

A woman with blonde hair, wearing a black long-sleeved top and large black headphones, is smiling and adjusting the headphones. She is standing behind a desk with a laptop, a mug, and some papers. The background features a wall with dark hexagonal acoustic panels and a modern lamp. The overall scene is a professional office environment.

# LOIHDÉ

Capital Markets Day

16 November 2023

# Number One Partner in Digitalisation and Security

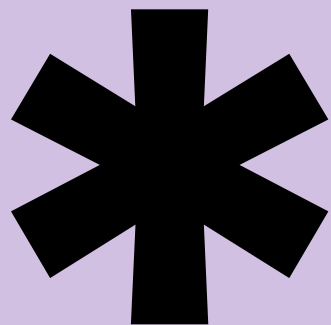
# Disclaimer

This presentation contains forward-looking statements that reflect the current views and assumptions of Loihde Plc (“Loihde”). They include statements about future strategies and anticipated benefits of these strategies. These statements are not based on historical facts but relate to the expected development of the company’s future activities and performance. Such statements are subject to risks and uncertainties.

Actual performance may materially differ from those implied by forward-looking statements. We offer no assurance that our estimates or expectations will be correct or accurate. Except as legally required, we do not assume any obligation to update, or revise any information included in this presentation.

This presentation does not constitute an invitation to buy, subscribe to, or otherwise acquire or dispose any Loihde shares.





# Our speakers today



**Samu Konttinen**  
CEO



**Marko Järvinen**  
Security Solutions



**Jarno Mäki**  
Cyber, Cloud and  
Connections



**Tomi Bergman**  
Data and AI



**Host**  
**Jere Teutari**  
CMO



**Juha Meronen**  
Digital Services



**Pirjo Suhonen**  
CFO



# Agenda

|       |   |                |
|-------|---|----------------|
| 9:00  | Strategy update highlights<br>Q&A                     | Samu Konttinen |
| 9:40  | Security Solutions                                    | Marko Järvinen |
| 9.50  | <i>Video Jarno Limnell, Member of parliament</i>      |                |
| 9.55  | Cyber, Cloud and Connect                              | Jarno Mäki     |
| 10.10 | <i>Video Mervi Airaksinen, CEO, Microsoft Finland</i> |                |
| 10.15 | Data and AI   | Tomi Bergman   |
| 10.25 | <i>Video Taru Rastas, Senior Lead, Sitra</i>          |                |
| 10.30 | Digital Services                                      | Juha Meronen   |
| 10.40 | Q&A   |                |
| 10.55 | Delivering shareholder value                          | Pirjo Suhonen  |
| 11.05 | Q&A   |                |
| 11.20 | Summary   | Samu Konttinen |



# Strategy Update Highlights

Samu Konttinen

**LOIHDĒ**



# Loihde – a solid investment into rapidly evolving critical areas

1

Evolving, dynamic markets with ample room to grow

2

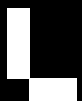
Client-centric portfolio to match market needs

3

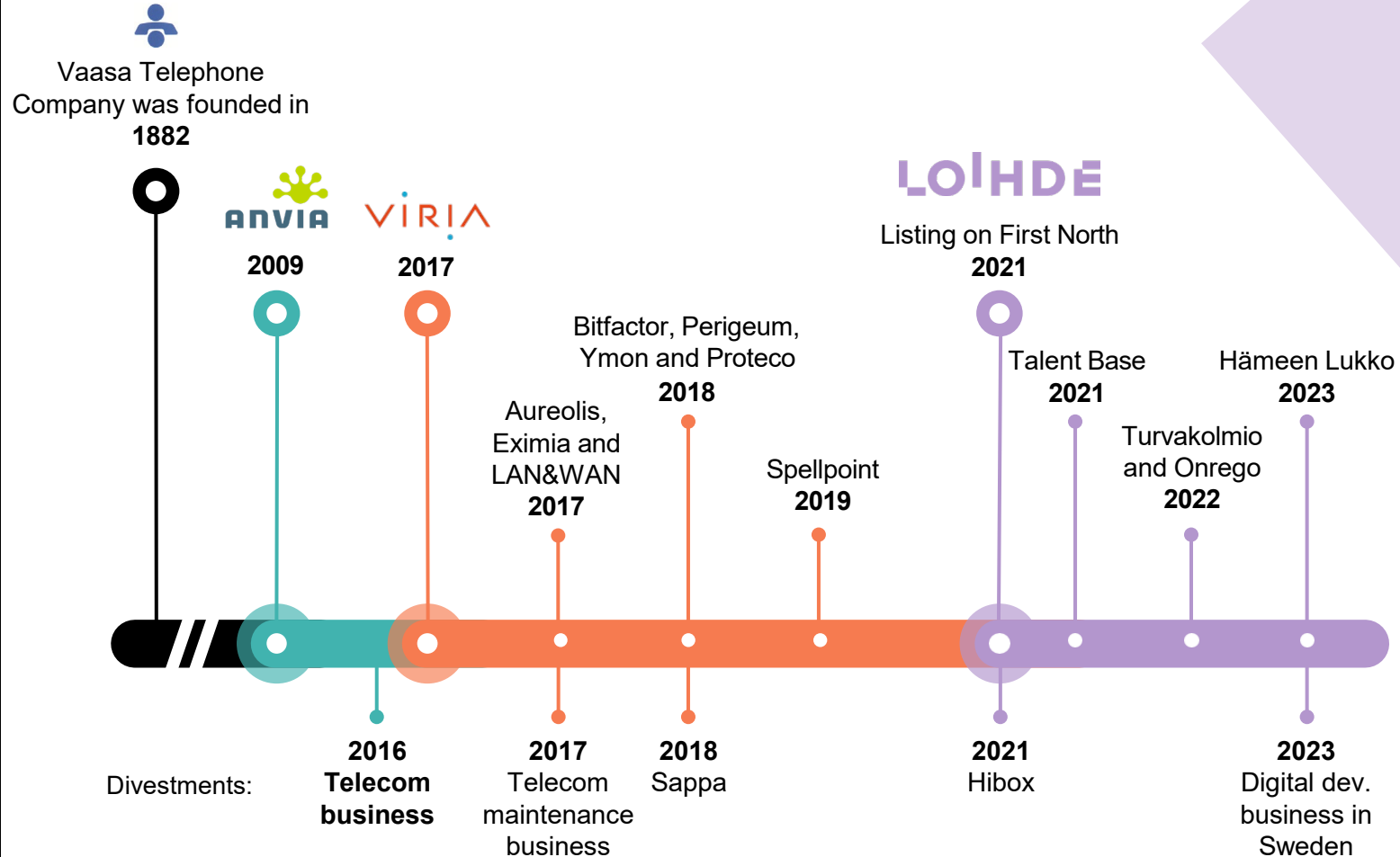
Significant EBITDA improvement potential

4

Balance sheet optimisation & improving ROI



# Loihde journey



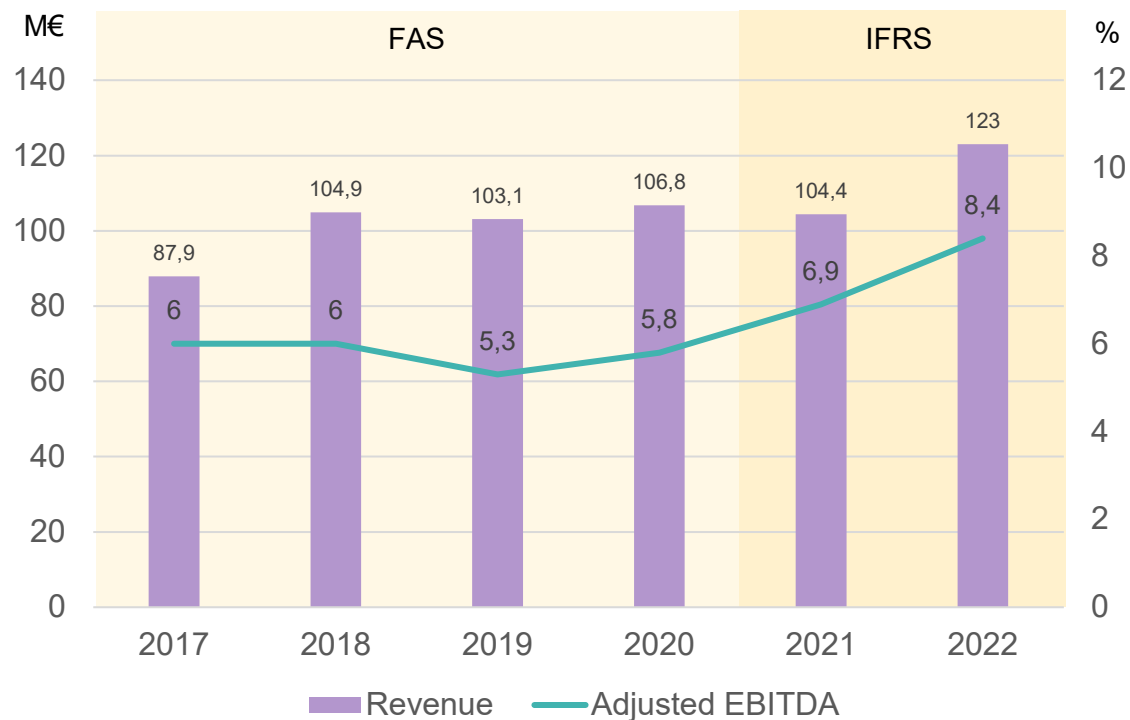
- Revenue 123 M€, EBITDA 10 M€ (2022)
- 885 employees (2022)
- 24 locations in Finland
- Operates domestically
- Loihde with 3 sub-brands
- Unrivalled experience from combining physical and digital worlds

