



Lassila & Tikanoja plc  
Stock exchange release  
29 April 2021 at 8:00 a.m.

## **Lassila & Tikanoja plc: Interim Report 1 January–31 March 2021**

### **FAVOURABLE DEVELOPMENT ACROSS ALL BUSINESSES**

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

- Net sales for the first quarter were EUR 192.0 million (184.4).
- Adjusted operating profit was EUR 3.6 million (2.9) and operating profit was EUR 3.7 million (2.9).
- Comparable operating profit grew across all of the Group's businesses.
- Earnings per share were EUR 0.07 (0.00). Earnings per share were positively influenced by a reduction in net financial expenses to EUR -0.6 million (-2.8). Exchange differences amounted to EUR +0.2 million (-1.8).

### **Outlook for the year 2021**

Net sales in 2021 are estimated to be at the same level and adjusted operating profit at the same level or better compared to the previous year.

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

Conditions were somewhat challenging in the first quarter. The COVID-19 pandemic continued to have a negative impact on all business operations as the number of infections began to increase again early in the year. The stricter restrictions on movement led to closures of customer sites, a contraction in service demand and reduced waste volumes. The amount of snowfall in Southern Finland was higher than in the comparison period, which increased production costs particularly in Environmental Services and Facility Services.

Net sales grew by 4.1 per cent in the first quarter. Most of the growth came from low-margin snow clearing operations in Southern Finland. Comparable adjusted operating profit increased in all business areas in spite of the challenging circumstances.

The implementation of our strategy and development projects progressed according to plan in January–March. New ERP system development began in Environmental Services and continued in Industrial Services. The new ERP systems will enable more efficient operations and even more transparent sustainability reporting for our customers.

Starting from this interim report, we will report on the development of our key sustainability indicators on a quarterly basis. The emission reductions achieved through L&T's operations in January–March 2021 amounted to 360,500 tCO<sub>2</sub>e, which corresponds to the average annual carbon footprint of 35,000 Finns. We also made progress towards our science-based emission reduction target by adding eight new biogas-powered heavy vehicles to our fleet during the quarter and expanding the use of renewable diesel. Our target is to reduce our carbon footprint by 50 per cent per kilometer by 2030, using 2018 as the baseline.

## GROUP NET SALES AND FINANCIAL PERFORMANCE

### January–March

Lassila & Tikanoja's net sales for the first quarter amounted to EUR 192.0 million (184.4), up 4.1% year-on-year. Adjusted operating profit was EUR 3.6 million (2.9), representing 1.9% (1.6%) of net sales. Operating profit was EUR 3.7 million (2.9), representing 1.9% (1.6%) of net sales. Earnings per share were EUR 0.07 (0.00).

Net sales and operating profit increased in Facility Services Finland and Facility Services Sweden. Comparable net sales and operating profit (excluding the comparison period's figures for operations in Russia) increased in Environmental Services. In Industrial Services, net sales declined but operating profit improved.

The Group's operating profit was influenced by decreasing of the expenses recognised last year in connection to the discontinuation of Russian operations by EUR 0.7 million and costs of EUR 0.5 million related to the incorporation of L&T's divisions. In the comparison period, non-recurring items had a positive net effect of EUR 0.9 million on the Group's operating profit. The items in question are not included in the figures of the Group's businesses. Earnings per share were positively influenced by a reduction in net financial expenses to EUR -0.6 million (-2.8).

### Financial summary

	1-3/2021	1-3/2020	Change %	1-12/2020
Net sales, EUR million	192.0	184.4	4.1	751.9
Adjusted operating profit, EUR million	3.6	2.9	24.3	39.0
Adjusted operating margin, %	1.9	1.6		5.2
Operating profit, EUR million	3.7	2.9	29.3	28.2
Operating margin, %	1.9	1.6		3.8
EBITDA, EUR million	16.4	20.4	-19.7	85.2
EBITDA, %	8.5	11.1		11.3
Profit before tax, EUR million	3.2	0.1		23.3
Earnings per share, EUR	0.07	0.00		0.50
Net cash flow from operating and investing activities per share, EUR	0.11	0.46	-76.0	1.15
EVA, EUR million	-2.5	-3.4	26.6	3.7
Return on equity (ROE), %	5.6	0.1		9.6
Invested capital, EUR million	363.4	364.7		379.2
Return on invested capital (ROI), %	4.1	3.2		7.5
Equity ratio, %	31.6	29.3		33.0
Gearing, %	84.9	95.6		70.9

## NET SALES AND OPERATING PROFIT BY DIVISION

### Environmental Services

#### January–March

The division's net sales for the first quarter totalled EUR 76.2 million (77.1). Operating profit declined to EUR 4.5 million (4.7). Excluding the share of Russian operations in the comparison

period, the Environmental Services division's net sales increased to EUR 76.2 million (74.7) and its operating profit improved to EUR 4.5 million (4.3).

In Environmental Services, the net sales of renewable energy sources grew substantially due to the cold winter. In waste management and the recycling business, the COVID-19 pandemic reduced the operating volume of customer companies, resulting in a decrease in the demand for waste management services and the volumes of secondary raw materials. Economic uncertainty was reflected in lower volumes particularly in the hotel and restaurant industry as well as the construction sector. Production costs were increased by the difficult winter conditions in Southern Finland and the substantial rise in fuel prices. Despite the before mentioned, profitability remained at a good level.

## **Industrial Services**

### **January–March**

The division's net sales for the first quarter decreased to EUR 19.6 million (20.2). Operating profit improved to EUR 0.2 million (-0.3).

The net sales of Industrial Services decreased slightly year-on-year due to seasonal variation in the project business. The division's net sales and market share in factory sites grew, but this did not fully compensate for the decline in the project business. Profitability improved year-on-year due to improved operational efficiency and service development. The growth of net sales was supported by close cooperation with customers and the improved predictability of demand.

## **Facility Services Finland**

### **January–March**

The division's net sales for the first quarter grew to EUR 61.2 million (58.2). Operating profit improved to EUR -1.3 million (-1.8).

The net sales of Facility Services Finland grew thanks to successful sales work and the high snowfall during the first months of the year. The COVID-19 pandemic continued to have a negative impact on service demand, especially in the maintenance of technical systems. The segment's operating profit improved year-on-year due to improved operational efficiency and quality as well as adaptation measures. Operating profit improved particularly in the cleaning business. In property maintenance, the high volume of work due to the high snowfall during the first quarter had a negative impact despite the fact that it increased net sales.

