

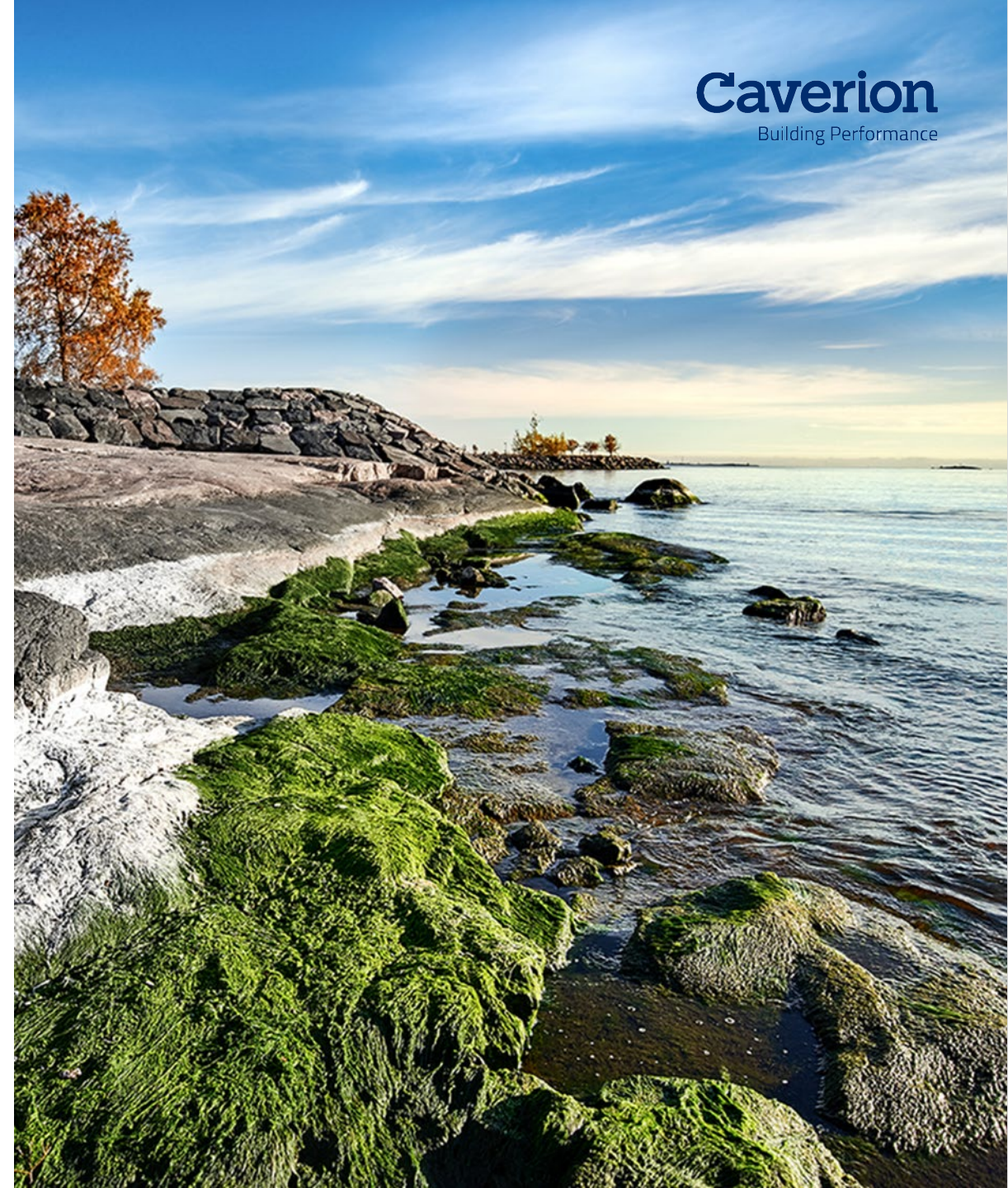
## Investor Presentation

September 2021



# Agenda

- 1. Business and strategy overview**
- 2. Sustainability targets and offering**
- 3. Reaching updated financial targets through strategy execution**
- 4. Group development**
- 5. Guidance and dividend**





## 1. Business and strategy overview



# Caverion at a glance

We enable performance and people's wellbeing in smart and sustainable built environments



**>30,000**  
properties under  
our service



**>10,000**  
properties digitally  
monitored

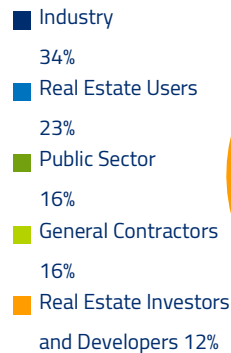
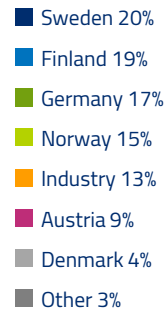


**15,000**  
employees

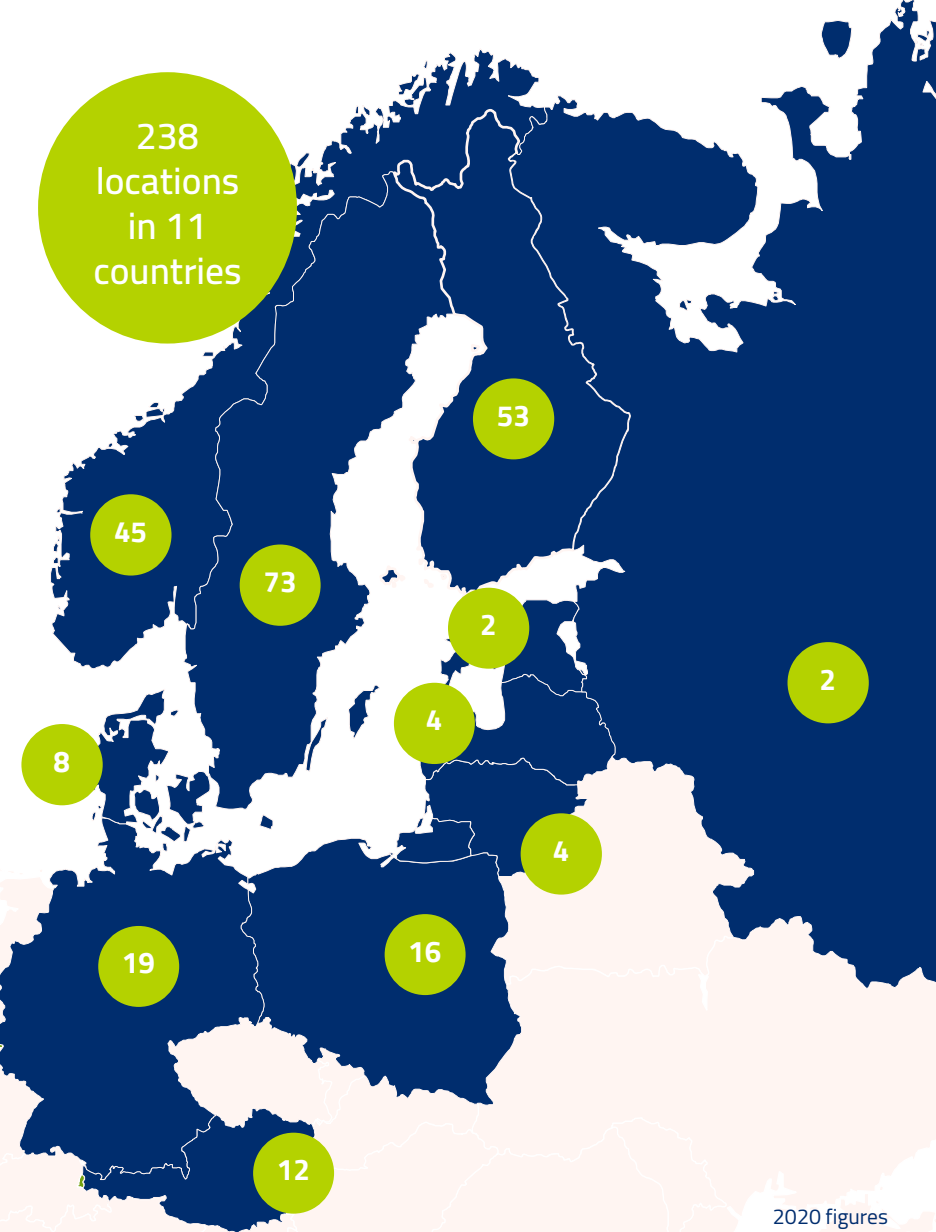
Work safety  
(LTIFR) 4.2

Listed on Nasdaq  
Helsinki

Head office in  
Finland



238  
locations  
in 11  
countries





# Fit for Growth strategy



## PURPOSE

We enable performance and people's wellbeing in smart and sustainable built environments

## VISION

First choice in digitalising environments

## MUST-WINS



Excellent customer experience



Sustainable solutions



Top performance at every level



Winning team

## FOUNDATION

Building Performance culture and values  
Safety | Quality

## KEY THEMES

Digitalisation and sustainability



# Focus on profitable growth and constant productivity improvement while increasing interaction with customers

## Good progress in strategy

- The critical phase of turnaround is behind us.
- We are on a good track to deliver increasing profits and strong cash flow going forward.
- We have continued to invest in organic growth, e.g. in our digital platform, remote center capabilities, sustainability offering, sales, brand – as well as M&A.
- We have started to see an increased interest towards those parts of our lifecycle offering that help customers make their operations more sustainable.

