



# Let's clean the world

Lamor Corporation Plc  
Half-Year Financial Report  
1 January – 30 June 2022

## Lamor's team presented



**Mika Pirneskoski**  
CEO



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CFO



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CDO

# Operational highlights

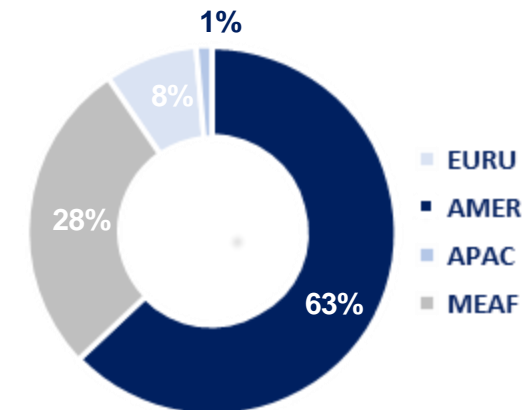
- Lamor made an investment decision in June to construct a recycling plant for chemical recycling of plastics together with Resiclo.
- Large service project deliveries in Kuwait and Saudi Arabia progressed as planned.
  - In Kuwait work has started, and the construction of the treatment centres is well under way.
  - Service project contract party in Saudi Arabia is changing.
- Lamor was chosen to deliver oil spill response and waste management equipment projects in Bangladesh with a total value of approximately EUR 25 million.
  - The contracts are estimated to be signed, and the projects added in the order backlog during the third quarter of 2022.



# January – June 2022 in brief

EUR thousand unless otherwise noted	Q2 2022	Q2 2021	Change	1–6/2022	1–6/2021	Change	1–12/2021
Revenue	22,229	11,321	96.4%	65,440	17,904	265.5%	51,517
Adjusted EBITDA	3,540	1,364	159.6%	11,446	854	1,239.7%	6,692
Operating profit or loss (EBIT)	1,725	675	155.6%	6,188	-568	N/A	1,941
Adjusted Operating Profit (EBIT)	1,785	622	187.0%	8,263	-568	N/A	2,831
Earnings per share, EPS (basic), euros	0.01	0.00	259.7%	0.08	-0.05	N/A	0.05
Orders received	7,328	81,916	-91.1%	43,621	88,205	-50.5%	260,831
Number of employees at the period end	438	230	90.4%	438	230	90.4%	290
Number of employees on average	467	233	100.4%	718	232	209.5%	250

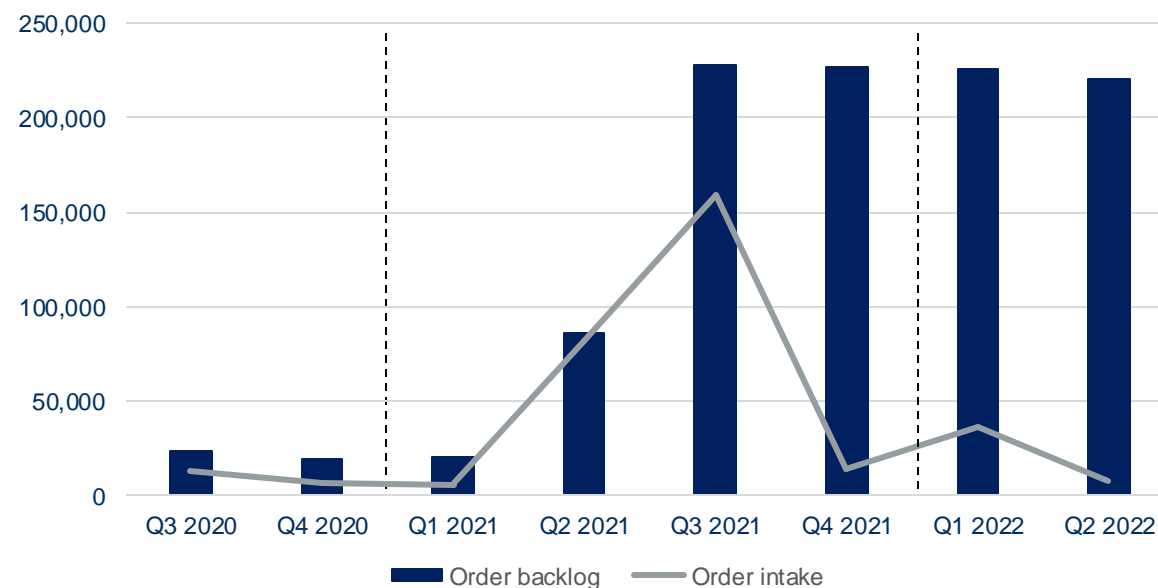
Revenue split January – June 2022 per area



