



# LASSILA & TIKANOJA INTERIM REPORT Q1/2025

Eero Hautaniemi, President & CEO

Joni Sorsanen, CFO

29 April 2025



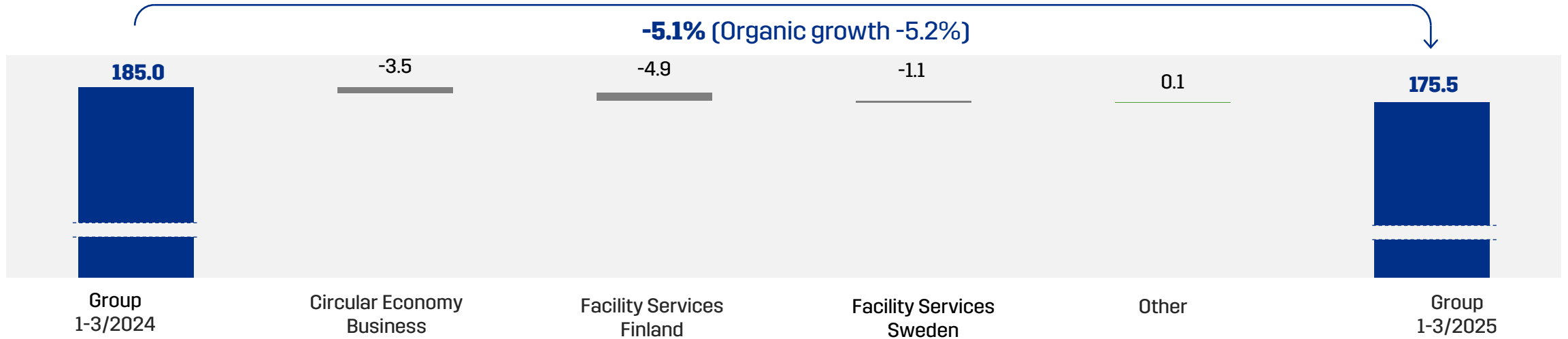
# IN FOCUS Q1/2025

**Improved profitability  
in Facility Services**

**Strong cash flow**

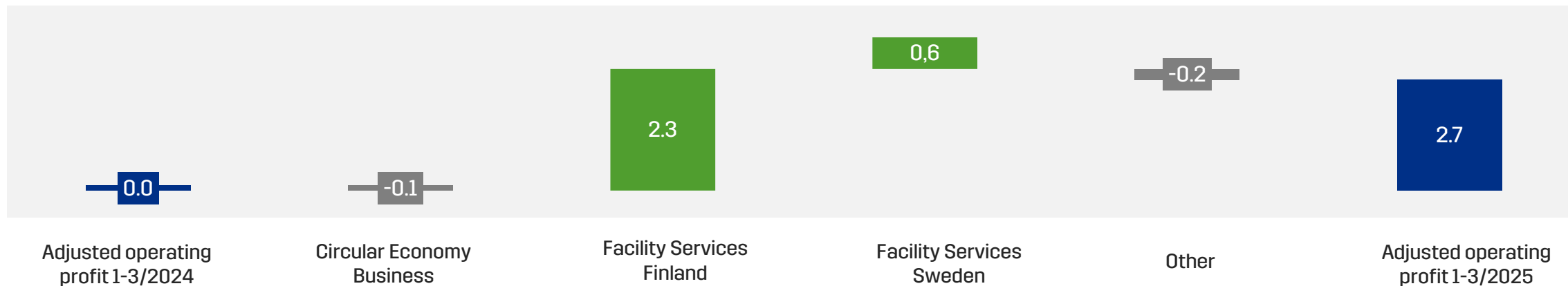
**The preparations for  
the partial demerger  
and efficiency  
programme**

# NET SALES



MEUR	Q1/25	Q1/24	Change%	2024
Circular Economy Business	89.5	93.0	-3.8	424.0
Facility Services Finland	58.3	63.3	-7.8	238.0
Facility Services Sweden	28.3	29.5	-3.9	111.9
<b>L&amp;T Group</b>	<b>175.5</b>	185.0	-5.1	<b>770.7</b>

# ADJUSTED OPERATING PROFIT



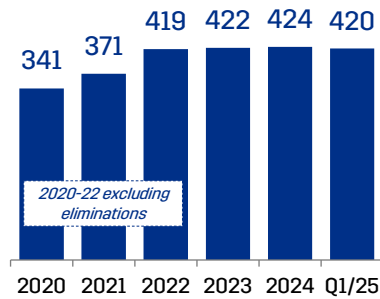
MEUR	Q1/25	Q1/24	Change%	2024
Circular Economy Business	2.5	2.6	-3.4	42.8
Facility Services Finland	2.1	-0.1		9.6
Facility Services Sweden	-1.5	-2.1	30.6	-7.5
Group administration and other	-0.5	-0.4		-1.6
<b>L&amp;T Group</b>	<b>2.7</b>	<b>0.0</b>		<b>43.2</b>



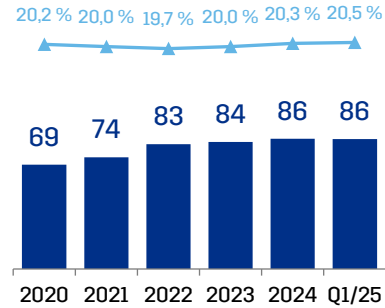
# SOLID PERFORMANCE IN CIRCULAR ECONOMY BUSINESSES, PERFORMANCE IN FACILITY SERVICES IMPROVING

## CIRCULAR ECONOMY BUSINESSES

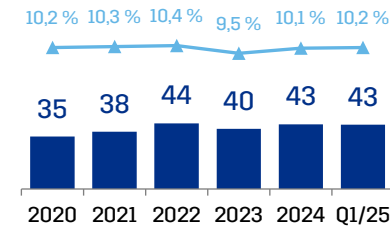
Net sales 2020-25 (m€, LTM)



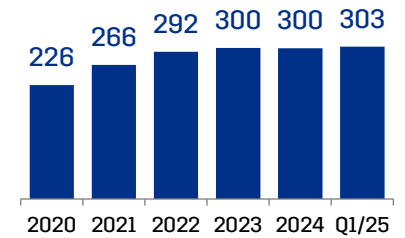
Adj. EBITDA 2020-25 (m€, LTM)



Adj. EBIT 2020-25 (m€, LTM)



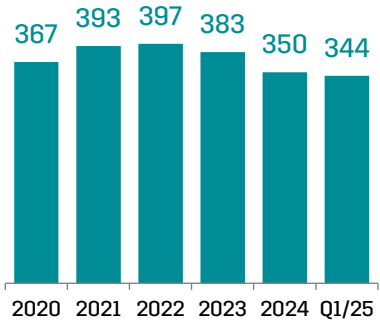
Capital empl. 2020-25 (m€)



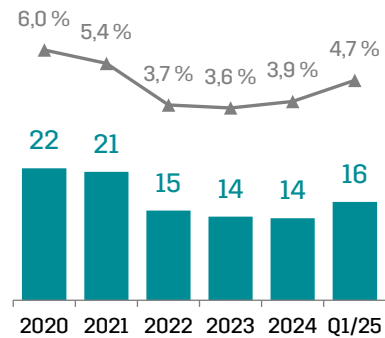
Note: all figures excluding non-allocated Group costs, Renewable energy sources and Russia. Parent company cost allocations to segments not necessarily in line with final carve-out allocations.

## FACILITY SERVICES BUSINESSES

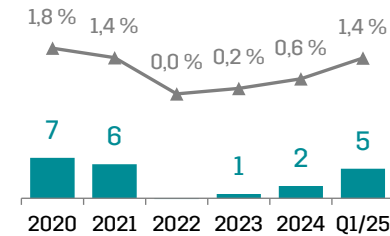
Net sales 2020-25 (m€, LTM)



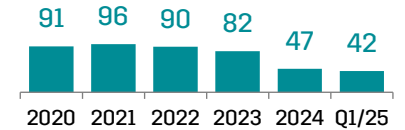
Adj. EBITDA 2020-25 (m€, LTM)



Adj. EBIT 2020-25 (m€, LTM)



Capital empl. 2020-25 (m€)

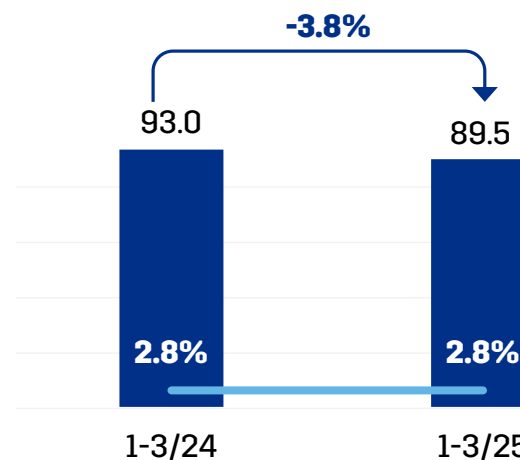


Note: all figures excluding eliminations and non-allocated Group costs. Parent company cost allocations to segments not necessarily in line with final carve-out allocations.

