



**SITOWISE**

# Improving underlying performance in the Finnish operations

**SITOWISE GROUP PLC**

**Q1 2025 RESULT PRESENTATION**

**13 MAY 2025**

# Agenda

1. Q1 summary and key events
2. Q1 performance
3. Market outlook for 2025
4. Strategy implementation
5. Q&A



CEO  
**Heikki Haasmaa**



CFO  
**Hanna Masala**

# Q1 2025: Improving underlying performance in the Finnish operations

- **Number of FTEs** -7.6% to 1,740 (1,883).
- **Net sales** down by 6.5%\* to EUR 48.1 (51.5) million, organic growth -6.3%.
- **Adjusted EBITA** EUR 2.4 (3.4) million. Adjusted EBITA margin 5.1% (6.6%).
- **Operating profit** EUR -0.3 (2.0) million
- **Cashflow from operating activities** before financial items and taxes EUR 0.5 (5.0) million.
- **Leverage** (net debt / adjusted EBITDA) was 6.0x (3.8x).
- **Order book turned to growth** during the quarter, EUR 157 (163) million.
- **NPS** improved to 35 (31).

# Q1 highlights

- **Infra and Digi performance**
- **Double digit product business growth**
- **Progress in product sales outside Finland:** Smartlas pilot in France with Ponsse, first pilot customer for Routa in Sweden
- **Buildings profitability turnaround**
- **Small signs of market recovery in the Finnish construction market**
- **New financing agreement**

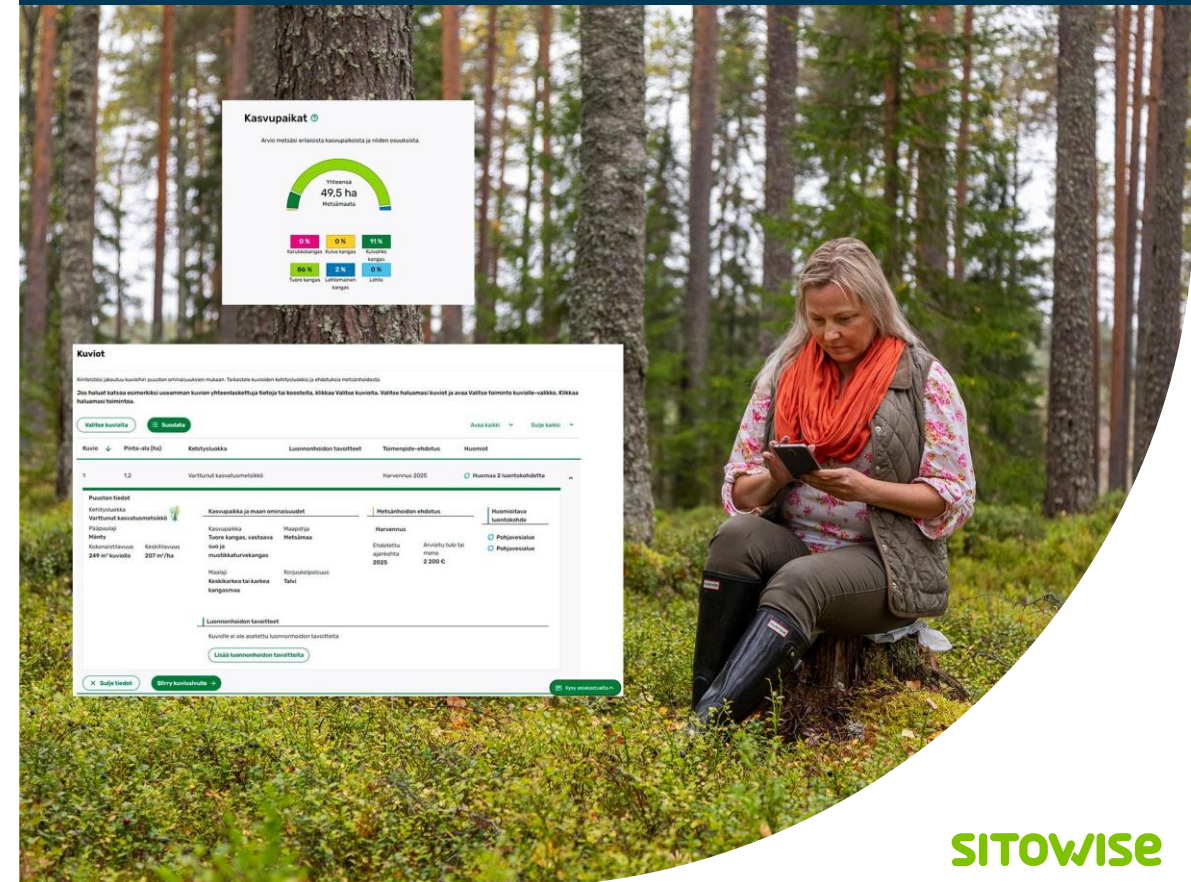
**Sitowise's Grand One Gala wins:**

**Metsään.fi**

Winner of the **Most Accessible Digital Service** category

**planect.**

Honourable mention in the **Best Data Use** category.



