



Lassila & Tikanoja Interim Report January–September 2026

Eero Hautaniemi, President & CEO

Joni Sorsanen, CFO

28 October 2026



Today's presenters



**Hautaniemi
Eero**

CEO



**Sorsanen
Joni**

CFO

Contents

- 1 Highlights
- 2 Market environment
- 3 Efficiency & Operations
- 4 Sustainability
- 5 Financials
- 6 Outlook

Contents

- 1 Highlights
- 2 Market environment
- 3 Efficiency & Operations
- 4 Sustainability
- 5 Financials
- 6 Outlook

Key financial highlights of January–September 2026

Profitability recovered in the third quarter, approaching the prior-year level

1

Net sales grew by 4.1% to EUR 328.5m, growth particularly in Hazardous Waste and Remediation

** 2025 figures on a carve out basis*

2

**Adj. EBITDA
EUR 59.5m
(64.0m)
Adj. EBITA
EUR 25.2m
(31.6m)**

** 2025 figures on a carve out basis*

3

Free cash flow improved year-on-year on a comparable basis

** 2025 figures on a carve out basis*

Key operational highlights of January–September 2026

1

Strong growth in Hazardous Waste and Remediation service area, 20.7% increase y-o-y

2

Corrective measures to improve performance in Waste Management on-going and yielding results

