

GRK

GRK

**Revenue and operating profit continued
to grow**

Half-year report Q1–Q2/2025

GRK Infra Plc

31 July 2025



Presenters and agenda of the day

Agenda

- GRK in brief
- Financial review
- Project and market review
- Outlook and guidance (updated)
- Sustainability
- Strategy and long-term goals
- Summary
- Q&A



**Juha
Toimela**
CEO



**Markku
Puolanne**
CFO

GRK is one of the leading operators in the stable infrastructure construction market

Broad selection of infrastructure construction services



**Civil engineering
and road construction**



Rail construction



**Environmental
technology**

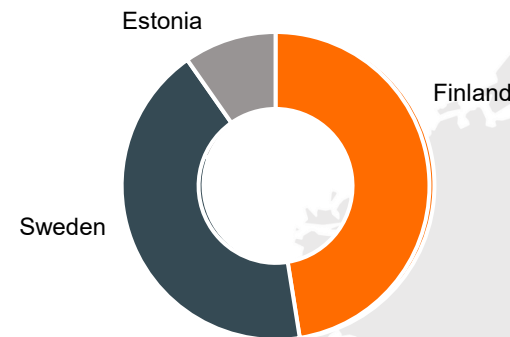


Established position in three countries

Revenue
1–6/2025

MEUR 406.4

Geographical
distribution
of revenue
1–6 June 2025



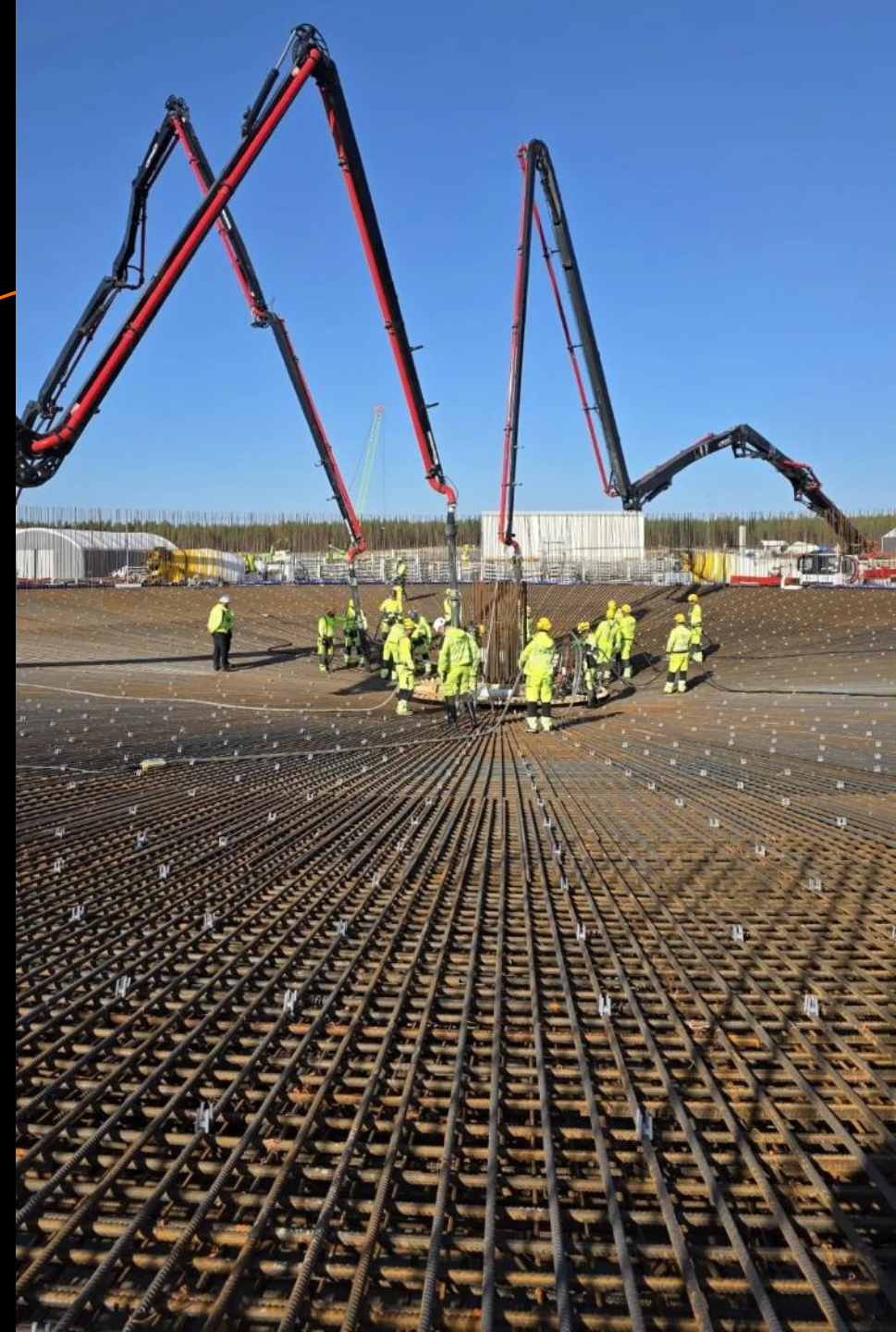
Average number
of personnel
1–6/2025

1,161



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Financial review
January-June 2025



Profitable growth 1–6/2025

- Revenue continued to grow (39.9%)
- Profitable growth continued in line with the strategy

- GRK's projects progressed faster than anticipated in the first half of the year, and their profitability developed favourably.
- There is intense competition in the market. In spite of this, we have been successful in winning a good number of new projects at margins that are aligned with our targets.

Revenue, MEUR

406.4 (290.5)

Adjusted operating profit, MEUR

25.1 (5.4)

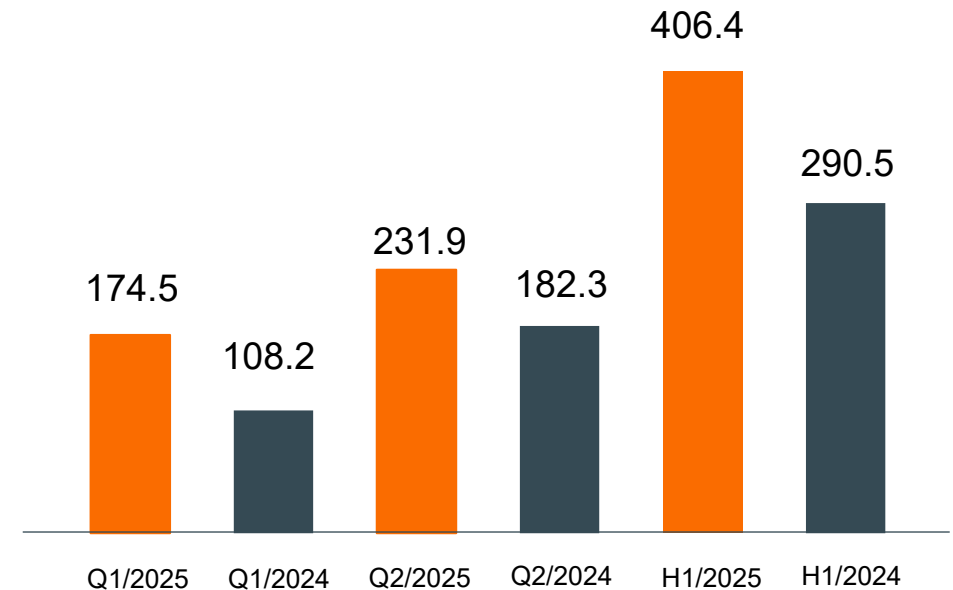
Order backlog, MEUR

788.9 (865.8)

Significant increase in revenue

- In January–June 2025, revenue increased by 39.9% to EUR 406.4 (290.5) million.
- Revenue developed favourably in all country companies.
- The positive development was favourably affected by increased business volumes
- In addition, weather conditions were a significant factor. Due to the mild winter, many of our major construction projects were able to continue faster than expected during the early part of the year, and this brisk pace was also reflected in the second quarter.

