



LASSILA & TIKANOJA RESULT PRESENTATION 2023

Eero Hautaniemi, President & CEO
Valtteri Palin, CFO

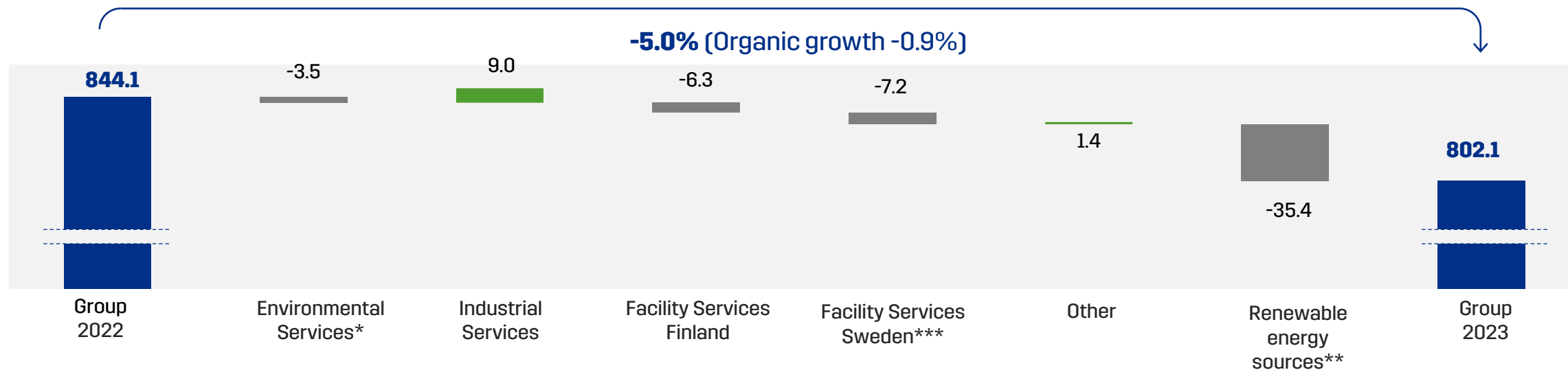
9 February 2024

IN FOCUS IN 2023

- Adjusted operating profit was EUR 39.0 million (40.9)
- Strong result in Industrial Services. The operating profit of Facility Services Finland improved due to efficiency measures and streamlined cost structure
- In Environmental Services the challenging economic environment reduced waste volumes and secondary raw material prices, and the municipalisation of residential packaging waste collection increased production costs and burdened profitability
- Net cash flow from operating activities after investments per share was strong at EUR 1.33 (1.08) as was L&T's financial position
- Dividend proposal is EUR 0.49 per share



NET SALES



MEUR	Q4/23	Q4/22	Change%	2023	2022	Change%
Environmental Services*	68.9	71.1	-3.2	283.7	287.1	-1.2
Industrial Services	37.9	36.3	4.3	141.0	132.0	6.8
Facility Services Finland	61.4	64.6	-5.0	250.0	256.3	-2.5
Facility Services Sweden	34.5	39.8	-13.2	133.2	140.4	-5.1
L&T Group	200.9	210.1	-4.4	802.1	844.1	-5.0

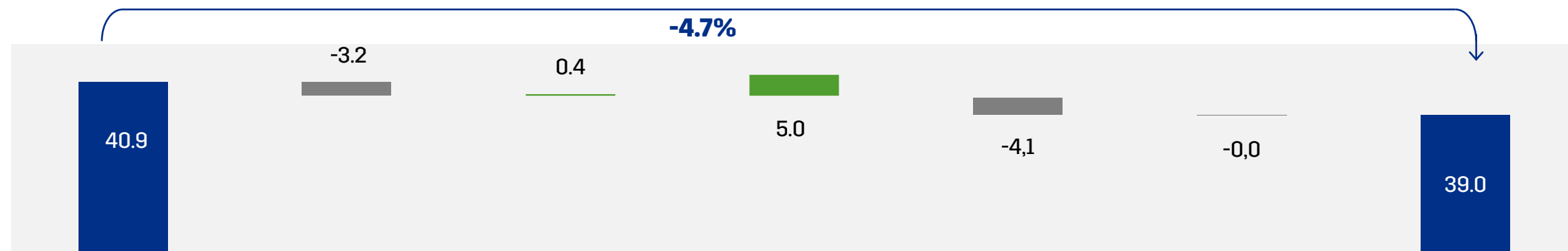
*Environmental Services net sales excluding the renewable energy sources business

**Renewable energy sources business change Q4 2023 vs. Q4 2022

*** Impact of exchange rates was approx. EUR 11 million



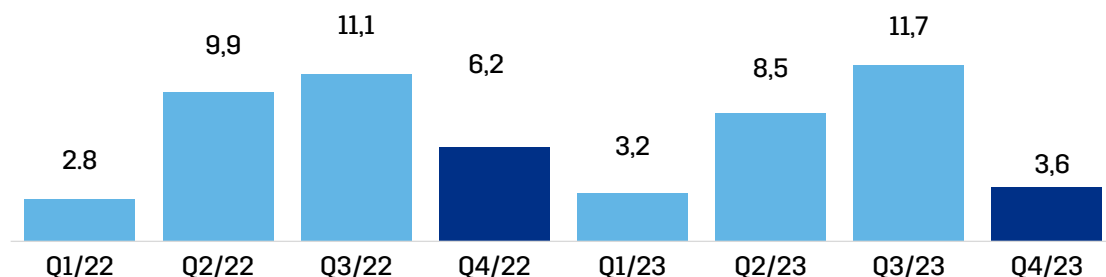
ADJUSTED OPERATING PROFIT



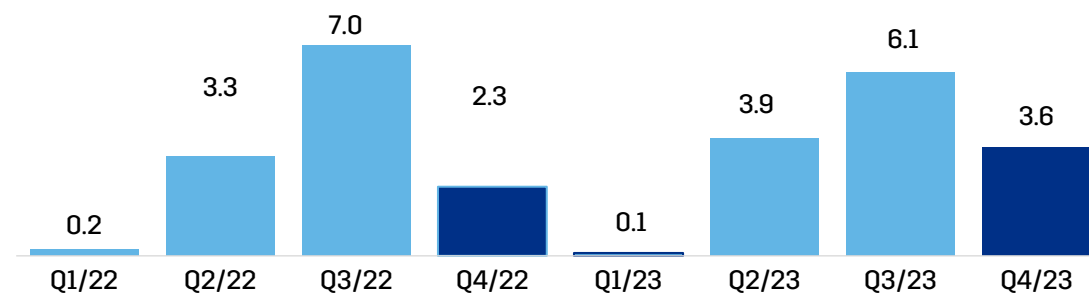
MEUR	Q4/23	Q4/22	Change%	2023	2022	Change%
Adjusted operating profit 2022					40.9	
Environmental Services*	3.6	6.2	-42.1	27.1	30.0	-9.8
Industrial Services	3.8	3.1	22.7	14.0	13.6	3.1
Facility Services Finland	1.1	0.8	36.2	4.4	-0.5	
Facility Services Sweden	-0.9	0.5		-3.7	0.4	
Other	-0.4	-1.0		-2.8	-2.8	
Renewable energy sources	-	-		-	0.3	
Adjusted operating profit	7.2	9.6	-25.4	39.0	40.9	-4.7

