

A blurred blue truck with the L&T logo on its side is driving past a large, rocky quarry face. The truck is moving from left to right, and its motion is captured with a slight blur. The quarry face is composed of dark, layered rock with some vertical rebar visible. The ground in the foreground is wet and reflective, showing the truck's lights and the surrounding environment.

Lassila & Tikanoja Financial Statements Release 2025

Eero Hautaniemi, President & CEO

Joni Sorsanen, CFO

27 February 2026

Today's presenters



Hautaniemi
Eero
CEO



Sorsanen
Joni
CFO

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- 3 Growth Strategy Execution
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Key financial highlights of 2025

Solid financial performance continued in a challenging market environment

1

Net sales grew by
0.7% to EUR 426.6
million

** On a carve out basis*

2

Adjusted
EBITDA
EUR 84.3m
(86.0m)
Adjusted
EBITA
EUR 40.6m
(44.4m)

** On a carve out basis*

3

Operating
cash flow after
investments
per share
EUR 1.08
(0.90)

** On a carve out basis*

4

Board
proposes a
dividend of
EUR 0.42 per
share

Key operational highlights of 2025

New L&T, a pure-play circular economy player, was created through demerger on 31 Dec 2025

1

Successful completion of the partial demerger

2

New cloud-based ERP was implemented throughout the operations

3

Three acquisitions completed, and investments into plastics recycling

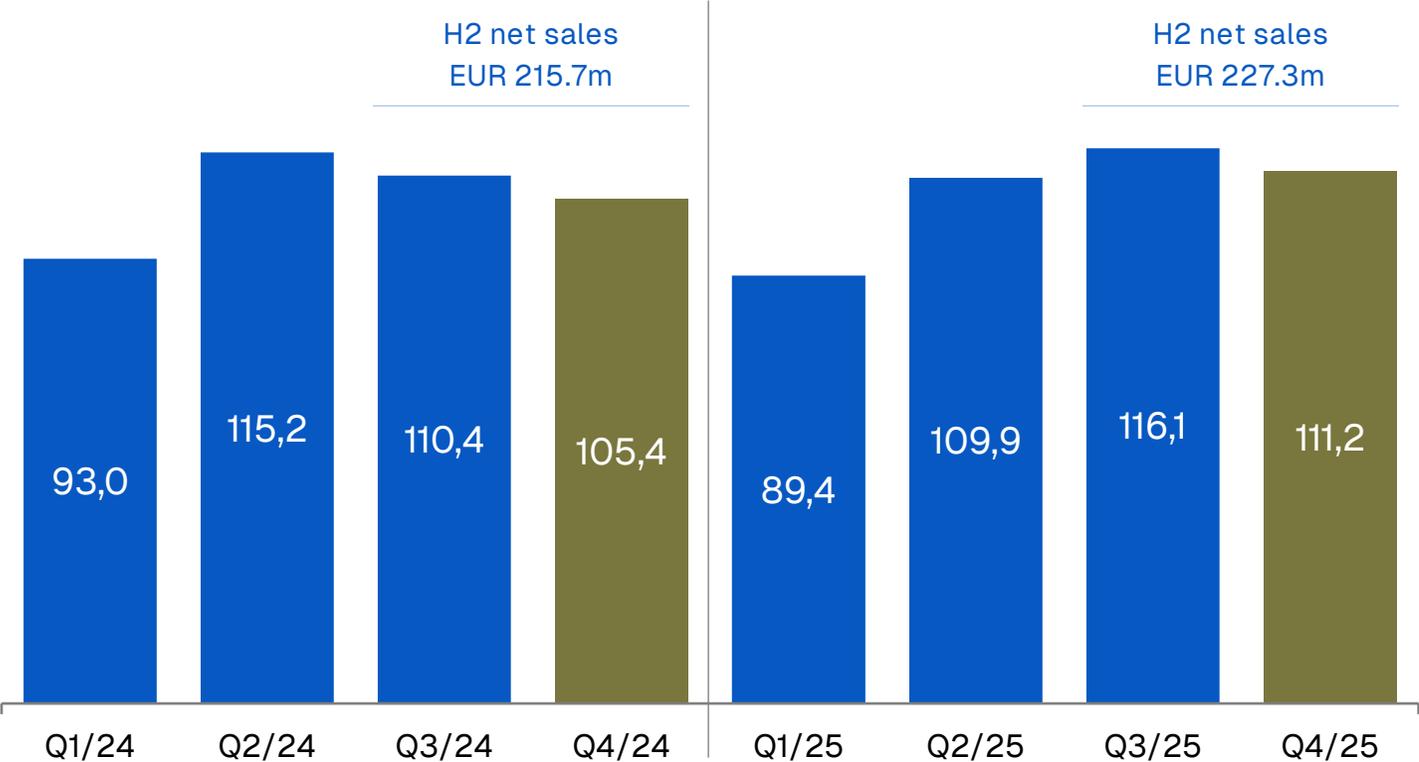
4

Carbon footprint continued to decrease, and recycling rate increased

Net sales development 2024–2025

Net Sales 2024–2025 by Quarter

EURm, carve out figures



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



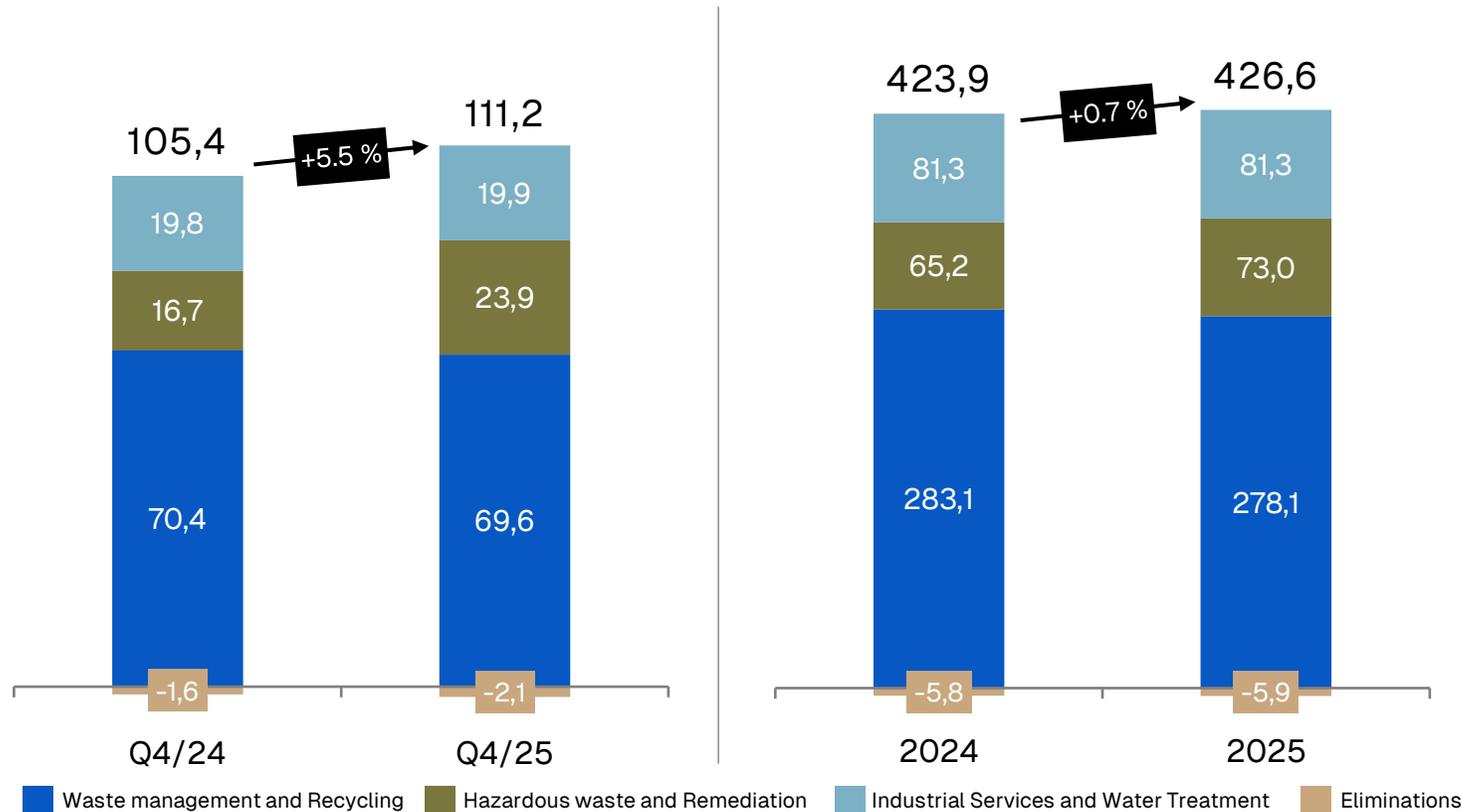
Commentary

- Net sales for Q4 2025 amounted to EUR 111.2m, growth of 5.5% y-o-y
 - Organic growth was 2.5%
- Net sales for financial year 2025 totalled EUR 426.6m (423.9m), growth of 0.7% year-on-year
 - Organic growth was -1.0%
- Net sales started to grow towards the end of the year → H2 growth was 5.4% year-on-year

