

SITOWISE

Q2: Strong profitability, record high order book

SITOWISE GROUP PLC
HALF-YEAR REPORT
25 AUGUST 2021



Agenda

1. Key takeaways & financial review
2. Business area highlights & developments
3. Market outlook
4. Vision, long-term targets & strategy
5. Q&A



CEO
Pekka Eloholma



CFO
Heidi Karlsson

Q2 solid performance as expected

- **Order book increased by 22%** from the end of 2020 due to market revitalization and active sales work by Sitowise.
- **Net sales increased by 8%** from Q2/2020, which was an unusual comparison period due to COVID-19.
- **Utilization rate improved from 75% to 78%** from Q1/2021 to Q2/2021.
- **Adjusted EBITA margin increased from 11% to 12.7%** from Q1/2021 to Q2/2021



We've strengthened our position in digital solutions and Sweden

- **Jonas Larsson** appointed as Head of Sitowise's Swedish operations and member of the Group Management Team.
- Jonas has over 24 years of industry experience from multiple executive roles.
- Swedish traffic and infrastructure IT company **Infracontrol** acquired in July.
- Sitowise aims to be the Nordic leader in the digital solutions for built environment and mobility.



Key figures

Q2 NET SALES

8%

YoY growth

H1 NET SALES

7%

YoY growth

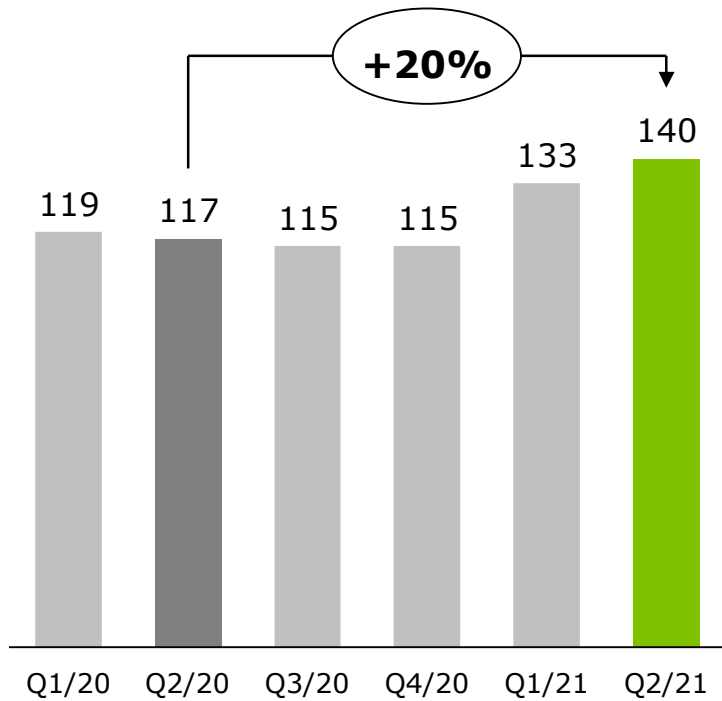
EUR million	Q2/21	Q2/20	H1/21	H1/20	FY/20
Net sales	46.5	43.2	89.3	83.3	160.1
EBITA, adjusted	5.9	7.2	10.6	12.3	20.6
% of net sales	12.7%	16.6%	11.9%	14.8%	12.9%
EBITA	4.7	6.9	8.7	11.8	19.5
Operating profit	4.2	6.7	7.9	11.3	18.3
Cash flow from operating activities before financial items and taxes	3.1	5.9	8.4	14.4	31.5
Net debt			29.9	46.4	56.6
Net debt/EBITDA, adjusted			1.5x	2.2x	2.6x
Equity ratio, %			47.8%	33.0%	30.2%
Earnings per share (EPS), EUR *)	0.10	4.40	0.07	6.11	9.69
Number of personnel, average	1,960	1,841	1,935	1,810	1,823

*) Not comparable due to the changes in number of shares (due to initial public offering)

