

A woman with long brown hair, wearing a dark green long-sleeved shirt and light blue jeans, is sitting on a grassy slope. She is holding a black notebook and a pen, looking off to the side. In the background, there is a modern building with large glass windows and a grid pattern. The scene is bathed in warm, golden light, suggesting late afternoon or early morning.

SITOWISE

**Strategic initiatives
progressing well,
profitability burdened
by low volumes in
Sweden**

**SITOWISE GROUP PLC
Q2 2024 RESULT PRESENTATION
13 AUGUST 2024**

Agenda

1. Q2 summary and key events
2. Q2 performance
3. Market outlook & guidance for 2024
4. Strategy implementation
5. Q&A



CEO
Heikki Haasmaa



CFO
Hanna Masala

Q2: Strategic initiatives progressing well, profitability burdened by weak sales in Sweden

- Infra and Digi delivered strong performance, Buildings had a tolerable quarter considering the circumstances and Sweden performed clearly below expectations.
- **Net sales** down by 9.9%* to EUR 50.9 (56.5) million, organic growth -13%.
- **Adjusted EBITA** EUR 2.6 (4.5) million. Adjusted EBITA-% 5.0% (8.0%).
- **Operating profit** EUR 1.1 (3.6) million.
- **Cashflow from operating activities** before financial items and taxes EUR 5.9 (9.6) million.
- Acquisition of KM project Oy's expert operations in April.

What went well?

- Growing demand for services in green transition, digitalization of the built environment and security.
- Solid performance in Infra and Digital Solutions.
- Good progress in growth areas: Energy, Industry and Sustainability.
- SaaS product expansion advancing with growing interest and demand.

Picture: In Q2 Sitowise was selected as Environmental Impact Assessment and zoning consultant for Metsähallitus' Ebba offshore wind power project.



What were the challenges?

- Loss-making quarter in Sweden due to weak sales resulting in inadequate workload.
- Market recovery in Buildings delayed.
- Utilization rate improved but still behind the comparison period.
- The positive calendar effect burdened by continued high wage and cost inflation.
- Tight pricing environment continues.



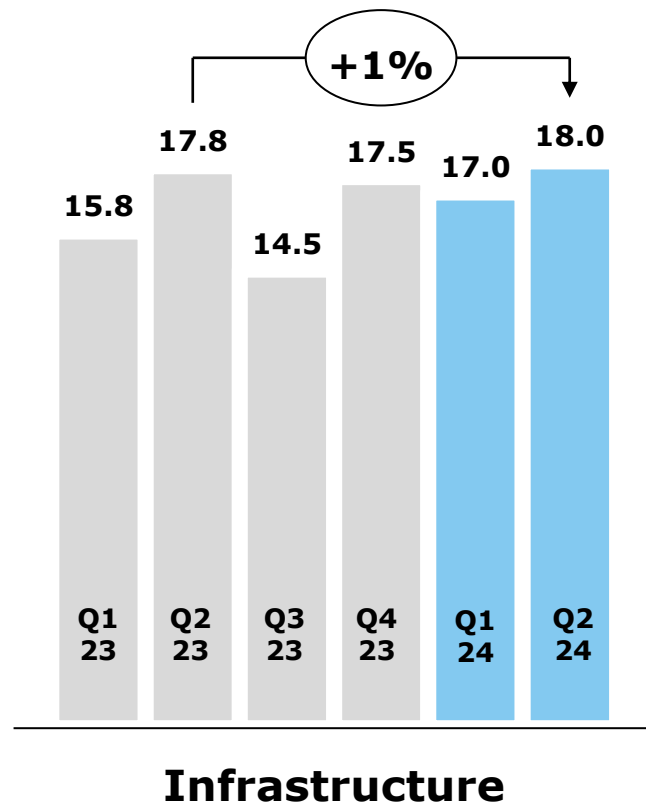
Infra

Picture: The new Hakaniemi bridge in Helsinki was opened for traffic in May 2024. Sitowise was responsible for the design of the new bridge.



