

A man with short brown hair and glasses, wearing a blue denim shirt, stands with his arms crossed in front of a blurred background of a house with a red roof and a white door. The scene is outdoors with trees and a clear sky.

**SITOWISE**

**Determined  
actions for  
better future  
profitability**

**SITOWISE GROUP PLC  
Q3 2024 RESULT PRESENTATION  
7 NOVEMBER 2024**

# Agenda

1. Q3 summary and key events
2. Q3 performance
3. Market outlook & guidance for 2024
4. Strategy implementation
5. Q&A



CEO  
**Heikki Haasmaa**



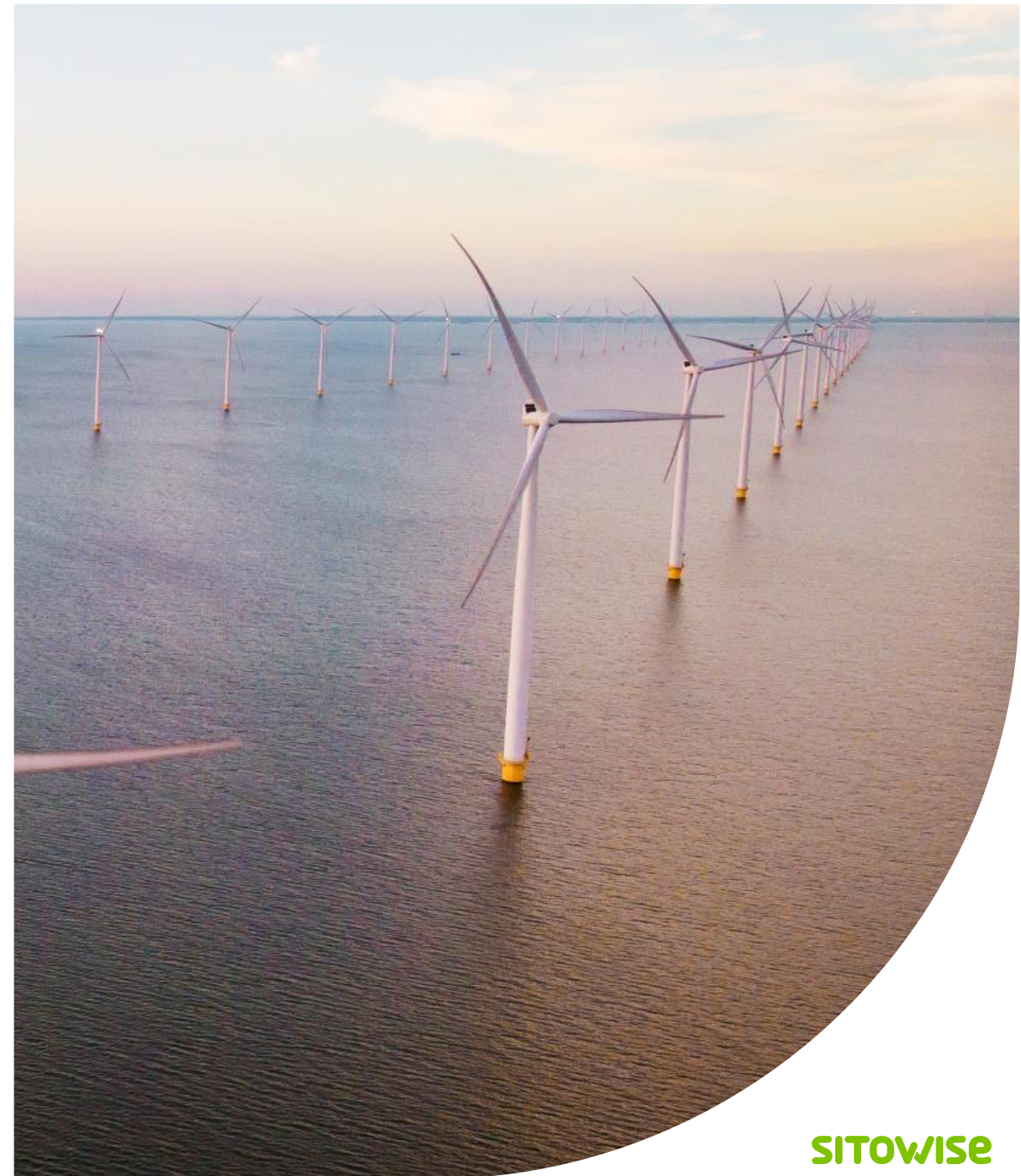
CFO  
**Hanna Masala**

# Q3: Infra and Digital Solutions outperformed markets in terms of net sales and profitability, foundation for the Swedish turnaround established

- **Net sales** down by 8.4%\* to EUR 41.8 (45.6) million, organic growth -10%.
- **Adjusted EBITA** EUR 2.4 (3.5) million. Adjusted EBITA margin 5.8% (7.6%).
- **Operating profit** EUR -0.2 (2.3) million
- **Cashflow from operating activities** before financial items and taxes EUR -0.3 (-2.7) million.
- **Leverage** (net debt / adjusted EBITDA) was 5.0x (2.9x).
- **Order book** totaled EUR 154 (167) million.

