



LASSILA & TIKANOJA RESULT PRESENTATION 2024

Eero Hautaniemi, President & CEO

Joni Sorsanen, CFO

13 February 2025



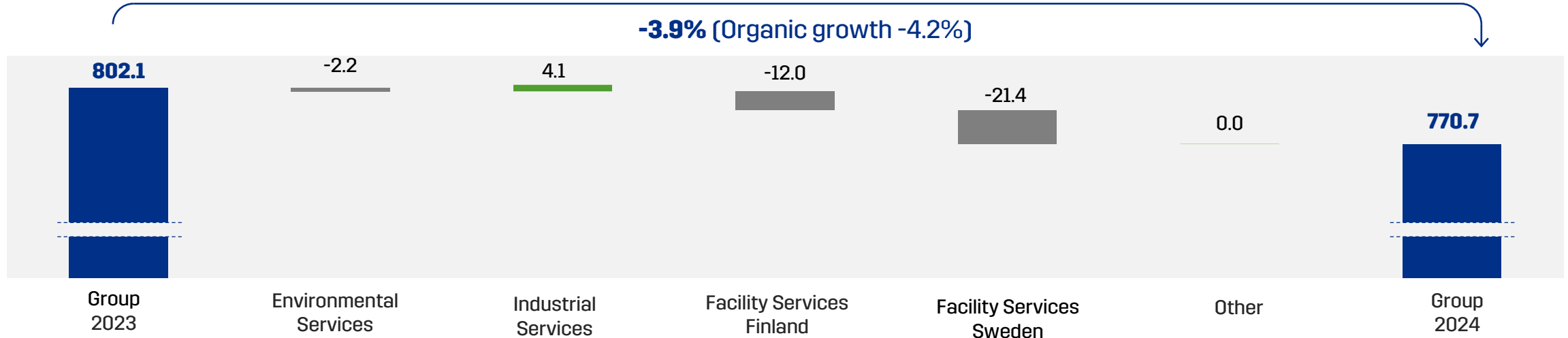
IN FOCUS IN 2024

Profitability improved in the circular economy businesses and Facility Services Finland despite a challenging business cycle

The Board of Directors initiated the planning of separation of circular economy businesses and facility services businesses into two independent listed companies

Sustainability metrics developed well, especially occupational safety metric TRIF and carbon footprint

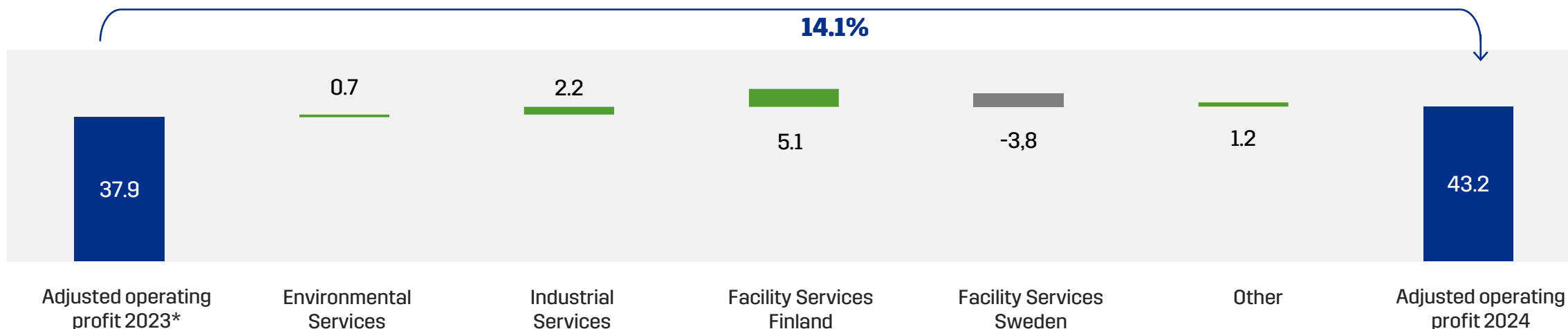
NET SALES



MEUR	Q4/24	Q4/23	Change%	2024	2023	Change%
Environmental Services	69.9	68.9	1.5	281.5	283.7	-0.8
Industrial Services	36.3	37.9	-4.3	145.1	141.0	2.9
Facility Services Finland	58.8	61.4	-4.2	238.0	250.0	-4.8
Facility Services Sweden	31.0	34.5	-10.2	111.9	133.2	-16.0
L&T Group	194.2	200.9	-3.4	770.7	802.1	-3.9



ADJUSTED OPERATING PROFIT



MEUR	Q4/24	Q4/23*	Change%	2024	2023*	Change%
Environmental Services*	5.4	3.3	63.4	26.6	25.9	2.6
Industrial Services	4.5	3.8	16.6	16.2	14.0	15.7
Facility Services Finland	2.8	1.1	157.3	9.6	4.4	115.3
Facility Services Sweden	-1.5	-0.9	-58.8	-7.5	-3.7	-103.0
Group administration and other	-0.6	-0.4		-1.6	-2.8	
L&T Group	10.5	6.9	52.9	43.2	37.9	14.1

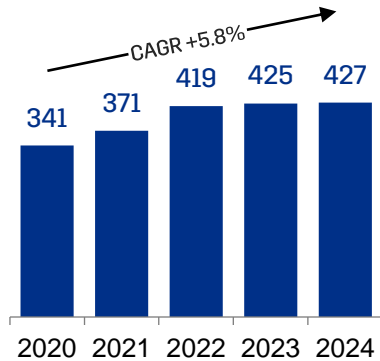
*The figures for year 2023 have been restated due to an error related to the previous period.



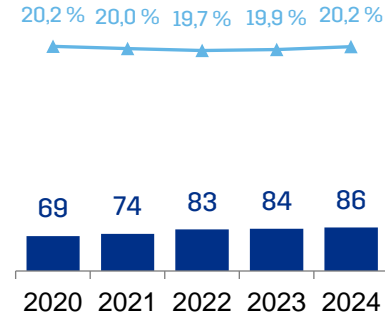
SOLID PERFORMANCE IN CIRCULAR ECONOMY BUSINESSES, DEVELOPMENT IN FACILITY SERVICES TWO-FOLD

CIRCULAR ECONOMY BUSINESSES

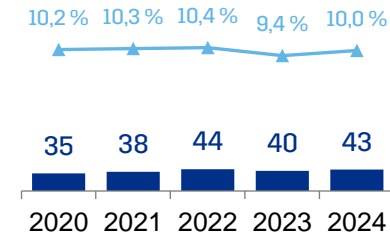
Net sales 2020-2024 (m€)



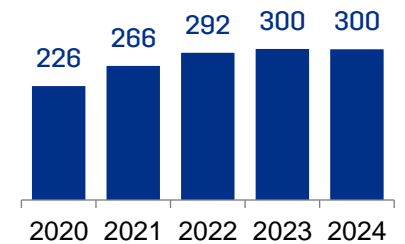
Adj. EBITDA 2020-2024 (m€)



Adj. EBIT 2020-2024 (m€)



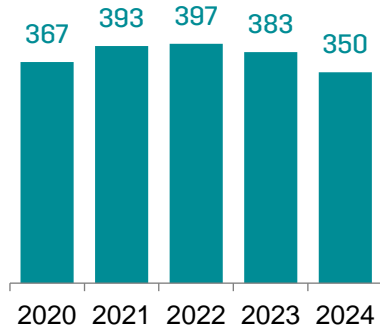
Capital empl. 2020-2024 (m€)



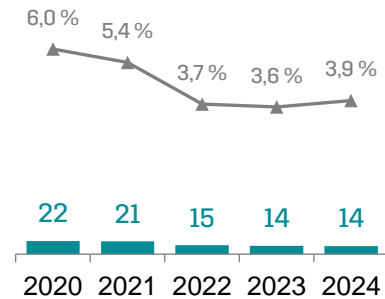
Note: all figures excluding eliminations, non-allocated Group costs, Renewable energy sources and Russia. Parent company cost allocations to segments not necessarily in line with final carve-out allocations.

FACILITY SERVICES BUSINESSES

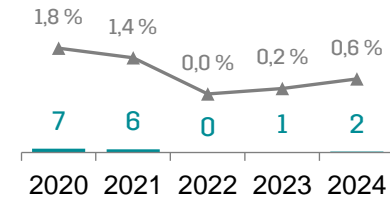
Net sales 2020-2024 (m€)



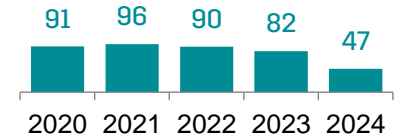
Adj. EBITDA 2020-2024 (m€)



Adj. EBIT 2020-2024 (m€)



Capital empl. 2020-2024 (m€)



Note: all figures excluding eliminations and non-allocated Group costs. Parent company cost allocations to segments not necessarily in line with final carve-out allocations.

