



LASSILA & TIKANOJA RESULT REPORT Q4 AND 2020

Eero Hautaniemi, President & CEO
Valtteri Palin, CFO
28 January 2021



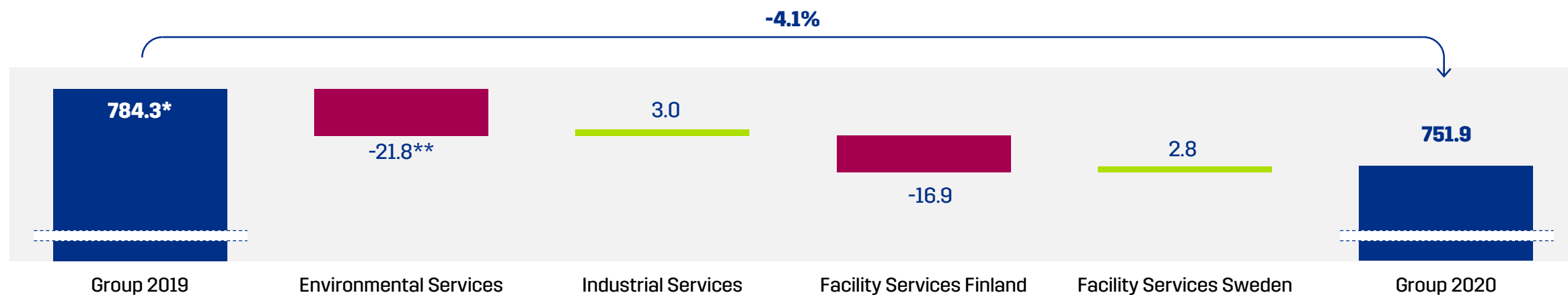


HIGHLIGHTS

Q4 & FY 2020

- The coronavirus pandemic continued to affect all divisions. Decisive actions limited the business impacts.
- Adjusted operating profit was EUR 9.9 million (9.5) in September–December and EUR 39.0 million (40.5) in January–December.
- Stakeholder value for customers, employees and society all improved during 2020.

NET SALES



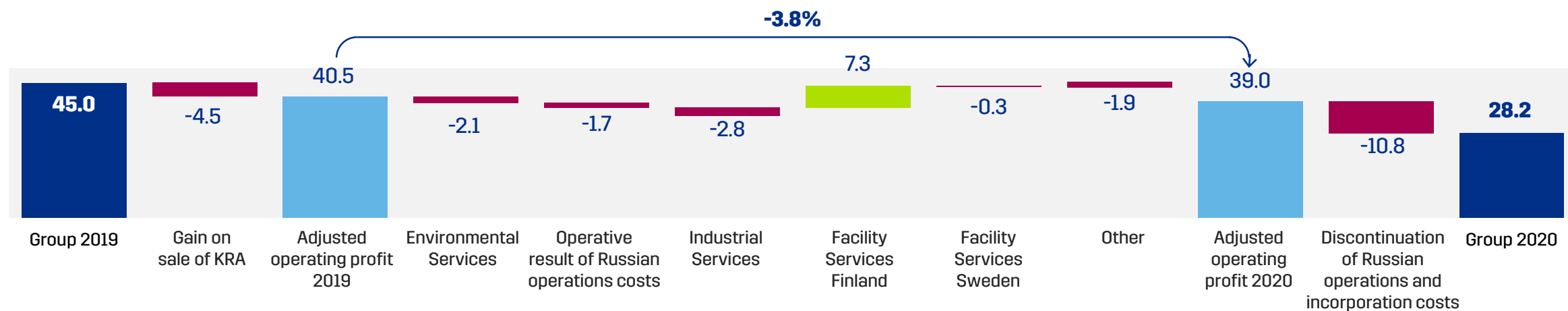
MEUR	Q4/20	Q4/19	Change%	2020	2019	Change%
Environmental Services	72.9	79.8	-8.6	289.4	311.2	-7.0
Industrial Services	27.6	26.0	6.1	101.8	98.9	3.0
Facility Services Finland	60.5	59.4	1.9	232.3	249.1	-6.8
Facility Services Sweden	40.0	35.8	11.8	134.5	131.8	2.1
L&T Group	199.6	198.9	0.3	751.9	784.3	-4.1
L&T organic growth				-1.6%	0.4%	



*Includes 12.4 MEUR net sales of divested business L&T Korjausrakentaminen Oy (Q2/2019)

** Includes 4.4 MEUR net sales of discontinued Russian operations (Q2/2020)

ADJUSTED OPERATING PROFIT



MEUR	Q4/20	Q4/19	Change%	2020	2019	Change%
Environmental Services*	7.6	8.2	-7.4	29.0	32.8	-11.6
Industrial Services	1.5	1.9	-18.9	7.1	9.9	-28.6
Facility Services Finland	1.9	-1.3	241.6	3.2	-4.1	178.5
Facility Services Sweden	1.5	0.9	64.1	3.5	3.8	-6.9
Other	-2.6	-0.2	-3.9	-3.9	-1.9	
Adjusted operating profit	9.9	9.5	4.2	39.0	40.5	-3.8
L&T Group	9.9	8.9	11.4	28.2	45.0	-37.2