## **Facility Services Sweden**

### **January–March**

The division's net sales for the first quarter increased to EUR 36.2 million (30.3). Operating profit improved to EUR 0.4 million (0.2).

The COVID-19 pandemic-related situation continued to be challenging in Sweden and sickness-related absences increased year-on-year. Nevertheless, net sales and operating profit improved due to the growth of the contract portfolio and improved operational efficiency.

## FINANCING

Net cash flow from operating and investing activities amounted to EUR 4.3 million (17.7). A total of EUR 1.8 million (6.9) in working capital was released. Cash flow in the comparison period was favourably affected by the sale of property included in property, plant and equipment as well as a reduction in working capital.

At the end of the period, interest-bearing liabilities amounted to EUR 184.6 million (200.6). Net interest-bearing liabilities totalled EUR 151.7 million (156.9). The average interest rate on long-term loans excluding IFRS 16 liabilities, with interest rate hedging, was 1.3% (1.3).

Of the EUR 100.0 million commercial paper programme, EUR 11.0 million (20.0) was in use at the end of the period. A committed credit limit totalling EUR 30 million was not in use, as was the case in the comparison period.

Net financial expenses in the first quarter amounted to EUR -0.6 million (-2.8). The effect of exchange rate changes on net financial expenses was EUR 0.2 million (-1.8). This was attributable to fluctuations in the rate of the Swedish krona. Net financial expenses were 0.3% (1.5%) of net sales.

The equity ratio was 31.6% (29.3%) and the gearing rate was 84.9% (95.6%). Liquid assets at the end of the period amounted to EUR 32.9 million (43.7). In response to the COVID-19 pandemic, the Group has taken measures to ensure its liquidity. Overdue trade receivables and credit losses have not increased during the pandemic.

## DISTRIBUTION OF ASSETS

The Annual General Meeting held on 18 March 2021 resolved that a dividend of EUR 0.40 per share be paid on the basis of the balance sheet that was adopted for the financial year 2020. The dividend, totalling EUR 15.2 million, was paid to shareholders on 29 March 2021.

## CAPITAL EXPENDITURE

Gross capital expenditure in the first quarter totalled EUR 9.4 million (9.0), consisting primarily of machine and equipment purchases and investments in information systems and buildings.

## SUSTAINABILITY

### Environmental responsibility

Climate benefits for customers created by L&T

	Q1/2021	2020	Target	Target to be achieved by
Carbon handprint (tCO <sub>2</sub> e)	360,500	1,230,000	> growth of net sales	2024

The carbon handprint illustrates the climate benefits of a product, process or service, i.e. the emission reduction potential for the user. L&T's carbon handprint reduces the customer's carbon footprint. Our services generated emission reductions for customers through, for example,

customers replacing virgin raw materials with secondary raw materials and fossil fuels with biofuels and solid recovered fuels.

Progress towards science-based emission reduction targets, using 2018 as the baseline

	Q1/2021	2020	Target	Target to be achieved by
Carbon footprint (tCO <sub>2</sub> e)	9,600	36,700		
Carbon footprint intensity (gCO <sub>2</sub> e/km)	-12%	-14.1%	-50% vs 2018	2030

L&T's strategic objective is to halve the carbon footprint of its operations by 2030 and to reduce the indirect emissions generated by its supply chain. The objective set by L&T has been validated by the Science Based Targets initiative. The achievement of this objective will be promoted by switching to zero-emission transport technologies and fuels and by opting for renewable energy at L&T's properties. We increased the number of biogas-powered heavy vehicles by eight (2020: 10) and continued to engage the supply chain's commitment to L&T's emission reduction targets.

### Social responsibility

Overall accident frequency

	Q1/2021	2020	Target	Target to be achieved by
Overall accident frequency (TRIF)	26	24	20	2024

L&T continued to take active measures to prevent the spread of COVID-19 amongst employees. Pandemic-related guidelines were tightened throughout the country and the procurement of personal protective equipment was enhanced. L&T's overall accident frequency (TRIF) increased mainly due to the winter conditions during the period. The number of proactive occupational safety observations and actions increased and a growing proportion of the Group's personnel participated in safety efforts.

Well-being at work

	Q1/2021	2020	Target	Target to be achieved by
Occupational health rate (proportion of employees with no sickness-related absences)	77	50	45	2024
Sickness-related absences (%)	5.4	4.7	4.5	2024

The sickness rate of personnel in Finland remained at a moderate level. In Sweden, sickness-related absences were still at a high level. Employee well-being was supported in a number of ways, including a COVID-19 helpline and digital chat services that help employees cope with the mental stress created by the pandemic.

### Current issues related to sustainability

The Personnel Committee of Lassila & Tikanoja's Board of Directors was renamed as the Personnel and Sustainability Committee in January. In February, Lassila & Tikanoja published its

Annual Review 2020, 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 recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. L&T also published a preliminary assessment related to the EU taxonomy on its website. The assessment focuses on the proportion of our business operations that is related to the mitigation of, and adaptation to, climate change. The preliminary assessment was carried out in early 2021 on the basis of data available at that time. We are monitoring the development of the taxonomy and will update our assessment accordingly.

We continued to expand our carbon handprint calculations in Industrial Services and Facility Services. We began the implementation of the diversity plan approved in December 2020.

## **PERSONNEL**

In the final quarter, the average number of employees converted into full-time equivalents was 6,846 (7,237). At the end of the period, L&T had 8,033 (8,306) full-time and part-time employees. Of these, 6,577 (6,673) worked in Finland and 1,456 (1,633) in other countries.

The Group held negotiations concerning operations in Finland pursuant to the Act on Co-operation within Undertakings as customers scaled down their operations in response to the COVID-19 pandemic. At the end of the review period, the total number of temporarily laid-off employees throughout the Group was approximately 120.

## **SHARES AND SHARE CAPITAL**

### **Traded volume and price**

The volume of trading in L&T's shares in January–March was 4.2 million shares, which is 11.0% (12.7) of the average number of outstanding shares. The value of trading was EUR 61.0 million (68.3). The highest share price was EUR 16.10 and the lowest EUR 13.46. The closing price was EUR 13.98. At the end of the review period, the market capitalisation excluding the shares held by the company was EUR 542.4 million (438.2).