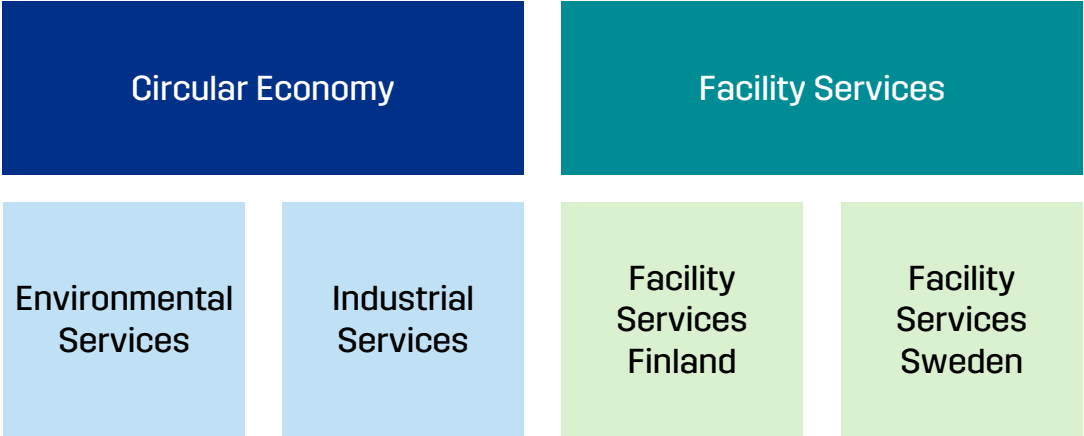
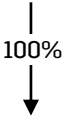
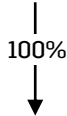
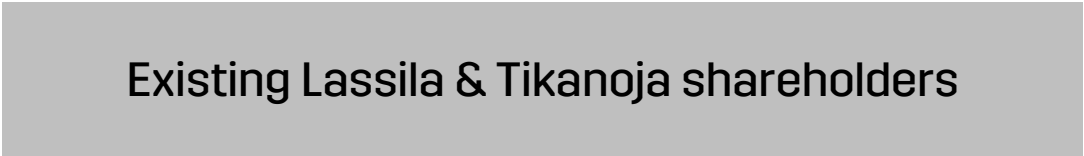


PLANNED DEMERGER OF LASSILA & TIKANOJA

L&T TODAY



PLANNED STRUCTURE POST-2025



CREATING ATTRACTIVE CIRCULAR ECONOMY AND FACILITY SERVICES INVESTMENT CASES

CIRCULAR ECONOMY BUSINESSES

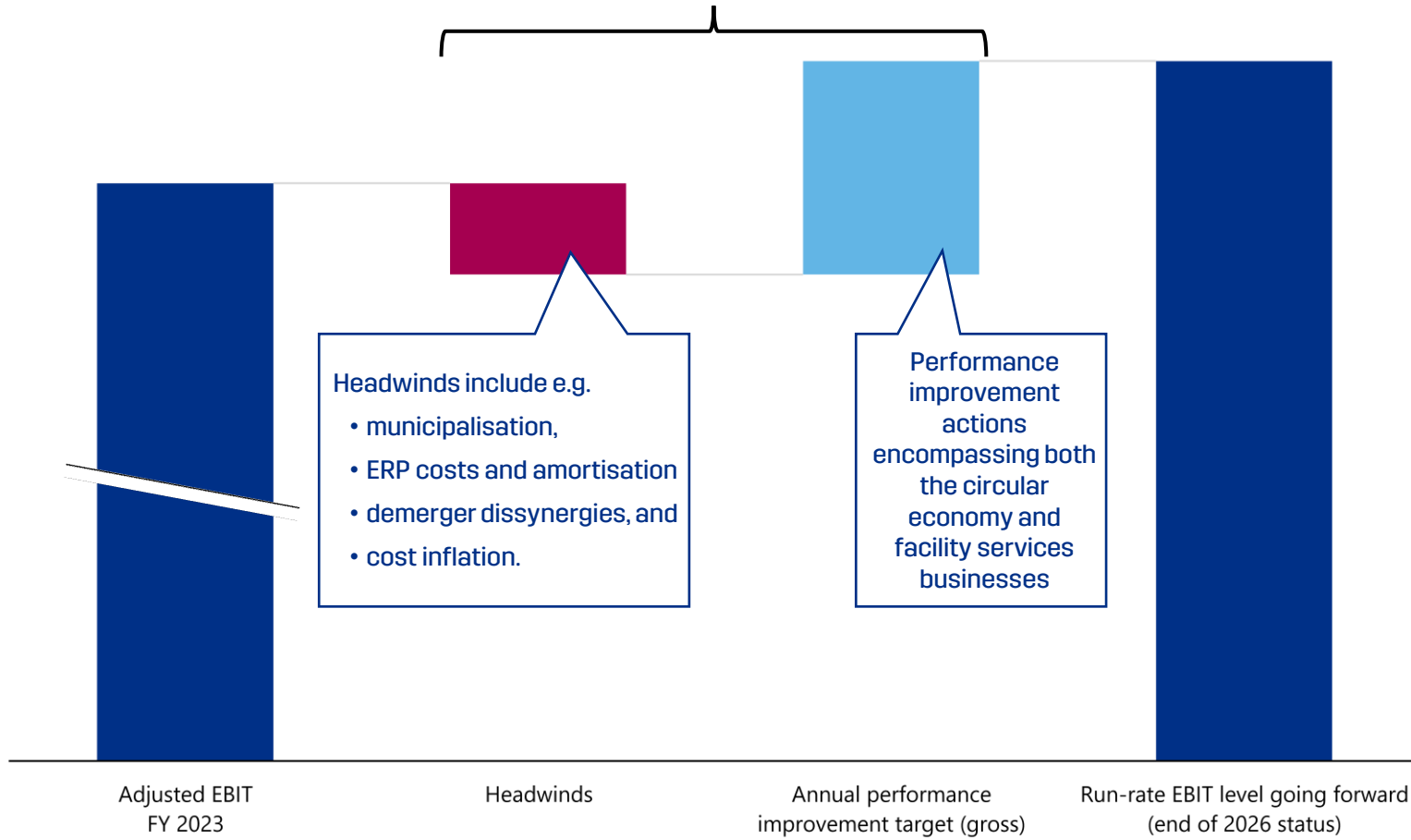
- ✓ Leading market position in Finland and an expanding platform in Sweden
- ✓ Operating in a large and growing market driven by underlying mega trends
- ✓ Resilient business model featuring long-term contracts and stable, asset-backed cash flows
- ✓ Multiple growth avenues identified for substantial value creation opportunities

FACILITY SERVICES BUSINESSES

- ✓ Established player with an improved operating model geared for growth, capitalizing on current industry trends
- ✓ High share of long-term contracted revenues and a low level of capital employed
- ✓ Opportunity for value creation through profitability enhancement measures
- ✓ Fresh start for the entity – positioned to deliver sustainable margins and cash flow

PROFITABILITY IMPROVEMENT PROGRAMME 2025-2026

Net performance improvement target:
EUR >8m



Comments

- L&T announced on 13 Dec 2024 that it has launched an efficiency programme aiming for improved performance, encompassing both the circular economy and facility services businesses
- The efficiency programme aims for an annual performance improvement of at least EUR 8 million by the end of 2026 compared to the 2023 level
- The efficiency programme focuses among other things on
 - simplifying processes,
 - improving the efficiency of direct and indirect procurement, and
 - improving the efficiency in the use of fleet and equipment, as well as
 - other efficiency measures

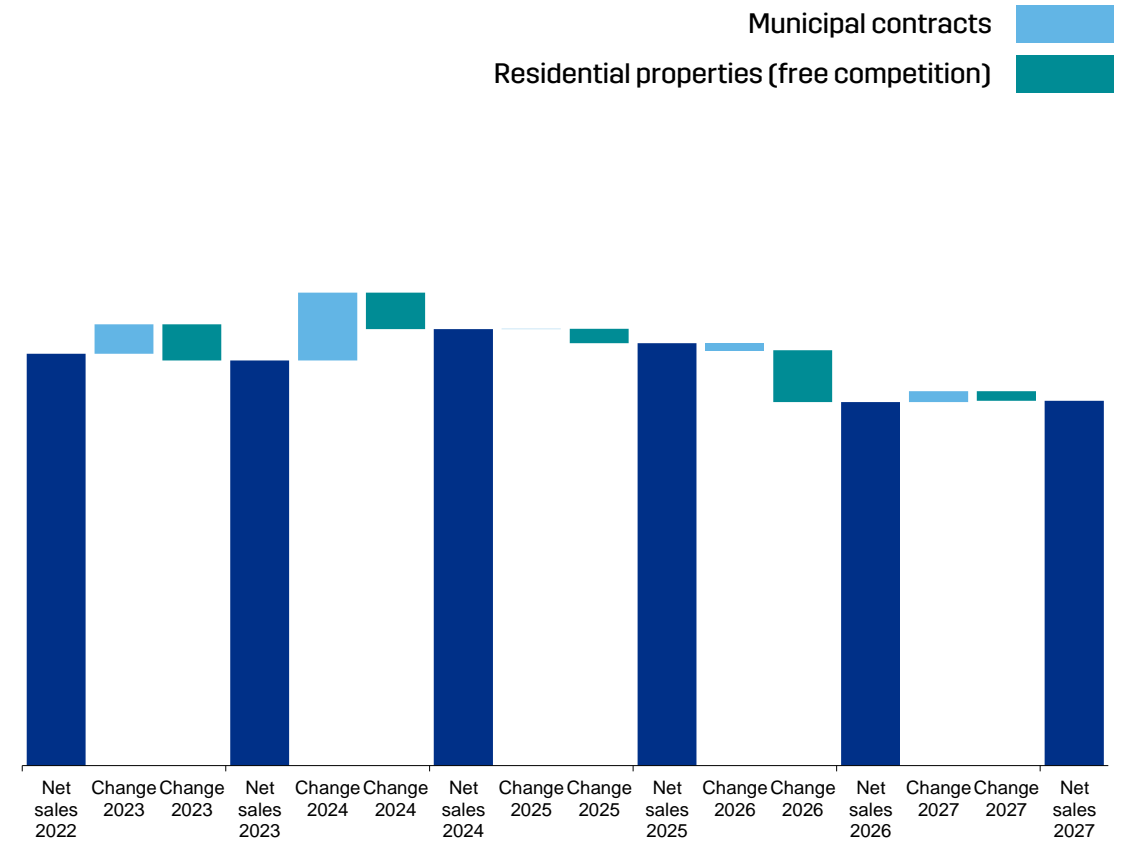
MUNICIPALISATION OF RESIDENTIAL WASTE COLLECTION

In 2024, L&T's position in municipal contracts strengthened and efficiency measures compensated for negative margin impacts of municipalisation. Market development in 2025 expected to be more moderate