Net sales development by service area 2024–2025

Net Sales 2024–2025 by Service Area

EURm, carve out figures Q4 and full year



Commentary

- Net sales in the Waste Management and Recycling declined by 1.8% and amounted to EUR 278.1 million (283.1).
 - 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 increased by 12.0% to EUR 73.0 million (65.2).
 - Strong remediation project pipeline
 - Stable demand in hazardous waste
- Net sales in Industrial Services and Water Treatment in line with the comparison period at EUR 81.3 million (81.3).

Adjusted EBITA development 2024–2025

Adjusted EBITA 2024–2025 by Quarter

EURm and as % of net sales, carve out figures



Commentary

- In 2025, carve out based Adjusted EBITA was EUR 40.6m (44.4), or 9.5% (10.5) of net sales
- Adjusted EBITA for the Circular Economy business* was EUR 42.1m (44.7), or 9.9% (10.5) of net sales
- Relative profitability remained at a good level, irrespective of sluggish Finnish economy
- Efficiency measures implemented during the period helped adjust service production costs to lower volumes
- Implementation of the new ERP system increased costs by EUR 1 million
- Start of amortisation related to the system renewal investment had a negative impact of EUR 1.1m

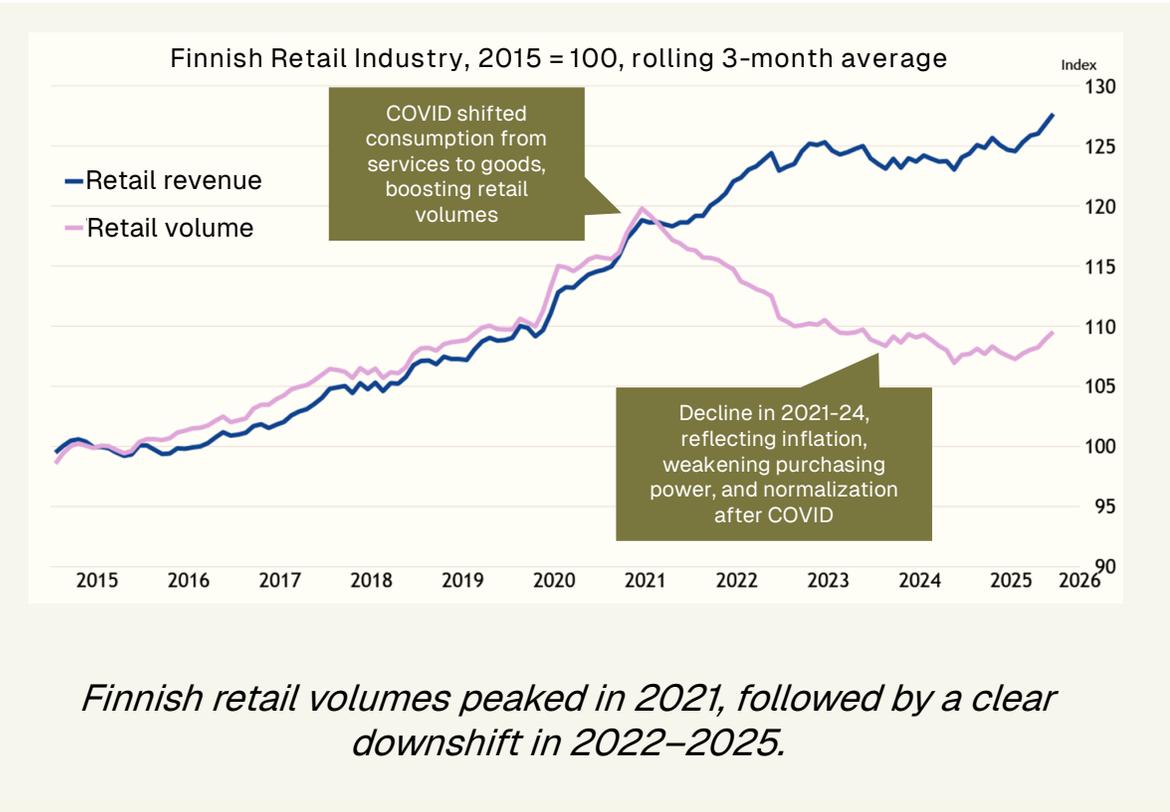
* Comparable, previously reported Circular Economy business

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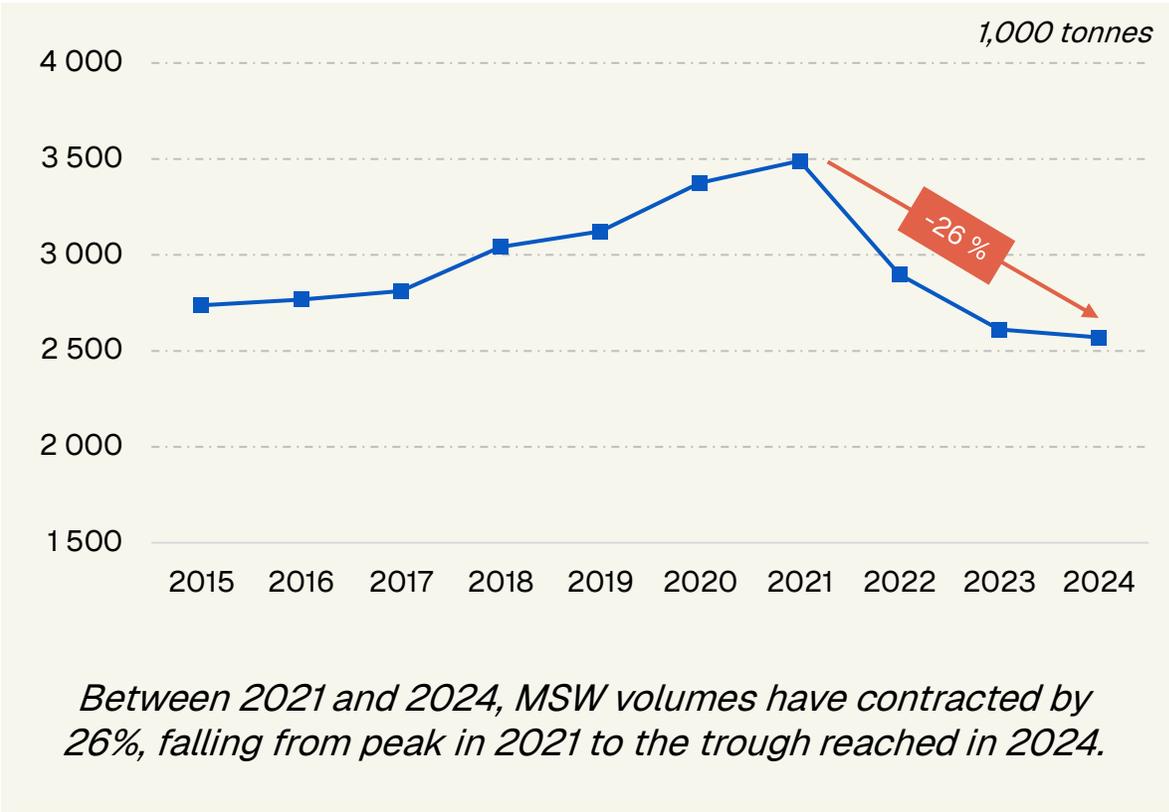
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Finnish retail volumes have declined significantly after 2021, contributing to lower waste generational

