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Lassila & Tikanoja Half-Year Financial Report January-June 2026

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Today's presenters

Hautaniemi Eero

CEO

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CFO

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Key financial highlights of H1 2026

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

1

Net sales grew by 5.9% to EUR 211.1m, growth in all service areas

** 2025 figures on a carve out basis*

2

Adj. EBITDA EUR 32.8m (36.9m)

Adj. EBITA EUR 10.1m (15.9m)

** 2025 figures on a carve out basis*

3

Free cash flow in line with previous year on a comparable basis

** 2025 figures on a carve out basis*

Key operational highlights of H1 2026

1

Strong growth in Hazardous Waste and Remediation service area, 33.2% increase year-on-year

2

Strategy execution progressing as planned

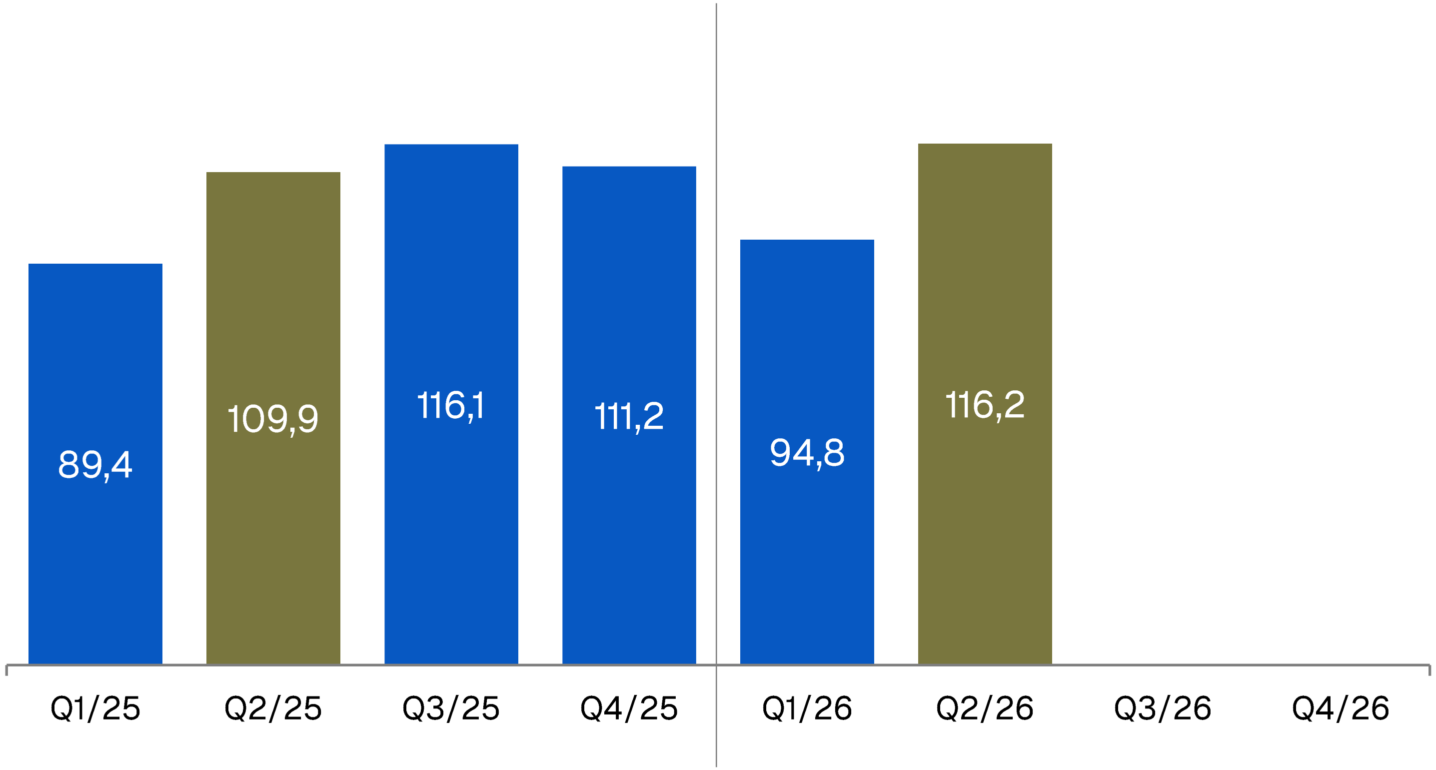
3

Corrective measures to improve performance in Waste Management on-going and expected to yield results in H2 2026

