



Lassila & Tikanoja plc
Stock exchange release
29 April 2025 at 8:00 a.m

Lassila & Tikanoja plc: Interim Report 1 January–31 March 2025

GOOD START FOR THE YEAR IN FACILITY SERVICES

Unless otherwise mentioned, the figures in brackets refer to the corresponding period in the previous year.

- Net sales for the first quarter were EUR 175.5 million (185.0). Net sales decreased by 5.1%.
- Adjusted operating profit was EUR 2.7 million (0.0), representing 1.5% (0.0) of net sales. Operating profit was EUR 3.7 million (-1.7), representing 2.1% (-0.9) of net sales.
- Net cash flow from operating activities after investments was EUR 6.6 million (-9.4).
- Earnings per share were EUR 0.09 (-0.02) and net cash flow from operating activities after investments per share was EUR 0.17 (-0.25).
- The preparation for the partial demerger, initiated in December 2024, progressed as planned during the review period.

Outlook for the year 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.

PRESIDENT AND CEO EERO HAUTANIEMI:

“Net sales for the first quarter of 2025 totalled EUR 175.5 million (185.0). Adjusted operating profit was EUR 2.7 million (0.0). Adjusted operating profit improved substantially in Facility Services Finland and Sweden and remained at the same level as the comparison period in Circular Economy Business. Net cash flow from operating activities after investments was strong and improved by EUR 16 million from the comparison period.

In Circular Economy business, profitability remained at the level of the comparison period, despite the challenging business environment affecting the demand for circular economy services in the first quarter. Especially in the construction industry customer segment, the demand for recycling and waste management services decreased compared to the comparison period. In the hazardous waste business line, demand remained stable. In the environmental construction business, the weak economic situation in the Finnish construction market was reflected in a decrease in the volumes of material flows delivered to material treatment centres. The efficiency measures implemented in 2024 helped to adjust the costs of service production to the current market situation.

In Facility Services businesses, profitability improved despite the decrease in net sales. In Facility Services Finland, the decrease in net sales was affected by a mild winter as well as planned optimisation of the customer portfolio. The demand for digital services, such as data-driven cleaning services and AI-assisted energy efficiency services, remained strong. Measures to streamline the cost structure and efficiency of the operations continued, leading to a clear improvement in the division's operating profit. In Facility Services Sweden, operating loss decreased as expected during the first quarter. Measures to simplify operating models and adjust the cost level continued. The new customer contracts won in late 2024, along with ongoing efforts to enhance profitability, provide a solid foundation for achieving a turnaround in Facility Services Sweden in 2025.

In December 2024, the company initiated the planning of the possible separation of its circular economy businesses and facility services businesses into two independent listed companies. The plan is to separate the circular economy businesses into a newly listed company through a partial demerger of Lassila & Tikanoja plc. It is expected that the separation of the circular economy and facility services businesses could increase shareholder value by enabling both businesses to pursue their own strategies and growth opportunities more effectively. The preparation for the partial demerger progressed as planned during the review period.

Lassila & Tikanoja renewed its operating model in 2024. Continuing the operating model work, the company launched an efficiency programme aiming for improved performance at the beginning of 2025, encompassing both the circular economy and facility services businesses. The efficiency programme aims for an annual performance improvement of at least EUR 8 million by the end of 2026 compared to the 2023 level, including the impact on the annual cost level of having two separate listed companies. During the review period, the measures of the efficiency programme progressed as planned.”

GROUP NET SALES AND FINANCIAL PERFORMANCE

January–March

Net sales for the first quarter totalled EUR 175.5 million (185.0), representing a year-on-year decrease of 5.1%. The organic decrease in net sales was 5.2%. Adjusted operating profit was EUR 2.7 million (0.0), representing 1.5% (0.0) of net sales. Operating profit was EUR 3.7 million (-1.7), representing 2.1% (-0.9) of net sales. Operating profit included items affecting comparability totalling EUR 1.0 million. Operating profit was increased by a change of EUR 1.6 million in the fair value of the deferred consideration related to the acquisition of Sand & Vattenbläst i Tyringe AB (“SVB”). Operating profit was decreased by costs affecting comparability totalling EUR 0.6 million consisting mainly of expenses arising from the preparation of the partial demerger, expenses related to business acquisitions as well as expenses related to the ongoing efficiency programme. Earnings per share were EUR 0.09 (-0.02).

Net sales decreased in all divisions. Adjusted operating profit improved in Facility Services Finland and Sweden and remained at the same level as the comparison period in Circular Economy Business. Operating profit improved in all divisions.

The share of the profit of the joint venture Laania Oy amounted to EUR 1.7 million (2.1) in the first quarter of the year.

Financial summary

	1-3/2025	1-3/2024	Change%	1-12/2024
Net sales, EUR million	175.5	185.0	-5.1	770.7
Adjusted operating profit, EUR million	2.7	0.0		43.2
Adjusted operating margin, %	1.5	0.0		5.6
Operating profit, EUR million	3.7	-1.7		9.8
Operating margin, %	2.1	-0.9		1.3
Adjusted EBITDA, MEUR	16.2	13.8	17.3	99.1
Adjusted EBITDA, %	9.2	7.5		12.9
EBITDA, EUR million	17.2	12.1	42.4	89.0
EBITDA, %	9.8	6.5		11.5
Earnings per share, EUR	0.09	-0.02		-0.05
Net cash flow from operating activities after investments per share, EUR	0.17	-0.25		1.07
Return on equity (ROE), %	6.7	-1.4		-0.8
Capital employed, EUR million ¹	379.3	417.6	-9.2	396.1
Return on capital employed (ROCE), % ¹	4.7	9.7		3.3
Equity ratio, % ¹	33.4	33.3		35.4
Gearing, % ¹	76.1	86.1		73.2

¹ 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.

NET SALES AND OPERATING PROFIT BY DIVISION

Circular Economy Business

January–March

The net sales of the Circular Economy Business for the first quarter were EUR 89.5 million (93.0). Adjusted operating profit was EUR 2.5 million (2.6). Operating profit was EUR 4.1 million (2.3). Operating profit was increased by a change of EUR 1.6 (-0.2) million in the fair value of the deferred consideration related to the acquisition of Sand & Vattenbläst i Tyringe AB ("SVB"). The change in the fair value is due to the increase of SVB's net interest-bearing liabilities in the first quarter of 2025.

In Circular Economy business, profitability remained at the level of the comparison period, despite the challenging business environment affecting the demand for circular economy services in the first quarter. Especially in the construction industry customer segment, the demand for recycling and waste management services decreased compared to the comparison period. In the hazardous waste business line, demand remained stable. In the environmental construction business, the weak economic situation in the Finnish construction market was reflected in a decrease in the volumes of material flows delivered to material treatment centres. The efficiency measures implemented in 2024 helped to adjust the costs of service production to the current market situation.

Facility Services Finland

January–March

The Facility Services Finland division's net sales for the first quarter totalled EUR 58.3 million (63.3). Operating profit was EUR 2.1 million (-0.1).

In Facility Services Finland, the decrease in net sales was affected by a mild winter as well as planned optimisation of the customer portfolio. The demand for digital services, such as data-driven cleaning services and AI-assisted energy efficiency services, remained strong. Measures to streamline the cost structure and efficiency of the operations continued, leading to a clear improvement in the division's operating profit. In the cleaning business, profitability remained stable, and in property maintenance business, profitability improved substantially compared to the comparison period.

