



Lassila & Tikanoja plc  
Stock exchange release  
26 April 2024 at 8:00 a.m.

## **Lassila & Tikanoja plc: Interim Report 1 January–31 March 2024**

### **STABLE RESULT IN THE FINNISH DIVISIONS – FACILITY SERVICES SWEDEN DID NOT MEET EXPECTATIONS**

Unless otherwise mentioned, the figures in brackets refer to the corresponding period in the previous year.

- Net sales for the first quarter were EUR 185.0 million (192.7). Net sales decreased by 4.0%. The decline in net sales was due to the weak economic environment.
- Adjusted operating profit was EUR 0.0 million (1.4) and operating profit was EUR -1.7 million (1.4). Earnings per share were EUR -0.02 (0.03).
- Net cash flow from operating activities after investments was EUR -9.4 million (19.2) and net cash flow from operating activities after investments per share was EUR -0.25 (0.50). Net cash flow was negatively impacted by the reduction in factoring.

### **Outlook for the year 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.

### **PRESIDENT AND CEO EERO HAUTANIEMI:**

"The high interest rates, along with the decrease in industrial production and the weak market situation in the construction industry, combined with political strikes in Finland, had a negative impact on the L&T service demand in the first quarter. In the first quarter, net sales decreased by 4.0% and adjusted operating profit was EUR 0.0 million (1.4). The impact of the political strikes on L&T's result was approximately EUR 0.3 million negative.

In Environmental Services, the economic recession and political strikes reduced the demand of recycling and waste management services while the market share of the division strengthened slightly. The demand and prices of recycled raw materials stabilised during the first quarter. The municipalisation of the collection of packaging waste from housing properties continued, but the measures initiated in the fourth quarter of 2023 to improve the efficiency and profitability of operations largely compensated for the impact of municipalisation.

Net sales increased in Industrial Services. Political strikes in Finland weakened the demand in the Hazardous waste business line to a small extent, and some process cleaning work was postponed from the first quarter to the second quarter. The process cleaning business in Sweden was expanded to the Gävleborg region through an acquisition in line with the strategy. Industrial Services currently has approximately 100 employees in Sweden, and process cleaning services are offered in southern and central Sweden.

In Facility Services Finland and Facility Services Sweden, measures are under way to improve the efficiency of operations and streamline the cost structure. The result of the Facility Services Finland for the first quarter was negatively affected by provisions of EUR 0.6 million booked for potential disability pension contributions. The result of the Facility Services Finland Cleaning business line improved year-on-year. In Facility Services Sweden, a significant customer

relationship ended in the end of 2023, and the loss of that significant account was not fully compensated by new customer accounts during the review period.

The Group reduced its factoring financing by EUR 10 million as planned which reduced cash flow after investments in the first quarter. The company's financial position is strong."

## GROUP NET SALES AND FINANCIAL PERFORMANCE

### January–March

Net sales for the first quarter amounted to EUR 185.0 million (192.7), representing a year-on-year decrease of 4.0%. The organic decrease in net sales was 4.1%. Adjusted operating profit was EUR 0.0 million (1.4), representing 0.0% (0.7%) of net sales. Operating profit was EUR -1.7 million (1.4), representing -0.9% (0.7%) of net sales. Earnings per share were EUR -0.02 (0.03).

Net sales increased in Industrial Services and decreased in the other divisions. Operating profit declined in each division.

The result for the review period was negatively affected by net financial expenses rising to EUR -1.8 million (-1.6). The result for the period was affected positively by L&T's EUR 2.1 million (1.5) share of the profit of the joint venture Laania Oy.

### Financial summary

	1-3/2024	1-3/2023	Change %	1-12/2023
Net sales, EUR million	185.0	192.7	-4.0	802.1
Adjusted operating profit, EUR million	0.0	1.4	-98.6	39.0
Adjusted operating margin, %	0.0	0.7		4.9
Operating profit, EUR million	-1.7	1.4		38.4
Operating margin, %	-0.9	0.7		4.8
EBITDA, EUR million	12.1	15.4	-21.7	95.8
EBITDA, %	6.5	8.0		11.9
Earnings per share, EUR	-0.02	0.03		0.79
Net cash flow from operating activities after investments per share, EUR	-0.25	0.50		1.33
Return on equity (ROE), %	-1.4	2.2		13.3
Capital employed, EUR million	418.5	421.8	-0.8	425.9
Return on capital employed (ROCE), %	9.9	11.4		10.3
Equity ratio, %	33.4	32.7		36.8
Gearing, %	85.8	84.5		69.3

## NET SALES AND OPERATING PROFIT BY DIVISION

### Environmental Services

#### January–March

The division's net sales for the first quarter decreased to EUR 65.4 million (66.3). Operating profit was EUR 2.7 million (3.2).

In Environmental Services, the economic recession and political strikes reduced the demand of recycling and waste management services while the market share of the division strengthened slightly. The demand and prices of recycled raw materials stabilised during the first quarter. The municipalisation of the collection of packaging waste from housing properties continued, but the measures initiated in the fourth quarter of 2023 to improve the efficiency and profitability of operations largely compensated for the impact of municipalisation.

## **Industrial Services**

### **January–March**

The division's net sales for the first quarter increased to EUR 28.1 million (26.1). Adjusted operating profit was EUR -0.1 million (0.1). Operating profit was EUR -0.4 million (0.1). Operating profit was reduced by a change of EUR 0.2 million in the fair value of a consideration related to the acquisition of Sand & Vattenbläst i Tyringe AB ("SVB") (no change in the comparison period). The change in fair value is related to the impact of the expansion of the business on the expected growing EBITDA level.

Demand remained strong in the Environmental construction business line. Political strikes in Finland weakened the demand in the Hazardous waste business line to a small extent, and some process cleaning services were postponed from the first quarter to the second quarter. Thus far, there have been no changes to the timing or scope of annual maintenance services that would affect L&T's business operations.

The process cleaning business of the Industrial Services division was expanded in Sweden to the Gävleborg region through an acquisition that was completed on 1 February 2024. L&T acquired the entire share capital of PF Industriservice AB, which provides process cleaning services. PF Industriservice had net sales of approximately EUR 2.5 million in the most recent financial year, and it has approximately seven employees. PF Industriservice offers various process cleaning services to customers in the forest industry, energy sector and construction industry. Following the acquisition, the Industrial Services division has approximately 100 employees in Sweden, and process cleaning services are offered to industrial customers in southern and central Sweden.

## **Facility Services Finland**

### **January–March**

The division's net sales for the first quarter amounted to EUR 63.3 million (67.1). Operating profit was EUR -0.1 million (0.2).

Unprofitable customer agreements ended in Facility Services Finland during the period under review. Measures to streamline the cost structure continued. The result of the cleaning business line was stronger than in the comparison period. The demand for data-driven cleaning services grew. In the Facility Services Finland, provisions of EUR 0.6 million (0.4) were booked for potential disability pension contributions in the first quarter.

## **Facility Services Sweden**

### **January–March**

The division's net sales for the first quarter decreased to EUR 29.5 million (34.5). Operating profit was EUR -2.1 million (-1.0). Operating profit before the amortisation of purchase price allocations of acquisitions was EUR -1.8 million (-0.7).

Customer agreements in the Swedish business are mostly fixed-price contracts, and the division has not been able to pass the increased production costs on to customer prices. A significant customer relationship ended in the division in the end of 2023, and the loss of that account was not fully compensated by new customer accounts during the review period. The division has a

programme under way to simplify operating models and adapt them to the changed business environment. The results are expected to become visible by the end of 2024.

