

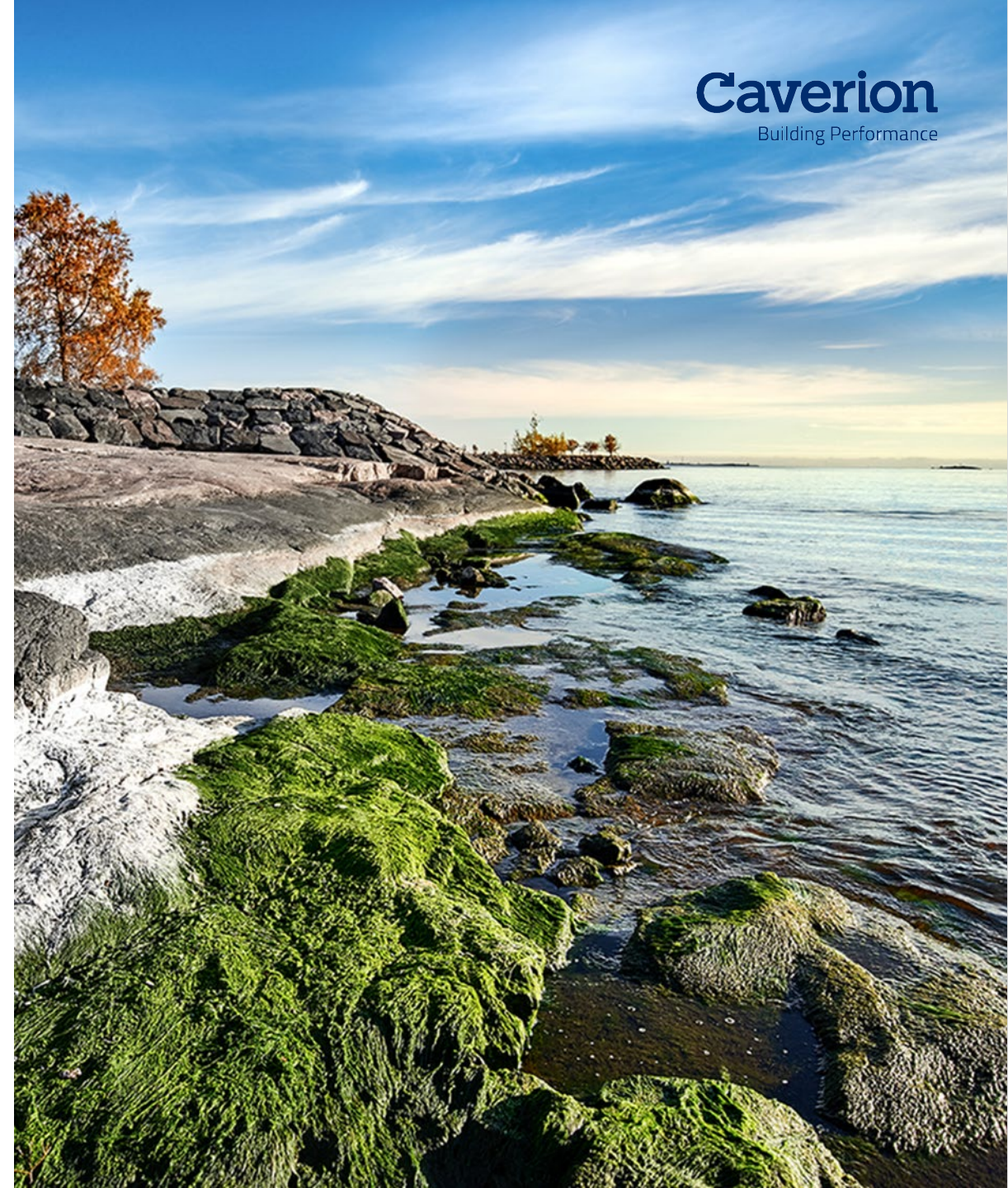
## Investor Presentation

January 2022



# 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 policy**





## 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

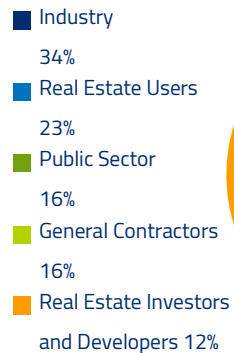
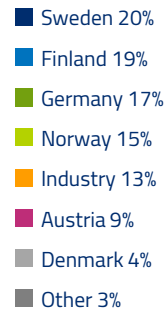