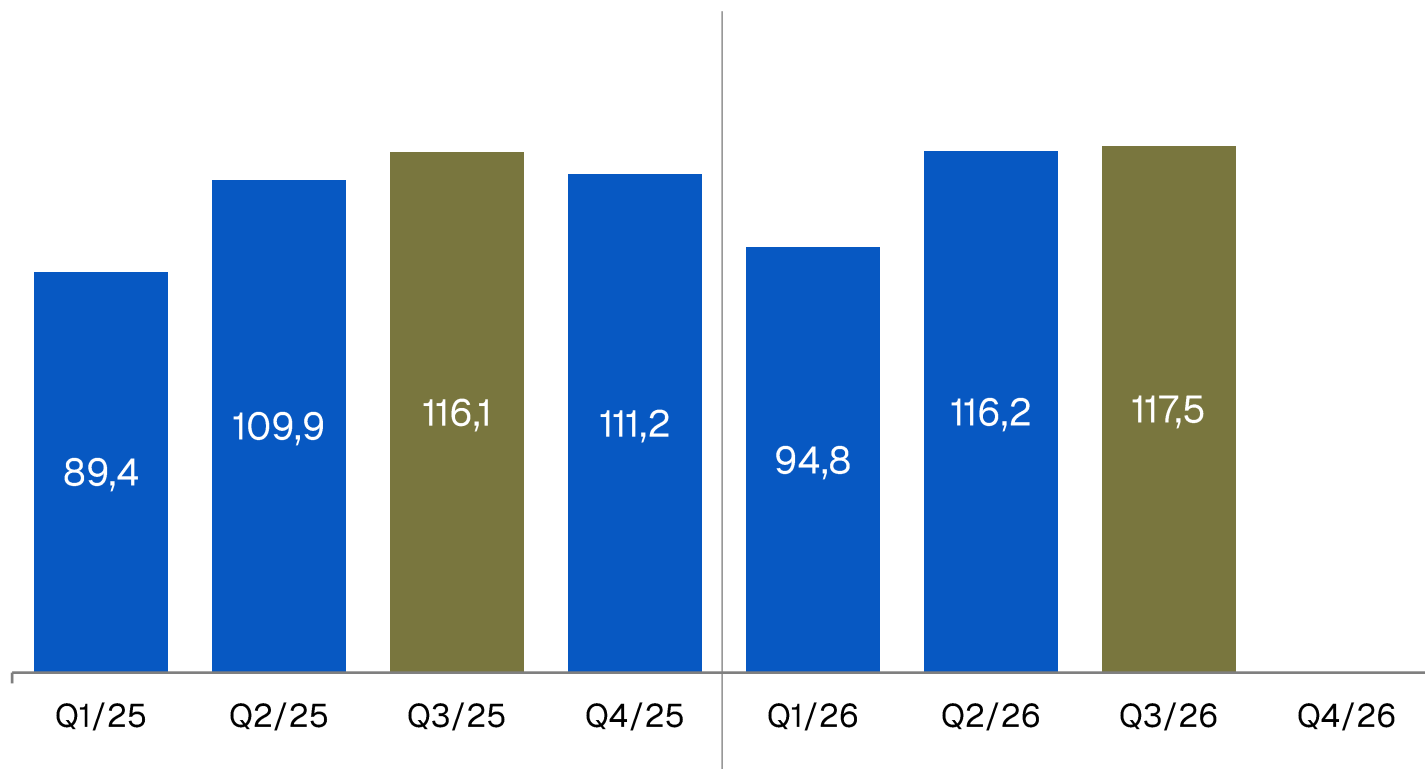
3

Growth initiatives related to waste-to-material progressing according to plan

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

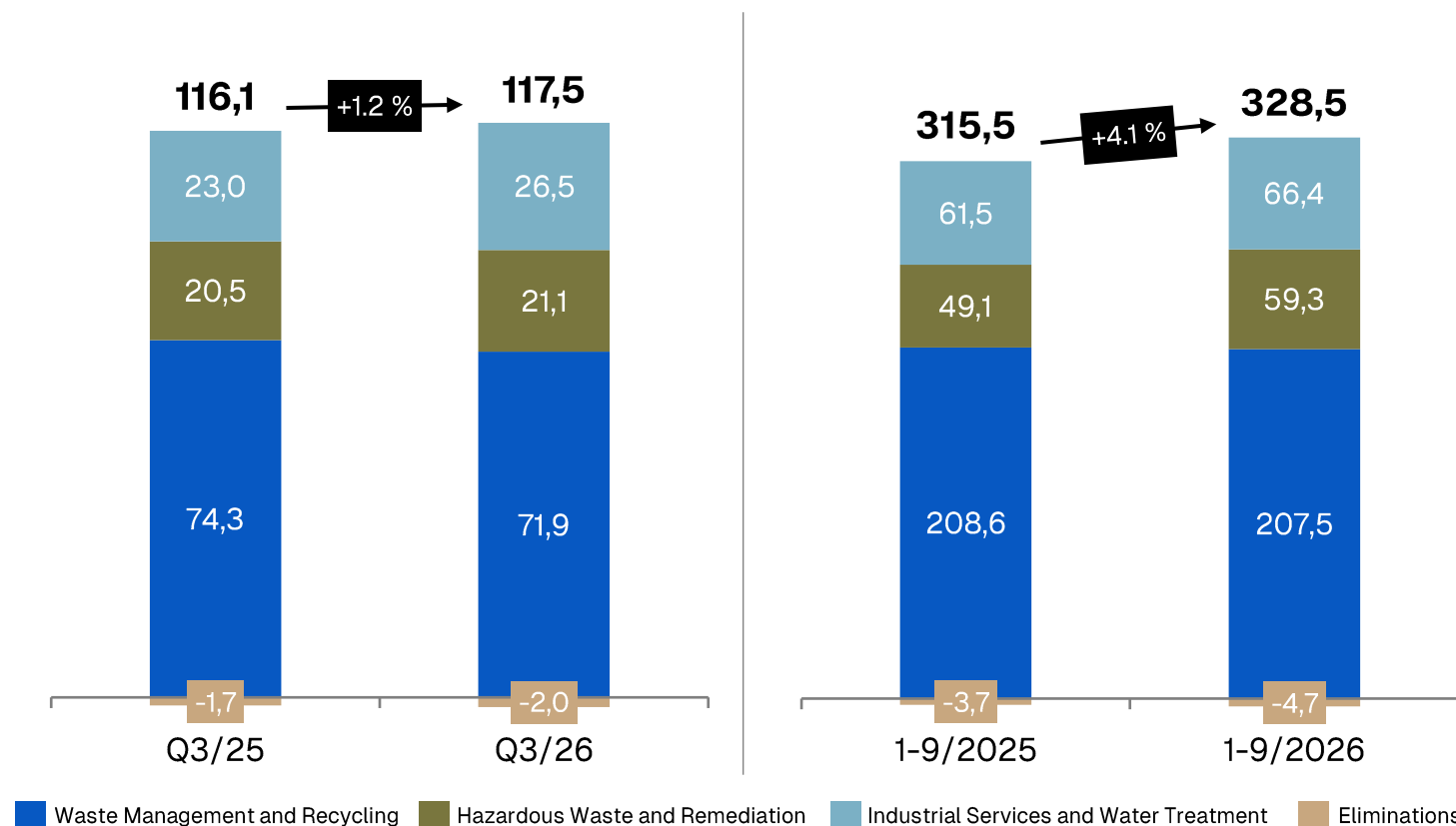
Commentary

- Net sales for Jan-Sep 2026 amounted to EUR 328.5m (315.5), growth of 4.1% year-on-year
 - Organic growth was 1.9%
- Net sales for Q3 2026 amounted to EUR 117.5m (116.1), growth of 1.2% year-on-year
 - Organic growth was 0.3%
- Revenue growth continued in Q3, although at a slower pace than in H1
 - End of active phase of two major environmental construction projects slowed net sales growth in the third quarter

Net sales development by Service Area 2025–2026

Net Sales 2025–2026 by Service Area

EURm



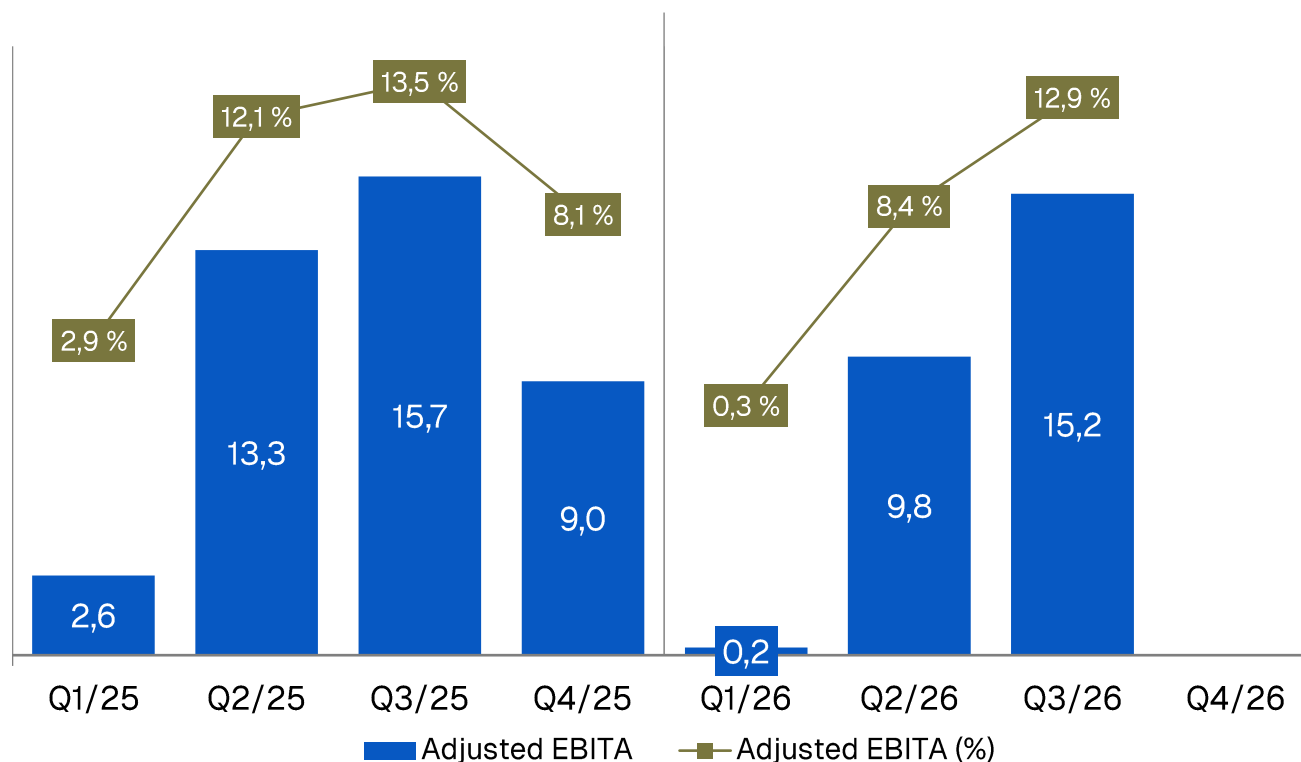
Commentary

- Net sales in Waste Management and Recycling decreased by 0.5% and amounted to EUR 207.5m (208.6)
 - Net sales supported by growth in the pallet business following the acquisition, but affected by challenging market conditions
- Net sales in Hazardous Waste and Remediation grew by 20.7% to EUR 59.3m (49.1)
 - Growth driven by remediation projects, stable demand in hazardous waste
- Net sales in Industrial Services and Water Treatment grew by 8.0% to EUR 66.4m (61.5)
 - Strong annual maintenance activity in Q3
 - 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