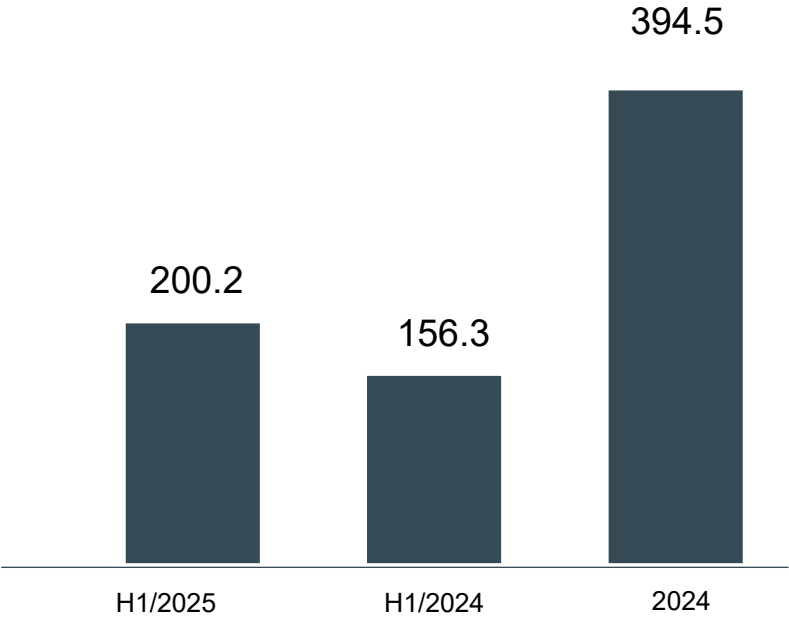
Revenue (MEUR)



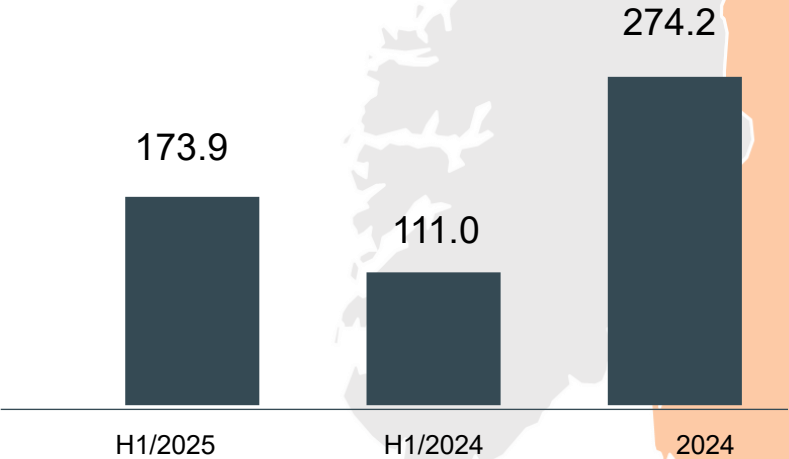
Revenue development in GRK's country companies

GRK SUOMI OY

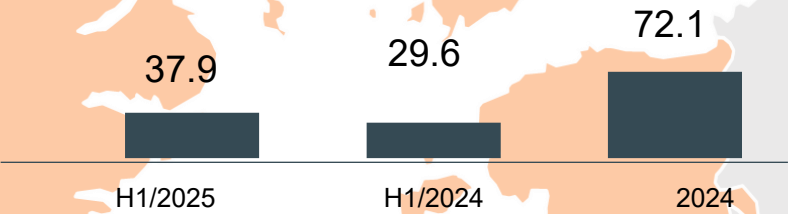
Revenue (MEUR)



GRK SVERIGE AB



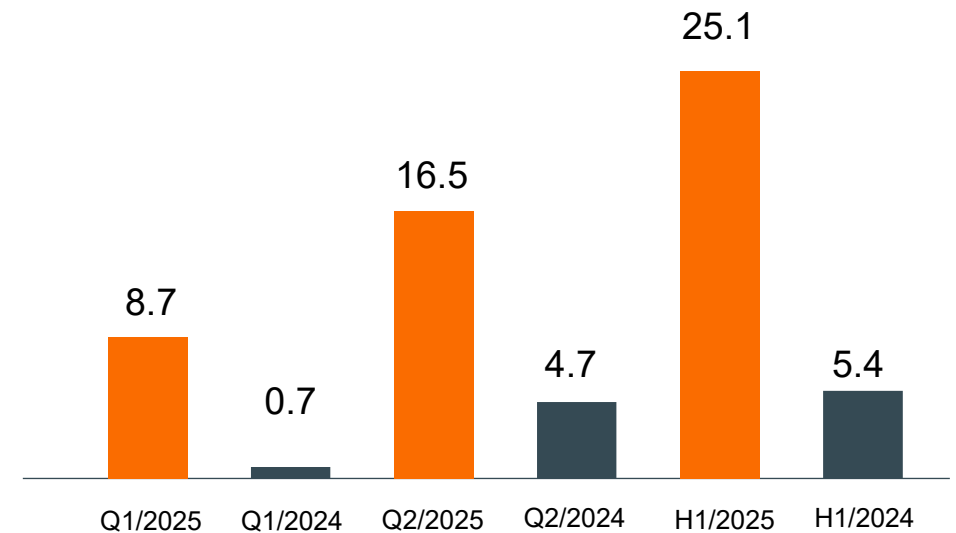
GRK EESTI AS



Profitability improved significantly in January–June 2025

- GRK's adjusted operating profit increased to EUR 25.1 (5.4) million, and operating profit increased to EUR 23.8 (5.4) million.
- The profitability reflects the strong growth of revenue while general expenses remained nearly unchanged, which has a positive effect on profit performance.
- The good development was also supported by the exceptionally good weather conditions in the first quarter, which allowed many projects to progress faster than planned.
- Success in projects across the board was also a factor in profit performance.

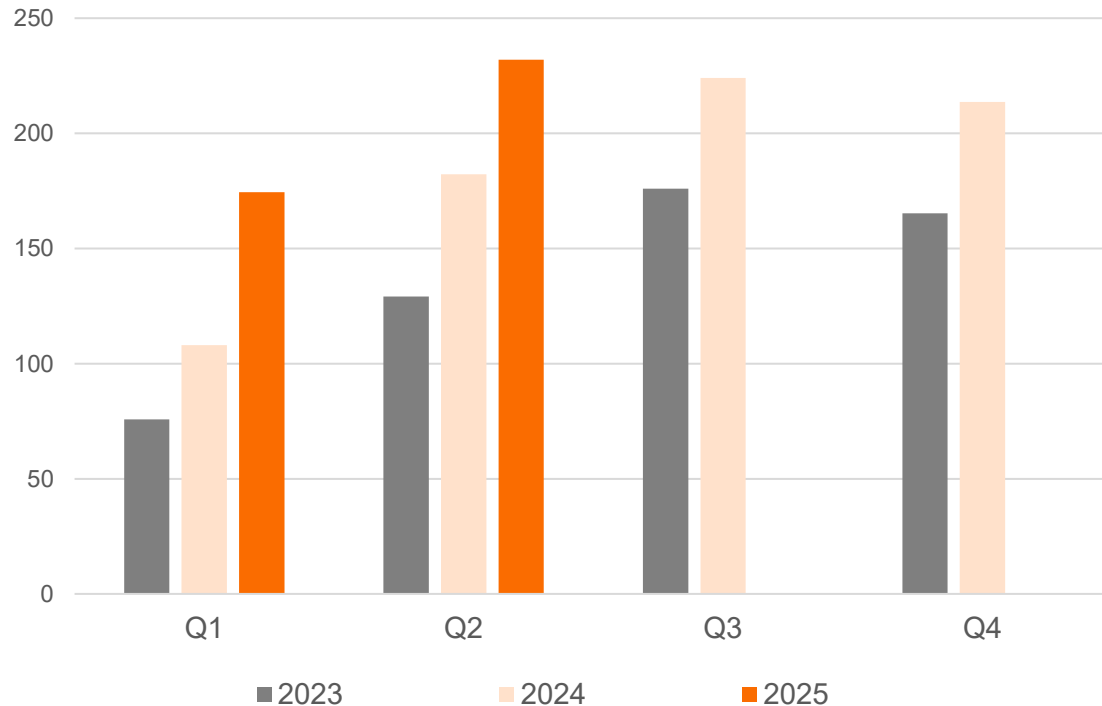
Adjusted operating profit (MEUR)