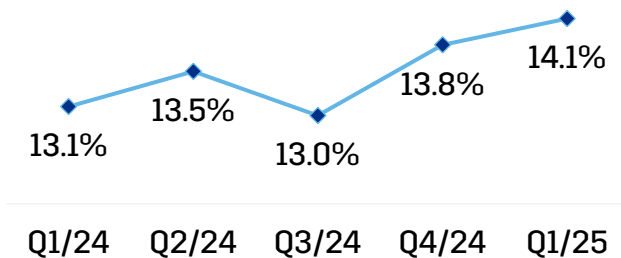


# CIRCULAR ECONOMY BUSINESS

- Stable performance despite the challenging business environment
- Efficiency improvement measures visible in profitability development
- Demand in the hazardous waste business line remained stable
- Material flows to treatment centers decreased because of the weak economic situation in Finnish construction market



- Net sales
- Adjusted operating margin, %



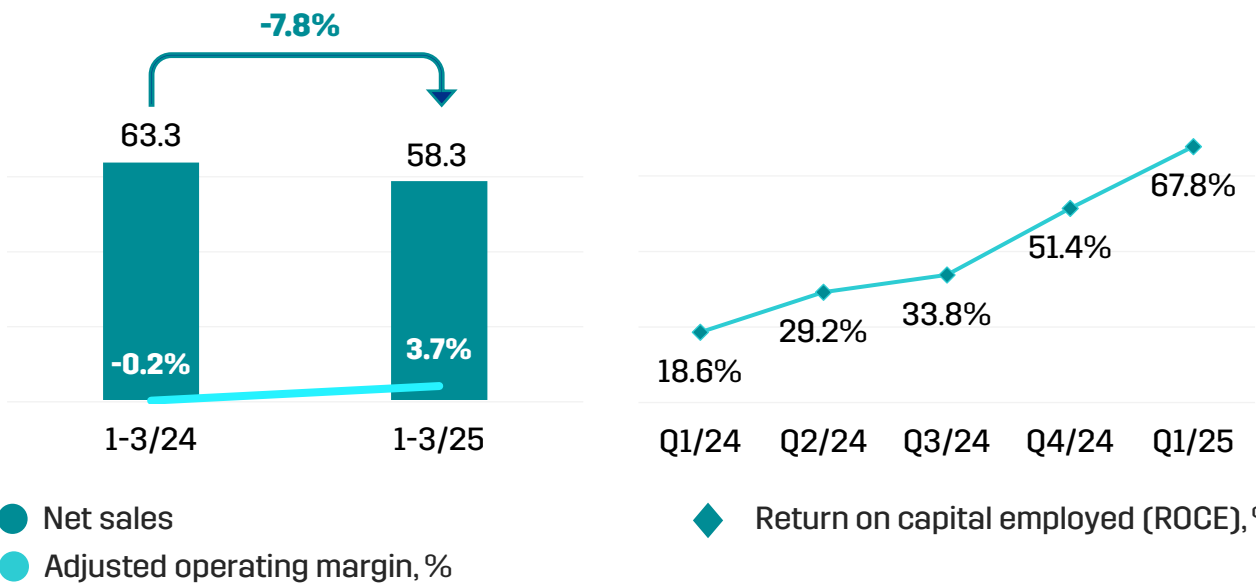
- ◆ Return on capital employed (ROCE), %

MEUR	Q1/25	Q1/24	Change%	2024
Net sales	89.5	93.0	-3.8%	424.0
Adjusted EBITDA	13.1	13.2	-1.2%	86.3
Adjusted EBITDA, %	14.6%	14.2%		20.3%
Adjusted operating profit	2.5	2.6	-3.4%	42.8
Adjusted operating margin, %	2.8%	2.8%		10.1%
Employees	2,164	2,214		2,168



# FACILITY SERVICES FINLAND

- Strong profitability improvement in a seasonally slow first quarter
- Revenue decreased due to a mild winter and planned optimization of contract portfolio
- Demand for digital services remained strong
- Efficiency measures continued according to plan

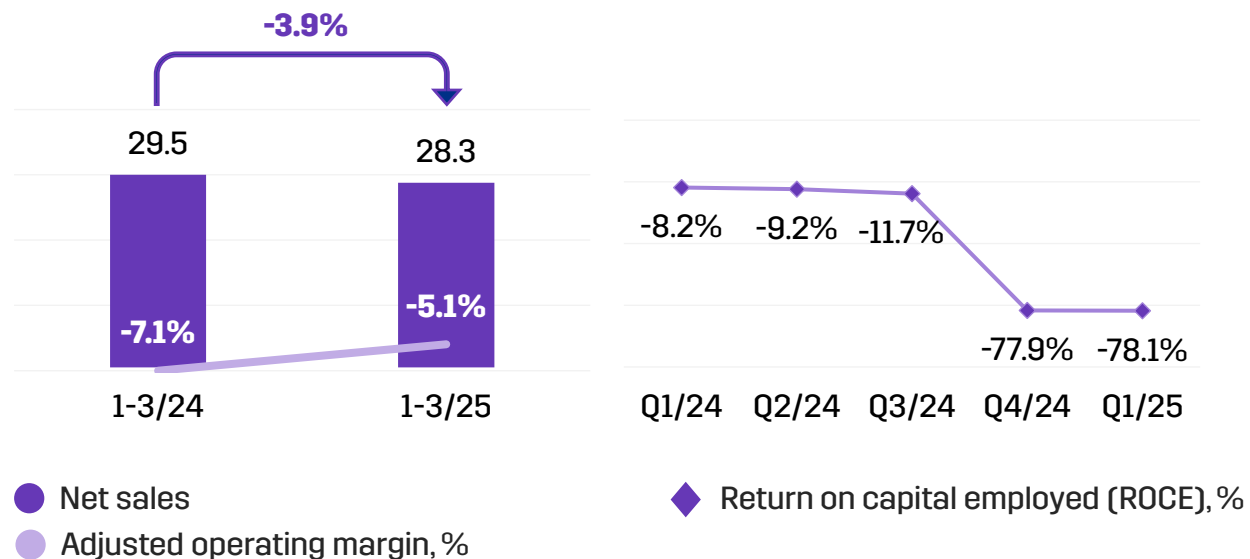


MEUR	Q1/25	Q1/24	Change%	2024
Net sales	58.3	63.3	-7.8%	238.0
Adjusted EBITDA	3.6	1.6	128.9	16.4
Adjusted EBITDA, %	6.2%	2.5%		6.9%
Adjusted operating profit	2.1	-0.1		9.6
Adjusted operating margin, %	3.7%	-0.2%		4.0%
Employees	4,081	4,257		4,140