Growing demand for services related to green transition and security supporting Infra's good performance

Net sales per quarter, figures in EUR million



Factors impacting Q2

- + / - No changes in the market environment, the division into weaker and stronger segments continued:

 - + Strong demand for energy and environmental projects related to the green transition, as well as security critical services
 - Weak demand related to municipal infrastructure design and groundworks for new buildings

- + / - Slowing growth rate, but still ahead of the general infra market
- Tight pricing environment and lower utilization rate due to increased time spent on sales.
- + Positive calendar effect (+1 working day)

Outlook for 2024

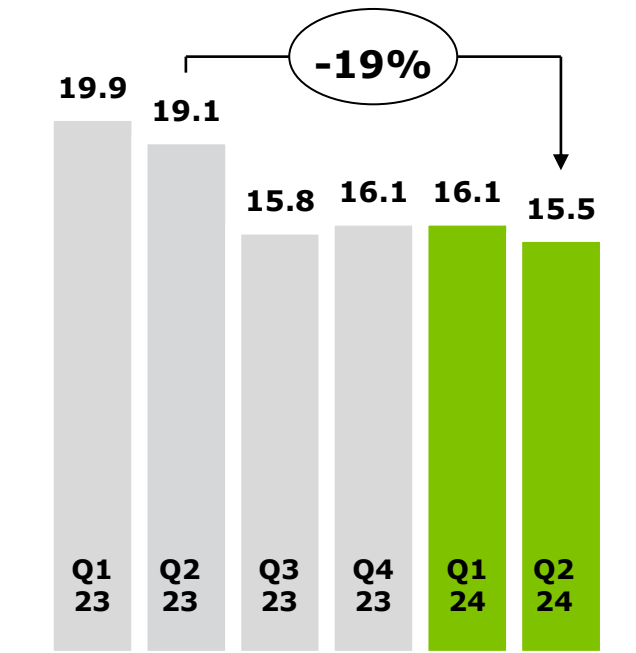
- + As a whole, the outlook for Infra remains good.
- +/- Mixed market environment and tight pricing expected to continue
- +/- The materialization of the Finnish Government program further delayed with tendering rounds for the first large projects expected to begin after summer 2024 at the earliest.
- + Positive calendar effect in 2024 (-1 day in Q1, +1 day in both Q2 and Q3 and equal number of days in Q4)
- + Order book at good level.

Buildings

Customer case: In Q2 Sitowise signed an agreement with Innovestor for the development of energy and battery solutions for various properties. The project is a part of Innovestor's Energy Storage Initiative, which is also financially backed by the Ministry of Economic Affairs and Employment.

Some signs of the construction market bottoming out in Buildings

Net sales per quarter,
figures in EUR million



Factors impacting Q2

- Market recovery in Buildings delayed and the market continues to be very weak
 - Net sales decline in line with headcount change. Workload not on an adequate level.
 - + Adaptation measures have helped to maintain utilization rate at good level.
 - Tight pricing environment prevails
- + New projects and clients won in energy and industrial sectors
- + Positive calendar effect (+1 working day)

Outlook for 2024

- The second half of 2024 will still be weak.
- + Early signs of the construction market bottoming out and gradual construction market recovery to start
- + Renovation construction market showing some signs of picking up
- + Positive calendar effect in 2024 (-1 day in Q1, +1 day in both Q2 and Q3 and equal number of days in Q4)
- Order intake down year-on-year, order book at an insufficient level
- +/- Temporary layoffs will be continued and additional actions to develop organization effectiveness will be taken under "Building for the future" program (see next slide)

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 with temporary layoffs, where needed

