

SITOWISE

Redefining smartness in cities

Sitowise investor presentation
ABGSC investor days, 23 November 2023

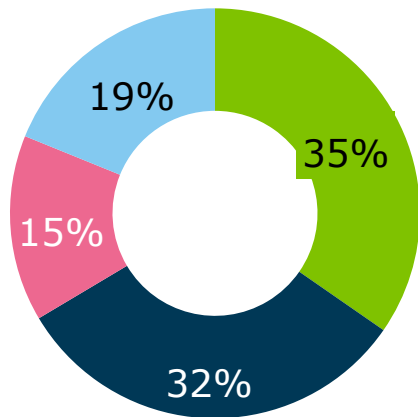
HEIKKI HAASMAA, CEO



Nordic expert in technical consulting with a strong focus on digitality

Four established Business Areas

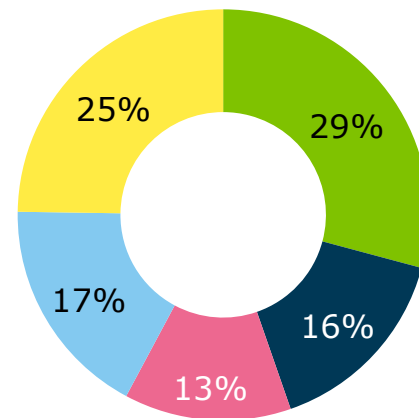
Net sales by Business Area



- Buildings
- Infra
- Digital Solutions
- Sweden

Board and diverse client base

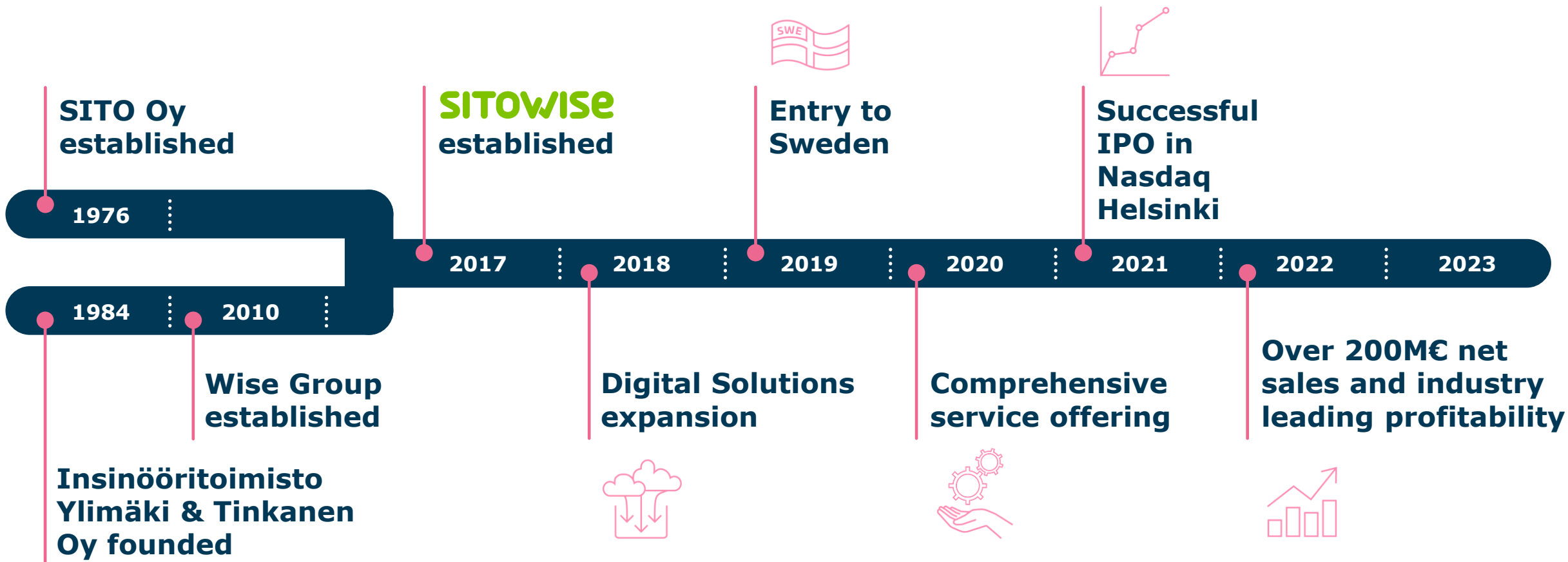
Net sales by client category



- Municipalities
- Construction companies
- Housing companies and cooperatives
- Government organisations
- Other organisations

Local presence with over 2,200 experts





Along the way we have...

THE SMART CITY LAB Built capabilities & scalable platform to support **innovation** and future growth in smart city solutions

SITOWISE Embraced the **Sustainability** vision throughout the organization; well recognized by external stakeholders

VOIMA Created and developed Voima platform to drive **efficiency** and profitability

Comprehensive services for the development of the built environment and natural assets

Buildings

- **A leading player** in Finland with **extensive services** for the entire life cycle of buildings: from the early planning stage of a new construction to maintenance and renovation.
- **Distinctive design expertise** in areas such as high-rise construction, building services technology (HVAC), acoustics design, and fire safety planning.