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

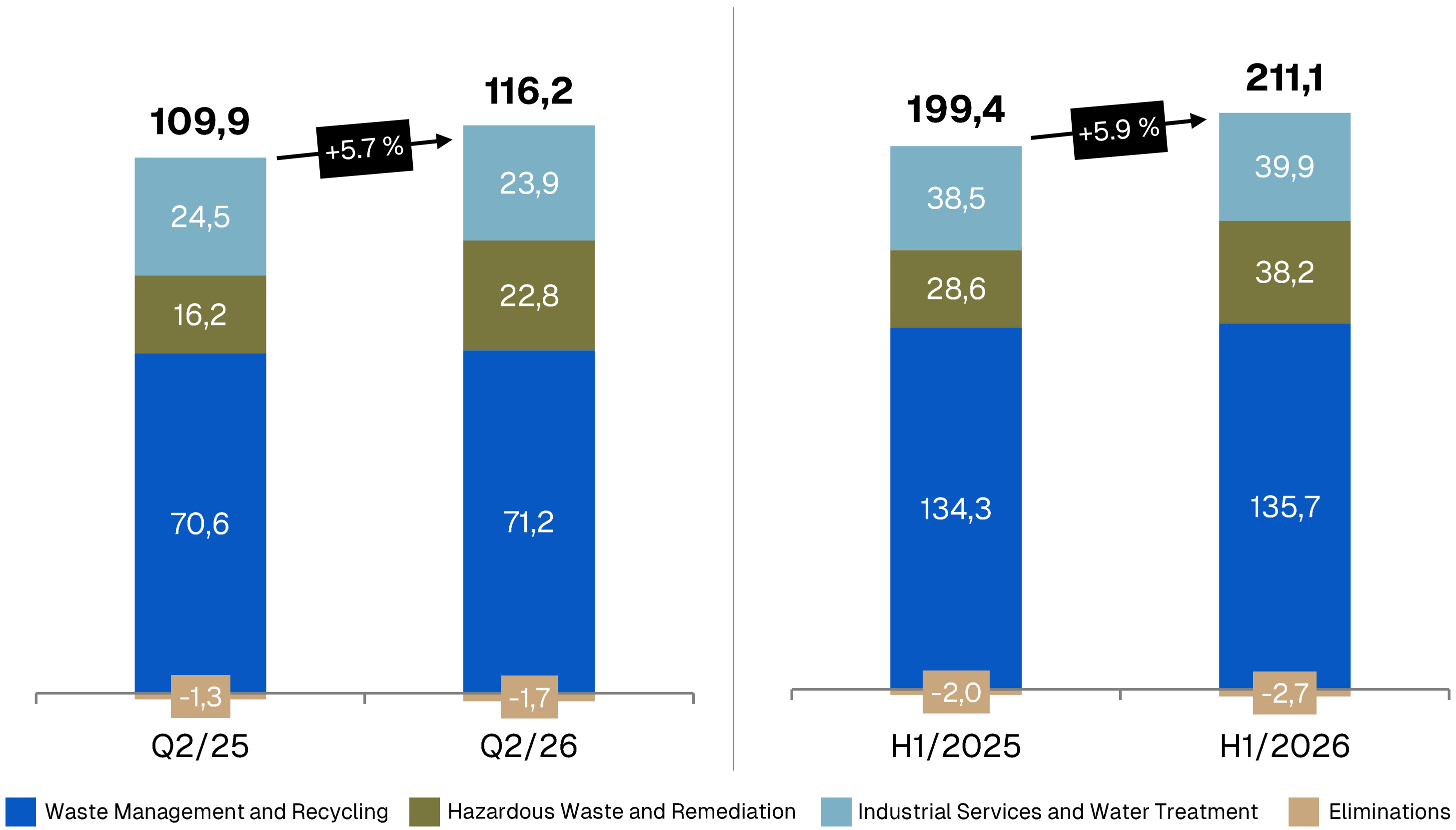
Commentary

- Net sales for H1 2026 amounted to EUR 211.1m (199.4), growth of 5.9% year-on-year
  - Organic growth was 2.8%
- Net sales for Q2 2026 amounted to EUR 116.2m (109.9), growth of 5.7% year-on-year
  - Organic growth was 3.5%
- Net sales growth in H1 2026 represents a continuation of the positive growth momentum that started in H2 2025

Net sales development by Service Area 2025–2026

Net Sales 2025–2026 by Service Area

EURm



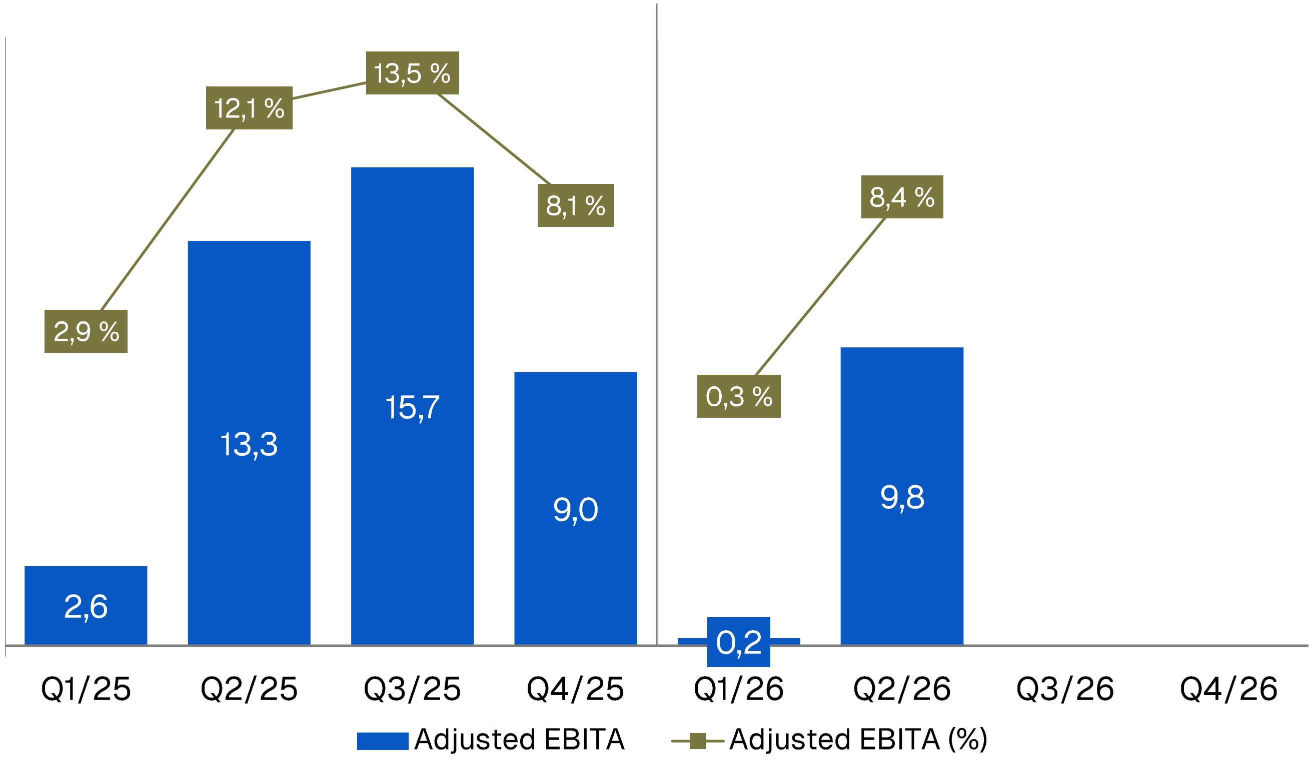
Commentary

- Net sales in the Waste Management and Recycling increased by 1.0% and amounted to EUR 135.7m (134.3).
  - Net sales supported by growth in the pallet business following the acquisition, but affected by challenging market conditions
- Net sales in the Hazardous Waste and Remediation grew by 33.2% to EUR 38.2m.
  - Strong remediation project pipeline
  - Stable demand in hazardous waste
- Net sales in Industrial Services and Water Treatment grew by 3.7% to EUR 39.9m (38.5).
  - Q2 net sales affected by timing of industrial maintenance shutdowns
  - In 2026, the maintenance shutdowns are more heavily weighted towards H2 than in 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 H1 2026 was EUR 10.1m (15.9), or 4.8% (8.0) of net sales
- Jan-Jun 2026 profitability was affected by:
  - EUR 3 million y-o-y increase in costs resulting from higher fuel prices
  - Increase in gate fees for waste-to-energy, driven by an oversupply of incinerable waste in the market
  - EUR 0.8 million y-o-y increase in amortisation related to the ERP system renewal investment
  - Decline in waste management volumes