# We continued to address market driven challenges

- **Weak performance in Sweden remains a challenge**
  - Low utilization rate despite significant personnel adjustments in the preceding quarters
- **Group result burdened by significant one-time costs**
  - Mainly related to personnel reductions in the Buildings and Sweden
- **Personnel adjustments also in Group Functions**
- **Actions under Building for the future program continue**

## Building for the future – actions in Sweden

### Sweden priorities

- 1) Renewing business organization
- 2) Increasing sales and profitability of projects
- 3) Operating efficiently

We are planning to change to a business-driven organization to enable further growth focusing on business segments instead of regions ✓

We keep focusing on sales and project profitability introducing a key account organization ✓

We make sure that every krona spend adds value to the business ✓

We work together to contribute to a positive development – Each and everyone counts! ✓

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## Building for the future – actions in Buildings

### Focused actions in August and onwards

### Buildings priorities

- 1) Renewing and developing as experts
- 2) Growing sustainably
- 3) Operating efficiently

We develop our organization and people's career opportunities ✓

We foster close client relationships, help our clients with their needs, and sell proactively ✓

We streamline our organizational structures ✓

We continue temporary layoffs, where needed ✓

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# Infra

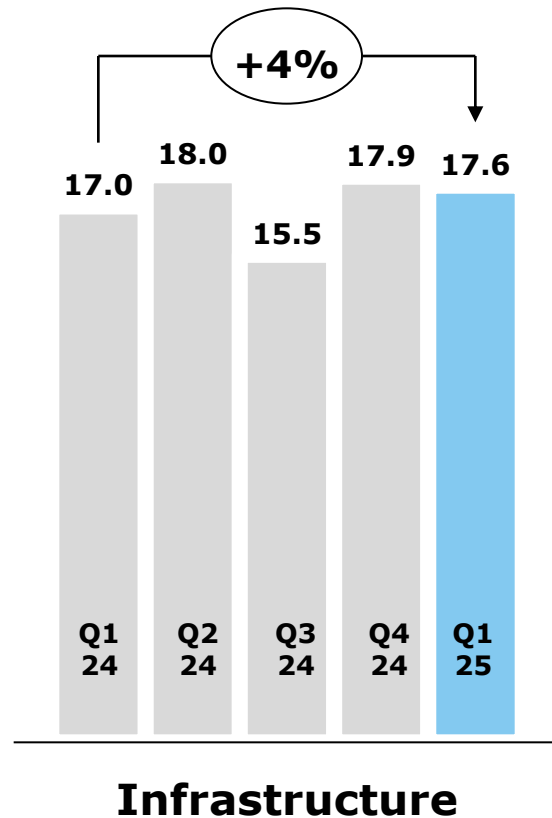
**Q1 wins:** Several add-on orders related to existing projects, such as the Vantaa tram alliance project.

Picture rights: Vantaa tram alliance partner Ramboll.



# Infra's strong performance continued in Q1

## NET SALES PER QUARTER, figures in EUR million



## FACTORS IMPACTING Q1

- **Strong demand** for energy, environmental and security-related projects.
- **Reasonably good demand** for municipal infra design.
- **Low government investments**, intense price competition in public sector tendering.
- **Utilization rate improved.**
- **Negative calendar impact** in Q1 (-1 day).

## OUTLOOK

- **Market environment expected to remain stable yet mixed** with stronger and weaker segments.
- **Post-cyclical industry**, public sector investment budgets for 2025 expected to be very modest.
- **Order book at good level.**
- **Negative calendar impact** in Q2 (-1 day).

# Buildings

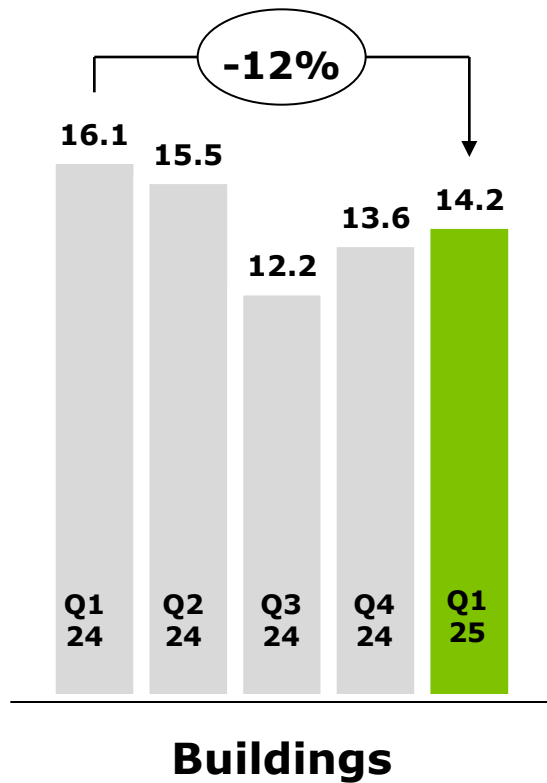
Q1 win: Innovestor's energy storage project continues after a successful piloting phase. In the second phase, Sitowise will be responsible for preliminary studies, implementation planning, and construction and project management tasks.





# Buildings delivered positive adjusted EBITA, small signs of market recovery in the Finnish construction market

## NET SALES PER QUARTER, figures in EUR million



## FACTORS IMPACTING Q1

- **The market continues to be mostly very weak**, especially in the residential newbuilds impacting structural engineering.
- **Operational adjustments ongoing:** FTEs down by 14.5% y-o-y in Q1, temporary layoffs ongoing, continued optimizing of organization and processes.
- **Focus on sales and order intake increasing.** Order book still insufficient.
- **Negative calendar impact** in Q1 (-1 day).