## **FINANCING**

Net cash flow from operating activities in the first quarter of 2024 amounted to EUR 1.9 million (26.8). Net cash flow after investments totalled EUR -9.4 million (19.2). The company reduced its factoring by EUR 10 million as planned. This reduced cash flow after investments in the first quarter. At the end of the period under review, factoring totalled approximately EUR 12.5 million (17.2). Net cash flow after investments for the review period was reduced by acquisitions, which had a total impact of approximately EUR 1.2 million. A total of EUR 6.2 million in working capital was committed (EUR 8.9 million released).

At the end of the review period, interest-bearing liabilities amounted to EUR 208.3 million (219.0). Net interest-bearing liabilities totalled EUR 180.3 million (171.4). The average interest rate on long-term loans, excluding lease liabilities, with interest rate hedging, was 4.0% (2.8%). The company had no interest rate swaps at the end of the review period.

Of the EUR 100.0 million commercial paper programme, EUR 10.0 million was in use at the end of the review period (unused in the comparative period). The account limit totalling EUR 10.0 million and the committed credit limit totalling EUR 40.0 million were not in use, as was the case in the comparison period.

Net financial expenses amounted to EUR -1.8 million (-1.6). The effect of discounting of environmental provisions decreased the net financial expenses by EUR 0.3 (-0.0) million. The effect of exchange rate changes on net financial expenses was EUR -0.0 million (-0.0). Net financial expenses were 1.0% (0.8%) of net sales.

The equity ratio was 33.4% (32.7%) and the gearing ratio was 85.8% (84.5%). The Group's total equity was EUR 210.2 million (202.8). Equity was reduced by dividends of EUR 18.7 million distributed for the financial year 2023. In accordance with the resolution of the Annual General Meeting held on 21 March 2024, the dividends were paid to shareholders on 3 April 2024. Translation differences caused by changes in the exchange rate of the Swedish krona affected equity by EUR -2.4 million. Cash and cash equivalents amounted to EUR 28.0 million (47.6) at the end of the review period.

## **DIVIDEND DISTRIBUTION**

The Annual General Meeting held on 21 March 2024 resolved that a dividend of EUR 0.49 per share, totalling EUR 18.7 million, be paid on the basis of the balance sheet that was adopted for the financial year 2023. The dividend was paid to shareholders on 3 April 2024.

## **CAPITAL EXPENDITURE**

Gross capital expenditure for the first quarter of 2024 totalled EUR 11.1 million (13.8). The capital expenditure consisted primarily of machine and equipment purchases, as well as investments in information systems. Acquisitions accounted for approximately EUR 2 million of the gross capital expenditure (0).

## SUSTAINABILITY

In February, Lassila & Tikanoja published its Annual Review 2023, which includes a sustainability report in accordance with the Global Reporting Standard (GRI) as well as a report on risks and opportunities related to climate change in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

### Progress towards sustainability targets

Indicator	1-3/2024	1-3/2023	2023	Target	Target to be achieved by
<b>ENVIRONMENTAL RESPONSIBILITY</b>					
Carbon handprint (tCO <sub>2</sub> e) i.e. emissions prevented	-115,200	-126,500	-453,000	growth faster than net sales	
Carbon footprint (tCO <sub>2</sub> e) Scope 1&2	6,900	8,000	31,200	24,400	2030
<b>SOCIAL RESPONSIBILITY</b>					
Total recordable incident frequency	21	26	23	15	2030
Sickness-related absences (%)	5.5	6.5	5.1	4	2030

## PERSONNEL

In the first quarter of 2024, the average number of employees converted into full-time equivalents was 6,305 (6,611). At the end of the review period, L&T had 7,686 (8,244) full-time and part-time employees.

Number of employees at the end of the review period	1-3/2024	1-3/2023	2023
Group	7,686	8,244	8,159
Finland	6,482	6,875	6,891
Sweden	1,204	1,369	1,268
Environmental Services	1,534	1,554	1,576
Industrial Services	680	627	679
Facility Services Finland	4,257	4,654	4,603
Facility Services Sweden	1,103	1,289	1,187
Group administration and other	112	120	114

## SHARES AND SHARE CAPITAL

### Traded volume and price

The volume of trading in L&T's shares in January–March was 2.1 million shares, which is 5.5% (5.3%) of the average number of outstanding shares. The value of trading was EUR 19.6 million (21.9). The highest share price was EUR 10.36 and the lowest EUR 8.52. The closing price was EUR

8.80. At the end of the review period, the market capitalisation excluding the shares held by the company was EUR 335.9 million (385.3).

### **Own shares**

At the end of the period, the company held 623,273 of its own shares, representing 1.6% of all shares and votes.

### **Share capital and number of shares**

The company's registered share capital amounts to EUR 19,399,437 and the number of outstanding shares was 38,175,601 at the end of the period. The average number of shares excluding the shares held by the company was 38,140,636 shares.

### **Shareholders**

At the end of the review period, the company had 25,255 (25,228) shareholders. Nominee-registered holdings accounted for 8.7% (8.5%) of the total number of shares.

### **Authorisations for the Board of Directors**

The Annual General Meeting held on 21 March 2024 authorised Lassila & Tikanoja plc's Board of Directors to decide on the repurchase of the company's own shares using the company's unrestricted equity. In addition, the Annual General Meeting authorised the Board of Directors to decide on a share issue and the issuance of special rights entitling their holders to shares.

The Board of Directors is authorised to purchase a maximum of 2,000,000 company shares (5.2% of the total number of shares). The repurchase authorisation is effective for 18 months.

The Board of Directors is authorised to decide on the issuance of new shares or shares which may be held by the company through a share issue and/or issuance of option rights or other special rights conferring entitlement to shares, referred to in Chapter 10, Section 1 of the Finnish Companies Act, so that under the authorisation, a maximum of 2,000,000 shares (5.2% of the total number of shares) may be issued and/or conveyed. The authorisation is effective for 18 months.

### **RESOLUTIONS BY THE ANNUAL GENERAL MEETING**

The Annual General Meeting of Lassila & Tikanoja plc, which was held on 21 March 2024, adopted the financial statements and consolidated financial statements for the financial year 2023, discharged the members of the Board of Directors and the President and CEO from liability and adopted the remuneration report and remuneration policy for the company's governing bodies. The Annual General Meeting resolved on the use of the profit shown on the balance sheet and the payment of dividend, the composition and remuneration of the Board of Directors, the election and remuneration of the auditor, the adoption and remuneration of the sustainability auditor, and authorising the Board of Directors to decide on the repurchase of the company's own shares and on a share issue and the issuance of special rights entitling to shares.

The Annual General Meeting resolved that a dividend of EUR 0.49 per share be paid on the basis of the balance sheet adopted for the financial year 2023. It was decided that the dividend be paid on 3 April 2024.

The Annual General Meeting confirmed the number of members of the Board of Directors as seven (7) in accordance with the proposal of the Shareholders' Nomination Board. Teemu Kangas-Kärki,

Laura Lares, Sakari Lassila, Jukka Leinonen, Anni Ronkainen and Pasi Tolppanen were re-elected, and Juuso Maijala was elected as a new member to the Board until the end of the following Annual General Meeting. Jukka Leinonen was elected as the Chairman of the Board and Sakari Lassila was elected as the Vice Chairman.