**15,000**  
employees

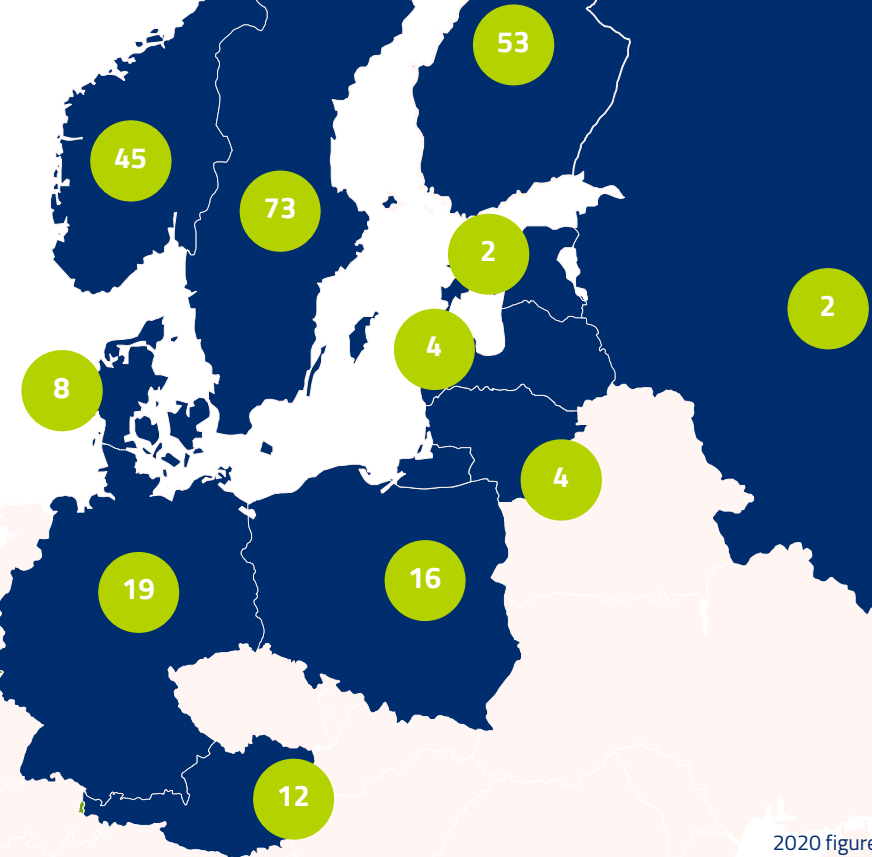
Work safety  
(LTIFR) 4.2

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 while increasing interaction with customers

## Good progress in strategy

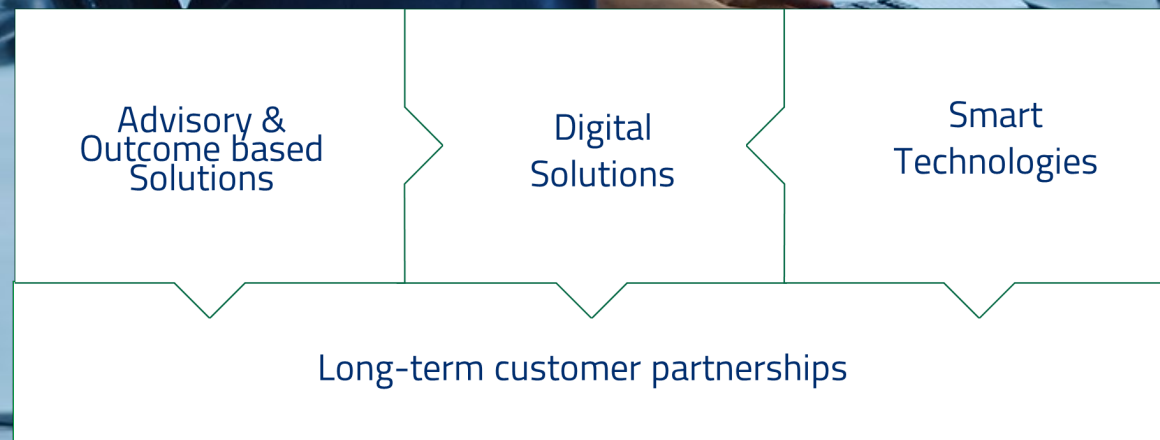
- We are on a good track to improve performance going forward.
- We have continued to invest in our technology and digital platform, capabilities – as well as the business platform and SmartTech via M&A.
- Our purpose is built around sustainability. We see an increased interest towards those parts of our lifecycle offering that help customers make their operations more efficient and predictable as well as improving their sustainability.