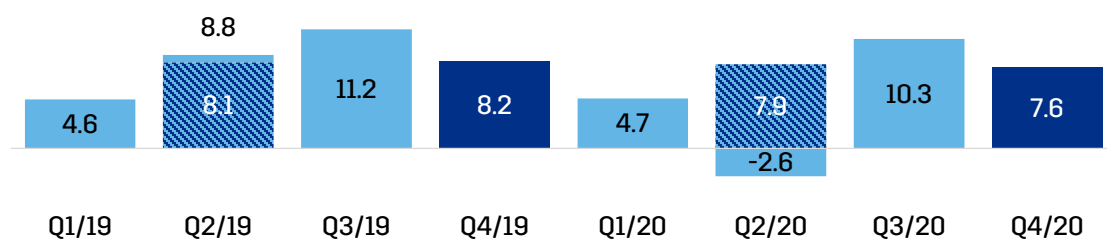


OPERATING PROFIT BY DIVISION

ENVIRONMENTAL SERVICES

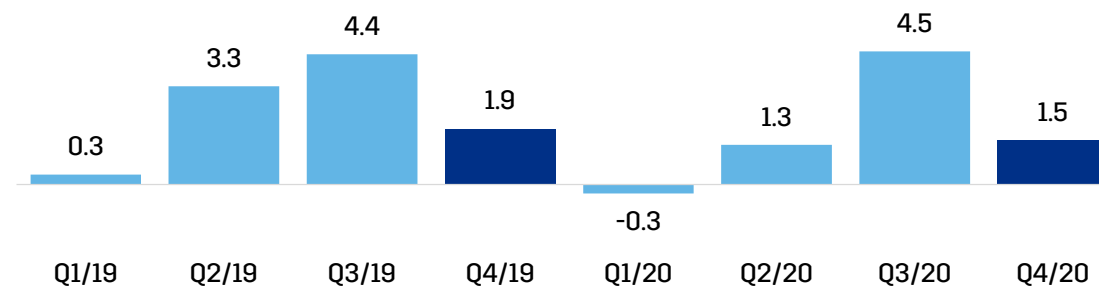
MEUR

 Operating profit excluding Russia



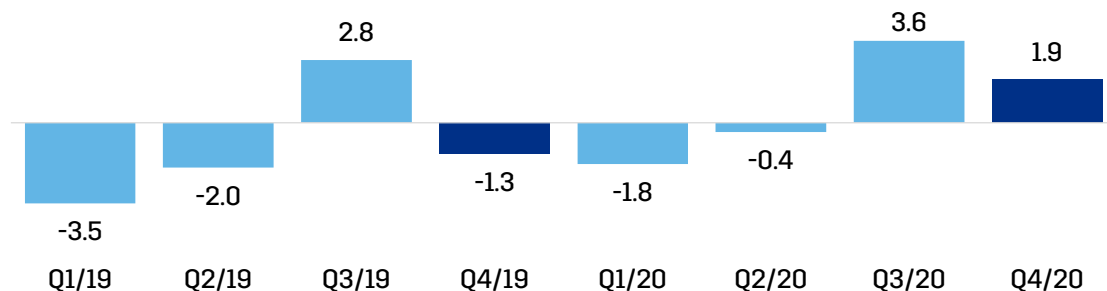
INDUSTRIAL SERVICES

MEUR



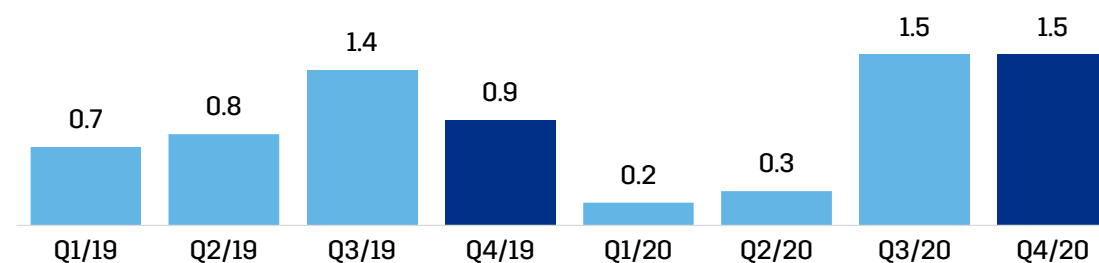
FACILITY SERVICES FINLAND

MEUR



FACILITY SERVICES SWEDEN

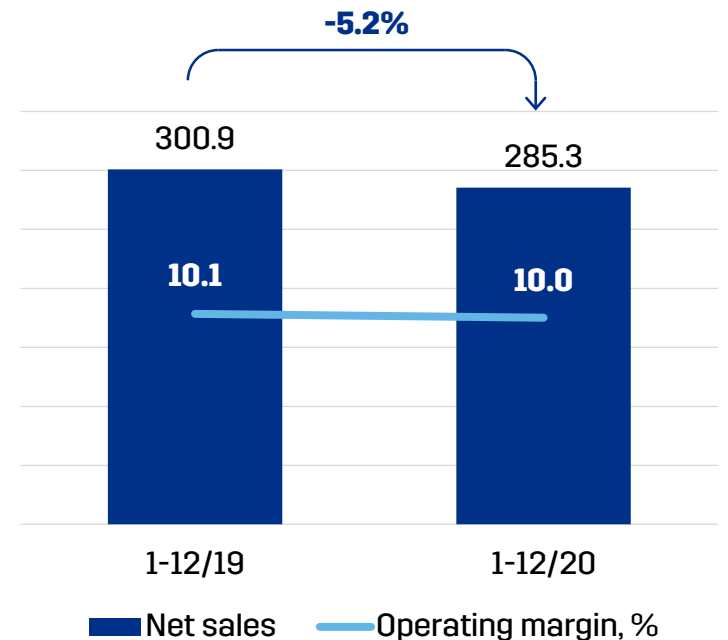
MEUR



ENVIRONMENTAL SERVICES EXCL. RUSSIAN OPERATIONS (FULL YEAR)

Net sales declined due to reduced demand caused by lower prices for secondary raw materials and the pandemic. Profitability remained stable.