Municipalisation background and L&T considerations

Municipal waste collection market	<ul style="list-style-type: none"> The municipal market comprises about 50% of the approximately 200-250 EURm residential waste collection market, where L&T holds a roughly 30% market share
Municipalisation background	<ul style="list-style-type: none"> Legislative changes have increased municipal control over residential waste management, enhancing the role of municipal competitive tendering
Impact on residential market	<ul style="list-style-type: none"> The share of the residential waste market open to free competition is expected to drop to 20-25% of the total residential market by the end of 2028
L&T's strategy to mitigate impact	<ul style="list-style-type: none"> L&T aims for profitable growth through disciplined tendering and efficiency measures to mitigate municipalisation impacts

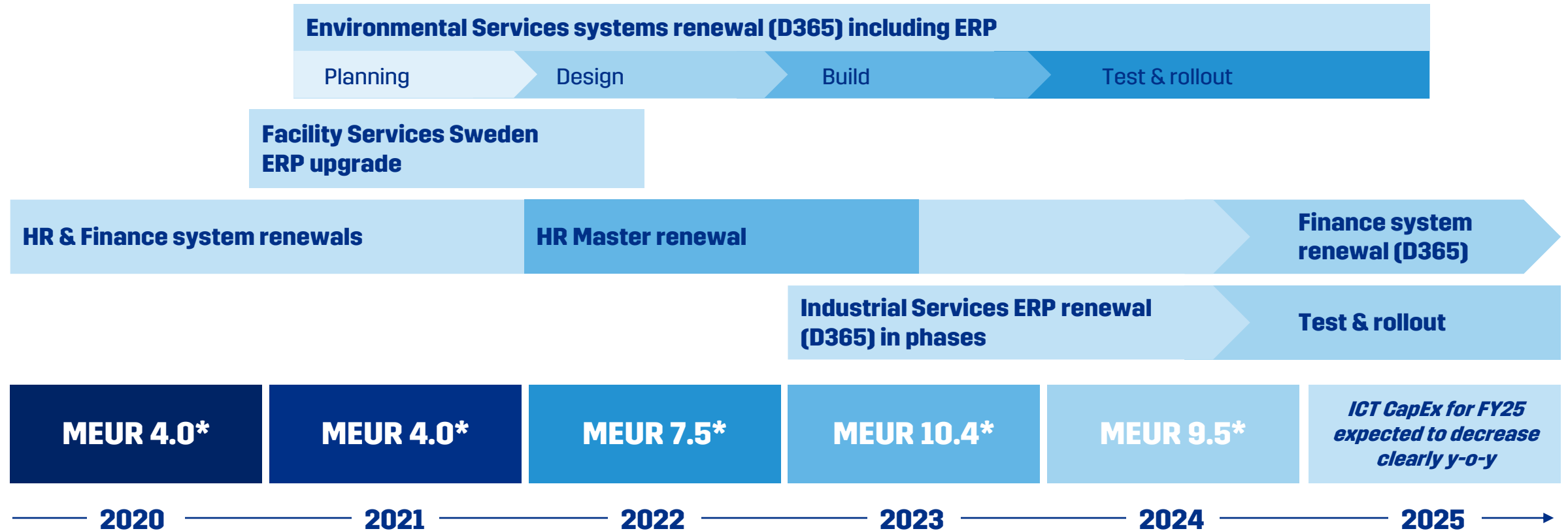
Illustration of municipalisation's estimated impact on L&T's net sales from residential waste collection in 2022-2027



Illustration, chart not drawn to scale



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



*Annual ICT CapEx

ICT systems related cost of internal work increased significantly from 2021

ICT systems related cost of internal work on a high level



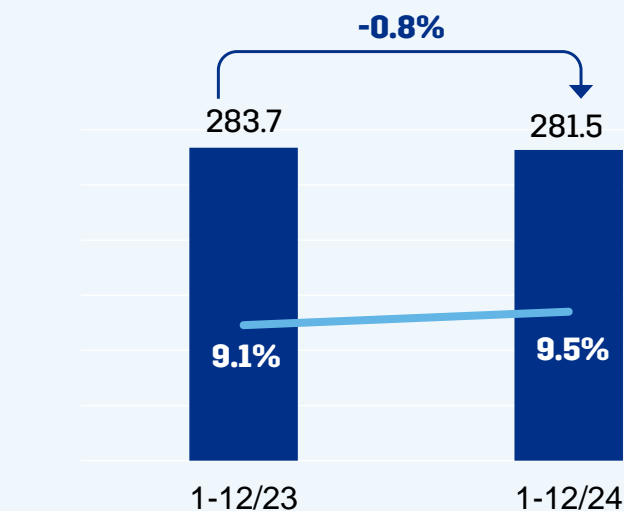
ENVIRONMENTAL SERVICES

- Profitability improved despite the challenging business environment
- The costs of service production were successfully adapted to the current market situation through the efficiency improvement measures. Number of personnel decreased by 65 year-on-year
- Market share amongst B2B customers and producer responsibility organisations remained solid
- In October, L&T announced the acquisition of Stena Recycling's pallet business in Finland (transaction is subject to the approval of the competition authority)

MEUR	Q4/24	Q4/23	Change%	2024	2023	Change%
Net sales	69.9	68.9	1.5%	281.5	283.7	-0.8%
Adjusted EBITDA*	13.1	10.8	20.8%	56.7	57.5	-1.4%
Adjusted EBITDA, %*	18.7%	15.7%		20.1%	20.3%	
Adjusted operating profit*	5.4	3.3	63.4%	26.6	25.9	2.6%
Adjusted operating margin, %*	7.7%	4.8%		9.5%	9.1%	
Employees				1,511	1,576	

*The figures for year 2023 have been restated due to an error related to the previous period.

Adjusted EBITDA: EBITDA +/- items affecting comparability.

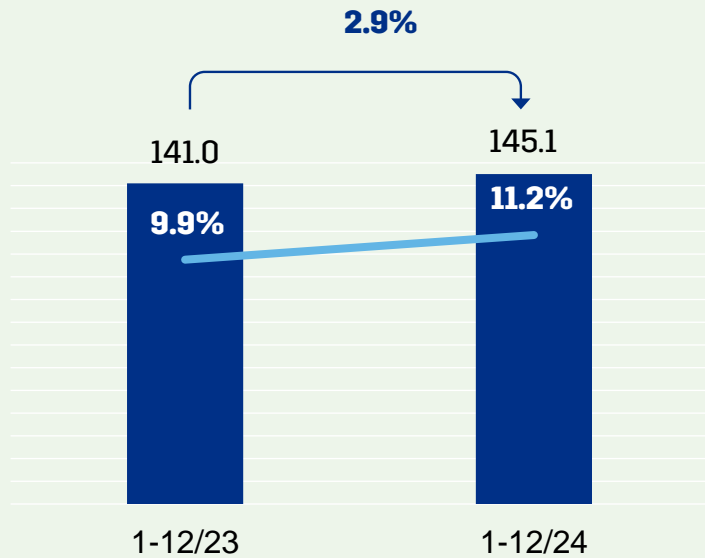


- Net sales
- Adjusted operating margin, %



INDUSTRIAL SERVICES

- Profitable growth continued
- Demand for hazardous waste services continued strong
- Annual maintenance breaks were carried out as planned and resourcing was successful
- In Environmental construction, the weak economic situation in the Finnish construction market was reflected in a decrease in the volumes of material flows delivered to material treatment centres
- In Sweden, profitability was burdened by investments in growth



- Net sales
- Adjusted operating margin, %

MEUR	Q4/24	Q4/23	Change%	2024	2023	Change%
Net sales	36.3	37.9	-4.3%	145.1	141.0	2.9%
Adjusted EBITDA	7.9	7.1	10.7%	29.6	26.8	10.3%
Adjusted EBITDA, %	21.7%	18.8%		20.4%	19.0%	
Adjusted operating profit	4.5	3.8	16.6%	16.2	14.0	15.7%
Adjusted operating margin, %	12.3%	10.1%		11.2%	9.9%	
Employees				657	679	

Adjusted EBITDA: EBITDA +/- items affecting comparability



FACILITY SERVICES FINLAND

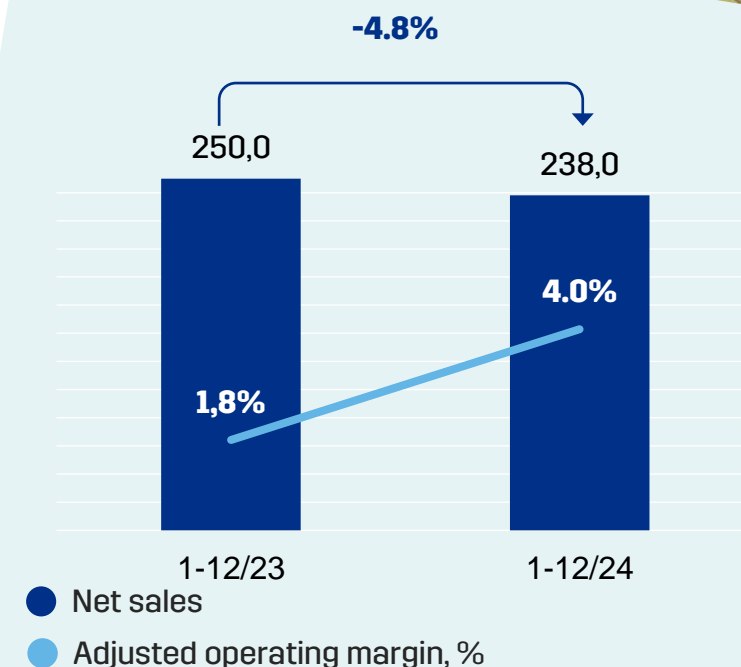
- All business lines achieved a better result than in the comparison period
- Measures to streamline the cost structure and improve operational efficiency continued successfully. Number of personnel decreased by more than 450 employees
- The demand for data-driven cleaning services and AI-assisted energy efficiency services continued strong