## SELECTED CLIENTS



# We reached 123 M€ in revenue in 2022, with 8.4% EBITDA

## Revenue and adjusted EBITDA development 2017-2022 M€ and %



Note: 2017-2020 FAS, 2021-2022 IFRS

## Current targets 2021–2024

Annual revenue growth  
on average

**>10%**

taking acquisitions into account

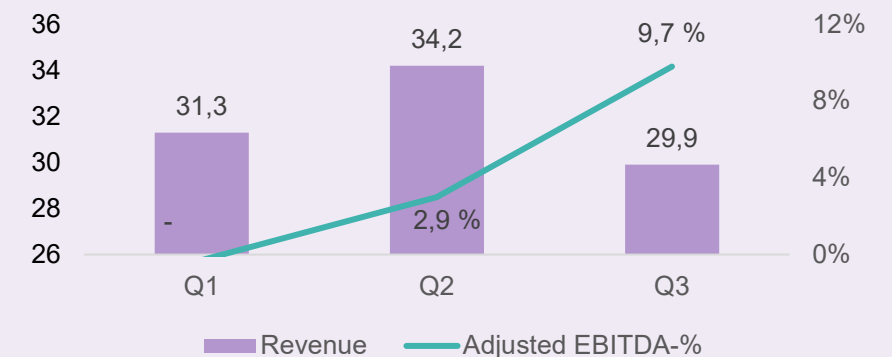
Achieved 2022: 18%

Adjusted EBITDA margin  
at the end of the period

**>10%**






Achieved 2022: 8.4%

## January – September 2023





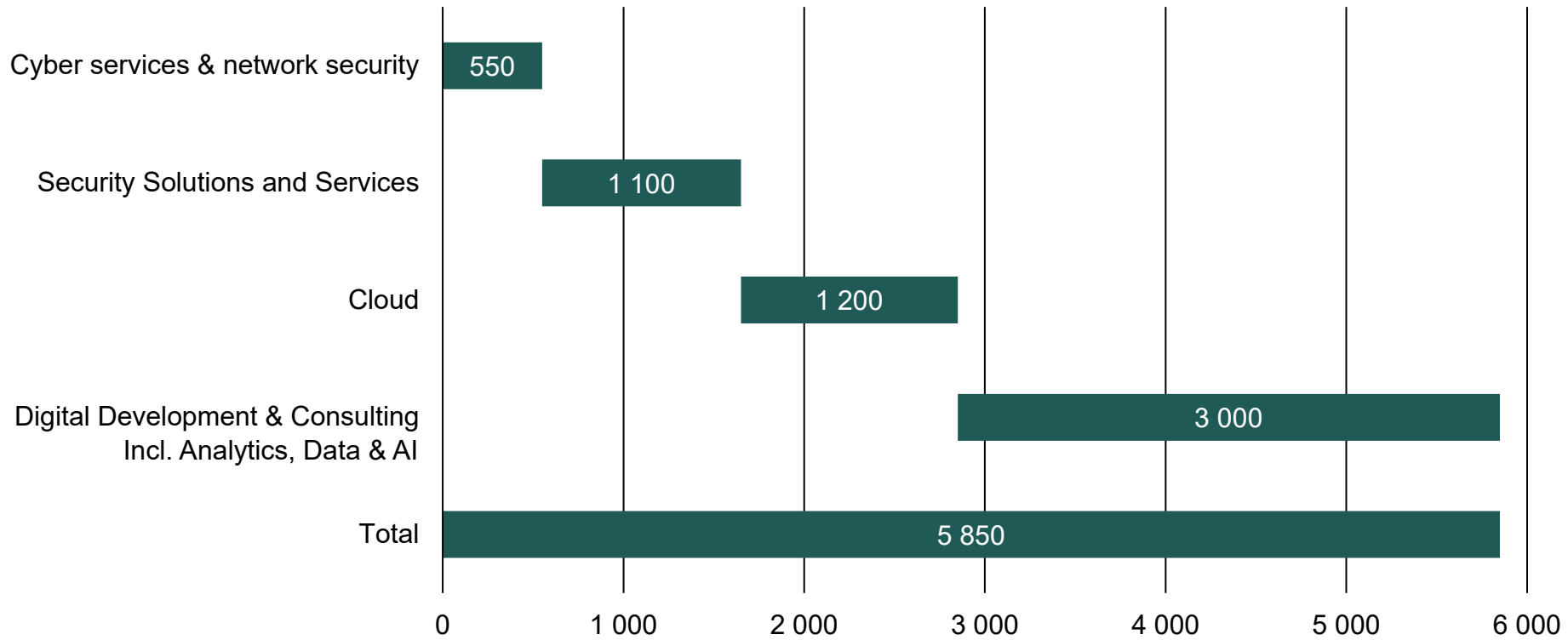
# Global trends favour Loihde domains

|    |  |   |  |  |
|----|--|---|--|--|
| AI | <br><b>Security</b>   | Increased activity and sophistication from cyber criminals    | Nation-state players with nearly unlimited resources | Converging physical and digital security |
|    | <br><b>Digital</b>    | Digital everything  | Every company a digital enterprise                   | Increasing usability demands             |
|    | <br><b>Data</b>       | Capital of a modern company, requisite for running a business | AI exponentially increasing data needs               |  |
|    | <br><b>Cloud</b>     | Paradigm shift to cloud from on-premise infra                 | Regional approach and geopolitics                    |  |
|    | <br><b>Networks</b> | Legacy network modernisation to hybrid solutions              | Importance to security operations                    |  |

# We have a large addressable market with attractive growth pockets

Loihde target market sizes in Finland, M€ (2023)

CAGR forecast  
2024–2026



6%


2%<sup>1</sup>  
-3%<sup>2</sup>

12%

6%

Sources: Inderes, Valor reports, publicly available information about competitors.  
Security Solutions and Services = Physical security  
\* Long term forecasts more positive

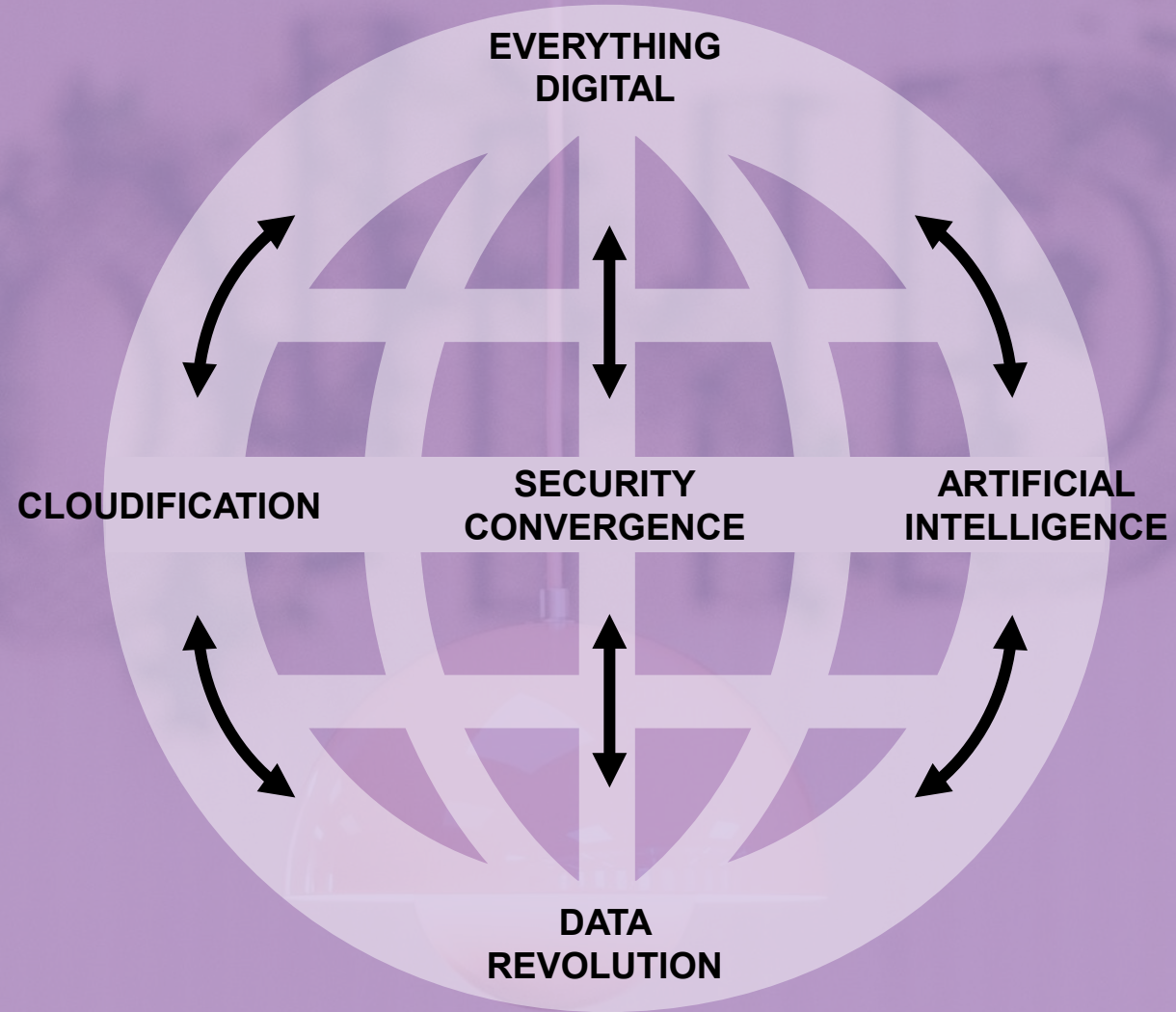
1. Security systems  
2. Structural security

A cyclist wearing a black winter jacket, a helmet, and goggles is riding a bicycle in a snowy, blue-toned environment. The cyclist is smiling and looking towards the camera. The background shows snow-covered trees and a soft blue light, suggesting a winter scene at dusk or dawn. The text "Strategy 2024-2027" is overlaid in white on the cyclist's chest.

# Strategy 2024–2027



# This is Loihde





# Key areas of our new strategy

Strategy building blocks

Customer needs at the focus of portfolio renewal

Five service areas

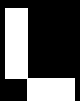
One Loihde brand

Performance aspiration

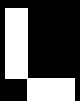
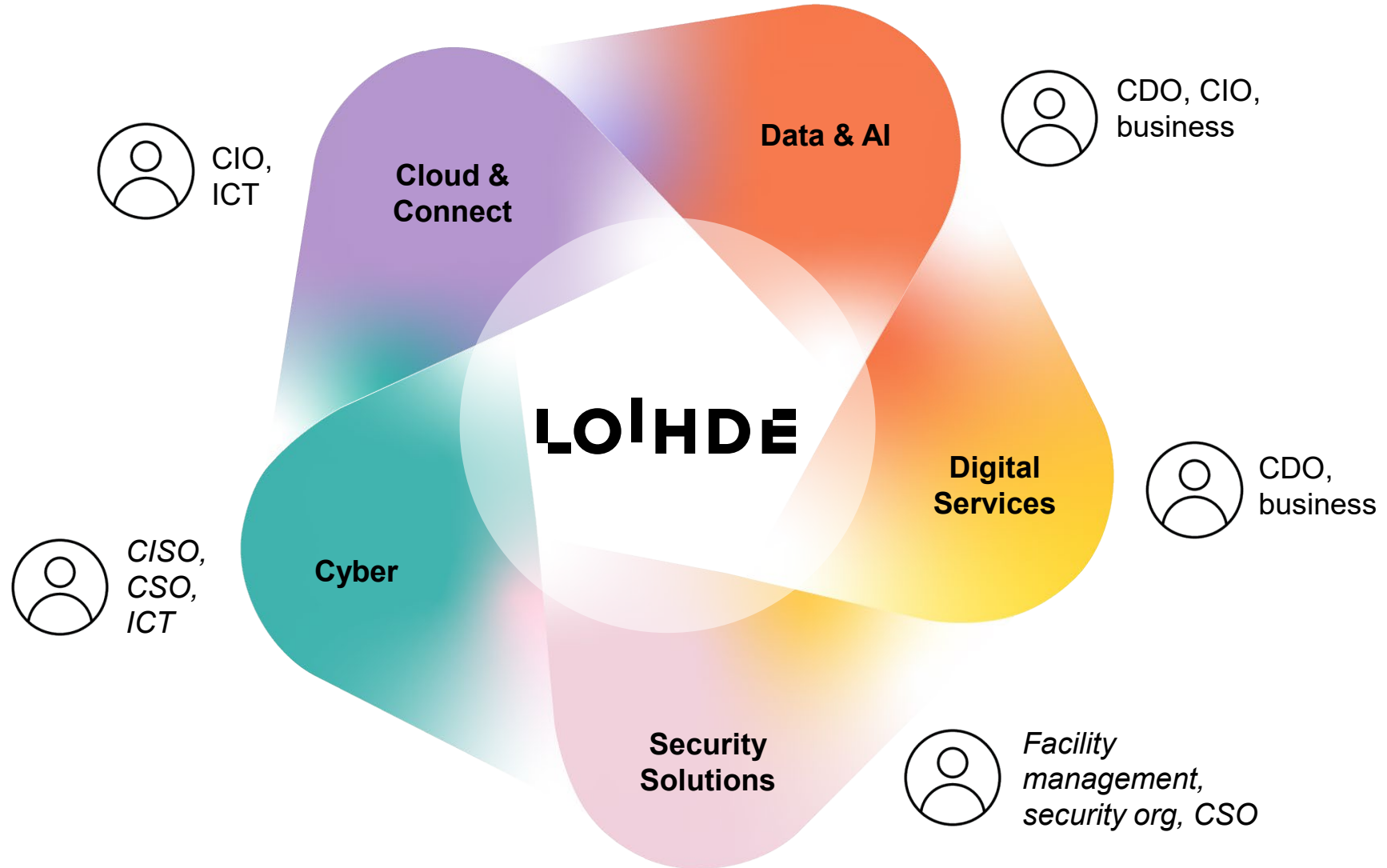
Continuous services to >30%

