



L&T



Lassila & Tikanoja  
Interim Report Q1 2026

Eero Hautaniemi, President & CEO

Joni Sorsanen, CFO

6 May 2026

# Today's presenters



**Hautaniemi  
Eero**

CEO



**Sorsanen  
Joni**

CFO

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- 2 Market environment
- 3 Efficiency & Operations
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# Key financial highlights of Q1 2026

Net sales grew, profitability affected by market environment in waste management

1

**Net sales grew by 6.0% to EUR 94.8 million despite challenging market environment**

*\* 2025 figures on a carve out basis*

2

**Adj. EBITDA  
EUR 11.5m  
(12.8m)  
Adj. EBITA  
EUR 0.2m  
(2.6m)**

*\* 2025 figures on a carve out basis*

3

**Free cash flow in line with previous year excluding impact from demerger related payments and settlements**

*\* 2025 figures on a carve out basis*

# Key operational highlights of Q1 2026



**1**

**Measures to tackle difficult market conditions and sharp increase in diesel price to large extent implemented**

**2**

**Post-demerger activities are progressing as planned, TSA period is expected to conclude at the end of June**

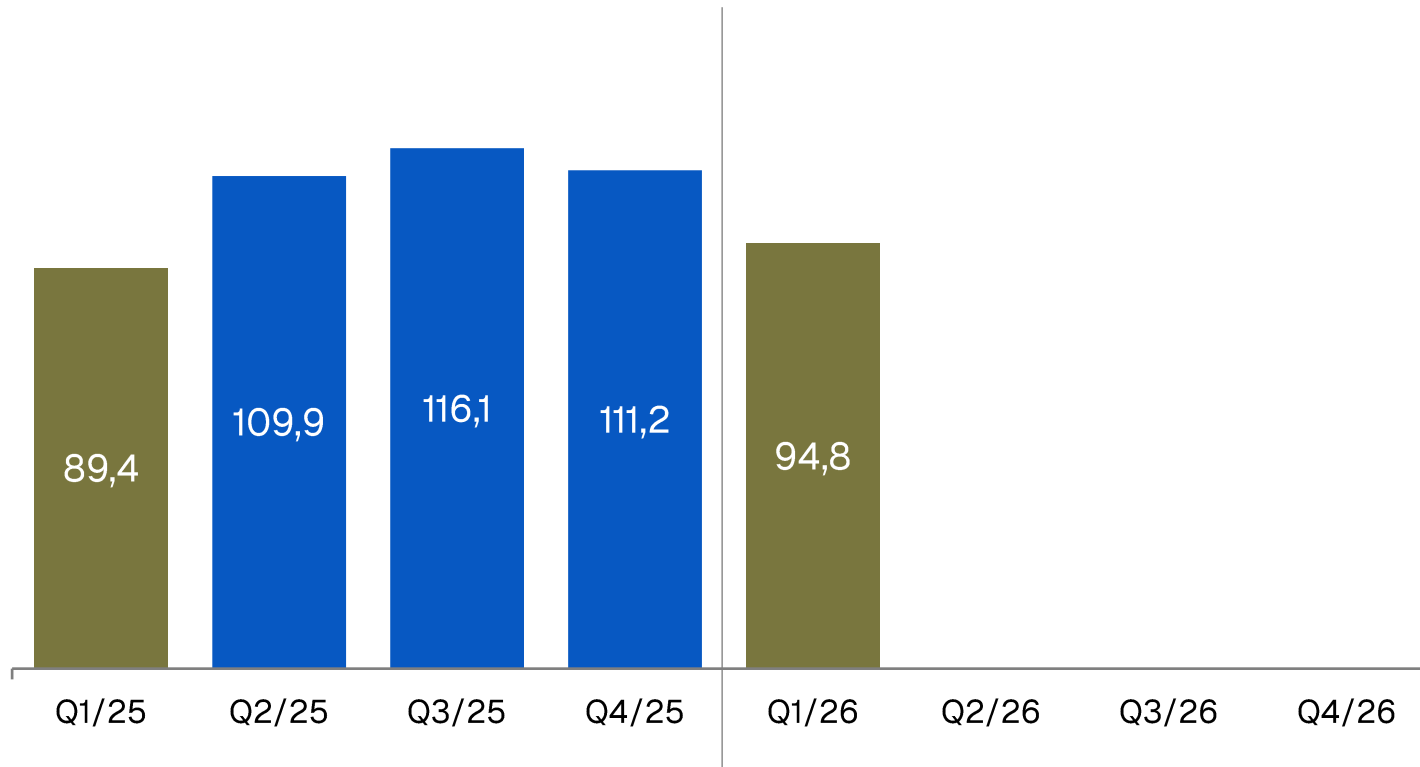
**3**

**Cost efficiency program on track**

# Net sales development 2025–2026

## Net Sales 2025–2026 by Quarter

EURm



