



Financial Statement Release
January–December 2023

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Mikko Kettunen, CFO
8 February 2024

Agenda

1. Year 2023 in brief
2. Financial performance
3. Status of the public tender offer





1. Year 2023 in brief

Summary of the year 2023

Eventful year with all-time high results

- › Both profitability and revenue at record-high levels.
- › Significant currency impact due to the devaluation of the Swedish and Norwegian currencies.
- › Strategy implementation and acquisitions according to plan.
- › Progress in sustainability – SBTi targets submitted for validation.
- › **The public tender offer by Triton/Crayfish BidCo Oy for all shares of Caverion Corporation completed in November 2023.**

Revenue

2,490.9 EURm

(2,352.1)

Adjusted EBITA

123.7 EURm (105.8)

5.0% margin (4.5%)

Revenue growth

5.6% organic (8.6%)

5.9% total (9.9%)

Operating cash flow

165.9 EURm (144.3)

before financial and tax items

Order backlog

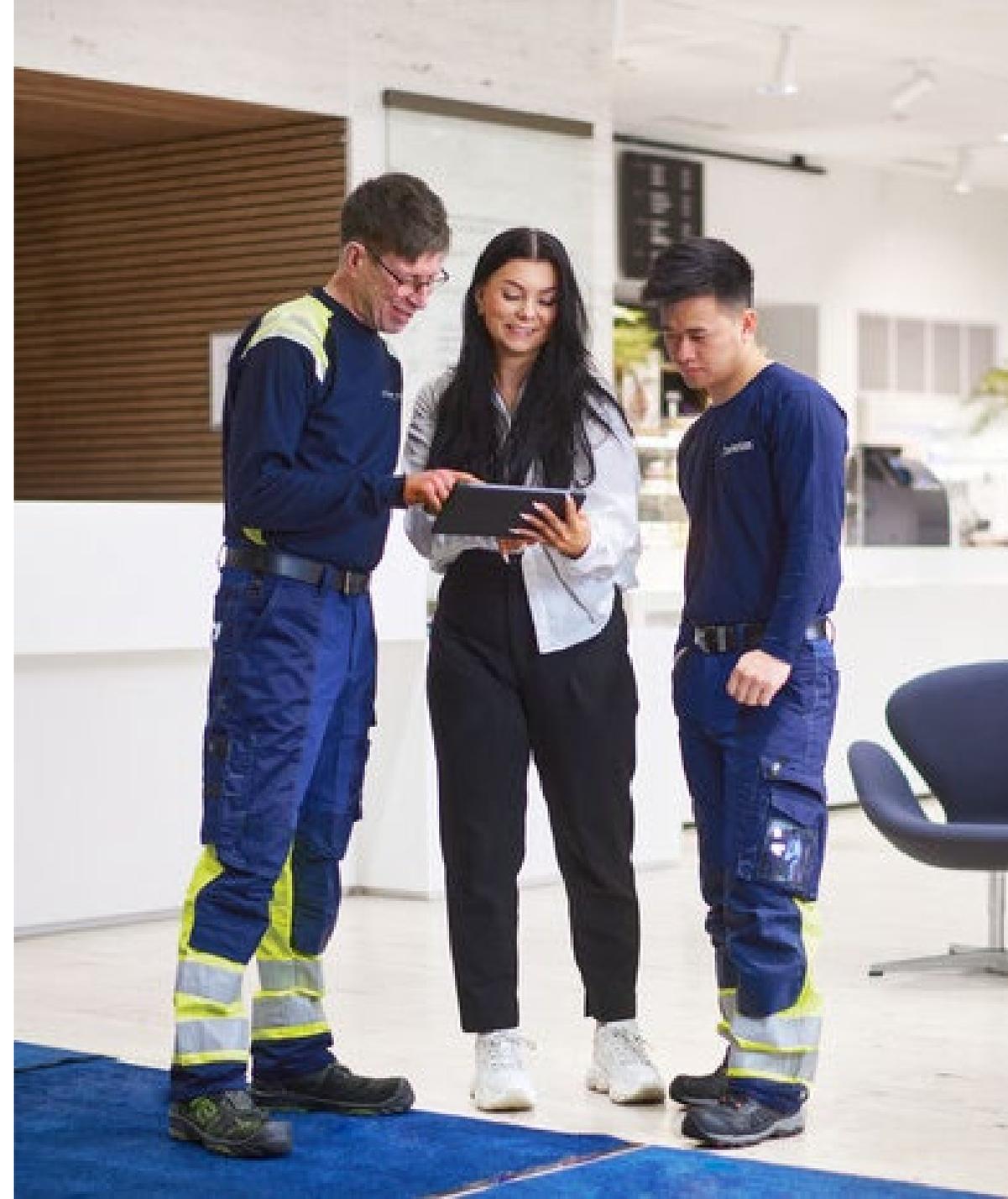
1,908.7 EURm

(1,943.3), -1.8%

Revenue distribution

Services 65.1% (66.8%)

Projects 34.9% (33.2%)



Q4 2023 highlights

Strong quarter despite the negative revenue and profit impact of the devaluation of SEK and NOK

- › -0.9% organic revenue growth, order backlog EUR 1,920.0 million in comparable currencies.
- › Adjusted EBITA improved by 10.6 percent.

Revenue

670.0 EURm

(682.9)

Adjusted EBITA

44.0 EURm (38.7)

6.6% margin (5.7%)

Revenue growth

-0.9% organic (14.9%)

-1.9% total (16.7%)