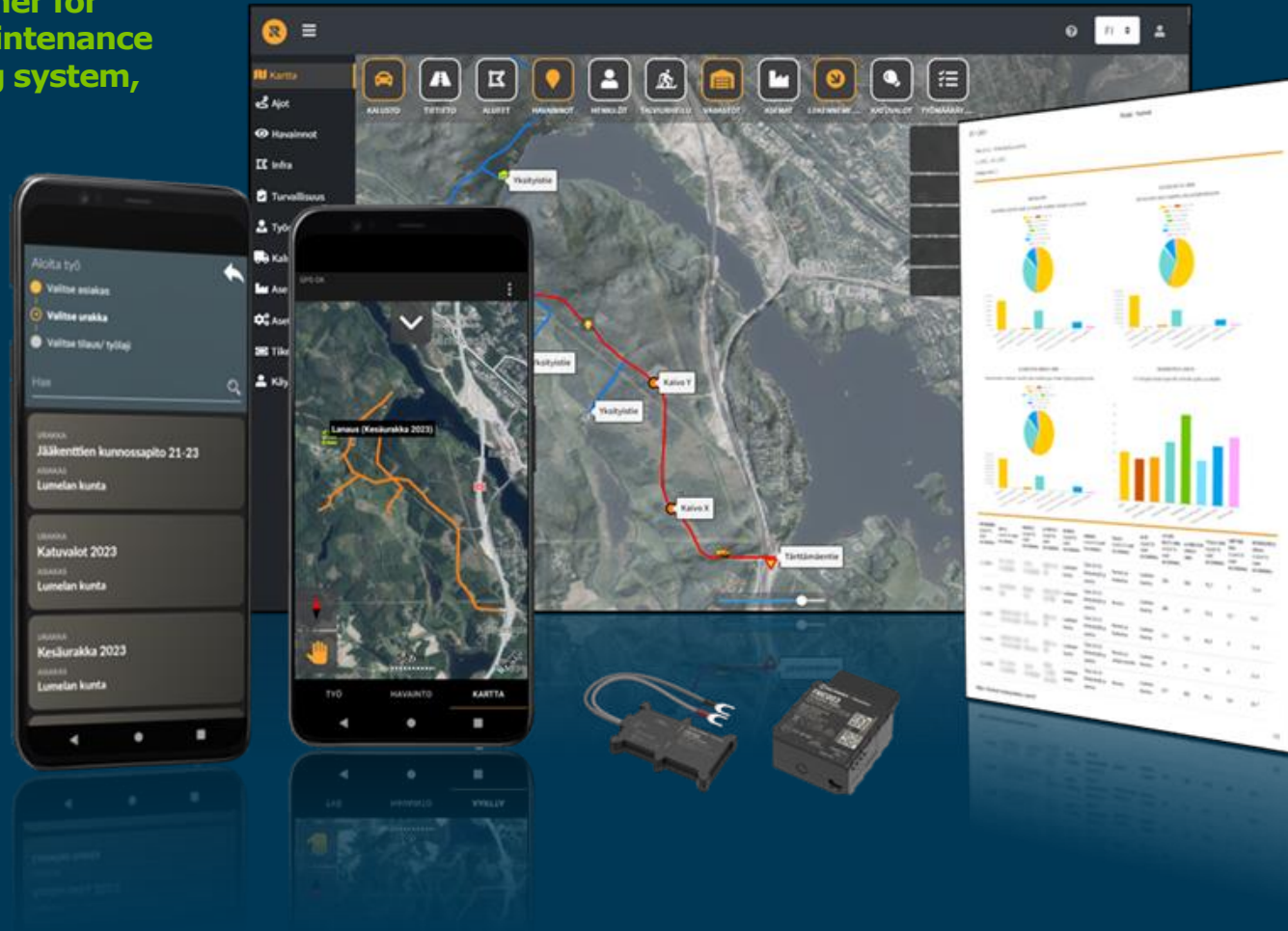
## OUTLOOK

- **The Finnish construction market has bottomed out**, but the recovery is expected to be slow. The recovery of new residential construction seems likely to start in 2026.
- **Challenges continue in H1 2025** Low volumes, continued temporary layoffs, lower order book with significant number of projects on hold.
- **Focus on sales to defined growth segments.**
- **Negative calendar impact** in Q2 (-1 day).

# Digital Solutions

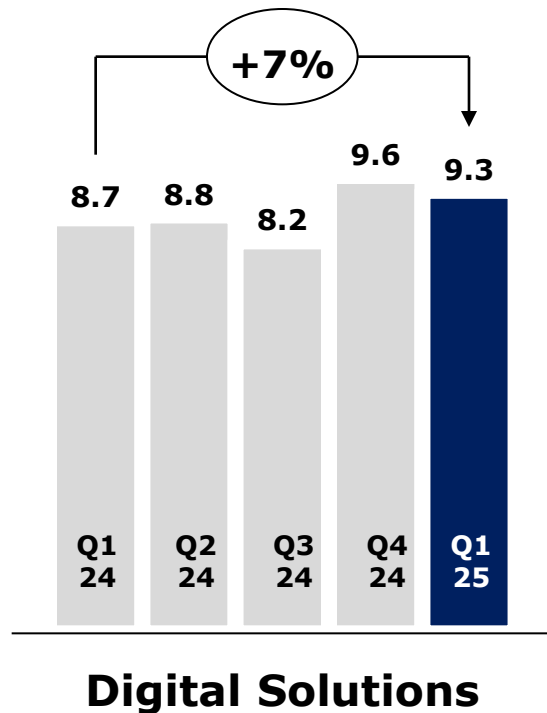
route. infracontrol online. louhi.  
planect. smartlas. foresta. LEAFPOINT

**Q1 win: The first pilot customer for Route, the infrastructure maintenance management and monitoring system, in Sweden.**



# Digital Solutions performed well in the challenging IT market, share of SaaS business ~30%

## NET SALES PER QUARTER, figures in EUR million



## FACTORS IMPACTING Q1

- **Challenging market environment in project and consulting business** with budget pressures in public sector and low private sector demand.
- **Demand for SaaS solutions at a good level** in municipalities and forestry sectors.
- **Infracontrol (Sweden) included in Digi** since 1 January.
- **Strong SaaS product performance and order growth.**
- **Negative calendar impact** in Q1 (-1 day).

## OUTLOOK

- **Mixed demand dynamics continue** with public sector pressure and private sector growth opportunities demand in industry and forestry remain strong.
- **Market outlook for 2025 stable.**
- **Strong focus on SaaS:** new geographic market discovery and developing and packaging new value modules for clients.
- **Order book at good level.**
- **Negative calendar impact** in Q2 (-1 day).

