

SITOWISE

Net sales up by 16 percent, healthy organic growth

**SITOWISE GROUP PLC
Q3/2022 INTERIM REPORT
2 NOVEMBER 2022**



Agenda

1. Q3/2022 key takeaways
2. Key financials
3. Profitability
4. Market outlook & guidance for 2022
5. Strong long-term megatrends
6. M&A
7. Growth opportunities
8. Q&A



CEO

Heikki Haasmaa



CFO

Hanna Masala

Hanna Masala started as the new CFO of Sitowise as of October 1st

- Hanna Masala, M.Sc. (Econ.), has been appointed as the Sitowise's new CFO and a member of the Group Management Team as of October 1, 2022.
- Masala joined Sitowise from a position as Fortum's Group Finance Director. She has more than 20 years of strong experience from demanding financial management positions and various strategy and M&A related roles in international organizations.
- Masala graduated with a Master of Science in Business and Administration (Finance) from the Helsinki School of Economics.



Q3: Net sales up 16%, healthy organic growth

- **Net sales** increased by 16%, organic growth was 6%.
- **Order book** hit a new record high.
- **Adjusted EBITA** at previous years' level.
- **Market** uncertainty increased.
- **Guidance** for 2022 revised on 26 October 2022.
- **Acquisition** of Convia in Sweden in October.

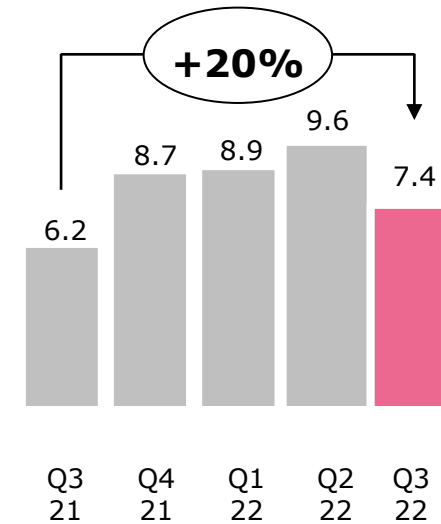
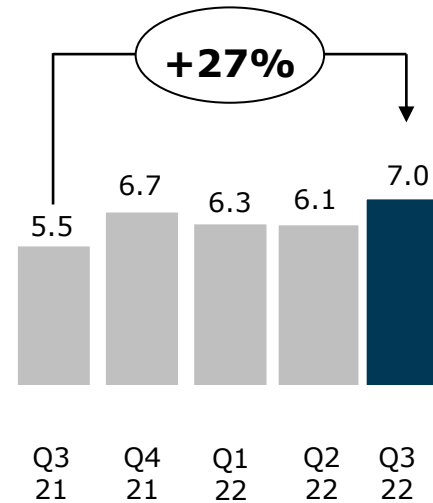
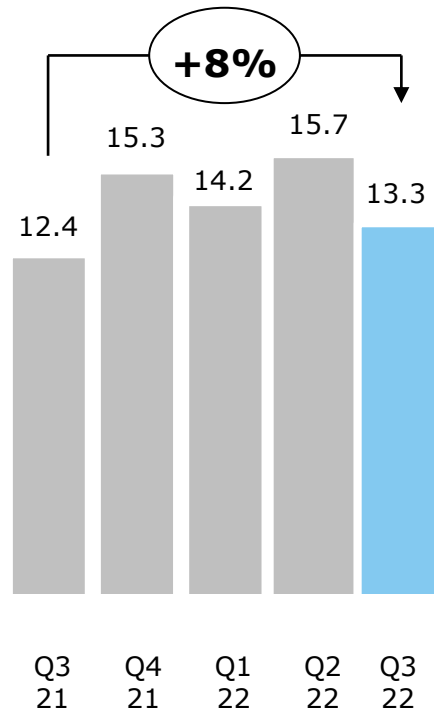
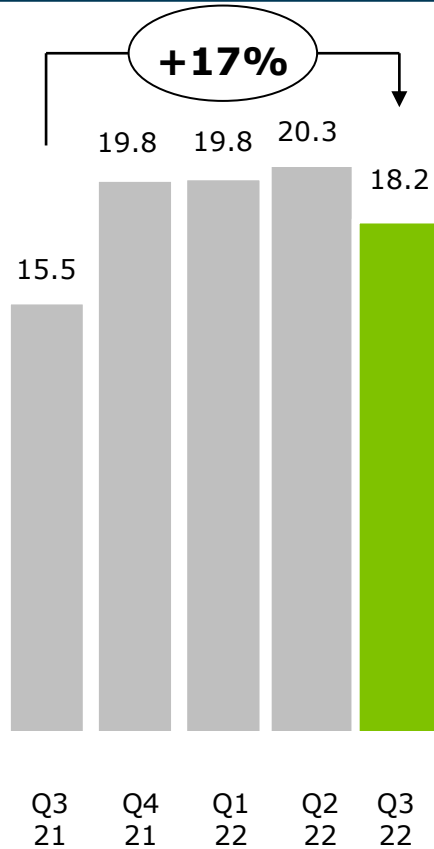