OPERATING PROFIT BY DIVISION

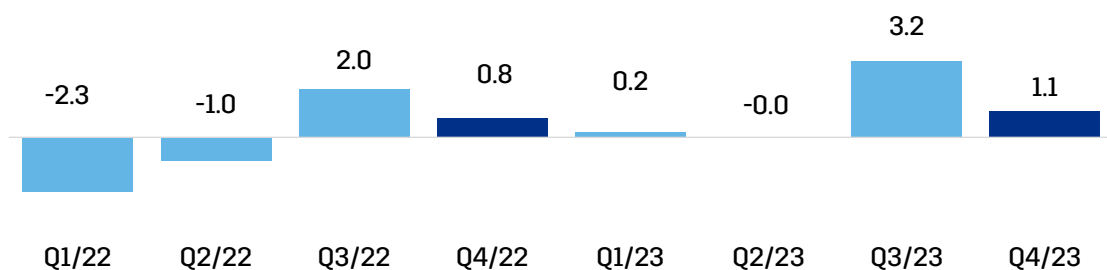
ENVIRONMENTAL SERVICES excl. renewable energy sources MEUR



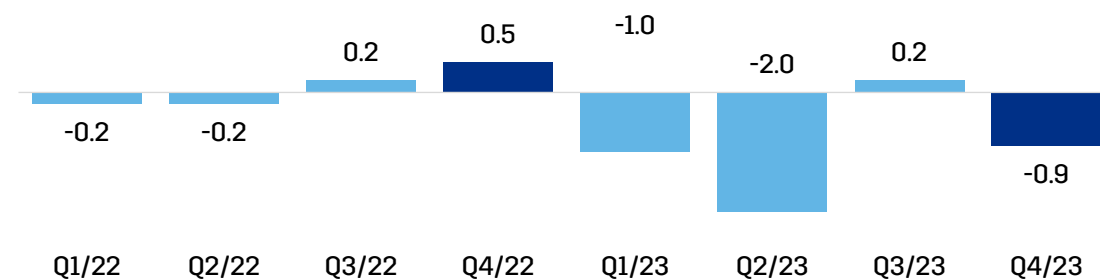
INDUSTRIAL SERVICES MEUR



FACILITY SERVICES FINLAND MEUR



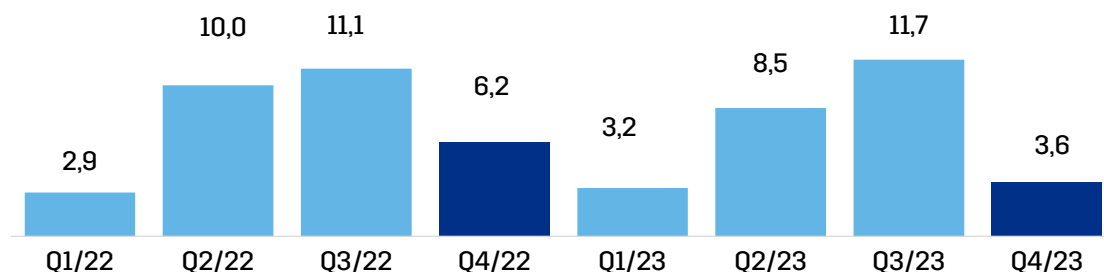
FACILITY SERVICES SWEDEN MEUR



OPERATING PROFIT BY DIVISION

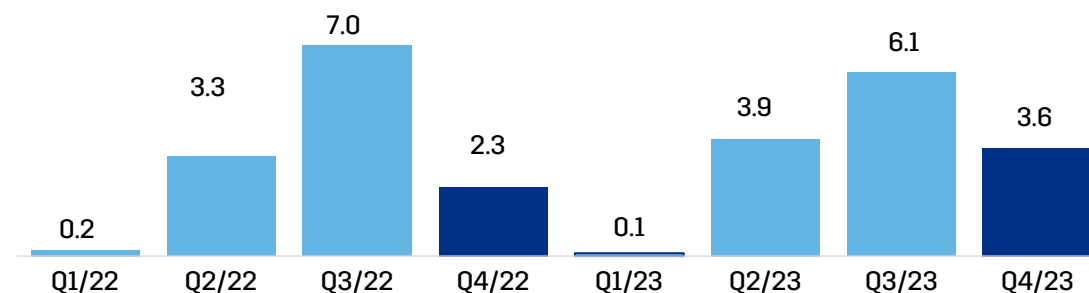
ENVIRONMENTAL SERVICES

MEUR



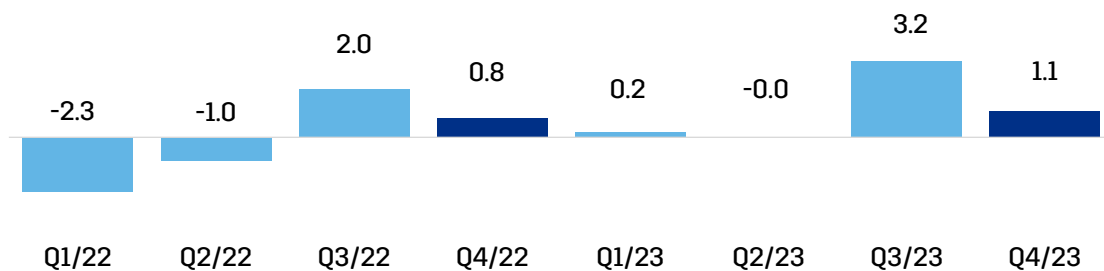
INDUSTRIAL SERVICES

MEUR



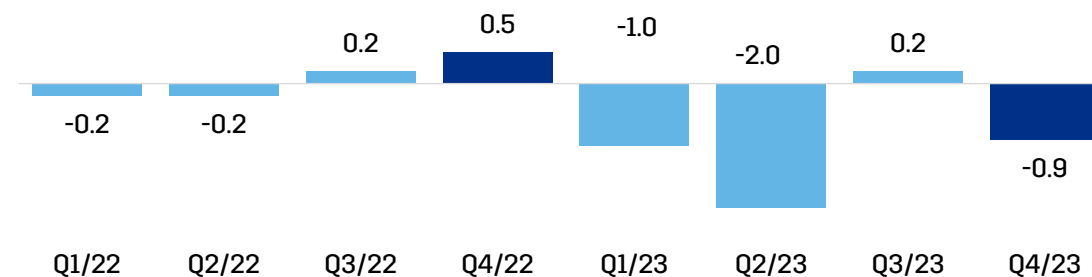
FACILITY SERVICES FINLAND

MEUR



FACILITY SERVICES SWEDEN

MEUR

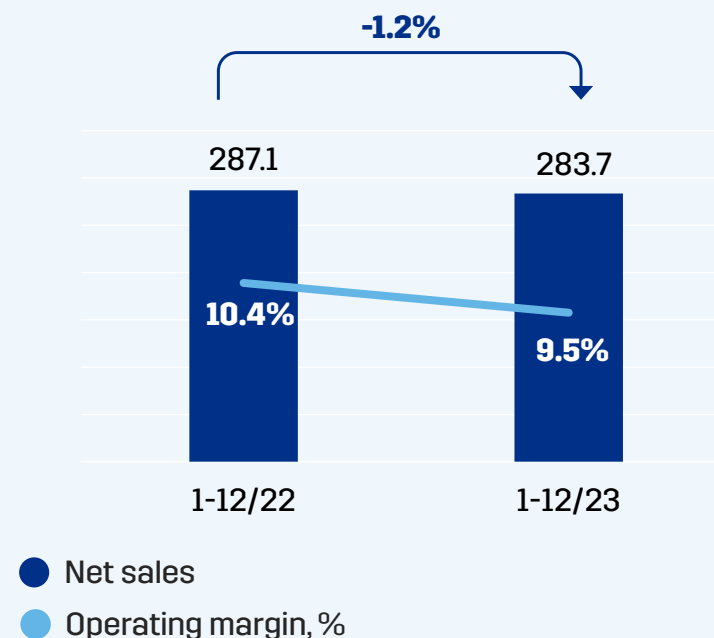


ENVIRONMENTAL SERVICES

EXCL. RENEWABLE ENERGY SOURCES

- The challenging economic environment reduced waste volumes and secondary raw material prices which had a negative effect of EUR 4.5 million on operating profit
- Municipalisation of residential packaging waste collection continued in cities where L&T has a strong presence
- Restructuring and efficiency measures progressing well

MEUR	Q4/23	Q4/22	Change%	2023	2022	Change%
Net sales	68.9	71.1	-3.2	283.7	287.1	-1.2
EBITDA	10.8	12.7	-14.7	57.5	56.9	1.1
Operating profit	3.6	6.2	-42.1	27.1	30.0	-9.8
Operating margin, %	5.2	8.7		9.5	10.4	



THE RESIDENTIAL PROPERTIES MARKET DEVELOPMENT AND MUNICIPAL COMPETITIVE TENDERING



MUNICIPALISATION OF RESIDENTIAL WASTE COLLECTION CONTINUES

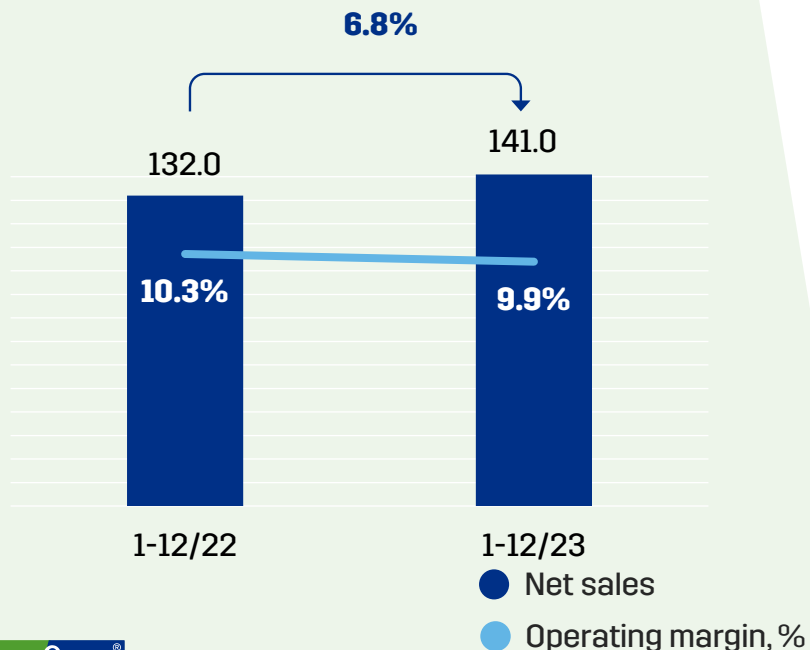
- L&T's direct customer agreements with residential properties on the separate collection of packaging waste and biowaste are transferred to municipal waste operators between July 2022 and July 2026