## Focus will remain on efficiency improvement

- Significant potential still in pricing, productivity and procurement
- Data enabled efficiency
- Transforming our operating model



### Sources of future growth for Caverion





# Caverion's Building Performance offering gaining ground

By making built environments smart and sustainable, we enable performance and people's well-being

Efficiency business (~**3/4** of revenue)

Solution business (~**1/4** of revenue)

## Build

- Design & Build
- Technical installation

+

## Maintain

- Technical maintenance
- Small service projects

++

## Partner

- Performance agreements
- Facility management
- Outsourcing
- Life-cycle solutions

+++

## Smart

- Advisory services
- Digital solutions
- Smart technologies
- Energy efficiency

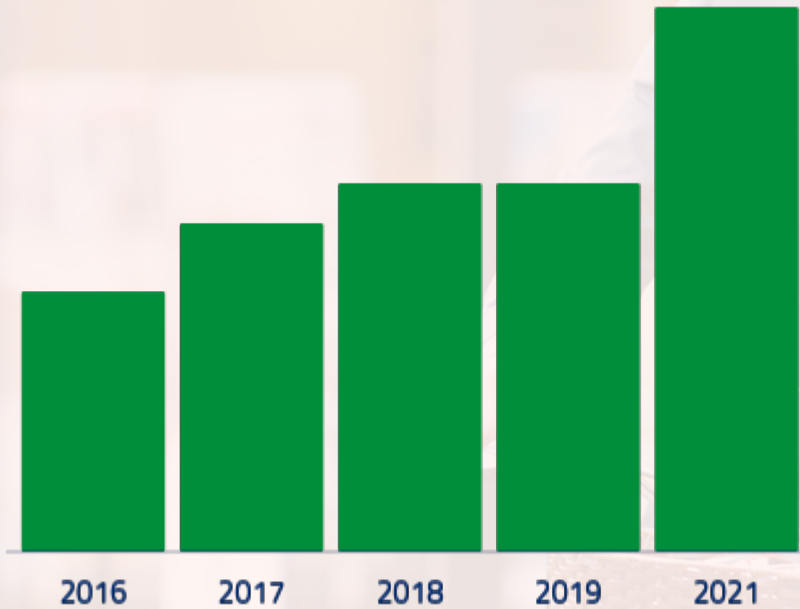
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Meeting increasing regulatory requirements from governments

+ = Our estimate of market growth



NPS



- › Extremely strong progress in customer satisfaction in 2021
  - › NPS improved in all divisions
  - › Best response rate ever
- › Very good scores in overall satisfaction
  - › Customers value particularly Caverion's service attitude, business understanding, competence and safety





## 2. Sustainability targets and offering



Corona

Economic  
downturn

Climate  
Change



# Major need for building renovation in Europe – Major opportunity for Caverion

EU target net 55% emission reduction by 2030, major renovation/energy efficiency investment wave expected

**36%**

of the energy-related emissions (GHG) come from buildings in the EU

**75%**

of buildings in the EU are energy-inefficient

**40%**

of EU's final energy is consumed in buildings

**60%**

EU target to reduce building GHG emissions by 2030





# Sustainability trend is growing stronger – Caverion well positioned to capture the opportunities

## EU's "Fit for 55" climate package

- › A set of proposals to make EU's climate, energy, transport and taxation policies fit for **reducing net greenhouse gas emissions** by **at least 55% by 2030**, compared to 1990 levels
- › Major opportunities for Caverion:
  - › Increasing energy efficiency of buildings
  - › Electrification of transport infrastructure
  - › Use of renewable energy technologies
  - › Green industrial transition towards clean technologies



Sustainability trend is growing stronger – Caverion well positioned to capture the opportunities

## EU's "Renovation Wave" strategy

- EU strategy with an objective to **at least double** the annual **energy renovation rate** of residential and non-residential buildings in the EU **by 2030**
  - Expected to result in **35 million building units** renovated by 2030
- The increased rate and depth of renovation will have to be maintained also post-2030 in order to reach EU-wide climate neutrality by 2050.





# By 2030...

Our positive GHG handprint is **10x** greater than our own GHG footprint\*

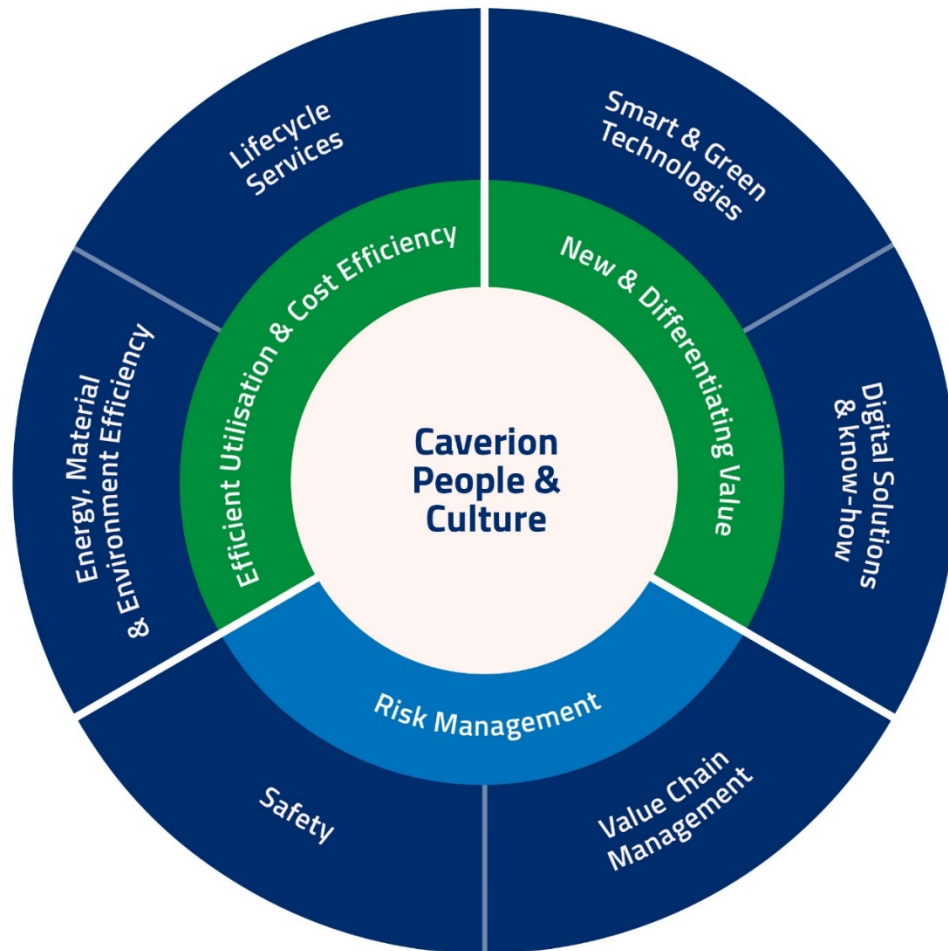
\*Scope 1-2





# Caverion's sustainability focus areas and targets

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



## Focus areas

2020  
level

2025  
level

### Our business makes sustainable impact

Our GHG footprint is defined and measured	66%	100%
Our offering has a defined GHG handprint	-	100%
GHG handprint / footprint (Scope 1-2)	>1x	5x

E

### We care for our employees

Accident frequency rate: LTIFR	4.2	<2
Share of female employees %	11%	15%

S

### We ensure efficient and high-quality implementation of sustainability

Supplier Code of Conduct sign-off rate (%)	63%	>90%
% of employees trained in sustainability	50%	100%
% of tenders that include sustainability criteria	0%	100%

G



# Caverion's solutions along the lifecycle create clear sustainable impact

## EU's and national stimulus packages expected to be directed to green growth and digitalisation

### Direct sustainability impact through:

- > **Lifecycle engagement** via outcome-based contracts, EPC etc
- > **Solution projects with smart tech**, e.g. refrigeration, security, automation; upgrades and modernisations
- > **Advisory services**, e.g. Smart readiness indicator, energy advice, sourcing of subsidies
- > **Digital services**, e.g. remote center, analytics (SmartView)
- > **Financing solutions**, e.g. PPP, XaaS and leasing solutions

### Digital, data-driven, analytics focused integrated solutions



### Traditional project & service business and technical discipline expertise

### Stimulus packages and legislation

are in all our countries supporting sustainable investments. Caverion expects stimulus packages to increase demand also in Caverion's areas of operation as of H2/2021.

#### Examples:

- > EU EUR 750bn recovery fund stimulus package
- > EPBD directive
- > EU F-gas regulation
- > EU taxonomy



# We are committing to science based environmental targets and other initiatives

## Current development

- Committing to science based environmental targets
- Aligning with EU taxonomy and considering TCFD recommendations
- Considering KPI's with SASB recommendations for our sector



## Annual reporting

- Complied in the sustainability report



- EU non-financial reporting



- Signatory of the UN Global Compact and UN SDG's in 2020



- Nasdaq ESG Transparency partner



## Latest ratings (score)

- ESG Risk rating: Low risk (7/2021)



- A (12/2020)



- C (NP)



- D (2020)





# UN Global Compact – for reaching a better world

- › In 2021, Caverion joined UN Global Compact – the world's largest corporate sustainability initiative.
- › We are committed to aligning our operations and strategies with 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption.



