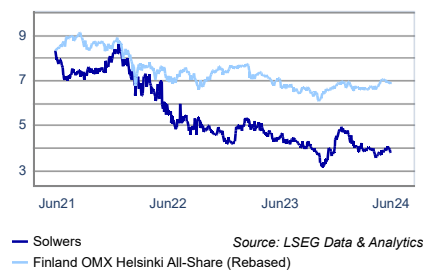


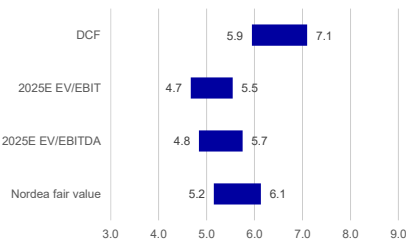
KEY DATA

Stock country	Finland
Bloomberg	SOLWERS.FH
Reuters	SOLWERS.HE
Share price (close)	EUR 3.80
Free float	66%
Market cap. (bn)	EUR 0.04/EUR 0.04
Website	solwers.com
Next report date	30 Aug 2024

PERFORMANCE



VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	n.a.	n.a.	n.a.
EBIT (adj)	n.a.	n.a.	n.a.

Source: Nordea estimates

Nordea IB & Equity - Analysts

Svante Krokfors
DirectorJukka-Pekka Pesonen
Analyst

A decentralised consultancy growth platform

We initiate coverage of Solwers, a company that acts as a growth platform for the built environment consultancy sector in the fields of architecture, technical consulting, project management, environmental monitoring, circular economy and digital solutions. Solwers' growth strategy, targeting over 20% annually, is based on acquisitions with virtually no integration, and instead letting the subsidiaries operate under their own brands. However, we believe that there are clear top-line synergies that can be achieved. Given Solwers' strong balance sheet, we see ample M&A-driven growth opportunities ahead, with underlying earnings recovering in 2025E. Based on DCF, peer group valuation and M&A-driven value creation, we derive a fair value range of EUR 5.2-6.1 for the Solwers share.

A growth platform with ample M&A capacity

Solwers acts as a growth platform for consultancy companies, with operations currently in Finland and Sweden. The company is built on 29 independent companies that retain a high level of independence under the Solwers umbrella. The market outlook for the built environment consultancy sector is uncertain currently, especially in Finland, while green transition projects should support the outlook in Sweden. Solwers has continued its M&A path in early 2024 and the company has ample room to continue to grow through acquisitions made at value-accretive prices.

M&A to drive growth in 2024, EBITA margin to pick up in 2025

On the back of M&A conducted in 2023-24, we forecast a net sales CAGR of 8% for 2024-26 and an EBIT CAGR of 10%. In our M&A scenario, we forecast that Solwers could reach a 2024-26 net sales CAGR of ~20%, with sales of EUR 116m and adjusted EBIT of EUR 9.8m by 2026E. We note that the outlook remains uncertain for 2024 and we expect EBIT to be flat versus 2023, but we expect a recovery in 2025, driven by lower interest rates and increased activity in projects for the built environment.

Fair value range of EUR 5.2-6.1, including impact from M&A

We derive a fair value range of EUR 5.2-6.1 using a DCF- and peer group-based valuation approach and adding potential value-accretive M&A. In this scenario, we estimate potential for EUR 0.8 per share in value creation through acquisitions in 2024-26.

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	33	45	63	66	77	80	83
EBITDA (adj)	5	5	8	8	8	9	10
EBIT (adj)	4	3	5	5	5	6	6
EBIT (adj) margin	10.8%	7.5%	8.1%	7.3%	6.2%	7.0%	7.8%
EPS (adj, EUR)	0.40	0.20	0.38	0.32	0.28	0.36	0.43
EPS (adj) growth	177.7%	-50.2%	93.5%	-17.0%	-10.7%	27.6%	19.6%
DPS (ord, EUR)	0.00	0.10	0.04	0.06	0.06	0.07	0.08
EV/Sales	n.a.	1.5	0.7	1.0	0.8	0.7	0.6
EV/EBIT (adj)	n.a.	20.1	9.2	13.8	12.4	10.0	8.3
P/E (adj)	n.a.	41.8	11.0	15.1	13.3	10.5	8.7
P/BV	n.a.	1.9	1.1	1.2	0.9	0.8	0.8
Dividend yield (ord)	n.a.	1.2%	0.9%	1.3%	1.6%	1.8%	2.1%
FCF Yield bef A&D, lease	n.a.	1.9%	5.7%	10.6%	8.6%	8.9%	10.9%
Net debt	10	7	5	19	21	18	14
Net debt/EBITDA	2.1	1.3	0.6	2.3	2.4	1.9	1.4
ROIC after tax	14.0%	8.0%	8.6%	7.0%	6.2%	7.0%	8.0%

Source: Company data and Nordea estimates

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Factors to note when investing in Solwers

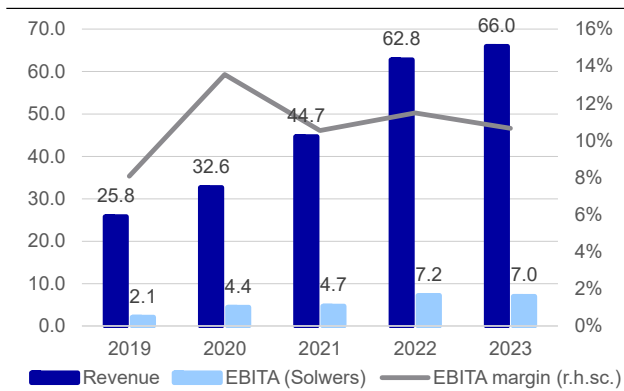
Solwers is a growth-oriented expert company with 29 subsidiaries and around 700 employees. The company operates in Finland and Sweden. Growth is predominantly based on an acquisition strategy, and the group companies typically are not integrated but continue to operate under their own brands after having been acquired. Solwers specialises in a number of areas, including technical consulting, architecture and infrastructure. The company has posted an M&A-driven sales CAGR of 27% over the past four years with an average EBITA margin of 11.6%, slightly below its target of 12%. We forecast a 2024-26 sales CAGR of 8% on the back of recent acquisitions, and an EBIT CAGR of ~10% on prospects of an improving market in late 2024 or early 2025. Given Solwers' strong financial position and ambition to grow through M&A, we believe it could achieve its target of 20% annual growth for 2024-26. Using a combination of valuation methods, we derive a fair value range of EUR 4.4-5.4 per share for Solwers' current operations, and a potential addition of EUR 0.8 for future M&A, resulting in a fair value range of EUR 5.2-6.1.

Solwers' business areas

Solwers has doubled in size over the past three years

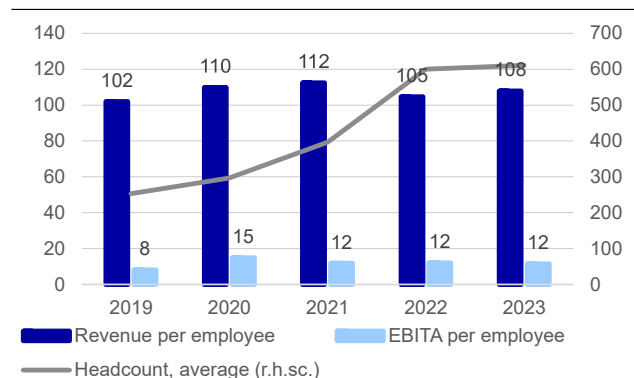
Solwers, with its 29 subsidiaries, is a consultancy company offering services within architecture, structural design, infrastructure, project management and environmental services, as well as other services such as digital solutions and financial management. Solwers was formed in 2017 and was listed in Helsinki in 2021. On the back of acquisitions, the company has doubled in size since 2020.

REVENUE AND EBITA (EURm), 2019-23



Source: Company data and Nordea

REVENUE AND EBITA PER EMPLOYEE (EUR '000) AND HEADCOUNT, 2019-23

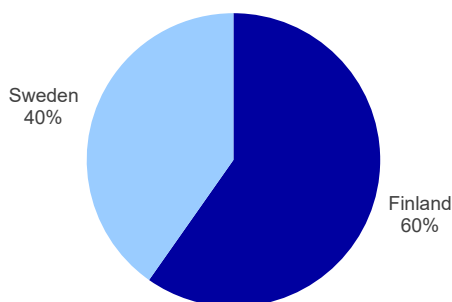


Source: Company data and Nordea

Already, 40% of sales are from Sweden and the share is growing

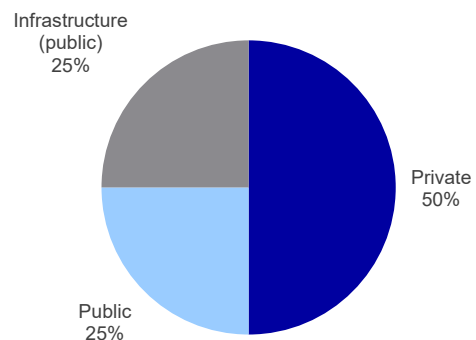
Solwers has rapidly expanded into Sweden, which now accounts for 40% of sales (2023). Following two relatively large acquisitions in Sweden in early 2024 and a better market outlook for Sweden than Finland, we expect Sweden's share of sales to approach 50% in the coming years.

SOLWERS' SALES BY COUNTRY, 2023



Source: Company data and Nordea

ILLUSTRATIVE SALES SPLIT BY CUSTOMER TYPE, 2023



Source: Company data and Nordea

Sales derived from the private and public sectors are evenly distributed, with a large exposure to infrastructure

According to the company, the split between public and private customers is roughly 50/50, with infrastructure accounting for approximately half of the public side. This should reduce the impact from economic fluctuations, as public spending and infrastructure projects are typically increased in a weaker economic environment. The increased exposure to Sweden is a positive as there are signs that infrastructure projects are currently being initiated more actively in Sweden than in Finland.

Solwers' market and competitive landscape

Solwers operates in the fragmented design and consultancy market

Solwers operates in the design and consultancy sector in Finland and Sweden. The market is very fragmented, ranging from small companies with only a few employees to large technical consultants such as Sweco, Ramboll, AFRY and Etteplan.

The market in Finland grew slightly above 4% annually in 2018-22...

According to Statistics Finland, the total sales of companies engaged in architectural and engineering activities was EUR 7.0bn in Finland in 2022, which we believe is a reasonable representation of the total market size for the country. The market grew by 4.4% annually from 2018 to 2022. The whole sector is highly fragmented in Finland, as the number of companies was 12,538 in 2022. There were 103 companies with sales of over EUR 10m in 2022.

...with average revenue per employee at slightly above EUR 100,000...

According to SKOL (the Finnish Association of Consulting Firms), the weighted average revenue per employee increased in 2022 to EUR 105,000. In 2017-22, revenue per employee was EUR 103,000 on average, and we believe the EUR 100,000 mark is a reasonable benchmark level for a consulting company in Finland.

...while the market has been declining since Q1 2023

According to SKOL, both new orders and orderbooks have declined y/y from Q1 2023 for all three industries measured: Housing, Industry and Infrastructure.

The Swedish market is larger than the Finnish one, and growth has been brisker than it was in Finland in 2018-22...

According to the Federation of Swedish Innovation Companies (FSIC), the innovation sector in Sweden had a total of 12,797 companies in 2022. Total revenue for these companies was SEK 125.9bn (EUR 11.8bn) and the market grew by 7.4% per year from 2018 to 2022. According to FSIC, Technical Consulting was the largest field (market share of 49%), Industry & Technology was the second largest (38%) and Architecture came third (10%). Testing, Inspection and Certification accounted for a 3% share of total revenue.

...and revenue per employee is clearly higher than in Finland...

Revenue per employee in Sweden has been higher than in Finland historically and was SEK 1.6m (EUR ~150,000) in 2022. From 2020 to 2022, revenue per employee trended up significantly.

...while the Swedish market appears to be more upbeat than the Finnish market

The National Institute of Economic Research (NIER) publishes Economic Tendency Indicator figures for Swedish companies each month. Technical consultancy companies' confidence has been increasing over the last few months after bottoming out in October 2023, but the February 2024 index figure of 95.6 points still signals slightly weaker than normal growth. In Sweden, the Confidence Indicator has been trending up since late 2023, which could be an early sign of a turnaround in the sector.

Strategy and financial targets

Solwers' strategy is based primarily on acquisition-driven growth

Solwers' strategy is based on acquisitions and organic growth, the group's attractiveness as a good employer for professionals in different fields and the continuous development of expertise. Solwers differs from many competitors in that it does not integrate the acquired companies, but rather lets them continue operations under their own brands. Solwers provides a growth platform for its group companies.

The company targets over 20% annual revenue growth

Solwers' medium-term financial targets:

- Revenue growth (12 months) of >20%
- EBITA margin of >12%
- Equity ratio of >40%

SOLWERS' FINANCIAL TARGETS

	Target	2020	2021	2022	2023	Average
Growth	>20%	27%	37%	41%	5%	27%
EBITA margin	>12%	13.6%	10.5%	11.5%	10.7%	11.6%
Equity ratio	>40%	31.8%	45.4%	46.7%	46.4%	43%
Dividend payout	20-40%	25.8%	17.4%	19.2%	20.1%	20.6%

Source: Company data

We model an 8% sales CAGR for 2024-26...

...and a 9% EBITA CAGR

8% sales and 9% EBITA CAGRs for 2024E-26E

We model an 8% sales CAGR for 2024-26, based primarily on acquisitions made in 2024. We forecast a 2% organic sales decline for 2024 owing to the weak market outlook in Finland in particular.

We estimate that EBITA (as reported by Solwers*) will increase slightly to EUR 7.3m in 2024 from EUR 7.0m in 2023 on the back of acquisitions, but that the EBITA margin will decline to 9.5% in 2024 from 10.7% in 2023, partly explained by lower margins on acquisitions made in 2024 but also by a slightly weaker market outlook. We forecast a 9% EBITA CAGR for 2024-26.

SOLWERS' SALES, EBITA (SOLWERS*) AND EBITA MARGIN (EURm AND %), 2019-26E



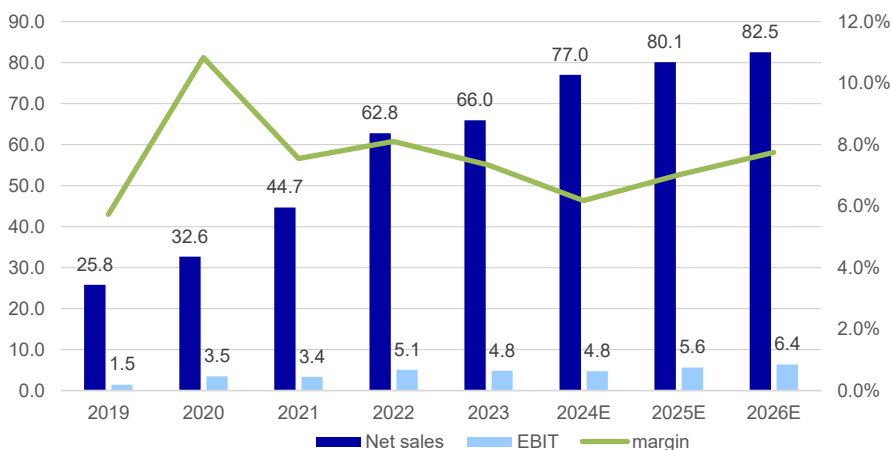
* EBITA as defined by Solwers: adjusted EBIT excluding depreciation, amortisation and impairment of intangible assets and leased premises.

Source: Company data and Nordea estimates

We expect organic growth to pick up in 2025...

For 2025, we forecast a recovery in the market and see organic growth rising to 4%. This is based on the assumption of lower interest rates leading to increased activity in the private market and continued infrastructure investments in Sweden in particular.

SOLWERS' SALES, EBIT AND EBIT MARGIN (EURm AND %), 2019-26E



Source: Company data and Nordea estimates

...and the EBIT margin should recover to above 7%

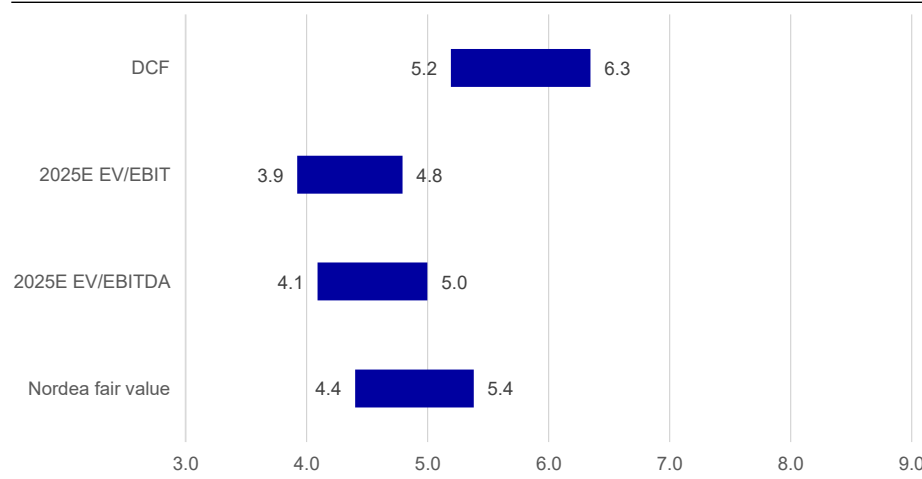
We forecast that EBIT will be flat in 2024 compared to 2023, at EUR 4.8m. We estimate that the EBIT margin will decline to 6.2% in 2024 from 7.3% in 2023, and then pick up to 7.0% in 2025 and 7.8% in 2026.

We estimate the fair value of Solwers' current operations at EUR 4.4-5.4 per share...

Valuation

Given Solwers' acquisition-driven strategy, we value the company on the basis of underlying operations and try to evaluate the future potential of the M&A strategy through estimating value-creation potential from synergies. Based on a multiples-based approach and a DCF model, we derive a fair value range of EUR 4.4-5.4 per share.

VALUATION OF SOLWERS' BUSINESS, EXCLUDING M&A (EUR)



Source: Nordea estimates

...based on DCF- and peer-based valuation

The chart above illustrates how we derive our fair value range of EUR 4.4-5.4 per share for Solwers as a standalone company without any unannounced M&A. Note that this fair value is derived by equally weighting DCF, 2025E EV/EBIT and 2025E EV/EBITDA.

Solwers is currently trading at 12.6x EV/EBIT for 2024E and 10.2x for 2025E

The table below shows the valuation multiples that we derive for Solwers, assuming no unannounced M&A, using our fair value range for the company (EUR 4.4-5.4) without the potential value of future M&A. The current share price implies a 2025E EV/EBIT of 10.2x and a 2026E EV/EBIT of 8.4x. Our fair value range for Solwers, excluding any unannounced M&A, implies 2025E EV/EBIT of 11.0-12.8x and a 2026E multiple of 9.1-10.7x.

SOLWERS: VALUATION EXCLUDING UNANNOUNCED M&A; DERIVED VALUATION MULTIPLES

	EUR 4.4			EUR 5.4			Current EUR 3.94		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
EV/Sales	0.8x	0.8x	0.7x	1.0x	0.9x	0.8x	0.8x	0.7x	0.7x
EV/EBITDA	7.7x	6.6x	5.7x	8.8x	7.6x	6.6x	7.1x	6.1x	5.2x
EV/EBIT	13.6x	11.0x	9.1x	15.6x	12.8x	10.7x	12.6x	10.2x	8.4x
P/E	15.5x	12.1x	10.1x	18.9x	14.8x	12.4x	13.8x	10.8x	9.1x
FCF yield %	7.4%	7.7%	9.4%	6.0%	6.3%	7.7%	8.2%	8.6%	10.5%
Dividend yield %	1.4%	1.6%	1.8%	1.1%	1.3%	1.5%	1.5%	1.8%	2.0%

Source: Nordea estimates

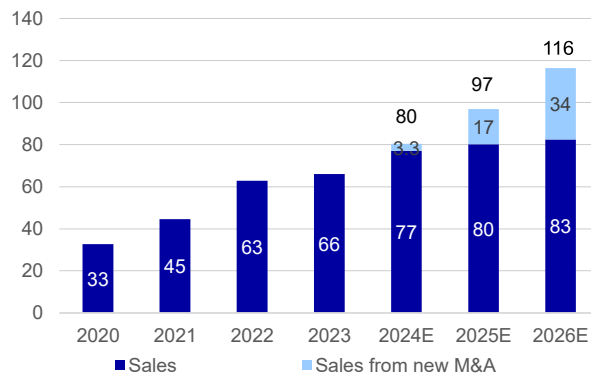
If Solwers can acquire companies below its own valuation multiple, that should create shareholder value

Assuming no unannounced M&A, we derive a fair value range for Solwers of EUR 4.4-5.4 per share. However, given the company's track record of acquisitions at favourable terms, we show in the next section how we assign a value to future unannounced acquisitions.

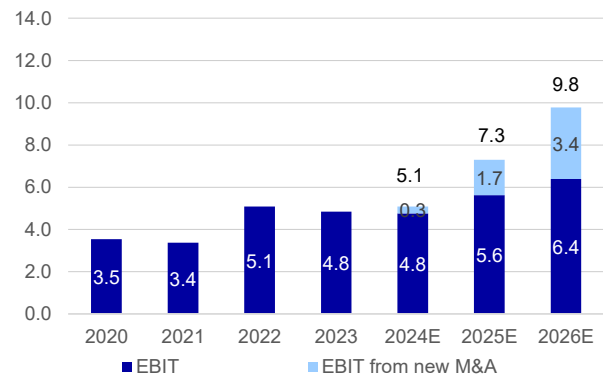
Our M&A scenario outlines how Solwers could achieve its target of more than 20% revenue growth annually

M&A could add EUR 34m to sales and EUR 3.4m to EBIT in 2024E-26E

Acquisitions play a key role in Solwers' target of reaching sales growth of more than 20% annually, as we believe the organic growth potential is limited to a few percentage points. We do not factor unannounced M&A in our official estimates. Instead, we have modelled a scenario where Solwers could grow by means of existing cash and potential to increase debt.

SOLWERS' SALES IN M&A SCENARIO (EURm), 2020-26E

Source: Company data and Nordea estimates

SOLWERS' EBIT IN M&A SCENARIO (EURm), 2020-26E

Source: Company data and Nordea estimates

In our M&A scenario, we reach a revenue CAGR of 21% and an EBIT CAGR of 26% for 2024E-26E

The charts above illustrate how sales and EBIT could develop under our M&A scenario. Revenue CAGR would be 21% on average for 2024E-26E. We note that Solwers' target is to grow by >20% annually, mainly through M&A. In our scenario, net sales would increase to EUR 116m in 2026E with an EBIT of EUR 9.8m, corresponding to an EBIT margin of 8.4% (7.8% in our estimates excluding unannounced M&A). In our M&A scenario, we estimate an EBIT CAGR for 2024-26 of 26% and a 21% revenue CAGR.

In our M&A scenario, we estimate that net debt will increase from EUR 19m in 2023 to EUR 35m in 2026

The table below illustrates relevant valuation multiples for our M&A scenario when including a EUR 0.8 per share value from unannounced M&A. We note that we adjust the EV for each year using the accumulated increase in net debt from the acquisitions that we estimate for each year, which creates additional sales, EBITDA and EBIT. In our M&A scenario, we estimate that net debt will increase from EUR 19m in 2023 to EUR 35m at the end of 2026.

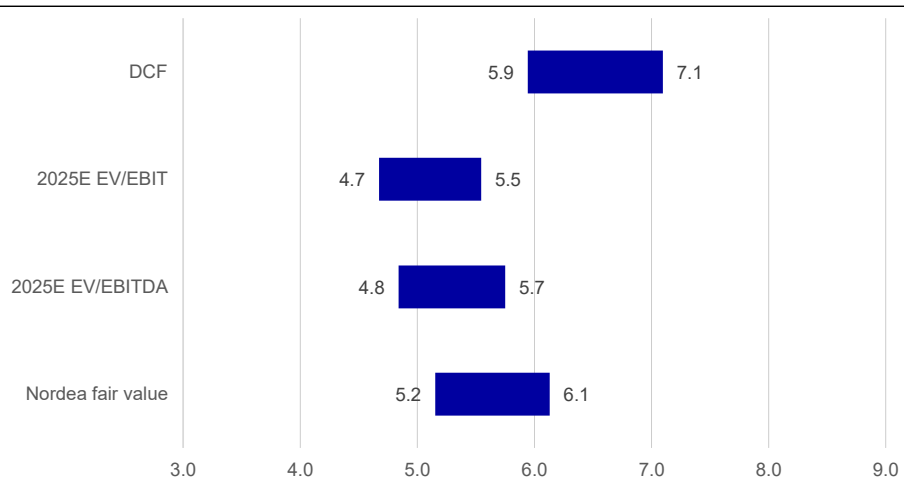
SOLWERS: VALUATION INCLUDING M&A BASED ON OUR M&A SCENARIO; DERIVED VALUATION MULTIPLES

	EUR 5.2			EUR 6.1			Current EUR 3.94		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
EV/Sales	0.9x	0.8x	0.7x	1.0x	0.9x	0.8x	0.8x	0.7x	0.6x
EV/EBITDA	8.4x	6.8x	5.8x	9.5x	7.6x	6.4x	7.0x	5.8x	5.0x
EV/EBIT	14.6x	10.9x	8.8x	16.5x	12.2x	9.8x	12.2x	9.2x	7.6x
P/E	17.5x	12.6x	9.7x	20.9x	14.9x	11.6x	13.4x	9.6x	7.4x
FCF yield %	6.6%	7.8%	10.6%	5.5%	6.5%	8.9%	8.6%	10.2%	13.8%
Dividend yield %	1.2%	1.4%	1.6%	1.0%	1.1%	1.3%	1.5%	1.8%	2.0%

Source: Nordea estimates

In our M&A scenario, Solwers' valuation multiples decline rapidly, highlighting the upside potential

At the current share price (EUR 3.94 as of 10 June), the M&A scenario suggests an EV/EBIT multiple of 9.2x for 2025E and 7.6x for 2026E. The multiples decline relatively quickly, as we assume additional M&A of EUR 2m in 2024, EUR 8m in 2025 and EUR 10m in 2026, which increases EBIT by EUR 3.4m in total by 2026E.

SOLWERS: FAIR VALUE RANGE WITH VALUE-ACCRETIVE INCLUDED (EUR PER SHARE)

Source: Nordea estimates

To conclude, including a EUR 0.8 component for value-accretive future acquisitions, we set our fair value range at EUR 5.2-6.1 per share.

Review of H2 2023 and Q1 2024 results

Solwers released its H2 2023 and full-year results on 11 March 2024. H2 sales were EUR 32.8m (H2 2022: EUR 30.2m), up 8.5% y/y. EBITA was EUR 3.5m (3.4m), with an EBITA margin of 10.7% (11.5%). Full-year growth was 5.1%, of which roughly half was organic. The weak Swedish krona had a negative impact on both the top line and EBITA. The invoicing rate increased in 2023 to 81.3%, from 79.5% in 2022. Reported EPS for 2023 was EUR 0.32 (0.38) and the dividend proposal was EUR 0.064 per share. According to Solwers, the order stock decreased in 2023 but remains at a good level. The company expects its business climate to improve towards the end of 2024. Solwers published its Q1 report on 31 May and maintained its outlook for the full-year, with acquisitions conducted in early 2024 supporting growth.

2023 top line driven equally by M&A and organic growth

Revenue grew 8.5% y/y in H2 2023...

Revenue in H2 2023 was EUR 32.8m, marking an increase of 8.5% y/y. Sales declined slightly from the H1 level of EUR 33.2m, but this was explained by the fact that July is typically a month of lower sales due to the Nordic vacation period.

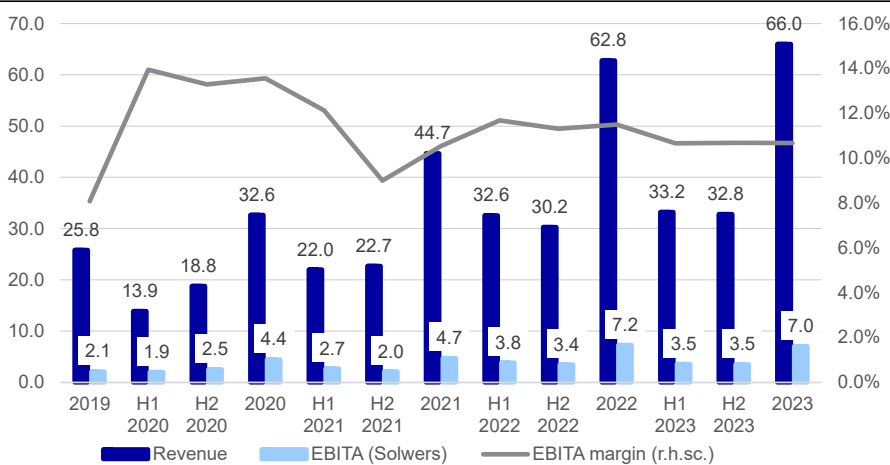
...while EBITA and EBIT were up slightly y/y...

H2 EBITA was EUR 3.5m, up slightly from EUR 3.4m the year before, marking an EBITA margin of 10.7%, down from 11.5% in H2 2022. EBIT was EUR 2.4m, up from EUR 2.3m in H2 2022, with an EBIT margin of 7.2%, down from 7.6%.

...with the invoicing rate improving markedly

The invoicing rate in H2 improved by 1.8pp y/y to 81.5%. Earnings per share were EUR 0.18, up from EUR 0.17 in H2 the previous year. The dividend proposal for 2023 was EUR 0.064 per share, up from EUR 0.04 for 2022.

REVENUE AND EBITA DEVELOPMENT (EURm), 2019-23



Source: Company data and Nordea

Sales grew 5.1% y/y in 2023 on a full-year basis, with half of the growth being organic

Full-year 2023 revenue amounted to EUR 66.0m, up from EUR 62.8m in 2022, which corresponds to growth of 5.1%. According to the company, half of the growth was attributable to organic growth and half to acquisitions. The company targets annual growth of more than 20%. In 2023, growth fell short of the target, owing to a lower acquisition pace; in 2021, reported growth was 37% and in 2022 growth was 41%.

Full-year EBITA declined slightly in 2023, with the EBITA margin down 0.8pp y/y

Full-year 2023 EBITA amounted to EUR 7.0m, down from EUR 7.2m in 2022. The EBITA margin was 10.7% in 2023, down slightly from 11.5% in 2022. The company targets an EBITA margin of more than 12%.

The equity ratio remained strong

The equity ratio was 46.4% at the end of 2023, virtually unchanged y/y. The company aims to keep the equity ratio above 40%.