The Annual General Meeting elected PricewaterhouseCoopers Oy, Authorised Public Accountants, as the company's auditor. PricewaterhouseCoopers Oy has announced that it will name Samuli Perälä, Authorised Public Accountant, as the principal auditor. In addition, the company's auditor was adopted also as the company's sustainability auditor to audit the sustainability report for the financial year 2024.

The resolutions of the Annual General Meeting were announced in more detail in a stock exchange release on 21 March 2024.

## **BOARD OF DIRECTORS**

The members of Lassila & Tikanoja plc's Board of Directors are Teemu Kangas-Kärki, Laura Lares, Sakari Lassila, Jukka Leinonen, Juuso Maijala, Anni Ronkainen and Pasi Tolppanen. Lassila & Tikanoja plc's Annual General Meeting held on 21 March 2024 elected Jukka Leinonen as the Chairman of the Board and Sakari Lassila as the Vice Chairman.

In its constitutive meeting held after the Annual General Meeting, the Board of Directors elected the members of the Audit Committee and the Personnel and Sustainability Committee from amongst its members. Sakari Lassila (Chairman), Teemu Kangas-Kärki, Juuso Maijala and Anni Ronkainen were elected to the Audit Committee. Jukka Leinonen (Chairman), Laura Lares and Pasi Tolppanen were elected to the Personnel and Sustainability Committee.

## **EVENTS AFTER THE FINANCIAL PERIOD**

On 8 April 2024, Lassila & Tikanoja announced that Juha Saarinen (M.Sc. Tech) has been appointed as Chief Purchasing Officer (CPO) and a member of the Group Executive Board effective from 1 August 2024. Saarinen joins L&T from Kamux plc, where he has served as Chief Purchasing Officer.

## **NEAR-TERM RISKS AND UNCERTAINTIES**

General economic uncertainty may affect the level of economic activity among customers, which may reduce the demand for L&T's services.

Higher costs, such as the rising prices of fuel and energy, and potential changes in interest rates may have an impact on the company's financial performance.

The Finnish Waste Act was amended in July 2021. Under the reforms to the Waste Act, municipalities take on a larger role in organising the collection of packaging materials and biowaste from housing properties. As a consequence of the reform, L&T's direct customer agreements with housing properties on the separate collection of packaging waste and biowaste will be transferred to municipalities for competitive bidding gradually between 1 July 2022 and 1 July 2025. L&T estimates that, as a result of municipalisation, approximately EUR 30 million of the Finnish waste management market will be moved out of the scope of free competition between 2024 and 2026. L&T participates in the competitive tendering of municipal contracts and is a

significant operator in municipal contracts. Nevertheless, L&T estimates that the overall impact of the change will be negative for the company.

The company has several ERP system renewal projects under way. Temporary additional costs arising from system deployments and establishing the operating model may weigh down the company's result.

Production costs may be increased by challenges related to employee turnover and labour availability.

The geopolitical situation involves continued uncertainty due to Russia's war of aggression. The indirect impacts on overall economic activity in Finland and Sweden may have a negative impact on net sales and profit.

The Group company Lassila & Tikanoja FM AB is a claimant and a defendant in legal proceedings in Sweden concerning unpaid receivables invoiced from a former customer of the Group. In June 2022, Lassila & Tikanoja FM AB took legal action in the District Court of Solna against the former customer company of L&T, demanding payment for unpaid receivables. At the end of the financial year, the amount of receivables on the company's balance sheet was approximately EUR 1.5 million. The former L&T customer company in question has rejected Lassila & Tikanoja FM AB's claims and the payment obligation, and brought a counterclaim demanding compensation totalling approximately SEK 144 million from Lassila & Tikanoja FM AB. The dispute is still pending. Lassila & Tikanoja considers the counterclaim to be without merit and has not recognised any provisions in relation to it.

More detailed information on Lassila & Tikanoja's risks and risk management will be provided in the 2023 Annual Review and in the Report by the Board of Directors and the consolidated financial statements.

Helsinki, 25 April 2024

LASSILA & TIKANOJA PLC

Board of Directors  
Eero Hautaniemi  
President and CEO



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# Key figures of the Group

## Key figures

	1-3/2024	1-3/2023	1-12/2023
Earnings per share, EUR	-0.02	0.03	0.79
Diluted earnings per share, EUR	-0.02	0.03	0.79
Net cash flow from operating activities after investments per share, EUR	-0.25	0.50	1.33
Adjusted operating profit, MEUR	0.0	1.4	39.0
Operating profit, MEUR	-1.7	1.4	38.4
Gross capital expenditure, MEUR <sup>1</sup>	11.1	13.8	60.3
Equity per share, EUR	5.51	5.32	6.09
Return on equity (ROE), %	-1.4	2.2	13.3
Capital employed, MEUR	418.5	421.8	425.9
Return on capital employed (ROCE), %	9.9	11.4	10.3
Equity ratio, %	33.4	32.7	36.8
Gearing, %	85.8	84.5	69.3
Net interest-bearing liabilities, MEUR	180.3	171.4	160.9
Average number of employees in full-time equivalents <sup>2</sup>	6,305	6,611	6,743
Total number of full-time and part-time employees at end of the period	7,686	8,244	8,159
Number of outstanding shares adjusted for issues, 1,000 shares			
average during the period	38,141	38,146	38,127
at the end of the period	38,176	38,146	38,154
average during the period, diluted	38,255	38,237	38,232

<sup>1</sup> The figure for year 2023 has been adjusted.

<sup>2</sup> The calculation of the average number of employees in full-time equivalents was re-defined in 2023. The figure for the first quarter of 2023 has been adjusted accordingly.

## Reconciliation of alternative performance measures

The company discloses certain other widely used performance measures that can for the most part be derived from the income statement and balance sheet. The formulas for these performance measures are provided in the section Calculation of key figures. In the company's view, these measures clarify the result of operations and financial position based on the income statement and balance sheet.

### RECONCILIATION OF ADJUSTED OPERATING PROFIT TO OPERATING PROFIT

MEUR	1-3/2024	1-3/2023	1-12/2023
<b>Operating profit</b>	-1.7	1.4	38.4
Items affecting comparability:			
- costs arising from business restructurings	1.4	-	0.3
- costs arising from acquisitions	0.3	-	0.3
<b>Adjusted operating profit</b>	<b>0.0</b>	<b>1.4</b>	<b>39.0</b>

### RECONCILIATION OF GROSS CAPITAL EXPENDITURE

MEUR	1-3/2024	1-3/2023	1-12/2023
Intangible and tangible assets from business acquisitions	2.0	-	-
- increases of right-of-use assets excl. heavy vehicles from business acquisitions	-0.1	-	-
Other increases to intangible and tangible assets	21.2	19.1	81.1
- increases of right-of-use assets excl. heavy vehicles	-11.1	-4.6	-18.1
- other adjustments	-0.8	-0.6	-2.7
<b>Gross capital expenditure</b>	<b>11.1</b>	<b>13.8</b>	<b>60.3</b>