Facility Services Sweden

January–March

The net sales of Facility Services Sweden amounted to EUR 28.3 million (29.5) in the first quarter of 2025. Operating profit was EUR -1.5 million (-2.1). Operating profit before the amortisation of purchase price allocations of acquisitions was EUR -1.1 million (-1.8).

In Facility Services Sweden, operating loss decreased as expected during the first quarter. Measures to simplify operating models and adjust the cost level continued. The new customer contracts won in late 2024, along with ongoing efforts to enhance profitability, provide a solid foundation for achieving a turnaround in 2025.

FINANCING

In the first quarter of 2025, net cash flow from operating activities totalled EUR 10.9 million (1.9). Net cash flow from operating activities after investments totalled EUR 6.6 million (-9.4). During the review period, a total of EUR 0.2 million in working capital was tied up (6.2 tied up). Net cash flow from operating activities after investments for the review period was improved by positive development in profitability and net working capital as well as decrease in investments year-on-year.

At the end of the review period, interest-bearing liabilities amounted to EUR 184.2 million (208.3). Net interest-bearing liabilities totalled EUR 148.5 million (180.3). The average interest rate on long-term loans, excluding lease liabilities, was 3.4% (4.0%).

The EUR 100.0 million commercial paper programme was unused at the end of the review period (EUR 10 million in use in the comparison period). The account limit totalling EUR 10.0 million and the committed credit limit totalling EUR 40.0 million were not in use, as was the case in the comparison period.

Net financial expenses totalled EUR -1.8 million (-1.8). The effect of the discounting of environmental provisions decreased net financial expenses by EUR 0.3 million in the comparison period. The effect of exchange rate changes on net financial expenses was 0.2 million (-0.0). Net financial expenses were 1.0% (1.0) of net sales.

The equity ratio was 33.4% (33.3) and the gearing ratio was 76.1% (86.1). The Group's total equity amounted to EUR 195.2 million (209.3). Equity was reduced by dividends of EUR 19.1 million distributed for the financial year 2024, which were paid to shareholders on 7 April 2025, in accordance with the decision of the Annual General Meeting held on 27 March 2025. Translation differences caused by changes in the exchange rate of the Swedish krona affected equity by EUR 1.6 million. Cash and cash equivalents at the balance sheet date totalled EUR 35.6 million (28.0).

DIVIDEND DISTRIBUTION

The Annual General Meeting held on 27 March 2025 resolved that a dividend of EUR 0.50 per share, totalling EUR 19.1 million, be paid on the basis of the balance sheet that was adopted for the financial year 2024. The dividend was paid to shareholders on 7 April 2025.

CAPITAL EXPENDITURE

Gross capital expenditure for the review period totalled EUR 3.8 million (11.1). The capital expenditure consisted primarily of machine and equipment purchases, as well as investments in information systems. Investments in the first quarter were approximately EUR 4 million below the planned level due to a deferral to subsequent quarters. Acquisitions accounted for approximately EUR 2 million of the gross capital expenditure in the comparison period.

SUSTAINABILITY

In March, Lassila & Tikanoja published its Annual Report 2024, which includes a sustainability report in accordance with the Corporate Sustainability Reporting Directive (CSRD). L&T's sustainability indicator, carbon footprint, developed more favourably than expected. The reduction in carbon footprint can be attributed to the increased use of renewable fuels and unusually warm winter.

Progress towards sustainability targets

Indicator	1-3/2025	1-3/2024	2024	Target	Target to be achieved by
ENVIRONMENTAL RESPONSIBILITY					
Carbon handprint (tCO ₂ e) i.e. emissions prevented	-113,200	-115,200	-438,000	growth faster than net sales	
Carbon footprint (tCO ₂ e) Scope 1&2 ¹	5,600	7,200	27,200	24,400	2030
SOCIAL RESPONSIBILITY					
Total recordable incident frequency ¹	17	15	19	15	2030
Sickness-related absences (%)	5.7	5.5	5.0	4	2030

¹ Figures for the first quarter of 2024 have been adjusted.

PERSONNEL

In the first quarter of 2025, the average number of employees converted into full-time equivalents was 5,857 (6,305). At the end of the review period, L&T had a total of 7,519 (7,686) full-time and part-time employees. The increase in personnel in Facility Services Sweden was primarily due to the commencement of two new customer contracts.

Number of employees at the end of the review period	1-3/2025	1-3/2024	2024
Group	7,519	7,686	7,441
Finland	6,259	6,482	6,313
Sweden	1,260	1,204	1,128
Circular Economy Business	2,164	2,214	2,168
Facility Services Finland	4,081	4,257	4,140
Facility Services Sweden	1,165	1,103	1,032
Group administration and other	109	112	101

SHARES AND SHARE CAPITAL

Traded volume and price

The volume of trading in L&T's shares during the review period was 1.7 million shares, which represents 4.3% (5.5) of the average number of outstanding shares. The value of trading was EUR 14.2 million (19.6). The highest share price was EUR 9.14 and the lowest EUR 7.88. The closing price was EUR 8.37. At the end of the review period, the market capitalisation excluding the shares held by the company was EUR 319.7 million (335.9).

Own shares

At the end of the period, the company held 601,542 of its own shares, representing 1.6% of all shares and votes.

Share capital and number of shares

The company's registered share capital amounts to EUR 19,399,437 and the number of outstanding shares was 38,197,332 at the end of the review period. The average number of shares excluding the shares held by the company was 38,166,416.

Shareholders

At the end of the financial year, the company had 24,317 (25,255) shareholders. Nominee-registered holdings accounted for 13.9% (8.7) of the total number of shares.

Flagging notifications

Lassila & Tikanoja received a notification from Nordea Funds Ltd on 31 January 2025, according to which its voting rights in Lassila & Tikanoja increased above 5 percent on 30 January 2025. Nordea Funds Ltd's direct holding in Lassila & Tikanoja is 1,912,244 shares, which is 4.93% of Lassila & Tikanoja's total shares and votes increased to 1,946,154, which is 5.02% of total voting rights.

Lassila & Tikanoja received a notification from Nordea Funds Ltd on 17 March 2025, according to which its voting rights in Lassila & Tikanoja decreased below 5 percent on 14 March 2025. Nordea Funds Ltd's direct holding in Lassila & Tikanoja is less than 5% of Lassila & Tikanoja's total shares and votes decreased below 5% of total voting rights.

Authorisations for the Board of Directors

The Annual General Meeting held on 27 March 2025 authorised Lassila & Tikanoja plc's Board of Directors to decide on the repurchase of the company's own shares using the company's unrestricted equity. In addition, the Annual General Meeting authorised the Board of Directors to decide on a share issue and the issuance of special rights entitling their holders to shares.

The Board of Directors is authorised to purchase a maximum of 2,000,000 company shares (5.2% of the total number of shares). The repurchase authorisation is effective for 18 months.

The Board of Directors is authorised to decide on the issuance of new shares or shares which may be held by the company through a share issue and/or issuance of option rights or other special rights conferring entitlement to shares, referred to in Chapter 10, Section 1 of the Finnish Companies Act, so that under the authorisation, a maximum of 2,000,000 shares (5.2% of the total number of shares) may be issued and/or conveyed. The authorisation is effective for 18 months.

RESOLUTIONS BY THE ANNUAL GENERAL MEETING

The Annual General Meeting of Lassila & Tikanoja plc, which was held on 27 March 2025, adopted the financial statements and consolidated financial statements for the financial year 2024, discharged the members of the Board of Directors and the President and CEO from liability and adopted the Remuneration Report for the Company's governing bodies. The Annual General Meeting resolved on the use of the profit shown on the balance sheet and the payment of dividend, the amendment of the Articles of Association of the Company, the composition and remuneration of the Board of Directors, the election and remuneration of the Auditor, the election of the Sustainability Reporting Assurance Provider and authorising the Board of Directors to decide on the repurchase of the Company's own shares and on a share issue and the issuance of special rights entitling to shares.