Infrastructure

- **A leading player** in Finland with **steady growth and stable cashflows**
- The market's widest selection of design and consulting services within **infrastructure, transport and mobility, urban development, environment and water, renewable energy and infrastructure project management.**

Digital Solutions

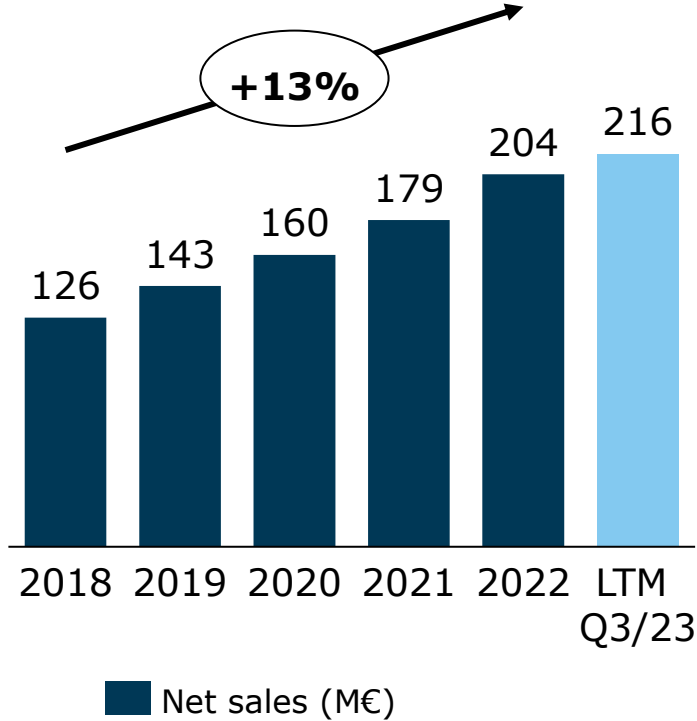
- **Nordic excellence in geospatial solutions.** Solutions for **the built environment, mobility, and forest and natural resources sector**, and consulting services that support these fields.
- **Existing product/SaaS business** with double digit growth track and stable profitability. **Ability to create new market.**
- **+20 years experience** from digital business with strong industry knowledge.

Sweden

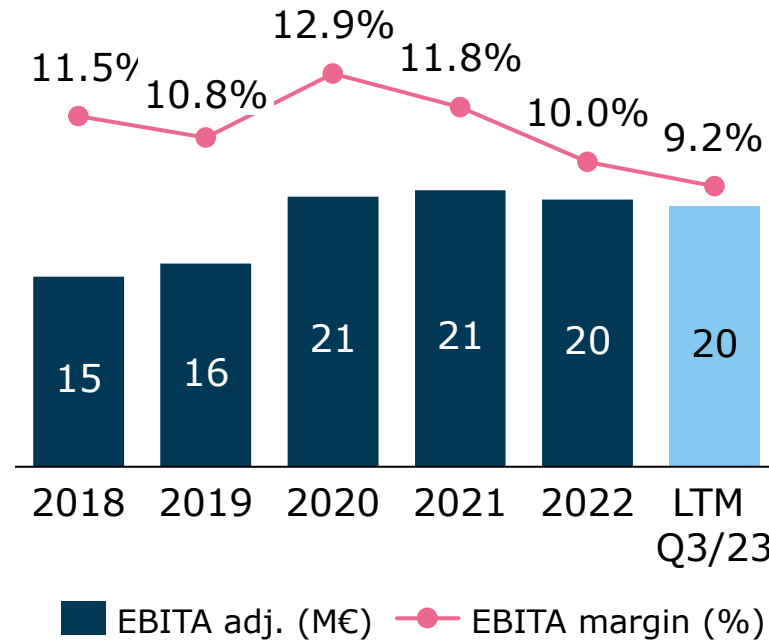
- A competent **challenger with several growth opportunities.**
- **Industry leading expertise** in selected segments.
- Design and consulting services in the following areas: structural design, engineering planning and consulting for buildings and properties, infrastructure, and geotechnical design.
- Digital solutions for traffic and infrastructure in Sweden.

We have steady growth profile...

Strong track record of net sales growth...



