

SITOWISE

**Growth continued in all
business areas,
net sales exceeded
EUR 200 million in 2022**

**SITOWISE GROUP PLC
Q4 / 2022 INTERIM REPORT
28 FEBRUARY 2023**



Agenda

1. Executive summary
2. Q4 / 2022 performance
3. FY / 2022 performance
4. Market outlook & guidance for 2023
5. Sitowise strategy 2023–2025
6. Q&A



CEO
Heikki Haasmaa



CFO
Hanna Masala

Q4: Net sales up by 14% in a slowing market

- **Net sales** up by 14%, organic growth by 5%.
- **Order book** at all-time high.
- **Adjusted EBITA** slightly behind previous years' level. EBITA margin 9.2%.
- **Market** uncertainty increased.
- Sitowise was granted the **ISO 27001** certificate for the information security management system.
- Acquisition of **Convia** in Sweden in October.



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2022: Net sales exceeded EUR 200 million, order book at record level

- **Net sales** up by 14%, organic growth by 5%.
- **Order book** at all-time high.
- **Adjusted EBITA** margin 10.0%.
- **eNPS** 30.
- **NPS** 32.
- **Market** uncertainty increased.
- **Determined growth continued** with six acquisitions.
- **Dividend proposal** to AGM €0.10/share

Acquired businesses strengthen and expand Sitowise's expertise across business areas

Buildings

Rakennuttajakaari

45 employees in Helsinki metropolitan area and Vaasa

Renovation construction specialist.

Infrastructure

VRT Finland - Above and under water surface business.
9 employees in Jyväskylä

Innovative solutions for 3D structural inspections and 3D data utilization in underwater design and construction.

Digital Solutions

Bitcomp

80 employees in Jyväskylä, Joensuu, Seinäjoki and Vimpeli

A pioneer in data-based, geospatial digital services and SaaS solutions for the forest and natural resources sector.

Sweden

Mavacon AB

13 employees in Falun

Technology consultant with a focus on community building.

E60 Elkonsult AB

10 employees in Norrtälje

Electrical design and consulting.

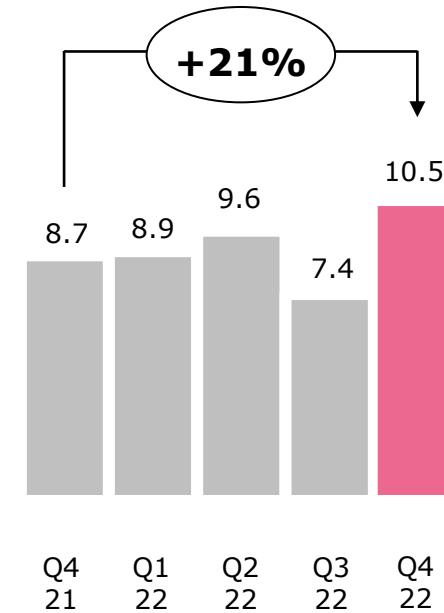
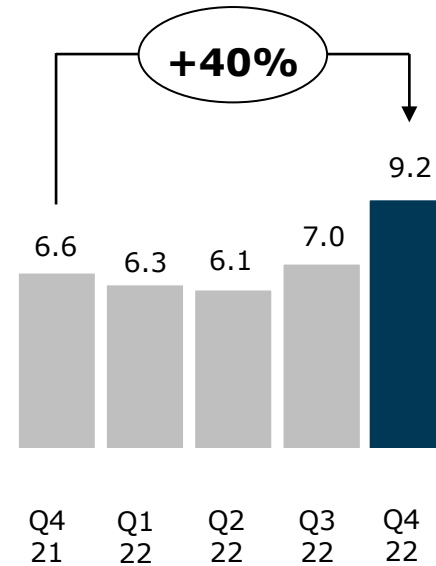
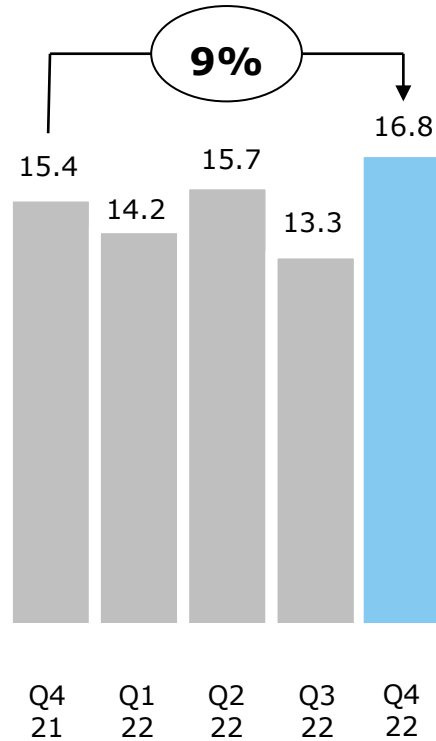
Convia