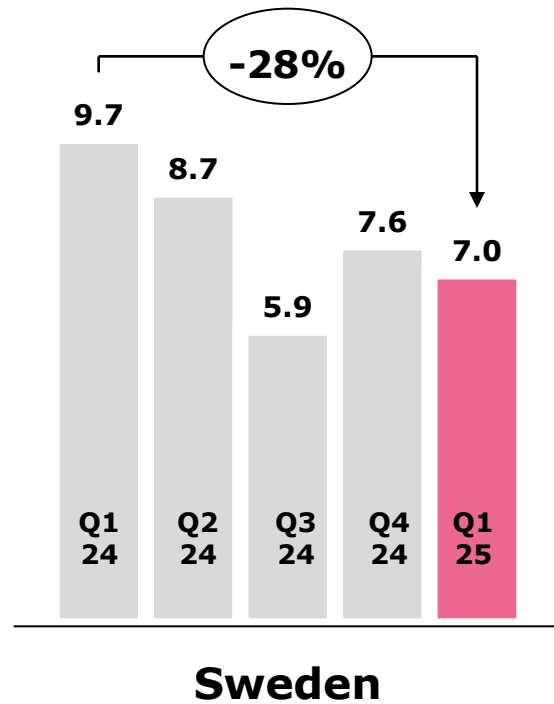
# Sweden

In Q1 Sitowise won, for example, an assignment as the chief designer of a new purpose-built building for the **Stockholm University of the Arts**. Visualisation: 3XN Architects



# Challenges in Sweden continued, but order intake picking up

**NET SALES PER QUARTER,**  
figures in EUR million



\* Both reported and in constant currency year-on-year.

## FACTORS IMPACTING Q1

- **Clear benefits from earlier rightsizing and streamlining actions.**
- **Weak demand for structural engineering** burdening utilization whereas demand for building services and infra improving.
- **Issues in old projects** burdening performance.
- **Order intake improving**, order book still insufficient.
- **Negative calendar impact** in Q1 (-1 day).

## OUTLOOK

- **High sales focus, optimizing organization continues.** Continued focus on reviewing older projects and diligent project management.
- **Market outlook:** There is uncertainty related to the timing of the Swedish construction market recovery. The outlook for buildings services and infra market is somewhat better than for structural engineering.
- **Actions to diversify business** into infra, project management and sustainability services.
- **Negative calendar impact** in Q2 (-1 day).