Both GRK's operations and the industry overall are characterised by obvious seasonality

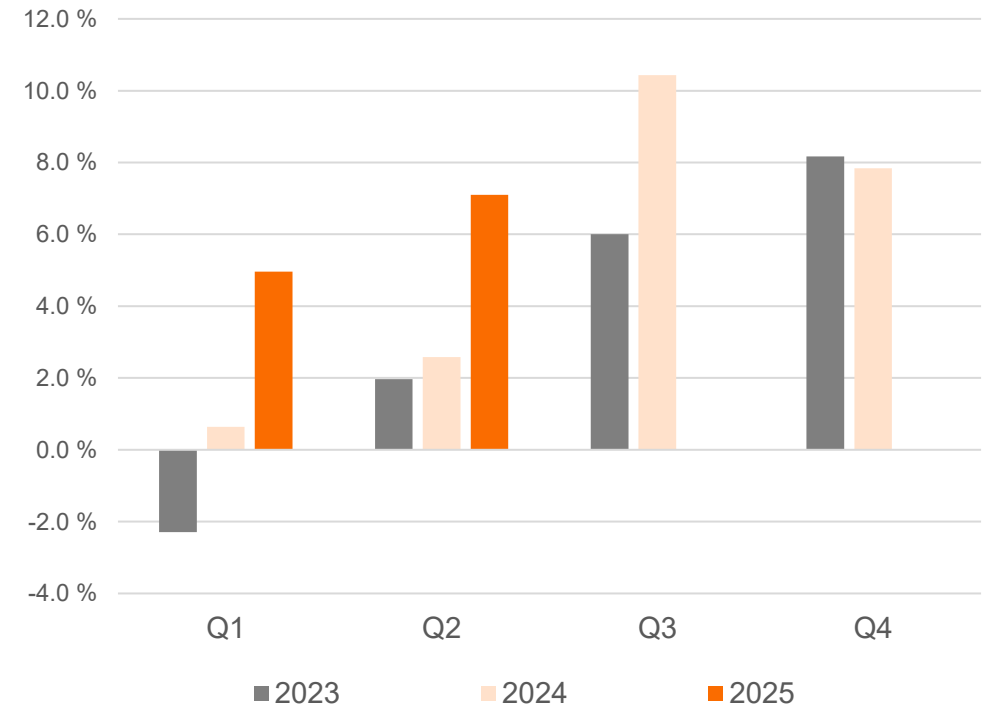
Revenue 1–6/2025: 406.4 (290.5) MEUR

Revenue by quarter, MEUR



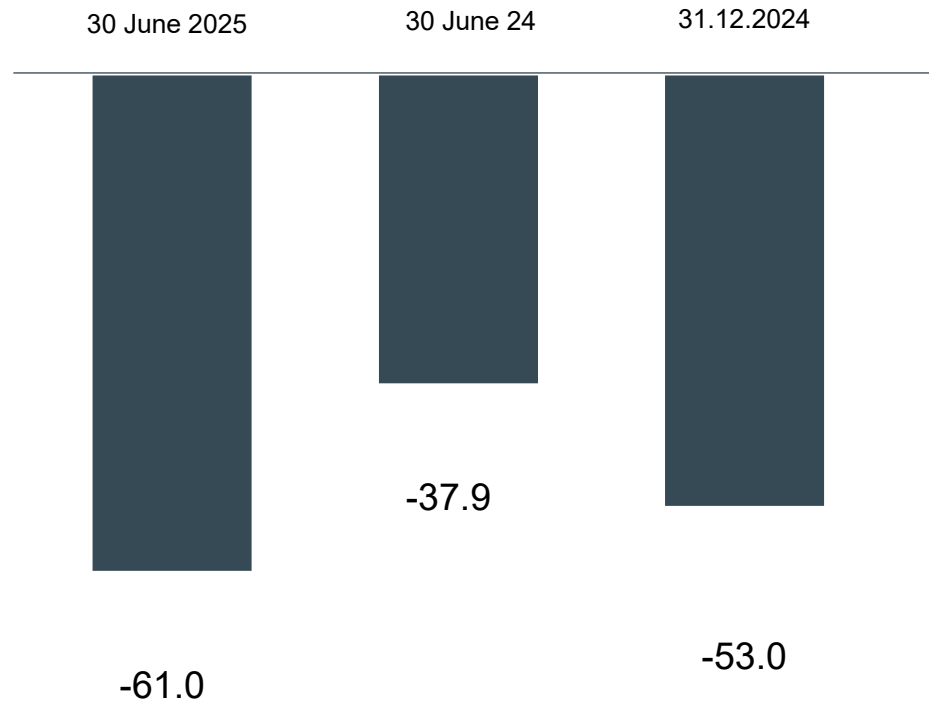
Adjusted operating profit 1–6/2025: 25.1 (5.4) MEUR

Adjusted operating profit % by quarter

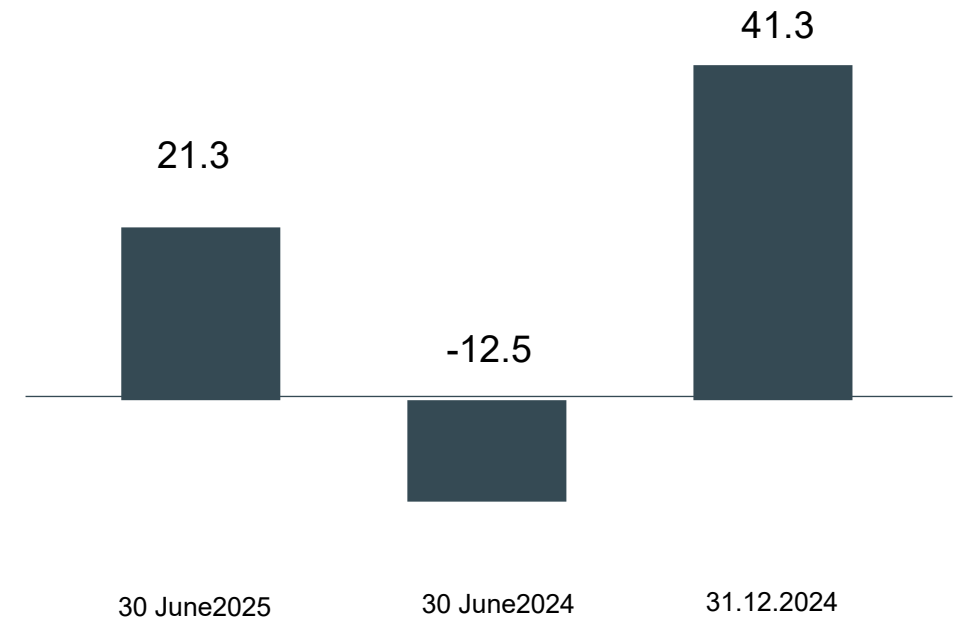


Strong financial position

Net working capital (MEUR)