Finnish Retail industry

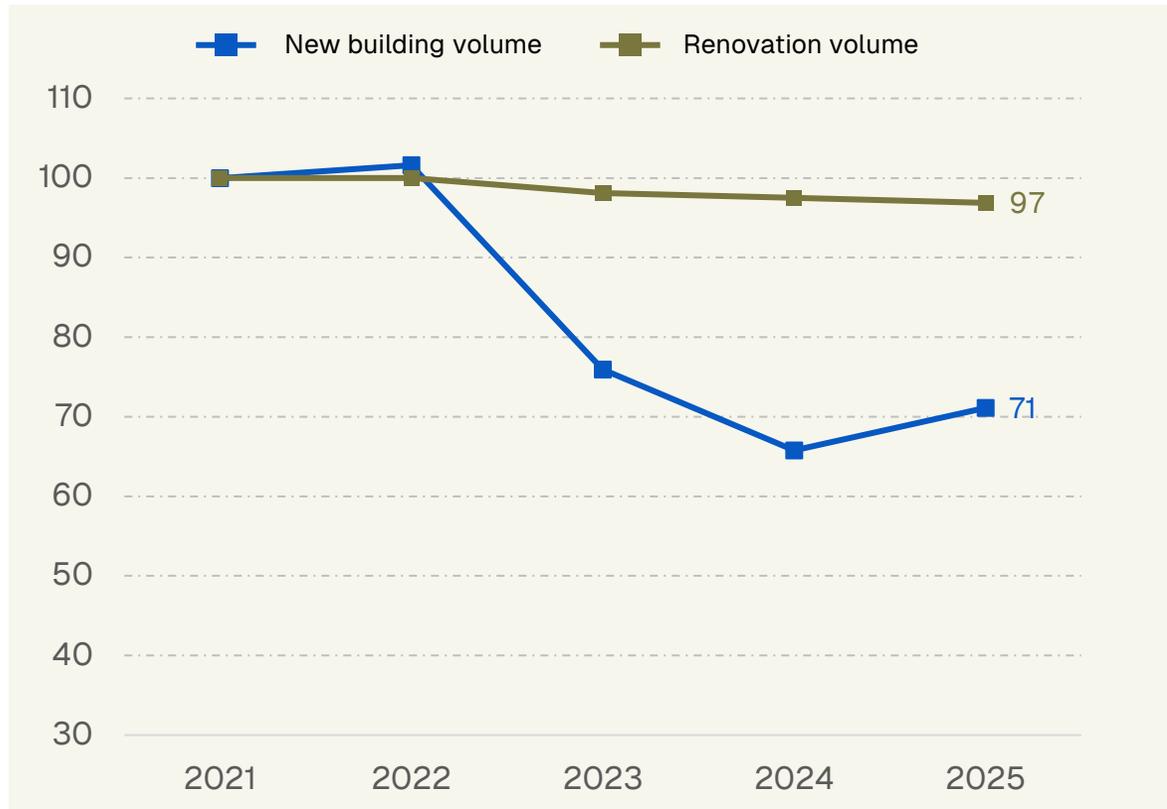


Municipal Solid Waste (MSW) in Finland

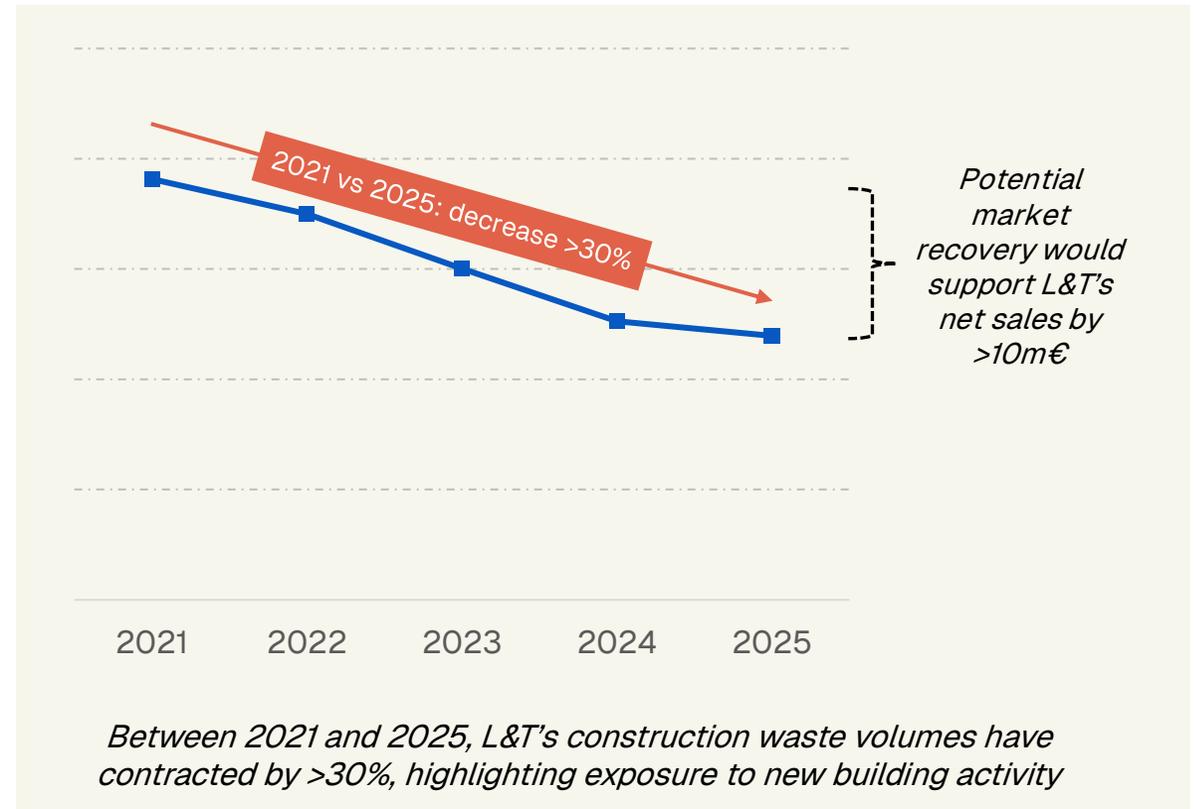


Strong decline in Finnish house building volumes since 2021, clearly affecting L&T's waste volumes

Finnish house building index (2021=100)