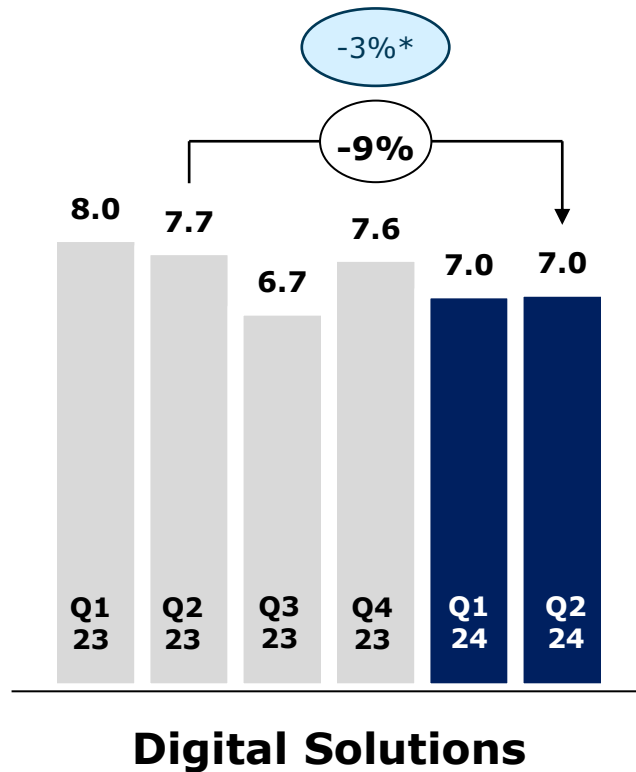
Digital Solutions

Customer case: Sitowise was selected to continue as the supplier of Finnish Environmental Institute's Built Environment Information System together with Solita for the five consecutive years. Contract covers both the development of new features and integrations, and maintenance.



Increased interest and growing demand for SaaS products in Digital Solutions

Net sales per quarter,
figures in EUR million



Factors impacting Q2

- +/- Mixed market environment
 - + Investments in digital solutions at good level in forest and energy sectors and in municipalities
 - Investments in private sector at low level → increased competition and price pressure due to overcapacity in the market
- +/- Adverse impact on topline growth from changes in re invoicing in Q3 2023
- + Share of SaaS product sales growing. Increased interest and demand for various products.
- + Utilization rate improving, strong development in average prices
- + Positive calendar effect (+1 working day)

Outlook for 2024

- + As a whole the outlook for Digital Solutions remains good.
 - Growth rate is expected to be moderate due to a more challenging market environment.
- Overcapacity and tight pricing environment in the market continues.
- + Positive calendar effect in 2024 (-1 day in Q1, +1 day in both Q2 and Q3 and equal number of days in Q4)
- + Orderbook stable year-on-year and at a good level

* Without the change in the re invoicing of certain subcontracted work, which came into effect in October 2023, and terminated products net sales would have declined by -3 percent.

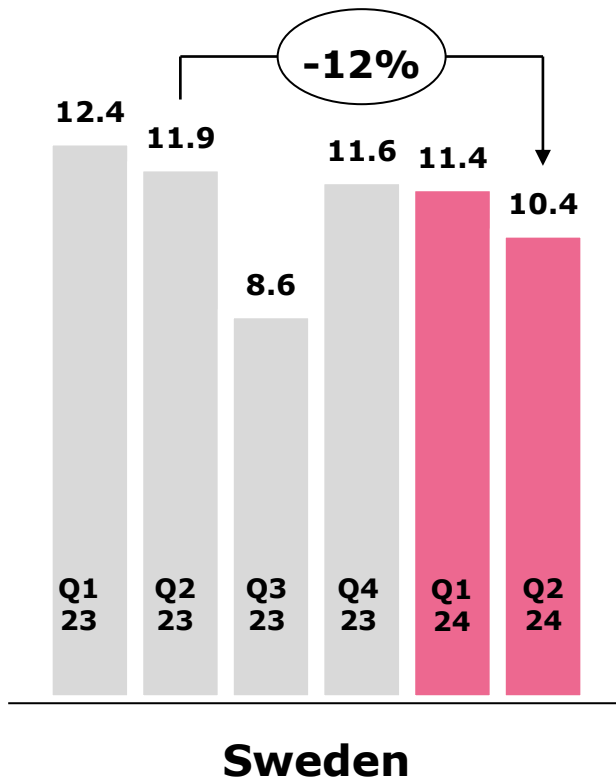
Sweden

Picture: Sitowise is responsible for the design of the prefabricated frame for the new structures in the KV Johanna block real estate development project in central Gothenburg, focusing on intricate connections and coordination for successful assembly