23 employees in Stockholm

Constructing and infrastructure specialist with expertise in buildings, industries, bridges and tunnels.

Existing strongholds continue to grow, share of strategic growth businesses increasing

Net sales per business area, figures in EUR million



Buildings

Infrastructure

Digital Solutions

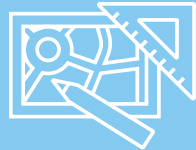
Sweden

Broad business portfolio balances market differences



Buildings

- + Growth supported by acquisition of Rakennuttajakaari in Q2
- + Reasonably healthy order book considering the prevailing market conditions
- + The renovation market stayed active
- Increased market uncertainty in new construction was reflected in project delays



Infrastructure

- + Majority of the growth was organic
- + Order book remained strong
- + Growth outpaced the market, supported by extensive long-term projects and active sales
- /+ Less tenders in the market (yoy), but our win rate improved



Digital Solutions

- + Rapid growth but organically and due to acquisition of Bitcomp
- + Order book at strong level
- + Market demand strong
- Recruitment improved from the previous quarter, but growth was slowed down due to competition for skilled labor



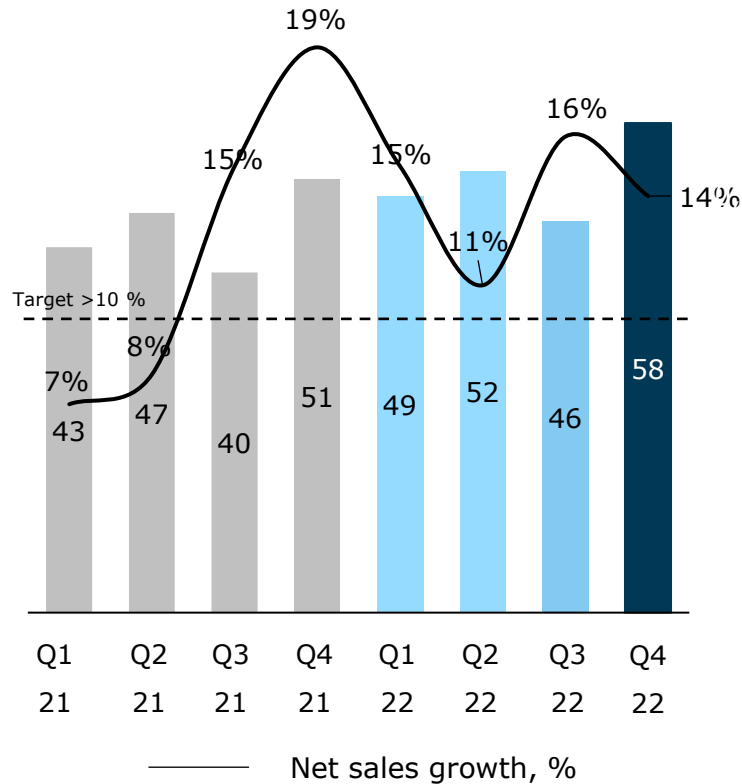
Sweden

- + Growth supported by acquisition of Convia
- + Order book remained strong
- + Overall construction sector more stable than in Finland
- Market uncertainty increased