L&T's construction waste development

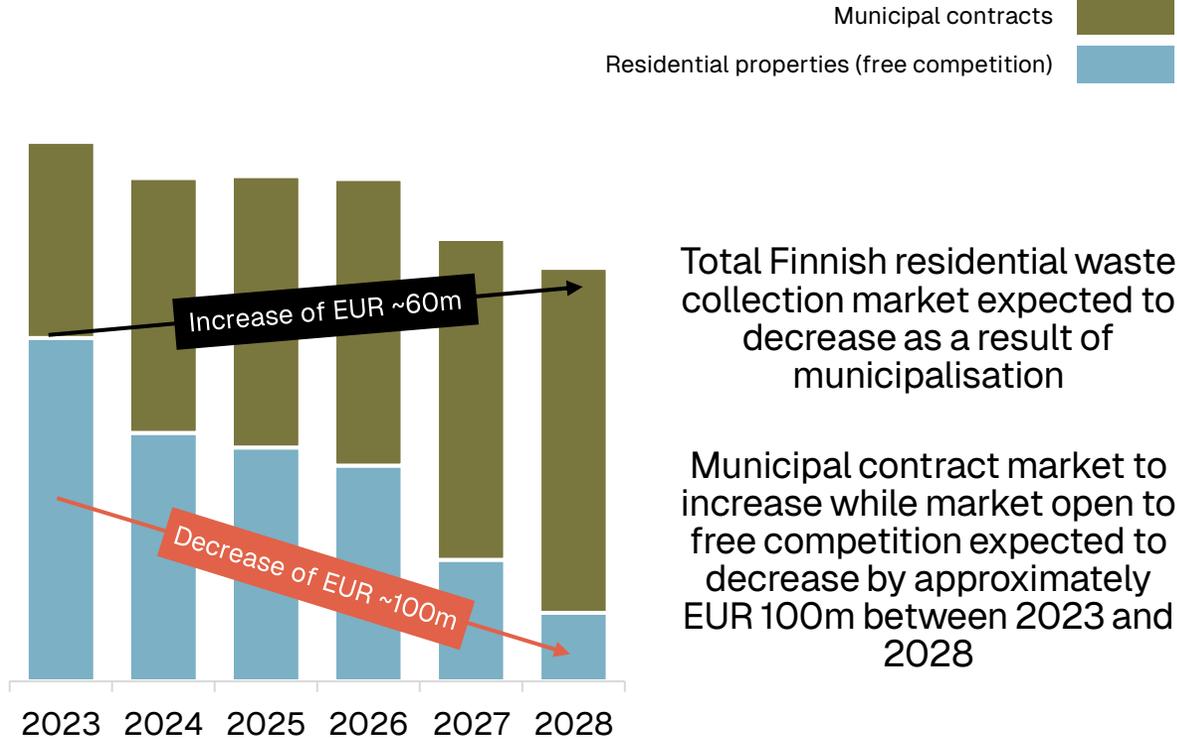


Municipalisation of Finnish residential waste collection

Municipalisation background and L&T considerations

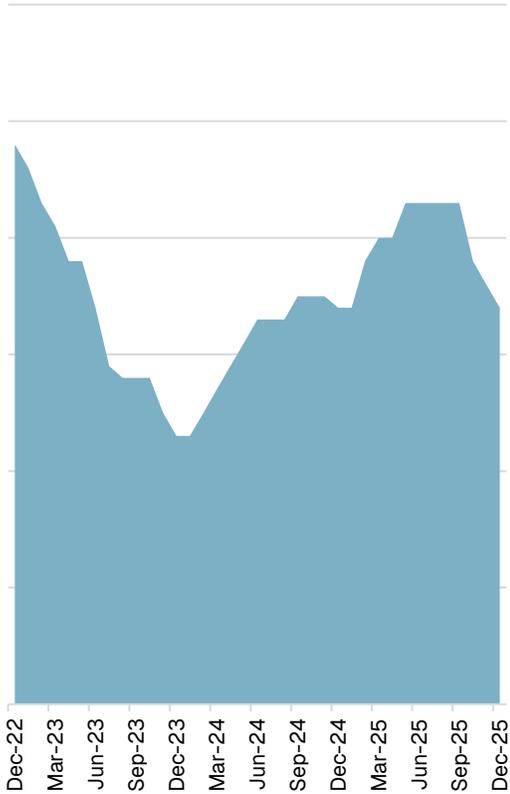
Municipal waste collection market	The municipal market comprises about 50% of the approximately 200-250 EURm residential waste collection market, where L&T holds a roughly 30% market share
Municipalisation background	Legislative changes have increased municipal control over residential waste management, enhancing the role of municipal competitive tendering
Impact on residential market	The share of the residential waste market open to free competition is expected to drop to 15-25% of the total residential market by the end of 2028
L&T's strategy to mitigate impact	L&T aims for profitable growth through disciplined tendering and efficiency measures to mitigate municipalisation impacts

Finnish residential waste collection market development 2023-2028

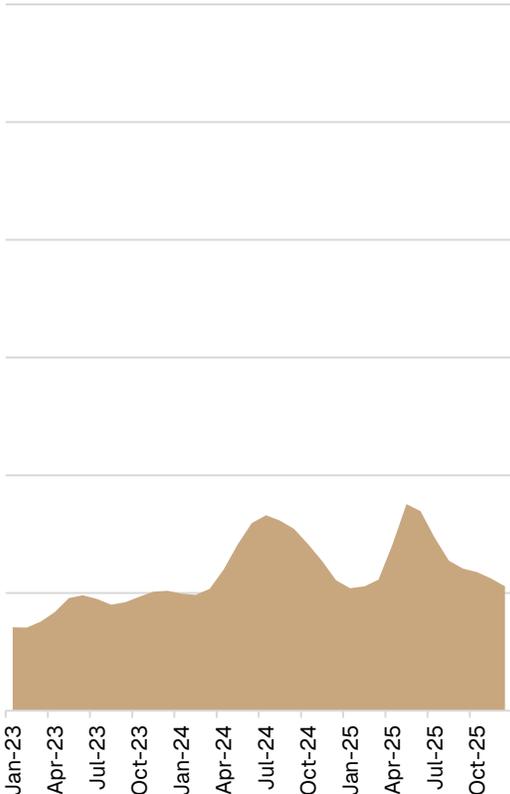


Price development of selected recycled material indexes

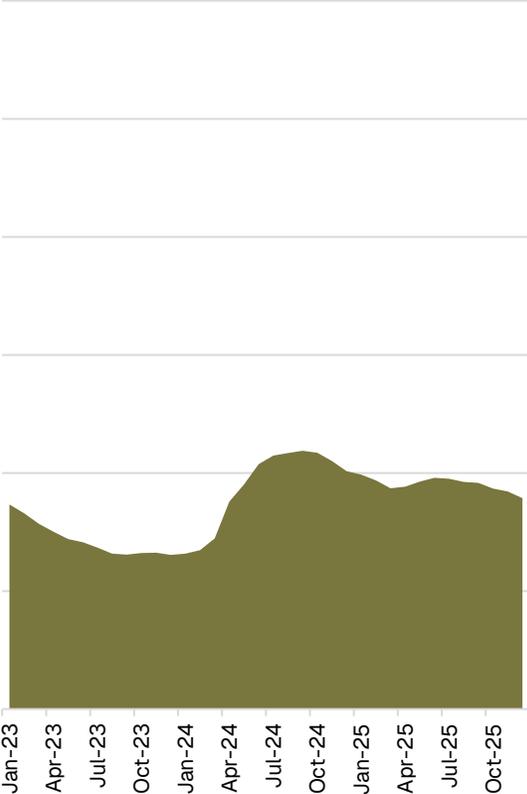
Recycled plastic films (€/t)



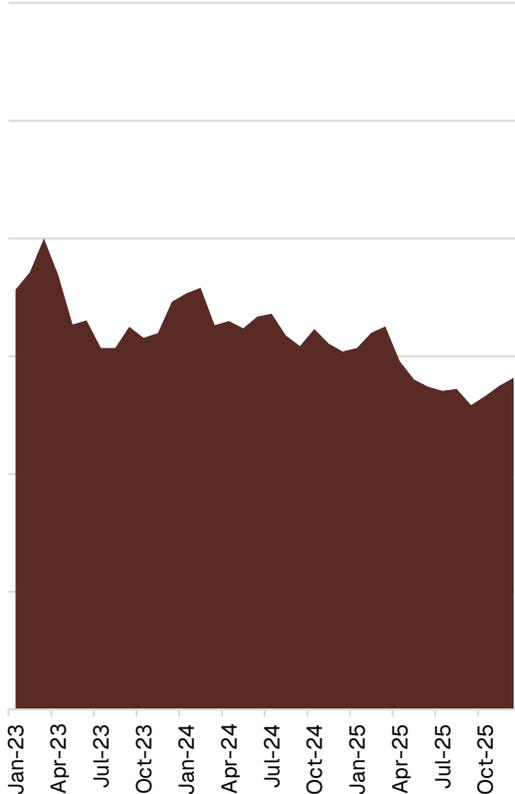
OCC / brown cardboard (€/t)



Recovered paper (€/t)



Mixed scrap metal (€/t)



Key developments in the regulatory environment

Fair competition



- Finnish government proposes to restrict the operations of municipal waste companies due to the challenges related to competitive neutrality
- According to the proposal, the limit for in-house sales would be tightened from the current 10% to 5%
- Obligation to tender services
- Dividend distribution possibilities would be more limited
- Public waste companies' possibility to operate in the B2B market would be more limited

