



# Results presentation 2022 28 February 2023

# Year 2022: Strategy change launched

## ***The new strategy***

*initiated a journey of transformation from an investment company to a conglomerate*

***EUR 483 million***

*combined net sales of the target companies*

**14.9%**  
*gearing*

**+15%**

*KH-Koneet Group's net sales growth in 2022*

**-9.2%**

*return on equity*

***3 target companies***  
*grew through acquisitions*

# Sievi Capital is transforming its operations into a conglomerate

1.

As a result of the strategy work initiated by the Board of Directors of Sievi Capital, the company will transform its operations **from a private equity investment company into a conglomerate during 2023.**

2.

The medium-term objective is to become an **industrial group** built around KH-Koneet Group's business.

The change in structure into an industrial group will proceed in stages over the coming years.

3.

**The development of other target companies will continue as before,** and the aim is to divest them at the optimum stage in terms of value creation.

In the future, Sievi Capital's strategy **will no longer include making private equity investments in new industries.**

4.

The Board of Directors of Sievi Capital will propose to the Annual General Meeting to be held on 4 May 2023 that the **name and sector of the company be changed** in accordance with the change in strategy.

Proposals for the new name of the company and amendments to the articles of association will be published separately at the latest in the notice of the Annual General Meeting

5.

The strategy change **will not require action by Sievi Capital's shareholders.**

Trading in Sievi Capital shares will continue on the main list of Nasdaq Helsinki Ltd as before.

# KH-Koneet Group is one of the leading construction and earth-moving machinery suppliers in the Nordic countries

- KH-Koneet Group offers first-class machinery, equipment and services for earthworks, property maintenance, landscaping and material handling.
- Sells and imports construction and earth-moving machinery in Finland and Sweden.
- The business covers the sale of new and used machinery, rental, maintenance, spare parts, replacement machines and related comprehensive services.
- The company's customers include earthmoving machinery entrepreneurs, construction companies, property maintenance companies and the public sector.

Operating countries

**Finland**  
**Sweden**

Established

**1996**

Approximately

**200**  
employees

Net sales  
2022:

**194.5**

€m <sup>(1)</sup>

EBITDA  
2022:

**12.6**

€m <sup>(1)</sup>

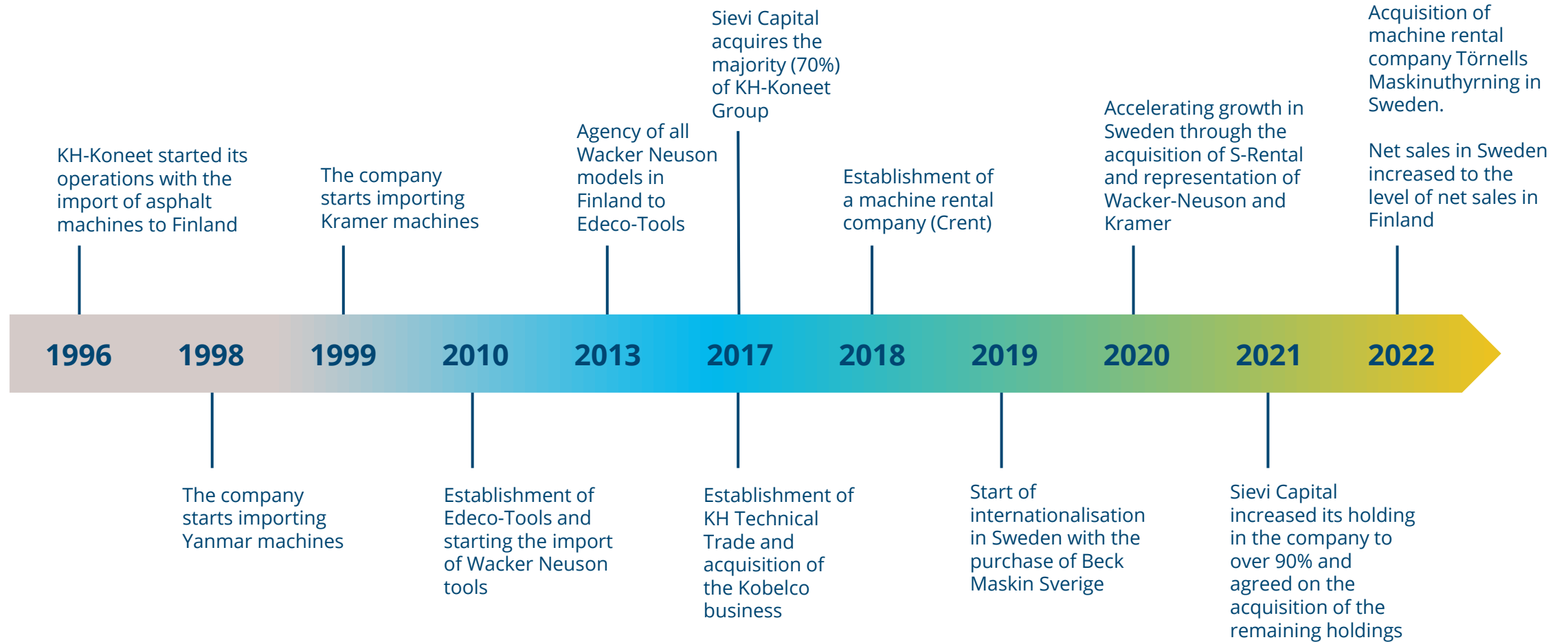
Manufacturers\*



\*Examples

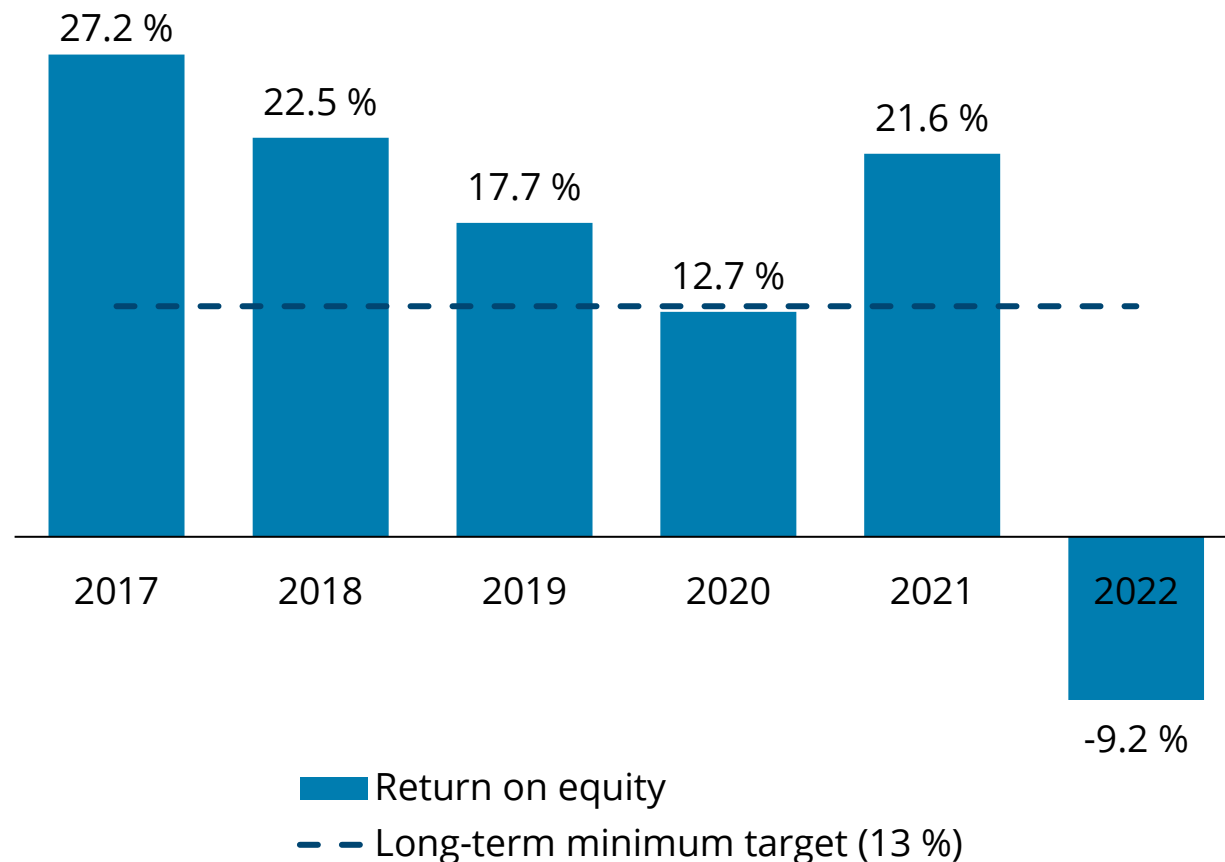
(1) The key figures are consolidated FAS (Finnish Accounting Standards) figures derived from audited financial statements

