

# STRONG YEAR - PROFITABILITY IMPROVED DESPITE REVENUE DECREASE

MIKKO LAINE, CFO

5 FEBRUARY 2025

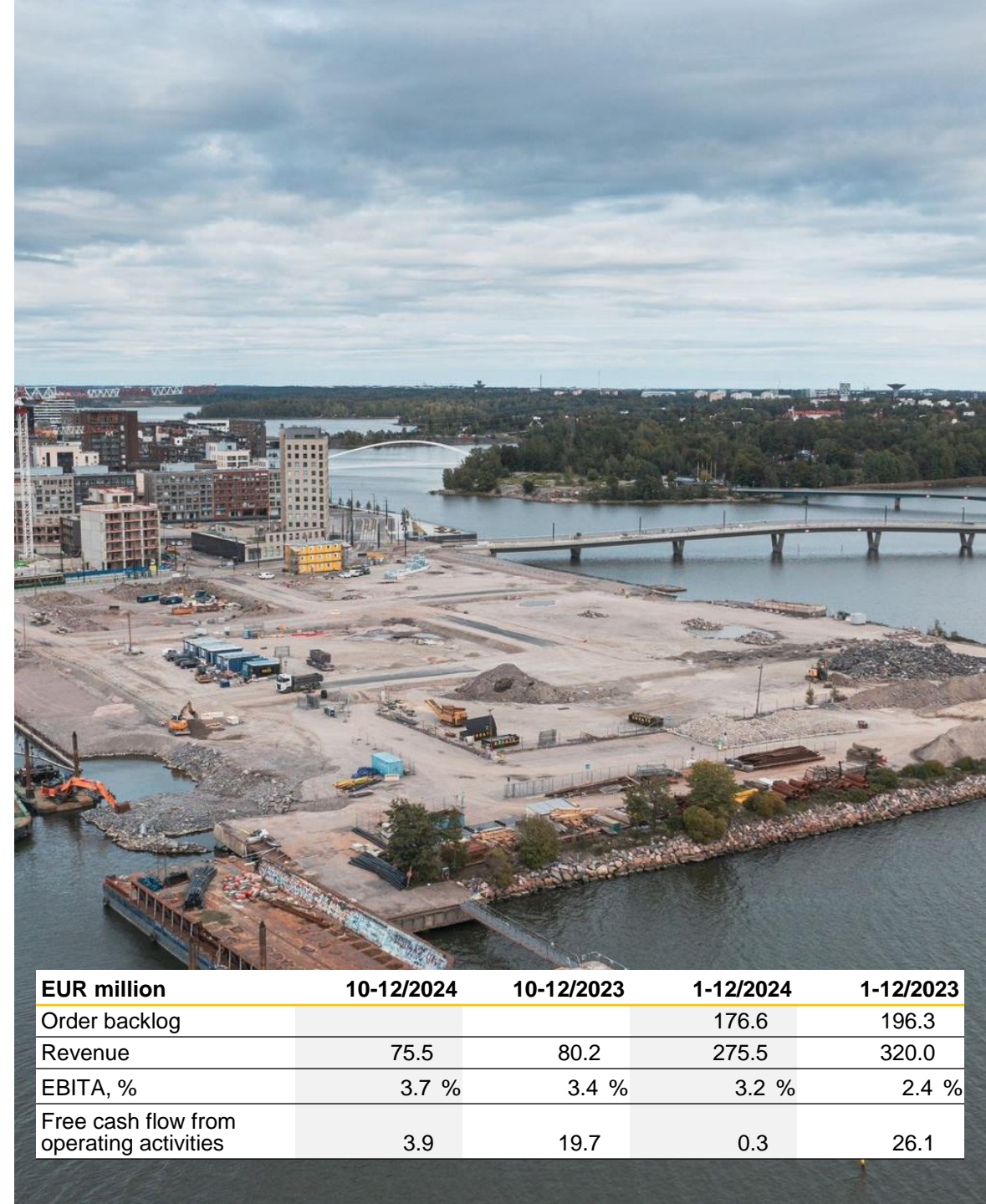
KREATE GROUP PLC / FINANCIAL STATEMENT BULLETIN 2024

**KREATE**  
THE FUTURE IS BUILT TODAY



# PROFITABILITY IMPROVED IN EVERY QUARTER OF 2024

- EBITA profitability 3.2% (2.4%) in 2024
  - Q4/2024 was the fifth consecutive quarter in which EBITA improved both in relative and absolute terms
  - Efficient operations, selectivity of tendering and flexible cost structure
- Revenue 2024 -13,9 % and Q4 -5,9 % year-on-year
  - Q4 revenue in Sweden EUR 9,9 million, full year +45,5 %
- Order backlog of EUR 177 million, of which EUR 119 million for 2025
  - Koskela tram depot added to order backlog Q4/2024
  - The order backlog does not include the possible implementation phases of projects in the development phase
- Guidance for 2025: Kreate estimates that its revenue in 2025 will grow and be in the range of EUR 290–310 million (2024: EUR 275.5 million) and EBITA will increase and be in the range of EUR 9–11 million (2024: EUR 8.8 million).
- Dividend proposal for the AGM: EUR 0,50 per share in two instalments



EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Order backlog			176.6	196.3
Revenue	75.5	80.2	275.5	320.0
EBITA, %	3.7 %	3.4 %	3.2 %	2.4 %
Free cash flow from operating activities	3.9	19.7	0.3	26.1

# FOURTH QUARTER HIGHLIGHTS



## Prepare ahead of time

In Oulu, the contract parts of the Poikkimaantie were handed over to the client less than a year ahead of schedule, and in Helsinki, the preliminary construction of Nihti was handed over seven months ahead of schedule.