Measures to promote recycling



- Tightening requirements for separate collection of biowaste and packaging waste
- More restrictions for waste-to-energy
- New steering instruments and incentives to promote recycling

EU court 15 Jan 2026 / C:2026:4



- The judgment clarifies how complex public-sector corporate structures are evaluated under procurement law.
- The ruling confirms that public entities operating through Group structures cannot exclude their subsidiaries' activities when assessing eligibility for the in-house procurement exemption.
- Many of the municipal waste companies in Finland have recently established subsidiaries to operate in the B2B market
- This ruling will significantly limit these operations

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Mid-term strategic goals

FINANCIAL TARGETS

Average annual net sales growth of over 6% in the mid-term

Adj. EBITA-margin of 11% in the mid-term

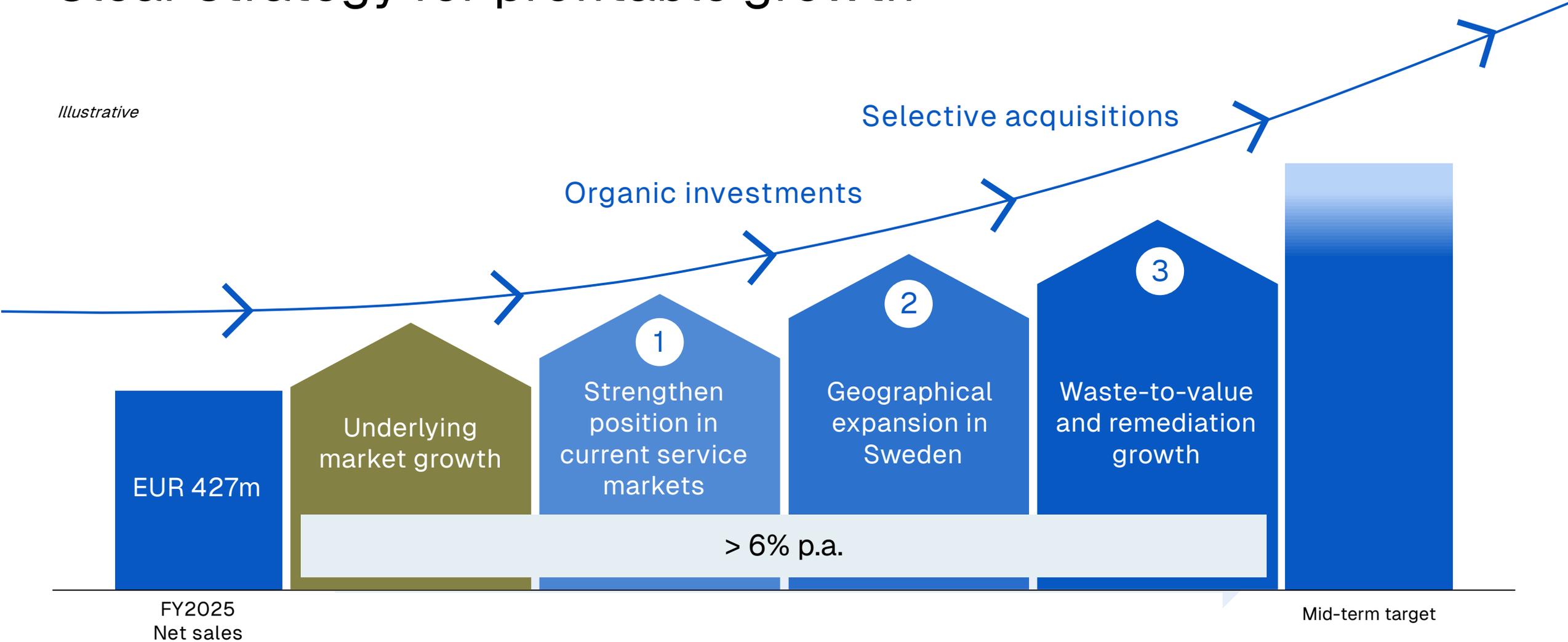
CAPITAL STRUCTURE AND ALLOCATION

Net debt / adj. EBITDA of 1.5x – 2.5x

Dividend payout ratio of at least 50% of net income

Clear strategy for profitable growth

Illustrative



Implementation of growth strategy progressed in 2025



Reinikka, acquisition

RecondConcept, acquisition

Plastic recycling investments

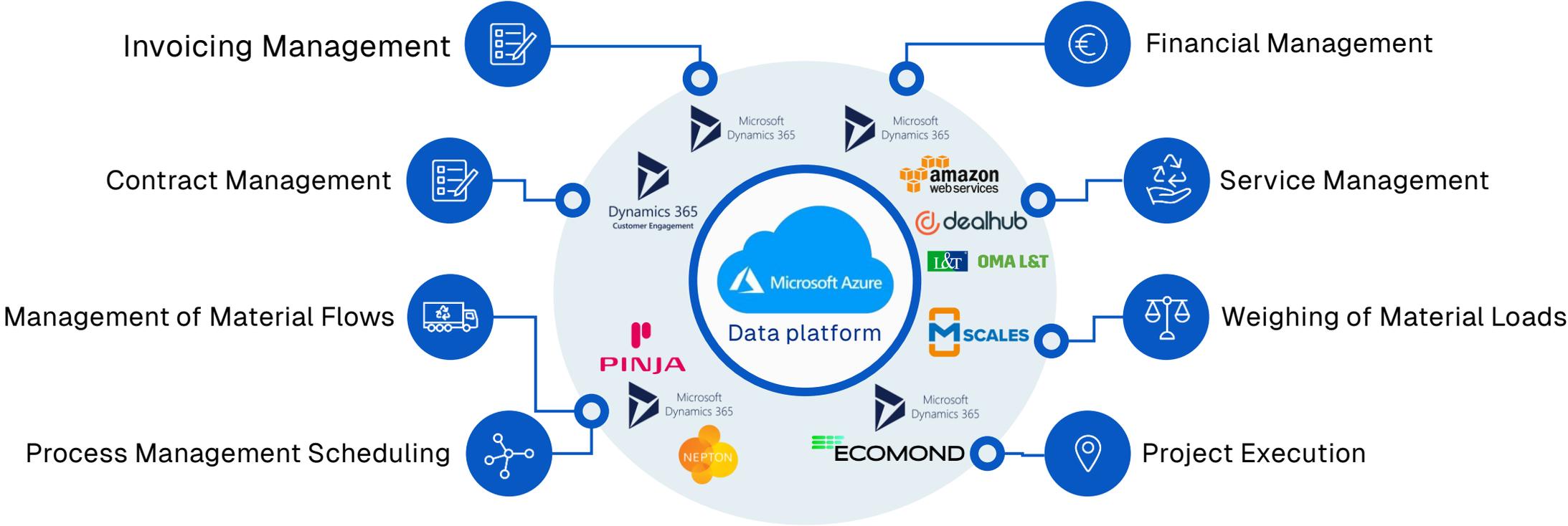


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Renewed IT infra enables a data-driven operating model