Record high order book, strong profitability

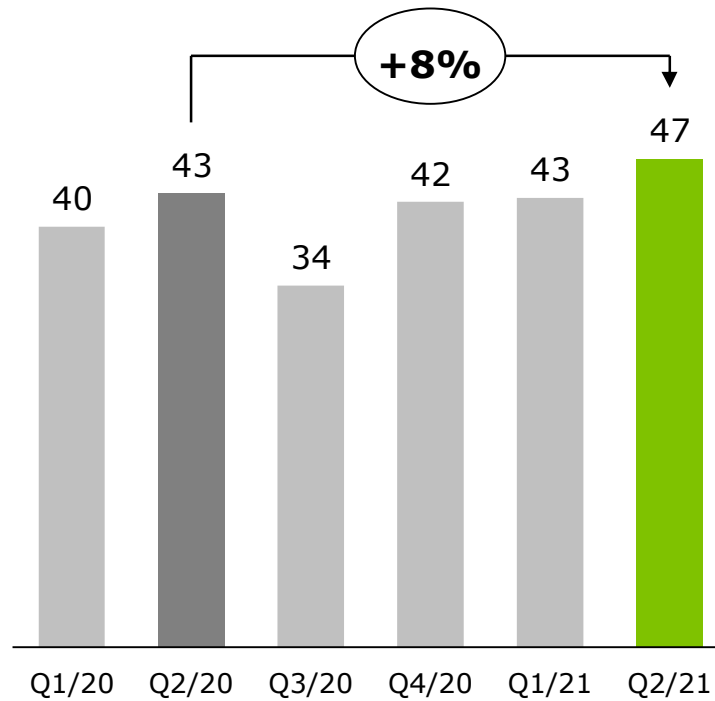
Order book

EUR million



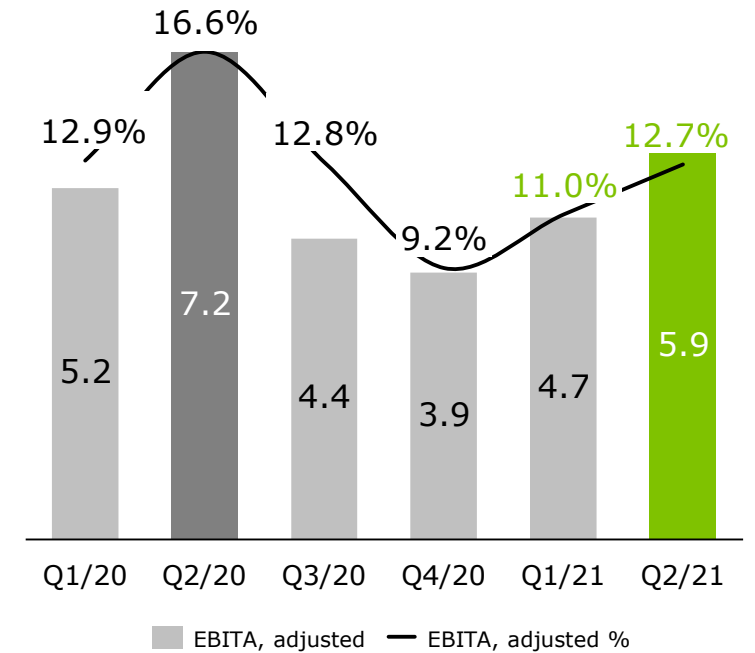
Net sales

EUR million



Profitability

EUR million



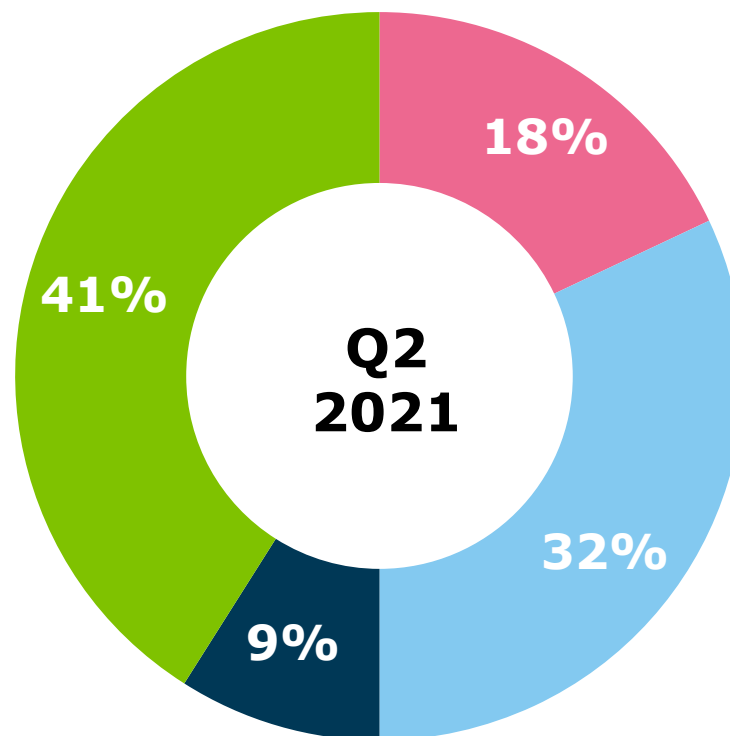
Sitowise's four strong business areas

Buildings

The services cover the entire life cycle of buildings, from the early planning stage of a new construction to maintenance and renovation.