Low volumes a challenge in Sweden

Net sales per quarter,
figures in EUR million



Factors impacting Q2

- Challenging market environment in Sitowise's business segments with intense price competition
- Local housing market and small/mid-sized commercial market still weak
- Macro-driven market: high inflation and interest rates
- + Infra market growing
- Insufficient workload and certain project overruns
- + Increased tendering activity
- +/- Focus on proactive sales, pricing excellence and diligent project management, but impacts will materialize over a longer period

Outlook for 2024

- +/- Mixed market environment expected to continue
- Challenges faced in Q2 are expected to continue into H2
- + Corrective "Building for the future" actions identified (see next slide)
- +/- Neutral calendar effect in 2024 (-1.5 days in Q1, +1 day in both Q2 and Q3 and -0.5 days Q4)
- Order book at insufficient level

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!

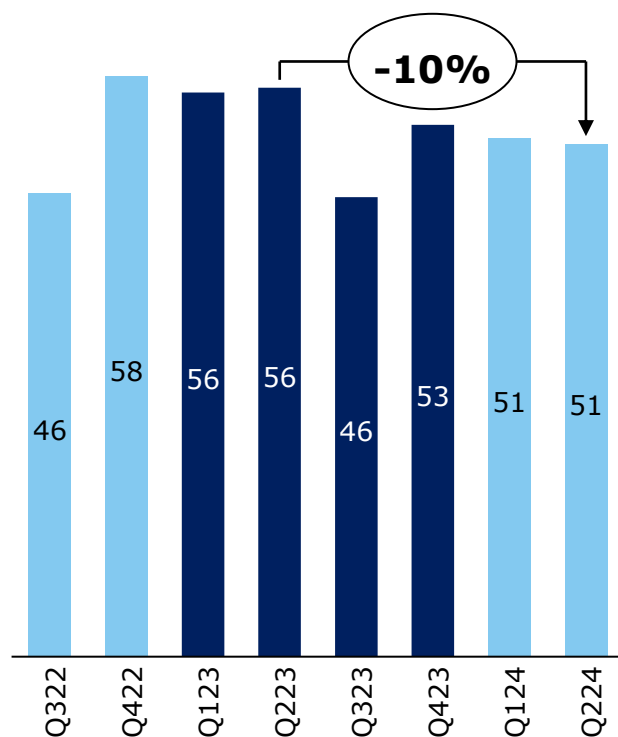


Group performance

Net sales and profitability down on mixed market environment

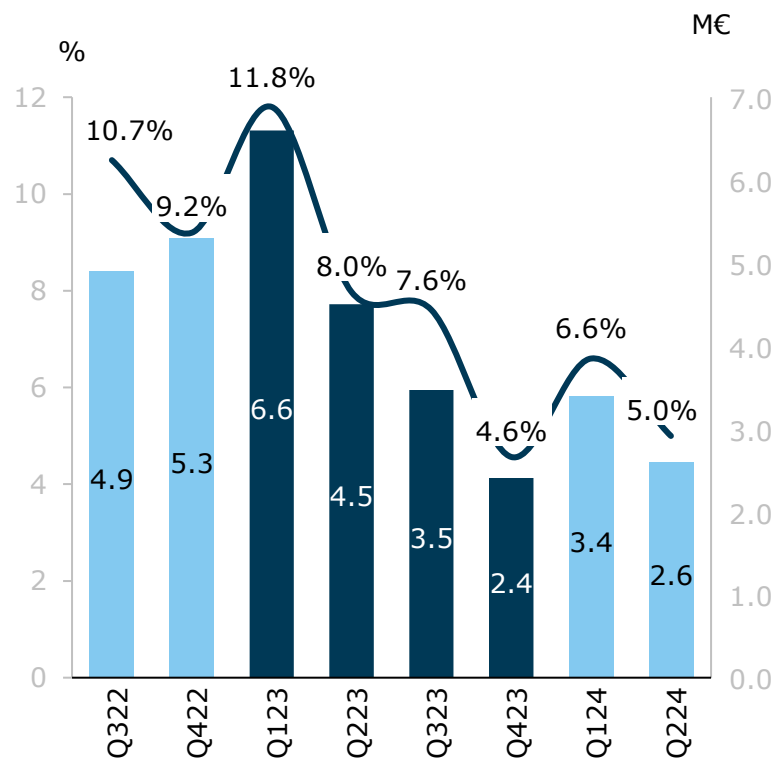
Net sales

EUR million



■ Net sales, EUR million

Profitability



■ EBITA, adjusted, m€

— EBITA, adjusted %

Factors impacting Q2

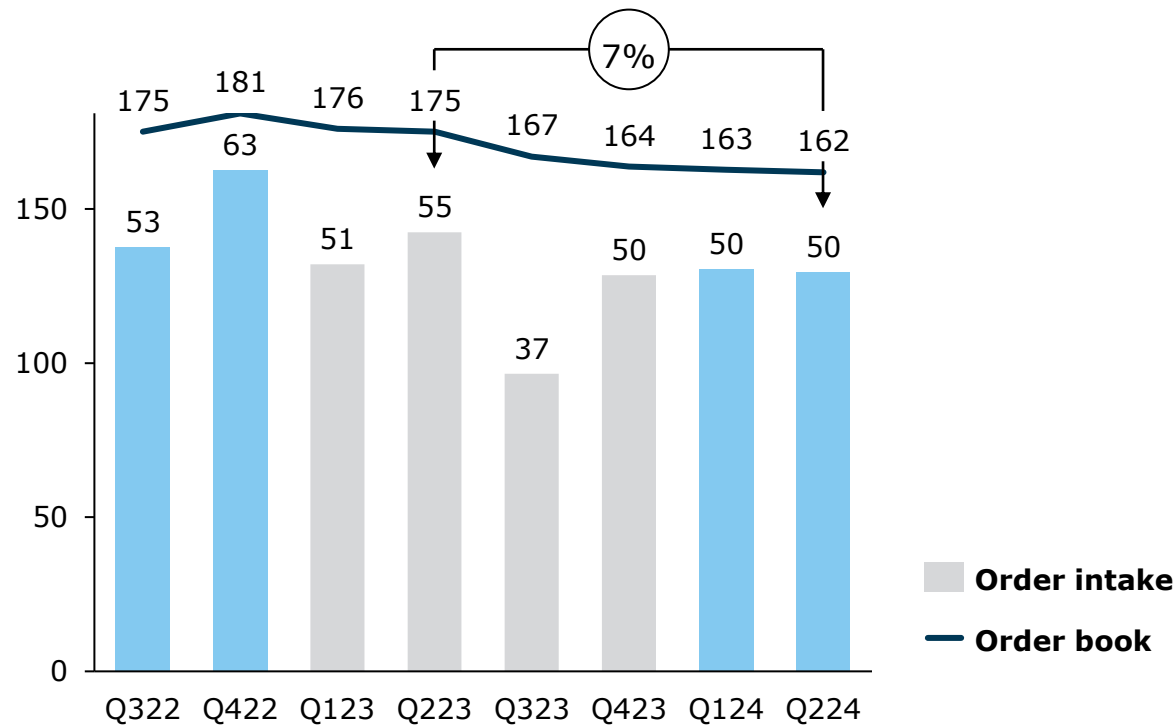
- + Infra and Digital Solutions on track considering their mixed markets. Public sector demand stable.
- + Contribution from own pricing and operational cost efficiency actions.
- + Positive calendar effect.
- Low volumes in Sweden – close to 2/3 of the margin drop y-o-y can be allocated to Sweden.
- Continued weak market in Buildings – close to 1/3 of margin drop y-o-y can be allocated to Buildings.