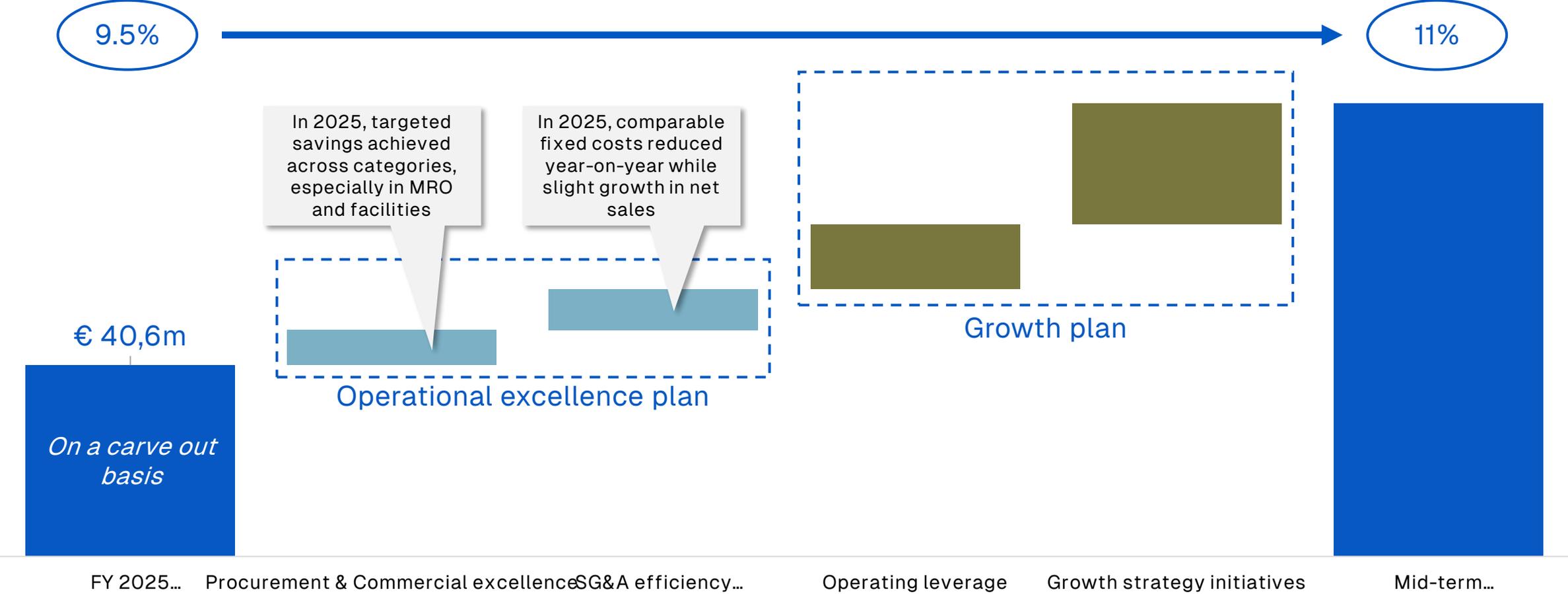
Over the past five years, L&T has invested EUR ~25m in ICT transformation



- ✓ Enhanced customer experience
- ✓ Data-driven decision-making

- ✓ Increased operational efficiency
- ✓ Improved scalability of the business

Clear route to profit growth and further margin expansion

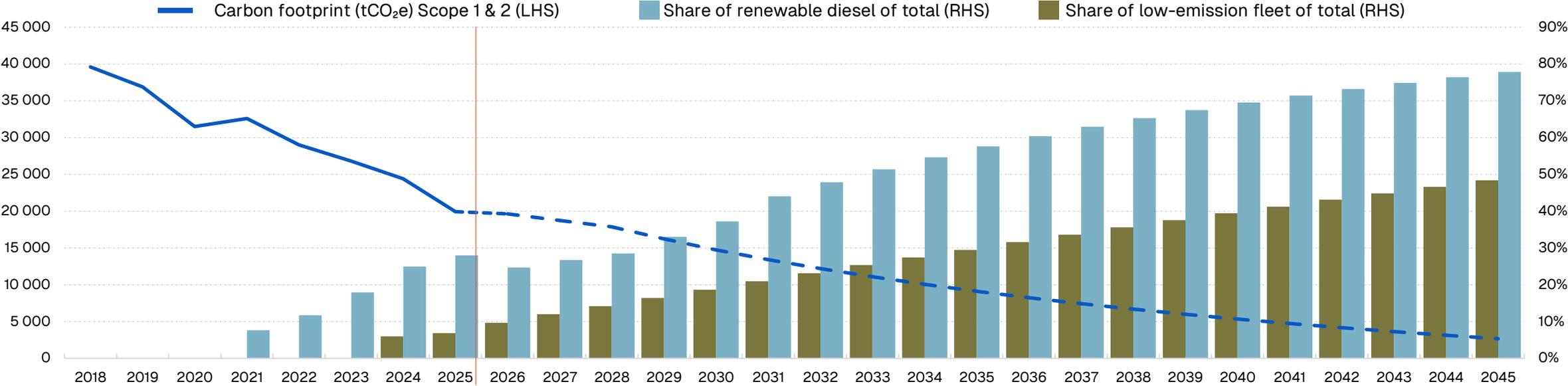


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Net zero 2045 climate target

Emissions from Own Operations Have Halved since 2018



The reduction in the carbon footprint was driven by the expanded use of renewable fuels and investments in low-emission equipment

The share of renewable diesel increased to 28% of total fuel consumption

Of the investments made in 2025 in heavy vehicles, 38% were directed towards low-emission gas-powered or electric equipment



Sustainability scorecard

Key sustainability highlights



Carbon footprint
kt CO₂e

19.9
(24.4)



Recycling rate
%

61.8
(60.7)



TRIF

21.8
(24.1)



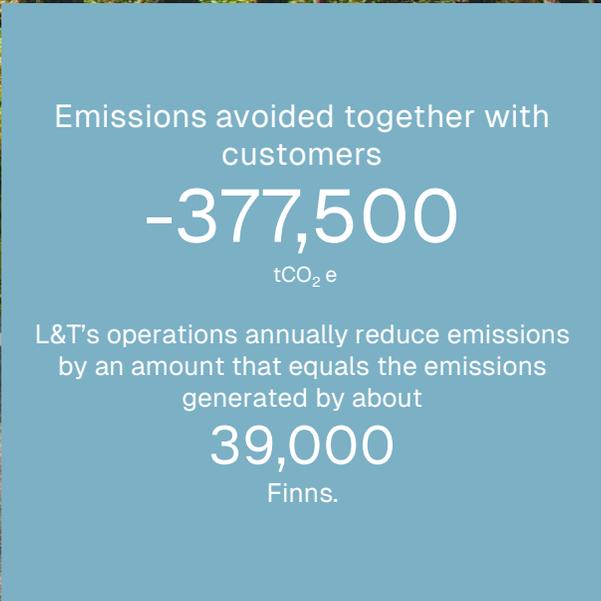
NPS

44
(45)

Commentary

- Recycling rate of non-hazardous waste rose to 61.8% (60.7), supported by higher volumes of pallets and plastics.
- Overall, material volumes in construction and municipal sectors were weighed down by the challenging economic environment.
- Safety performance continued to develop positively.
- The accident frequency rate improved, and the number of proactive safety actions reached a record-high level.

Climate impacts in the value chain



UPSTREAM			DOWNSTREAM
Products and services	Contractor fuels, transport and machinery subcontractors	Other emissions	Final treatment of materials
55,030	14 930	11,180	115,500
tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e

Carbon footprint of supply chain
transport and machinery subcontractor emissions -21 % by 2027 (compared to 2020)

Transportation emissions	Energy consumption
19,480	460
tCO ₂ e	tCO ₂ e

Carbon footprint of own operations
annual emission reduction -4.2%

Blasting cleaning	Material recycling	Bio fuel and recovery fuel deliveries
-2,550	-291,000	-83,900
tCO ₂ e	tCO ₂ e	tCO ₂ e