MEUR	Q4/24	Q4/23	Change%	2024	2023	Change%
Net sales	58.8	61.4	-4.2%	238.0	250.0	-4.8%
Adjusted EBITDA	4.5	2.8	60.1%	16.4	12.5	30.4%
Adjusted EBITDA, %	7.7%	4.6%		6.9%	5.0%	
Adjusted operating profit	2.8	1.1	157.3%	9.6	4.4	115.3%
Adjusted operating margin, %	4.7%	1.8%		4.0%	1.8%	

Employees

4,140 4,603

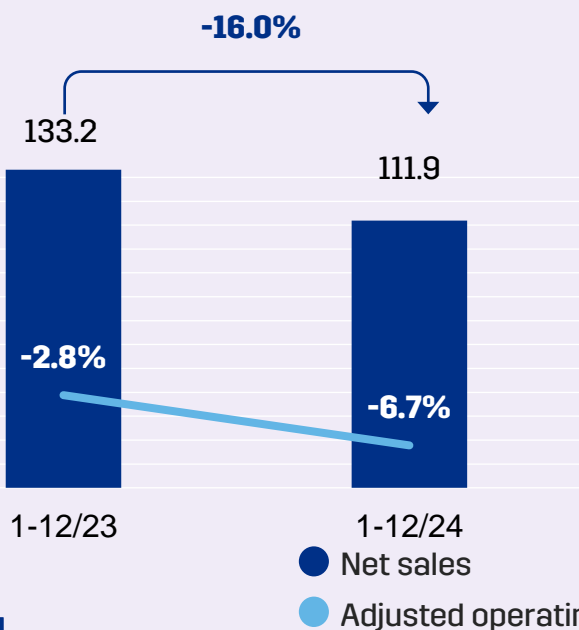
Adjusted EBITDA: EBITDA +/- items affecting comparability





FACILITY SERVICES SWEDEN

- The decline in net sales and weakening of profitability were impacted by the discontinuation of a significant customer relationship in late 2023 as well as two public-sector customer agreements turning unprofitable during 2024
- The measures to simplify operating models and adjust the cost level continued throughout 2024
- The turnaround progressed more slowly than expected, but the new customer accounts won towards the end of the year as well as the additional measures initiated to improve profitability create conditions for achieving a turnaround during 2025



MEUR	Q4/24	Q4/23	Change%	2024	2023	Change%
Net sales	31.0	34.5	-10.2%	111.9	133.2	-16.0%
Adjusted EBITDA	-0.3	0.5		-2.8	1.3	
Adjusted EBITDA, %	-0.9%	1.3%		-2.5%	1.0%	
Adjusted operating profit*	-1.5	-0.9	-58.8%	-7.5	-3.7	-103.0%
Adjusted operating margin, %	-4.8%	-2.7%		-6.7%	-2.8%	
Employees				1,032	1,187	

*Operating profit before the amortisation of purchase price allocations of acquisitions was EUR -28.7 million (-0.6) in Q4 2024 and EUR -33.8 million (-2.5) in January-December 2024

Adjusted EBITDA: EBITDA +/- items affecting comparability

13 February 2025



SUSTAINABILITY SCORE CARD 2024

- Occupational safety continued to develop well due to increased training and safety culture development

L&T	2020	2021	2022	2023	2024	Target 2024	Target 2026	Target 2030
CARBON FOOTPRINT (tCO2-ekv)	36,700	37,800	34,200	31,200	27,200	29,800	27,200	24,400
CARBON HANDPRINT (MCO2-ekv)	-506.8	-524.9	-534.5	-457.0	-438			
TRIF	24	24	23	23	19	21	19	15
RECYCLING RATE excluding land massess (%)	58.6	58.4	59.4	57.8	60.7	59	65	70
RECYCLING RATE (CSRD) (%)					45			
SICK LEAVE (%)	4.7	5.1	5.6	5.1	5.0	4.7	4.3	4

Q4 FINANCIAL HIGHLIGHTS

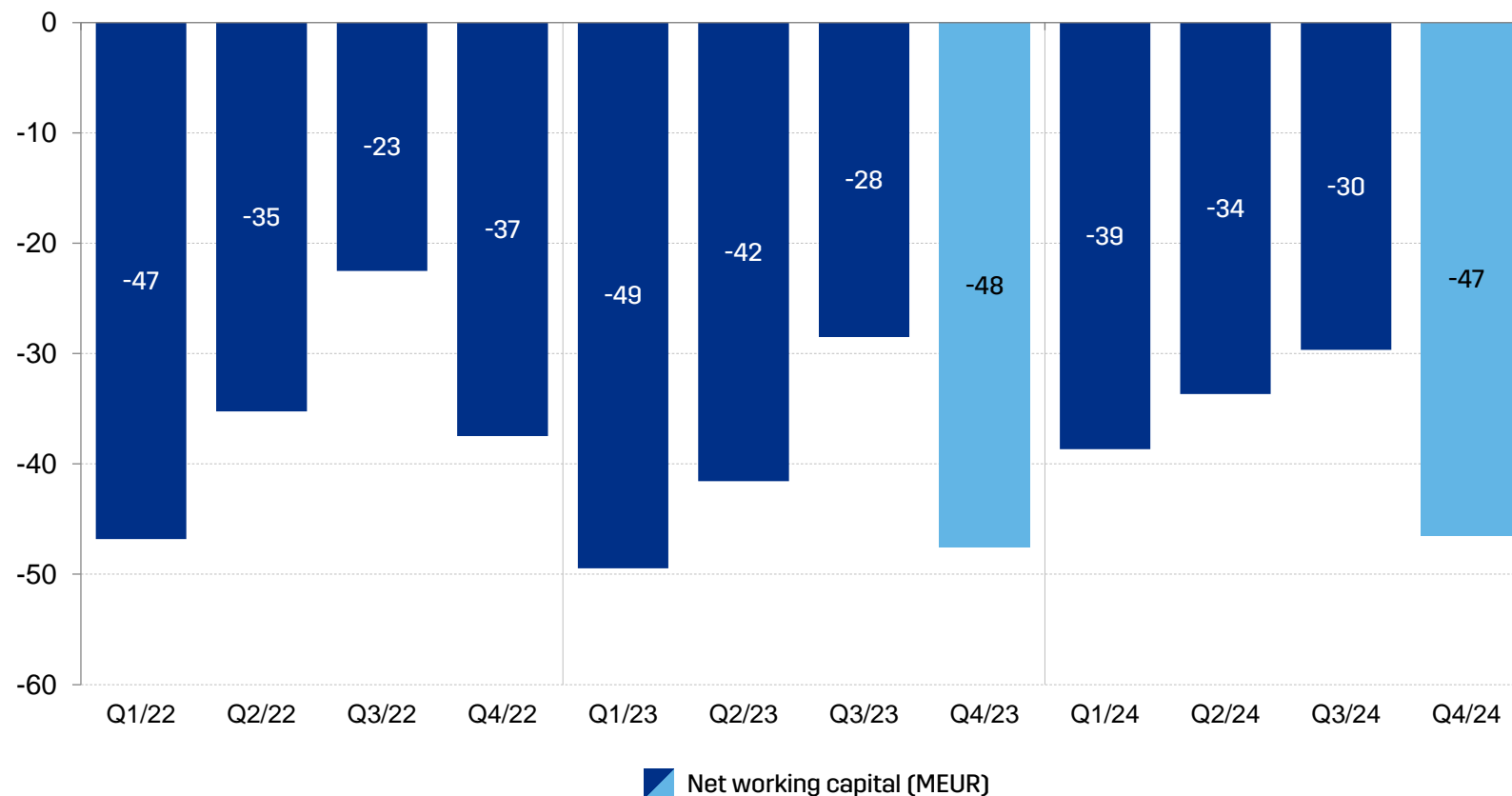
Strong cash flow Q2-Q4

Financial position solid
irrespective of goodwill
write-down and other non-
recurring items burdening Q4

EPS and ROCE affected by
non-recurring items

NET WORKING CAPITAL

Net working capital by quarter 2022-2024 (EUR million)