Solwers has two covenants related to its financing agreements

Solwers' capital structure is controlled by means of two covenants stated in the terms of the financing agreement with its major financing bank. Covenant 1 relates to the equity ratio, which should be above 35%. At year-end 2023, Solwers' equity ratio was 46.4%, 11.4pp above the covenant level.

Covenant 2 relates to leverage and is defined as net interest-bearing liabilities to pro forma EBITDA. Under this definition, net interest liabilities do not include contingent consideration liabilities (earnouts from acquisitions). Covenant 2 should be below 2.5x, and was 1.23x as of year-end 2023.

In 2023, four acquisitions were conducted and one merger was completed

During 2023, the company conducted four acquisitions, of which two were in Finland (Arkman Arkkitehtuuri Oy and LVI-Insinööritoimisto Plan-Air Oy) and two were in Sweden (Transport Consultancy Group Nordic AB and North 68). In addition, in Finland the operations of Kalliosuunnittelu Rockplan Ltd and Finnmap Infra were merged in order to bring a wide range of services for large infrastructure projects under one roof.

Outlook for 2024 – M&A to drive growth, market outlook uncertain

Solwers conducted two relatively large acquisitions in early 2024

At the beginning of 2024, Solwers conducted two acquisitions in Sweden. It acquired WiseGate AB and Relitor Engineering, which have combined estimated revenue of SEK 117m (EUR ~10m). In addition, it acquired a minority stake (33%) in the environmental consulting company Kari & Panssar.

Solwers' projects are small in size and its customers include a large number of public institutions

Solwers' companies currently have over 500 active clients in total, more than 3,500 ongoing projects and over 150 frame agreements. The majority of the ongoing projects, around 70%, have sales below EUR 10,000 in value and thus are less prone to interruptions, postponements or price competition caused by economic fluctuations. Hence, Solwers is only exposed to larger single projects which could have an impact on group profitability to a limited extent. Its largest clients are typically governmental agencies, such as the Swedish Transport Agency, the Finnish Transport Infrastructure Agency, LKAB and Senate Properties.

Around half of Solwers' revenue comes from the public sector

Roughly half of Solwers' revenue comes from public projects and half from the private sector. According to the company, around half of the public sector projects relate to infrastructure projects.

The market outlook is uncertain in the short term...

Market outlook: According to Solwers, the current market visibility is short and makes forecasting future developments challenging. In Finland, Solwers' management expects the workload to drop in some areas during the next six months. Independent market surveys for Finland and Sweden (SKOL and Investeringsföretagen) expect the market to pick up towards the end of 2024 if interest rates drop as anticipated and the willingness to invest increases.

...while there has been an increase in new orders in multiple segments in Finland and Sweden...

According to market surveys, there has been an increase in new orders in multiple segments in Finland and Sweden, especially within infrastructure, industry and office projects. However, Solwers anticipates that possible challenges in public finances could have an adverse impact on infrastructure projects in Finland, whereas in Sweden, infrastructure project starts have been accelerated by the government.

...and tightening EUR regulation should drive demand in the medium to long term

Tightening EU regulation regarding biodiversity is expected to create new business opportunities, and circular economy projects are expected to start speeding up. The company expects industrial investments to increase further, especially in the north of Sweden, where a shortage of skilled professionals remains a challenge.

The company estimates that its outlook will be further supported by several megatrends

Outlook for Solwers: According to Solwers, its business is supported by the megatrends of urbanisation, the green transition in Europe, tightening regulation on biodiversity, self-sufficiency in energy production, and, especially in Sweden, increased orders from the defence industry, creating new business opportunities for Solwers.

The acquisitions conducted in 2023 and especially those in early 2024 will continue to support Solwers' existing business. Solwers will focus on areas where new production and investments are booming, such as energy, automation and power transmission.

As of Q1 2024, Solwers reports on a quarterly basis

Solwers has switched to quarterly reporting as of 2024, having reported semi-annually until 2023. For 2024, it reports Q1 and Q3 as "business reviews", with more limited reporting than for H1 and H2. Reporting in 2024 is as follows:

- Q1 business review on 31 May 2024
- H1 half-year report on 30 August 2024
- Q3 business review on 29 November 2024

Revenue grew 19% y/y in Q1 2024 on the back of acquisitions...

Q1 2024 – growth driven by M&A, outlook unchanged

Solwers published its Q1 2024 business review on 31 May. Revenue grew almost 19% y/y, driven mainly by acquisitions conducted in 2023 and some larger acquisitions conducted in early Q1 2024.

SOLWERS: Q1 2024 KEY FIGURES

EURm	Q1 2024	Q1 2023
Revenue	19.2	16.2
growth	18.6%	4.3%
EBITDA	1.8	2.2
EBITDA %	9.3%	13.4%
EBITA	1.5	1.9
EBITA %	8.0%	12.0%
EBIT	0.9	1.4
EBIT %	4.7%	8.7%
Headcount average	704	589
Headcount end of quarter	698	595
Equity ratio	44.8%	47.5%

Source: Company data

...while EBITA and EBIT declined markedly...

The table above illustrates the numbers presented in the business review. Reported EBITA was EUR 1.5m, down from EUR 1.9m a year ago, with the margin declining from 12.0% to 8.0%. EBIT in Q1 2024 was EUR 0.9m, down from EUR 1.4m in Q1 2023. The equity ratio remained solid at ~45%.

...owing partially to a lower billing rate and a low number of new projects...

According to the company, the beginning of the year is typically a quieter period in Solwers' operations. The billing rate was low (not disclosed) and the number of new projects was low, although the company highlights that there was a clear improvement during March.

...and the Easter effect

The decline in profitability y/y was also due to postponements of projects for Solwers' larger subsidiaries and partly due to Easter being in March, which reduced the number of working days y/y. The impact of the number of working days is substantial, as revenue is largely based on hourly billing. However, Solwers has continued to adjust its capacity through layoffs and staff reductions in some subsidiaries.

The business environment is more favourable in Sweden than in Finland

According to Solwers' management, market sentiment and the business environment are more favourable in Sweden. The company expects the business environment to improve towards the end of the year. The company has several interesting offers in the pipeline, especially for industrial projects in both Finland and Sweden.

The outlook for 2024 remains unchanged

The outlook for 2024 remains unchanged, in accordance with the full-year report published on 11 March. Solwers will focus on areas where new production and investments are booming, such as energy, automation and power transmission.

Four acquisitions were conducted in Q1 2024

Solwers conducted four acquisitions during Q1 2024:

- WiseGate AB, including WiseGate Consulting AB and DEMAB AB, was acquired on 9 January.
- A minority shareholding of 33.3% in Kari & Pantsar Oy was acquired on 23 January.
- Relitor Engineering AB was acquired on 29 January.
- Kalliotekniikka Consulting Engineering Oy, a subsidiary of Solwers, acquired Finexplo Oy on 28 March.

Solwers plans to transfer its share to the Main Market of Nasdaq Helsinki

Solwers announced on 12 April that it has decided to investigate the possible transfer of its shares from Nasdaq First North Growth Market Finland to the Main Market of Nasdaq Helsinki. The transfer could take place during 2024 at the earliest. The goal of a possible transfer to the Main Market is to increase awareness of the company among clients, employees, partners and investors. In addition, the goal is to improve the liquidity of the company's shares and to achieve a broader ownership base.

Company overview

Solwers' mission is to create smart and unique living environments through combining the efficiency, entrepreneurial culture and flexibility of its group companies. Solwers' main drivers of growth are acquisitions and organic growth within its companies. Solwers consists of 29 companies in Finland and Sweden with exposure to infrastructure, project management, architecture, structural design, environmental services and other services (including financial services, transport, logistics and supply chain consultancy). When consolidating the Nordic and Baltic markets, Solwers has a unique business model in that it aims for a "light integration", meaning that the acquired companies continue to operate independently with their own identity and brand while utilising the opportunities offered by group cooperation. Solwers' customer base consists of both public organisations as well as private companies.

Solwers' target is to grow through value-accretive acquisitions...

Growth from M&A and flexibility from light integration

Solwers is a group of expert companies designing individual and sustainable living spaces. Solwers' focus is on continued growth through value-accretive acquisitions, supported by an ambition to grow the group companies also organically. However, we believe that the main growth driver is active acquisitions.

...acting as the growth platform for its subsidiaries

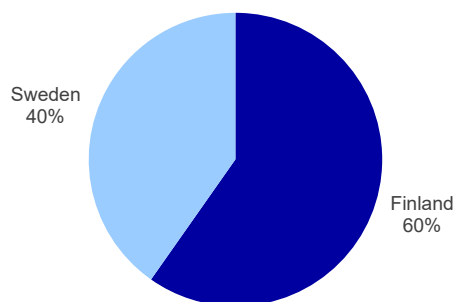
Solwers is structured as a growth platform for the companies it has acquired, supporting their growth and challenging the traditional practices of the built environment consulting industry. Solwers combines the efficiency, entrepreneurial culture and flexibility of its companies with the resources and vision of a larger group.

Solwers offers a wide range of planning and project management services through its 29 subsidiaries, and currently employs around 700 professionals in their fields of expertise in Finland and Sweden. Solwers' companies specialise in:

- Architecture
- Technical consulting
- Electrical, automation and power transmission planning
- Environmental impact monitoring
- Project management and monitoring
- Circular economy
- Financial management and digital solutions
- Logistics solutions

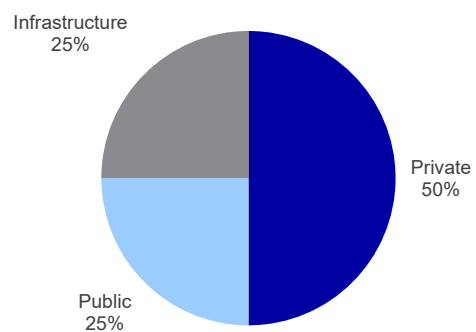
The company currently operates in Finland and Sweden but has an ambition to be a pan-Nordic player with exposure also to the Baltic markets in the long term.

SOLWERS: SALES SPLIT BY COUNTRY, 2023



Source: Company data and Nordea

ILLUSTRATIVE SALES SPLIT BY CUSTOMER TYPE, 2023



Source: Company data and Nordea

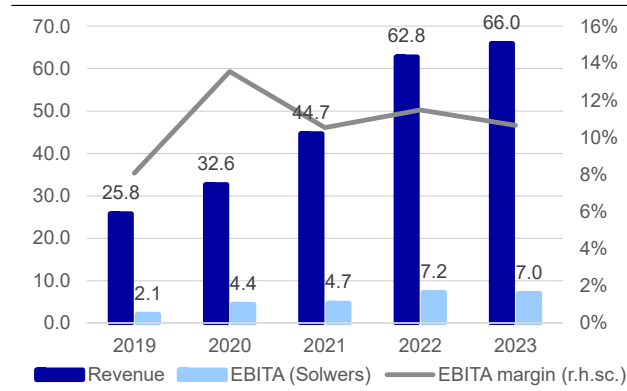
Revenue is evenly split between public and private customers...

Solwers' customer base is extensive and consists of both public organisations and private companies or operators, such as construction and real estate companies. According to company management, roughly half of revenue stems from private companies and half from the public side. Solwers estimates that roughly half of the revenue from the public side is generated from infrastructure projects.

...and projects are generally small in size with 70% below EUR 10,000 in order value

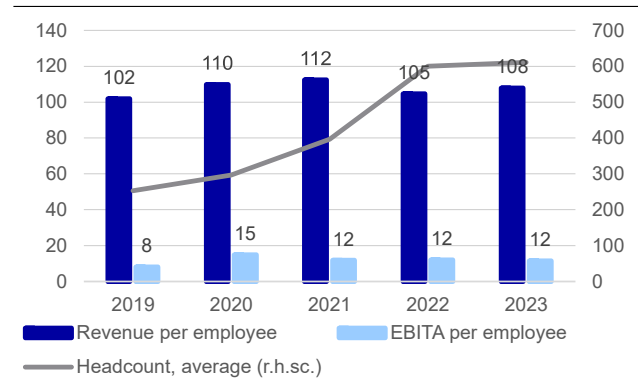
Solwers' companies currently have a total of over 500 active clients, more than 3,500 ongoing projects and over 150 frame agreements. The majority of the ongoing projects, around 70%, are below EUR 10,000 in sales value and thus less prone to interruptions, postponements or price competition caused by economic fluctuations.

REVENUE AND EBITA (EURm), 2019-23



Source: Company data and Nordea

REVENUE AND EBITA PER EMPLOYEE (EUR '000), HEADCOUNT, 2019-23



Source: Company data and Nordea

Sales per employee have remained above EUR 100,000 and EBITA per employee mostly above EUR 10,000

Through its rapid acquisition phase, Solwers' headcount as well as revenue have more than doubled over the last five years. Its revenue per employee has remained relatively stable over the period at around EUR ~102,000-112,000, while EBITA per employee has fluctuated around EUR 8,000-15,000, with the last three years relatively stable at around EUR ~12,000 per employee.

Solwers' service offering

Solwers' subsidiaries are active in a variety of services and many of the companies offer services within multiple areas. Broadly, Solwers' services can be divided into:

- **Architecture:** Solwers' companies offer services within public buildings and projects, residential, commercial and office properties, renovation, interior design and city planning. Solwers has five companies in Finland and one in Sweden offering architectural services.
- **Structural design:** Within structural design, Solwers offers structural design solutions as well as acoustic design, HVAC design, energy design and foundation design. Through its Swedish operations, Solwers also offers passive house design and security design. Solwers has five companies in Finland focusing on structural design and two in Sweden.
- **Infrastructure:** Within infrastructure, Solwers offers services within bridge and tunnel design, road and rail design, municipal design, traffic design, landscape and lighting design, geotechnical design and geology, as well as rock construction design. Solwers has three companies in Finland focusing on infrastructure and three in Sweden.
- **Project management:** Within project management, Solwers offers project management for industrial projects, construction projects, risk management and quality control. Within project management, Solwers has one company in Finland and five in Sweden.
- **Environmental services:** Within environmental services, Solwers offers ground surveying, geotechnical design, environmental surveying and measurement as well as HVAC and sound surveying. Solwers has three companies in Finland focusing on environmental services and two in Sweden.
- **Other services:** This includes financial services, electrical design, plant design, and transport, logistics and supply chain consultancy. Within other services, Solwers has three companies in Finland and eight in Sweden.

SOLWERS' COMPANIES BY SERVICE OFFERING

	Architecture	Structural design	Infrastructure	Project Management	Environmental Services	Other services
Finnish Companies						
Accado						x
ADT	x					
Contria		x				
Finnmap Infra			x			
Geounion					x	
Inmeco				x		x
Zenner		x			x	
Kalliotekniikka	x		x		x	
Lukkaroinen	x					
Meskanen		x				
Polyplan	x	x				
Pontek		x	x			
Taitotekniikka						x
Arkman	x					
Swedish Companies						
ELE		x	x	x	x	x
KAM						x
Enerwex		x		x		
Establish Schening						x
Falk CM				x		
Licab			x	x	x	
Dreem	x					
TCG Nordic						x
North 68			x	x		x
WiseGate						x
Demab						x
Relitor						x

Note: Other services include financial services, electrical design, plant design, and transport, logistics and supply chain consultancy.

Source: Company data and Nordea

Solwers' companies

Solwers strives to own 100% of its subsidiaries

Solwers currently has 29 subsidiaries. The ownership in the subsidiaries is mostly 100%, with some exceptions ranging from 85% to 97%. In most acquisition cases, Solwers strives to acquire 100% of the company and pay for part of the acquisition with Solwers shares. Solwers currently divides its branches into 11 different businesses:

- **Architecture:** Creates individual solutions and sustainable ideas for landmarks, residential and commercial buildings, building renovations and interior design.
- **Infrastructure:** Supports infrastructure builders with reliable measurements, plans and quality control in transport infrastructure, living environment and rock engineering projects.
- **Structural design:** Carries out structural design of newbuild and refurbishment projects and provides condition surveys.
- **HVAC:** Designs HVAC systems in challenging newbuild projects and building refurbishments and performs acoustic design for public spaces, workplaces and residential buildings. The company also provides passive house solutions and cost and quantity management services.
- **Project management:** Manages and supervises construction projects of public and private contractors and produces environmental analysis and inspections.
- **Environmental monitoring:** Measures, inspects and monitors vibration effects on built environment in rock excavation and civil engineering projects.
- **Electrical and automation engineering:** Provides the design of electrical and automation solutions for public and private operators.
- **Digital services:** Produces security and competitiveness with IOT applications and site digitisation for key contractors in the construction industry.
- **Financial services:** Takes care of the financial, payroll and HR management of its client companies with services and applications, and supports business development.

- **Supply chain and logistics:** Creates sustainable supply chain strategies and solutions, redesigns and optimises goods- and information flows and enhances logistical networks based on data-driven analytical methods.
- **Transport consulting services:** Delivers railway and transport consulting services. Solwers has extensive experience in consulting work, leadership and business development and the company's knowledge enables it to support its customers in their business.

SOLWERS' COMPANIES AS OF 31 DECEMBER 2023

Finland



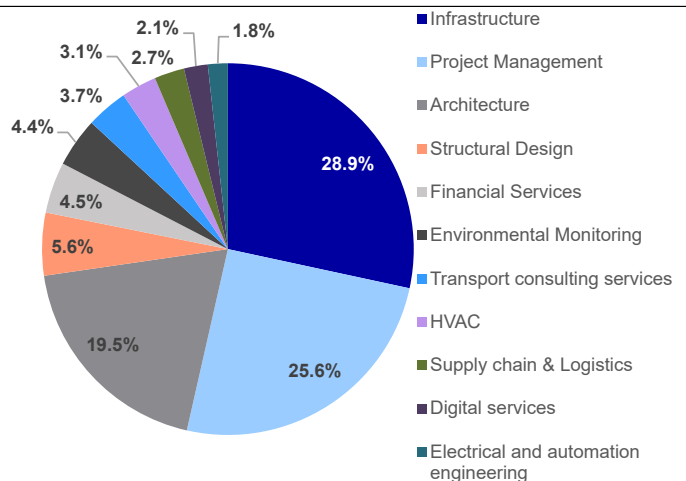
Sweden



Source: Company data and Nordea

Based on data we have collected from Asiakastieto in Finland and Allabolag.se in Sweden, we have estimated the exposure to different branches in the chart below.

SOLWERS' COMPANIES SALES SPLIT AS OF 2022



Source: Asiakastieto, Allabolag.se and Nordea

We estimate that infrastructure, project management and architecture account for nearly 75% of sales

Our calculations show, based on numbers disclosed as of the end of 2022, that infrastructure comprises ~29% of sales, followed by project management with ~26% and architecture with ~20% as the main categories. It is worth noting, however, that the subsidiaries may have operations in multiple businesses and this composition is solely based on our assumption of the subsidiaries' main line of business.

CEO and group management team



Stefan Nyström – CEO

- CEO since 2019
- **Born:** 1961
- **Education:** Master's in Technology, Helsinki University of Technology
- **Work experience:** Vice President (2017-18) and Managing Director of Finnmap Infra Oy (2017-21). Previous positions include Managing Director of Pöyry Sweden AB (2014-16), President of Pöyry's Local Project Service Industry (2010-14), Managing Director of Pöyry Civil Oy (2006-10) and Managing Director of Aaro Kohonen Oy (2003-05).
- Shares: 247,000



Jasmine Jussila – Head of Group Communications

- Head of Group Communications since 2023
- **Born:** 1983
- **Education:** Master of Science in HRM, Oxford Brookes University
- **Work experience:** Head of Group Corporate Communications and Global Head of PR at Lumene Oy (2021-23), Founder & CEO of communications agency Presser Oy (2014-21), Country Manager and leadership roles at Calcus Kustannus Oy (2011-14), Communications Specialist, Finland & Baltics at Avon Products Inc (2007-10). She was also a board member at Academic Women of Helsinki (2013-14).
- Shares: 610



Olli Kuusi – General Counsel and Secretary to the Board of Directors

- General Counsel and Secretary to the Board of Directors since 2019
- **Born:** 1988
- **Education:** Master of Laws, University of Helsinki
- **Work experience:** Legal Director at Edzcom Oy (2019-20) and a lawyer at Terveystalo Plc (2014-19). Kuusi also serves as Board Chairman at the Association of Industrial Lawyers. In addition, he served as a member of Nuoret Juristit ry's board of directors (2017-20).
- Shares: 17,360



Teemu Kraus – CFO

- CFO since 2023
- **Born:** 1973
- **Education:** Master of Science in Economics, University of Tampere
- **Work experience:** Director of Finance and Accounting at Citec Group (2021-23). He has also worked in financial management positions in Maintpartner Group (2018-20) and Knauf Oy (2010-17).



Nina Nikander – HR Director, Solwers Finland Oy

- HR Director since 2020
- **Born:** 1984
- **Education:** Master of Science in Economics and Business Administration, Aalto University
- **Work experience:** Solwers' HRD Business Partner (2019-20). She has previously worked as an HR Specialist at KONE Corporation (2014-17), as a Recruitment Specialist at Lemminkäinen Oyj (2013-14) and as an HR Specialist at Rautaruukki Corporation (2012-13) and at Comptel Oyj (2011-12).

Board of directors



Leif Sebbas – Chairman of the Board

- Board member and Chairman since 2017
- **Born:** 1962
- **Education:** Master of Science in Technology, Helsinki University of Technology
- **Work experience:** Leif Sebbas has previously served as CEO of Sweco India Pvt. Ltd (2005-16), Senior Advisor at Sweco Finland Oy (2004-16), management positions at Finnmap Consulting Oy (2012-14) and CEO of Aaro Kohonen Oy (2007-12).
- **Key positions of responsibility:** Leif Sebbas is the Chairman of the Board at Finnmap Infra Oy and PP-Laatta Oy. In addition, he has been a member of the board of directors in more than 40 companies.
- **Shares:** 286,340 shares (with Finnmap Engineering Oy and CEB Invest Oy's ownership share, the total number of shares is 4,778,393)



Hanna-Maria Heikkinen – Board member

- Board member since 2019
- **Born:** 1979
- **Education:** Master of Science in Economics and Business Administration, Turku School of Economics
- **Work experience:** Hanna-Maria Heikkinen works as Wärtsilä's Vice President, Investor Relations. She has also worked as Vice President Investor Relations at Cargotec Corporation (2016-21), Valmet Corporation (2013-16) and YIT (2010-13). She has also worked at Nordea Markets as an equity analyst (2007-10).
- **Key positions of responsibility:** Hanna-Maria Heikkinen is a member of the board of directors of Mortgage Society of Finland (Hypo). She was previously a board member of Norrhydro Group Plc (2022-24), Chair of the Audit Committee of Nordea Mortgage Bank Plc (2016-22), a member of the board and the Audit Committee of Helen Ltd (2015-19) and Chair of the Board of the Finnish Investor Relations Society (she was a member of the board in 2013-16, serving as Chair in 2015-16).
- **Shares:** 5,112



John Lindahl – Board member

- Board member since 2019
- **Born:** 1959
- **Education:** Master of Science in Technology, Helsinki University of Technology MBA, University of Jyväskylä
- **Work experience:** John Lindahl has previously worked as Mondi Group's Technical Director and a member of the management team (2011-19), Sales and Marketing Director at Pöyry Oyj (2000-11) and Technology Director at UPM-Kymmene Corporation (1992-2000).
- **Key positions of responsibility:** John Lindahl is Board Chairman at Banmark Oy, Vice Chairman at Fintoil Oy and a member of the boards of Gösta Serlachius Fine Arts Foundation, Mondi Powerflute Oy and Mondi Dynäs AB.
- **Shares:** 15,000 (with Topix Ab's indirect ownership share, total shareholding 45,000 shares)



Johanna Grönroos – Board member

- Board member since 2024
- **Born:** 1977
- **Education:** Master of Science in Economics, Turku School of Economics
- **Work experience:** Johanna Grönroos is the current Chief Strategy Officer of Lamor Corporation Oy (from 2023) and was previously Chief Development Officer at the same company (2021-23). She has also served as Leader of Financial Accounting Advisory Services at Ernst & Young (2011-21), IFRS Specialist/Group Controller at Kesko Oyj (2008-11) and an auditor at Ernst & Young Oy (2000-08).
- **Key positions of responsibility:** Johanna Grönroos serves as the Chair of the Board of CarbonLink Oy and as a board member of Lamor Recycling Oy. At the Association of Authorized Public Accountants, she was previously Chair of the Sustainability Committee (2020-21), a member of the Publication Committee (2011-14) and a member of the Securities Market Working Group.



Emma Papakosta – Board member

- Board member since 2019
- **Born:** 1984
- **Education:** University of Applied Sciences degree, Stockholm International Business School
- **Work experience:** Emma Papakosta has worked as Head of Purchasing Development & Digitalization at NCC Group since 2022. She is also a member of the purchasing management team and the Development & IT committee at NCC Group. Previously, she worked at NCC Group as Head of Purchasing Systems (2016-22) and in various development and purchasing roles (2014-16).
- **Key positions of responsibility:** Emma Papakosta served as a member of Wirba AB's board of directors (2021-22).
- **Shares:** 4,180 (nominee-registered)

The founder and Chairman holds more than a third of the shares in Solwers...

...and the CEO has a meaningful stake in the company

Solwers' ownership structure

Solwers' shareholder list is presented below. The Chairman of the Board, Leif Sebbas, controls FME Consulting, which owns 34.3% of the shares. Leif Sebbas also owns 2.9% of the shares directly, taking his total holding to 37.2%.

Solwers' CEO, Stefan Nyström, holds 2.5% of the shares in the company. We believe the majority of the nominee-registered shares belong to persons having sold their business to Solwers and who have received a portion of the purchase price in the form of Solwers shares.

SHAREHOLDER STRUCTURE AS OF 31 DECEMBER 2023

Shareholder	# of shares	% of shares
FME Consulting	3,405,761	34.3%
CEB Invest Oy	1,042,323	10.5%
Varma Pension Insurance Company	427,653	4.3%
Säästöpankki Pienyhtiöt Fund	375,117	3.8%
Aktia Mikro Markka Fund	310,281	3.1%
Leif Sebbas	286,340	2.9%
Elo Pension Insurance Company	280,000	2.8%
Stefan Nyström	247,000	2.5%
Fondita European Micro Cap Fund	127,526	1.3%
eQ Europe Small Cap Fund	108,020	1.1%
10 largest shareholders, total	6,610,021	66.7%
Nominee registered shares	1,386,609	14.0%
Other shareholders	1,918,437	19.3%
Number of shares, total	9,915,067	100.0%

Source: Company data

Solwers companies in Finland



Accado: Financial services

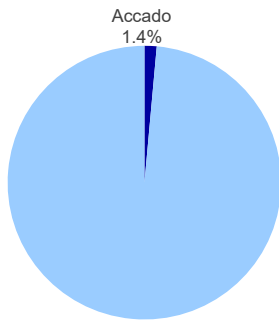
Solwers acquired Accado Oy in 2017. Accado, founded in 2010, is a committed partner for small- and medium-sized businesses focused on growth. In addition to traditional accounting services, Accado offers cutting-edge practices and tools for financial and business planning, measurement and data-driven management.

Accado's services include:

- **Financial management** – from accounting and reporting to full outsourcing of companies' financial management
- **Payroll and human resources management**
- **Business development**
- **All services are supported by Accado's digital toolbox**

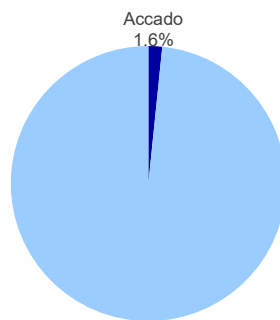
Accado also offers its services to Solwers' other companies, bringing cost and top-line synergies to the group as a whole.

SHARE OF GROUP PERSONNEL, 2022



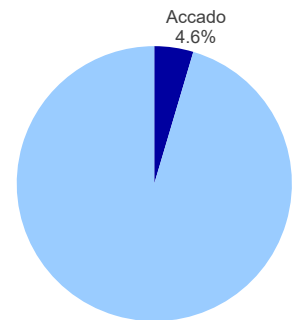
Source: Asiakastiето and Nordea

SHARE OF GROUP SALES, 2022



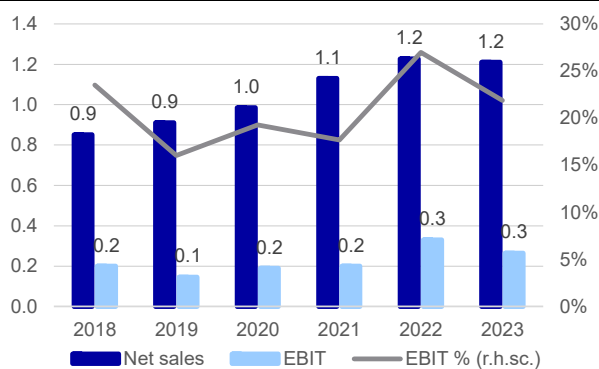
Source: Asiakastiето and Nordea

SHARE OF GROUP EBIT, 2022



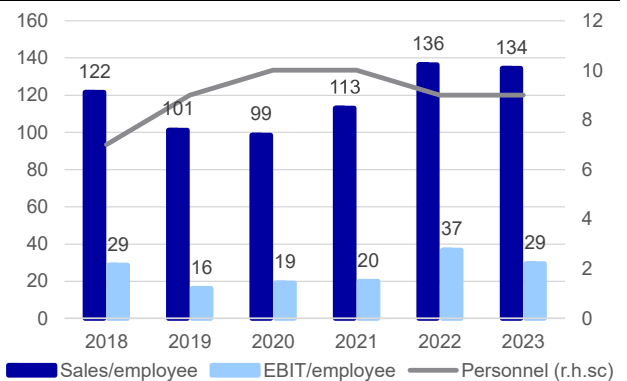
Source: Asiakastiето and Nordea

ACCADO: NET SALES, EBIT (EURm) AND EBIT MARGIN (%), 2018-23



Source: Asiakastiето and Nordea

ACCADO: NET SALES AND EBIT PER EMPLOYEE (EUR '000), PERSONNEL (HEADCOUNT), 2018-23



Source: Asiakastiето and Nordea

In 2023, Accado had net sales of EUR ~1.2m and EBIT of EUR ~0.3m. Revenue and EBIT per employee are above the Solwers' group average. The company employs 10 professionals. We believe the vast majority of Accado's revenue comes from the private sector.



aDT: Architecture

Solwers acquired Architects Davidsson Tarkela (aDT) Oy in 2018. Founded in 1985, aDT is a Helsinki-based architectural firm specialising in demanding renovations, challenging new construction projects and urban development. aDT offers a wide range of design services to both public and private sector clients. Reference projects encompass a wide range from well-known hotel and office building newbuilds and renovations in Finland, to museum renovations and train station projects.