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Finland: macroeconomic situation

Recovery gaining traction despite continued uncertainty

- Economic activity continued to recover during H1 2026 following a return to growth in late 2025
- Finnish GDP is forecast to grow by approximately 1% in 2026, with a stronger recovery expected from 2027 onwards
- Industrial activity is gradually improving, while construction activity remains subdued
- Higher energy prices and geopolitical uncertainty remain key downside risks

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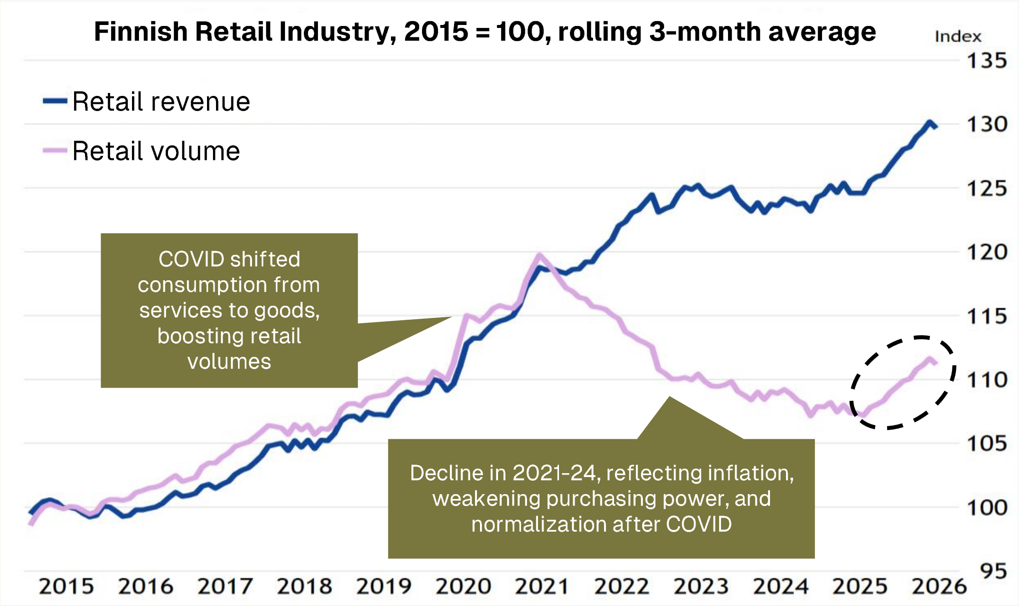
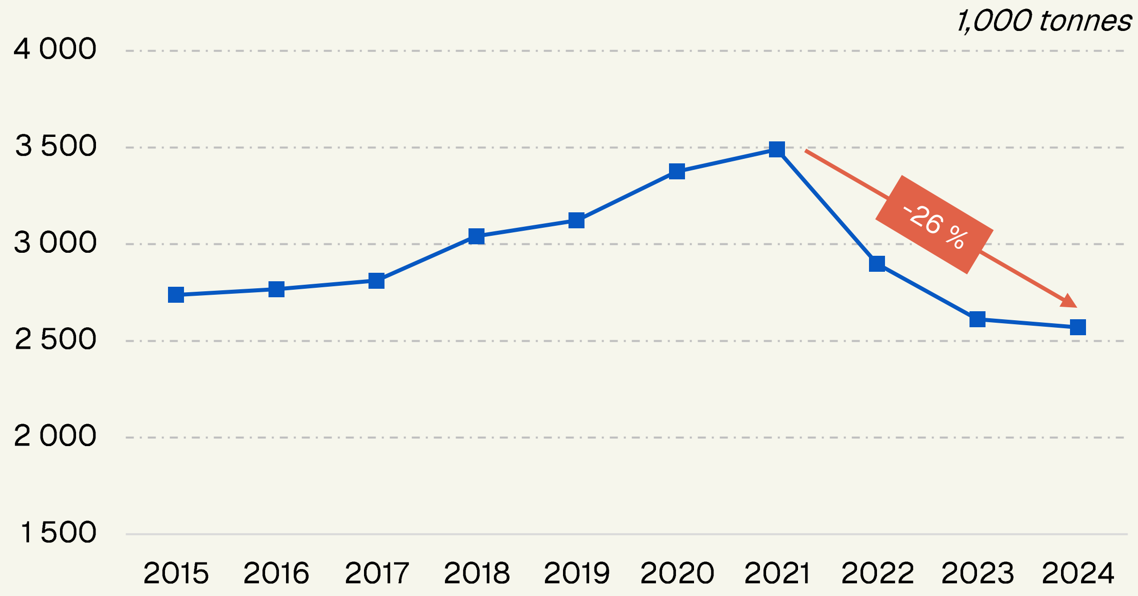
Positive signs of recovery in Finnish retail volumes likely to support future waste volume development

Finnish Retail industry



Finnish retail volumes peaked in 2021, followed by a clear downshift in 2022–2025.