Order intakes and order books up in Infra and Digi

At group level both were stable in Q2

Order book and order intake

EUR million

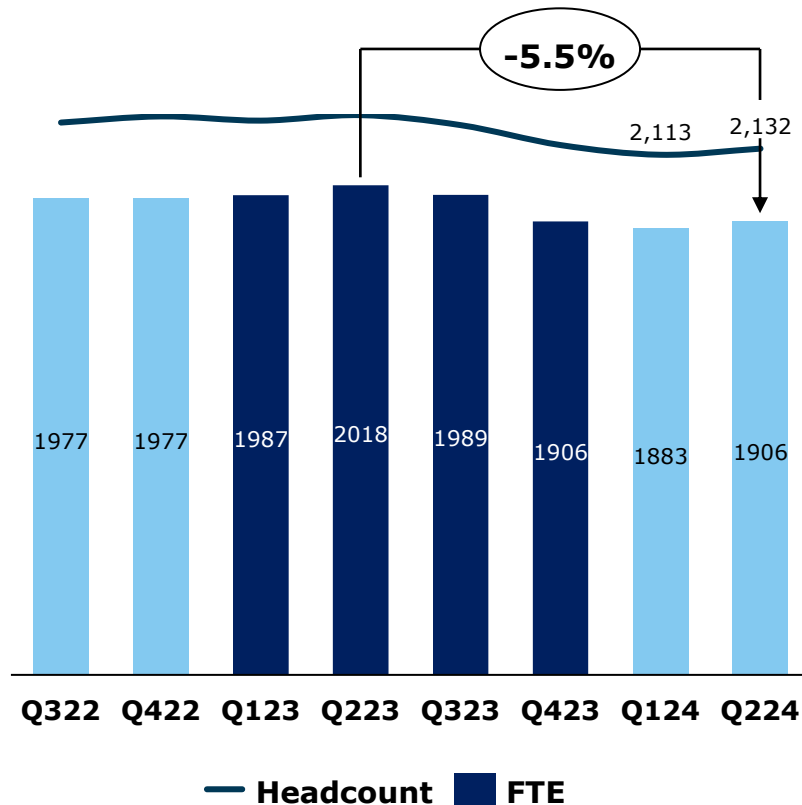


Picture: In Q2, Sitowise signed an agreement with Lentorata Oy on drawing up the general plan for the Airport line.

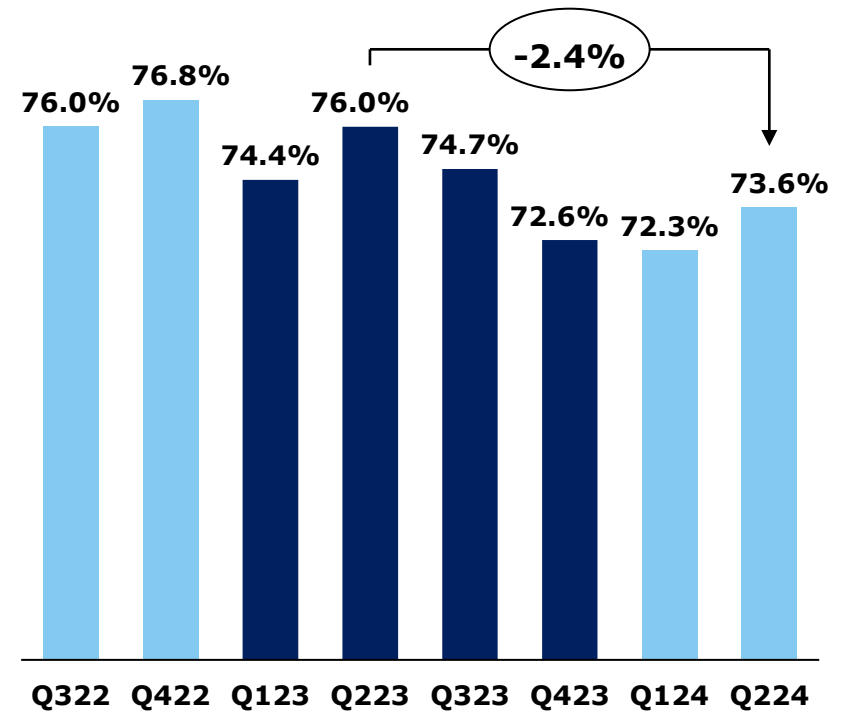


Number of FTEs and utilization rate improving quarter-on-quarter, but still behind the comparison period

Full-time Employees (FTEs)