### **Own shares**

At the end of the period, the company held 686,396 of its own shares, representing 1.8% 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 is 38,112,478. The average number of shares excluding the shares held by the company was 38,107,763.

### **Shareholders**

At the end of the period, the company had 23,944 (17,989) shareholders. Nominee-registered holdings accounted for 8.9% (10.4%) of the total number of shares.

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

The Annual General Meeting held on 18 March 2021 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, which was held on 18 March 2021, adopted the financial statements and consolidated financial statements for 2020, released the members of the Board of Directors and the President and CEO from liability and approved the Remuneration Report for the Governing Bodies.

The Annual General Meeting resolved that a dividend of EUR 0.40 per share, totalling EUR 15.2 million, be paid on the basis of the balance sheet adopted for the financial year 2020. It was decided that the dividend be paid on 29 March 2021.

The Annual General Meeting confirmed the number of members of the Board of Directors as seven. Heikki Bergholm, Teemu Kangas-Kärki, Laura Lares, Sakari Lassila, Laura Tarkka and Pasi Tolppanen were re-elected to the Board until the end of the following Annual General Meeting, and Jukka Leinonen was elected as a new member.

KPMG Oy Ab, Authorised Public Accountants, was elected auditor. KPMG Oy Ab named Leenakaisa Winberg, Authorised Public Accountant, as its principal auditor.

The resolutions of the Annual General Meeting were announced in more detail in a stock exchange release on 18 March 2021.

## **BOARD OF DIRECTORS**

The members of Lassila & Tikanoja plc's Board of Directors are Heikki Bergholm, Teemu Kangas-Kärki, Laura Lares, Sakari Lassila, Jukka Leinonen, Laura Tarkka and Pasi Tolppanen. At its constitutive meeting after the Annual General Meeting, the Board of Directors elected Heikki Bergholm as Chairman of the Board and Sakari Lassila as Vice Chairman.

Sakari Lassila was elected as the Chairman of the Audit Committee and Teemu Kangas-Kärki, Laura Lares and Jukka Leinonen as members. Heikki Bergholm was elected as the Chairman of the Personnel and Sustainability Committee and Laura Tarkka and Pasi Tolppanen as members.

## **KEY EVENTS DURING THE REVIEW PERIOD**

The key events are discussed in the other sections of this release.

## **EVENTS AFTER THE REVIEW PERIOD**

The company's management is not aware of any events of material importance after the review period that might have affected the preparation of the financial statements release.

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

The measures and recommendations issued by the authorities to restrict the COVID-19 pandemic and the resulting customer-specific production restrictions and adjustment may still cause disruptions in service production during 2021. Customers are adapting their service agreements to the changed circumstances and the volumes of waste and secondary raw materials decrease when customer volumes decline. The uncertainty caused by COVID-19 is reflected particularly in the demand for separately ordered services and makes it difficult to predict.

Fluctuations in the price of oil influence both fuel costs and the prices of oil-based secondary raw materials, such as recycled plastic and regenerated lubricants.

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.

More detailed information on Lassila & Tikanoja's risks and risk management are provided in the 2020 Annual Report and in the Report of the Board of Directors and the consolidated financial statements.

## **Outlook for the year 2021**

Net sales in 2021 are estimated to be at the same level and adjusted operating profit at the same level or better compared to the previous year.

Helsinki, 29 April 2021

LASSILA & TIKANOJA PLC

Board of Directors  
Eero Hautaniemi  
President and CEO

## KEY FIGURES

	1-3/2021	1-3/2020	1-12/2020
Earnings per share, EUR	0.07	0.00	0.50
Diluted earnings per share, EUR	0.07	0.00	0.50
Net cash flow from operating and investing activities/share, EUR	0.11	0.46	1.15
EVA, MEUR *	-2.5	-3.4	3.7
Adjusted operating profit, MEUR**	3.6	2.9	39.0
Gross capital expenditure, MEUR	9.4	9.0	48.2
Depreciation, amortisation and impairment, MEUR	12.7	17.6	57.0
Equity per share, EUR	4.69	4.31	5.05
Return on equity (ROE), %	5.6	0.1	9.6
Invested capital, MEUR	363.4	364.7	379.2
Return on invested capital (ROI), %	4.1	3.2	7.5
Equity ratio, %	31.6	29.3	33.0
Gearing, %	84.9	95.6	70.9
Net interest-bearing liabilities, MEUR	151.7	156.9	136.5
Average number of employees in full-time equivalents	6,846	7,237	7,197
Total number of full-time and part-time employees at end of period	8,033	8,306	8,139
Number of outstanding shares adjusted for issues, 1,000 shares			
average during the period	38,108	38,086	38,103
at end of period	38,112	38,105	38,105
average during the period, diluted	38,120	38,093	38,118

\* EVA = operating profit - cost calculated on invested capital (average of four quarters)  
WACC: 2021 6.72%, 2020 6.64%

\*\* Adjusted operating profit = operating profit +/- items affecting comparability

## CONSOLIDATED INCOME STATEMENT

MEUR	1-3/2021	1-3/2020	1-12/2020
<b>Net sales</b>	192.0	184.4	751.9
Other operating income	0.6	7.5	9.3
Change of inventory	0.2	1.8	8.7
Materials and services	-71.8	-66.7	-263.9
Employee benefit expenses	-82.9	-81.1	-315.1
Other operating expenses	-21.7	-25.5	-105.6
Depreciation and impairment	-12.7	-17.6	-57.0
<b>Operating profit</b>	3.7	2.9	28.2
Financial income and expenses	-0.6	-2.8	-4.9
Share of the result of associated companies	0.0	0.0	0.0
<b>Profit before tax</b>	3.2	0.1	23.3
Income taxes	-0.6	0.0	-4.3
<b>Profit for the period</b>	2.6	0.0	19.0
<b>Attributable to:</b>			
Equity holders of the company	2.6	0.0	19.1
Non-controlling interest	0.0	0.0	-0.1
<b>Earnings per share attributable to equity holders of the parent company:</b>			
Earnings per share, EUR	0.07	0.00	0.50
Diluted earnings per share, EUR	0.07	0.00	0.50