Strong growth in all businesses

Existing strongholds continue to grow

Share of strategic growth businesses increasing

Net sales per business area, figures in EUR million



Buildings

Infrastructure

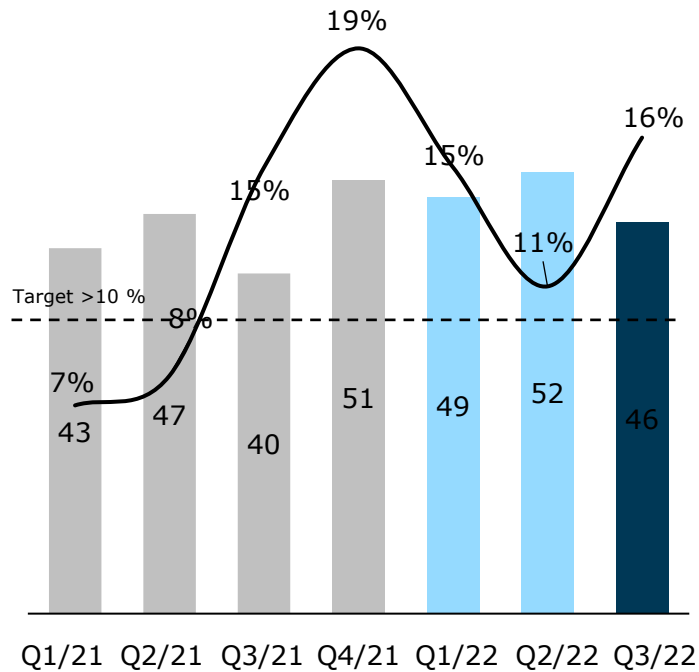
Digital Solutions

Sweden

Solid order book and healthy organic growth

Net sales

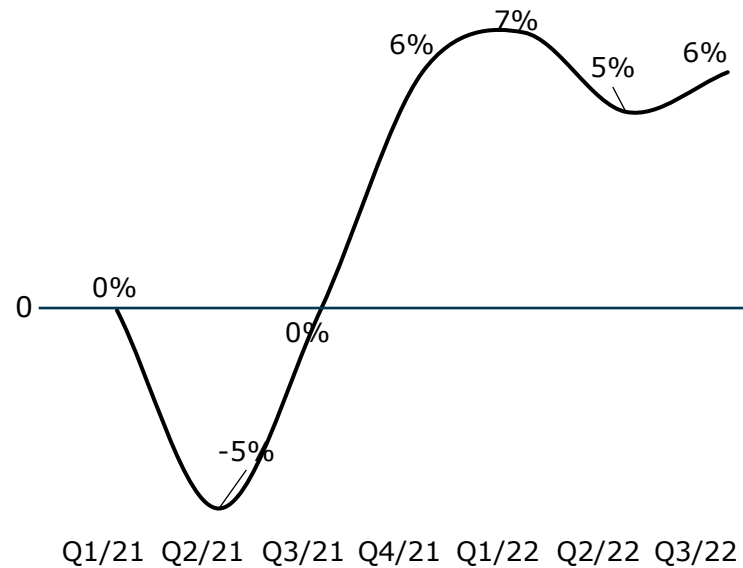
EUR million / %



Net sales growth, %

Organic growth*

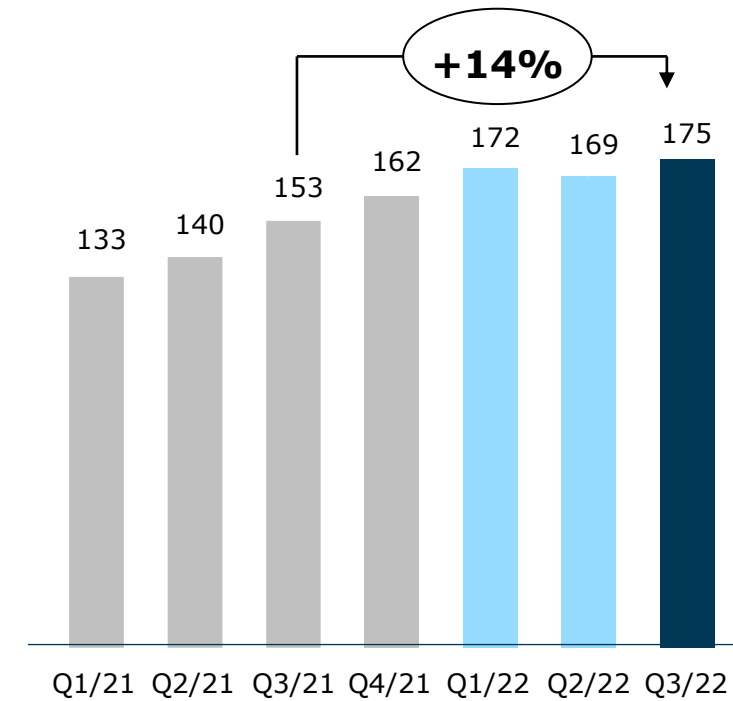
%



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

Order book

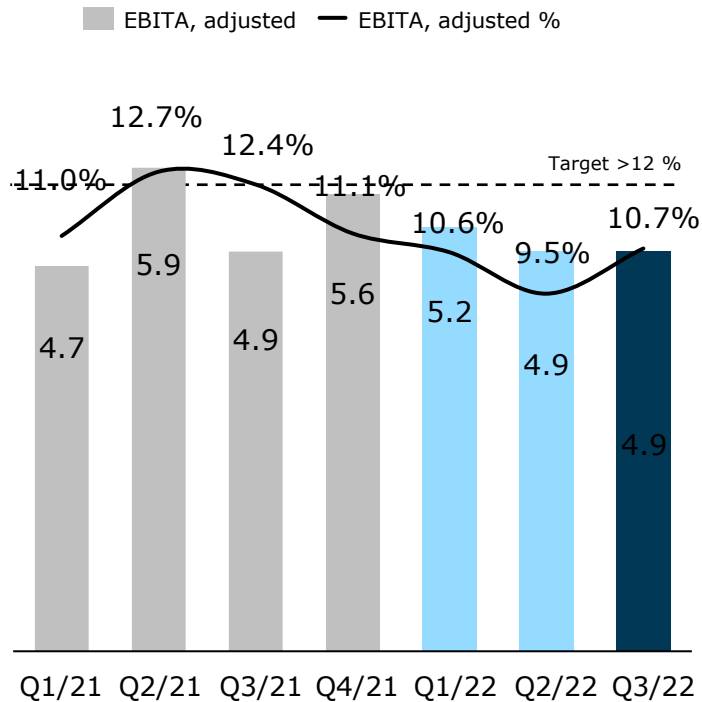
EUR million



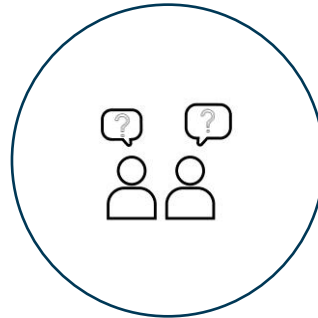
EBITA at previous year's level, margin below ambitions

Profitability

EUR million



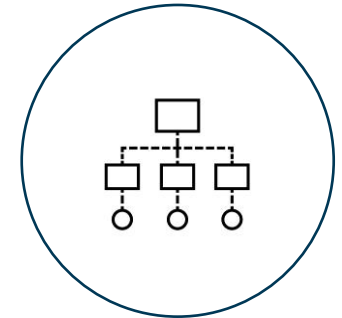
Factors burdening Q3/2022



Market uncertainty,
**delays with individual
customer projects**



Covid-19 related
sick leaves



**Increased
subcontracting**
competition for skilled
labor (Digital Services)

Key figures

EUR million	7-9/2022	7-9/2021	1-9/2022	1-9/2021	FY/2021
Net sales	45.9	39.6	146.8	128.9	179.3
Adjusted EBITA	4.9	4.9	15.1	15.6	21.1
% of net sales	10.7 %	12.4 %	10.3 %	12.1 %	11.8 %
EBITA	4.5	4.6	11.4	13.3	18.5
Net result	2.8	2.6	5.5	5.2	7.9
Cash flow from operating activities before financial items and taxes	0.6	0.4	9.6	8.8	22.8
Net debt			62.9	40.9	30.9
Net debt/EBITDA, adjusted			2.9x	2.0x	1.4x
Equity ratio, %			44.1 %	47.8 %	46.0 %
Earnings per share (EPS), eur	0.08	0.07	0.15	0.14	0.22
Number of personnel, average	2,177	1,990	2,122	1,953	1,969

