

KH-Koneet Group's vision has room for growth

KH-Koneet Group is one of the leading construction and earth-moving machinery suppliers and renters in the Nordic countries. The best-known brands represented by the company include Kramer, Yanmar, Kobelco and Wacker Neuson. KH-Koneet continued its journey on the path of growth in 2022 and expanded its operations in Sweden by making an acquisition. The company is at the core of the change in Sievi Capital's strategy, which was announced in late 2022.

FAIR VALUE

MEUR 42.8

On 31 Dec. 2022

TARGET COMPANY SINCE

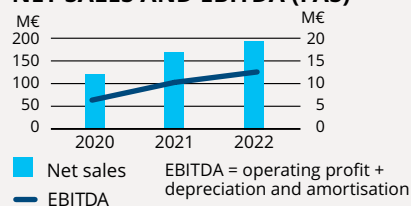
2017

HOLDING

90.7% ⁽¹⁾

On 31 Dec. 2022

NET SALES AND EBITDA (FAS)



(1) Of outstanding shares

Although the very strong demand in the construction industry levelled off in 2022 due to the adverse impacts of inflation and rising interest rates, the market situation remained favourable particularly in northern Sweden and the Gothenburg region. Good market conditions accelerated KH-Koneet Group's growth: the company's net sales rose to EUR 194.5 million and its EBITDA was EUR 12.6 million. The year also included a successful acquisition.

COMPETITIVE ADVANTAGE FROM A COMPREHENSIVE BUSINESS MODEL

"In spring 2022, we acquired Törnells Maskinuthyrning, a Swedish machinery rental company that we were already familiar with. The integration of the acquired company has gone smoothly and in a positive spirit," says **Teppo Sakari**, CEO of KH-Koneet Group.

The acquisition was an important strategic milestone for KH-Koneet Group.

"The flexibility of machinery rental services provides us with a clear competitive advantage. Being able to guarantee that our customers have access to machinery under all circumstances is a big advantage, especially when there are problems in the manufacturers' supply chains. We combine the import, sales and rental of machinery with maintenance and spare parts services, all of which support each other. Our goal is to be a trusted partner for both manufacturers and our customers."

The fundamental idea of KH-Koneet Group is to operate the machinery business responsibly and to do the right thing.



Sparal Oy purchased a Kobelco SK550DLC demolition excavator equipped with a special boom attachment.

“This is reflected in our operations across the board. The cornerstone of our operational activities is to always try to do the right thing. It is impossible to win every time, but operating fairly and doing the right thing is the best way to ensure the continuity of the company’s growth. By looking after our customers, the environment and each other, we can maintain our rather self-managed company culture.”

KH-Koneet Group is entering 2023 with cautious confidence. “It is difficult to say anything certain about the development of the market. An end to the war in Ukraine would be very positive news, and it is certainly something we are all hoping for. We will continue to keep our costs under control and ensure the profitability of our business in all circumstances.”

KH-KONEET AT THE CORE OF SIEVI CAPITAL’S NEW STRATEGY

In late 2022, Sievi Capital announced its medium-term objective to become an industrial group built around the KH-Koneet Group’s business. This was welcome news to KH-Koneet Group.

“Sievi Capital’s decision to refocus its strategy does not affect our core business. In the longer term, however, it opens up interesting prospects. There is room for growth in our vision. At KH-Koneet Group, we see Sievi Capital’s change in strategy as recognition that we have done the right things the right way,” Sakari outlines.



Above: The laying house operator Säkylän Munakori Oy purchased a Kramer 8145T telescopic wheel loader for its packaging plant.

Below: Operations in the Swedish market were strengthened by the acquisition of the machinery rental company Törnells Maskinuthyrning AB.