Significant profit improvement: +200% in 4 years

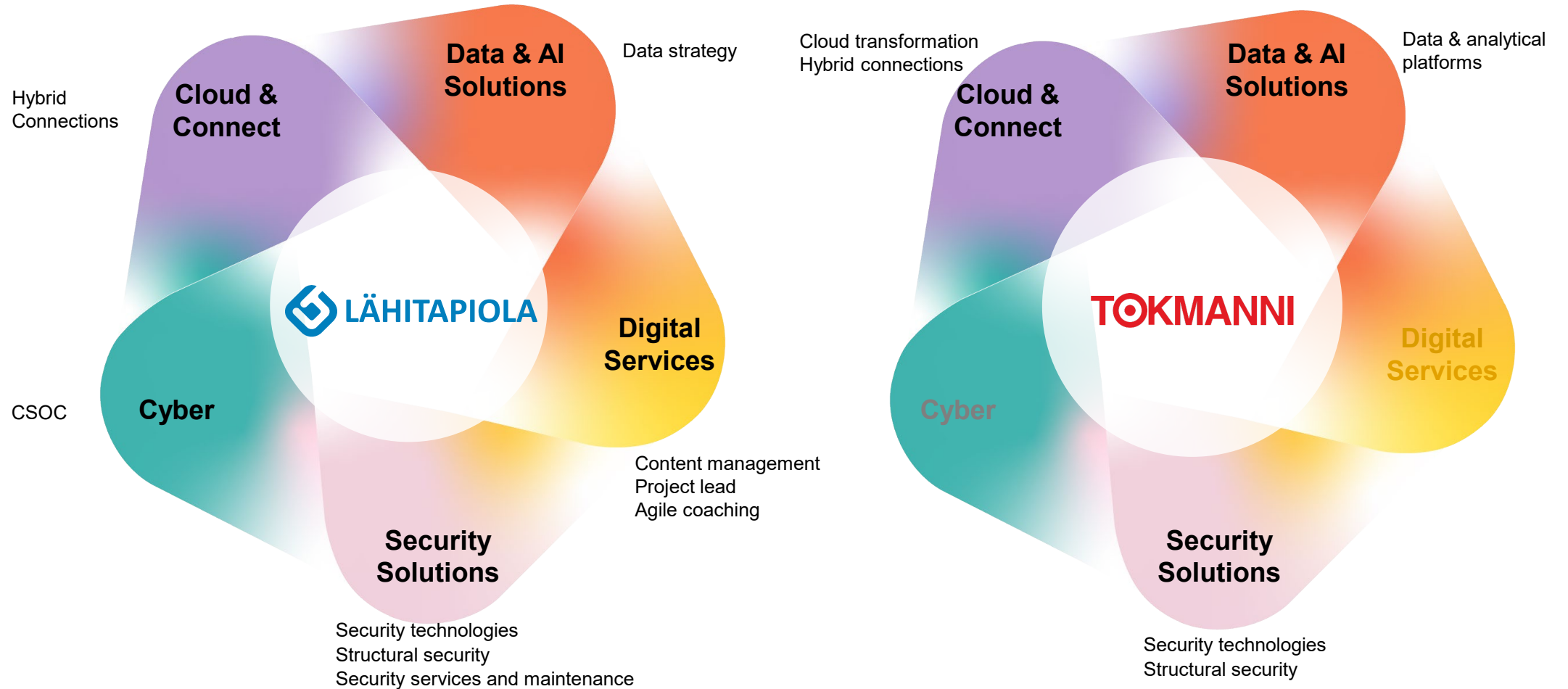
More effective use of balance sheet & ROI > 10%



# Loihde offering areas match our key client personas



# Loihde at its best – utilising synergies to benefit customers





# Focus industries a growth engine for us



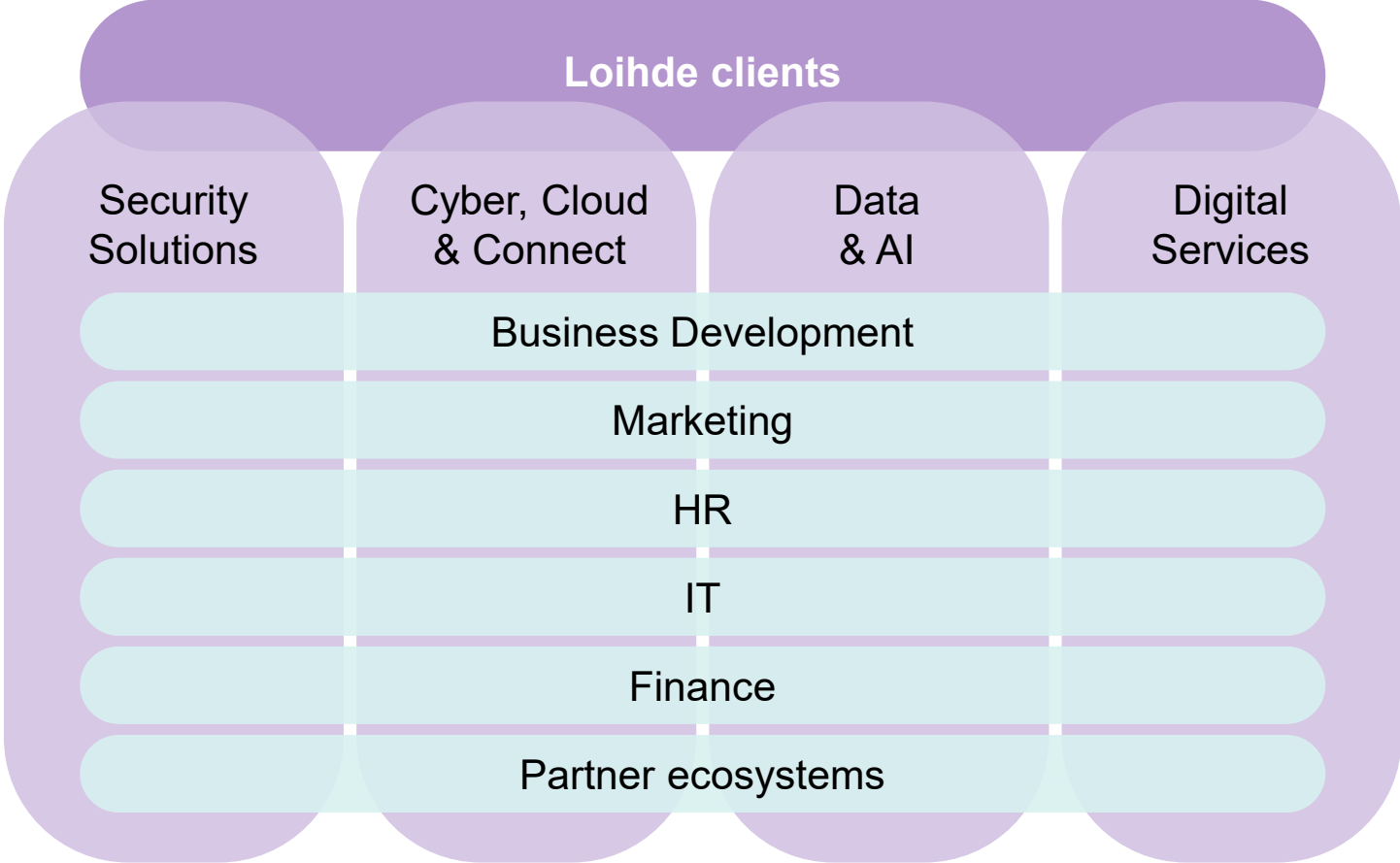
Currently focus industries represent ~30% of Loihde revenue


- Full Loihde offering relevant
- Several growth trajectories
- Excellent customer satisfaction and longevity



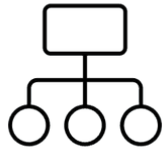


# We organise Loihde in 4 business units with centralised back-office functions





**Our people are the key to our  
continuous development and  
value creation**



**~150**

experts in data and AI



**~150**

experts in digital services



**~100**

experts in cloud and connect



**~400**

experts in security solutions and cyber security

# We are proud of our employees' deep and versatile expertise, strong commitment, and culture of sharing and caring

Share of women is 20%, our target is to raise it to 30%.



50% of employees have invested in Loihde by participating in employee share plans since 2018.



# Our business is sustainable and promotes the wellbeing of both people and the planet



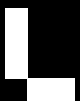
We protect people, information, assets and critical infrastructure.



We utilise data and digital solutions to promote wellbeing and conserve natural resources.



We create a workplace that always puts people first.



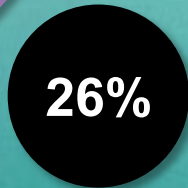


# Loihde scores well in Upright net impact

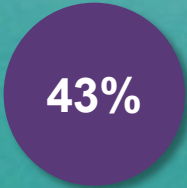
Loihde net impact\*



The result implicates that Loihde's positive impact exceeds negative impact by 56 per cent.



Nasdaq Helsinki average



Peer average

**An example of our actions**  
Loihde has ~120 service vehicles covering all of Finland...

... and we are committed to having a fully electric fleet in 2027.