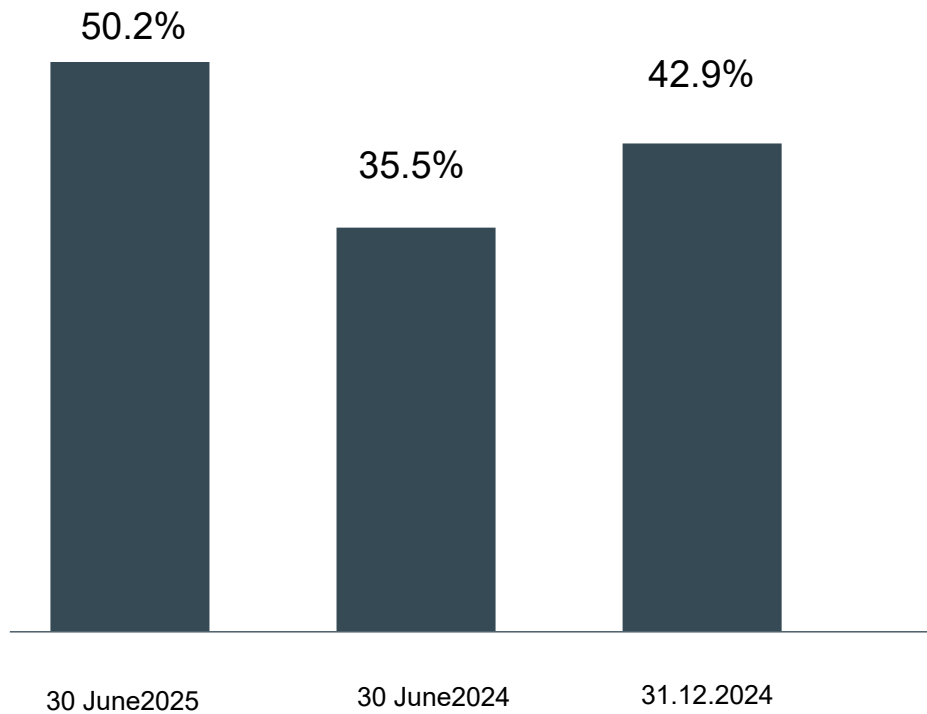


Operating free cash flow (MEUR)

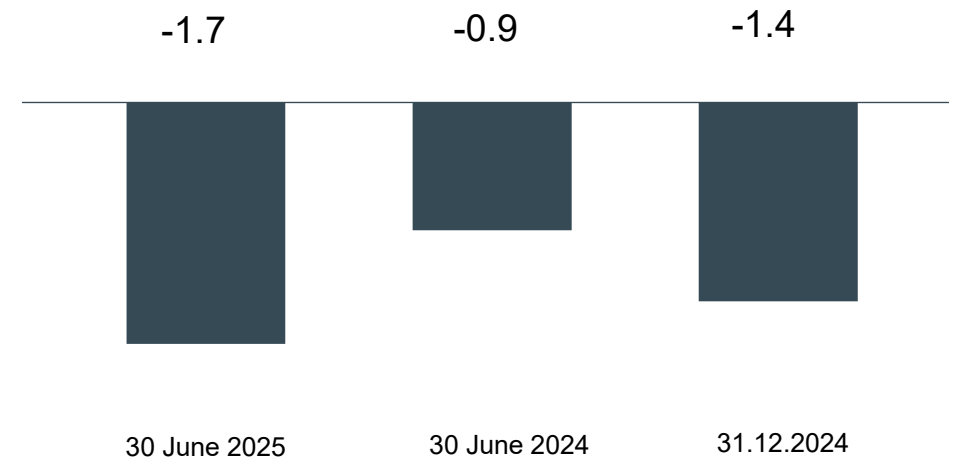


Strong financial position

Equity ratio

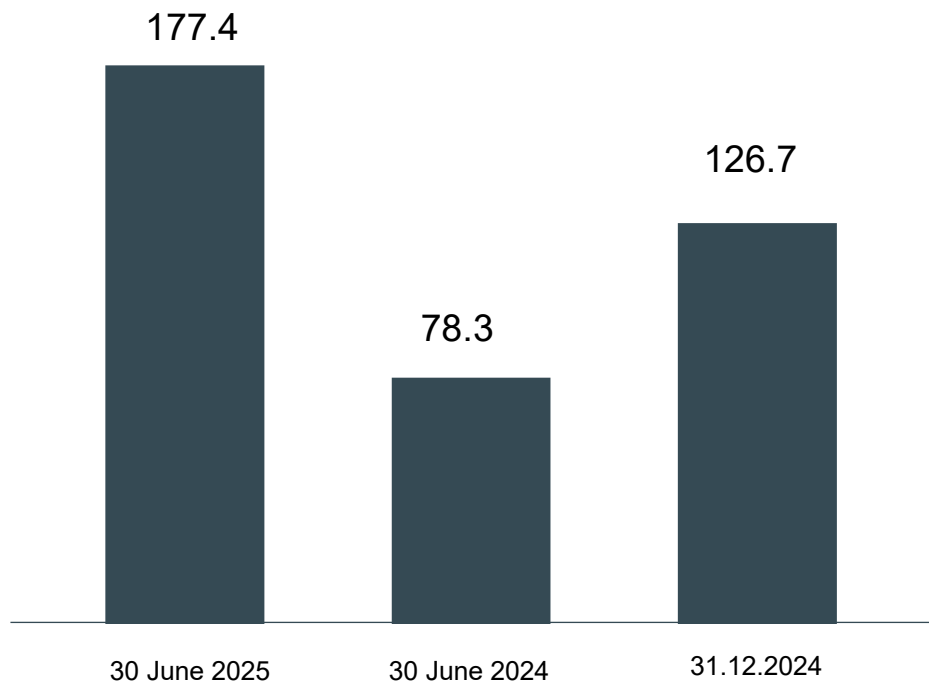


Net debt / adjusted EBITDA

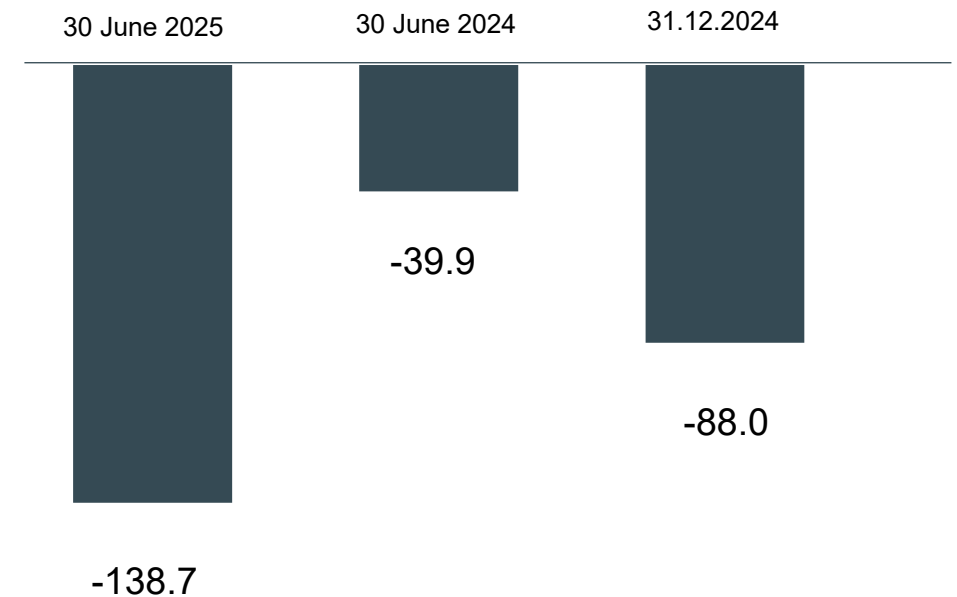


Cash and cash equivalents and net debt

Cash and cash equivalents (MEUR)