## RETURN ON CAPITAL EMPLOYED (ROCE), %, BY SEGMENT

	31 Mar 2024	31 Mar 2023	31 Dec 2023
<b>Environmental Services</b>			
Capital employed (MEUR)	207.4	208.7	203.1
Operating profit (rolling 12 months)	26.5	30.6	27.1
+ financial income (rolling 12 months)	0.3	0.2	0.3
Return on capital employed, MEUR	26.8	30.8	27.4
<b>Return on capital employed (ROCE), %</b>	12.9	14.7	13.5
<b>Industrial Services</b>			
Capital employed (MEUR)	91.6	87.8	93.7
Operating profit (rolling 12 months)	13.2	12.7	13.8
+ financial income (rolling 12 months)	0.0	0.0	0.0
Return on capital employed, MEUR	13.3	12.7	13.8
<b>Return on capital employed (ROCE), %</b>	14.5	14.4	14.7
<b>Facility Services Finland</b>			
Capital employed (MEUR)	24.7	29.8	25.0
Operating profit (rolling 12 months)	4.1	2.0	4.4
+ financial income (rolling 12 months)	0.5	0.3	0.4
Return on capital employed, MEUR	4.6	2.3	4.8
<b>Return on capital employed (ROCE), %</b>	18.6	7.8	19.4
<b>Facility Services Sweden</b>			
Capital employed (MEUR)	57.4	60.6	61.0
Operating profit (rolling 12 months)	-4.8	-0.4	-3.7
+ financial income (rolling 12 months)	0.1	0.1	0.1
Return on capital employed, MEUR	-4.7	-0.3	-3.6
<b>Return on capital employed (ROCE), %</b>	-8.2	-0.5	-5.9

## Calculation of key figures

**Earnings per share:** result for the period attributable to the equity holders of the parent company / adjusted average basic number of shares

**Diluted earnings per share:** result for the period attributable to the equity holders of the parent company / adjusted average diluted number of shares

**Net cash flow from operating activities after investments/share:** Net cash flow from operating and investing activities / adjusted average basic number of shares

**Market capitalization:** Basic number of shares at the balance sheet date excluding treasury shares x closing price of the financial period

**Adjusted operating profit:** operating profit +/- items affecting comparability

**Items affecting comparability:** substantial costs arising from business restructurings or acquisitions, gains and losses from divestments and costs arising from the discontinuation of businesses

**EBITDA:** operating profit + depreciation, amortisation and impairment

**Equity per share:** equity attributable to the equity holders of the parent company / adjusted basic number of shares at the balance sheet date

**Return on equity, % (ROE):** (result for the period / equity (average)) x 100

**Capital employed:** equity + interest-bearing financial liabilities

**Return on capital employed, % (ROCE):** (operating profit + financial income + share of result in associated companies and joint ventures, rolling 12 months) / equity + Interest bearing financial liabilities (average of the end of the period and at the end of the comparison period) x 100

**Equity ratio, %:** equity / (total equity and liabilities - advances received) x 100

**Gearing, %:** net interest-bearing liabilities / equity x 100

**Net interest-bearing liabilities:** interest-bearing liabilities - cash and cash equivalents

**Gross capital expenditure:** Investments in intangible and tangible assets excluding right-of-use assets and other adjustments, including leased heavy vehicles and assets acquired through acquisitions

**Organic growth, %:** (Net sales for the reporting period - net sales from business acquisitions during previous 12 months - net sales for the comparative period + net sales from divestments during previous 12 months) / (net sales for the comparative period - net sales from divestments during previous 12 months) x 100

# Primary financial statements

## Consolidated income statement

MEUR	1-3/2024	1-3/2023	1-12/2023
<b>Net sales</b>	185.0	192.7	802.1
Other operating income	1.9	0.8	6.2
Materials and services	-57.8	-62.4	-246.5
Employee benefit expenses	-87.3	-86.7	-352.8
Other operating expenses	-29.7	-29.0	-113.1
Depreciation, amortisation and impairment	-13.8	-14.0	-57.4
<b>Operating profit</b>	-1.7	1.4	38.4
Financial income	0.2	0.4	2.5
Financial expenses	-2.0	-2.0	-8.7
Exchange rate differences (net)	-0.0	-0.0	-0.0
Financial income and expenses	-1.8	-1.6	-6.3
Share of the result of associated companies and joint ventures	2.1	1.5	3.6
<b>Result before taxes</b>	-1.4	1.4	35.7
Income taxes	0.6	-0.2	-5.7
<b>Result for the period</b>	-0.8	1.2	30.1
<b>Attributable to:</b>			
Equity holders of the company	-0.8	1.2	30.1
<b>Earnings per share attributable to the equity holders of the parent company:</b>			
Earnings per share, EUR	-0.02	0.03	0.79
Diluted earnings per share, EUR	-0.02	0.03	0.79

## Consolidated statement of comprehensive income

MEUR	1-3/2024	1-3/2023	1-12/2023
<b>Result for the period</b>	-0.8	1.2	30.1
<b>Other comprehensive income, net of tax</b>			
<b>Items not to be recognised through profit or loss</b>			
Items arising from re-measurement of defined benefit plans	-	-	-0.0
Items not to be recognised through profit or loss, total	-	-	-0.0
<b>Items potentially to be recognised through profit or loss</b>			
Hedging reserve, change in fair value	-	-0.1	0.1
Change in fair value of interest rate swap, reclassified to profit and loss	-	-	-1.0
Currency translation differences	-2.4	-1.0	0.1
Items potentially to be recognised through profit or loss, total	-2.4	-1.0	-0.9
<b>Other comprehensive income, total</b>	-2.4	-1.0	-0.9
<b>Total comprehensive income, after tax</b>	-3.2	0.2	29.2
<b>Attributable to:</b>			
Equity holders of the company	-3.2	0.2	29.2

## Consolidated statement of financial position

MEUR	31 Mar 2024	31 Mar 2023	31 Dec 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets			
Goodwill	180.1	180.1	180.8
Other intangible assets	40.1	37.2	38.2
	220.2	217.3	219.0
Tangible assets	165.6	153.6	166.0
Right-of-use assets	80.6	73.6	76.0
	246.2	227.2	242.0
Other non-current assets			
Shares in associated companies and joint ventures	17.9	15.5	17.6
Other shares and holdings	0.2	0.2	0.2
Deferred tax assets	2.3	2.4	3.1
Other receivables	1.5	1.8	1.5
	21.8	19.9	22.5
<b>Total non-current assets</b>	488.2	464.4	483.5
<b>Current assets</b>			
Inventories	8.6	8.5	7.8
Trade receivables	77.3	69.7	85.9
Contract assets	33.4	34.9	30.8
Income tax receivables	2.0	3.2	1.2
Other receivables	9.6	10.6	7.9
Cash and cash equivalents	28.0	47.6	32.9
	159.0	174.5	166.5
<b>Total current assets</b>	159.0	174.5	166.5
<b>Total assets</b>	647.2	638.9	649.9



## Consolidated statement of financial position

MEUR	31 Mar 2024	31 Mar 2023	31 Dec 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity attributable to the equity holders of the parent company			
Share capital	19.4	19.4	19.4
Other reserves	-13.9	-11.6	-11.5
Invested unrestricted equity reserve	0.6	0.6	0.6
Retained earnings	204.0	194.3	223.6
<b>Total equity</b>	<b>210.2</b>	<b>202.8</b>	<b>232.2</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	26.6	28.0	28.5
Retirement benefit obligations	1.1	1.2	1.2
Provisions	6.8	7.3	7.2
Financial liabilities	176.5	179.2	171.7
Other liabilities	12.5	12.7	13.2
	223.5	228.4	221.7
<b>Current liabilities</b>			
Financial liabilities	31.8	39.8	22.1
Trade and other payables	180.2	166.1	172.8
Income tax liabilities	-	1.1	0.3
Provisions	1.4	0.8	0.9
	213.5	207.8	196.1
<b>Total liabilities</b>	<b>437.0</b>	<b>436.2</b>	<b>417.7</b>
<b>Total equity and liabilities</b>	<b>647.2</b>	<b>638.9</b>	<b>649.9</b>