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MEUR	1-3/2021	1-3/2020	1-12/2020
<b>Profit for the period</b>	2.6	0.0	19.0
<b>Items not to be recognised through profit or loss</b>			
Items arising from re-measurement of defined benefit plans	0.0	0.0	0.0
Items not to be recognised through profit or loss, total	0.0	0.0	0.0
<b>Items potentially to be recognised through profit or loss</b>			
Hedging reserve, change in fair value	0.1	0.0	0.1
Currency translation differences	-1.4	-4.0	2.9
Currency translation differences recognized through profit and loss	0.0	-	2.6
Currency translation differences, non-controlling interest	0.0	-0.1	-0.1
Items potentially to be recognised through profit or loss, total	-1.3	-4.1	5.4
Total comprehensive income, after tax	1.3	-4.0	24.4
<b>Attributable to:</b>			
Equity holders of the company	1.3	-4.0	24.6
Non-controlling interest	0.0	-0.1	-0.2

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MEUR	3/2021	3/2020	12/2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets			
Goodwill	153.2	149.9	154.0
Other intangible assets	28.4	30.4	28.9
	181.7	180.2	182.9
Property, plant and equipment	141.7	127.3	139.8
Right-of-use asset	72.8	80.1	8.9
	214.5	207.4	210.7
Other non-current assets			
Deferred tax assets	5.2	4.7	4.5
Other receivables	1.3	1.3	1.3
	6.5	6.0	5.8
<b>Total non-current assets</b>	<b>402.7</b>	<b>393.7</b>	<b>399.4</b>
<b>Current assets</b>			
Inventories	30.7	23.2	30.7
Trade receivables	73.3	70.5	82.9
Contract assets	25.1	27.5	19.4
Other receivables	14.9	15.6	14.0
Cash and cash equivalents	32.9	43.7	50.2
<b>Total current assets</b>	<b>176.9</b>	<b>180.5</b>	<b>197.2</b>
<b>Total assets</b>	<b>579.6</b>	<b>574.2</b>	<b>596.6</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

MEUR	3/2021	3/2020	12/2020
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity attributable to equity holders of the parent company			
Share capital	19.4	19.4	19.4
Other reserves	-6.3	-14.5	-5.0
Invested unrestricted equity reserve	0.6	0.6	0.6
Retained earnings	165.0	158.4	177.5
	178.8	164.0	192.6
Non-controlling interest	0.0	0.1	0.0
<b>Total equity</b>	178.8	164.1	192.6
<b>Liabilities</b>			
Non-current liabilities			
Deferred tax liabilities	27.4	28.1	28.3
Retirement benefit obligations	1.4	1.3	1.4
Provisions	7.1	5.4	7.1
Financial liabilities	155.8	164.0	155.4
Other liabilities	0.1	0.3	0.1
	191.8	199.1	192.3
Current liabilities			
Financial liabilities	28.7	36.5	31.3
Trade and other payables	177.4	172.4	178.0
Provisions	2.8	2.1	2.4
	209.0	211.0	211.8
<b>Total liabilities</b>	400.8	410.1	404.0
<b>Total equity and liabilities</b>	579.6	574.2	596.6

## CONSOLIDATED STATEMENT OF CASH FLOW

MEUR	1-3/2021	1-3/2020	1-12/2020
<b>Cash flow from operating activities</b>			
Profit for the period	2.6	0.0	19.0
<b>Adjustments</b>			
Income taxes	0.6	0.0	4.3
Depreciation and impairment	12.7	17.6	57.0
Financial income and expenses	0.6	2.8	4.9
Gain on sale of property	0.0	-5.7	-5.7
Impact of the discontinuation of Russian operations	-0.7	-	8.9
Other	-0.1	0.6	0.7
Net cash generated from operating activities before change in working capital	15.7	15.3	89.0
Change in working capital			
Change in trade and other receivables	3.6	3.9	0.6
Change in inventories	0.0	-1.6	-9.2
Change in trade and other payables	-1.8	4.6	10.7
Change in working capital	1.8	6.9	2.1
Interest paid	-0.8	-1.2	-3.9
Interest received	0.1	0.1	0.4
Income taxes	-3.2	-1.6	-4.5
<b>Net cash from operating activities</b>	13.5	19.6	83.0
<b>Cash flow from investing activities</b>			
Acquisition of subsidiaries and businesses, net of cash acquired	0.0	0.0	-1.6
Purchases of property, plant and equipment and intangible assets	-9.4	-8.8	-45.0
Proceeds from the sale of property, plant and equipment and intangible assets	0.2	6.9	7.5
Investments in associated companies	0.0	0.0	0.0
Change in other non-current receivables	0.0	0.1	0.1
<b>Net cash used in investing activities</b>	-9.2	-1.9	-39.0
<b>Net cash flow from operating and investing activities</b>	4.3	17.7	44.0
<b>Cash flow from financing activities</b>			
Proceeds from short-term borrowings	0.0	20.1	35.0
Repayments of short-term borrowings	-4.0	-	-20.0
Repayments of long-term borrowings	0.0	-	0.1
Repayments of lease liabilities	-4.4	-4.2	-16.2
Dividends paid	-13.2	-31.1	-35.0
<b>Net cash generated from financing activities</b>	-21.6	-15.1	-36.2
<b>Net change in liquid assets</b>	-17.3	2.6	7.8
Liquid assets at beginning of period	50.2	41.8	41.8
Effect of changes in foreign exchange rates	0.0	-0.7	0.6
<b>Liquid assets at end of period</b>	32.9	43.7	50.2