## Focus remains also on efficiency improvement

- Significant potential still in pricing, productivity and procurement as well as data enabled efficiency
- Further optimising and 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

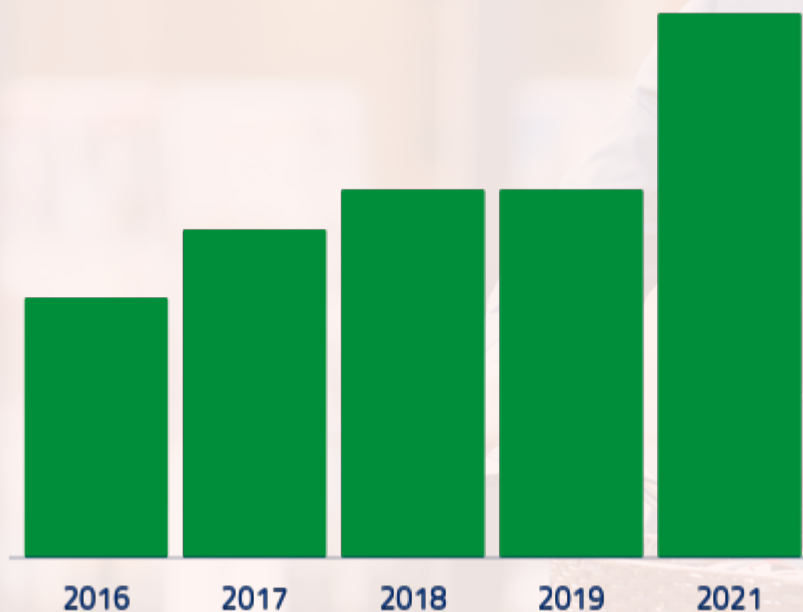
++++

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



**Climate  
Change**

**Economic  
downturn**

**Corona**



# 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 expects stimulus packages to increase demand as of the end of 2021

## 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

## EU's "Renovation Wave" strategy

- Objective to **at least double the annual energy renovation rate** of residential and non-residential buildings **by 2030**  
-> expected to result in 35 million building units renovated

## EU's "Energy Performance of Buildings Directive" (EPBD)

- Requires **all new buildings from 2021 to be nearly zero-energy buildings** (NZEB) in the EU

### Major opportunities for Caverion:

- Increasing energy efficiency of buildings
- Electrification of transport infrastructure
- Use of renewable energy technologies
- Green industrial transition towards clean technologies