# Q3 highlights

- **Infra and Digi performance**
- **Sweden turnaround actions**
- **Vantaa light rail alliance and other important project wins**
- **Tendering activity and hit rates increasing**
- **Acquisition of LandPro Oy in September**
- **“Internal Chat-GPT” Saga AI launched for active use**



# 'Building for the Future' program progressing well

- **In Sweden focus on resource optimization**
  - Headcount down by approx. 10% in Q3
  - Streamlining operations into a nationwide model
  - New sales organization supporting proactive sales
- **In Buildings focus on operational efficiency**
  - Temporary layoffs and optimizing organization
  - Proactive sales to target segments
  - Focus on project overruns and projects on hold
- **In total approx. 3.5 M€ savings annually, if all other conditions remain constant**

## Building for the future – actions in Sweden

### Sweden priorities

- 1) Renewing business organization
- 2) Increasing sales and profitability of projects
- 3) Operating efficiently

We shift to a business-driven organization driving growth on business segments instead of regions ✓

We focus on sales and project profitability and introduce a key account organization ✓

We ensure every krona spend benefits the business ✓

Together, we drive positive change – Everyone matters! ✓

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## Building for the future – actions in Buildings

### Buildings priorities

- 1) Renewing and developing as experts
- 2) Growing sustainably
- 3) Operating efficiently

### Focused actions in August and onwards

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 temporary layoffs, where needed ✓

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# Infra

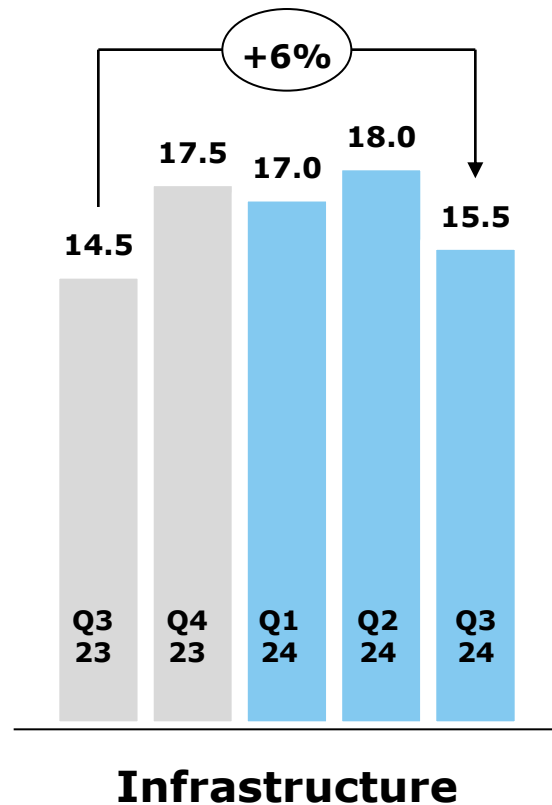
**Q3 win: The planning of the western part of the Vantaa light rail between the Helsinki Airport and Tikkurila together with Ramboll.**

Picture credits: City of Vantaa and Ramboll.



# Another strong quarter in Infra

## NET SALES PER QUARTER, figures in EUR million



## FACTORS IMPACTING Q3

- **Strong demand** for energy, environmental and security-related projects.
- **Challenges in traditional markets**  
Low demand for municipal infrastructure design, intense price competition in public sector tendering.
- **Utilization under pressure**  
due to time spent on sales.

## OUTLOOK

- **Market environment expected to remain stable yet mixed** with stronger and weaker segments.
- **Strategic initiatives and multidisciplinary expertise support growth** – LandPro and other acquisitions completed, organizational reform in Q3 2024.
- **Order book at good level.**

# Buildings

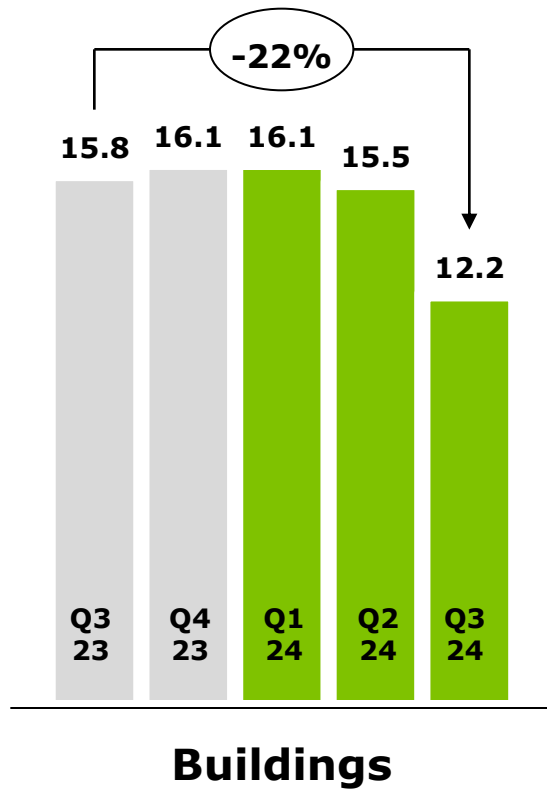
**Q3 win: structural engineering and fire design for  
Tikkurila School Campus, City of Vantaa**  
Picture credits: Lahdelma & Mahlamäki architects