Municipal Solid Waste (MSW) in Finland

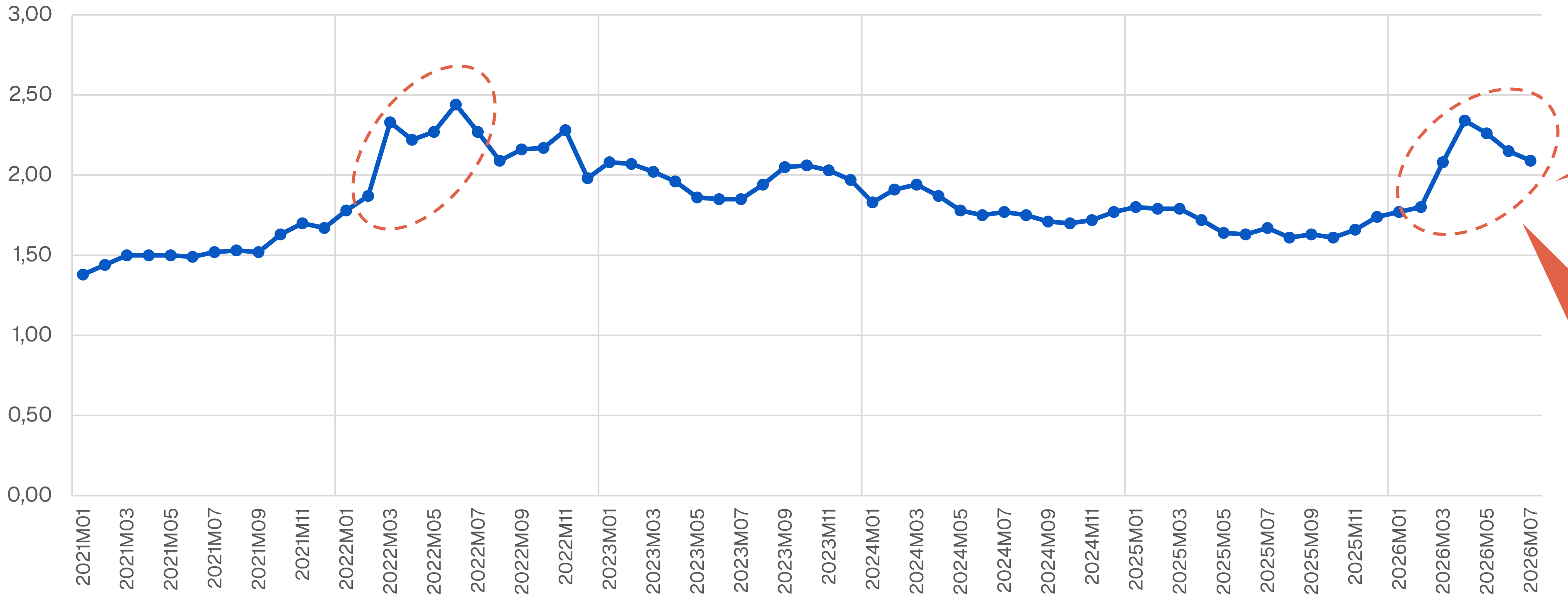


Between 2021 and 2024, MSW volumes have contracted by 26%, falling from peak in 2021 to the trough reached in 2024.

Source: Statistics Finland

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)



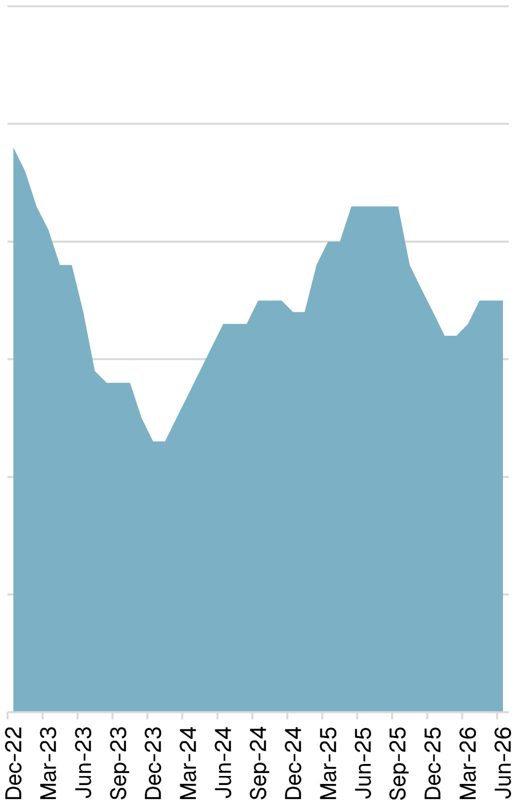
Diesel price in Q2 2026 ~35% higher year-on-year ➔ L&T has implemented several price increases during Q2 2026

However, compared to 2022, the effectiveness of pricing actions has been slower and less comprehensive, resulting in a temporary margin impact

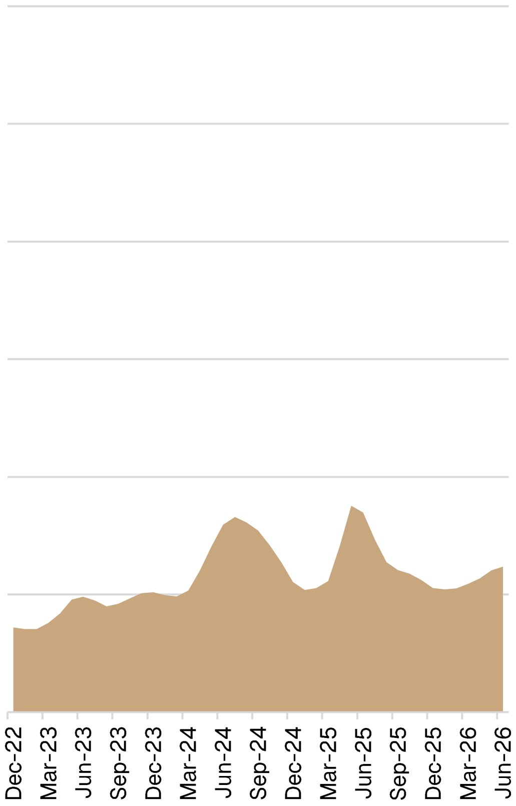
Source: Statistics Finland

Price development of selected recycled material indexes

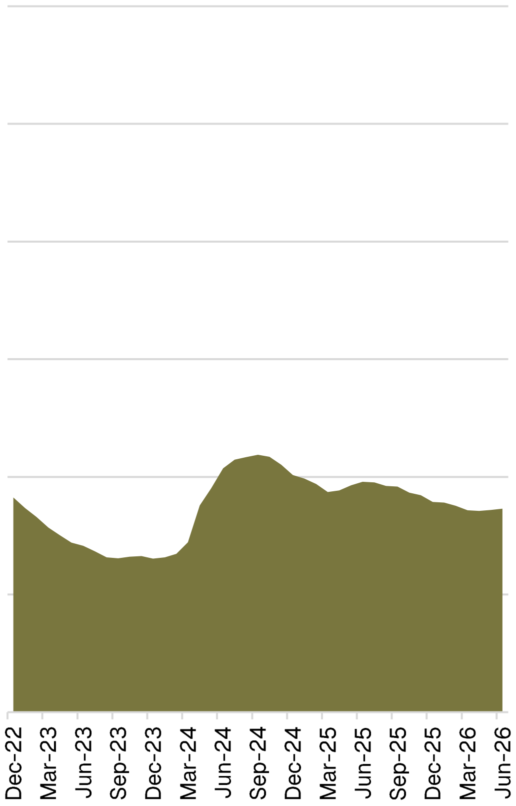
Recycled plastic films (€/t)