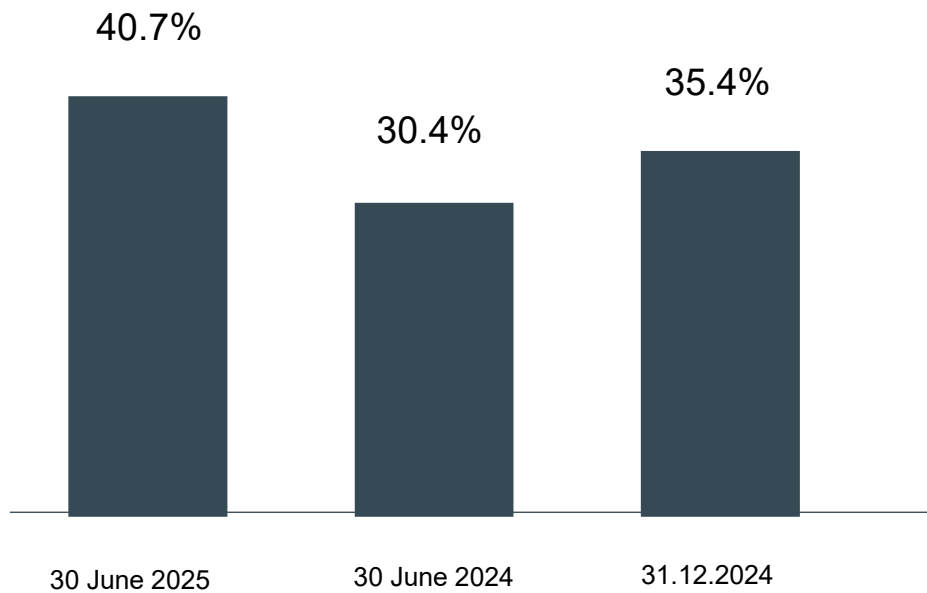


Net debt (MEUR)

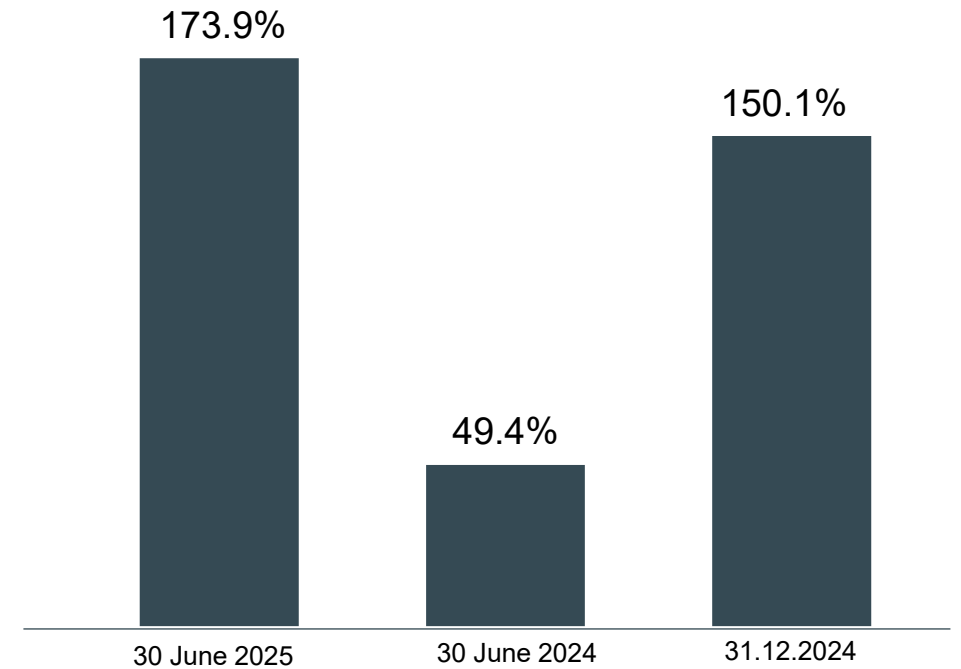


Return on capital

Return on equity (ROE)

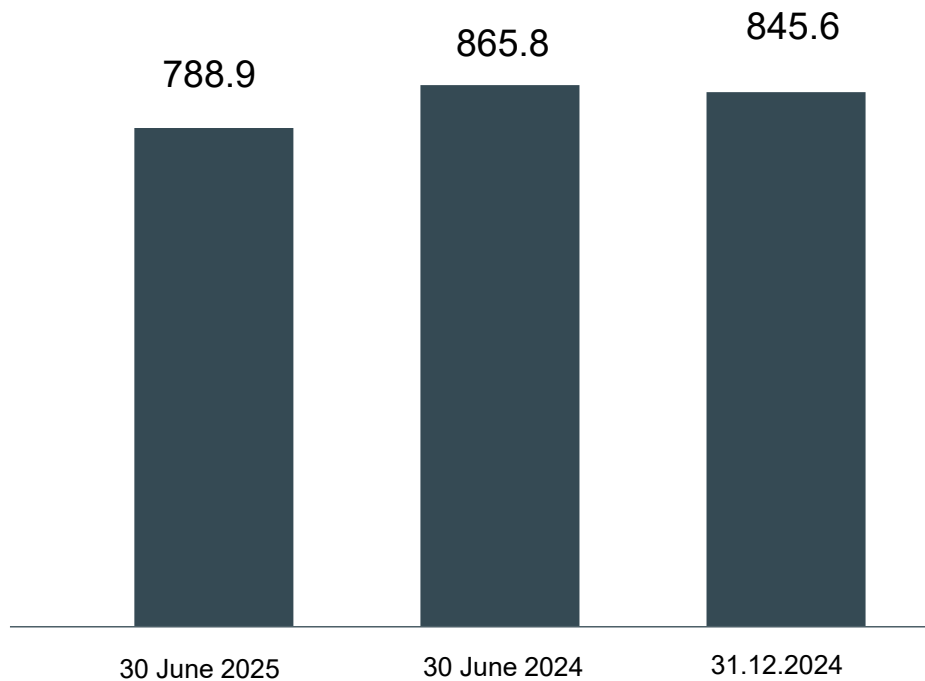


Return on capital employed (ROCE)

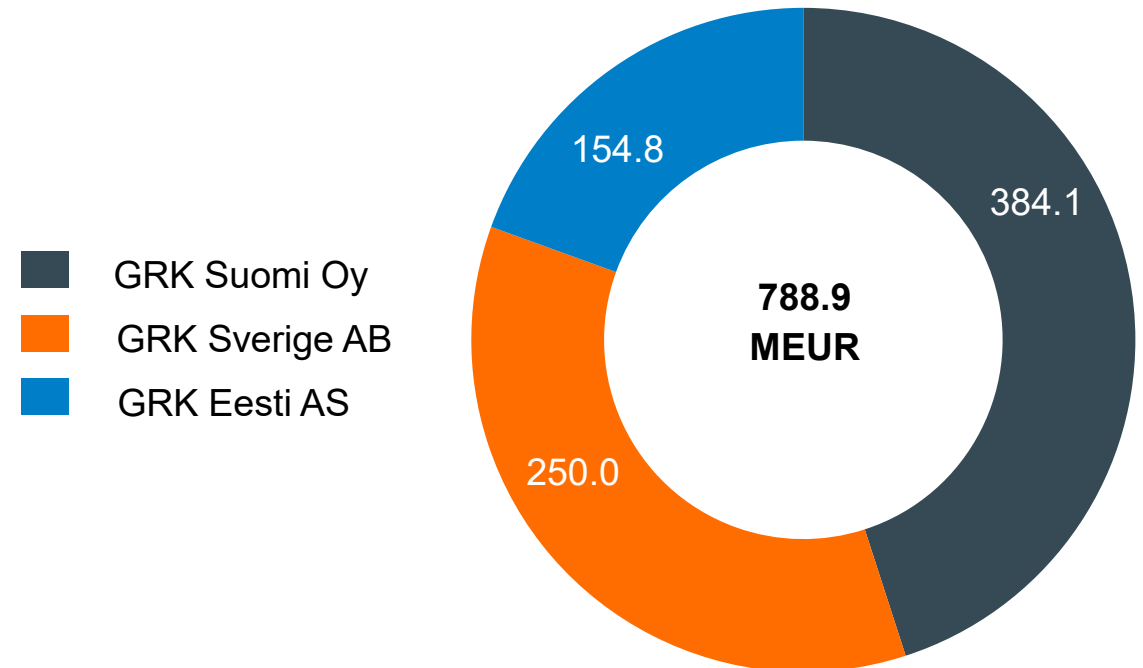


Order backlog at a good level

Unrecognised order backlog at the end of the period (MEUR)



Distribution of unrecognised order backlog among the country companies at the end of the period (MEUR)



GRK

Project and market review



Projects that significantly affected revenue during 1–6/2025

Stegra hydrogen and steel plant foundation and groundworks



Total value

> 400
million EUR

Espoo City Rail Link



Total value

~ 100
million EUR

Railway maintenance



Three extensive maintenance areas in Finland. The management's estimate of the revenue impact of maintenance contracts with recurring invoicing during 2024.

