



Lassila & Tikanoja plc
Stock exchange release
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Lassila & Tikanoja plc: Financial Statements Release 1 January–31 December 2024

ADJUSTED OPERATING PROFIT INCREASED – ENVIRONMENTAL SERVICES, INDUSTRIAL SERVICES AND FACILITY SERVICES FINLAND IMPROVED THEIR PROFITABILITY

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

- Net sales for the final quarter were EUR 194.2 million (200.9). Net sales decreased by 3.4%. Adjusted operating profit was EUR 10.5 million (6.9) and operating profit was EUR -18.4 million (6.4). Earnings per share were EUR -0.56 (0.13).
- The operating profit for the final quarter was burdened by write-downs and provisions totalling approximately EUR 27.5 million related to the Facility Services business in Sweden. The entries have no impact on cash flow, and they are reported as items affecting comparability.
- Net sales for year 2024 totalled EUR 770.7 million (802.1). Net sales decreased by 3.9%. Adjusted operating profit was EUR 43.2 million (37.9) and operating profit was EUR 9.8 million (37.3). Earnings per share were EUR -0.05 (0.77).
- Net cash flow from operating activities after investments for year 2024 was EUR 40.8 million (50.9) and net cash flow from operating activities after investments per share was EUR 1.07 (1.33). In the first quarter of the year, net cash flow from operating activities was lower compared to the comparison period. In the following quarters, net cash flow from operating activities after investments strengthened clearly compared to the comparison period.
- 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.
- The company has decided to launch 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.
- The Board of Directors proposes a dividend of EUR 0.50 per share, which corresponds to approximately 46.8% of the net cash flow from operating activities after investments for year 2024.

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 year 2024 totalled EUR 770.7 million (802.1). Adjusted operating profit was EUR 43.2 million (37.9). Environmental Services, Industrial Services and Facility Services Finland improved

both their relative and absolute profitability despite the challenging business cycle. The company's balance sheet and financial position remained strong.

In circular economy businesses, solid performance continued in 2024. Both Environmental Services and Industrial Services improved their profitability, and net sales of the divisions in total grew compared to the previous year. In Environmental Services, net sales were on par with the comparison period. In Industrial Services, net sales increased by 2.9 per cent from the previous year.

In Environmental Services, the challenging business environment was reflected in the demand for recycling and waste management services throughout the financial period. Especially in the construction industry customer segment, the demand decreased compared to the comparison period. In addition, the municipalisation of collection of packaging material waste from housing properties continued in 2024. Through the efficiency improvement measures implemented in the first half of the year, the costs of service production were successfully adapted to the current market situation. The division's market position remained solid in corporate and producer responsibility organisation customers and the position in the municipal contracts strengthened.

In Industrial Services, the hazardous waste business line saw strong demand throughout the year. In the process cleaning business, the annual maintenance breaks were carried out as planned and resourcing was successful. 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. In Sweden, Industrial Services expanded to the Gävleborg region through an acquisition.

In facility services businesses, the year 2024 was twofold. In Finland, the net sales of facility services decreased as planned due to the termination of unprofitable customer agreements, and the operating profit more than doubled compared to the previous year. In Sweden, the adjusted operating loss of facility services increased as net sales decreased by 16.0 per cent from the comparison period.

In Facility Services Finland, all business lines achieved a better result than in the comparison period. Performance of the cleaning business was particularly strong. Measures to streamline the cost structure and the efficiency of the operations continued. The number of employees in the division has decreased by more than 450 people compared to the comparison period.

In Facility Services Sweden, the decline in net sales and the increase in the adjusted operating loss were impacted by the discontinuation of a significant customer relationship in late 2023 as well as two public-sector customer agreements turning unprofitable during 2024. The measures to simplify operating models and adjust the cost level continued throughout 2024. The number of employees in the division decreased by 155 people from the comparison period. The turnaround in Facility Services Sweden progressed more slowly than expected, but the new customer accounts won towards the end of the year as well as the additional measures initiated to improve profitability create conditions for achieving a turnaround during 2025.

In December 2024, the company initiated 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. 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.

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. The efficiency programme focuses on, among other things, simplifying procedures and improving the efficiency of direct and indirect procurement and fleet usage.”

GROUP NET SALES AND FINANCIAL PERFORMANCE

October–December

Net sales for the last quarter totalled EUR 194.2 million (200.9), representing a year-on-year decrease of 3.4%. The organic decrease in net sales was 3.7%. Adjusted operating profit was EUR 10.5 million (6.9), representing 5.4% (3.4) of net sales. Operating profit was EUR -18.4 million (6.4), representing -9.5% (3.2) of net sales. Operating profit included items affecting comparability totalling EUR 28.9 million, consisting mainly of impairment of goodwill allocated to Facility Services Sweden, provisions relating to Facility Services Sweden’s onerous contracts and disputes as well as expenses arising from the restructuring of business operations. Earnings per share were EUR -0.56 (0.13).

Net sales increased in Environmental Services and decreased in the other divisions. Operating profit improved in Environmental Services, Industrial Services and Facility Services Finland and declined in Facility Services Sweden.

The result for the fourth quarter was negatively affected by net financial expenses rising to EUR -2.4 million (-2.1). The share of the profit of the joint venture Laania Oy amounted to EUR 0.9 million (1.1) in the last quarter of the year.

Year 2024

Net sales for 2024 totalled EUR 770.7 million (802.1), representing a year-on-year decrease of 3.9%. The organic decrease in net sales was 4.2%. Adjusted operating profit was EUR 43.2 million (37.9), representing 5.6% (4.7) of net sales. Operating profit was EUR 9.8 million (37.3), representing 1.3% (4.6) of net sales. Operating profit included items affecting comparability totalling EUR 33.4 million, consisting mainly of impairment of goodwill allocated to Facility Services Sweden, provisions relating to Facility Services Sweden’s onerous contracts and disputes as well as expenses arising from the restructuring of business operations. Earnings per share were EUR -0.05 (0.77).

Net sales increased in Industrial Services, were on par with the comparison period in Environmental services and decreased in Facility Services Finland and Sweden. Operating profit improved in Environmental Services, Industrial Services and Facility Services Finland and operating loss increased in Facility Services Sweden.

The result for the financial year was negatively affected by net financial expenses rising to EUR -8.6 million (-6.3). The result for the comparison period was positively affected by the fair value of EUR 1.3 million of an interest rate swap being recognised in financial items due to the termination of the interest rate swap. The result for the period was positively affected by L&T’s EUR 3.2 million (3.6) share of the profit of the joint venture Laania Oy.

Financial summary

	10-12/2024	10-12/2023 restated ¹	Change %	1-12/2024	1-12/2023 restated ¹	Change %
Net sales, EUR million	194.2	200.9	-3.4	770.7	802.1	-3.9
Adjusted operating profit, EUR million	10.5	6.9	52.9	43.2	37.9	14.1
Adjusted operating margin, %	5.4	3.4		5.6	4.7	
Operating profit, EUR million	-18.4	6.4		9.8	37.3	-73.6
Operating margin, %	-9.5	3.2		1.3	4.6	
EBITDA, EUR million	19.1	20.5	-6.7	89.0	95.8	-7.1
EBITDA, %	9.9	10.2		11.5	11.9	
Earnings per share, EUR	-0.56	0.13		-0.05	0.77	
Net cash flow from operating activities after investments per share, EUR	0.75	0.60	25.4	1.07	1.33	-19.8
Return on equity (ROE), %				-0.8	12.9	
Capital employed, EUR million				396.1	425.0	-6.8
Return on capital employed (ROCE), %				3.3	10.1	
Equity ratio, %				35.4	36.7	
Gearing, %				73.2	69.5	

¹The figures for year 2023 have been restated due to an error related to the previous period. All figures for year 2023 in this Financial Statements Release affected by the error have been restated. For more information on the correction please see note 12. Correction of an error in calculating depreciation.

