



Sievi Capital's **change in strategy to transform into a conglomerate**

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Speakers at the event



Juha Karttunen
Chair of the Board of
Directors
Sievi Capital Plc



Jussi Majamaa
CEO
Sievi Capital Plc

Agenda

Sievi Capital's change in strategy

New conglomerate

Q&A



**SIEVI CAPITAL'S CHANGE IN STRATEGY
ANNOUNCED ON 15 DECEMBER 2022**

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 the 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 change in strategy **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.

The objective is to accelerate the growth of the shareholder value



The Board of Directors has assessed various strategic options and has concluded that a change in strategy from a private equity investment company into a conglomerate based around KH-Koneet Group would **significantly increase the shareholder value of the company**. Sievi Capital's major shareholders have expressed their support for the change in strategy.



Operating as a conglomerate will enable the development of the business **more long-term** and bring out the value of the business.



The true value of the whole is more transparent and the successful investments and the development of the target companies' operations are also reflected more clearly in the **share valuation**.

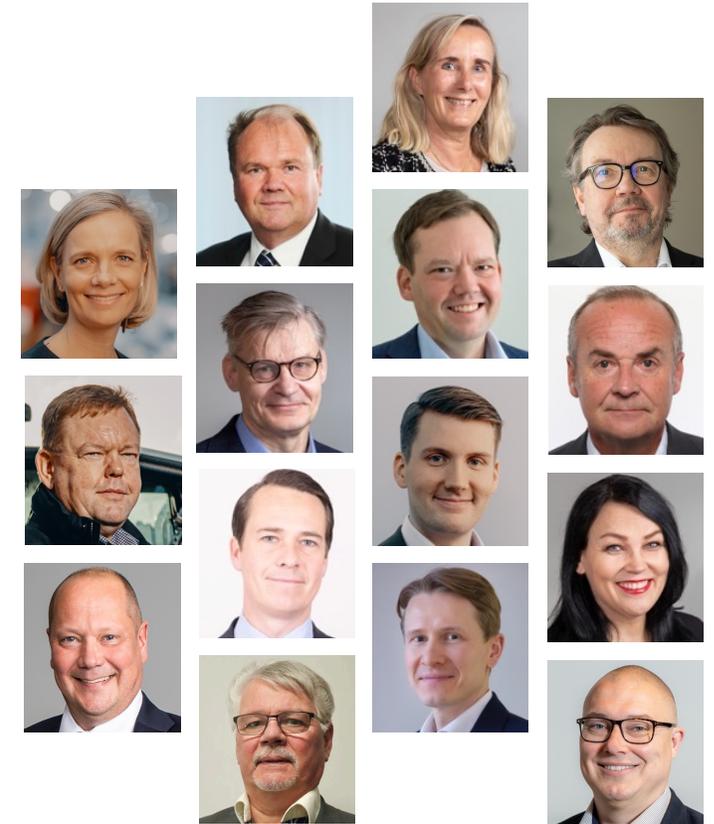
Value creation path and objectives of other target companies

- The other target companies of Sievi Capital **will continue to be developed in line with the previous investment strategy**, taking into account the development phase and the interests of each company.
- As an active owner, the Group's parent company will continue to provide **support for the implementation of growth projects and acquisitions**.
- The target companies will continue to have **their own, separate boards** in which the same persons will continue.
- Over time, the objective is to **divest businesses outside of KH-Koneet Group's core business**.
- **Exit horizon** for each company depends on the development and situation, readiness and strategy.



The change in strategy has no impact on the composition of management teams or boards of directors

- The change in strategy has no impact on the composition of Sievi Capital's or its target companies' management teams or boards of directors, or on the position of employees.
- Teppo Sakari will continue as KH-Koneet Group's CEO.
- The management and staff of Sievi Capital will support KH-Koneet Group in the transition, while developing other target companies in line with the previous investment strategy.





NEW CONGLOMERATE

The new conglomerate will comprise the KH-Koneet Group and other existing target companies

Target company					
Sector	Construction and earth-moving machinery sales and rental	Furniture and interior decoration retail trading	Logistics services	Manufacture of rescue vehicles	Construction consulting
Share of investments, % ⁽¹⁾	39 %	40 %	6 %	5 %	10 %
Net sales 9/22 LTM, EUR million	200.9	198.7	29.6	44.3	21.4
Average net sales growth, % ⁽²⁾	+ 26 %	+ 1 %	+ 13 %	+ 15 %	+ 8 %
EBITDA (FAS) 9/22 LTM, EUR million ⁽³⁾	13.1	7.0	2.1	-1.6	2.3

(1) As of 30 September 2022 | (2) Average annual growth rate in pro forma net sales for the financial period preceding the year of investment and the net sales for 2022 (12-month period ended 30 September 2022)
 (3) The key figures are consolidated FAS (Finnish Accounting Standards) figures. The figures are unaudited.