# FACILITY SERVICES SWEDEN

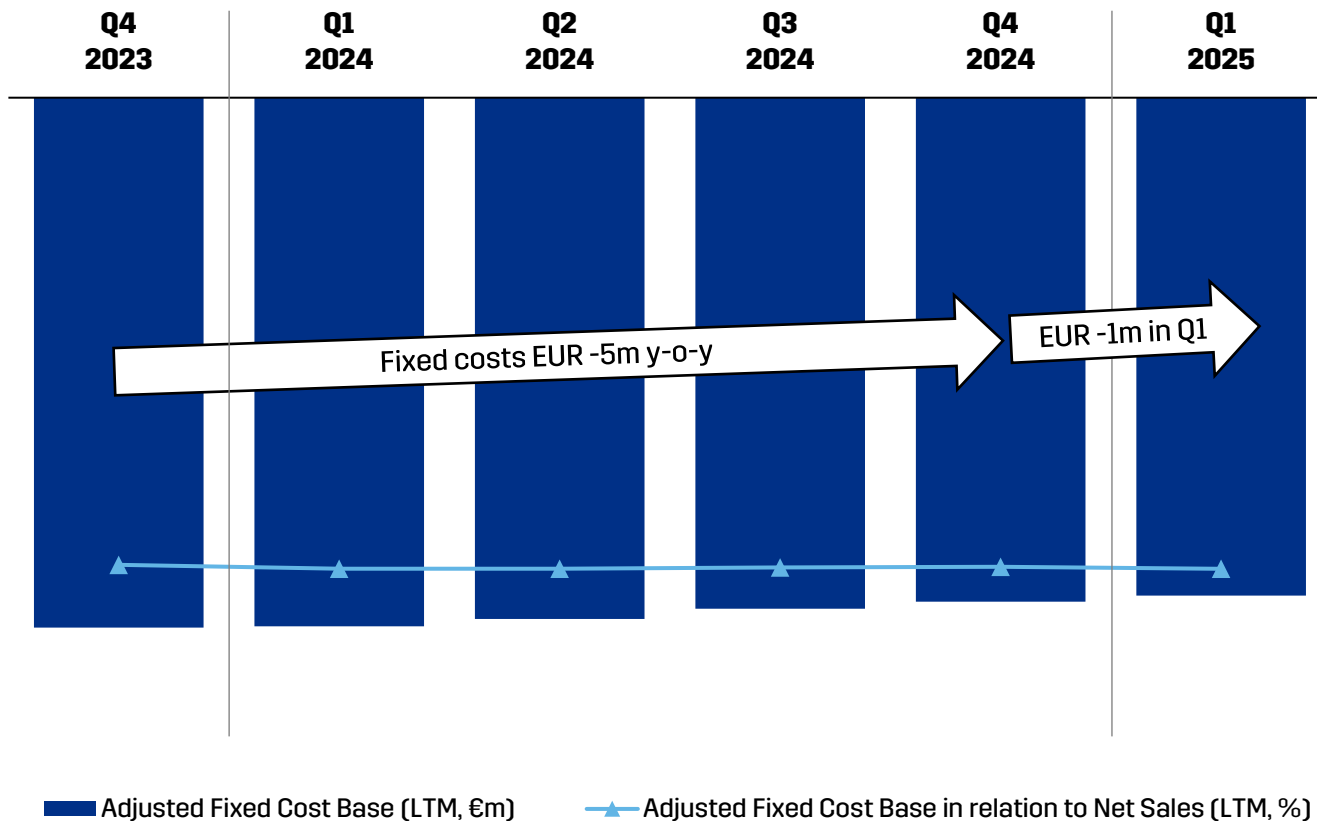
- Turnaround progressed well in the first quarter
- Measures to simplify operating models and adjust cost levels continued
- New clients acquired at the end of 2024 and ongoing profitability improvement actions provide a solid foundation for achieving the turnaround in 2025



MEUR	Q1/25	Q1/24	Change%	2024
Net sales	28.3	29.5	-3.9%	111.9
Adjusted EBITDA	-0.2	-0.9	77.4%	-2.8
Adjusted EBITDA, %	-0.7%	-2.9%		-2.5%
Adjusted operating profit	-1.5	-2.1	30.6%	-7.5
Adjusted operating margin, %	-5.1%	-7.1%		-6.7%
Employees	1,165	1,103		1,032



# PROFITABILITY IMPROVEMENT PROGRAMME PROGRESSING / CASE FIXED COSTS



## Comments

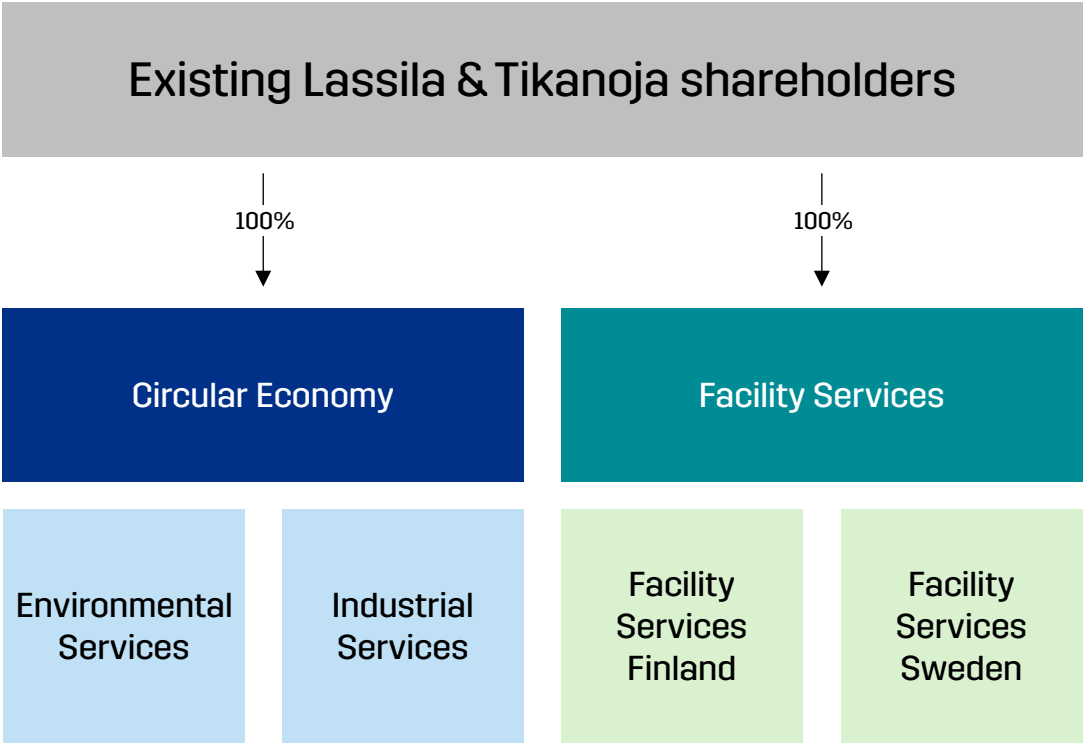
- Adjusted for externally reported IAC, L&T's fixed cost base has been decreased by approximately EUR 5m between year-ends 2023 and 2024
- During Q1 2025, adjusted fixed cost base was decreased by approximately EUR 1m year-on-year
- In relative terms, adjusted fixed cost base has been well adjusted to decrease in net sales
- Fixed costs negatively impacted by ERP system roll-outs throughout FY2025

# PLANNED DEMERGER OF LASSILA & TIKANOJA

## L&T TODAY



## PLANNED STRUCTURE POST-2025



# SUSTAINABILITY SCORE CARD 2025

- Occupational safety continued to develop well due to increased training and safety culture development.
- The carbon footprint of own operations (Scope 1 and 2) decreased by 23% compared to Q1/2024.

L&T	2020	2021	2022	2023	2024	Q1/2024	Q1/2025	Target 2025	Target 2026	Target 2030
CARBON FOOTPRINT (tCO2-ekv)	36,700	37,800	34,200	31,200	27,200	7,200	5,600	26,000	27,200	24,400
CARBON HANDPRINT (MCO2-ekv)	-506.8	-524.9	-534.5	-457.0	-438.0	-115,200	-113,200	>3%	>3%	>3%
TRIF	24	24	23	23	19	15	17	19	(19)	15
SICK LEAVE (%)	4.7	5.1	5.6	5.1	5.0	5.5	5.7	4.6	(4.5)	4