## Consolidated statement of cash flows

MEUR	1-3/2024	1-3/2023	1-12/2023
<b>Cash flow from operating activities</b>			
Result for the period	-0.8	1.2	30.1
<b>Adjustments</b>			
Income taxes	-0.6	0.2	5.7
Depreciation, amortisation and impairment	13.8	14.0	57.4
Financial income and expenses	1.8	1.6	6.3
Gains and losses on sale of tangible and intangible assets	-0.8	-0.3	-1.6
Share of result of associated companies and joint ventures	-2.1	-1.5	-3.6
Other adjustments	0.6	-1.0	-0.5
Net cash generated from operating activities before change in working capital	11.9	14.2	93.6
Change in working capital			
Change in trade and other receivables	3.4	17.1	7.2
Change in inventories	-0.9	-0.7	0.0
Change in trade and other payables	-8.6	-7.5	-2.1
Change in working capital	-6.2	8.9	5.1
Interest and other financial expenses paid	-2.2	-1.5	-8.2
Interest and other financial income received	0.2	0.4	2.5
Income taxes paid	-1.8	4.8	0.5
<b>Net cash from operating activities</b>	1.9	26.8	93.6
<b>Cash flow from investing activities</b>			
Acquisition of subsidiaries and businesses, net of cash acquired	-1.2	-	-
Purchases of tangible and intangible assets	-12.8	-8.0	-44.9
Proceeds from the sale of tangible and intangible assets	1.0	0.3	2.2
Dividends received from joint venture	1.8	-	-
<b>Net cash from investing activities</b>	-11.3	-7.7	-42.7
<b>Net cash flow from operating and investing activities</b>	-9.4	19.2	50.9
<b>Cash flow from financing activities</b>			
Proceeds from short-term borrowings	10.0	-	10.0
Repayments of short-term borrowings	-	-	-10.0
Proceeds from long-term borrowings	-	-	40.0
Repayments of long-term borrowings	-0.1	-0.2	-68.4
Repayments of lease liabilities	-5.3	-5.2	-21.2
Dividends paid	-	-15.6	-17.9
<b>Net cash from financing activities</b>	4.6	-21.0	-67.5
<b>Net change in cash and cash equivalents</b>	-4.8	-1.8	-16.6
Cash and cash equivalents at the beginning of the period	32.9	49.5	49.5
Effect of changes in foreign exchange rates	-0.1	-0.0	0.0
<b>Cash and cash equivalents at the end of the period</b>	28.0	47.6	32.9

## Consolidated statement of changes in equity

MEUR	Share capital	Currency translation differences	Hedging reserve	Invested unrestricted equity reserve	Retained earnings	Total equity
<b>Equity 1 January 2024</b>	19.4	-11.5	-	0.6	223.6	232.2
Total comprehensive income						
Result for the period					-0.8	-0.8
Other comprehensive income		-2.4	-		-	-2.4
Total comprehensive income	-	-2.4	-	-	-0.8	-3.2
Transactions with shareholders						
Share-based benefits					-0.1	-0.1
Dividends paid					-18.7	-18.7
Transactions with shareholders, total	-	-	-	-	-18.8	-18.8
<b>Equity 31 March 2024</b>	19.4	-13.9	-	0.6	204.0	210.2
<b>Equity 1 January 2023</b>	19.4	-11.5	0.9	0.6	211.0	220.4
Total comprehensive income						
Result for the period					1.2	1.2
Other comprehensive income		-1.0	-0.1		-	-1.0
Total comprehensive income	-	-1.0	-0.1	-	1.2	0.2
Transactions with shareholders						
Share-based benefits					0.1	0.1
Dividends paid					-17.9	-17.9
Transactions with shareholders, total	-	-	-	-	-17.8	-17.8
<b>Equity 31 March 2023</b>	19.4	-12.5	0.9	0.6	194.3	202.8

# Notes

## 1. Accounting policies

This Interim Report is in compliance with the IAS 34 Interim Financial Reporting standard. The Interim Report has been prepared with application of the IFRS standards and interpretations in effect on 31 December 2023 and the new and amended standards and interpretations entered into force on 1 January 2024. The information presented in this Interim Report has not been audited.

More detailed information on accounting policies is presented in the consolidated financial statements of Lassila & Tikanoja plc as of 31 December 2023.

## 2. Segment information

MEUR	1-3/2024	1-3/2023	Change %	1-12/2023
<b>Net sales</b>				
Environmental Services	65.4	66.3	-1.4	283.7
Industrial Services	28.1	26.1	7.8	141.0
Facility Services Finland	63.3	67.1	-5.7	250.0
Facility Services Sweden	29.5	34.5	-14.6	133.2
Interdivisional net sales	-1.2	-1.2		-5.8
The Group total	185.0	192.7	-4.0	802.1
<b>Operating profit</b>				
Environmental Services	2.7	3.2	-16.5	27.1
Industrial Services	-0.4	0.1		13.8
Facility Services Finland	-0.1	0.2		4.4
Facility Services Sweden	-2.1	-1.0	-104.2	-3.7
Group administration and other	-1.8	-1.1		-3.2
The Group total	-1.7	1.4		38.4
<b>Adjusted operating profit</b>				
Environmental Services	2.7	3.2	-16.5	27.1
Industrial Services	-0.1	0.1		14.0
Facility Services Finland	-0.1	0.2		4.4
Facility Services Sweden	-2.1	-1.0	-103.3	-3.7
Group administration and other	-0.4	-1.1		-2.8
The Group total	0.0	1.4	-98.6	39.0
<b>EBITDA</b>				
Environmental Services	10.1	10.3	-1.8	57.5
Industrial Services	2.8	3.3	-13.8	26.6
Facility Services Finland	1.6	2.4	-35.5	12.5
Facility Services Sweden	-0.9	0.2		1.3
Group administration and other	-1.6	-0.8		-2.2
The Group total	12.1	15.4	-21.7	95.8

%	1-3/2024	1-3/2023	1-12/2023
<b>Operating margin</b>			
Environmental Services	4.1	4.9	9.5
Industrial Services	-1.4	0.5	9.8
Facility Services Finland	-0.2	0.3	1.8
Facility Services Sweden	-7.1	-3.0	-2.8
The Group total	-0.9	0.7	4.8
<b>Adjusted operating margin</b>			
Environmental Services	4.1	4.9	9.5
Industrial Services	-0.4	0.5	9.9
Facility Services Finland	-0.2	0.3	1.8
Facility Services Sweden	-7.1	-3.0	-2.8
The Group total	0.0	0.7	4.9
<b>EBITDA margin</b>			
Environmental Services	15.5	15.5	20.3
Industrial Services	10.1	12.6	18.9
Facility Services Finland	2.5	3.6	5.0
Facility Services Sweden	-3.0	0.6	1.0
The Group total	6.5	8.0	11.9