**By 2030...**

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

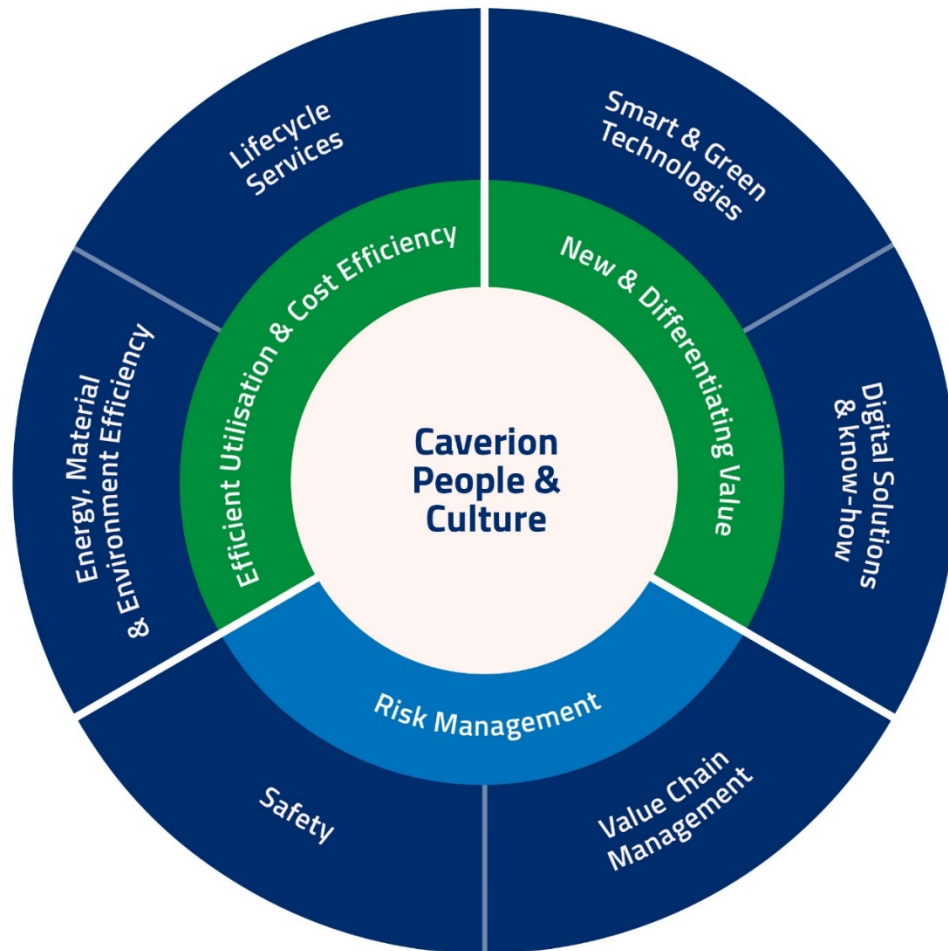
\*Scope 1-2





# 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 the end of 2021.

#### Examples:

- > EU EUR 800bn 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.







### 3. Reaching updated financial targets through strategy execution

# Financial targets and results so far

## Cash conversion (LTM)

**> 100%**

2020: 158.5%  
1-9/2021: 96.4%

## Profitability (Adjusted EBITA-%)

**> 5.5%**

2020: 2.8%  
1-9/2021: 3.7%

## Leverage (Net debt/EBITDA)

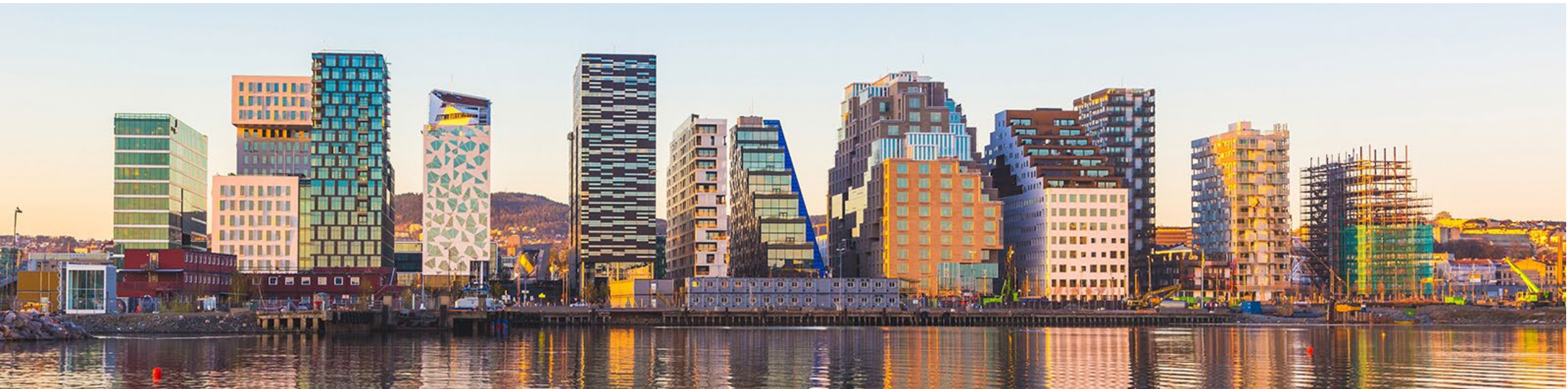
**< 2.5x**

2020: -0.2x  
1-9/2021: 0.9x

## Growth Organic growth

**> 4% p.a.**

2020: Services growth 8.7%  
in local currencies, share of  
Services 63.3%  
(1-9/2021: 65.1%)





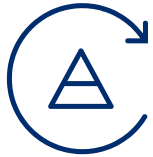
# Summary of Caverion's strategic Must-Wins



**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

# We continue to invest in capabilities and core competencies

## Three acquisitions closed during Q3

### 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

### Felcon GmbH

> A small **clean room specialist** company based in Vienna, Austria, providing design, construction, installation, validation as well as technical services, among others.