NET SALES AND OPERATING PROFIT BY DIVISION

Environmental Services

October–December

The Environmental Services division's net sales for the final quarter were EUR 69.9 million (68.9). Adjusted operating profit was EUR 5.4 million (3.3). Operating profit was EUR 5.1 million (3.3).

Year 2024

The Environmental Services division's net sales for 2024 totalled EUR 281.5 million (283.7). Adjusted operating profit was EUR 26.6 million (25.9). Operating profit was EUR 26.2 million (25.9).

In the Environmental Services division, the profitability improved in 2024, despite the challenging business environment affecting the demand for recycling and waste management services throughout the financial year. Especially in the construction industry customer segment, the demand decreased compared to the comparison period. In addition, the municipalisation of collection of packaging material waste from housing properties continued in 2024. Through the efficiency improvement measures implemented in the first half of the year, the costs of service production were successfully adapted to the current market situation. The division's market position remained solid in corporate and producer responsibility organisation customers. The position in the municipal contracts strengthened.

On 16 October 2024, the company announced that it had signed an agreement to acquire Stena Recycling Oy's pallet business. The net sales of Stena Recycling Oy's pallet business amounted to approximately EUR 10.5 million in 2023. The business includes the plant areas in Klaukkala and Lieto, and it employs approximately 13 people. The transaction is subject to the approval of the competition and consumer authority.

There has been a significant systems renewal project under way in Environmental Services, which also includes the deployment of a new ERP system. The implementation phase of the project began in the second half of 2024, during which the first pilot units transitioned to production. The total investment in the system projects by the end of 2024 was approximately EUR 19.1 million. L&T estimates to commence amortisation of the system renewal investment during the second quarter of 2025.

Industrial Services

October–December

The Industrial Services division's net sales for the final quarter were EUR 36.3 million (37.9). Adjusted operating profit was EUR 4.5 million (3.8). Operating profit was EUR 3.7 million (3.6). Operating profit was reduced by a change of EUR 0.6 (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 expected improvement of SVB's EBITDA level in 2025.

Year 2024

The Industrial Services division's net sales for 2024 increased to EUR 145.1 million (141.0). Adjusted operating profit was EUR 16.2 million (14.0). Operating profit was EUR 15.1 million (13.8). Operating profit was reduced by a change of EUR 1.0 (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 expected improvement of SVB's EBITDA level in 2025.

In Industrial Services, profitable growth continued. The hazardous waste business line saw strong demand. In the process cleaning business, the annual maintenance breaks were carried out as planned and resourcing was successful. 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 process cleaning business of the Industrial Services division was expanded in Sweden to the Gävleborg region through an acquisition that was completed on 1 February 2024. L&T acquired the entire share capital of PF Industriservice AB, which provides process cleaning services. PF Industriservice had net sales of approximately EUR 2.5 million in the financial year preceding the transaction, and it has approximately seven employees. PF Industriservice offers various process cleaning services to customers in the forest industry, energy sector and construction industry. Following the acquisition, the Industrial Services division has approximately 100 employees in Sweden, and process cleaning services are offered to industrial customers in southern and central Sweden.

Facility Services Finland

October–December

The Facility Services Finland division's net sales for the final quarter totalled EUR 58.8 million (61.4). Adjusted operating profit was EUR 2.8 million (1.1). Operating profit was EUR 2.6 million (1.1).

Year 2024

The net sales of Facility Services Finland totalled EUR 238.0 million (250.0) in 2024. Adjusted operating profit was EUR 9.6 million (4.4). Operating profit was EUR 9.4 million (4.4).

In Facility Services Finland, all business lines achieved a better result than in the comparison period. There was strong demand for data-driven cleaning services and AI-assisted energy efficiency services in the division. Measures to streamline the cost structure and efficiency of the operations continued and the division's operating profit improved clearly. The number of employees in the division has decreased by more than 450 people compared to the comparison period.

Facility Services Sweden

October–December

The net sales of Facility Services Sweden decreased to EUR 31.0 million (34.5). Adjusted operating profit was EUR -1.5 million (-0.9). Operating profit was EUR -29.0 million (-0.9). Operating profit included items affecting comparability totalling EUR 27.5 million, consisting of impairment of goodwill, provisions relating to onerous contracts and disputes as well as expenses arising from the restructuring of business operations. Operating profit before the amortisation of purchase price allocations of acquisitions was EUR -28.7 million (-0.6).

Year 2024

The net sales of Facility Services Sweden division decreased to EUR 111.9 million (133.2) in 2024. Adjusted operating profit was EUR -7.5 million (-3.7). Operating profit was EUR -35.1 million (-3.7). Operating profit included items affecting comparability totalling EUR 27.5 million, consisting of impairment of goodwill, provisions relating to onerous contracts and disputes as well as expenses arising from the restructuring of business operations. Operating profit before the amortisation of purchase price allocations of acquisitions was EUR -33.8 million (-2.5).

The impairment of goodwill is due to weaker than anticipated development of net sales and operating profit in the Swedish facility services business. The provisions concerning onerous contracts relate to two public-sector customer agreements. According to the company's estimate, the future expenses of these agreements will exceed their expected revenue.

The decline in net sales and weakening of profitability in Facility Services Sweden were impacted by the discontinuation of a significant customer relationship in late 2023 as well as two public-sector customer agreements turning unprofitable during 2024. The measures to simplify operating models and adjust the cost level continued throughout 2024. The number of employees in the division decreased by 155 people from the comparison period. The turnaround in Facility Services Sweden progressed more slowly than expected, but the new customer accounts won towards the end of the year as well as the additional measures initiated to improve profitability create conditions for achieving a turnaround during 2025.

FINANCING

Net cash flow from operating activities in 2024 totalled EUR 81.4 million (93.6). Net cash flow from operating activities after investments totalled EUR 40.8 million (50.9). Net cash flow from operating activities after investments for the financial year was reduced by acquisitions, which had a total impact of approximately EUR 1.5 million. In 2024, a total of EUR 3.2 million in working capital was released (5.1 released). Net cash flow from operating activities for the comparison period was positively impacted by significant tax refunds as well as fair value of an interest rate swap being recognised in financial items due to the termination of the interest rate swap.

At the end of the financial year, interest-bearing liabilities amounted to EUR 186.8 million (193.7). Net interest-bearing liabilities totalled EUR 153.0 million (160.9). The average interest rate on long-term loans, excluding lease liabilities, with interest rate hedging, was 3.8% (4.0%). The company had no interest rate swaps at the end of the financial year.

The EUR 100.0 million commercial paper programme was unused at the end of the financial year, as was the case 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 -8.6 million (-6.3). Net financial expenses for the comparison period were affected positively by the fair value of EUR 1.3 million of an interest rate swap being

recognised in financial items due to the termination of the interest rate swap. The effect of exchange rate changes on net financial expenses was -0.0 million (-0.0). Net financial expenses were 1.1% (0.8) of net sales.

The equity ratio was 35.4% (36.7) and the gearing ratio was 73.2% (69.5). The Group's total equity amounted to EUR 209.2 million (231.3). Translation differences caused by changes in the exchange rate of the Swedish krona affected equity by EUR -2.1 million. Cash and cash equivalents at the balance sheet date totalled EUR 33.9 million (32.9).

DIVIDEND DISTRIBUTION

The Annual General Meeting held on 21 March 2024 resolved that a dividend of EUR 0.49 per share, totalling EUR 18.7 million, be paid on the basis of the balance sheet that was adopted for the financial year 2023. The dividend was paid to shareholders on 3 April 2024.