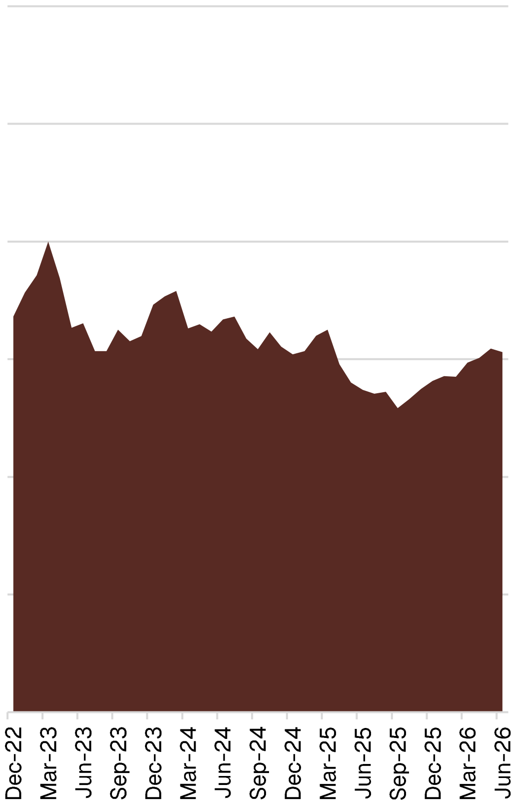
OCC / brown cardboard (€/t)



Recovered paper (€/t)



Mixed scrap metal (€/t)



Key developments in the regulatory environment

Fair competition

- Finnish government published its proposal for necessary reforms to the Waste Act to promote fair competition and CE market
- The limit for in-house sales will be tightened from the current 10% to 5% / 500,000 euros
- Municipal waste companies' opportunities to operate in the market will be limited by tightening the criteria for secondary waste management liability (TSV)
- Obligation to tender services
- Dividend distribution possibilities for municipal waste companies more limited

Measures to promote recycling

- Finnish government has published several initiatives to promote recycling
- Ban on collecting recyclable waste as energy waste
- Tightening requirements for separate collection of bio and packaging waste
- Expansion of the waste tax base
- Tax base expansion is estimated to increase the amount of taxable waste by 350,000 tons (current amount is less than 100,000 tons)

ETS review promotes circular economy

- EU commission proposal integrates CE solutions more strongly into climate change mitigation
- Extension of the ETS to non-hazardous waste incineration and co-incineration installations from 2031
- Proposal introduces monitoring, reporting and verification (MRV) requirements for non-hazardous landfills and expands the use of ETS revenues to support waste prevention, reuse, recycling and other measures higher up the waste hierarchy
- Carbon capture and carbon removal solutions will be integrated into ETS

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Growth strategy execution progressing as planned

	1 Strengthen position in current service markets	2 Geographical expansion in Sweden	3 Waste-to-value and remediation growth
Organic growth	New significant customer wins from H2 onwards PEEÄSSÄ KEULA SATAKUNTA	Expansion of Finnish-origin blast cleaning and higher annual maintenance activity	Kerava recycling plant Kuopio circular economy plant
Inorganic growth	Reinikka sewer maintenance services Stena pallet recycling services	Acquisition of the remaining shares in SVB Acquisition of Recond Concept	Expansion of Merikarvia plastic recycling plant

Long-term target: Average annual growth exceeding 6%

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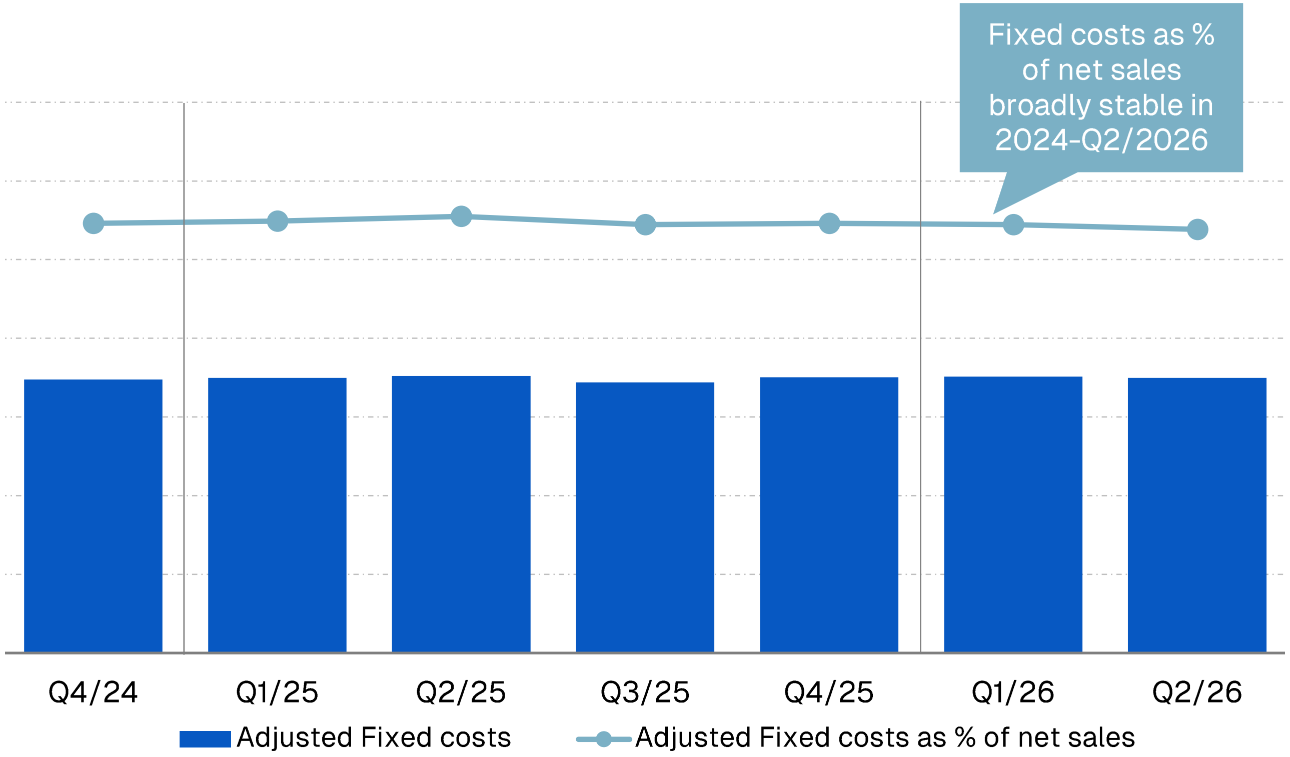
Fixed costs development 2024-26 (adjusted for IAC)