Operating cash flow

132.3 EURm (106.9)

before financial and
tax items

Order backlog

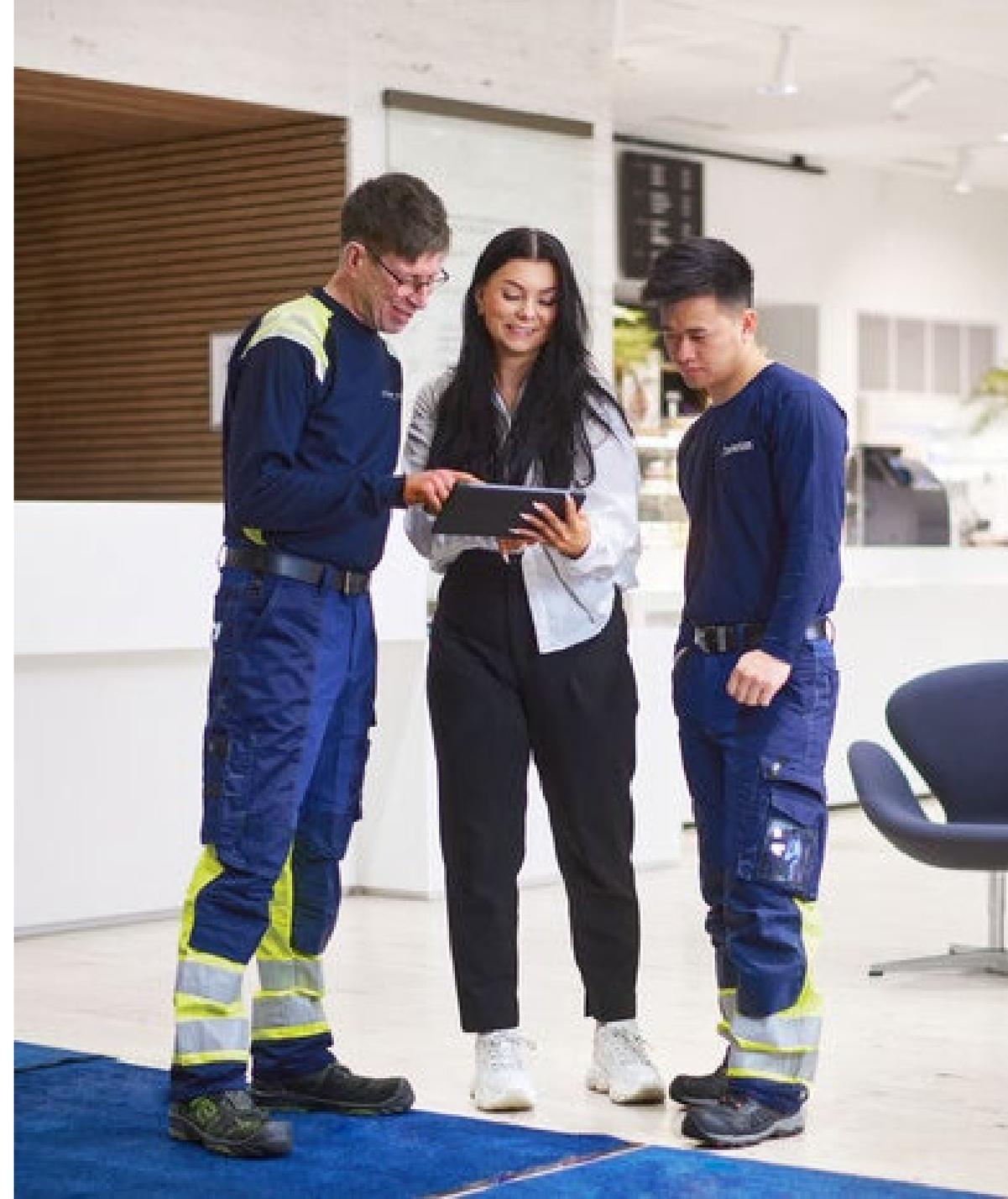
1,908.7 EURm

(1,943.3), -1.8%

Revenue distribution

Services 66.1% (68.3%)

Projects 33.9% (31.7%)



Operating environment 2023

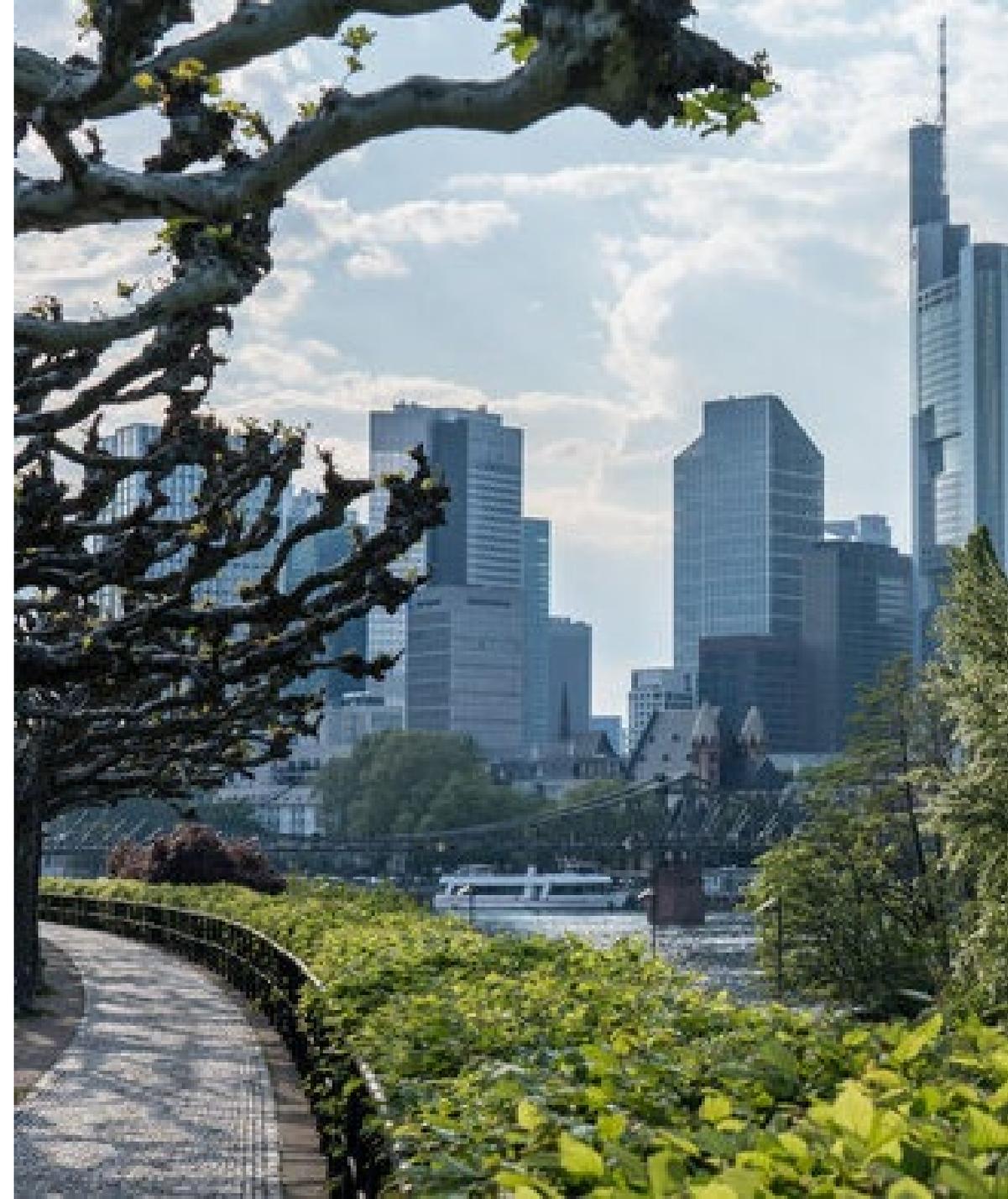
Economic uncertainty still impacted the market

Services 65.1% (66.8%) of Group 2023 revenue

- › The market demand and general investment activity remained positive.
- › Increasing interest towards long-term and large-scale service agreements.
- › Increasing demand also for services supporting sustainability.
- › Growth has been limited by the availability of competent workforce.