CAPITAL EXPENDITURE

Gross capital expenditure for the financial year totalled EUR 37.5 million (60.3). The capital expenditure consisted primarily of machine and equipment purchases, as well as investments in information systems. Acquisitions accounted for approximately EUR 2 million (0) of the gross capital expenditure.

SUSTAINABILITY

L&T's key sustainability indicators, carbon footprint and Total Recordable Incident Frequency developed favourably. The reduction in carbon footprint can be attributed to efforts in driver training and the increased use of renewable fuels. In terms of occupational safety, the company has extensively trained personnel on proactive safety measures and everyday safety thinking. The company will publish its Sustainability Report for 2024 in week 10.

Progress towards sustainability targets

Indicator	2024	2023	Target	Target to be achieved by
ENVIRONMENTAL RESPONSIBILITY				
Carbon handprint (tCO ₂ e) i.e. emissions prevented	-438,000	-457,000	growth faster than net sales	
Carbon footprint (tCO ₂ e) Scope 1&2	27,200	31,200	24,400	2030
SOCIAL RESPONSIBILITY				
Total recordable incident frequency	19	23	15	2030
Sickness-related absences (%)	5.0	5.1	4	2030

PERSONNEL

In 2024, the average number of employees converted into full-time equivalents was 5,980 (6,743). At the end of the financial year, L&T had a total of 7,441 (8,159) full-time and part-time employees.

Number of employees at the end of the review period	2024	2023
Group	7,441	8,159
Finland	6,313	6,891
Sweden	1,128	1,268
Environmental Services	1,511	1,576
Industrial Services	657	679
Facility Services Finland	4,140	4,603
Facility Services Sweden	1,032	1,187
Group administration and other	101	114

SHARES AND SHARE CAPITAL

Traded volume and price

The volume of trading in L&T's shares in 2024 was 8.6 million shares, which represents 22.5% (14.8) of the average number of outstanding shares. The value of trading was EUR 75.8 million (57.1). The highest share price was EUR 10.36 and the lowest 7.71 EUR. The closing price was EUR 7.87. At the end of the financial year, the market capitalisation excluding the shares held by the company was EUR 300.5 million (373.9).

Own shares

At the end of the period, the company held 609,941 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 38,188,933 at the end of the financial year. The average number of shares excluding the shares held by the company was 38,163,886.

Share-based incentive plans

In December 2022, the Board of Directors of Lassila & Tikanoja plc decided to establish two new long-term share-based incentive plans for the Group's key employees. The aim of the new plans is to align the objectives of the company, shareholders and key employees in order to increase the value of the company in the long term, to retain the key employees at the company and to offer them competitive reward plans that are based on earning and accumulating the company's shares as well as on appreciation of the share price. The Performance Share Plan 2023–2027

comprises three (3) three-year (3) performance periods covering the calendar years 2023–2025, 2024–2026 and 2025–2027.

During the performance period 2023–2025, the earning of rewards is based on the following performance criteria: return on capital employed (ROCE), total shareholder return (TSR) and reduction of the carbon footprint (ESG). The target group of the Performance Share Plan during the performance period 2023–2025 consists of approximately 36 key employees, including the Group's President and CEO and the Group Executive Board.

During the performance period 2024–2026, the earning of rewards is based on the following performance criteria: return on capital employed (ROCE), total shareholder return (TSR) and reduction of the carbon footprint (ESG). The target group of the Performance Share Plan during the performance period 2024–2026 consists of approximately 38 key employees, including the Group's President and CEO and the Group Executive Board.

During the performance period 2025–2027, the earning of rewards is based on the following performance criteria: return on capital employed (ROCE), total shareholder return (TSR), reduction of the carbon footprint (ESG) and revenue growth. The target group of the Performance Share Plan during the performance period 2025–2027 consists of approximately 50 key employees, including the Group's President and CEO and the Group Executive Board.

The transitional share-based incentive scheme 2023–2026 consists of two (2) earnings periods of one (1) year each, corresponding to the calendar years 2023 and 2024. The earnings period is followed by a two-year retention period. The aim of the scheme is to support the transition from the old share-based incentive scheme to the new share-based incentive scheme.

The earning of rewards for the 2023 and 2024 earnings periods is based the return on capital employed (ROCE) and the reduction of the carbon footprint (ESG). The target group of the transitional share-based incentive scheme for the earnings periods 2023 and 2024 consists of approximately 10 key employees, including the Group's President and CEO and the Group Executive Board. The rewards paid in February 2024 based on the performance period 2023 corresponded to the value of approximately 42.998 Lassila & Tikanoja plc shares, also including the portion paid in cash.

Shareholders

At the end of the financial year, the company had 24,522 (24,959) shareholders. Nominee-registered holdings accounted for 13.9% (10.2) of the total number of shares.

Flagging notifications

On 26 August 2024, Lassila & Tikanoja plc received a notification pursuant to chapter 9, section 5 of the Securities Markets Act, according to which Protector Forsikring ASA's shareholding in Lassila & Tikanoja increased above the 5% limit on 23 August 2024.

Authorisations for the Board of Directors

The Annual General Meeting held on 21 March 2024 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 21 March 2024, adopted the financial statements and consolidated financial statements for the financial year 2023, discharged the members of the Board of Directors and the President and CEO from liability, and adopted the remuneration report and remuneration policy 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 composition and remuneration of the Board of Directors, the election and remuneration of the auditor, the adoption and remuneration of the sustainability auditor, 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 0.49 per share be paid on the basis of the balance sheet adopted for the financial year 2023. It was decided that the dividend be paid on 3 April 2024.

The Annual General Meeting confirmed the number of members of the Board of Directors as seven (7) in accordance with the proposal of the Shareholders' Nomination Board. Teemu Kangas-Kärki, Laura Lares, Sakari Lassila, Jukka Leinonen, Anni Ronkainen and Pasi Tolppanen were re-elected, and Juuso Maijala was elected as a new member 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 company's auditor. PricewaterhouseCoopers Oy has announced that it will name Samuli Perälä, Authorised Public Accountant, as the principal auditor. In addition, the company's auditor was adopted also as the company's sustainability auditor to audit the sustainability report for the financial year 2024.

The resolutions of the Annual General Meeting were announced in more detail in a stock exchange release on 21 March 2024.

BOARD OF DIRECTORS

The members of Lassila & Tikanoja plc's Board of Directors are Teemu Kangas-Kärki, Laura Lares, Sakari Lassila, Jukka Leinonen, Juuso Maijala, Anni Ronkainen and Pasi Tolppanen. Lassila & Tikanoja plc's Annual General Meeting held on 21 March 2024 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. Sakari Lassila (Chairman), Teemu Kangas-Kärki, Juuso Maijala and Anni Ronkainen were elected to the Audit Committee. Jukka Leinonen (Chairman), Laura Lares and Pasi Tolppanen were elected to the Personnel and Sustainability Committee.

The company announced the composition of Lassila & Tikanoja plc's Nomination Board on 27 September 2024. Lassila & Tikanoja plc's three largest shareholders, who are entitled to appoint a representative to Lassila & Tikanoja plc's Shareholders' Nomination Board are the Evald and Hilda Nissin Säätiö foundation, a group of shareholders (Chemec Oy, CH-Polymers Oy, Maijala Eeva, Maijala Eeva, Maijala Investment Oy, Maijala Juhani, Maijala Juuso, Maijala Miikka, Maijala Mikko, Maijala Roope and Maijala Tuula), and Nordea Nordic Small cap Fund. These shareholders have appointed Juhani Lassila, Miikka Maijala and Tanja Eronen as their representatives in Lassila & Tikanoja's Nomination Board. The Chairman of Lassila & Tikanoja plc's Board of Directors, Jukka Leinonen, acts as the fourth member of the Nomination Board. The Chairman of the Nomination Board is Juhani Lassila.