## Celebrating 10 years of Kreate

We celebrated a journey together with the personnel. The companies merged into Kreate have a total of 271 years of experience.



## Koskela tram depot into implementation

Partner with the main contractor Skanska in terms of railway construction and circular economy

implementation phase: autumn 2024–spring 2028  
Value of the contact: almost EUR 58 million



# SUSTAINABLE PROFITABILITY – RIGHT DIRECTION IN 2024

Financial targets 2024–2027	2024	Status
<b>PROFITABILITY</b> EBITA margin > 5%	3.2 %	↗
<b>GROWTH</b> Revenue: Annual growth of 5–10 % 2024 onwards	-13.9	↘
<b>INDEBTEDNESS</b> Net debt / EBITDA < 2,5	2.0	✓
<b>DIVIDEND POLICY</b> The objective is to distribute at least half of our annual net profit as dividends, taking into account our financial position, cash flow and growth potential.	100 % (2024 proposal, payment in 2025)	✓



511 personnel at the  
end of the year

+ 100 projects



# UPDATED STRATEGY GUIDED OUR ACTIONS IN 2024

## WE MUST:

**1 BE THE BEST PLACE FOR THE BEST INFRASTRUCTURE EXPERTS**



The number of employees increased by more than 500 – we have succeeded in key recruitments and are growing experts through internships. Employee satisfaction (eNPS) 49.

**2 BE THE MOST DESIRABLE INFRASTRUCTURE PARTNER**



Winning the eastern part of the Vantaa tram together with GRK is yet another demonstration of our ability to win large projects and our position as a desired partner in the industry. Our Customer Satisfaction (NPS) 82.

**3 BE AMONG THE LEADERS IN ALL OUR BUSINESSES**



Operations in Sweden increased through civil engineering and foundation construction, revenue in Sweden almost doubled. We won significant projects on the rail environment. The first tram project is in the implementation phase.

**4 KEEP OUR PROCESSES AGILE**



We are selective and perform tender calculations carefully. The organisation has been strengthened to support the implementation of large strategic projects. Swedish administration strengthened to support growth.



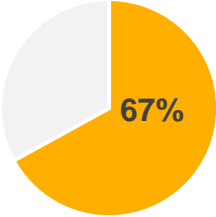
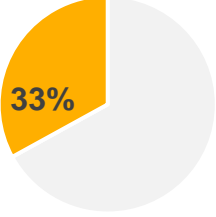
## SUSTAINABLE PROFITABILITY

EBITA margin > 5 %

Annual revenue growth of 5-10 %

Net debt/EBITDA < 2,5

# SHORT MARKET OUTLOOK NEUTRAL, LONG POSITIVE

BUSINESS FUNCTIONS						< 6-MONTH OUTLOOK*	> 6-MONTH OUTLOOK*	SHARE OF KREATE'S REVENUE
	Q4/23	Q1/24	Q2/24	Q3/24	Q4/24			
<b>STRUCTURAL ENGINEERING</b>								
Bridge construction	Improved	Unchanged	Unchanged	Unchanged	Improved	→	↗	 <p>67%</p>
Foundation and engineering construction	Improved	Improved	Unchanged	Weaker	Improved	↗	↗	
Special foundation construction	Improved	Unchanged	Unchanged	Weaker	Improved	→	↗	
Circular economy	Unchanged	Unchanged	Unchanged	Unchanged	Unchanged	→	→	
Special infrastructure construction in Sweden	Unchanged	Improved	Unchanged	Improved	Unchanged	→	↗	
<b>TRANSPORT INFRASTRUCTURE CONSTRUCTION</b>								
Railway construction	Improved	Unchanged	Improved	Weaker	Unchanged	→	↗	 <p>33%</p>
Road and street construction	Unchanged	Unchanged	Unchanged	Unchanged	Improved	→	↗	
<b>OVERVIEW</b>	Improved	Unchanged	Unchanged	Weaker	Unchanged	→	↗	

## Market development



## Outlook

- ↗ Very strong market
- ↖ Strengthening market
- Stable market
- ↘ Weakening market
- ↙ Very weak market

\* Source: Kreate Group management estimate



# LONG-TERM OUTLOOK IS POSITIVE



## MILITARY MOBILITY

The need for and importance of rail, road, port and airport infrastructure to the northern and western borders is increasing.



## URBANIZATION

Urbanisation means denser and more challenging construction and more rail traffic.