# Buildings continues to adapt to weak market

## NET SALES PER QUARTER, figures in EUR million



## FACTORS IMPACTING Q3

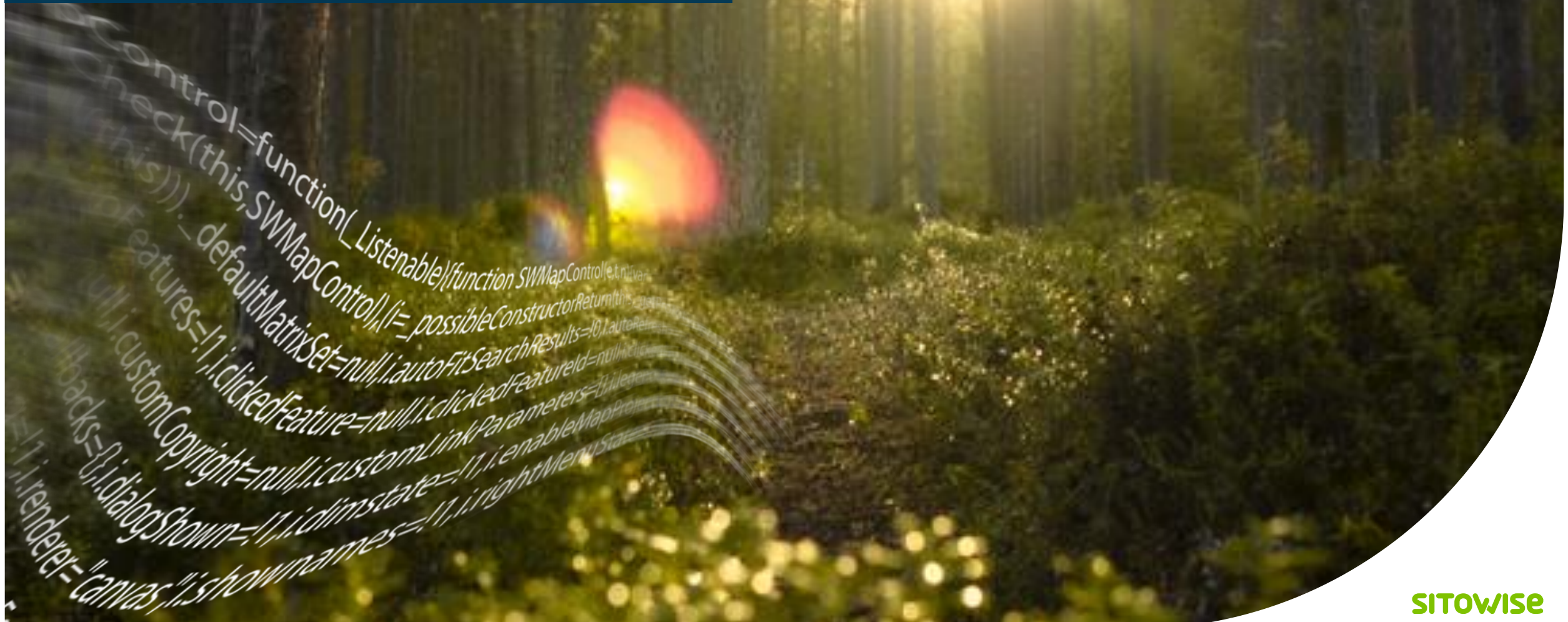
- **The market continues to be very weak**, especially the residential newbuilds.
- **Operational adjustments ongoing**: FTEs down by one fifth y-o-y, temporary layoffs ongoing, optimizing organization and processes.
- **Important multidisciplinary project wins** such as industrial project with ECPM\* delivery and structural engineering and fire design in Tikkurila school campus, but order intake still at low level.

## OUTLOOK

- **Timing of market recovery highly uncertain**: expected to start more in the second half of 2025.
- **Challenges continue in 2024**  
Low volumes, continued temporary layoffs, lower order book with significant number of projects put on hold.
- **Positive medium- and long-term outlook**, focus on sales to defined growth segments.