**Caverion**  
Building Performance

**SUSTAINABLE  
DEVELOPMENT  
GOALS**

Caverion supports the Sustainable Development Goals





3. Reaching updated  
financial targets  
through strategy  
execution



# Financial targets and results so far

## Cash conversion (LTM)

**> 100%**

2020: 158.5%  
H1/2021: 80.3%

## Profitability (Adjusted EBITA-%)

**> 5.5%**

2020: 2.8%  
H1/2021: 3.4%

## Leverage (Net debt/EBITDA)

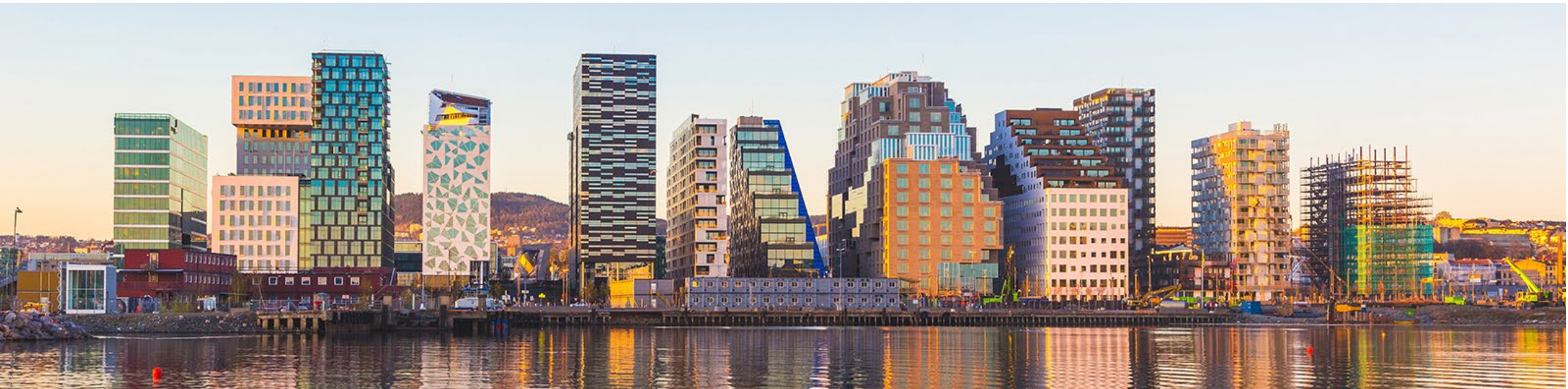
**< 2.5x**

2020: -0.2x  
H1/2021: 0.4x

## Growth Organic growth

**> 4% p.a.**

2020: Services growth 8.7%  
in local currencies, share of  
Services 63.3%  
(H1/2021: 65.1%)





# Summary of Caverion's strategic Must-Wins



**Excellent Customer Experience**



**Sustainable Solutions**



**Top Performance at Every Level**



**Winning Team**

## Strategy execution

- > Professional sales management
- > Service culture
- > Drive increased customer loyalty
- > Roll out sustainable solutions and digital services
- > Boost profitable growth in smart technologies & FM
- > Roll out Caverion brand story and new offering
- > Drive selectivity and productivity strategy in Projects
- > Service performance management
- > Project performance management
- > Transformation in procurement
- > Fixed cost performance management
- > M&A excellence
- > Building Performance culture
- > Right people in right places
- > Professional growth



# Focus on profitable growth while increasing interaction with customers

## Good progress in strategy

- The critical phase of turnaround is behind us.
- We are on a good track to deliver improving performance going forward.
- During Covid-19 period, we continued to invest in organic growth capabilities, e.g. in our digital platform, remote center capabilities, sustainability offering, sales, brand – as well as M&A.
- Caverion's purpose built around sustainability. We see an increased interest towards those parts of our lifecycle offering that help customers make their operations more sustainable.

## Focus remains also on efficiency improvement

- Significant potential still in pricing, productivity and procurement
- Data enabled efficiency
- Further transforming our operating model



### Sources of future growth for Caverion

Advisory &  
Outcome based  
Solutions

Digital  
Solutions

Smart  
Technologies

Long-term customer partnerships



# We continue on the acquisition track

Acquisitions of GTS Immobilien GmbH, Austria and RPH Linc AB, Sweden closed in 7/2021

## GTS Immobilien GmbH

Bolt-on acquisition in the area of **building automation**, a smart technology area in which Caverion has a deep competence.



Germany

Austria

## RPH Linc AB

A system integrator in the area of **electrical security** focusing on **high-end security solutions** for enterprise and multisite customers and the public sector.



Stockholm,  
Sweden



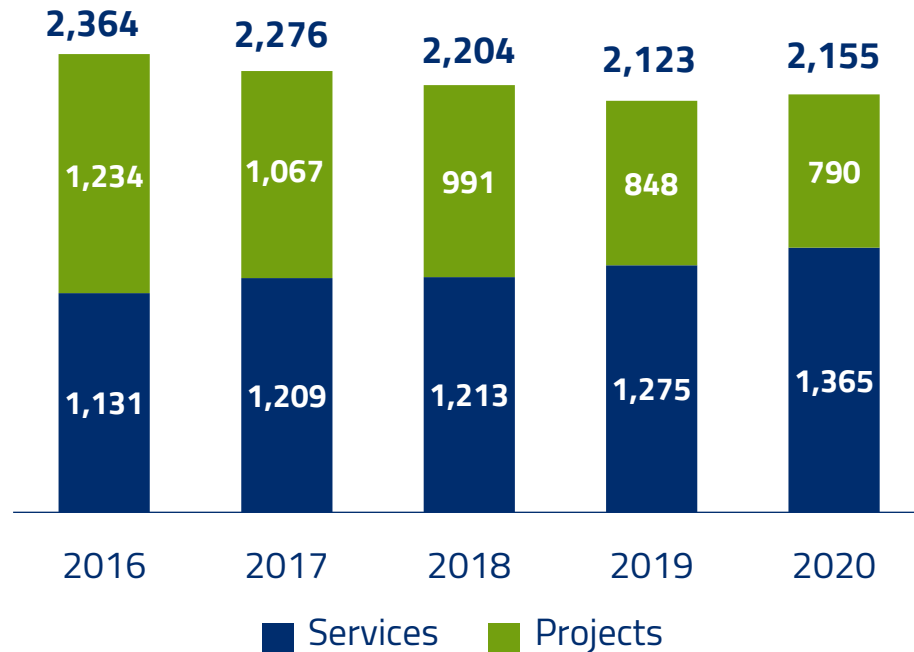


# Fit for Growth journey 2016-2020

Shift in business mix and turnaround in profitability progressing

## Group revenue

EUR million



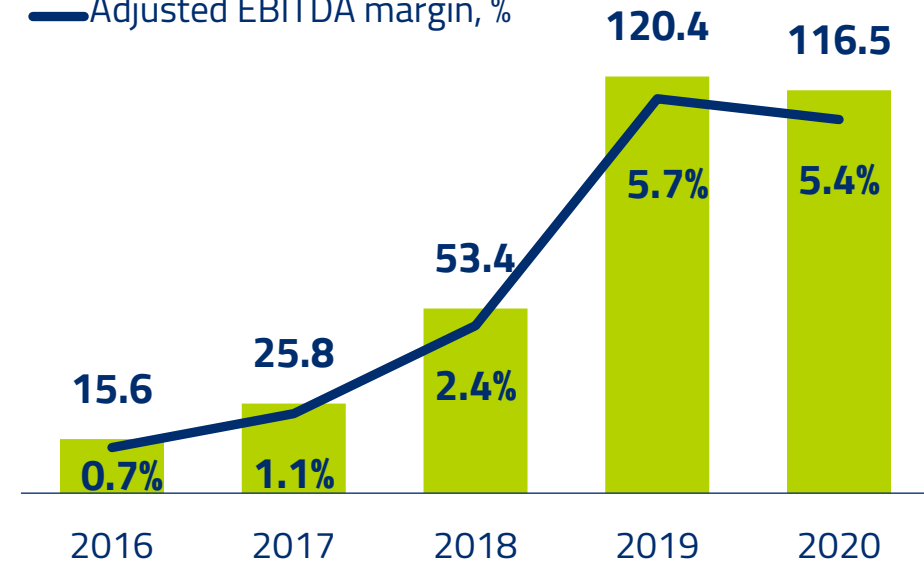
## Services share:\*

47.8% 53.1% 55.0% 60.0% 63.3%

\* Change in reporting of business unit revenue in 2018

■ Adjusted EBITDA, EUR million

— Adjusted EBITDA margin, %



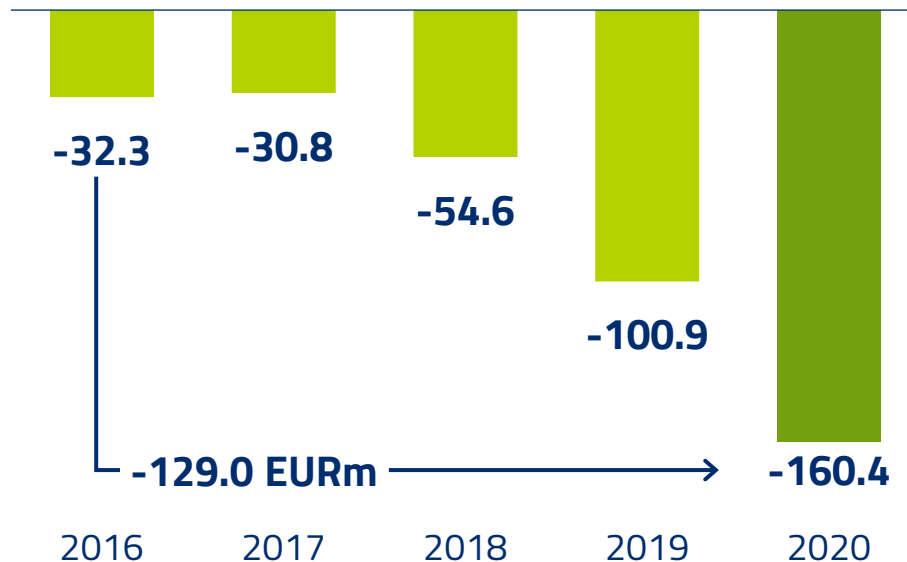
Note! 2016: EBITDA excl. restructuring costs; 2017-2020: Adjusted EBITDA. The same figures have been used for the presentation of the respective margins. Comparative figures for 2018 (or prior periods) have not been restated according to IFRS 16.