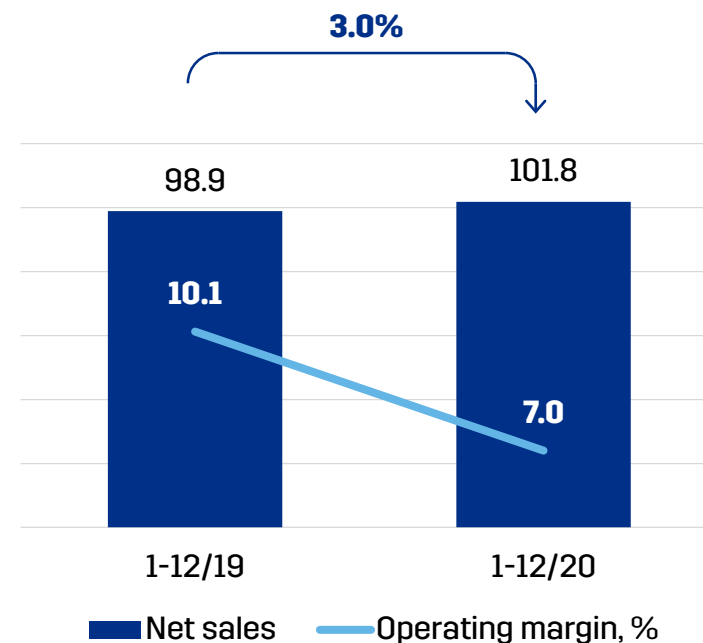
MEUR	Q4/20	Q4/19	Change%	2020	2019	Change%
Net sales	73.0	77.0	-5.1	285.3	300.9	-5.2
EBITDA	12.7	13.8	-7.8	53.5	54.7	-2.1
Operating profit	6.2	7.7	-19.0	28.4	30.5	-6.9
Operating margin, %	8.5	10.0		10.0	10.1	



INDUSTRIAL SERVICES

Net sales improved with improved market share. Heavy fluctuation in demand and lower prices for secondary raw materials reduced operating profit.

MEUR	Q4/20	Q4/19	Change%	2020	2019	Change%
Net sales	27.6	26.0	6.1	101.8	98.9	3.0
EBITDA	4.4	4.3	1.7	17.3	19.1	-9.7
Operating profit	1.5	1.9	-18.9	7.1	9.9	-28.6
Operating margin, %	5.6	7.3		7.0	10.1	

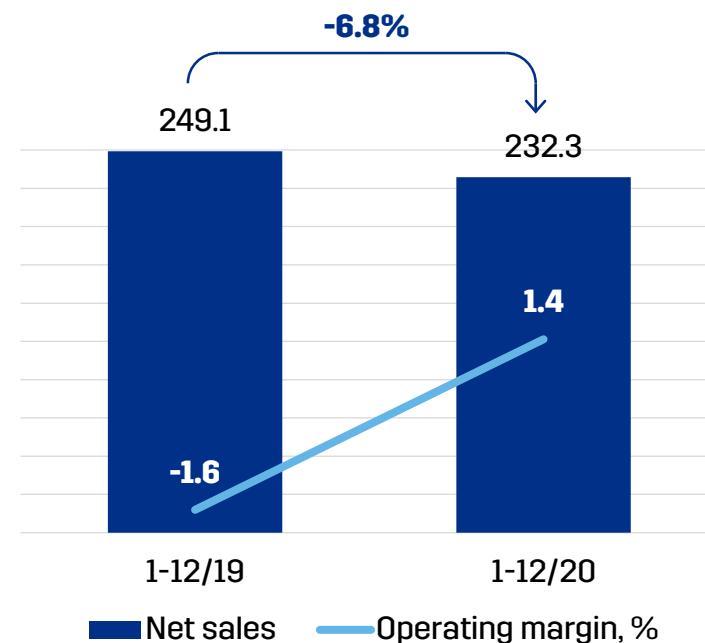


FACILITY SERVICES FINLAND



Successful turnaround. Operating profit improved significantly due to efficiency measures and improved service quality in all business lines – work continues.

MEUR	Q4/20	Q4/19	Change%	2020	2019	Change%
Net sales*	60.5	59.4	1.9	232.3	249.1	-6.8
EBITDA	3.1	1.8	74.7	13.5	9.4	44.0
Operating profit	1.9	-1.3	241.6	3.2	-4.1	178.5
Operating margin, %	3.2	-2.3		1.4	-1.6	



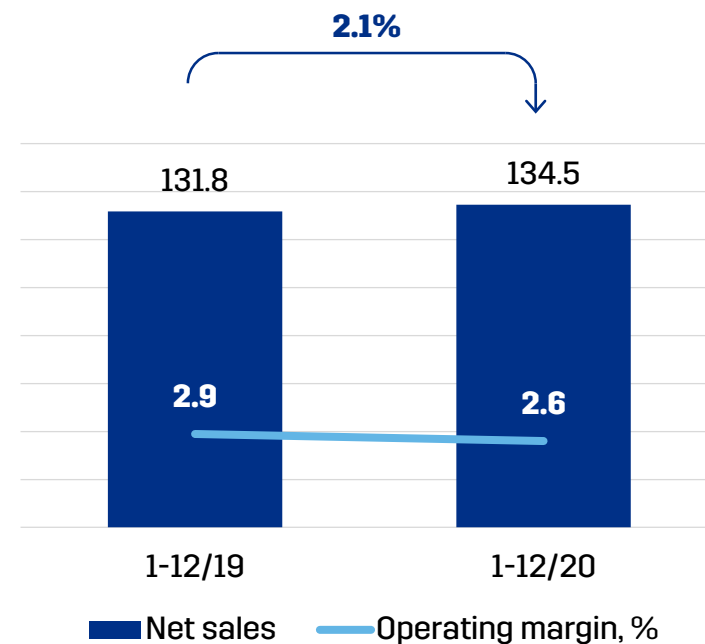
*The decline in net sales was due to the divestment of L&T Korjausrakentaminen Oy in April 2019

FACILITY SERVICES SWEDEN



Stable result despite significant negative impact from the pandemic.