\*Upright Project analysis

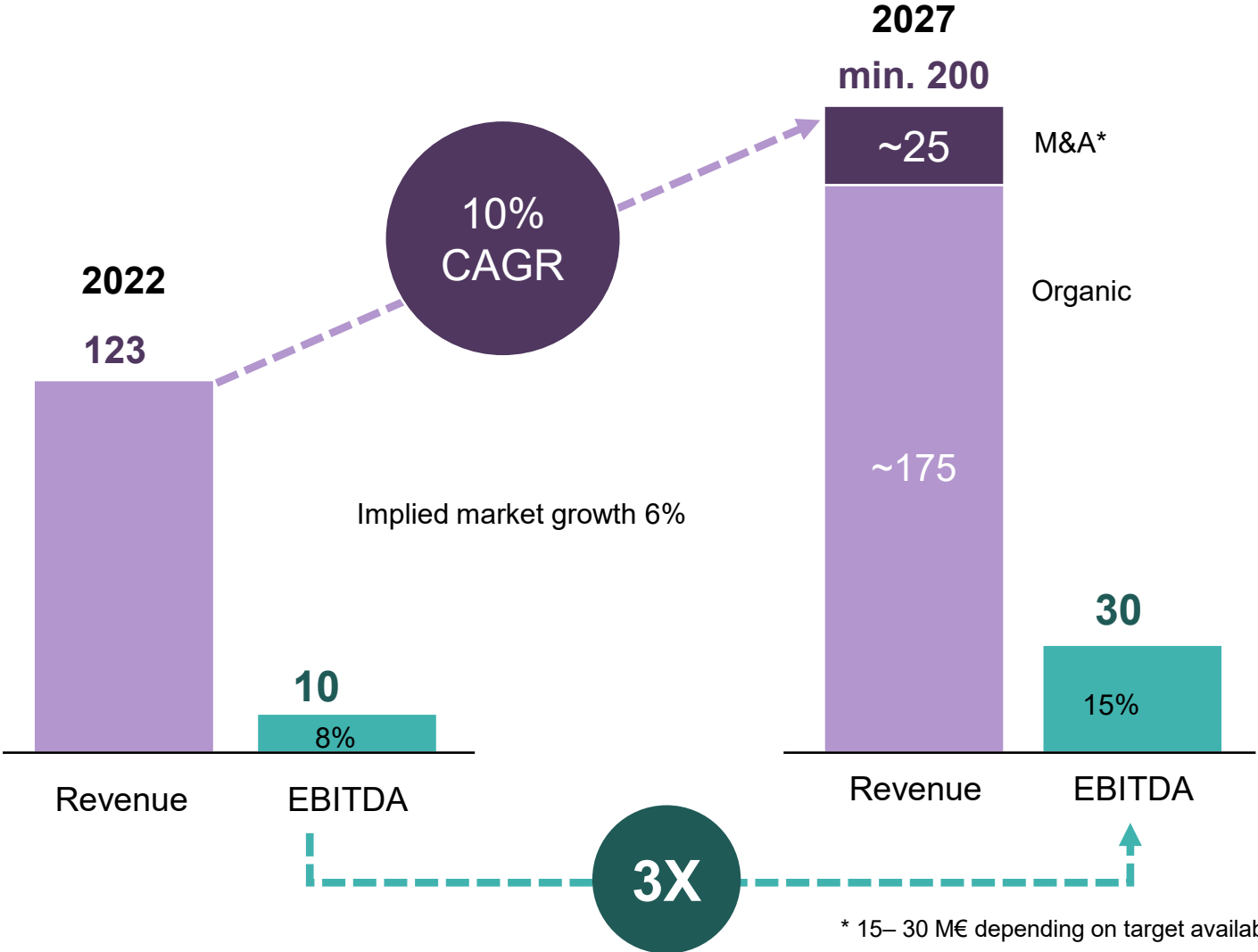






**We are targeting  
200 M€ in revenue and  
15% EBITDA at the end of  
the strategy period.**

# Growth and profit targets for 2024–2027

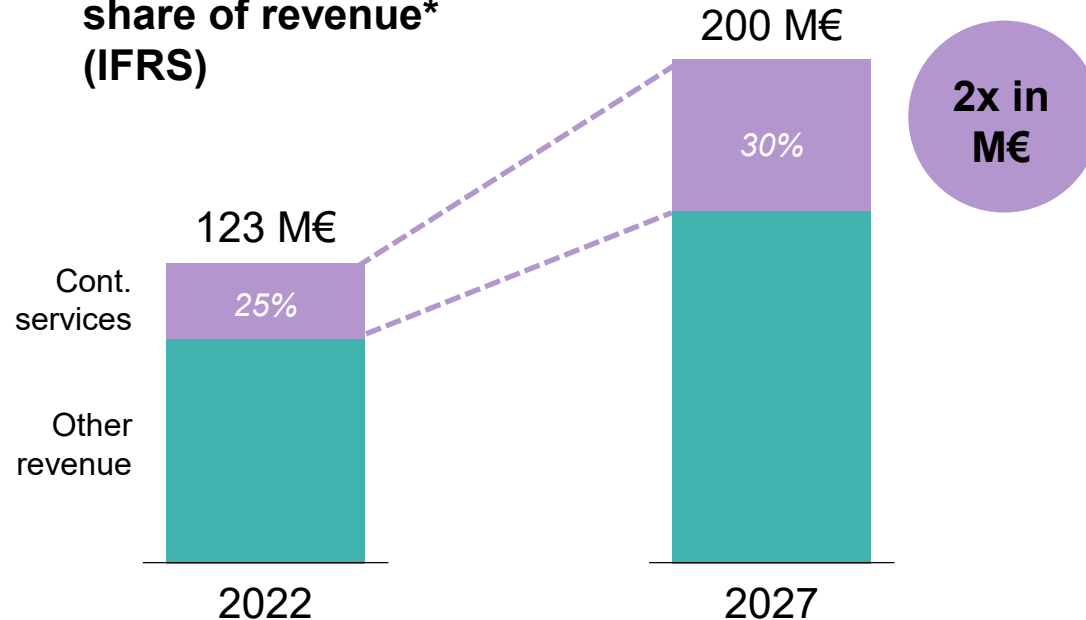


\* 15– 30 M€ depending on target availability and balance sheet



# Continuous services a growth and profit driver

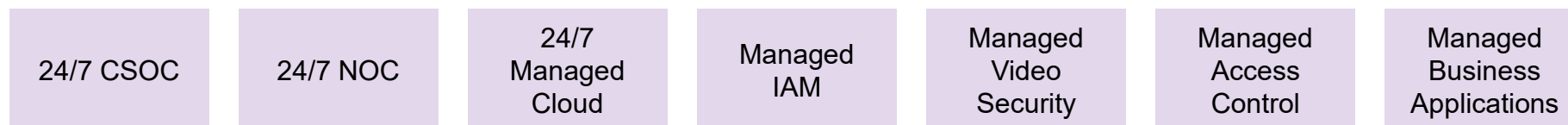
## Continuous services share of revenue\* (IFRS)



## Key drivers

- Offering development and further productisation
- Sales and marketing focus on service commercialisation
- M&A focus area

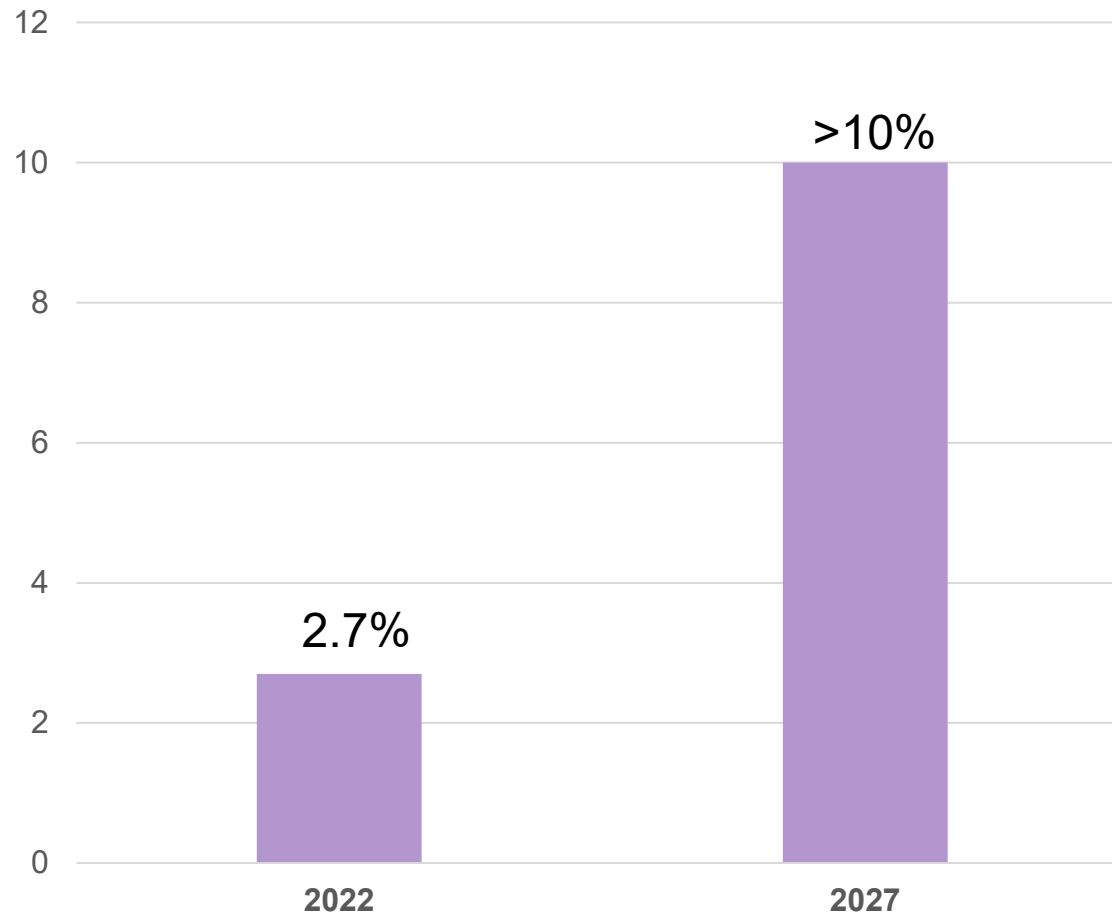
## Loihde Continuous Services (as-is)



\* 28% announced in 2022 in FAS, corresponding IFRS figure 25%



# Return on investment (ROI) target



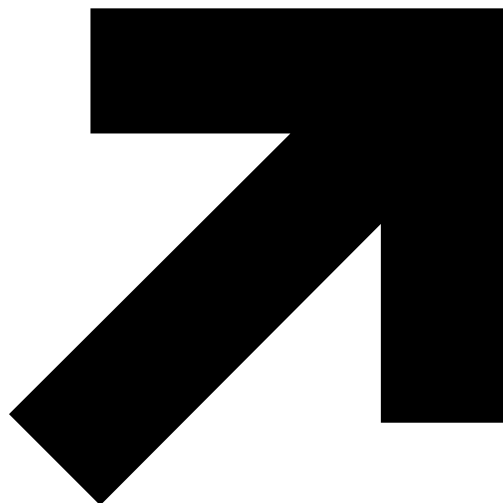
We are optimising the use of Loihde's strong balance sheet and targeting a significant improvement of ROI by the end of the strategy period.

Key improvement areas:

- Improved operational profitability
- Use of debt in M&A

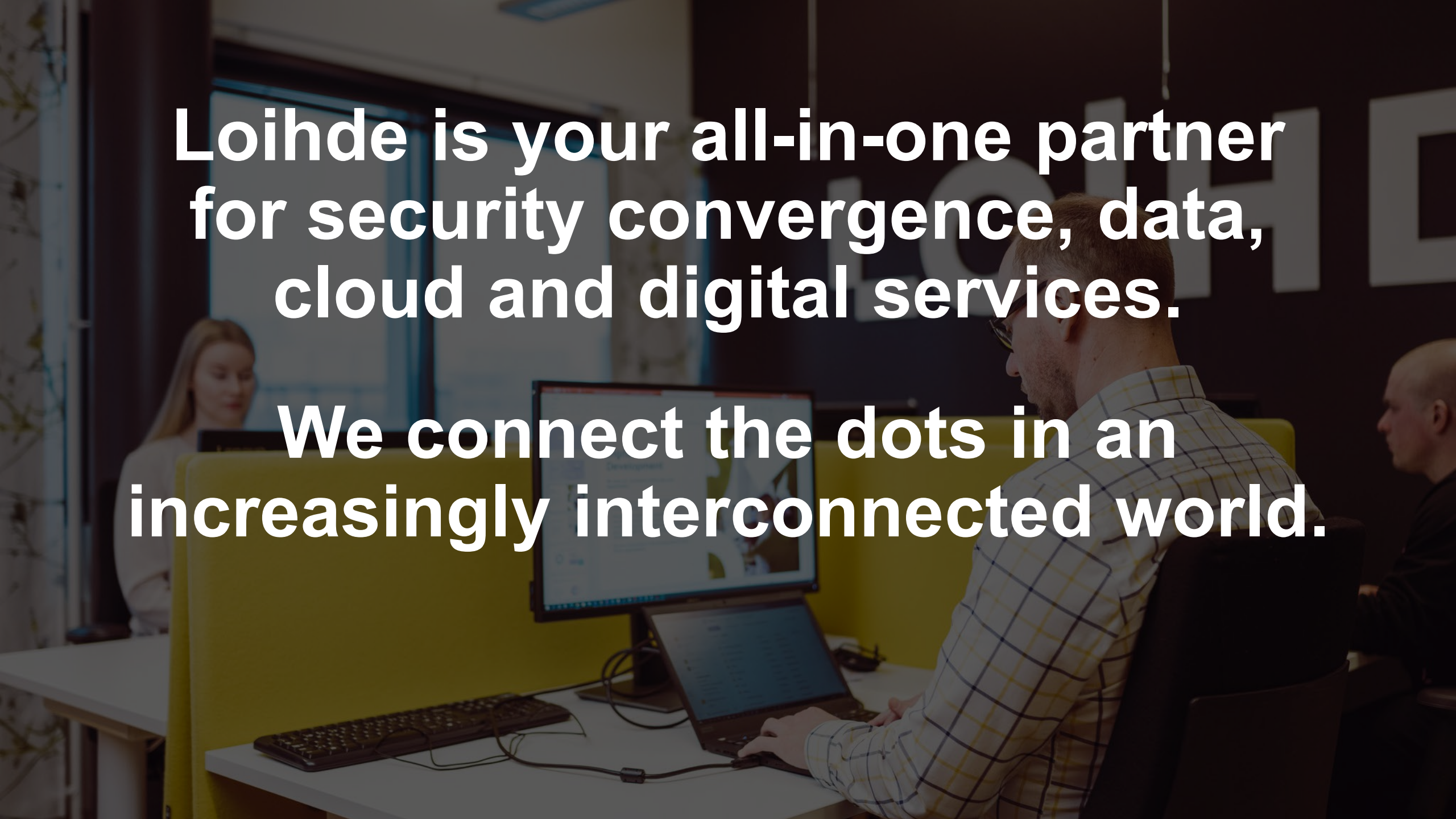
ROI 2022 is calculated without the one-time sale profit of the network business sold in the aforementioned year.