Comments

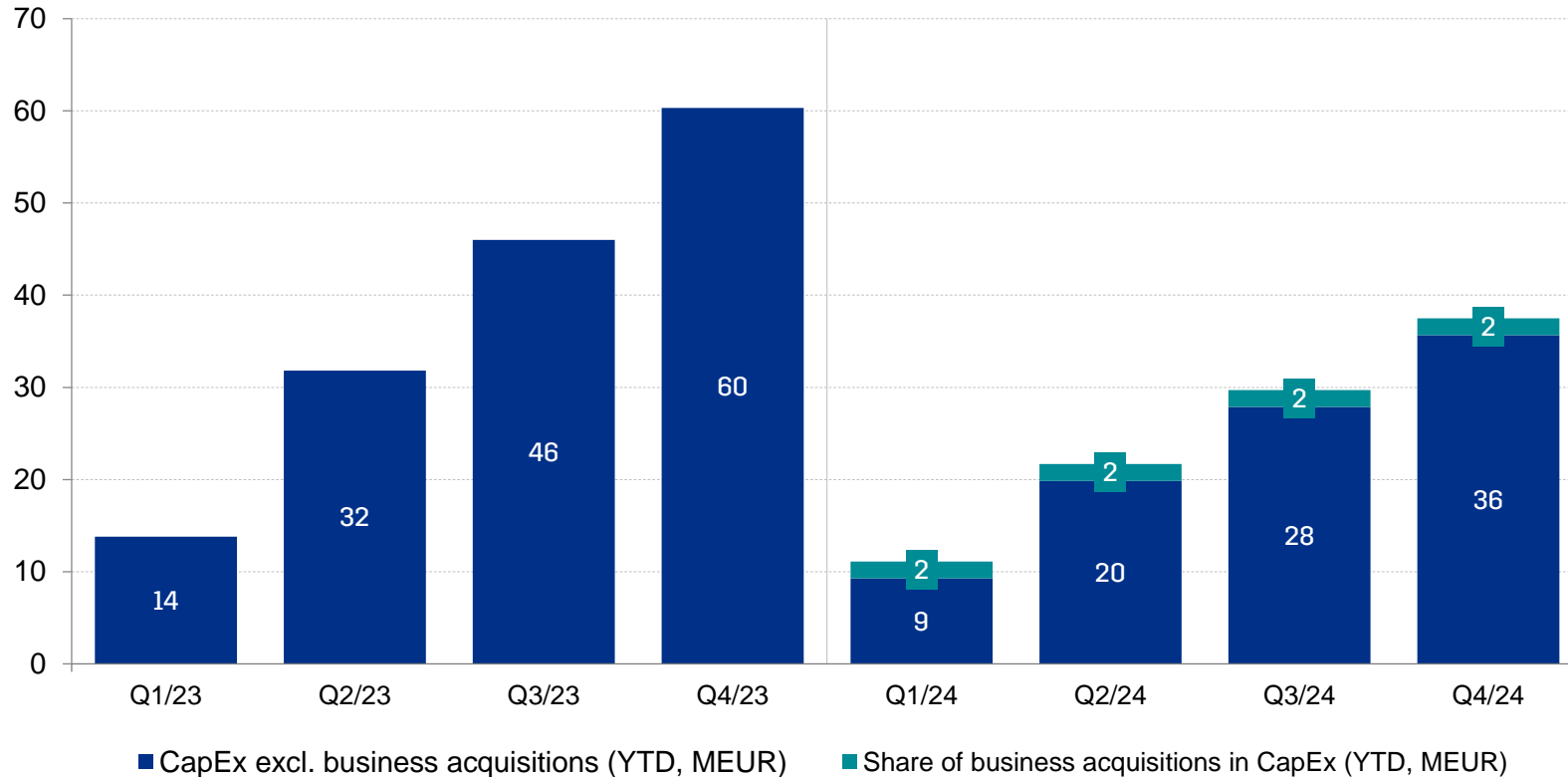
- Net working capital at year-end 2024 amounted to EUR -46.5m (-47.6m), change of EUR 1.1m year-on-year
- NWC almost reached previous year-end's level despite decrease in net sales and clear reduction in use of factoring
- Strong release of NWC in the last quarter of the year

Net working capital = Current assets - income tax receivables - cash and cash equivalents - other non-current liabilities excluding deferred consideration - current trade and other payables



CAPITAL EXPENDITURE

Capital expenditure 2023-2024 (year-to-date, EUR million)



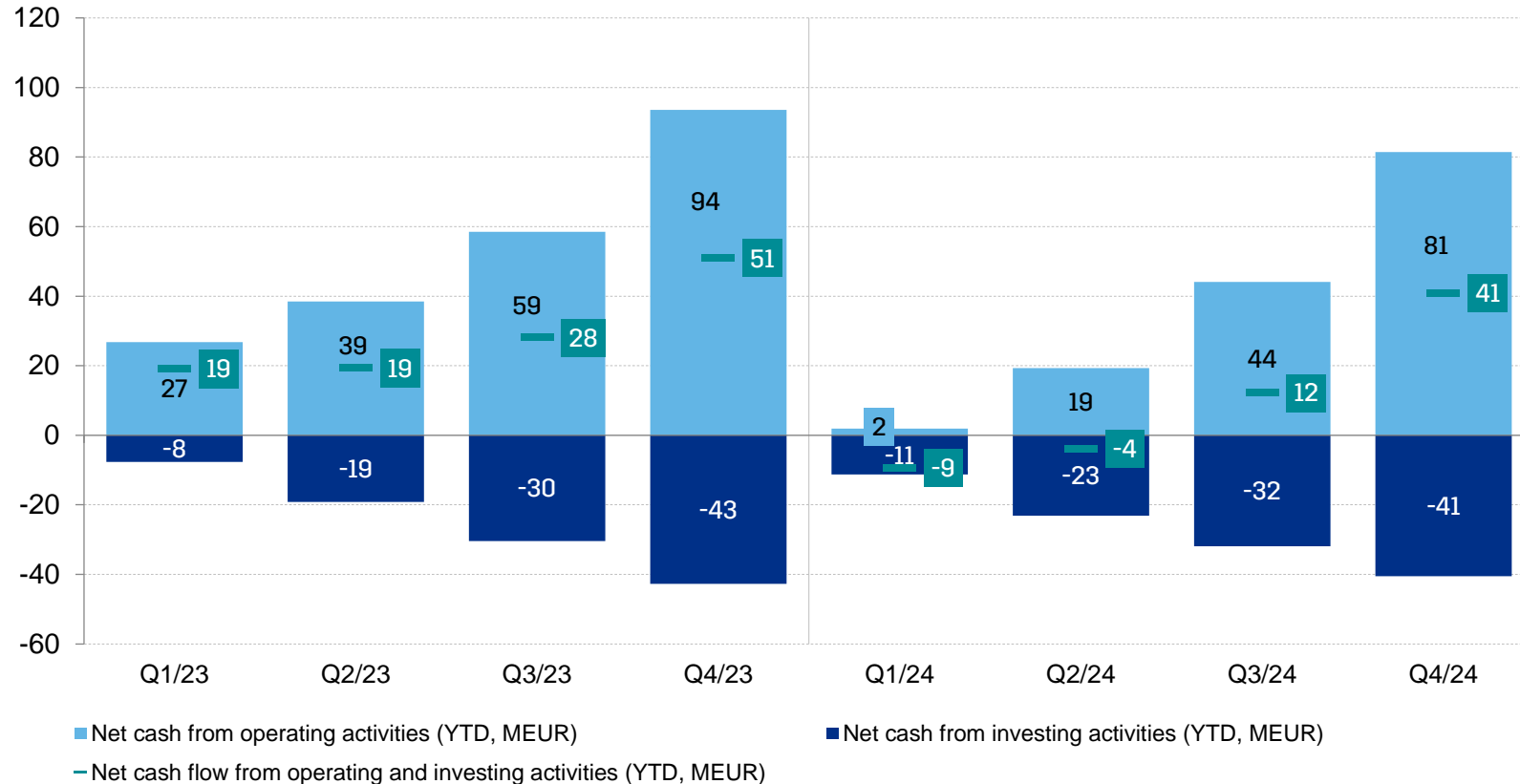
Comments

- Capital expenditure in January-December 2024 was EUR 37.5m (60.3) showing a decrease of EUR 22.8 million or 37.8%
- The decrease is predominantly attributable to Environmental Services business area
- In 2024, depreciation and amortization in total (excluding goodwill impairment) amounted to EUR 55.9m (58.5m)

NET CASH FLOW AND NET INVESTMENTS

Cash flow from operations and investments 2023-2024 (YTD, EUR m)

Comments

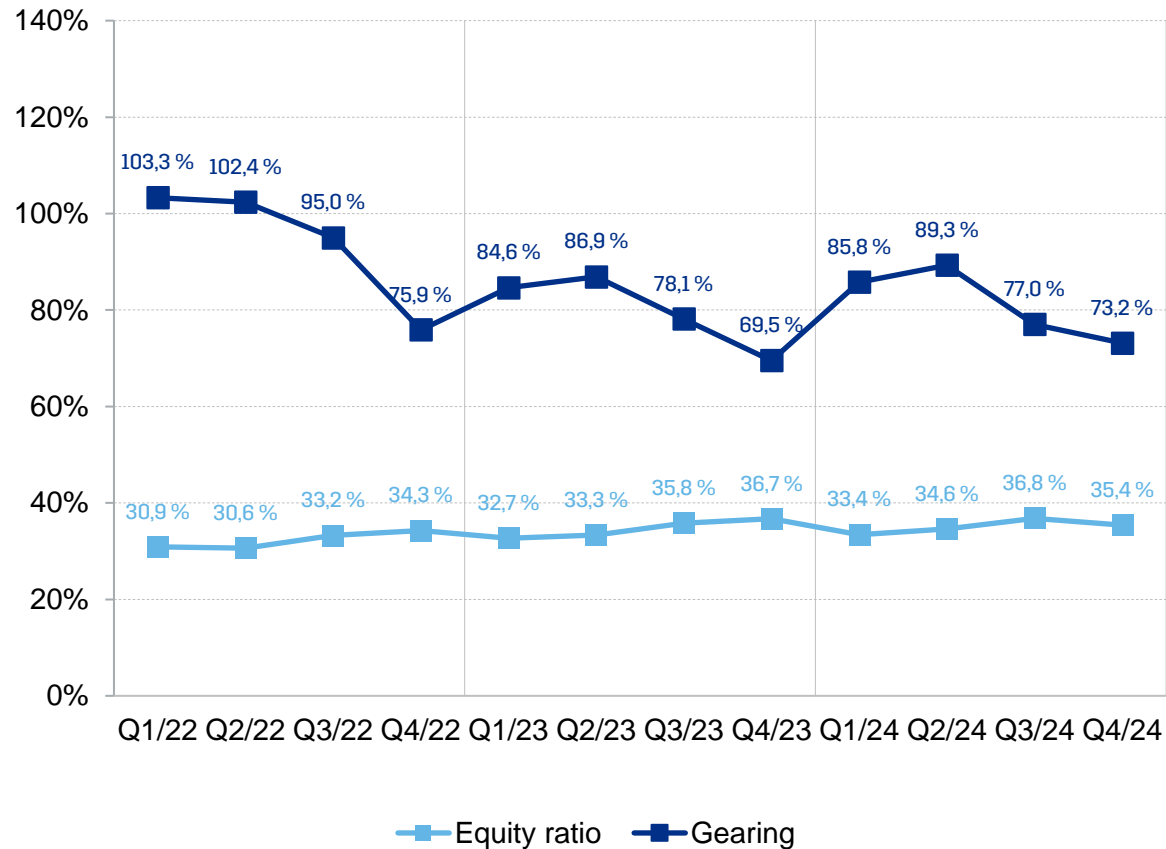


- Operating cash flow in January-December 2024 was EUR 81.4m (93.6), affected by weak Q1
- January-December 2024 operating cash flow after investments was EUR 40.8 million (50.9)
- Comparison period's operating cash flow was positively impacted by significant tax refunds