MEUR	Q4/20	Q4/19	Change%	2020	2019	Change%
Net sales	40.0	35.8	11.8	134.5	131.8	2.1
EBITDA	2.7	2.3	20.1	8.4	9.4	-10.8
Operating profit	1.5	0.9	64.1	3.5	3.8	-6.9
Operating margin, %	3.8	2.6		2.6	2.9	



SUSTAINABILITY HIGHLIGHTS FROM Q4

Congratulations to our customers Kamppi & Sello

- Kamppi shopping centre received BREEAM certification
- Sello shopping centre received Platinum EB LEED certification

→ High recycling rate key contributor

New comprehensive diversity policy introduced

- Ambitious targets and concrete action points to increase diversity in the organization
- Rollout to the organization starting

Leadership score A- in the GDP

- In Finland 16 companies received a Leadership score
- 32 % of companies in the Non-energy utilities category achieved a Leadership score



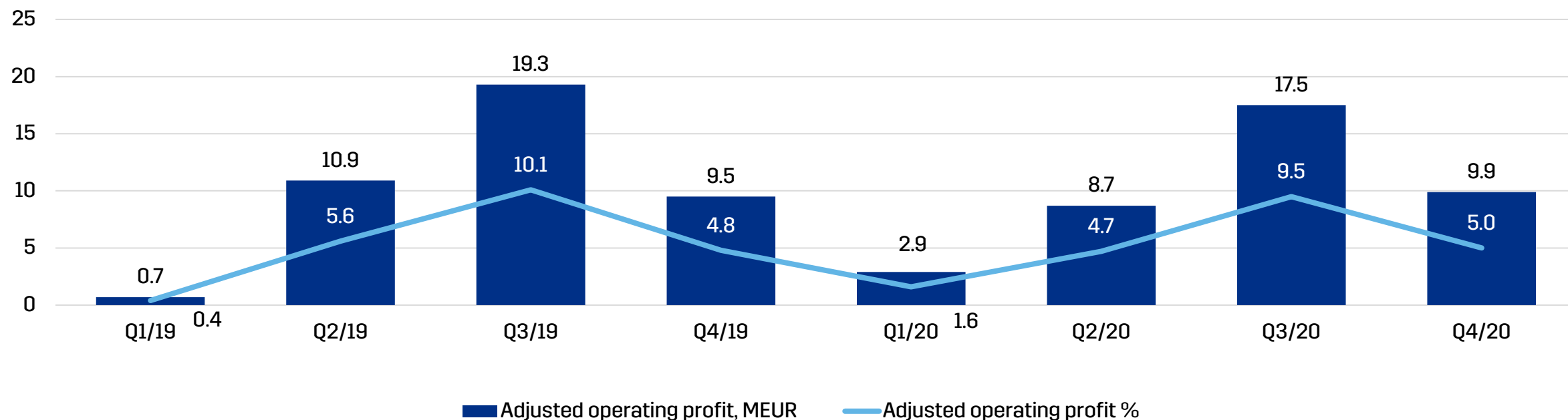
L&T NON-FINANCIAL
STRATEGIC TARGETS
2019–2024

**Service
promotion**
NPS index > 25

**Employee
recommendation**
> 80%

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

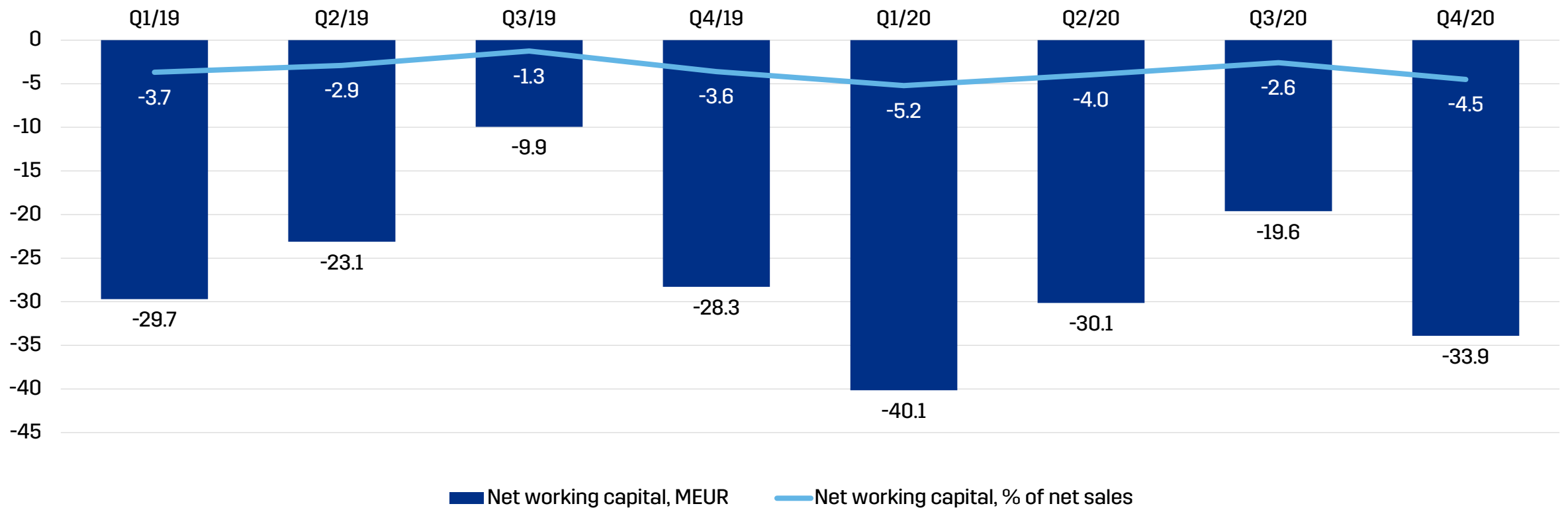
ADJUSTED OPERATING PROFIT



Adjusted operating profit was introduced as a new alternative performance measure in September 2020. Year-on-year adjusted operating profit excludes substantial costs arising from business restructuring EUR 1.7 million, gains and losses from divestments (EUR 4.5 million) and costs arising from the discontinuation of businesses EUR 9.0 million.

NET WORKING CAPITAL

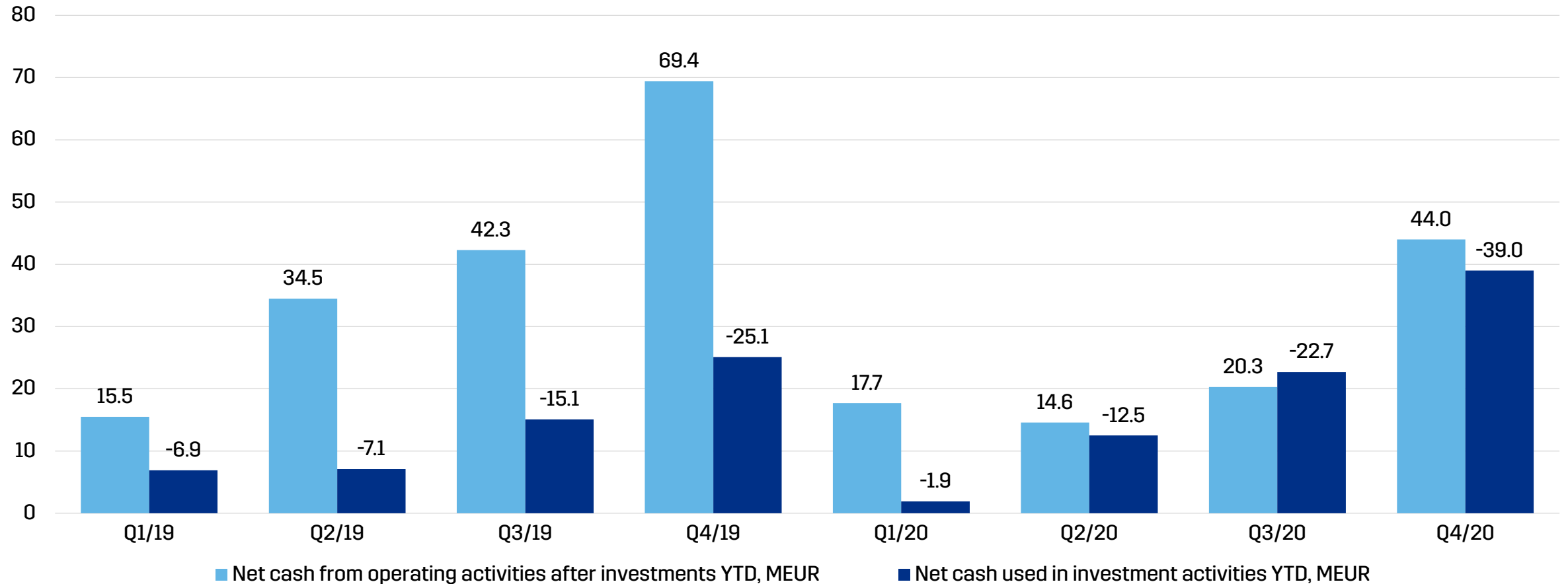
Strong net working capital management during the pandemic.