# Development steps of KH-Koneet Group's business



# Gap year - No realised income from the target companies (1/2)

## Return on equity



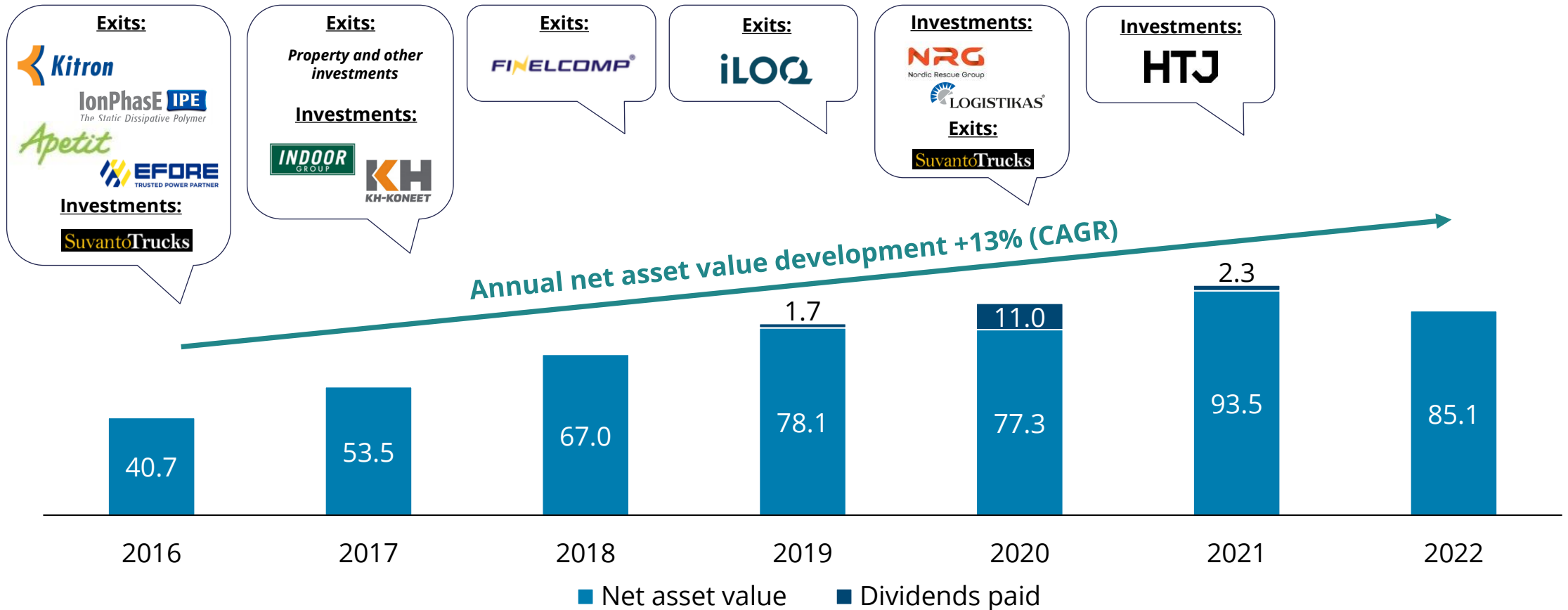
## Return on equity in 2022

(€m)











Interest and dividend income	0.0
Realised profits/losses of investments	0.0
Unrealised changes in fair values	-7.9
Operating expenses	-2.2
Financial expenses	-0.2
Income taxes	2.1
<b>Net profit for the period</b>	<b>-8.2</b>
Shareholders' equity (average)	89.3
<b>Return on equity</b>	<b>-9.2%</b>