Q4 net sales up by 14% yoy, healthy organic growth

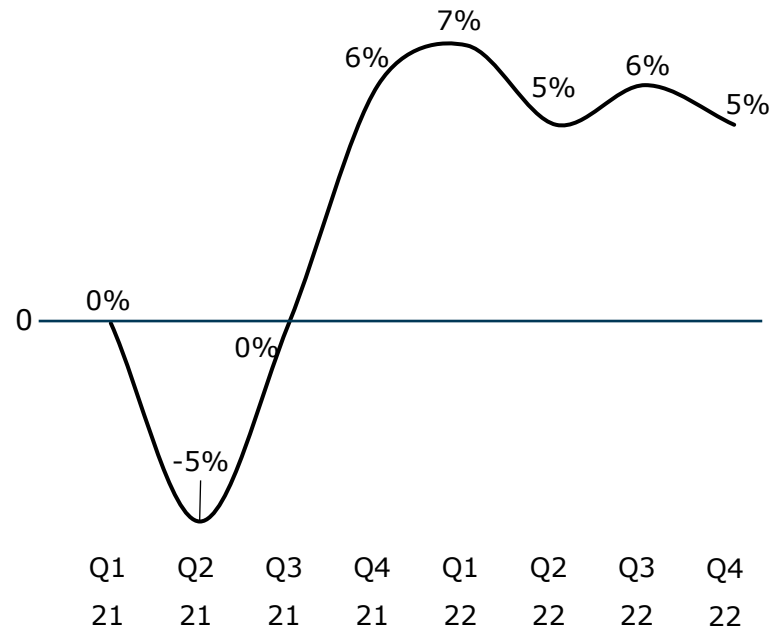
Net sales

EUR million / %



Organic growth*

%



* Growth in net sales excluding acquisitions and divestments adjusted by the number of working days and exchange rate impact

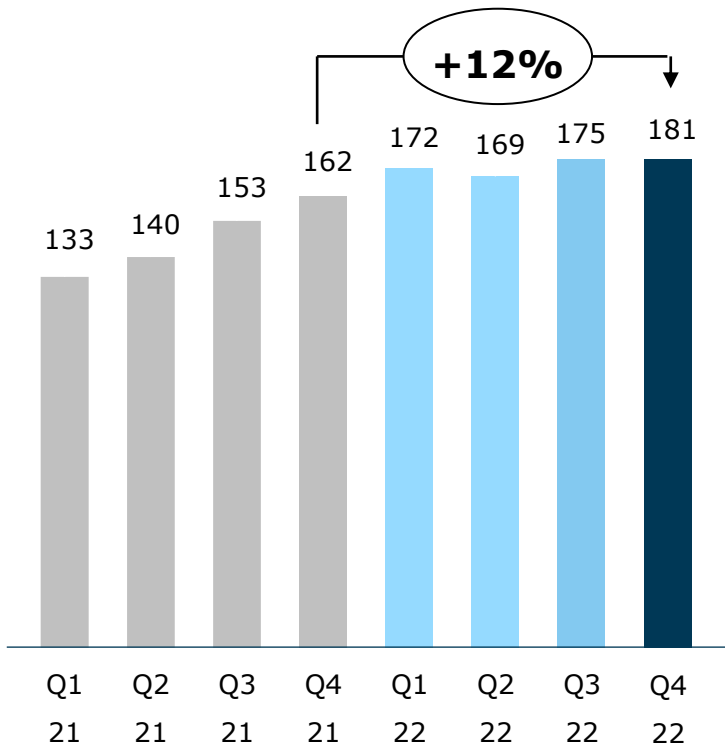
Impacting factors in Q4

- + Acquisitions
- + Organic growth ahead of the market in Infrastructure
- Market uncertainty
- Reported net sales adversely impacted by the weakening of the Swedish krona against euro although underlying business performing well

Order book at record level due to active sales and acquisitions

Order book

EUR million



Sitowise won several tenders in Q4

Examples of these are:



1. Underground parking facility in Keilaniemi, Espoo – alliance project led by YIT

2. The built environment information system for the Finnish Environment Institute (SYKE) – together with Solita

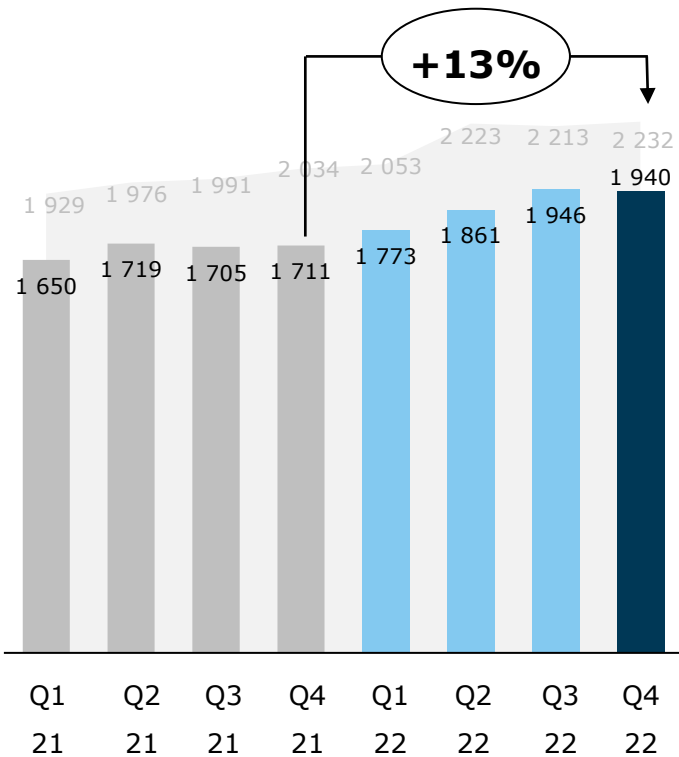
3. Development of cycling paths in Vaasa, Finland – alliance project led by GRK

4. Framework agreement with Astra Zeneca in Sweden

Exceptionally high sickness absences burdened Q4 performance, utilisation rate at good level