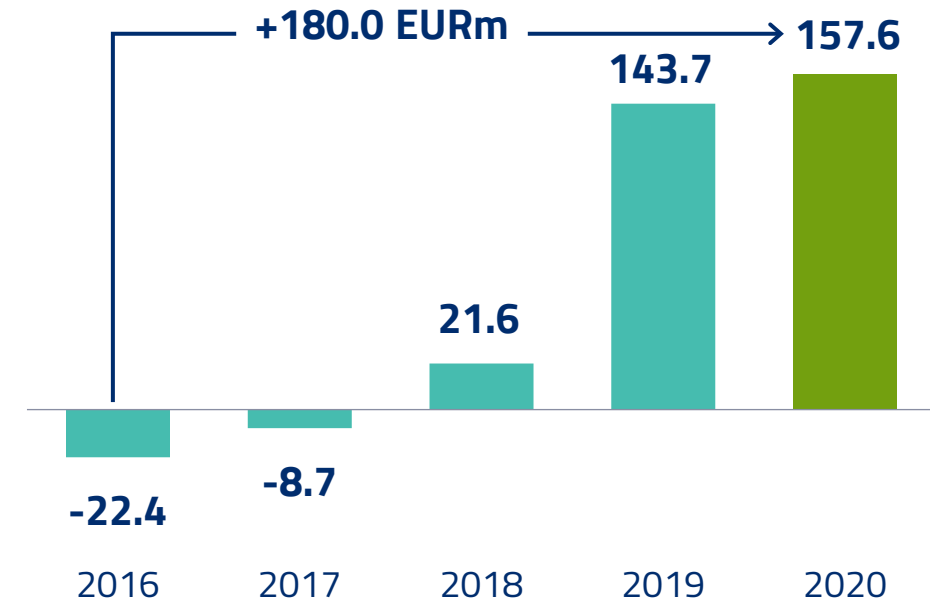
# Fit for Growth journey: Cash flow back to target level

Substantial cash release from working capital. FY 2020 cash conversion 158.5%

Working capital  
EUR million



Operating cash flow before financial and tax items  
EUR million



## 4. Group development

Significant profitability  
improvement in Q2



# Operating environment H1/2021

In Q2, the effects of the pandemic gradually started to ease off and the operating environment generally improved, as evidenced by strong growth in Services (10.1% revenue growth and 8.0% organic growth)

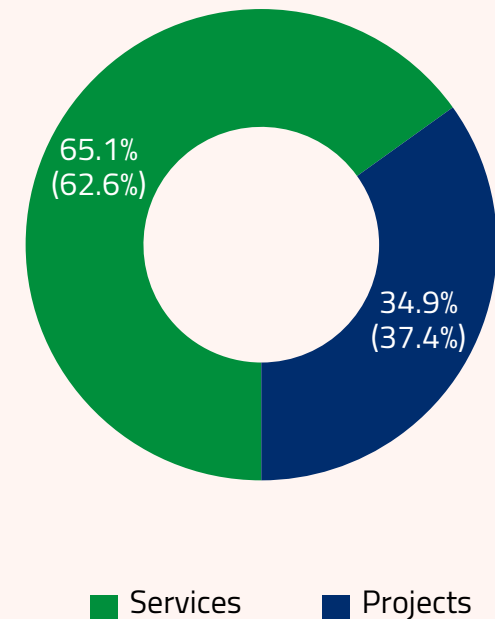
## Services (65.1% of Group revenue)

- > Caverion experienced increased investment activity among several customer segments as of the second quarter.
- > As an example, certain annual industrial shutdowns in Finland postponed from last year took place in the second quarter of 2021.

## Projects (34.9% of Group revenue)

- > The market demand still continued on a lower level, although there were clear signs of market stabilisation towards the end of the second quarter.
- > During H1/2021, the market was impacted by increases in material prices.
- > Stimulus packages did not yet have a clear impact on general demand in H1/2021.

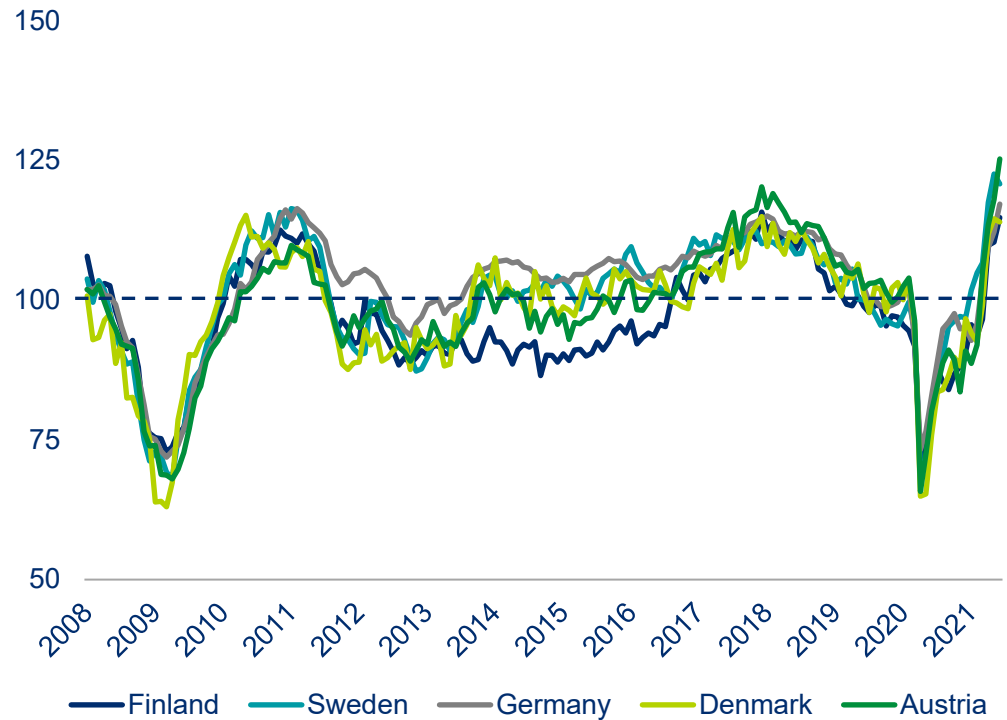
**Revenue breakdown**  
H1/2021 (H1/2020)



# Uplift in sentiment indicators in Q2/2021

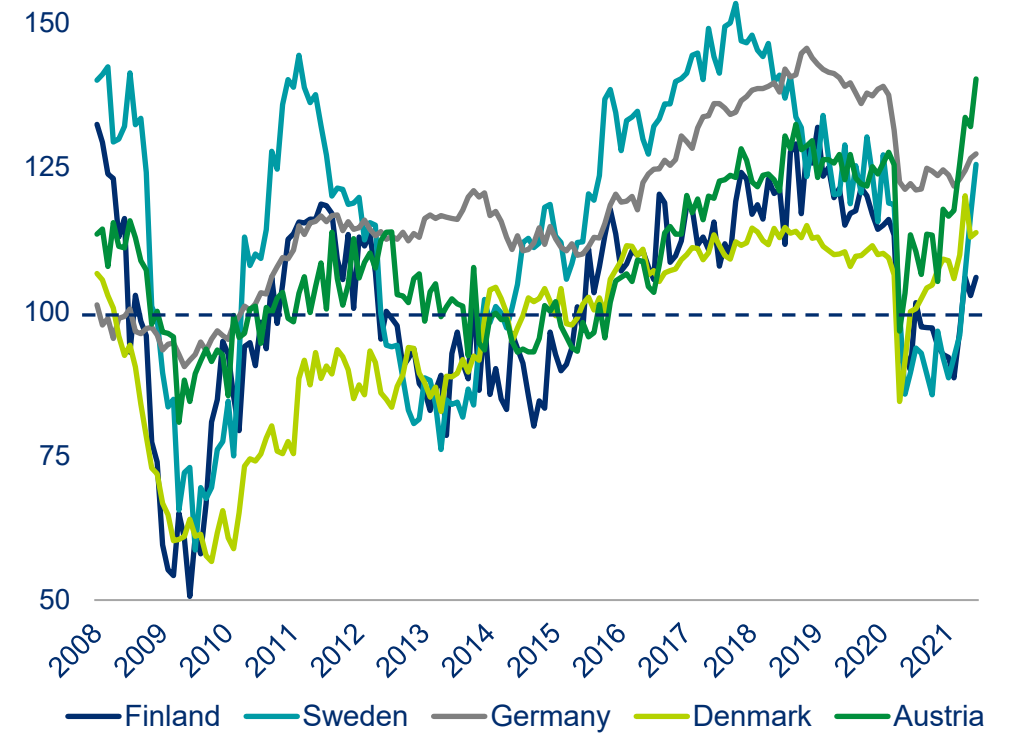
Economic sentiment indicators have rebounded from the deepest Covid-19 effects