Austria

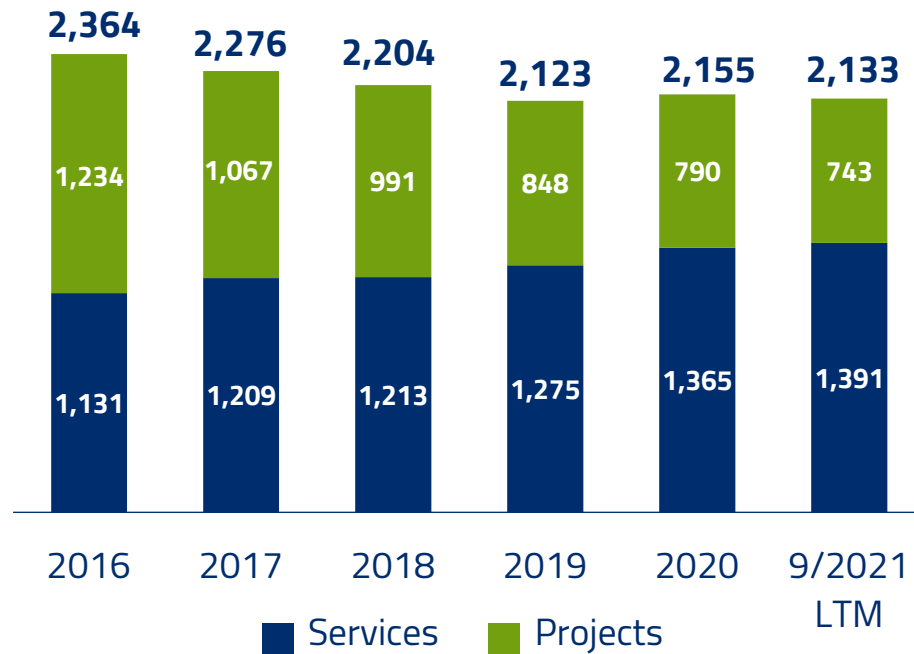


# Fit for Growth journey 2016-2021

Shift in business mix and turnaround in profitability progressing

## Group revenue

EUR million



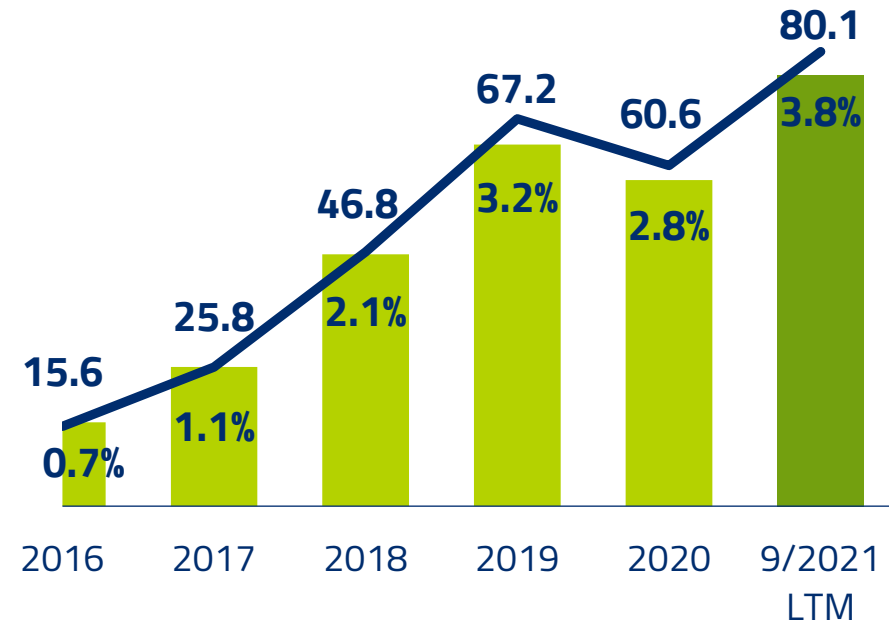
## Services share:\*

47.8% 53.1% 55.0% 60.0% 63.3% 64.5%

\* Change in reporting of business unit revenue in 2018

■ Adjusted EBITA, EUR million

— Adjusted EBITA margin, %