#### Other segment information

MEUR	1-3/2024	1-3/2023	1-12/2023
<b>Gross capital expenditure</b>			
Environmental Services	6.6	10.2	40.2
Industrial Services	4.2	3.0	17.5
Facility Services Finland	0.1	0.3	1.0
Facility Services Sweden	0.0	0.1	0.5
Group administration and other	0.2	0.3	1.2
The Group total	11.1	13.8	60.3
<b>Depreciation and amortisation</b>			
Environmental Services	7.4	7.1	30.4
Industrial Services	3.2	3.2	12.8
Facility Services Finland	1.7	2.2	8.1
Facility Services Sweden	1.2	1.2	5.0
Group administration and other	0.2	0.3	1.0
The Group total	13.8	14.0	57.4

<b>MEUR</b>	<b>31 Mar 2024</b>	<b>31 Mar 2023</b>	<b>31 Dec 2023</b>
<b>Assets</b>			
Environmental Services	298.5	279.0	291.6
Industrial Services	148.5	137.8	151.0
Facility Services Finland	78.5	83.9	78.7
Facility Services Sweden	80.9	78.0	83.5
Group administration and other	40.8	60.2	45.1
<b>The Group total</b>	<b>647.2</b>	<b>638.9</b>	<b>649.9</b>
<b>Liabilities</b>			
Environmental Services	82.8	79.9	82.7
Industrial Services	53.8	52.5	60.2
Facility Services Finland	56.4	56.6	56.9
Facility Services Sweden	21.1	23.0	23.6
Group administration and other	223.0	224.2	194.3
<b>The Group total</b>	<b>437.0</b>	<b>436.2</b>	<b>417.7</b>
<b>Capital employed</b>			
Environmental Services	215.7	199.2	208.9
Industrial Services	96.0	87.2	92.2
Facility Services Finland	22.2	27.3	21.7
Facility Services Sweden	59.8	55.0	59.9
Group administration and other	24.9	53.1	43.2
<b>The Group total</b>	<b>418.5</b>	<b>421.8</b>	<b>425.9</b>
<b>%</b>			
	<b>31 Mar 2024</b>	<b>31 Mar 2023</b>	<b>31 Dec 2023</b>
<b>Return on capital employed (ROCE)</b>			
Environmental Services	12.9	14.7	13.5
Industrial Services	14.5	14.4	14.7
Facility Services Finland	18.6	7.8	19.4
Facility Services Sweden	-8.2	-0.5	-5.9
<b>The Group total</b>	<b>9.9</b>	<b>11.4</b>	<b>10.3</b>

### 3. Segment information by quarter

MEUR	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
<b>Net sales</b>					
Environmental Services	65.4	68.9	74.1	74.4	66.3
Industrial Services	28.1	37.9	39.0	38.0	26.1
Facility Services Finland	63.3	61.4	58.8	62.7	67.1
Facility Services Sweden	29.5	34.5	30.3	33.8	34.5
Interdivisional net sales	-1.2	-1.8	-1.3	-1.5	-1.2
The Group total	185.0	200.9	200.9	207.5	192.7
<b>Operating profit</b>					
Environmental Services	2.7	3.6	11.7	8.5	3.2
Industrial Services	-0.4	3.6	6.1	3.9	0.1
Facility Services Finland	-0.1	1.1	3.2	-0.0	0.2
Facility Services Sweden	-2.1	-0.9	0.2	-2.0	-1.0
Group administration and other	-1.8	-0.7	-0.1	-1.3	-1.1
The Group total	-1.7	6.7	21.1	9.2	1.4
<b>Adjusted operating profit</b>					
Environmental Services	2.7	3.6	11.7	8.5	3.2
Industrial Services	-0.1	3.8	6.1	3.9	0.1
Facility Services Finland	-0.1	1.1	3.2	-0.0	0.2
Facility Services Sweden	-2.1	-0.9	0.2	-2.0	-1.0
Group administration and other	-0.4	-0.4	-0.0	-1.3	-1.1
The Group total	0.0	7.2	21.2	9.2	1.4
<b>EBITDA</b>					
Environmental Services	10.1	10.8	20.7	15.7	10.3
Industrial Services	2.8	6.9	9.3	7.1	3.3
Facility Services Finland	1.6	2.8	5.1	2.1	2.4
Facility Services Sweden	-0.9	0.5	1.4	-0.8	0.2
Group administration and other	-1.6	-0.5	0.1	-1.0	-0.8
The Group total	12.1	20.5	36.7	23.2	15.4
<b>Operating margin, %</b>					
Environmental Services	4.1	5.2	15.8	11.5	4.9
Industrial Services	-1.4	9.5	15.7	10.3	0.5
Facility Services Finland	-0.2	1.8	5.4	-0.0	0.3
Facility Services Sweden	-7.1	-2.7	0.7	-5.8	-3.0
The Group total	-0.9	3.3	10.5	4.4	0.7
<b>Adjusted operating margin, %</b>					
Environmental Services	4.1	5.2	15.8	11.5	4.9
Industrial Services	-0.4	10.1	15.7	10.3	0.5
Facility Services Finland	-0.2	1.8	5.4	-0.0	0.3
Facility Services Sweden	-7.1	-2.7	0.7	-5.8	-3.0
The Group total	0.0	3.6	10.6	4.4	0.7
<b>EBITDA margin, %</b>					
Environmental Services	15.5	15.7	28.0	21.0	15.5
Industrial Services	10.1	18.2	23.8	18.8	12.6
Facility Services Finland	2.5	4.6	8.7	3.4	3.6
Facility Services Sweden	-3.0	1.3	4.7	-2.2	0.6
The Group total	6.5	10.2	18.3	11.2	8.0

## 4. Disaggregation of revenue

Net sales consist of services for which revenue is recognised over time, products for which revenue is recognised at a point in time as well as lease income. Services for which revenue is recognised over time include sales revenue from long-term service agreements, separately ordered services and the project business. Services for which revenue is recognised at a point in time include revenue from the sale of equipment and materials.

<b>1-3/2024, MEUR</b>	<b>Long-term service agreements</b>	<b>Separately ordered services</b>	<b>Project business</b>	<b>Sales of equipment and materials</b>	<b>Lease income</b>	<b>Total net sales</b>
Environmental Services	52.7			11.7	0.9	65.4
Industrial Services	13.4	11.6	1.8	1.3		28.1
Facility Services Finland	44.2	16.9	2.1			63.3
Facility Services Sweden	12.5	16.3	0.7			29.5
<b>Total</b>	<b>122.8</b>	<b>44.8</b>	<b>4.6</b>	<b>13.0</b>	<b>0.9</b>	<b>186.2</b>
Interdivisional sales						-1.2
External net sales, total						185.0

<b>1-3/2023, MEUR</b>	<b>Long-term service agreements</b>	<b>Separately ordered services</b>	<b>Project business</b>	<b>Sales of equipment and materials</b>	<b>Lease income</b>	<b>Total net sales</b>
Environmental Services	53.4			12.1	0.9	66.3
Industrial Services	14.1	9.3	1.3	1.3		26.1
Facility Services Finland	48.5	16.7	1.9			67.1
Facility Services Sweden	15.2	18.5	0.9			34.5
<b>Total</b>	<b>131.2</b>	<b>44.6</b>	<b>4.1</b>	<b>13.3</b>	<b>0.9</b>	<b>194.0</b>
Interdivisional sales						-1.2
External net sales, total						192.7

<b>1-12/2023, MEUR</b>	<b>Long-term service agreements</b>	<b>Separately ordered services</b>	<b>Project business</b>	<b>Sales of equipment and materials</b>	<b>Lease income</b>	<b>Total net sales</b>
Environmental Services	229.6			50.5	3.5	283.7
Industrial Services	65.5	58.5	11.8	5.2		141.0
Facility Services Finland	181.5	64.2	4.3			250.0
Facility Services Sweden	56.1	74.0	3.1			133.2
<b>Total</b>	<b>532.6</b>	<b>196.8</b>	<b>19.2</b>	<b>55.7</b>	<b>3.5</b>	<b>807.9</b>
Interdivisional sales						-5.8
External net sales, total						802.1



## 5. Business acquisitions

### Business acquisitions 2024

On 1 February 2024, Lassila & Tikanoja's Industrial Services division acquired all of the shares of PF Industriservice AB, a company that provides process cleaning services in Sweden. Through the acquisition, L&T's Industrial Services division's process cleaning services business expands to the Gävleborg area in Sweden. In the fair value measurement, intangible assets based on customer relationships with a value of EUR 0.7 million, as well as goodwill with a value of EUR 0.9 million were identified. The goodwill is mainly based on the regional position of the acquired business and its future development prospects.