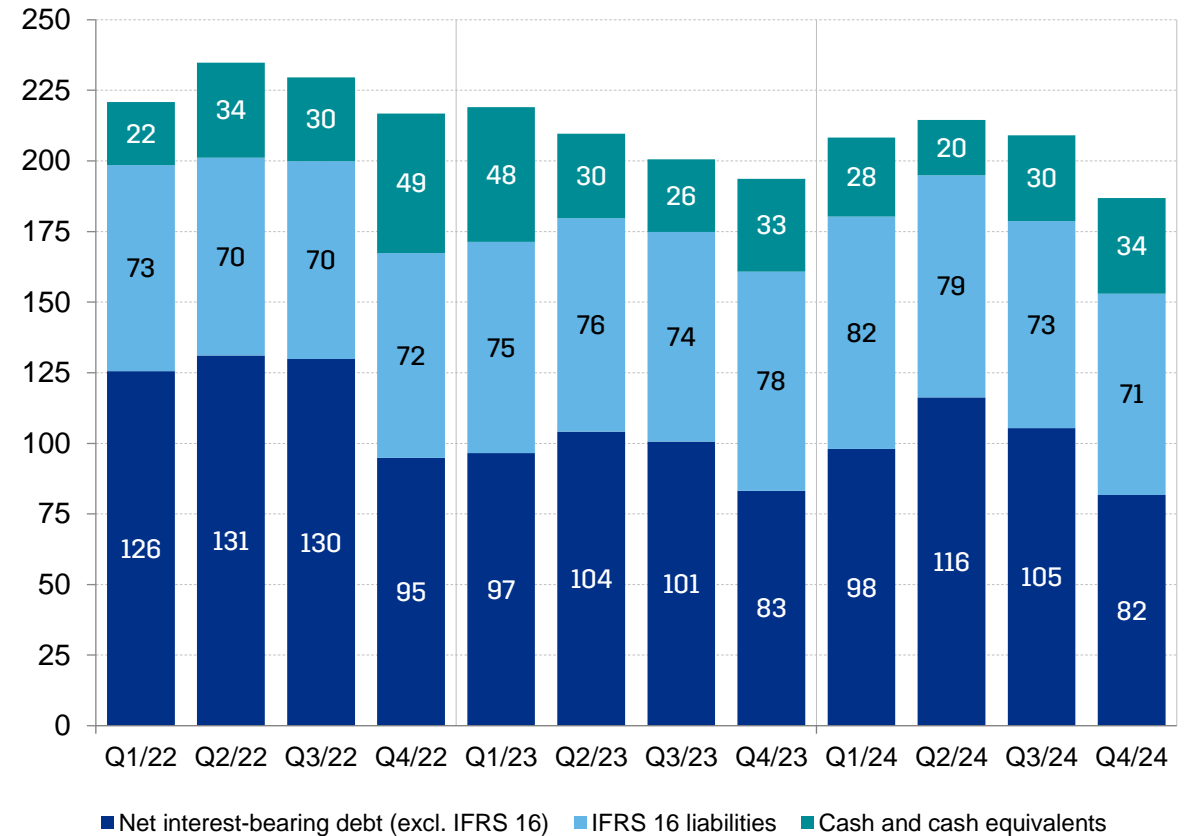
FINANCIAL POSITION

- Strong financial position at year-end 2024 irrespective of Q4 one-offs affecting Group equity
- Net interest-bearing debt at EUR 153.0m (160.9m), decrease of EUR 7.8m year-on-year