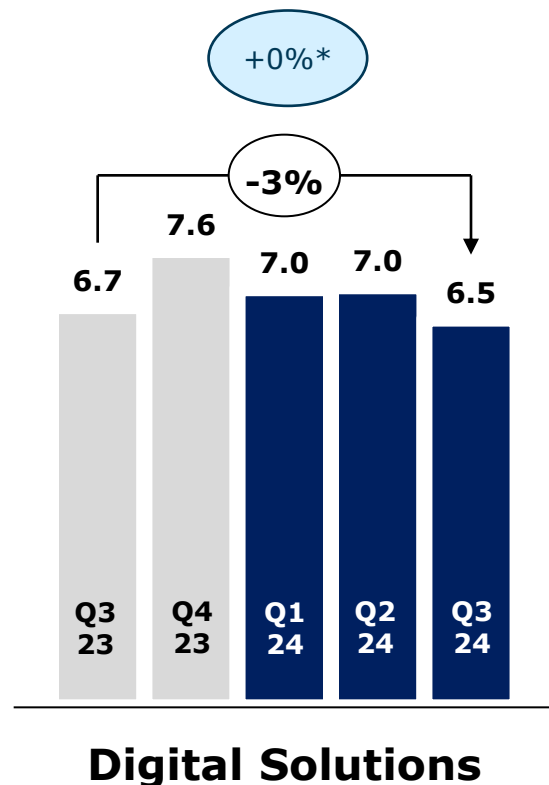
# Digital Solutions

**Q3 win: State-owned forestry company Roads system for maintaining information on forest roads**



# Digital Solutions delivers industry leading profitability supported by growing SaaS business

## NET SALES PER QUARTER, figures in EUR million



## FACTORS IMPACTING Q3

- **Mixed market environment**  
Low private sector demand except in renewable energy, forestry, and other industry sectors; public sector slowdown due to budget negotiations.
- **Comparable net sales stable y-o-y**, positive impact from improved utilization and pricing and product sales.
- **Strong SaaS product performance and order growth**  
SaaS products >25% of net sales. Order intake increased significantly q-o-q.

## OUTLOOK

- **Mixed demand dynamics continue** with public sector pressure and private sector growth opportunities demand in energy, industry, and forestry remain strong.
- **Market outlook for 2025 promising.**
- **Strong focus on SaaS:** new market discovery and developing and packaging new value modules for clients.
- **Order book at good level.**

\* Without the change in the re invoicing of certain subcontracted work, which came into effect in October 2023, net sales would have been stable y-on-y.

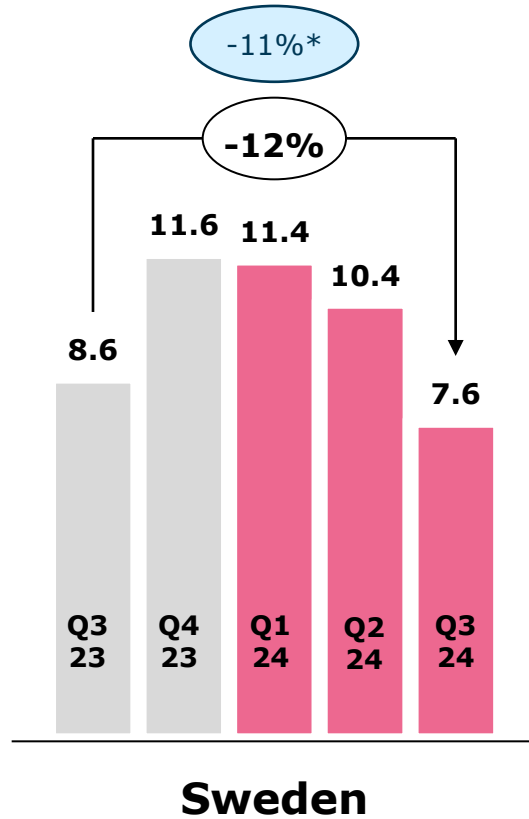
# Sweden

In Q3 several smaller wins especially in the life science sector.



# Moving to the right direction in Sweden with clear progress in operational KPIs towards the end of Q3

## NET SALES PER QUARTER, figures in EUR million



## FACTORS IMPACTING Q3

- **Continued weak market environment** in Sitowise's segment.
- **Focus on rightsizing and streamlining organization.**
- **Utilization and order intake clearly improving** towards the end of Q3.
- **Order book stabilized in Q3.**

## OUTLOOK

- **High sales focus**, optimizing organization continues.
- **Clear improvement in profitability expected in Q.4**
- **Market recovery in 2025 generally expected slightly ahead of Finland.**

\* Decline in constant currency year-on-year.