Projects 34.9% (33.2%) of Group 2023 revenue

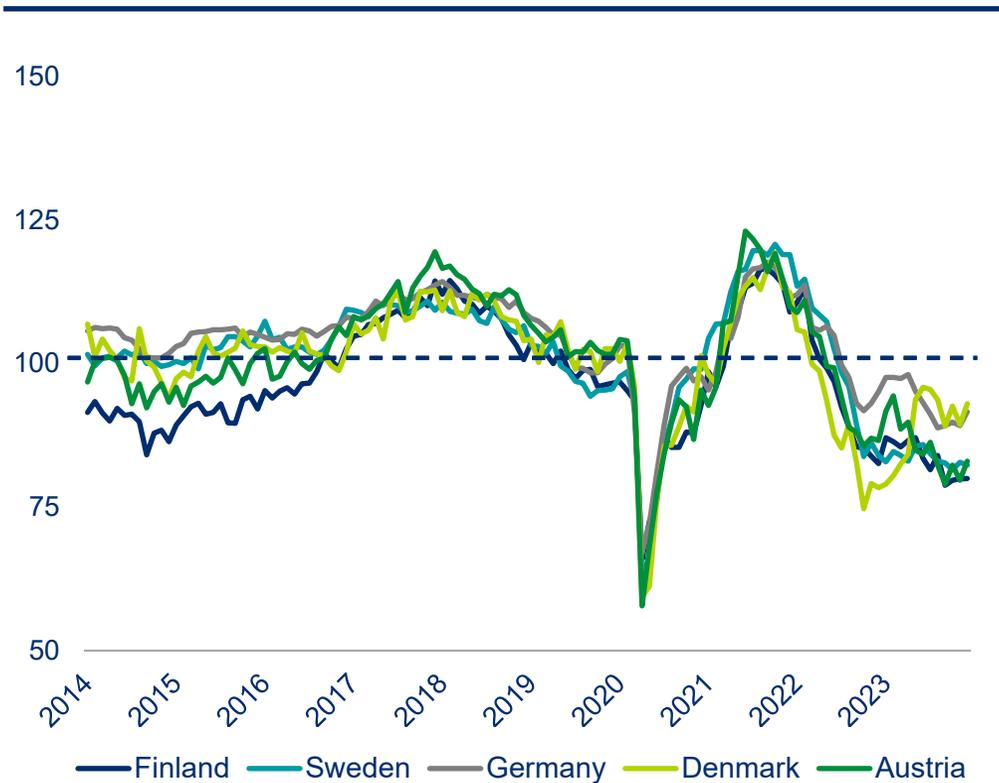
- › The increasing interest rates have as much as stalled certain segments of the building construction market. The residential construction market, however, does not have a significant role in Caverion's Projects business portfolio.
- › On the other hand, the demand in certain other businesses, such as renewable energy related projects, has been strong.
- › For Caverion's Projects business as a whole, the market demand has remained mostly stable.



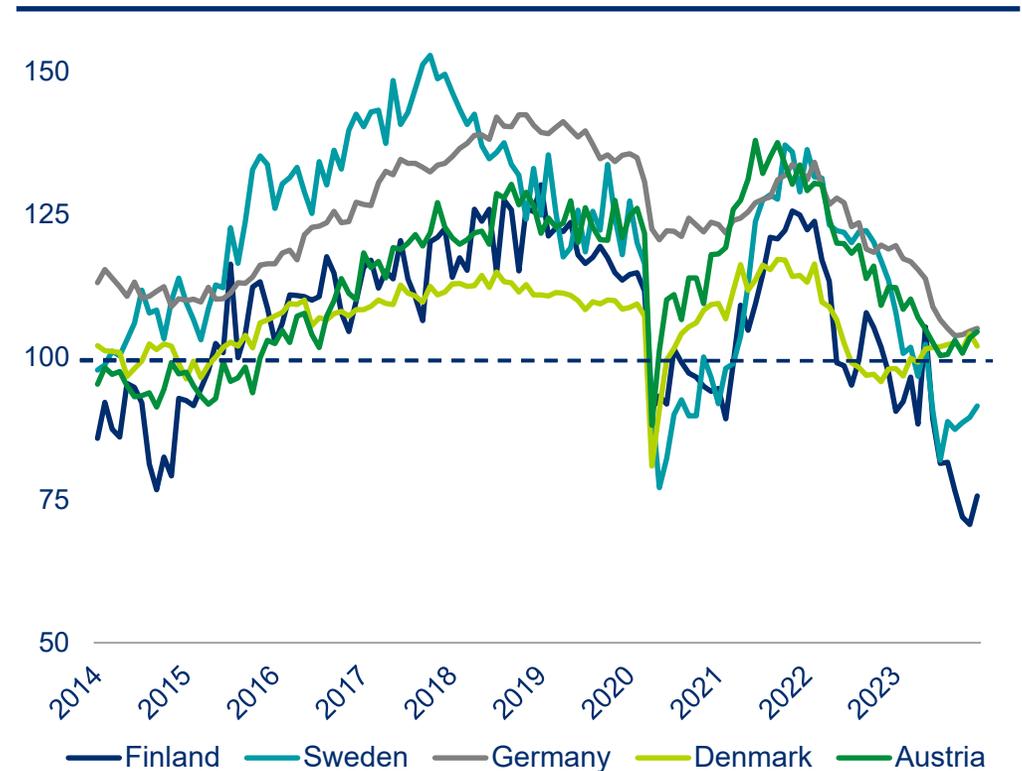
Operating environment 2023

Sentiment indicators showing signs of stabilising

ECONOMIC SENTIMENT INDICATOR (2014 – 12/2023)



CONSTRUCTION CONFIDENCE INDICATOR (2014 – 12/2023)