Digital solutions

Services include digital solutions for built environment and mobility and expert services to support them.



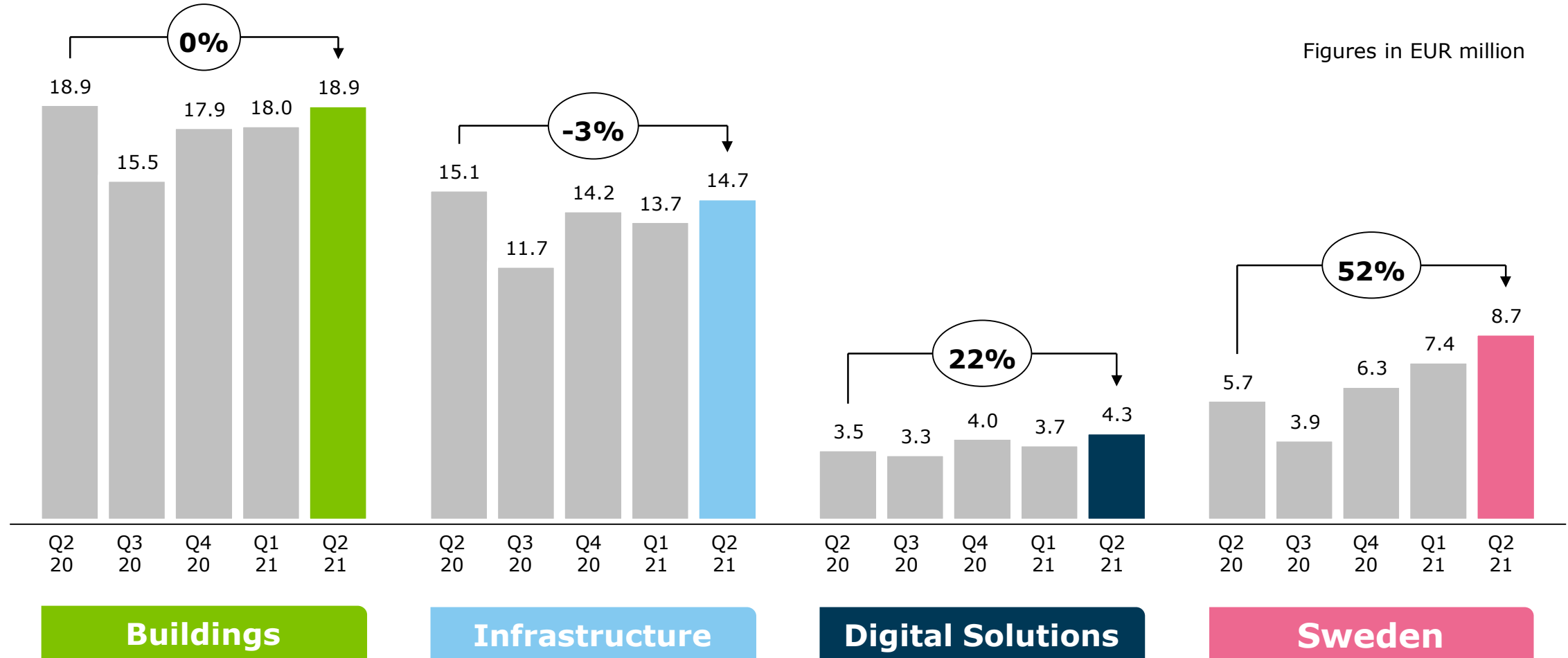
Sweden

Building design services (including structural engineering) for building and infrastructure sectors.

Infrastructure

Diverse design and consulting services in all areas of infrastructure except the energy sector.

Group net sales increased 8% from an unusual comparison period



Business area highlights



Buildings

- Projects that temporarily wound down due to COVID-19 **have become more active.**
- Residential building construction and public sector's service building construction **are also picking up speed.**
- Recruitment campaign in March resulted in almost **70 new employees in Q2.**



Infrastructure

- **Order book remained strong** and utilization rate on a good level during Q2.
- Sitowise is part of significant regional and national projects, **only minor COVID-19 effect.**
- Competitive advantage wide range of services & specialists, **employee turnover has decreased** since 2020.