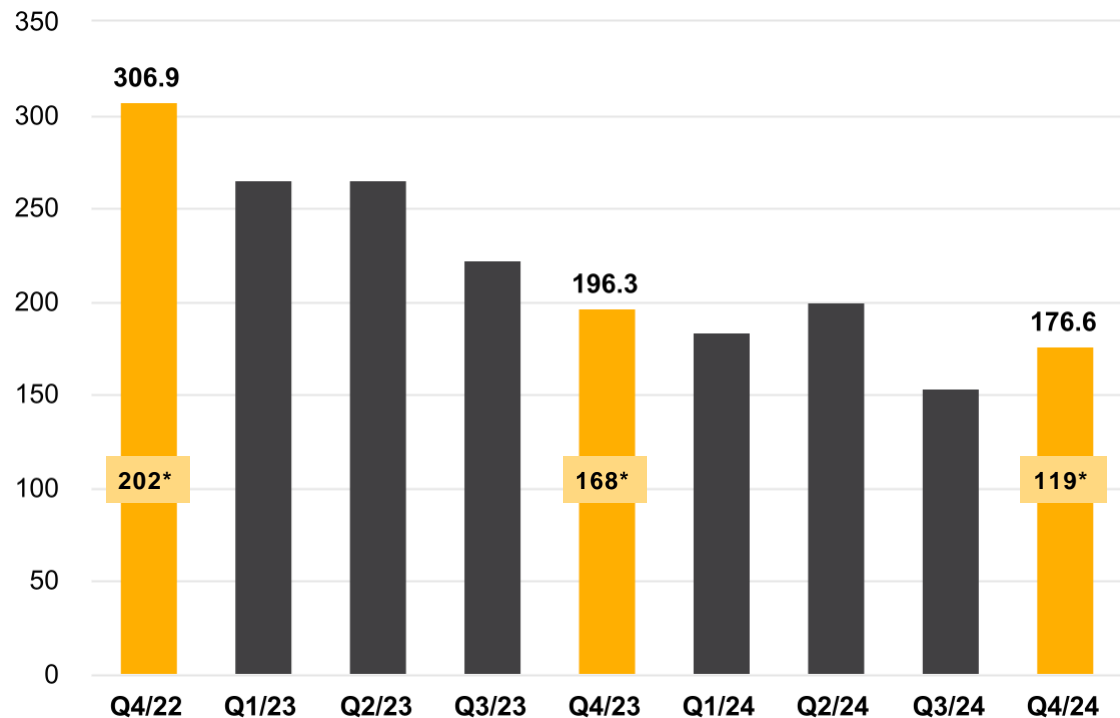


## GREEN TRANSITION

Investment plans amounting to ~ 280 BEUR in the portal of the Confederation of Finnish Industries. In investments, construction accounts for about 15–40%.

# FIRST TRAM PROJECT ADDED TO ORDER BACKLOG

Order backlog Q4/22 – Q4/24, EUR million



\* Expected to be realised < 12 months

- At the end of December 2024, the order backlog amounted to EUR 176.6 million
  - Change from the end of the previous quarter 15,3 %
  - Change year-on-year -10,0 %
- In Q4 2024, EUR 81.9 million of projects were entered in the order backlog, including the nearly EUR 58 million Koskela tram depot project
- It is estimated that EUR 119 (168) million of the order backlog will be realised during year 2025, of which Sweden's share is EUR 13 million
- The order backlog does not include the possible implementation phases of projects in development phase



# MULTIANNUAL PROJECTS IN THE DEVELOPMENT PHASE

RECORDED IN ORDER BACKLOG WHEN ENTERING THE CONSTRUCTION PHASE



## TAMPERE PASSENGER RAIL YARD

Alliance model, Kreate the only builder party.

The Finnish Transport Infrastructure Agency will make a separate decision on moving to the implementation phase of the project. Construction is estimated to start in spring 2025 and take 4–6 years.



## EASTERN PART OF VANTAA TRAM

Alliance, the developer is a consortium of Kreate and GRK Finland, both with equal shares.

Development phase ongoing. The aim is to start the construction after the development phase in 2025 and commercial traffic in 2029.

# POSITIVE SIGNALS FOR INTEREST RATE DEVELOPMENTS AND TRANSPORT INVESTMENTS



## INFLATION AND INTEREST RATES

Cost level stable. 2024 saw four policy rate cuts and markets expect rate cuts to continue.



## INDUSTRIAL INVESTMENTS

Industrial companies are willing to invest, but final investment decisions are lacking.



## TRANSPORT INVESTMENTS

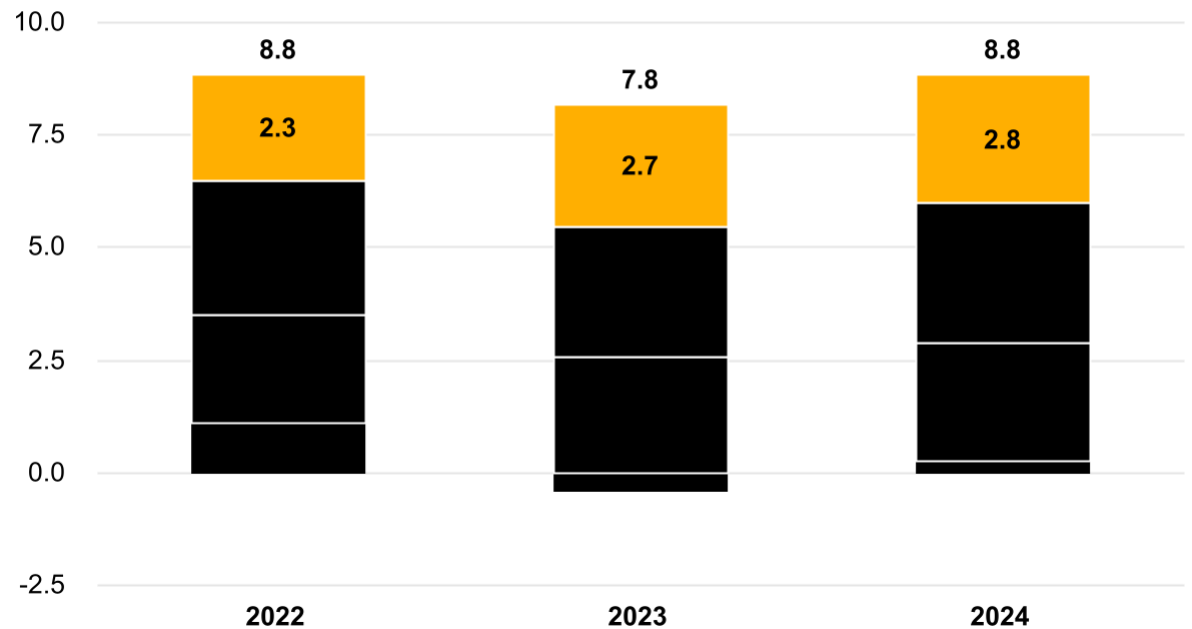
Appr. EUR 3+1 billion from the Government for transport investments – tendering in H2/2025 and implementation in 2026 →