CLARION HOTEL HELSINKI, 2016



Source: Company image

KPMG HEADQUARTERS HELSINKI, 2016



Source: Company image

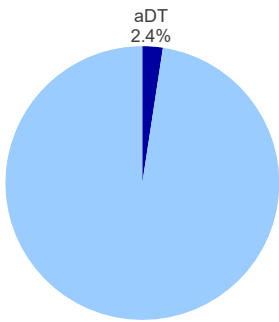
FINNISH NATIONAL THEATRE, 2023



Source: Company image

Being part of Solwers enables aDT to offer an even wider array of design services to its customers via trusted collaborators in the Solwers group.

SHARE OF GROUP PERSONNEL, 2022



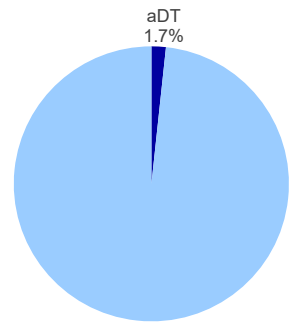
Source: Asiakastiето and Nordea

SHARE OF GROUP SALES, 2022



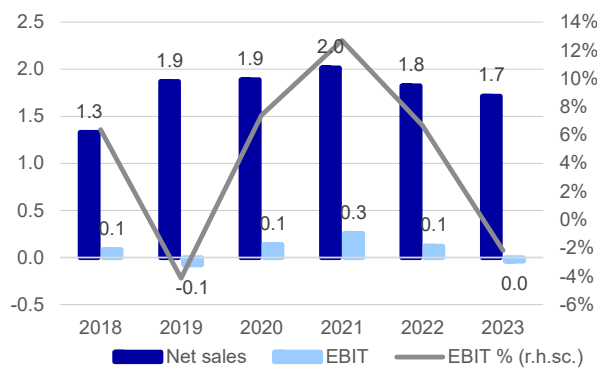
Source: Asiakastiето and Nordea

SHARE OF GROUP EBIT, 2022



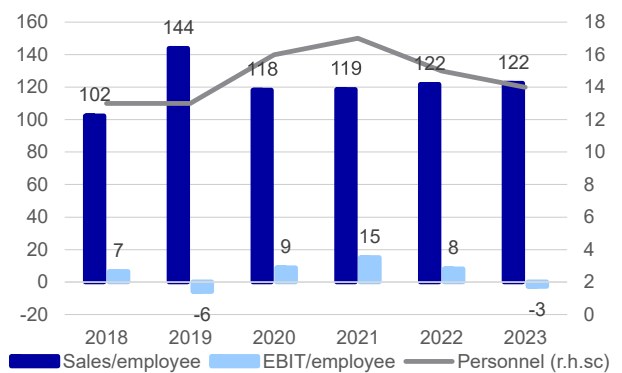
Source: Asiakastiето and Nordea

aDT: NET SALES, EBIT (EURm) AND EBIT MARGIN (%), 2018-22



Source: Asiakastiето and Nordea

aDT: NET SALES AND EBIT PER EMPLOYEE (EUR '000), PERSONNEL (HEADCOUNT), 2018-22



Source: Asiakastiето and Nordea

In 2023, aDT had net sales of EUR ~1.7m and EBIT of EUR -0.04m. Revenue per employee is higher than Solwers' group average and EBIT per employee has been largely in line with the group average apart from in 2023. The company employs around 22 people in both architectural and interior design. We believe the majority of aDT's revenue stems from the public sector.



Contria: Structural design

Solwers acquired Contria Oy in 2019. Founded in 2009, Contria is based in Vaasa with a strong position in Finland's Ostrobothnia, where the Swedish language is important for business. The company offers newbuild and renovation design with special competence within demanding concrete and steelworks.

WÄRTSILÄ LOGISTICS CENTRE, 2019-21



Source: Company image

PRISMA RETAIL PREMISE, 2019-22



Source: Company image

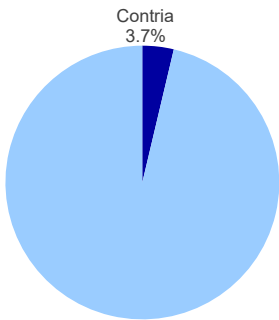
VAASA HOSPITAL EXPANSION, 2017-18



Source: Company image

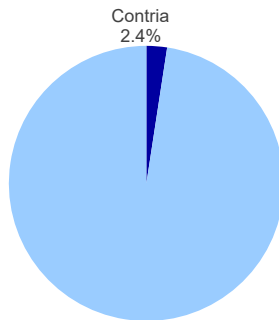
Contria has references from a wide range of projects within both the public and private sectors. References include schools, hospitals, offices, shopping centres as well as industrial and residential buildings.

SHARE OF GROUP PERSONNEL, 2022



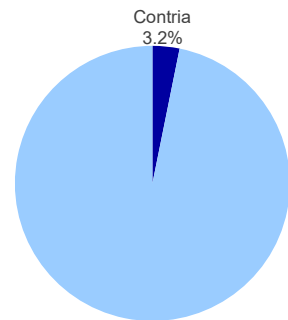
Source: Asiakastiето and Nordea

SHARE OF GROUP SALES, 2022



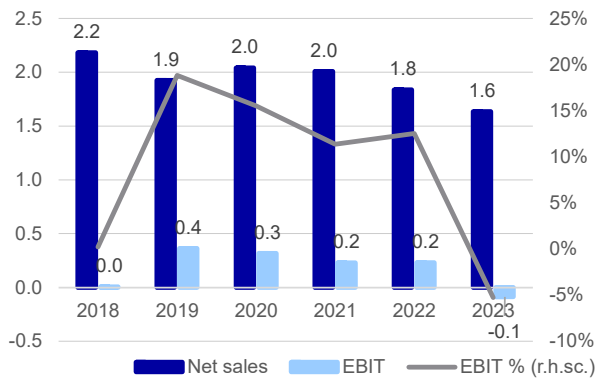
Source: Asiakastiето and Nordea

SHARE OF GROUP EBIT, 2022



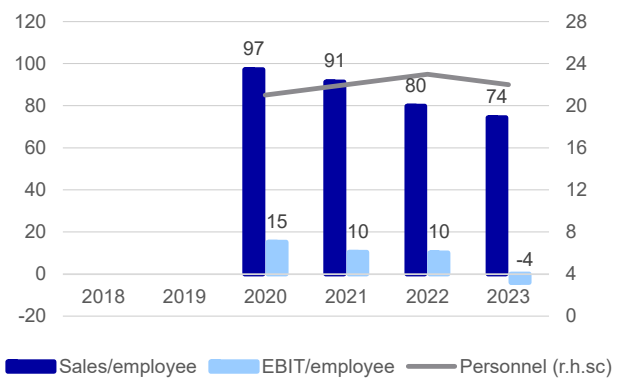
Source: Asiakastiето and Nordea

CONTRIA: NET SALES, EBIT (EURm) AND EBIT MARGIN (%), 2018-23



Source: Asiakastiето and Nordea

CONTRIA: NET SALES AND EBIT PER EMPLOYEE (EUR '000), PERSONNEL (HEADCOUNT), 2018-23



Source: Asiakastiето and Nordea

In 2023, Contria had net sales of EUR ~1.6m and EBIT of EUR -0.1m. Revenue is somewhat below Solwers' group average while EBIT per employee is in line with the group average, apart from in 2023. In 2023, the company had 22 employees; according to its website, it currently has 17 employees with billing capacity. We believe the share of revenue is evenly split between the public and private sectors for Contria.

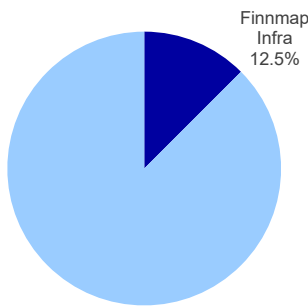


Finnmap Infra: Infrastructure

Finnmap Infra Oy has been part of Solwers since its formation in 2017. The company was founded in 1993 and is based in Helsinki but also has offices in major Finnish cities. Finnmap Infra is a consulting company offering various design services for more sustainable living environments. The company's services cover the entire range of design and site supervision services necessary to develop a functional infrastructure environment – roads, highways, railways, utilities, geotechnics, bridges, land use and environmental studies. The company's offering includes:

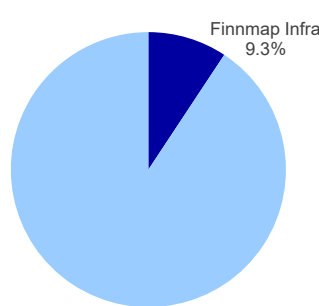
- street and area design
- road design
- rail design
- geotechnical design
- bridge and special structure design
- construction design
- traffic design
- lighting and electrical wiring design
- environmental consulting
- rock and tunnel design
- digital services
- aerial imaging services

SHARE OF GROUP PERSONNEL, 2022



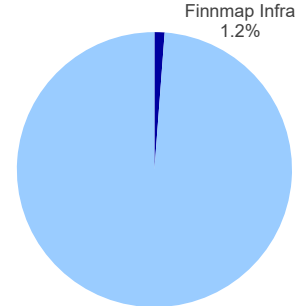
Source: Asiakastiето and Nordea

SHARE OF GROUP SALES, 2022



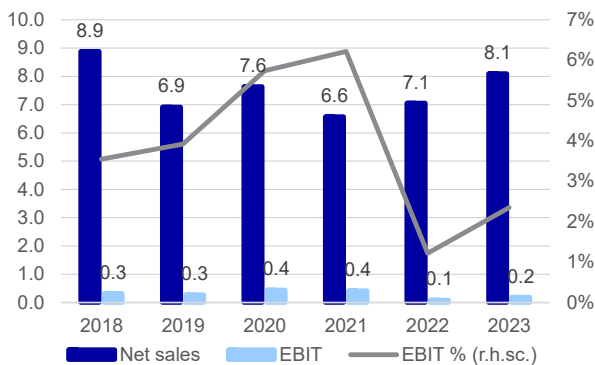
Source: Asiakastiето and Nordea

SHARE OF GROUP EBIT, 2022



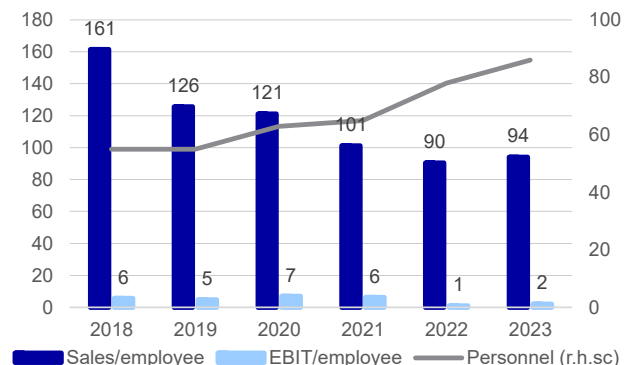
Source: Asiakastiето and Nordea

FINNMAP INFRA: NET SALES, EBIT (EURm) AND EBIT MARGIN (%), 2018-23



Source: Asiakastiето and Nordea

FINNMAP INFRA: NET SALES AND EBIT PER EMPLOYEE (EUR '000), PERSONNEL (HEADCOUNT), 2018-23



Source: Asiakastiето and Nordea

In 2023, Finnmap Infra had net sales of EUR ~8.1m and EBIT of EUR ~0.2m. Revenue per employee were above the group average until 2020, but below in 2021-23. In 2023, the company had 86 employees. We believe the majority of Finnmap Infra's revenue stems from the public sector, although the company also has private customers, such as EV charging operators. Finnmap Infra and Kalliosuunnittelu Rockplan LTD merged in November 2023.



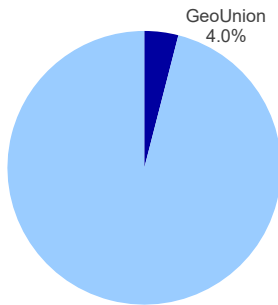
GeoUnion: Environmental monitoring

Solwers acquired GeoUnion Oy in 2020. Founded in 1993, GeoUnion specialises in geotechnical analysis and planning.

The company offers services within:

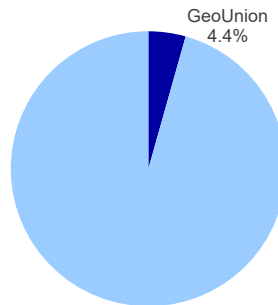
- **Ground survey** – References include Espoo-Salo railway track planning, the Kruunusillat bridge project in Helsinki and the Vantaa tram ground survey project.
- **Laser scanning** – References include the Grand Hansa and Tornio hotels in Helsinki as well as the Kiasma and Ateneum museums in Helsinki.
- **Measurement** – References include the Kruunusillat bridge project in Helsinki and the Vantaa tram project.
- **Infrastructure construction quality control and environmental monitoring** – References include Espoo-Salo railway track ground water monitoring and Helsinki-Vantaa Airport extension quality control .
- **Administration**

SHARE OF GROUP PERSONNEL, 2022



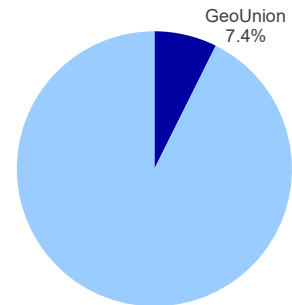
Source: Asiakastiето and Nordea

SHARE OF GROUP SALES, 2022



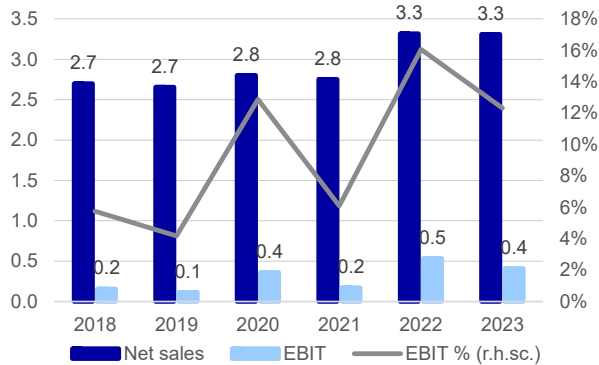
Source: Asiakastiето and Nordea

SHARE OF GROUP EBIT, 2022



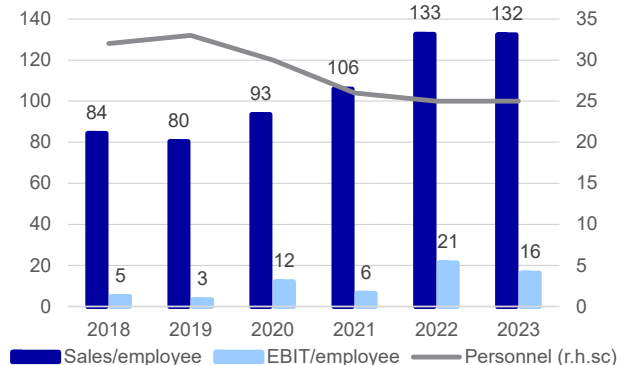
Source: Asiakastiето and Nordea

GEOUNION: NET SALES, EBIT (EURm) AND EBIT MARGIN (%), 2018-23



Source: Asiakastiето and Nordea

GEOUNION: NET SALES AND EBIT PER EMPLOYEE (EUR '000), PERSONNEL (HEADCOUNT), 2018-23



Source: Asiakastiето and Nordea

In 2023, Geounion had net sales of EUR ~3.3m and EBIT of EUR ~0.4m. Revenue and EBIT per employee were above Solwers' group average in 2023. In 2023, the company had 25 employees. We believe the majority of GeoUnion's revenue stems from the public sector, but it also has private customers, e.g. construction companies.



Inmeco: Project management

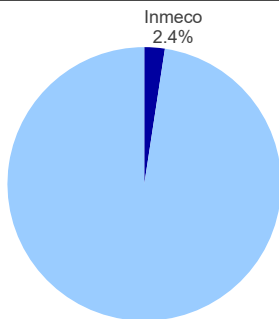
Solwers acquired Inmeco Rakennuskonsultit Oy in 2021. Inmeco was founded in 1987 and offers construction project management. The company has offices in the cities of Jyväskylä, Seinäjoki and Vaasa.

The company offers services within the following:

- Construction project management
- Project planning
- Project design
- Property development and project management
- Construction supervision
- HVAC monitoring
- Electrical monitoring

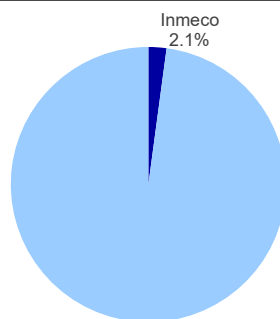
References include several renovation projects in historically important buildings created by architect Alvar Aalto.

SHARE OF GROUP PERSONNEL, 2022



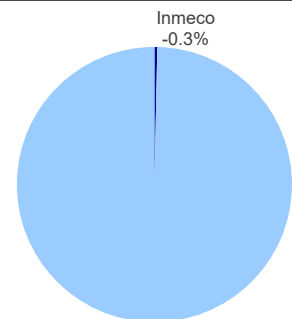
Source: Asiakastiето and Nordea

SHARE OF GROUP SALES, 2022



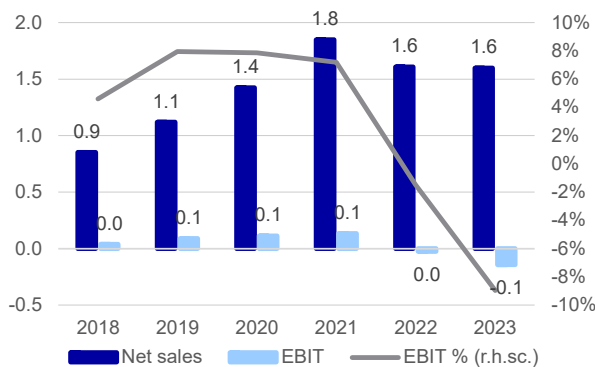
Source: Asiakastiето and Nordea

SHARE OF GROUP EBIT, 2022



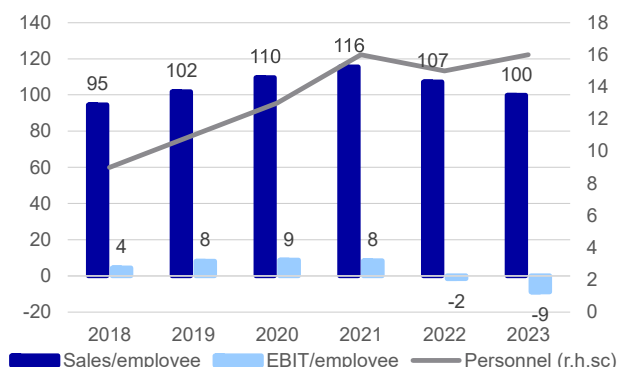
Source: Asiakastiето and Nordea

INMECO: NET SALES, EBIT (EURm) AND EBIT MARGIN (%), 2018-23



Source: Asiakastiето and Nordea

INMECO: NET SALES AND EBIT PER EMPLOYEE (EUR '000), PERSONNEL (HEADCOUNT), 2018-23



Source: Asiakastiето and Nordea

In 2023, Inmeco had net sales of EUR ~1.6m and EBIT of EUR -0.1m. Revenue and EBIT per employee are broadly in line with Solwers' group average, apart from the most recent reported years (2022-23). The company currently employs 16 professionals. We believe the majority of Inmeco's revenue stems from the public sector, but it also has private customers, e.g. construction companies.



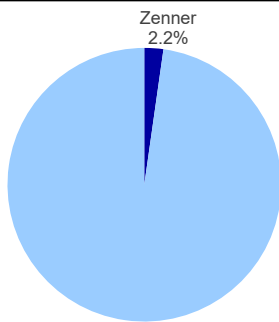
Zenner: HVAC

Solwers acquired Insinööritoimisto W. Zenner Oy in 2019. Zenner was founded in 1972 by Wolfgang Zenner and today specialises in HVAC and acoustic design, as well as pneumatic mail systems (e.g. in hospitals and pharmacies).

The company offers services within:

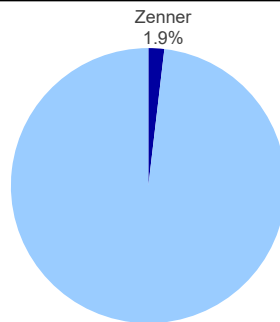
- **HVAC design** – The company has special competence especially within hospital environments and it has its own laboratory for testing different solutions. Clients include a wide range of private customers as well as public customers and housing companies. References within renovation include the Hotel Anna in Helsinki, the City of Helsinki's KYMP Marian Startup area. Within newbuild projects, we note the HUSLAB liquid nitrogen and pneumatic mail system design.
- **Acoustic design** – Zenner is specialised in acoustic design and measurement; its focus on acoustics has increased in recent years for newbuilds and renovation, especially as densification in construction is constantly increasing. References include SRV high-rise buildings in Kalasatama, Helsinki, and the HUS Jorvi Hospital in Espoo.
- **Pneumatic mail systems** – Zenner is the leading Finnish supplier of pneumatic mail system design with hospitals as the main customer category. References include most of the large hospitals in Finland.
- **Laboratory and field measurement** – References from small, medium-sized and large HVAC manufacturers, construction companies and public customers.

SHARE OF GROUP PERSONNEL, 2022



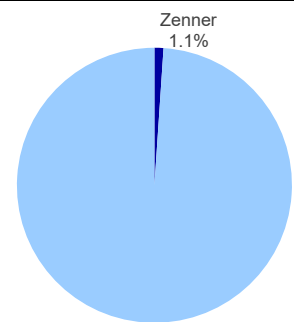
Source: Asiakastiето and Nordea

SHARE OF GROUP SALES, 2022



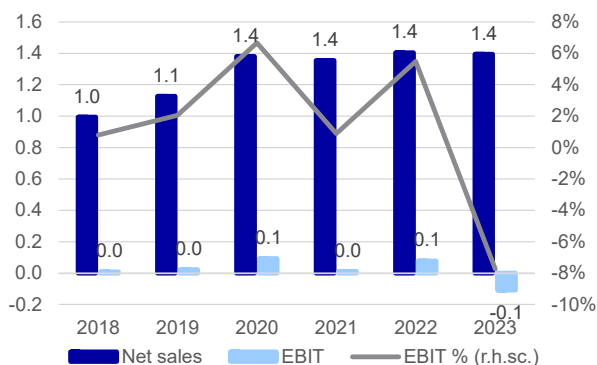
Source: Asiakastiето and Nordea

SHARE OF GROUP EBIT, 2022



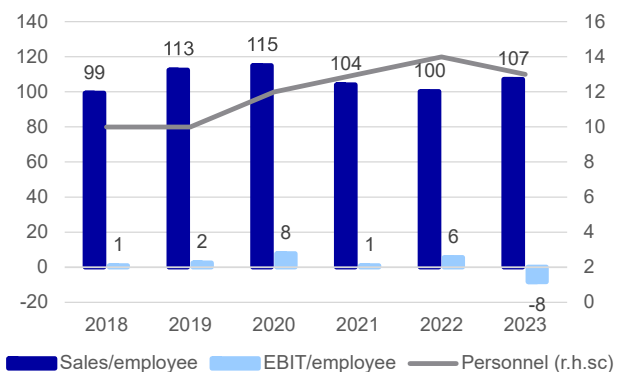
Source: Asiakastiето and Nordea

ZENNER NET SALES, EBIT (EURm) AND EBIT MARGIN (%), 2018-23



Source: Asiakastiето and Nordea

ZENNER NET SALES AND EBIT PER EMPLOYEE (EUR '000), PERSONNEL (HEADCOUNT), 2018-23



Source: Asiakastiето and Nordea

In 2023, Zenner had net sales of EUR ~1.4m and EBIT of EUR -0.1m. Revenue per employee is broadly in line with Solwers' group average while EBIT per employee is lower. Zenner currently has 13 employees. We believe the majority of Zenner's revenue stems from the public sector, although the company also has private customers, e.g. HVAC equipment manufacturers and construction companies.



Kalliotekniikka: Infrastructure

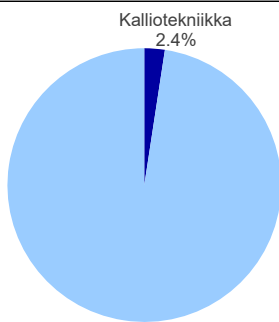
Kalliotekniikka Consulting Engineers Oy has been part of Solwers since its formation in 2017. Kalliotekniikka was founded in 1998. Kalliotekniikka uses only state-of-the-art measurement tools from Insantel and it is the only certified importer of InstanTEL tools in the Nordics.

The company offers services within:

- Review of environmental impact of projects
- Project impact analysis for nearby premises
- Vibration, noise and dust measurement
- BlastView – in-house developed software for vibration screening
- Noise simulation
- Water samples
- Vibration reduction and prevention measures
- Expert opinions
- Supervision of controlled explosions
- WipFrag analysis

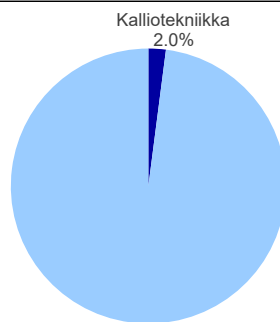
Kalliotekniikka has delivered solutions to clients in 11 countries.

SHARE OF GROUP PERSONNEL, 2022



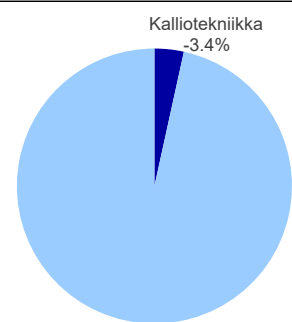
Source: Asiakastiето and Nordea

SHARE OF GROUP SALES, 2022



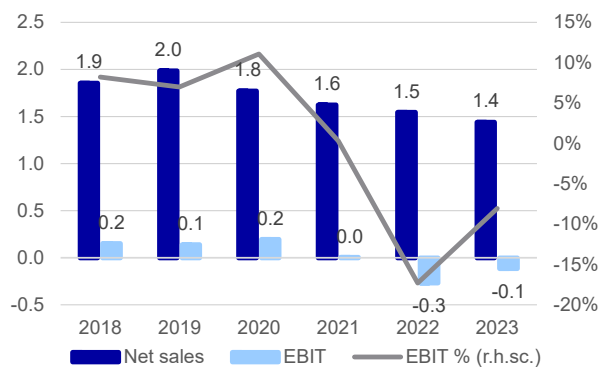
Source: Asiakastiето and Nordea

SHARE OF GROUP EBIT, 2022



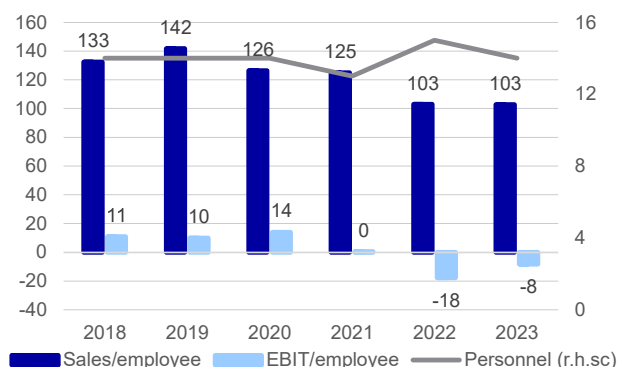
Source: Asiakastiето and Nordea

KALLIOTEKNIikka: NET SALES, EBIT (EURm) AND EBIT MARGIN (%), 2018-23



Source: Asiakastiето and Nordea

KALLIOTEKNIikka: NET SALES AND EBIT PER EMPLOYEE (EUR '000), PERSONNEL (HEADCOUNT), 2018-23



Source: Asiakastiето and Nordea

In 2023, Kalliotekniikka had net sales of EUR ~1.4m and EBIT of EUR -0.1m. Revenue and EBIT per employee were above the group average until 2020, while profitability was below in 2021-23. According to the company's website, it currently has 16 employees. We believe the majority of Kalliotekniikka's revenue stems from the public sector, although the company also has private customers, e.g. HVAC and construction companies. Kalliotekniikka acquired Finexpl Oy in March 2024. The company's 2023 revenue was EUR 0.5m and EBIT was EUR 0.07m.

LUKKAROINEN

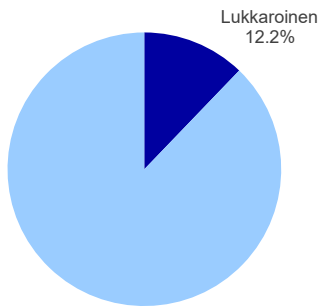
Lukkaroinen: Architecture

Solwers acquired Lukkaroinen Arkkitehdit Oy in late 2021. Lukkaroinen was founded in 1980 and has four offices in Finland; Oulu, Helsinki, Turku and Kokkola. Lukkaroinen is one of the largest architect companies in Finland with its 74 architects, 22 interior architects and eight assistant designers. Its operations have been focused to a large extent around the city of Oulu. Architectural design is the core of Lukkaroinen's competence, including building and interior design, as well as land-use planning. The customer base includes both public and private clients.

The company offers services within:

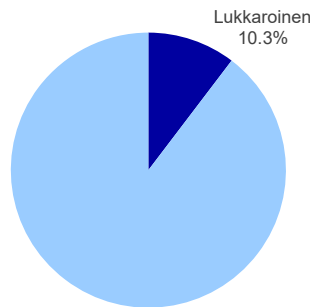
- **Architectural design** – Services for all stages of the design process, from the first steps of the project and project planning to the draft stages, implementation planning and fine-tuning details.
- **Interior design** – A comprehensive range of interior design services that are tailored to the needs of each project. Design projects include hotels and restaurants, learning environments, healthcare buildings, property development, business premises and working environments, commercial premises, holiday homes and small residential buildings.
- **Land use planning** – Lukkaroinen's zoning architects are experts in land-use planning, building design and landscape design. The multidisciplinary expertise supports the creation of a functional, architecturally high-quality and environmentally sustainable environment.

