



**SOLWERS**

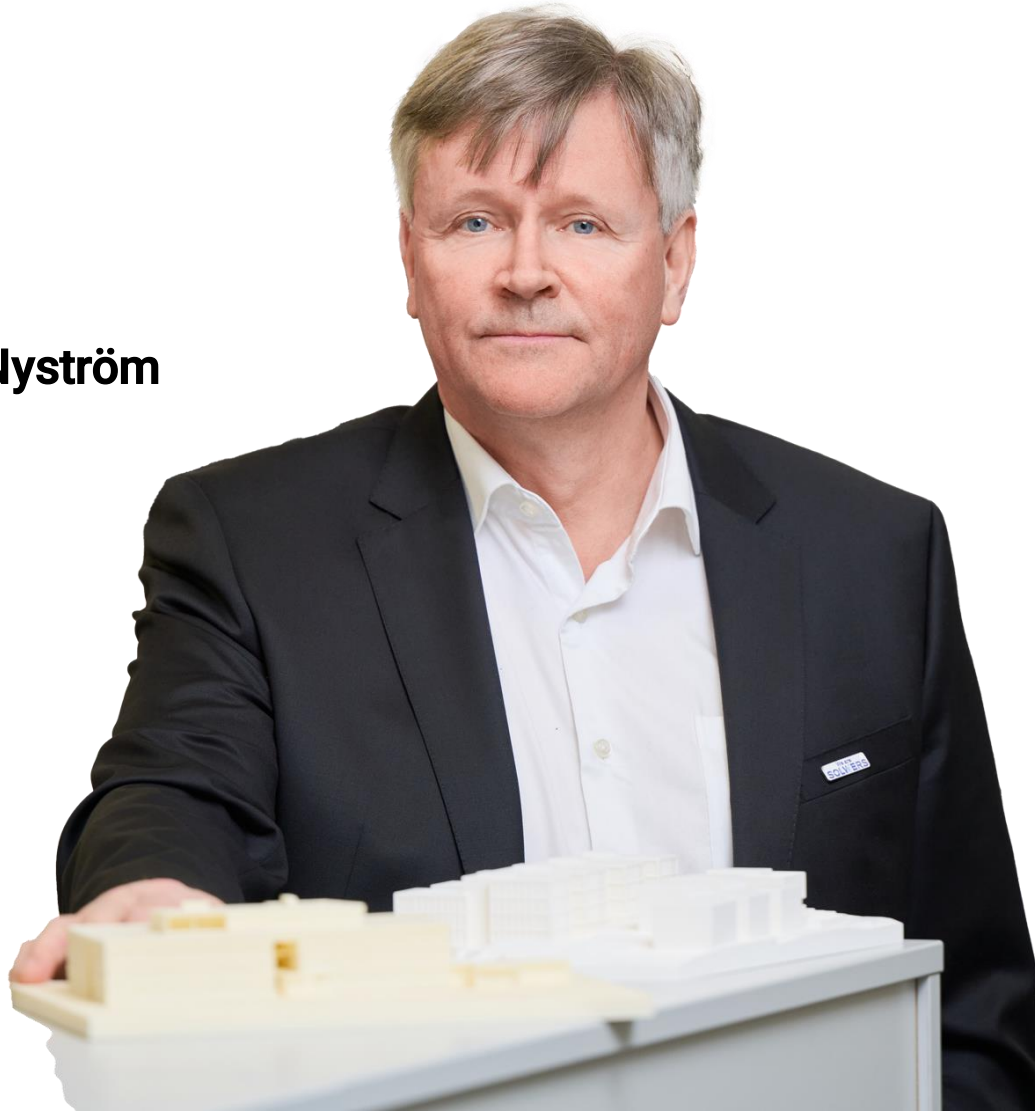
**Strong growth continued and  
profitability improved**