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MEUR	Share capital	Currency translation differences	Hedging reserve	Invested unrestricted equity reserve	Retained earnings	Equity attributable to equity holders of the parent company	Non-controlling interest	Total equity
<b>Equity on 1 January 2020</b>	19.4	-9.7	-0.7	0.6	193.2	202.8	0.2	203.0
Total comprehensive income								
Result for the period					0.0	0.0	0.0	0.0
Other comprehensive income items		-4.0	0.0		0.0	-4.0	-0.1	-4.1
Total comprehensive income		-4.0	0.0		0.0	-4.0	-0.1	-4.0
Transactions with shareholders								
Share-based benefits				0.0	0.1	0.1		0.1
Dividends paid					-35.0	-35.0		-35.0
Returned dividend					0.0	0.0		0.0
Acquisition of own shares					0.0	0.0		0.0
Transactions with shareholders, total				0.0	-34.9	-34.9		-34.9
Other changes					0.1	0.1		0.1
<b>Equity on 31 March 2020</b>	19.4	-13.7	-0.7	0.6	158.4	164.0	0.1	164.1
Result for the period					19.1	19.1	-0.1	18.9
Other comprehensive income items		9.4	0.1		0.0	9.5	0.0	9.5
Total comprehensive income		9.4	0.1		19.0	28.5	-0.1	28.4
Transactions with shareholders								
Share-based benefits					0.1	0.1		0.1
Acquisition of own shares					0.0	0.0		0.0
Transactions with shareholders, total					0.1	0.1		0.1
Other changes					0.0	0.0		0.0
<b>Equity on 31 December 2020</b>	19.4	-4.3	-0.7	0.6	177.5	192.6		192.6
Total comprehensive income								
Result for the period					2.6	2.6		2.6
Other comprehensive income items		-1.4	0.1		0.0	-1.3		-1.3
Total comprehensive income		-1.4	0.1		2.6	1.3		1.3
Transactions with shareholders								
Share-based benefits				0.0	0.0	0.0		0.0
Dividends paid					-15.2	-15.2		-15.2
Returned dividend					0.0	0.0		0.0
Transactions with shareholders, total				0.0	-15.3	-15.3		-15.3
Other changes					0.3	0.3		0.3
<b>Equity on 31 March 2021</b>	19.4	-5.7	-0.6	0.6	165.0	178.8		178.8

## **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 2020 and the new and amended provisions that entered into force on 1 January 2021.

The Alternative Performance Measures reported by the company are EVA, cash flow from operating activities per share and EBITDA. Adjusted operating profit was introduced as a new alternative performance measure in September 2020.

The calculation formulas for the performance measures are presented at the end of the interim report.

The information presented in the interim report has not been audited.

More detailed information on accounting policies is presented in the consolidated financial statements of Lassila & Tikanoja plc dated 31 December 2020.

## THE IMPACT OF THE DISCONTINUATION OF RUSSIAN OPERATIONS ON THE CONSOLIDATED BALANCE SHEET

On 24 April 2020, Lassila & Tikanoja issued a stock exchange release to announce that its Russian operations will be discontinued within 2020. Due to waste management reforms introduced by the Russian state in 2019, the company's operating area in Russia was allocated to two operators. In April 2020, the company was informed that one of the two operators will start operating waste logistics in the area, which will reduce Lassila & Tikanoja's net sales in Russia by more than half by the beginning of September.

In connection with the decision to discontinue the Group's business in Russia, the management assessed that the value of the balance sheet items in Russia had materially reduced to the extent that the liquidation of the assets would only cover the liabilities of the Russian subsidiaries. Based on this assessment, the company recognised a write-down of EUR 8.0 million on the balance sheet items in question as at 30 June 2020. In addition, the cumulative exchange difference of EUR -2.6 million associated with the Russian operations was recognised through profit or loss in its entirety because, following the impairment of balance sheet items and the measures required to discontinue the business, the effect of the remaining operations has been judged to be immaterial for the Group.

A further provision of EUR 0.3 million was recognised with regard to the costs of discontinuing the operations and presented in current provisions on the balance sheet. In final two quarters of year 2020 the costs related to the discontinuation were revised by EUR +1.9 million. The costs of the discontinuation, totalling EUR 8.9 million, was recognised in other operating expenses in the income statement in year 2020. In the first quarter of the current year, the costs related to the discontinuation were revised by EUR +0.7 million.

On the balance sheet date, the discontinuation of the Russian operations is still in process. The management estimates that the process is finalized during the financial year 2021.

### Effect of the write-down on the result for the financial period

MEUR	1-3/2021	1-12/2020
Original write-down	-	-10.8
Change	0.7	1.9
Write-down total	0.7	-8.9

MEUR	Write-down 6/2020
<b>Non-current assets</b>	
Intangible assets	-0.1
Property, plant and equipment	-3.2
Other non-current assets	-0.3
<b>Current assets</b>	
Inventories	-0.2
Trade receivables	-3.3
Other receivables	-0.9
Cash and cash equivalents	
<b>Total assets</b>	-8.0
<b>Equity</b>	
Other reserves	2.6
Profit for the period	-10.8
<b>Liabilities</b>	
Non-current liabilities	
Deferred tax liabilities	0.0
Current liabilities	
Trade and other payables	
Provisions	0.3
<b>Total liabilities</b>	0.3
<b>Total equity and liabilities</b>	-8.0

## **THE EFFECTS OF THE COVID-19 PANDEMIC ON FINANCIAL REPORTING**

The Group's management has closely monitored the development of the COVID-19 pandemic and assessed its potential impacts on the financial outlook and the valuation principles of balance sheet items. Based on the management's estimates, the effects of the COVID-19 pandemic have been found to be moderate and, according to the current information, they have not led to a need to adjust the long-term financial forecasts underpinning the value-in-use of the Group's businesses.

Based on the sensitivity analysis conducted as part of goodwill impairment testing in the final quarter of the financial year 2020, the value-in-use was twice as high as the carrying amount for all cash-generating units. Based on the Group's assessment, no reasonably likely change in the key growth assumptions and WACC specifications would lead to the value-in-use of a cash-generating unit being lower than its carrying amount. Consequently, the COVID-19 pandemic is not seen to have a significant impact on the future cash flow forecasts used in goodwill testing calculations.

The monitoring of the lease portfolio has not indicated pandemic-related changes in the size or duration of the portfolio. Consequently, the remeasurement of the right-of-use asset item has not been considered necessary.

The company has monitored customer receivables on a weekly basis during the COVID-19 pandemic. Overdue customer receivables have not increased due to the COVID-19 pandemic and the analysis of the maturity distribution of receivables has not indicated a negative effect on receivables turnover. Consequently, the company has not found it necessary to change the definition principles concerning provisions for expected credit losses.

The Group's financial position is good and, based on the current information, the COVID-19 pandemic is not expected to have a negative impact on the financial position.