# Our financial aspirations for the strategy period 2024–2027



|   |           |                |
|---|-----------|----------------|
| Revenue                                   | ~10% CAGR | 200 M€<br>2027 |
| EBITDA<br>adjusted<br>Current target >10% | 15%       | 30 M€<br>2027  |
| EBITA<br>adjusted                         | 12%       | 24 M€<br>2027  |
| ROI                                       | >10%      |                |
| Net debt/EBITDA                           | 0–2x      |                |

All figures including M&A –  
estimated to be 15-30 M€  
in revenue

A man in a plaid shirt is seated at a desk in a modern office, working on a laptop. A large monitor is positioned behind the laptop, displaying a website. In the background, a woman is visible at another workstation, and the office has a bright, open atmosphere with large windows and yellow partitions.

**Loihde is your all-in-one partner  
for security convergence, data,  
cloud and digital services.**

**We connect the dots in an  
increasingly interconnected world.**

# Modern Security Solutions for a Digitalised World

Marko Järvinen

**LOIHDĒ**



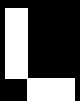


# Market trends in security

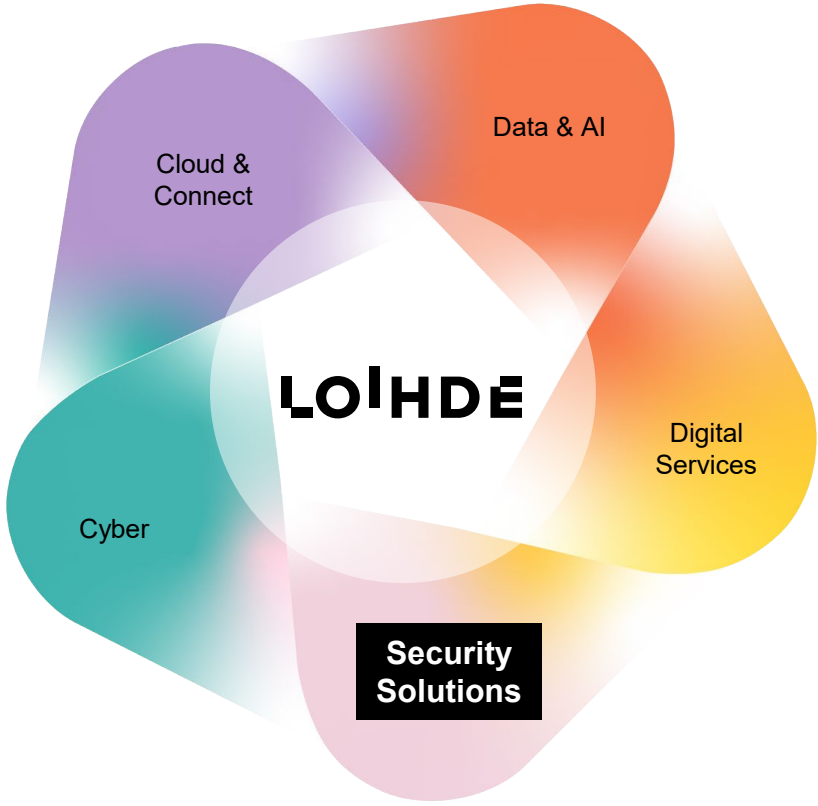
**Change in the security situation in Europe**

**Slowdown in the construction sector**

**Modern security technologies are increasingly connected and digitalised**



# We ensure that the people and premises of our clients are safe and secure



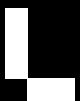
**Security technologies and systems**



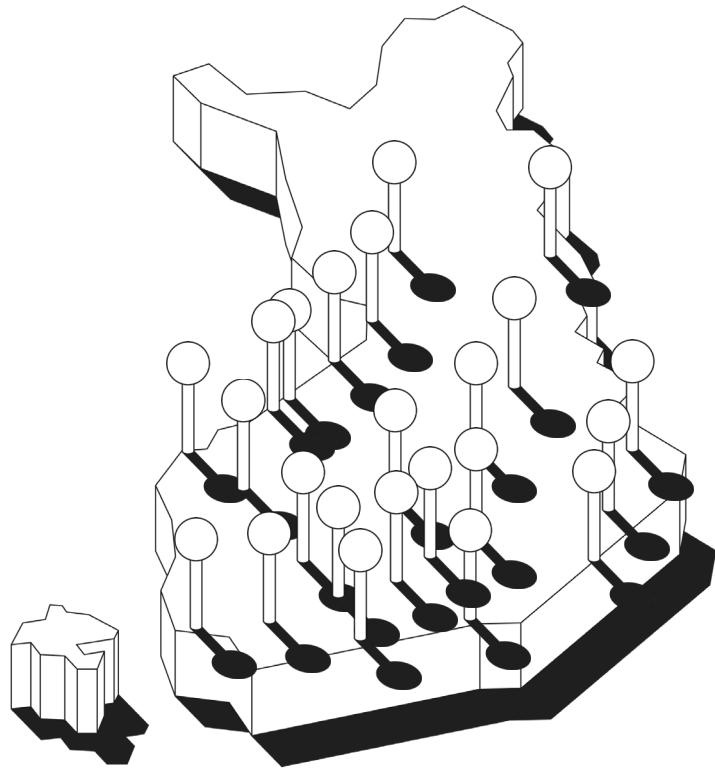
**Structural security**



**Security services and maintenance**



# We are one of the top players in Finland



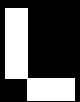
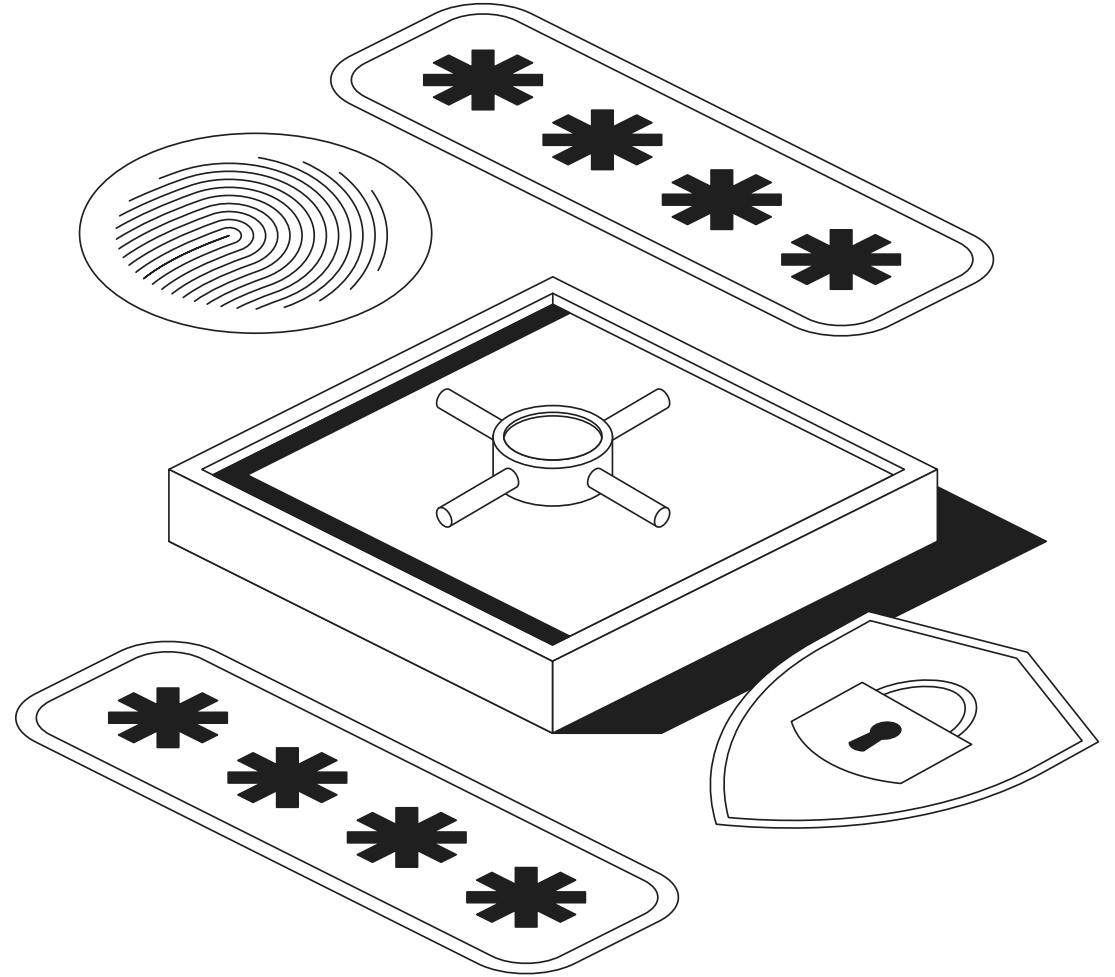
**Leading position with nationwide presence**