Note: Figures presented for 2025 correspond to new L&T carve-out numbers



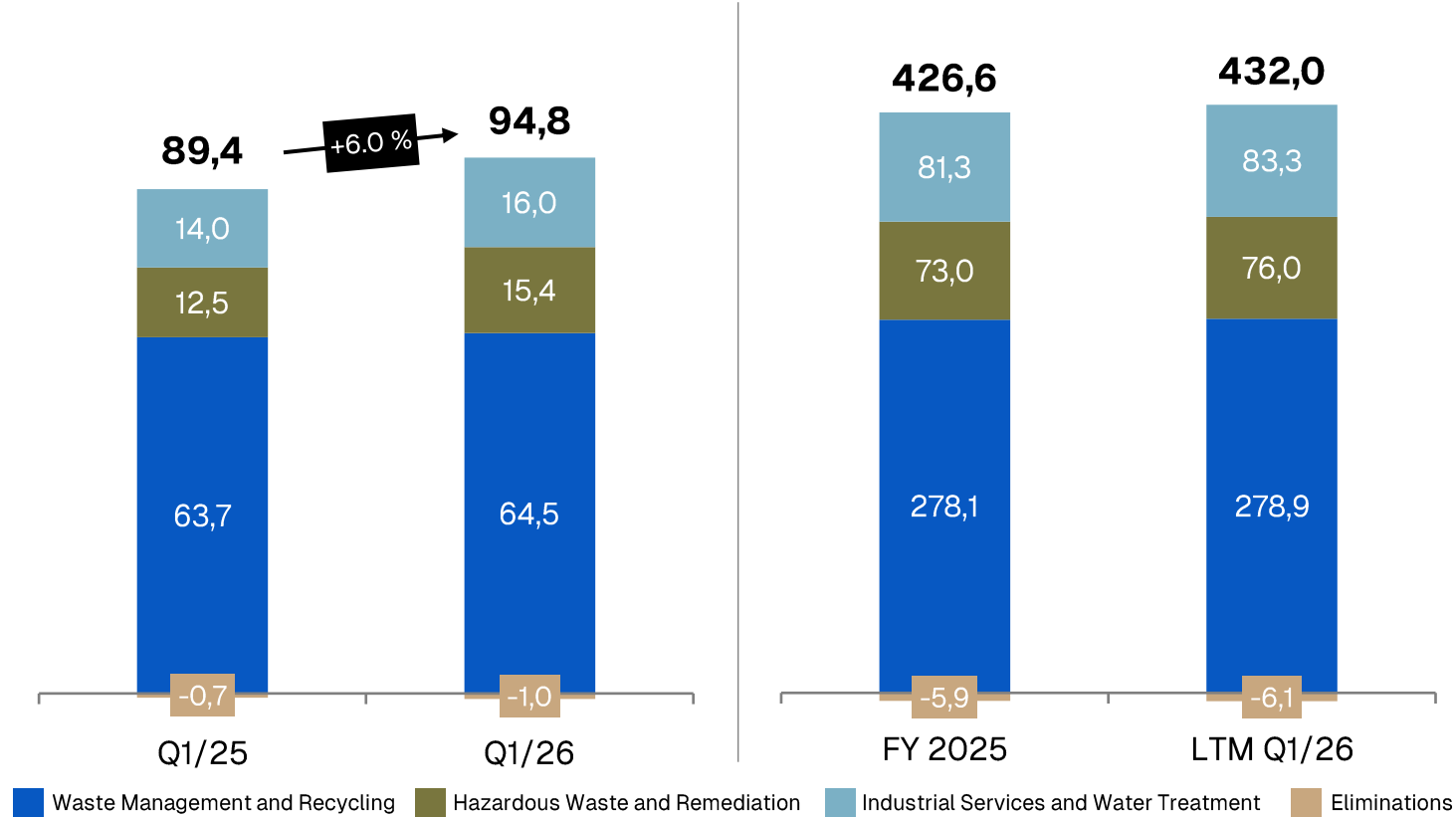
## Commentary

- Net sales for Q1 2026 amounted to EUR 94.8m (89.4), growth of 6.0% year-on-year
  - Organic growth was 2.0%
  - Net sales grew despite modest market development
- Net sales growth in Q1 represents a continuation of the positive growth momentum that started in the second half of 2025 (H2/2025 growth was 5.4% year-on-year)

# Net sales development by Service Area 2025–2026

## Net Sales 2025–2026 by Service Area

EURm



## Commentary

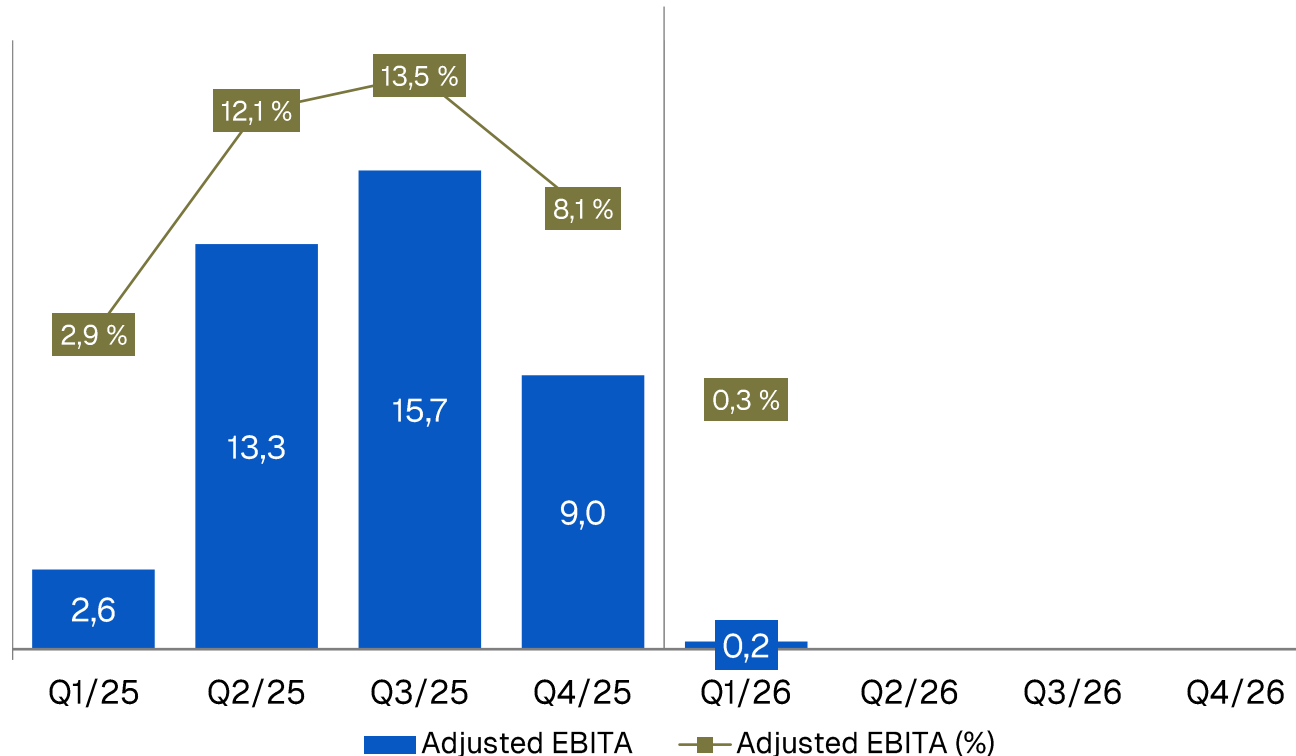
- Net sales in the Waste Management and Recycling increased by 1.2% and amounted to EUR 64.5m (63.7).
  - Challenging economic environment and decrease in material volumes
  - Net sales supported by growth in the pallet business following the acquisition
- Net sales in the Hazardous Waste and Remediation grew by 23.3% to EUR 15.4m (12.5).
  - Strong remediation project pipeline
  - Stable demand in hazardous waste
- Net sales in Industrial Services and Water Treatment grew by 14.3% to EUR 16.0m (14.0).
  - Growth predominantly organic, supported by acquisitions completed in Dec 2025