Carbon handprint
describes the avoided emissions generated by L&T's services

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Highlights

1

Solid financial performance continued

2

Strong balance sheet from day one

3

Improved cash flow generation supported by strong Q4

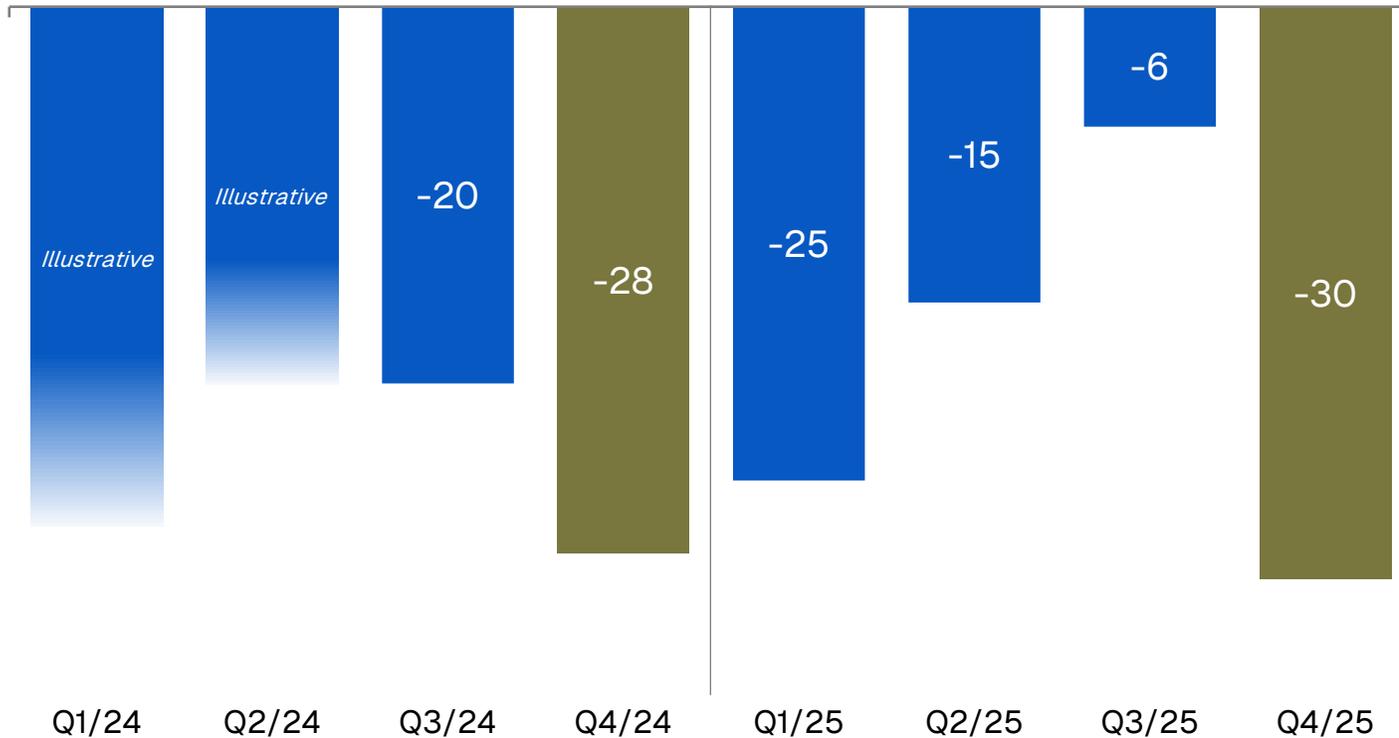
4

Investments in growth, dividend payout in line with Group's strategic target

Net working capital development 2024–2025

NWC 2024 – 2025 by quarter

EURm, carve out figures except for Q4 2025



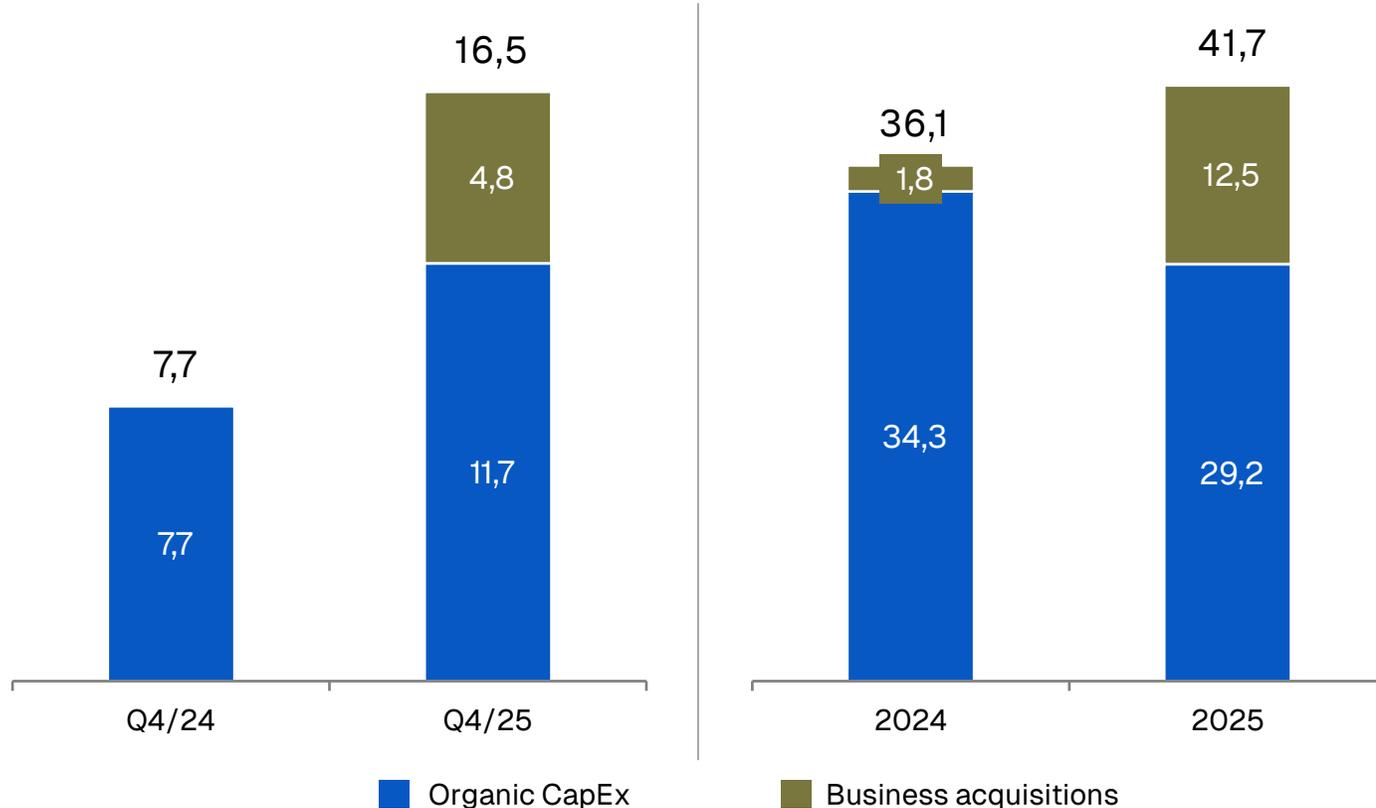
Commentary

- Strong NWC release of EUR 23.5m in the fourth quarter
- NWC at the end of Q3 affected by project-driven business mix in environmental construction, timing of annual maintenance breaks' invoicing as well as some invoicing delays caused by the ICT system renewal
- NWC at the end of 2025 amounted to EUR -29.8m (-28.5m), change of EUR -1.3m year-on-year