CHANGES IN THE GROUP EXECUTIVE BOARD

On 8 April 2024, Lassila & Tikanoja announced that Juha Saarinen, M.Sc.(Tech.) has been appointed as Chief Purchasing Officer and a member of the Group Executive Board effective from 1 August 2024. Saarinen joined L&T from Kamux plc, where he served as Chief Purchasing Officer.

On 3 May 2024, the company announced that CFO Valter Palin had decided to pursue career opportunities outside L&T. On 6 May 2024, the company announced that Joni Sorsanen, M.Sc.(Econ.) had been appointed as Chief Financial Officer (CFO) and a member of the Group Executive Board of Lassila & Tikanoja. He took up his post on 10 July 2024. Sorsanen joined L&T from Consti plc, where he served as CFO.

On 16 May 2024, the company announced that Petri Salerno, Senior Vice President, Environmental Services, and Sirpa Huopalainen, General Counsel, had decided to pursue career opportunities outside L&T. In addition, Mikko Taipale, Senior Vice President, Facility Services Sweden, would no longer be a member of the Group Executive Board after 16 May, but he would continue to be employed by the company. From 16 May 2024 onwards, Antti Tervo, Senior Vice President, Industrial Services, has also been responsible for the Environmental Services division, and Antti Niitynpää, Senior Vice President, Facility Services Finland, has also been responsible for Facility Services Sweden. Hilppa Rautpalo, Senior Vice President, Human Resources, has also been responsible for legal affairs from 16 May 2024 onwards.

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. The planning will start immediately. The possible partial demerger and listing of the circular economy businesses requires the approval of the Extraordinary General Meeting of Lassila & Tikanoja plc.

Lassila & Tikanoja renewed its operating model in 2024. Continuing the operating model work, the company will launch 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.

As of 1 January 2025, Lassila & Tikanoja will have three reportable segments: Circular Economy Business, consisting of current Environmental Services and Industrial Services divisions, Facility Services Finland, and Facility Services Sweden. The change in reporting structure will be reflected in Lassila & Tikanoja's financial reporting starting from Q1 2025. Adjusted comparison figures based on the new segment structure will be published before the first interim report for 2025.

EVENTS AFTER THE REVIEW PERIOD

On 10 January 2025, the company announced that Lassila & Tikanoja's Shareholders' Nomination Board proposes to the Annual General Meeting to be held on 27 March 2025 that the Board of Directors to have eight (8) members. The Nomination Board proposes that, of the current members, Teemu Kangas-Kärki, Sakari Lassila, Jukka Leinonen, Juuso Maijala, Anni Ronkainen and Pasi Tolppanen be re-elected to the Board of Directors, and that Tuija Kalpala and Anna-Maria Tuominen-Reini be elected as new members to the Board of Directors. In addition, the Nomination Board proposes that Jukka Leinonen be elected as Chairman of the Board of Directors and Sakari Lassila as Vice Chairman. Of the current members of the Board of Directors, Laura Lares has informed the Nomination Board that she is not available for re-election for the next term of the Board of Directors. The CV's of Tuija Kalpala and Anna-Maria Tuominen-Reini are available on Lassila & Tikanoja's website at www.lt.fi/en/company/management-and-board-of-directors/board-of-directors. The current members of the Board of Directors are presented on the same page.

According to the currently valid Articles of Association, the management of the company and the proper arrangement of its operations are the responsibility of a Board of Directors comprising a minimum of three (3) and a maximum of seven (7) members appointed by the General Meeting of Shareholders. The Nomination Board's proposal requires an amendment to Article 4 of the Articles of Association, which will be included in full in the notice of the Annual General Meeting. Of the company's shareholders, the Evald and Hilda Nissi Foundation, Nordea Nordic Small Cap Fund Oy and the group of shareholders consisting of Chemec Oy, CH-Polymers Oy, Maijala Eeva, Maijala Investment Oy, Maijala Juhani, Maijala Juuso, Maijala Miikka, Maijala Mikko, Maijala Roope and Maijala Tuula, who are represented on the Nomination Board and collectively represent approximately 22.1% of all shares and votes in the company, have declared that they are in favour of the proposal.

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 1,912,244.00 shares, which is 4.93% of Lassila & Tikanoja's total shares and votes increased to 1,946,154.00, which is 5.02% 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. The indirect impacts on overall economic activity in Finland and Sweden may have a negative impact on net sales and profit.

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 0.6 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 2023 Annual Review and in the Report by the Board of Directors and the consolidated financial statements.

PROPOSAL FOR THE DISTRIBUTION OF PROFIT

According to the financial statements, Lassila & Tikanoja plc's unrestricted equity amounts to EUR 40,376,673.92, with the profit for the period representing EUR 7,611,702.26 of this total. There were no substantial changes in the financial position of the company after the end of the period, and the solvency test referred to in Chapter 13, Section 2 of the Companies Act does not affect the amount of distributable profits.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.50 per share be paid for the financial year 2024. The dividend will be paid to shareholders entered in the company's shareholder register maintained by Euroclear Finland Oy on the record date, 31 March 2025. The Board proposes to the Annual General Meeting that the dividend be paid on 7 April 2025.

No dividend shall be paid on shares held by the company on the record date of the dividend payment, 31 March 2025.

On the day the proposal for the distribution of profit was made, the number of shares entitling to dividend was 38,188,933, which means the total amount of the dividend would be EUR 19,094,466.50. The Group's earnings per share amounted to EUR -0.05.

Lassila & Tikanoja's Annual Report, which includes the Report by the Board of Directors and the financial statements for 2024, will be published in week 10 at [lt.fi/en/investors/reports-presentations](https://www.lti.fi/en/investors/reports-presentations).

Financial Statements Release 1 January - 31 December 2024: Tables

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Key figures of the Group

Key figures

	10-12/2024	10-12/2023 restated ²	1-12/2024	1-12/2023 restated ²
Earnings per share, EUR	-0.56	0.13	-0.05	0.77
Diluted earnings per share, EUR	-0.56	0.13	-0.05	0.76
Net cash flow from operating activities after investments per share, EUR	0.75	0.60	1.07	1.33
Adjusted operating profit, MEUR	10.5	6.9	43.2	37.9
Operating profit, MEUR	-18.4	6.4	9.8	37.2
Gross capital expenditure, MEUR ³	7.8	14.3	37.5	60.3
Equity per share, EUR			5.48	6.06
Dividend/share, EUR ¹			0.50	0.49
Dividend/earnings, % ¹			n/a	64.0
Effective dividend yield, % ¹			6.4	5.0
P/E ratio			-173.3	12.8
Return on equity (ROE), %			-0.8	12.9
Capital employed, MEUR			396.1	425.0
Return on capital employed (ROCE), %			3.3	10.1
Equity ratio, %			35.4	36.7
Gearing, %			73.2	69.5
Net interest-bearing liabilities, MEUR			153.0	160.9
Average number of employees in full-time equivalents			5,980	6,743
Total number of full-time and part-time employees at end of the period			7,441	8,159
Number of outstanding shares adjusted for issues, 1,000 shares				
average during the period			38,164	38,127
at the end of the period			38,189	38,154
average during the period, diluted			38,268	38,232

¹ 2024 proposal by the Board of Directors

² The figures for year 2023 have been restated due to an error related to the previous period. For more information on the correction please see note 12. Correction of an error in calculating depreciation.

³ The calculation has been re-defined in 2024. The figure for year 2023 has been adjusted accordingly.