- Between 2022-2023 EUR 40 million of the Finnish waste management market was moved out of the scope of free competition to municipal waste companies and a further EUR 30 million will be moved out of the scope of free competition 2024–2026 according to L&T's estimates.
- L&T participates in the competitive tendering of municipal contracts, and the Group won municipal contracts amounting to EUR 8 million in 2023.
- Municipalisation reduces additional sales and decreases the efficiency of L&T's waste collection logistics increasing production costs.
- The change had a total negative impact of approximately EUR 2.5 million on operating profit in 2023.
- L&T aims to compensate the negative impacts of municipalisation by growing the corporate customer business and continuing to improve the efficiency of operations over the next three years.





INDUSTRIAL SERVICES

- Net sales grew in all business lines despite challenging business environment
- In environmental construction, market share grew particularly in demanding industrial soil remediation projects
- Customer volumes increased in hazardous waste
- Resourcing of annual maintenance breaks succeeded well

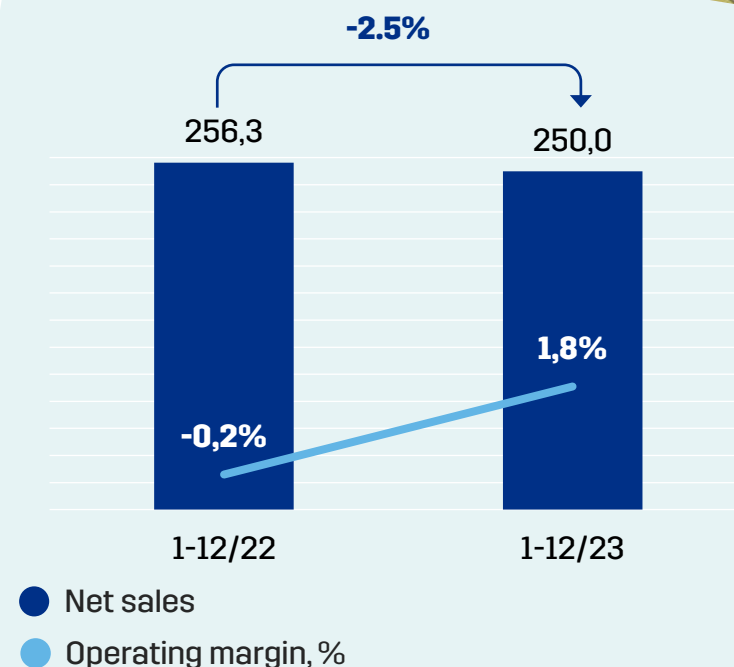


MEUR	Q4/23	Q4/22	Change%	2023	2022	Change%
Net sales	37.9	36.3	4.3	141.0	132.0	6.8
EBITDA	6.9	5.5	24.4	26.6	25.0	6.5
Adjusted operating profit	3.8	3.1	22.7	14.0	13.6	3.1
Adjusted operating margin, %	10.1	8.6		9.9	10.3	

