

SITOWISE

Q3: Strong growth and profitability

**SITOWISE GROUP PLC
INTERIM REPORT
10 NOVEMBER 2021**



Agenda

1. Key takeaways & financial review
2. Business area highlights & developments
3. The Smart City Lab
4. M&A strategy
5. Market forecast
6. Q&A



CEO
Pekka Eloholma



CFO
Heidi Karlsson

Strong performance in Q3

- **Net sales** increased by 15% from Q3/2020
- **Organic growth** in Infrastructure, Digital Solutions and Sweden
- **Adjusted EBITA margin** reached 12.4%
- **Order book** increased by 10% from Q2/2021
- **Two major, strategic project wins:**
Vantaa light rail and One-hour Turku Rail Link, both involve several of our business areas



Key figures

Q3 NET SALES

15%

YoY growth

Q3 EBITA adj.

11%

YoY growth

NET SALES

10%

YTD growth

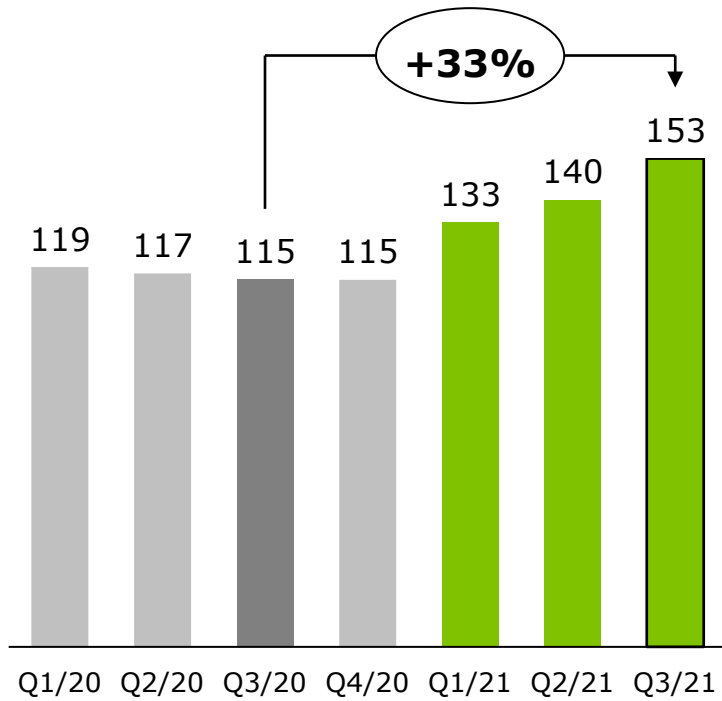
EUR million	Q3/21	Q3/20	1-9/21	1-9/20	FY/20
Net sales	39.6	34.4	128.9	117.7	160.1
EBITA, adjusted	4.9	4.4	15.6	16.7	20.6
% of net sales	12.4%	12.8%	12.1%	14.2%	12.9%
EBITA	4.6	4.7	13.3	16.5	19.5
Operating profit	4.0	4.4	11.8	15.7	18.3
Cash flow from operating activities before financial items and taxes	0.4	4.9	8.8	19.3	31.5
Net debt			40.9	47.4	56.6
Net debt/EBITDA, adjusted			2.0x	2.3x	2.6x
Equity ratio, %			47.8%	33.0%	30.2%
Earnings per share (EPS), EUR *)	0.07	2.02	0.14	8.13	9.69
Number of personnel, average	1,990	1,847	1,953	1,820	1,823