...with industry leading profitability



NET SALES
EUR 204.4 million



ADJ. EBITA-%
10.0%



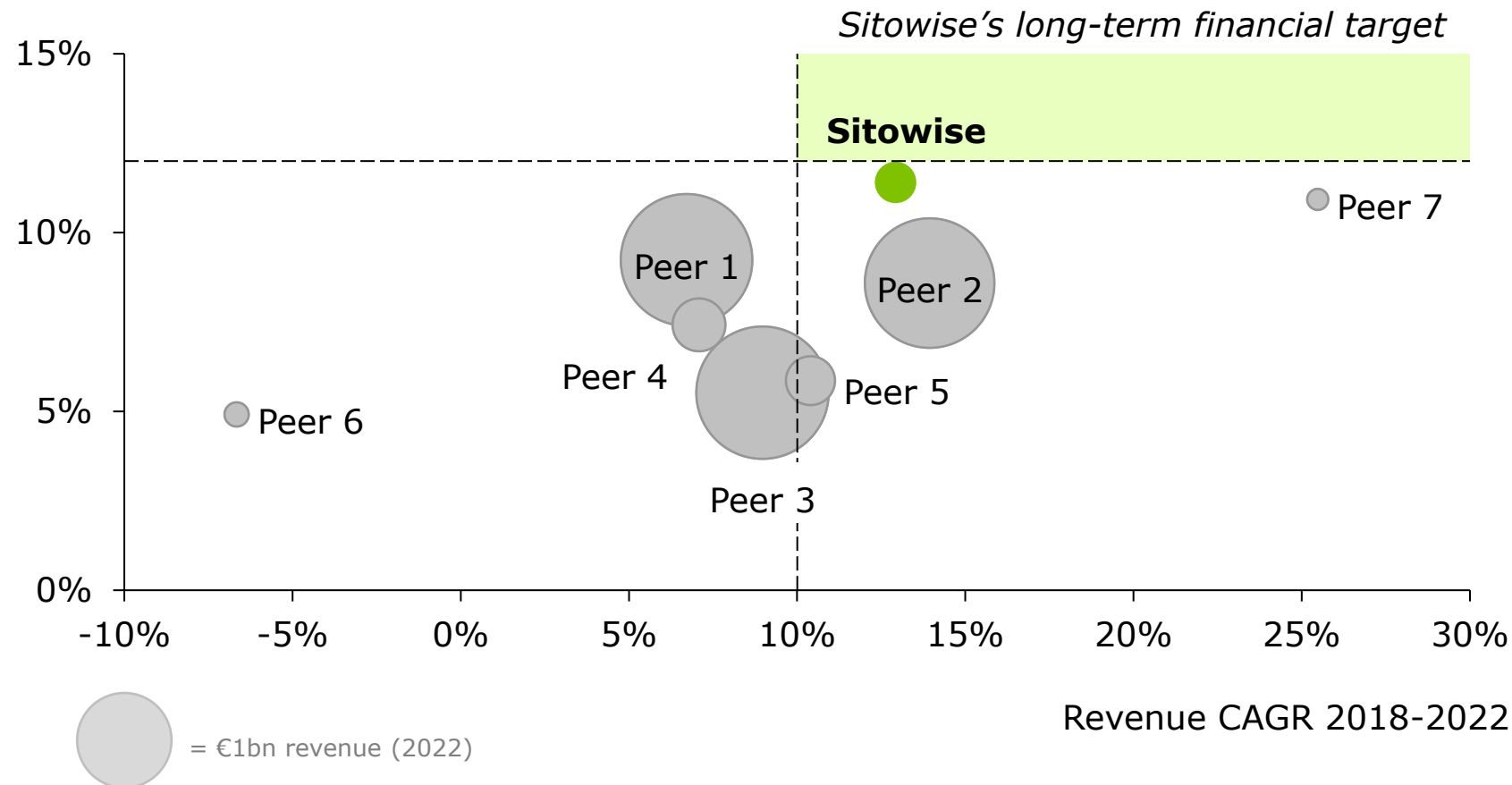
OVER
2,200 experts



NPS 32

...and we are the most efficient company in our industry

Avg. EBITA margin (adj.)
2018-2022



13%

Sitowise revenue
CAGR 2018-2022

11.4%

Sitowise
adj. EBITA margin
Avg. 2018-2022

We strive to provide the best value for our clients

We master the basics and are close to the customer

Expertise

4.3/5

We help clients to succeed and reach their objectives

Would re-select Sitowise

97%

We help clients to differentiate and build innovative solutions

Sitowise is a pioneer

53%



NPS 32

Megatrends continue to drive demand for technical consulting



URBANISATION

Urbanisation will increase the demand for new buildings that are suitable for many different purposes. The complexity in design projects increases. The significance of public transport, rail transport in particular, will increase.



MAINTENANCE BACKLOG

The maintenance backlog of buildings and infrastructure is significant in Finland and Sweden and further driven by the tightening regulation.



DIGITALISATION

Digitalization grows the demand for advance analytics and puts data at the center of business models. The use of AI, data management, knowledge-based management and data support in decision-making present new opportunities.



CLIMATE CHANGE

Climate change will force cities to find new solutions for building and transport as well as to exploit digitalisation in the development of new, sustainable solutions.