# Gap year - No realised income from the target companies (2/2)

## Net asset value development, €m



# Development of target companies in 2022

Target company					
Sector	Construction and earth-moving machinery sales and rental	Furniture and interior decoration retail trading	Construction consulting	Logistics services	Manufacture of rescue vehicles
Share of value of investments, % <sup>(1)</sup>	<b>42%</b>	<b>39%</b>	<b>10%</b>	<b>6%</b>	<b>3%</b>
Net sales 2022, €m	<b>194.5</b>	<b>192.2</b>	<b>23.1</b>	<b>31.8</b>	<b>41.8</b>
EBITDA (FAS) 2022, €m <sup>(2)</sup>	<b>12.6</b>	<b>4.1</b> (IFRS 20.3)	<b>2.9</b>	<b>2.4</b>	<b>-2.0</b>
Sievi Capital's holding at the end of the period	<b>90.7%</b>	<b>58.3%</b>	<b>91.7%</b>	<b>65.9%</b>	<b>68.1%</b>
Development in 2022					

(1) As of 31 December 2022. Calculated from the total value of private equity investments

(2) The key figures are consolidated FAS (Finnish Accounting Standards) figures derived from audited financial statements. Nordic Rescue Group's figures for 2022 are unaudited.



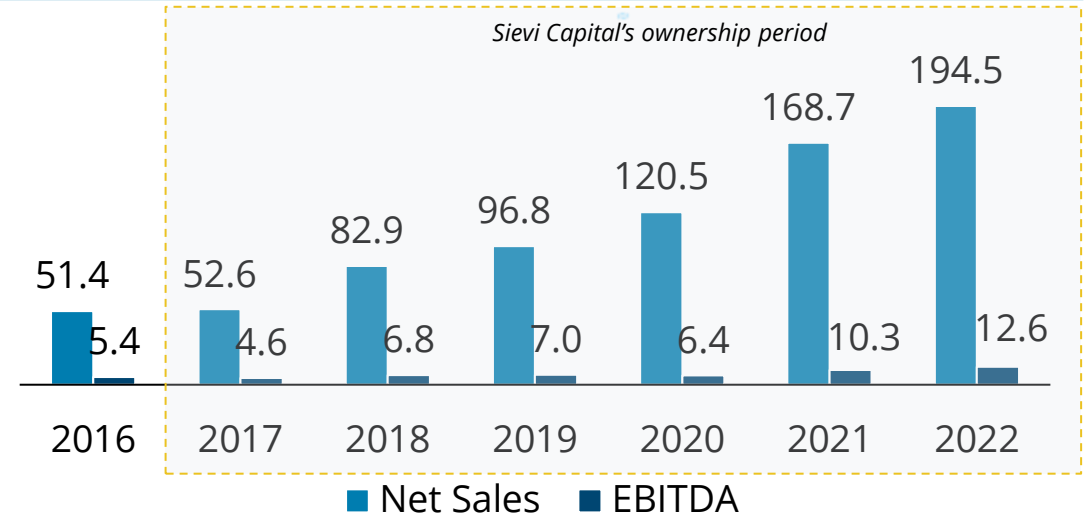
# KH-Koneet Group

## Strong growth continued

### Highlights

- The operating environment mainly remained stable
- The machine rental business grew organically and through acquisitions
- Net sales increased by 15% year-on-year
  - Growth in Sweden was particularly strong and Sweden generated more than 40% of net sales in 2022
- EBITDA increased, driven by net sales growth