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

Strong financial fundamentals

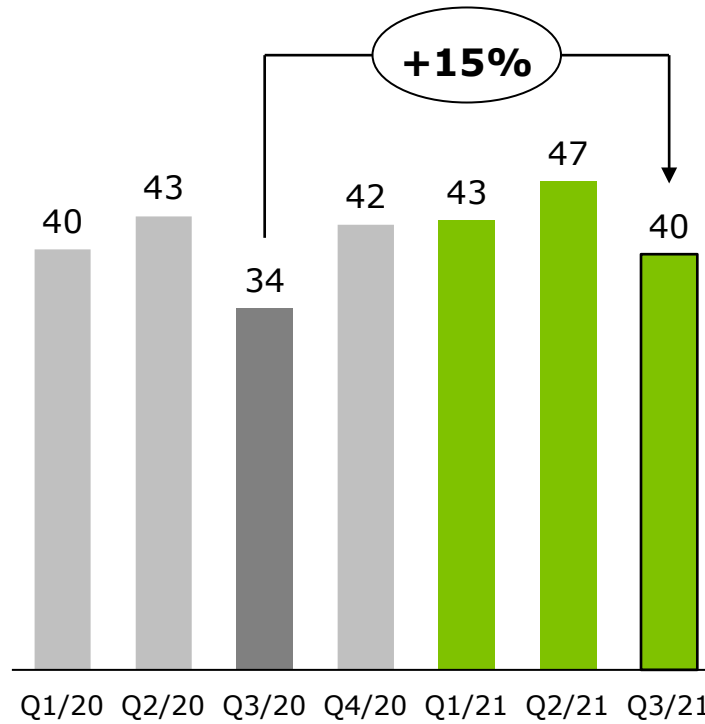
Order book

EUR million



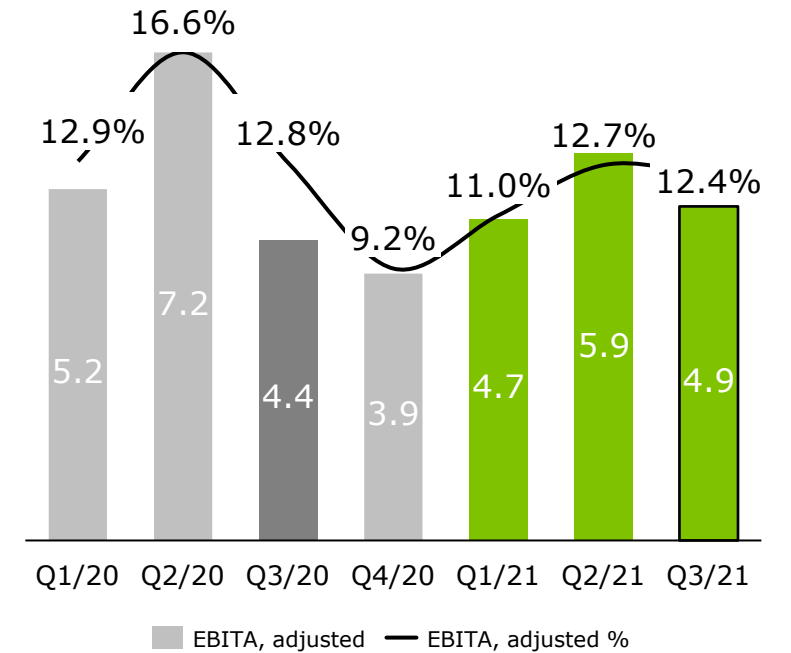
Net sales

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

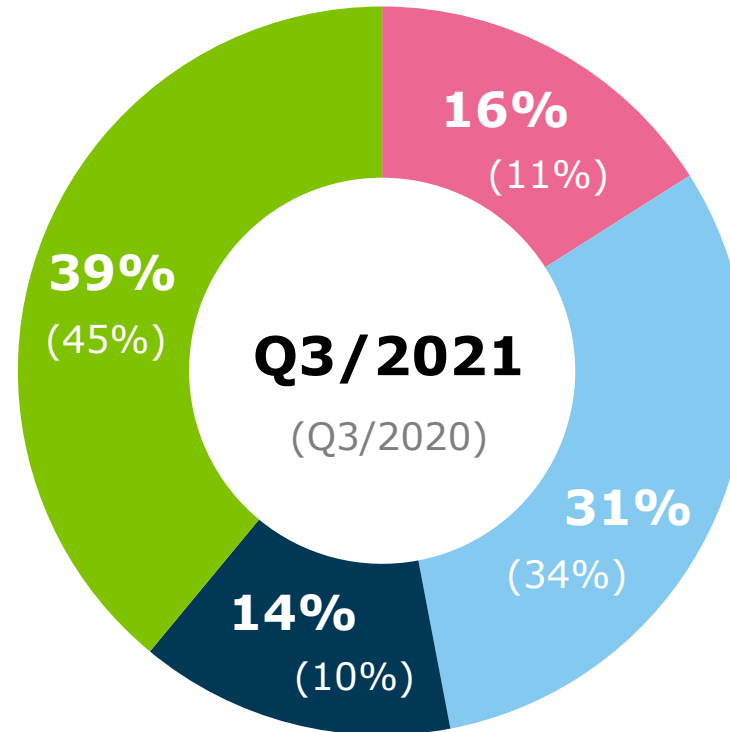
Services include digital solutions for built environment and mobility and expert services to support them, and the Swedish traffic and infrastructure IT company Infracontrol.