SECURITY

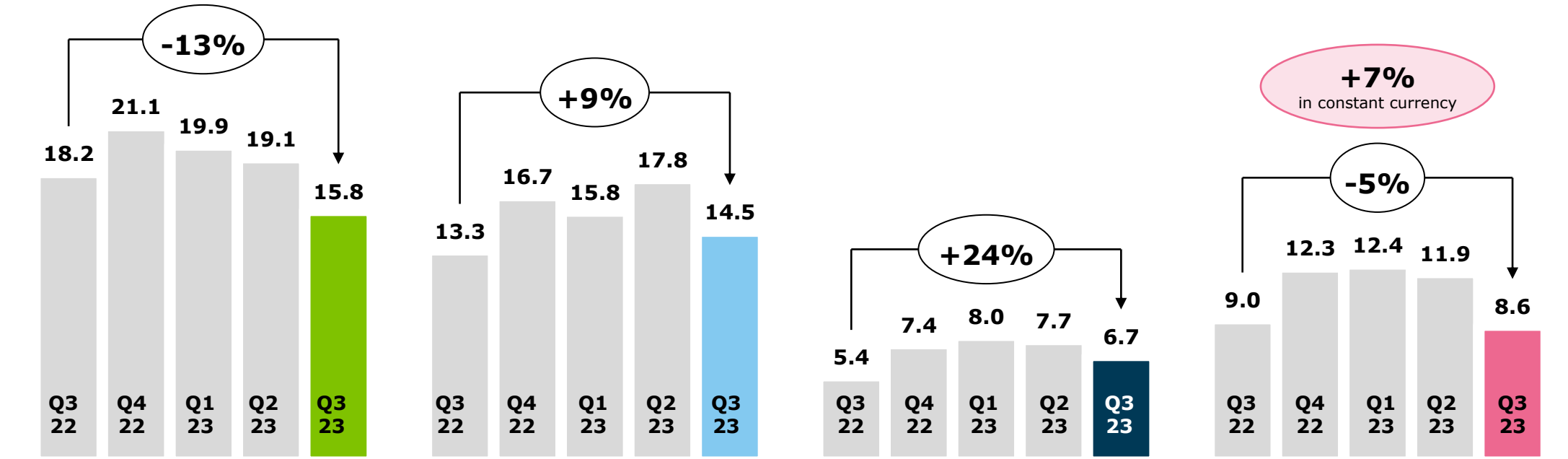
Security threats affect the built environment on a large scale, especially on critical infrastructure of society.

Recent financial performance



Strong performance in Infra and Digi continued in Q3

Net sales per business area, figures in EUR million



Buildings

- **Continued market deterioration in Buildings**
- **Adaptation to current market situation progressed as planned**

Infrastructure

- **Infra clearly outperformed market**
- **Strong performance measured with all KPIs**
- **Mixed market**

Digital Solutions

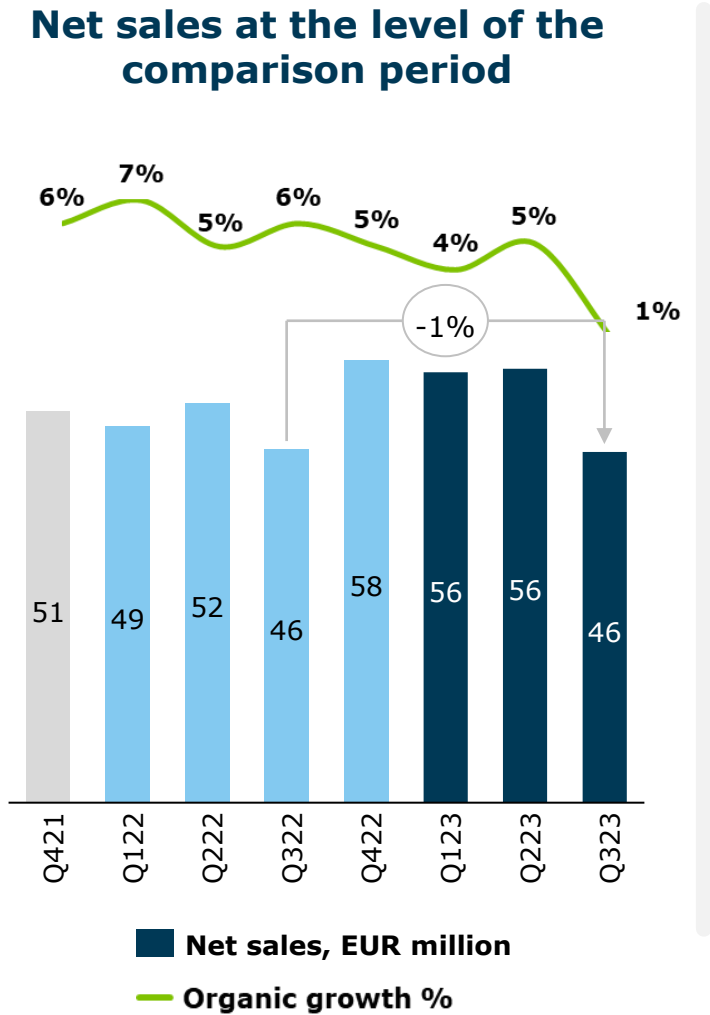
- **Continued strong organic growth driven by successful product sales, pricing and utilization**
- **Slowdown in private sector demand**