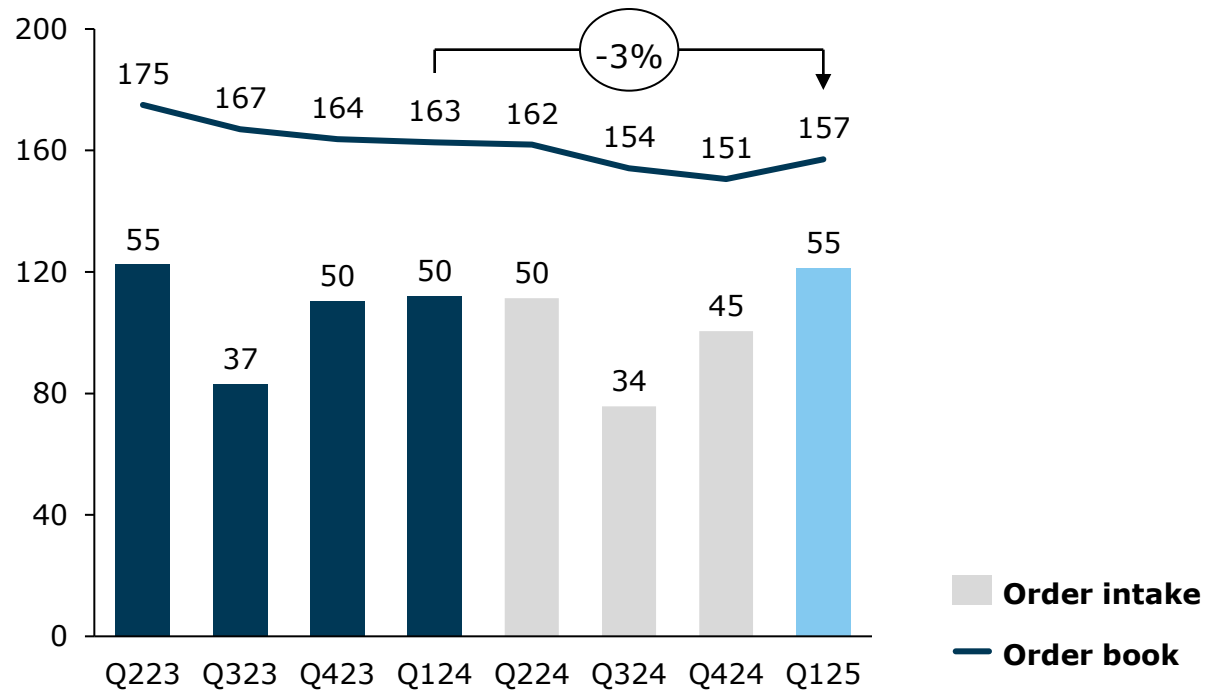


# Group performance

# Group order book turned to growth, order intake up in all business areas

## Order book and order intake

EUR million

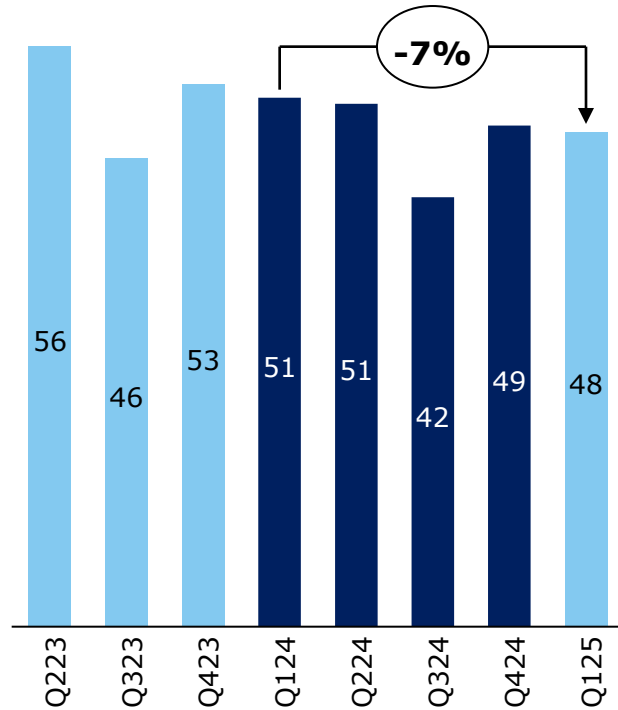


In Infra, new orders in Q1 were particularly related to green transition projects initiated by the private sector and security-related investments by the public sector.