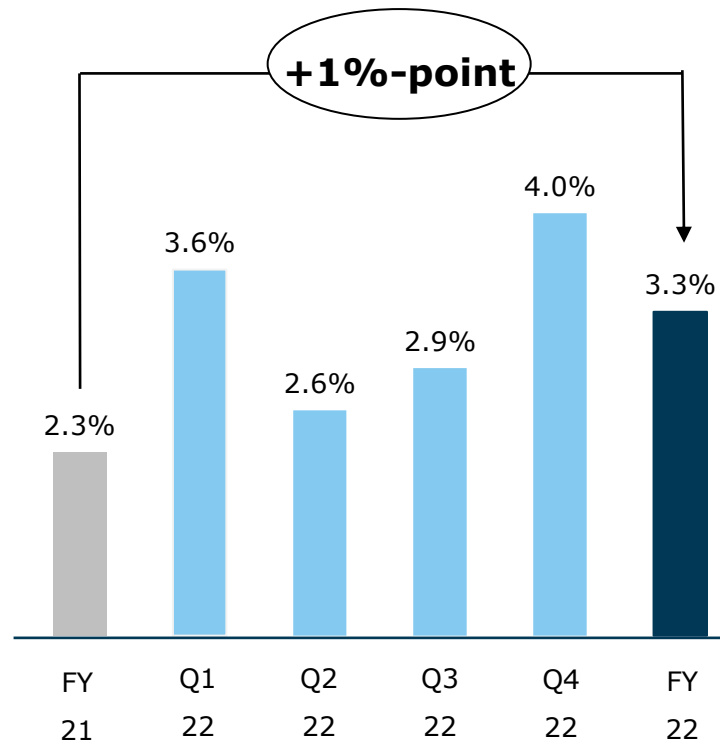
FTE growth

headcount growth



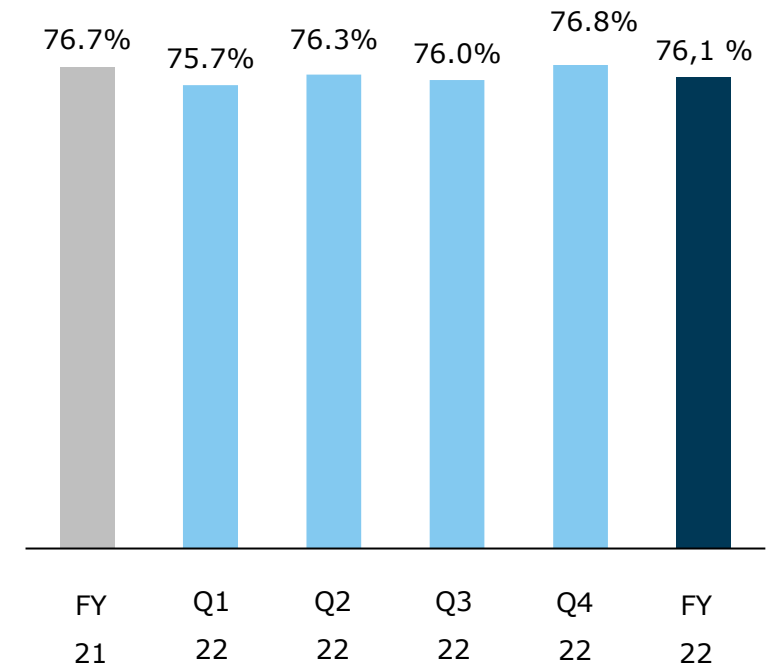
Sickness absences

%



Utilisation rate

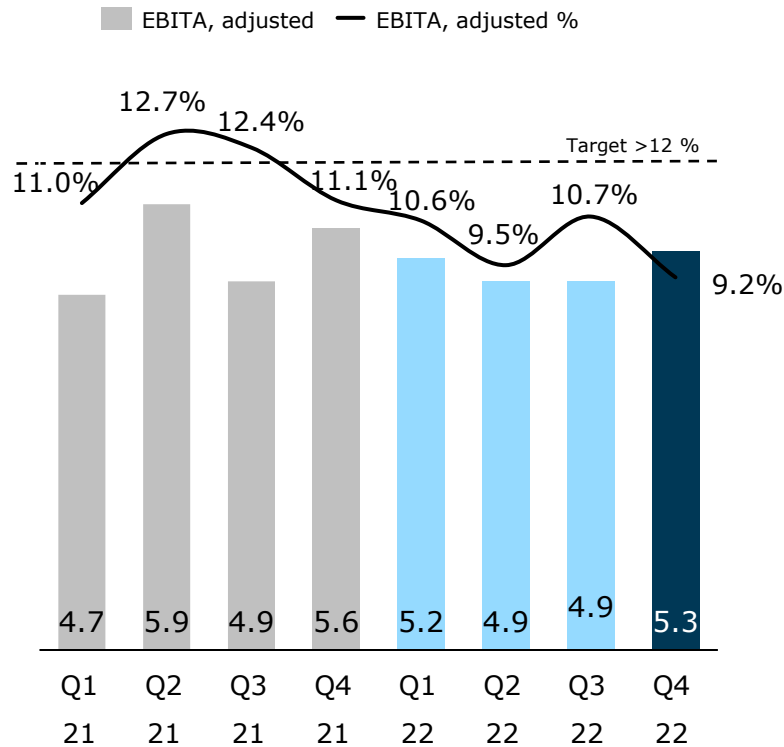
%



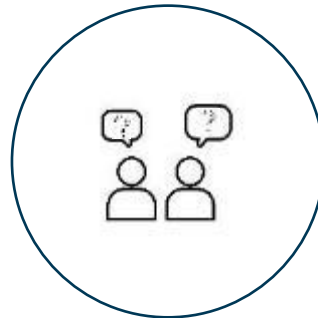
Market uncertainty in Finland key driver for weakening adjusted EBITA development in Q4

Profitability

EUR million



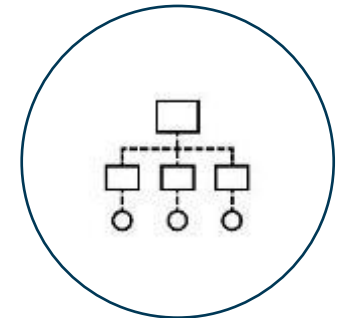
Factors impacting in Q4/2022



Market uncertainty especially in Buildings business unit, **delays with individual customer projects**



Exceptionally high **sick leaves**



Integration expenses, especially IT migration in Sweden

Key drivers for profitability improvement

| | |
|-----------|--|
| 1. | Pricing excellence and cost awareness |
| 2. | Billable project work |
| 3. | Smartest ways of working |
| 4. | Expected positive contribution from recent acquisitions |