# EBITA % INCREASED BY 0.8 PERCENTAGE POINTS IN 2024

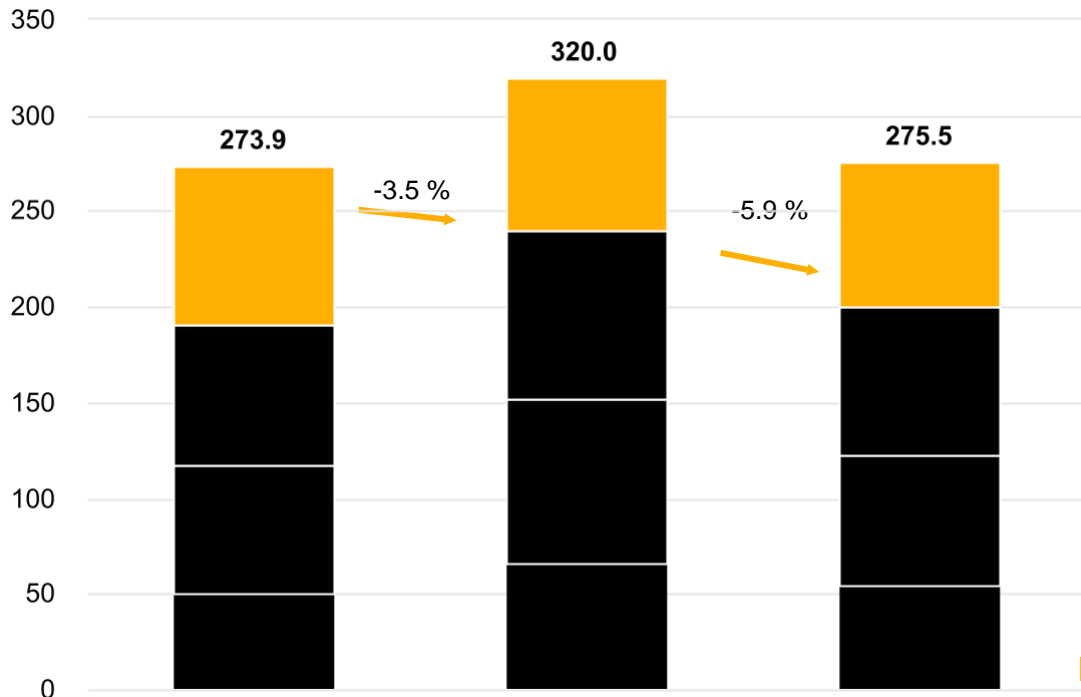
- Q4 EBITA % improved from the comparison period and was 3.7% (3.4%)
  - Growth also in euros: 2.8 (2.7) MEUR
- 2024 EBITA-% improved: 3.2% (2.4%)
  - Growth also in euros: 8.8 (7.8) MEUR
- Fifth consecutive quarter of EBITA growth
  - Selectivity of tendering activities
  - Efficient operational activities
  - Flexible cost structure

EBITA, EUR million



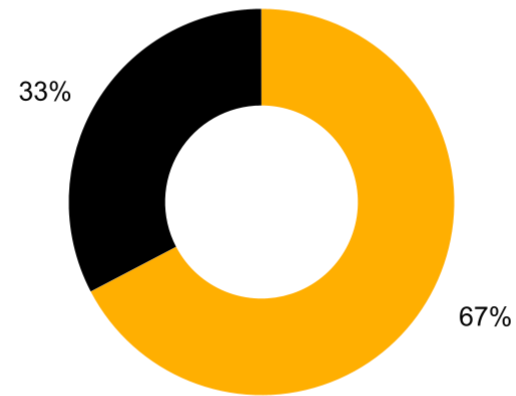
# FULL YEAR REVENUE DECREASED BY ALMOST 14%