**Continuous services as our backbone**

**Technology independent**

# Digitising security

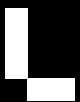
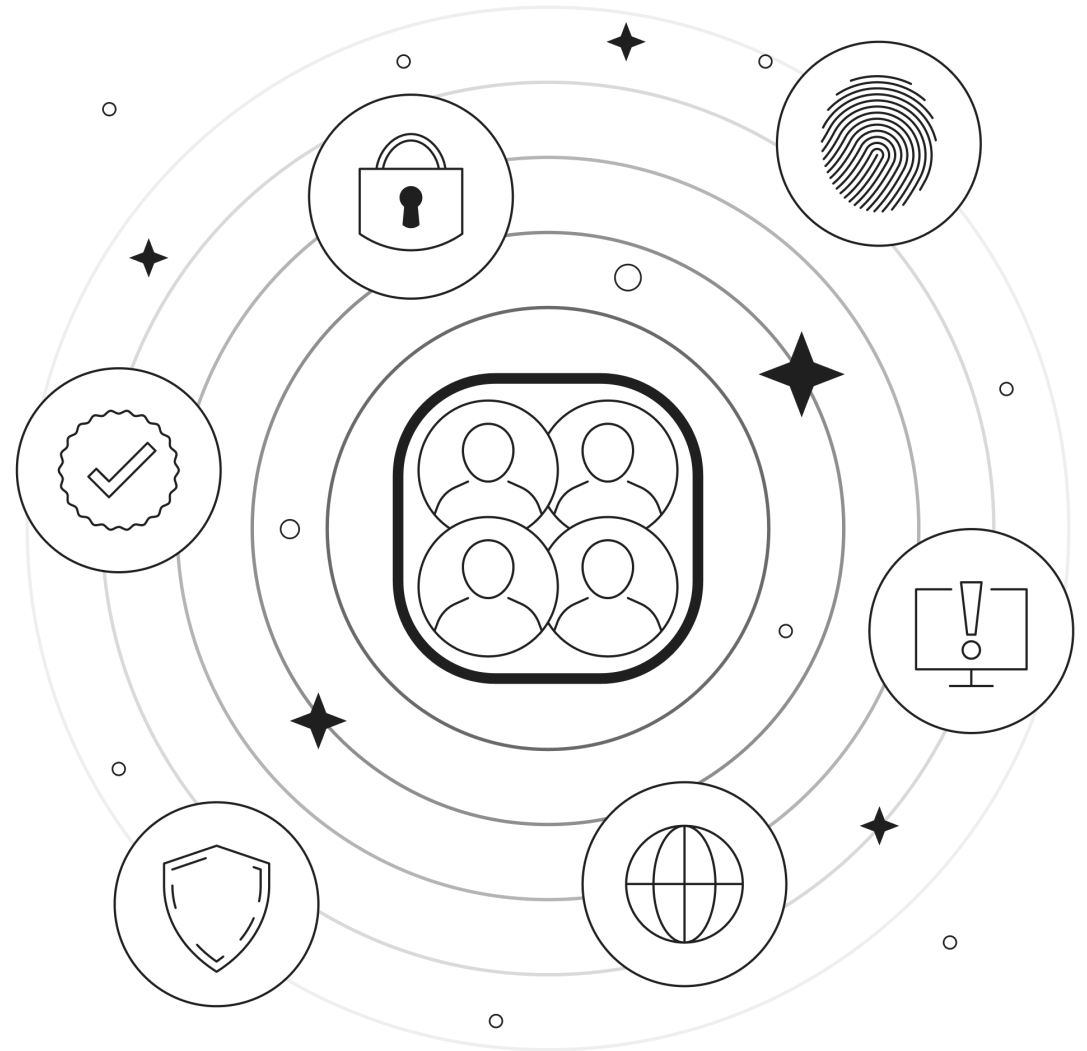
Combining Loihde expertise in data, cyber, cloud and digital services to create novel value for customers





# One Security

Combining physical and digital security – our unique concept as a response to the convergence of security, Yksi turvallisuus<sup>®</sup>



# Cyber Security

Jarno Mäki

**LOIHDĒ**



# Global trends in cyber security

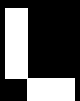
**Increased activity and sophistication from cyber criminals**

**Nation-state players with nearly unlimited resources**

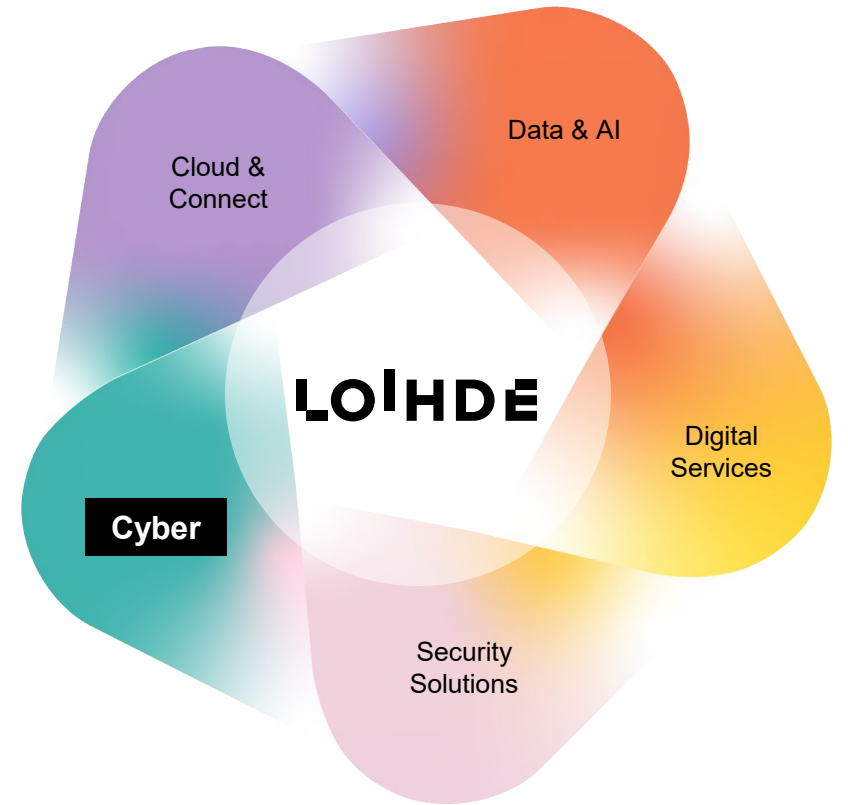
**AI an asset for both sides**

**IAM importance due to cloudification + remote work**

**Converging physical and digital security**



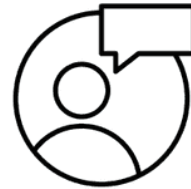
# We are alert and safeguard our clients in digital realm



**Cyber security operations centre**



**Identity and access management**



**Security consulting**





# We are present with continuous operations in critical domains

## IAM

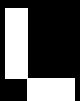
Increased importance of controlling access to networks and systems, our core in cyber

## OT environments

Safeguarding critical infrastructure, e.g. energy, finance and manufacturing, from emerging threats

## One Security™

Combining prevention of physical and digital threats with our unrivalled offering and expertise

The logo for iLOQ, featuring the letters 'iLOQ' in a bold, blue, sans-serif font. The 'Q' has a small circular cutout at its bottom right.The logo for TOKMANNI, featuring the word 'TOKMANNI' in a bold, red, sans-serif font. The 'O' is stylized with a red bullseye symbol.The logo for KUOPION ENERGIA, featuring a yellow square with a black stylized 'K' and a red flame-like shape above it, followed by the text 'KUOPION ENERGIA' in a bold, black, sans-serif font.The logo for TELESTE, featuring the word 'TELESTE' in a bold, blue, italicized, sans-serif font.The logo for DELTAMARIN, featuring a blue diamond shape with a white triangle inside, followed by the text 'DELTAMARIN' in a bold, blue, sans-serif font.

# Requirements on our Cyber Security Operations Centre are increasing

## Detection

24/7 detection capability and ability to respond hastily are crucial as prevention may fail.

## Know-how

Our professionals deal with attacks and safeguard clients 24/7. Only practice makes perfect, since cyber criminals are becoming increasingly professional.

## Response

Incident response time and the right actions are critical, Loihde professionals operate both the CSOC and the NOC 24/7 and have the ability to rapidly limit the attack.



# Cloud & Connect

Jarno Mäki

**LOIHDĒ**



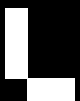
# Market trends in cloud and connect

**IT service modernisation & cloudification**

**Data & AI drive cloud transformation**

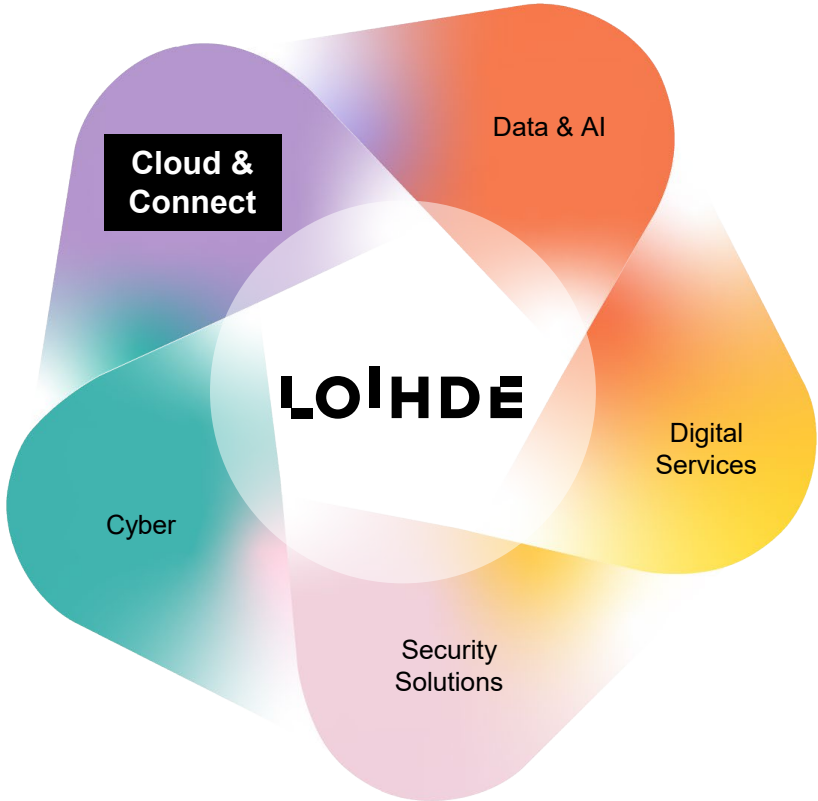
**Network modernisation & hybrid networks**

**Regional approach and geopolitics**





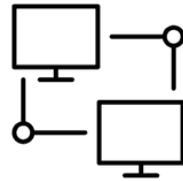
# The ultimate well-managed, secure and connected cloud and hybrid infrastructure



**Transformation and modernisation**



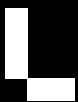
**Cloud infrastructure**



**Modern and secure networks**



**Managed 24/7**



# Cloud & Connect is positioned to deliver the best of both worlds

## Cloud

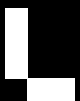
- Cloud transformation accelerating, we have the offering to perfectly match this – Pilvipolku™
- Microsoft Azure Region Espoo further escalating cloud transformation
- We have expertise across full cloud, hybrid cloud and networks
- Continuous services ensure 24/7 operational peace of mind for customers



# Cloud & Connect is positioned to deliver the best of both worlds

## Connect

- The importance of connections increases further with cloudification, and we are experts in this area.
- Modern software-defined networks (SD-WAN) and hybrid networks are a must for several industries, such as finance, energy and manufacturing – we excel in both as well as in legacy networks.
- We are operator independent, a neutral expert providing services for our clients.
- Best-in-class response times in our combined NOC & CSOC operations