FACILITY SERVICES FINLAND

- The measures started in the latter half of 2022 to streamline the cost structure and improve operational efficiency continued successfully
- Data-driven cleaning services expanded, as did energy efficiency consulting and services

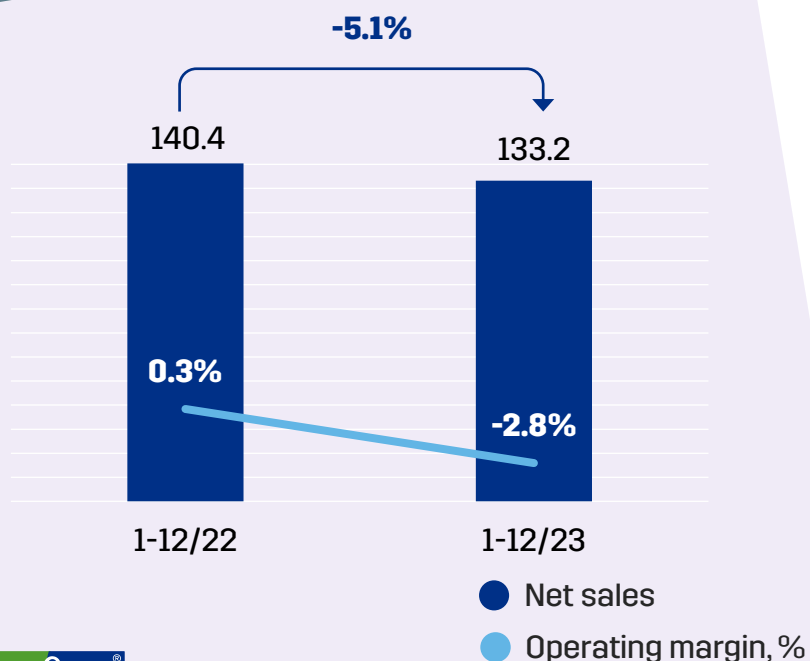
MEUR	Q4/23	Q4/22	Change%	2023	2022	Change%
Net sales	61.4	64.6	-5.0	250.0	256.3	-2.5
EBITDA	2.8	3.0	-6.2	12.5	8.5	47.0
Operating profit	1.1	0.8	36.2	4.4	-0.5	
Operating margin, %	1.8	1.2		1.8	-0.2	





FACILITY SERVICES SWEDEN

- The division has a programme ongoing to simplify operating models and adapt them to the changed business environment
- The challenging economic environment affected customer demand negatively and fewer new customer projects were started in Q4



MEUR	Q4/23	Q4/22	Change%	2023	2022	Change%
Net sales	34.5	39.8	-13.2	133.2	140.4	-5.1
EBITDA	0.5	1.8	-73.9	1.3	6.3	-78.8
Operating profit*	-0.9	0.5		-3.7	0.4	
Operating margin, %	-2.7	1.3		-2.8	0.3	

*Operating profit before the amortisation of purchase price allocations of acquisitions was EUR -0.6 million (0.8) in Q4 2023 and EUR -2.5 million (2.2) in January-December 2023

SUSTAINABILITY HIGHLIGHTS IN 2023

TOWARDS NET-ZERO EMISSIONS



- Net-zero emissions by 2045 target set in Q4
- Scope 1 & 2 emissions declined by 9.5%
 - Share of renewable fuel 21%, share of electric vehicles 70% in Sweden
- Energy consumption of facilities declined by 7%

BIODIVERSITY APPROACH BROADENED



- Biodiversity services portfolio to customers broadened
- Recovery of more than 512,000 tonnes of industrial side streams and contaminated soil
- 8,70 ha of meadow restoration projects together with customers
- Site specific biodiversity risks assessed using WWF Risk Filter tool, water related risks assessed

EMPLOYED BY TOMORROW



- 94% of white-collar employees completed the Code of Conduct training
- 87% white-collar employees completed the information security training
- 62% people managers completed a diversity and inclusion training
- 7.6 hours of training on average/employee

SUPPLY CHAIN IN FOCUS



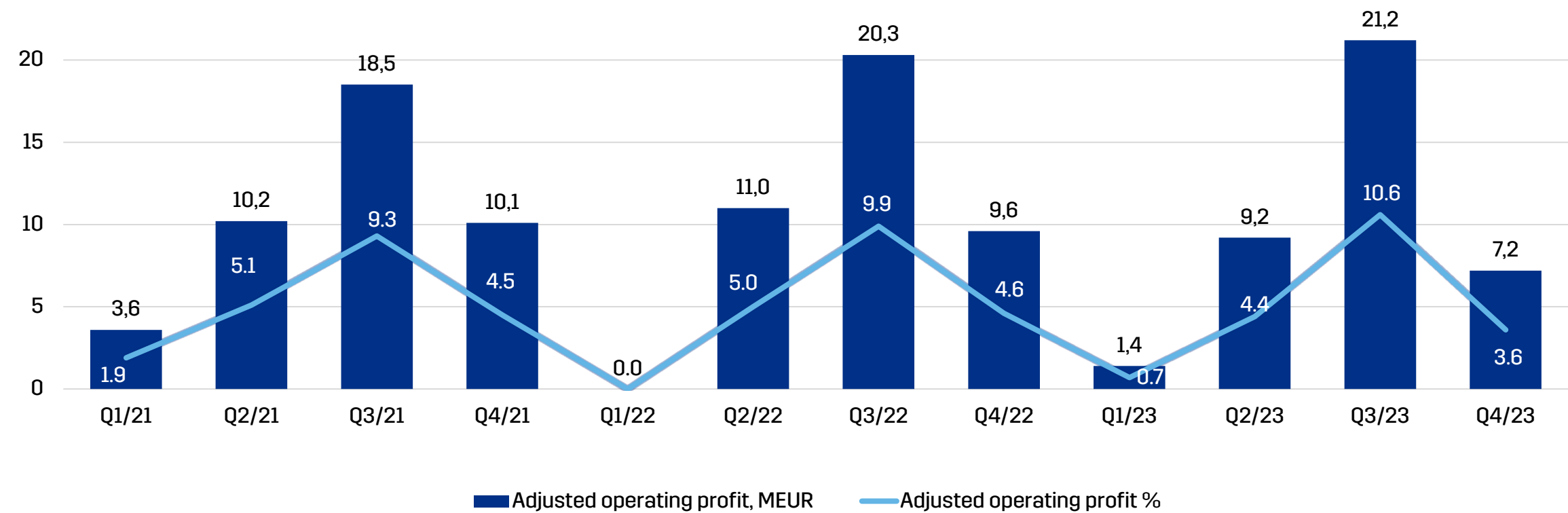
- Emissions calculations included in L&T's spend reporting
- Supplier engagement related to transportation emission reductions in Industrial Services
- Supplier self-evaluation process developed further