Equity ratio and gearing by quarter 2022-2024

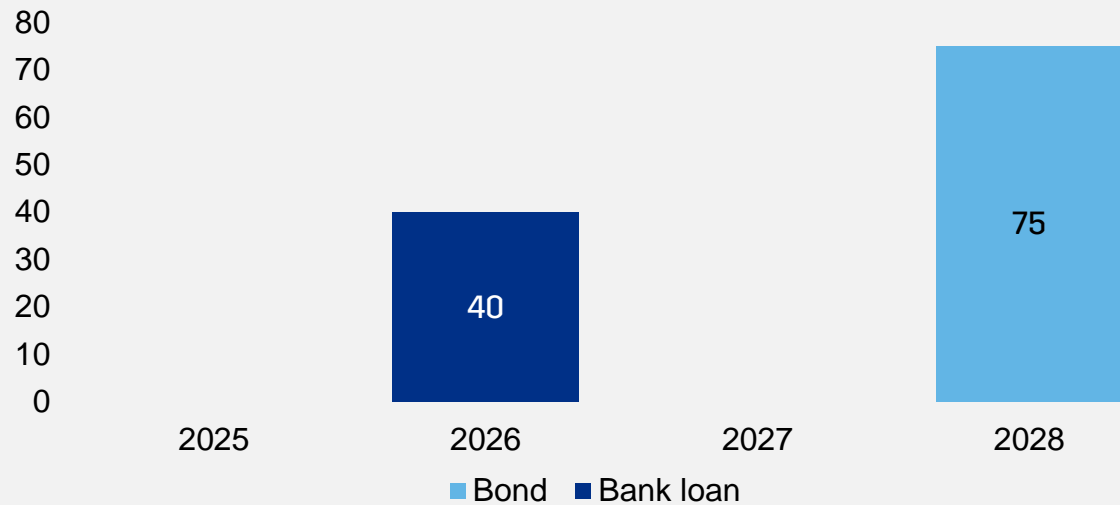


Net debt specification by quarter 2022-2024

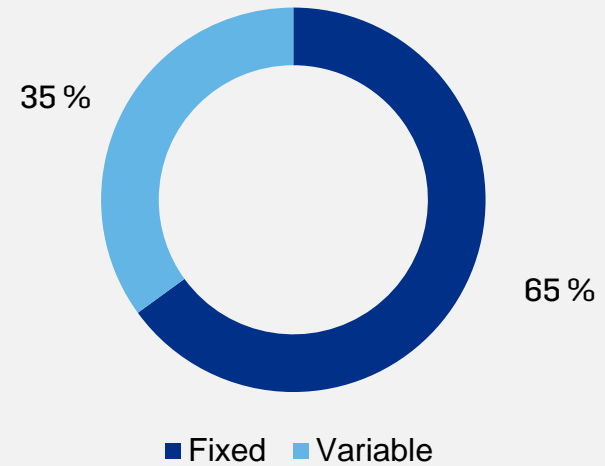


MATURITY STRUCTURE OF LONG-TERM LOANS

Loans, MEUR

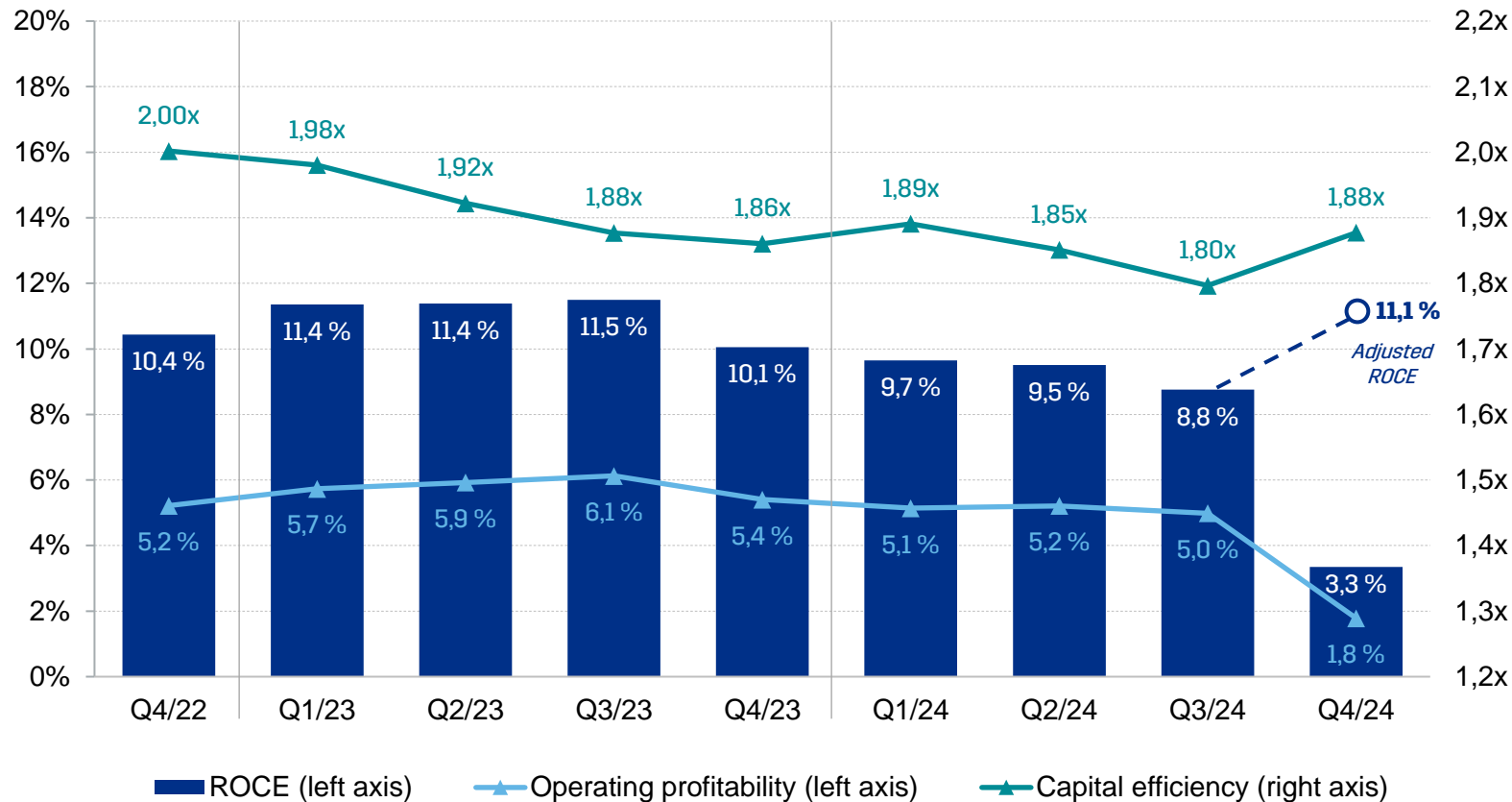


Weighted average of effective interest rate 3.8% (4.0%)



RETURN ON CAPITAL EMPLOYED

ROCE-% development by quarter 2022-2024 (LTM)



Comments

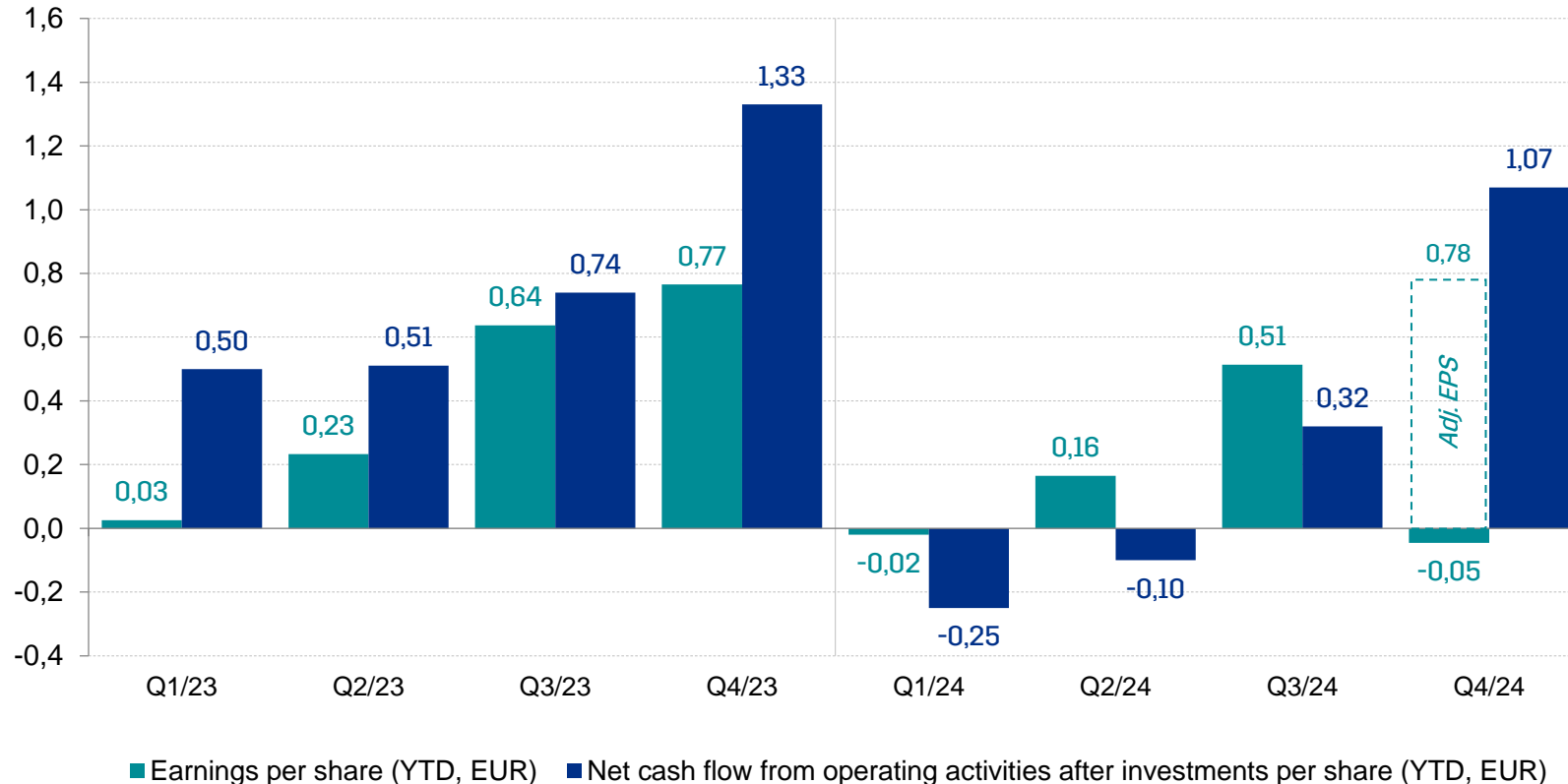
- Return on capital employed in Q4/2024 was 3.3% (10.1) burdened by one-off items and weakened performance in Facility Services Sweden
- Adjusted ROCE excluding IAC for 2024 approximately 11.1%
- In 2024, Environmental Services' ROCE totaled 12.6% (13.0%)
- Industrial Services ROCE improved to 16.4% (14.7%)
- Facility Services Finland achieved ROCE of 51.4% (19.4%)
- L&T's share of profit from Laania was EUR 3.2m (3.6m)

Operating profitability refers to EBIT + Financial income + Share of result of associated companies & joint ventures (R12m) / Net sales (R12m)
 Capital efficiency = Net sales (rolling 12 months) / Capital employed (average)



EARNINGS PER SHARE AND CASH FLOW PER SHARE

EPS and cash flow per share 2023-2024 (YTD, EUR)



Comments

- Earnings per share in January-December 2024 was EUR -0.05 (0.77) affected by one-off items and increase in net finance costs year-on-year
- Adjusted EPS for 2024 approximately EUR 0.78
- Net operating cash flow after investments per share in 2024 was EUR 1,07 (1,33), supported by strong cash flow in the fourth quarter



OUTLOOK FOR 2025

Net sales in 2025 are estimated to be at the same level as in the previous year, and adjusted operating profit is estimated to be at the same level or better compared to the previous year.