## Strong order backlog supporting growth

- Order backlog EUR **220.2** million (EUR 86.5m)
- Orders received EUR **43.6** million (EUR 88.2m)
- Order backlog strongly supporting the full year outlook
- Bangladesh project order of EUR 25 million to be included in order backlog in Q3 2022

Order intake and backlog at the end of the quarter (EUR thousand)

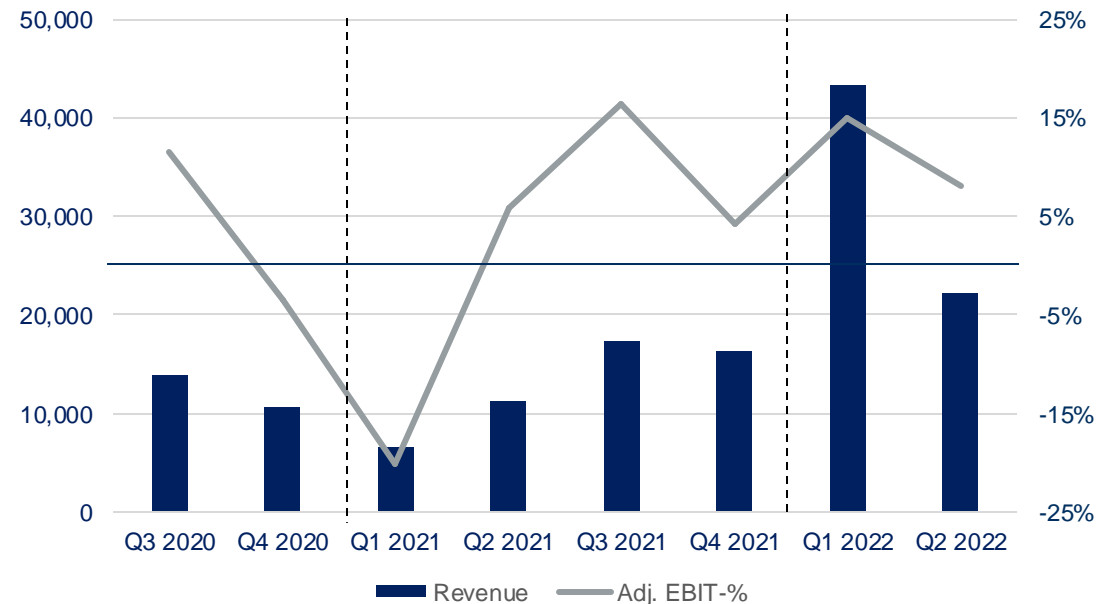


# Revenue growth continued as planned

## Half-year highlights

- Revenue increased by 265.5% to EUR **65.4** million (17.9m)
- Adjusted EBIT EUR **8.3** million (EUR -0.6m)
- Adjusted EBIT margin **12.6%** (-3.2%)

Quarterly development of revenue and adjusted EBIT



An aerial photograph of a vast, dense tropical rainforest. A winding river flows through the lower portion of the image, surrounded by thick green foliage. In the background, misty mountains are visible under a soft, overcast sky. The forest canopy shows various shades of green, indicating diverse vegetation.

# Financial position and targets

# Cash flow improved significantly

- Net cash flow from operations in H1 EUR **-1.4** million (EUR -2.4m)
- In Q2 cash flow from operations EUR **6.4** million (EUR -1.4)
- The final assessment in South American projects still ongoing and moved partly to Q3
- Equity ratio **52.1%** (45.0%)
- Net gearing **10.3%** (62.2%)



# Long-term financial targets and dividend policy



## Growth

- Increase of annualised revenue to over EUR **100** million as soon as possible, and after achieving this, annual growth significantly faster than the market.



## Profitability

- Adjusted EBITDA margin over **16** per cent
- Adjusted operating profit (EBIT) margin over **14** per cent.