- Profitability recovered during Q3 as the benefits of corrective actions began to materialize. Full impact from Q1/2027 onwards
- Q3 adjusted EBITA EUR 15.2m (15.7), supported by well-executed annual maintenance breaks as well as cost savings
- Adjusted EBITA for Jan-Sep 2026 was EUR 25.2m (31.6), or 7.7% (10.0) of net sales
- Jan-Sep 2026 Waste Management profitability was negatively affected by:
 - EUR 5 million y-o-y increase in costs resulting from higher fuel prices
 - Exceptional challenges in waste-to-energy
 - EUR 1 million y-o-y increase in amortisation related to the ERP system renewal

Contents

- 1 Highlights
- 2 Market environment**
- 3 Efficiency & Operations
- 4 Sustainability
- 5 Financials
- 6 Outlook

Finland: macroeconomic situation

Recovery has strengthened, but employment and housing still lag

- Latest domestic forecasts indicate 1.6–1.7% GDP growth in 2026 and 1.6–1.8% in 2027, driven mainly by exports and investment.
- Retail volumes are recovering, but weak consumer confidence continues to constrain discretionary spending.
- Unemployment remains high and is expected to decline only gradually.
- Data centers and infrastructure segment are supporting construction industry. Housing segment remains subdued.
- Inflation is expected at approximately 2.4% in 2026, easing in 2027. Energy prices, geopolitics, trade disruption and weak public finances remain the principal risks.

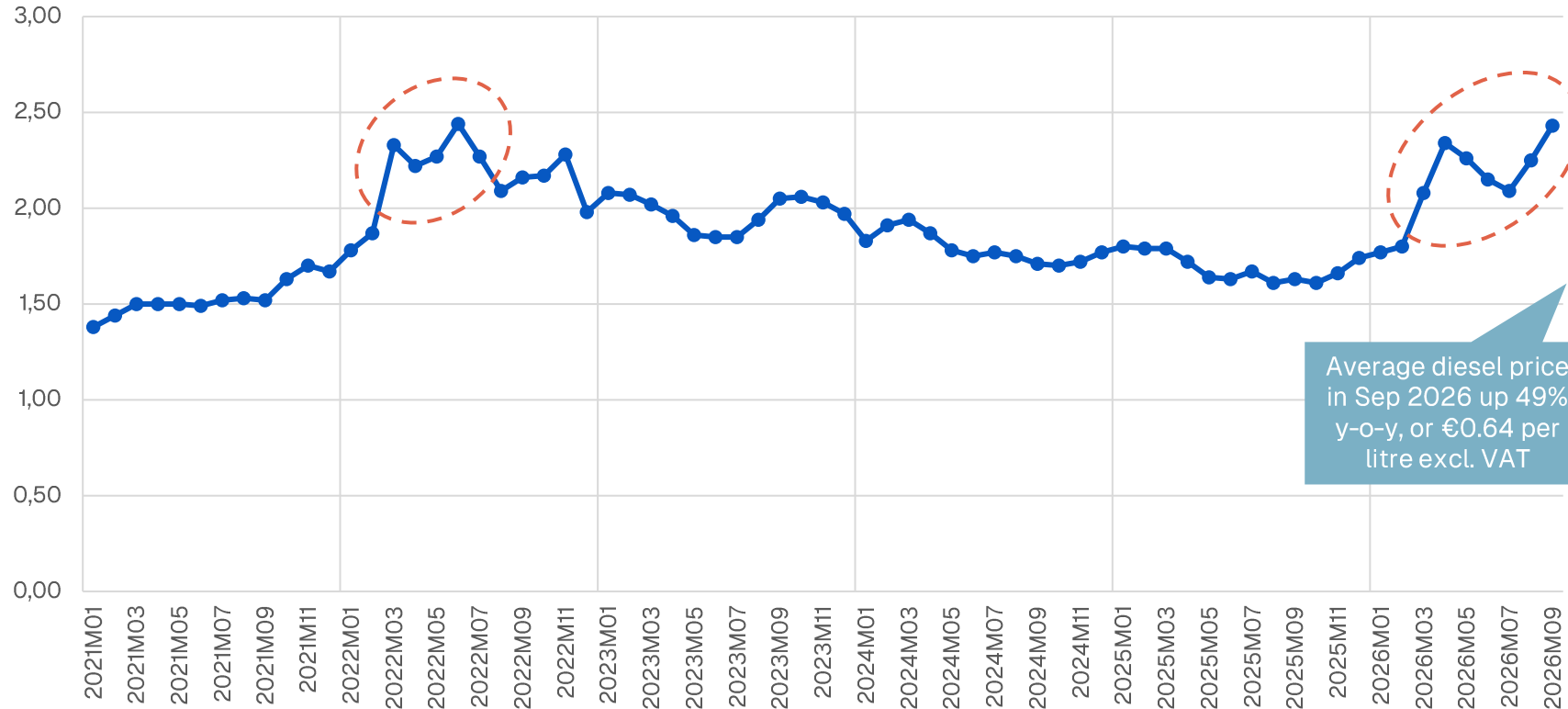


L&T implication

➔ Improving retail, industrial and investment activity should gradually support waste volumes, while weak housing activity and elevated fuel costs continue to limit near-term upside

Diesel prices remained at exceptionally high levels in Q3, reaching the highest level of 2026 in September