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-Q2/2026
- In H1 2026, a slight decrease in adjusted fixed costs y-o-y regardless of increase in net sales and negative cost synergies following the demerger
- In July 2026, L&T concluded change negotiations, which will result in up to 20 employees having their employment terminated and up to 420 employees being temporarily laid off for 14 or 30 days
- Cost efficiency measures to be continued going forward

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

Transformation program in Waste Management

KEY COMPONENTS OF THE PROGRAM

1 Commercial Excellence

- More focused and efficient sales organization
- Improved customer acquisition and retention

2 Operational Efficiency

- Route optimization
- Improved fleet utilization
- Improved workforce productivity
- Standardised operating practices

3 Performance Management

- Stronger performance management model across organisation
- Enhanced productivity monitoring and accountability

4 Lean and Agile Organisation

- Flatter organisational structure
- Faster decision-making and execution
- Increased management effectiveness

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Sustainability scorecard

Key sustainability highlights in H1 2026

Carbon footprint kt CO_2e	Carbon handprint kt CO_2e	TRIF	Recycling rate %
9.8	**-188.4**	**18.1**	**58.2**
(9.9)	(-194.2)	(24.4)	(61.7)

Commentary

- Positive safety development in H1, TRIF decreased to 18 (24)
- Direct emissions continued to decrease year-on-year
- Carbon handprint negatively impacted by continued decline in the volume of recycled paper
- The recycling rate is not fully comparable with the comparison period due to the renewal of the ERP system
- There have been no significant changes in the development of material flows directed to recycling

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Highlights

1. Net sales growth continued, profitability impacted by Waste Management headwinds

2. Strong balance sheet maintained despite seasonal increase in net debt

3. Adjusted for comparability, free cash flow in line with comparison period

4. Share of profit from Laania in line with previous year

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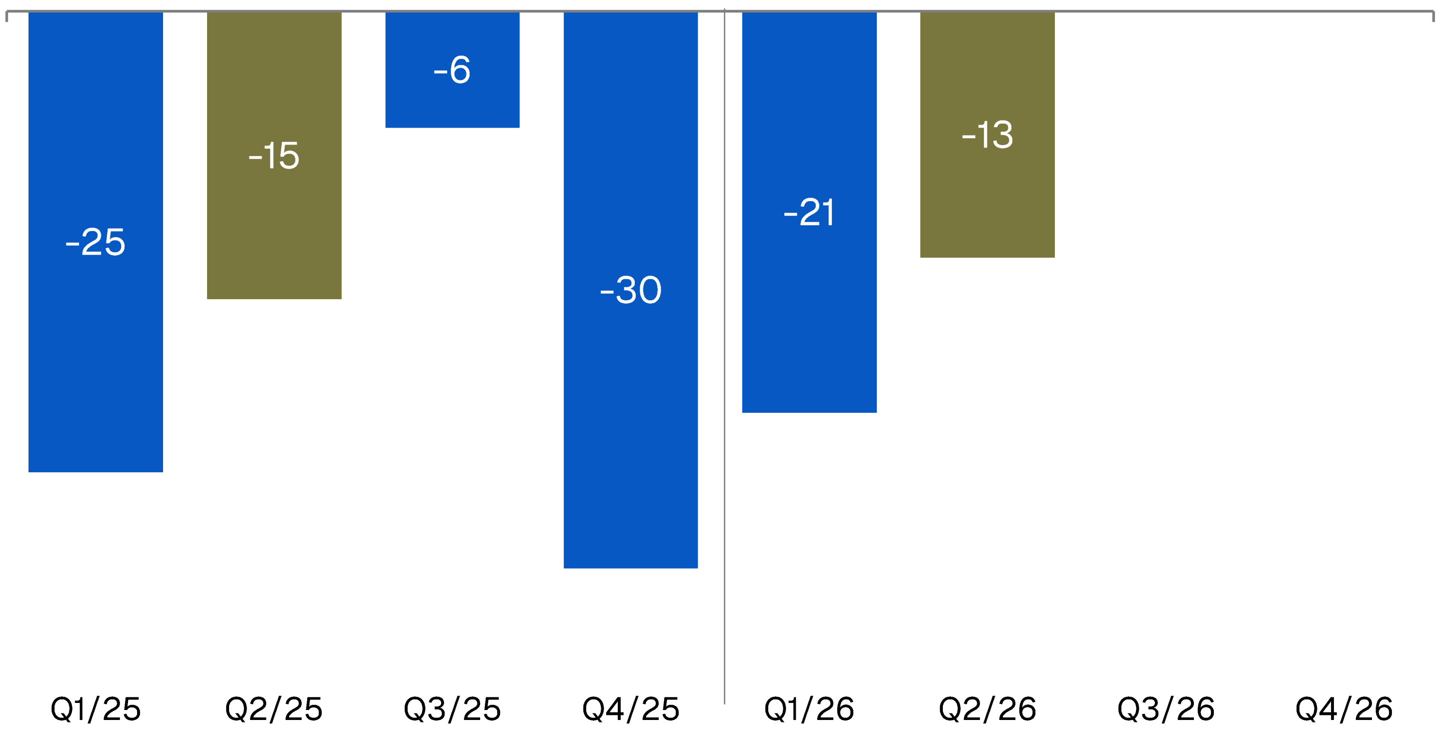
Net working capital development 2025–2026