Year 2022

28 February, 2023

# On the stage

**Stefan Nyström**  
CEO



**Roger Lindqvist**  
CFO







# Business review 2022

CEO

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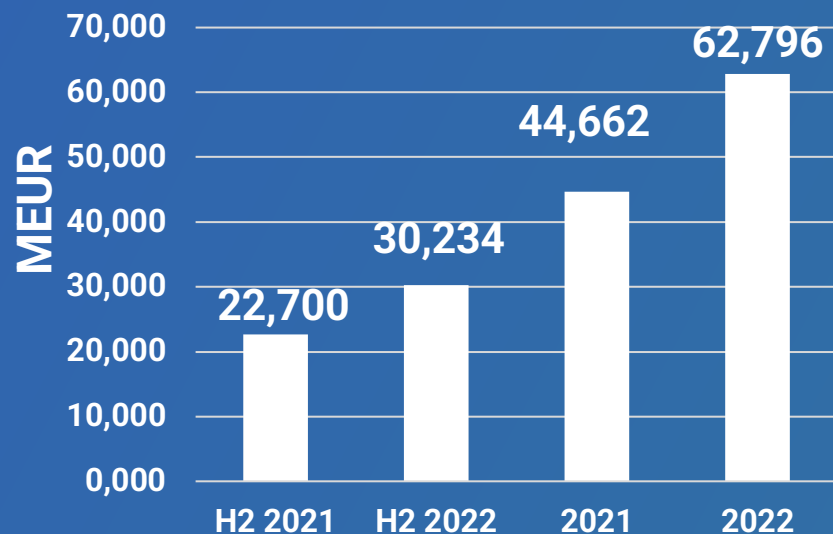


# Year in brief

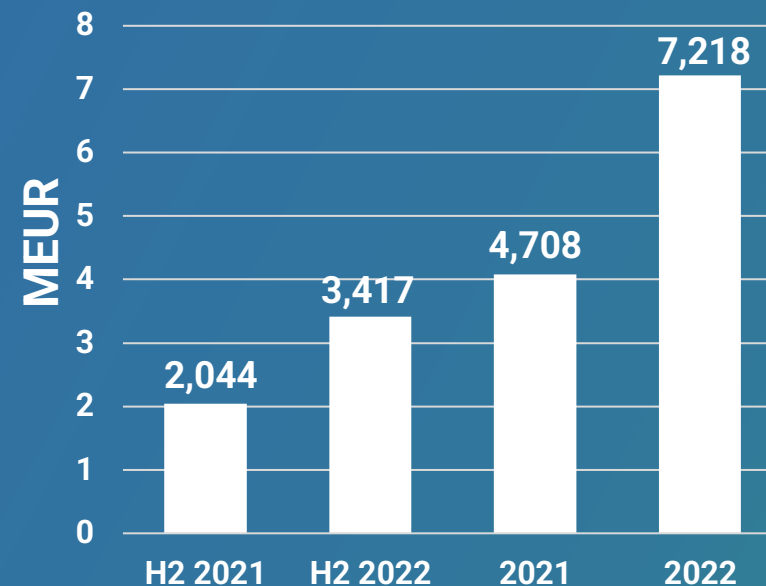
- / Strong growth continued
- / Profitability close to and equity ratio above mid-term target
- / Order stock and invoicing rate on good level
- / Two new companies joined the group
- / 1,020,000 new shares issued to selected investors in December and raised EUR 4.5 million

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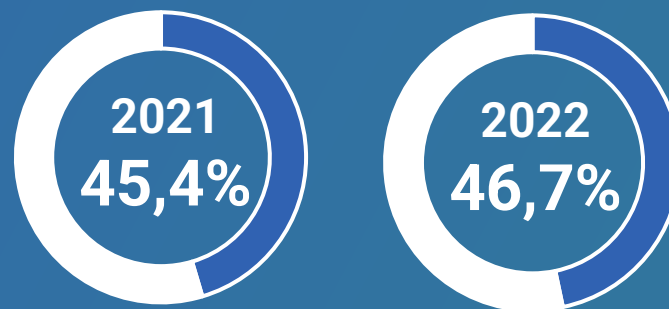
## Strong revenue growth +40.6%



## EBITA growth to 11.5%



## Equity Ratio



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# New Solwers companies



Establish © Schening

Stockholm, Sweden  
Logistics/Management consulting



ARKKITEHTITOIMISTO  
SABELSTRÖM  
ARKITEKTKONTOR OY

Subsidiary of Lukkaroinen Architects  
Turku, Finland  
Architectural and interior design

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# Interesting projects in 2022: schools and hospitals

- Lukkaroinen Architects' ongoing large hospital projects in Oulu, Helsinki and Espoo
- The Kuopio Senior High School of Arts (Lumit) based on an architecture competition won by Lukkaroinen team.