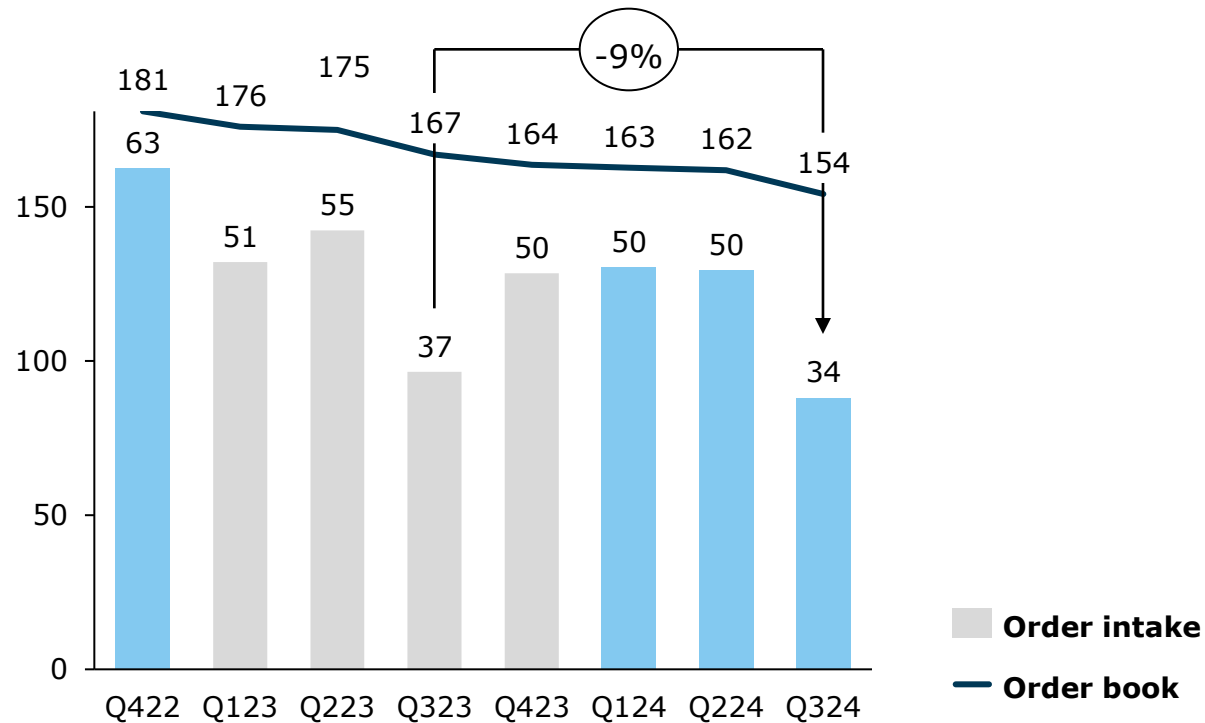


# Group performance

# Sales activity increased, focus on defined growth segments

## Order book and order intake

EUR million



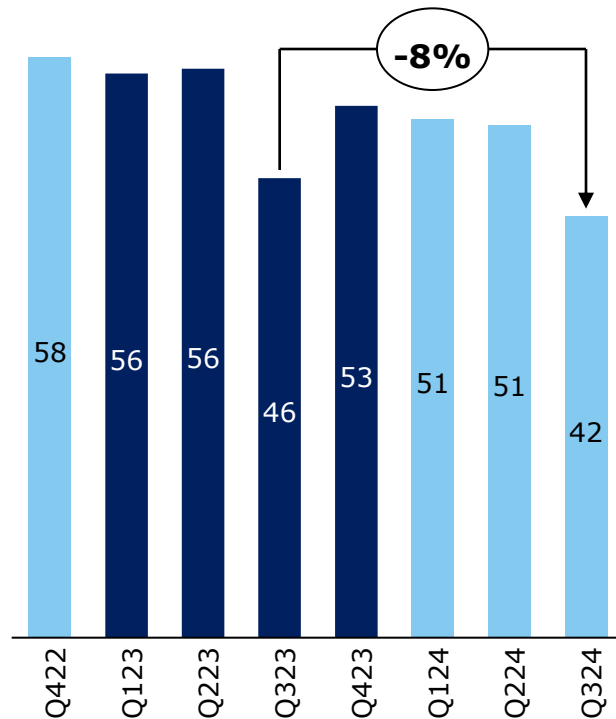
**Q3 win:** Innovestor's energy storage project (BUILDINGS).  
Image: Sitowise/Innovestor