SHARE OF GROUP PERSONNEL, 2022



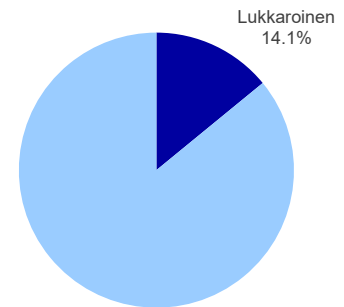
Source: Asiakastiето and Nordea

SHARE OF GROUP SALES, 2022



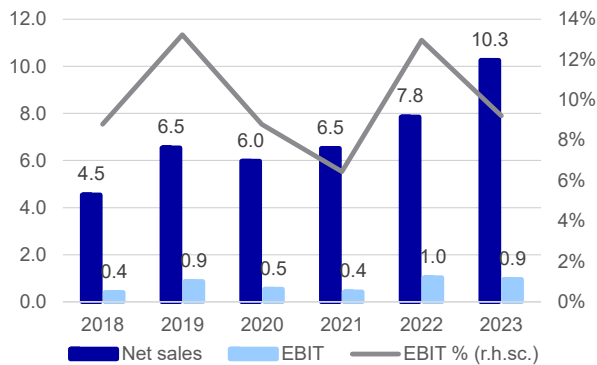
Source: Asiakastiето and Nordea

SHARE OF GROUP EBIT, 2022



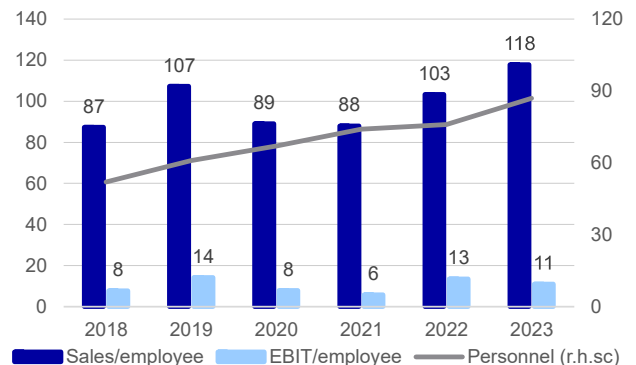
Source: Asiakastiето and Nordea

LUKKAROINEN: NET SALES, EBIT (EURm) AND EBIT MARGIN (%), 2018-23



Source: Asiakastiето and Nordea

LUKKAROINEN: NET SALES AND EBIT PER EMPLOYEE (EUR '000), PERSONNEL (HEADCOUNT), 2018-23



Source: Asiakastiето and Nordea

In 2023, Lukkaroinen had net sales of EUR ~10.3m and EBIT of EUR ~0.9m. Revenue and EBIT per employee are slightly below above Solwers' group average. According to the company's website, it appears that the company currently has more than 100 employees. We believe the majority of revenue for Lukkaroinen stems from the public sector, although the company also has numerous private customers. Lukkaroinen acquired Arkman Arkkitehtuuri in 2023.

LVI-INSINÖÖRITOIMISTO MESKANEN

Meskanen: HVAC

Solwers acquired LVI-Insinööritoimisto Meskanen Oy in 2021. Meskanen was founded in 2016 and specialises in HVAC and automation design. The company offers services within the following:

- **HVAC and automation design** – HVAC design within residential, retail, office and educational buildings as well as automation services.
- **HVAC and automation supervision**
- **Energy design** – Design services for enhancing energy efficiency and indoor climate as well as lifecycle cost calculations.

PIKKULAIVA RETAIL PARK, ESPOO 2019



Source: Company image

HOTELLI MESTARI, HELSINKI (ONGOING)



Source: Company image

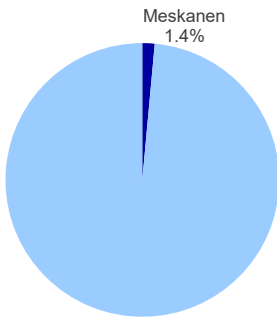
SCHOOL CENTRE, IVALO (ONGOING)



Source: Company image

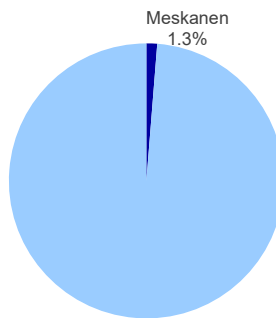
The company has references from a wide range of projects from both the public and private sectors.

SHARE OF GROUP PERSONNEL, 2022



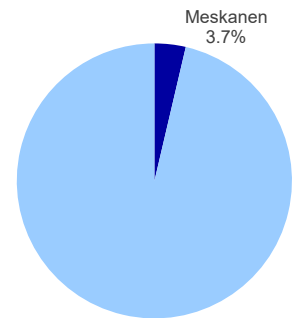
Source: Asiakastiето and Nordea

SHARE OF GROUP SALES, 2022



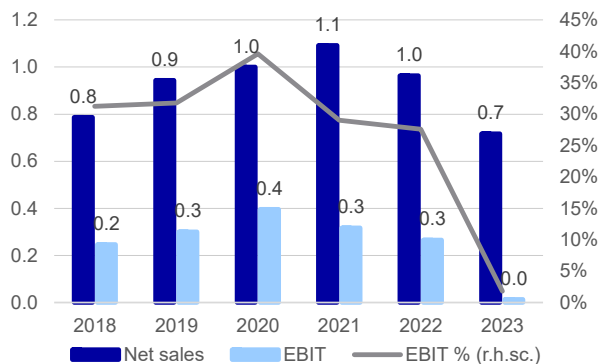
Source: Asiakastiето and Nordea

SHARE OF GROUP EBIT, 2022



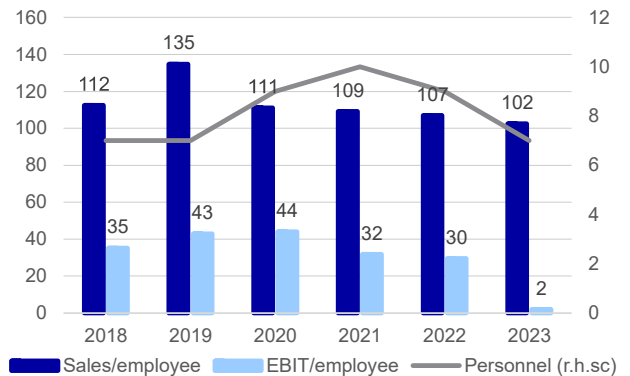
Source: Asiakastiето and Nordea

MESKANEN: NET SALES, EBIT (EURm) AND EBIT MARGIN (%), 2018-23



Source: Asiakastiето and Nordea

MESKANEN: NET SALES AND EBIT PER EMPLOYEE (EUR '000), PERSONNEL (HEADCOUNT), 2018-23



Source: Asiakastiето and Nordea

In 2023, Meskanen had net sales of EUR ~0.7m and EBIT of EUR 0.01m. Revenue per employee is in line with Solwers' group average but EBIT per employee is clearly above the group average, apart from in 2023. Meskanen currently has seven employees. We believe the majority of Meskanen's revenue stems from the private sector, although the company also has numerous public customers. Meskanen acquired LVI-Insinööritoimisto Plan-Air Oy in 2023.

POLYPLAN

Polyplan: Architecture

Solwers acquired Polyplan Oy in 2018. Polyplan was founded in 1993 and offers architectural and structural engineering services, as well as project management services. Polyplan works with both private and public sector clients. Polyplan's headquarters are located in Vaasa but it operates in all Ostrobothnian cities as well as outside of the area.

The company offers services within **architectural design, structural engineering, interior design** and **project management**.

PRISMA REFURBISHMENT IN KOKKOLA



Source: Company image

DAYCARE CENTRE IN LUOTO



Source: Company image

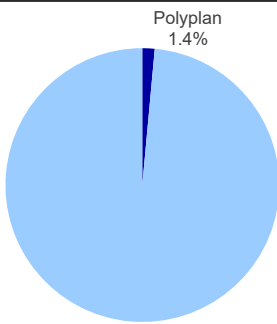
RENOVATION OF FACADE IN VAASA



Source: Company image

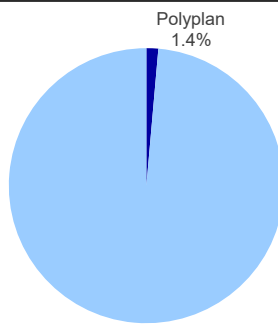
The company has references from a wide range of projects for both public and private customers.

SHARE OF GROUP PERSONNEL, 2022



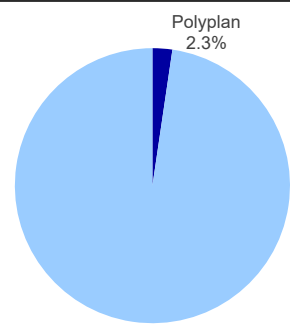
Source: Asiakastiето and Nordea

SHARE OF GROUP SALES, 2022



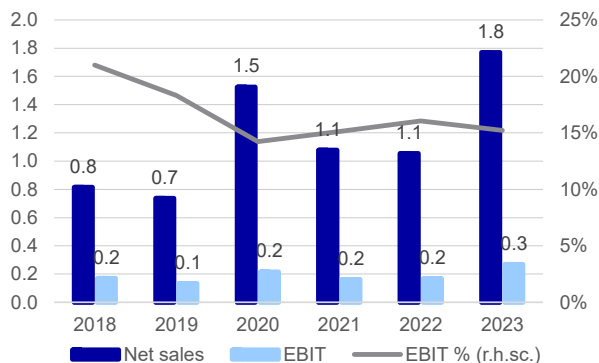
Source: Asiakastiето and Nordea

SHARE OF GROUP EBIT, 2022



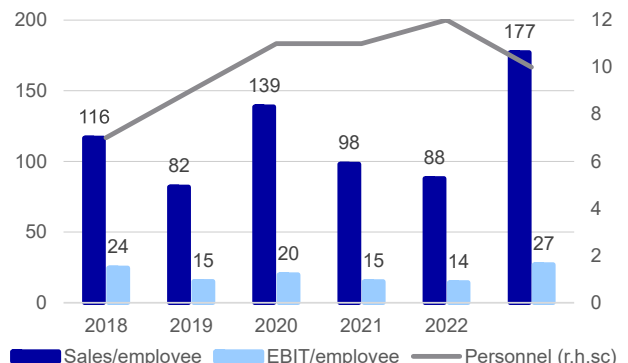
Source: Asiakastiето and Nordea

POLYPLAN: NET SALES, EBIT (EURm) AND EBIT MARGIN (%), 2018-23



Source: Asiakastiето and Nordea

POLYPLAN: NET SALES AND EBIT PER EMPLOYEE (EUR '000), PERSONNEL (HEADCOUNT), 2018-23



Source: Asiakastiето and Nordea

In 2023, Polyplan had net sales of EUR ~1.8m and EBIT of EUR ~0.3m. Revenue per employee is in line with the Solwers' group average, while EBIT per employee is clearly above in 2023. Polyplan currently has 10 employees. We believe the majority of Polyplan's revenue stems from the private sector, but the company also has numerous public customers.



Pontek: Infrastructure

Solwers acquired Pontek Oy in 2017. Pontek was founded in 1966 and mainly offers design for infrastructure construction. Pontek works with private and public sector clients. Pontek's headquarters are located in Espoo, but it has a national reach.

The company offers services within **structural engineering** with special knowledge in demanding public construction such as schools, hospitals and day care centres. On the private side, it focuses on industrial structures, hotels and steel structures. Pontek also offers **design of bridges** with a focus on pre-stressed concrete bridges, steel bridges and movable bridges. **Design of dams and gates for hydraulic structures** are also part of Pontek's offering, as well as **renovation design** for the restoration, improvement and expansion of buildings and structures.

RENOVATION AND EXPANSION OF HELSINKI CITY THEATRE



Source: Company image

DESIGN OF ISOISÄNSILTA BRIDGE IN HELSINKI



Source: Company image

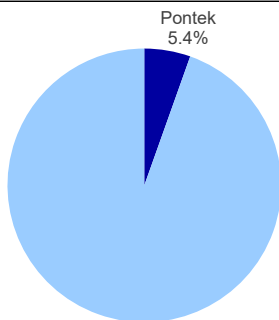
ESPOO CENTRAL FIRE STATION RENOVATION AND EXPANSION



Source: Company image

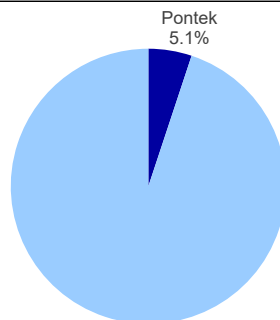
The company has references from a wide range of projects for both public and private customers.

SHARE OF GROUP PERSONNEL, 2022



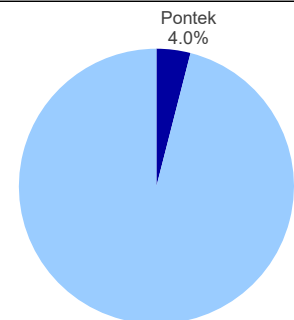
Source: Asiakastiето and Nordea

SHARE OF GROUP SALES, 2022



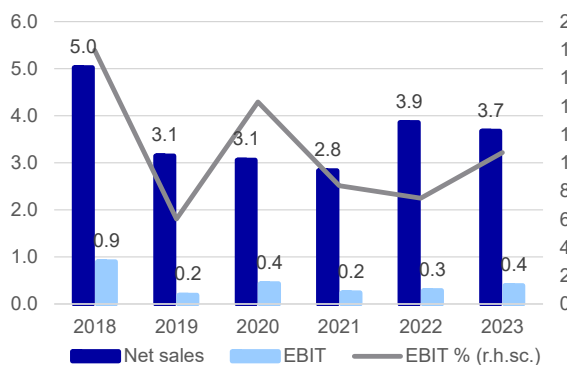
Source: Asiakastiето and Nordea

SHARE OF GROUP EBIT, 2022



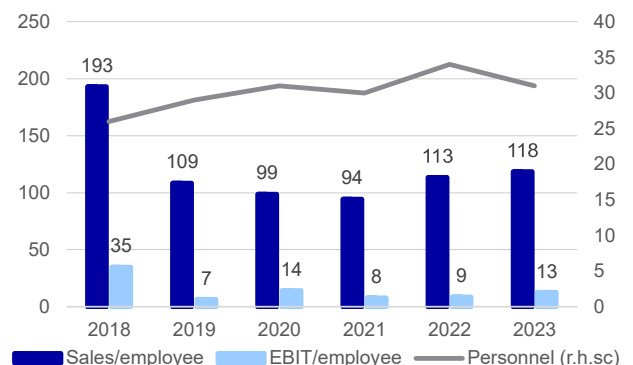
Source: Asiakastiето and Nordea

PONTEK: NET SALES, EBIT (EURm) AND EBIT MARGIN (%), 2018-23



Source: Asiakastiето and Nordea

PONTEK: NET SALES AND EBIT PER EMPLOYEE (EUR '000), PERSONNEL (HEADCOUNT), 2018-23



Source: Asiakastiето and Nordea

In 2023, Pontek had net sales of EUR ~3.7m and EBIT of EUR ~0.4m. Revenue and EBIT per employee are slightly above Solwers' group average. According to the company's website, it currently has around 31 employees. We believe the majority of Pontek's revenue stems from the public sector, although the company also has numerous private customers.



Taitotekniikka: Digital services

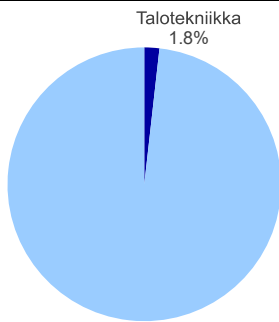
Solwers acquired Pontek Oy in 2017. Taitotekniikka was founded in 2003 and is a provider of IT services and development. The company has established a strong position in IOT solutions and in the digitalisation of construction sites. Initially, Taitotekniikka focused on digital image transformation and network security; the company now has its own development team consisting of 15 engineers with experience within information security, portal solutions, iOS and Android application development, IP-based surveillance camera solutions, etc.

Taitotekniikka provides consulting, design and software implementation and IOT solutions, often as turnkey projects related to the construction industry's digitalisation efforts. In addition to direct sales of solutions, the company also offers equipment leases and full-service concepts for its customers.

Taitotekniikka offers **camera surveillance solutions**, for example for access control, fire and burglar surveillance and solutions for all other property automation.

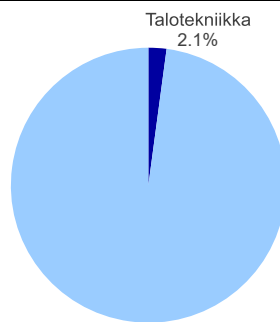
The company also offers **video analytics**, which enhance the functionality of already installed surveillance cameras.

SHARE OF GROUP PERSONNEL, 2022



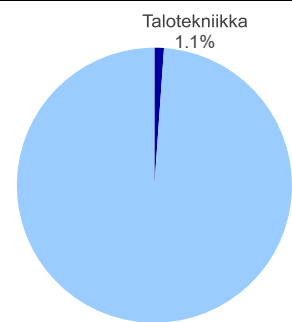
Source: Asiakastiето and Nordea

SHARE OF GROUP SALES, 2022



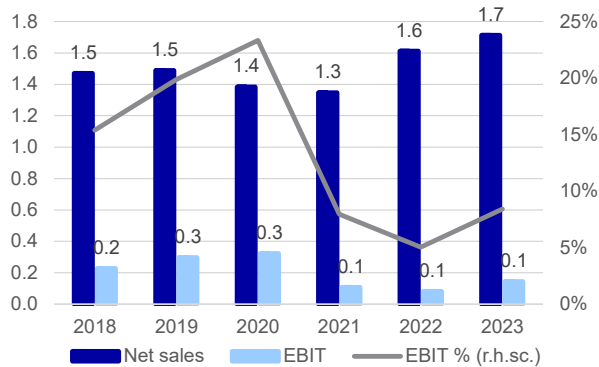
Source: Asiakastiето and Nordea

SHARE OF GROUP EBIT, 2022



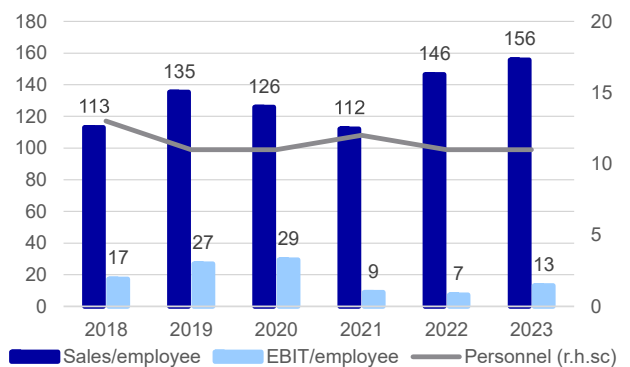
Source: Asiakastiето and Nordea

TAITOTEKNIikka: NET SALES, EBIT (EURm) AND EBIT MARGIN (%), 2018-23



Source: Asiakastiето and Nordea

TAITOTEKNIikka: NET SALES AND EBIT PER EMPLOYEE (EUR '000), PERSONNEL (HEADCOUNT), 2018-23



Source: Asiakastiето and Nordea

In 2023, Taitotekniikka had net sales of EUR ~1.7m and EBIT of EUR ~0.1m. Revenue per employee is above Solwers' group average while EBIT per employee is in line. Taitotekniikka has 11 employees. We believe the majority of Taitotekniikka's revenue stems from the private sector.

Solwers companies in Sweden



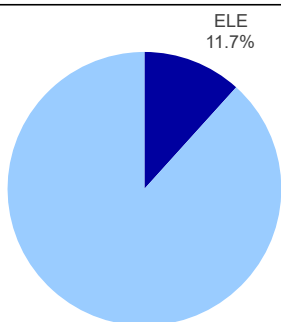
ELE Engineering: Project management

Solwers acquired ELE Engineering in December 2021. ELE was founded in 1984 in Västerås municipality and also has offices in Borlänge and Sundsvall. ELE offers consulting services within:

- **Electrical power and energy.** ELE has experience from transmission, distribution, and power generation (heat, water, solar, wind and nuclear). ELE offers consultancy within project management, primary and secondary engineering and documentation of whole or parts of projects.
- **Industry.** ELE offers consultancy within production, product and process development. ELE is active in several sectors, e.g. paper, steel, wood and manufacturing industries.
- **Real Estate.** ELE has more than 40 years of experience within electricity and telecom, alarm and security solutions.

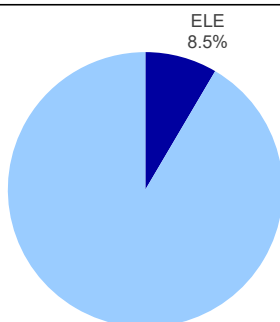
ELE Engineering offers its services to both the private and public sectors.

SHARE OF GROUP PERSONNEL, 2022



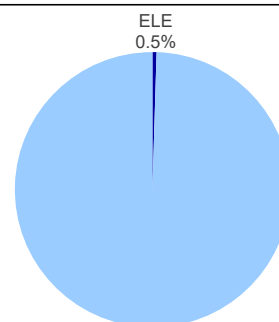
Source: Allabolag.se and Nordea

SHARE OF GROUP SALES, 2022



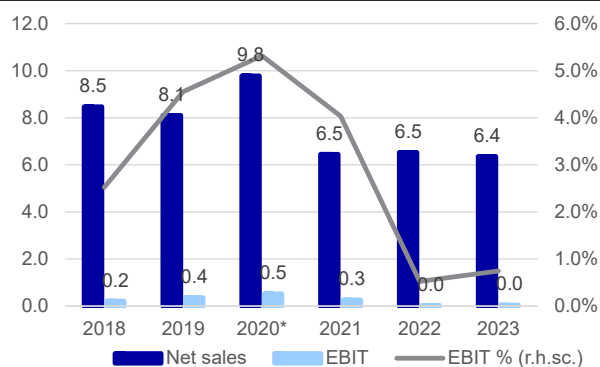
Source: Allabolag.se and Nordea

SHARE OF GROUP EBIT, 2022



Source: Allabolag.se and Nordea

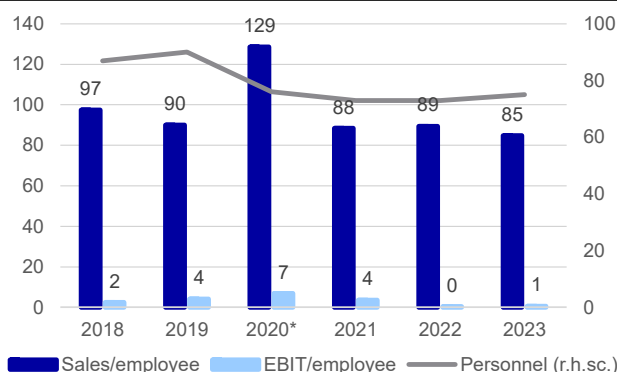
ELE ENGINEERING: NET SALES, EBIT (EURm) AND EBIT MARGIN (%), 2018-23



* 2020 financial year = 18 months

Source: Allabolag.se and Nordea

ELE ENGINEERING: NET SALES AND EBIT PER EMPLOYEE (EUR '000), PERSONNEL (HEADCOUNT), 2018-23



* 2020 financial year = 18 months

Source: Allabolag.se and Nordea

In 2023, ELE had net sales of EUR ~6.4m and EBIT of EUR 0.05m. Revenue and EBIT per employee are below Solwers' group average. ELE currently has around 75 employees.

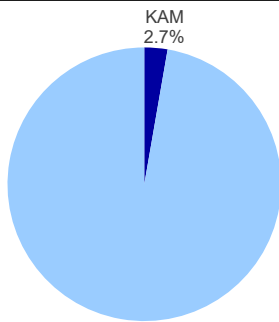


KAM: Financial services

Solwers acquired KAM Redovisning AB in 2019. The company was founded in 2004 and has its headquarters in Stockholm. KAM is an accountancy firm offering a wide range of services within accounting, finance and administration. KAM offers services within the following:

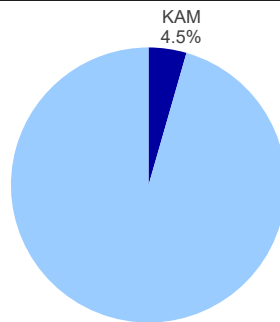
- **Accounting**
- **HR and payroll.** KAM offers a full range of HR and payroll services, e.g. assistance with hiring, ongoing HR services, salary settlement and final payroll and reporting.
- **Financial statements**
- **Business consulting** services designed to support managers and business owners in their operations
- **Tax advisory**
- **Liquidity planning**

SHARE OF GROUP PERSONNEL, 2022



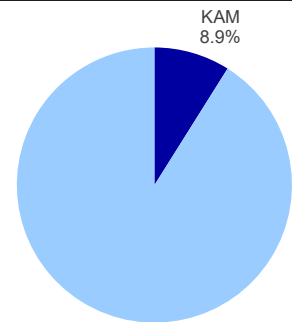
Source: Allabolag.se and Nordea

SHARE OF GROUP SALES, 2022



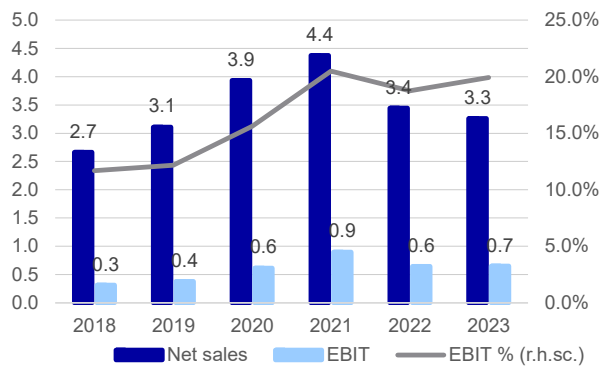
Source: Allabolag.se and Nordea

SHARE OF GROUP EBIT, 2022



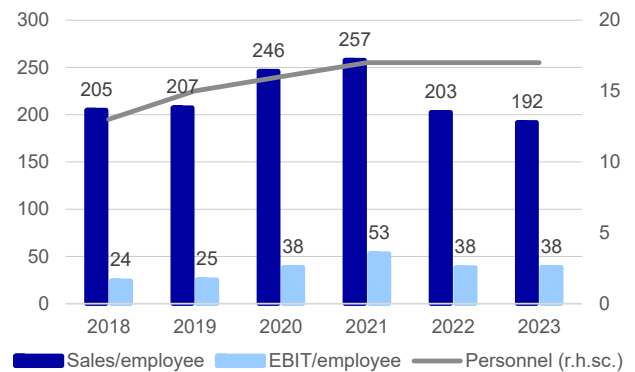
Source: Allabolag.se and Nordea

KAM REDOVISNING: NET SALES, EBIT (EURm) AND EBIT MARGIN (%), 2018-23



Source: Allabolag.se and Nordea

KAM REDOVISNING: NET SALES AND EBIT PER EMPLOYEE (EUR '000), PERSONNEL (HEADCOUNT), 2018-23



Source: Allabolag.se and Nordea

In 2023, KAM had net sales of EUR ~3.3m and EBIT of EUR ~0.7m. Revenue and EBIT per employee are above Solwers' group average due to the nature of the business. According to KAM's website, the company employs 17 people. Revenue stems from the private sector for KAM.



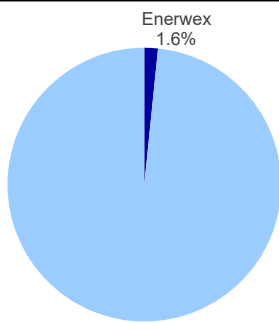
Enerwex: Project management

Solwers acquired Enerwex AB in 2020. Enerwex was founded in 2011 and is based in Växjö, Sweden. The company offers services within:

- Project planning
- Project management
- Cost calculation
- Passive houses

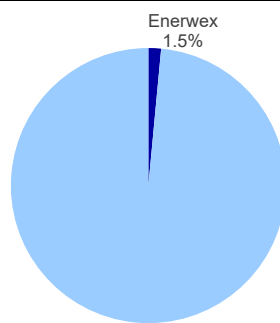
Enerwex has been involved in numerous different building projects in Sweden, for example the Malmö library and the Court of Appeals in Umeå. Sweden's first passive-house tennis hall was also recently designed by Enerwex.

SHARE OF GROUP PERSONNEL, 2022



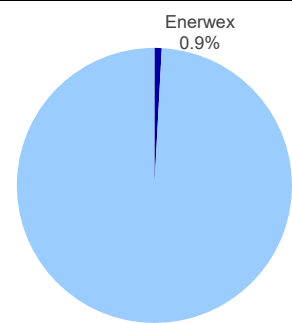
Source: Allabolag.se and Nordea

SHARE OF GROUP SALES, 2022



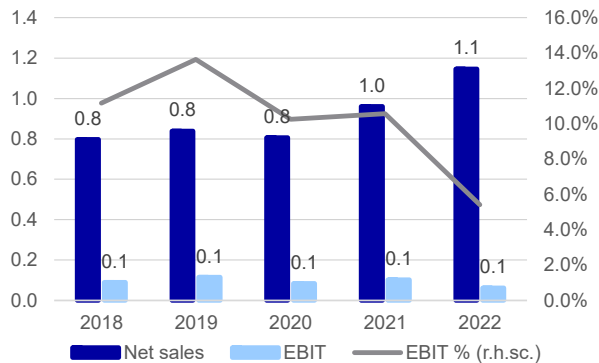
Source: Allabolag.se and Nordea

SHARE OF GROUP EBIT, 2022



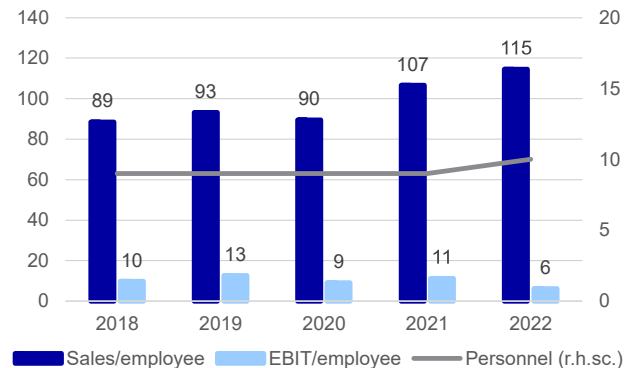
Source: Allabolag.se and Nordea

ENERWEX: NET SALES, EBIT (EURm) AND EBIT MARGIN (%), 2018-22



Source: Allabolag.se and Nordea

ENERWEX: NET SALES AND EBIT PER EMPLOYEE (EUR '000), PERSONNEL (HEADCOUNT), 2018-22



Source: Allabolag.se and Nordea

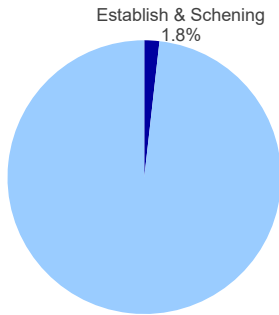
In 2022, Enerwex had net sales of EUR ~1.1m and EBIT of EUR ~0.1m. Revenue and EBIT per employee are broadly in line with Solwers' group average. The company currently has 10 employees. We believe Enerwex's share of revenue is evenly split between the public and private sector.