Sweden

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

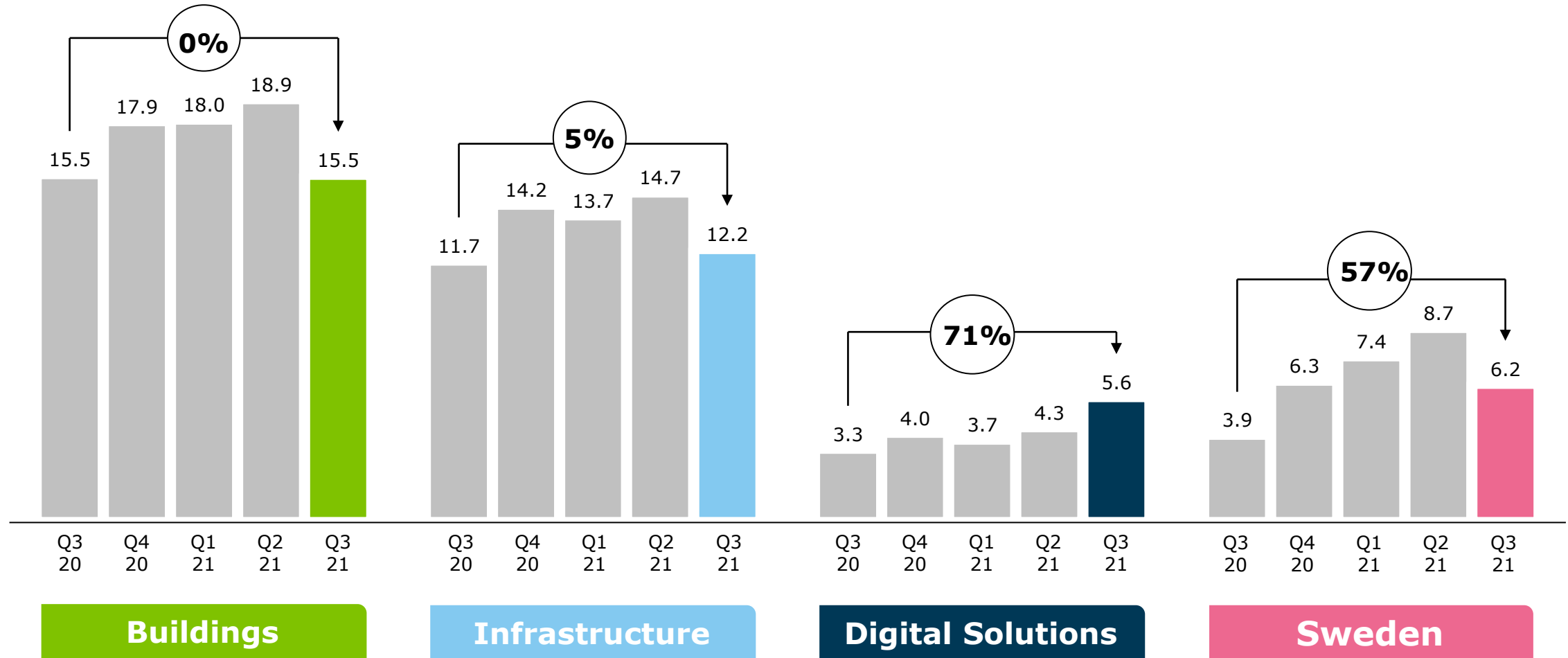
Infrastructure

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



Group net sales increased by 15%

Figures in EUR million

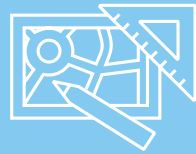


Business area highlights



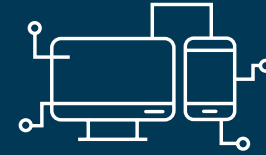
Buildings

- Raw material price inflation and availability issues have slowed down some projects and their starts.
- Significant new project: Vantaa light rail.
- Special expertise is in demand, Paloässät are providing fire engineering design for the health and wellbeing centre of downtown Helsinki.



Infrastructure

- Order book remained strong.
- Crown Bridges moved to implementation phase.
- One-hour Turku Rail Link planning agreement signed.
- Significant new project: Vantaa light rail.



Digital Solutions

- Business area developed well after a slow first half of 2021.
- Acquisition in Sweden: Infracontrol AB.
- Tough competition for public administration's projects with other IT companies.
- Providing information management services for the One-hour Turku Rail Link.



Sweden

- Infrastructure and construction markets returning to normal.
- Public sector construction facing delays and slow starts.
- Jonas Larsson to lead Swedish operations and join the Group Management Team in November.
- Significant new project: Structural design for Podie conference, hotel and office building in Gothenburg.

Project highlight

Client	One-hour Turku Rail Link Ltd
Project	One-hour Turku Rail Link
Duration	2021–2023
Value	EUR 5 million
Strategic advantage	Infrastructure and Digital Solution business areas are both involved
Project description	Sitowise's Infrastructure business area is responsible for planning a 31-kilometer-long section from Lohja to Suomusjärvi. Digital Solutions business provides information management services for the rail link.



Project highlight

Client	City of Vantaa
Project	Vantaa light rail
Duration	2021–2023
Value	EUR 5 million
Strategic advantage	Infrastructure and Buildings business areas are planning together