Why is the industrial group built around the KH-Koneet Group?

1.

KH-Koneet Group has a solid track record of value creation

- During Sievi Capital's ownership, the company's net sales have almost quadrupled and its EBITDA has increased nearly 2.5-fold
- Net sales growth and profitability above industry average

2.

The sector offers significant potential for profitable growth both organically and through acquisitions

- The growing trend of machine rentals
- Long-term growth of the market in civil engineering
- Estimated significant investments in infrastructure in the Nordic countries; and
- Increased need for machines in property maintenance due to urbanisation

3.

KH-Koneet Group has a flexible and agile business model

- Ability to change with the market and flexibility to react built-in the operations
- Strong customer understanding and excellent customer service
- Agile, self-managing and well-run organisation
- Focused acquisition strategy

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. Finland accounts for approximately one-half of the net sales and Sweden for one half.
- 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 and Sweden

Established
1996

Approximately
200
employees

Net sales
9/22 LTM:

200.9

EUR million⁽¹⁾

EBITDA
9/22 LTM:

13.1

EUR million⁽¹⁾

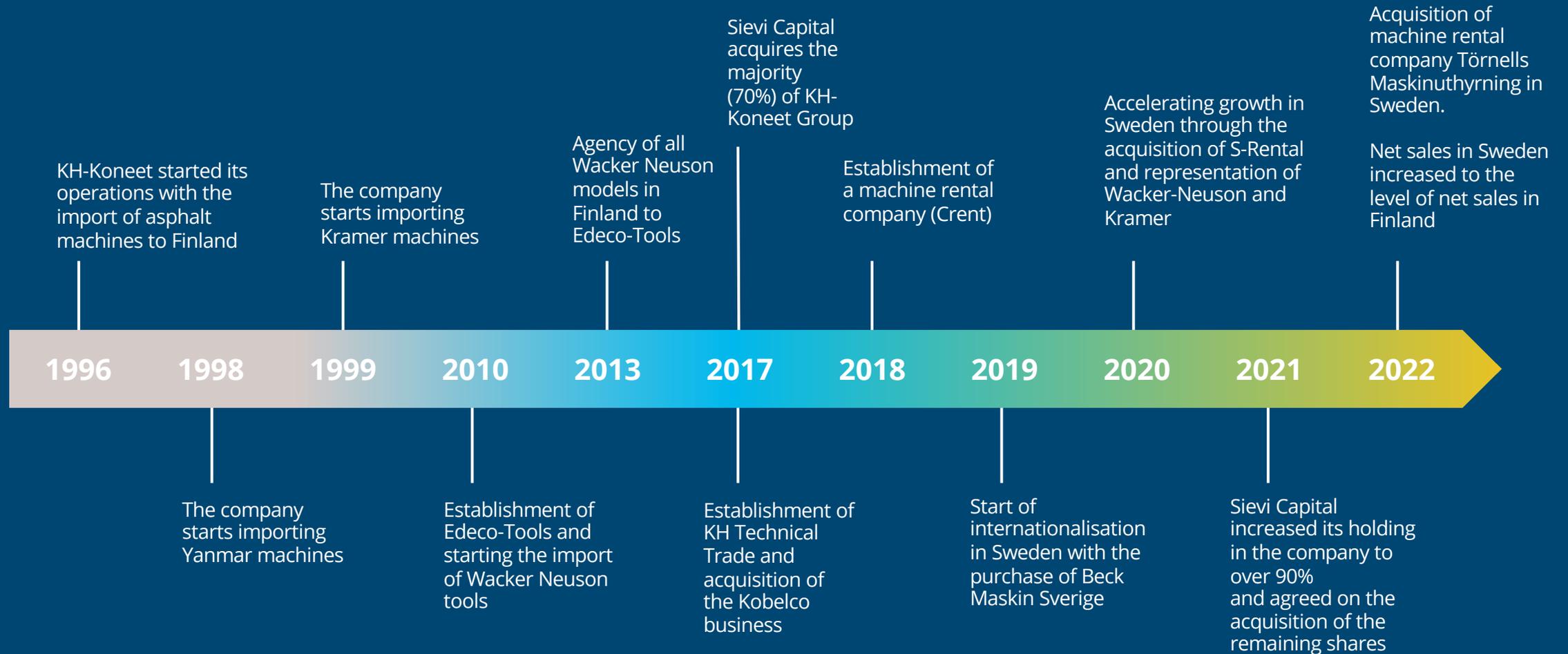
Manufacturers*



*Examples

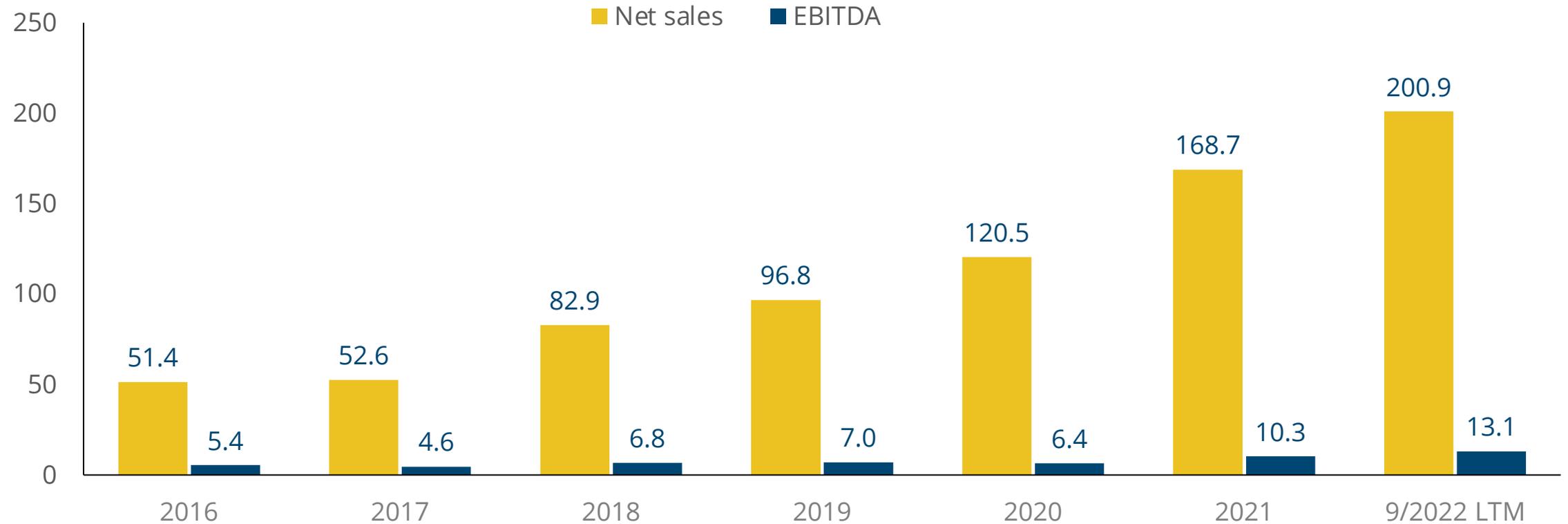
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Development steps of KH-Koneet Group's business



KH-Koneet Group's growth has been strong

Net sales and EBITDA, EUR million (FAS) since 2016



KH-Koneet Group's key strengths

Profitability **above industry average**

Good and established **relations with global manufacturers**

One of the leading companies in the sector both in Finland and in Sweden

Sweden's large market offers opportunities for strong growth