# Adjusted EBITA development 2025–2026

## Adjusted EBITA 2025–2026 by Quarter

EURm and as % of net sales, carve out figures



Note: Figures presented for 2025 correspond to new L&T carve-out numbers



## Commentary

- Adjusted EBITA for Q1 2026 was EUR 0.2m (2.6), or 0.3% (2.9) of net sales
- January–March 2026 profitability was affected by:
  - Decline in waste management volumes
  - EUR 0.5 million y-o-y increase in costs resulting from higher fuel prices
  - EUR 0.5 million y-o-y increase in amortisation related to the ERP system renewal investment
  - Profitability for Q1 was further weakened by higher waste treatment fees, driven by an oversupply of incinerable waste in the market

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# Finland: macroeconomic situation

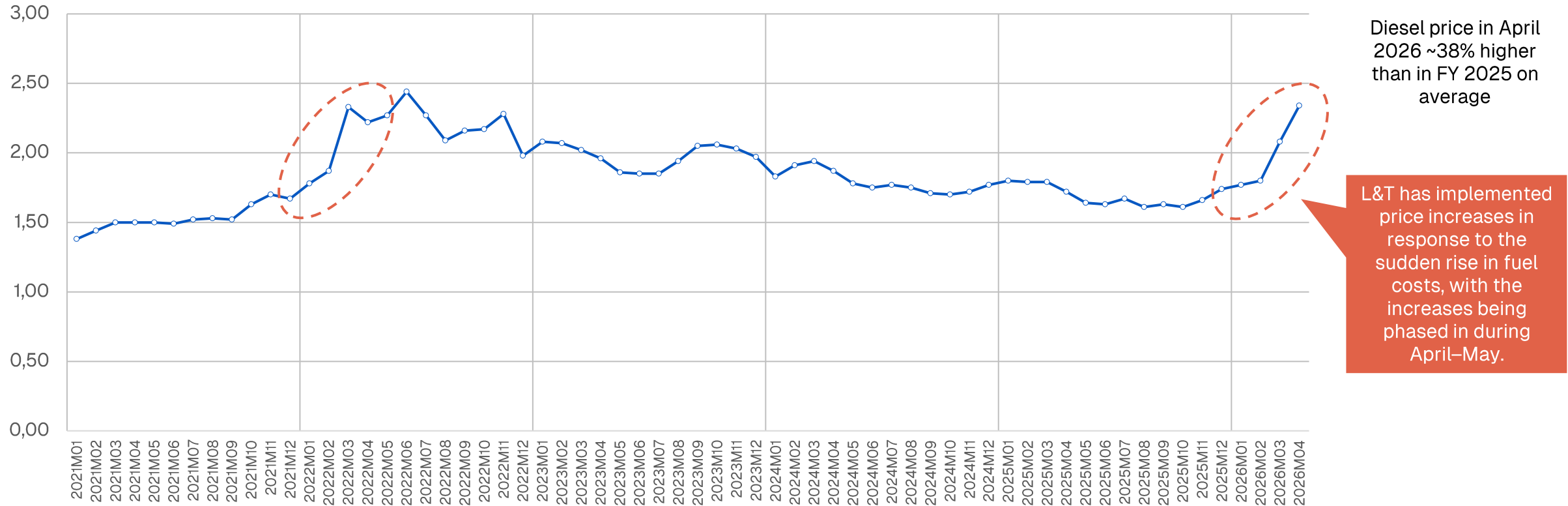
## Gradual recovery, but growth remains muted amid elevated uncertainty

- Economic growth resumed in late 2025, but the recovery remains slow and fragile
- GDP growth in 2026 is expected to remain modest, around 0.5–1.0%, with most forecasters revising projections downward during early 2026
- Economic recovery is delayed by geopolitical uncertainty and higher energy prices, driven by the Middle East crisis



# Sharp increase in fuel price since March 2026 due to the Middle East crisis – similar trend to early 2022

Average price development for diesel in Finland in 2021-26 (EUR per litre, with taxes)