The Annual General Meeting resolved that a dividend of EUR 0.50 per share be paid on the basis of the balance sheet adopted for the financial year 2024. It was decided that the dividend be paid on 7 April 2025.

The Annual General Meeting resolved, in accordance with the Board's proposal, to amend the Articles 4, 16 and 13 of the Company's Articles of Association as follows:

- Article 4 is amended so that the Board of Directors may consist of no less than three (3) and no more than eight (8) members, instead of the previous no more than seven (7) members.
- Article 6 is amended so that in addition to the auditor, the Company shall have a sustainability reporting assurance provider.
- Article 13 is amended so that the assurance report on sustainability reporting shall be presented at the Annual General Meeting and the Annual General Meeting shall elect a sustainability reporting assurance provider, in addition to the issues specified in the previous Article 13 of the Articles of Association.

The Annual General Meeting confirmed the number of members of the Board of Directors as eight (8) in accordance with the proposal of the Shareholders' Nomination Board. Teemu Kangas-Kärki, Sakari Lassila, Jukka Leinonen, Juuso Maijala, Anni Ronkainen, and Pasi Tolppanen were re-elected and Tuija Kalpala as well as Anna-Maria Tuominen-Reini were elected as new members to the Board until the end of the following Annual General Meeting. Jukka Leinonen was elected as the Chairman of the Board and Sakari Lassila was elected as the Vice Chairman.

The Annual General Meeting elected PricewaterhouseCoopers Oy, Authorised Public Accountants, as the auditor of the Company until the close of the next Annual General Meeting. PricewaterhouseCoopers Oy has announced that it will name Samuli Perälä, Authorised Public Accountant, as the auditor with principal responsibility.

The Annual General Meeting elected PricewaterhouseCoopers Oy, Authorised Sustainability Audit Firm, as the sustainability reporting assurance provider of the Company until the close of the next Annual General Meeting. PricewaterhouseCoopers Oy has announced that it will name Samuli Perälä, Authorised Sustainability Auditor, as the responsible authorised sustainability auditor.

The resolutions of the Annual General Meeting were announced in more detail in a stock exchange release on 27 March 2025.

BOARD OF DIRECTORS

The members of Lassila & Tikanoja plc's Board of Directors are Tuija Kalpala, Teemu Kangas-Kärki, Sakari Lassila, Jukka Leinonen, Juuso Maijala, Anni Ronkainen, Pasi Tolppanen and Anna-Maria Tuominen-Reini. Lassila & Tikanoja plc's Annual General Meeting held on 27 March 2025 elected Jukka Leinonen as the Chairman of the Board and Sakari Lassila as the Vice Chairman.

In its constitutive meeting held after the Annual General Meeting, the Board of Directors elected the members of the Audit Committee and the Personnel and Sustainability Committee from amongst its members. Teemu Kangas-Kärki (Chairman), Sakari Lassila, Tuija Kalpala and Anna-Maria Tuominen-Reini were elected to the Audit Committee. Jukka Leinonen (Chairman), Juuso Maijala, Pasi Tolppanen and Anni Ronkainen were elected to the Personnel and Sustainability Committee.

PARTIAL DEMERGER AND THE EFFICIENCY PROGRAMME

On 13 December 2024, the company announced, that the Board of Directors of Lassila & Tikanoja plc has decided to initiate the planning of the possible separation of its circular economy businesses Environmental and Industrial Services and facility services businesses into two independent listed companies. The plan is to separate the circular economy businesses into a newly listed company through a partial demerger of Lassila & Tikanoja plc.

According to the Board of Directors' preliminary assessment, the separation of the circular economy and facility services businesses could increase shareholder value by enabling both businesses to pursue their own strategies and growth opportunities more effectively.

The Board of Directors of Lassila & Tikanoja estimates that planning the possible partial demerger will take approximately 12 months starting from December 2024. The preparation for the partial demerger progressed as planned during the review period. The possible partial demerger and listing of the circular economy businesses requires the approval of the Extraordinary General Meeting of Lassila & Tikanoja plc.

As part of the preparation for the partial demerger, Lassila & Tikanoja has assessed the financial structure of the potential separate listed companies. According to preliminary estimates, the EUR 75 million bond issued by Lassila & Tikanoja plc would be transferred to the receiving company, i.e., the Circular Economy Business company, in the demerger.

Lassila & Tikanoja renewed its operating model in 2024. Continuing the operating model work, the company launched an efficiency programme aiming for improved performance at the beginning of 2025, encompassing both the circular economy and facility services businesses. The efficiency programme aims for an annual performance improvement of at least EUR 8 million by the end of 2026 compared to the 2023 level, including the impact on the annual cost level of having two separate listed companies. During the review period, the measures of the efficiency programme progressed as planned.

EVENTS AFTER THE REVIEW PERIOD

Lassila & Tikanoja received a notification from Nordea Funds Ltd on 7 April 2025, according to which its voting rights in Lassila & Tikanoja increased to 5 percent on 4 April 2025. Nordea Funds Ltd's direct holding in Lassila & Tikanoja is 1,911,570.00 shares, which is 4.92% of Lassila & Tikanoja's total shares and votes increased to 1,942,180.00, which is 5% of total voting rights.

NEAR-TERM RISKS AND UNCERTAINTIES

General economic uncertainty may affect the level of economic activity among customers, which may reduce the demand for L&T's services.

Changes in costs, such as the price of fuel and energy and interest rates, may have an impact on the company's financial performance.

The Finnish Waste Act was amended in July 2021. Under the reforms to the Waste Act, municipalities take on a larger role in organising the collection of packaging materials and biowaste from housing properties. As a consequence of the reform, L&T's direct customer agreements with housing properties on the separate collection of packaging waste and biowaste will be transferred to municipalities for competitive bidding gradually between 1 July 2022 and 1 July 2025. L&T estimates that, as a result of municipalisation, approximately EUR 30 million of the Finnish waste management market will be moved out of the scope of free competition between 2024 and 2026. L&T participates in the competitive tendering of municipal contracts and is a significant operator in municipal contracts. Nevertheless, L&T estimates that the overall impact of the change will be negative for the company.

The company has several ERP system renewal projects under way. Temporary additional costs arising from system deployments and establishing the operating model may weigh down the company's result.

Production costs may be increased by regional challenges related to employee turnover and labour availability.

The geopolitical situation involves continued uncertainty due to Russia's war of aggression and the U.S. customs policy. The indirect impacts on overall economic activity in Finland and Sweden may have a negative impact on net sales and profit.

Lassila & Tikanoja announced in December 2024 that the company's Board of Directors has decided to initiate the planning for the separation of the company's circular economy businesses,

i.e., Environmental and Industrial services, and facility services businesses into two independent listed companies, with the circular economy businesses being separated into a new listed company. The planning and related measures for the partial demerger may include risks related to, for example, the retention of skilled personnel, customer relationships, costs, and the execution of potential transactions.