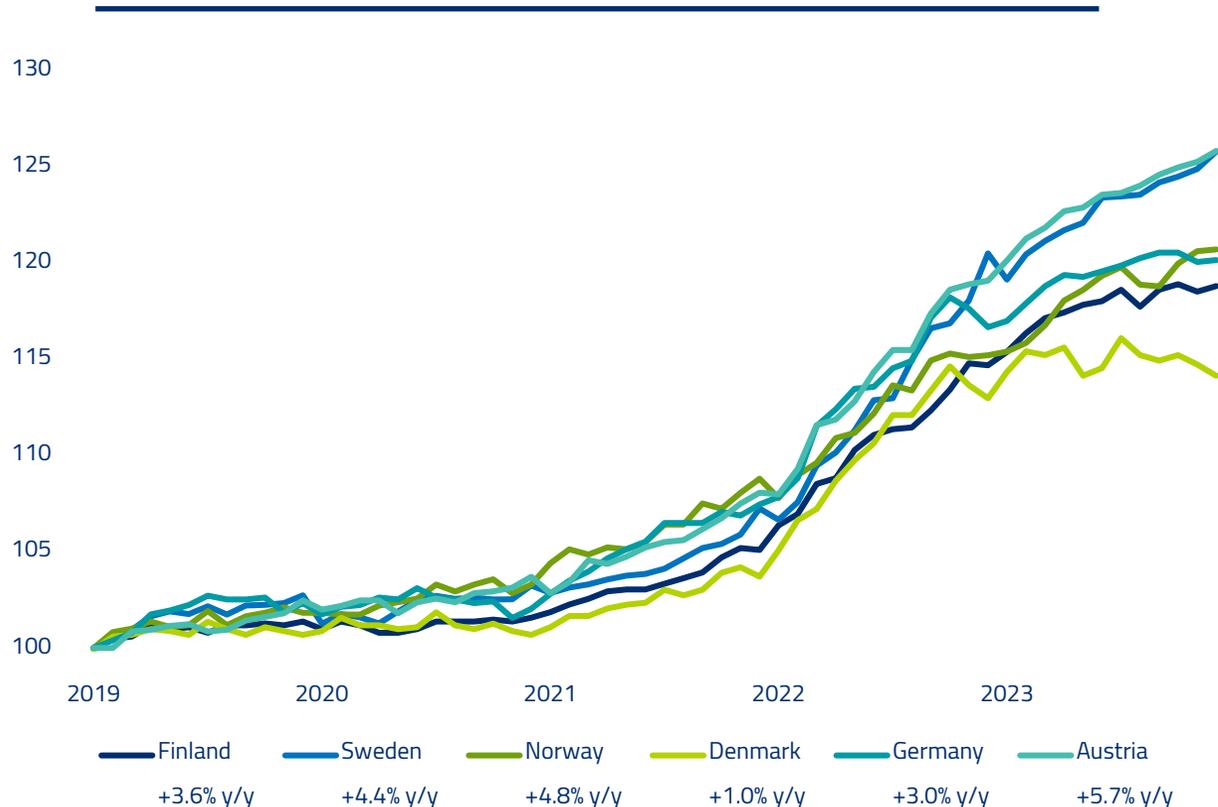


Sources: European Commission, December 2023

Operating environment 2023

Inflation has remained on an elevated level

CONSUMER PRICE INDEX (2019=100) (2019 – 12/2023)



Sources: Countries Statistical centers, December 2023

- > The cost inflation related to material prices continued to impact the building technology market.
- > Caverion has proactively taken various measures to optimise the supply chain and to manage pricing.

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Growing with our customers

Examples of new customer orders in 2023



Clean energy with CO2 technology | Oulun Energia
 Photo: Arkkitehtimisto ALA

Updating and improving the power grid for green transition | Fingrid

Maximum air purity | Rock Capital Group GmbH
 Photo: RockCapitalGroup

- > One of the world’s largest refrigeration systems using clean, non-toxic and climate neutral CO2
- > Delivery includes the energy system automation, remote management, and technical maintenance during the warranty period
- > Intelligent controls ensure minimum waste of energy

- > Renewing and building new power lines in Central Finland and modernising and expanding two substations
- > Securing electricity supply and the safe distribution of electricity
- > Building the infrastructure for green transition around the country

- > Project for newly built office campus HEADS, near Munich, Germany
- > Delivering technical installations including heating and sanitation, ventilation and cooling
- > High standards for indoor air technology and energy efficiency



#energywise



Smart & Digital solutions



Sustainability



Well-being for people



#energywise



Sustainability



Well-being for people



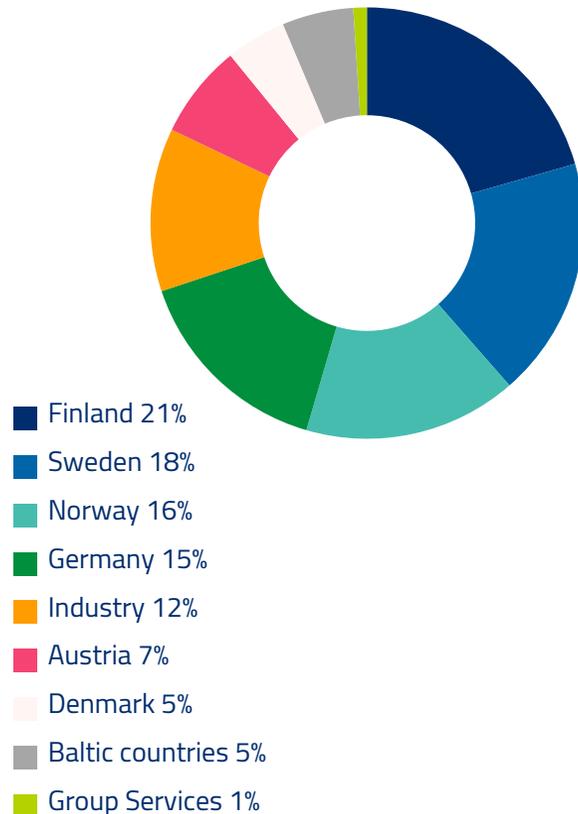
Smart & Digital solutions



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About 15,000 skilled professionals at the core of our business

Employees by division Q4/2023



Number of employees (end of period)



- > Accident frequency rate* was 4.1 (4.0) at the end of December.
- > Caverion cares for the safety, health and wellbeing of its employees and will continue to have high ambition and strong focus on improving them.

*Occupational safety is measured using a common indicator (number of accidents per one million working hours). Last 12 months.

By 2030 we will reduce 42% of our total emissions compared to 2021

We expect Science Based Targets initiative (SBTi) to validate our targets in 2024



2030
-42%

Our carbon footprint in
2021

2,057 kt CO₂

Use of sold products 77.8%

Purchased goods and
services 19.4%

Company vehicles 1.1%

Energy use in own
operations 0.4%

Others 1.3%

OUR MAIN CLIMATE ACTIONS

- > **Electrifying** service and business **vehicle fleet**
- > Guiding **route-optimisation**, economic driving and optimising the amount of service vehicles
- > **Switching to renewable electricity and renewable district heating** in premises
- > Helping customers to choose more **energy-efficient products** and to identify the **actual environmental impact**
- > Demanding **SBTi commitments from key suppliers** and preferring **sub-contractors with SBTi targets**
- > Increasing the **volume of re-used components** and reducing the **amount of purchased services**

Progress in our sustainability targets

	2021	2022	2023	2025 target
Decreasing Caverion's carbon footprint				
Total carbon footprint defined and measured (%)	80%	100%	100%	100%
Increasing Caverion's carbon handprint				
5 times carbon handprint over footprint (Scope 1-2)	>2x	>3x	>3x	>5x
All of our offering has a defined carbon handprint (%)	20%	25%	25%	100%
Caring for our employees				
Lost Time Injury Frequency Rate (LTIFR)*	4.0	4.0	4.1	<2
Share of female employees (%)	11%	11%	11%	15%
Our employees trained in sustainability (%)**	N/A	30%	97%	100%
Ensuring sustainable value chain operations				
Supplier Code of Conduct sign-off rate (%)***	66%	74%	80%	>90%
All tender requests include sustainability criteria (%)	-	-	-	100%

* LTIFR refers to the amount or number of lost time injuries per 1,000,000 hours worked.