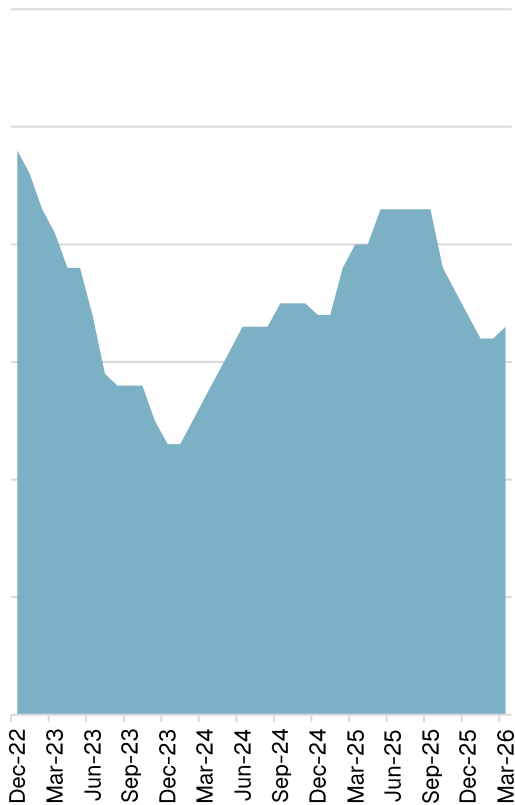


Source: Statistics Finland

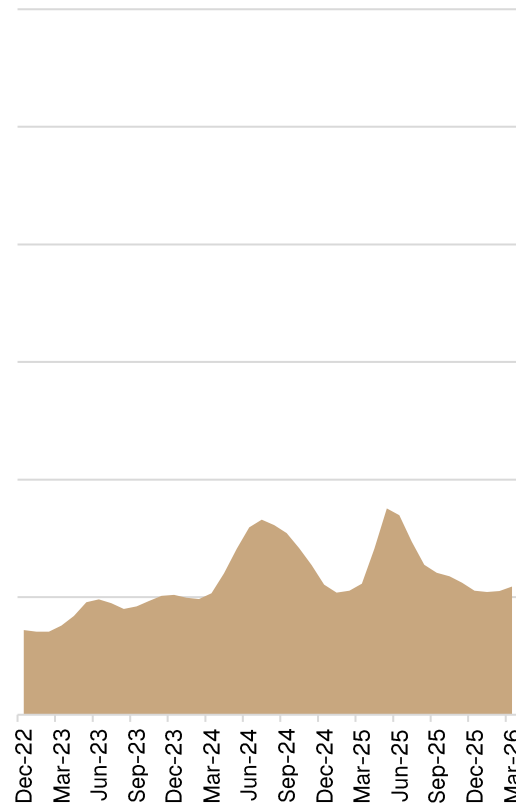


# Price development of selected recycled material indexes

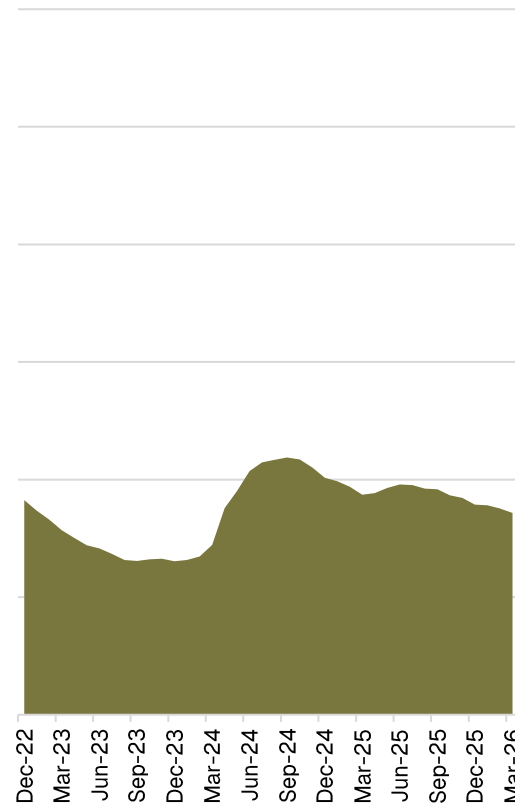
Recycled plastic films  
(€/t)



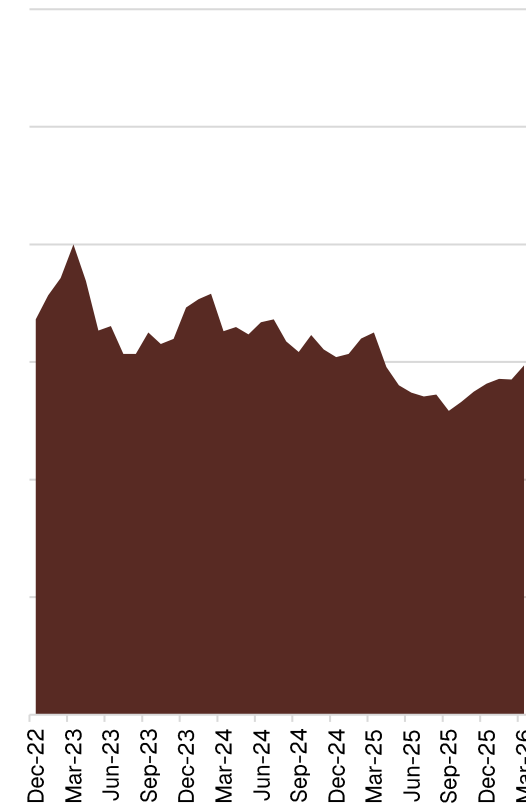
OCC / brown cardboard  
(€/t)



Recovered paper  
(€/t)



Mixed scrap metal  
(€/t)