NWC 2025 – 2026 by quarter

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



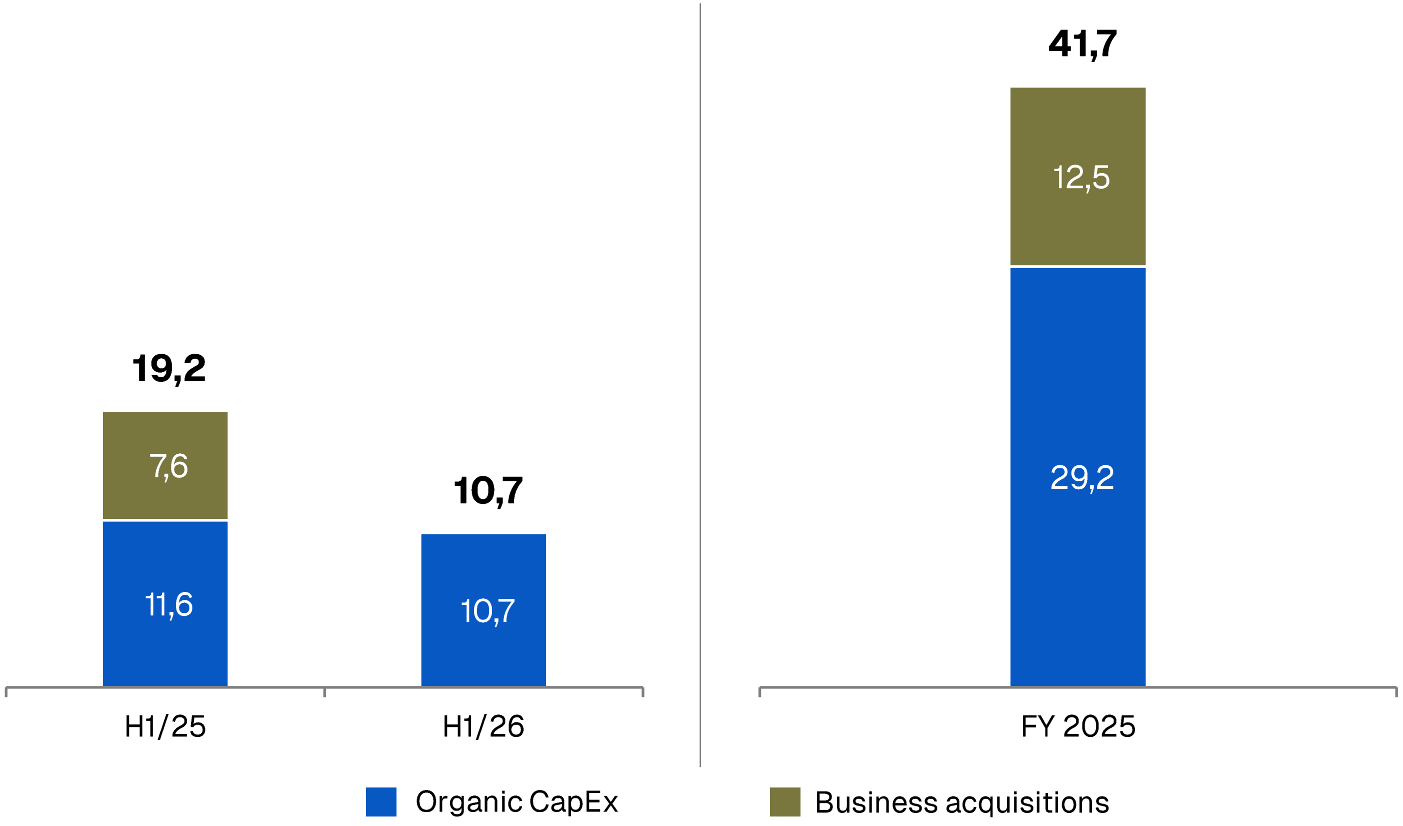
Commentary

- NWC at the end of Q2 2026 amounted to EUR -13.2m (-15.4m), change of EUR +2.2m year-on-year
- NWC was tied up by EUR 16.6m (13.1m) in January-June 2026, affected by partial demerger related one-off payments to Luotea Plc (EUR 5.9m)
- In terms of seasonality, NWC expected to improve towards the year-end