# Savilahti Multipurpose Centre

- A good example of **cooperation** between the Solwers companies is the Savilahti Multipurpose Centre in Kuopio.
- The project involves extending the old storage tunnels previously used by the Finnish Defence Forces into one large multi-purpose hall.
- Architectural design by aDT, structural engineering by Pontek, rock engineering by Rockplan and noise and vibration measurement by Kalliotekniikka





# Norrbotnia railway line

- The Norrbotnia railway line is planned between Umeå and Luleå. In the project our Swedish subsidiary Licab is responsible for e.g., project management, technical support, and safety issues
- Licab plays a major role in the implementation of the ERTMS system (European Rail Traffic Management System), in which the customer, Swedish Trafikverket, utilizes Licab expertise for design, contracting, commissioning, construction management and supervision



# From industry solutions to windfarms

- ELE Engineering's experts were employed by well-known major clients to develop industry process solutions and train coupling systems, while other projects ranged from cable management for offshore wind farms to next-generation substations and power transmission solutions.





# Events after the financial year

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# New acquisition in February

21.2.2023 acquisition of Transport Consultancy Group Nordic AB

- based in Stockholm
- specialized in technical consultancy in rail industry:
- consulting services, project, documentation, quality and asset management and supply assurance
- customers: Swedish state and regional public organizations engaged in rail transport as well as leading international train suppliers.
- directed share issue to the sellers, 81.505 shares.



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# Circular economy – winning project

Our winning project in a competition organized by the City of Espoo to find concepts for the reuse of building materials and parts in the Kera area.

Solwers' multidisciplinary team won the competition in early 2023 with the design "To the Next Level".

The winning proposal offers a concept that aims to take the circular economy in construction to the next level from a Finnish perspective.



# Financial review 2022

CFO

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## Key figures

EUR thousand	2022	2021	H2 2022	H2 2021
Revenue	62,796	44,662	30,234	22,700
Revenue growth	40.6 %	36.8 %	33.2 %	21.0 %
EBITDA	8,156	5,495	3,911	2,482
EBITDA-%	13.0 %	12.3 %	11.3 %	9.0 %
EBITA	7,218	4,708	3,417	2,044
EBITA-%	11.5 %	10.5 %	11.3 %	9.0 %
EBIT	5,091	3,371	2,283	1,353
EBIT-%	8.1 %	7.5 %	7.6 %	6.0 %
Net profit	3,574	1,894*	1,656	844*
Net profit-%	5.7 %	4.2 %*	5.5 %	3.7 %*
Earnings per share, EPS (EUR)	0.38	0.23*	0.18	0.09*

\* Comparison period has been restated for treatment of foreign exchange differences stemming from net investments in foreign subsidiaries

## Key figures, continued

EUR thousand	2022	2021	H2 2022	H2 2021
Revenue per employee	105	112	50	52
Billing rate	80.0 %	82.2 %	79.3 %	82.7 %
Adjusted equity	38,158	31,909	38,158	31,909
Total assets	81,682	70,354	81,682	70,354
Adjusted equity ratio	46.7 %	45.4 %	46.7 %	45.4 %
Net debt	13,366	14,119	13,366	14,119
Net debt / EBITDA	1.6	2.6		
Headcount, average	600	397	607	441
Headcount, at period end	582	571	582	571



# Assets

EUR thousand	31.12.2022	31.12.2021	30.6.2022	30.6.2021
Goodwill	37,836	33,507	35,445	19,140
Other intangible assets	1,286	914	1,062	3,024
Tangible assets	5,651	5,850	5,872	2,704
Investment and receivables	<u>3,339</u>	<u>3,309</u>	<u>3,303</u>	<u>3,082</u>
<b>Non-current assets</b>	<b>48,112</b>	<b>43,580</b>	<b>45,682</b>	<b>27,950</b>
Receivables	14,586	13,637	16,220	10,661
Other	502	495	495	454
Cash	<u>18,482</u>	<u>12,642</u>	<u>12,553</u>	<u>17,130</u>
<b>Current assets</b>	<b>33,570</b>	<b>26,774</b>	<b>29,268</b>	<b>28,246</b>
<b>TOTAL ASSETS</b>	<b>81,682</b>	<b>70,354</b>	<b>74,949</b>	<b>56,196</b>