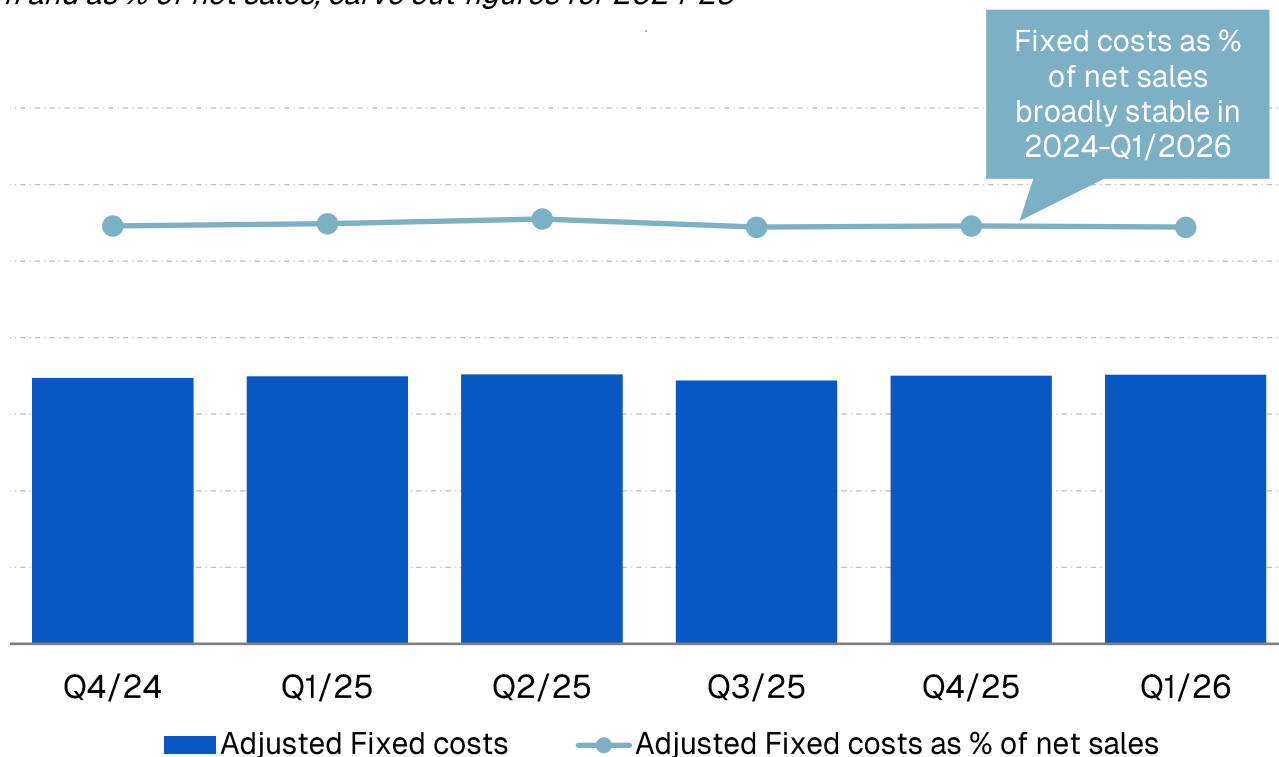
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# Fixed costs development 2024-26 (adjusted for IAC)

## Adjusted Fixed Costs 2024–2026 by Quarter (LTM)

EURm and as % of net sales, carve out figures for 2024-25



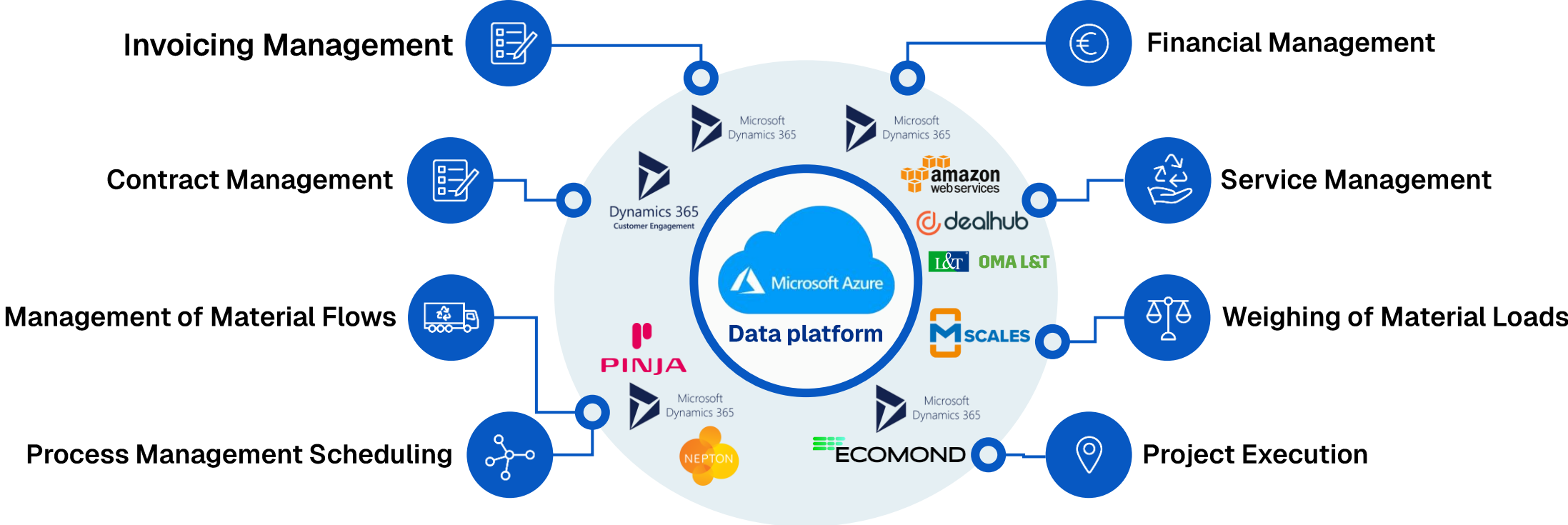
## Commentary

- L&T's LTM adjusted fixed cost base has remained largely unchanged both in absolute and relative terms in 2024-Q1/2026
- In Q1 2026, no major y-o-y increase in adjusted fixed costs regardless of increase in net sales and negative cost synergies following the demerger
- Cost efficiency measures to be continued going forward
- In addition, L&T has initiated a separate review aimed at improving gross margin of waste management

Note: Figures presented for 2024 and 2025 correspond to new L&T carve-out numbers. Fixed costs do not include depreciation and amortisation.