**ECONOMIC SENTIMENT INDICATOR**  
(2008 – 06/2021)



Sources: European Commission, June 2021

**CONSTRUCTION CONFIDENCE INDICATOR**  
(2008 – 06/2021)



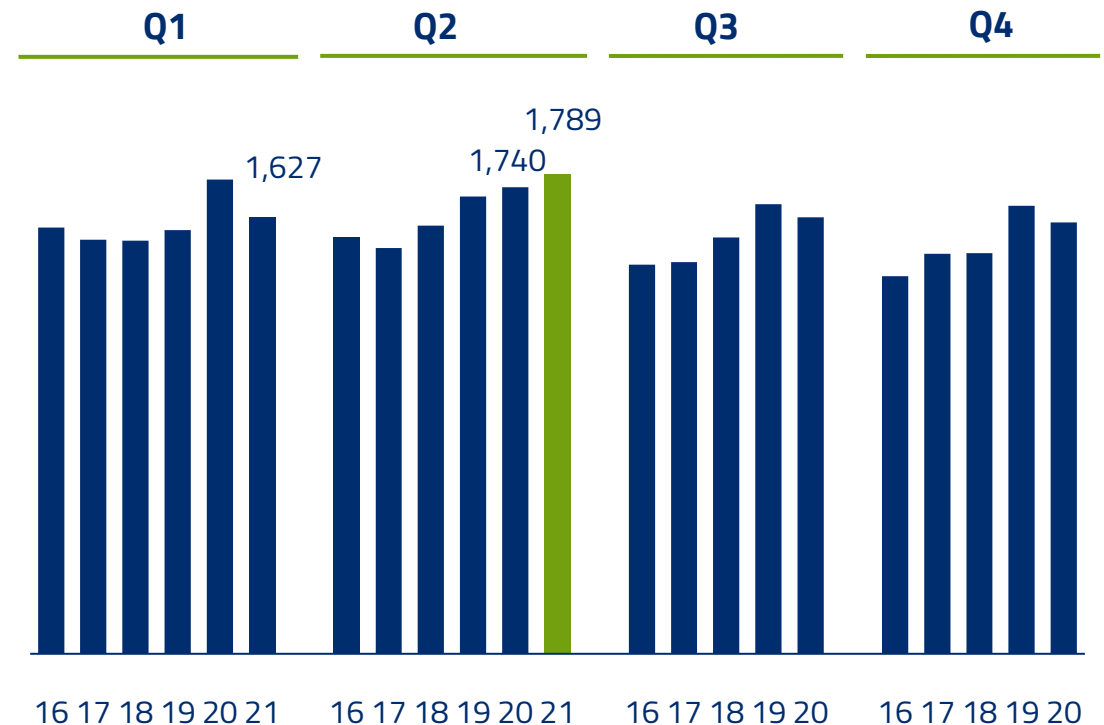


# Order backlog development

Order backlog increased by 2.8% year-on-year and by 10.0% from Q1/2021, driven by Services growth

- > Order backlog increased by 10.0% to EUR 1,789.0 million from the end of the previous quarter (EUR 1,626.7 million).
  - > All-time high level
- > Order backlog increased by 2.8% year-on-year to EUR 1,789.0 (1,739.7) million at the end of June.
  - > At comparable exchange rates the order backlog increased by 1.7% year-on-year.
  - > Order backlog increased by 10.7% in Services year-on-year, while it decreased by 6.1% in Projects.

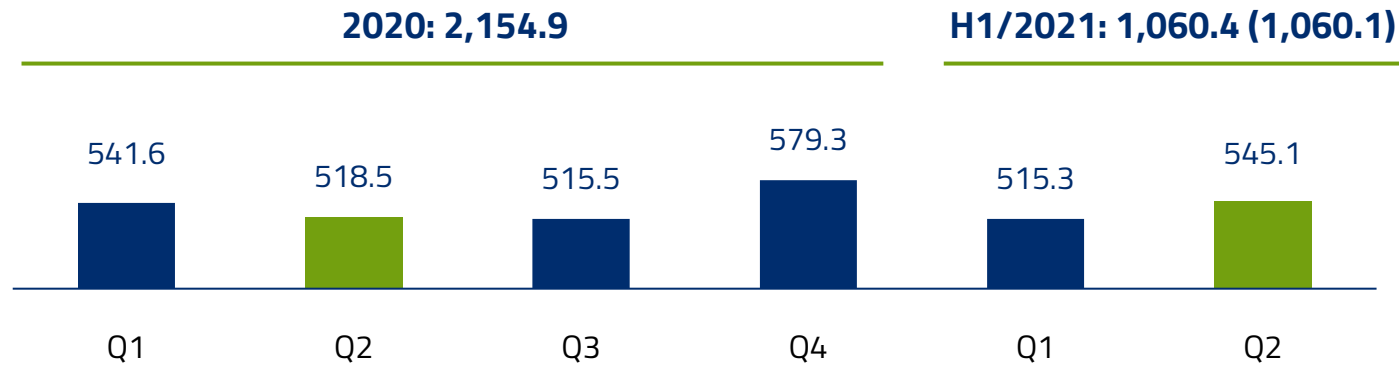
Order backlog, EUR million



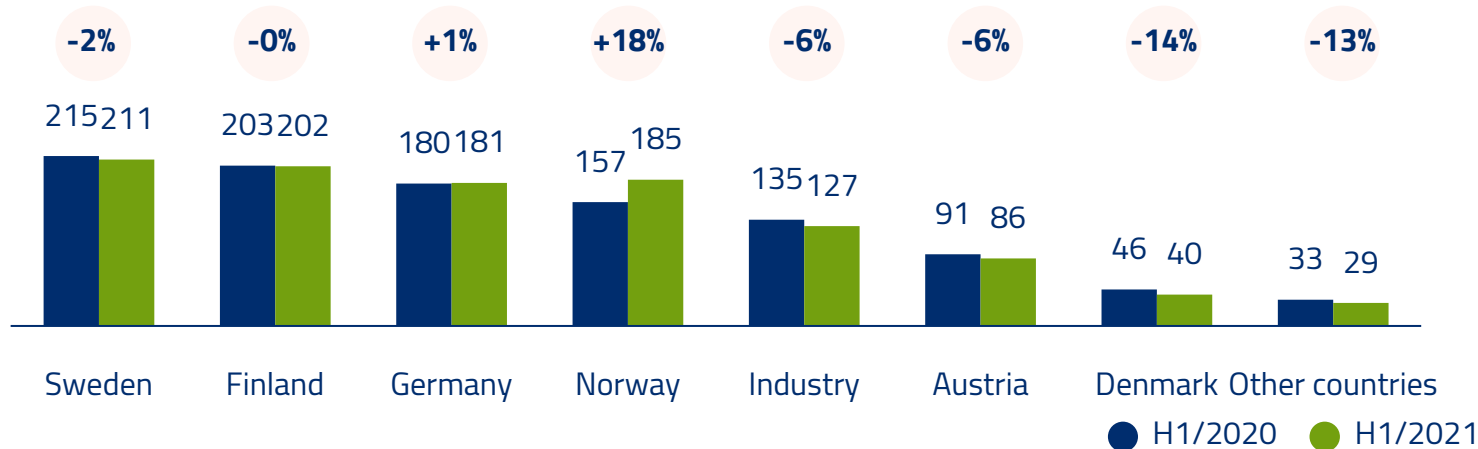
# Revenue development

## Revenue grew clearly in Q2

### Group revenue, EUR million



### Revenue breakdown by division, EUR million



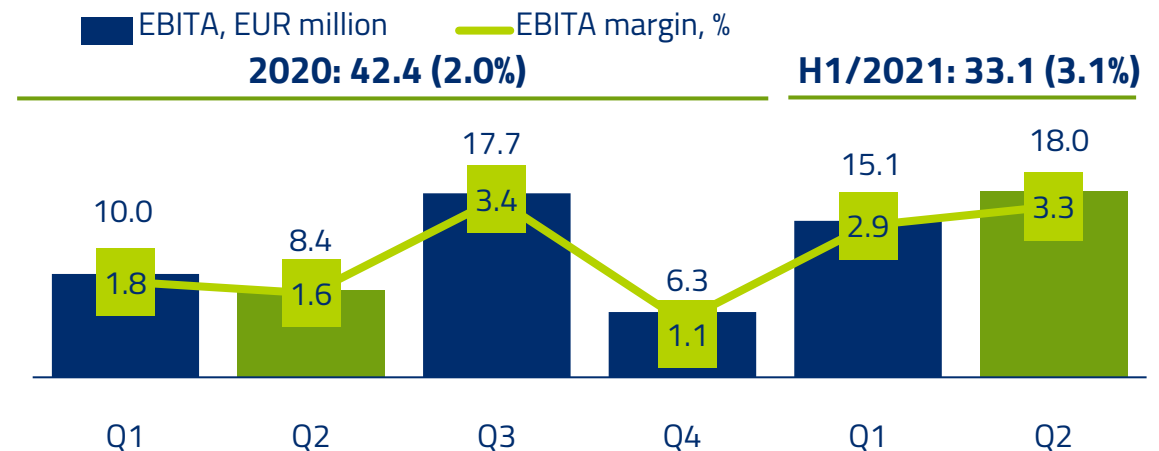
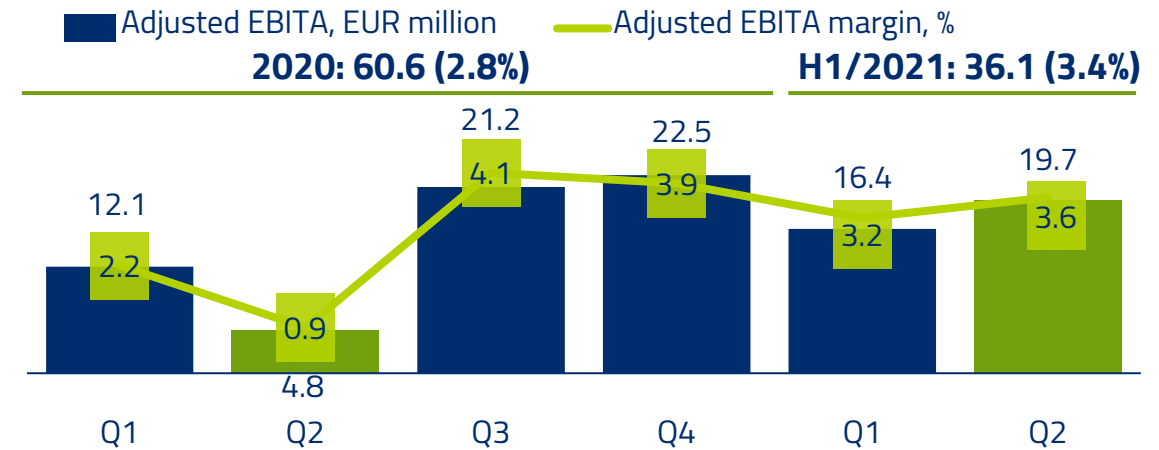
- > Revenue Q2/21: EUR 545.1 (518.5) million, up by 5.1% from the previous year, +2.6% in local currencies.
- > Organic growth Q2/21: 3.3%
- > Business unit revenue Q2/21:
  - > Services +10.1% (+7.1% locals; 8.0% organic growth)
  - > Projects -2.9% (-4.6% locals; -4.2% organic growth)
- > Revenue increased in Norway and Germany, while it decreased in other divisions in H1/21.