Revenue, EUR million

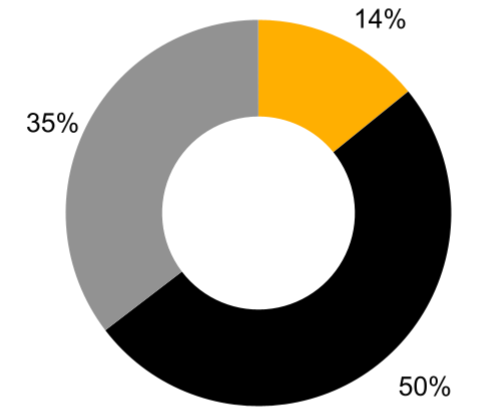


Revenue distribution 2024

By business function



By customer group













■ Structural engineering 
 ■ Transport infrastructure construction 
 ■ Cities and municipalities 
 ■ Government 
 ■ Private sector

→ change from the same quarter in the previous year



# TARGET LEVEL FOR OCCUPATIONAL SAFETY SET FOR 2025

## FOCUS ON DEVELOPING SAFETY CULTURE THROUGH OBSERVATIONS

Building with passion	Metrics and target at the end of 2024	Q4 / 2024*	Q3 / 2024*	Q4 vs Q3	Q4 vs target
Occupational safety and safety culture	• Combined accident frequency – target level for 2025 below 11	11.3	10.8		
	• Occupational safety observations from projects – target 100%	15.6%	23%		
	• Occupational safety observations per person – minimum target 6	4.6	5.4		
Responsible employer	• Code of conduct trained to personnel – target 100 %	72%	72%		
Reducing our footprint		Q4 / 2024	Q3 / 2024	Q4 vs Q3	Q4 vs target
Tackling climate change	• Greenhouse gas emissions (in Finland) – target: scope 1 & 2 emission intensity -50% in 2030 vs 2023	912 tn+38 tn (scope 1+2)	841 tn+34 tn (scope 1+2)		
Increasing our handprint		Q4 / 2024*	Q3 / 2024*	Q4 vs Q3	Q4 vs target
Sustainable and safe solutions	• Customer NPS – target > 50	82	76		
Infrastructure projects supporting megatrends	• Operations on the rail environment in Finland – target > 15 % revenue	29%	26%		

\* Average, last twelve months

# KEY FIGURES

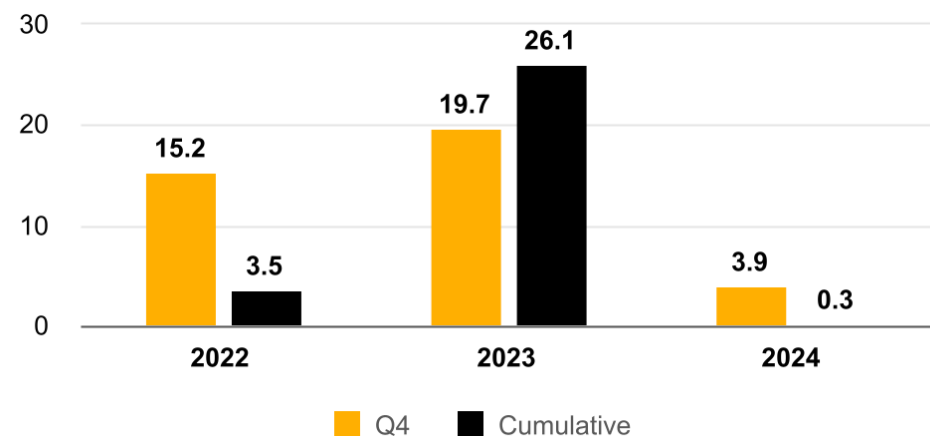
EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Order backlog			176.6	196.3
Revenue	75.5	80.2	275.5	320.0
EBITDA	4.9	4.9	15.3	14.0
EBITDA, %	6.5 %	6.1 %	5.5 %	4.4 %
EBITA	2.8	2.7	8.8	7.8
EBITA, %	3.7 %	3.4 %	3.2 %	2.4 %
Operating profit	2.8	2.6	8.7	7.6
Operating profit, %	3.7 %	3.3 %	3.2 %	2.4 %
Result for the period	1.6	1.6	4.6	3.9
Return on capital employed, %			13.1 %	11.2 %
Free cash flow from operating activities	3.9	19.7	0.3	26.1
Net working capital			2.7	-11.3
Net debt			29.9	16.8
Net debt/EBITDA, rolling 12 months			2.0	1.2
Equity ratio, %			33.2 %	31.8 %
Earnings per share, diluted, €	0.20	0.18	0.49	0.44
Dividend per share, €			0,50*	0.48
Personnel at the end of the period			511	472