# Renewed IT infra enables a data-driven operating model

Over the past five years, L&T has invested EUR ~25m in ICT transformation



Amortisation burden from L&T's IT infrastructure peaks in 2026

Benefits from the new ERP are expected to gradually materialise towards the end of 2026



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# Sustainability scorecard

## Key sustainability highlights in Q1 2026



Carbon footprint  
kt CO<sub>2</sub>e

**4.7**  
(4.9)



Carbon handprint  
kt CO<sub>2</sub>e

**-102.2**  
(-113.0)



TRIF

**16.2**  
(28.3)



NPS

**44**  
(45)

## Commentary

- Positive safety development in Q1, TRIF decreased to 16 (28)
- Direct emissions decreasing ahead of schedule, focus of climate efforts shifted to eliminating emissions across the value chain
- Carbon handprint negatively impacted by continued decline in the volume of recycled paper
- L&T was one of the seven companies to establish Nature Business Network
- L&T provides employment opportunities for young people and is recruiting 250 summer employees

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# Highlights

1

**Positive development in net sales, profitability below previous year in a seasonally slow quarter**

2

**Stable development in financial position**

3

**Free cash flow in line with comparison period, excluding the impact from demerger related one-off payments**

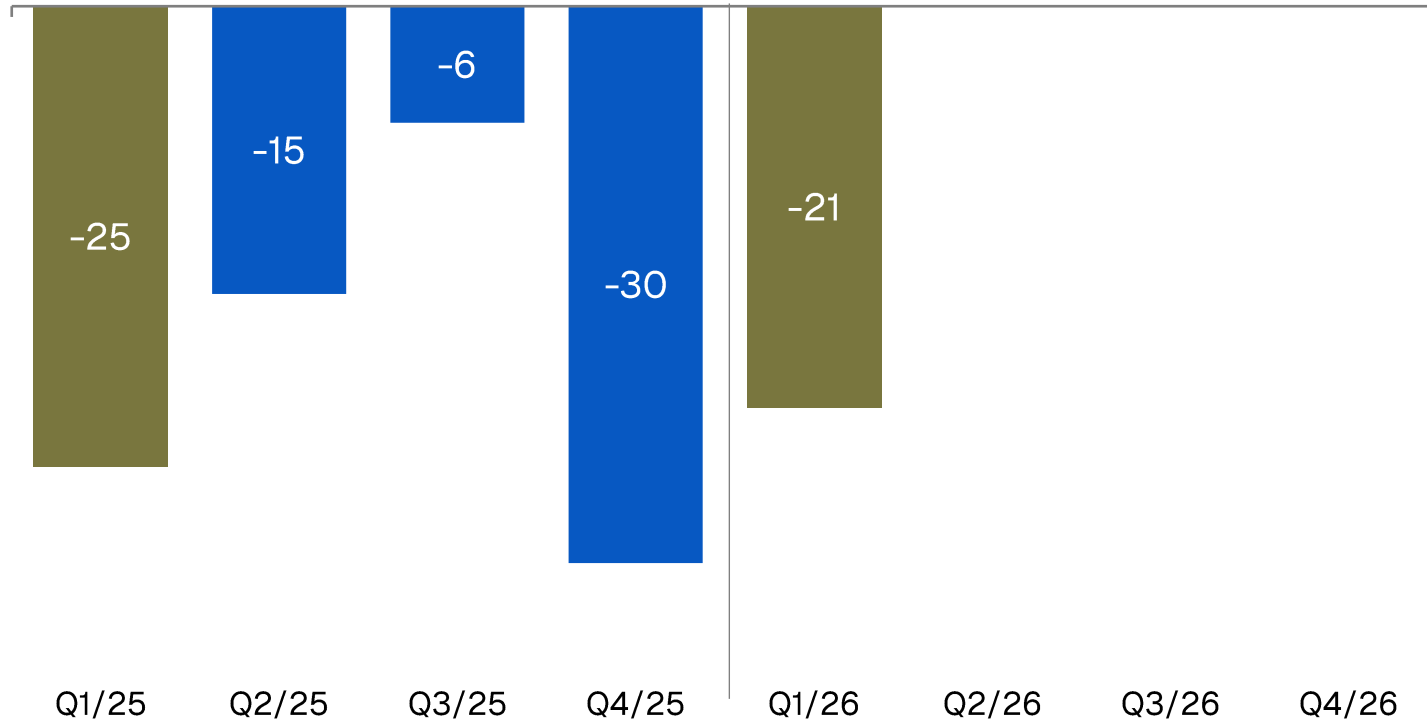
4

**Share of profit from Laania in line with previous year**

# Net working capital development 2025–2026

## NWC 2025 – 2026 by quarter

EURm, carve out figures for Q1/25 – Q3/25



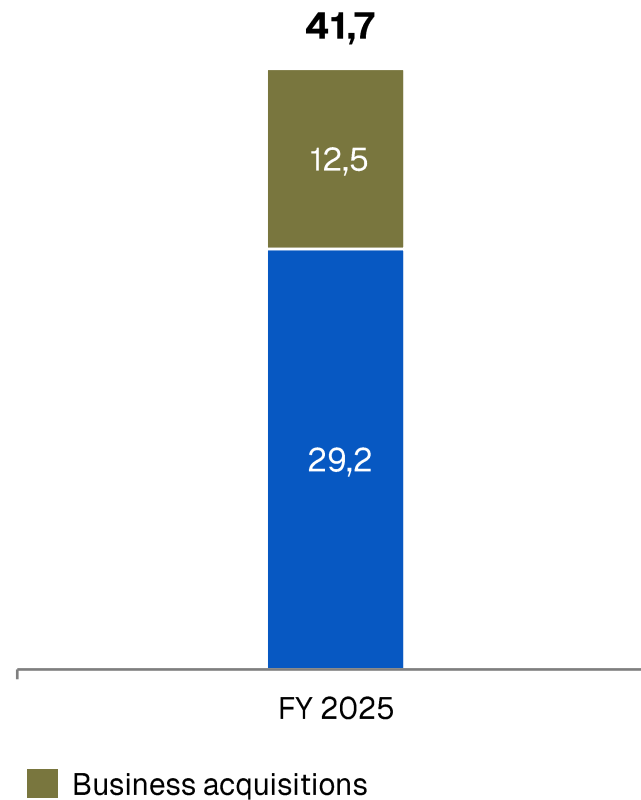
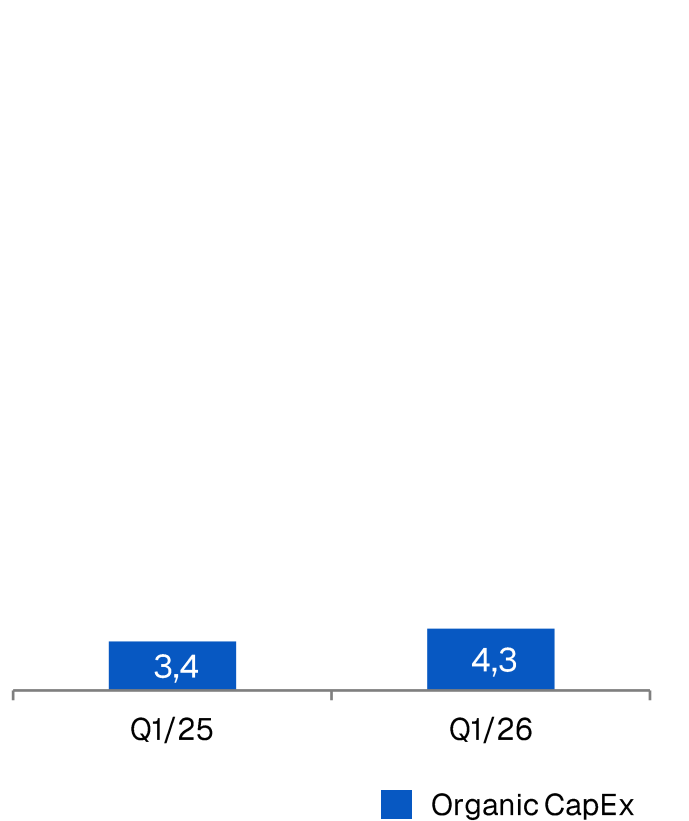
## Commentary