# Equity & liabilities

EUR thousand	31.12.2022	31.12.2021	30.6.2022	30.6.2021
Share capital	1,000	1,000	1,000	1,000
Other restricted equity	140	28	29	42
Invested free capital fund	35,989	31,120	31,501	28,666
Retained earnings	374	-889	-224	-1,301
Non-controlling interest	654	650	590	475
Equity	38,158	31,909	32,895	28,884
Loans from credit institutions	18,743	15,487	17,889	10,289
Leasing debt	4,049	4,317	4,160	3,618
Other interest bearing debt	1,571	1,038	1,552	375
Acquisition debt	7,485	5,919	4,736	3,173
Debt	31,848	26,761	28,337	17,455
Other non-interest bearing liabilities	11,676	11,684	13,717	9,857
TOTAL EQUITY AND LIABILITIES	81,682	70,354	74,949	56,196



## Cash flow

EUR thousand	2022	2021	H2 2022	H2 2021
<b>Operating cash flow</b>	<b>+5,805</b>	<b>+4,684</b>	<b>+3,985</b>	<b>+2,927</b>
Investment in non-current assets	-1,212	-811	-996	-358
Business combinations	-1,817	-10,004	0	0
Acquisition of non-controlling interest	0	-913	0	0
Other	+9	+305	-13	+177
<b>Cash flow from investment activities</b>	<b>-3,020</b>	<b>-11,423</b>	<b>-1,009</b>	<b>-10,030</b>
IPO proceeds (net)	0	+8,807	0	+17
Share issues (net)	+4,253	+3,414	+4,253	-187
Loans raised	+5,036	+15,038	0	+5,030
Loan installments	-1,515	-7,999	-566	-218
Leasing debt payments	-2,530	-1,902	-1,364	-929
Payment of non-interest bearing debts	-2,117	-1,309	+69	-86
Dividends	-529	-1,998	+24	-976
Other	+456	-51	+565	-36
<b>Cash flow from financing activities</b>	<b>+3,054</b>	<b>+13,280</b>	<b>+2,981</b>	<b>+2,616</b>
Cash at the end of the period	18,482	12,642	18,482	12,642
<b>Increase (+) / decrease (-) of cash</b>	<b>+5,839</b>	<b>+6,541</b>	<b>+5,930</b>	<b>-4,488</b>

## The Board's proposal for the distribution of profit

- At the end of the financial year 2022, Solwers Plc's distributable funds amounted to EUR 38,045,715.09, of which the loss for the financial year was EUR -416,329.75.
- The Board of Directors proposes to the Annual General Meeting that the loss for the financial year be transferred to retained earnings and that a dividend of EUR 0.073 per share, corresponding to EUR 723,799.89 in total, be paid from retained earnings.



# Strategic targets and outlook

CEO

**SOLWERS**

# Mid-term Financial Targets

**>20%**

revenue growth  
(12 months)

**>12%**

EBITA %

**>40%**

Equity  
ratio



# Market outlook

- The transition to fossil-free energy and industrial production will bring significant new investments.
- A variety of new energy sources, energy storage, power transmission systems and automation solutions will increase the demand for engineering and project management services.

It is likely that residential and office construction will decrease during 2023.

- As only a minor share of Solwers' revenue comes from residential and office projects, we believe that if the downturn is mild as forecasted, the impact on Solwers will not be significant.



# Market outlook



- Circular economy projects, which will continue to grow rapidly, will also bring more customer engagements, as the reuse of buildings requires more engineering and project management than new construction.
- Our business sector has suffered from a chronic shortage of skilled professionals over the past decade.
- A mild recession is likely to ease and balance out labor demand.



# Solwers outlook 2023

An overhead photograph of two people, a man and a woman, sitting at a white table. The man, on the left, is wearing a dark jacket and is looking down at a large architectural model of a building. The woman, on the right, is wearing a white shirt and is pointing at a document on the table. The table is covered with various items: a laptop, a tablet, several sheets of paper with diagrams and charts, a coffee cup, and the large architectural model. The background is a light-colored, textured wall.

We expect revenue to grow and earnings to remain at a good level.

We intend to continue acquisitions which support our existing business.

We manage our business risk by operating in many locations in two countries and by having a diverse service portfolio consisting of a large number of projects.

Demand for engineering and project management work related to energy production and circular economy projects is also expected to grow and give us new opportunities.





Q&A  
We are SOLVERS  
Thank you!

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