\*) Proposal for the AGM

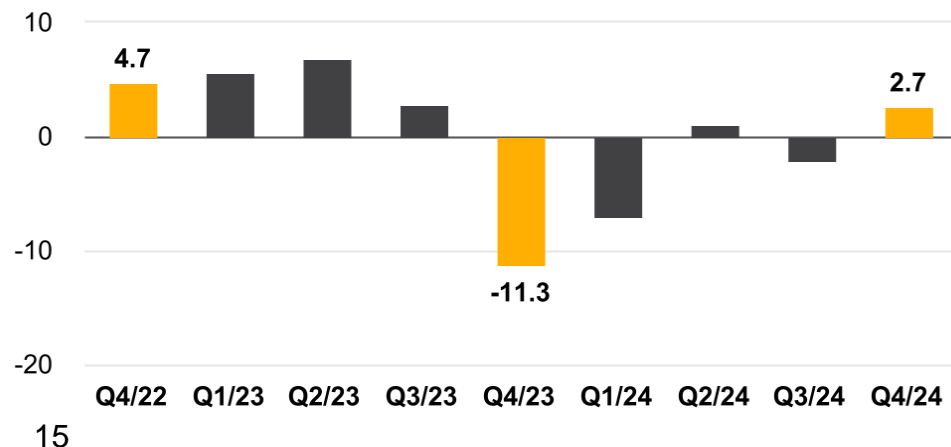


# FULL-YEAR OPERATING CASH FLOW POSITIVE, ALTHOUGH CHANGE IN NET WORKING CAPITAL 14 MEUR.

Free cash flow from operating activities, EUR million



Net working capital, EUR million

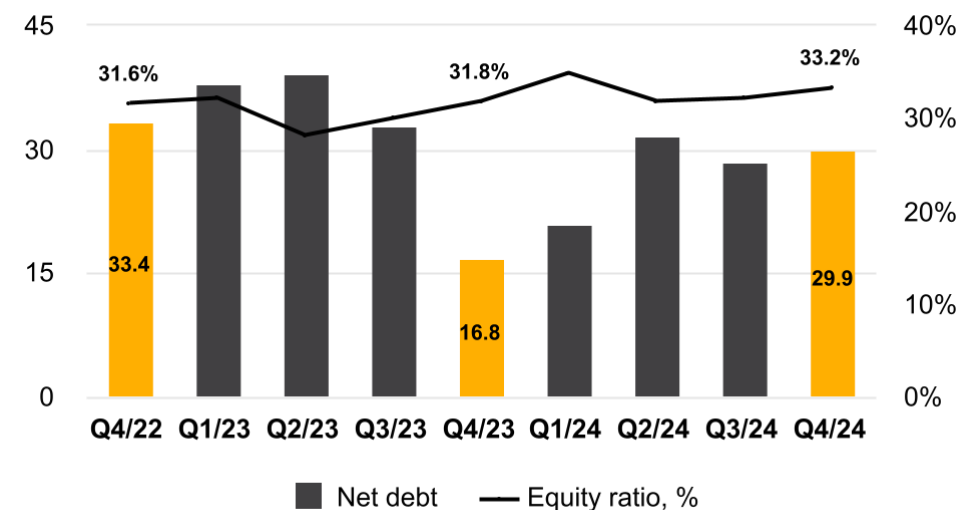


- Q4 Operating cash flow amounted to 3.9 (19.7) MEUR and full year 0.3 (26.1) MEUR
- The change in net working capital weakened cash flow by 4.8 MEUR in Q4 and by 14.0 MEUR for the full year.
- Net investments in Q4 amounted to -2,4 (0,7) MEUR as a result of the sale of properties in Tuusula and 1.5 (5.9) MEUR for the full year.
- At the end of December 2024, net working capital was EUR 2.7 (-11.3) MEUR, which is slightly above the company's long-term level 0 target. The level in the corresponding period of the previous year was exceptionally low.
- A good level of working capital is supported by systematic and successful work in project liquidity and risk management

# INTEREST-BEARING NET DEBT AT NORMAL LEVEL

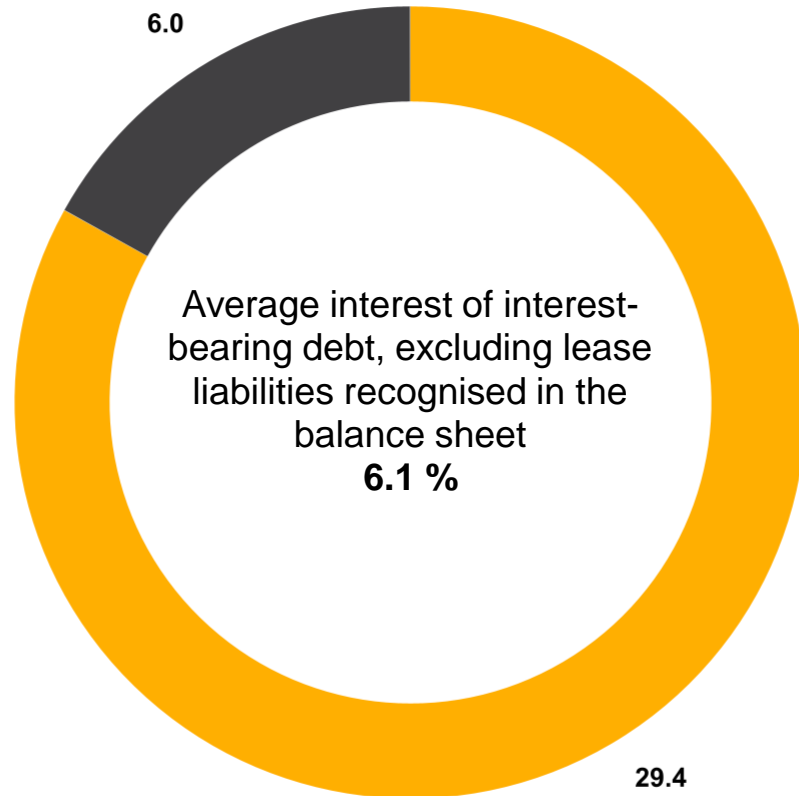
- Kreate's interest-bearing net debt on 31 December 2024 was EUR 29.9 (31 December 2023: 16.8) million
- The change in working capital fully explains the increase in net debt
- Net debt/EBITDA was 2.0 (1.2)
- Interest-bearing debt amounted to EUR 40.7 million on 31 December 2024, of which EUR 6.0 million constituted issued commercial papers
- Equity ratio was 33.2 % on 31 December 2024 (31 December 2023: 31.8 %)