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	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Operating profit¹	-18.4	6.4	9.8	37.2
Items affecting comparability ² :				
- costs arising from business restructurings	0.8	0.2	4.6	0.3
- costs arising from acquisitions	0.7	0.3	1.3	0.3
- impairment of goodwill	23.3	-	23.3	-
- other items ³	4.1	-	4.1	-
Adjusted operating profit¹	10.5	6.9	43.2	37.9

¹ The figures for year 2023 have been restated due to an error related to the previous period. For more information on the correction please see note 12. Correction of an error in calculating depreciation.

² In the last quarter of 2024, the Company has clarified the definition of items affecting comparability to include also other material items outside ordinary course of business.

³ Other items consist mainly of provisions relating to Facility Services Sweden's onerous contracts and disputes.

RECONCILIATION OF GROSS CAPITAL EXPENDITURE

MEUR	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Intangible and tangible assets from business acquisitions	-0.0	-	2.0	-
- increases of right-of-use assets excl. heavy vehicles from business acquisitions	0.0	-	-0.1	-
Other increases to intangible and tangible assets	14.1	24.6	59.2	81.1
- increases of right-of-use assets excl. heavy vehicles	-4.8	-8.8	-19.4	-18.1
- other adjustments	-1.5	-1.5	-4.2	-2.7
Gross capital expenditure	7.8	14.3	37.5	60.3

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

	31 Dec 2024	31 Dec 2023
Environmental Services¹		
Capital employed (MEUR), average of the beginning and the end of the period	207.7	202.7
Operating profit (rolling 12 months)	26.2	25.9
+ financial income (rolling 12 months)	0.1	0.3
Return on capital employed, MEUR	26.2	26.3
Return on capital employed (ROCE), %	12.6	13.0
Industrial Services		
Capital employed (MEUR), average of the beginning and the end of the period	92.3	93.7
Operating profit (rolling 12 months)	15.1	13.8
+ financial income (rolling 12 months)	0.1	0.0
Return on capital employed, MEUR	15.1	13.8
Return on capital employed (ROCE), %	16.4	14.7
Facility Services Finland		
Capital employed (MEUR), average of the beginning and the end of the period	19.4	25.0
Operating profit (rolling 12 months)	9.4	4.4
+ financial income (rolling 12 months)	0.6	0.4
Return on capital employed, MEUR	10.0	4.8
Return on capital employed (ROCE), %	51.4	19.4
Facility Services Sweden		
Capital employed (MEUR), average of the beginning and the end of the period	44.9	61.0
Operating profit (rolling 12 months)	-35.1	-3.7
+ financial income (rolling 12 months)	0.1	0.1
Return on capital employed, MEUR	-34.9	-3.6
Return on capital employed (ROCE), %	-77.9	-5.9

¹ The figures for year 2023 have been restated due to an error related to the previous period. For more information on the correction please see note 12. Correction of an error in calculating depreciation.

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

Dividend per share: Dividend for the financial year / Adjusted basic number of shares at the balance sheet date

Payout ratio, %: Dividend per share / earnings per share x 100

Effective dividend yield, %: Dividend per share / Closing price of the financial period x 100

P/E ratio: Closing price of the financial period / Earnings per share

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

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	10-12/2024	10-12/2023 restated ¹	1-12/2024	1-12/2023 restated ¹
Net sales	194.2	200.9	770.7	802.1
Other operating income	1.7	1.8	4.6	6.2
Materials and services	-59.6	-63.7	-228.2	-246.5
Employee benefit expenses	-85.5	-88.9	-342.7	-352.8
Other operating expenses	-31.7	-29.6	-115.5	-113.1
Depreciation, amortisation and impairment	-14.2	-14.1	-55.9	-58.5
Impairment of goodwill	-23.3	-	-23.3	-
Operating profit	-18.4	6.4	9.8	37.3
Financial income	0.2	0.2	0.8	2.5
Financial expenses	-2.6	-2.3	-9.3	-8.7
Exchange rate differences (net)	-0.0	0.0	-0.0	-0.0
Financial income and expenses	-2.4	-2.1	-8.6	-6.3
Share of the result of associated companies and joint ventures	0.9	1.1	3.2	3.6
Result before taxes	-19.9	5.4	4.4	34.6
Income taxes	-1.4	-0.5	-6.1	-5.4
Result for the period	-21.3	4.9	-1.7	29.2
Attributable to:				
Equity holders of the company	-21.3	4.9	-1.7	29.2
Earnings per share attributable to the equity holders of the parent company:				
Earnings per share, EUR	-0.56	0.13	-0.05	0.77
Diluted earnings per share, EUR	-0.56	0.13	-0.05	0.76

¹ The figures for year 2023 have been restated due to an error related to the previous period. For more information on the correction please see note 12. Correction of an error in calculating depreciation.

Consolidated statement of comprehensive income

MEUR	10-12/2024	10-12/2023 restated ¹	1-12/2024	1-12/2023 restated ¹
Result for the period	-21.3	4.9	-1.7	29.2
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	-0.0	-0.0	-0.0
Items not to be recognised through profit or loss, total	-0.0	-0.0	-0.0	-0.0
Items potentially to be recognised through profit				
Hedging reserve, change in fair value	-	-	-	0.1
Change in fair value of interest rate swap, reclassified to profit and loss	-	-	-	-1.0
Currency translation differences	-0.8	2.5	-2.1	0.1
Items potentially to be recognised through profit or loss, total	-0.8	2.5	-2.1	-0.9
Other comprehensive income, total	-0.8	2.5	-2.1	-0.9
Total comprehensive income, after tax	-22.2	7.4	-3.8	28.3
Attributable to:				
Equity holders of the company	-22.2	7.4	-3.8	28.3

¹ The figures for year 2023 have been restated due to an error related to the previous period. For more information on the correction please see note 12. Correction of an error in calculating depreciation.

Consolidated statement of financial position

MEUR	31 Dec 2024	31 Dec 2023 restated ¹
ASSETS		
Non-current assets		
Intangible assets		
Goodwill	157.0	180.8
Other intangible assets	42.2	38.2
	199.2	219.0
Tangible assets	164.3	164.9
Right-of-use assets	69.1	76.0
	233.4	240.9
Other non-current assets		
Shares in associated companies and joint ventures	18.9	17.6
Other shares and holdings	0.2	0.2
Deferred tax assets	2.0	3.1
Other receivables	1.0	1.5
	22.0	22.5
Total non-current assets	454.7	482.4
Current assets		
Inventories	9.2	7.8
Trade receivables ²	86.5	98.6
Contract assets ²	16.1	18.1
Income tax receivables	0.3	1.2
Other receivables	7.1	7.9
Cash and cash equivalents	33.9	32.9
Total current assets	153.2	166.5
Total assets	607.9	648.8

¹ The figures for year 2023 have been restated due to an error related to the previous period. For more information on the correction please see note 12. Correction of an error in calculating depreciation.

² The Company has redefined the presentation of contract assets in 2024 and adjusted contract assets and trade receivables for year 2023 accordingly.

Consolidated statement of financial position

MEUR	31 Dec 2024	31 Dec 2023 restated ¹
EQUITY AND LIABILITIES		
Equity		
Equity attributable to the equity holders of the parent company		
Share capital	19.4	19.4
Other reserves	-13.5	-11.5
Invested unrestricted equity reserve	0.6	0.6
Retained earnings	202.7	222.8
Total equity	209.2	231.3
Liabilities		
Non-current liabilities		
Deferred tax liabilities	26.6	28.3
Retirement benefit obligations	1.1	1.2
Provisions	9.0	7.2
Borrowings	115.1	115.5
Lease liabilities	53.2	56.1
Other liabilities	13.4	13.2
	218.4	221.4
Current liabilities		
Borrowings	0.5	0.6
Lease liabilities	18.1	21.5
Trade and other payables	158.8	172.8
Income tax liabilities	0.3	0.3
Provisions	2.5	0.9
	180.3	196.1
Total liabilities	398.7	417.5
Total equity and liabilities	607.9	648.8

¹ The figures for year 2023 have been restated due to an error related to the previous period. For more information on the correction please see note 12. Correction of an error in calculating depreciation.