- NWC at the end of Q1 2026 amounted to EUR -21.5m (-24.6m), change of EUR +3.2m year-on-year
- NWC was tied up by EUR 8.3m in the first quarter, driven by partial demerger related payments to Luotea Plc (EUR 6.9m)
- In terms of seasonality, NWC expected to weaken in Q2-Q3 and to improve towards the year-end

# CapEx development 2025–2026

## CapEx 2025 – 2026 by quarter

EURm, carve-out figures for 2025



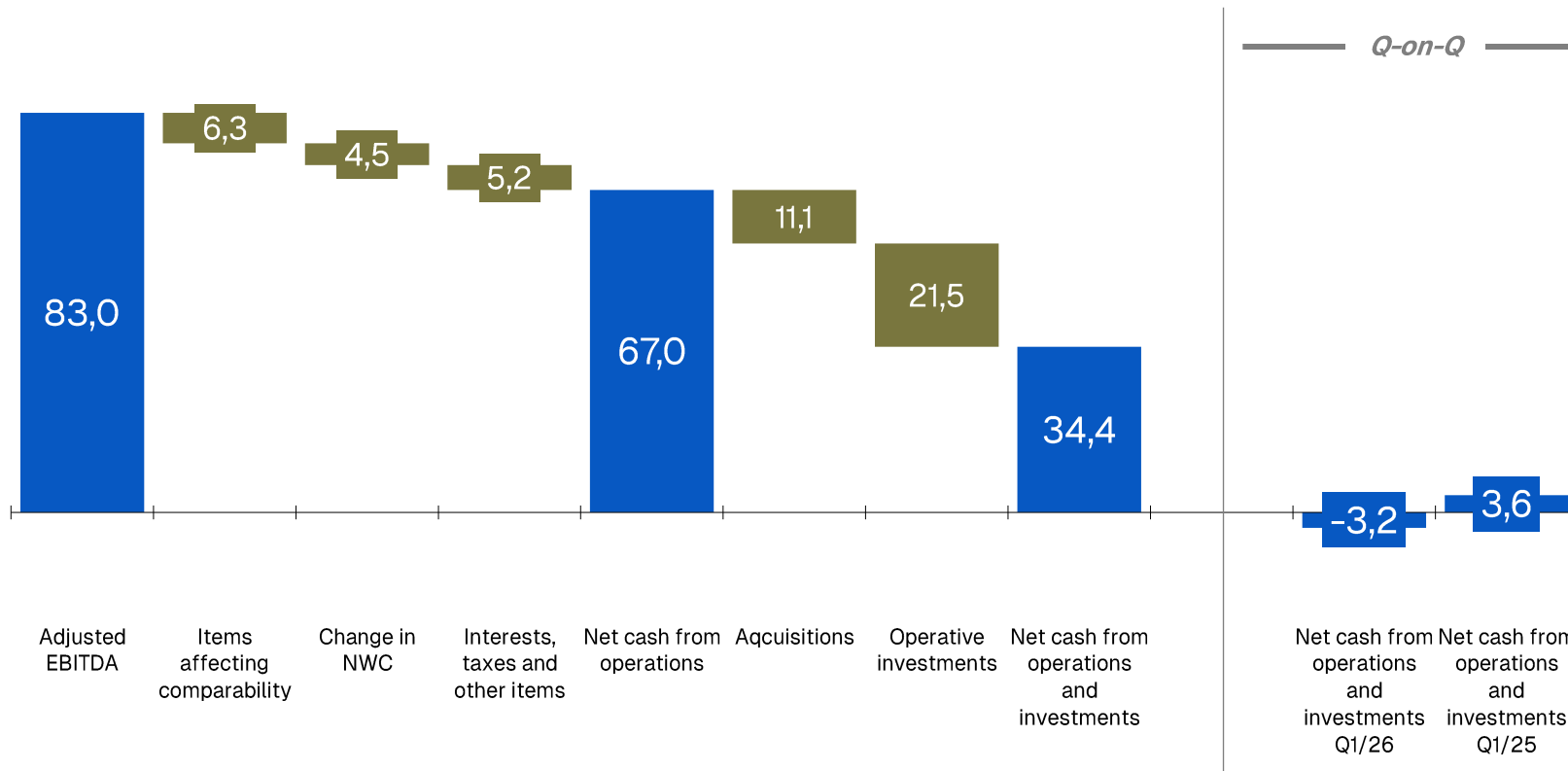
## Commentary

- In Q1 2026, capital expenditure amounted to EUR 4.3m (3.4m)
- CapEx in Q1 consisted primarily of investments in machinery and equipment
- In Q1 2026, depreciation and amortization in total amounted to EUR 11.8m (10.5m)
- In Q1, year-on-year increase of EUR 0.5m due to ERP related amortisation
- Capital expenditure in 2025 was EUR 41.7m, of which organic CapEx was EUR 29.2m