Key figures

Q4 NET SALES

14%

YoY growth

Q4 ORGANIC GROWTH*

5%

FY NET SALES GROWTH

14%

FY ORGANIC GROWTH*

5%

| EUR million | Q4 2022 | Q4 2021 | Change |
|---|---------|---------|--------|
| Net sales | 57.6 | 50.5 | 14.1% |
| Adjusted EBITA | 5.3 | 5.6 | -5.4% |
| % of net sales | 9.2% | 11.1% | -1.9pp |
| EBITA | 4.7 | 5.2 | -9.6% |
| Net result | 2.4 | 2.7 | -11.1% |
| Cash flow from operating activities before financial items and taxes | 13.1 | 14.0 | -6.4% |
| Net debt | | | |
| Net debt/EBITDA, adjusted | | | |
| Equity ratio, % | | | |
| Earnings per share (EPS), eur | 0.07 | 0.08 | -12.5% |
| Dividend per share (DPS), eur | | | |
| Number of personnel, average | 2,237 | 2,015 | 11.0% |

| FY 2022 | FY 2021 | Change |
|---------|---------|--------|
| 204.4 | 179.3 | 14.0% |
| 20.4 | 21.1 | -3.3% |
| 10.0% | 11.8% | -1.8pp |
| 16.1 | 18.5 | -13.0% |
| 7.9 | 7.9 | 0.0% |
| 22.7 | 22.8 | -0,4% |
| 56.6 | 30.9 | 83.2% |
| 2.6x | 1.4x | 85.7% |
| 41.6% | 46.0% | -4.4pp |
| 0.22 | 0.22 | 0.0% |
| 0.10** | 0.10 | 0.0% |
| 2,151 | 1,969 | 9.2% |

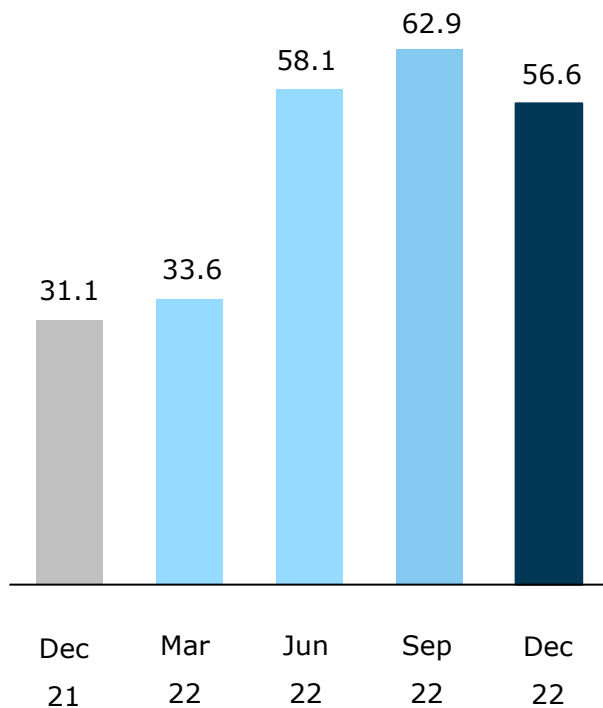
* Growth in net sales excluding acquisitions and divestments adjusted by the number of working days and exchange rate impact.