# Clear improvement in Q1 profitability compared to Q4

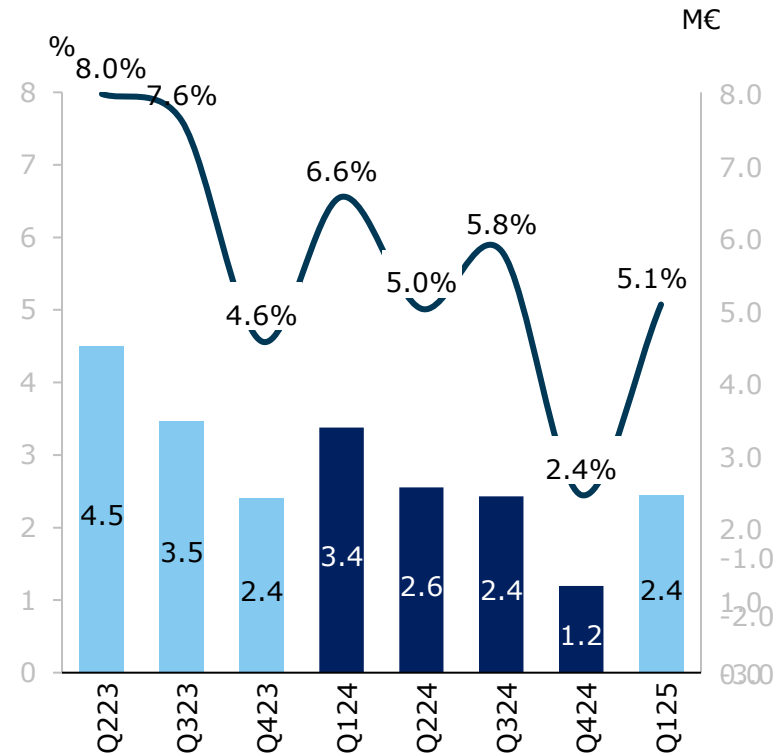
## Net sales

EUR million



■ Net sales, EUR million

## Profitability



■ EBITA, adjusted, m€

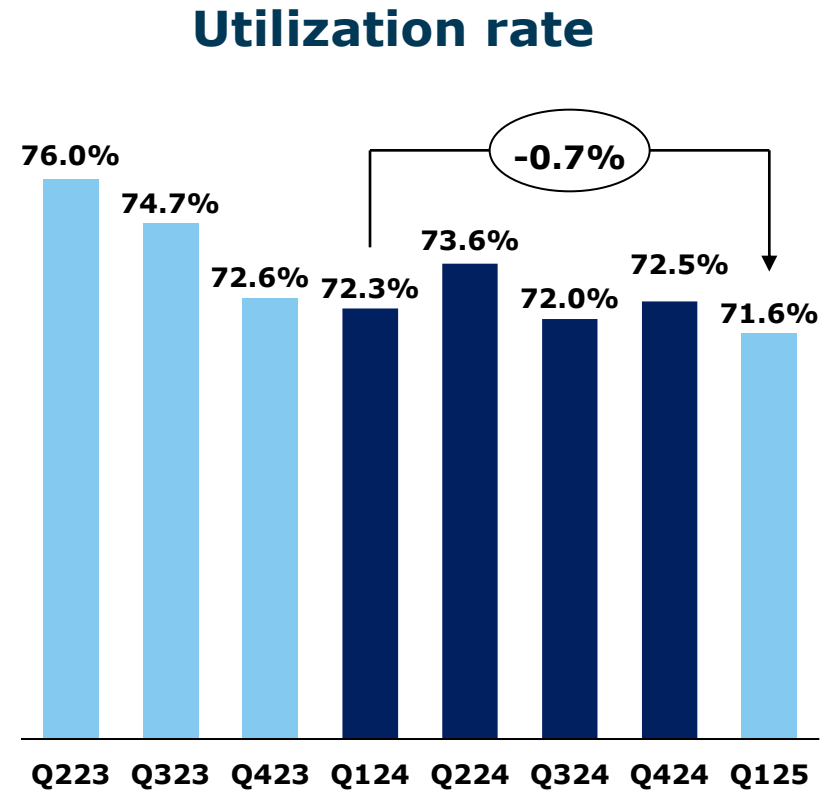
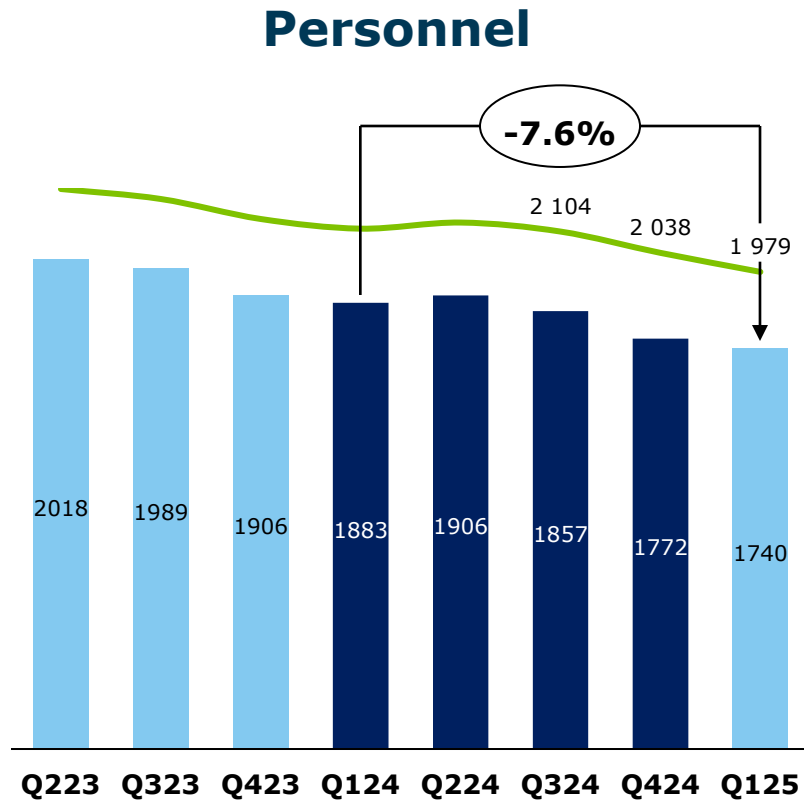
— EBITA, adjusted %