SUSTAINABILITY SCORE CARD 2023

L&T	2018	2019	2020	2021	2022	2023	Target 2023	Target 2026	Target 2030
RECYCLING RATE	54.2	54.8	58.6	58.4	59.4	57.8	59.5	65	70
CARBON FOOTPRINT (tCO2-ekv)	47,400	43,100	36,700	37,800	34,200	31,200	32,900		24,400
CARBON HANDPRINT (MCO2-ekv)	-569.2	-526.6	-506.8	-524.9	-534.5	-457.0			
TRIF	25	23	24	24	23	23	22	19	15
OCCUPATIONAL HEALTH RATE (%)	40	42	50	44.3	40	41	50	57	60
SICK LEAVE (%)	5.0	5.0	4.7	5.1	5.6	5.1	4.8	4.3	4



ADJUSTED OPERATING PROFIT

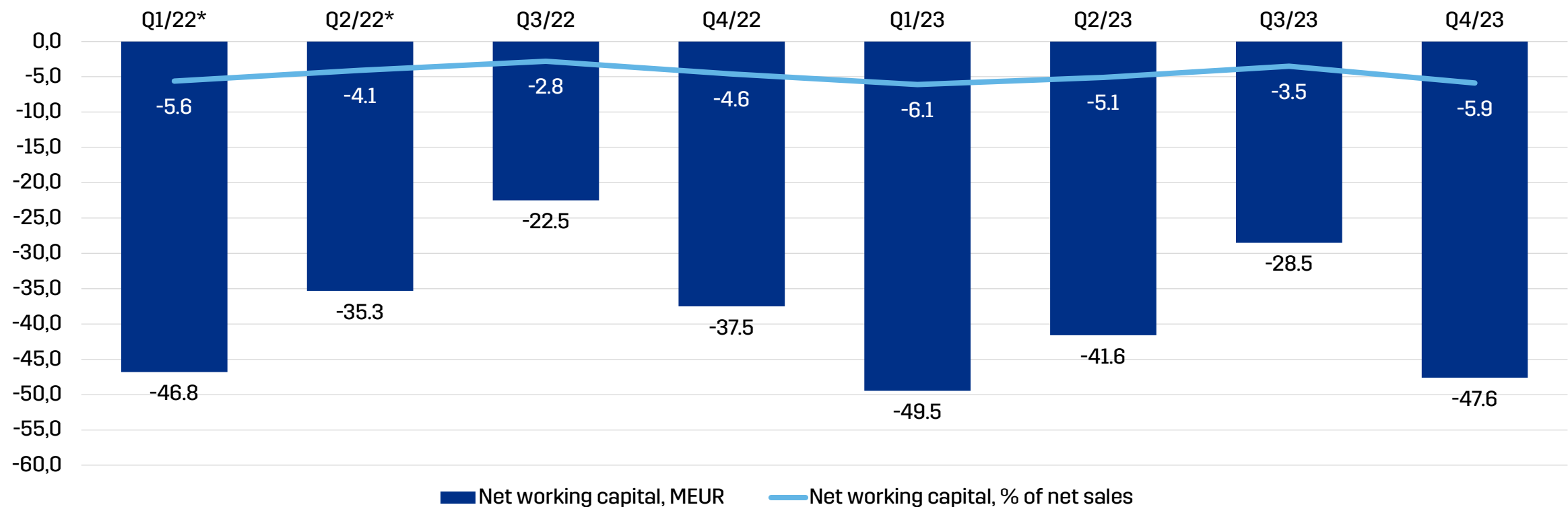


KEY FIGURES

	Q4/23	Q4/22	Change %	2023	2022	Change %
Capital expenditure, MEUR	15.1	12.4	21.8	61.1	58.2	4.9
Share of business acquisitions in capital expenditure, MEUR				-	21.5	
Depreciation, amortisation and impairment, MEUR	13.8	13.6	2.0	57.4	55.4	3.7
Share of result of associated companies & joint ventures*	1.1	0.9		3.6	0.7	
Return on equity (ROE), %				13.3	14.6	
Capital employed, EUR million				425.9	437.2	
Return on capital employed (ROCE), %				10.3	10.4	
Earnings per share, EUR	0.14	0.29	-54.0	0.79	0.83	-4.6
Net cash flow from operating activities after investments per share, EUR	0.60	1.05	-43.3	1.33	1.08	23.7
Equity ratio, %				36.8	34.3	
Gearing, %				69.3	75.9	
Total number of employees at the end of the period				8,159	8,371	