### Business acquisitions 2023

There were no business acquisitions in 2023.

Fair value total, MEUR	Business	Business
	acquisitions	acquisitions
	1-3/2024	1-3/2023
Intangible assets	0.7	-
Tangible assets	0.4	-
Right-of-use assets	0.1	-
Receivables	0.3	-
Cash and cash equivalents	0.5	-
<b>Total assets</b>	<b>1.9</b>	<b>-</b>
Other liabilities	0.4	-
Deferred tax liabilities	0.2	-
<b>Total liabilities</b>	<b>0.6</b>	<b>-</b>
Net assets acquired	1.3	-
Total consideration	2.2	-
Goodwill	0.9	-
Impact on cash flow		
Total consideration	-2.2	-
Acquisition liabilities	0.4	-
<b>Consideration paid in cash</b>	<b>-1.7</b>	<b>-</b>
Cash and cash equivalents of the acquired company	0.5	-
<b>Total impact on cash flow</b>	<b>-1.2</b>	<b>-</b>

The acquisition price calculations prepared according to IFRSs are still preliminary. The figures for such acquired businesses, that are not material to the Group when considered separately, are stated in aggregate.

## 6. Intangible and tangible assets

### Changes in goodwill

MEUR	1-3/2024	1-3/2023	1-12/2023
Carrying amount at the beginning of the period	180.8	180.7	180.7
Business acquisitions	0.8	-	-
Exchange differences	-1.6	-0.6	0.1
Carrying amount at the end of the period	180.1	180.1	180.8

### Changes in other intangible assets

MEUR	1-3/2024	1-3/2023	1-12/2023
Carrying amount at the beginning of the period	38.2	36.5	36.5
Business acquisitions	0.7	-	-
Other capital expenditure	3.1	2.7	10.6
Disposals	-0.0	-	-0.0
Amortisation and impairment	-1.5	-1.9	-8.7
Transfers between items	-	-	-0.1
Exchange differences	-0.3	-0.1	-0.0
Carrying amount at the end of the period	40.1	37.2	38.2

### Changes in tangible assets

MEUR	1-3/2024	1-3/2023	1-12/2023
Carrying amount at the beginning of the period	166.0	155.3	155.3
Business acquisitions	0.4	-	-
Other capital expenditure	6.5	5.1	38.3
Disposals	-0.1	-0.0	-0.6
Depreciation and impairment	-6.9	-6.8	-27.1
Transfers between items	-	-	0.1
Exchange differences	-0.2	-0.1	-0.0
Carrying amount at the end of the period	165.6	153.6	166.0

### Changes in right-of-use assets

MEUR	1-3/2024	1-3/2023	1-12/2023
Carrying amount at the beginning of the period	76.0	71.2	71.2
Business acquisitions	0.1	-	-
Other capital expenditure	11.6	11.2	32.2
Disposals	-1.5	-3.4	-5.7
Depreciation and impairment	-5.4	-5.3	-21.6
Exchange differences	-0.3	-0.1	-0.1
Carrying amount at the end of the period	80.6	73.6	76.0

## 7. Capital commitments

MEUR	31 Mar 2024	31 Mar 2023	31 Dec 2023
Intangible assets	-	1.0	-
Tangible assets	11.3	8.9	14.0
Total	11.3	9.9	14.0

## 8. Provisions

The Group's provisions include environmental provisions and other provisions. The most significant provisions recognised in the statement of financial position are the site restoration provisions for landfills and contaminated soil processing sites. Other provisions consist mainly of provisions for restructuring and accident insurance contribution.

Environmental provisions are recognised when the Group has an existing obligation that is likely to result in a payment obligation, the amount of which can be reliably estimated. Environmental provisions related to the restoration of sites are made at the commencement of each project. The costs recognised as a provision, as well as the original acquisition cost of assets, are depreciated over the useful life of the asset, and provisions are discounted to present value.

### Obligations covered by the environmental provisions

The Group has leased site that it uses as landfill from the city of Kotka. In Varkaus the Group uses a site for intermediate storing, processing and final disposal of contaminated soil. At the expiry of the leases or at the discontinuation of operations, the Group is responsible for site restoration comprising landscaping and post-closure environmental monitoring called for in the terms and conditions of environmental permits.

The Munaistenmetsä landfill site in Uusikaupunki serves as a final disposal area for municipal waste, contaminated soil and industrial by-products. After the receipt of a new environmental permit, a construction of a processing site for hazardous waste has been started in the area. The utilisation of the new hazardous waste landfill and treatment area will be started in the summer of 2024.

The material recycling centre in the landfill area in Oulu receives, processes and recovers various types of waste and side streams, such as industrial waste, contaminated soil, construction and demolition waste as well as municipal waste.

The landfill area in Pori receives and processes gypsum, construction and demolition waste as well as contaminated soil and other smaller items. The environmental impact assessment process for the area has been completed and a reasoned conclusion has been received from the contact authorities. The preparation of an application for a new environmental permit is currently ongoing. With the permit the area will be licenced for receipt and processing of both normal and hazardous waste.

## Provisions in the statement of financial position

<b>MEUR</b>	<b>31 Mar 2024</b>	<b>31 Mar 2023</b>	<b>31 Mar 2023</b>
Non-current provisions	6.8	7.3	7.2
Current provisions	1.4	0.8	0.9
<b>Total</b>	<b>8.2</b>	<b>8.1</b>	<b>8.1</b>

## Changes in provisions

<b>MEUR</b>	<b>Environmental provisions</b>	<b>Other provisions</b>	<b>Total</b>
Provisions 1 Jan 2024	7.2	0.9	8.1
Additions	-	0.7	0.7
Used	-0.0	-0.2	-0.2
Effect of discounting	-0.3	-	-0.3
<b>Provisions 31 Mar 2024</b>	<b>6.8</b>	<b>1.4</b>	<b>8.2</b>

<b>MEUR</b>	<b>Environmental provisions</b>	<b>Other provisions</b>	<b>Total</b>
Provisions at 1 Jan 2023	7.4	1.7	9.1
Additions	-	0.6	0.6
Used	-0.1	-1.5	-1.6
Effect of discounting	0.0	-	0.0
<b>Provisions 31 Mar 2023</b>	<b>7.3</b>	<b>0.8</b>	<b>8.1</b>