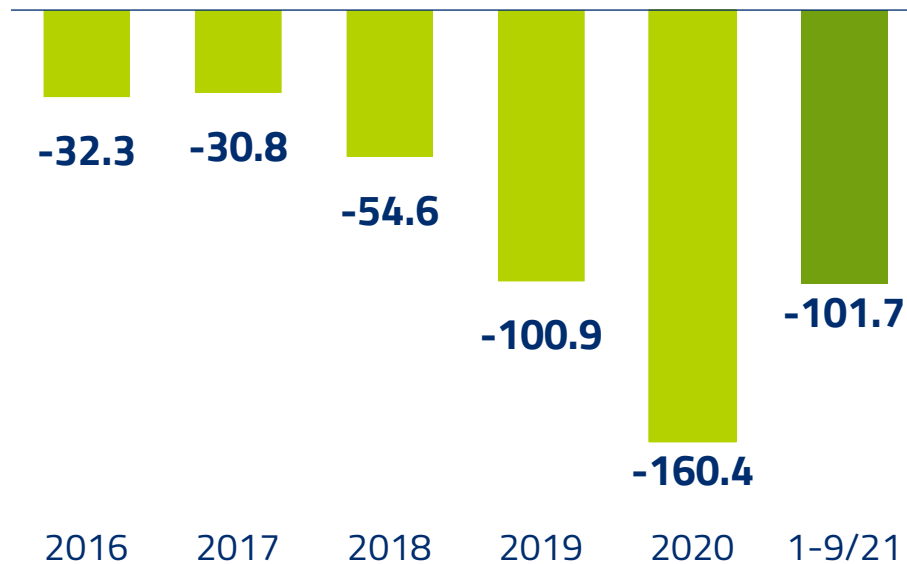
Note! 2016: EBITDA excl. restructuring costs; 2017 Adjusted EBITDA; 2018-9/2021: Adjusted EBITA. The same figures have been used for the presentation of the respective margins. Comparative figures for 2018 (or prior periods) have not been restated according to IFRS 16.



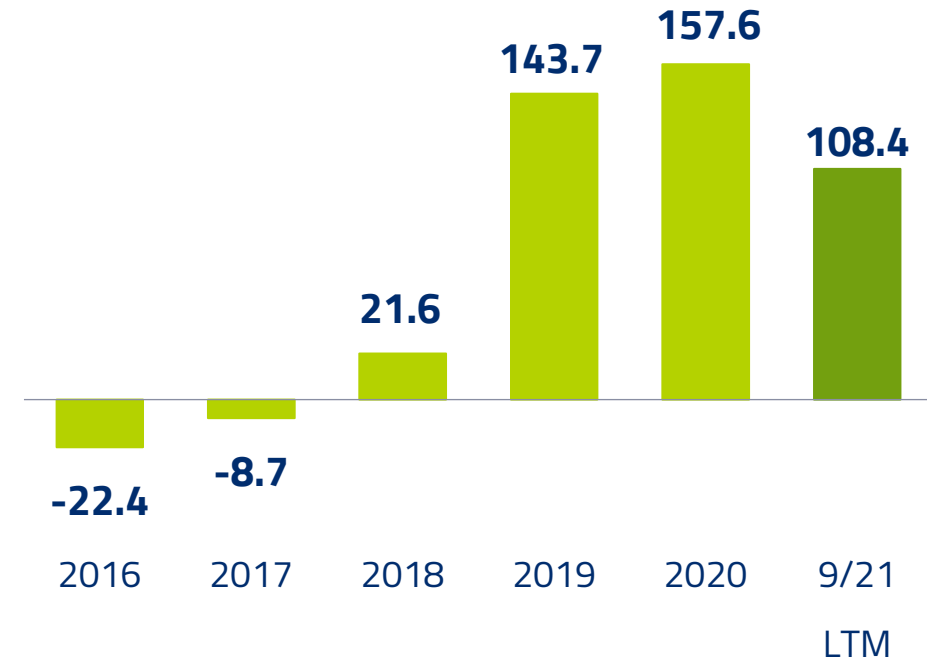
# Fit for Growth journey: Cash flow back to target level