The Group company Lassila & Tikanoja FM AB is a claimant and a defendant in legal proceedings in Sweden concerning unpaid receivables invoiced from a former customer of L&T. In June 2022, Lassila & Tikanoja FM AB took legal action in the District Court of Solna against the former customer company of L&T, demanding payment for unpaid receivables. At the end of the review period, the amount of receivables on the company's balance sheet was approximately EUR 0.7 million. The former L&T customer company in question has rejected Lassila & Tikanoja FM AB's claims and the payment obligation, and brought a counterclaim demanding compensation totalling approximately SEK 144 million from Lassila & Tikanoja FM AB. The dispute is still pending. Lassila & Tikanoja considers the counterclaim to be without merit and has not recognised any provisions in relation to it.

More detailed information on Lassila & Tikanoja's risks and risk management is provided in the 2024 Annual Review and in the Report by the Board of Directors and the consolidated financial statements.

Interim Report 1 January - 31 March 2025: Tables

Contents

Key figures of the Group

- Key figures
- Reconciliation of alternative performance measures
- Calculation of key figures

Primary financial statements

- Consolidated income statement
- Consolidated statement of comprehensive income
- Consolidated statement of financial position
- Consolidated statement of cash flows
- Consolidated statement of changes in equity

Notes

1. Accounting policies
2. Segment information
3. Segment information by quarter
4. Disaggregation of revenue
5. Business acquisitions
6. Intangible and tangible assets
7. Capital commitments
8. Provisions
9. Financial assets and liabilities by category
10. Related party transactions
11. Commitments and contingent liabilities

Key figures of the Group

Key figures

	1-3/2025	1-3/2024	1-12/2024
Earnings per share, EUR	0.09	-0.02	-0.05
Diluted earnings per share, EUR	0.09	-0.02	-0.05
Net cash flow from operating activities after investments per share, EUR	0.17	-0.25	1.07
Adjusted operating profit, MEUR	2.7	0.0	43.2
Operating profit, MEUR	3.7	-1.7	9.8
EBITDA, MEUR	17.2	12.1	89.0
Adjusted EBITDA, MEUR	16.2	13.8	99.1
Gross capital expenditure, MEUR	3.8	11.1	37.5
Equity per share, EUR ¹	5.11	5.48	5.48
Return on equity (ROE), %	6.7	-1.4	-0.8
Capital employed, MEUR ¹	379.3	417.6	396.1
Return on capital employed (ROCE), % ¹	4.7	9.7	3.3
Equity ratio, % ¹	33.4	33.3	35.4
Gearing, % ¹	76.1	86.1	73.2
Net interest-bearing liabilities, MEUR	148.5	180.3	153.0
Average number of employees in full-time equivalents	5,857	6,305	5,980
Total number of full-time and part-time employees at end of the period	7,519	7,686	7,441
Number of outstanding shares adjusted for issues, 1,000 shares			
average during the period	38,166	38,141	38,164
at the end of the period	38,197	38,176	38,189
average during the period, diluted	38,357	38,255	38,268

¹The 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.

Reconciliation of alternative performance measures

The company discloses certain other widely used performance measures that can for the most part be derived from the income statement and balance sheet. The formulas for these performance measures are provided in the section Calculation of key figures. In the company's view, these measures clarify the result of operations and financial position based on the income statement and balance sheet.

RECONCILIATION OF ADJUSTED OPERATING PROFIT TO OPERATING PROFIT

MEUR	1-3/2025	1-3/2024	1-12/2024
Operating profit	3.7	-1.7	9.8
Items affecting comparability:			
- costs arising from business restructurings	0.4	1.4	4.6
- costs arising from acquisitions	-1.5	0.3	1.3
- impairment of goodwill	-	-	23.3
- other items ¹	0.1	-	4.1
Adjusted operating profit	2.7	0.0	43.2

¹ Other items in 2025 include costs related to the ongoing efficiency programme. Other items in 2024 consist mainly of provisions relating to Facility Services Sweden's onerous contracts and disputes.

RECONCILIATION OF ADJUSTED EBITDA TO OPERATING PROFIT

MEUR	1-3/2025	1-3/2024	1-12/2024
Operating profit	3.7	-1.7	9.8
+ Depreciation, amortisation and impairment	13.5	13.8	79.2
EBITDA	17.2	12.1	89.0
Items affecting comparability:			
- costs arising from business restructurings	0.4	1.4	4.6
- costs arising from acquisitions	-1.5	0.3	1.3
- other items ¹	0.1	-	4.1
Adjusted EBITDA	16.2	13.8	99.1

¹ Other items in 2025 include costs related to the ongoing efficiency programme. Other items in 2024 consist mainly of provisions relating to Facility Services Sweden's onerous contracts and disputes.

RECONCILIATION OF GROSS CAPITAL EXPENDITURE

MEUR	1-3/2025	1-3/2024	1-12/2024
Intangible and tangible assets from business acquisitions	-	2.0	2.0
- increases of right-of-use assets excl. heavy vehicles from business acquisitions	-	-0.1	-0.1
Other increases to intangible and tangible assets	7.3	21.2	59.2
- increases of right-of-use assets excl. heavy vehicles	-2.4	-11.1	-19.4
- other adjustments	-1.0	-0.8	-4.2
Gross capital expenditure	3.8	11.1	37.5

RETURN ON CAPITAL EMPLOYED (ROCE), %, BY SEGMENT

	31 Mar 2025	31 Mar 2024	31 Dec 2024
Circular Economy Business			
Capital employed (MEUR), average of the end of the period and the end of the comparison period	306.9	298.5	300.0
Operating profit (rolling 12 months)	43.0	38.9	41.2
+ financial income (rolling 12 months)	0.1	0.3	0.1
Return on capital employed, MEUR	43.2	39.2	41.4
Return on capital employed (ROCE), %	14.1	13.1	13.8
Facility Services Finland			
Capital employed (MEUR), average of the end of the period and the end of the comparison period	18.0	24.7	19.4
Operating profit (rolling 12 months)	11.6	4.1	9.4
+ financial income (rolling 12 months)	0.6	0.5	0.6
Return on capital employed, MEUR	12.2	4.6	10.0
Return on capital employed (ROCE), %	67.8	18.6	51.4
Facility Services Sweden			
Capital employed (MEUR), average of the end of the period and the end of the comparison period	43.9	57.4	44.9
Operating profit (rolling 12 months) ¹	-34.4	-4.8	-35.1
+ financial income (rolling 12 months)	0.1	0.1	0.1
Return on capital employed, MEUR	-34.3	-4.7	-34.9
Return on capital employed (ROCE), %	-78.1	-8.2	-77.9

¹ Includes impairment of goodwill totalling EUR 23.3 million recognised in December 2024.