## 9. Financial assets and liabilities by category

31 March 2024, MEUR	Amortised costs	Derivatives under hedge accounting	Fair value through profit or loss	Carrying amounts by balance sheet item	Fair value hierarchy level
<b>Non-current financial assets</b>					
Other receivables	1.3			1.3	
<b>Current financial assets</b>					
Trade and other receivables	77.3			77.3	
Cash and cash equivalents	28.0			28.0	
<b>Total financial assets</b>	<b>106.6</b>	-	-	<b>106.6</b>	
<b>Non-current financial liabilities</b>					
Borrowings	115.3			115.3	2
Lease liabilities	61.2			61.2	
Deferred consideration			5.9	5.9	3
<b>Current financial liabilities</b>					
Borrowings	10.7			10.7	2
Lease liabilities	21.1			21.1	
Trade and other payables	77.0			77.0	
<b>Total financial liabilities</b>	<b>285.3</b>	-	5.9	<b>291.3</b>	

31 March 2023, MEUR	Amortised costs	Derivatives under hedge accounting	Fair value through profit or loss	Carrying amounts by balance sheet item	Fair value hierarchy level
<b>Non-current financial assets</b>					
Other receivables	1.4			1.4	
<b>Current financial assets</b>					
Trade and other receivables	69.9			69.9	
Derivative receivables		1.1		1.1	2
Cash and cash equivalents	47.6			47.6	
<b>Total financial assets</b>	<b>118.9</b>	1.1	-	<b>120.0</b>	
<b>Non-current financial liabilities</b>					
Borrowings	125.8			125.8	2
Lease liabilities	53.4			53.4	
Deferred consideration			5.6	5.6	3
<b>Current financial liabilities</b>					
Borrowings	18.4			18.4	2
Lease liabilities	21.4			21.4	
Trade and other payables	59.2			59.2	
<b>Total financial liabilities</b>	<b>278.3</b>	-	5.6	<b>283.9</b>	

The fair values of the balance sheet items measured at amortised cost do not significantly differ from the carrying amounts.

### Reconciliation of financial liabilities recognised at fair value according to the level 3

MEUR	1-3/2024	1-3/2023	1-12/2023
Carrying amount at the beginning of the period	5.9	5.7	5.7
Change in fair value	0.2	-	0.2
Exchange differences	-0.2	-0.1	0.0
Carrying amount at the end of the period	5.9	5.6	5.9

Deferred consideration is related to the acquisition of 70 per cent share of Sand & Vattenbläst i Tyringe AB ("SVB") that offers process cleaning services in Sweden. The acquisition took place on 1 February 2022. SVB is consolidated with 100 per cent share in the Group and, in connection with the arrangement, L&T has recognised in financial liabilities an estimate of the deferred consideration for the acquisition. The deferred consideration relates to the acquisition of non-controlling interest and is measured at fair value, which is reflected in the present value of the estimated liability. It will mature on 1 February 2026 at the earliest.

The valuation of the deferred consideration is based on the shareholder agreement and is affected by the acquired company's balance sheet structure and EBITDA forecast for 2025.

## 10. Related party transactions

The related parties of the Lassila & Tikanoja Group are the senior management (members of the Board of Directors, President and CEO of the Lassila & Tikanoja plc and the other members of the Group Executive Board) and the immediate family of the senior management and companies controlled by the aforementioned persons, the Group's subsidiaries, the associated company (Suomen Keräystuote Oy), the joint venture (Laania Oy) and the L&T sickness fund.

The contributions paid by the group companies to the L&T sickness fund during the reporting period amounted to EUR 0.2 million (0.2). The Group has transactions between the group companies in the ordinary course of business. The Group's transactions with Laania Oy are presented in the following table. In addition, the Group has provided guarantees for Laania's financing arrangements, which are specified in note 11. In the first quarter of 2024, Laania paid dividends totalling EUR 1.8 million to Lassila & Tikanoja. The Group has no significant transactions with other related parties.

### Business transactions with the joint venture

MEUR	1-3/2024	1-3/2023	1-12/2023
Net sales	1.4	0.8	2.2
Purchases of materials and services	-0.3	-0.4	-1.3
Trade- and other receivables	0.0	0.0	0.0

## 11. Commitments and contingent liabilities

MEUR	31 Mar 2024	31 Mar 2023	31 Dec 2023
<b>Securities for own commitments</b>			
Mortgages on rights of tenancy	0.1	0.1	0.1
Company mortgages	0.5	2.0	0.5
Other securities	0.0	0.0	0.0
Bank guarantees required for environmental permits	25.2	21.0	26.6
Other bank guarantees	7.1	5.3	6.5
<b>Mortgages under own control</b>			
Company mortgages	0.2	0.2	0.2
<b>Liabilities on behalf of the joint venture</b>			
Account limit	2.8	2.8	2.8
Bank guarantees	16.5	16.5	16.5
Term loan facility guarantee	11.0	16.5	11.0
Revolving credit facility	5.5	-	5.5

Other securities are security deposits.

The Group has a 55% holding in Laania Oy, a joint venture established on 1 July 2022 together with Neova. The amount of the liabilities on behalf of the joint venture is disclosed as the Group's share of the maximum amount of liability, in relation to the Group's holding.

The Group company Lassila & Tikanoja FM AB is a claimant and a defendant in legal proceedings in Sweden concerning unpaid receivables invoiced from a former customer of the Group. In June 2022, Lassila & Tikanoja FM AB took legal action in the District Court of Solna against the former customer company of L&T, demanding payment for unpaid receivables. At the balance sheet date, the carrying amount of the receivables in the Company's balance sheet was approximately EUR 1.5 million. The former L&T customer company in question has rejected Lassila & Tikanoja FM AB's claims and the payment obligation, and brought a counterclaim demanding compensation totalling approximately SEK 144 million from Lassila & Tikanoja FM AB. The dispute is still pending. L&T considers the counterclaim to be without merit and has not recognised any provisions relating to it.

## Liabilities associated with derivative agreements

### Interest rate swap

MEUR	31 Mar 2024	31 Mar 2023	31 Dec 2023
Nominal value of interest rate swap			
Maturity not later than one year	-	-	-
Maturity later than one year and not later than two years	-	30.0	-
Total	-	30.0	-
Fair value	-	1.2	-

The interest rate swap that was used for hedging cash flows related to floating rate loans was terminated in June 2023 in conjunction with the refinancing of the hedged loan. The fair value of the interest rate swap totalling EUR 1.3 million was recognised as finance income in the income statement. In the comparison period, the hedge was effective, and the changes in the fair value of interest rate swap were presented in other comprehensive income for the period. The fair value of the swap contract was based on the market data on the balance sheet date.

Helsinki, 25 April 2024

LASSILA & TIKANOJA PLC  
Board of Directors

Eero Hautaniemi  
President and CEO

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Lassila & Tikanoja is a service company that is putting the circular economy into practice. Together with our customers, we keep materials, manufacturing sites and properties in productive use for as long as possible and we enhance the use of raw materials and energy. This is to create more value with the circular economy for our customers, personnel and society in a broader sense. Achieving this also means growth in value for our shareholders. Our objective is to continuously grow our actions' carbon handprint, our positive effect on the climate. We assume our social responsibility by looking after the work ability of our personnel as well as offering jobs to those who are struggling to find employment, for example. With operations in Finland and Sweden, L&T employs approximately 8,160 people. Net sales in 2023 amounted to EUR 802.1 million. L&T is listed on Nasdaq Helsinki.

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