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



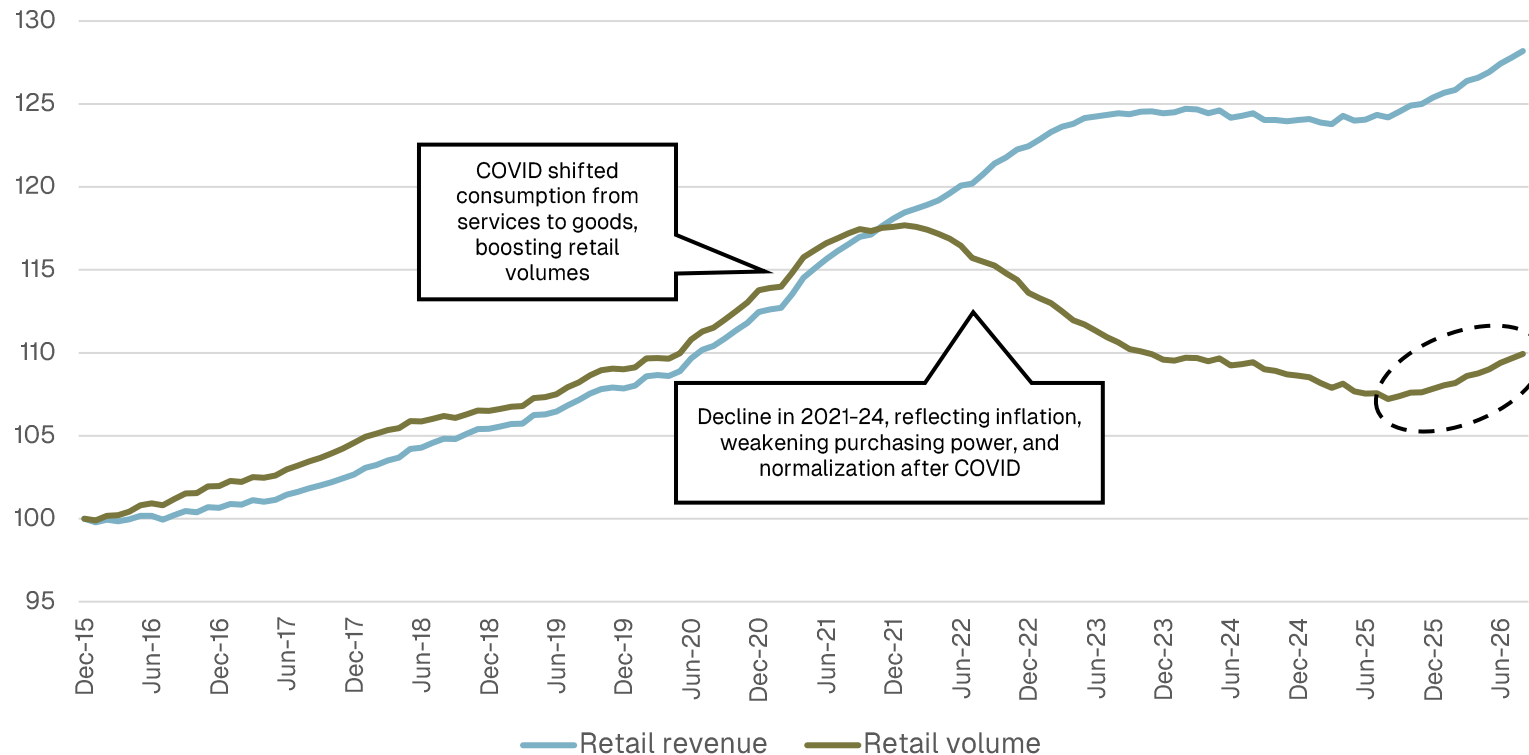
Key messages

- In July-September 2026, diesel prices in Finland were approximately 38% higher year-on-year
- Higher diesel prices increased costs by approximately EUR 5 million year-on-year during Jan-Sep 2026
- Higher fuel prices have largely been offset by price increases, but these take effect with a 2–6-month delay and are not yet fully reflected in the reported result

Source: Statistics Finland

Improving retail activity supports a more favorable waste volume outlook

Finnish Retail industry, 2015 = 100, rolling 12-month average



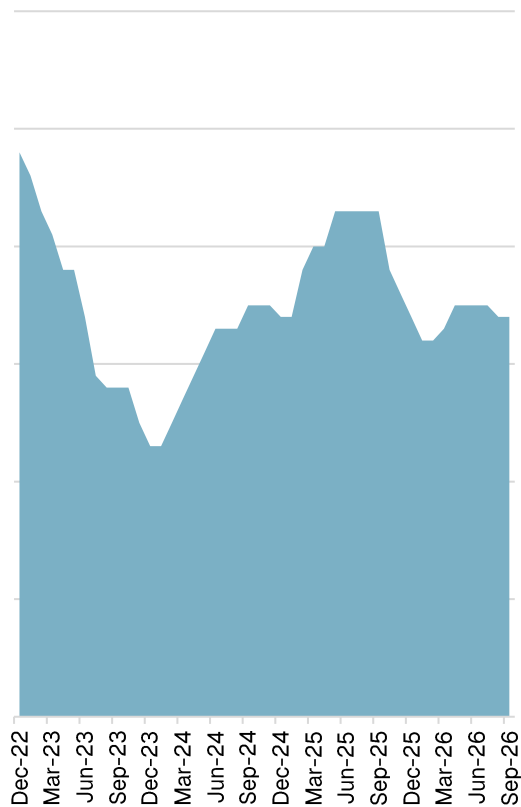
Key messages

- Retail volumes have stabilized and turned positive after a prolonged decline
- Improving retail activity supports a gradual recovery in commercial waste volumes

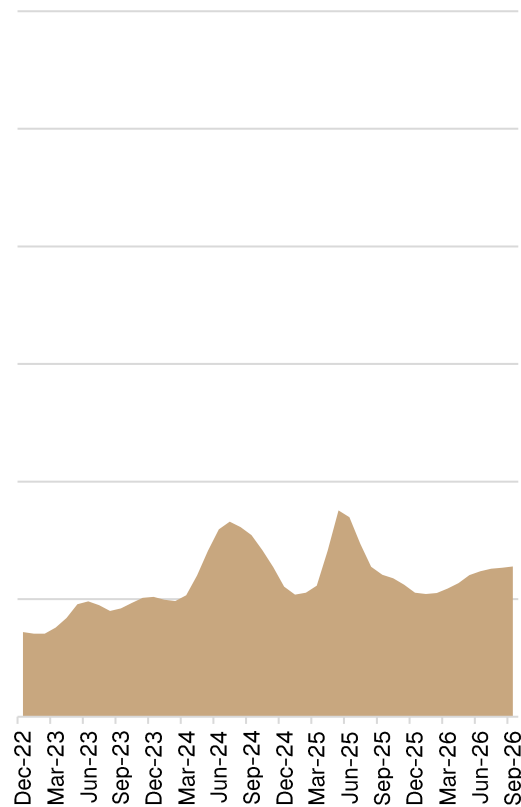
Source: Statistics Finland

Price development of selected recycled material indexes

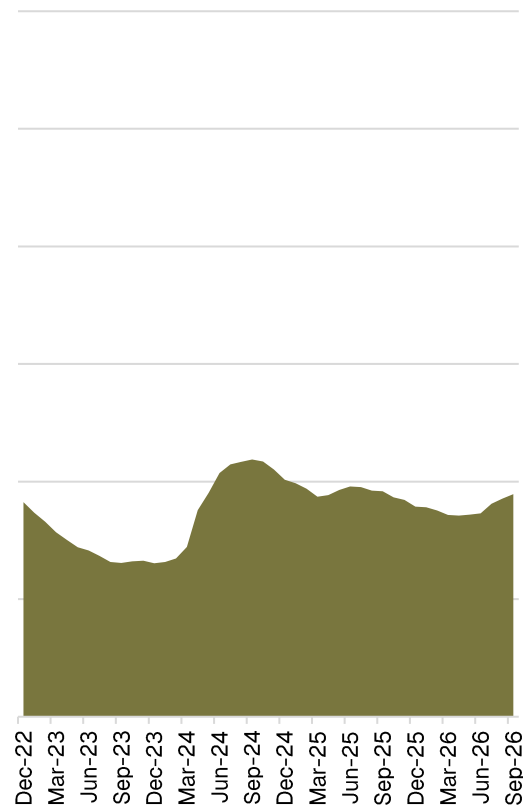
Recycled plastic films
(€/t)