* Laania joint venture included in the figures from July 2022 onwards

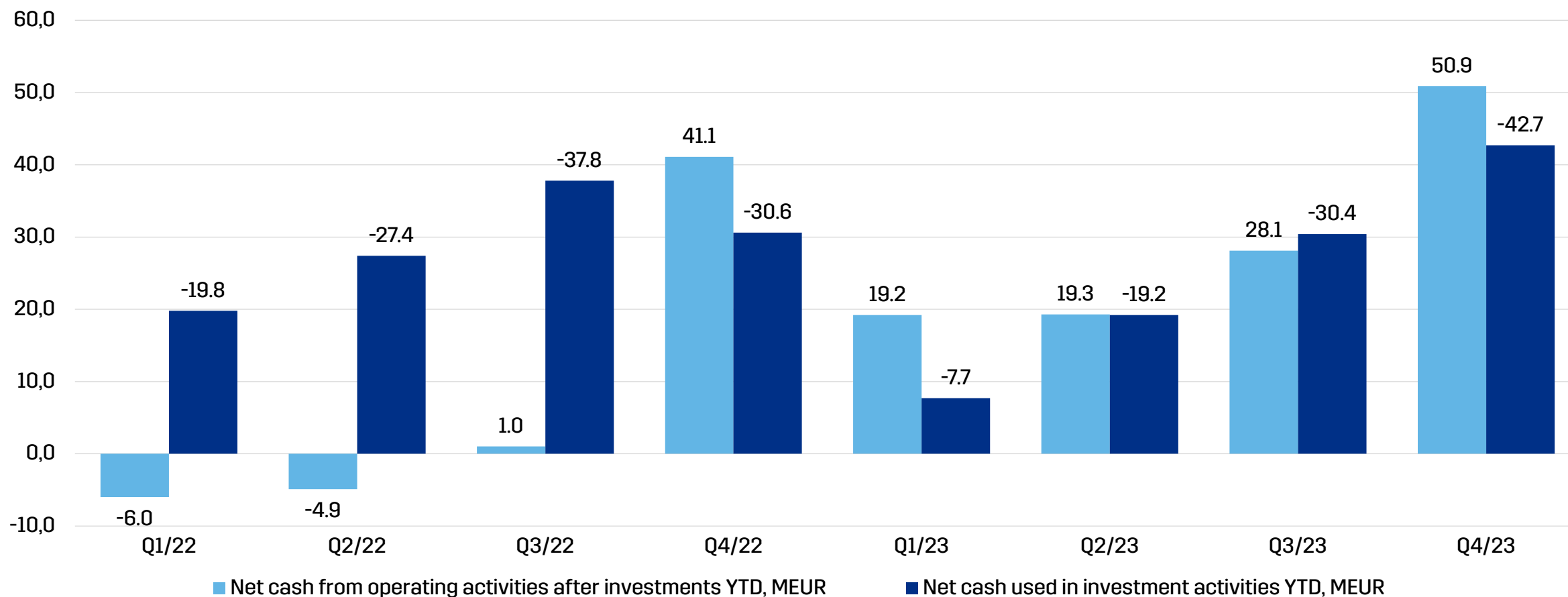
NET WORKING CAPITAL



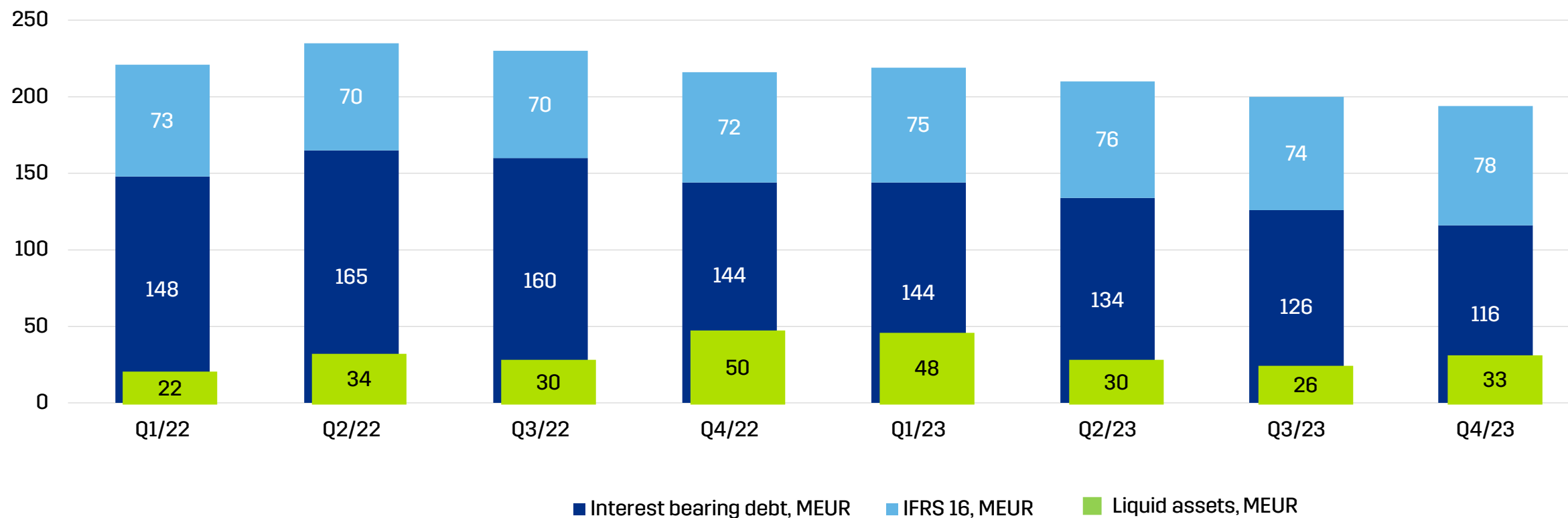
Net working capital = Current assets - income tax receivables - cash and cash equivalents - other non-current liabilities excluding deferred consideration - current trade and other payables
Net working capital, % of net sales = Net working capital / 12 month rolling net sales * 100
* Includes the renewable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



NET CASH FLOW AND NET INVESTMENTS



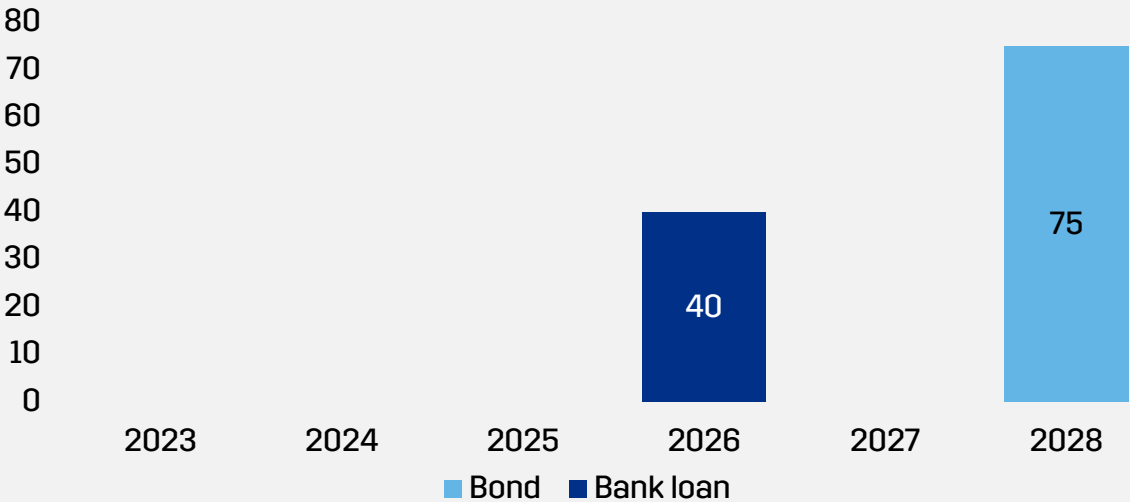
INTEREST BEARING DEBT AND LIQUIDITY



MATURITY STRUCTURE OF LOANS

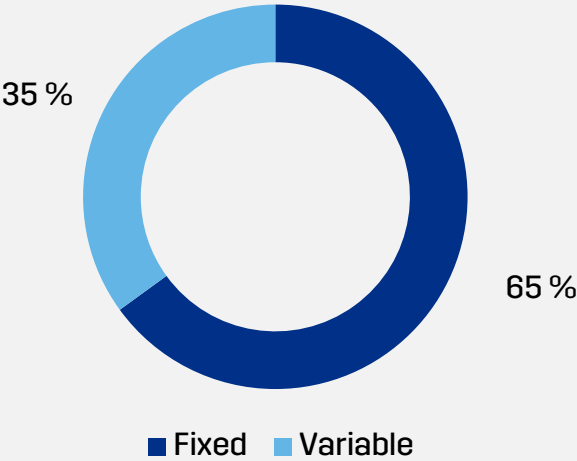
L&T has repaid the remaining amount of EUR 17.7 million of the bond issued in 2018 and reduced its bank loan by EUR 10.0 million in connection with the refinancing