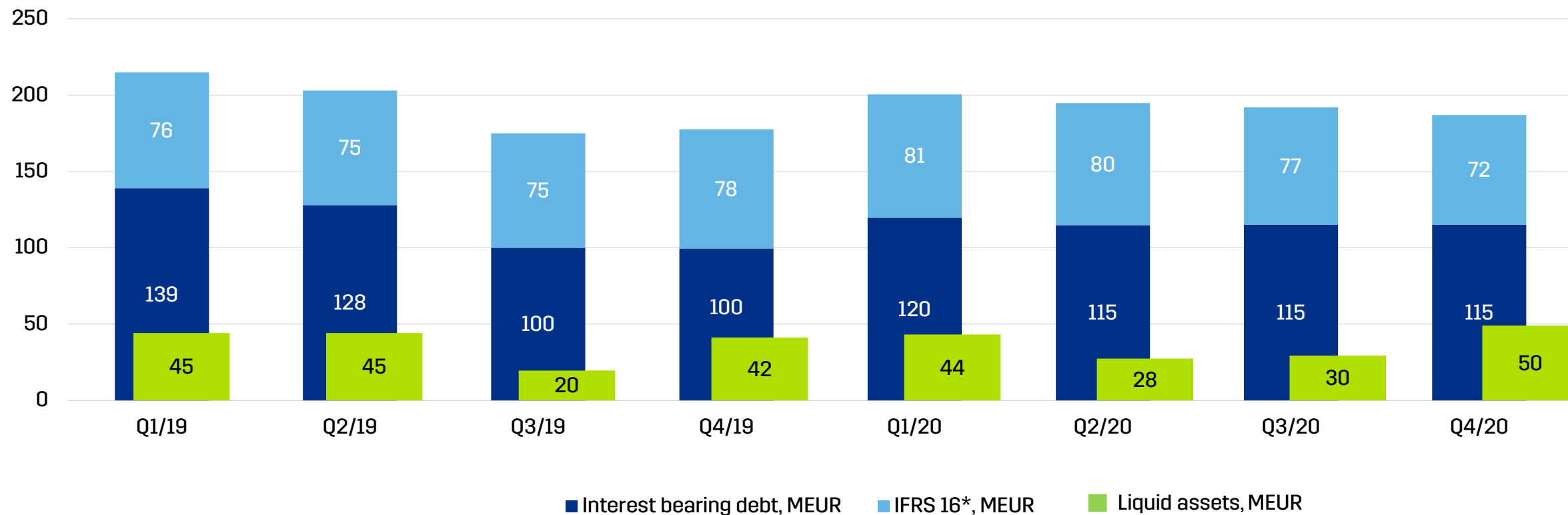
KEY FIGURES

	Q4/20	Q4/19	Change%	2020	2019	Change%
Capital expenditure, MEUR	15.4	12.9	19.0	48.2	46.1	4.5
Depreciation, amortisation and impairment, MEUR	13.6	13.5	0.5	57.0	54.4	4.6
Net cash from operating activities after investments, MEUR				44.0	69.4	-36.6
Return on equity (ROE), %				9.6	16.8	
Invested capital, EUR million				379.2	380.5	
Return on investment (ROI), %				7.5	12.4	
Equity ratio, %				33.0	35.6	
Gearing, %				70.9	66.8	
Total number of employees at the end of the period				8,139	8,207	