### Financial figures (FAS), €m



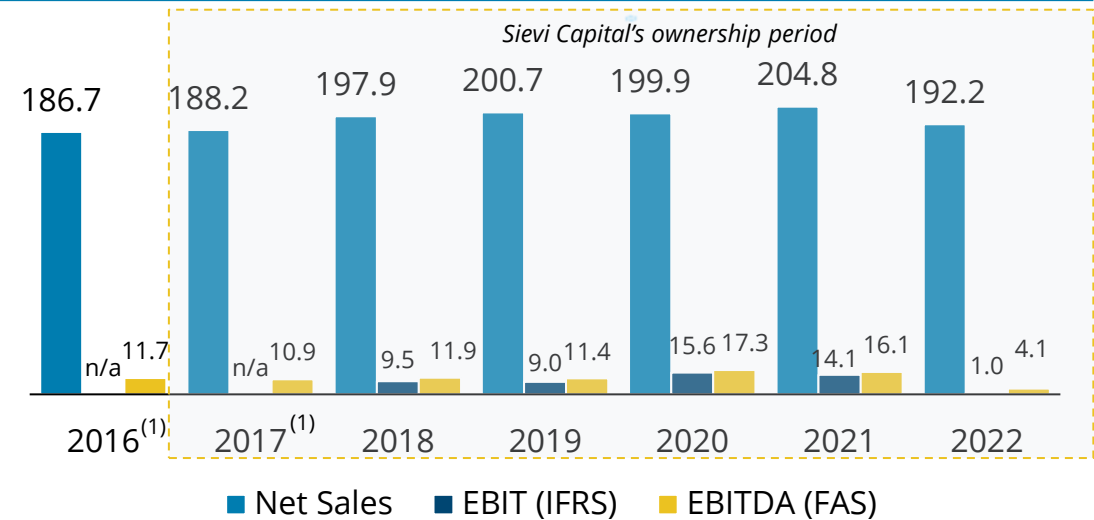
# Indoor Group

## Challenging market situation

### Highlights

- Challenging operating environment and weakened demand
- Net sales decreased by 6% year-on-year
- Operating profit declined clearly
  - Underlying reasons decrease in net sales and increase in fixed costs, including costs for the ERP renewal project
- Focus on working capital efficiency and cost-saving measures

### Financial figures (IFRS & FAS), €m



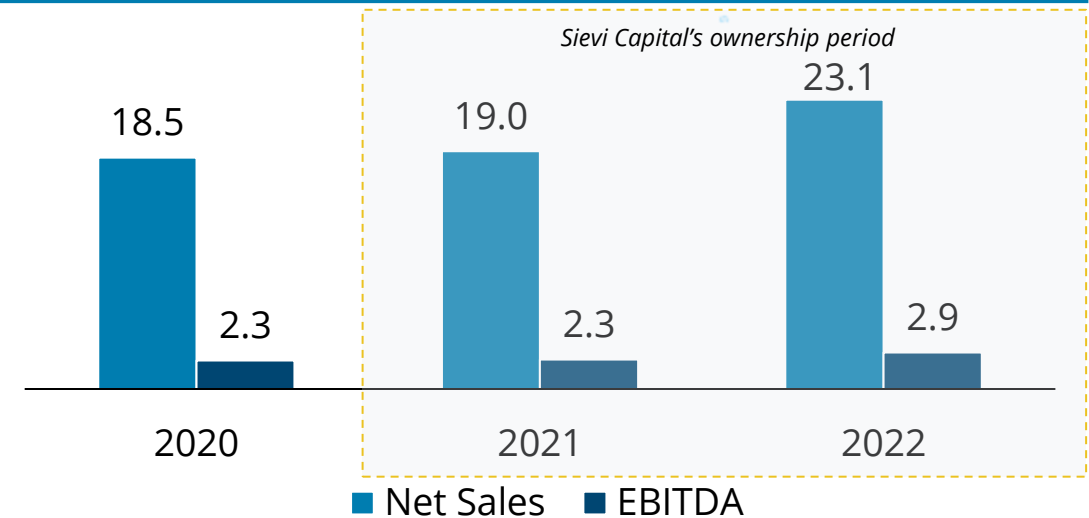
(1) Indoor Group started using IFRS reporting in the financial period 2019. The data for the financial periods 2016–2017 are FAS figures and there is no comparable EBIT available

## HTJ

## Execution of growth strategy continued

## Highlights

- Demand for HTJ's services remained at a good level
  - The public sector accounted for more than 60% of HTJ's net sales
- HTJ strengthened its geographic coverage and infrastructure and industrial businesses through an acquisition
- Net sales increased by 22% year-on-year
  - Organic growth and impact from acquisition
- EBITDA clearly improved