CONTACTS



Eero Hautaniemi, CEO

+358 10 636 2810

eero.hautaniemi@lassila-tikanoja.fi



Joni Sorsanen, CFO

+358 50 443 3045

joni.sorsanen@lassila-tikanoja.fi

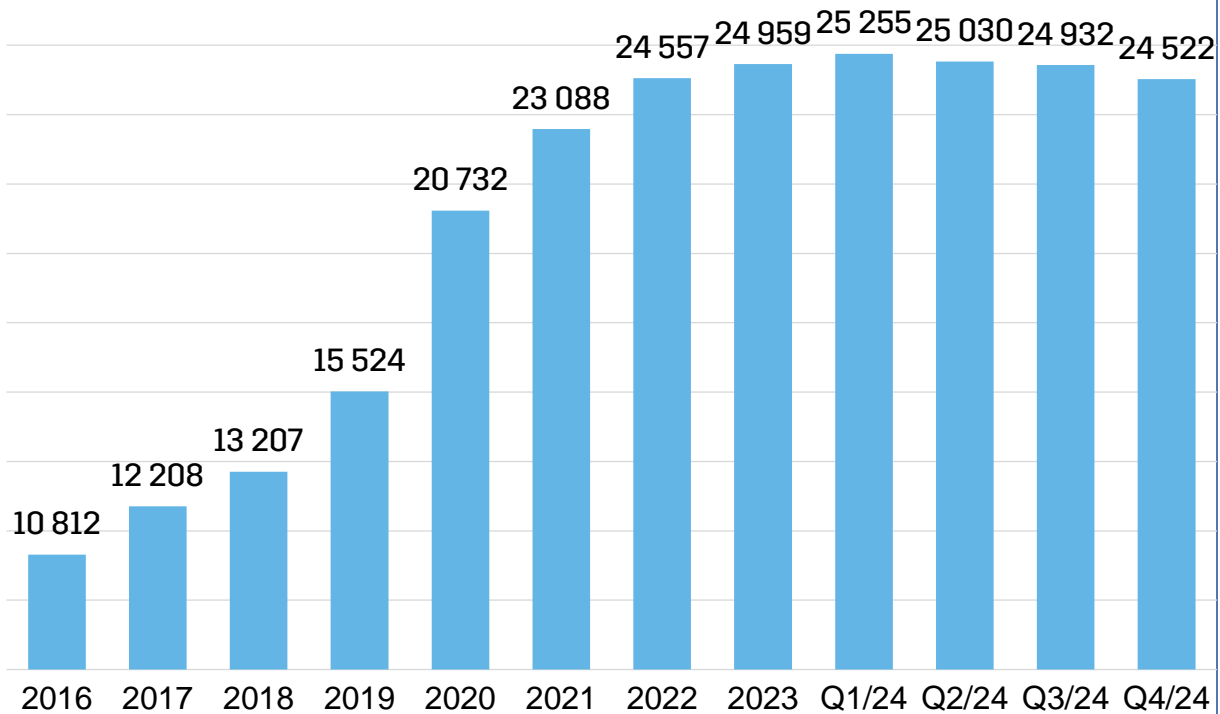


SHAREHOLDERS

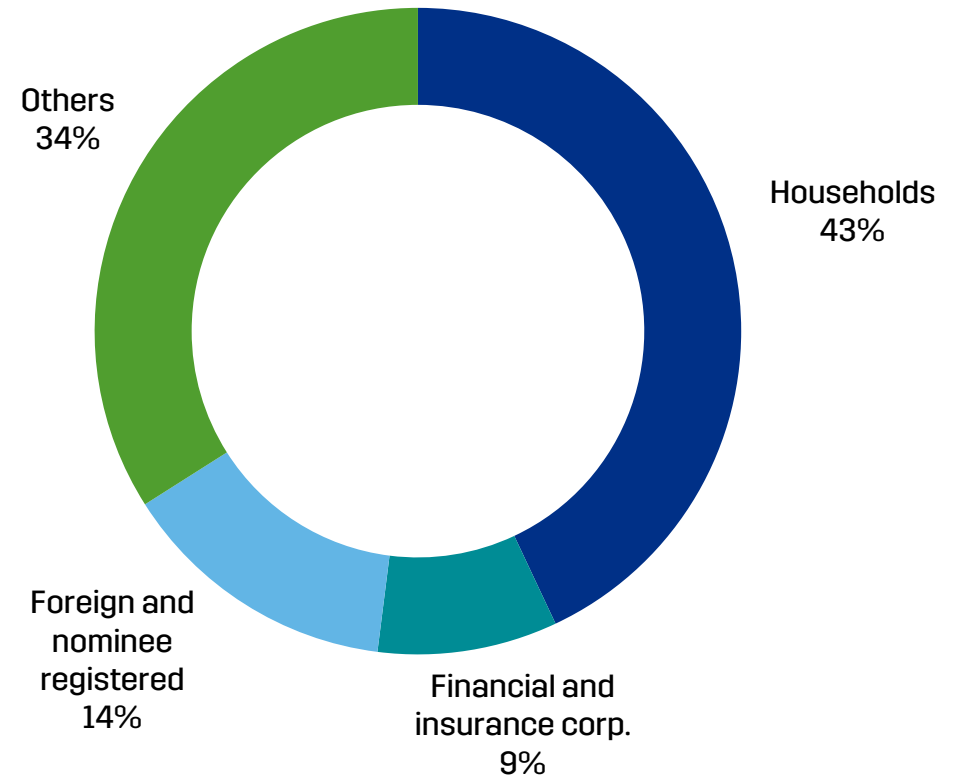


SHAREHOLDER STRUCTURE

Number of shareholders



Shareholder structure



MAJOR SHAREHOLDERS ON 31 DECEMBER 2024

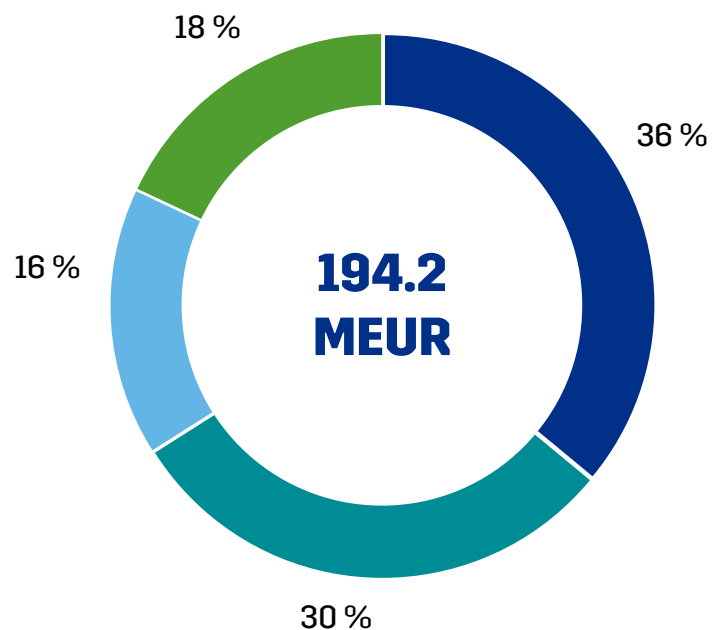
Shareholder	Shares	%
Evald and Hilda Nissi's Foundation	3,496,487	9.01
Nordea Nordic Small Cap Fund	1,706,300	4.40
Maijala Juhani	1,529,994	3.94
Bergholm Heikki	895,000	2.31
Åbo Akademi University Foundation	816,282	2.10
Ilmarinen Mutual Pension Insurance Company	790,000	2.04
Varma Mutual Pension Insurance Company	729,791	1.88
Maijala Mikko	720,000	1.86
Lassila & Tikanoja Oyj	609,941	1.57
Elo Mutual Pension Insurance Company	574,180	1.48
Ownership structure / sector	Shares	%
Nominee-registered shares	5,395,065	13.91
Number of shares	38,798,874	100.00
Number of shareholders	24,522	



APPENDIX

KEY FIGURES

NET SALES Q4/2024



- 36% Environmental Services
- 30% Facility Services Finland
- 16% Facility Services Sweden
- 18% Industrial Services

	Q4/24	Q4/23	Change%	2024	2023	Change%
Net sales, MEUR	194.2	200.9	-3.4	770.7	802.1	-3.9
EBITDA, MEUR	19.1	20.5	-6.7	89.0	95.8	-7.1
Operating profit, MEUR	-18.4	6.4		9.8	37.3	-73.6
Operating margin, %	-9.5	3.2		1.3	4.6	
Earnings per share, EUR	-0.56	0.13		-0.05	0.77	

Primary financial statements

Consolidated income statement

MEUR	10-12/2024	10-12/2023 restated ¹	1-12/2024	1-12/2023 restated ¹
Net sales	194.2	200.9	770.7	802.1
Other operating income	1.7	1.8	4.6	6.2
Materials and services	-59.6	-63.7	-228.2	-246.5
Employee benefit expenses	-85.5	-88.9	-342.7	-352.8
Other operating expenses	-31.7	-29.6	-115.5	-113.1
Depreciation, amortisation and impairment	-14.2	-14.1	-55.9	-58.5
Impairment of goodwill	-23.3	-	-23.3	-
Operating profit	-18.4	6.4	9.8	37.3
Financial income	0.2	0.2	0.8	2.5
Financial expenses	-2.6	-2.3	-9.3	-8.7
Exchange rate differences (net)	-0.0	0.0	-0.0	-0.0
Financial income and expenses	-2.4	-2.1	-8.6	-6.3
Share of the result of associated companies and joint ventures	0.9	1.1	3.2	3.6
Result before taxes	-19.9	5.4	4.4	34.6
Income taxes	-1.4	-0.5	-6.1	-5.4
Result for the period	-21.3	4.9	-1.7	29.2
Attributable to:				
Equity holders of the company	-21.3	4.9	-1.7	29.2
Earnings per share attributable to the equity holders of the parent company:				
Earnings per share, EUR	-0.56	0.13	-0.05	0.77
Diluted earnings per share, EUR	-0.56	0.13	-0.05	0.76

¹The figures for year 2023 have been restated due to an error related to the previous period.



Consolidated statement of financial position

MEUR	31 Dec 2024	31 Dec 2023 Restated ¹
ASSETS		
Non-current assets		
Intangible assets		
Goodwill	157.0	180.8
Other intangible assets	42.2	38.2
	199.2	219.0
Tangible assets	164.3	164.9
Right-of-use assets	69.1	76.0
	233.4	240.9
Other non-current assets		
Shares in associated companies and joint ventures	18.9	17.6
Other shares and holdings	0.2	0.2
Deferred tax assets	2.0	3.1
Other receivables	1.0	1.5
	22.0	22.5
Total non-current assets	454.7	482.4
Current assets		
Inventories	9.2	7.8
Trade receivables ²	86.5	98.6
Contract assets ²	16.1	18.1
Income tax receivables	0.3	1.2
Other receivables	7.1	7.9
Cash and cash equivalents	33.9	32.9
Total current assets	153.2	166.5
Total assets	607.9	648.8

¹The figures for year 2023 have been restated due to an error related to the previous period.

²The Company has redefined the presentation of contract assets in 2024 and adjusted contract assets and trade receivables for year 2023 accordingly.

MEUR	31 Dec 2024	31 Dec 2023 Restated ¹
EQUITY AND LIABILITIES		
Equity		
Equity attributable to the equity holders of the parent company		
Share capital	19.4	19.4
Other reserves	-13.5	-11.5
Invested unrestricted equity reserve	0.6	0.6
Retained earnings	202.7	222.8
Total equity	209.2	231.3
Liabilities		
Non-current liabilities		
Deferred tax liabilities	26.6	28.3
Retirement benefit obligations	1.1	1.2
Provisions	9.0	7.2
Borrowings	115.1	115.5
Lease liabilities	53.2	56.1
Other liabilities	13.4	13.2
	218.4	221.4
Current liabilities		
Borrowings	0.5	0.6
Lease liabilities	18.1	21.5
Trade and other payables	158.8	172.8
Income tax liabilities	0.3	0.3
Provisions	2.5	0.9
	180.3	196.1
Total liabilities	398.7	417.5
Total equity and liabilities	607.9	648.8

¹The figures for year 2023 have been restated due to an error related to the previous period.



CIRCULAR ECONOMY - MADE REAL