Calculation of key figures

Earnings per share: result for the period attributable to the equity holders of the parent company / adjusted average basic number of shares

Diluted earnings per share: result for the period attributable to the equity holders of the parent company / adjusted average diluted number of shares

Net cash flow from operating activities after investments/share: Net cash flow from operating and investing activities / adjusted average basic number of shares

Market capitalization: Basic number of shares at the balance sheet date excluding treasury shares x closing price of the financial period

Adjusted operating profit: operating profit +/- items affecting comparability

Items affecting comparability: substantial costs arising from business restructurings or acquisitions, gains and losses from divestments and costs arising from the discontinuation of businesses as well as other material items outside ordinary course of business

EBITDA: operating profit + depreciation, amortisation and impairment

Adjusted EBITDA: EBITDA +/- items affecting comparability excluding depreciation, amortisation and impairment

Equity per share: equity attributable to the equity holders of the parent company / adjusted basic number of shares at the balance sheet date

Return on equity, % (ROE): (result for the period / equity (average)) x 100

Capital employed: equity + interest-bearing financial liabilities

Return on capital employed, % (ROCE): (operating profit + financial income + share of result in associated companies and joint ventures, rolling 12 months) / equity + Interest bearing financial liabilities (average of the end of the period and at the end of the comparison period) x 100

Equity ratio, %: equity / (total equity and liabilities - advances received) x 100

Gearing, %: net interest-bearing liabilities / equity x 100

Net interest-bearing liabilities: interest-bearing liabilities - cash and cash equivalents

Gross capital expenditure: Investments in intangible and tangible assets excluding right-of-use assets and other adjustments, including leased heavy vehicles and assets acquired through acquisitions

Organic growth, %: (Net sales for the reporting period - net sales from business acquisitions during previous 12 months - net sales for the comparative period + net sales from divestments during previous 12 months) / (net sales for the comparative period - net sales from divestments during previous 12 months) x 100

Primary financial statements

Consolidated income statement

MEUR	1-3/2025	1-3/2024	1-12/2024
Net sales	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
Operating profit	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
Result before taxes	3.6	-1.4	4.4
Income taxes	-0.2	0.6	-6.1
Result for the period	3.4	-0.8	-1.7
Attributable to:			
Equity holders of the company	3.4	-0.8	-1.7
Earnings per share attributable to the equity holders of the parent company:			
Earnings per share, EUR	0.09	-0.02	-0.05
Diluted earnings per share, EUR	0.09	-0.02	-0.05

Consolidated statement of comprehensive income

MEUR	1-3/2025	1-3/2024	1-12/2024
Result for the period	3.4	-0.8	-1.7
Other comprehensive income, net of tax			
Items not to be recognised through profit or loss			
Items arising from re-measurement of defined benefit plans	-	-	-0.0
Items not to be recognised through profit or loss, total	-	-	-0.0
Items potentially to be recognised through profit or loss			
Currency translation differences	1.6	-2.4	-2.1
Items potentially to be recognised through profit or loss, total	1.6	-2.4	-2.1
Other comprehensive income, total	1.6	-2.4	-2.1
Total comprehensive income, after tax	5.0	-3.2	-3.8
Attributable to:			
Equity holders of the company	5.0	-3.2	-3.8

Consolidated statement of financial position

MEUR	31 Mar 2025	31 Mar 2024	31 Dec 2024
ASSETS			
Non-current assets			
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 ¹	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
Total non-current assets	450.6	487.1	454.7
Current assets			
Inventories	9.3	8.6	9.2
Trade receivables ²	75.6	90.2	86.5
Contract assets ²	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
	151.1	159.0	153.2
Total current assets	151.1	159.0	153.2
Total assets	601.7	646.1	607.9

¹The 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.

² 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.

Consolidated statement of financial position

MEUR	31 Mar 2025	31 Mar 2024	31 Dec 2024
EQUITY AND LIABILITIES			
Equity			
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 ¹	187.0	203.2	202.7
Total equity¹	195.2	209.3	209.2
Liabilities			
Non-current liabilities			
Deferred tax liabilities ¹	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
Current liabilities			
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
Total liabilities	406.5	436.7	398.7
Total equity and liabilities	601.7	646.1	607.9

¹The 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.

Consolidated statement of cash flows

MEUR	1-3/2025	1-3/2024	1-12/2024
Cash flow from operating activities			
Result for the period	3.4	-0.8	-1.7
Adjustments			
Income taxes	0.2	-0.6	6.1
Depreciation, amortisation and impairment	13.5	13.8	79.2
Financial income and expenses	1.8	1.8	8.6
Gains and losses on sale of tangible and intangible assets	-0.3	-0.8	-1.3
Share of result of associated companies and joint ventures	-1.7	-2.1	-3.2
Provisions	-0.6	0.5	3.6
Other adjustments	-1.6	0.1	1.2
Net cash generated from operating activities before change in working capital	14.8	11.9	92.5
Change in working capital			
Change in trade and other receivables	6.4	3.4	14.6
Change in inventories	-0.1	-0.9	-1.4
Change in trade and other payables	-6.5	-8.6	-9.9
Change in working capital	-0.2	-6.2	3.2
Interest and other financial expenses paid	-1.9	-2.2	-9.2
Interest and other financial income received	0.2	0.2	0.8
Income taxes paid	-1.9	-1.8	-5.9
Net cash from operating activities	10.9	1.9	81.4
Cash flow from investing activities			
Acquisition of subsidiaries and businesses, net of cash acquired	-	-1.2	-1.5
Purchases of tangible and intangible assets	-5.6	-12.8	-42.7
Proceeds from the sale of tangible and intangible assets	1.2	1.0	1.9
Dividends received from joint venture	-	1.8	1.8
Dividends received from other non-current investments	-	-	0.0
Net cash from investing activities	-4.3	-11.3	-40.5
Net cash flow from operating activities after investments	6.6	-9.4	40.8
Cash flow from financing activities			
Proceeds from short-term borrowings	-	10.0	60.0
Repayments of short-term borrowings	-	-	-60.0
Repayments of long-term borrowings	-0.1	-0.1	-0.6
Repayments of lease liabilities	-4.8	-5.3	-20.4
Dividends paid	-	-	-18.7
Net cash from financing activities	-4.9	4.6	-39.7
Net change in cash and cash equivalents	1.7	-4.8	1.1
Cash and cash equivalents at the beginning of the period	33.9	32.9	32.9
Effect of changes in foreign exchange rates	0.1	-0.1	-0.1
Cash and cash equivalents at the end of the period	35.6	28.0	33.9

Consolidated statement of changes in equity

MEUR	Share capital	Translation reserve	Invested unrestricted equity reserve	Retained earnings	Total equity
Equity 1 January 2025	19.4	-13.5	0.6	202.7	209.2
Total comprehensive income					
Result for the period				3.4	3.4
Other comprehensive income		1.6		-	1.6
Total comprehensive income	-	1.6	-	3.4	5.0
Transactions with shareholders					
Share-based benefits				0.0	0.0
Dividends paid				-19.1	-19.1
Transactions with shareholders, total	-	-	-	-19.1	-19.1
Equity 31 March 2025	19.4	-11.9	0.6	187.0	195.2
Equity 1 January 2024¹	19.4	-11.5	0.6	222.8	231.3
Total comprehensive income					
Result for the period				-0.8	-0.8
Other comprehensive income		-2.4		-	-2.4
Total comprehensive income	-	-2.4	-	-0.8	-3.2
Transactions with shareholders					
Share-based benefits				-0.1	-0.1
Dividends paid				-18.7	-18.7
Transactions with shareholders, total	-	-	-	-18.8	-18.8
Equity 31 March 2024¹	19.4	-13.9	0.6	203.2	209.3

¹ 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.

Notes

1. Accounting policies

This Interim Report is in compliance with the IAS 34 Interim Financial Reporting standard. The Interim Report has been prepared with application of the IFRS standards and interpretations in effect on 31 December 2024 and the new and amended standards and interpretations entered into force on 1 January 2025. The information presented in this Interim Report has not been audited.

In December 2024, the company discovered a computational error in calculating depreciation on compactors and balers rented to customers by Environmental Services division. The error resulted in an understatement of depreciation recognised for 2023, and a corresponding overstatement of property, plant and equipment on the financial position. In connection with the preparation of the financial statements for 2024, the error was corrected by restating the figures for year 2023. The correction of the error impacted the opening balances for tangible assets, retained earnings and deferred tax liabilities of year 2024. The comparison figures of this Interim Report have been adjusted accordingly. More information about the error correction is presented in the 2024 consolidated financial statements.