## Factors impacting Q1

- + Infra and Digital Solutions performance, Buildings profitability turning to black
- + Contribution from own pricing and operational cost efficiency actions.
- Negative calendar effect.
- Adverse impact from prolonged weak market environment (demand, pricing and utilization rate).
- Overall tight competition and pricing environment.



# Personnel adjustments continued in Q1, room to improve utilization in all business areas



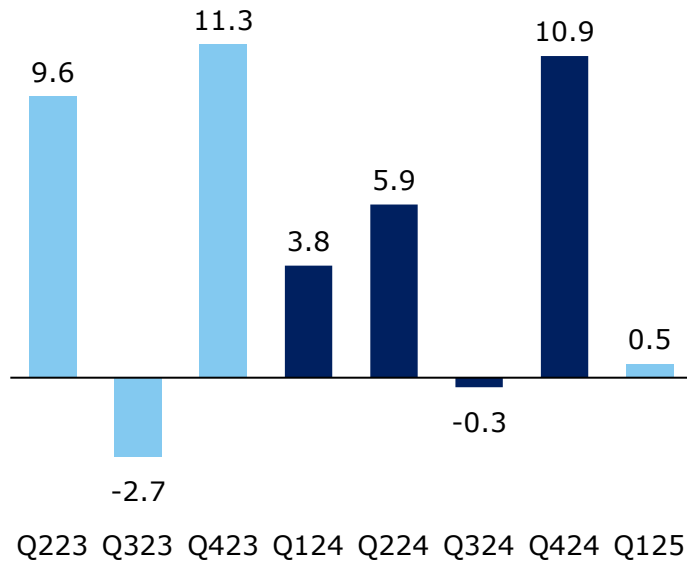
— Headcount  
■ Full time employees

# Sitowise renewed its financing package in March

Financial position stable despite increased leverage ratio

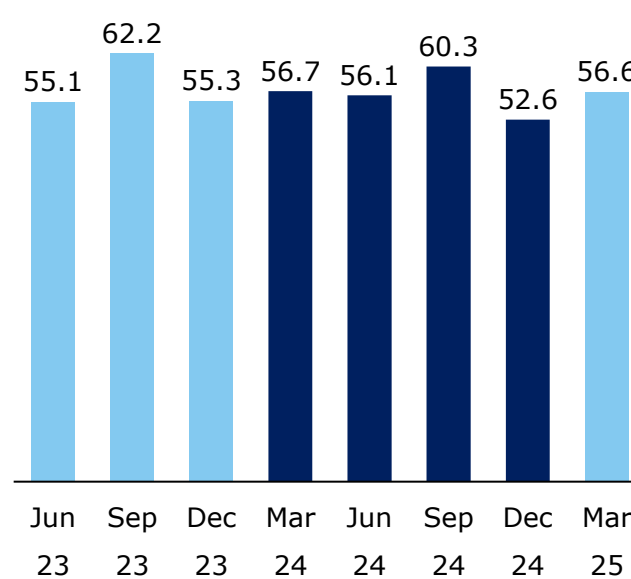
## Cash flow from operating activities

Before financial items and taxes, EUR million



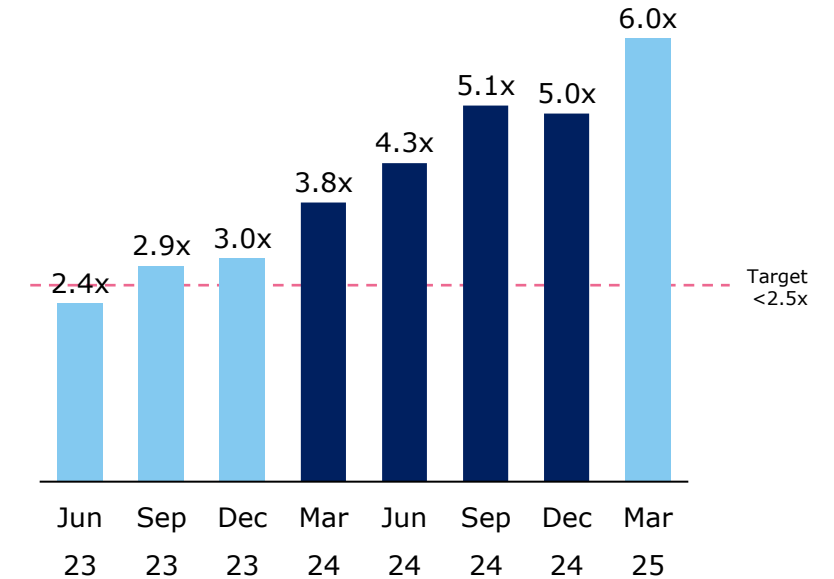
## Net debt

EUR million



## Leverage

Net debt / Adjusted EBITDA (LTM) multiple



- Sitowise renewed its financing package in March.
- The 90 M€ secured financing agreement is valid until 12 June 2027.
- At the end of March, EUR 69.0 million of the financing agreement was in use (48% were fixed-rate loans and 52% variable-rate loans)

# Q1 Profit and Loss Statement

EUR million	1-3/2025	1-3/2024	Change, %	1-12/2024
<b>FINANCIAL KEY FIGURES</b>				
Net sales	48.1	51.5	-6.5%	192.9
Organic growth, %			-6.3%	
EBITA, adjusted	2.4	3.4	-27.7%	9.6
% of net sales <small>EBITA</small>	5.1%	6.6%		5.0%
EBITA	0.8	3.1	-75.0%	7.4
Operating profit	-0.3	2.0	-113.7%	2.5
% of net sales	-0.6%	3.8%		1.3%
Result for the period	-1.4	0.5	-360.4%	-2.7
Cash flow from operating activities before financial items and taxes	0.5	5.0	-90.7%	21.5
Net debt	56.6	56.7	-0.2%	52.6
Net debt / EBITDA, adjusted	6.0x	3,8x		5,0x
Equity ratio, %	43.4%	43.6%		43.2%
Earnings per share (EPS), EUR	-0.04	0.02	-341.4%	-0.08
<b>OPERATIONAL KEY FIGURES</b>				
Number of full-time employees	1 740	1 883	-7.6%	1 854
Utilization rate	72%	72%		73 %
Number of working days	62	63		251
Order book at the end of period	157.1	162.7	-3%	150.6

Q1 2025 FTEs  
**-7.6%**  
 YoY

Q1 NET SALES  
**-6.5%**  
 YoY

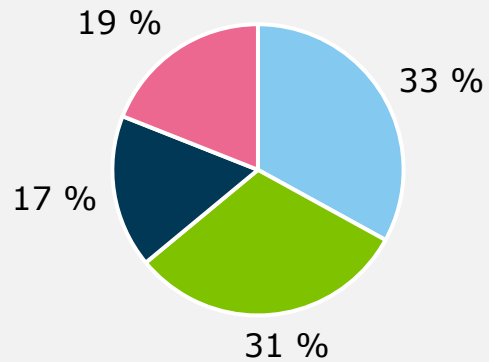
Q1 2025  
 ADJUSTED EBITA  
 MARGIN  
**5.1%**

# The share of well performing businesses growing

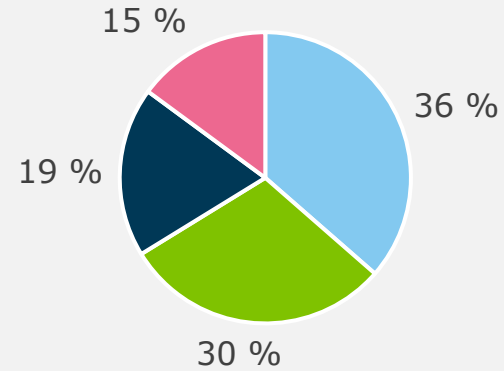
Market changes and our own growth focus behind the business mix changes

## Share of net sales

Q1 2024



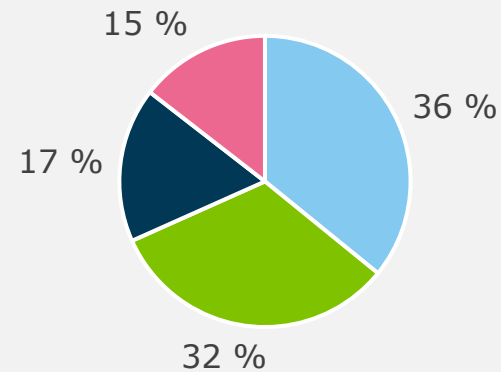
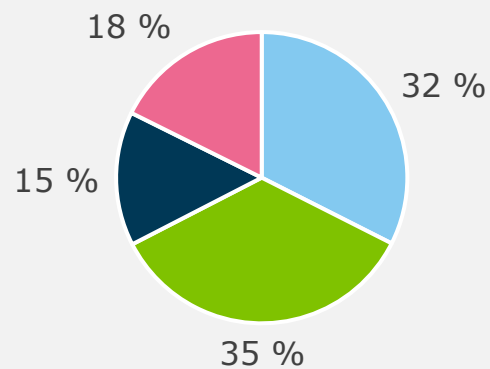
Q1 2025



- Infra's share is growing, Buildings' share is getting smaller
- Good growth in Digital Solutions
- Sweden significantly smaller in size than in Q1 2024

## Share of FTEs\*

- Infra
- Buildings
- Digital Solutions
- Sweden



- Changes in FTEs reflecting market dynamics and acquisitions made
- Biggest change in Sweden

\* Full-time employees, excl. Group functions.