# Intelligent Data Solutions

Tomi Bergman

**LOIHDÉ**





# Market trends in data & AI

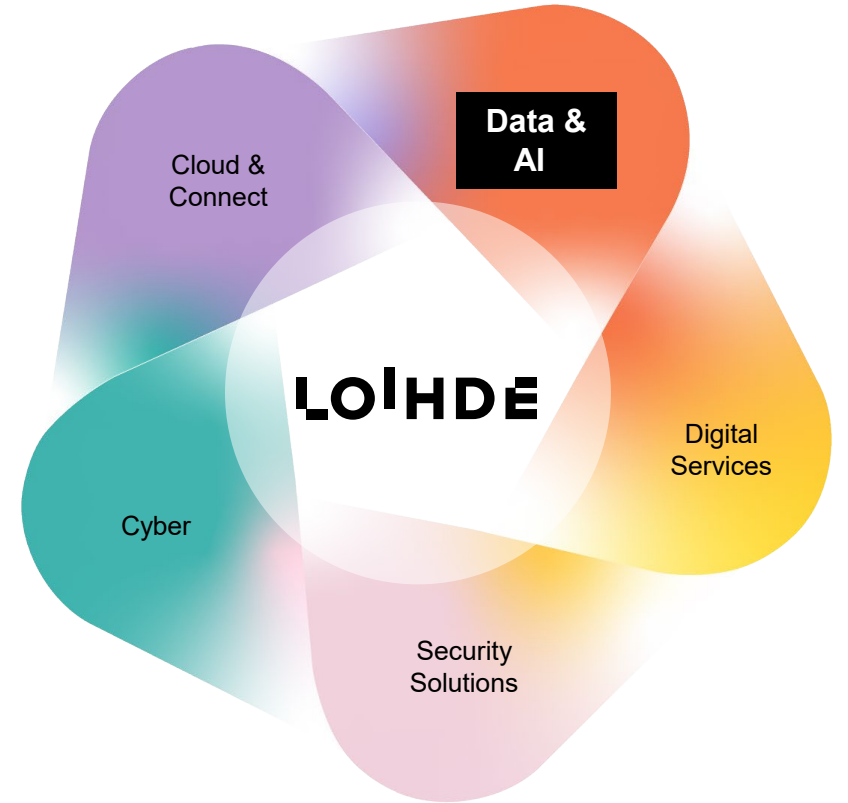
**Data is the capital of a modern company, a requisite for running a business**

**AI is exponentially increasing needs for high-quality and managed data**

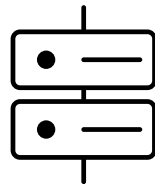
**AI everywhere**



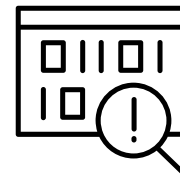
# Our solutions establish a robust foundation for generating business value through data



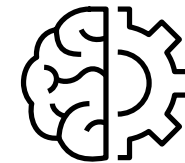
**Data Management & Transformation**



**Data Solutions & Platforms**



**Analytics & Reporting**



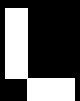
**AI Solutions & Generative AI**

**Continuous services**



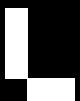
# We are one of biggest data & AI players in Finland

- More than 20 years' experience and solid track record
- Comprehensive data offering
- Pioneer in sustainable & secure AI, and GenAI
- Strong industry expertise and 150 top-notch professionals



# Combined with Loihde's other offering and deep partnerships we are even stronger

- Extended value-add with Loihde cloud, security and digital service areas
- Biggest domestic SAS integrator
- Deep collaboration with Microsoft





# Design-Driven Digital Services

Juha Meronen

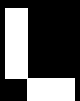
**LOIHDĒ**



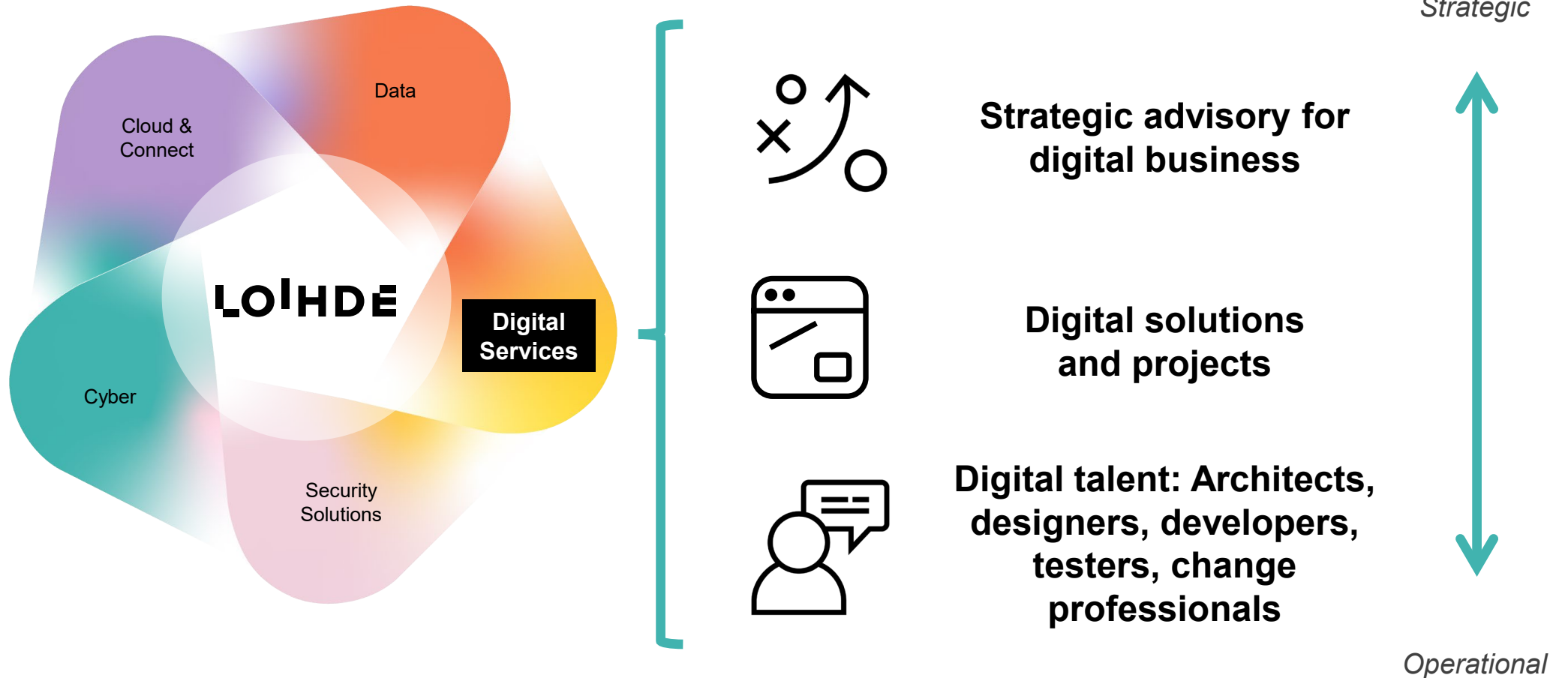
# Digitalisation and AI are the current mega trends in digital services

Digital everything.  
Every company a digital  
enterprise.

AI increases  
expectations related to  
digital services and user  
interaction.



# We have three different methods to partner our clients in digital services



# We are specialists in design-driven digital service development

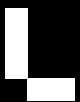
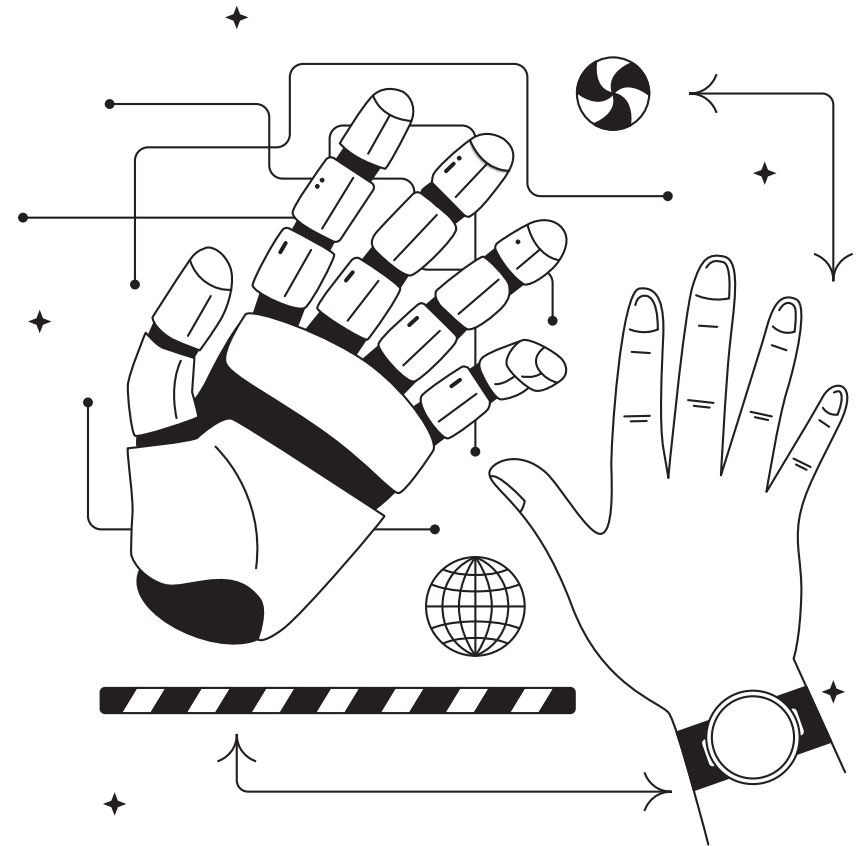
- Holistic approach to digital services
- Design-driven digital services for vast numbers of users
- We excel in customer online systems, content management, web and backend
- AWS and Azure





# Our aim is client focus and excellency

- In today's market situation many clients seek ways to improve operational efficiency and achieve savings.
- Our focus industries: finance, manufacturing and energy
- Our consultants are entrepreneur-minded experts, and we aim at excellency and satisfied clients.



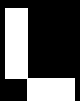
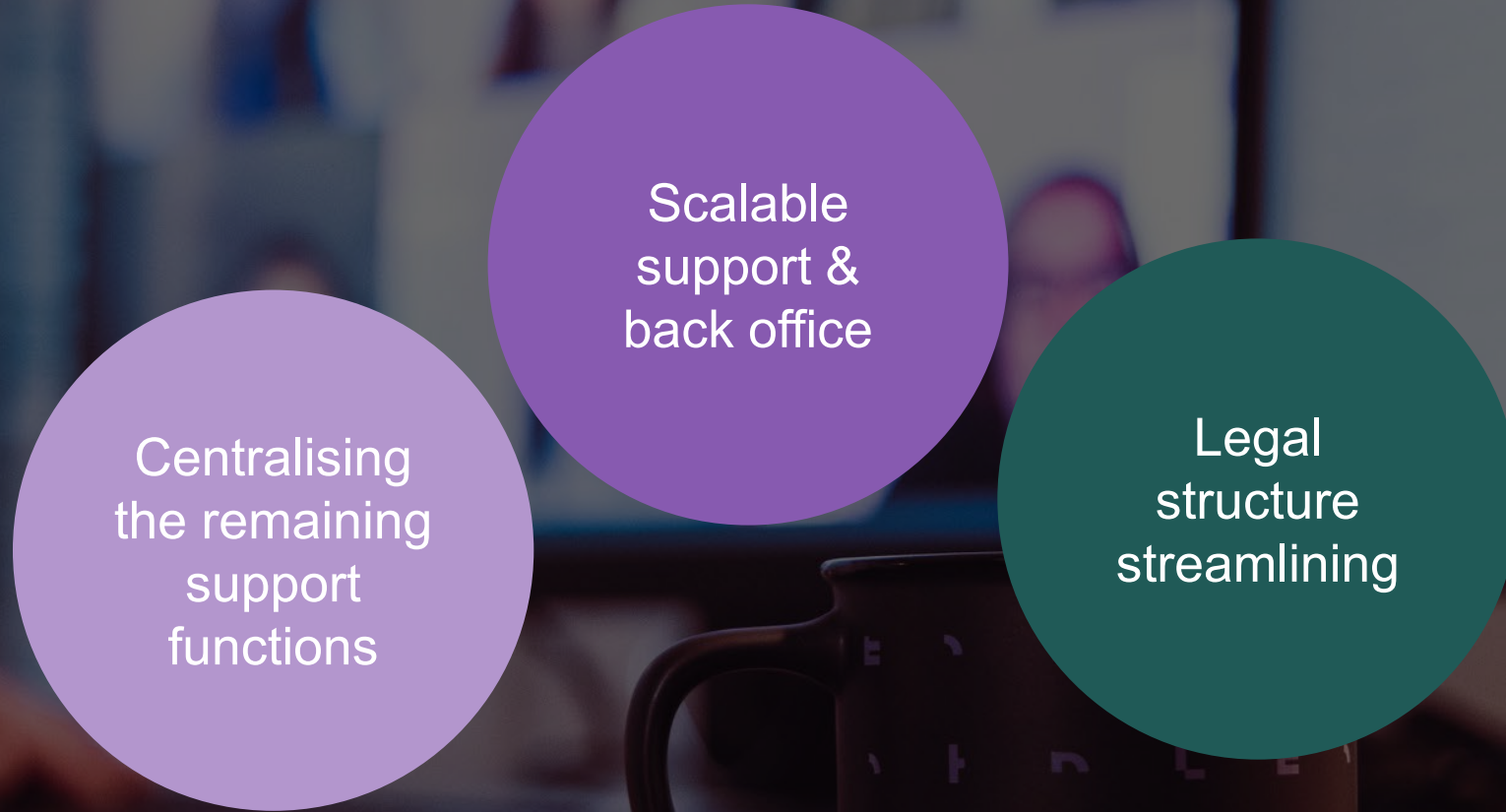
# Delivering Shareholder Value