~ 50
million EUR

Electrification of Estonian railways, ATT*



Total value

~ 79
million EUR

Hailuoto fixed road connection



Total value

~ 100
million EUR

Postipuisto

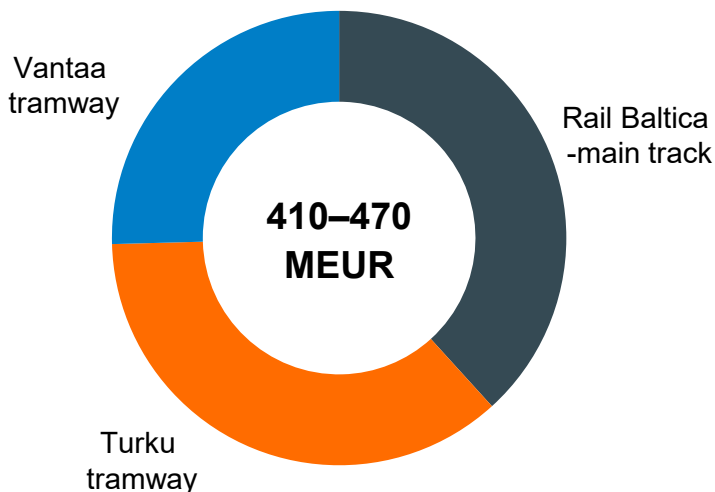


Total value

~42
million EUR

Projects in the development phase

"GRK has projects worth approximately EUR 410–470 million that have been won or are linked to development contracts but have not yet been entered in the order backlog."



Turku tramway



GRK's share, estimate

~ 150
million EUR

Rail Baltica



GRK's share, estimate

~ 158–216
million EUR

Vantaa tramway



GRK's share, estimate

~ 105
million EUR

"All of these projects are still in the development phase. During the development phase, the project's total cost estimate is specified, at which time GRK's share of the project's value is also determined more specifically."

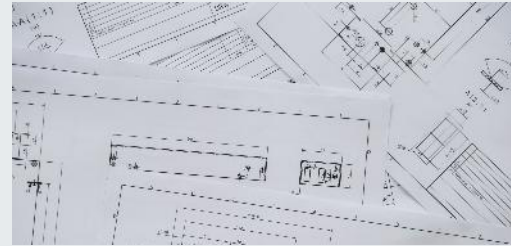
What are the steps in an alliance project?

Tendering phase



- The client puts the project up for tender
- Tender participants form a consortium that has the necessary expertise. A consortium is often formed between design and construction companies.
- The tender stage requires resources from companies, as tendering usually includes workshops, tasks and drawing up plans that are evaluated.
- The winner is not chosen purely on the basis of price. Quality scores are also important.

Development phase



- The development phase starts when the contractor has been selected.
- The project implementation plan is drawn up and the target cost and incentive system are determined.
- At the end of the development phase, the client makes a separate decision on the implementation of the investment and the transition to the implementation phase.
- The development phase ends when the parties sign the alliance agreement for the implementation phase or if the client decides to suspend the project.

Implementation phase



- In the implementation phase, construction begins and the project starts to generate revenue

"Projects are transferred to GRK's order backlog only at the start of the implementation phase, when construction begins."

Examples of projects won in Q2/2025

Paving projects (ELY)



Total value

~30
million EUR

Kouvola–Luumäki northern track superstructure contract



Total value

~7.1
million EUR

Railway service agreements



Revenue annually

~3.5
million EUR/year

Lähterannantie and Turuntie junction



Total value

~9.8
million EUR

"Most of GRK's projects are relatively small projects of approximately EUR 0–5 million. In addition to these, the company's project backlog includes large individual projects. The average number of projects per year is approximately 300."

Positive market outlook for the rest of the year



"The infrastructure construction market as a whole will grow this year in Finland, Sweden and Estonia."



"In Finland, the level of activity has been exceptionally high in both the public and private sectors, and we have received many requests for tenders. The Finnish Transport Infrastructure Agency will put several large road projects up for tender during the remainder of the year. "



"In Sweden, requests for tenders for larger projects have been postponed to the second half of the year.



"In Estonia, the market is moving into a new phase as Rail Baltica's most significant earthworks contracts have already been put up for tender, and the state is in the process of starting national road construction projects after a break."

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Guidance
(updated 18 June 2025)



Updated (18 June 2025) guidance for 2025

Outlook for 2025

The economy is starting to recover from the recession. Inflation and interest rates will continue to decrease slowly. The market situation will nevertheless remain uncertain.

Public infrastructure construction is growing slightly in Finland, Sweden and Estonia.

- In Finland, growth is boosted by the Finnish Government's EUR 3 billion support package.
- In Finland and Sweden, business opportunities and growth potential are seen in the projects of large cities, the private sector, the green transition, defence administration and border security.
- In Estonia, investments are heavily focused on Rail Baltica and the electrification of the Estonian railway network.

Guidance for 2025 (updated)

GRK estimates that its revenue in 2025 will be in the range of EUR **730–800** million (2024: EUR 728.6 million) and the adjusted operating profit for 2025 will amount to EUR **45–55** million (2024: EUR 45.6 million)

Background for the guidance

The guidance is based on an estimate of the recognition of revenue from the existing order backlog in 2025, in accordance with the margin on the order backlog. In addition, the outlook is based on an estimate of new project acquisition and the progress of projects in the development phase, as well as the recognition of revenue from those projects, in 2025.

The outlook and **financial** guidance are forward-looking statements and are not guarantees of future financial success. The company's actual business results may differ significantly from those expressed in forward-looking statements.