# Group level performance driven by strong Infra and Digital Solutions and weaker Sweden and Buildings

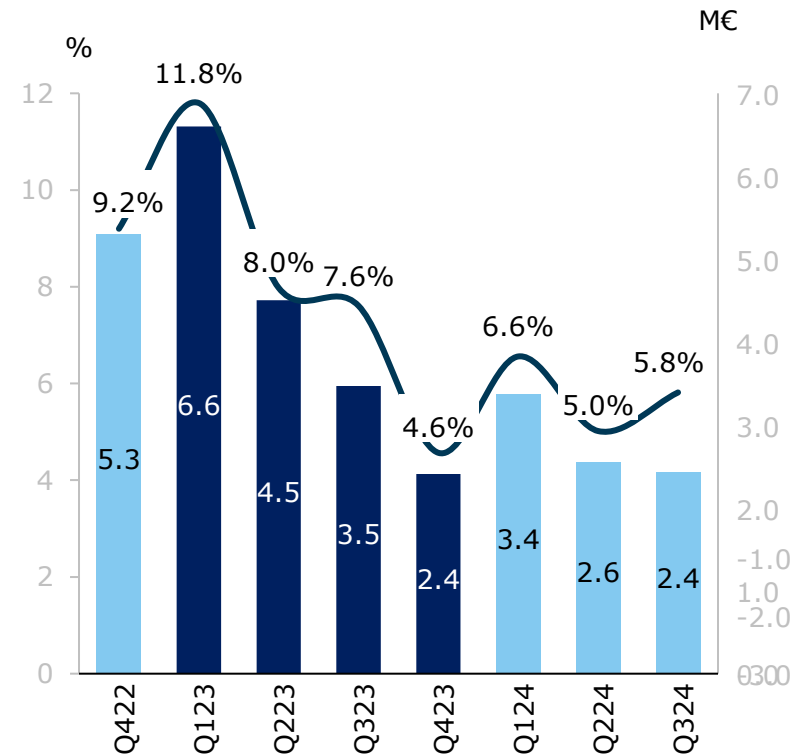
## Net sales

EUR million



■ Net sales, EUR million

## Profitability



■ EBITA, adjusted, m€

— EBITA, adjusted %

## Factors impacting Q3

- + Infra and Digital Solutions are outperforming their markets.
- + Contribution from own pricing and operational cost efficiency actions.
- (+) Positive calendar effect partially lost due to timing in July.
- Poor performance in Sweden and Buildings.
- Overall tight competition and pricing environment.



# Well diversified portfolio helps driving profitable growth in changing market



|                          | Share of net sales | Market outlook     | Current profitability |
|--------------------------|--------------------|--------------------|-----------------------|
| <b>Infra</b>             | 37%                | Stable             | Above target          |
| <b>Buildings</b>         | 29%                | Weak               | Negative              |
| <b>Digital Solutions</b> | 16%                | Stable (improving) | Above target          |
| <b>Sweden</b>            | 18%                | Weak (improving)   | Negative              |

**Timeframe:**

Q3 2024

Next 12 months

Q3 2024

**Definitions:**

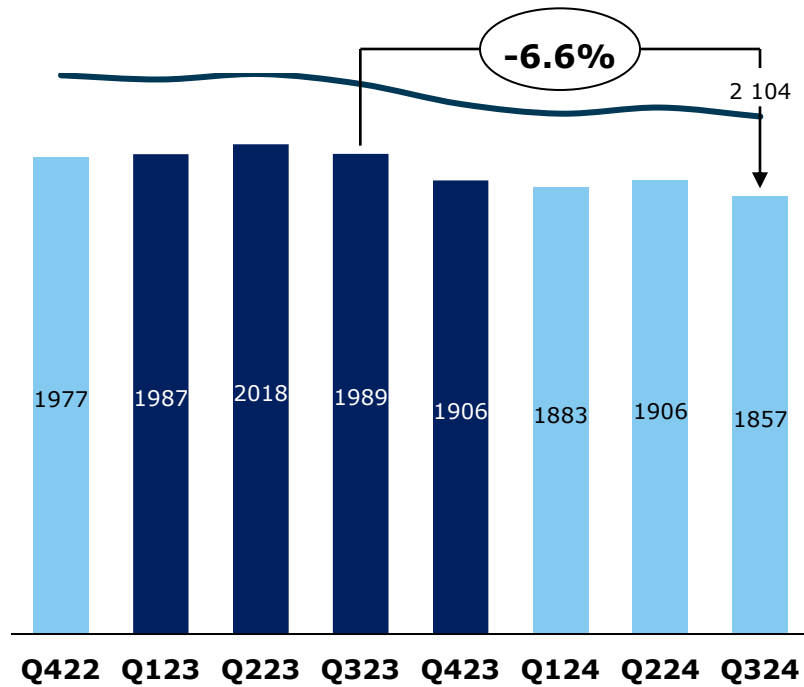
Percentage of consolidated net sales

Strong / Stable / Weak

Adj. EBITA-% / Above: >12%;  
In line: 10-12%; Below: 5-10%;  
Clearly below: 0-5%; Negative <0%