Substantial cash release from working capital. 1-9/2021 cash conversion at 96.4%

Working capital  
EUR million



Operating cash flow before financial and tax items  
EUR million





## 4. Group development



# Operating environment 1-9/2021

Operating environment started to improve at the end of the quarter

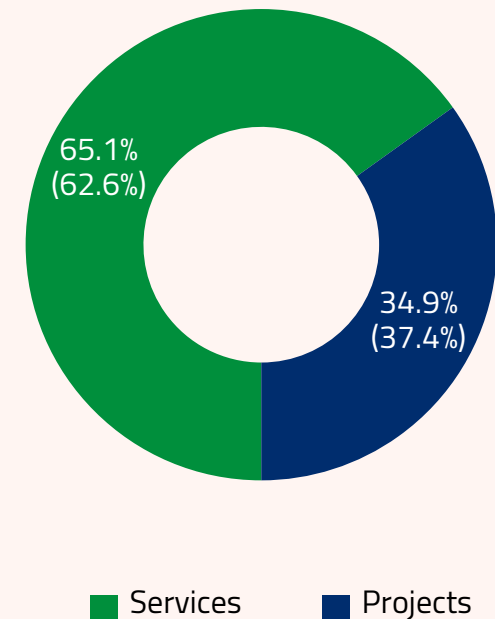
## Services (65.1% of Group revenue)

- 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.
- Caverion has started to see a general increasing interest for services supporting sustainability.

## Projects (34.9% of Group revenue)

- The market demand still continued on a lower level, although there were clear signs of market stabilisation as of the end of Q2. In Q3, market demand started to gradually pick up also in Projects.
- During 1-9/2021, the market was impacted by increases in material prices.
- Stimulus packages did not yet have a clear impact on general demand in 1-9/2021.