Establish Schening: Supply chain & logistics

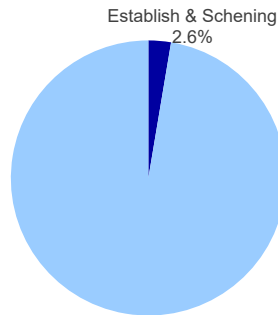
Establish Schening AB has been part of Solwers since mid-2022. The company was founded in 2008 and is based in Stockholm. The company's core expertise is in logistics consulting; the customer base includes companies in public transport, manufacturing and trade. Establish Schening helps its customers streamline their supply chains and optimise their logistics operations through fact-based analytics combined with broad knowledge, delivering a scalable operating model for its customers.

SHARE OF GROUP PERSONNEL, 2022



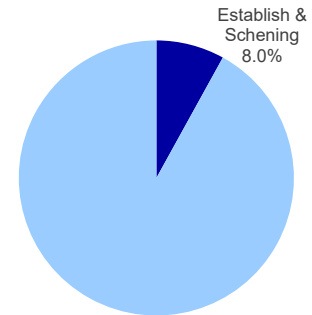
Source: Allabolag.se and Nordea

SHARE OF GROUP SALES, 2022



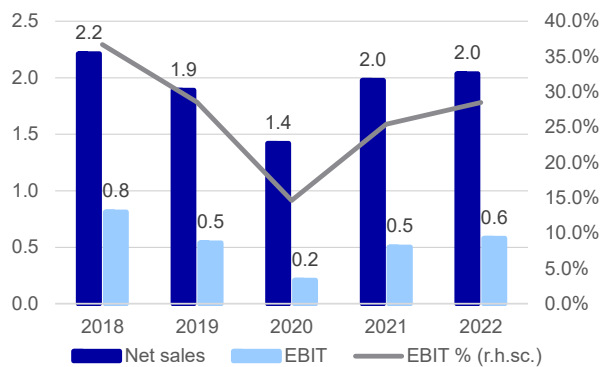
Source: Allabolag.se and Nordea

SHARE OF GROUP EBIT, 2022



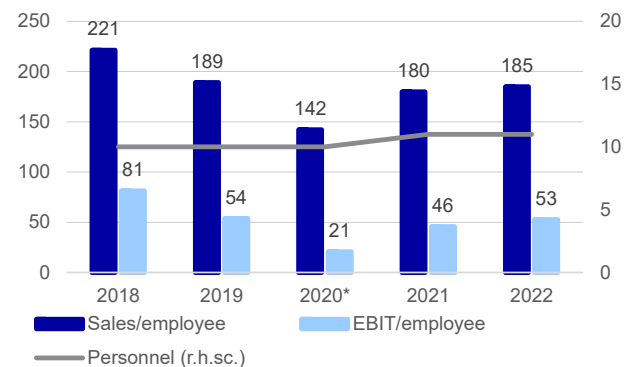
Source: Allabolag.se and Nordea

ESTABLISH SCHENING: NET SALES, EBIT (EURm) AND EBIT MARGIN (%), 2018-22



Source: Allabolag.se and Nordea

ESTABLISH SCHENING: NET SALES AND EBIT PER EMPLOYEE (EUR '000), PERSONNEL (HEADCOUNT), 2018-22



Source: Allabolag.se and Nordea

In 2022, Establish Schening had net sales of EUR ~2.0m and EBIT of EUR ~0.6m. Revenue and EBIT per employee are above Solwers' group average. As of 2022, the company had 11 employees.



Falk CM: Project management

Solwers acquired Falk Construction Management AB in 2020. Falk CM was founded in 2009 and specialises in project management and design. It offers project, design, construction and installation management, as well as budgeting and procurement.

SICKLA STATION, 2020-24



Source: Company image

SCANIA SERVICE HALL, 2015-17



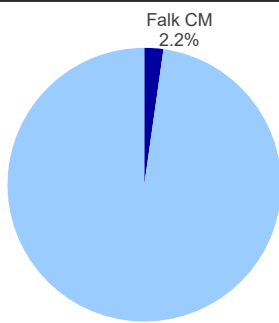
Source: Company image

LIFE CITY HAGASTADEN, 2016-22



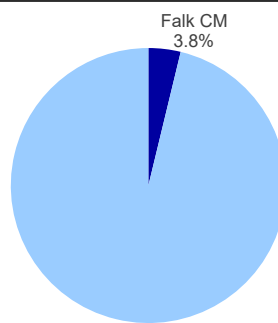
Source: Company image

SHARE OF GROUP PERSONNEL, 2022



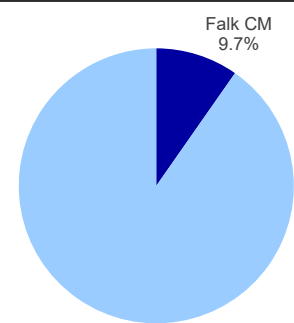
Source: Allabolag.se and Nordea

SHARE OF GROUP SALES, 2022



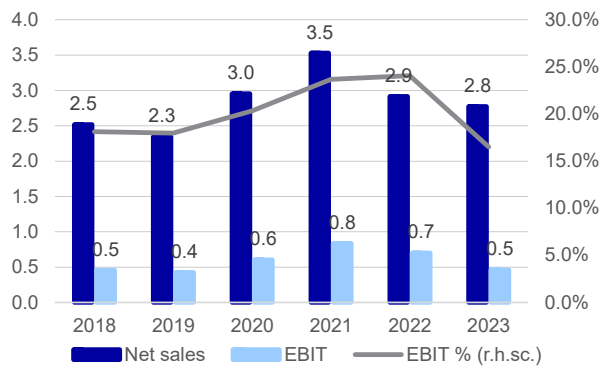
Source: Allabolag.se and Nordea

SHARE OF GROUP EBIT, 2022



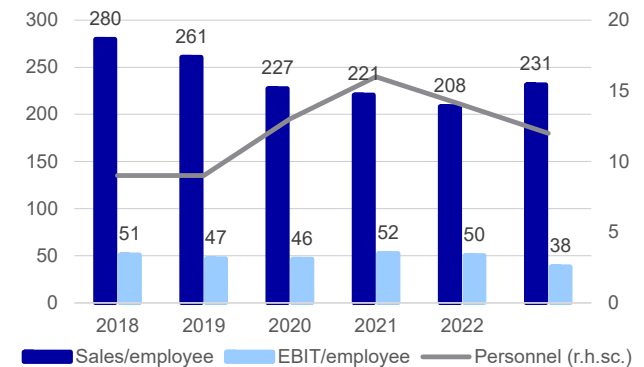
Source: Allabolag.se and Nordea

FALK CM: NET SALES, EBIT (EURm) AND EBIT MARGIN (%), 2018-23



Source: Allabolag.se and Nordea

FALK CM: NET SALES AND EBIT PER EMPLOYEE (EUR '000), PERSONNEL (HEADCOUNT), 2018-23



Source: Allabolag.se and Nordea

In 2023, Falk CM had net sales of EUR ~2.8m and EBIT of EUR ~0.5m. Revenue and EBIT per employee are above Solwers' group average. The company currently has 12 employees and around ten sub-consultants and cooperation partners. We believe Falk CM's revenue stems from both the public sector and the private sector.



Licab: Infrastructure

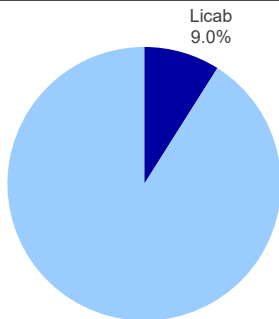
Solwers acquired Licab Ab in 2020. Licab was founded in 2007 and is headquartered in Luleå. It is a boutique consultancy company with resources for projects within infrastructure, industry and community development.

The company offers services within:

- **Project management**
- **Working environment and safety**
- **Land and property law**
- **Operational development**
- **Environment**
- **Technology**
- **Quality & production development**

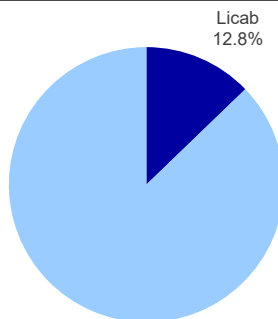
References include both private and public projects, e.g. within rail, energy, mining and residential development.

SHARE OF GROUP PERSONNEL, 2022



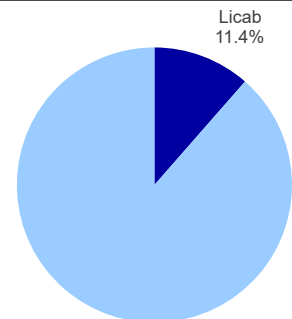
Source: Allabolag.se and Nordea

SHARE OF GROUP SALES, 2022



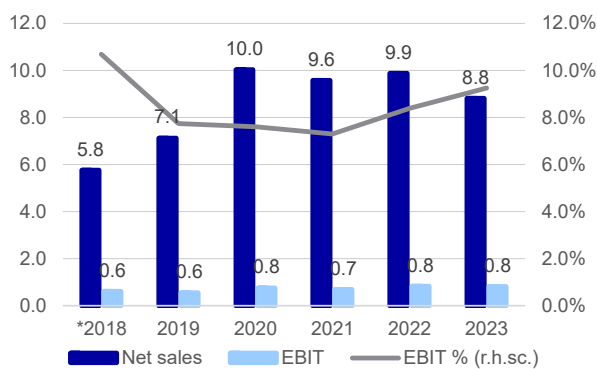
Source: Allabolag.se and Nordea

SHARE OF GROUP EBIT, 2022



Source: Allabolag.se and Nordea

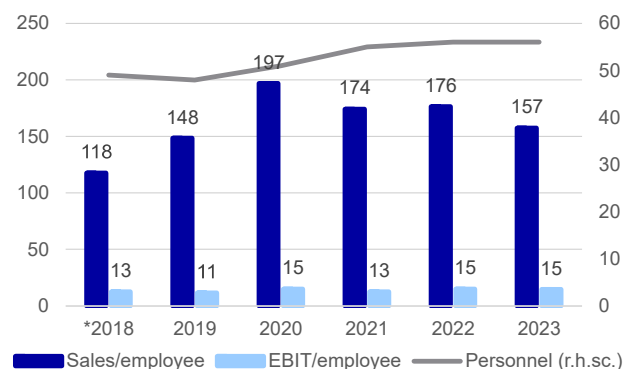
LICAB: NET SALES, EBIT (EURm) AND EBIT MARGIN (%), 2018-23



*2018 financial year = 18 months

Source: Allabolag.se and Nordea

LICAB: NET SALES AND EBIT PER EMPLOYEE (EUR '000), PERSONNEL (HEADCOUNT), 2018-23



*2018 financial year = 18 months

Source: Allabolag.se and Nordea

In 2023, Licab had net sales of EUR ~8.8m and EBIT of EUR ~0.8m. Revenue and EBIT per employee are above Solwers' group average and have been stable. The company currently employs around 56 professionals. We believe the majority of Licab's revenue stems from the public sector, although the company also has private customers. Licab acquired North 68 in 2023.

DREEM

Dreem: Architecture

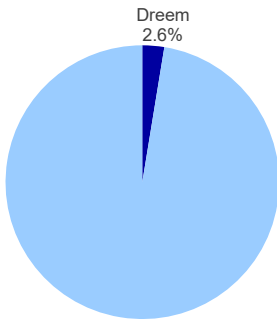
Solwers acquired Dreem Arkitekter AB in 2019. Dreem was founded in 2014. It has offices in Gothenburg, Malmö and Stockholm.

The company offers services within:

- Architecture
- City development
- Sustainability
- Renovation
- Interior design
- Digital solutions
- Project management

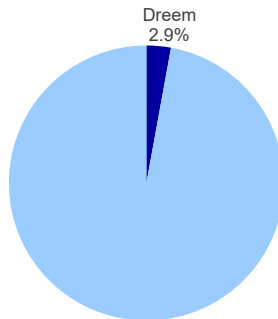
References include both private and public projects, e.g. within residential, interior design, office and renovation.

SHARE OF GROUP PERSONNEL, 2022



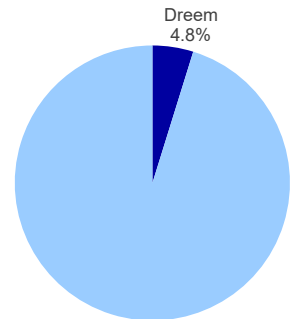
Source: Allabolag.se and Nordea

SHARE OF GROUP SALES, 2022



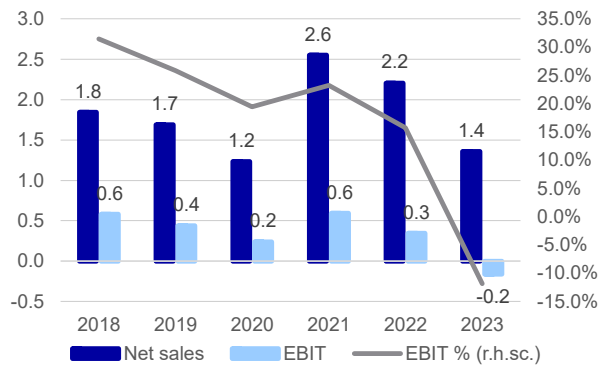
Source: Allabolag.se and Nordea

SHARE OF GROUP EBIT, 2022



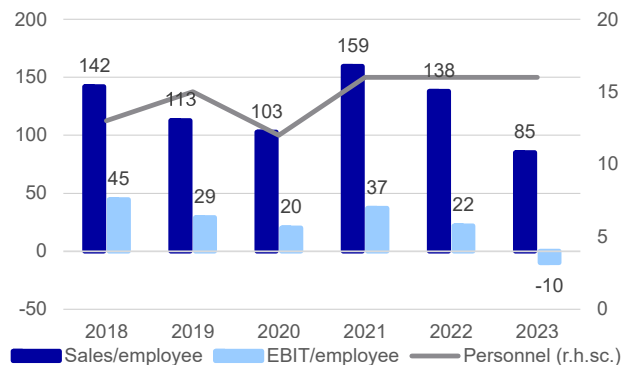
Source: Allabolag.se and Nordea

DREEM: NET SALES, EBIT (EURm) AND EBIT MARGIN (%), 2018-23



Source: Allabolag.se and Nordea

DREEM: NET SALES AND EBIT PER EMPLOYEE (EUR '000), PERSONNEL (HEADCOUNT), 2018-23



Source: Allabolag.se and Nordea

In 2023, Dreem had net sales of EUR ~1.4m and EBIT of EUR -0.2m. Revenue and EBIT per employee have been above Solwers' group average, apart from in 2023. According to the company's website, Dreem currently has 15 employees. We believe the majority of Dreem's revenue stems from the private sector, although the company also has public customers.



TCG Nordic: Transport consulting services

Transport Consultancy Group Nordic AB was acquired by Solwers in 2023. The company was founded in 2016 and is based in Stockholm. The company's consulting services are primarily focused on project and documentation management, quality management, asset management and supply assurance. TCG Nordic's end customers consist primarily of Swedish state and regional public organisations engaged in rail transport as well as leading international train suppliers.

STOCKHOLM METRO C30



Source: Company image

X2 RAIL UPGRADE



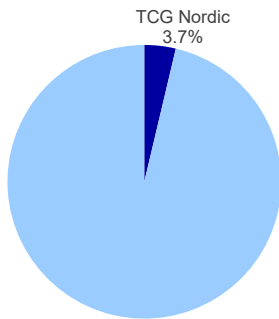
Source: Company image

X80 RAIL IN WESTERN SWEDEN



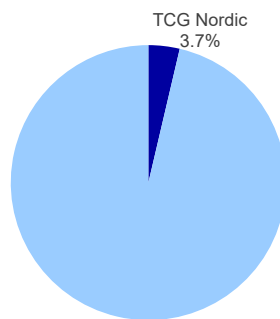
Source: Company image

SHARE OF GROUP PERSONNEL, 2022



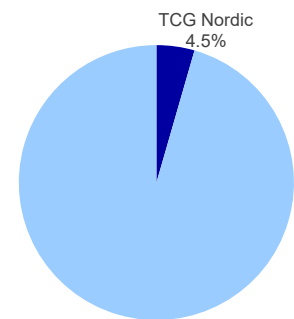
Source: Allabolag.se and Nordea

SHARE OF GROUP SALES, 2022



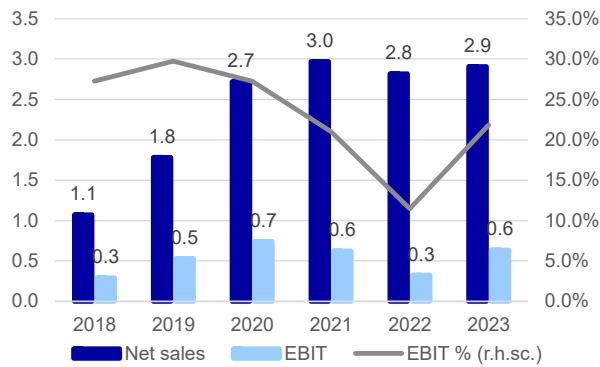
Source: Allabolag.se and Nordea

SHARE OF GROUP EBIT, 2022



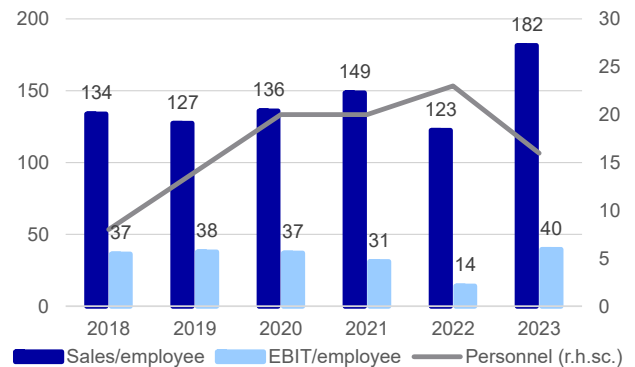
Source: Allabolag.se and Nordea

TCG NORDIC: NET SALES, EBIT (EURm) AND EBIT MARGIN (%), 2018-23



Source: Allabolag.se and Nordea

TCG NORDIC: NET SALES AND EBIT PER EMPLOYEE (EUR '000), PERSONNEL (HEADCOUNT), 2018-23



Source: Allabolag.se and Nordea

In 2023, TCG Nordic had net sales of EUR ~2.9m and EBIT of EUR ~0.6m. Revenue and EBIT per employee are above Solwers' group average. According to the company's website, TCG Nordic currently has 16 employees. We believe the majority of TCG Nordic's revenue stems from the public sector, although the company also has private customers, e.g. international train suppliers.



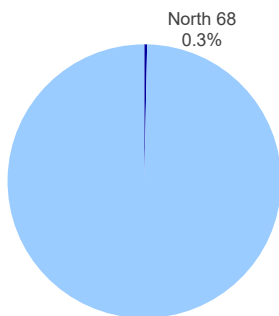
North 68: Project management

Solwers' subsidiary Licab acquired North 68 Consulting AB in H2 2023. North 68 was founded in 2015 and the company mainly works within construction management, project management, KMA services and coordinator services.

The company offers services within the following:

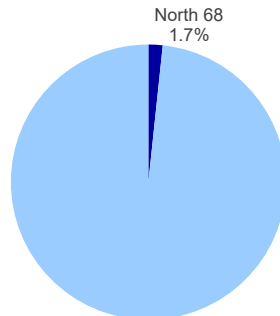
- Project management
- Construction management
- Quality, management and safety (KMA)
- Building work environment coordination for planning, design and building phase (BAS u/p)
- Construction inspection

SHARE OF GROUP PERSONNEL, 2022



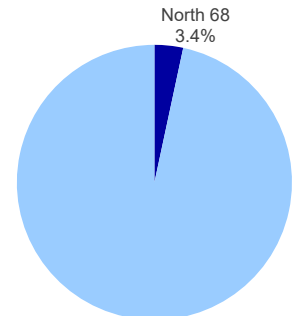
Source: Allabolag.se and Nordea

SHARE OF GROUP SALES, 2022



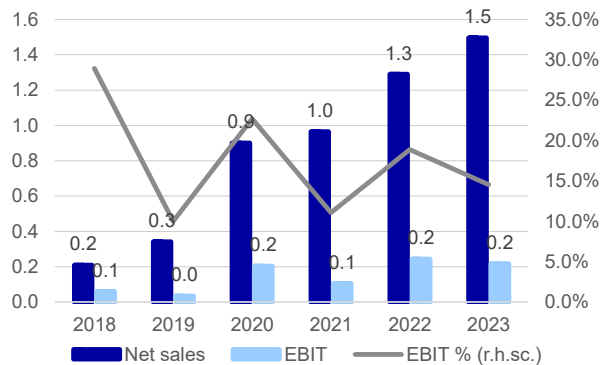
Source: Allabolag.se and Nordea

SHARE OF GROUP EBIT, 2022



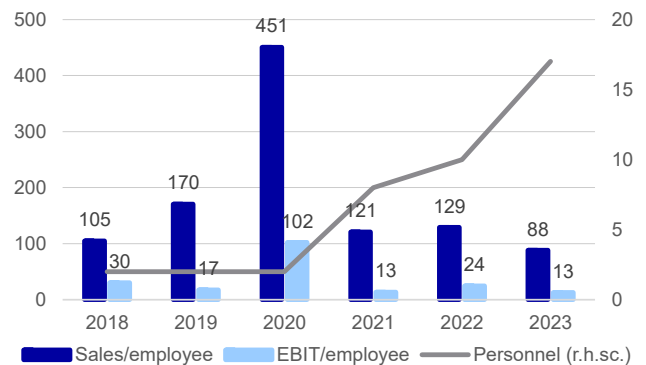
Source: Allabolag.se and Nordea

NORTH 68: NET SALES, EBIT (EURm) AND EBIT MARGIN (%), 2018-23



Source: Allabolag.se and Nordea

NORTH 68: NET SALES AND EBIT PER EMPLOYEE (EUR '000), PERSONNEL (HEADCOUNT), 2018-23



Source: Allabolag.se and Nordea

In 2023, North 68 had net sales of EUR ~1.5m and EBIT of EUR ~0.2m. Revenue and EBIT per employee have been clearly above Solwers' group average. According to the company's website, North 68 currently has 20 employees. We believe the majority of North 68's revenue stems from the private sector.



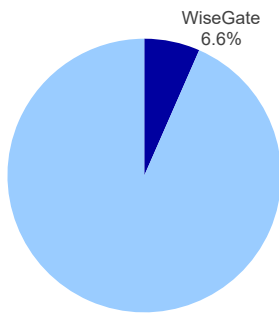
WiseGate Consulting: Project management

Solwers acquired WiseGate AB in early 2024. WiseGate was founded in 2014 and specialises in consulting for the energy and process industries.

WiseGate primarily serves the energy and industrial sectors, focusing on electric power, power transmission, industrial automation, pipelines, mechanical design and project management. Its clientele includes some of the largest companies in Sweden. The company has participated in numerous demanding projects, such as Stockholm Exergi's carbon capture project and the S ve test centre for future e-mobility.

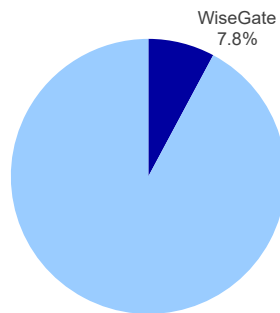
The company's customers include the Swedish Transport Administration (Trafikverket), Vattenfall, Northvolt, E.ON, Perstorp and ABB, to mention a few.

SHARE OF GROUP PERSONNEL, 2022



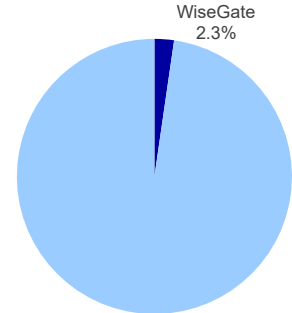
Source: Allabolag.se and Nordea

SHARE OF GROUP SALES, 2022



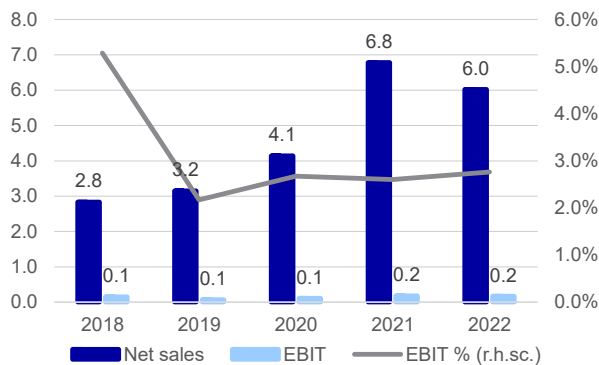
Source: Allabolag.se and Nordea

SHARE OF GROUP EBIT, 2022



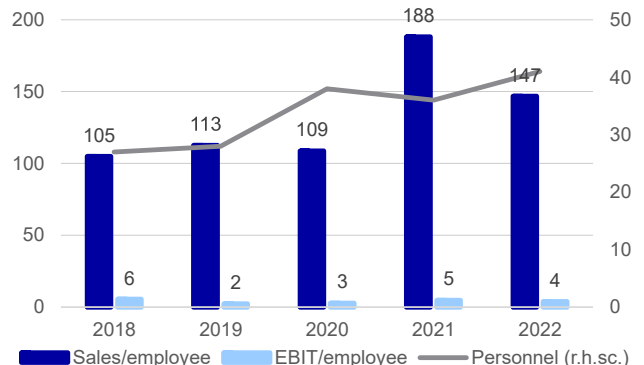
Source: Allabolag.se and Nordea

WISEGATE: NET SALES, EBIT (EURm) AND EBIT MARGIN (%), 2018-22



Source: Allabolag.se and Nordea

WISEGATE: NET SALES AND EBIT PER EMPLOYEE (EUR '000), PERSONNEL (HEADCOUNT), 2018-22



Source: Allabolag.se and Nordea

In 2022, WiseGate Consulting had net sales of EUR ~6.0m and EBIT of EUR ~0.2m. Revenue per employee is above Solwers' group average but EBIT per employee is below. According to Solwers, WiseGate's companies (WiseGate Consulting and DEMAB) have more than 50 full-time employees in eight locations in Sweden. WiseGate's revenue for 2023 was SEK ~90m with adjusted EBIT of SEK 4.2m.



DEMAB: Electrical and automation engineering

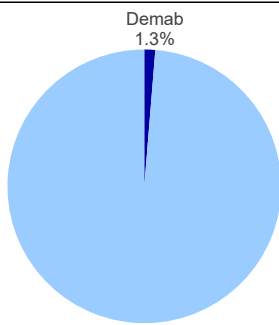
Solwers acquired DEMAB AB in early 2024. DEMAB is part of WiseGate. DEMAB was founded in 2007 and offers industrial automation solutions. DEMAB offers its services to a wide range of sectors on a global scale.

The company offers services within:

- Assembly
- Installation
- Construction
- Programming
- Instrumentation

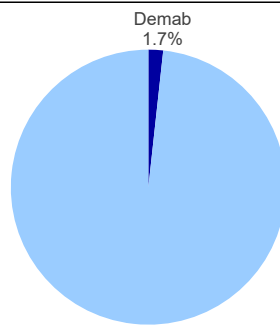
The company has customers from the energy sector, marine and HVAC and it has delivered its services to more than 30 countries.

SHARE OF GROUP PERSONNEL, 2022



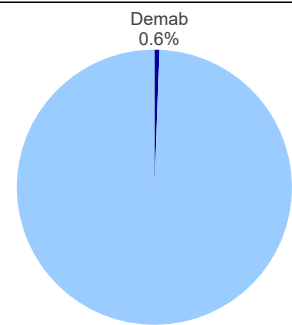
Source: Allabolag.se and Nordea

SHARE OF GROUP SALES, 2022



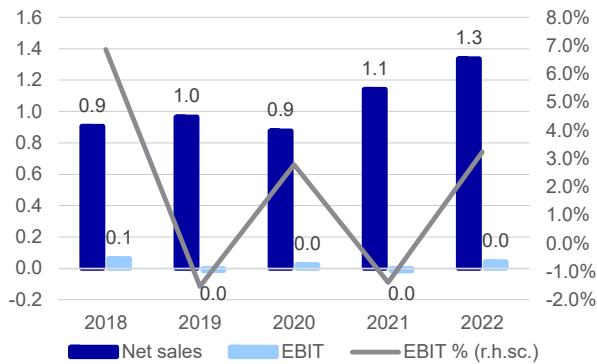
Source: Allabolag.se and Nordea

SHARE OF GROUP EBIT, 2022



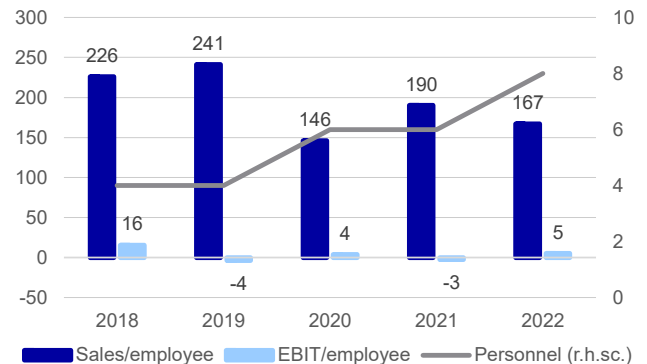
Source: Allabolag.se and Nordea

DEMAB: NET SALES, EBIT (EURm) AND EBIT MARGIN (%), 2018-22



Source: Allabolag.se and Nordea

DEMAB: NET SALES AND EBIT PER EMPLOYEE (EUR '000), PERSONNEL (HEADCOUNT), 2018-22



Source: Allabolag.se and Nordea

In 2022, DEMAB had net sales of EUR ~1.3m and EBIT of EUR 0.04m. Revenue per employee is above Solwers' group average while EBIT per employee is below.



Relitor: Structural design

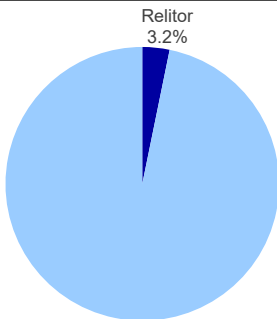
Solwers acquired Relitor Engineering in early 2024. Relitor was founded in 1993. It is a technical consultancy company that provides plant engineering services to the industrial sector in Northern Sweden, from small projects up to full system deliveries of turnkey machines and process facilities.

The company offers services within:

- Pre-study and layout
- Client support
- Mechanical design
- Piping and process design
- Structural steelwork
- Tank and pressure vessels
- Technical calculation

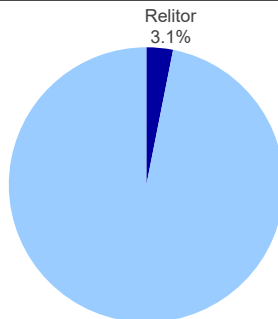
The company has references from a wide range of projects, mainly private customers.