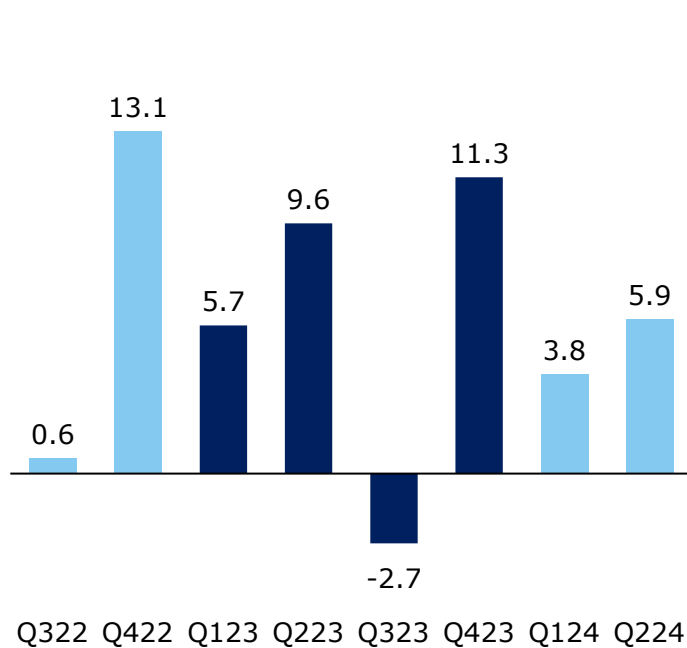
Utilization rate



Cash flow at a good level and financial position stable

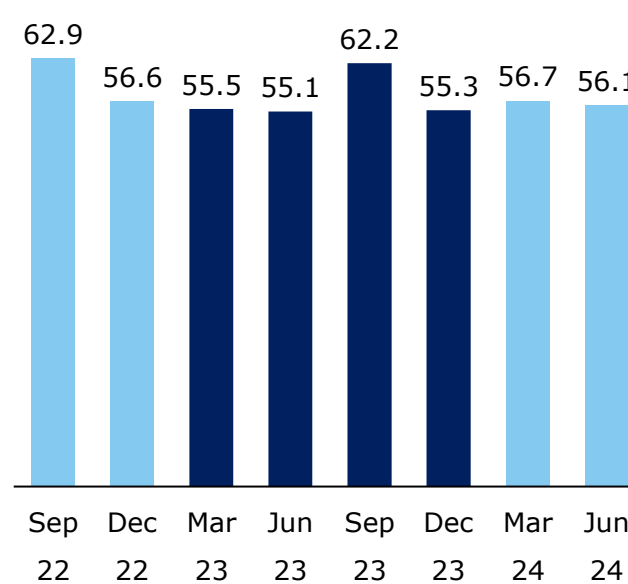
Cash flow from operating activities

Before financial items and taxes, EUR million



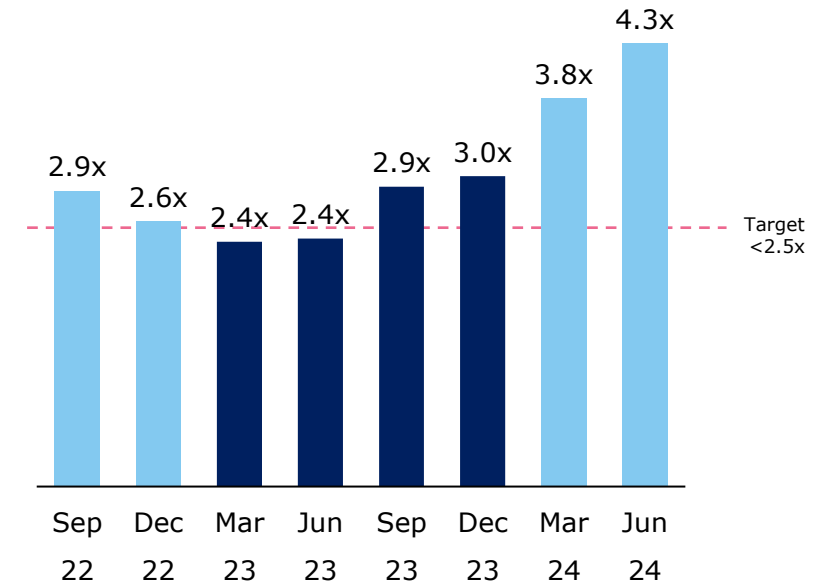
Net debt

EUR million



Leverage

Net debt / Adjusted EBITDA (LTM) multiple



- Sitowise has a 100 M€ financing agreement signed with its financiers in 2021 and further extended in February 2023. The agreement is valid until March 2026.
- At the end of June EUR 70.5 million of the financing agreement was in use (53% were fixed-rate loans and 47% variable-rate loans)
- In Q2 Sitowise agreed on temporary amendment to its loan covenant

Q2 and H1 2024 performance behind the comparison period

EUR million	Q2 2024	Q2 2023	Change	H1 2024	H1 2023	Change	2023
Net sales	50.9	56.5	-9.9%	102.4	112.5	-9.0%	210.9
EBITA, adjusted	2.6	4.5	-43.3%	5.9	11.1	-46.7%	17.0
% of net sales	5.0%	8.0%		5.8%	9.9%		8.1%
EBITA	2.2	4.4	-50.3%	5.2	10.6	-50.8%	15.1
Operating profit	1.1	3.6	-69.7%	3.0	9.1	-66.5%	11.7
Result for the period	-0.2	2.2	-107.5%	0.4	5.6	-93.3%	5.5
Cash flow from operating activities before financial items and taxes	5.9	9.6	-38.4%	10.9	15.2	-28.6%	23.9
Net debt	56.1	55.1		55.3	55.1		55.3
Net debt / EBITDA, adjusted	4.3x	2.4x		3.0x	2.4		3.0x
Equity ratio, %	43.6%	42.5%		42.9 %	42.5%		42.9%
Earnings per share (EPS), EUR	0.00	0.16	-105.2%	0.01	0.16	-91.7%	0.16
Dividend per share (DPS), eur							0.00
Number of personnel, average	2,111	2,229	-5.4%	2,115	2,229	-5.1%	2,151

Q2 2024 FTEs

-5.5%

YoY

2024 NET SALES

-9.9%

YoY

Q2 2024
ADJUSTED EBITA
MARGIN

5.0%

Outlook for 2024

- The long-term growth in the demand for Sitowise's services is supported by megatrends.
- Market environment is expected to remain mixed in H2.