Interest-bearing net debt (EUR million) and equity ratio (%)

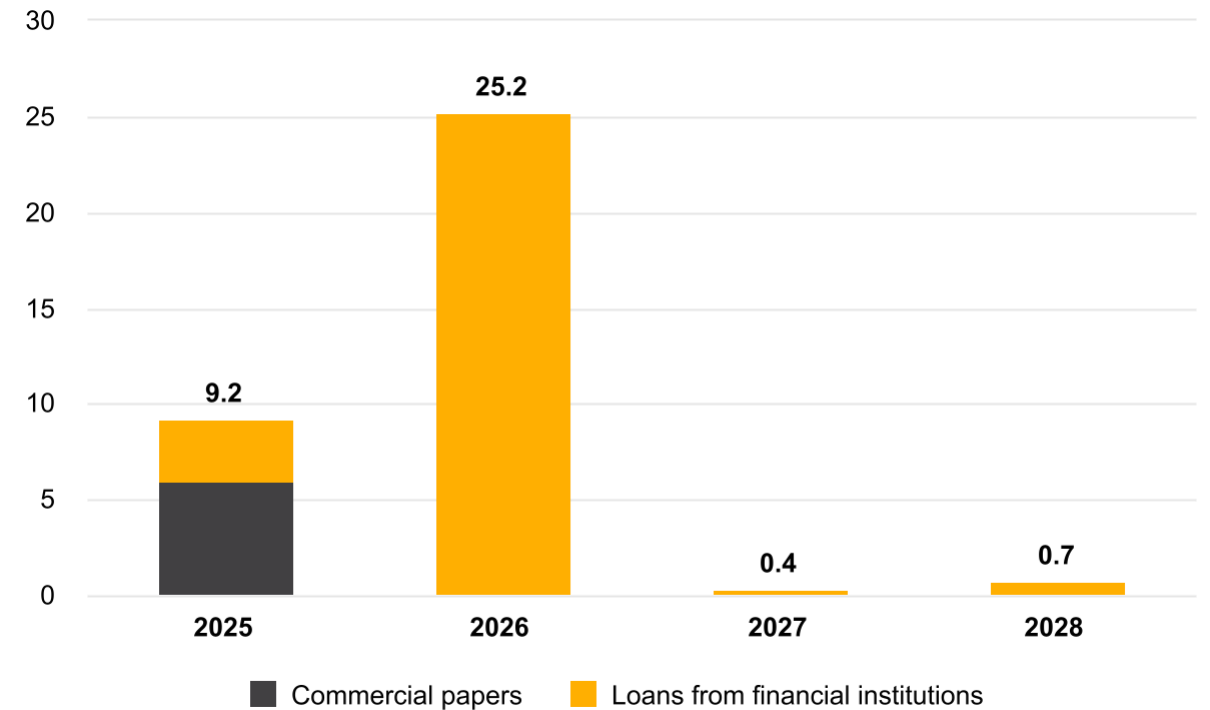


# INTEREST-BEARING DEBT – MATURITY AND AVERAGE INTEREST

Loan portfolio on 31 December 2024, EUR million



Repayment schedule for interest-bearing debt on 31 December 2024, EUR million





## GUIDANCE FOR 2025

Kreate estimates that its revenue in 2025 will grow and be in the range of EUR 290–310 million (2024: EUR 275.5 million) and EBITA will increase and be in the range of EUR 9–11 million (2024: EUR 8.8 million).

Justifications: The company's guidance is based on the order backlog expected to be realised in 2025 at the turn of the year and the company's estimate of the likely transfer of projects under development to the order backlog starting from spring 2025. The company will continue to offer projects selectively and grow in the Swedish market, which is expected to improve profitability.