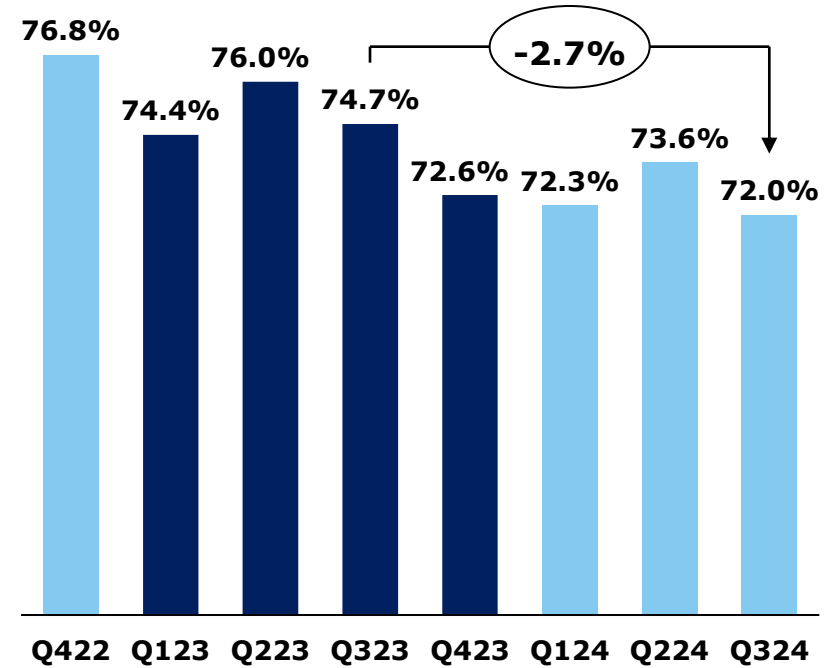
# Utilization rate stressed by overcapacity in Sweden and Buildings, and time spent on sales and tendering

## Full-time Employees (FTEs)



— Headcount

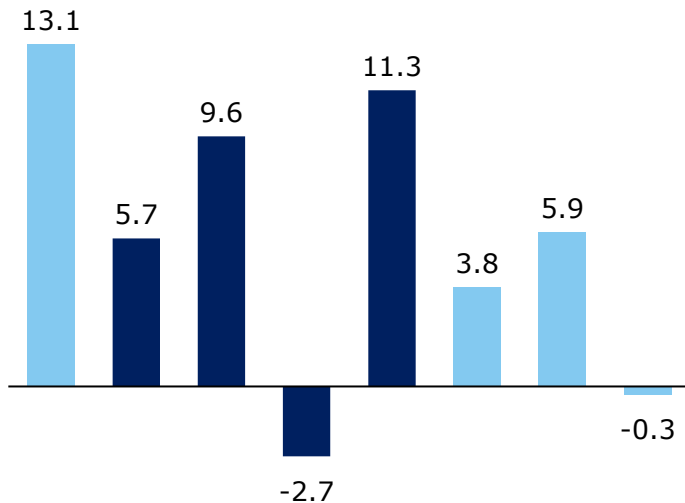
## Utilization rate



# Cash flow improved year-on-year, financial position stable despite increased leverage ratio

## Cash flow from operating activities

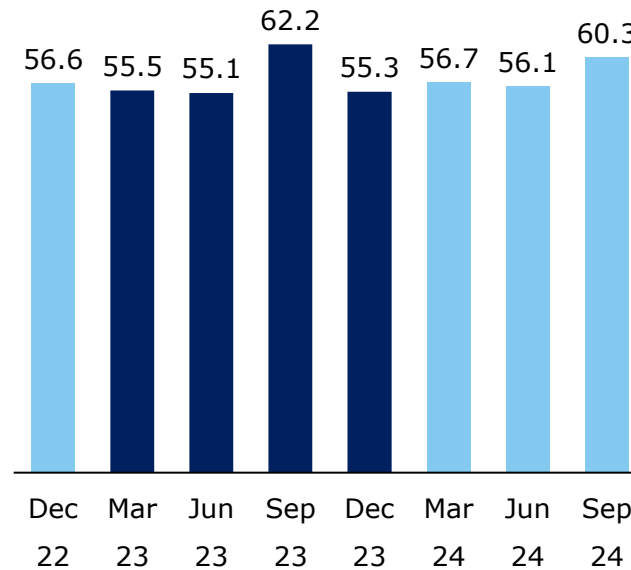
Before financial items and taxes, EUR million