Strong customer understanding, long customer relationships, high customer satisfaction and customer retention

A comprehensive, **lifecycle approach** consisting of the sale of new and used machinery, rental and services

Effective procurement without middlemen. The rental business enables an efficient supply chain and higher volumes.

Agile, self-managed organisation, strong corporate culture, high employee satisfaction and low turnover

Track record of growth through **successful acquisitions**

Trends support growth

Electrification

Digitalisation

Responsibility

Growing demand for machine rentals

Long-term growth of the market
in civil engineering

Increased need for machines in property
maintenance due to urbanisation

**Trends in the operating environment
provide a good starting point for
profitable growth in the future.**

An aerial photograph of a large construction equipment yard. The yard is filled with hundreds of yellow and blue excavators, neatly arranged in rows. In the foreground, there is a large, multi-story building with a corrugated metal roof. To the right, a paved road curves through the site. In the background, there are more buildings, including a large warehouse-like structure, and a line of trees. The entire image has a blue tint, and the word "SUMMARY" is overlaid in the center in white, bold, sans-serif font.

SUMMARY

Change in strategy towards a conglomerate during 2023

December 2022:
Announcement of the change in strategy

4 May 2023:
The Board of Directors' proposals for the name and amendments to the Articles of Association will be presented to the Annual General Meeting.

17 August 2023:
Reporting as a conglomerate for the first time in connection with H1/2023

Autumn 2023:
More information about the strategy and financial targets will be provided in conjunction with the Capital Markets Day

End of 2023:
Change into a conglomerate completed



Q&A