Sweden

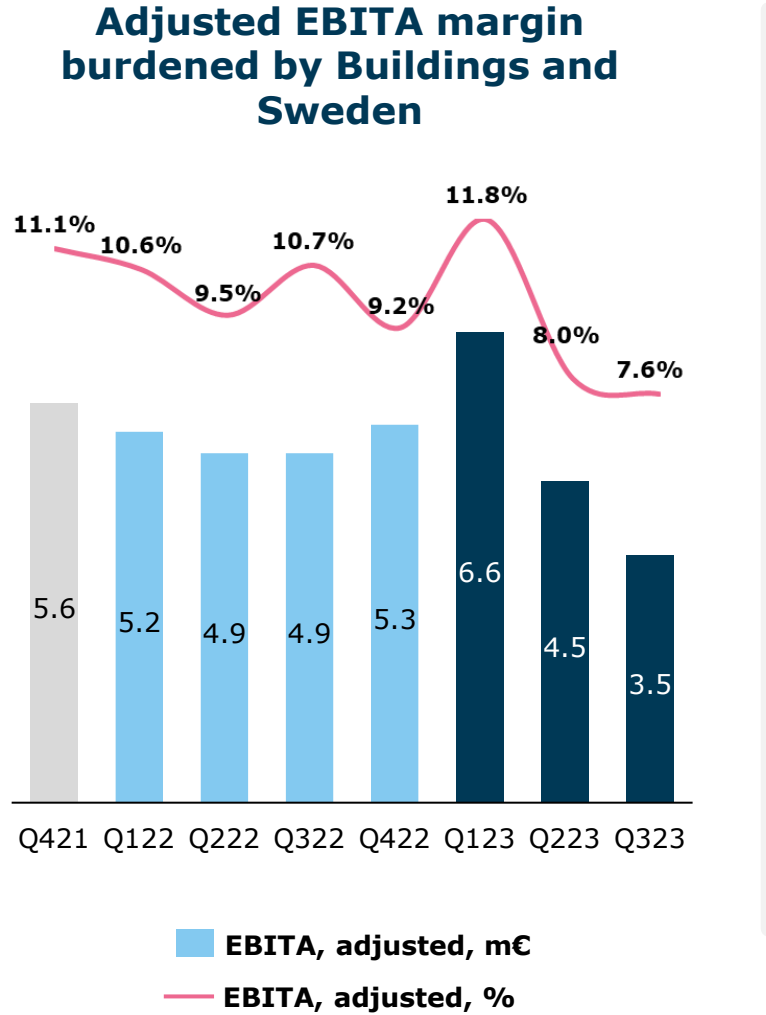
- **Focus on internal matters**
- **Slightly softening market in Sweden**
- **Currency impact**

Headwinds in Buildings and Sweden burdening profitability in Q3

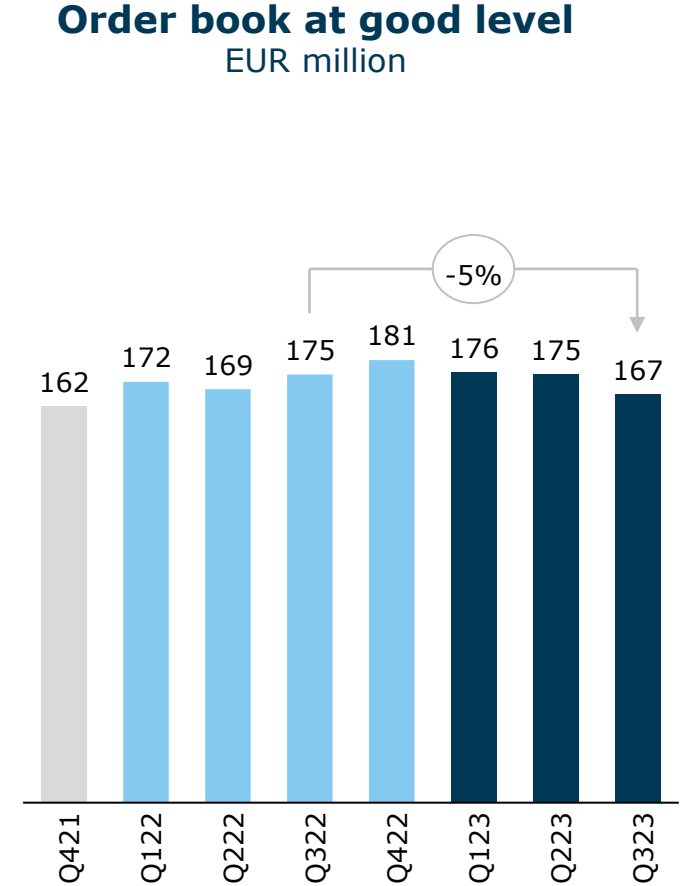
Net sales at the level of the comparison period



Adjusted EBITA margin burdened by Buildings and Sweden



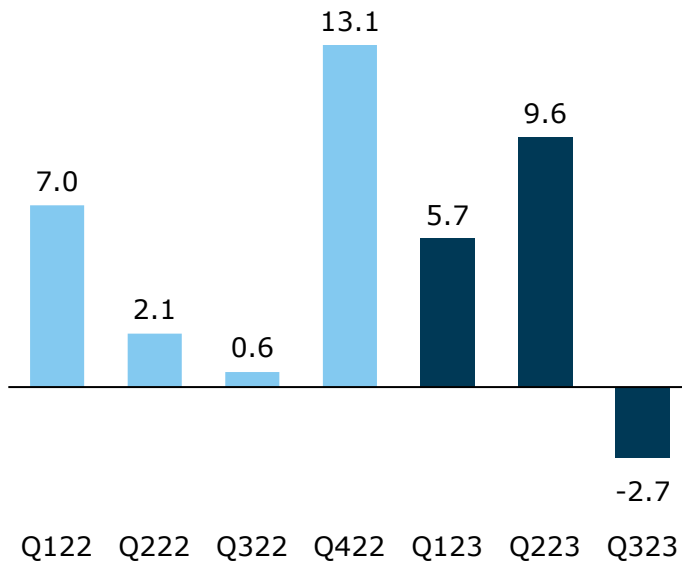
Order book at good level
EUR million



Seasonally weak cashflow in Q3 further pressed by lower profitability – Leverage typically declines towards year-end