SHARE OF GROUP PERSONNEL, 2022



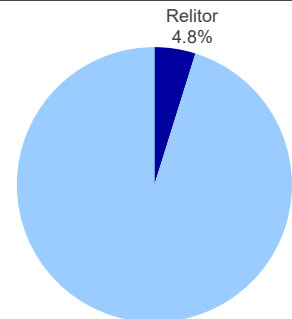
Source: Allabolag.se and Nordea

SHARE OF GROUP SALES, 2022



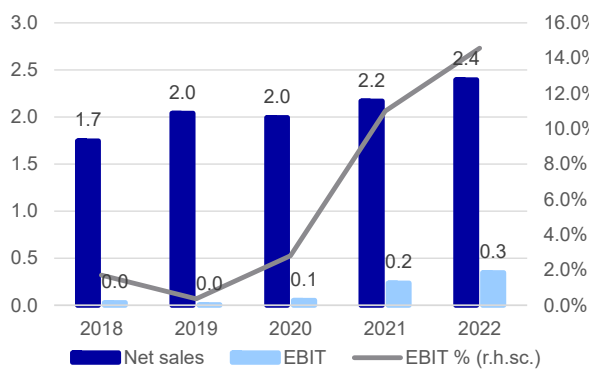
Source: Allabolag.se and Nordea

SHARE OF GROUP EBIT, 2022



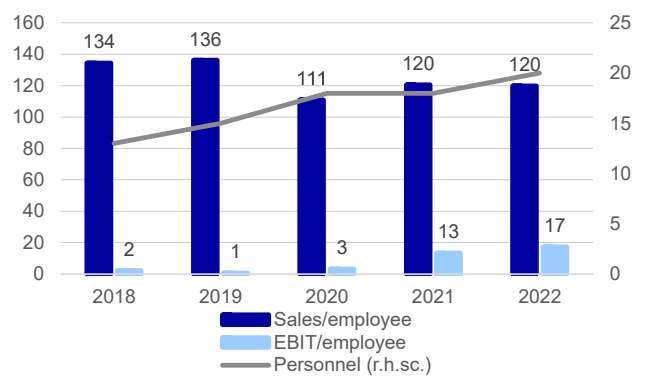
Source: Allabolag.se and Nordea

RELITOR: NET SALES, EBIT (EURm) AND EBIT MARGIN (%), 2018-22



Source: Allabolag.se and Nordea

RELITOR: NET SALES AND EBIT PER EMPLOYEE (EUR '000), PERSONNEL (HEADCOUNT), 2018-22



Source: Allabolag.se and Nordea

In 2022, Relitor had net sales of EUR ~2.4m and EBIT of EUR ~0.3m. Revenue and EBIT per employee are above Solwers' group average. The company currently has more than 20 employees. In 2023, it had revenue of SEK 27m and adjusted EBIT of SEK 3.3m.

Strategy and financial targets

Solwers aims to be the preferred partner for its clients in visionary and sustainable design and engineering. The company's goal is to continue to grow and expand in the Nordic and Baltic countries. Its growth strategy is based on acquisitions and organic sales growth. Solwers' acquisition strategy differs from most – the acquired companies are generally not integrated or the integration follows a light model. The company aims to be an attractive employer for professionals in various fields. Plus it hopes to balance its revenue sources for an even split between public and infrastructure projects versus projects from private companies. Solwers targets over 20% annual revenue growth, mainly from M&A, and an EBITA margin of more than 12% in the medium term, which we believe reflects three- to five years. To the balance sheet, Solwers targets an equity ratio of >40%. The company's dividend policy is to distribute 20-40% of annual earnings, while continuing to focus on value-accretive M&A-driven growth.

Strategy

Solwers' vision is to be the preferred partner in visionary and sustainable design and engineering

Solwers' mission is to create smart and unique living environments challenging the norm, and going beyond. It strives to develop and create the best solutions for its clients by learning about and respecting different views, methods and expertise. The company's vision is to be the preferred partner in visionary and sustainable design and engineering. Versatile group expertise underpins innovative and wide-ranging solutions.

Its strategy is based on acquisitions and organic growth, with a balanced mix of public and private clients

Solwers' strategy is based on acquisitions and organic growth, the group's attractiveness as a good employer of professionals in different fields, and the continuous development of expertise. One of the company's goals is to balance its sources of income so that a significant part of its turnover comes from public and infrastructure projects and the remainder from other services, mainly from the private sector.

Providing a career development path within its subsidiaries

Solwers values having an array of different corporate cultures, believing that this helps employees to enjoy their jobs, promotes innovation and creativity, and enables staff to learn and develop their skills in work teams with experts in their field. The underlying group structure also provides a career development path.

Solwers monitors possible new acquisition targets...

Solwers is in continuous dialogue with potential M&A targets in architecture, design, project management and digital services. Each acquisition is targeted to provide Solwers with strategically new expertise, expand its offering, broaden its client base and open new clients and lines of business. As a rule, its acquisition targets operate in sectors with low cyclical sensitivity. The purchased companies should be well-known and reputable operators, with expertise in their respective fields. The companies targeted should be profitable with an EBIT margin generally of more than 10%.

...and believes it is well positioned for organic revenue growth

In terms of organic revenue growth, urbanisation as a megatrend increases the above-ground and underground construction of infrastructure. By supporting the development of its subsidiaries' operations, Solwers also provides a basis for ongoing organic growth. The group's joint financial management services and systems enable its subsidiaries to focus on their core competences and client work.

Solwers applies no or light integration of its acquired companies...

Its subsidiaries continue to operate in the Solwers group under their own name, thus maintaining their identities. Integration costs remain low as the company does not fully integrate the subsidiaries' business processes into Solwers, but only to the extent deemed necessary in terms of financial management plus information and communications technology (ICT) systems.

...while providing support to its subsidiaries

Solwers offers its companies support services and synergy benefits, as well as the opportunity to operate independently, agilely and efficiently in their own manageable size unit. Its subsidiaries retain the freedom to make decisions and operate close to their clients. On the other hand, the subsidiaries are responsible for achieving the goals set together with the group's management team.

Financial targets and dividend policy

Solwers' medium-term financial targets relate to growth, profitability and equity ratio. We believe the medium-term reflects a period of three to five years.

- Annual revenue growth of more than 20%, thanks primarily to M&A-driven growth, in our view.
- EBITA margin target of over 12%, which based on our calculations corresponds to an EBIT margin target of more than ~9%.
- Equity ratio target of over 40%.
- The dividend policy is to distribute 20-40% of the profit for the financial year.

SOLWERS: FINANCIAL TARGETS – REVIEW

	Target	2020	2021	2022	2023	Average
Growth	>20%	27%	37%	41%	5%	27%
EBITA margin	>12%	13.6%	10.5%	11.5%	10.7%	11.6%
Equity ratio	>40%	31.8%	45.4%	46.7%	46.4%	43%
Dividend payout	20-40%	25.8%	17.4%	19.2%	20.1%	20.6%

Source: Company data

2020-23 revenue CAGR of 27%

Solwers was listed on First North Growth Market Finland in the summer of 2021. Over the past four years, Solwers has grown on average by 27% with annual revenue growth of 5-41% in 2020-23, driven by M&A. In 2023, revenue growth was 5% as fewer acquisitions were completed. According to the company, around half of the 5% growth in 2023 was organic.

Solwers reports EBITA as:

- Adjusted EBIT excluding depreciation, amortisation and impairment of intangible assets and leased premises; or
- EBIT + amortisation of intangible assets and leased premises + impairment.

The company's reported EBITA differs from that of most of its peers in that adjusted EBITA excludes depreciation of right-of-use assets, building and structures. For example, the reported 2023 EBITA margin was 10.7%. Yet we calculate an EBITA margin of 7.8% when using the traditional way of calculating EBITA including rents.

We focus more on EBIT margin to make peer comparisons more relevant

Based on Solwers' reported EBITA margin, it has on average been 11.6% in 2020-23 with a range of 10.5-13.6%. Using our calculation of EBITA margin, we estimate that the EBITA margin was 7.8-11.0% in 2020-23. The EBIT margin was 7.3-10.8% in the same period, averaging 8.0%. We estimate that Solwers' target of an EBITA margin of more than 12% corresponds roughly to an EBIT margin of more than 9%.

Market overview

Solwers operates in the design and consulting sector through its subsidiaries in Finland and Sweden. Based on national statistics, we estimate that the total market in Finland is EUR ~7bn and consists of over 12,000 companies, while the total market in Sweden is EUR ~12bn and consists of nearly 13,000 companies. The market has grown 4.4% annually in Finland in 2018-22, while growing 7.4% annually in Sweden. The market size is vast compared to Solwers' revenue and we believe there are numerous M&A opportunities in both markets due to the market fragmentation, which should not be a limiting factor for future growth in either market.

Market overview

Solwers operates in the design and consultancy sector in Finland and Sweden

Solwers operates in the design and consulting sector in Finland and Sweden. Through its company portfolio, Solwers offers services in a variety of fields, such as architecture, infrastructure, HVAC, electrical and automation engineering, and digital services.

The market is extremely fragmented, ranging from small companies with only a few employees, to large technical consultants, such as Sweco, Ramboll, AFRY and Etteplan.

Finland: EUR ~7bn market consisting of over 12,000 companies

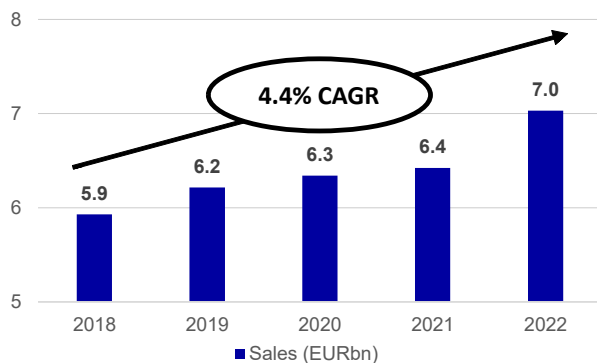
The total revenue of the Finnish architecture and engineering companies was EUR ~7bn in 2022, which we believe serves as a reasonable yardstick for the total market

The total sales of companies engaged in architectural and engineering activities according to Statistics Finland was EUR 7.0bn in Finland in 2022, which we believe is a reasonable representation of the total market size in the country. The market grew by 4.4% annually from 2018 to 2022. The whole sector is highly fragmented in Finland, as the number of companies was 12,538 in 2022. The Finnish employer organisation for technology companies, Technology Industries of Finland, also reported design and consulting companies' total revenue as being EUR 7bn in 2022.

With over 12,000 companies, we believe there are ample suitable M&A targets for Solwers in this market

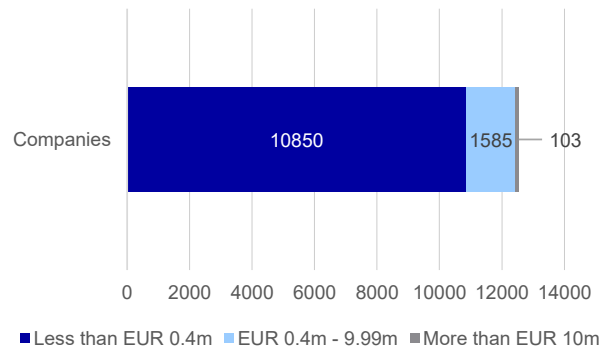
Of the 12,538 companies in total, 87%, or 10,850, had annual revenue of under EUR 0.4m, and we believe these are too small for Solwers to acquire. Based on previous acquisitions, we believe that Solwers is most focused on acquiring companies in the revenue range of EUR 0.4-9.99m, which covers 1,585 companies, suggesting ample room for potential M&A targets in Finland. The smallest of the EUR 10m-plus companies could also come onto Solwers' radar, increasing the potential M&A pool further, although we find these larger acquisitions less likely.

FINLAND: ARCHITECTURAL AND ENGINEERING COMPANIES, TOTAL SALES (EURbn)



Source: StatFin, compiled by Nordea

FINLAND: ARCHITECTURAL AND ENGINEERING COMPANIES, NUMBER OF COMPANIES BY REVENUE, 2022



Source: StatFin, compiled by Nordea

Revenue per employee was EUR 105k in Finland in 2022

SKOL members reported total revenue of EUR 2.2bn in 2022

Another approach for measuring the market size in Finland is through SKOL (Finnish Association of Consulting Firms), which is a suborganisation of Technology Industries of Finland. The estimated combined revenue of the 118 SKOL member companies was EUR 2.2bn in 2022. The revenue number is notably smaller using this approach, as not all companies in the sector are members of SKOL, and due to potential yearly changes in union organisation membership, the yearly revenue figures are not directly comparable. However, SKOL statistics allow for more granular subsector analysis. SKOL also publishes a sector trend report each quarter for a near-term outlook.

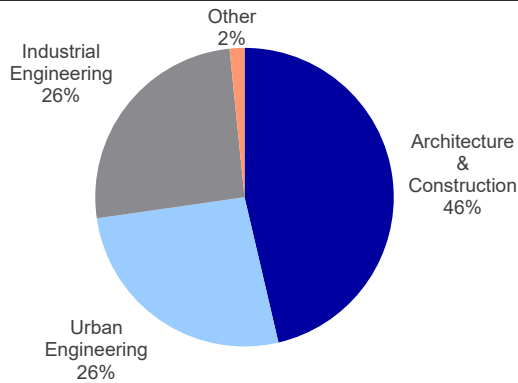
Architecture and construction is the largest subsector, with a 46% share of SKOL members' revenue

According to SKOL, architecture was the largest subsector among its member companies in 2022, with a 46% share of revenue. Urban engineering and industrial engineering both had shares of 26%. The design and consulting business is fairly local, as only 5% of SKOL members' revenue originated from abroad.

Revenue per employee totalled EUR 105k in 2022, according to SKOL

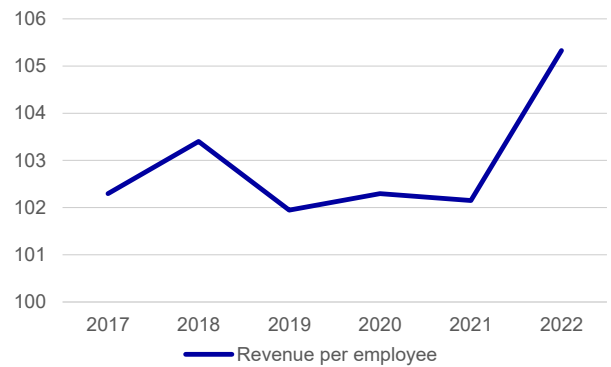
Weighted average revenue per employee increased in 2022 to EUR 105k. In 2017-22, revenue per employee was EUR 103k on average, and we believe the EUR 100k mark is a reasonable benchmark level for a consulting company in Finland.

FINLAND: MARKET SPLIT BY SUBSECTOR, 2022



Source: SKOL

FINLAND: REVENUE PER EMPLOYEE (EUR '000)



Source: SKOL

Sweden: EUR ~12bn market with nearly 13,000 companies

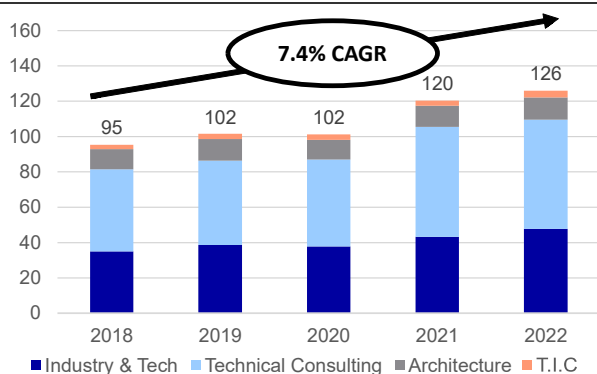
The Swedish market size is EUR ~12bn, with growth of 7.4% per year during 2018-22

According to the Federation of Swedish Innovation Companies (FSIC), there were a total of 12,797 companies in the innovation sector in Sweden in 2022. The total revenue of these companies was SEK 125.9bn (EUR 11.8bn). The market grew by 7.4% per year from 2018 to 2022.

The Swedish market consists of ~13,000 companies, and we believe there are ample M&A targets for Solwers

The market in Sweden is also very fragmented, as there were 10,731 companies with a maximum of two employees. Reflecting Solwers' previous acquisitions, we believe that the pool of suitable acquisition candidates in terms of size is in the range of 500-1,000 companies in Sweden (no more granular data is available), and as such we believe that M&A actions should not be hampered by a lack of suitable targets.

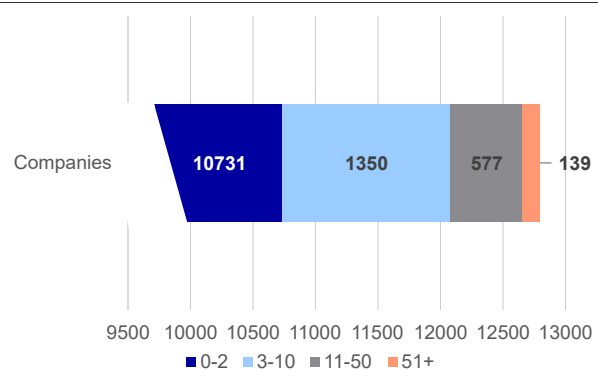
SWEDEN: TOTAL SALES OF INNOVATION SECTOR COMPANIES (SEKbn)



T.I.C: Testing, inspection and certification

Source: FSIC, compiled by Nordea

SWEDEN: COMPANIES BY NUMBER OF EMPLOYEES IN THE INNOVATION SECTOR, 2022



Source: FSIC, compiled by Nordea

Revenue per employee was EUR ~150k in Sweden in 2022

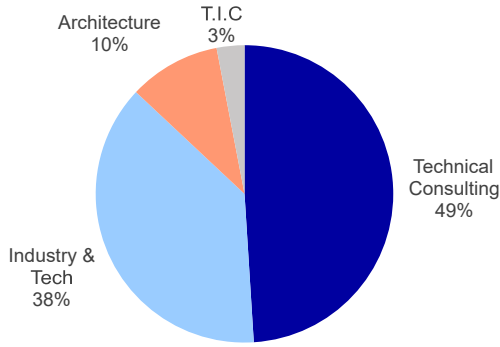
Technical consulting had a 49% share of revenue in Sweden

Technical consulting was the largest field, with a market share of 49%, according to FSIC. Industry and technology was the second largest, with a 38% share, and architecture was the third largest, with a 10% share. Testing, inspection and certification accounted for 3% of total revenue.

Revenue per employee was EUR ~150k in Sweden in 2022

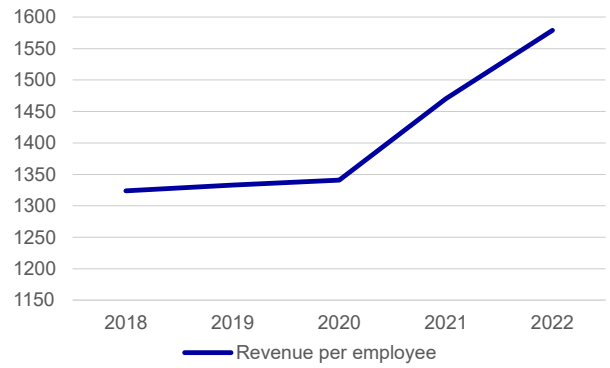
Revenue per employee in Sweden has historically been higher than in Finland, and was SEK 1.6m (EUR ~150k) in 2022. From 2020 to 2022, revenue per employee trended up significantly.

SWEDEN: MARKET SPLIT BY SUBSECTOR, 2022



Source: FSIC, compiled by Nordea

SWEDEN: REVENUE PER EMPLOYEE (SEK '000)



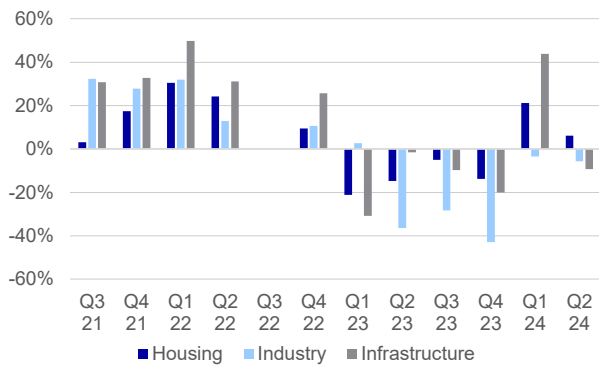
Source: FSIC, compiled by Nordea

Current sentiment

The SKOL trend review shows that orderbooks are still declining for its member companies

SKOL publishes a quarterly trend review for its member companies in the technical consultancy and design sector. Both new orders and orderbooks have been declining since Q1 or Q2 2023 compared to the previous year in all three industries measured: housing, industry and infrastructure. The latest figures from Q2 2024 still signal a declining trend in both orderbooks and new orders, despite a temporary uptick in Q1.

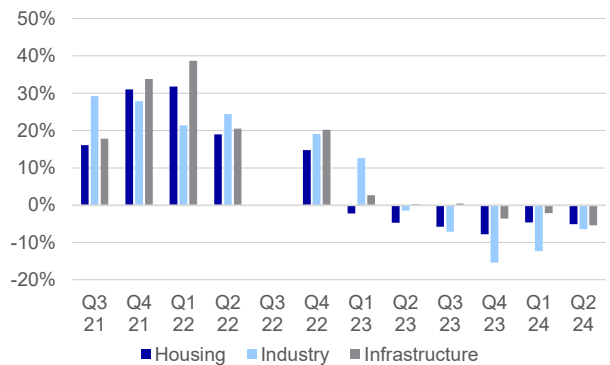
DESIGN AND CONSULTANCY COMPANIES, NEW ORDERS, Y/Y CHANGE (%)



Note: Data for Q3 2022 not available

Source: SKOL

DESIGN AND CONSULTANCY COMPANIES, ORDERBOOK, Y/Y CHANGE (%)



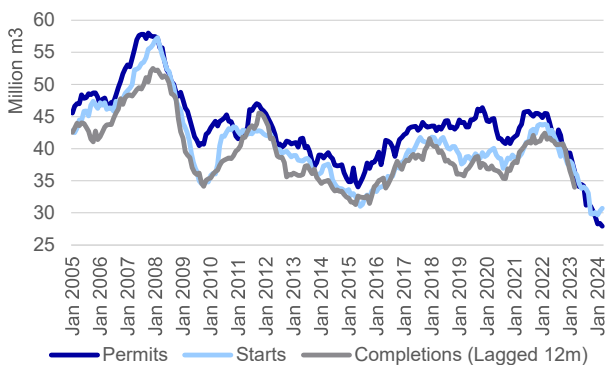
Source: SKOL

Building production and construction confidence still at low levels

Building permits in Finland are at their lowest levels since mid-1995, with a quicker decline than during the financial crisis

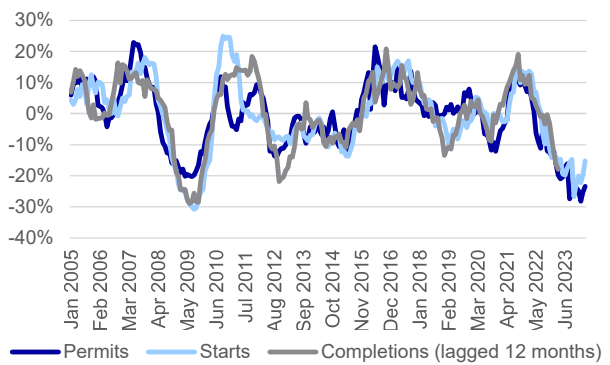
Building production and permits have declined rapidly in Finland, starting from early 2022. The March figure for building permits shows a decline of 23% y/y, which is lower than in 2009 during the financial crisis. Building starts in March were down 15% y/y, still signalling a severe standstill in the construction sector. Building completions are also declining quickly, with the latest March figure signalling a 13% y/y decline, nearing historically low levels in absolute terms. Building production is at a historically low level in Finland. In absolute terms, building permits are at their lowest levels since mid-1995.

BUILDING PRODUCTION, MILLION M³, ROLLING YEARLY SUM



Source: Statistics Finland

BUILDING PRODUCTION, ROLLING YEARLY SUM, Y/Y CHANGE

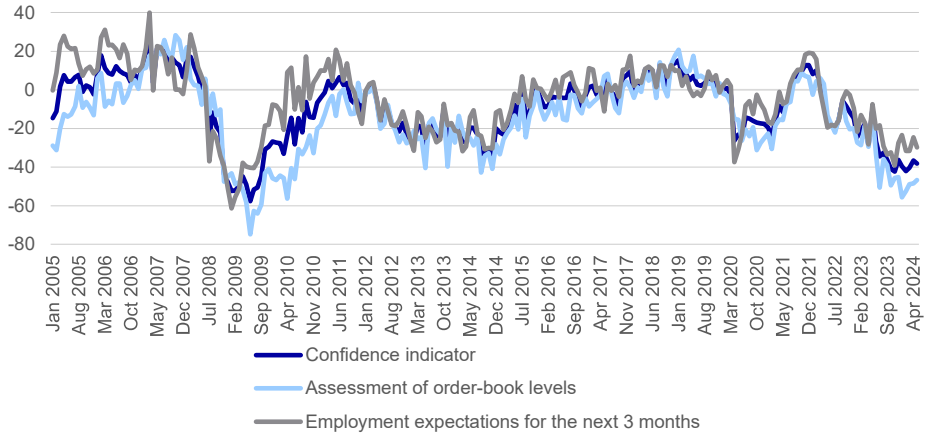


Source: Statistics Finland

The construction confidence indicator is still showing poor overall confidence for the sector in terms of all measured factors. Overall confidence in the construction sector and orderbooks are at their lowest level since the financial crisis. The low orderbook levels also signal slower growth ahead for construction and related sectors. The indicator has continued to trend down, dashing hopes of a turnaround in the sector.

CONSTRUCTION CONFIDENCE INDICATOR

The construction confidence indicator is signalling the lowest orderbooks and overall confidence since the financial crisis



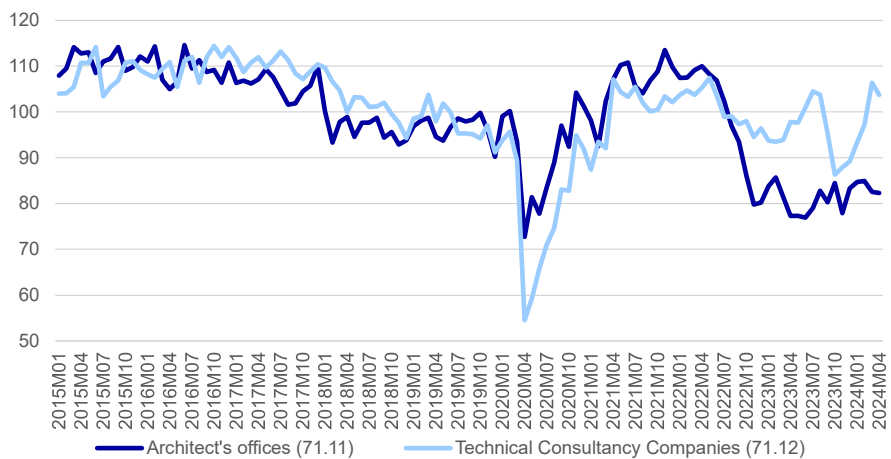
Source: Confederation of Finnish Industries

NIER Indicator signals improved sentiment for technical consultants

The Swedish National Institute of Economic Research (NIER) publishes the Economic Tendency Indicator figures for Swedish companies each month. The Economic Tendency Indicator has rebounded to over the 100 point mark in recent months for technical consultancy companies, suggesting an improved outlook for these companies. However, it is worth noting that the most recent April figure showed a decline of three index points compared to March. The outlook for architects' offices is still darker, which we believe is attributable to the gloomy construction outlook. The most recent April figure still signals significantly lower growth expectations for architects' offices.

SWEDEN: ECONOMIC TENDENCY INDICATOR

The confidence indicator for Swedish technical consultancy companies has been trending upwards since late 2023, and now suggests a positive outlook



Source: NIER Survey

Estimates and M&A scenario

In this section, we present our estimates for Solwers and also present our M&A scenario. Solwers' growth ambitions rely mainly on acquisitions, but it is worth noting that we do not include unannounced acquisitions in our estimates. However, we model a scenario with different assumptions regarding M&A based on the company's acquisition capacity. We model an 8% sales CAGR for 2024-26, based on acquisitions made in 2023 and especially two larger acquisitions made in 2024. For 2024, we model a 2% organic sales decline owing to the weak market outlook, especially in Finland. We model an EBITA (Solwers' method) CAGR of 9% and an EBIT CAGR of 10% for the same period. We believe margins will drop by ~1pp in 2024 versus 2023, partly owing to a weak market but also as a result of acquisitions made in 2024. In our M&A scenario, we see potential for a 21% sales CAGR for 2024-26 and an EBIT CAGR of 26%. Based on our M&A scenario, the company could reach sales of EUR 116m and EBIT of EUR 9.8m in 2026E compared to EUR 66m and EUR 4.8m in 2023, respectively, implying potential for Solwers to double its EBIT from 2023 to 2026E.

We expect an 8% sales and 9% EBITA CAGR in 2024-26

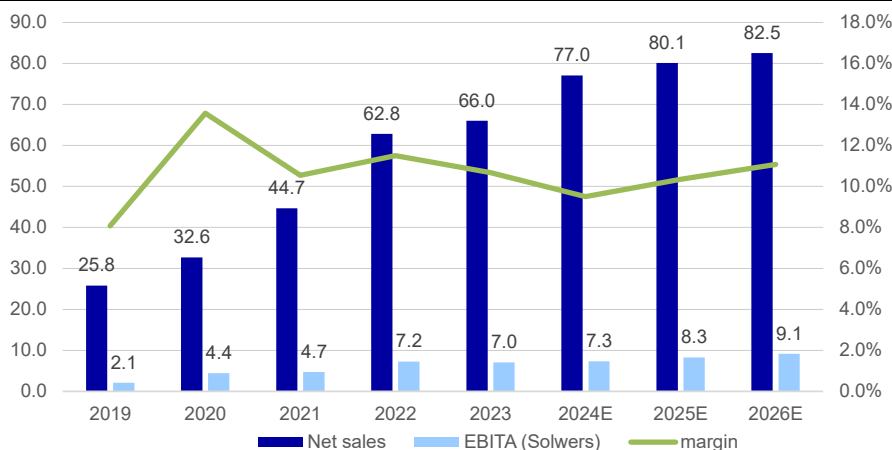
Acquisitions conducted in early 2024 to drive growth

We model an 8% sales CAGR for 2024-26, based primarily on acquisitions made in 2023 and especially the two acquisitions made in Sweden in 2024 (WiseGate and Relitor). We model a 2% organic sales decline for 2024 owing to the weak market outlook in Finland in particular.