# Q1 FINANCIAL HIGHLIGHTS

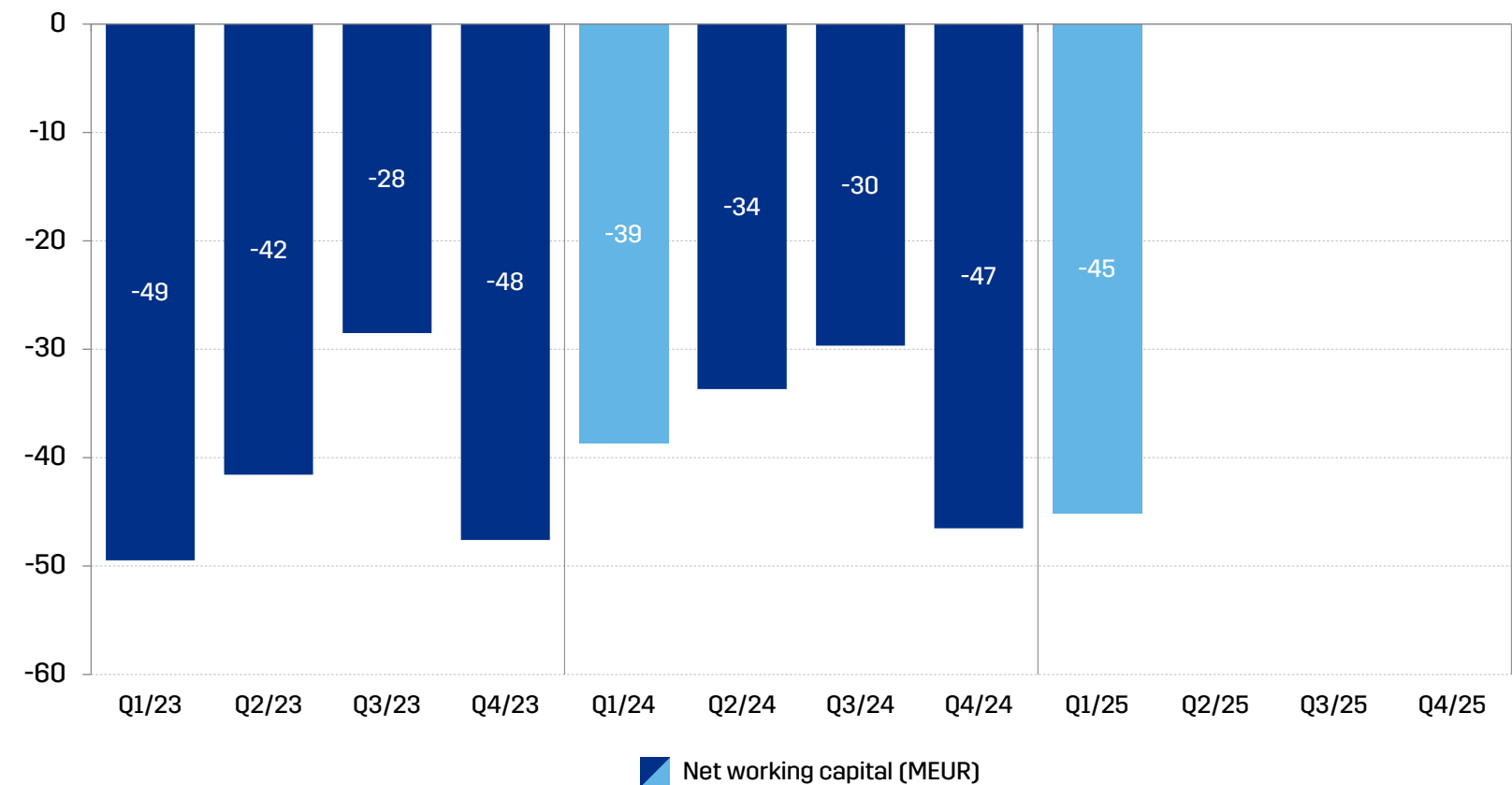
**Strong cash flow in  
seasonally slow Q1**

**Solid financial  
position and clear  
decrease in net  
debt**

**Improvement in key  
financial metrics  
due to  
strengthened  
profitability and  
cash flow**

# NET WORKING CAPITAL

Net working capital by quarter 2023-2025 (EUR million)



## Comments

- NWC at the end of Q1 amounted to EUR -45.1m (-38.7m), clear improvement of EUR -6.4m year-on-year
- NWC almost at the year-end 2024 level
- Improvement attributable to Facility Services businesses

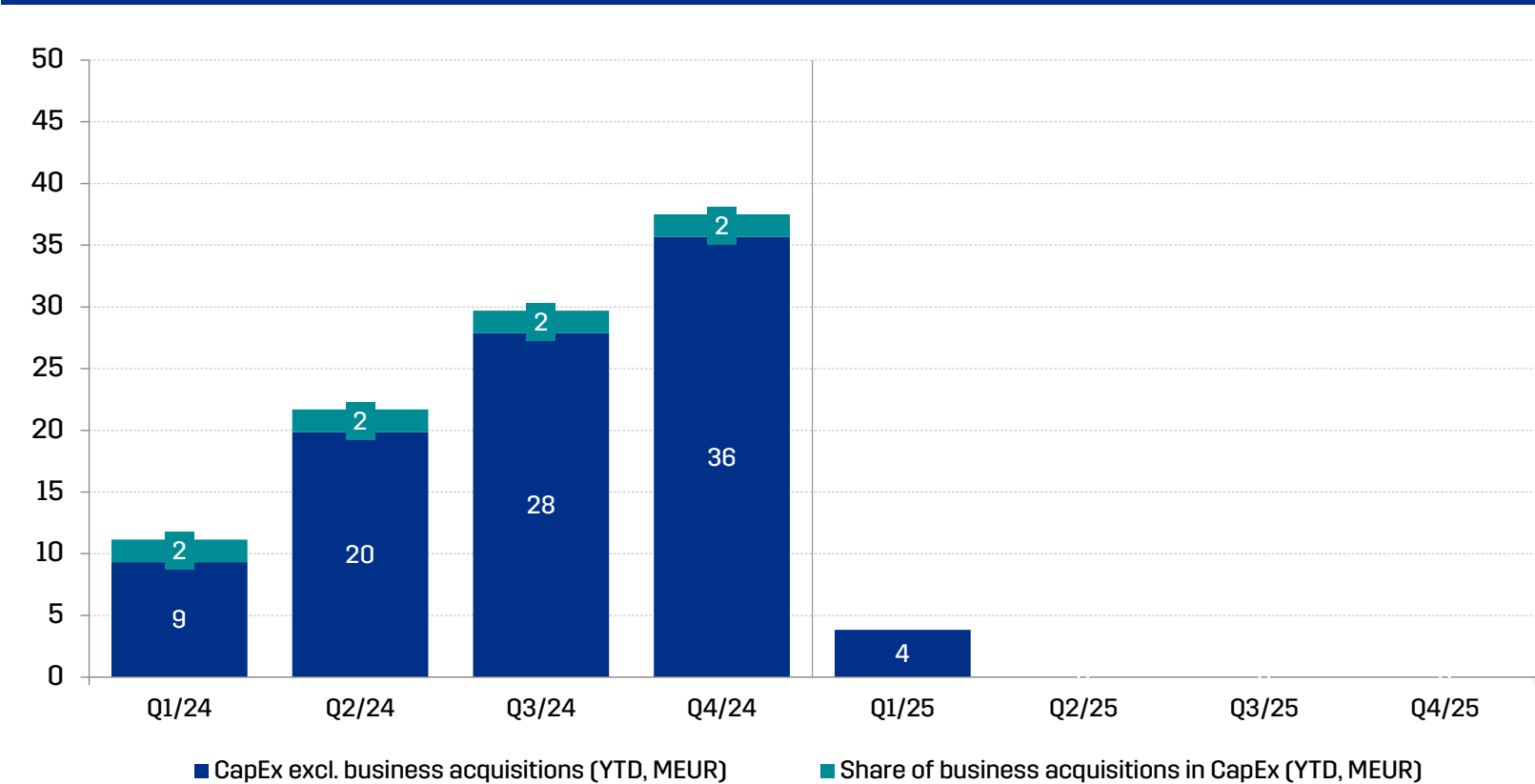
Net working capital = Current assets - income tax receivables - cash and cash equivalents - other non-current liabilities excluding deferred consideration - current trade and other payables





# CAPITAL EXPENDITURE

Capital expenditure 2024-2025 (year-to-date, EUR million)