## SEGMENT INFORMATION

### Net sales

MEUR	1-3/2021	1-3/2020	Change %	1-12/2020
Environmental Services	76.2	77.1	-1.2	289.4
Industrial Services	19.6	20.2	-3.0	101.8
Facility Services Finland	61.2	58.2	5.2	232.3
Facility Services Sweden	36.2	30.3	19.3	134.5
Eliminations	-1.2	-1.5	-19.5	-6.1
<b>Total</b>	<b>192.0</b>	<b>184.4</b>	<b>4.1</b>	<b>751.9</b>

### Operating profit

MEUR	1-3/2021	%	1-3/2020	%	1-12/2020	%
Environmental Services	4.5	6.0	4.7	6.1	20.0	6.9
Industrial Services	0.2	1.1	-0.3	-1.5	7.1	7.0
Facility Services Finland	-1.3	-2.1	-1.8	-3.2	3.2	1.4
Facility Services Sweden	0.4	1.1	0.2	0.7	3.5	2.6
Group administration and other *)	-0.1		0.1		-5.6	
<b>Total</b>	<b>3.7</b>	<b>1.9</b>	<b>2.9</b>	<b>1.6</b>	<b>28.2</b>	<b>3.8</b>

### EBITDA

MEUR	1-3/2021	%	1-3/2020	%	1-12/2020	%
Environmental Services	10.9	14.3	11.2	14.6	45.6	15.8
Industrial Services	2.5	12.8	2.2	11.0	17.3	17.0
Facility Services Finland	1.1	1.7	1.2	2.0	13.5	5.8
Facility Services Sweden	1.7	4.8	1.5	4.9	8.4	6.2
Group administration and other *)	0.2		4.3		0.4	
<b>Total</b>	<b>16.4</b>	<b>8.5</b>	<b>20.4</b>	<b>11.1</b>	<b>85.2</b>	<b>11.3</b>

### Other segment information

MEUR	1-3/2021	1-3/2020	1-12/2020
<b>Capital expenditure</b>			
Environmental Services	6.2	4.7	23.7
Industrial Services	2.2	3.8	17.4
Facility Services Finland	0.3	0.4	5.1
Facility Services Sweden	0.5	0.0	1.5
Group administration and other	0.2	0.0	0.6
<b>Total</b>	<b>9.4</b>	<b>9.0</b>	<b>48.2</b>
<b>Depreciation and amortisation</b>			
Environmental Services	6.4	6.5	25.6
Industrial Services	2.3	2.5	10.2
Facility Services Finland	2.4	3.0	10.3
Facility Services Sweden	1.3	1.3	4.9
Group administration and other **)	0.3	4.2	6.1
<b>Total</b>	<b>12.7</b>	<b>17.6</b>	<b>57.0</b>

\*) Group administration and other includes a capital gain of EUR 5.7 million recognized in the first quarter of the financial year 2020 due to the sale of property.

\*\*\*) Group administration and other includes impairments of EUR 4.1 million recognized in the first quarter of the financial year 2020 and EUR 0.6 million recognized in the third quarter.

MEUR	3/2021	3/2020	12/2020
<b>Assets</b>			
Environmental Services	278.8	263.4	260.5
Industrial Services	95.9	90.4	103.0
Facility Services Finland	77.2	86.9	84.6
Facility Services Sweden	80.6	76.9	86.4
Group administration and other	47.0	56.6	62.1
<b>Total</b>	<b>579.6</b>	<b>574.2</b>	<b>596.6</b>
<b>Liabilities</b>			
Environmental Services	86.7	87.5	83.5
Industrial Services	35.9	37.3	40.2
Facility Services Finland	54.2	51.8	53.3
Facility Services Sweden	23.6	20.3	27.8
Group administration and other	200.4	213.2	199.2
<b>Total</b>	<b>400.8</b>	<b>410.1</b>	<b>404.0</b>
<b>Invested capital</b>			
Environmental Services	192.1	175.9	177.0
Industrial Services	60.1	53.1	62.8
Facility Services Finland	23.0	35.1	31.2
Facility Services Sweden	57.0	56.6	58.6
Group administration and other	31.2	44.0	49.6
<b>Total</b>	<b>363.4</b>	<b>364.7</b>	<b>379.2</b>

#### Bridge calculation of specifications

The management has specified the allocation of previously unallocated Group assets and liabilities to the segments. The specification has been made effective from the beginning of 2021 and the presentation of figures for the comparison year has been adjusted accordingly. A bridge calculation of the specifications is presented below.

MEUR	Reported 3/2020	Deferred taxes	Specification of previously unallocated funds	Adjusted 3/2020
<b>Assets</b>				
Environmental Services	266.6	1.1	-4.3	263.4
Industrial Services	89.4	1.5	-0.5	90.4
Facility Services Finland	81.5	0.1	5.3	86.9
Facility Services Sweden	81.4	0.6	-5.1	76.9
Group administration and other	55.4	1.5	-0.2	56.6
<b>Total</b>	<b>574.2</b>	<b>4.7</b>	<b>-4.7</b>	<b>574.2</b>
<b>Liabilities</b>				
Environmental Services	73.8	13.3	0.5	87.5
Industrial Services	33.8	3.5	0.0	37.3
Facility Services Finland	49.0	2.8	-0.1	51.8
Facility Services Sweden	14.3	4.0	2.0	20.3
Group administration and other	239.1	4.5	-30.4	213.2
<b>Total</b>	<b>410.1</b>	<b>28.1</b>	<b>-28.1</b>	<b>410.1</b>

MEUR	Reported 12/2020	Deferred taxes	Specification of previously unallocated liabilities	Adjusted 12/2020
<b>Assets</b>				
Environmental Services	264.9	1.0	-5.3	260.5
Industrial Services	101.8	1.7	-0.5	103.0
Facility Services Finland	79.8	0.0	4.7	84.6
Facility Services Sweden	91.4	0.7	-5.6	86.4
Group administration and other	58.7	1.1	2.2	62.1
<b>Total</b>	<b>596.6</b>	<b>4.5</b>	<b>-4.5</b>	<b>596.6</b>
<b>Liabilities</b>				
Environmental Services	72.3	13.8	-2.6	83.5
Industrial Services	36.0	4.2	0.0	40.2
Facility Services Finland	50.3	3.1	-0.1	53.3
Facility Services Sweden	20.0	3.5	4.3	27.8
Group administration and other	225.3	3.8	-29.9	199.2
<b>Total</b>	<b>404.0</b>	<b>28.3</b>	<b>-28.3</b>	<b>404.0</b>