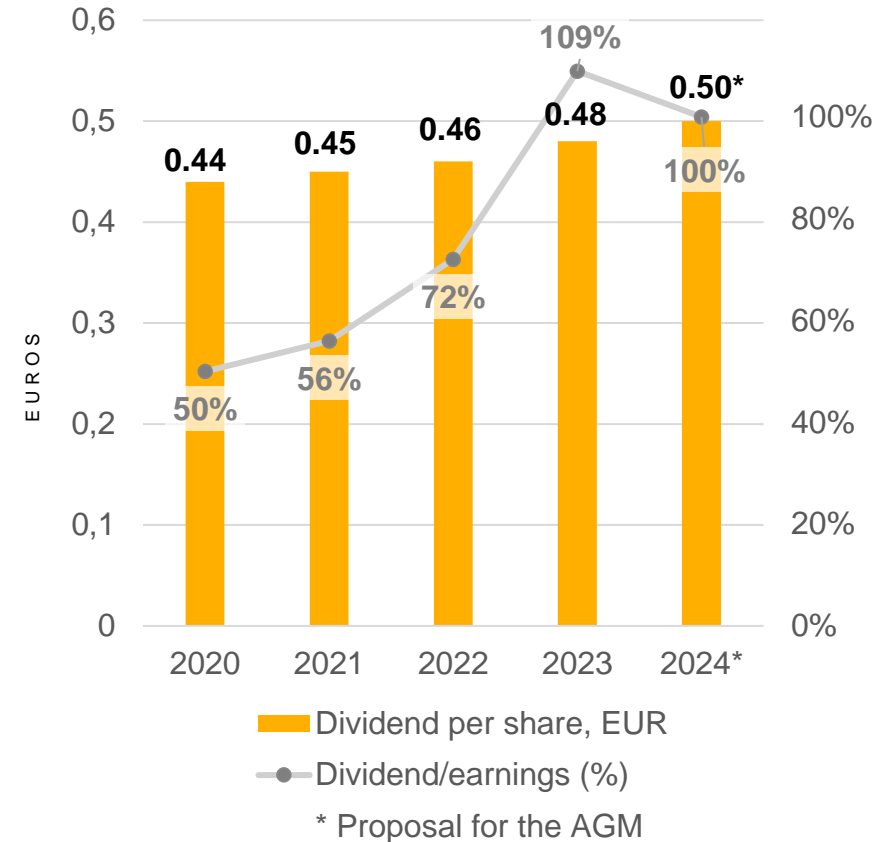
# DIVIDEND PROPOSAL

The Board of Directors proposes to the Annual General Meeting on 28 March 2025 that a dividend of EUR 0.50 be issued per share for shares held outside the company at the time of dividend distribution for 2024. The dividend will be paid in two equal instalments. The first instalment will be paid in April 2025 and the second instalment in October 2025.

7.0 %  
dividend yield

0.25 EUR / share  
Payment:  
04/2025

0.25 EUR / share  
Payment:  
10/2025

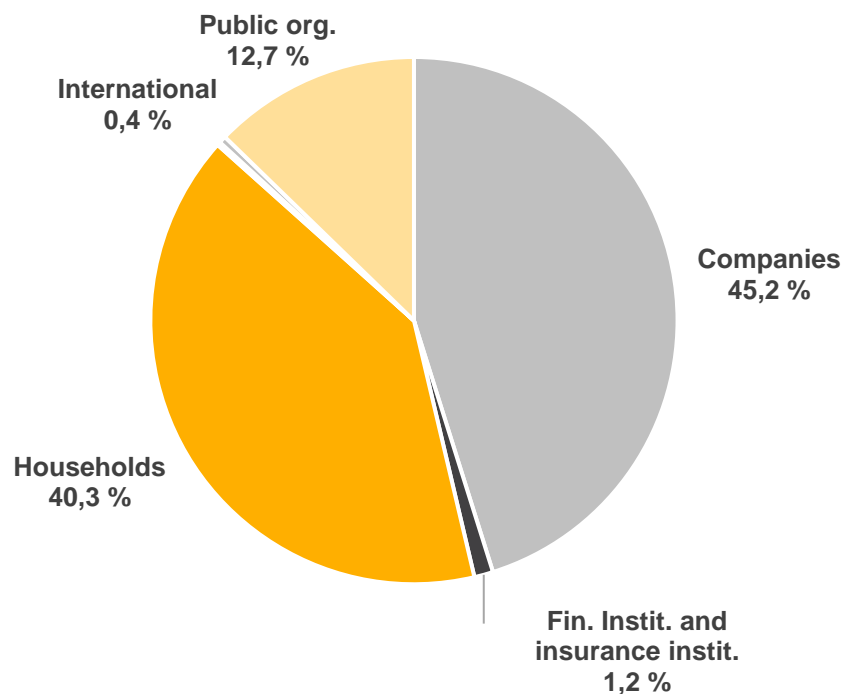


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BUILT TODAY**



# KREATE'S SHAREHOLDERS ON 31 DECEMBER 2024

## SHAREHOLDERS BY SECTOR



	Shareholder	Shares	% of shares
1	Harjavalta Oy	1 783 689	19,85
2	Tirinom Oy	1 000 000	11,13
3	Keskinäinen Eläkevakuutusyhtiö Ilmarinen	425 000	4,73
4	Valtonen Seppo Timo Johannes	412 101	4,59
5	Keskinäinen työeläkevakuutusyhtiö Varma	359 000	4,00
6	Sr Säästöpankki Pienyhtiöt	350 000	3,90
7	Rantala Sami Kalle Antero	273 534	3,04
8	Inkala Tero Antero	208 396	2,32
9	Eai Kreate Holding Oy	203 506	2,27
10	Keskinäinen Työeläkevakuutusyhtiö Elo	180 000	2,00
11	Eläkevakuutusosakeyhtiö Veritas	175 000	1,95
12	Salminen Juha Petri	160 512	1,79
13	Neva-Aho Ronnie	100 519	1,12
14	Tradeka-Sijoitus Oy	90 261	1,00
15	Kreate Group Oyj	90 000	1,00
16	OP-Henkivakuutus Oy	88 111	0,98
17	Prirock Oy	69 908	0,78
18	Kulmala Teuvo Kalle Olavi	67 966	0,76
19	Karjalainen Jarmo Juhani	65 580	0,73
20	Hat Invest Oy	58 588	0,65
	<b>TOP 20 TOTAL</b>	<b>6 161 671</b>	<b>68,58</b>
	<b>ALL SHARES TOTAL</b>	<b>8 984 772</b>	<b>100,0</b>