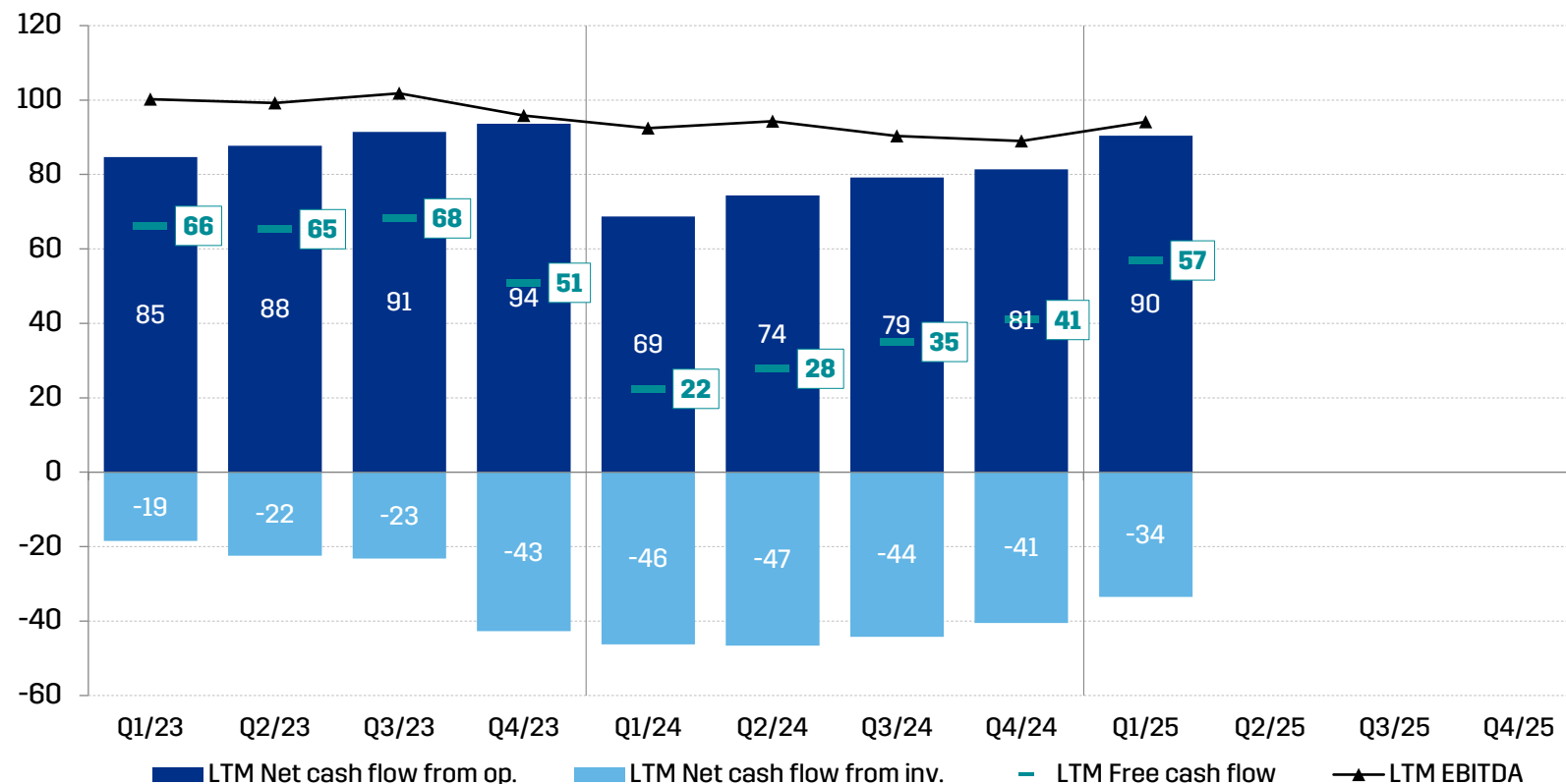


## Comments

- Capital expenditure in January-March 2025 was EUR 3.8m (11.1) showing a decrease of EUR 7.3 million or 65.5%
- The decrease is predominantly attributable to Circular Economy business area
- CapEx in Q1 approximately EUR 4m below expected due to postponements to future quarters
- In Q1 2025, depreciation and amortization in total amounted to EUR 13.5m (13.8m)

# CASH FLOW

## Cash flow from operations and investments 2023-2025 (LTM, EUR m)



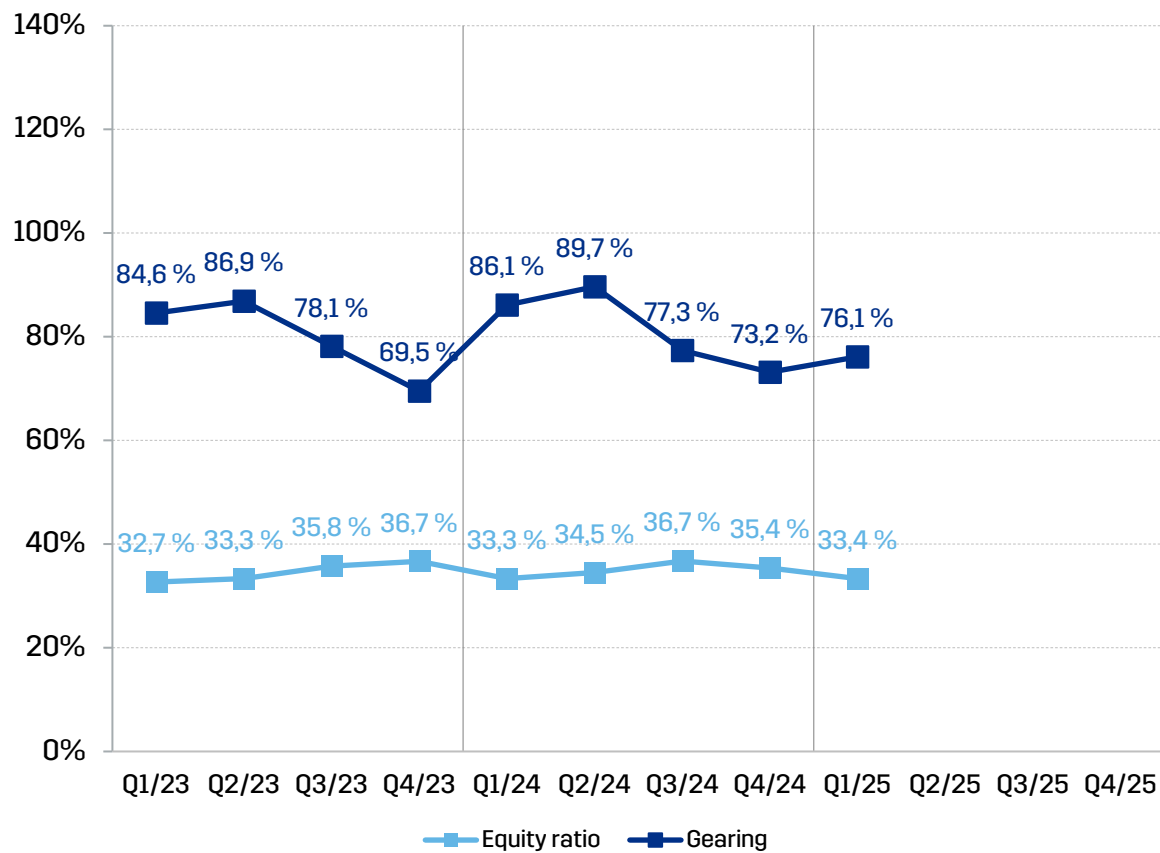
## Comments

- Free cash flow in January-March 2025 was EUR 6.6m (-9.4)
  - Operating cash flow in Q1 was EUR 10.9m (1.9m)
  - Cash flow from investments in Q1 was EUR -4.3m (-11.3m)
- Improving trend in cash flow generation → March 2025 LTM free cash flow EUR 56.9m
  - LTM operating cash flow EUR 90.4m
  - LTM cash flow from investments EUR -33.5m
- LTM EBITDA EUR 94.1m → cash conversion approximately 96%

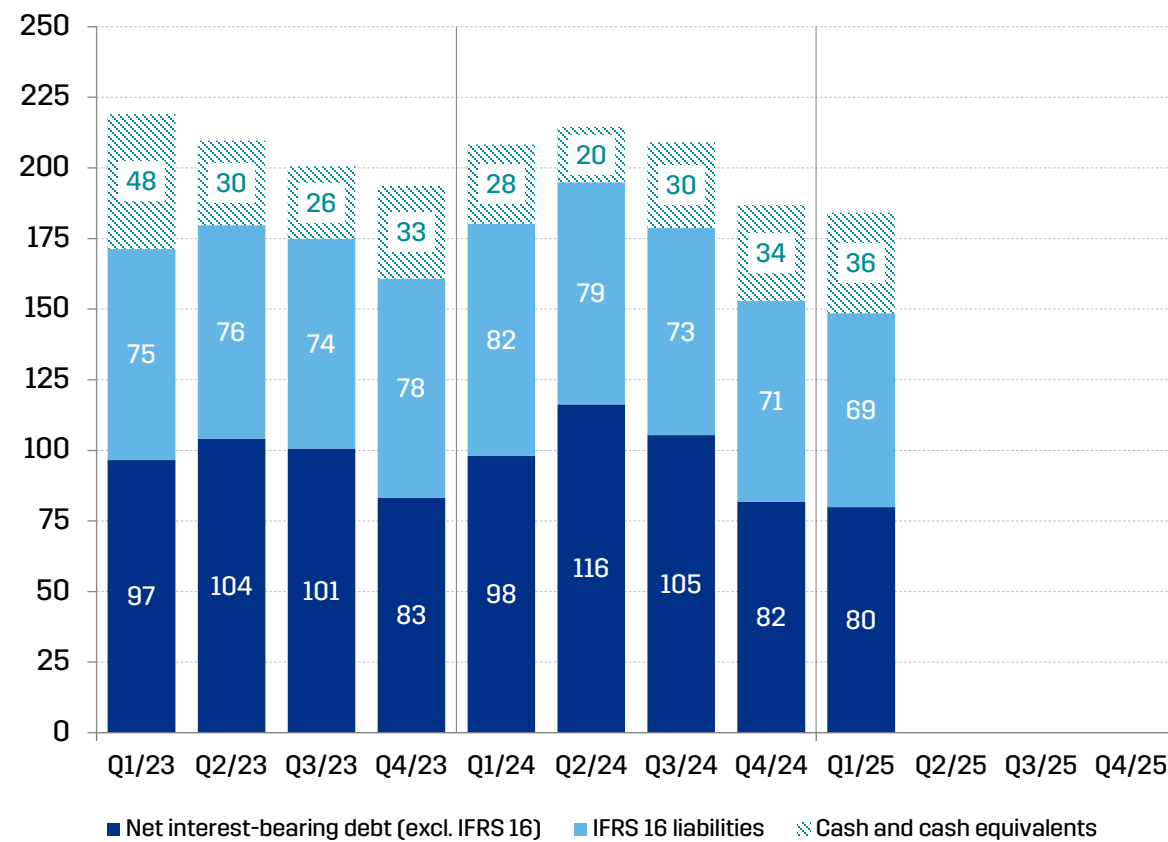
# FINANCIAL POSITION

- Strong financial position at the end of Q1 2025. Equity ratio and Gearing affected by FY2024 dividends
- Net interest-bearing debt at EUR 148.5m (180.3m), decrease of EUR 31.8m year-on-year