Financial figures (FAS), €m <sup>(1)</sup>

(1) The figures for 2021 are unaudited pro forma figures

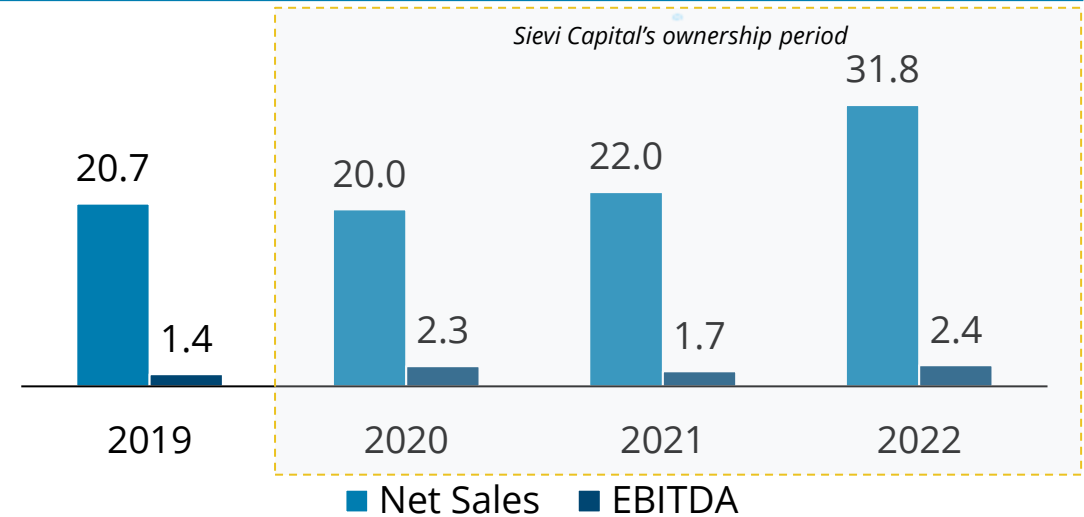
# Logistikas

## Growth platform strengthened

### Highlights

- Positive development in the operating environment and predictability of flows of goods clearly improved
  - Increased demand for warehousing and value-added services and outsourcing
- Net sales increased by 45% year-on-year
- EBITDA improved following growth in net sales
- Organisation strengthened with new key personnel

### Financial figures (FAS), €m <sup>(1)</sup>



(1) The figures for 2020 and 2019 are unaudited pro forma figures

# Nordic Rescue Group

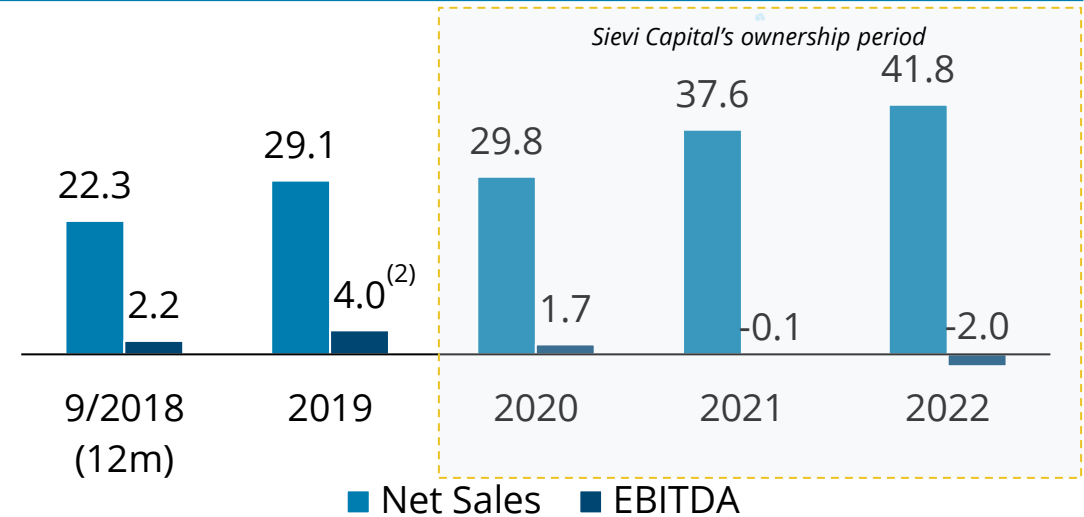
## Focus on profitable core business

### Highlights

- Chassis and component availability challenges continued
- Demand in Finland and Sweden remained stable
  - Strong order book
- Production of rescue lifts discontinued
- EBITDA was burdened by the loss-making rescue lift business and costs at the parent company
- Saurus and Sala Brand had positive results



### Financial figures (FAS), €m <sup>(1)</sup>



(1) The figures for 2020, 2019 and 9/2018 (12 months) are unaudited pro forma figures. Figures for 2022 are unaudited