# Profitability development

## Significant profitability improvement

- Q2/2021 Adjusted EBITA improved to EUR 19.7 (4.8) million, or 3.6% (0.9%) of revenue.
- H1/2021 Adjusted EBITA improved to EUR 36.1 (17.0) million, or 3.4% (1.6%) of revenue.
- The restructurings completed in Q4/2020 had a positive impact on the cost base.
- Both business units improved their profitability.
- Especially divisions Industry, Germany, Norway and Sweden progressed well.
- Q2/2021 EBITA: EUR 18.0 (8.4) million, or 3.3% (1.6%) of revenue.

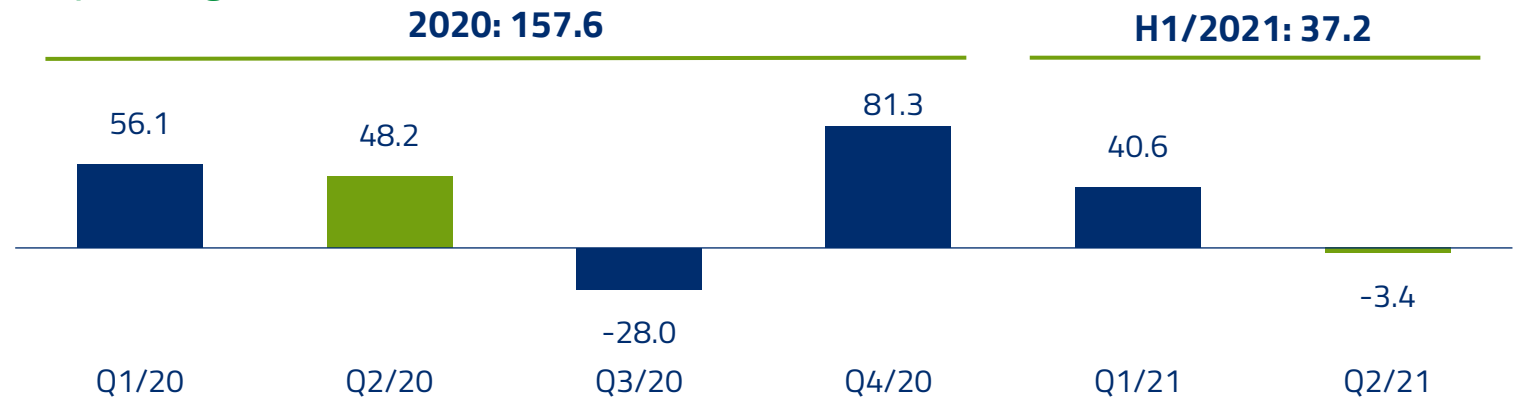


# Cash flow development

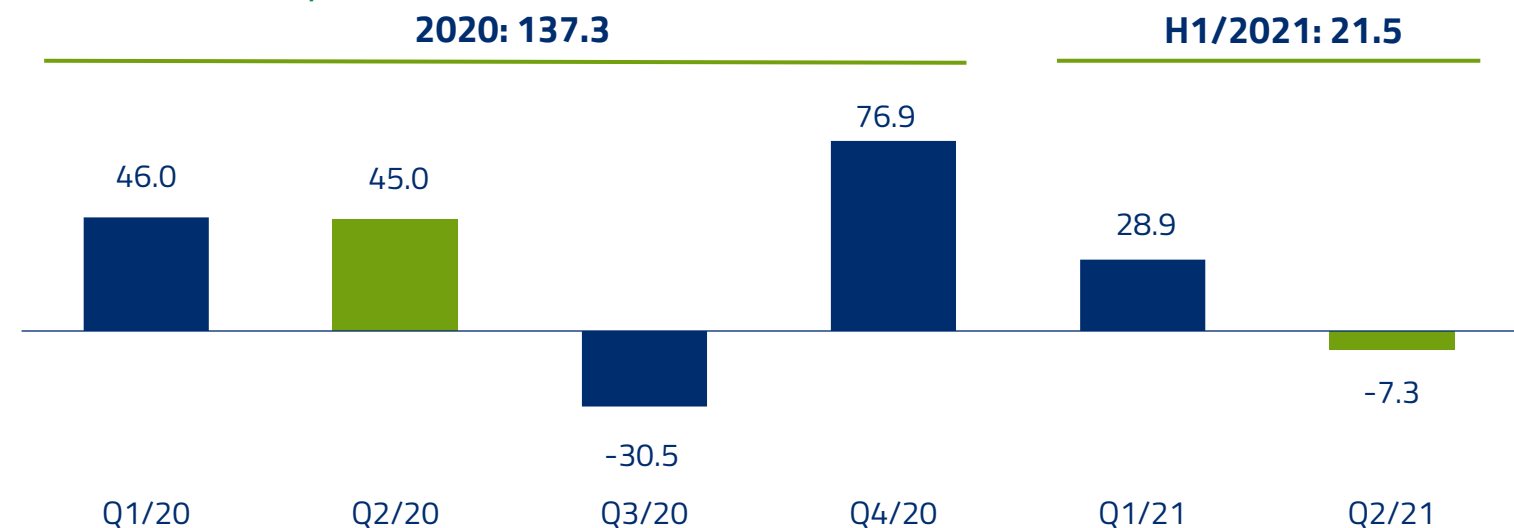
## Cash conversion 80.3% (LTM) in H1/2021

- > Operating cash flow was EUR 37.2 (104.3) million in H1/21 and cash conversion (LTM) 80.3% (160.7%).
  - > Working capital negatively affected particularly by an increase in trade and POC receivables by EUR 35.5m from 482.9m to 518.4m from the end of March 2021.
  - > Q2/20 operating cash flow was positively impacted by postponed authority payments of EUR 29.6m.
- > Free cash flow: EUR 21.5 (91.0) million in H1/21
- > Capex H1/21: EUR 7.1 (12.2) million
  - > IT investments: EUR 4.1m (5.5m)
  - > Other investments incl. acquisitions: EUR 3.0m (6.8m)

### Operating cash flow before financial and tax items, EUR million



### Free cash flow, EUR million



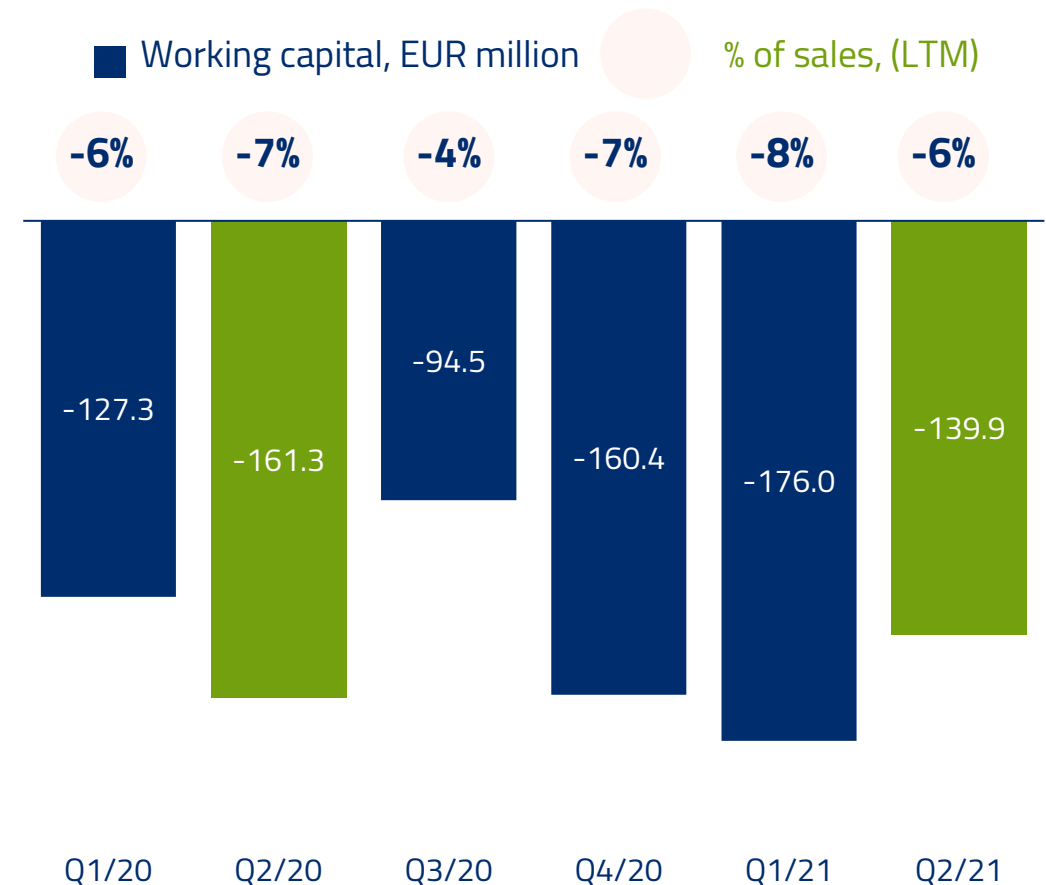
*Free cash flow = Operating cash flow before financial and tax items – Taxes paid – Net cash used in investing activities (net, including acquisitions and disposals).*