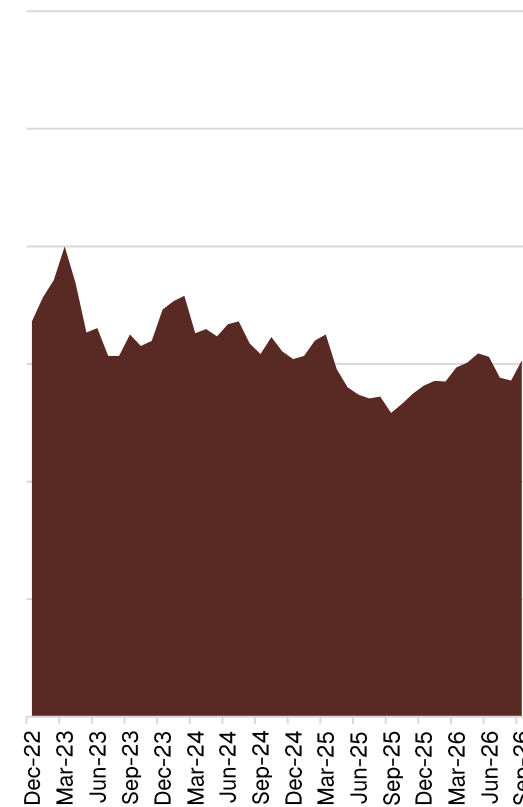
OCC / brown cardboard
(€/t)



Recovered paper
(€/t)



Mixed scrap metal
(€/t)



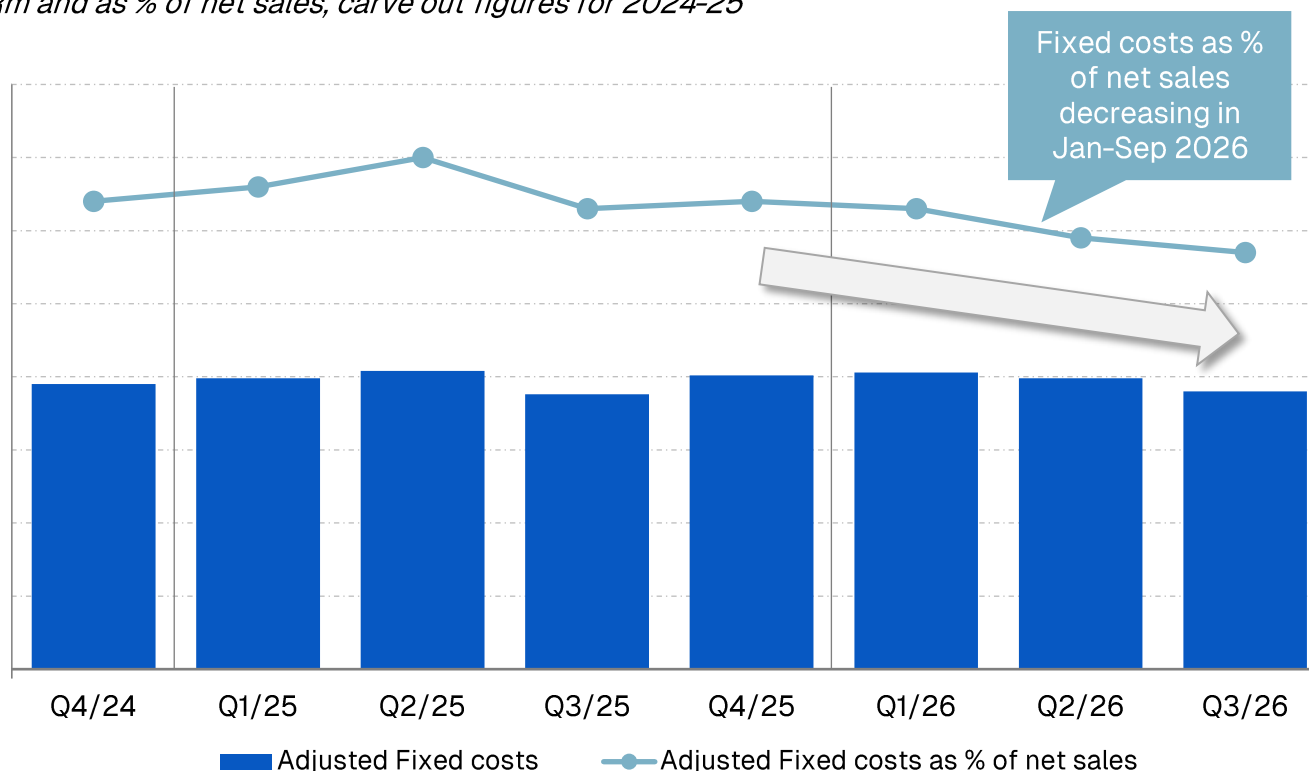
Contents

- 1 Highlights
- 2 Market environment
- 3 Efficiency & Operations**
- 4 Sustainability
- 5 Financials
- 6 Outlook

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

- Adjusted fixed cost base has remained broadly stable in absolute terms in 2024-Q3/2026
- In Jan-Sep 2026, adjusted fixed costs declined year-on-year despite higher net sales and stand-alone cost increases following the demerger
- In July 2026, L&T concluded change negotiations, which resulted in 17 employment terminations and up to 420 employees being temporarily laid off for 14 or 30 days
- Cost efficiency measures expected to support profitability 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.

Contents

- 1 Highlights
- 2 Market environment
- 3 Efficiency & Operations
- 4 Sustainability**
- 5 Financials
- 6 Outlook

Sustainability scorecard

Key sustainability highlights in Jan-Sep 2026



Carbon footprint
kt CO₂e

15.3
(15.1)



Carbon handprint
kt CO₂e

-284.9
(-275.7)



TRIF

19.2
(22.5)



NPS

44
(44)

Commentary

- Positive safety development in January-September, TRIF decreased to 19.2 (22.5)
- Direct emissions on previous year's level
- Carbon handprint grew by 3% y-o-y
- L&T launched a project to phase out the separate collection of energy waste

Contents

- 1 Highlights
- 2 Market environment
- 3 Efficiency & Operations
- 4 Sustainability
- 5 Financials**
- 6 Outlook