- Growing demand for services related to green transition, security, and digitalization of the built environment will support business performance especially in Infra and Digital Solutions.
- In Buildings, H2 will still be weak, but we are seeing signs of the Finnish construction market bottoming out and gradual recovery.
- In Sweden challenges are expected to continue into H2 and improvement to be seen more clearly only in 2025.
- Other factors impacting include cost inflation, a higher number of working days, EUR/SEK exchange rate and higher interest expenses.

Guidance 2024

Sitowise Group's net sales is expected to decline in 2024, driven by the Buildings business decline and weakened growth outlook in Sweden for the second half of the year.

In year 2024, the adjusted EBITA margin (%) is expected to be lower than in 2023.



**Strategic
initiatives
progressing
well**



SITOWISE

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

Strategy execution in Q2 2024

The most **Innovative**

- **Progress in AI and smart services development.**
 - Continued commercialization of Sitowise's new Smart City Lab products.
- **International focus and expansion of Smartlas sales.**
- Sitowise AI Center of Excellence completed five AI experiments.
 - **Rollout of new AI tools organization-wide.**

The most **Sustainable**

- **Progress in new services:**
 - **Successful launch of Planect**, a tool for zoning climate impact assessment.
 - Soft-launched **CO2 Roadmap** for carbon footprint and climate strategy.
- The Smart City Talks on green transition and biodiversity.
- Preparations for EU sustainability reporting standards.

The most **Efficient**

- Optimizing expert work and workflows with generative and predictive AI.
- Elevating sales culture, pricing excellence, and diligent project work.
- Renewing project manager training



Thank you!

Q&A

**Sitowise Q3 2024 Result
will be published on 7 November.**

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