# Well diversified portfolio helps driving profitable growth in changing market



	Share of net sales	Market outlook	Current profitability
<b>Infra</b>	37%	Stable	Above target
<b>Buildings</b>	20%	Weak	Clearly below target
<b>Digital Solutions</b>	19%	Stable	Below target
<b>Sweden</b>	15%	Weak	Negative

**Timeframe:**

Q1 2025

Next 12 months

Q1 2025

**Definitions:**

Percentage of consolidated net sales

Strong / Stable / Weak

Adj. EBITA-% / Above: >12%;  
In line: 10-12%; Below: 5-10%;  
Clearly below: 0-5%; Negative <0%

# Outlook for 2025

- Long-term growth in Sitowise's services is supported by megatrends.
- Market environment expected to remain mixed in 2025, with growing demand for green transition, security, and digitalization boosting Infra and Digital Solutions.
- In the Buildings sector market bottom believed to be behind us, but the recovery is expected to be slow. New residential construction likely to start recovering in 2026. In Sweden, construction market recovery is generally anticipated to start in H2 or in 2026, but outlook for buildings services and infra market is better.
- Other 2025 factors: fewer working days in Finland, EUR/SEK exchange rate, and Sitowise's higher financing expenses.

# No guidance issued

Due to the unpredictable timing of construction market recoveries both in Finland and Sweden there is significant uncertainty related to Sitowise's net sales development in 2025.

Therefore, Sitowise has decided not to give net sales and profitability guidance for 2025 at this stage.

# Our focus areas in 2025 for growth and profitability

## Capturing growth

- Sustainability, energy, industry, security
- Product business

## Buildings and Sweden turnarounds

## Industry leading efficiency supported by AI

## Mastering the core processes

- Sales
- Project management

## Improving profitability

## Maintaining strong cashflow

## Increasing resilience through strategic diversification

# 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**

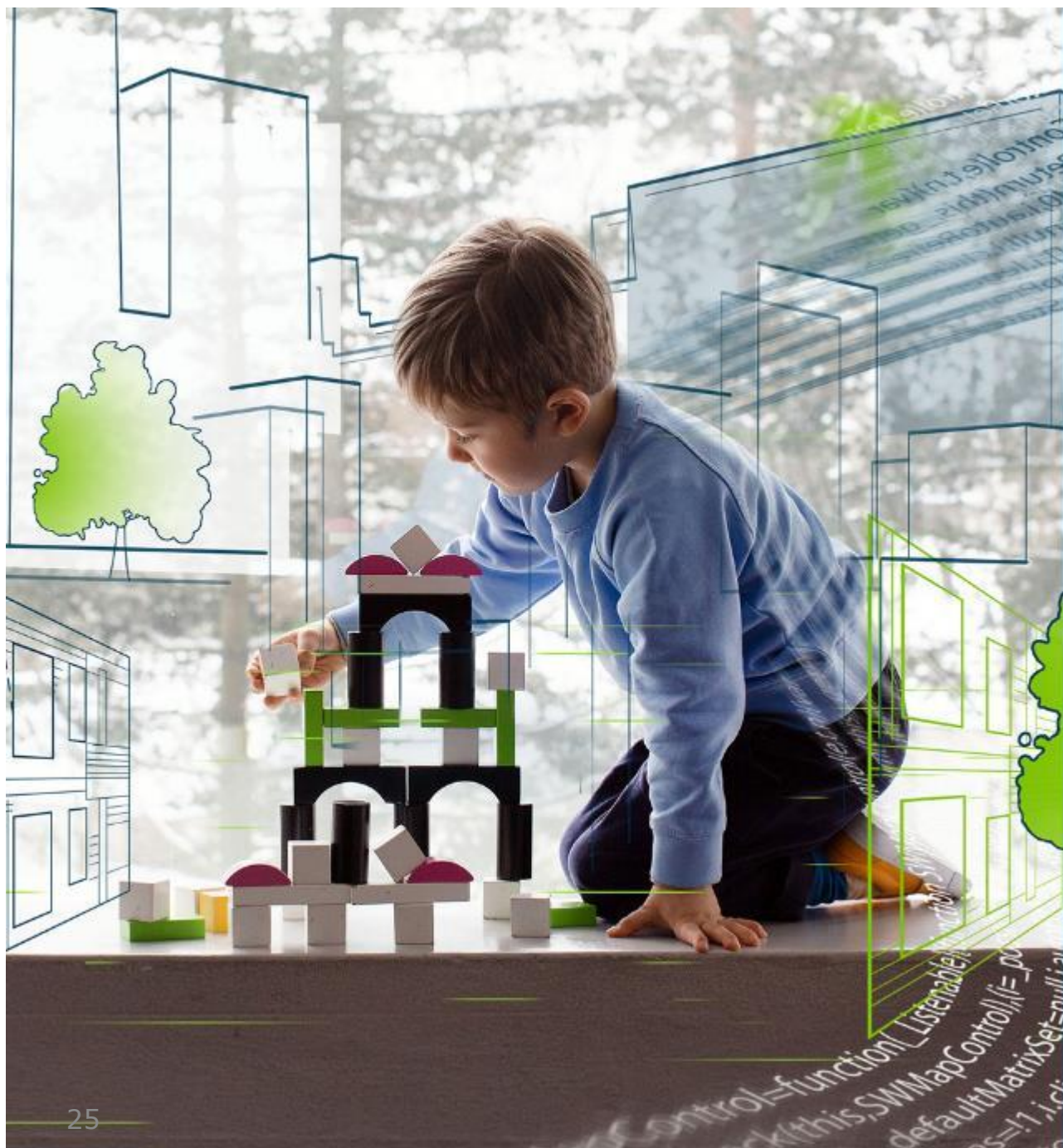


**The most efficient**

## WE WILL FOCUS ON ›

- Creating new smart services
- Accelerating growth in Sweden
- Expanding our digital solutions business
- Becoming a thought leader in sustainability
- Being the most well-known and desired employer
- Finding the smartest ways to work





# Thank you! Q&A

**Sitowise Q2 2025 Result**  
**13 August 2025 @8.30 am EET**  
**[ir@sitowise.com](mailto:ir@sitowise.com)**