Pirjo Suhonen

**LOIHDĒ**

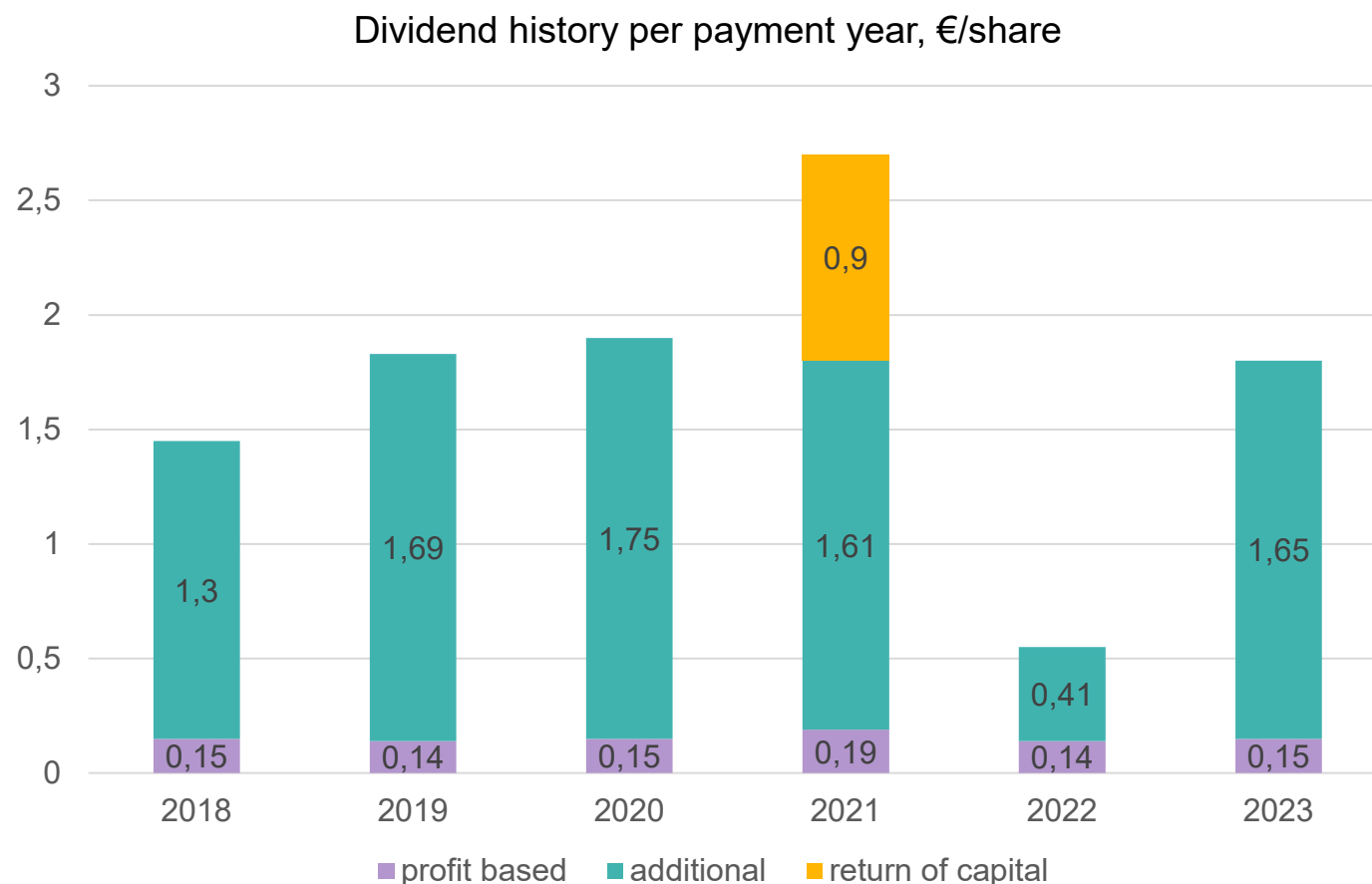


# Ample room to improve and support growth via support functions



# Dividend history

## (including additional dividends and returns of capital)

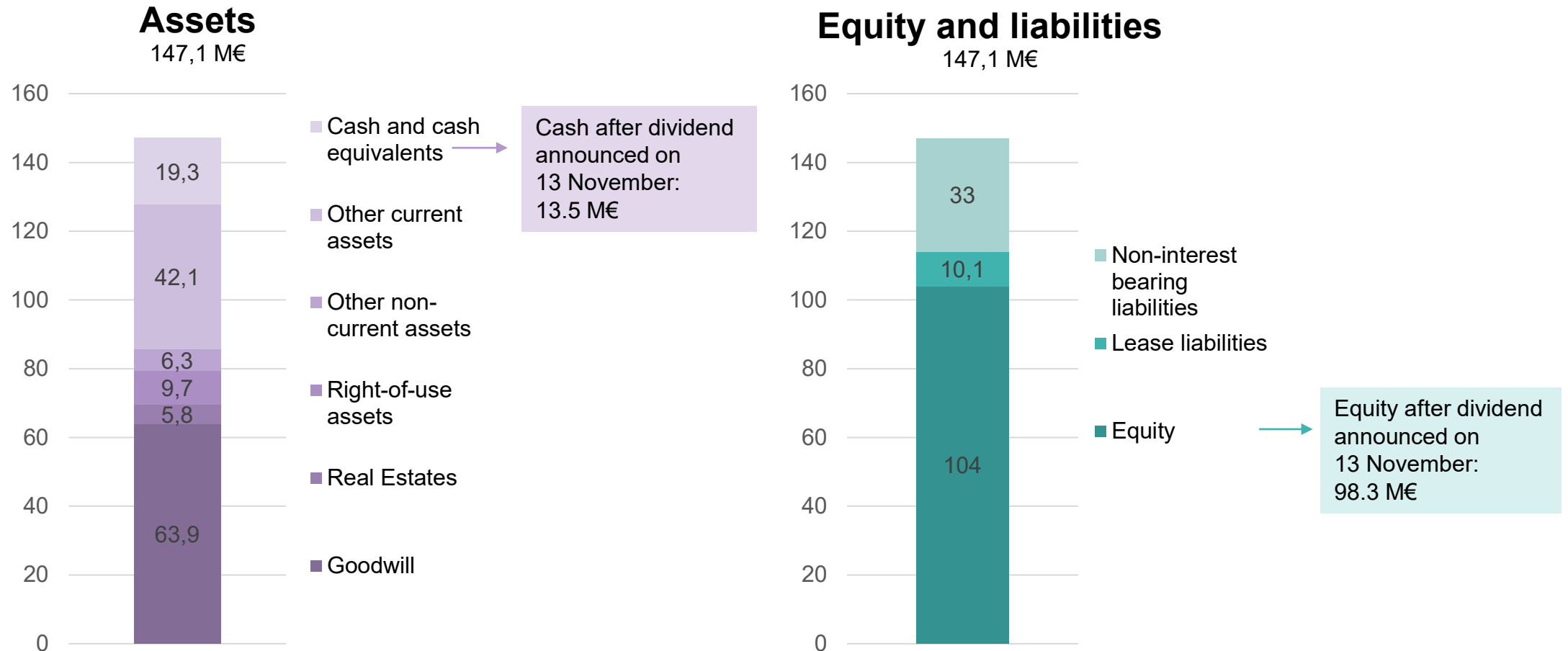


In 2018–2023, Loihde has paid dividends of on average 30% of the adjusted profit.

Moreover, Loihde has paid additional dividends based on capital gains of on average 1.40 € per share, and in 2021, the company carried out an additional distribution of assets of 0.90 € per share.



# Balance sheet 30 June 2023, M€

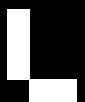


# Distributing value to owners

Share buybacks 2023–2024

Dividend

- Additional dividend 1.00 € per share in November 2023
- Dividend policy renewal





# New dividend policy

Loihde aims to distribute dividends annually in an amount representing at **least 50 per cent of the Loihde Group's profit** for the financial period.

**Previously:**

Loihde aims to distribute dividends annually in an amount representing at least 30 per cent of the Loihde Group's profit for the financial period.

The company will assess the conditions for the distribution of dividends annually, taking into account the company's financial position, the achievement of growth and development targets and the investments necessary for that purpose as well as other material factors influencing the distribution of dividends.

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Dividend policy has been disclosed on 13 November 2023 and is available on Loihde's website

<https://www.loihde.com/omistajille/osake/osinko/>

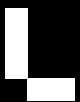




# Balance sheet enabling inorganic options

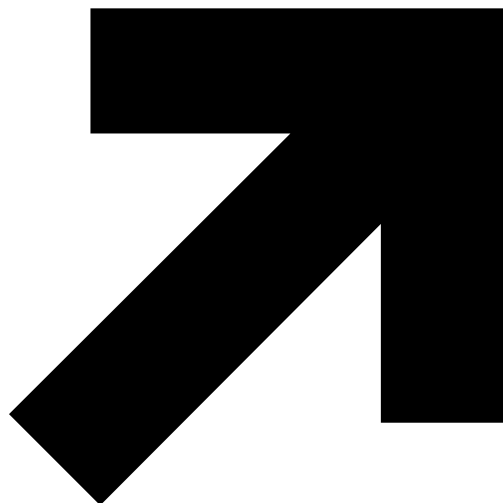
Strategic acquisitions  
supporting the growth

Debt component to be  
utilised up to  
2 x net debt / EBITDA





# Our financial aspirations for the strategy period 2024–2027



|                                    |           |                |
|------------------------------------|-----------|----------------|
| Revenue                            | ~10% CAGR | 200 M€<br>2027 |
| EBITDA<br>adjusted<br>Current >10% | 15%       | 30 M€<br>2027  |
| EBITA<br>adjusted                  | 12%       | 24 M€<br>2027  |
| ROI                                | >10%      |                |
| Net debt/EBITDA                    | 0–2x      |                |

All figures including  
M&A – estimated to be  
15-30 M€ in revenue

# Loihde – a solid investment into rapidly evolving critical areas

- 1 Evolving, dynamic markets with ample room to grow
- 2 Client-centric portfolio to match market needs
- 3 Significant EBITDA improvement potential
- 4 Balance sheet optimisation & improving ROI





LOIHDE

LOIHDE

PEOPLE  
FIRST  
SINCE  
1882.