On 13 December 2024, Lassila & Tikanoja announced, that starting from January 1, 2025, the company has three reportable segments: Circular Economy Business, which consists of the former Environmental Services and Industrial Services divisions, as well as Facility Services Finland and Facility Services Sweden. The segment information in this Interim Report is presented according to the new reporting segment structure. The comparison figures according to the new structure were published on 24 April 2025 with a separate stock exchange release.

More detailed information on accounting policies is presented in the consolidated financial statements of Lassila & Tikanoja plc as of 31 December 2024.

2. Segment information

MEUR	1-3/2025	1-3/2024	Change % 1-12/2024	
Net sales				
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
Interdivisional net sales	-0.6	-0.7		-3.1
The Group total	175.5	185.0	-5.1	770.7
Operating profit				
Circular Economy Business	4.1	2.3	78.6	41.2
Facility Services Finland	2.1	-0.1		9.4
Facility Services Sweden ¹	-1.5	-2.1	31.0	-35.1
Group administration and other	-1.1	-1.8		-5.7
The Group total	3.7	-1.7		9.8
Adjusted operating profit				
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
The Group total	2.7	0.0		43.2
EBITDA				
Circular Economy Business	14.7	12.9	13.4	84.7
Facility Services Finland	3.6	1.6	128.9	16.2
Facility Services Sweden	-0.2	-0.9	77.6	-7.0
Group administration and other	-0.9	-1.6		-4.9
The Group total	17.2	12.1	42.4	89.0
Adjusted EBITDA				
Circular Economy Business	13.1	13.2	-1.2	86.3
Facility Services Finland	3.6	1.6	128.9	16.4
Facility Services Sweden	-0.2	-0.9	77.4	-2.8
Group administration and other	-0.3	-0.2		-0.8
The Group total	16.2	13.8	17.3	99.1
%				
	1-3/2025	1-3/2024	1-12/2024	
Operating margin				
Circular Economy Business	4.6	2.5	9.7	
Facility Services Finland	3.7	-0.2	3.9	
Facility Services Sweden ¹	-5.1	-7.1	-31.3	
The Group total	2.1	-0.9	1.3	
Adjusted operating margin				
Circular Economy Business	2.8	2.8	10.1	
Facility Services Finland	3.7	-0.2	4.0	
Facility Services Sweden	-5.1	-7.1	-6.7	
The Group total	1.5	0.0	5.6	

Other segment information

MEUR	1-3/2025	1-3/2024	1-12/2024
Gross capital expenditure			
Circular Economy Business	3.3	10.8	35.9
Facility Services Finland	0.4	0.1	1.1
Facility Services Sweden	0.0	0.0	0.1
Group administration and other	0.1	0.2	0.4
The Group total	3.8	11.1	37.5
Depreciation, amortisation and impairment			
Circular Economy Business	10.6	10.6	43.4
Facility Services Finland	1.5	1.7	6.8
Facility Services Sweden ¹	1.3	1.2	28.1
Group administration and other	0.2	0.2	0.9
The Group total	13.5	13.8	79.2
Capital employed			
Circular Economy Business	303.1	310.8	299.7
Facility Services Finland	13.9	22.2	17.0
Facility Services Sweden	28.1	59.8	29.9
Group administration and other	34.3	24.9	49.5
The Group total ²	379.3	417.6	396.1
%			
Return on capital employed (ROCE)			
Circular Economy Business	14.1	13.1	13.8
Facility Services Finland	67.8	18.6	51.4
Facility Services Sweden	-78.1	-8.2	-77.9
The Group total ²	4.7	9.7	3.3

¹ The figure for year 2024 includes impairment of goodwill allocated to Facility Services Sweden totalling EUR 23.3 million.

² 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.

3. Segment information by quarter

MEUR	1-3/2025	10-12/2024	7-9/2024	4-6/2024	1-3/2024
Net sales					
Circular Economy Business	89.5	105.4	110.4	115.2	93.0
Facility Services Finland	58.3	58.8	57.4	58.5	63.3
Facility Services Sweden	28.3	31.0	25.2	26.2	29.5
Interdivisional net sales	-0.6	-1.0	-0.7	-0.7	-0.7
The Group total	175.5	194.2	192.3	199.2	185.0
Operating profit					
Circular Economy Business	4.1	8.9	16.2	13.9	2.3
Facility Services Finland	2.1	2.6	4.9	2.0	-0.1
Facility Services Sweden	-1.5	-29.0	-1.5	-2.5	-2.1
Group administration and other	-1.1	-0.9	-0.7	-2.4	-1.8
The Group total	3.7	-18.4	18.9	11.0	-1.7
Adjusted operating profit					
Circular Economy Business	2.5	9.9	16.4	14.0	2.6
Facility Services Finland	2.1	2.8	4.9	2.0	-0.1
Facility Services Sweden	-1.5	-1.5	-1.5	-2.5	-2.1
Group administration and other	-0.5	-0.6	0.1	-0.8	-0.4
The Group total	2.7	10.5	20.0	12.7	0.0
EBITDA					
Circular Economy Business	14.7	20.0	26.9	24.8	12.9
Facility Services Finland	3.6	4.3	6.6	3.7	1.6
Facility Services Sweden	-0.2	-4.5	-0.4	-1.3	-0.9
Group administration and other	-0.9	-0.7	-0.5	-2.2	-1.6
The Group total	17.2	19.1	32.7	25.1	12.1
Adjusted EBITDA					
Circular Economy Business	13.1	20.9	27.1	24.9	13.2
Facility Services Finland	3.6	4.5	6.6	3.7	1.6
Facility Services Sweden	-0.2	-0.3	-0.4	-1.3	-0.9
Group administration and other	-0.3	-0.4	0.3	-0.6	-0.2
The Group total	16.2	24.8	33.7	26.8	13.8
Operating margin, %					
Circular Economy Business	4.6	8.4	14.6	12.1	2.5
Facility Services Finland	3.7	4.4	8.6	3.4	-0.2
Facility Services Sweden	-5.1	-93.5	-5.8	-9.6	-7.1
The Group total	2.1	-9.5	9.8	5.5	-0.9
Adjusted operating margin, %					
Circular Economy Business	2.8	9.4	14.8	12.1	2.8
Facility Services Finland	3.7	4.7	8.6	3.4	-0.2
Facility Services Sweden	-5.1	-4.8	-5.8	-9.6	-7.1
The Group total	1.5	5.4	10.4	6.4	0.0

4. Disaggregation of revenue

Net sales consist of services for which revenue is recognised over time, products for which revenue is recognised at a point in time as well as lease income. Services for which revenue is recognised over time include sales revenue from long-term service agreements, separately ordered services and the project business. Services for which revenue is recognised at a point in time include revenue from the sale of equipment and materials.

Starting from January 1, 2025, Lassila & Tikanoja has three reportable segments: Circular Economy Business, which consists of the former Environmental Services and Industrial Services divisions, as well as Facility Services Finland and Facility Services Sweden. The disaggregation of revenue of 2024 presented below has been adjusted according to the new reporting segment structure.