Cash flow from operating activities

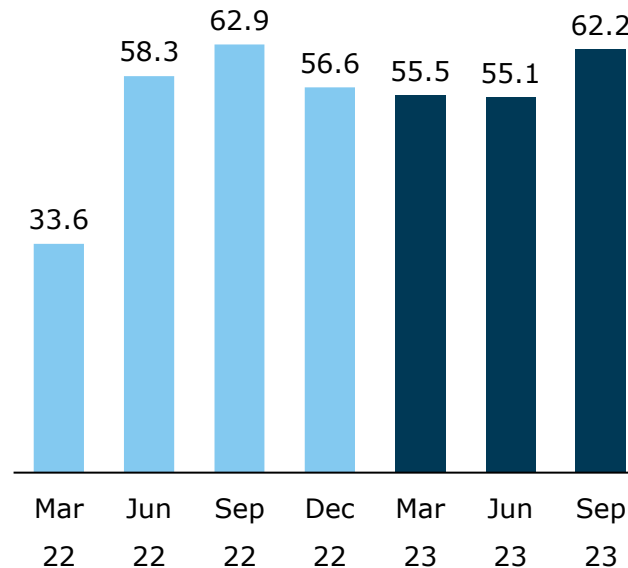
Before financial items and taxes, EUR million



Jan-Sep cashflow €12.6 million
(€9.6 million)

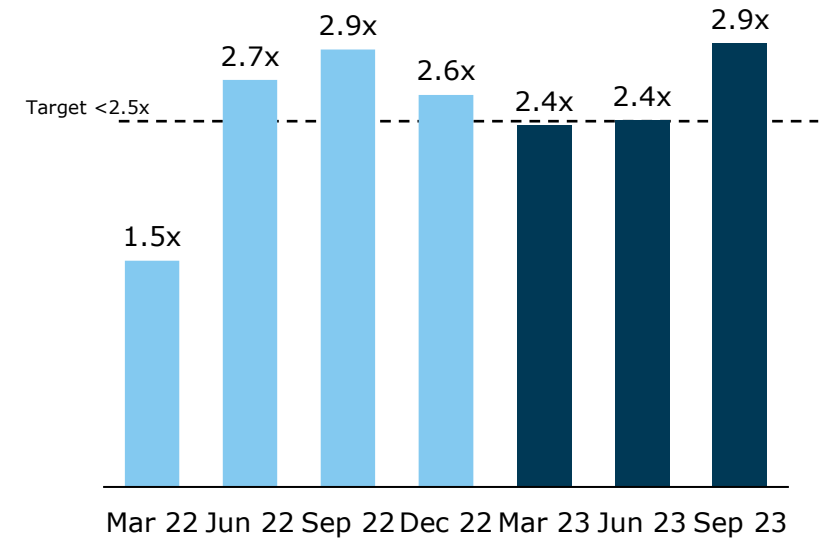
Net debt

EUR million



Leverage

Net debt / Adjusted EBITDA multiple



- Financing agreement was extended in February 2023
 - EUR 100 million, same terms as earlier, maturity in March 2026
- At the end of September
 - EUR 72 million of the financing agreement was in use (46% were fixed-rate loans and 54% variable-rate loans)

Healthy growth and profitability improvement in January–September

EUR million	Q3 2023	Q3 2022	Change	1-9 2023	1-9 2022	Change	2022
Net sales	45,6	45,9	-0,7 %	158,1	146,8	7,7 %	204,4
EBITA, adjusted	3,5	4,9	-29,5 %	14,6	15,1	-3,1 %	20,4
% of net sales	7,6 %	10,7 %		9,2 %	10,3 %		10,0 %
EBITA	3,3	4,5	-28,0 %	13,9	11,4	22,2 %	16,1
Operating profit	2,3	3,7	-39,5 %	11,4	9,4	21,2 %	13,2
Result for the period	0,8	2,8	-72,7 %	6,4	5,5	16,4 %	7,9
Cash flow from operating activities before financial items and taxes	-2,7	0,6	-561,4 %	12,6	9,6	31,0 %	22,7
Net debt				62,2	62,9	-1,1 %	56,6
Net debt / EBITDA, adjusted				2,9x	2,9x	2,6 %	2.6x
Equity ratio, %				44,7 %	44,1 %		41,6 %
Earnings per share (EPS), EUR	0,02	0,08	-72,5 %	0,18	0,15	18,2 %	0,22
Dividend per share (DPS), eur							0,10
Number of personnel, average	2 216	2 177	1,8 %	2 224	2 122	4,8 %	2 151