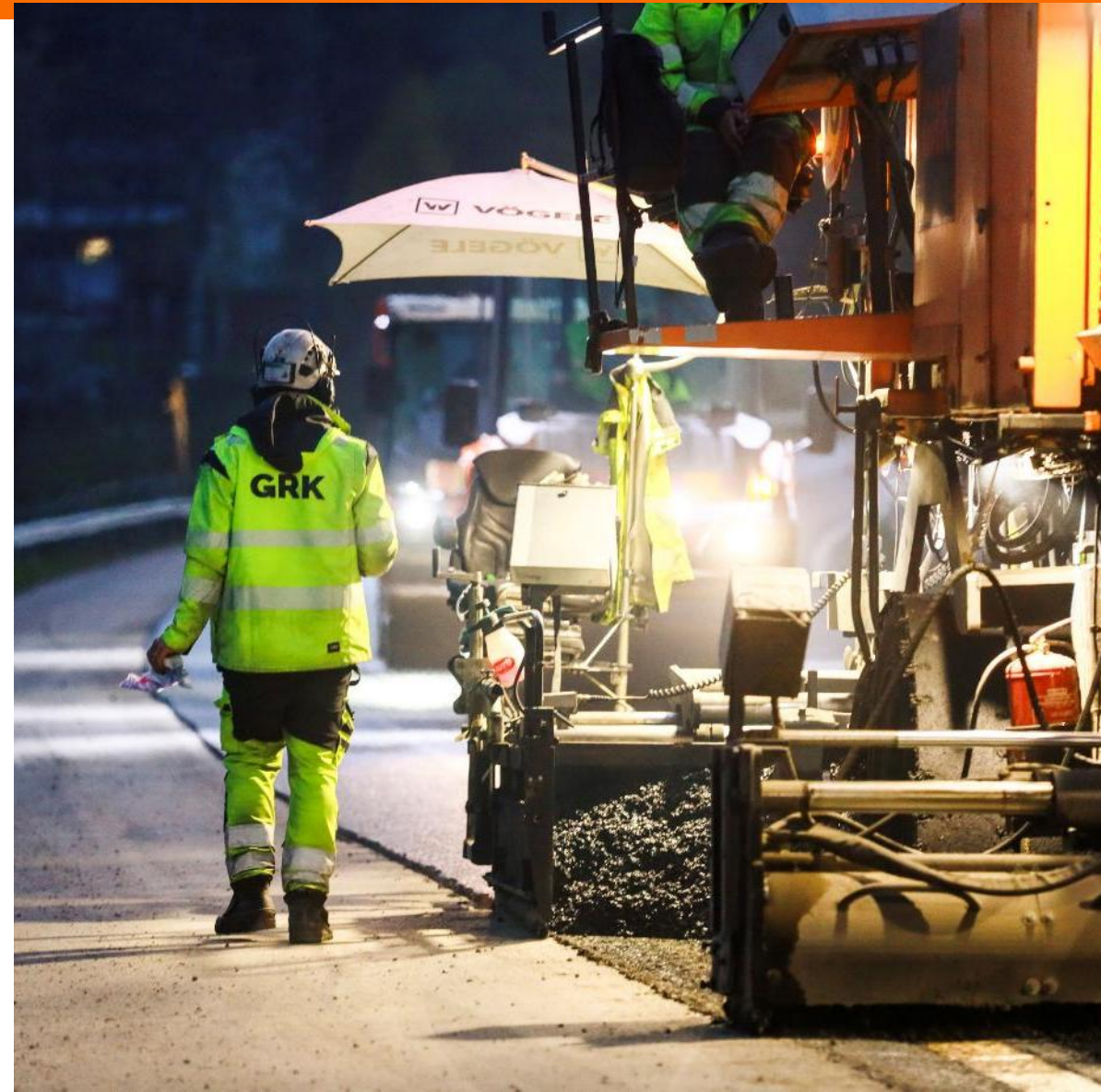
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Sustainability



Occupational safety

- GRK has a long-standing focus on the prevention of occupational accidents, and the accident frequency has decreased.
- After the review period, on 17 July, a fatal occupational accident occurred at our site in Jyväskylä.
- This was a piece of sad news not only for the family, friends and co-workers of the person who passed away, but also for GRK's entire personnel. We have provided crisis counselling.
- We have conducted our own investigation of the incident, but we are awaiting the results of the investigation by the authorities. We will help them in every possible way to prevent similar incidents in the future.



Sustainability, January–June 2025



Number of summer workers: **110** (97)

Accident
frequency*

6.6
(7.7)

Lost work
days

48
(68)

Use of recycled
materials, 100
tonnes/month

81
(51**)

Carbon
intensity

16.3
(26.8)

Governance
deviations

0
(0)

Background information on the Finnish Competition and Consumer Authority's investigation



- GRK has zero tolerance for misconduct, and we purposefully address any detected violations.
- On 21 May 2025, the Finnish Competition and Consumer Authority (FCCA) announced that it is investigating the asphalt market and whether companies have engaged in prohibited cooperation between companies in the asphalt market.
- The FCCA conducted an inspection at the premises of GRK Suomi Oy in May. At this stage, we do not have any information about the outcome of the inspection. GRK is cooperating fully with the FCCA in its investigation but cannot comment any further on the ongoing investigation.
- GRK continues to implement paving projects as agreed, and we serve our customers as usual. The annual revenue of the paving business accounted for 6–8% of the Group's total revenue in 2020–2024.

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Strategy and long-term
goals



GRK's strategic intent

Strategic intent 2028

GRK

Strategic growth areas

We expand into new areas of infrastructure construction as well as new geographical areas, especially in Sweden

We succeed in critical infrastructure and defence administration projects

We strengthen our share of projects related to the green transition



The most competitive team



Profitable growth



A pioneer in sustainable construction

Procedures and means

We operate with an entrepreneurial spirit and we have a shared culture

We attract, foster and retain the best talents

We ensure healthy profitability consistently

Financial targets by 2028

The company's strategy focuses on profitable growth and the Board of Directors has decided the company's financial targets and dividend policy accordingly

Revenue growth,
million EUR

>750

Revenue over
EUR 750 million
by 2028

Profitability

>6%

Adjusted operating profit
margin, **more than 6%**
over time

Capital structure

<1.5x

Healthy capital structure,
where net debt/adjusted
EBITDA (last 12 months) level
< 1.5 times over time

Capital
efficiency

>20%

Return on capital
employed **over 20 per
cent** over time

Dividend
policy

>40%

GRK's aim is to distribute
growing dividends that
represent at least **40%**
of the annual net profit
over time

Financial targets are forward-looking statements and are not guarantees of future financial success. The financial targets presented in this presentations are only targets and not forecasts or estimates of GRK's future financial success and should not be considered as such.

Progress of the strategy: recruitment and acquisitions

"In accordance with our strategy, we look for new business opportunities and want to expand into new areas of infrastructure construction that support our profitable growth."

Electricity network construction



We have recruited personnel to start a business area focusing on electricity networks. In electricity network construction ("GRK Power"), the focus will be mainly on the construction of electricity transmission networks (110/400 kV) and substations.

Acquisition in Estonia



After the review period, GRK strengthened its expertise in infrastructure electricity services in Estonia by acquiring *A-Kaabel OÜ*. With the acquisition, GRK will gain additional resources for the installation of electrical works. The transaction took place on 7 July 2025 and is subject to the approval of the Estonian competition authorities.

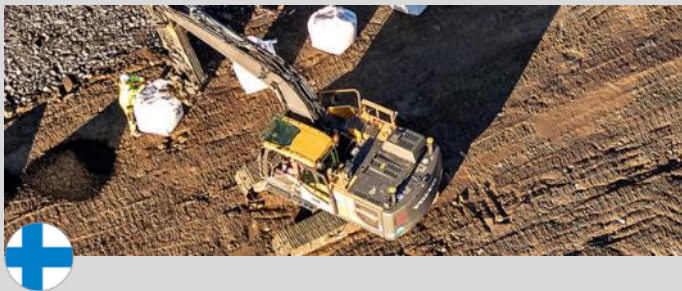
Acquisition in Finland



GRK seeks growth in circular economy services by acquiring *ASM Kiviainespalvelu Oy*. With the acquisition, GRK acquires a significant number of new circular economy sites in Uusimaa. The transaction took place after the review period, on 1 July 2025. In addition to these, GRK acquired a new office location in the Taraste circular economy area in Pirkanmaa on July 7, 2025.