Project description	Sitowise's Infrastructure and Buildings business areas are responsible for planning the middle part of the light rail through Tikkurila center and railway station.



Introducing Our New Research, Innovation, and Development Concept

From now on, Sitowise's RDI activities will be called **The Smart City Lab**, or 'the lab', as we here at Sitowise refer to it.

With The Smart City Lab, we aim to:

- Develop new business.
- Foresight the changes and trends in the market.
- Support our innovation culture.
- Stand apart from the competition as the most innovative Smart City Company in the industry.

To celebrate the launch of The Smart City Lab, we are holding an organization-wide innovation competition, but in the future, we will collect, assess, and develop ideas systematically to ensure that no ideas are left on the back burner.

THE
SMART
CITY
LAB



SITOWISE

M&A strategy



- M&A is one of the corner stones of our growth strategy, 6 acquisitions completed during 2021
- With these acquisitions, we've strengthened our Digital Solutions business, real estate management, operations in Sweden, and sustainability.
- Current M&A pipeline looks good, we aim to finalize deals in the near future.

Brighter outlook for consulting market

- Based on the latest market study, Infrastructure and Buildings consulting markets in Finland and Sweden are expected to grow more during the coming years than estimated a year ago.
- **Finnish** building consulting market growth 2% p.a. in 2022, and ~4% p.a. thereafter. Infrastructure consulting market growth 1% p.a. in 2022, ~3% thereafter.
- **Swedish** building and infrastructure consulting market growth 4% p.a. in 2022. Building consulting market ~4% p.a. and infrastructure consulting market ~6% p.a. thereafter.
- Consulting penetration rate has increased over the past decades in both infrastructure and buildings in Finland, whereas infrastructure and buildings market in Sweden has generally been in a strong growth momentum with a higher consulting penetration.

Source: Analysis conducted by an international consulting company in fall 2021, commissioned by Sitowise

Q&A



Thank you!

2021 year-end report will be released on 2 March 2022

SITOWISE.COM – THE SMART CITY COMPANY