1-3/2025, MEUR	Long-term service agreements	Separately ordered services	Project business	Sales of equipment and materials	Lease income	Total net sales
Circular Economy Business	64.4	10.6	1.4	12.2	0.8	89.5
Facility Services Finland	44.3	12.0	2.1			58.3
Facility Services Sweden	12.6	14.6	1.1			28.3
Total	121.3	37.2	4.5	12.2	0.8	176.1
Interdivisional sales						-0.6
External net sales, total						175.5

1-3/2024, MEUR	Long-term service agreements	Separately ordered services	Project business	Sales of equipment and materials	Lease income	Total net sales
Circular Economy Business	65.6	11.6	1.8	13.0	0.9	93.0
Facility Services Finland	44.2	16.9	2.1			63.3
Facility Services Sweden	12.5	16.3	0.7			29.5
Total	122.4	44.8	4.6	13.0	0.9	185.7
Interdivisional sales						-0.7
External net sales, total						185.0

1-12/2024, MEUR	Long-term service agreements	Separately ordered services	Project business	Sales of equipment and materials	Lease income	Total net sales
Circular Economy Business	289.5	66.0	9.9	55.1	3.5	424.0
Facility Services Finland	169.3	62.1	6.6			238.0
Facility Services Sweden	46.0	62.0	3.8			111.9
Total	504.8	190.1	20.3	55.1	3.5	773.9
Interdivisional sales						-3.1
External net sales, total						770.7

5. Business acquisitions

Business acquisitions 2025

There were no business acquisitions in the first quarter of 2025.

Business acquisitions 2024

On 1 February 2024, Lassila & Tikanoja's Industrial Services division acquired all of the shares of PF Industriservice AB, a company that provides process cleaning services in Sweden. Through the acquisition, L&T's Industrial Services division's process cleaning services business expands to the Gävleborg area in Sweden. In the fair value measurement, intangible assets based on customer relationships with a value of EUR 0.7 million, as well as goodwill with a value of EUR 0.8 million were identified. The goodwill is mainly based on the regional position of the acquired business and its future development prospects.

On 1 July 2024, Lassila & Tikanoja's Environmental Services division acquired the rest 60 per cent of the shares of Suomen Keräystuote Oy. Previously Suomen Keräystuote Oy was L&T's associated company, of which L&T's ownership was 40 per cent. The transaction does not have a significant impact on the Group's figures.

	Business acquisitions 1-3/2025	Business acquisitions ¹ 1-3/2024	Business acquisitions ¹ 1-12/2024
Fair value total, MEUR			
Intangible assets	-	0.7	0.7
Tangible assets	-	0.4	0.4
Right-of-use assets	-	0.1	0.1
Receivables	-	0.3	0.2
Cash and cash equivalents	-	0.5	0.5
Total assets	-	1.9	1.9
Other liabilities	-	0.4	0.4
Deferred tax liabilities	-	0.2	0.2
Total liabilities	-	0.6	0.6
Net assets acquired	-	1.3	1.2
Total consideration	-	2.2	2.1
Goodwill	-	0.9	0.8
Impact on cash flow			
Total consideration	-	-2.2	-2.1
Acquisition liabilities	-	0.4	-
Consideration paid in cash	-	-1.7	-2.1
Cash and cash equivalents of the acquired company	-	0.5	0.5
Total impact on cash flow	-	-1.2	-1.6

¹ Includes the acquisition price calculation for PF Industriservice AB.

The acquisition price calculations prepared according to IFRSs for the acquisitions in 2024 are final. The figures for such acquired businesses, that are not material to the Group when considered separately, are stated in aggregate.

The acquisition price calculation for PF Industriservice AB was adjusted during the second quarter of 2024. The adjustment was due to the revised final consideration, that was paid at the end of June. The adjustment did not have significant impact on the calculation.

6. Intangible and tangible assets

Changes in goodwill

MEUR	1-3/2025	1-3/2024	1-12/2024
Carrying amount at the beginning of the period	157.0	180.8	180.8
Business acquisitions	-	0.8	0.8
Impairments	-	-	-23.3
Exchange differences	1.0	-1.6	-1.3
Carrying amount at the end of the period	158.0	180.1	157.0

Changes in other intangible assets

MEUR	1-3/2025	1-3/2024	1-12/2024
Carrying amount at the beginning of the period	42.2	38.2	38.2
Business acquisitions	-	0.7	0.7
Other capital expenditure	0.5	3.1	9.7
Disposals	-0.0	-0.0	-0.0
Amortisation and impairment	-1.5	-1.5	-6.0
Exchange differences	0.4	-0.3	-0.3
Carrying amount at the end of the period	41.6	40.1	42.2

Changes in tangible assets

MEUR	1-3/2025	1-3/2024	1-12/2024
Carrying amount at the beginning of the period ¹	164.3	164.9	164.9
Business acquisitions	-	0.4	0.4
Other capital expenditure	4.2	6.5	29.7
Disposals	-1.1	-0.1	-1.6
Depreciation and impairment	-7.1	-6.9	-28.8
Exchange differences	0.4	-0.2	-0.2
Carrying amount at the end of the period ¹	160.7	164.5	164.3

¹ 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.

Changes in right-of-use assets

MEUR	1-3/2025	1-3/2024	1-12/2024
Carrying amount at the beginning of the period	69.1	76.0	76.0
Business acquisitions	-	0.1	0.1
Other capital expenditure	2.6	11.6	19.9
Disposals	-1.0	-1.5	-5.6
Depreciation and impairment	-5.0	-5.4	-21.1
Exchange differences	0.5	-0.3	-0.3
Carrying amount at the end of the period	66.2	80.6	69.1

7. Capital commitments

MEUR	31 Mar 2025	31 Mar 2024	31 Dec 2024
Intangible assets	0.1	-	0.1
Tangible assets	9.0	11.3	8.6
Total	9.1	11.3	8.6

8. Provisions

A provision is recognised when the Group has a legal or factual obligation towards a third party resulting from an earlier event, fulfilment of the payment obligation is probable, and its amount can be reliably estimated. Provisions are measured at the current value of the expenditure required to settle the obligation. Increase in provisions due to the passage of time is recognised as interest expense. Changes in provisions are recognised in the income statement in the same item in which the provision is originally recognised.

Environmental provisions are recognised when the Group has an existing obligation that is likely to result in a payment obligation, the amount of which can be reliably estimated. Environmental provisions related to the restoration of sites are made at the commencement of each project. The costs recognised as a provision, as well as the original acquisition cost of assets, are depreciated over the useful life of the asset, and provisions are discounted to present value. Changes in estimates related to environmental provisions are recognised as adjustments to the costs recognised as a provision. The most significant provisions recognised in the statement of financial position are the site restoration provisions for landfills and the processing sites for contaminated soil.

A provision for an onerous contract is recognised when the costs required to meet the obligations exceed the benefits received from the contract.

Obligations covered by the environmental provisions

The Group has leased site that it uses as landfill from the city of Kotka. In Varkaus the Group uses a site for intermediate storing, processing and final disposal of contaminated soil. At the expiry of the leases or at the discontinuation of operations, the Group is responsible for site restoration comprising landscaping and post-closure environmental monitoring called for in the terms and conditions of environmental permits.

The Munaistenmetsä landfill site in Uusikaupunki serves as a final disposal area for municipal waste, contaminated soil and industrial by-products. The new processing site for hazardous waste, in accordance with the new environmental permit, was completed in December 2024. The area will receive an operational permit in April 2025.

The material recycling centre in the landfill area in Oulu receives, processes and recovers various types of waste and side streams, such as industrial waste, contaminated soil, construction and demolition waste as well as municipal waste.

The landfill area in Pori receives and processes gypsum, construction and demolition waste as well as contaminated soil and other smaller items. The application prepared for the new environmental permit is under review by the Regional State Administrative Agency. A decision on the environmental permit is expected by the end of 2025. The application seeks extensive reception and handling operations for both non-hazardous and hazardous waste.