# Working capital development

Working capital was at a good level of -6% of sales (LTM)

- > The Group's working capital was EUR -139.9 (-161.3) million at the end of June.
- > Working capital negatively affected particularly by an increase in trade and POC receivables by EUR 35.5m from 482.9m to 518.4m from the end of March 2021.
- > Q2/20 working capital was positively impacted by postponed authority payments of EUR 29.6m.
- > Significant actions completed since 2018 to improve the level of working capital.



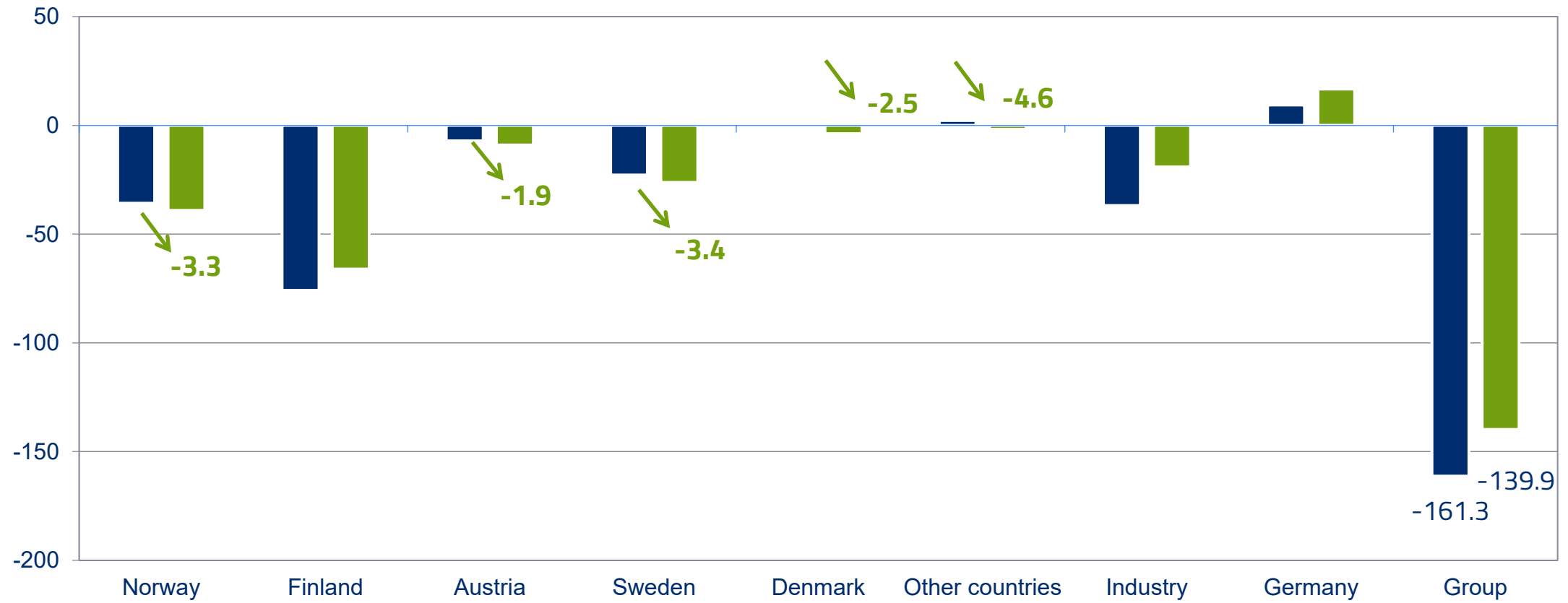
# Continued efforts to improve working capital

## Improvements in several divisions

### Working capital by division

EUR million

● Q2/2020 ● Q2/2021

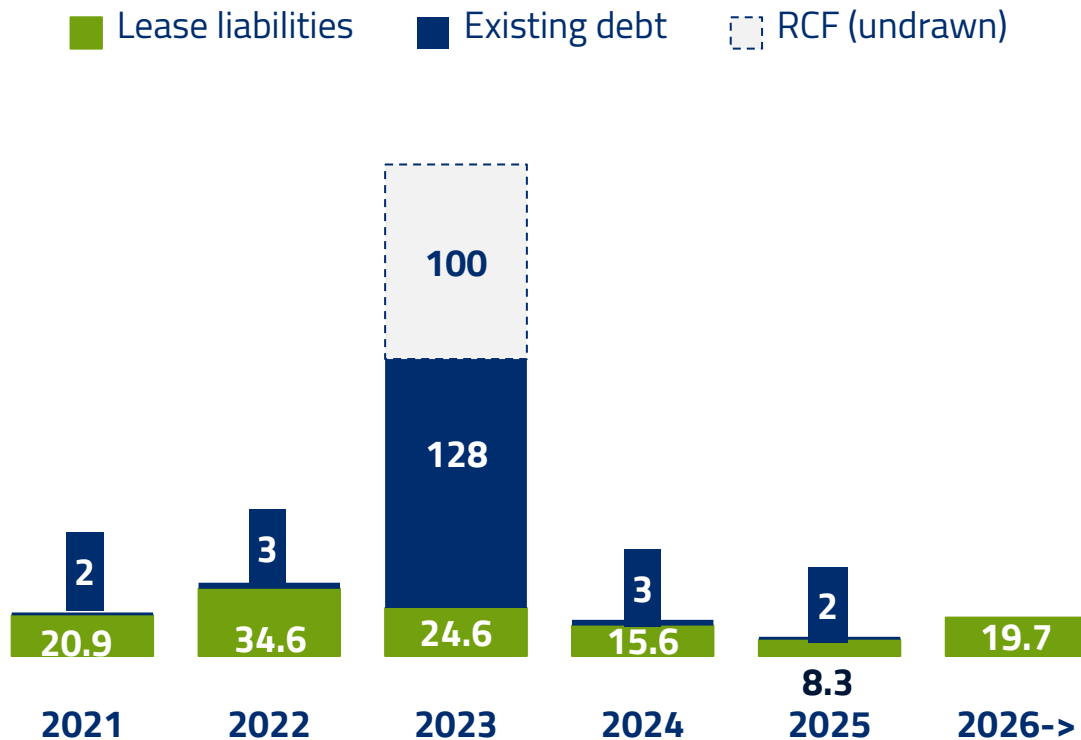




# Debt maturity structure

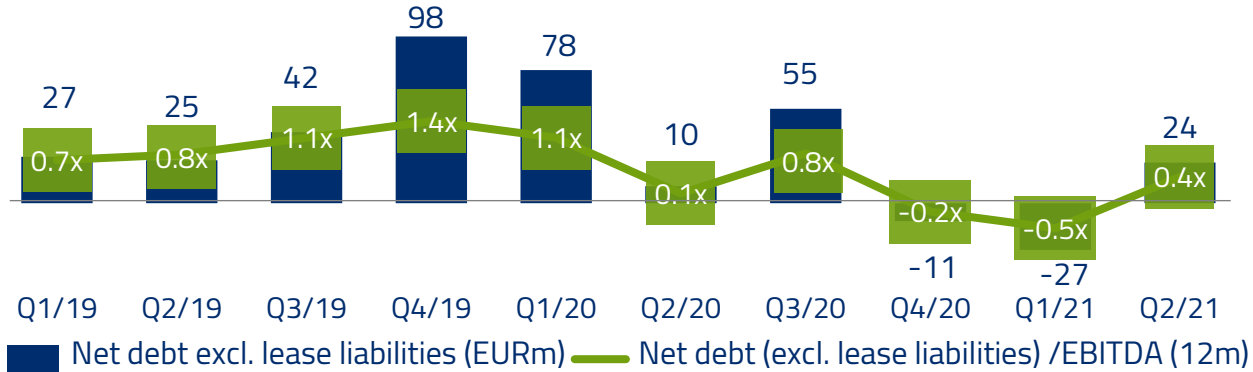
## Debt maturity structure on 30 June 2021

EUR million



- > Net debt incl. lease liabilities: EURm 147.3 (138.8)
- > Net debt excl. lease liabilities : EURm 23.7 (9.9)
- > Bank loan facilities mature in February 2023
  - > Term loan EUR 50m
  - > Unutilised RCF EUR 100m
- > EUR 75m senior unsecured 4-year bond matures in March 2023.
- > EUR 35.0m hybrid bond has first call date in May 2023.

