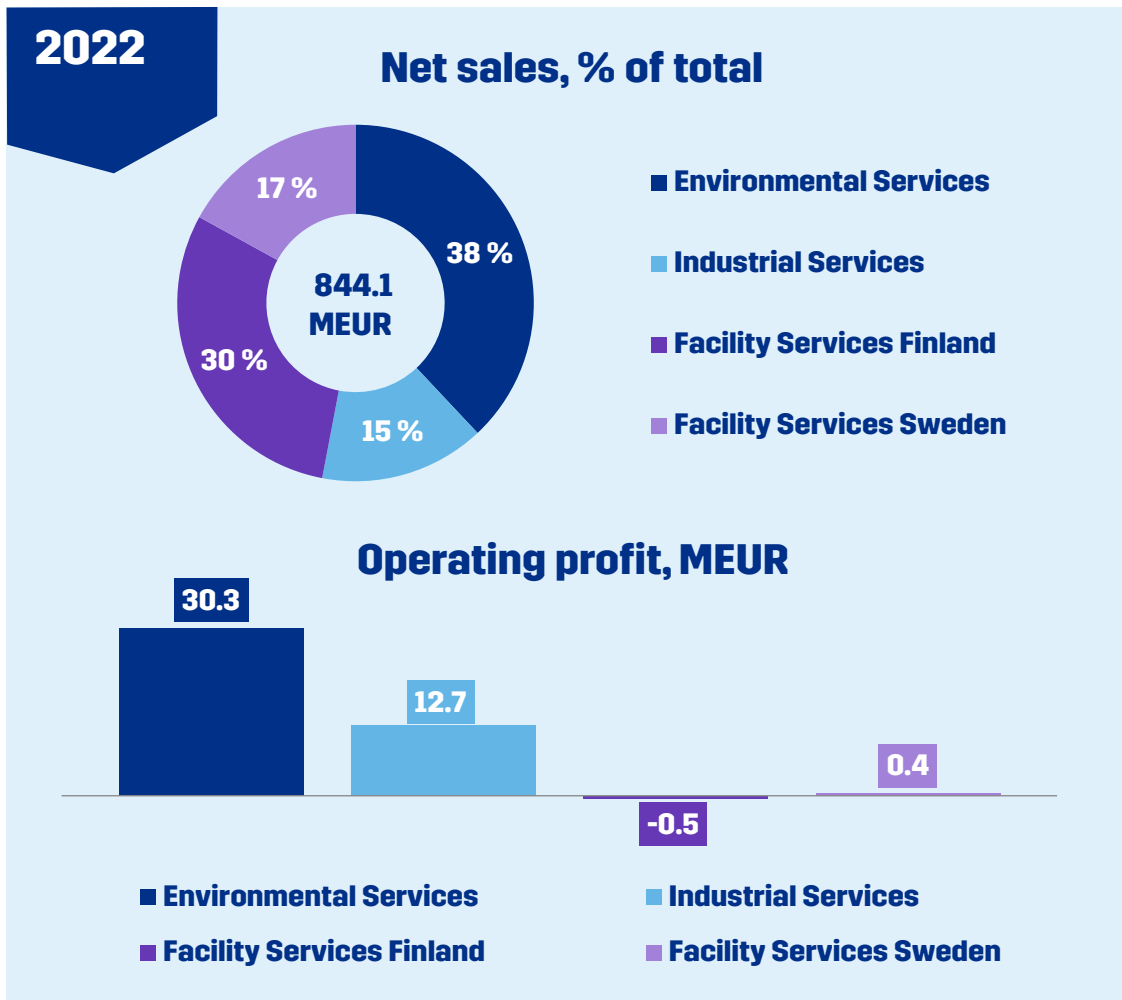
Net cash flow from operating activities after investments per share:

EUR 0.74 (0.03)