Provisions in the statement of financial position

MEUR	31 Mar 2025	31 Mar 2024	31 Dec 2024
Non-current provisions	9.0	6.8	9.0
Current provisions	2.1	1.4	2.5
Total	11.0	8.2	11.5

Changes in provisions

MEUR	Environmental provisions	Onerous contracts	Other provisions	Total
Provisions 1 Jan 2025	6.3	3.3	1.9	11.5
Additions	-	-	0.3	0.3
Used	-0.0	-0.1	-0.7	-0.9
Effect of discounting	-0.1	-0.0	-	-0.1
Effect of exchange rate changes	-	0.2	-	0.2
Provisions 31 Mar 2025	6.1	3.3	1.6	11.0

MEUR	Environmental provisions	Onerous contracts	Other provisions	Total
Provisions at 1 Jan 2024	7.2	-	0.9	8.1
Additions	-	-	0.7	0.7
Used	-0.0	-	-0.2	-0.2
Effect of discounting	-0.3	-	-	-0.3
Provisions 31 Mar 2024	6.8	-	1.4	8.2

9. Financial assets and liabilities by category

31 March 2025, MEUR	Amortised costs	Fair value through profit or loss	Carrying amounts by balance sheet item	Fair value hierarchy level
Non-current financial assets				
Other receivables	0.9		0.9	
Current financial assets				
Trade and other receivables	75.7		75.7	
Cash and cash equivalents	35.6		35.6	
Total financial assets	112.2	-	112.2	
Non-current financial liabilities				
Borrowings	115.0		115.0	2
Lease liabilities	51.2		51.2	
Current financial liabilities				
Borrowings	0.5		0.5	2
Lease liabilities	17.4		17.4	
Interest liabilities	2.3		2.3	
Trade and other payables	69.6		69.6	
Deferred consideration		5.4	5.4	3
Total financial liabilities	256.1	5.4	261.5	

31 March 2024, MEUR	Amortised costs	Fair value through profit or loss	Carrying amounts by balance sheet item	Fair value hierarchy level
Non-current financial assets				
Other receivables	1.3		1.3	
Current financial assets				
Trade and other receivables	90.2		90.2	
Cash and cash equivalents	28.0		28.0	
Total financial assets	119.5	-	119.5	
Non-current financial liabilities				
Borrowings	115.3		115.3	2
Lease liabilities	61.2		61.2	
Deferred consideration		5.9	5.9	3
Current financial liabilities				
Borrowings	10.7		10.7	2
Lease liabilities	21.1		21.1	
Interest liabilities	2.3		2.3	
Trade and other payables	77.0		77.0	
Total financial liabilities	287.7	5.9	293.6	

The fair values of the balance sheet items measured at amortised cost do not significantly differ from the carrying amounts.

Reconciliation of financial liabilities recognised at fair value according to the level 3

MEUR	1-3/2025	1-3/2024	1-12/2024
Carrying amount at the beginning of the period	6.7	5.9	5.9
Change in fair value	-1.6	0.2	1.0
Exchange differences	0.3	-0.2	-0.2
Carrying amount at the end of the period	5.4	5.9	6.7

Deferred consideration is related to the acquisition of 70 per cent share of Sand & Vattenbläst i Tyringe AB ("SVB") that offers process cleaning services in Sweden. The acquisition took place on 1 February 2022. SVB is consolidated with 100 per cent share in the Group and, in connection with the arrangement, L&T has recognised in financial liabilities an estimate of the deferred consideration for the acquisition. The deferred consideration relates to the acquisition of non-controlling interest and is measured at fair value, which is reflected in the present value of the estimated liability. It will mature on 1 February 2026 at the earliest.

The valuation of the deferred consideration is based on the shareholder agreement and is affected by the acquired company's balance sheet structure and EBITDA forecast for 2025.

10. Related party transactions

The related parties of the Lassila & Tikanoja Group are the senior management (members of the Board of Directors, President and CEO of the Lassila & Tikanoja plc and the other members of the Group Executive Board) and the immediate family of the senior management and companies controlled by the aforementioned persons, the Group's subsidiaries, the associated company (Suomen Keräystuote Oy until 1 July 2024), the joint venture (Laania Oy) and the L&T sickness fund.

The contributions paid by the group companies to the L&T sickness fund during the reporting period amounted to EUR 0.2 million (0.2). The Group has transactions between the group companies in the ordinary course of business. The Group's transactions with Laania Oy are presented in the following table. In addition, the Group has provided guarantees for Laania's financing arrangements, which are specified in note 11. In 2024, Laania paid dividends totalling EUR 1.8 million to Lassila & Tikanoja. The Group has no significant transactions with other related parties.

Business transactions with the joint venture

MEUR	1-3/2025	1-3/2024	1-12/2024
Net sales	1.3	1.4	3.1
Purchases of materials and services	-0.2	-0.3	-0.9
Trade- and other receivables	0.0	0.0	0.0

11. Commitments and contingent liabilities

MEUR	31 Mar 2025	31 Mar 2024	31 Dec 2024
Securities for own commitments			
Mortgages on rights of tenancy	0.1	0.1	0.1
Company mortgages	0.5	0.5	0.5
Other securities	0.0	0.0	0.0
Bank guarantees required for environmental permits	24.2	25.2	25.0
Other bank guarantees	6.9	7.1	7.1
Mortgages under own control			
Company mortgages	0.2	0.2	0.2
Liabilities on behalf of the joint venture			
Account limit	-	2.8	-
Bank guarantees	16.5	16.5	16.5
Term loan facility guarantee	-	11.0	-
Revolving credit facility	-	5.5	-

The Group has a 55% holding in Laania Oy, a joint venture established on 1 July 2022 together with Neova. The amount of the liabilities on behalf of the joint venture is disclosed as the Group's share of the maximum amount of liability, in relation to the Group's holding.

The Group company Lassila & Tikanoja FM AB is a claimant and a defendant in legal proceedings in Sweden concerning unpaid receivables invoiced from a former customer of the Group. In June 2022, Lassila & Tikanoja FM AB took legal action in the District Court of Solna against the former customer company of L&T, demanding payment for unpaid receivables. After taking into account the recognised impairments, the carrying amount of the receivables on the Company's balance sheet was approximately EUR 0.7 million at the balance sheet date. The former L&T customer company in question has rejected Lassila & Tikanoja FM AB's claims and the payment obligation, and brought a counterclaim demanding compensation totalling approximately SEK 144 million from Lassila & Tikanoja FM AB. The dispute is still pending. L&T considers the counterclaim to be without merit and has not recognised any provisions relating to it.

Helsinki, 28 April 2025

LASSILA & TIKANOJA PLC
Board of Directors

Eero Hautaniemi
President and CEO

For additional information, please contact:
Eero Hautaniemi, President and CEO, tel. +358 10 636 2810
Joni Sorsanen, CFO, tel. +358 50 443 3045

Lassila & Tikanoja is a service company that is putting the circular economy into practice. Together with our customers, we keep materials, manufacturing sites and properties in productive use for as long as possible and we enhance the use of raw materials and energy. This is to create more value with the circular economy for our customers, personnel and society in a broader sense. Achieving this also means growth in value for our shareholders. Our objective is to continuously grow our actions' carbon handprint, our positive effect on the climate. We assume our social responsibility by looking after the work ability of our personnel as well as offering jobs to those who are struggling to find employment, for example. With operations in Finland and Sweden, L&T employs approximately 7,400 people. Net sales in 2024 amounted to EUR 770.7 million. L&T is listed on Nasdaq Helsinki.