** Number of employees (excl. temporary, inactive, etc. employees) who have conducted Sustainability eLearning.

*** Share of purchase volume of suppliers who have approved Caverion SCoC or who have a CoC/SCoC which Caverion has approved.



By 2030, our positive carbon handprint is 10x greater than our own carbon footprint

Sustainability highlights 2023



Installing Norway's first public charging station for heavy transport

Electrification of heavy transport is one of the most important Norwegian climate measures that can be introduced quickly. Norway's first public charging station for heavy transport recently opened at Oslo Harbour, the first in a future network of charging stations for heavier vehicles. Caverion did the installation work of the station, operated by Recharge.



Emission reduction targets sent for SBTi validation

In December 2023, we sent our emissions targets for official validation by the Science Based Targets initiative. In accordance with our targets, by 2030 we will reduce at least 42% of our total emissions (Scope 1, 2 and 3) compared to 2021. We expect the SBT committee to confirm our targets during 2024.



Collaborating with our ten major IT partners in climate work

Ten of our major IT partners such as Microsoft, TietoEvy and Foxway have committed to common sustainability goals. We have set six measures for our IT partners including reporting carbon footprint of the services and products delivered for Caverion, science-based emission reduction, diversity and supplier audit practices and frequency in their supply networks.

Building performance in HSEQ

Caverion Industry excelled in a client-oriented audit of HSEQ cluster in 2023, where the supplier's occupational health, safety, environmental and quality management are evaluated. We achieved 727 points out of 750 points, the average score of all companies evaluated at the same period was 383.



Energy Wisest School Competition inspired students around Finland

Finland's Energy Wisest School competition gave children and young people from primary and vocational schools new insights into the factors influencing the energy efficiency of buildings. The competition was the first of its kind, reportedly in the world. During the competition period of several weeks, pupils built energy-efficient designs of their schools in Minecraft Education, a version of the game designed for learning. The competition was organised by Caverion, Microsoft and the City of Oulu.

Our people are highly committed

We conduct an employee engagement survey for all our people every second year, through which we get important insight on employee engagement and identify development areas. Based on this year's survey, the overall engagement score reached the level of 74%.



One of the world's largest CO2 refrigeration systems

Caverion will implement a smart refrigeration system, including cooling and heat production, for a new energy centre being built in Finland by Oulun Energia. After completion, the energy centre will produce clean cooling energy for Nokia's new campus in Oulu and heating energy for the district heating network of Oulun Energia. The system is based on cooling and heating production in the same process, where intelligent controls ensure minimum waste of energy.



2. Financial performance

Revenue

Revenue in Q4/2023 slightly behind last year due to negative currency impact

Group revenue, EUR million



- > Q4/23 revenue: EUR 670.0 (682.9) million, down by -1.9% (+1.0% in locals)
- > 1-12/23 revenue: EUR 2,490.9 (2,352.1) million, up by +5.9% (+9.6% in locals)
- > 1-12/23 currency devaluation in Sweden and Norway impacted reported revenue by -3.7%, equalling EUR 87 million.
- > 1-12/23 organic growth: +5.6%

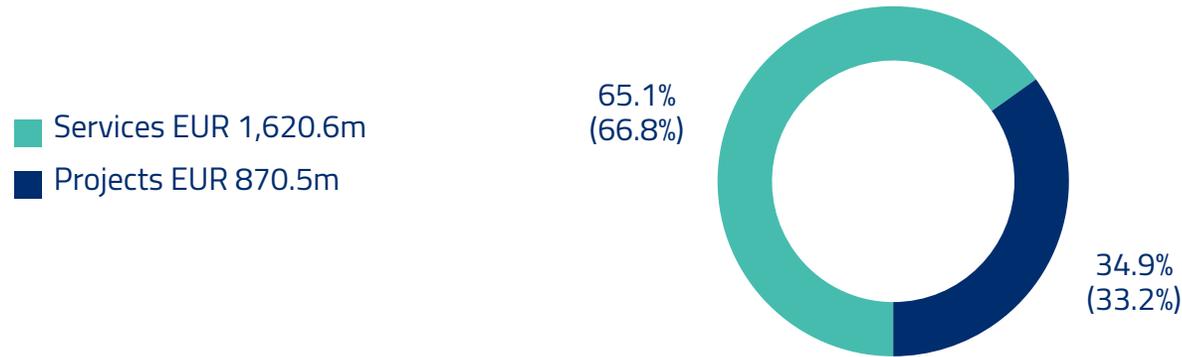
Revenue development in 1-12/2023, EUR million, %



Revenue

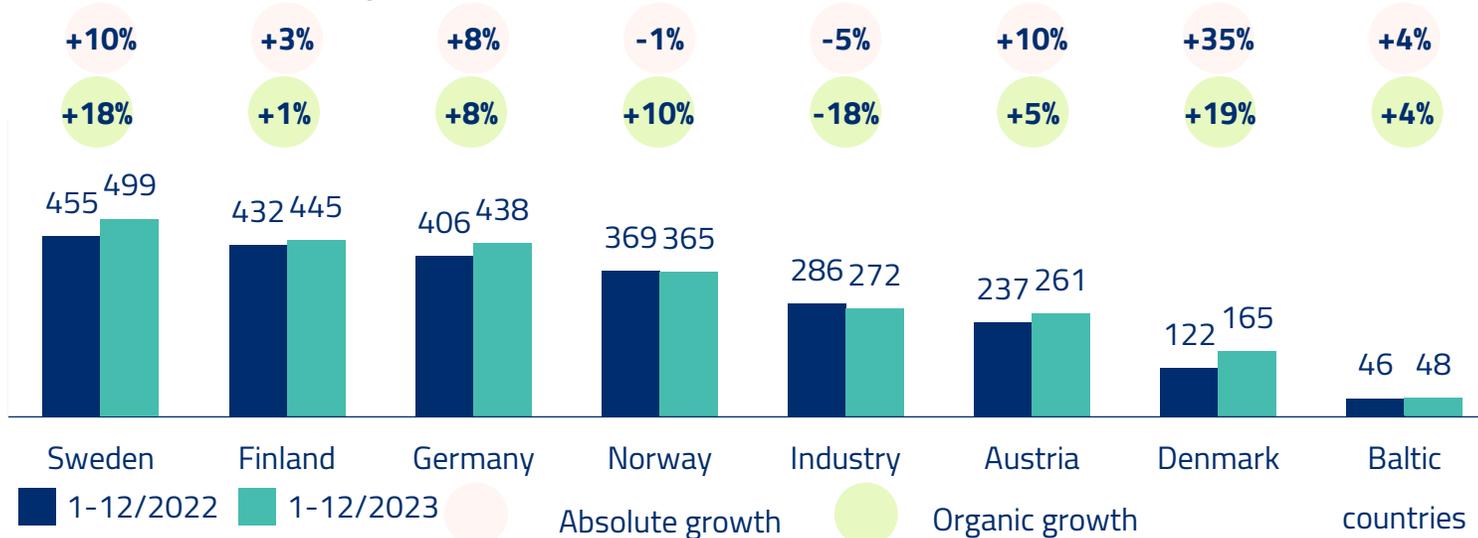
Growth in both Services and Projects in 1-12/2023