## Equity ratio and Gearing by quarter 2023-2025

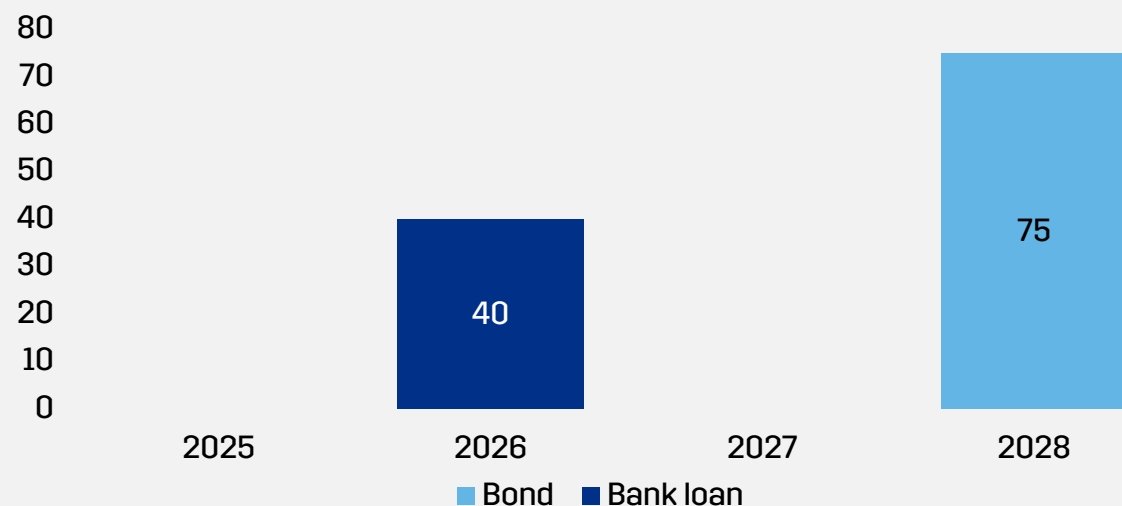


## Net debt specification by quarter 2023-2025

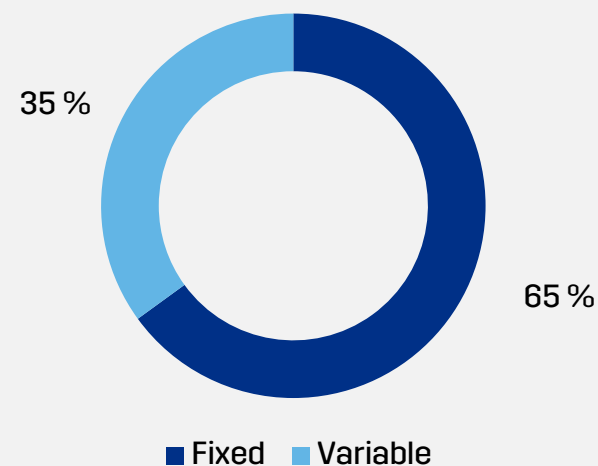


# MATURITY STRUCTURE OF LONG-TERM LOANS

Loans, MEUR

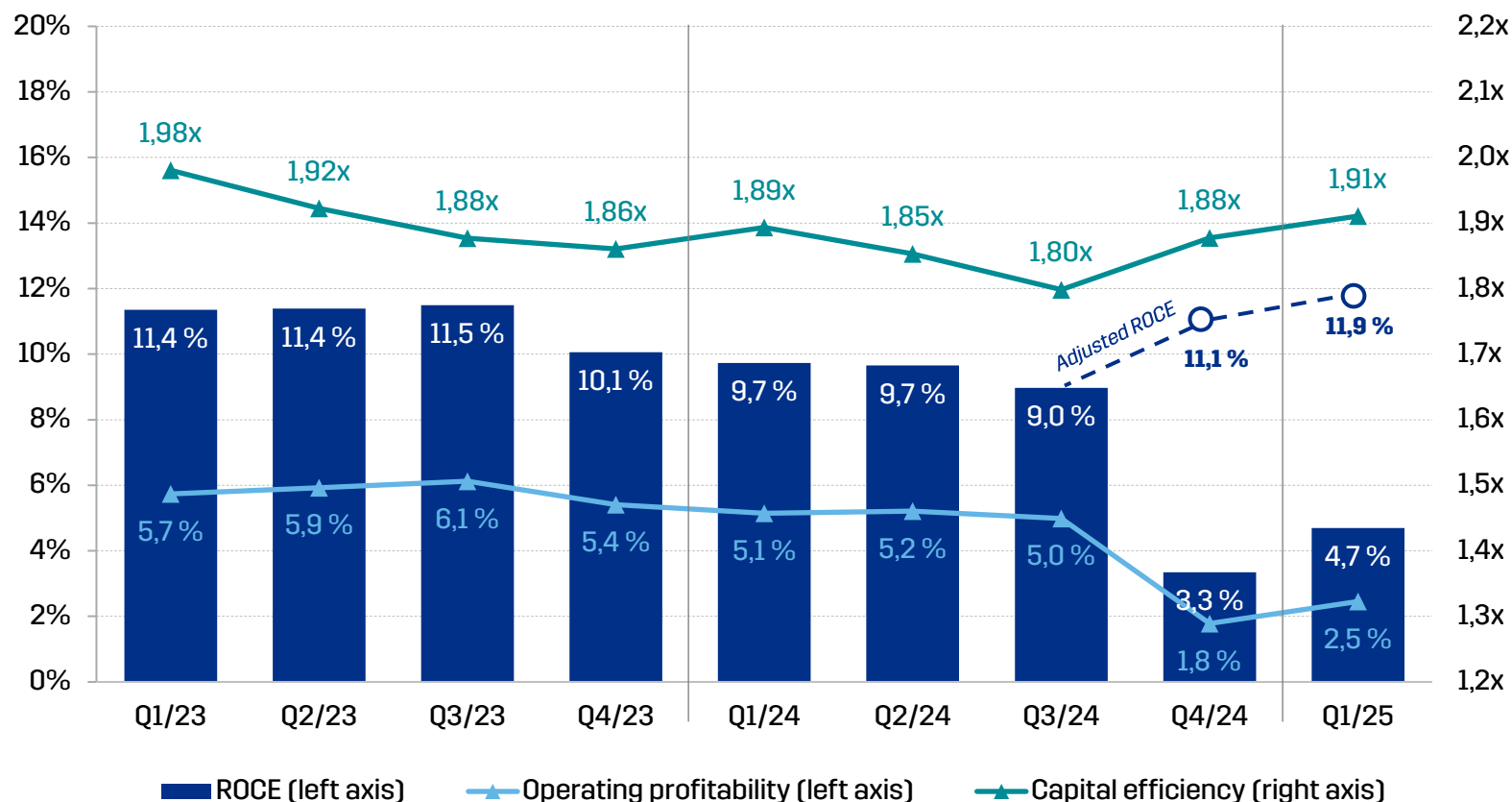


Weighted average of effective interest rate 3.4%  
(4.0%)



# RETURN ON CAPITAL EMPLOYED

## ROCE-% development by quarter 2023-2025 (LTM)



## Comments

- Return on capital employed in Q1/2025 was 4.7% (9.7%) burdened by one-off items recognised in Q4 2025
- Adjusted ROCE excluding IAC for 2024 approximately 11.1% and for Q1 2025 approximately 11.9%
- In Q1 2025, ROCE of Circular Economy Business totaled 14.1% (13.1%)
- Facility Services Finland achieved ROCE of 67.8% (18.6%)
- L&T's share of profit from Laania in Q1 2025 was EUR 1.7m (2.1m)