** Proposal by the Board of Directors to the Annual General Meeting 2023.

Leverage increased during the year due to acquisitions, but decreased in Q4

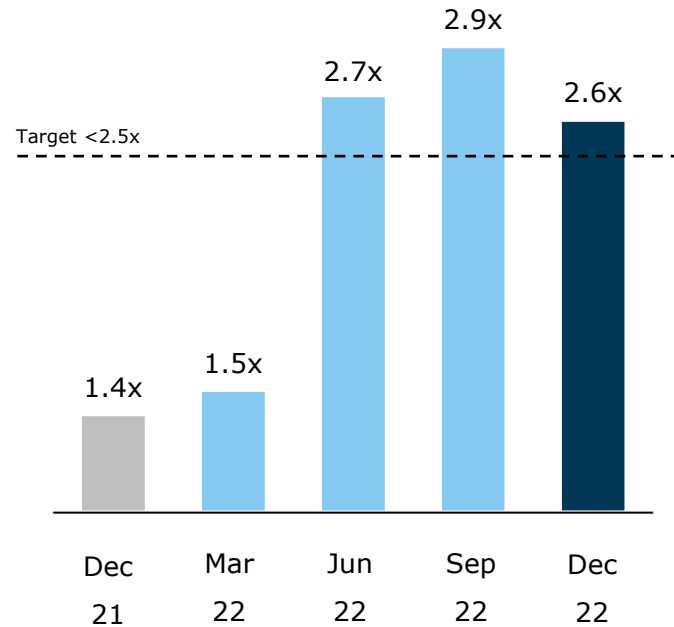
Net debt

EUR million



Leverage

Net debt / Adjusted EBITDA multiple



- At year-end Sitowise had a EUR 100 million financing agreement in place
 - Of this, EUR 72 million was in use at year-end
 - Of the EUR 72 million, 54% were fixed-rate loans and 46% variable-rate loans.
- Financing agreement was extended in February 2023
 - EUR 100 million
 - Same terms as earlier
 - Maturity in March 2026

Outlook for 2023

- The stable growth in the demand for Sitowise's services is supported by megatrends.
- Several uncertainties in the market, which may continue to impact our clients' short-term decision making. However, the impacts of the uncertainties in our business are not quite as significant.
- Demand for digital solutions remains strong. Infrastructure business' outlook is also relatively more stable than in building construction markets where uncertainty has further increased especially in Finland with less predictability related to starting of new construction projects. In Sweden, the market outlook has remained more stable.

Guidance for 2023

Sitowise Group estimates that its net sales in euros will increase compared to 2022, and that its adjusted EBITA margin (%) will be broadly at the same level as the adjusted EBITA margin of 2022.