CASH FLOW AND NET INVESTMENTS

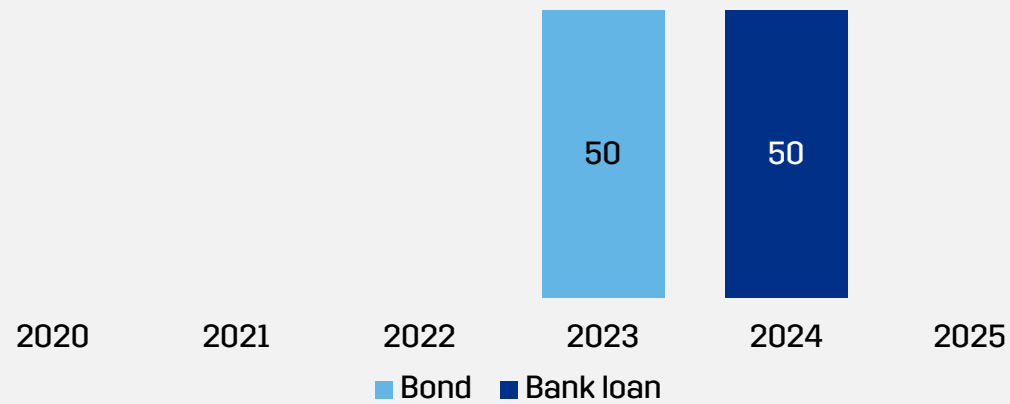


INTEREST BEARING DEBT AND LIQUIDITY



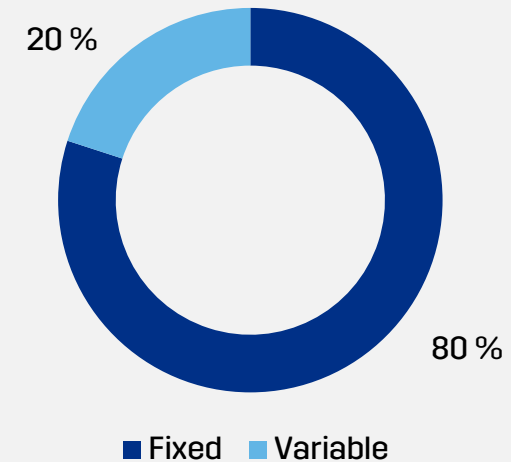
MATURITY STRUCTURE OF LOANS

Loans, MEUR



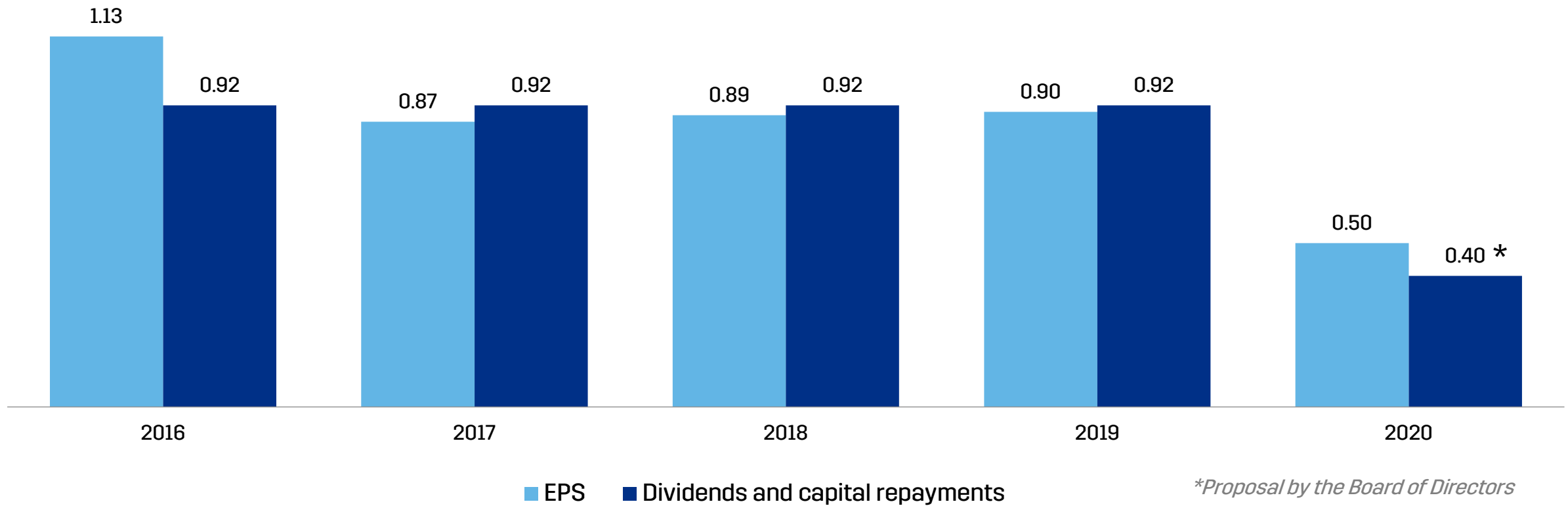
Loans do not include commercial papers

Weighted average of effective interest rate 1.3 %



DIVIDEND

Dividend yield was 2.7%.





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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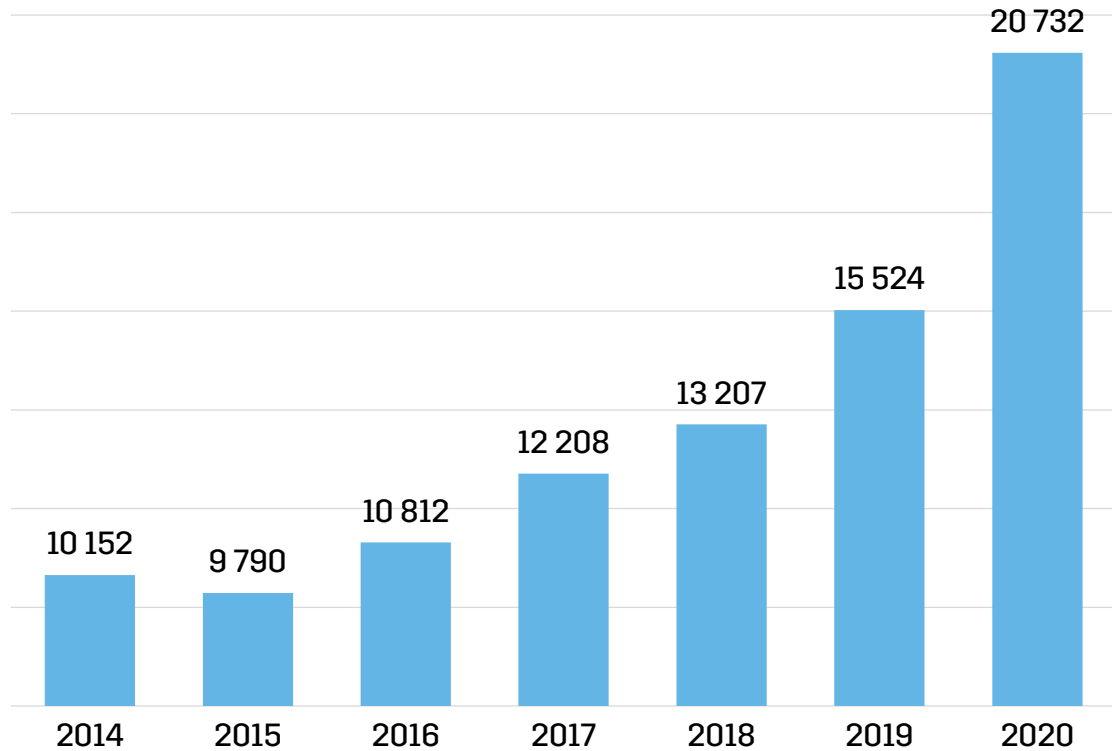