Q3 NET SALES

16%

YoY growth

Q3 ORGANIC GROWTH*

6%

YTD NET SALES

14%

YoY growth

YTD ORGANIC GROWTH*

6%

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

Industry-leading profitability

Focus areas

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

Long-term target

Adjusted EBITA >12% of net sales

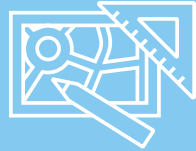


Broad business portfolio balances market differences



Buildings

- + Growth supported by acquisition of Rakennuttajakaari
- + Healthy order book
- + Strong development in the renovation market
- Increased uncertainty was reflected in project delays



Infrastructure

- + Majority of the growth was organic
- + Healthy order book
- + Growth outpaced the market, supported by long-term extensive projects
- Number of invitations to tender was down (yoy), but our win rate improved



Digital Solutions

- + Growth driven by acquisition of Bitcomp
- + Healthy order book
- + Market demand strong
- Recruitment improved from the previous quarter, but growth was slowed down due to competition for skilled labor

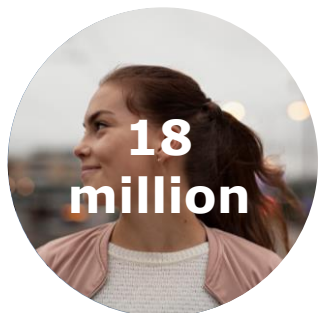


Sweden

- + Majority of growth was organic
- + Overall construction sector more stable than in Finland
- + Order book declined yoy, but remained at a healthy level
- Uncertainty increased

Active M&A continued to boost profitable growth

YTD acquisitions in total



total net sales of acquired businesses (2021)*



new experts join the Sitowise family

* excl. VRT business

OCTOBER



Strengthens infrastructure business in Sweden

- Net sales EUR 4.0 million (2021), 23 experts in Sweden
- The acquisition strengthens the organization's existing skills and adds services to the portfolio

Q2/2022



- Net sales EUR 5 million (2021), 45 experts in Finland
- Forms Finland's largest expert organization in renovation construction



- Net sales EUR 1.1 million (2021), 10 experts in Sweden
- Strengthens electrical design expertise in Sweden



- Net sales EUR 5.6 million (2021), 80 experts in Finland
- More than doubles SaaS business in Digital Solutions

Q1/2022

VRT Finland Oy's underwater data business

- 9 experts in Finland
- Expands services with underwater surveys



- Net sales EUR 2.3 million (2021), 13 experts in Sweden
- Strengthens infrastructure business in Sweden

New guidance

New guidance

- Sitowise Group estimates that the net sales in euros will increase compared to 2021, and that the adjusted EBITA in euros will be at the same level or slightly below the adjusted EBITA in 2021.

Previous guidance

- Sitowise Group estimates that both net sales and adjusted EBITA in euros will increase compared to 2021.

Background for revising the guidance

During the third quarter, Sitowise's net sales and order book continued to grow strongly, and the organic growth was supported by recent acquisitions. The market outlook remains solid in Sweden – however, the uncertainty in the construction industry has increased during the third quarter especially in Finland.

The effects on the technical design business are not quite as significant, but the risks of a somewhat lower activity levels are visible in some of Sitowise's market segments. The early indicators include delays related to new building projects of individual customers, which have translated to a lower billing rate.

Megatrends driving long-term growth of technical consulting remain unchanged



Urbanisation



**Maintenance
backlog of the built
environment**



**Digitalisation and
the increase of the
amount of data**



**Climate change
and biodiversity
decline**

Several growth opportunities for Sitowise



**Renovation
business**



**Sustainable
cities**



**SaaS
solutions**



Swedish expansion

Key takeaways

1. Continued focus on profitability
2. Capitalize on growth opportunities
3. Active M&A pipeline



Thank you!

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Q&A

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