Consolidated statement of cash flows

MEUR	1-12/2024	1-12/2023
Cash flow from operating activities		
Result for the period ¹	-1.7	29.2
Adjustments		
Income taxes ¹	6.1	5.4
Depreciation, amortisation and impairment ¹	79.2	58.5
Financial income and expenses	8.6	6.3
Gains and losses on sale of tangible and intangible assets	-1.3	-1.6
Share of result of associated companies and joint ventures	-3.2	-3.6
Provisions	3.6	-1.2
Other adjustments	1.2	0.7
Net cash generated from operating activities before change in working capital	92.5	93.6
Change in working capital		
Change in trade and other receivables	14.6	7.2
Change in inventories	-1.4	0.0
Change in trade and other payables	-9.9	-2.1
Change in working capital	3.2	5.1
Interest and other financial expenses paid	-9.2	-8.2
Interest and other financial income received	0.8	2.5
Income taxes paid	-5.9	0.5
Net cash from operating activities	81.4	93.6
Cash flow from investing activities		
Acquisition of subsidiaries and businesses, net of cash acquired	-1.5	-
Purchases of tangible and intangible assets	-42.7	-44.9
Proceeds from the sale of tangible and intangible assets	1.9	2.2
Dividends received from joint venture	1.8	-
Dividends received from other non-current investments	0.0	-
Net cash from investing activities	-40.5	-42.7
Net cash flow from operating activities after investments	40.8	50.9
Cash flow from financing activities		
Proceeds from short-term borrowings	60.0	10.0
Repayments of short-term borrowings	-60.0	-10.0
Proceeds from long-term borrowings	-	40.0
Repayments of long-term borrowings	-0.6	-68.4
Repayments of lease liabilities	-20.4	-21.2
Dividends paid	-18.7	-17.9
Net cash from financing activities	-39.7	-67.5
Net change in cash and cash equivalents	1.1	-16.6
Cash and cash equivalents at the beginning of the period	32.9	49.5
Effect of changes in foreign exchange rates	-0.1	0.0
Cash and cash equivalents at the end of the period	33.9	32.9

¹ The figures for year 2023 have been restated due to an error related to the previous period. For more information on the correction please see note 12. Correction of an error in calculating depreciation.

Consolidated statement of changes in equity

MEUR	Share capital	Currency translation differences	Hedging reserve	Invested unrestricted equity reserve	Retained earnings	Total equity
Equity 1 January 2024¹	19.4	-11.5	-	0.6	222.8	231.3
Total comprehensive income						
Result for the period					-1.7	-1.7
Other comprehensive income		-2.1			-0.0	-2.1
Total comprehensive income	-	-2.1	-	-	-1.7	-3.8
Transactions with shareholders						
Share-based benefits					0.3	0.3
Dividends paid					-18.7	-18.7
Returned dividends					0.0	0.0
Transactions with shareholders, total	-	-	-	-	-18.4	-18.4
Equity 31 December 2024	19.4	-13.5	-	0.6	202.7	209.2
Equity 1 January 2023	19.4	-11.5	0.9	0.6	211.0	220.4
Total comprehensive income						
Result for the period ¹					29.2	29.2
Other comprehensive income		0.1	-0.9		-0.0	-0.9
Total comprehensive income¹	-	0.1	-0.9	-	29.2	28.3
Transactions with shareholders						
Share-based benefits					0.5	0.5
Dividends paid					-17.9	-17.9
Returned dividends					0.0	0.0
Transactions with shareholders, total	-	-	-	-	-17.4	-17.4
Equity 31 December 2023¹	19.4	-11.5	-	0.6	222.8	231.3

¹ The figures for year 2023 have been restated due to an error related to the previous period. For more information on the correction please see note 12. Correction of material error in calculating depreciation.

Notes

1. Accounting policies

This Financial Statements release is in compliance with the IAS 34 Interim Financial Reporting standard. The Financial Statements Release has been prepared with application of the IFRS standards and interpretations in effect on 31 December 2023 and the new and amended standards and interpretations entered into force on 1 January 2024. The information presented in this Financial Statements Release has not been audited.

The Company has redefined the presentation of contract assets in 2024 and adjusted contract assets and trade receivables for year 2023 accordingly. The change has no impact on the results and no material effect on the consolidated financial statements' depiction of the Group's financial position.

More detailed information on accounting policies is presented in the consolidated financial statements of Lassila & Tikanoja plc as of 31 December 2023.

2. Segment information

MEUR	10-12/2024	10-12/2023	Change %	1-12/2024	1-12/2023	Change %
Net sales						
Environmental Services	69.9	68.9	1.5	281.5	283.7	-0.8
Industrial Services	36.3	37.9	-4.3	145.1	141.0	2.9
Facility Services Finland	58.8	61.4	-4.2	238.0	250.0	-4.8
Facility Services Sweden	31.0	34.5	-10.2	111.9	133.2	-16.0
Interdivisional net sales	-1.8	-1.8		-5.8	-5.8	
The Group total	194.2	200.9	-3.4	770.7	802.1	-3.9
Operating profit						
Environmental Services ¹	5.1	3.3	56.0	26.2	25.9	0.8
Industrial Services	3.7	3.6	3.5	15.1	13.8	9.4
Facility Services Finland	2.6	1.1	139.3	9.4	4.4	110.9
Facility Services Sweden ²	-29.0	-0.9		-35.1	-3.7	-844.8
Group administration and other	-0.9	-0.7		-5.7	-3.2	
The Group total	-18.4	6.4		9.8	37.3	-73.6
Adjusted operating profit						
Environmental Services ¹	5.4	3.3	63.4	26.6	25.9	2.6
Industrial Services	4.5	3.8	16.6	16.2	14.0	15.7
Facility Services Finland	2.8	1.1	157.3	9.6	4.4	115.3
Facility Services Sweden	-1.5	-0.9	-58.8	-7.5	-3.7	-103.0
Group administration and other	-0.6	-0.4		-1.6	-2.8	
The Group total	10.5	6.9	52.9	43.2	37.9	14.1
EBITDA						
Environmental Services	12.8	10.8	18.5	56.2	57.5	-2.2
Industrial Services	7.2	6.9	3.6	28.5	26.6	6.9
Facility Services Finland	4.3	2.8	53.2	16.2	12.5	28.9
Facility Services Sweden	-4.5	0.5		-7.0	1.3	
Group administration and other	-0.7	-0.5		-4.9	-2.2	
The Group total	19.1	20.5	-6.7	89.0	95.8	-7.1

%	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Operating margin				
Environmental Services ¹	7.4	4.8	9.3	9.1
Industrial Services	10.3	9.5	10.4	9.8
Facility Services Finland	4.4	1.8	3.9	1.8
Facility Services Sweden ²	-93.5	-2.7	-31.3	-2.8
The Group total	-9.5	3.2	1.3	4.6
Adjusted operating margin				
Environmental Services ¹	7.7	4.8	9.5	9.1
Industrial Services	12.3	10.1	11.2	9.9
Facility Services Finland	4.7	1.8	4.0	1.8
Facility Services Sweden	-4.8	-2.7	-6.7	-2.8
The Group total	5.4	3.4	5.6	4.7
EBITDA margin				
Environmental Services	18.3	15.7	20.0	20.3
Industrial Services	19.7	18.2	19.6	18.9
Facility Services Finland	7.3	4.6	6.8	5.0
Facility Services Sweden	-14.5	1.3	-6.3	1.0
The Group total	9.9	10.2	11.5	11.9