Revenue breakdown by business unit in 2023, EUR million



- > Business unit revenues 1-12/23:
 - > Services +3.2% (+7.3% locals; +4.4% organic)
 - > Projects +11.3% (+14.2% locals; +7.9% organic)

Revenue breakdown by division in 2023, EUR million

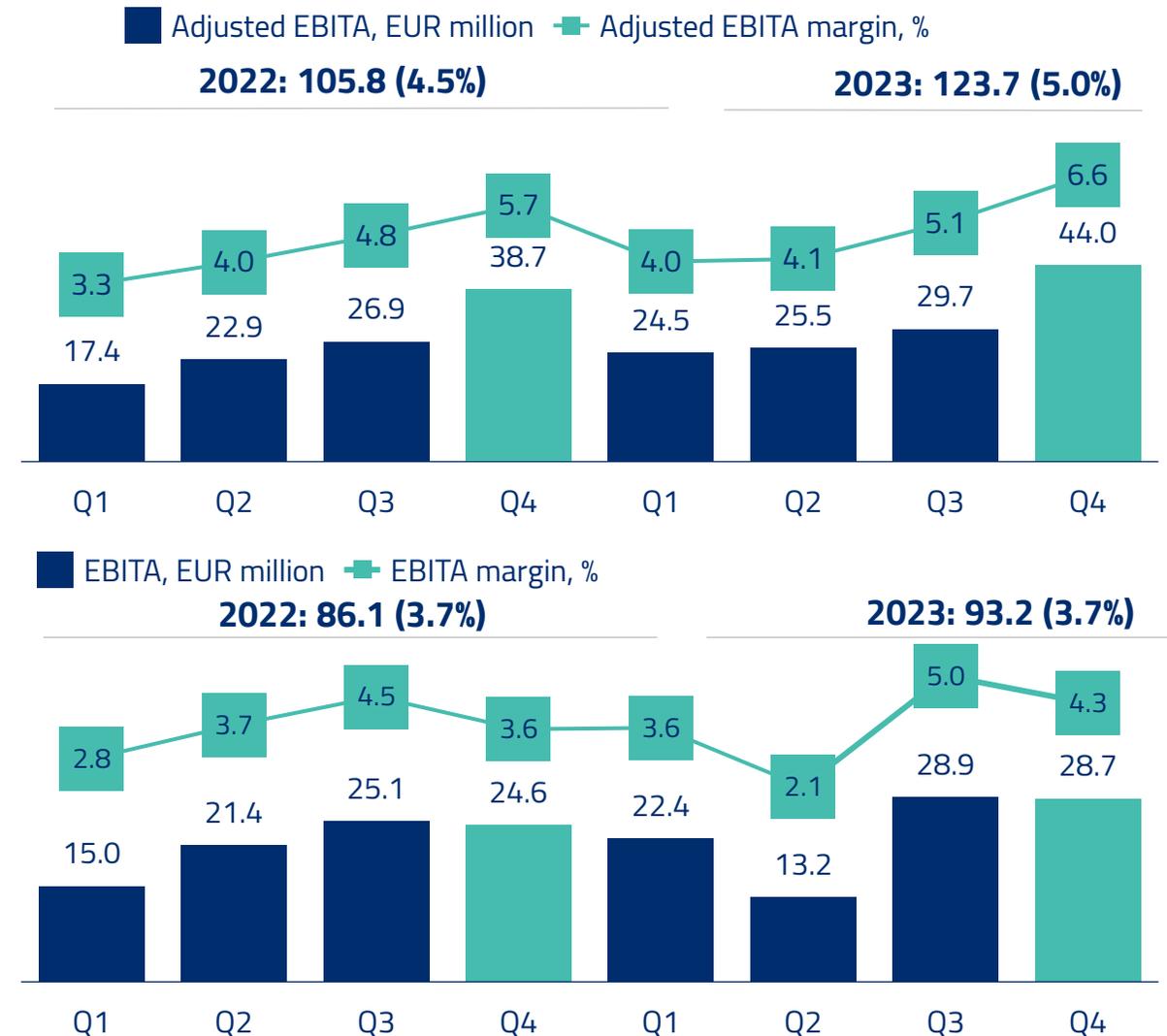


- > Growth in local currencies in Sweden, Finland, Germany, Norway, Austria and Denmark in 1-12/23.
- > Organic growth was strong especially in Divisions Denmark and Sweden in 1-12/23.

Profitability

The devaluation of SEK and NOK had a negative impact on adjusted EBITA

- > Q4/2023: Adjusted EBITA improved by 13.8% to EUR 44.0 (38.7) million, adjusted EBITA margin 6.6% (5.7%)
- > Q4/2023 EBITA: EUR 28.7 (24.6) million, up by 16.6%
- > 1-12/2023 Adjusted EBITA: EUR 123.7 (105.8) million, up by 16.9%, adjusted EBITA margin 5.0% (4.5%)
- > 1-12/2023 EBITA: EUR 93.2 (86.1) million, up by 8.2%, EBITA margin 3.7% (3.7%)
- > EBITA was negatively impacted by the cost reimbursement of EUR 10.0 million to the Bain Consortium booked in Q2/2023 and other transaction costs related to the public tender offers totalling EUR 10.2 million