Highlights

1

Profitability recovered in the third quarter, approaching the prior-year level

2

Leverage improved from Q2 as seasonal cash flow strengthened

3

Adjusted for comparability, free cash flow improved year-on-year

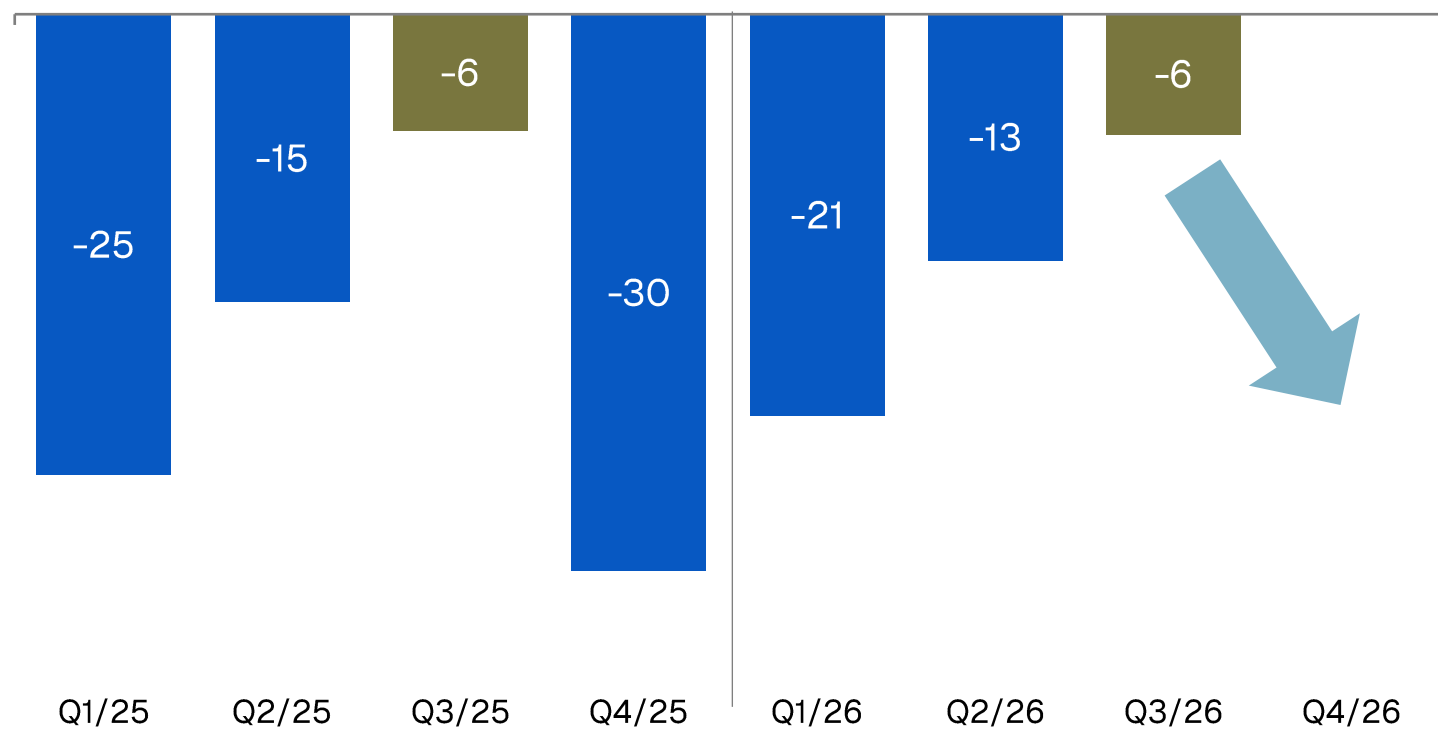
4

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



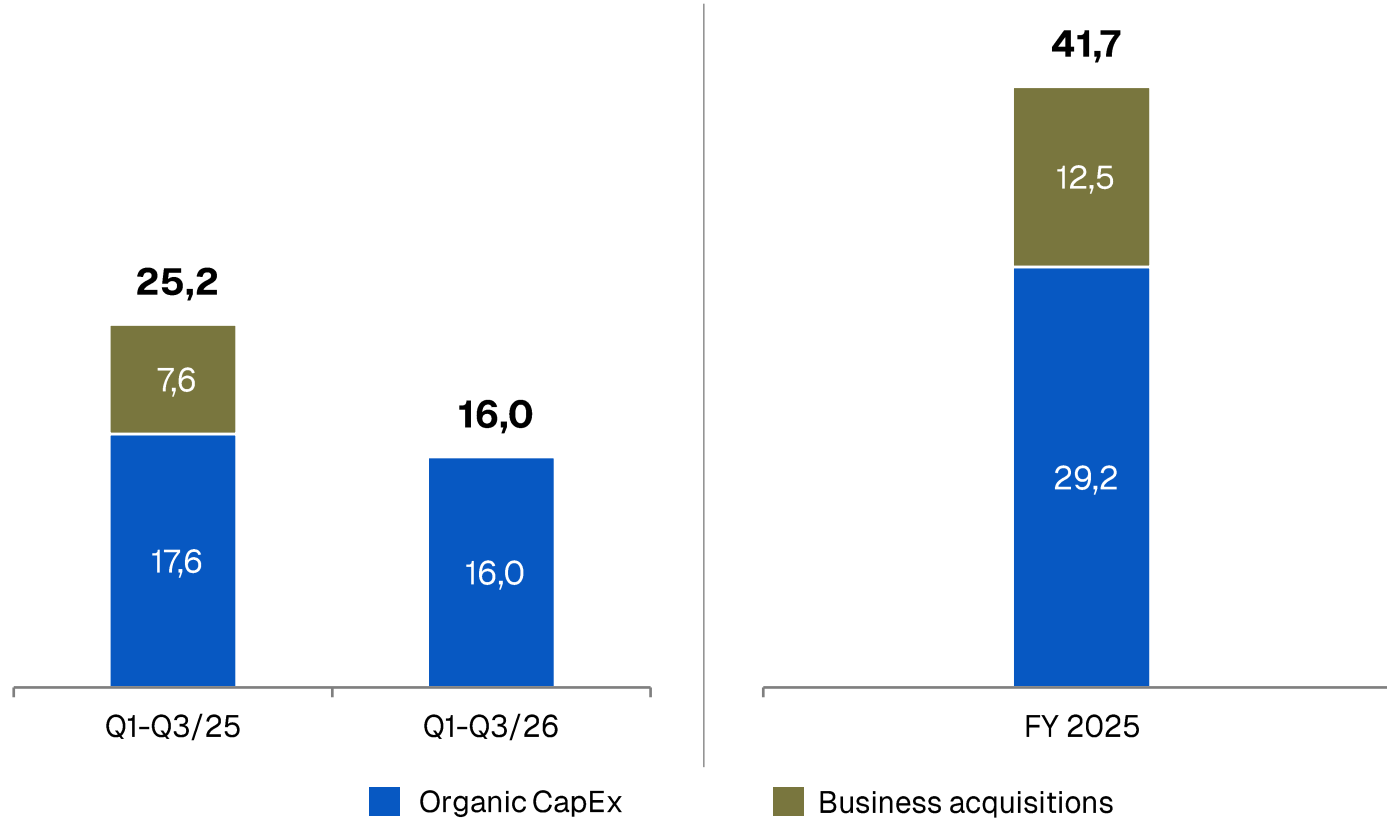
Commentary

- NWC at the end of Q3 2026 amounted to EUR -6.4m (-6.2m), in line with previous year
- NWC was tied up by EUR 23.3m (22.2m) in January–September 2026, affected by NWC seasonality as well as 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