Q422 Q123 Q223 Q323 Q423 Q124 Q224 Q324

## Net debt

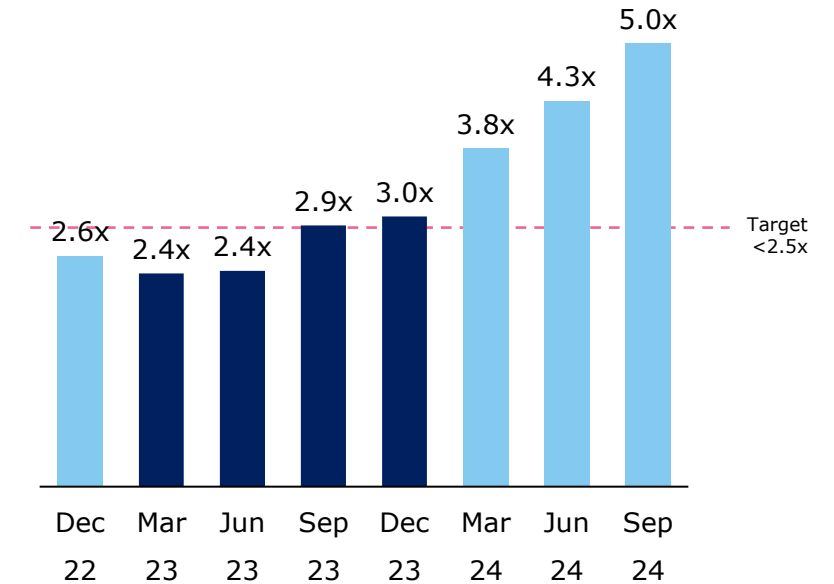
EUR million



Dec 22 Mar 23 Jun 23 Sep 23 Dec 23 Mar 24 Jun 24 Sep 24

## Leverage

Net debt / Adjusted EBITDA (LTM) multiple



Dec 22 Mar 23 Jun 23 Sep 23 Dec 23 Mar 24 Jun 24 Sep 24

- 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 September EUR 70.5 million of the financing agreement was in use (53% were fixed-rate loans and 47% variable-rate loans)
- Sitowise has agreed on temporary amendment to its loan covenant

# Q3 2024 Profit and Loss Statement

| EUR million   | Q3 2024 | Q3 2023 | Change   | 1-9 2024 | 1-9 2023 | Change  | 2023  |
|---|---------|---------|----------|----------|----------|---------|-------|
| <b>Net sales</b>  | 41.8    | 45.6    | -8,4 %   | 144.2    | 158.1    | -8.8%   | 210.9 |
| <b>EBITA, adjusted</b>  | 2.4     | 3.5     | -30,0 %  | 8.4      | 14.6     | -42.8%  | 17.0  |
| % of net sales  | 5.8%    | 7.6%    |          | 5.8%     | 9.2%     |         | 8.1%  |
| <b>EBITA</b>  | 1.3     | 3.3     | -60,7 %  | 6.5      | 13.9     | -53.1%  | 15.1  |
| <b>Operating profit</b>   | -0.2    | 2.3     | -109,7 % | 2.8      | 11.4     | -75.1%  | 11.7  |
| <b>Result for the period</b>  | -1.5    | 0.8     | -289,6 % | -1.1     | 6.4      | -116.8% | 5.5   |
| <b>Cash flow from operating activities before financial items and taxes</b> | -0.3    | -2.7    | 87,8 %   | 10.6     | 12.6     | -16.0%  | 23.9  |
| <b>Net debt</b>   |         |         |          | 60.3     | 62.2     | -3.1    | 55.3  |
| <b>Net debt / EBITDA, adjusted</b>  |         |         |          | 5.0x     | 2.9x     | 69.8%   | 3.0x  |
| <b>Equity ratio, %</b>  |         |         |          | 44.6%    | 44.7%    |         | 42.9% |
| <b>Earnings per share (EPS), EUR</b>  | -0.04   | 0.18    | -283,4 % | -0.03    | 0.18     | -114.6% | 0.16  |
| <b>Dividend per share (DPS), eur</b>  |         |         |          |          |          |         | 0.00  |
| <b>Number of personnel, average</b>   | 2,110   | 2,224   | -4,8 %   | 2,113    | 2,224    | -5.0%   | 2,151 |

Q3 2024 FTEs  
**-6.6%**  
 YoY

Q3 2024 NET  
 SALES  
**-8.4%**  
 YoY

Q3 2024  
 ADJUSTED EBITA  
 MARGIN  
**5.8%**

# 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 Q4 2024.
- Growing demand for services related to green transition, security, and digitalization supporting business performance especially in Infra and Digital Solutions.
- In Buildings, Q4 will still be weak. Sitowise considers the timing of the construction market recovery to be highly uncertain and anticipated to take place more in H2 2025.
- In Sweden a clear profitability improvement expected in Q4 and a return to gradual net sales growth in 2025. The construction market recovery expected to occur slightly ahead of Finland.
- Other factors impacting Q4 2024 include cost inflation, 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 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

# Strategic initiatives progressing well



## The most Innovative

- **New smart services and AI-based solutions**
  - Smartlas new market discovery
  - Planect sales and new value model packaging
  - Development of a new land-mass management product on the Louhi GIS platform
  - Development of AI capabilities and solutions



## The most Sustainable

- **Development of offerings related to responsibility and biodiversity**
- **Development of a climate action plan** including updated climate targets and transition plan
- **Smart City Talks** event addressing carbon neutrality goals and legislation requirements.



## The most Efficient

- Targeting a **lean operating model** with focus on client work.
- **Optimizing expert work** with generative AI
- **AI training and sharing best practices**
- Continued development of **sales culture and project work.**





# Thank you! Q&A

## SAVE THE DATE

**Sitowise Digital Solutions deepdive  
(webcast and live event)  
4 Dec 2024 @10 am EET**

**Sitowise Q4/FY 2024 Result  
12 February 2025 @8.30 am EET  
[ir@sitowise.com](mailto:ir@sitowise.com)**