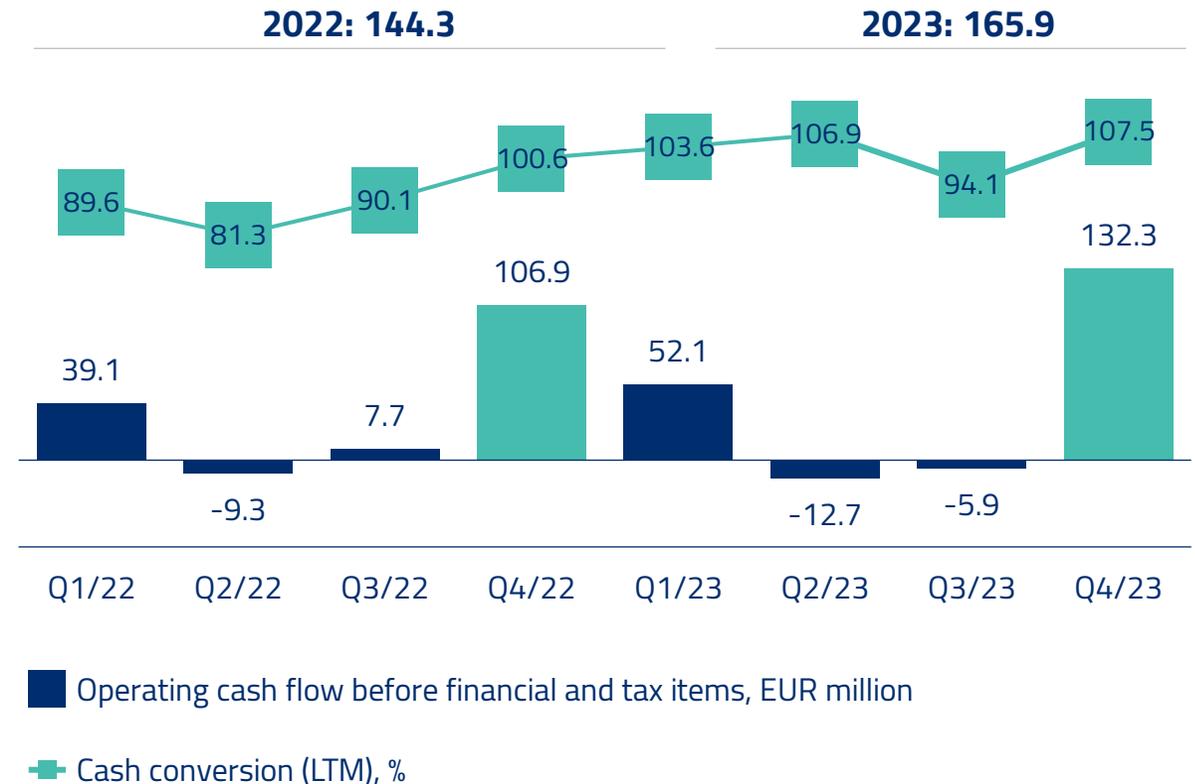


Cash flow

Strong operating cash flow in 1-12/2023

- > Operating cash flow before financial and tax items increased to EUR 165.9 (144.3) million in 1-12/2023.
 - > Cash conversion (LTM) 107.5% (100.6%)
 - > Change in working capital of EUR 14.0m (9.4m)
- > Free cash flow 1-12/2023: EUR 111.6 (32.9) million
 - > Cash flow impact of acquisitions of EUR -29.7m (-85.3m)
- > Capex 1-12/2023: EUR 43.1 (112.8) million, representing 1.7% (4.8%) of revenue
 - > Acquisitions EUR 31.4m (98.8m)
 - > IT investments EUR 5.3m (8.5m)
 - > Other investments EUR 6.4m (5.5m)

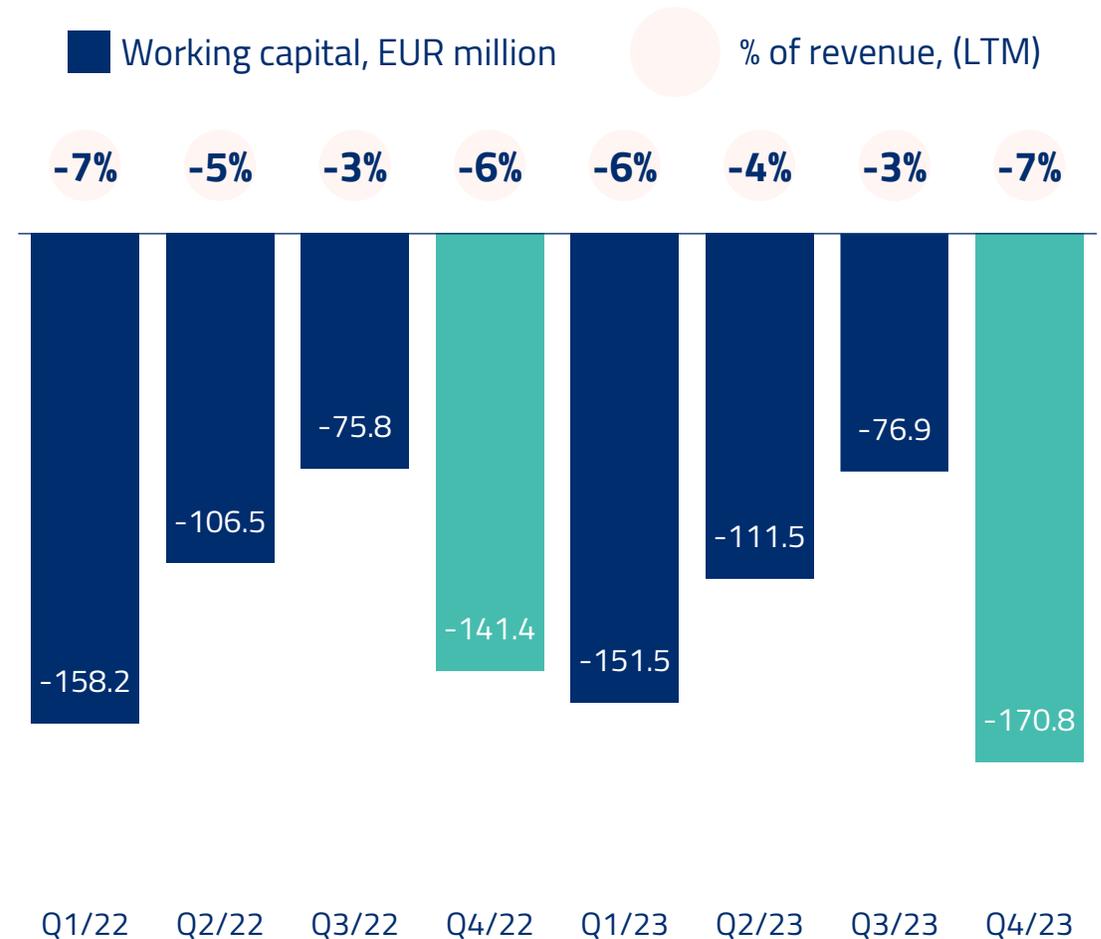
Operating cash flow before financial and tax items, EUR million



Working capital

Working capital was at a level of -6.9% of revenue (LTM)

- > The Group's working capital increased to EUR -170.8 (-141.4) million at the end of December.
- > Trade and POC receivables decreased to EUR 606.1 (611.2) million and other current receivables decreased to EUR 30.2 (31.6) million. Inventories decreased to EUR 19.4 (22.3) million.
- > Advances received decreased to EUR 273.2 (286.2) million. Other current liabilities increased to EUR 322.7 (293.3) million and trade and POC payables increased to EUR 230.7 (227.1) million.