January-September



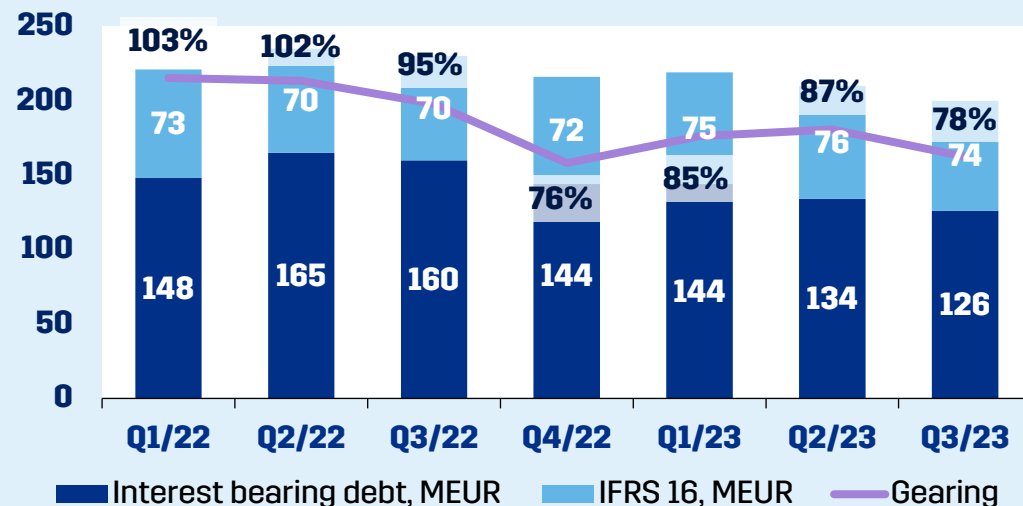
NET SALES AND OPERATING PROFIT BY DIVISION IN 2022 AND JANUARY-SEPTEMBER 2023



STRONG FINANCING POSITION AND BALANCE SHEET ENABLES ORGANIC AND INORGANIC GROWTH

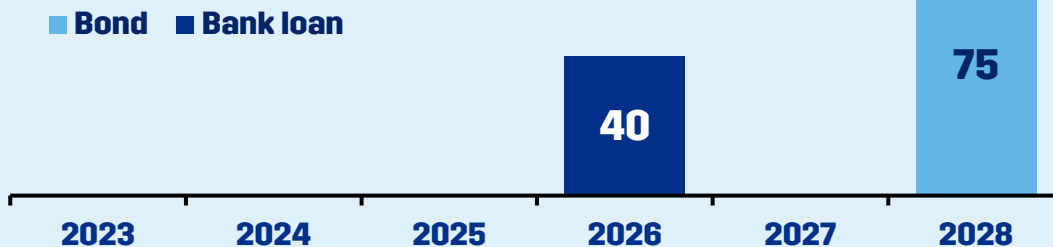
- Bonds and bank loans are currently the foundation of our debt financing
- Financing connected to sustainability
- Gearing target 125%

Interest bearing debt (MEUR) and gearing %

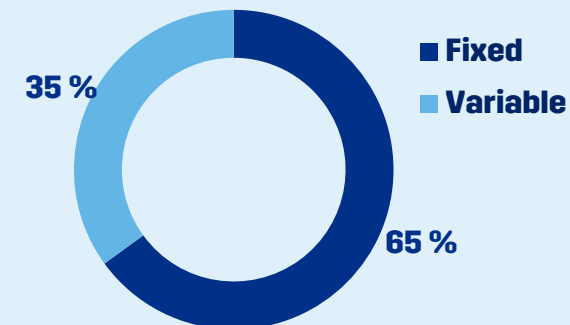


Maturity profile, MEUR

Loans do not include commercial papers



Weighted average of effective interest rate 4.0% (2.5%)



FINANCING LINKED TO COMMITMENT TO SUSTAINABILITY

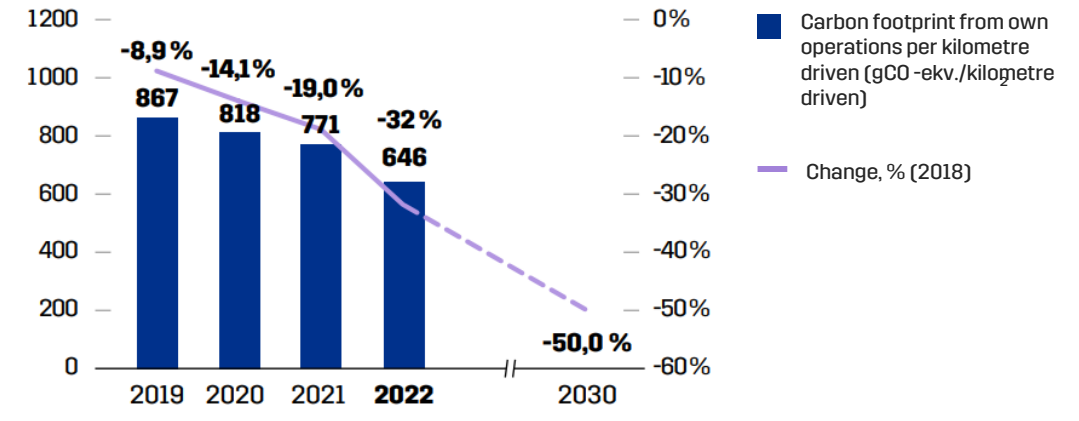
Majority of our financing is sustainability-linked