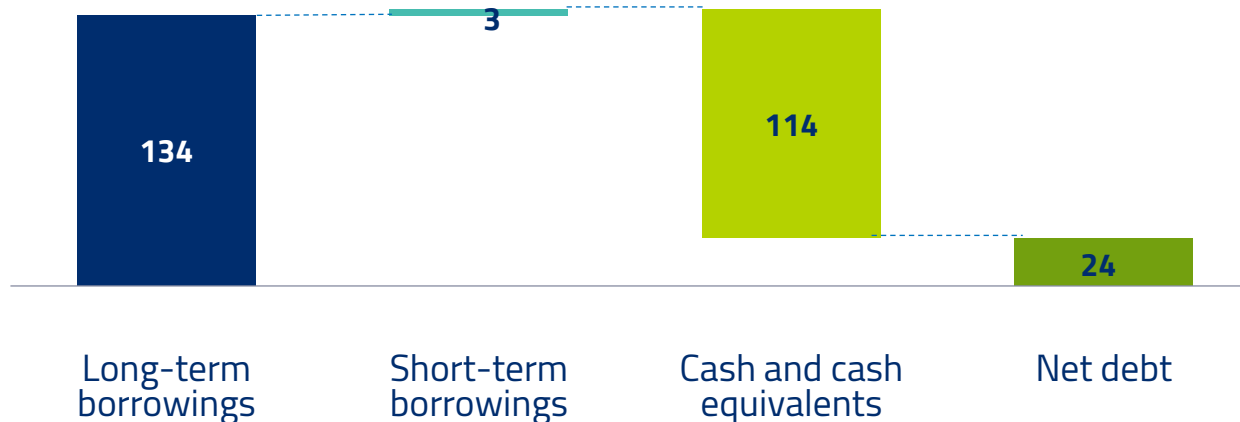
# Low level of leverage and strong liquidity position



## Financial covenant Net debt/EBITDA

- > Net debt/EBITDA Q2/2021: 0.4x (0.1x) according to confirmed calculation principles with lending parties.
- > The covenant level shall not exceed 3.5x.
- > The confirmed calculation principles exclude the effects of the IFRS 16 standard and contain certain other adjustments.

## Gross debt to net debt on 30 June 2021 (EURm) excluding lease liabilities



## Strong liquidity position and high amount of undrawn credit facilities

- > Cash and cash equivalents of EURm 113.7 (130.2)
- > In addition, undrawn revolving credit facilities of EUR 100.0m and undrawn overdraft facilities of EUR 19.0m
- > Firing power for M&A: two bolt-on acquisitions completed in Sweden and Austria in July



## 5. Guidance and dividend



# Guidance and dividends

## Guidance for 2021

- › In 2021, Caverion Group's adjusted EBITA (2020: EUR 60.6 million) will grow compared to 2020.


## Dividend

- › The Annual General Meeting held on 24 March 2021 decided that a dividend of EUR 0.10 per share and an extraordinary dividend of EUR 0.10 per share, in total EUR 0.20 per share were paid for the year 2020.
- › The payment date was 7 April 2021.





# Why invest in Caverion?

- 
1. **Well-positioned in sustainability and digitalisation to drive profitable growth**
  2. **A leading market position and a diversified customer base with a high retention rate**
  3. **Solid order backlog with an increasing share of services**
  4. **Performance management culture with focus on cash flow and working capital**
  5. **Strong liquidity position**



Building Performance



# Key figures

EUR million	4-6/21	4-6/20	Change	1-6/21	1-6/20	Change	1-12/20
Order backlog	1,789.0	1,739.7	2.8%	1,789.0	1,739.7	2.8%	1,609.1
Revenue	545.1	518.5	5.1%	1,060.4	1,060.1	0.0%	2,154.9
Adjusted EBITDA	33.2	18.5	79.6%	62.6	44.7	39.9%	116.5
Adjusted EBITDA margin, %	6.1	3.6		5.9	4.2		5.4
EBITDA	31.5	22.1	42.1%	59.6	46.2	28.8%	99.4
EBITDA margin, %	5.8	4.3		5.6	4.4		4.6
Adjusted EBITA	19.7	4.8	308.6%	36.1	17.0	113.0%	60.6
Adjusted EBITA margin, %	3.6	0.9		3.4	1.6		2.8
EBITA	18.0	8.4	114.5%	33.1	18.4	80.2%	42.4
EBITA margin, %	3.3	1.6		3.1	1.7		2.0
Operating profit	13.9	5.0	179.1%	24.9	11.5	117.1%	27.2
Operating profit margin, %	2.5	1.0		2.3	1.1		1.3
Earnings per share, undiluted, EUR	0.06	0.01	521.3%	0.11	0.02	526.7%	0.05
Operating cash flow before financial and tax items	-3.4	48.2		37.2	104.3	-64.3%	157.6
Cash conversion (LTM), %				80.3	160.7		158.5
Working capital				-139.9	-161.3	13.3%	-160.4
Interest-bearing net debt				147.3	138.8	6.1%	118.6
Net debt/EBITDA*				0.4	0.1		-0.2
Gearing, %				79.9	72.5		60.4
Equity ratio, %				18.1	18.6		18.9
Personnel, end of period				14,958	15,902	-5.9%	15,163

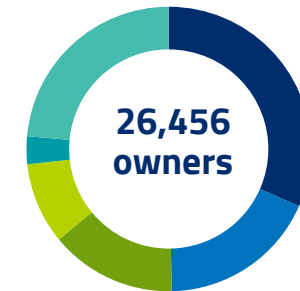
\* Based on calculation principles confirmed with the lending parties.

# Directly registered shareholders on 31 August 2021

Largest shareholders	Shares, pcs	% of shares	Change after 7/2021, pcs
1 Herlin Antti	20,504,392	14.8	0
2 Fennogens Investments SA (Ehrnrooth family)	14,169,850	10.2	0
3 Varma Mutual Pension Insurance Company	9,728,407	7.0	0
4 Mandatum companies	5,770,386	4.2	0
5 Ilmarinen Mutual Pension Insurance Company	3,950,954	2.8	0
6 Säästöpankki funds	3,701,562	2.7	27,609
7 Elo Mutual Pension Insurance Company	3,381,001	2.4	-100,000
8 Caverion Oyj	2,455,490	1.8	-168,650
9 The State Pension Fund	2,050,000	1.5	0
10 Nordea funds	1,973,655	1.4	26,353
11 Brotherus Ilkka	1,803,765	1.3	0
12 OP funds	1,548,537	1.1	187,977
13 Aktia funds	1,050,000	0.8	0
14 Kaleva Mutual Insurance Company	969,025	0.7	0
15 Sinituote Oy	772,400	0.6	0
16 Veritas Pension Insurance Company Ltd.	615,000	0.4	53,633
17 Voluntas Investment Oy	550,000	0.4	0
18 Fondita funds	490,000	0.4	0
19 Lehtoranta Ari Tapio	367,051	0.3	0
20 Foundation for Economic Education	300,000	0.2	0
<b>20 largest, total</b>	<b>76,151,475</b>	<b>54.8</b>	
<b>All shares</b>	<b>138 920 092</b>	<b>100</b>	

Source: Investis

## Sector distribution (8/2021)



- Nominee reg. and non-Finnish  
31.6% (Jul 31: 31.7%)
- Households  
18.1% (18.0%)
- General government  
14.4% (14.4%)
- Financial and insurance corporations  
9.3% (9.1%)
- Non-profit institutions  
3.2% (3.0%)
- Non-financial corporations and housing corporations  
23.6% (23.7%)



# Board of Directors re-elected by the AGM on 24 March 2021



**Mats Paulsson**

*Chairman*



**Markus Ehrnrooth**

*Vice Chairman*



**Jussi Aho**

*Board member*



**Joachim Hallengren**

*Board member*



**Thomas Hinnerskov**

*Board member*



**Kristina Jahn**

*Board member*



**Jasmin Soravia**

*Board member*

# Introducing Jacob Götzsche

- › Born 1967, Danish citizen
- › M.Sc. (Business Economics and Auditing)
- › state-authorized public accountant, FSR-Danish Auditors














## Primary working experience

- › ISS World Services A/S:
  - › **Executive Vice President and Chief Executive Officer, Europe, 2019-2020**
  - › **Executive Vice President and Regional Chief Executive Officer, Continental Europe, 2018-2019**
  - › **Regional Chief Executive Officer, Central Europe, 2010-2018**
  - › **Regional Chief Operating Officer / Region Director, Central Europe, 2006-2010**
  - › **International Business Director, 2004-2006**
  - › **M&A Director, Senior Vice President, 2002-2004**
  - › **Head of Corporate Finance & Controlling/Head of Finance, 2000-2002**
  - › **International Business Controller, 1999**
- › PricewaterhouseCoopers, Auditor, 1994-1999





# Caverion Group Management Board as of 9 August 2021

<b>Caverion Group</b> Jacob Götzsche 	<b>Austria</b> Manfred Simmet 	<b>Norway</b> Knut Gaaserud 	<b>Finland &amp; Baltics</b> Ville Tamminen 	<b>Germany (interim)</b> Manfred Simmet 	<b>Industry</b> Elina Engman 	<b>Sweden</b> Uno Lundberg 	<b>Denmark</b> Carsten Sørensen 
<b>Services, Sustainability &amp; Smart City Solutions</b> Thomas Hietto 							
<b>Projects</b> Michael Kaiser 							
<b>Finance and IT</b> Martti Ala-Härkönen 							
<b>Legal &amp; Compliance</b> Anne Viitala 							
<b>Human Resources &amp; Safety</b> Minna Schrey-Hyppänen 							
<b>Strategy, Marketing, Comms, Supply Operations &amp; Russia</b> Kari Sundbäck 