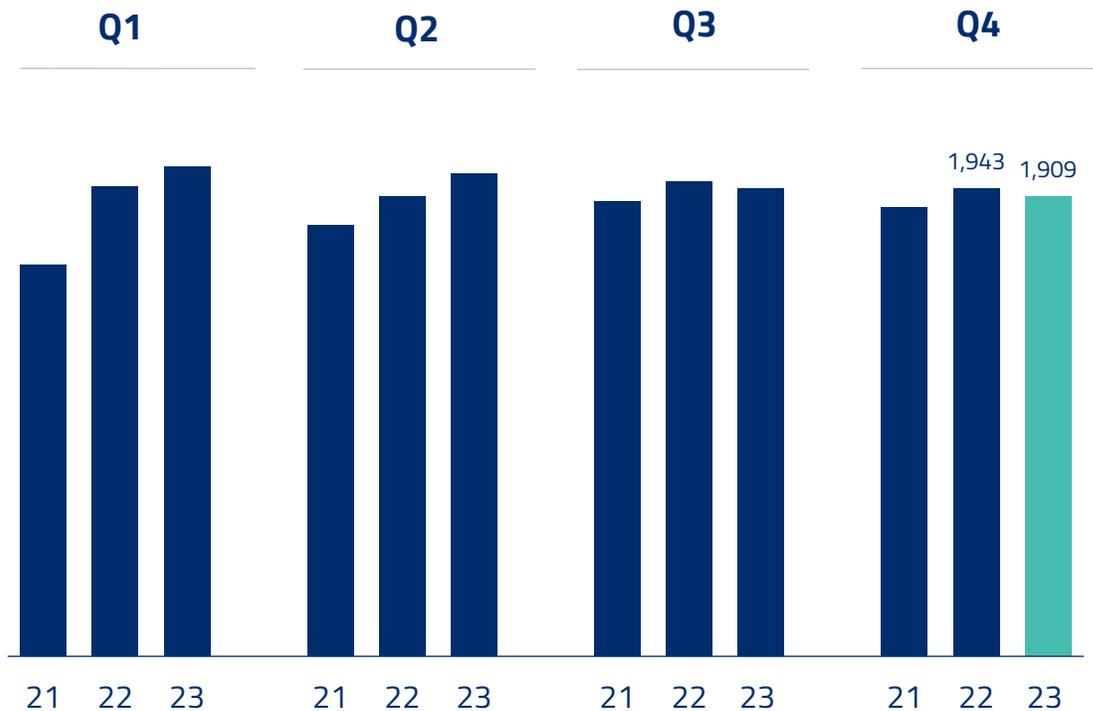


Order backlog

Stable order backlog

- > Order backlog decreased by 1.8% year-on-year to EUR 1,908.7 (1,943.3) million at the end of December.
- > At comparable exchange rates, order backlog was EUR 1,920.0 million.
- > Order backlog increased by 0.1% in Services and decreased by 4.3% in Projects from the end of December 2022.

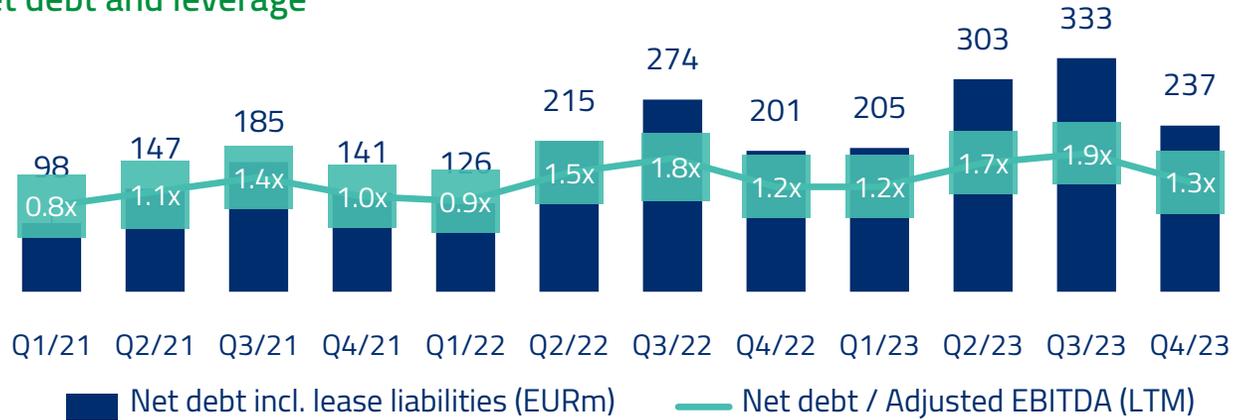
Order backlog, EUR million



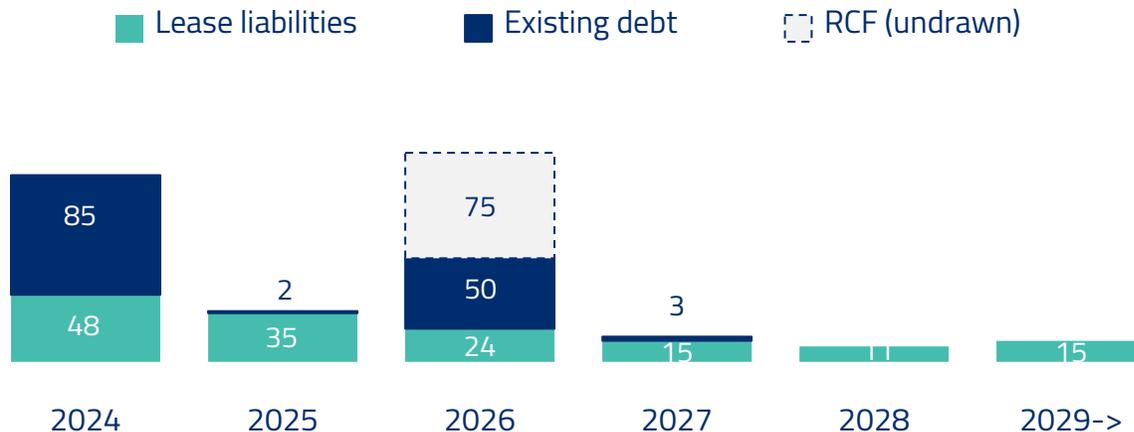
Leverage

Net debt impacted by the change of control on 31 October 2023

Net debt and leverage



Debt maturity structure on 31 December 2023, EUR million



- > Interest-bearing net debt incl. lease liabilities at the end of December: EUR 236.8m (200.9m), excl. lease liabilities: EUR 90.4m (63.4m)
- > Caverion has on 31 October 2023 become an additional borrower in Senior Facilities Agreement executed between Crayfish Bidco Oy and a group of banks. The new facility consists of term loan facility of EUR 410 million, revolving credit facility of EUR 75 million and committed guarantee facility of EUR 65 million.
- > 3-year term loan facility has been allocated partly to purchase Caverion shares and partly to refinance the existing debt outstanding on 31 October 2023
- > Caverion refinanced its EUR 50 million term loan from the new long term loan facility and cancelled the unutilized EUR 100 million revolving credit facility with initial termination date on 15 January 2025
- > The change of control event on 31 October 2023 enabled the noteholders of EUR 75 million senior unsecured bond due 25 February 2027 to submit valid repurchase instructions for EUR 72.1 million in principal amount of the notes, which Caverion repurchased on 29 January 2024



3. Status of the public tender offer



Public tender offer by Triton/ Grayfish BidCo Oy was completed in November 2023

New Board of Directors
elected by the EGM in
November 2023

Triton's shareholding at the
end of December 2023
approximately 94%
(including treasury shares)

Redemption proceedings for
the remaining minority
shares initiated



At Caverion we continue to focus on serving our customers as before

Together with our management, Triton intends to continue to develop Caverion in the positive direction we are already on



Building Performance