(2) Includes €1.0m of extraordinary income

# Income statement

## Unrealised changes in fair values impacted the result

Income statement (€m)	2021	2022	
Interest and dividend income, total	11.5	0.0	No interest or dividend income or exits during the review period
Realised profits/losses & expenses of investments	0.0	0.0	
Unrealised changes in fair values of investments	12.9	-7.9	Most significant value changes in private equity investments
Changes in value of investments, total	12.9	-7.9	<ul style="list-style-type: none"> <li>- Indoor Group -€9.9m</li> <li>- KH-Koneet Group +€6.3 m</li> <li>- Nordic Rescue Group -€4.8m</li> <li>- Financial performance of target companies and significant increase in discount rates were the key factors in the changes in value</li> </ul>
Operating expenses	-4.2	-2.2	
<b>Operating profit</b>	<b>20.2</b>	<b>-10.1</b>	
Financial income	0.0	0.0	
Financial expenses	0.0	-0.2	
<b>Profit before taxes</b>	<b>20.2</b>	<b>-10.3</b>	
Income taxes	-1.8	2.1	
<b>Net profit for the period</b>	<b>18.4</b>	<b>-8.2</b>	Expenses decreased clearly year-on-year
			<ul style="list-style-type: none"> <li>- Costs of €1.7m related to the cancelled combination of Sievi Capital and Boreo increased the expenses for the previous year</li> </ul>

# Net asset value

## Value of private equity investments decreased moderately

Distribution of investments and net asset value (€m)	12/2021	%	12/2022	%
<b>Private equity investments</b>				
Indoor Group Holding Oy	49.7	53.2%	39.8	46.8%
KH-Koneet Group Oy <sup>(1)</sup>	36.5	39.1%	42.8	50.3%
Logistikas Oy	6.3	6.7%	6.5	7.6%
Nordic Rescue Group Oy <sup>(2)</sup>	6.5	7.0%	3.0	3.6%
HTJ Holding Oy <sup>(1)</sup>	9.3	10.0%	10.2	12.0%
<b>Private equity investments, total</b>	<b>108.3</b>	<b>115.9%</b>	<b>102.4</b>	<b>120.3%</b>
Cash and cash equivalents and other financial assets	1.8	2.0%	2.2	2.6%
Loans from financial institutions	-5.5	-5.9%	-9.9	-11.6%
Deferred tax liabilities and assets, total	-6.2	-6.6%	-4.1	-4.8%
Other liabilities, receivables and assets, total <sup>(1)</sup>	-5.0	-5.4%	-5.5	-6.4%
<b>Total net asset value</b>	<b>93.5</b>	<b>100.0%</b>	<b>85.1</b>	<b>100.0%</b>
<b>Net asset value per share</b>	<b>1.61</b>		<b>1.47</b>	

- Private equity investments -5%
- Changes in the value of private equity investments -€7.2m
- €1.3m follow-on investment in Nordic Rescue Group
- Two financing arrangements during the review period
- Withdrawal of a new loan of €4.5m
- €10.0m refinancing
- Net asset value per share -9%

(1) Sievi Capital and the minority shareholders of KH-Koneet Group and HTJ Holding have agreed on a mutual right to complete a transaction concerning all of the shares held by the minority shareholders if certain conditions are met. Therefore, the investment in said companies is presented as if Sievi Capital had a 100% holding and the non-controlling interests are presented as contingent liabilities at fair value through profit or loss in other liabilities.

(2) Includes Sievi Capital's loan and interest receivables from the company (totalling €1.4m on 31 December 2022)

# The strategy change and development of the target companies will continue

- The majority of the target companies succeeded in growing net sales and profits despite the uncertainty in the operating environment
- Sievi Capital continued the active development of the target companies and three target companies completed acquisitions
- The reported return on equity was negative due to unrealised changes in value. Sievi Capital did not realise income from the target companies
- The strategy change into a conglomerate will be implemented in phases during 2023, and the medium-term objective is to become an industrial group built around the KH-Koneet Group's business
- Following the change in strategy, Sievi Capital will no longer make private equity investments in new industries
- The development of existing target companies will continue in line with the previous investment strategy, and exits will be carried out at the optimum stage in terms of value creation