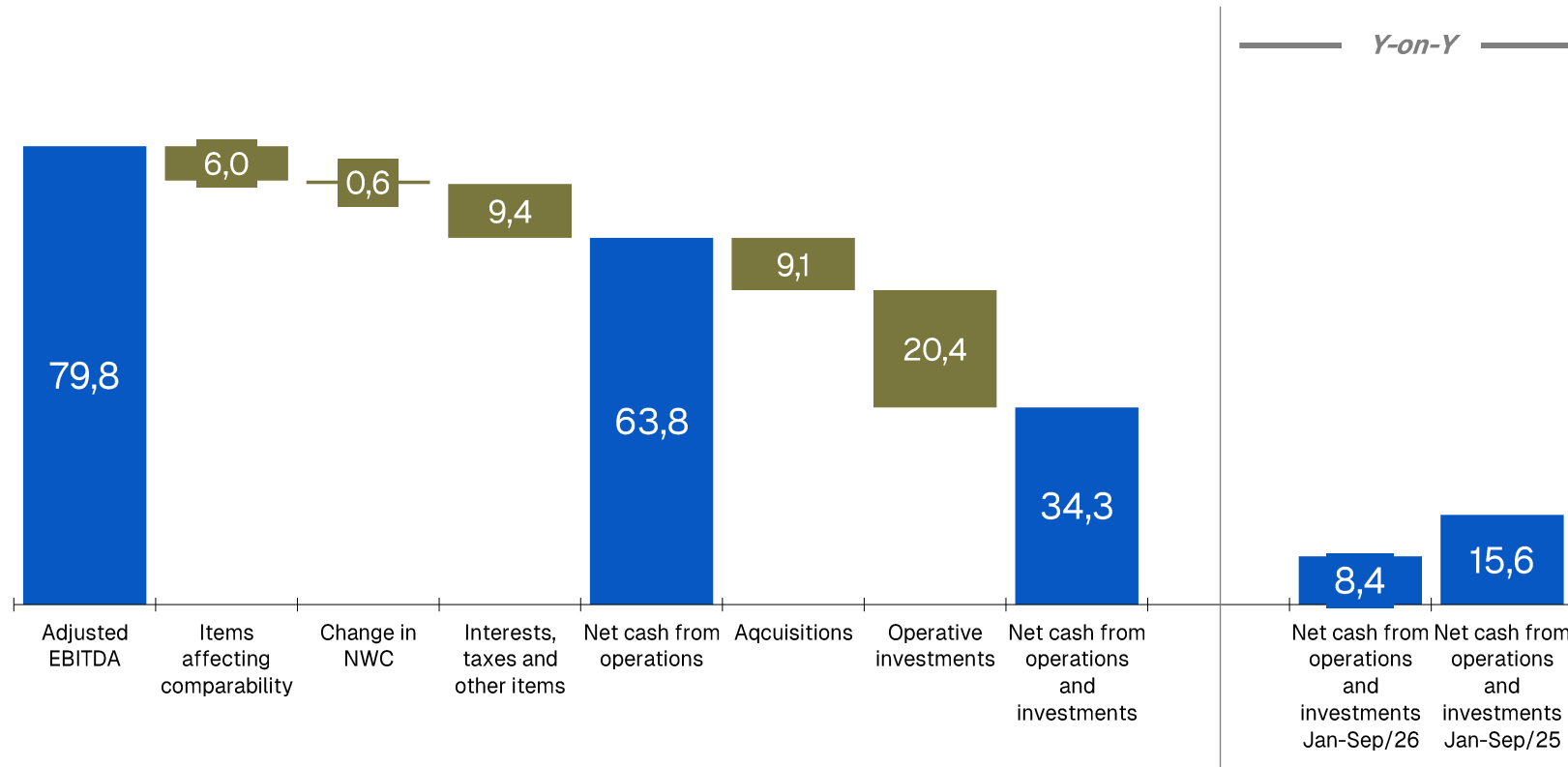
Commentary

- In Jan-Sep 2026, capital expenditure amounted to EUR 16.0m (25.2m), organic CapEx somewhat below previous year
- CapEx in January-September 2026 consisted primarily of investments in machinery and equipment
- In 1-9/2026, depreciation and amortization in total amounted to EUR 35.9m (33.7m)
- In 1-9/2026, 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 Q3 2026