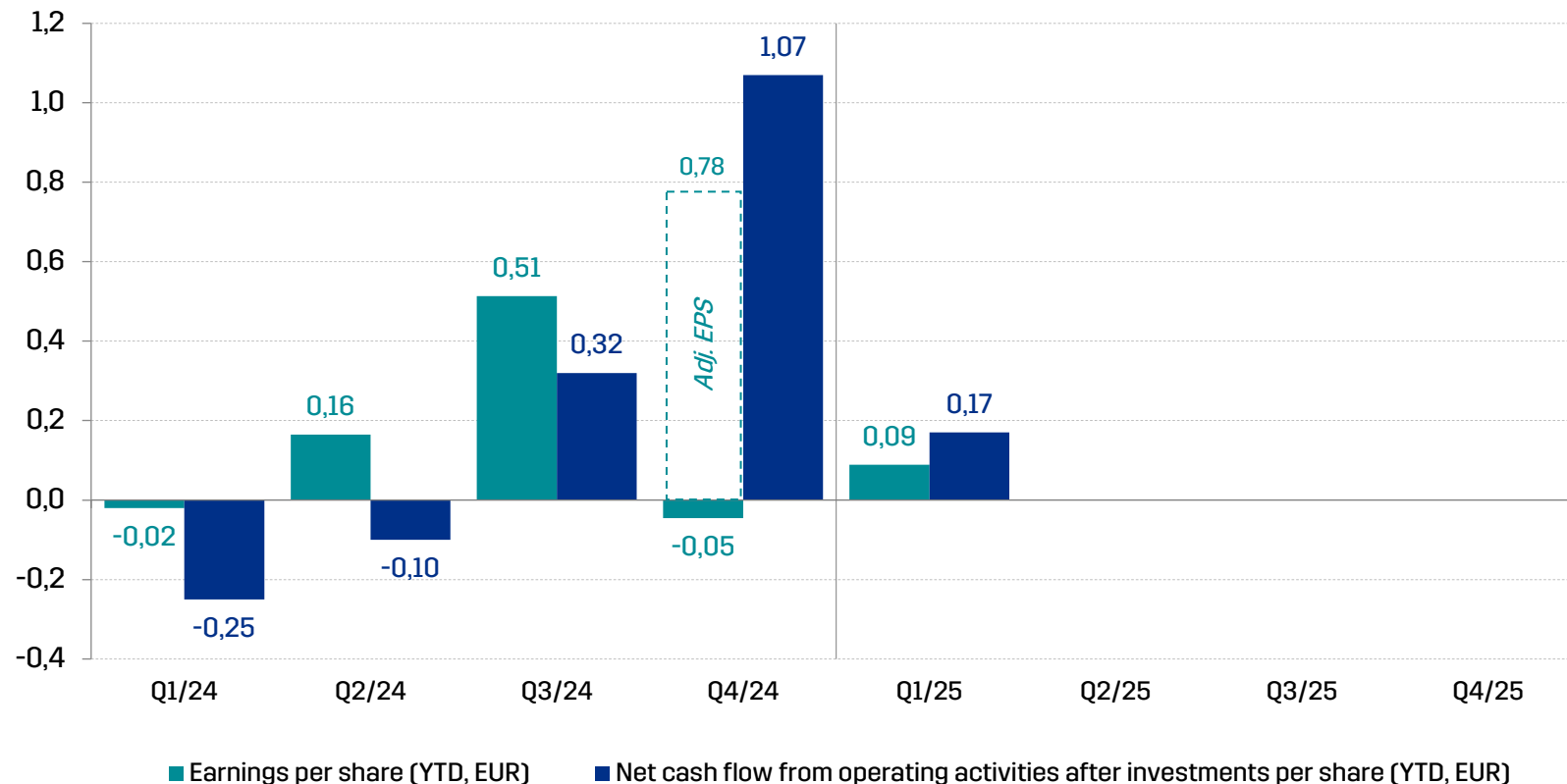
Operating profitability refers to EBIT + Financial income + Share of result of associated companies & joint ventures (R12m) / Net sales (R12m)  
 Capital efficiency = Net sales (rolling 12 months) / Capital employed (average)





# EARNINGS PER SHARE AND CASH FLOW PER SHARE

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



## Comments

- Earnings per share in January-March 2025 was EUR 0.09 (-0.02) supported by improved profitability year-on-year
- Net operating cash flow after investments per share in Q1 2025 was EUR 0.17 (-0.25), supported by improved profitability and NWC performance as well as decrease in capital expenditure



# 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



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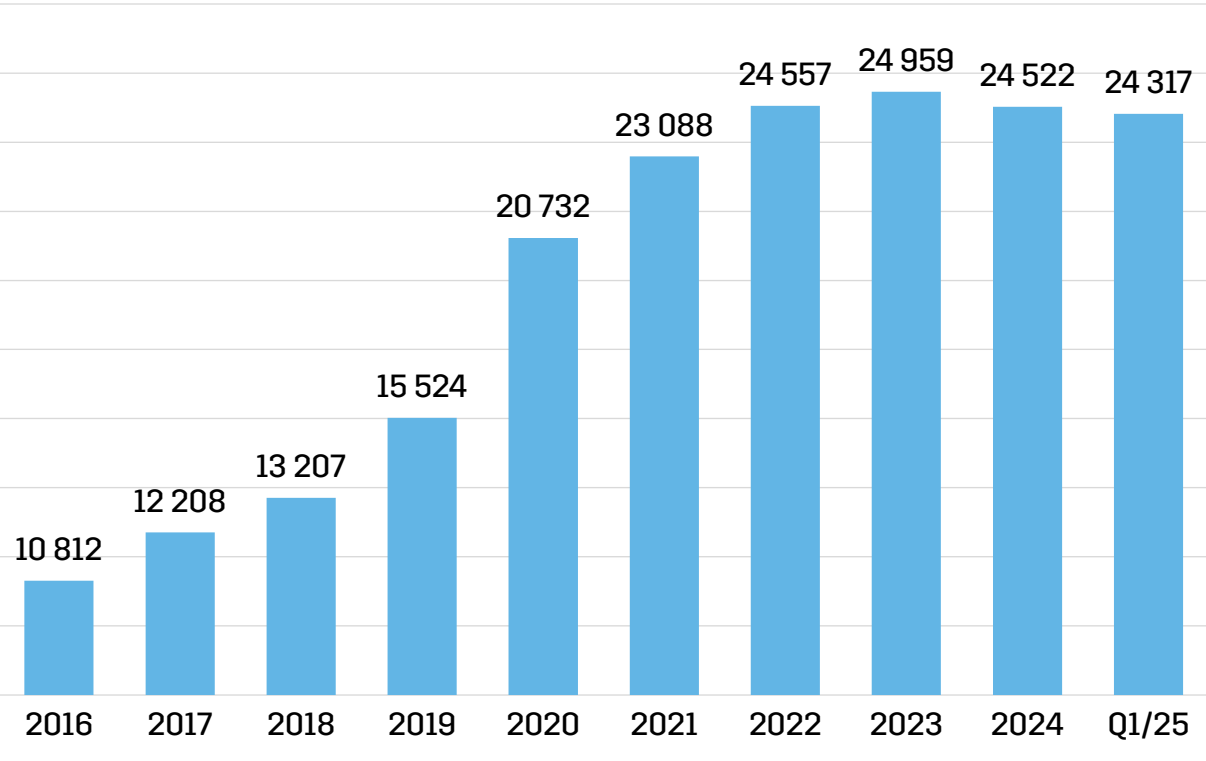