## SEGMENT INFORMATION BY QUARTER

MEUR	1-3/2021	10-12/2020	7-9/2020	4-6/2020	1-3/2020
<b>Net sales</b>					
Environmental Services	76.2	72.9	67.5	71.9	77.1
Industrial Services	19.6	27.6	30.6	23.4	20.2
Facility Services Finland	61.2	60.5	56.9	56.7	58.2
Facility Services Sweden	36.2	40.0	31.5	32.7	30.3
Inter-division net sales	-1.2	-1.4	-1.6	-1.6	-1.5
<b>Total</b>	<b>192.0</b>	<b>199.6</b>	<b>184.8</b>	<b>183.2</b>	<b>184.4</b>
<b>Operating profit</b>					
Environmental Services	4.5	7.6	10.3	-2.6	4.7
Industrial Services	0.2	1.5	4.5	1.3	-0.3
Facility Services Finland	-1.3	1.9	3.6	-0.4	-1.8
Facility Services Sweden	0.4	1.5	1.5	0.3	0.2
Group administration and other	-0.1	-2.7	-2.3	-0.8	0.1
<b>Total</b>	<b>3.7</b>	<b>9.9</b>	<b>17.6</b>	<b>-2.2</b>	<b>2.9</b>
<b>EBITDA</b>					
Environmental Services	10.9	14.1	16.5	3.8	11.2
Industrial Services	2.5	4.4	6.9	3.7	2.2
Facility Services Finland	1.1	3.1	6.5	2.7	1.2
Facility Services Sweden	1.7	2.7	2.7	1.5	1.5
Group administration and other	0.2	-0.8	-2.3	-0.8	4.3
<b>Total</b>	<b>16.4</b>	<b>23.5</b>	<b>30.4</b>	<b>10.8</b>	<b>20.4</b>
<b>Operating margin</b>					
Environmental Services	6.0	10.5	15.3	-3.6	6.1
Industrial Services	1.1	5.6	14.8	5.7	-1.5
Facility Services Finland	-2.1	3.2	6.3	-0.7	-3.2
Facility Services Sweden	1.1	3.8	4.7	0.9	0.7
<b>Total</b>	<b>1.9</b>	<b>5.0</b>	<b>9.5</b>	<b>-1.2</b>	<b>1.6</b>
<b>EBITDA margin</b>					
Environmental Services	14.3	19.3	24.5	5.2	14.6
Industrial Services	12.8	15.9	22.6	15.9	11.0
Facility Services Finland	1.7	5.1	11.5	4.8	2.0
Facility Services Sweden	4.8	6.8	8.5	4.5	4.9
<b>Total</b>	<b>8.5</b>	<b>11.8</b>	<b>16.4</b>	<b>5.9</b>	<b>11.1</b>

## 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.

1-3/2021, MEUR	Long-term service agreements	Separately ordered services	Project business	Sales of equipment and materials	Lease income	Total net sales
Environmental Services	44.4			31.0	0.8	76.2
Industrial Services	9.2	9.3	0.1	1.0		19.6
Facility Services Finland	41.9	16.8	2.5			61.2
Facility Services Sweden	16.3	19.1	0.8			36.2
Total	111.8	45.2	3.4	32.0	0.8	193.3
Interdivision						-1.2
External net sales, total						192.0

1-3/2020, MEUR	Long-term service agreements	Separately ordered services	Project business	Sales of equipment and materials	Lease income	Total net sales
Environmental Services	49.0			27.4	0.7	77.1
Industrial Services	10.0	9.2	0.4	0.7		20.3
Facility Services Finland	42.7	13.4	2.2			58.2
Facility Services Sweden	14.5	14.8	1.1			30.3
Total	116.2	37.3	3.6	28.1	0.7	185.9
Interdivision						-1.5
External net sales, total						184.4

1-12/2020, MEUR	Long-term service agreements	Separately ordered services	Project business	Sales of equipment and materials	Lease income	Total net sales
Environmental Services	199.3			87.1	3.0	289.4
Industrial Services	44.6	47.0	7.5	2.7		101.8
Facility Services Finland	161.5	64.7	6.0			232.3
Facility Services Sweden	61.5	67.4	5.6			134.5
Total	467.0	179.1	19.1	89.8	3.0	758.0
Interdivision						-6.1
External net sales, total						751.9

## BUSINESS ACQUISITIONS

### BUSINESS ACQUISITIONS, COMBINED

Fair value total, MEUR	1-3/2021	1-3/2020	1-12/2020
Intangible assets	-	-	0.5
Property, plant and equipment	-	-	0.9
Investments	-	-	0.0
Receivables	-	-	0.6
Cash and cash equivalents	-	-	0.1
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>2.1</b>
Other liabilities	-	-	1.0
Deferred tax liabilities	-	-	0.0
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>1.0</b>
<b>Net assets acquired</b>	<b>-</b>	<b>-</b>	<b>1.0</b>
Total consideration	-	-	1.7
Goodwill	-	-	0.7
Effect on cash flow	-	-	
Consideration paid in cash	-	-	-1.7
Unpaid	-	-	0.0
Cash and cash equivalents of the acquired company	-	-	0.1
<b>Cash flow from investing activities</b>	<b>-</b>	<b>-</b>	<b>-1.6</b>

The figures for acquired businesses are stated in aggregate, as none of them is of material importance when considered separately.

## CHANGES IN INTANGIBLE ASSETS

MEUR	1-3/2021	1-3/2020	1-12/2020
Carrying amount at beginning of period	182.9	188.0	188.0
Business acquisitions	0.0	0.0	1.1
Other capital expenditure	1.5	1.3	5.3
Disposals	0.0	-0.1	-0.9
Depreciation, amortisation and impairment	-1.8	-6.2	-12.6
Transfers between items	0.2	0.0	0.0
Exchange differences	-1.0	-2.8	1.9
Carrying amount at end of period	181.7	180.2	182.9

## CHANGES IN PROPERTY, PLANT AND EQUIPMENT

MEUR	1-3/2021	1-3/2020	1-12/2020
Carrying amount at beginning of period	210.7	206.7	206.7
Business acquisitions	0.0	0.0	0.9
Other capital expenditure	15.7	14.4	57.1
Disposals	-0.9	-1.3	-9.2
Depreciation, amortisation and impairment	-10.8	-11.4	-44.4
Transfers between items	-0.2	0.0	0.0
Exchange differences	-0.1	-1.0	-0.4
Carrying amount at end of period	214.4	207.4	210.7

The carrying amount of property, plant and equipment at the end of the reporting period includes IFRS 16 items totalling EUR 72.8 million (80.1) and depreciation in the amount of EUR 4.3 million (4.4).