Metrics

- TRIFF - total recordable injury frequency
- Carbon footprint
- Emissions from subcontracted transport operations
- Carbon handprint

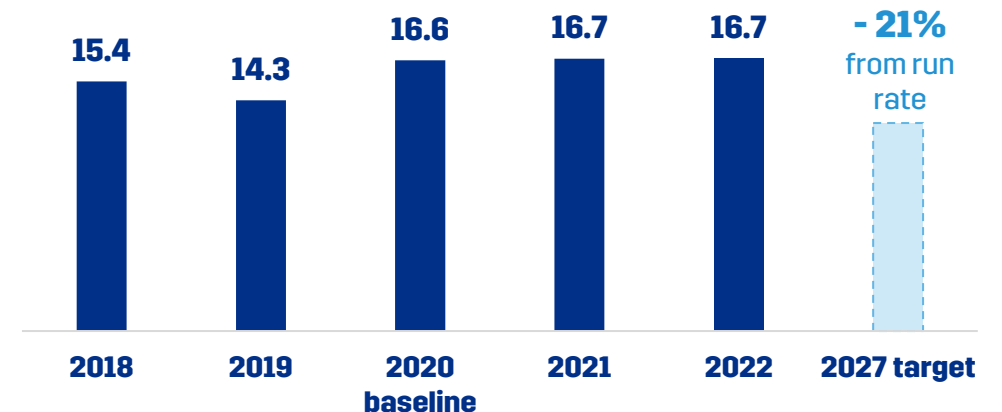
Historical performance and trajectory for KPI 1

L&T's scope 1 and 2 emissions (gCO₂-eq./ kilometres driven)



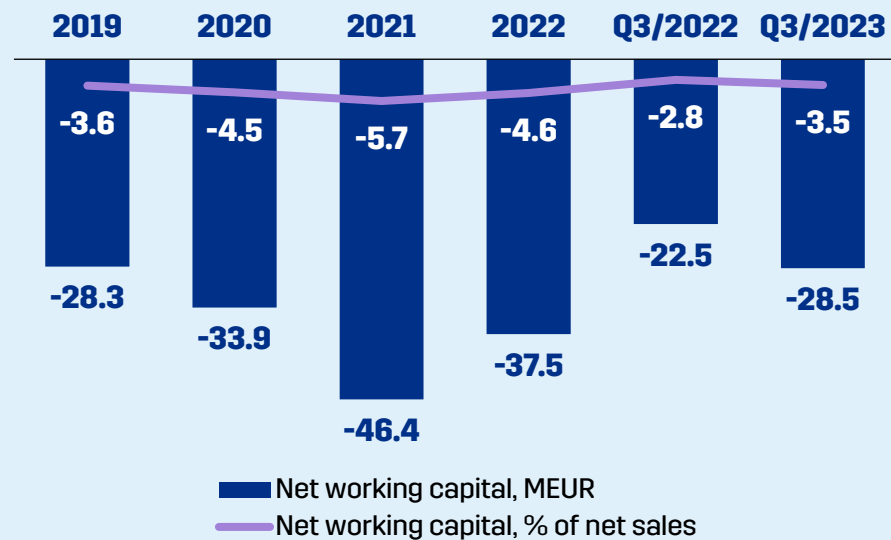
Historical performance and trajectory for KPI 2

Emissions from contract work transportation (1,000 tCO₂e), historical performance and the SPT 2 target:

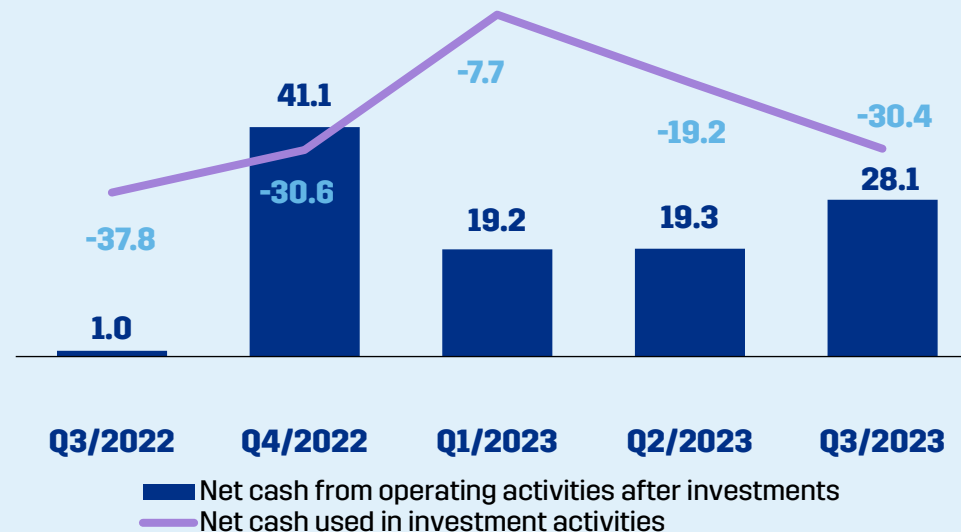


STABLE CASH FLOW AND EFFICIENT CAPITAL MANAGEMENT SUPPORT STRATEGY EXECUTION

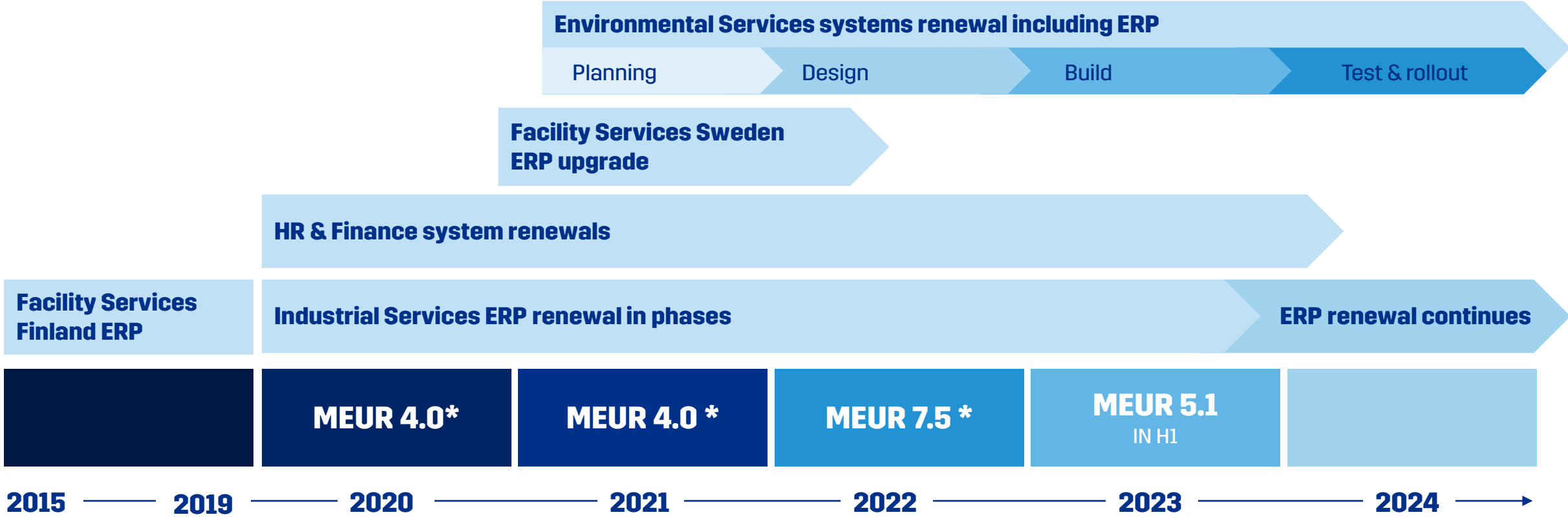
Net working capital (MEUR) and Net working capital, % of net sales



Cashflow from operating activities & investments (MEUR)



SOLID ROADMAP FOR IT SOLUTION RENEWAL TO MODERNISE END-OF-LIFE SYSTEMS



*Annual ICT investment

ICT systems related cost of internal work increased significantly from 2021

ICT systems related cost of internal work on a high level



LONG-TERM FINANCIAL TARGETS AIM FOR PROFITABLE GROWTH

Financial target	2020	2021	2022	Q3/2023	Status	Target
Growth, %*	-4.5	7.0	7.0	0.4		5%
ROCE, %	7.5	10.8	10.4	11.7		15%
Gearing, %	70.9	79.4	75.9	77.9		Below 125%