# SHAREHOLDERS

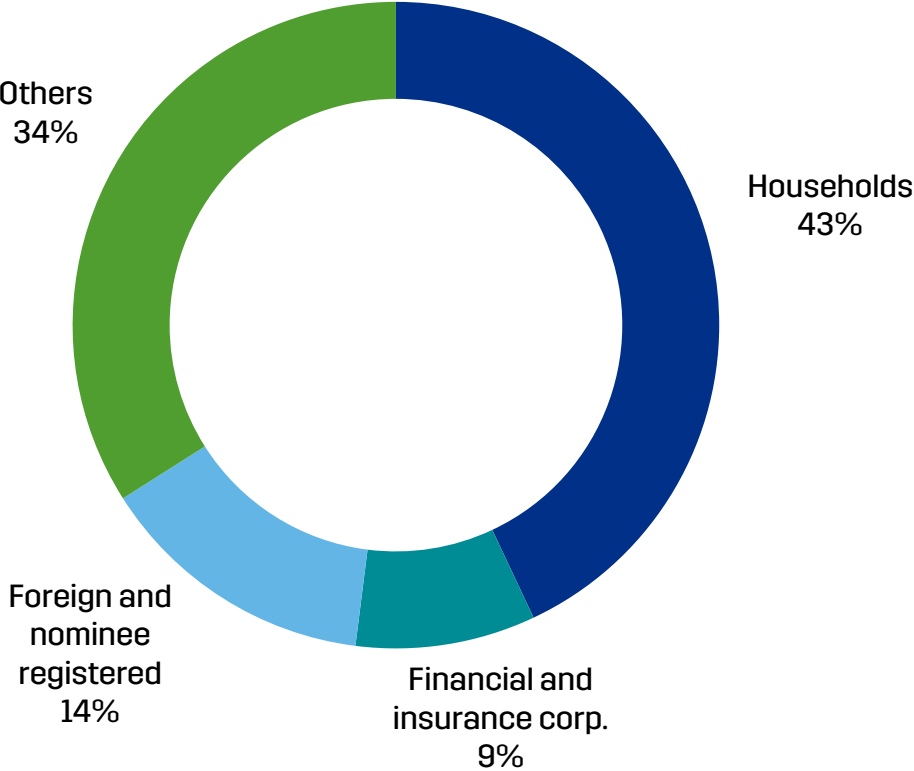


# SHAREHOLDER STRUCTURE

Number of shareholders



Shareholder structure





# MAJOR SHAREHOLDERS ON 31 MARCH 2025

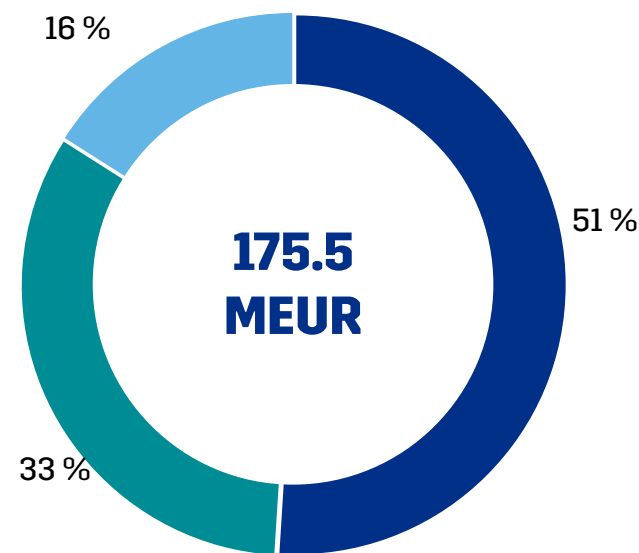
Shareholder	Shares	%
Evald and Hilda Nissi's Foundation	3,496,487	9.01
Nordea Nordic Small Cap Fund	1,834,300	4.73
Maijala Juhani	1,529,994	3.94
Bergholm Heikki	895,057	2.31
Åbo Akademi University Foundation	816,282	2.10
Ilmarinen Mutual Pension Insurance Company	790,000	2.04
Varma Mutual Pension Insurance Company	729,791	1.88
Maijala Mikko	720,000	1.86
Lassila & Tikanoja Oyj	601,542	1.55
Elo Mutual Pension Insurance Company	574,180	1.48
Ownership structure / sector	Shares	%
Nominee-registered shares	5,396,235	13.91
Number of shares	38,798,874	100.00
Number of shareholders	24,317	



# APPENDIX

# KEY FIGURES

## NET SALES Q1/2025



- 51% Circular Economy Business
- 33% Facility Services Finland
- 16% Facility Services Sweden



	Q1/25	Q1/24	Change%	2024
Net sales, MEUR	175.5	185.0	-5.1	770.7
EBITDA, MEUR	17.2	12.1	42.4	89.0
Operating profit, MEUR	3.7	-1.7		9.8
Operating margin, %	2.1	-0.9		1.3
Earnings per share, EUR	0.09	-0.02		-0.05

# Primary financial statements

## Consolidated income statement

MEUR	1-3/2025	1-3/2024	1-12/2024
<b>Net sales</b>	175.5	185.0	770.7
Other operating income	1.5	1.9	4.6
Materials and services	-50.0	-57.8	-228.2
Employee benefit expenses	-83.8	-87.3	-342.7
Other operating expenses	-26.0	-29.7	-115.5
Depreciation, amortisation and impairment	-13.5	-13.8	-55.9
Impairment of goodwill	-	-	-23.3
<b>Operating profit</b>	3.7	-1.7	9.8
Financial income	0.2	0.2	0.8
Financial expenses	-2.1	-2.0	-9.3
Exchange rate differences (net)	0.2	-0.0	-0.0
Financial income and expenses	-1.8	-1.8	-8.6
Share of the result of associated companies and joint ventures	1.7	2.1	3.2
<b>Result before taxes</b>	3.6	-1.4	4.4
Income taxes	-0.2	0.6	-6.1
<b>Result for the period</b>	3.4	-0.8	-1.7
<b>Attributable to:</b>			
Equity holders of the company	3.4	-0.8	-1.7
<b>Earnings per share attributable to the equity holders of the parent company:</b>			
Earnings per share, EUR	0.09	-0.02	-0.05
Diluted earnings per share, EUR	0.09	-0.02	-0.05

## Consolidated statement of financial position

MEUR	31 Mar 2025	31 Mar 2024	31 Dec 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets			
Goodwill	158.0	180.1	157.0
Other intangible assets	41.6	40.1	42.2
	199.6	220.2	199.2
Tangible assets <sup>1</sup>	160.7	164.5	164.3
Right-of-use assets	66.2	80.6	69.1
	227.0	245.1	233.4
Other non-current assets			
Shares in associated companies and joint ventures	20.6	17.9	18.9
Other shares and holdings	0.2	0.2	0.2
Deferred tax assets	2.2	2.3	2.0
Other receivables	0.9	1.5	1.0
	23.9	21.8	22.0
<b>Total non-current assets</b>	<b>450.6</b>	<b>487.1</b>	<b>454.7</b>
<b>Current assets</b>			
Inventories	9.3	8.6	9.2
Trade receivables <sup>2</sup>	75.6	90.2	86.5
Contract assets <sup>2</sup>	20.5	20.6	16.1
Income tax receivables	1.3	2.0	0.3
Other receivables	8.8	9.6	7.1
Cash and cash equivalents	35.6	28.0	33.9
<b>Total current assets</b>	<b>151.1</b>	<b>159.0</b>	<b>153.2</b>
<b>Total assets</b>	<b>601.7</b>	<b>646.1</b>	<b>607.9</b>

<sup>1</sup>The figure for the first quarter of 2024 has been adjusted. The adjustment relates to the correction of an error made in the 2024 financial statements concerning the figures for 2023. More information about the error correction is presented in the 2024 consolidated financial statements.

<sup>2</sup>The Company redefined the presentation of contract assets in the final quarter of 2024 and adjusted contract assets and trade receivables for prior quarters of year 2024 accordingly.

MEUR	31 Mar 2025	31 Mar 2024	31 Dec 2024
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity attributable to the equity holders of the parent company			
Share capital	19.4	19.4	19.4
Translation reserve	-11.9	-13.9	-13.5
Invested unrestricted equity reserve	0.6	0.6	0.6
Retained earnings <sup>1</sup>	187.0	203.2	202.7
<b>Total equity<sup>1</sup></b>	<b>195.2</b>	<b>209.3</b>	<b>209.2</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities <sup>1</sup>	26.2	26.3	26.6
Retirement benefit obligations	1.1	1.1	1.1
Provisions	9.0	6.8	9.0
Borrowings	115.0	115.3	115.1
Lease liabilities	51.2	61.2	53.2
Other liabilities	6.3	12.5	13.4
	208.8	223.3	218.4
<b>Current liabilities</b>			
Borrowings	0.5	10.7	0.5
Lease liabilities	17.4	21.1	18.1
Trade and other payables	177.6	180.2	158.8
Income tax liabilities	0.1	-	0.3
Provisions	2.1	1.4	2.5
	197.7	213.5	180.3
<b>Total liabilities</b>	<b>406.5</b>	<b>436.7</b>	<b>398.7</b>
<b>Total equity and liabilities</b>	<b>601.7</b>	<b>646.1</b>	<b>607.9</b>

<sup>1</sup>The figure for the first quarter of 2024 has been adjusted. The adjustment relates to the correction of an error made in the 2024 financial statements concerning the figures for 2023. More information about the error correction is presented in the 2024 consolidated financial statements.



# **CIRCULAR ECONOMY - MADE REAL**