## CAPITAL COMMITMENTS

MEUR	3/2021	3/2020	12/2020
Intangible assets	10.0	3.1	3.2
Property, plant and equipment	4.5	13.4	10.1
<b>Total</b>	<b>14.4</b>	<b>16.5</b>	<b>13.4</b>

## ALTERNATIVE PERFORMANCE MEASURES

### MATCHING THE EVA RESULT TO OPERATING PROFIT

MEUR	1-3/2021	1-3/2020	1-12/2020
<b>Operating profit</b>	<b>3.7</b>	<b>2.9</b>	<b>28.2</b>
Invested capital (rolling 12-month quarterly average)	369.4	377.0	369.7
Cost calculated on invested capital	-6.2	-6.3	-24.5
<b>EVA</b>	<b>-2.5</b>	<b>-3.4</b>	<b>3.7</b>

### MATCHING THE ADJUSTED OPERATING PROFIT TO OPERATING PROFIT

MEUR	1-3/2021	1-3/2020	1-12/2020
<b>Operating profit</b>	<b>3.7</b>	<b>2.9</b>	<b>28.2</b>
Items affecting comparability:			
- costs arising from the discontinuation of business	-0.7	0.0	9.0
- costs arising from business restructuring	0.5	0.0	1.7
- gains or losses arising from divestments	0.0	0.0	0.0
<b>ADJUSTED OPERATING PROFIT</b>	<b>3.6</b>	<b>2.9</b>	<b>39.0</b>

## FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

MEUR	3/2021	Amortised costs	Derivatives under hedge accounting	Carrying amounts by balance sheet item	Fair value hierarchy level
<b>Non-current financial assets</b>					
		1.3		1.3	
<b>Current financial assets</b>					
		98.6		98.6	
		-		-	
		-	-	-	
		32.9		32.9	
		132.8	-	132.8	
<b>Non-current financial liabilities</b>					
		99.7		99.7	2
		56.1		56.1	
<b>Current financial liabilities</b>					
		11.0		11.0	2
		17.7		17.7	
		80.9		80.9	
			0.7	0.7	2
		265.5	0.7	266.3	

MEUR	3/2020	Amortised costs	Derivatives under hedge accounting	Carrying amounts by balance sheet item	Fair value hierarchy level
<b>Non-current financial assets</b>					
		1.3		1.3	
<b>Current financial assets</b>					
		98.5		98.5	
		0.0		0.0	
			0.0	0.0	
		43.7		43.7	
		143.5	0.0	143.5	
<b>Non-current financial liabilities</b>					
		99.6		99.6	2
		64.4		64.4	
<b>Current financial liabilities</b>					
		20.0		20.0	
		16.4		16.4	
		79.7		79.7	
			1.0	1.0	2
		280.2	1.0	281.1	

The fair values of balance sheet items do not differ significantly from the carrying values of balance sheet items.

## CONTINGENT LIABILITIES

MEUR	3/2021	3/2020	12/2020
<b>Securities for own commitments</b>			
Mortgages on rights of tenancy	0.1	0.1	0.1
Other securities	0.0	0.1	0.0
Bank guarantees required for environmental permits	13.9	11.3	12.4
Other bank guarantees	10.4	4.2	10.6

Other securities are security deposits.

### Liabilities associated with derivative agreements

#### Interest rate swaps

MEUR	3/2021	3/2020	12/2020
Nominal values of interest rate swaps			
Maturity not later than one year	-	30.0	-
Maturity later than one year and not later than five years	30.0	-	30.0
Maturity later than five years	-	-	-
Total	30.0	30.0	30.0
Fair value	-0.9	-0.9	-0.9

The interest rate swaps are used for the hedging of cash flow related to floating rate loans, and hedge accounting under IFRS 9 has been applied to them. The hedges have been effective, and the changes in their fair values are shown on the consolidated statement of comprehensive income for the period. The fair values of the swap contracts are based on the market data on the balance sheet date.

#### Commodity derivatives

MEUR	3/2021	3/2020	12/2020
Nominal values of diesel swaps			
Maturity not later than one year	-	0.2	-
Maturity later than one year and not later than five years	-	-	-
Total	-	0.2	-
Fair value	-	-0.2	-

Commodity derivative contracts were signed for the hedging of future diesel oil purchases. IFRS 9 compliant hedge accounting is applied to these contracts, and the effective change in fair value is recognised in the hedging reserve within equity. The fair values of commodity derivatives are based on market prices on the balance sheet date. During year 2019 the Group decided to no longer hedge of future diesel oil purchases.

## CALCULATION OF KEY FIGURES

Earnings per share:  
profit attributable to equity holders of the parent company / adjusted average  
basic number of shares

Diluted earnings per share:  
profit attributable to equity holders of the parent company / adjusted average  
diluted number of shares

Cash flow from operating activities/share:  
cash flow from operating activities as in the statement of cash flow / adjusted average  
basic number of shares

EVA:  
operating profit - cost calculated on invested capital (average of four quarters)  
WACC 2021: 6.72% and 2020: 6.64%

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

EBITDA: operating profit + depreciation + impairment

Equity per share:  
profit attributable to equity holders of the parent company / adjusted basic  
number of shares at end of period

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

Invested capital: equity + interest-bearing financial liabilities

Return on invested capital, % (ROI):  
(pre-tax profit/loss + financial expenses) / Equity + interest-bearing financial liabilities (average of the  
beginning of the period and the end of the 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 - liquid assets

Helsinki, 29 April 2021

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 and properties in productive use for as long as possible and we enhance the use of raw materials and energy. We help our customers maintain the value of their properties and materials while protecting the environment. We achieve this by delivering responsible and sustainable service solutions that make the daily lives of our customers easier. We operate in Finland and Sweden. L&T employs 8,100 people. Net sales in 2020 amounted to EUR 751.9 million. L&T is listed on Nasdaq Helsinki.

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