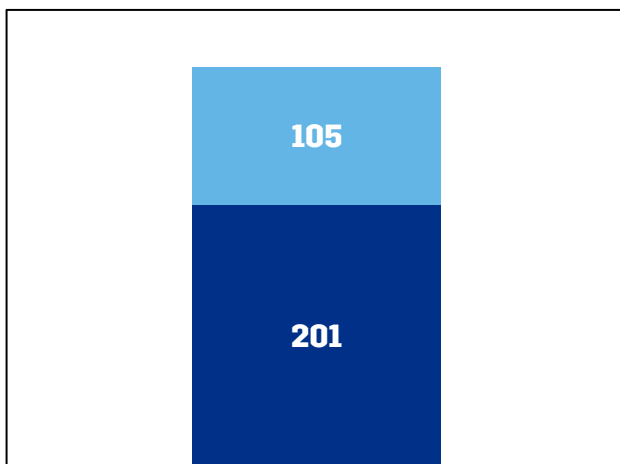
*Excluding renewable energy sources

- The company's long-term financial targets remain unchanged
- L&T aims to grow organically and through acquisitions
- In addition to improving profitability, the company will optimise the amount of invested capital

M&A DRIVES GROWTH ALONGSIDE ORGANIC GROWTH

Capacity for significant investments

Gearing 125%, debt capacity



Based on 09/2023
balance sheet numbers,
additional financing
options available

- Additional acquisition capacity
- Interest bearing liabilities

- > MEUR 500 identified M&A targets in the Finnish and Swedish markets
- Well-positioned on the Finnish market for building on the service business and expanding capabilities in the value chain
- In the Swedish market platform for future growth established

Group Strategic targets and portfolio guidelines steer investments and acquisitions

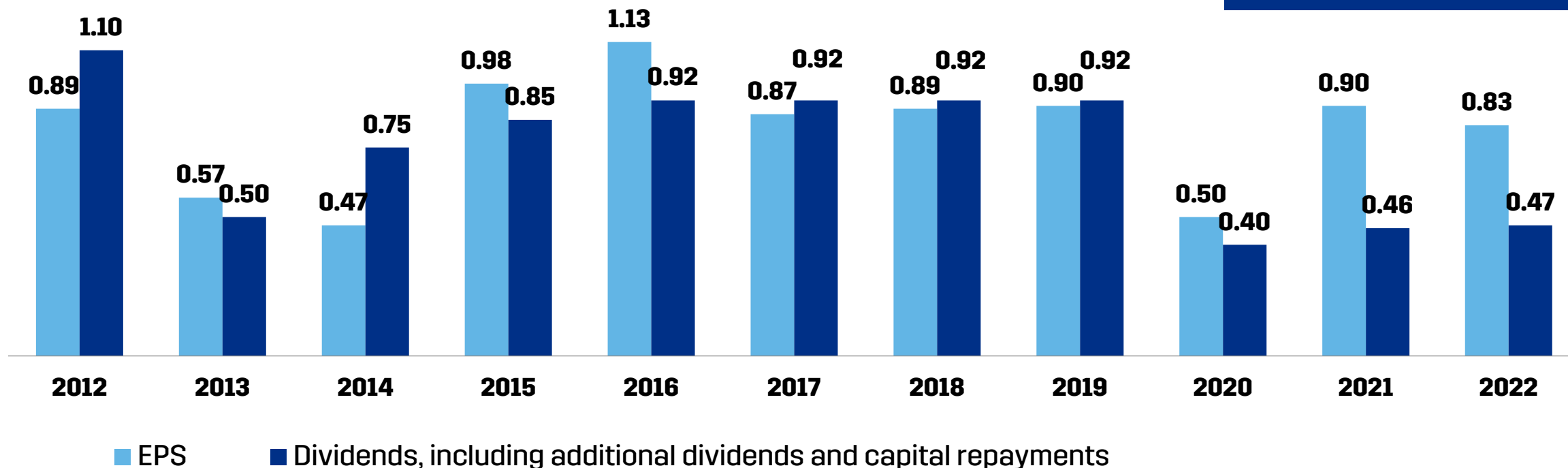
- Synergies to circular economy
- Faster than GDP growth
- Ability to gain #1-3 market position or hard to replace position
- Possibility to create competitive advantage

ANNUAL DIVIDEND PAYMENTS

DIVIDEND HISTORY

The amount of dividend is tied to the results for the financial year. Profits not considered necessary to ensure the healthy development of L&T will be distributed to shareholders.

2022
 Dividend yield 4.4%
 Total amount of dividend
 EUR 17.9 million



SUMMARY

Strong financing position and balance sheet enable organic and inorganic growth

Profitable growth underlined in the strategic targets

Sustainability-linked favourable financing



THANK YOU