Loans, MEUR

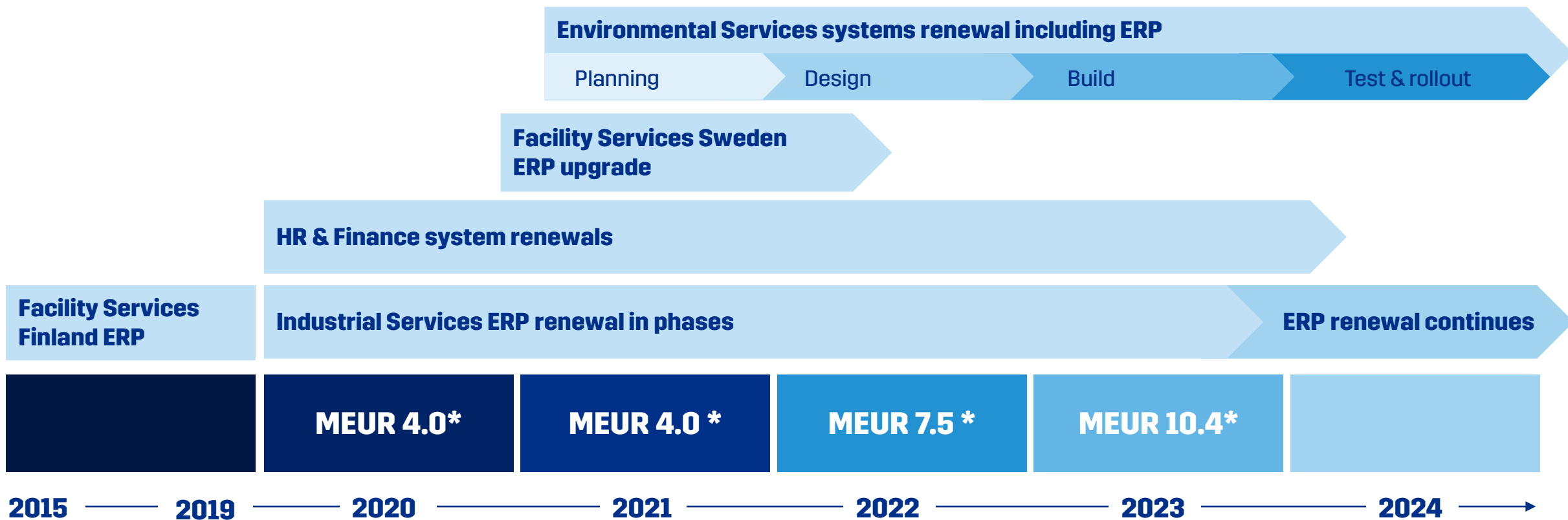


Loans do not include commercial papers

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



IT INVESTMENTS ON A HIGH LEVEL BETWEEN 2022-2024 DUE TO MODERNISATION OF 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





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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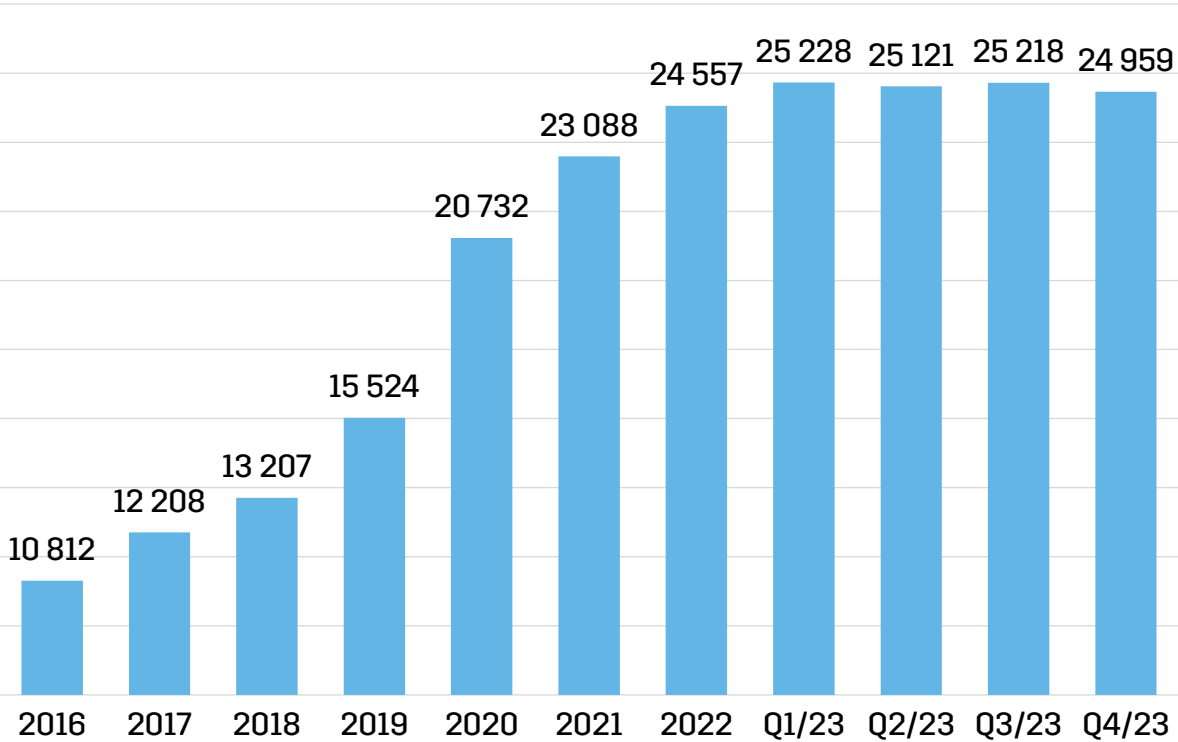