We expect EBITA to grow slightly in 2024

We expect EBITA (as reported by Solwers) to increase slightly to EUR 7.3m in 2024 from EUR 7.0m in 2023 on the back of acquisitions, while we expect the EBITA margin to decline to 9.5% in 2024 from 10.7% in 2023, partly explained by the acquisition of WiseGate which will most likely burden margins at least in 2024.

SOLWERS 2019-26E SALES, EBITA (SOLWERS) AND EBITA MARGIN (EURm AND %)

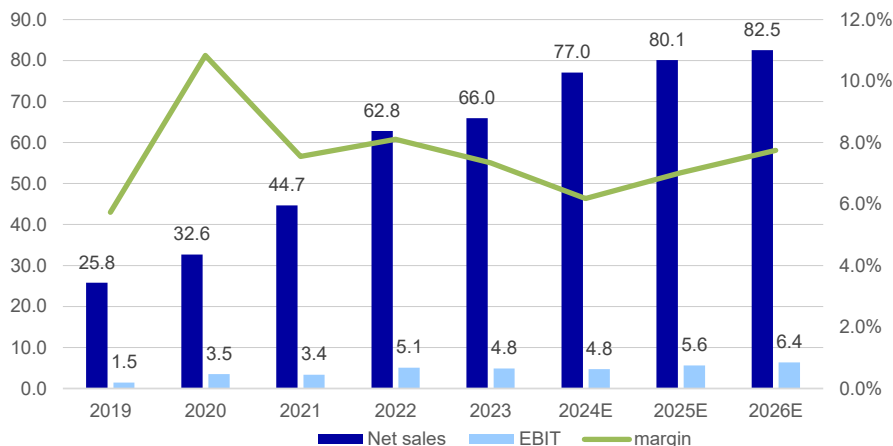


Source: Company data and Nordea estimates

We expect organic growth to return in 2025...

For 2025, we expect a recovery in the market and we expect organic growth to bounce to 4% versus -2% in 2024E. This is based on the assumption of lower interest rates leading to increased activity in the private market. Also, projects relating to the green transition, especially in Sweden, should give support starting in 2024, as well as infrastructure investments in Sweden in particular.

SOLWERS 2019-26E SALES, EBIT AND EBIT MARGIN (EURm AND %)

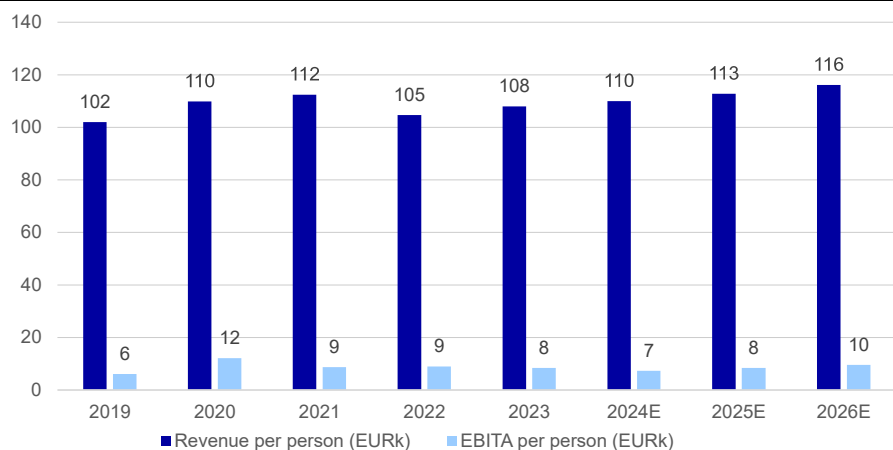


Source: Company data and Nordea estimates

...and the EBIT margin to recover also in that year

We expect EBIT to be flat in 2024 compared to 2023, at EUR 4.8m. We forecast the EBIT margin to decline to 6.2% in 2024 from 7.3% in 2023 and then pick up to 7.0% in 2025 and improve further to 7.8% in 2026.

SOLWERS 2019-26E SALES AND EBITA PER PERSON (EUR '000)



Source: Company data and Nordea estimates

M&A scenario

Our M&A scenario outlines how Solwers could achieve its target of more than 20% revenue growth annually

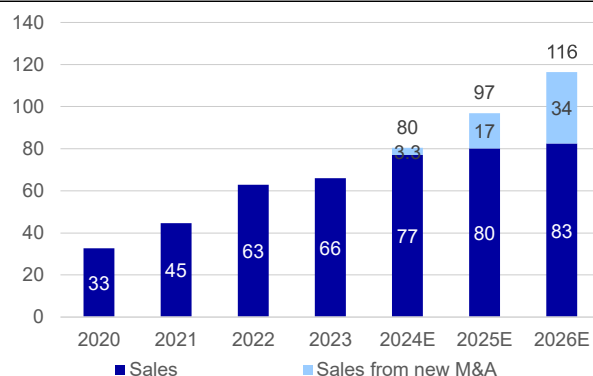
In Solwers' target to reach sales growth of more than 20% annually, acquisitions play a key role as we believe that the organic growth potential is limited to a few percentage points. In our official estimates, we do not factor in unannounced M&A. Instead, we model a scenario where Solwers could grow by means of existing cash and potential to increase debt.

Assumption for M&A scenario

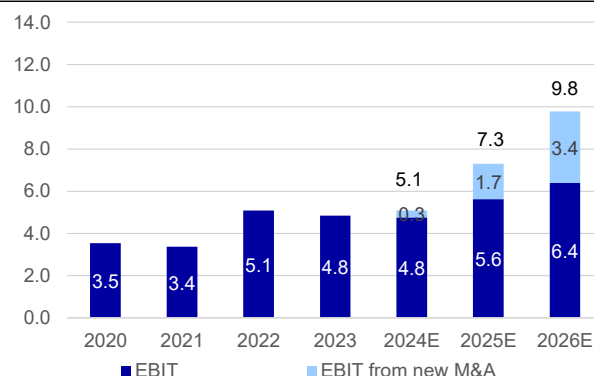
The charts below show how we project Solwers to possibly execute on its acquisition strategy. We have excluded the impact of acquiring using equity as a means of payment and instead we assume that all M&A will be funded by cash at hand.

We make the following assumptions:

- **Acquisition cost:** We assume Solwers can acquire businesses at an EV/sales multiple of 0.6x and EV/EBIT of 6.0x. Hence, we assume that the businesses acquired have an EBIT margin of 10% on average.
- **Timing of acquisitions:** In addition to the acquisitions announced in early 2024, we assume Solwers will conduct acquisitions for EUR 2m during 2024, EUR 8m in 2025 and EUR 10m in 2026.
- **Funds used:** We assume Solwers uses debt to fund the acquisitions. Solwers had a strong cash position at the end of 2023 (EUR 16m), but it also had contingent liabilities relating to earnouts of EUR ~7m (most of which payable after 2024). In reality, Solwers typically uses an equity component (~20%) also to fund the acquisitions, but we do not take that into consideration in our M&A scenario.

SOLWERS 2019-26E SALES IN M&A SCENARIO (EURm)

Source: Company data and Nordea estimates

SOLWERS 2019-26E EBIT IN M&A SCENARIO (EURm)

Source: Company data and Nordea estimates

In our M&A scenario, the revenue CAGR for 2024E-26E would be 21% with an EBIT CAGR of 26%

The charts above illustrate how sales and EBIT could develop under our M&A scenario. The revenue CAGR would be 21% for 2024E-26E with growth of 22% in 2024E, 21% in 2025E and 20% in 2026E. We note that Solwers' target is to grow >20% annually, mainly through M&A. In our scenario, net sales would increase to EUR 116m in 2026E with EBIT of EUR 9.8m, corresponding to an EBIT margin of 8.4%, compared to 7.8% in our estimates excluding unannounced M&A. In our M&A scenario, the EBIT CAGR for 2024E-26E would be 26% versus a 21% revenue CAGR.

SOLWERS: ILLUSTRATIVE M&A SCENARIO UP TO 2026E

Current estimates, EURm	2020	2021	2022	2023	2024E	2025E	2026E
Sales	33	45	63	66	77	80	83
EBIT, adj.	3.5	3.4	5.1	4.8	4.8	5.6	6.4
EBIT margin (%)	10.8%	7.5%	8.1%	7.3%	6.2%	7.0%	7.8%
Cash	6	13	18	16	14	12	13
Equity	13	32	38	40	43	46	50
Net debt	10	7	5	19	21	18	14
Net gearing	81%	22%	12%	46%	48%	39%	29%
Net debt/EBITDA, adj.	2.1x	1.3x	0.6x	2.3x	2.4x	1.9x	1.4x
Deal(s) size (EURm)					2	8	10
EV/EBIT assumption, x				6.0x	6.0x	6.0x	6.0x
EV/Sales assumption, x				0.5x	0.6x	0.6x	0.6x
Cumulative sales increase from M&A				0	3.3	17	34
Sales increase, annual				0	3.3	13	17
Cumulative EBIT increase from M&A				0.0	0.3	1.7	3.4
EBIT increase from M&A, annual				0	0.3	1.3	1.7
- margin %					10.0%	10.0%	10.0%
Estimates with additional M&A, EURm	2020	2021	2022	2023	2024E	2025E	2026E
Sales	33	45	63	66	80	97	116
EBIT, adj.	3.5	3.4	5.1	4.8	5.1	7.3	9.8
-margin %	10.8%	7.5%	8.1%	7.3%	6.3%	7.5%	8.4%
Cash	6.1	12.6	18.5	16.0	13.6	11.9	13.0
Equity	12.7	31.9	38.2	40.4	43.1	46.7	51.2
Net debt	10.4	7.2	4.5	18.7	22.6	27.8	34.5
Net gearing	81%	22%	12%	46%	52%	60%	67%
ND/EBITDA	2.1x	1.3x	0.6x	2.3x	2.6x	2.4x	2.3x
Covenant 2 (<2.5x)	1.9x	2.0x	0.7x	1.2x	1.7x	1.8x	1.8x

Source: Company data and Nordea estimates

Net debt/EBITDA would remain in the range of 2.3-2.6x versus 2.3x at the end of 2023

The covenant related to leverage (Covenant 2) would also be safe in our scenario

We illustrate how certain key figures would develop in our M&A scenario. We note net debt/EBITDA would be 2.3-2.6x in this scenario, versus 2.3x at the end of 2023. We also estimate the Covenant 2 development (interest-bearing net debt to pro forma EBITDA). We use the actual EBITDA for the year in question, which exaggerates the multiple, but we believe this is a prudent approach. We note the Covenant 2 would increase from 1.23x in 2023 to 1.8x in 2026, clearly below the covenant level of 2.5x. Hence, we argue the scenario is realistic and does not jeopardise Solwers' balance sheet metrics.

Peer group

When selecting the peer group, we focus on listed consultancy companies in the Nordic region, as well as the Dutch company Arcadis. It is worth noting that all peers are considerably larger than Solwers, including Swedish players such as Sweco and AFRY and the Finnish companies Etteplan and Sitowise.

Selected peer group

Eight companies in our peer group

Our selected peer group for Solwers consists of engineering, design and architecture companies operating in Nordic and European markets. In total, the group consists of eight companies, of which seven are established in the Nordics and one in the Netherlands.

SELECTED PEER GROUP AND SELECTED PERFORMANCE METRICS

	Country	Price	Mcap	EV	Sales Growth			EBIT Margin			ROE		
		Local	EURm	EURm	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
All peers													
Afry Ab	Sweden	183.3	1,860	2,462	3.9%	1.3%	8.8%	4.9%	7.6%	8.4%	10.6%	12.1%	12.7%
Arcadis Nv	Netherlands	59.6	5,406	6,297	23.9%	6.5%	5.2%	8.6%	9.3%	10.0%	22.4%	22.5%	23.9%
Etteplan Oyj	Finland	13.1	333	397	8.7%	4.3%	3.7%	8.4%	8.7%	8.8%	18.6%	19.6%	19.5%
Multiconsult Asa	Norway	153.0	365	456	4.6%	5.5%	7.8%	8.5%	8.7%	8.8%	27.4%	28.0%	26.9%
Norconsult Asa	Norway	33.0	706	764	-5.7%	7.1%	7.5%	8.2%	9.2%	9.1%	20.7%	27.2%	26.4%
Rejlers Ab (Publ)	Sweden	157.0	309	365	3.2%	5.8%	8.1%	6.8%	7.3%	7.7%	12.4%	13.3%	13.9%
Sitowise Group Oyj	Finland	3.0	108	191	-3.0%	3.7%	4.2%	6.1%	7.8%	8.6%	6.3%	8.3%	9.5%
Sweco Ab (Publ)	Sweden	145.3	4,675	5,174	9.2%	6.0%	5.7%	9.7%	10.4%	10.6%	19.4%	20.5%	20.1%
Peer average					5.6%	5.0%	6.4%	7.7%	8.6%	9.0%	17.2%	18.9%	19.1%
Peer median					4.2%	5.6%	6.6%	8.3%	8.7%	8.8%	19.0%	20.1%	19.8%
Solwers (NDA)	Finland	3.9	40	58	16.7%	4.0%	3.0%	6.2%	7.0%	7.8%	6.9%	8.3%	9.2%
difference					12.5pp	-1.6pp	-3.6pp	-2.1pp	-1.7pp	-1.1pp	-12.1pp	-11.8pp	-10.6pp
Solwers (cons)	Finland	3.9	40	50	16.7%	2.6%	2.5%	3.9%	6.3%	6.2%	7.1%	7.4%	7.2%
difference					12.4pp	-3.0pp	-4.1pp	-4.4pp	-2.4pp	-2.6pp	-11.9pp	-12.7pp	-12.6pp

Source: LSEG Data & Analytics and Nordea estimates

Descriptions of listed peers

AFRY has a global reach, although the Nordics account for 75% of sales

AFRY is a Sweden-based consulting, engineering and design company that employs 19,000 people in the more than 40 countries in which it has offices. AFRY operates through five divisions: Infrastructure (38% of 2023 sales), Industrial & Digital Solutions (25%), Process Industries (21%), Energy (13%) and Management Consulting (6%), which together offer engineering, design and advisory services in the **Infrastructure, Industry and Energy** sectors. AFRY has a global reach with projects in over a hundred countries and 75% of sales originating in the Nordic market. In 2023, AFRY generated net sales of SEK 26.9bn (EUR 2.4bn), with an EBITA margin 7.6%. In June 2024, AFRY had a market cap of EUR ~1.9bn.

Arcadis has large exposure outside Europe

Arcadis is a Netherlands-based design, engineering and consultancy company with approximately 36,000 employees. Arcadis was founded in 1888, and is engaged in more than 40,000 client projects per year, according to the company. Arcadis operates through four segments: Places (40% of 2023 net sales), Mobility (22%), Resilience (36%) and Intelligence (2%). Together, the four segments serve clients in a wide range of sectors, including **Aerospace, Energy, Industrial, Real Estate Investments and Technology**. In 2023, Arcadis generated net sales of EUR 3.8bn, of which 46% originated from the Americas, 47% from Europe and Middle East and 9% from Asia-Pacific. Arcadis' EBITA margin was 9.1% in 2023 and it had a market cap of EUR ~5.4bn in June.

Etteplan is one of the largest Finnish consultancy companies, with roughly half of its sales outside of Finland

Etteplan is a Finland-based technology services company, focused on improving products, processes and businesses in a wide range of industries, including **Aerospace and Defence, Transportation, Energy, Forest, Pulp & Paper, ICT and Industrial Machinery**. The company employs ~3,900 people and operates in eight countries, with 50% of 2023 revenue originating from Finland, 19% from Scandinavia, 22% from Middle Europe and 10% from China. In terms of service areas, 56% of revenue for 2023 originated from Engineering Solutions, 24% from Software and Embedded Solutions

and 20% from Technical Communication Solutions. Total revenue in 2023 was EUR 360m, with an EBITA margin of 8.6%. As of June, Etteplan had a market cap of EUR ~340m.

Multiconsult is the second-largest consultancy company in Norway

Multiconsult is a Norway-based engineering, architect and design consultant company with a history dating back to 1908. The company has ~3,700 employees, and offers solutions in a variety of business areas, including **Buildings & Properties** (38% of 2023 revenue), **Mobility & Transportation** (29%), **Energy & Industry** (23%) and **Water & Environment** (10%). The company engages in over 10,000 projects annually in more than 20 countries. According to Multiconsult, it has a No. 2 market position in Norway, behind Norconsult. In 2023, the company generated revenue of NOK 4.8bn (EUR ~421m), with an adjusted EBITA margin of 9.3%. In June, Multiconsult had a market cap of EUR ~370m.

Norconsult offers consultancy services in all Nordic countries

Norconsult is a Norway-based interdisciplinary consulting firm, offering engineering, architecture and digital services in all Nordic countries. The company employs 6,300 people in ~140 offices, and operates in the **Building & Architecture, Infrastructure and Energy & Industry** markets. The company's revenues were split roughly 50/50 between public and private projects in 2023. Norconsult has grown in the last decade through M&A and acquired 4-12 companies per year in 2012-23. In 2023, the company generated revenue of NOK 8.4bn (EUR ~835m), with an adjusted EBITA margin of 9.5%. In June, Norconsult had a market cap of EUR ~700m.

Rejlers is based in Sweden, but also has significant operations in Finland and Norway

Rejlers is a Sweden-based engineering consultancy company, operating in Sweden (63% of 2023 revenue), Finland (30%), Norway (7%). Rejlers has ~3,300 employees and offers solutions in technology areas such as **energy, industry, infrastructure and real estate**. Rejlers has completed projects for such customers as The European Space Agency, Savon Voima and Lantmännen Crealia. In 2023, the company generated revenue of SEK 4.1bn (EUR ~360m) with an EBITA margin of 7.5%. In June, Rejlers had a market cap of EUR ~320m.

Sitowise offers consultancy services mainly in Finland, but also in Sweden

Sitowise is a Finland-based design and consultancy company, focused on smart and sustainable solutions in the urban environment and transportation arenas. Sitowise operates through four segments: **Buildings** (34% of 2023 revenue), **Infra** (31%), **Digi** (14%) and **Sweden** (21%). Sitowise employs ~2,200 professionals, and has offices in Finland and Sweden, in which it mainly operates. In 2023, Sitowise generated total revenue of EUR 210.9m, with an adjusted EBITA margin of 8.1%. In June, Sitowise had a market cap of EUR ~100m.

Sweco is the largest listed consultancy company in the Nordics, with meaningful operations outside the Nordic countries

Sweco is a Sweden-based engineering, environmental technology and architecture consulting company, which employs ~21,000 experts in ~15 markets in Europe. Sweco offers solutions for **Buildings and Urban areas, Industry, Energy and Environment, Infrastructure and Transportation** and **Architecture** applications. Sweco operates through eight segments: Sweden (29% of 2023 revenues), Norway (12%), Finland (13%), Denmark (10%), Netherlands (10%), Belgium (13%), UK (5%) and Germany & Central Europe (9%). According to Sweco, the company is Europe's leading architecture and engineering consultancy. In 2023, Sweco generated net sales of SEK 28.5bn (EUR ~2.5bn), with an EBITA margin of 8.9%. As of June, Sweco had a market cap of EUR 4.8bn.

Valuation

In our valuation approach for Solwers, we include a component from future, unannounced acquisitions. We believe this is relevant as the company aims to grow by more than 20% annually, and has historically been able to acquire companies at favourable terms. Our fair value range of EUR 5.2-6.1 per share includes an M&A component of EUR 0.8 per share, while we argue that a fair value for Solwers' current operations is EUR 4.4-5.4 per share.

We derive a fair value range of EUR 5.2-6.1 for Solwers, which includes an EUR 0.8 component of future M&A...

A multiples- and DCF-based valuation with an M&A component included

Using a combination of valuation multiples and a DCF model, and adding what we deem to be a fair value for the value-creation potential from the M&A strategy, we derive a fair value range of EUR 5.2-6.1 per share for Solwers. We note that this includes EUR 0.8 per share of the present value of potential value-accretive acquisitions for 2024-26.

...while the fair value excluding future M&A would be EUR 4.4-5.4

Our fair value range for Solwers' current business, derived from a DCF- and peer group-based valuation excluding acquisitions, is EUR 4.4-5.4 per share. We highlight that the level of uncertainty in estimating a fair value for unannounced, future acquisitions is high and that such acquisitions may not occur.

Our peer group consists of eight players, of which seven are Nordic-based

A peer group of mainly Nordic companies

Our peer group consists of eight listed consultancy companies, of which seven are based in the Nordics. We note that some of the companies are materially larger and more established players, while many in our peer group operate dissimilar centralised operating models with subsidiary companies being integrated with the parent company.

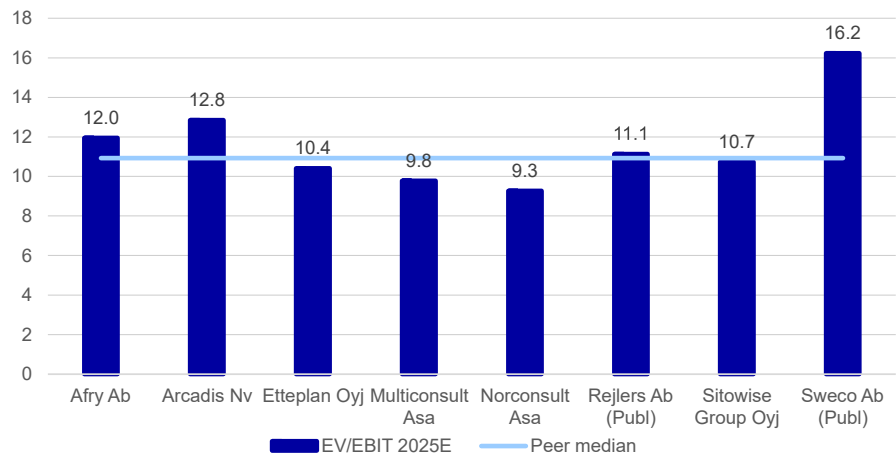
PEER MULTIPLES

	EV/Sales			EV/EBITDA			EV/EBIT			P/E		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Afry Ab	1.0	0.9	0.8	8.8	7.6	6.9	19.4	12.0	9.6	15.3	12.7	11.2
Arcadis Nv	1.3	1.2	1.1	11.3	9.7	8.3	15.4	12.8	10.9	19.5	16.5	13.9
Etteplan Oyj	1.0	0.9	0.8	7.6	6.6	6.1	11.7	10.4	9.5	14.1	12.2	11.3
Multiconsult Asa	0.9	0.8	0.7	6.9	6.3	5.5	10.9	9.8	8.4	13.8	12.7	11.7
Norconsult Asa	0.9	0.8	0.8	6.7	6.1	5.6	11.4	9.3	8.4	16.3	14.7	13.6
Rejlers Ab (Publ)	0.9	0.8	0.7	8.0	6.8	5.9	13.1	11.1	9.4	15.6	13.5	11.8
Sitowise Group Oyj	0.9	0.8	0.8	7.3	6.4	5.7	14.9	10.7	9.0	17.1	11.7	9.3
Sweco Ab (Publ)	1.8	1.7	1.6	16.2	11.7	11.3	18.9	16.2	14.8	24.2	20.7	19.0
Peer average	1.1	1.0	0.9	9.1	7.7	6.9	14.5	11.5	10.0	17.0	14.3	12.7
Peer median	0.9	0.9	0.8	7.8	6.7	6.0	14.0	10.9	9.5	15.9	13.1	11.7
Solwers (NDA)	0.8	0.7	0.6	7.0	5.8	5.0	12.2	9.2	7.6	13.4	9.6	7.4
difference	-18.0%	-20.7%	-19.8%	-10.4%	-14.3%	-17.2%	-12.7%	-15.7%	-20.3%	-15.9%	-26.8%	-36.7%
Solwers (cons)	0.8	0.7	0.7	6.6	6.3	6.3	19.9	11.4	11.4	23.2	12.3	12.3
difference	-17.8%	-17.6%	-11.0%	-15.2%	-5.5%	5.9%	42.2%	4.4%	20.5%	45.4%	-6.1%	5.0%

Source: LSEG Data & Analytics and Nordea estimates

Peers are valued at ~11x 2025E EV/EBIT

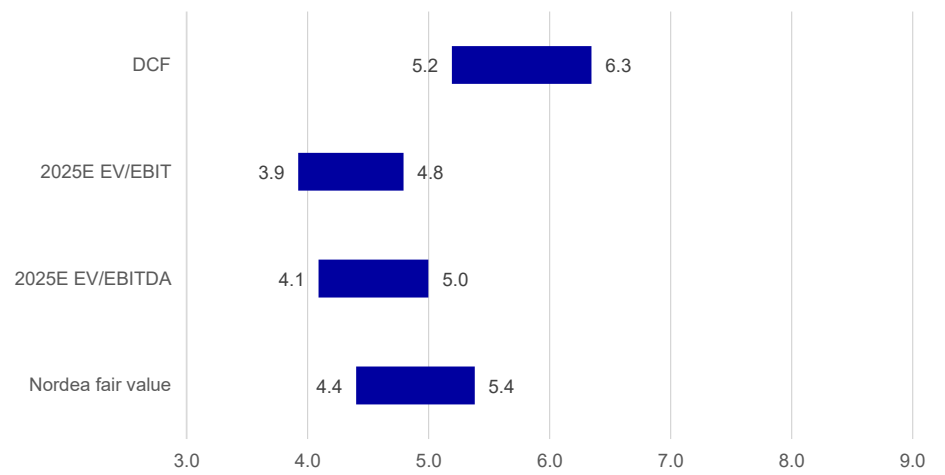
Based on LSEG Data & Analytics consensus, the peer group is trading at a median EV/EBITDA of 7.8x for 2024E and 6.7x for 2025E. The median EV/EBIT for 2024E is 14.0x and the 2025E EV/EBIT is 10.9x.

PEER MULTIPLES, 2025E EV/EBIT (x)

Source: LSEG Data & Analytics

Peer group valuation, excluding future M&A, points to a fair value of EUR 4.4-5.4 per Solwers share

Given Solwers' acquisition-driven strategy, we value the company based on underlying operations and try to evaluate the future potential of the M&A strategy through estimating the value-creation potential from synergies. Using a multiples-based approach and a DCF model, we derive a fair value range of EUR 4.4-5.4 per share for Solwers.

VALUATION OF SOLWERS BUSINESS, EXCLUDING M&A (EUR)

Source: Nordea estimates

The chart above illustrates our fair value range of EUR 4.4-5.4 per share for Solwers as a standalone company without any unannounced M&A. We note that our EUR 5.2-6.1 fair value per share is derived by equally weighting a DCF, 2025E EV/EBIT and EV/EBITDA to derive a fair value range of EUR 4.4-5.4 and the potential value creation through M&A (EUR 0.8), based on our M&A scenario.

Solwers currently trades at ~10x 2025E EV/EBIT

The table below shows the valuation multiples that we derive for Solwers, assuming no unannounced M&A, using our fair value range for the company (EUR 4.4-5.4) without the potential value of future M&A. The current share price implies 2024E EV/EBIT of 12.6x and 2025E EV/EBIT of 10.2x. Our fair value range for Solwers, excluding any unannounced M&A, implies 2025E EV/EBIT of 11.0-12.8x and a 2026E multiple of 9.1-10.7x.

SOLWERS: VALUATION WITHOUT UNANNOUNCED M&A - DERIVED VALUATION MULTIPLES

	EUR 4.4			EUR 5.4			Current EUR 3.94		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
EV/Sales	0.8x	0.8x	0.7x	1.0x	0.9x	0.8x	0.8x	0.7x	0.7x
EV/EBITDA	7.7x	6.6x	5.7x	8.8x	7.6x	6.6x	7.1x	6.1x	5.2x
EV/EBIT	13.6x	11.0x	9.1x	15.6x	12.8x	10.7x	12.6x	10.2x	8.4x
P/E	15.5x	12.1x	10.1x	18.9x	14.8x	12.4x	13.8x	10.8x	9.1x
FCF yield %	7.4%	7.7%	9.4%	6.0%	6.3%	7.7%	8.2%	8.6%	10.5%
Dividend yield %	1.4%	1.6%	1.8%	1.1%	1.3%	1.5%	1.5%	1.8%	2.0%

Source: Nordea estimates

Peer valuation does not reflect the potential from future M&A, which is an integral part of Solwers' strategy...

...and hence we include our assumption of value creation from future M&A

Assuming no unannounced M&A, we derive a fair value range of EUR 4.4-5.4 per share. However, given Solwers' track record of acquisitions at favourable terms, we illustrate below how we assign a value to future, unannounced acquisitions.

M&A could add EUR 0.8 per share to fair value for 2024E-26E

In the calculations above, we assumed that Solwers will not make any acquisitions, meaning that our base-case estimates are purely reliant on organic growth and already conducted acquisitions in 2023-24. In this section, we present the methodology we use for determining a fair value range for unannounced M&A that Solwers could achieve through active M&A. We estimate that for 2024-26, the company could add EUR 0.8 per share in shareholder value by acquiring companies at the terms we have set out below.