The two cornerstones of environmental technology

Environmental technology



- Circular economy services
Recycling and processing of waste and industry by-products for GRK's infrastructure construction services and third parties
Own production of bioproducts and biochar
- Research and development

Illustrative size



Bioproducts



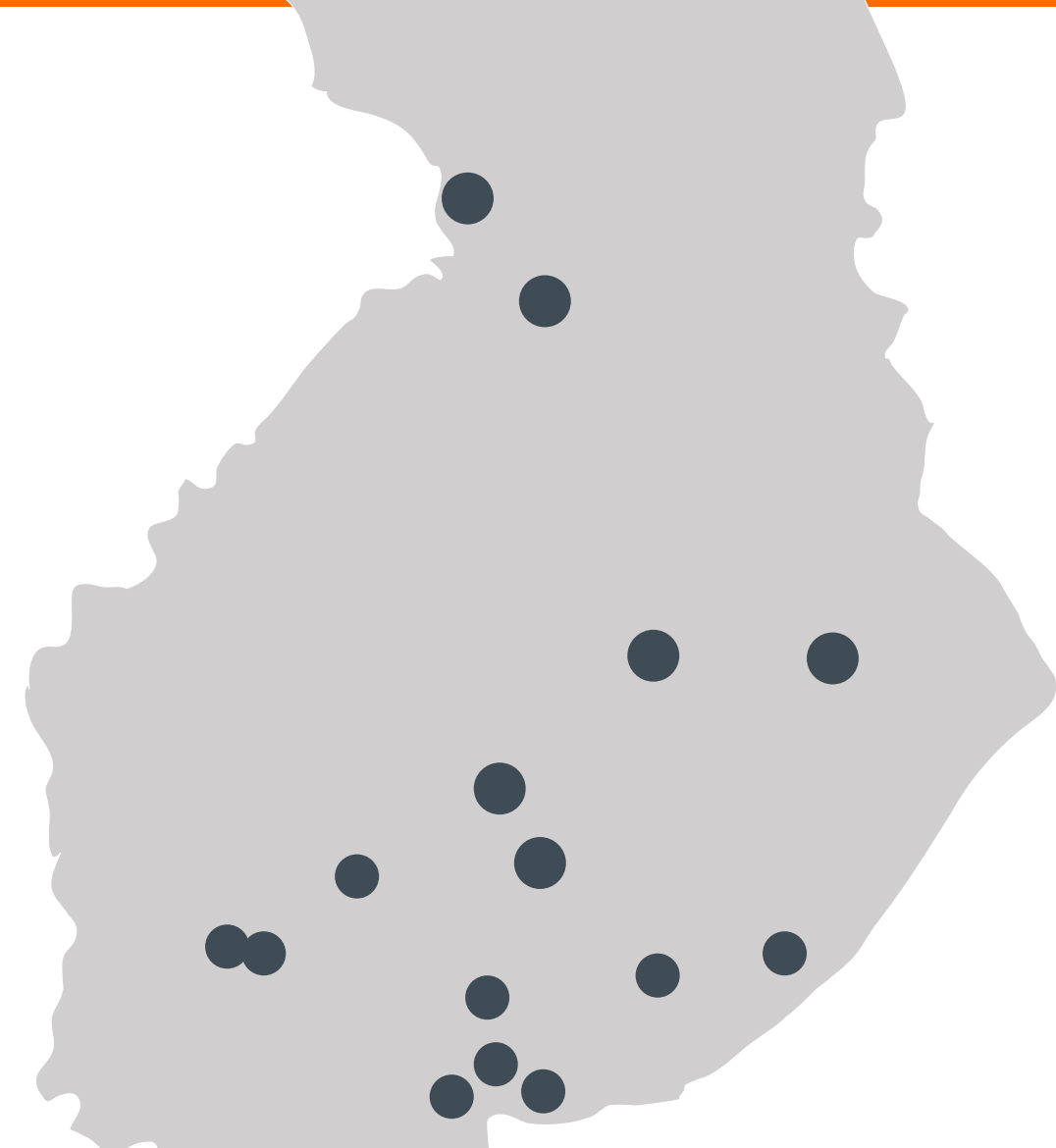
GRK produces biochar, which we use in our own infrastructure contracts and the construction of green spaces; for example, for soil improvement or growing media. We also offer biochar and carbon credits sold on the voluntary carbon market to our customers. In addition, we produce pellets made from clean Finnish raw materials, which can be used to replace fossil fuels.

Circular economy solutions



GRK's circular economy centres receive materials removed from construction and demolition sites. We recycle suitable materials and give them a new life.

The number of GRK's circular economy sites will increase



1	Nurmijärvi
2	Sipoo
3	Mäntsälä
4	Lappilan käsittelylaitos
5	Yrtinkangas
6	Lappeenranta
7	Isosuo, Punkalaidun
8	Kanteenmaa
9	Kokkovuori
10	Metsä-Kivelä
11	Muhos
12	Ii
13	Ala-Anttila
14	Piilonsuo
15	Kuopio
16	Kontionlahti

"With the acquisition, GRK acquires seven new circular economy sites in southern Finland, particularly in Uusimaa, where there has been a shortage of such sites. In addition, GRK also acquired a new circular economy site in Pirkanmaa in July."

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Summary



Summary - positive development continued in the first half of the year

1.

Our profitable growth continued in line with the strategic goal

2.

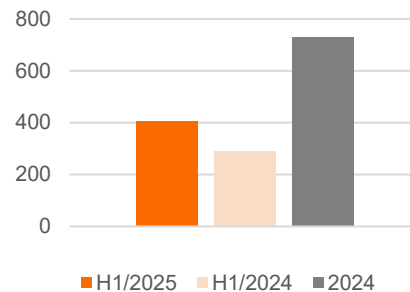
GRK's projects have progressed faster than anticipated, and their profitability has developed favourably

3.

The order backlog is at a good level, meaning that there is plenty to build for this and the coming year

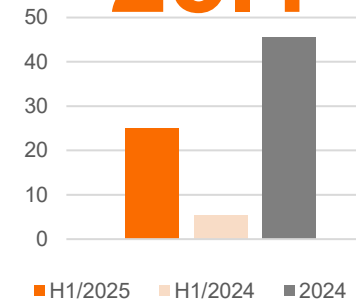
Revenue, MEUR

406.4



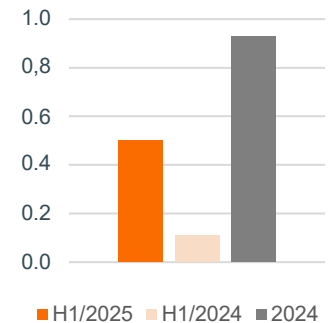
Adjusted operating profit, EBIT, MEUR

25.1



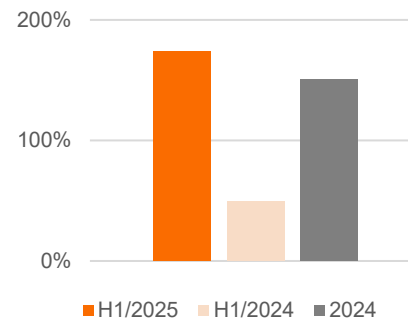
Earnings per share

0.48



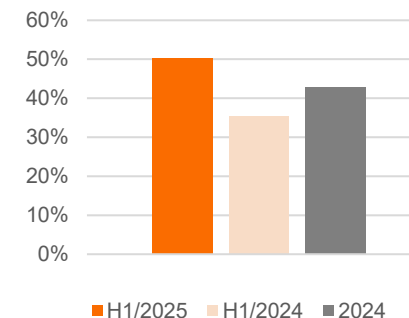
Return on capital employed (ROCE %)

173.9



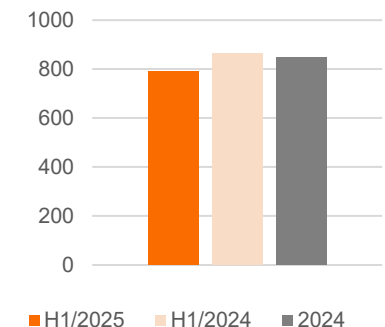
Equity ratio %

50.2



Order backlog, MEUR

788.9



Mika Mäenpää will start as CEO of GRK Infra Plc on 1 October 2025

- GRK initially announced the planned change of CEO in January 2025
- At that time, it was stated that GRK's current CEO, **Juha Toimela**, will reach the retirement age specified in his contract in 2025. GRK's Board of Directors had decided to appoint **Mika Mäenpää**, CEO of GRK Sverige, as the Group's next CEO.
- GRK announced on 30 July 2025 that Mäenpää will start in his new position on 1 October 2025.
- In January 2025, GRK announced that **Carl Andersson** has been appointed as CEO of GRK Sverige AB and a member of GRK's Group Management Team. He will start as the CEO of the country company in Sweden and a member of GRK's Group Management Team on 1 October 2025.



Juha Toimela



Mika Mäenpää

**Mika Mäenpää will start as
CEO of GRK Infra Plc
and GRK Suomi Oy
on 1 October 2025.**

GRK

Thank You!