**JAN-SEP
NET SALES**

+8%

YoY growth

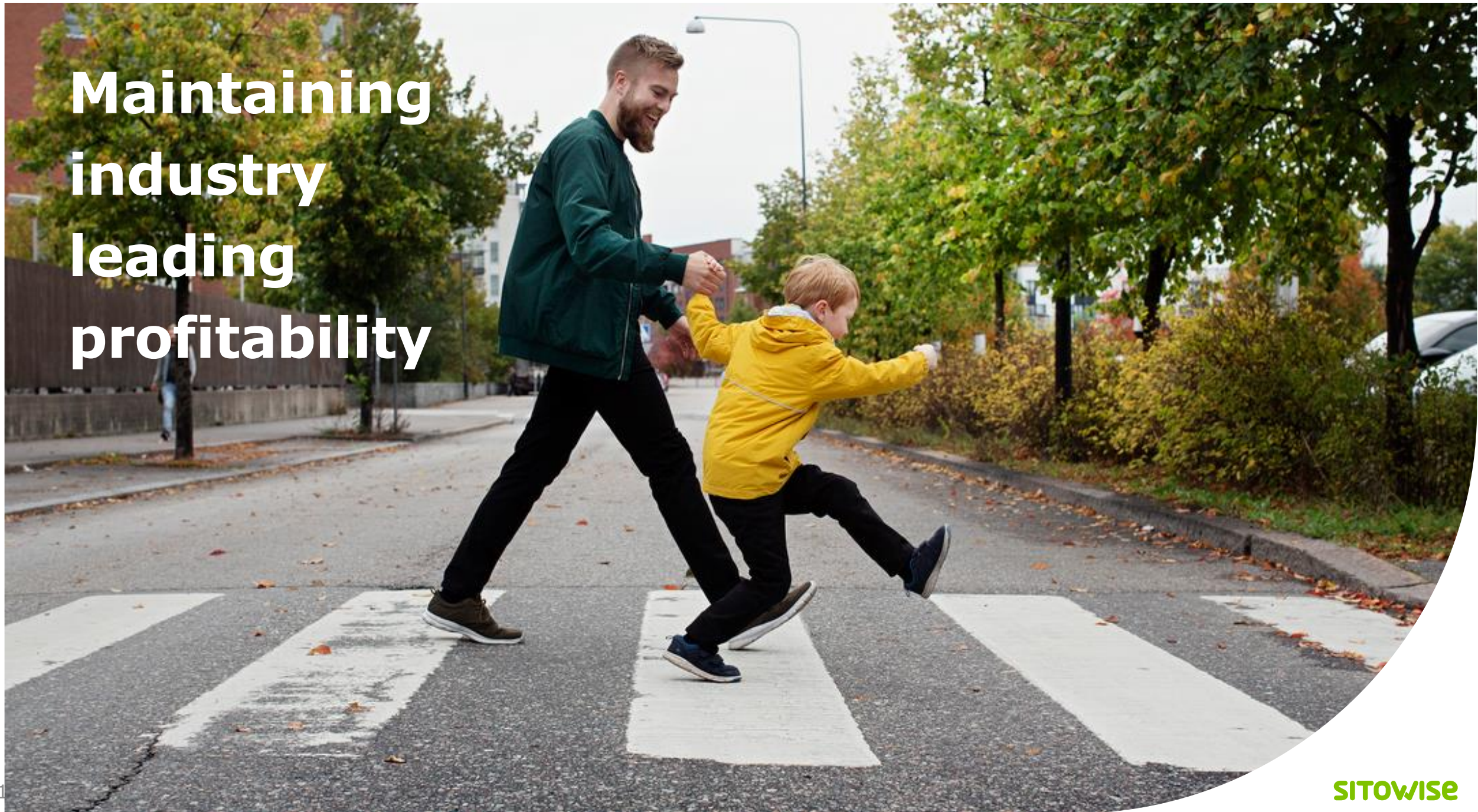
(+10% in constant currencies)

**JAN-SEP
OPERATING
PROFIT**

+21%

YoY growth

**Maintaining
industry
leading
profitability**



Sitowise strategy 2025

We understand our clients



We work as one team



We trust each other



We are open



We are brave



OUR PURPOSE ›
Empowering passionate experts to solve complex challenges.

OUR VISION ›
Redefining smartness in cities



The most innovative



The most sustainable



The most efficient



We will focus on >

1 Creating new smart services

We look innovatively into the future and create new services with significant commercial potential based on data and digital capabilities

2 Accelerating growth in Sweden

We have profitable and faster than market growth in Sweden and create a Sitowise brand that is wellknown by the clients and employees

3 Expanding digital solutions business

We aim at Nordic excellence in geospatial solutions which give Sitowise a competitive edge

4 Becoming a thought leader in sustainability

We want to lead the conversation around sustainability in the living environment

5 Being the most well-known and desired employer

We focus on building – both internally and externally – a culture that gives us competitive edge when experts choose best place to work