Other segment information

MEUR	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Gross capital expenditure				
Environmental Services ³	4.3	8.5	18.4	40.2
Industrial Services	3.4	4.7	17.4	17.5
Facility Services Finland	0.0	0.5	1.1	1.0
Facility Services Sweden	0.0	0.2	0.1	0.5
Group administration and other	0.1	0.4	0.4	1.2
The Group total	7.8	14.3	37.5	60.3
Depreciation, amortisation and impairment				
Environmental Services ¹	7.7	7.5	30.1	31.5
Industrial Services	3.4	3.3	13.4	12.8
Facility Services Finland	1.7	1.7	6.8	8.1
Facility Services Sweden ²	24.5	1.4	28.1	5.0
Group administration and other	0.2	0.2	0.9	1.0
The Group total	37.5	14.1	79.2	58.5

MEUR**31 Dec 2024 31 Dec 2023****Assets**

Environmental Services ¹	287.3	290.5
Industrial Services	148.0	151.0
Facility Services Finland	68.9	78.7
Facility Services Sweden ²	51.8	83.5
Group administration and other	51.8	45.1
The Group total	607.9	648.8

Liabilities

Environmental Services ¹	80.0	82.5
Industrial Services	56.4	60.2
Facility Services Finland	51.9	56.9
Facility Services Sweden	22.0	23.6
Group administration and other	188.5	194.3
The Group total	398.7	417.5

Capital employed

Environmental Services ¹	207.3	208.0
Industrial Services	92.4	92.2
Facility Services Finland	17.0	21.7
Facility Services Sweden ²	29.9	59.9
Group administration and other	49.5	43.2
The Group total	396.1	425.0

%**31 Dec 2024 31 Dec 2023****Return on capital employed (ROCE)**

Environmental Services ¹	12.6	13.0
Industrial Services	16.4	14.7
Facility Services Finland	51.4	19.4
Facility Services Sweden ²	-77.9	-5.9
The Group total	3.3	10.1

¹ The figures for year 2023 have been restated due to an error related to the previous period. For more information on the correction please see note 12. Correction of an error in calculating depreciation.

² Includes impairment of goodwill allocated to Facility Services Sweden totalling EUR 23.3 million.

³ The calculation has been re-defined in 2024. The figure for year 2023 has been adjusted accordingly.

3. Segment information by quarter

MEUR	10-12/2024	7-9/2024	4-6/2024	1-3/2024	10-12/2023
Net sales					
Environmental Services	69.9	72.3	73.9	65.4	68.9
Industrial Services	36.3	38.8	42.0	28.1	37.9
Facility Services Finland	58.8	57.4	58.5	63.3	61.4
Facility Services Sweden	31.0	25.2	26.2	29.5	34.5
Interdivisional net sales	-1.8	-1.3	-1.4	-1.2	-1.8
The Group total	194.2	192.3	199.2	185.0	200.9
Operating profit					
Environmental Services ¹	5.1	10.5	7.8	2.7	3.3
Industrial Services	3.7	5.7	6.1	-0.4	3.6
Facility Services Finland	2.6	4.9	2.0	-0.1	1.1
Facility Services Sweden	-29.0	-1.5	-2.5	-2.1	-0.9
Group administration and other	-0.9	-0.7	-2.4	-1.8	-0.7
The Group total ¹	-18.4	18.9	11.0	-1.7	6.4
Adjusted operating profit					
Environmental Services ¹	5.4	10.5	8.0	2.7	3.3
Industrial Services	4.5	5.9	5.9	-0.1	3.8
Facility Services Finland	2.8	4.9	2.0	-0.1	1.1
Facility Services Sweden	-1.5	-1.5	-2.5	-2.1	-0.9
Group administration and other	-0.6	0.1	-0.8	-0.4	-0.4
The Group total ¹	10.5	20.0	12.7	0.0	6.9
EBITDA					
Environmental Services	12.8	17.9	15.4	10.1	10.8
Industrial Services	7.2	9.0	9.5	2.8	6.9
Facility Services Finland	4.3	6.6	3.7	1.6	2.8
Facility Services Sweden	-4.5	-0.4	-1.3	-0.9	0.5
Group administration and other	-0.7	-0.5	-2.2	-1.6	-0.5
The Group total	19.1	32.7	25.1	12.1	20.5
Operating margin, %					
Environmental Services ¹	7.4	14.5	10.6	4.1	4.8
Industrial Services	10.3	14.6	14.4	-1.4	9.5
Facility Services Finland	4.4	8.6	3.4	-0.2	1.8
Facility Services Sweden	-93.5	-5.8	-9.6	-7.1	-2.7
The Group total ¹	-9.5	9.8	5.5	-0.9	3.2
Adjusted operating margin, %					
Environmental Services ¹	7.7	14.5	10.9	4.1	4.8
Industrial Services	12.3	15.2	14.2	-0.4	10.1
Facility Services Finland	4.7	8.6	3.4	-0.2	1.8
Facility Services Sweden	-4.8	-5.8	-9.6	-7.1	-2.7
The Group total ¹	5.4	10.4	6.4	0.0	3.4
EBITDA margin, %					
Environmental Services	18.3	24.8	20.8	15.5	15.7
Industrial Services	19.7	23.2	22.5	10.1	18.2
Facility Services Finland	7.3	11.5	6.3	2.5	4.6
Facility Services Sweden	-14.5	-1.4	-4.8	-3.0	1.3
The Group total	9.9	17.0	12.6	6.5	10.2

¹ The figures for year 2023 have been restated due to an error related to the previous period. For more information on the correction please see note 12. Correction of an error in calculating depreciation.

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.

1-12/2024, MEUR	Long-term service agreements	Separately ordered services	Project business	Sales of equipment and materials	Lease income	Total net sales
Environmental Services	228.4			49.6	3.5	281.5
Industrial Services	63.8	66.0	9.9	5.5		145.1
Facility Services Finland	169.3	62.1	6.6			238.0
Facility Services Sweden	46.0	62.0	3.8			111.9
Total	507.5	190.1	20.3	55.1	3.5	776.5
Interdivisional sales						-5.8
External net sales, total						770.7

1-12/2023, MEUR	Long-term service agreements	Separately ordered services	Project business	Sales of equipment and materials	Lease income	Total net sales
Environmental Services	229.6			50.5	3.5	283.7
Industrial Services	65.5	58.5	11.8	5.2		141.0
Facility Services Finland	181.5	64.2	4.3			250.0
Facility Services Sweden	56.1	74.0	3.1			133.2
Total	532.6	196.8	19.2	55.7	3.5	807.9
Interdivisional sales						-5.8
External net sales, total						802.1

5. Business acquisitions

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.

In 2024, business acquisitions had an EUR 2.6 million impact on the Group's net sales for the financial period and EUR 0.2 million on operating profit. If the acquisitions in 2024 had been completed on 1 January 2024, the Group's net sales would have been approximately EUR 770.8 million and operating profit approximately EUR 9.8 million.

In 2024, expenses totalling EUR 0.1 million (-) related to the acquisitions were recognised in the income statement.

Business acquisitions 2023

There were no business acquisitions in 2023.

Fair value total, MEUR	Business	Business
	acquisitions ¹	acquisitions
	1-12/2024	1-12/2023
Intangible assets	0.7	-
Tangible assets	0.4	-
Right-of-use assets	0.1	-
Receivables	0.2	-
Cash and cash equivalents	0.5	-
Total assets	1.9	-
Other liabilities	0.4	-
Deferred tax liabilities	0.2	-
Total liabilities	0.6	-
Net assets acquired	1.2	-
Total consideration	2.1	-
Goodwill	0.8	-
Impact on cash flow		
Total consideration	-2.1	-
Consideration paid in cash	-2.1	-
Cash and cash equivalents of the acquired company	0.5	-
Total impact on cash flow	-1.6	-

¹ Includes the acquisition price calculation for PF Industriservice AB.