## Capital structure

- Achieve a capital structure suitable for the company's strategy, targets and risk profile by maintaining a strong balance sheet



## Dividend policy

- The company aims to distribute annual dividends, while keeping growth as the Company's most important target.

## Guidance for 2022

Updated on May 10, 2022



Lamor estimates its revenue to be at least **120** million for the full year 2022.



Adjusted EBIT is estimated to be at least EUR **14** million.

- Lamor has a strong order backlog for 2022. Since a significant part of the revenue is generated by large service project deliveries, any major delay in the project progress would have a negative impact on revenue and profit for 2022.
- Lamor closely follows how the Russian invasion of Ukraine is affecting company's operating environment. Due to the war, Lamor has ceased the sales activities of the products and services in Russia. War related global cost inflation as well as the shortage of raw materials and components is having an effect also on Lamor's business. Lamor will continue to monitor the situation carefully.
- In addition, any potential virus variant of the COVID-19 could have a negative impact on Lamor's revenue and result in 2022 by impacting Lamor's capabilities to deliver projects efficiently.

A worker in a dark blue uniform with a high-visibility yellow-green reflective vest stands with their back to the camera. They are holding an orange hard hat under their left arm. They are looking at large, rectangular bales of compressed plastic waste, which are stacked in rows. The bales are made of clear plastic with many small, colorful plastic caps or pieces mixed in. The scene is outdoors, and the lighting is bright, suggesting a sunny day.

Focus on future growth

# Lamor to construct a recycling plant for chemical recycling of plastics together with Resiclo

- Extract from our webcast held in June
- Tomi Nyman, one of the founders of Resiclo



# Lamor to construct a recycling plant for chemical recycling of plastics together with Resiclo

## Structure of the deal

- Lamor has signed an agreement with Resiclo Oy with the objective of constructing a chemical recycling plant of plastics in Kilpilahti, Porvoo.
- Investment in Resiclo Oy:
  - EUR 1.3 million, Lamor having a minority share of 11.8% in Resiclo Oy.
- Investment in Resiclo Kilpilahti Oy:
  - EUR 1.2 million with an ownership share of 50%.
  - In addition, Lamor is committed to finance the company's future investments with a sub-ordinated loan amounting to EUR 3 million.
- The contract includes closing terms which need to be met before the closing of the deal.



# Purpose, estimated capacity and estimated schedule

Chemical recycling of plastics on this scale has not been carried out in Finland before and joining the project is a major step for Lamor to develop recycling of plastics.

## Purpose

- The recycling plant will produce chemically recycled raw-material using waste plastics as raw material.
- The recycled raw material can be used in the petrochemical industry to produce recycled plastic and it can be delivered to suitable refineries for further processing.

## Capacity

- The first phase of the Kilpilahti plant is estimated to have an annual capacity of 10.000 tons.
- The aim is to increase the annual capacity to approximately 40.000 tons of chemical recycling of plastics in Finland by the end of 2026.

## Estimated schedule

- The construction of the Kilpilahti recycling plant is scheduled to begin in the second half of 2022.
- The commissioning of the recycling plant is estimated to take place in 2023.



# Lamor's clear strategy for profitable growth



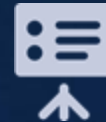
Technological and international expansion of the business areas



Optimisation of resource usage



Winning significant new long-term service agreements



Continuous improvement of operational efficiency and profitability



# Optimisation of resource usage

## Background

- Currently major part of the recycling of plastics is based on mechanical recycling whereas only 30-45% of the plastics is applicable for this method.
- Market for the chemical recycling of plastics is thus significant creating an addressable market of tens of billions of euros.
- Chemical recycling opens up the possibility to increase the use of waste plastics in new end-uses (e.g. food packaging)

## Strategy

- Chemical recycling of plastics supports Lamor's strategic target to optimise the usage of scarce resources and is well-aligned with Lamor's mission

# \ Q&A

## MISSION



Let's clean the world!

## VISION



A world with  
clean waters  
and soil during  
our lifetime

## VALUES



Passion, innovation  
and trust

LAMOR

An aerial photograph of a coastline. The ocean is a deep, dark blue, with white foam from breaking waves visible along the shore. The rocks are dark and jagged, with some areas appearing lighter, possibly due to sand or coral. The overall scene is dramatic and emphasizes the power of nature.

Thank you.

 **Let's clean the world**

**LAMOR**