CapEx development 2024–2025

CapEx 2024 – 2025 by quarter

EURm, carve out figures Q4 and full year



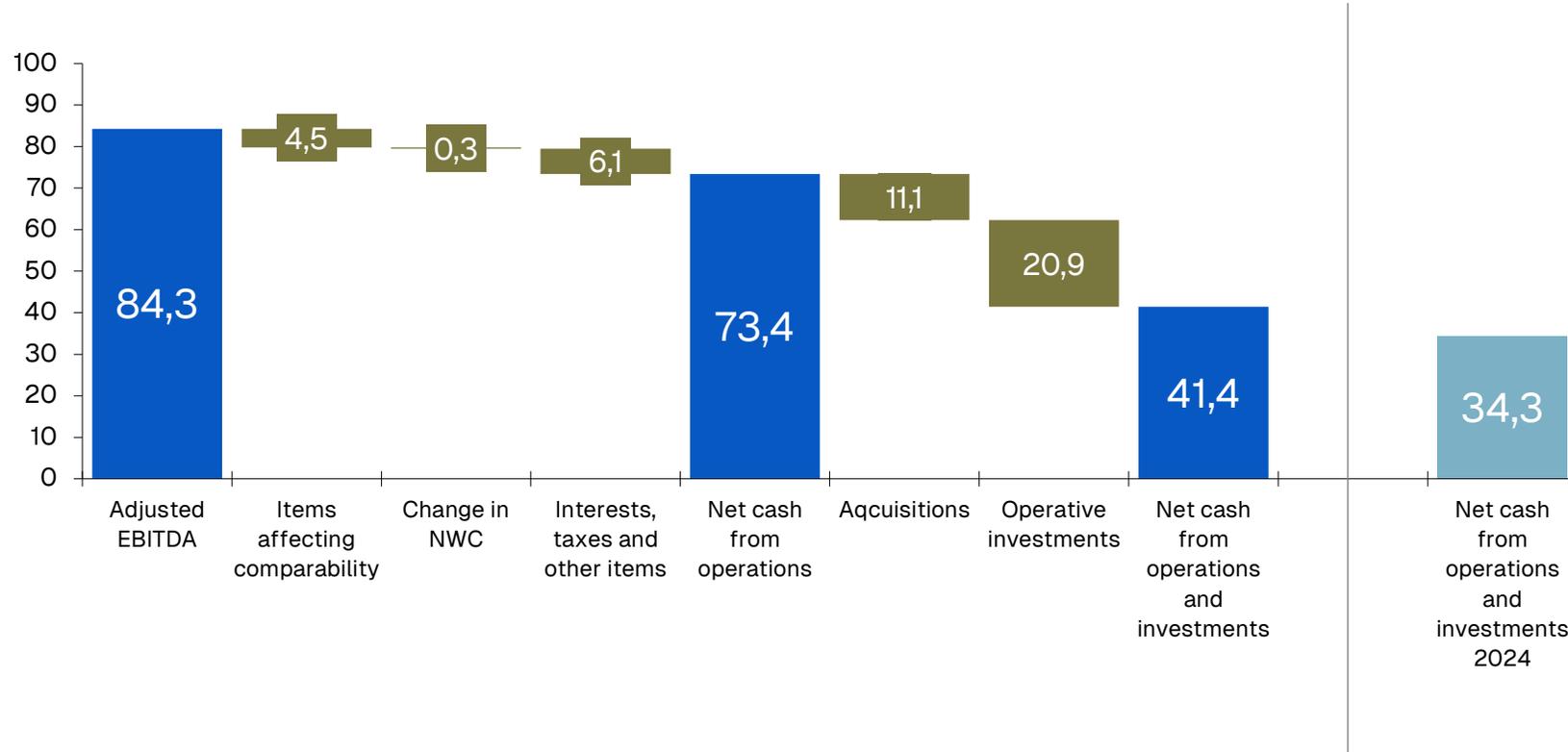
Commentary

- Capital expenditure in 2025 was EUR 41.7m (36.1), an increase of EUR 5.6 million
- The acquisition of Stena Recycling Oy's pallet business was completed in June, while Viemärihuolto Reinikka and RecondConcept were acquired in Dec
- Organic CapEx in 2025 EUR 29.2m (34.3m), y-o-y decrease mostly attributable to ICT related investments
- In 2025, depreciation and amortization in total amounted to EUR 45.5m (43.4m)
- Amortization of new ERP started in June → increase of EUR 1.1m in 2025

Cash flow development 2024–2025

Free cash flow bridge FY2025

EURm, carve out figures



Commentary

- In 2025, net cash flow from operations EUR 73.4m (74.0)
- NWC was tied up by EUR 0.3m
- Net cash flow after investments EUR 41.4m (34.3)
- Cash flow impacted by acquisitions EUR 11.1m (1.5)
- Net cash flow from operating activities after investments EUR 1.08 (0.90) per share
- Free cash flow in relation to reported EBITDA ~52%

Financial position at year-end 2025

Balance sheet KPIs as per 31 Dec 2025



Net debt /
Adjusted
EBITDA

1.78x



Net interest-
bearing debt

EUR

150.2m



Equity
ratio

%

35.0



Gearing

%

86.9

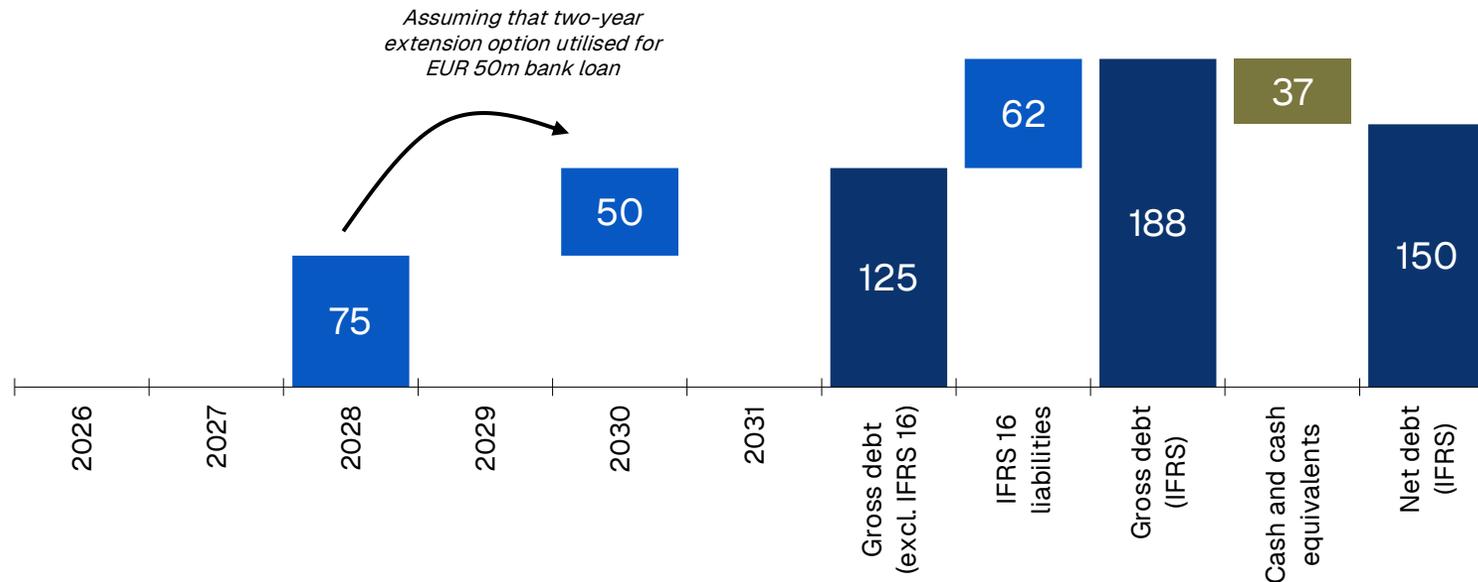
Commentary

- Net debt / Adjusted EBITDA ratio at 1.78x at the end of 2025
 - Net debt amounted to EUR 150.2m
 - Adjusted EBITDA was EUR 84.2m (86.0m), or 18.7% (19.8%) of net sales
- Equity ratio was 35.0% and Gearing ratio 86.9%
- As for financial position, comparison periods 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 Dec 2025

EURm



Commentary

- Interest-bearing liabilities excluding IFRS 16 at EUR 125.2m
 - Bond EUR 75m due in 2028
 - Bank loan EUR 50m due in 2030 (2028 + two-year extension)
- Strong EUR 37.4m liquidity position at year-end
- Committed RCF of EUR 40m unused as per 31 Dec 2025
- The average interest rate of long-term loans, excluding lease liabilities, 3.2%

Key performance indicators for 2025

KPIs for financial year 2025



ROCE-%

10.6%

~11.3%



ROE-%

12.1%

~16.0%



Share of profit
from Laania
EUR

1.9m

(3.2m)



DPS*
EUR

0.42

* Board proposal

Commentary

- ROCE for 2025 was 10.6% on a carve out basis, affected by IAC
 - Indicative ROCE adjusted for IAC and carve-out principles ~11.3%
- ROE for 2025 was 12.1% on a carve out basis, affected by IAC
 - Indicative ROE adjusted for IAC and carve-out principles ~16.0%
- L&T's share of the profit from the joint venture Laania was EUR 1.9m (3.2).
 - Exceptionally warm spring reduced demand for energy wood
- The Board proposes a dividend of EUR 0.42 per share, to be paid in two instalments, first in May 2026 and the second in October 2026

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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