EURm

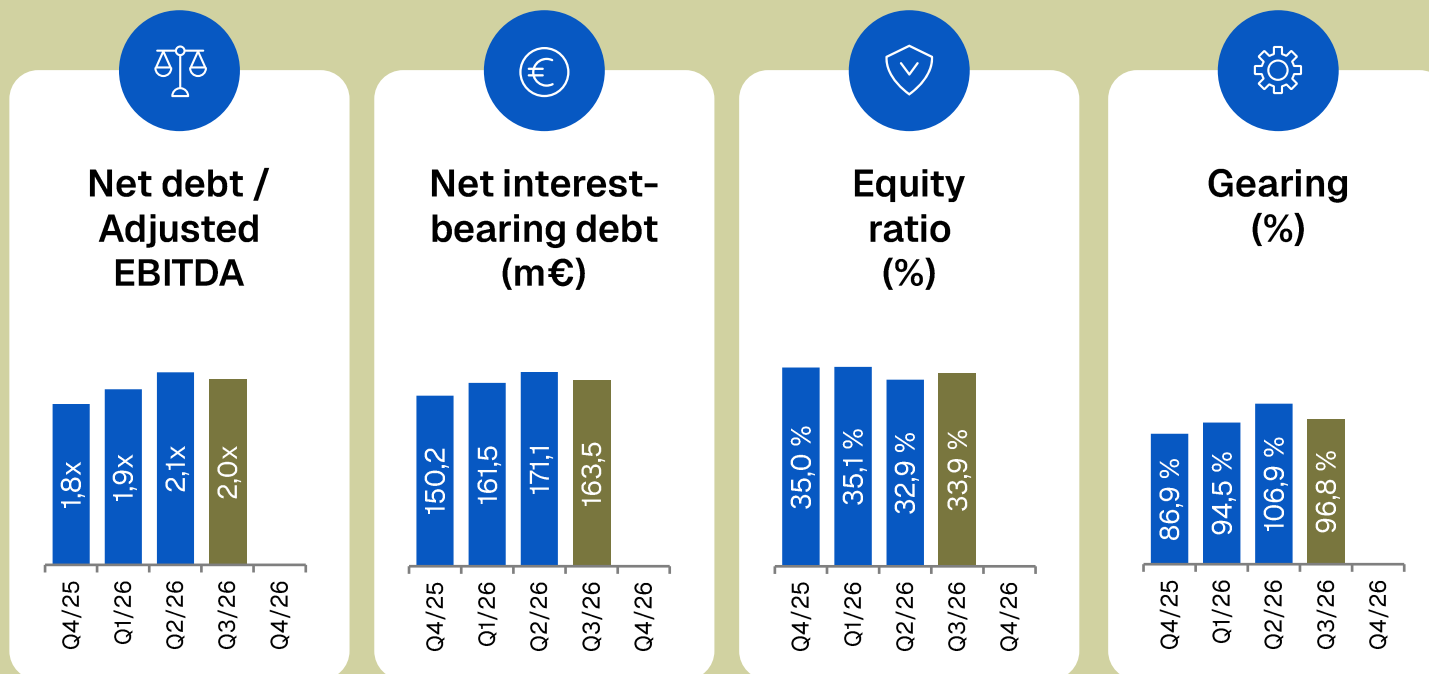


Commentary

- In 1-9/2026, net cash flow after investments EUR 8.4m (15.6), 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 improved y-o-y
- In Q3 2026, LTM net cash from operations EUR 63.8m and LTM net cash from operations after investments EUR 34.3m
- LTM free cash flow in relation to reported EBITDA ~46%

Financial position

Balance sheet KPIs by quarter 2025-2026



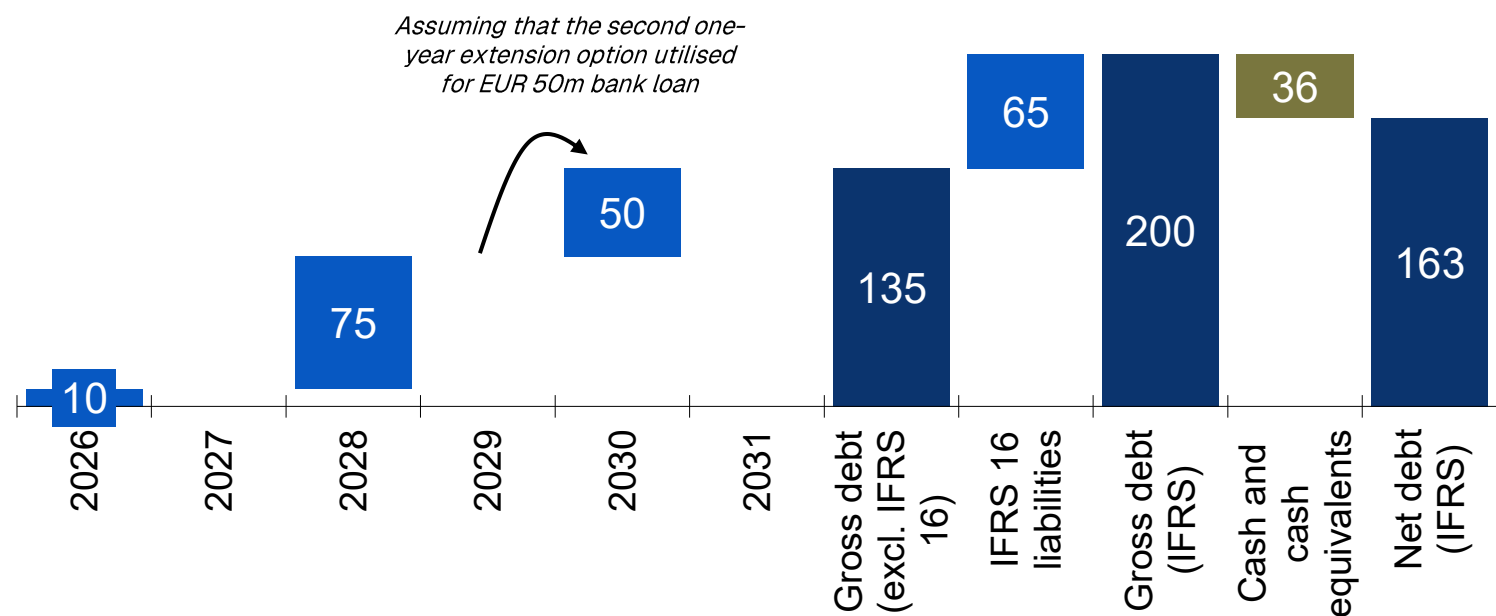
Commentary

- Net debt / Adjusted EBITDA ratio at 2.0x at the end of September 2026
 - Net debt amounted to EUR 163.5m
 - Adjusted EBITDA on a rolling 12-month basis was EUR 79.8m
- Equity ratio was 33.9% and Gearing ratio 96.8%, strengthening from the previous quarter
- As for financial position, Q1/2025, Q2/2025 and Q3/2025 prepared on a carve-out basis → do not reflect Lassila & Tikanoja's capital and financing structure

Maturity structure of interest-bearing debt

Maturity structure as per 30 September 2026

EURm



Commentary

- Interest-bearing liabilities excluding IFRS 16 at EUR 135.1m
 - Commercial papers EUR 10m due in 2026
 - Bond EUR 75m due in 2028
 - Bank loan EUR 50m due in 2030 (2029 + one-year extension)
- Cash and cash equivalents EUR 36.2m at period-end
- Committed RCF of EUR 40m unused as per 30 Sep 2026
- The average interest rate of long-term loans, excluding lease liabilities, 3.4%

Key performance indicators

KPIs for January-September 2026



ROCE-%

8.0%

~10%



ROE-%

8.2%

~13%



Share of profit
from Laania
EUR

0.8m

(1.0m)



EPS
EUR

0.36

Commentary

- Reported ROCE for Q3 2026 was 8.0%, impacted by IAC and carve-out principles
 - Illustrative ROCE adjusted for IAC and carve-out principles ~10%
- Reported ROE for Q3 2026 was 8.2%, impacted by IAC and carve-out principles
 - Illustrative ROE adjusted for IAC and carve-out principles ~13%
- L&T's share of the profit from the joint venture Laania was EUR 0.8m (1.0).
- Earnings per share for Jan-Sep 2026 was EUR 0.36 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.

Contents

- 1 Highlights
- 2 Market environment
- 3 Efficiency & Operations
- 4 Sustainability
- 5 Financials
- 6 Outlook**

“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)

I&RT