SHAREHOLDERS

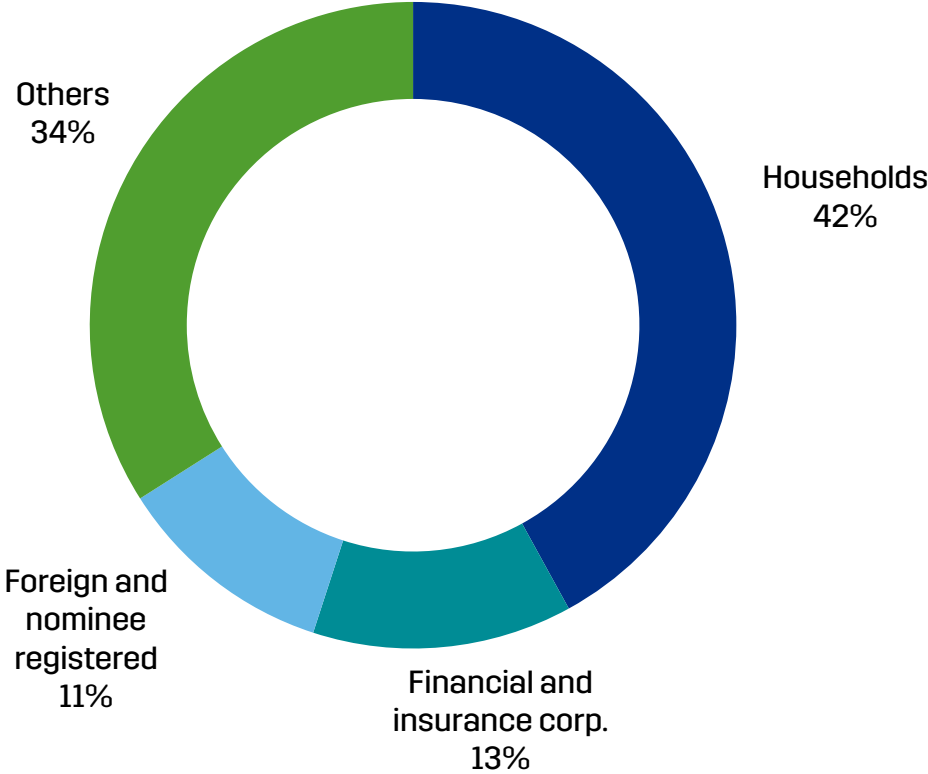


SHAREHOLDER STRUCTURE

Number of shareholders



Shareholder structure



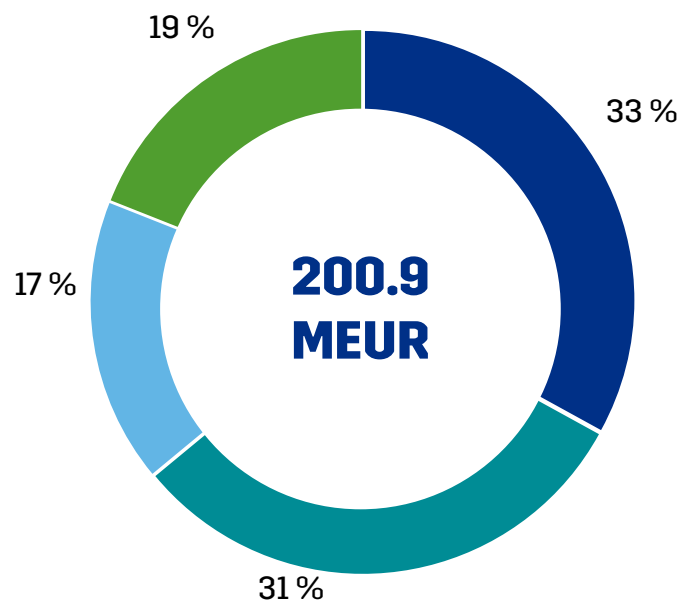
MAJOR SHAREHOLDERS ON 31 DECEMBER 2023

Shareholder	Shares	%
Evald and Hilda Nissi's Foundation	3,496,487	9.01
Nordea Funds Ltd	1,685,538	4.34
Mandatum Life Insurance Company Limited	1,547,264	3.99
Maijala Juhani	1,529,994	3.94
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	644,772	1.66
Ownership structure / sector	Shares	%
Nominee-registered shares	3,955,057	10.19
Number of shares	38,798,874	100.00
Number of shareholders	24,959	

APPENDIX

KEY FIGURES

NET SALES Q4/2023



- 33% Environmental Services
- 31% Facility Services Finland
- 17% Facility Services Sweden
- 19% Industrial Services

	Q4/23	Q4/22	Change%	2023	2022	Change%
Net sales, MEUR	200.9	210.1	-4.4	802.1	844.1	-5.0
EBITDA, MEUR	20.5	26.5	-22.7	95.8	98.3	-2.6
Operating profit, MEUR	6.7	12.9	-48.6	38.4	42.9	-10.6
Operating margin, %	3.3	6.2		4.8	5.1	
Earnings per share, EUR	0.14	0.29	-54.0	0.79	0.83	-4.6

Consolidated income statement

MEUR	10-12/2023	10-12/2022	1-12/2023	1-12/2022
Net sales	200.9	210.1	802.1	844.1
Other operating income	1.8	6.7	6.2	8.7
Materials and services	-63.7	-70.9	-246.5	-286.7
Employee benefit expenses	-88.9	-88.7	-352.8	-353.1
Other operating expenses	-29.6	-30.7	-113.1	-114.7
Depreciation, amortisation and impairment	-13.8	-13.6	-57.4	-55.4
Operating profit	6.7	12.9	38.4	42.9
Financial income	0.2	0.2	2.5	0.4
Financial expenses	-2.3	-1.8	-8.7	-6.0
Exchange rate differences (net)	0.0	-0.0	-0.0	-0.2
Financial income and expenses	-2.1	-1.6	-6.3	-5.8
Share of the result of associated companies and joint ventures	1.1	0.9	3.6	0.7
Result before taxes	5.7	12.2	35.7	37.8
Income taxes	-0.5	-1.0	-5.7	-6.3
Result for the period	5.1	11.2	30.1	31.5
Attributable to:				
Equity holders of the company	5.1	11.2	30.1	31.5
Earnings per share attributable to the equity holders of the parent company:				
Earnings per share, EUR	0.14	0.29	0.79	0.83
Diluted earnings per share, EUR	0.13	0.29	0.79	0.83

Consolidated statement of financial position

MEUR	31 Dec 2023	31 Dec 2022
ASSETS		
Non-current assets		
Intangible assets		
Goodwill	180.8	180.7
Other intangible assets	38.2	36.5
	219.0	217.2
Tangible assets	166.0	155.3
Right-of-use assets	76.0	71.2
	242.0	226.6
Other non-current assets		
Shares in associated companies and joint ventures	17.6	14.0
Other shares and holdings	0.2	0.2
Deferred tax assets	3.1	1.9
Other receivables	1.5	1.9
	22.5	17.9
Total non-current assets	483.5	461.7
Current assets		
Inventories	7.8	7.8
Trade receivables	85.9	91.0
Contract assets	30.8	30.8
Income tax receivables	1.2	8.7
Other receivables	7.9	11.0
Cash and cash equivalents	32.9	49.5
	166.5	198.8
Total current assets	166.5	198.8
Total assets	649.9	660.5

MEUR	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES		
Equity		
Equity attributable to the equity holders of the parent company		
Share capital	19.4	19.4
Other reserves	-11.5	-10.6
Invested unrestricted equity reserve	0.6	0.6
Retained earnings	223.6	211.0
Total equity	232.2	220.4
Liabilities		
Non-current liabilities		
Deferred tax liabilities	28.5	28.1
Retirement benefit obligations	1.2	1.2
Provisions	7.2	7.4
Financial liabilities	171.7	177.5
Other liabilities	13.2	13.3
	221.7	227.5
Current liabilities		
Financial liabilities	22.1	39.3
Trade and other payables	172.8	170.5
Income tax liabilities	0.3	1.0
Provisions	0.9	1.7
	196.1	212.6
Total liabilities	417.7	440.1
Total equity and liabilities	649.9	660.5

CIRCULAR ECONOMY - MADE REAL