SHAREHOLDERS

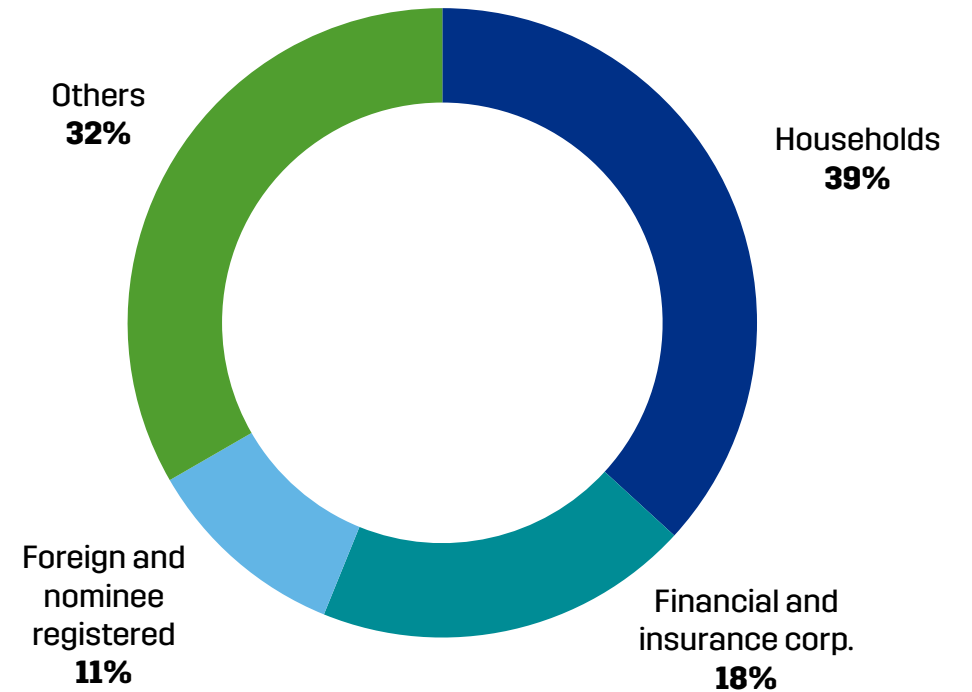


SHAREHOLDER STRUCTURE

Number of shareholders



Shareholder structure



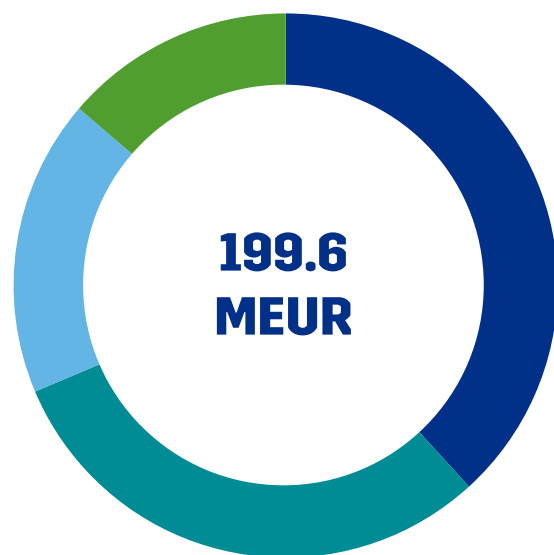
MAJOR SHAREHOLDERS ON 31 DECEMBER 2020

Shareholder	Shares	%
Mandatum Life Insurance Company Limited	3,033,249	7.82
Evald ja Hilda Nissin Foundation	2,413,584	6.22
Nordea Investment Funds	1,912,577	4.93
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	833,451	2.15
Varma Mutual Pension Insurance Company	729,791	1.88
Maijala Mikko	720,000	1.86
Ownership structure / sector	Shares	%
Nominee-registered shares	3,923,763	10.11
Number of shares	38,798,874	100.00
Number of shareholders	20,732	

APPENDIX

KEY FIGURES

NET SALES Q4/2020



- 38% Environmental Services
- 31% Facility Services Finland
- 18% Facility Services Sweden
- 14% Industrial Services

	Q4/20	Q4/19	Change%	2020	2019	Change%
Net sales, MEUR	199.6	198.9	0.3	751.9	784.3	-4.1
EBITDA, MEUR	23.5	22.4	4.8	85.2	99.4	-14.3
Operating profit, MEUR	9.9	8.9	11.4	28.2	45.0	-37.2
Operating margin, %	5.0	4.5		3.8	5.7	
EVA, MEUR	3.8	2.4	56.3	3.7	19.8	-81.4
Earnings per share, EUR	0.20	0.16	23.8	0.50	0.90	-44.5

CONSOLIDATED INCOME STATEMENT

MEUR	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Net sales	199.6	198.9	751.9	784.3
Other operating income	0.7	1.2	9.3	10.6
Change of inventory	-0.1	-0.3	8.7	0.3
Materials and services	-71.7	-69.6	-263.9	-270.4
Employee benefit expenses	-80.1	-81.6	-315.1	-327.1
Other operating expenses	-24.8	-26.1	-105.6	-98.3
Depreciation and Impairment	-13.6	-13.5	-57.0	-54.4
Operating profit	9.9	8.9	28.2	45.0
Financial income and expenses	-0.8	-0.7	-4.9	-3.0
Share of the result of associated companies	0.0	0.0	0.0	0.0
Profit before tax	9.1	8.2	23.3	42.0
Income taxes	-1.4	-2.0	-4.3	-7.3
Profit for the period	7.7	6.2	19.0	34.7
Attributable to:				
Equity holders of the company	7.7	6.2	19.1	34.7
Non-controlling interest	0.0	0.0	-0.1	0.0
Earnings per share attributable to equity holders of the parent company:				
Earnings per share, EUR	0.20	0.16	0.50	0.90
Diluted earnings per share, EUR	0.20	0.16	0.50	0.90

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MEUR	12/2020	12/2019
ASSETS		
Non-current assets		
Intangible assets		
Goodwill	154.0	151.9
Other intangible assets	28.9	36.2
	182.9	188.0
Property, plant and equipment	139.8	129.5
Right-of-use asset	70.9	77.2
	210.7	206.7
Other non-current assets		
Deferred tax assets	4.5	4.6
Other receivables	1.3	1.4
	5.8	6.0
Total non-current assets	399.4	400.7
Current assets		
Inventories	30.7	21.5
Trade receivables	82.9	84.2
Contract assets	19.4	22.0
Other receivables	14.0	13.4
Cash and cash equivalents	50.2	41.8
Total current assets	197.2	182.9
Total assets	596.6	583.6

MEUR	12/2020	12/2019
EQUITY AND LIABILITIES		
Equity		
Equity attributable to equity holders of the parent company		
Share capital	19.4	19.4
Other reserves	-5.0	-10.4
Invested unrestricted equity reserve	0.6	0.6
Retained earnings	177.5	193.2
	192.6	202.8
Non-controlling interest	-	0.2
Total equity	192.6	203.0
Liabilities		
Non-current liabilities		
Deferred tax liabilities	28.3	29.2
Retirement benefit obligations	1.4	1.3
Provisions	7.1	5.4
Financial liabilities	155.4	161.6
Other liabilities	0.1	0.3
	192.3	197.8
Current liabilities		
Financial liabilities	31.3	15.8
Trade and other payables	178.0	165.3
Provisions	2.4	1.7
	211.8	182.8
Total liabilities	404.0	380.6
Total equity and liabilities	596.6	583.6

CIRCULAR ECONOMY – MADE REAL