SITOWISE



Strategy 2023–2025



Sitowise strategy 2025

**We understand
our clients**



**We work as
one team**



**We trust
each other**



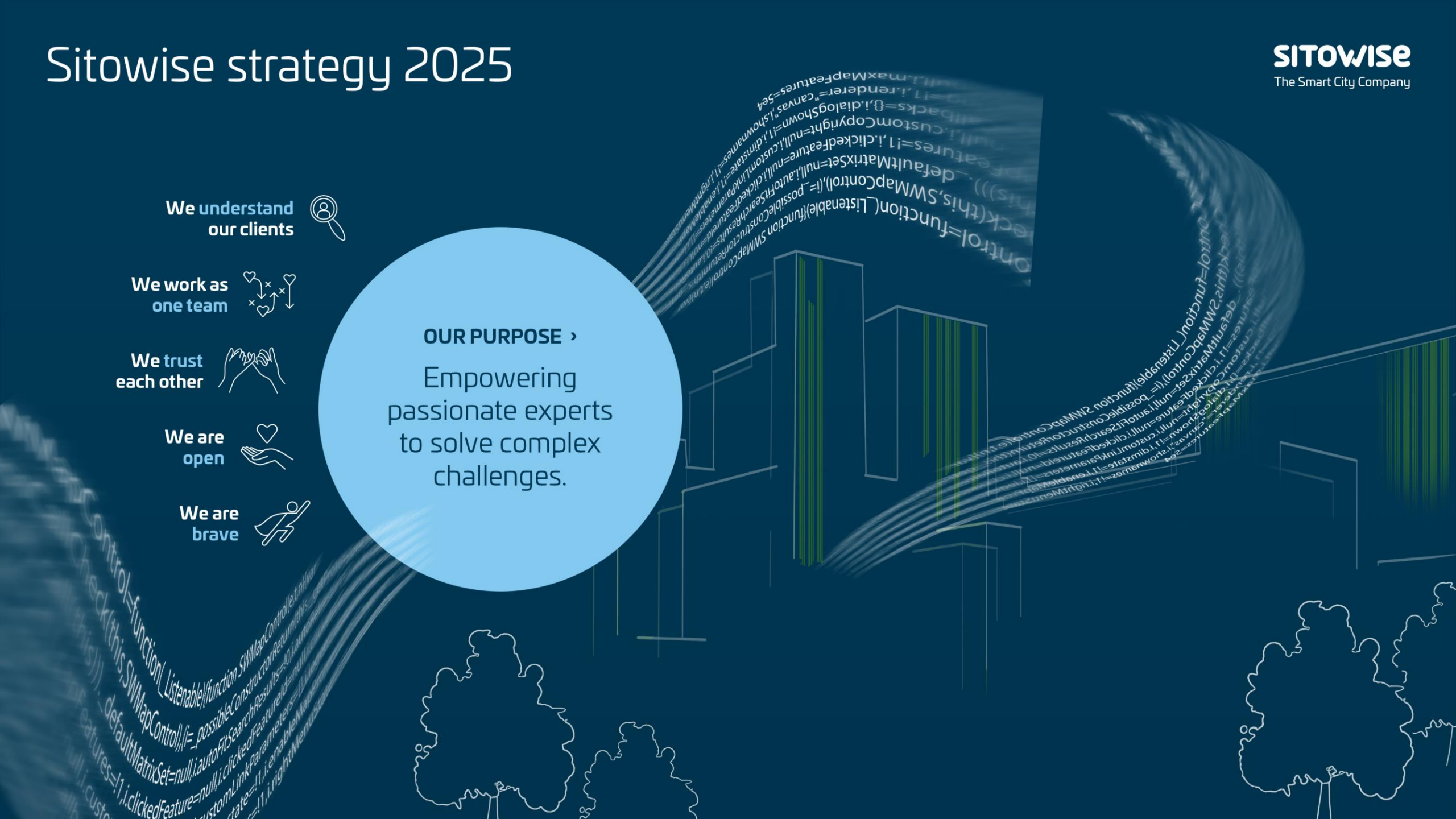
**We are
open**



**We are
brave**



OUR PURPOSE ›
Empowering
passionate experts
to solve complex
challenges.



Sitowise strategy 2025

We understand our clients



We work as one team



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OUR PURPOSE ›
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OUR VISION ›
Redefining smartness in cities



The most innovative



The most sustainable



The most efficient





OUR VISION

Redefining smartness in cities

The most innovative



Our aim is to innovate smart solutions accelerating the industry transition. We will do this by developing and engaging our people, clients and partner.

Expand smart city solutions in all our business areas

Continue building scalable SaaS business leveraging our broad expertise throughout the lifecycle

Enrich design environments and processes with new solutions

PERFORMANCE KPIs

- Product-based revenue growth
- Innovation culture
- Clients' perception of Sitowise as forerunner in new innovative solutions



The most sustainable



We want to lead the way to sustainable future concentrating in three dimensions – project work, future business opportunities and our own operations.

Bring sustainability as an integral part of all our projects and existing expertise and understand clients' new needs

Grow data-based strategic sustainability services for built environment

Consider extensively how sustainability affect everyday work and develop own operations as responsible as possible

PERFORMANCE KPIs

- Sustainability service revenue growth
- Sustainability development goals defined for most relevant projects
- Clients' perception of Sitowise as forerunner in sustainability



The most efficient



We optimize our way of working, providing best value for our clients.

Focus on sales excellence and customer-centricity

Ensure competitive advantage through right processes, tools and data creating less waste, more meaningfulness

Maintain position as the most profitable company in our industry to be able to grow and develop

PERFORMANCE KPIs

- NPS
- Reliability as a partner
- Utilization rate
- Value-adding tools





Our people and financials in focus

Brand, people and culture

PERFORMANCE KPIs

- NPS & eNPS
- Brand awareness
- Headcount and FTE growth
- Voluntary turnover rate
- Ability to utilize skills in use
- Opportunity to develop skills

Financial targets (long-term, unchanged)

- **Growth:** Annual net sales growth of over 10 percent, including acquisitions.
- **Profitability:** Adjusted EBITA margin of at least 12 percent.
- **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 percent of net profit.



Six focus areas in strategy execution>

- 1 Creating new smart services**
- 2 Accelerating growth in Sweden**
- 3 Expanding digital solutions business**
- 4 Becoming a thought leader in sustainability**
- 5 Being the most well-known and desired employer**
- 6 Finding the smartest ways to work**

Sitowise strategy 2025

We understand our clients



We work as one team



We trust each other



We are open



We are brave



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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

SAVE THE DATE

Sitowise Capital Markets Day

7 June 2023

A formal invitation including agenda and registration details will be distributed closer to the event.



Thank you!

Q&A