6 Finding the smartest ways to work

Together we find the smartest way to work both locally and on a group level

M&A principles give focus in target pipeline management

1 Alignment with Sitowise strategy

2 Attractive financial profile

3 Good cultural fit

Way of working in acquisitions



Co-operation between the business and group experts



Conservative valuation, payment consisting of cash and own shares



Relatively standardized integration approach

Long-term financial targets

Growth

Annual net sales growth, including acquisitions, over

10%

Profitability

Adjusted EBITA margin of at least

12%

Leverage

Net debt in relation to adjusted EBITDA should not exceed

2.5x

except temporarily in conjunction with acquisitions

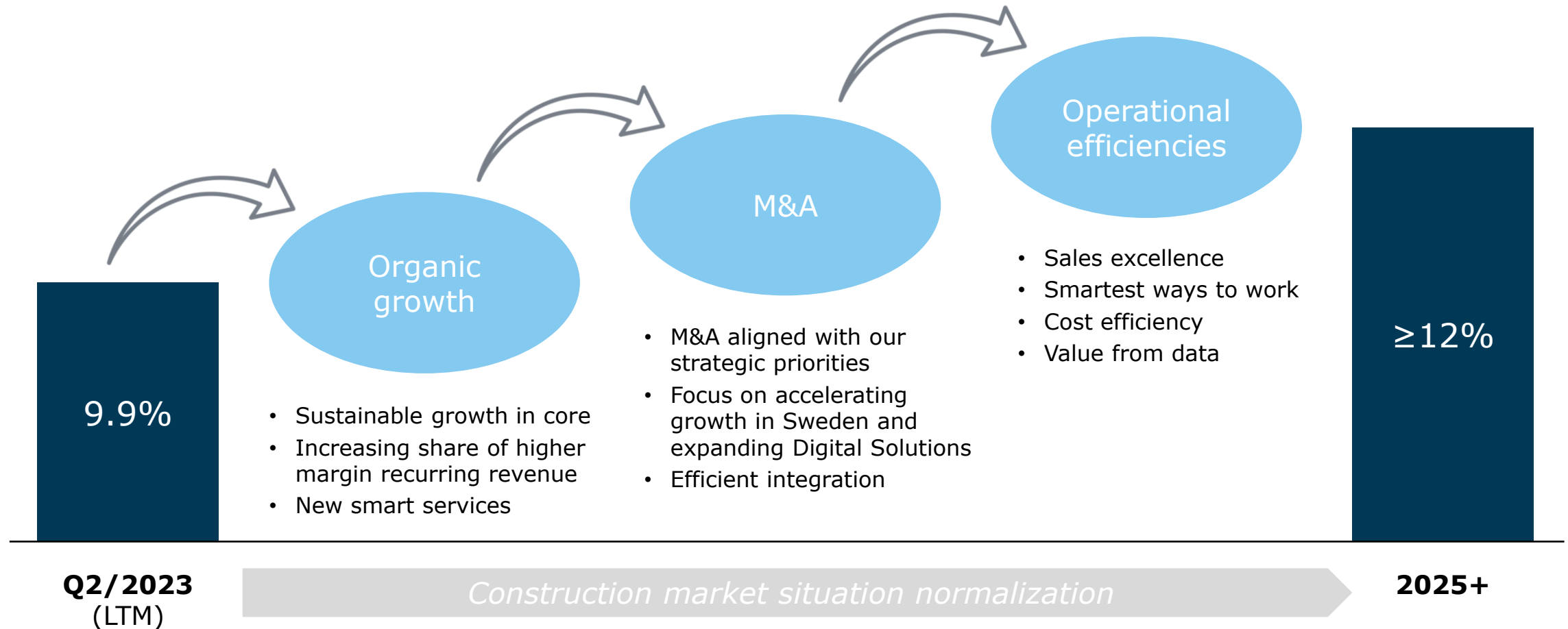
Dividend policy

Sitowise targets paying a dividend corresponding to 30–50% of net profit


Additional targets supported by the ongoing strategic initiatives

- **to grow our recurring revenue to be 10% of Sitowise's annual net sales by the end of 2025**
- **to double our sustainability services revenue to exceed 10 million euros by the end 2025**

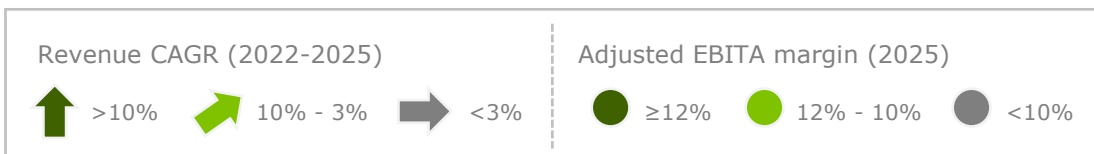
Margin increase driven by growth in attractive sub-segments and further operational efficiencies



Well diversified portfolio helps driving profitable growth in changing market

	Growth outlook	Targeted margin level	Key drivers
	2022-2025	2025	
 Buildings	→	●	<ul style="list-style-type: none"> • Rebound in new build volumes • Energy repairs and renovation backlog • Increasing demand for special expertise and smart services
 Infra	↗	●	<ul style="list-style-type: none"> • Rebound in public investments • Increased share of private clients • High margin sustainability driven services
 Digital Solutions	↑	●	<ul style="list-style-type: none"> • SaaS and product business growth • International expansion • Sales excellence and customer proximity
 Sweden	↑	●	<ul style="list-style-type: none"> • Good momentum in our core expertise • Taking stronger position in Infra & Industry • Scalable and efficient operations

Sustainable growth in core supported by investments in new smart services and strategic M&A



Summary

- 1** A leading player in a growing technical consulting market with clear strategic targets and implementation plans
- 2** Broad technical consulting service offering with unique opportunities to combine capabilities in different business areas
- 3** Broad customer base that provides a solid platform for growth
- 4** Innovation, Sustainability and Efficiency part of our DNA and source of competitive advantage
- 5** Successful platform with strong historic growth, high margins and strong cash flow that can be leveraged in potential future acquisitions
- 6** An attractive workplace for top experts





Thank you!