SOLWERS: VALUE CREATION THROUGH M&A IN 2024-26 - IMPACT ON FAIR VALUE (EUR PER SHARE)

		Acquisition cost, EURm															
		6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	
Acquisition multiple, EV/EBIT (x)	3	1.2	1.6	2.0	2.4	2.8	3.2	3.6	4.0	4.4	4.8	5.2	5.6	6.0	6.4	6.8	
	3.5	0.9	1.3	1.6	1.9	2.2	2.5	2.8	3.1	3.5	3.8	4.1	4.4	4.7	5.0	5.3	
	4	0.7	1.0	1.2	1.5	1.7	2.0	2.2	2.5	2.7	3.0	3.2	3.5	3.7	4.0	4.2	
	4.5	0.6	0.8	1.0	1.2	1.4	1.6	1.8	2.0	2.2	2.4	2.6	2.8	3.0	3.2	3.4	
	5	0.5	0.6	0.8	1.0	1.1	1.3	1.4	1.6	1.8	1.9	2.1	2.2	2.4	2.6	2.7	
	5.5	0.4	0.5	0.6	0.8	0.9	1.0	1.1	1.3	1.4	1.5	1.7	1.8	1.9	2.0	2.2	
	6	0.3	0.4	0.5	0.6	0.7	0.8	0.9	1.0	1.1	1.2	1.3	1.4	1.5	1.6	1.7	
	6.5	0.2	0.3	0.4	0.5	0.5	0.6	0.7	0.8	0.8	0.9	1.0	1.1	1.2	1.2	1.3	
	7	0.2	0.2	0.3	0.3	0.4	0.5	0.5	0.6	0.6	0.7	0.7	0.8	0.9	0.9	1.0	
	7.5	0.1	0.2	0.2	0.2	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.6	0.6	0.6	0.7	
	8	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.4	0.4	
	8.5	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	
	9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	9.5	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2
	10	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3	-0.3
	10.5	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3	-0.3	-0.4	-0.4	-0.4	-0.5	-0.5
	11	-0.1	-0.1	-0.2	-0.2	-0.3	-0.3	-0.3	-0.4	-0.4	-0.4	-0.4	-0.5	-0.5	-0.5	-0.6	-0.6
11.5	-0.1	-0.2	-0.2	-0.3	-0.3	-0.3	-0.4	-0.4	-0.5	-0.5	-0.6	-0.6	-0.7	-0.7	-0.7	-0.7	
12	-0.1	-0.2	-0.2	-0.3	-0.3	-0.4	-0.4	-0.5	-0.5	-0.6	-0.6	-0.7	-0.7	-0.8	-0.8	-0.8	
12.5	-0.2	-0.2	-0.3	-0.3	-0.4	-0.4	-0.5	-0.6	-0.6	-0.7	-0.7	-0.8	-0.8	-0.9	-0.9	-1.0	
13	-0.2	-0.2	-0.3	-0.4	-0.4	-0.5	-0.6	-0.6	-0.7	-0.7	-0.8	-0.9	-0.9	-1.0	-1.0	-1.0	

Source: Nordea estimates

Shareholder value can be created if Solwers is able to acquire quality companies at multiples below levels at which Solwers is trading

If Solwers were to trade at multiples above those at which it can acquire companies, we would see an opportunity for it to instantly create shareholder value through selected acquisitions. In the table above, we illustrate the potential compounding effect for Solwers, as the company aims to continue its acquisition-driven growth. The table below shows the impact on Solwers' value-creation opportunity from acquisitions, assuming different total acquisition volumes in 2024-26 (x-axis) and the EV/EBIT multiple paid in the potential acquisitions (y-axis). Note that the outcomes presented in the table illustrate the impact on valuation per share, not discounted to present value. We make the following notes to clarify the table:

- **Acquisition cost on x-axis:** The acquisition amount in EURm for 2024E-26E. Based on our calculations, we estimate that for 2024-26, Solwers could make acquisitions of EUR 20m in total, financed through debt. We limit the range in this table to EUR 6-34m of annual acquisitions and believe the narrowed range of EUR 14-26m is what could be realistic annually for 2024-26. Our base case of EUR 20m in acquisitions during 2024-26 would also enable Solwers to achieve around 20% annual growth, which is one of its financial targets.
- **Acquisition multiple on y-axis:** We assume an average EV/EBIT acquisition multiple of 6x for acquisitions conducted and an EV/sales multiple of 0.6x. We believe this is a rather conservative assumption given Solwers' own view of having historically made acquisitions at 4.5-6x EV/EBIT. However, we note that two acquisitions conducted in 2023 suggest EV/EBIT multiples of 5-8x on 2022 results including potential future earnouts.
- **EBIT margin:** We assume Solwers will acquire companies with a 10% EBIT margin.
- **Solwers' own valuation multiple:** Based on our estimates for Solwers and its current share price, we use a long-term average EV/EBIT multiple of 9x for the company. Thus, if Solwers makes an acquisition at an EV/EBIT multiple above 9x, our simulation models a negative contribution from the acquisition.

SOLWERS: ESTIMATING PRESENT VALUE OF UNANNOUNCED M&A IN 2024-26

EURm	2021	2022	2023	2024E	2025E	2026E
Revenue	45	63	66	80	97	116
of which acquired revenue				3	17	34
Adj. EBIT	3.4	5.1	4.8	5.1	7.3	9.8
of which acquired EBIT				0.3	1.7	3.4
Cost of acquisitions				-2	-8	-10
Transaction related costs				-0.1	-0.2	-0.3
Net debt	7.2	4.5	18.7	22.6	27.8	34.5
Annual value creation with EV/EBIT of 9x				0.9	3.8	4.7
Cost of equity (%)	9.9%					
Present value per share	0.8					

Source: Nordea estimates

The table illustrates how we calculate the net present value of EUR 0.8 per share for Solwers

Value creation of EUR 9.4m for 2024E-26E corresponds to a present value of EUR 0.8 per share

We have discounted the total fair value of EUR 9.4m to 2024 using our estimated 9.9% cost of equity, thus reaching EUR 0.8 in present value of potential future unannounced M&A.

Previously in this section, we argued that Solwers' current business, excluding any unannounced M&A, suggests a fair value range of EUR 4.4-5.4 per share. Adding the potential from M&A value creation in 2024E-26E of EUR 0.8 per share increases our fair value range for the company to EUR 5.2-6.1 per share.

We expect net debt to increase from EUR 19m in 2023 to EUR 35m in 2026 in our M&A scenario

The table below illustrates relevant valuation multiples of our M&A scenario when including EUR 0.8 per share value. Note that we adjust the EV for each year by the accumulated increase in net debt from the acquisitions we estimate for each year, which creates additional sales, EBITDA and EBIT. In our M&A scenario, we estimate that net debt will increase from EUR 19m in 2023 to EUR 35m at the end of 2026.

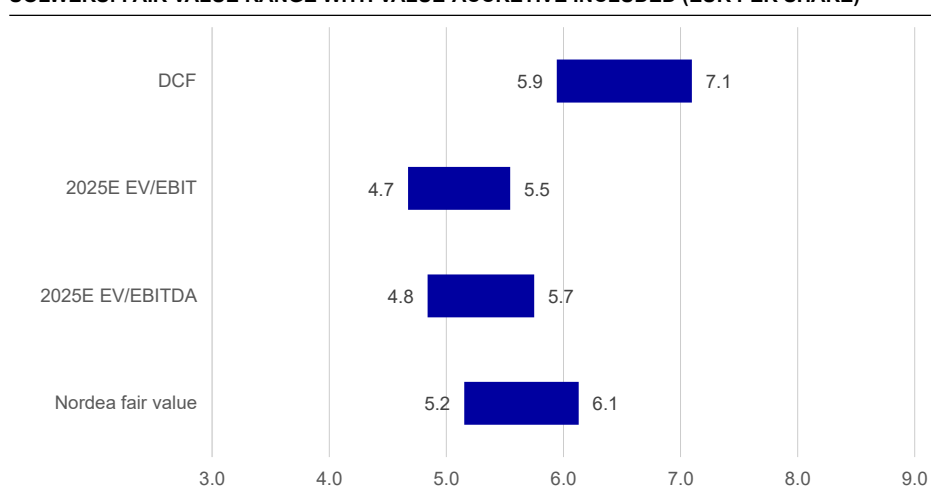
SOLWERS: VALUATION INCLUDING M&A BASED ON OUR M&A SCENARIO (DERIVED VALUATION MULTIPLES)

	EUR 5.2			EUR 6.1			Current EUR 3.94		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
EV/Sales	0.9x	0.8x	0.7x	1.0x	0.9x	0.8x	0.8x	0.7x	0.6x
EV/EBITDA	8.4x	6.8x	5.8x	9.5x	7.6x	6.4x	7.0x	5.8x	5.0x
EV/EBIT	14.6x	10.9x	8.8x	16.5x	12.2x	9.8x	12.2x	9.2x	7.6x
P/E	17.5x	12.6x	9.7x	20.9x	14.9x	11.6x	13.4x	9.6x	7.4x
FCF yield %	6.6%	7.8%	10.6%	5.5%	6.5%	8.9%	8.6%	10.2%	13.8%
Dividend yield %	1.2%	1.4%	1.6%	1.0%	1.1%	1.3%	1.5%	1.8%	2.0%

Source: Nordea estimates

In our M&A scenario, Solwers' valuation multiples decline rapidly, highlighting the upside potential

At the current share price (EUR 3.94 as of 10 June), the M&A scenario suggests a 2025E EV/EBIT multiple of 9.2x and a 2026E EV/EBIT multiple of 7.6x. The multiples decline relatively quickly, as we assume additional M&A of EUR 2m in 2024, EUR 8m in 2025 and EUR 10m in 2026, which increases EBIT in total by EUR 3.4m by 2026E.

SOLWERS: FAIR VALUE RANGE WITH VALUE-ACCRETIVE INCLUDED (EUR PER SHARE)

Source: Nordea estimates

Our DCF valuation points to a fair value of EUR 5.8 per share excluding future M&A

DCF valuation approach

In addition to the valuation approach we present above, we use a standard DCF model in our valuation of Solwers. Below, we illustrate our general assumptions for calculating our DCF value. Based on a WACC of 7.5%, our DCF indicates an equity value of EUR 58m (EUR 5.8 per share) for Solwers' current operations. We note that the DCF valuation does not include any future M&A.

The valuation model is built upon a stringent DCF framework, whereby ROIC-WACC modelling prevents above-market growth returns in perpetuity.

SOLWERS: DCF ASSUMPTIONS

Averages and assumptions	2024-29	2030-34	2035-39	2040-44	2045-49	2050-54	Sust.
Sales growth, CAGR	2.60%	2.0%	2.0%	2.0%	2.0%	2.0%	
EBIT-margin, excluding associate:	7.4%	8.0%	8.0%	8.0%	8.0%	3.5%	
Capex/depreciation, x	1.0	1.00	1.00	1.00	1.00	1.00	
Capex/sales	4.8%	2.0%	2.0%	2.0%	2.0%	2.0%	
NWC/sales	8.5%	8.0%	8.0%	8.0%	8.0%	8.0%	
FCFF, CAGR	-246.7%	0.5%	2.0%	2.0%	2.0%	-15.5%	2.5%

Source: Nordea estimates

An estimated 46% of the DCF value is related to the first ten years, and 89% falls into our 30-year estimate cycle, according to the table below. We apply a 2.5% terminal growth rate, which is in line with Nordea's standard assumption. The applied WACC of 7.5% is based on Nordea's standard assumptions for the risk-free rate and risk premium, as well as a beta of 1.5x and a 60% equity weight.

SOLWERS: DCF VALUE

DCF value	Value	Per share
NPV FCFF	75	7.5
(Net debt)	-19	-1.9
Market value of associates	0	0.0
(Market value of minorities)	-1	-0.1
Surplus values	0	0.0
(Market value preference shares)	0	0.0
Share based adjustments	0	0.0
Other adjustments	0	0.0
Time value	2	0.2
DCF Value	58	5.8

Source: Nordea estimates

SOLWERS: DCF WACC COMPONENTS

WACC components	
Risk-free interest rate	3.5%
Market risk premium	4.0%
Forward looking asset beta	nm
Beta debt	0.00
Forward looking equity beta	1.60
Cost of equity	9.90%
Cost of debt	5.0%
Tax-rate used in WACC	20.0%
Equity weight	60.0%
WACC	7.5%

Source: Nordea estimates

In the table below, we provide a DCF sensitivity analysis of the equity value, with varying levels of revenue growth, EBIT margins and WACC.

SOLWERS: DCF SENSITIVITY

		WACC				
		5.5%	6.5%	7.5%	8.5%	9.5%
EBIT marg. change	+2.0pp	12.4	9.4	7.4	6.0	5.0
	+1.0pp	10.9	8.3	6.6	5.4	4.5
		9.3	7.2	5.8	4.7	3.9
	-1.0pp	7.7	6.1	4.9	4.1	3.4
	-2.0pp	6.1	4.9	4.1	3.4	2.9
		WACC				
		5.5%	6.5%	7.5%	8.5%	9.5%
Sales gr. change	+2.0pp	11.8	8.9	7.0	5.7	4.6
	+1.0pp	10.4	8.0	6.3	5.2	4.3
		9.3	7.2	5.8	4.7	3.9
	-1.0pp	8.3	6.5	5.3	4.4	3.6
	-2.0pp	7.5	5.9	4.9	4.0	3.4
		Sales growth change				
		-2.0pp	-1.0pp		+1.0pp	+2.0pp
EBIT margin change	+2.0pp	6.1	6.7	7.4	8.3	9.2
	+1.0pp	5.5	6.0	6.6	7.3	8.1
		4.9	5.3	5.8	6.3	7.0
	-1.0pp	4.2	4.5	4.9	5.4	5.9
	-2.0pp	3.6	3.8	4.1	4.4	4.8

Source: Nordea estimates

- A +/- 1pp change in revenue growth translates to a change of +10/-9% in the fair value
- A +/- 1pp change in the EBIT margin translates to a change of +/-15% in the fair value

Risk factors

We believe the main risks related to Solwers' business come from its acquisition-based growth strategy. Solwers may fail to find attractive acquisition targets at favourable terms, and the loss of key personnel in the acquired companies could create operating risks. Its acquisition strategy could also become too aggressive, which could deteriorate its balance sheet metrics.

Operating environment

- Unfavourable macroeconomic factors in Solwers' main markets (currently Finland and Sweden) may have an adverse effect on Solwers' operations and its sales and profitability development.
- Global pandemics could adversely impact private and public business activity, which could lead to a decline or postponement of projects and investments, consequently reducing the demand for Solwers' services.
- Tightening competition within Solwers' business areas could adversely impact net sales and profitability.

Solwers' subsidiary-specific risks

- Solwers' subsidiaries may not be successful in pricing their projects or executing them as planned, which could have an adverse effect on Solwers' profitability and reputation.
- Solwers' subsidiaries may fail to maintain a good billing rate which would impact the company's profitability adversely.
- Public tender processes include administrative obligations and other requirements, which may lead to additional costs for Solwers' subsidiaries and consequently burden Solwers' profitability.
- Solwers' subsidiaries may be unsuccessful at public tendering.
- Unexpected growth in subsidiaries' personnel costs could have an adverse impact on Solwers' profitability.
- Subsidiaries are exposed to reputational, brand-specific and external communication-related risks, which may lead to reputational damage for Solwers and its operations
- Subcontracting services ordered by subsidiaries may cause additional costs and lead to a weaker profitability development for Solwers.
- Exceptional client contracts and unfavourable contract terms may have an adverse effect on Solwers' subsidiaries and on its profitability.
- Possible failure of Solwers' subsidiaries in maintaining existing customer relationships or acquisition of new customers may have an adverse effect on Solwers' profitability, competitive position and reputation.
- If the subsidiaries have inadequate insurance policies, this may have an adverse effect on Solwers' profitability and financial position.

Risks related to Solwers' strategy

- Solwers' growth strategy is based heavily on acquisitions and the strategy may fail if suitable acquisition targets are not available, acquisitions cannot be conducted at favourable terms, acquisition terms include responsibilities that have not been reflected in the acquisition price, or if Solwers fails to obtain sufficient funding for the acquisitions.
- Cultural differences and different ways of working in the subsidiaries could create increased costs, adversely impact operations and lessen employee satisfaction.
- Solwers may fail in matters related to corporate responsibility and supporting the circular economy.

Risks related to subsidiaries' management and personnel

- Solwers may fail in retaining key management and personnel at the companies it acquires, or the recruitments of its subsidiaries, which may have an adverse impact on Solwers' ability to conduct its strategy. This could have a negative impact on Solwers' sales and profitability development.

Legal risks

- Changes in legislation or changes in the political environment of Solwers' operating countries may cause additional costs for Solwers' subsidiaries and weaken the group's profitability.
- Possible design and other errors made by Solwers' subsidiaries may lead to substantial claims and legal processes, which may weaken the profitability of Solwers' subsidiaries and adversely impact Solwers' reputation.
- Subsidiaries may not meet demands relating to information and data security, which could cause an adverse financial impact for the subsidiaries and damage Solwers' reputation.

Risks related to IT systems and immaterial rights

- Malfunctions, interruptions or cyber attacks may lead to substantial disturbances in the operations of Solwers' subsidiaries, which may have an adverse impact on the continuity of Solwers' services and reputation, as well as incur additional costs.
- Solwers may not be successful in protecting its immaterial rights, and it could face legal costs from disputes regarding immaterial rights.

Financial risks

- Covenants of loan agreements may adversely affect Solwers' operations and financial flexibility.
- Solwers may not obtain sufficient financing from banks in order to execute its acquisition-based growth strategy.
- Solwers may not collect its receivables in due time, which could have an adverse impact on Solwers' liquidity.
- Solwers may be exposed to insufficient liquidity.
- As Solwers has operations also outside of Finland (e.g. in Sweden), its profitability may be adversely affected by currency fluctuations.
- Changes in interest rates may impact Solwers' net results negatively.

Detailed estimates

DETAILED ESTIMATES, ANNUAL (EURm, EPS IN EUR)

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Net sales	32.6	44.7	62.8	66.0	77.0	80.1	82.5
growth y/y		36.8%	40.6%	5.1%	16.7%	4.0%	3.0%
Sales/employee (EURt)	109.9	112.5	104.7	108.0	110.0	112.8	116.2
Other operating income	0.3	0.4	0.2	1.1	0.0	0.0	0.0
Materials and services	-5.2	-6.3	-8.3	-8.0	-9.0	-8.7	-8.3
Personnel costs	-19.3	-27.1	-38.8	-42.0	-49.0	-51.0	-52.5
Other operating expenses	-3.5	-6.2	-7.8	-9.1	-10.6	-11.0	-11.4
EBITDA	5.0	5.5	8.2	8.0	8.4	9.4	10.3
margin	15.2%	12.3%	13.0%	12.1%	10.9%	11.8%	12.5%
EBITA	4.4	4.7	7.2	7.0	7.3	8.3	9.1
margin	13.6%	10.5%	11.5%	10.7%	9.5%	10.3%	11.1%
EBIT	3.5	3.4	5.1	4.8	4.8	5.6	6.4
margin	10.8%	7.5%	8.1%	7.3%	6.2%	7.0%	7.8%
Net financials	-0.1	-1.3	-0.5	-1.0	-1.2	-1.1	-1.0
PTP	3.4	2.1	4.6	3.9	3.6	4.5	5.4
Taxes	-0.76	-0.43	-1.02	-0.67	-0.71	-0.91	-1.09
Net profit	2.7	1.7	3.6	3.2	2.8	3.6	4.3
Minorities	0.9	0.2	0.2	0.1	0.0	0.1	0.1
EPS, EUR	0.40	0.20	0.38	0.32	0.28	0.36	0.43

DETAILED ESTIMATES, SEMIANNUAL (EURm, EPS IN EUR)

EURm	H1 2020	H2 2020	H1 2021	H2 2021	H1 2022	H2 2022	H1 2023	H2 2023	H1 2024E	H2 2024E
Net sales	13.9	18.8	22.0	22.7	32.6	30.2	33.2	32.8	38.8	38.2
growth y/y			58.1%	21.0%	48.3%	33.2%	1.9%	8.5%	17.0%	16.4%
Sales/employee (EURt)	46.8	63.1	56.3	57.2	55.6	49.8	55.2	52.6	56.3	53.8
Other operating income	0.1	0.2	0.2	0.3	0.1	0.2	0.1	1.0	0.0	0.0
Materials and services	-1.7	-3.4	-2.6	-3.7	-6.5	-1.9	-3.8	-4.2	-4.5	-4.4
Personnel costs	-8.7	-10.7	-13.8	-13.4	-17.9	-20.9	-21.3	-20.7	-24.9	-24.1
Other operating expenses	-1.5	-2.0	-2.7	-3.4	-4.0	-1.6	-4.2	-4.9	-4.9	-5.7
EBITDA	2.1	2.9	3.0	2.5	4.2	3.9	4.0	3.9	4.5	3.9
margin	15.3%	15.2%	13.7%	10.9%	13.0%	12.9%	12.1%	12.0%	11.7%	10.2%
EBITA	1.9	2.5	2.7	2.0	3.8	3.4	3.5	3.5	4.0	3.3
margin	13.9%	13.3%	12.1%	9.0%	11.7%	11.3%	10.7%	10.7%	10.2%	8.8%
EBIT	1.5	2.0	2.0	1.4	2.8	2.3	2.5	2.4	2.7	2.1
margin	11.0%	10.7%	9.2%	6.0%	8.6%	7.6%	7.5%	7.2%	6.9%	5.4%
Net financials	0.0	0.0	-1.0	-0.2	-0.2	-0.3	-0.5	-0.5	-0.5	-0.5
PTP	1.4	2.0	1.0	1.1	2.6	2.0	2.0	1.9	2.2	1.6
Taxes	-0.35	-0.41	0.04	-0.47	-0.69	-0.34	-0.50	-0.17	-0.44	-0.32
Net profit	1.1	1.6	1.0	0.6	1.9	1.7	1.5	1.7	1.7	1.3
Minorities	0.4	0.5	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
EPS, EUR	0.15	0.25	0.15	0.07	0.20	0.18	0.15	0.17	0.17	0.12

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	n.a.	n.a.	n.a.	26	33	45	63	66	77	80	83
Revenue growth	n.a.	n.a.	n.a.	n.a.	26.5%	36.8%	40.6%	5.1%	16.7%	4.0%	3.0%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	0	0	0	2	5	5	8	8	8	9	10
Depreciation and impairments PPE	0	0	0	0	-1	-1	-1	-1	-1	-1	-1
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	0	0	0	2	4	5	7	7	7	8	9
Amortisation and impairments	0	0	0	-1	-1	-1	-2	-2	-3	-3	-3
EBIT	n.a.	n.a.	n.a.	1	4	3	5	5	5	6	6
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	0	0	0	0	0	-1	0	-1	-1	-1	-1
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	0	0	0	1	3	2	5	4	4	5	5
Reported taxes	0	0	0	0	-1	0	-1	-1	-1	-1	-1
Net profit from continued operations	0	0	0	1	3	2	4	3	3	4	4
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	-1	0	0	0	0	0	0
Net profit to equity	0	0	0	1	2	1	3	3	3	4	4
EPS, EUR	n.a.	n.a.	n.a.	0.14	0.40	0.20	0.38	0.32	0.28	0.36	0.43
DPS, EUR	0.00	0.00	0.00	0.00	0.00	0.10	0.04	0.06	0.06	0.07	0.08
of which ordinary	0.00	0.00	0.00	0.00	0.00	0.10	0.04	0.06	0.06	0.07	0.08
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Profit margin in percent

EBITDA	n.a.	n.a.	n.a.	9.5%	15.2%	12.3%	13.0%	12.1%	10.9%	11.8%	12.5%
EBITA	n.a.	n.a.	n.a.	8.1%	13.6%	10.5%	11.5%	10.7%	9.5%	10.3%	11.1%
EBIT	n.a.	n.a.	n.a.	5.7%	10.8%	7.5%	8.1%	7.3%	6.2%	7.0%	7.8%

Adjusted earnings

EBITDA (adj)	0	0	0	2	5	5	8	8	8	9	10
EBITA (adj)	0	0	0	2	4	5	7	7	7	8	9
EBIT (adj)	0	0	0	1	4	3	5	5	5	6	6
EPS (adj, EUR)	n.a.	n.a.	n.a.	0.14	0.40	0.20	0.38	0.32	0.28	0.36	0.43

Adjusted profit margins in percent

EBITDA (adj)	n.a.	n.a.	n.a.	9.5%	15.2%	12.3%	13.0%	12.1%	10.9%	11.8%	12.5%
EBITA (adj)	n.a.	n.a.	n.a.	8.1%	13.6%	10.5%	11.5%	10.7%	9.5%	10.3%	11.1%
EBIT (adj)	n.a.	n.a.	n.a.	5.7%	10.8%	7.5%	8.1%	7.3%	6.2%	7.0%	7.8%

Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	24.5%	19.7%	13.1%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	28.0%	13.6%	13.4%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	26.4%	9.7%	13.7%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	14.7%	-1.9%	17.0%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	-4.4%
Average last 5 years											
Average EBIT margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7.9%	7.6%	7.2%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	12.5%	12.4%	11.9%

VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	41.8	11.0	15.1	13.3	10.5	8.7
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	12.4	5.7	8.4	7.0	6.0	5.1
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	14.4	6.5	9.5	8.1	6.8	5.8
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	20.1	9.2	13.8	12.4	10.0	8.3

VALUATION RATIOS - REPORTED EARNINGS

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E	n.a.	n.a.	n.a.	n.a.	n.a.	41.8	11.0	15.1	13.3	10.5	8.7
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	1.52	0.75	1.02	0.77	0.70	0.64
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	12.4	5.7	8.4	7.0	6.0	5.1
EV/EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	14.4	6.5	9.5	8.1	6.8	5.8
EV/EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	20.1	9.2	13.8	12.4	10.0	8.3
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	n.a.	1.2%	0.9%	1.3%	1.6%	1.8%	2.1%
FCF yield	n.a.	n.a.	n.a.	n.a.	n.a.	-16.2%	1.3%	3.2%	-4.6%	8.9%	10.9%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	n.a.	1.9%	5.7%	10.6%	8.6%	8.9%	10.9%
Payout ratio	n.a.	n.a.	n.a.	0.0%	0.0%	50.4%	10.4%	20.1%	21.1%	19.3%	18.4%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Intangible assets	0	0	0	13	19	34	39	43	48	48	48
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	0	0	0	2	2	1	1	1	1	1	1
of which goodwill	0	0	0	11	17	34	38	42	47	47	47
Tangible assets	0	0	0	1	3	6	6	7	7	7	7
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
Shares associates	0	0	0	2	2	2	2	2	2	2	2
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0	0	0	0	0	0
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	0	0	0	1	1	1	1	1	0	0	0
Total non-current assets	0	0	0	17	24	44	48	54	57	57	57
Inventory	0	0	0	1	0	0	0	0	0	0	0
Accounts receivable	0	0	0	6	9	14	15	17	19	20	21
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	1	1	1	1
Cash and bank	0	0	0	4	6	13	18	16	14	13	13
Total current assets	0	0	0	11	16	27	34	34	34	34	35
Assets held for sale	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	0	0	0	28	40	70	82	87	91	92	92
Shareholders equity	0	0	0	4	10	31	38	40	43	46	49
Of which preferred stocks	0	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Minority interest	0	0	0	2	2	1	1	1	1	1	1
Total Equity	0	0	0	6	13	32	38	40	43	46	50
Deferred tax	0	0	0	0	0	0	0	0	0	0	0
Long term interest bearing debt	0	0	0	0	6	14	17	27	30	27	23
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	0	0	0	0	1	4	8	0	0	0	0
Non-current lease debt	0	0	0	1	2	2	2	1	4	4	4
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Shareholder debt	0	0	0	6	5	0	0	0	0	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	0	0	0	7	14	20	28	28	34	31	27
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	0	0	0	7	5	9	6	6	7	7	8
Current lease debt	0	0	0	1	1	2	2	3	0	0	0
Other current liabilities	0	0	0	1	4	6	6	6	7	7	8
Short term interest bearing debt	0	0	0	6	2	1	2	3	0	0	0
Total current liabilities	0	0	0	15	13	18	15	18	14	15	15
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	0	0	0	28	40	70	82	87	91	92	92
Balance sheet and debt metrics											
Net debt	0	0	0	10	10	7	5	19	21	18	14
of which lease debt	0	0	0	2	3	4	4	4	4	4	4
Working capital	0	0	0	-1	1	0	3	6	7	7	7
Invested capital	0	0	0	16	24	43	51	59	64	64	64
Capital employed	0	0	0	20	29	52	61	75	77	77	77
ROE	n.m.	n.m.	n.m.	28.3%	23.7%	6.9%	9.9%	8.2%	6.9%	8.3%	9.2%
ROIC	n.m.	n.m.	n.m.	14.7%	14.0%	8.0%	8.6%	7.0%	6.2%	7.0%	8.0%
ROCE	n.m.	n.m.	n.m.	14.5%	14.3%	8.3%	9.0%	7.1%	6.2%	7.3%	8.3%
Net debt/EBITDA	n.m.	n.m.	n.m.	4.2	2.1	1.3	0.6	2.3	2.4	1.9	1.4
Interest coverage	n.a.	n.a.	n.a.	5.7	33.7	2.7	10.3	5.0	4.0	5.2	6.6
Equity ratio	n.m.	n.m.	n.m.	15.0%	26.3%	44.7%	46.0%	45.8%	46.5%	49.8%	53.3%
Net gearing	n.m.	n.m.	n.m.	173.9%	81.4%	22.4%	11.9%	46.2%	47.9%	38.8%	29.0%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
EBITDA (adj) for associates	0	0	0	2	5	5	8	8	8	9	10
Paid taxes	0	0	0	-1	0	-1	-1	0	-1	-1	-1
Net financials	0	0	0	0	0	-1	0	0	-1	-1	-1
Change in provisions	0	0	0	0	0	0	0	0	0	0	0
Change in other LT non-IB	0	0	0	-1	1	2	4	-8	1	0	0
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	0	0	0	-1	-2	-5	-7	7	0	0	0
Funds from operations (FFO)	0	0	0	1	3	0	5	7	8	7	8
Change in NWC	0	0	0	0	-1	1	-1	-1	-1	0	0
Cash flow from operations (CFO)	0	0	0	1	3	2	4	5	7	7	8
Capital expenditure	0	0	0	-1	0	-1	-1	0	-4	-4	-4
Free cash flow before A&D	0	0	0	0	2	1	2	5	3	3	4
Proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Acquisitions	0	0	0	-2	-3	-11	-2	-4	-5	0	0
Free cash flow	0	0	0	-2	0	-10	1	2	-2	3	4
Free cash flow bef A&D, lease adj	0	0	0	0	2	1	2	5	3	3	4
Dividends paid	0	0	0	1	1	-2	-1	-1	-1	-1	-1
Equity issues / buybacks	0	0	0	1	1	12	4	0	0	0	0
Net change in debt	0	0	0	1	1	4	1	-1	0	-3	-3
Other financing adjustments	0	0	0	0	0	0	0	0	0	0	0
Other non-cash adjustments	0	0	0	3	-1	3	0	-5	0	0	0
Change in cash	0	0	0	4	2	7	6	-3	-2	-1	0
Cash flow metrics											
Capex/D&A	n.m.	n.m.	n.m.	93.7%	16.1%	23.8%	39.3%	3.6%	100.0%	100.0%	100.0%
Capex/Sales	n.a.	n.a.	n.a.	3.5%	0.7%	1.1%	1.9%	0.2%	4.8%	4.8%	4.8%
Key information											
Share price year end (/current)	n.a.	n.a.	n.a.	n.a.	n.a.	8	4	5	4	4	4
Market cap.	n.a.	n.a.	n.a.	n.a.	n.a.	60	42	48	38	38	38
Enterprise value	n.a.	n.a.	n.a.	n.a.	n.a.	68	47	67	59	56	53
Diluted no. of shares, year-end (m)	0.0	0.0	0.0	4.1	4.3	7.2	9.9	9.9	10.0	10.0	10.0

Source: Company data and Nordea estimates

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