Digital Solutions

- Business area strengthened by **M&A and recruitment.**
- Acquired Swedish **Infracontrol.**
- Sitowise entered into an agreement about delivering software solutions to the products and systems of **Landis+Gyr**, the market leader of energy management solutions for over 125 years.



Sweden

- **Steady order book** and **increase in inquiries** in Q2.
- Utilization rate increased back to normal from early 2021.
- **Jonas Larsson** appointed as Head of Sitowise's Swedish operations and member of the Group Management Team.
- We're one of the **leading frame and pre-cast designers**, latest project Kasernen 1 in Borås.

Project highlight

Clients	Finnish Transport Infrastructure Agency, City of Tampere, VR Group
Project	Itsenäisyydenkatu underpass
Duration	2021–2022
Value	Over EUR 2 million
Project description	Sitowise's Infrastructure and Buildings businesses are part of designing the renovation of Itsenäisyydenkatu bridge and station tunnel. It is one of Finland's busiest urban centers and intersections of different traffic modes.



ENCO



SITOWISE

Founded: 2005 in Finland
Employees: 10
Annual sales: EUR 1 million

Clients: Redi, the Finnish Parliament House and the Tampere Deck Arena

Enco's core competencies are expert services in property management and maintenance.

They act as a partner and consultant for the customers at different stages of the real estate's life cycle. Enco has grown profitably during recent years and has significant real estate operators as customers all over Finland.



!infracontrol



SITOWISE

Founded: 1993 in Sweden

Employees: 29

Annual sales: EUR 6 million

Clients: National transport and infrastructure authorities, 120 Swedish municipalities

Established in 1993, Infracontrol has a long history in providing reliable and user-friendly real-time IT solutions for traffic and infrastructure. The Infracontrol expertise includes e.g. remote control of draw bridges and locks, control and monitoring systems for traffic tunnels and systems for variable traffic message signs. One of the more important responsibilities is a national road traffic management system.



Sustainability, processes, and personnel



of Sitowise's projects
already use our own
Sustainability tool



First phase of Sitowise's
ERP system completed



improvement in our
employees'
recommendation score
(eNPS) compared to 2020

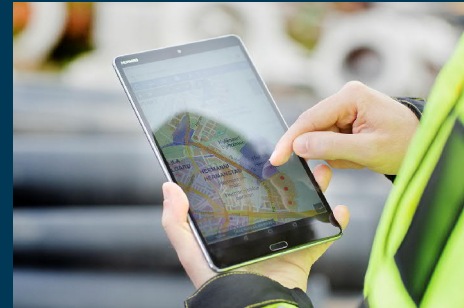
Market outlook



Urbanization



Renovation backlog



Digitalization



Sustainability

- **Stable long-term demand growth** on design and consulting services to create sustainable societies. The growing demand is driven by megatrends.
- **In the short-term, there is some uncertainty**, partly due to increased costs and shortage of construction materials. However, clients have been active during the first half of 2021 and the order book has grown.

Long-term financial targets

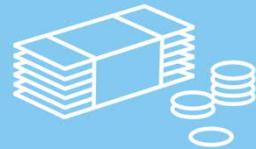
Sitowise Group has not published a guidance for 2021.

The Board of Directors has set the following long-term financial targets:



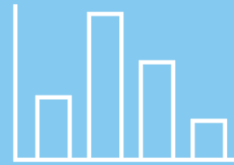
GROWTH

Annual net sales growth of over 10%, incl. acquisitions



PROFITABILITY

Adjusted EBITA margin of at least 12%



LEVERAGE

Net debt / Adj. EBITDA should not exceed 2.5x, except temporarily in conjunction with acquisitions



DIVIDEND

30–50% of net profit

OUR VISION

The most
responsible
partner in
developing a
prosperous living
environment



SITOWISE

Strategy going forward

1

Focus on organic growth, internal efficiency and strong profitability

2

Continuous strengthening of expertise and growth in selected customer segments in Buildings and Infrastructure business areas

3

Strengthening competence in Digital solutions and utilizing digital capabilities

4

Expanding in Sweden and possibly other Nordic countries

5

Continuing of selected acquisitions

Q&A



Thank you!

Q3 interim report will be released
on 10 November 2021

SITOWISE.COM – THE SMART CITY COMPANY