The acquisition price calculations prepared according to IFRSs 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	1-12/2024	1-12/2023
Carrying amount at the beginning of the period	180.8	180.7
Business acquisitions	0.8	-
Impairments	-23.3	-
Exchange differences	-1.3	0.1
Carrying amount at the end of the period	157.0	180.8

Changes in other intangible assets

MEUR	1-12/2024	1-12/2023
Carrying amount at the beginning of the period	38.2	36.5
Business acquisitions	0.7	-
Other capital expenditure	9.7	10.6
Disposals	-0.0	-0.0
Amortisation and impairment	-6.0	-8.7
Transfers between items	-	-0.1
Exchange differences	-0.3	-0.0
Carrying amount at the end of the period	42.2	38.2

Changes in tangible assets

MEUR	1-12/2024	1-12/2023
Carrying amount at the beginning of the period	164.9	155.3
Business acquisitions	0.4	-
Other capital expenditure	29.7	38.3
Disposals	-1.6	-0.6
Depreciation and impairment ¹	-28.8	-28.3
Transfers between items	-	0.1
Exchange differences	-0.2	-0.0
Carrying amount at the end of the period ¹	164.3	164.9

Changes in right-of-use assets

MEUR	1-12/2024	1-12/2023
Carrying amount at the beginning of the period	76.0	71.2
Business acquisitions	0.1	-
Other capital expenditure	19.9	32.2
Disposals	-5.6	-5.7
Depreciation and impairment	-21.1	-21.6
Exchange differences	-0.3	-0.1
Carrying amount at the end of the period	69.1	76.0

¹ The figures for year 2023 have been restated due to an error related to the previous period. For more information on the correction please see note 12. Correction of an error in calculating depreciation.

7. Capital commitments

MEUR	31 Dec 2024	31 Dec 2023
Intangible assets	0.1	-
Tangible assets	8.6	14.0
Total	8.6	14.0

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 its operational permit during early 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 will be sent for processing to the regional state administrative agency in early 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 Dec 2024	31 Dec 2023
Non-current provisions	9.0	7.2
Current provisions	2.5	0.9
Total	11.5	8.1

Changes in provisions

MEUR	Environmental provisions	Onerous contracts	Other provisions	Total
Provisions 1 Jan 2024	7.2	-	0.9	8.1
Additions	0.6	3.3	1.2	5.1
Used	-0.4	-	-0.2	-0.6
Effect of discounting	-1.0	-	-	-1.0
Provisions 31 Dec 2024	6.3	3.3	1.9	11.5

MEUR	Environmental provisions	Onerous contracts	Other provisions	Total
Provisions at 1 Jan 2023	7.4	-	1.7	9.1
Additions	0.2	-	0.7	0.9
Used	-0.3	-	-0.7	-1.0
Reversals	-0.2	-	-0.9	-1.1
Effect of discounting	0.1	-	-	0.1
Provisions 31 Dec 2023	7.2	-	0.9	8.1

9. Financial assets and liabilities by category

31 December 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	0.9		0.9	
Current financial assets				
Trade and other receivables	86.8		86.8	
Cash and cash equivalents	33.9		33.9	
Total financial assets	121.6	-	121.6	
Non-current financial liabilities				
Borrowings	115.1		115.1	2
Lease liabilities	53.2		53.2	
Deferred consideration		6.7	6.7	3
Current financial liabilities				
Borrowings	0.5		0.5	2
Lease liabilities	18.1		18.1	
Interest liabilities	2.2		2.2	
Trade and other payables	56.9		56.9	
Total financial liabilities	246.0	6.7	252.7	

31 December 2023, 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	98.6		98.6	
Cash and cash equivalents	32.9		32.9	
Total financial assets	132.8	-	132.8	
Non-current financial liabilities				
Borrowings	115.5		115.5	2
Lease liabilities	56.1		56.1	
Deferred consideration		5.9	5.9	3
Current financial liabilities				
Borrowings	0.6		0.6	2
Lease liabilities	21.5		21.5	
Interest liabilities	2.3		2.3	
Trade and other payables	69.4		69.4	
Total financial liabilities	265.4	5.9	271.3	

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	1-12/2024	1-12/2023
Carrying amount at the beginning of the period	5.9	5.7
Change in fair value	1.0	0.2
Exchange differences	-0.2	0.0
Carrying amount at the end of the period	6.7	5.9

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 1.0 million (1.0). 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 the first quarter of 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	1-12/2024	1-12/2023
Net sales	3.1	2.2
Purchases of materials and services	-0.9	-1.3
Trade- and other receivables	0.0	0.0

11. Commitments and contingent liabilities

MEUR	31 Dec 2024	31 Dec 2023
Securities for own commitments		
Mortgages on rights of tenancy	0.1	0.1
Company mortgages	0.5	0.5
Other securities	0.0	0.0
Bank guarantees required for environmental permits	25.0	26.6
Other bank guarantees	7.1	6.5
Mortgages under own control		
Company mortgages	0.2	0.2
Liabilities on behalf of the joint venture		
Account limit	-	2.8
Bank guarantees	16.5	16.5
Term loan facility guarantee	-	11.0
Revolving credit facility	-	5.5
Future lease payments		
Within one year	0.8	0.9
Over one year	0.5	0.7

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.

Future lease payments consist of minimum leasing commitments related to lease agreements for low-value assets, to which the Group has elected to apply recognition exemption permitted by IFRS 16.

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 0.6 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.

Liabilities associated with derivative agreements

Interest rate swap

The interest rate swap that was used for hedging cash flows related to floating rate loans was terminated in June 2023 in conjunction with the refinancing of the hedged loan. The fair value of the interest rate swap totalling EUR 1.3 million was recognised as finance income in the income statement. In the comparison period, the hedge was effective, and the changes in the fair value of interest rate swap were presented in other comprehensive income for the period. The fair value of the swap contract was based on the market data on the balance sheet date.

12. Correction of an error in calculating depreciation

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. The error did not have any impact on the periods prior to year 2023. Regarding year 2023, the quarterly figures were restated. In 2024, the impact of the error on quarterly level was not material, and thus the figures for the prior quarters were not restated.

The error has been corrected by restating each of the affected financial statement line items for the prior year as follows:

Consolidated statement of financial position(extract)

MEUR	31 Dec 2023		31 Dec 2023
	Reported	Change	Restated
Tangible assets	166.0	-1.1	164.9
Deferred tax liabilities	28.5	-0.2	28.3
Retained earnings	223.6	-0.9	222.8
Total equity	232.2	-0.9	231.3

Consolidated income statement (extract)

MEUR	10-12 2023		10-12 2023		2023		2023	
	Reported	Change	Restated	Reported	Change	Restated		
Depreciation, amortisation and impairment	-13.8	-0.3	-14.1	-57.4	-1.1	-58.5		
Operating profit	6.7	-0.3	6.4	38.4	-1.1	37.3		
Adjusted operating profit	7.2	-0.3	6.9	39.0	-1.1	37.9		
Result before taxes	5.7	-0.3	5.4	35.7	-1.1	34.6		
Income taxes	-0.5	0.1	-0.5	-5.7	0.2	-5.4		
Result for the period	5.1	-0.2	4.9	30.1	-0.9	29.2		
Result for the period attributable to:								
Equity holders of the company	5.1	-0.2	4.9	30.1	-0.9	29.2		

Both basic and diluted earnings per share of the prior year decreased by EUR 0.02 due to the correction.

Helsinki, 12 February 2025

LASSILA & TIKANOJA PLC
Board of Directors

Eero Hautaniemi
President and CEO

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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.

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