# Cash flow development 2025–2026

## Free cash flow bridge LTM Q1 2026

EURm



## Commentary

- In Q1 2026, net cash flow after investments EUR -3.2m (3.6), weakened by partial demerger related payments to Luotea Plc, totaling EUR 6.9m
- In Q1 2026, LTM net cash from operations EUR 67.0m and LTM net cash from operations after investments EUR 34.4m
- LTM free cash flow in relation to reported EBITDA ~45%

# Financial position as per 31 March 2026

## Balance sheet KPIs as per 31 March 2026



Net debt /  
Adjusted  
EBITDA

**1.9x**



Net interest-  
bearing debt

EUR

**161.5m**



Equity  
ratio

%

**35.1**



Gearing

%

**94.5**

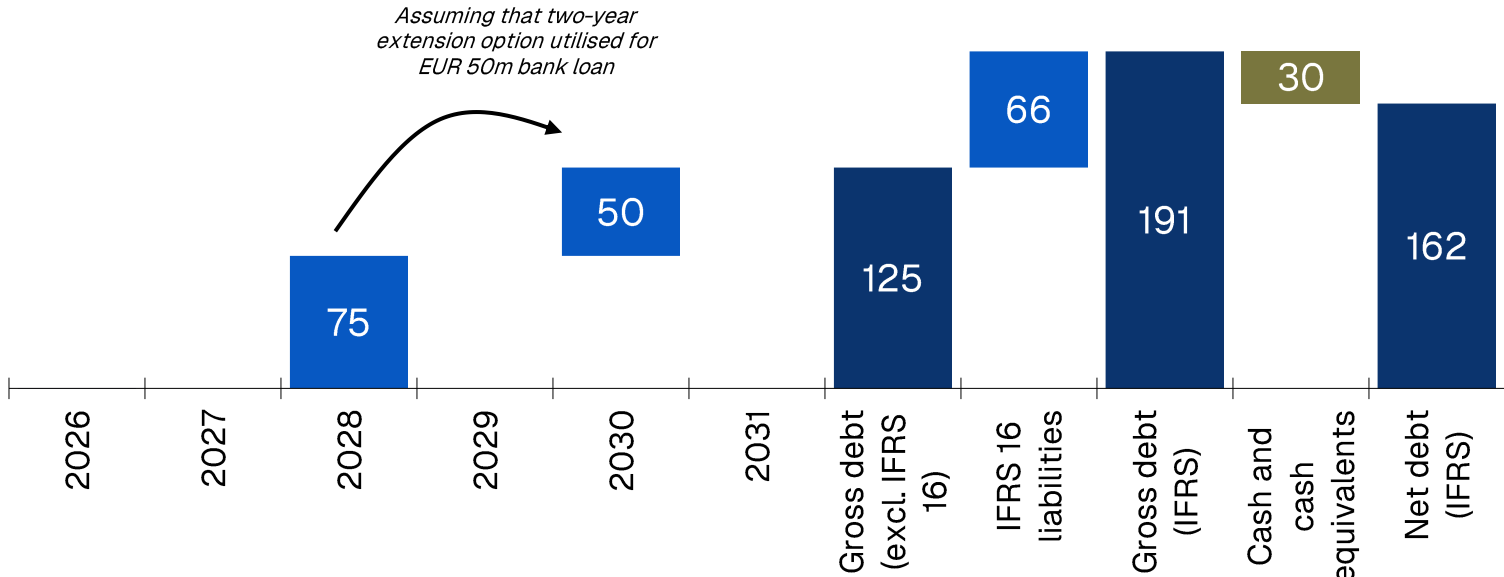
## Commentary

- Net debt / Adjusted EBITDA ratio at 1.9x at the end of March 2026
  - Net debt amounted to EUR 161.5m
  - Adjusted EBITDA on a rolling 12-month basis was EUR 83.0m
- Equity ratio was 35.1% and Gearing ratio 94.5%
- As for financial position, Q1/2025, Q2/2025 and Q3/2025 prepared on a carve-out basis → do not reflect the capital and financing structure of Lassila & Tikanoja

# Maturity structure of interest-bearing debt

## Maturity structure as per 31 Mar 2026

EURm



## Commentary

- Interest-bearing liabilities excluding IFRS 16 at EUR 125.1m
  - Bond EUR 75m due in 2028
  - Bank loan EUR 50m due in 2030 (2028 + two-year extension)
- Strong EUR 29.5m liquidity position at period-end
- Committed RCF of EUR 40m unused as per 31 Mar 2026
- The average interest rate of long-term loans, excluding lease liabilities, 3.2%



# Key performance indicators for Q1 2026

## KPIs for Q1 2026



ROCE-%

**9.3%**

~10.7%



ROE-%

**10.7%**

~14.4%



Share of profit  
from Laania  
EUR

**1.7m**

(1.7m)



EPS  
EUR

**-0.01**

## Commentary

- Reported ROCE for Q1 2026 was 9.3%, impacted by IAC and carve-out principles
  - Indicative ROCE adjusted for IAC and carve-out principles ~10.7%
- Reported ROE for Q1 2026 was 10.7%, impacted by IAC and carve-out principles
  - Indicative ROE adjusted for IAC and carve-out principles ~14.4%
- L&T's share of the profit from the joint venture Laania was EUR 1.7m (1.7).
- Earning per share for Jan-Mar 2026 was EUR -0.01 per share. EPS figures for 2025 not comparable, as L&T's external borrowings and the related net finance costs, among other items, have not been included in the carve-out financial information for 2025.

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**“In 2026, net sales are estimated to be EUR 420–450 million and adjusted EBITA EUR 38–44 million. In 2025, the company’s net sales amounted to EUR 426.6 million and adjusted EBITA was EUR 40.6 million (on a carve-out basis).”**

Outlook for 2026



I&ST