CapEx development 2025–2026

CapEx 2025 – 2026

EURm, carve-out figures for 2025



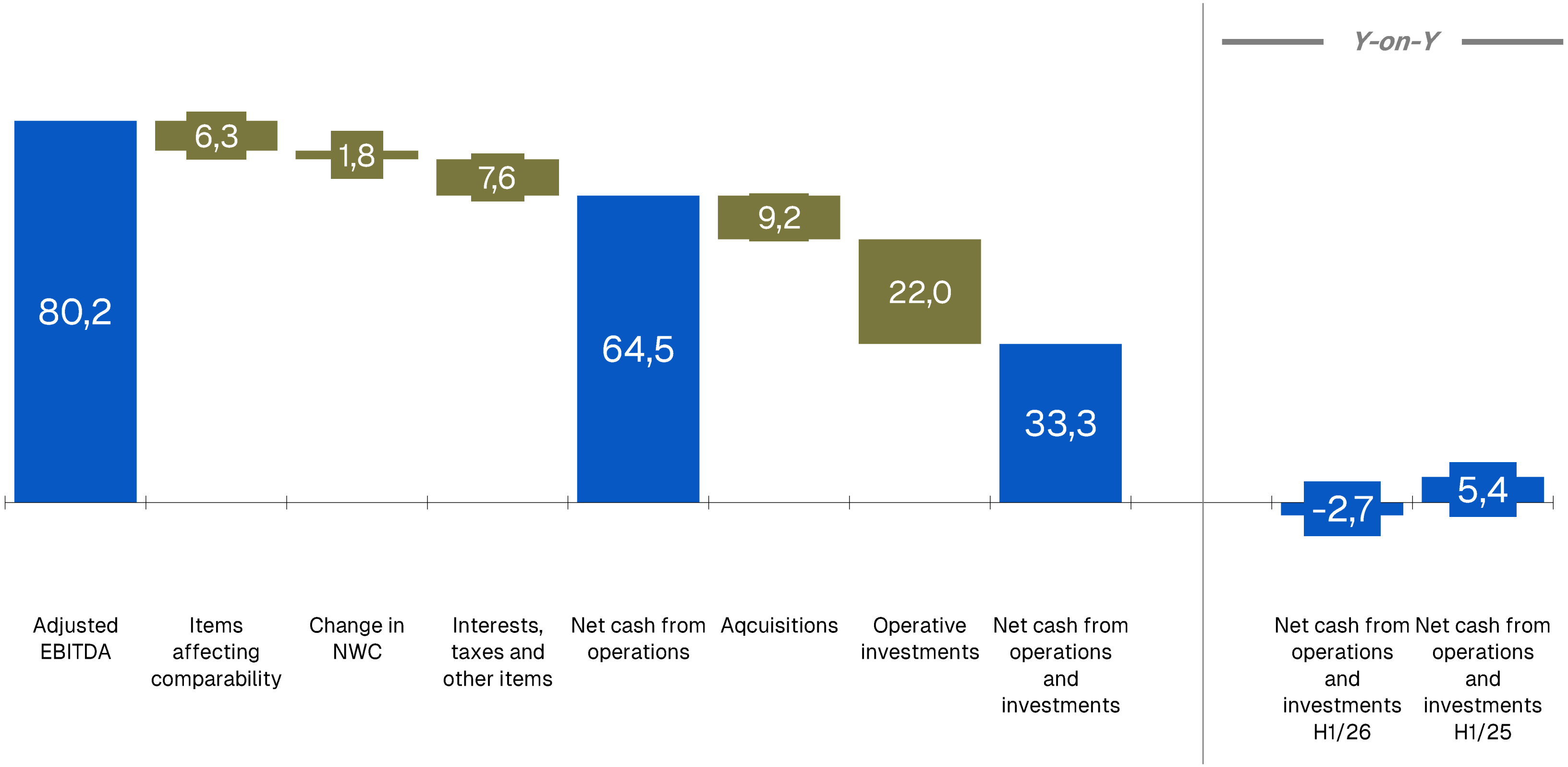
Commentary

- In H1 2026, capital expenditure amounted to EUR 10.7m (19.2m), organic CapEx somewhat below previous year
- CapEx in H1 consisted primarily of investments in machinery and equipment
- In H1 2026, depreciation and amortization in total amounted to EUR 23.9m (21.8m)
- In H1 2026, year-on-year increase of EUR 0.8m 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 Q2 2026

EURm



Commentary

- In H1 2026, net cash flow after investments EUR -2.7m (5.4), weakened by partial demerger related one-off payments to Luotea Plc, totaling EUR 5.9m
- Taking into account these one-off payments as well as the interest payments on financing loans that were not included in 2025 carve-out cash flow, free cash flow in line with previous year
- In Q2 2026, LTM net cash from operations EUR 64.5m and LTM net cash from operations after investments EUR 33.3m
- LTM free cash flow in relation to reported EBITDA ~45%

Financial position as per 30 June 2026

Balance sheet KPIs as per 30 June 2026

Net debt / Adjusted EBITDA	Net interest-bearing debt	Equity ratio	Gearing
	EUR	%	%
2.1x	171.1m	32.9	106.9

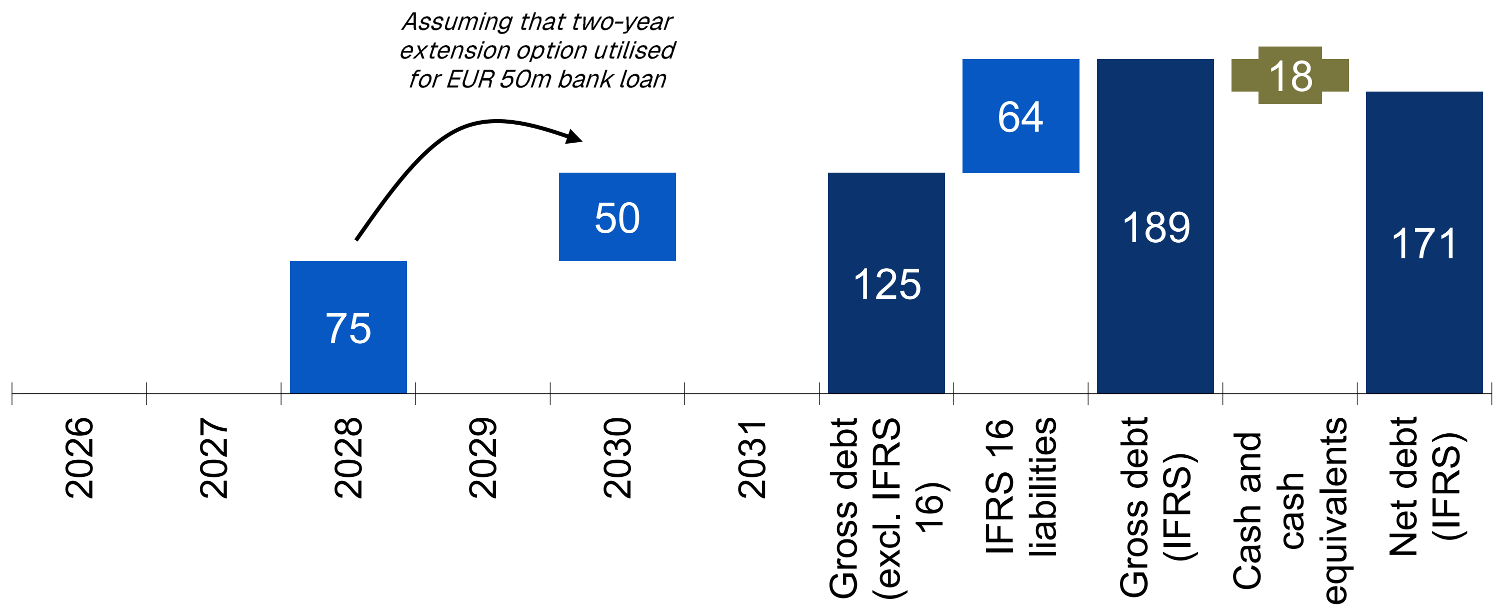
Commentary

- Net debt / Adjusted EBITDA ratio at 2.1x at the end of June 2026
  - Net debt amounted to EUR 171.1m
  - Adjusted EBITDA on a rolling 12-month basis was EUR 80.2m
- Equity ratio was 32.9% and Gearing ratio 106.9%, affected by FY2025 dividend recognized in Q2 2026
- 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 30 June 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, first of which was utilized in Q2)
- Cash and cash equivalents EUR 18.3m at period-end
- Committed RCF of EUR 40m unused as per 30 June 2026
- The average interest rate of long-term loans, excluding lease liabilities, 3.3%

Key performance indicators for H1 2026

KPIs for January-June 2026

ROCE-%	ROE-%	Share of profit from Laania EUR	EPS EUR
8.4%	9.1%	1.3m	0.12
~10%	~13%	(1.2m)	

Commentary

- Reported ROCE for Q2 2026 was 8.4%, impacted by IAC and carve-out principles
  - Indicative ROCE adjusted for IAC and carve-out principles ~10%
- Reported ROE for Q2 2026 was 9.1%, impacted by IAC and carve-out principles
  - Indicative ROE adjusted for IAC and carve-out principles ~13%
- L&T's share of the profit from the joint venture Laania was EUR 1.3m (1.2).
- Earning per share for Jan-Jun 2026 was EUR 0.12 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 33–38 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 (revised on 14 July 2026)


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