**Revenue breakdown**  
1-9/2021 (1-9/2020)

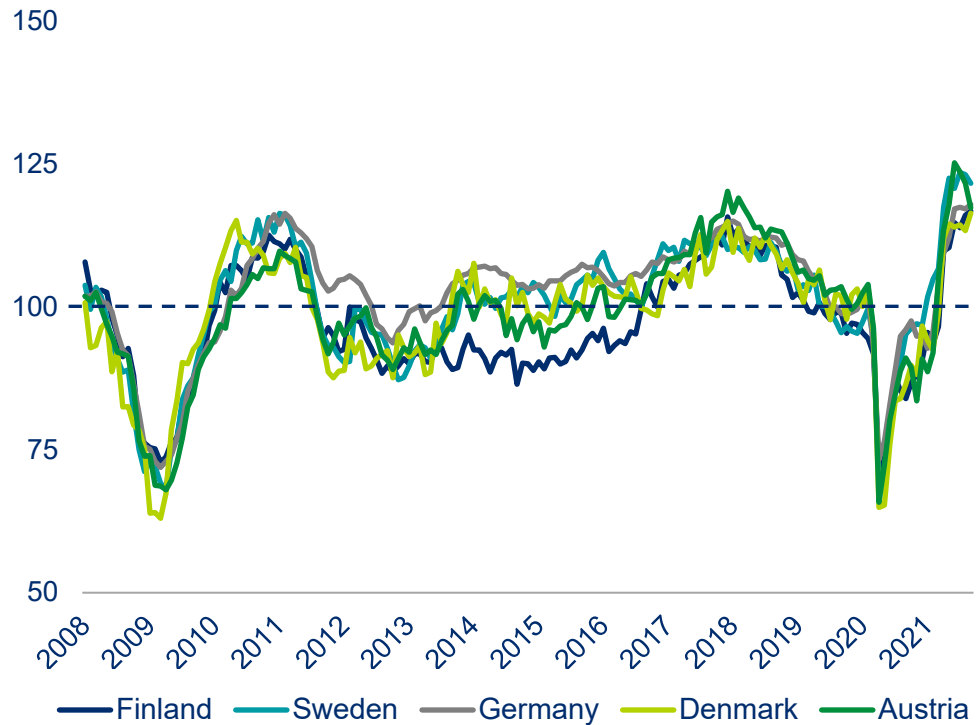




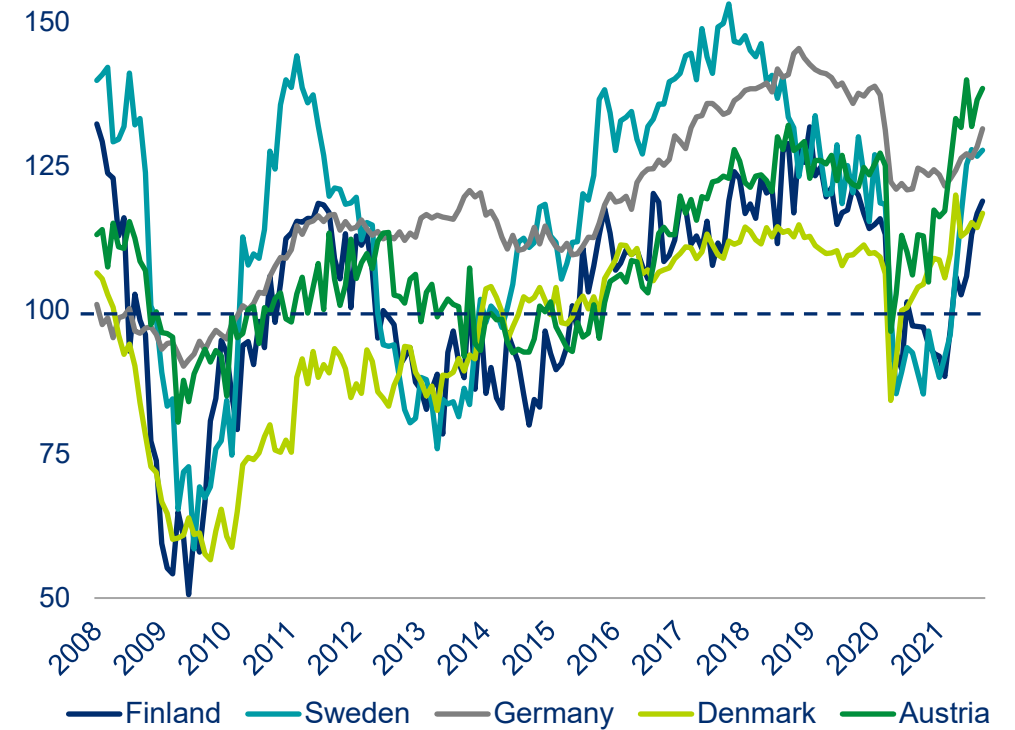
# Uplift in sentiment indicators in 1-9/2021

Economic sentiment indicators have rebounded from Covid-19 effects

**ECONOMIC SENTIMENT INDICATOR**  
(2008 – 09/2021)



**CONSTRUCTION CONFIDENCE INDICATOR**  
(2008 – 09/2021)



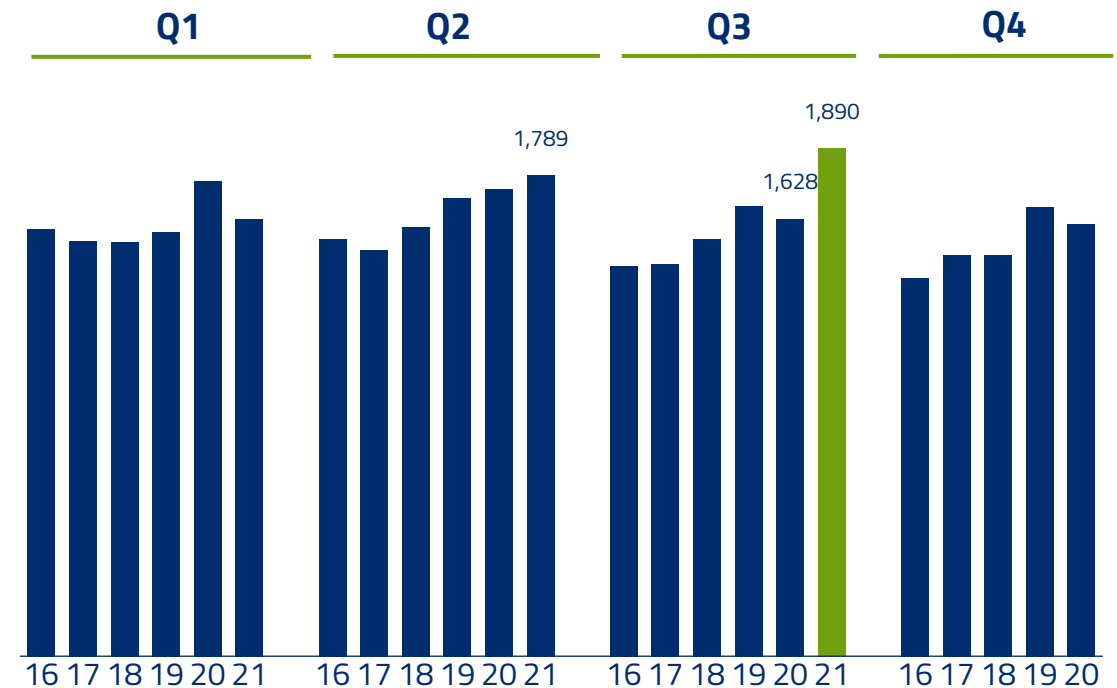
Sources: European Commission, September 2021

# Order backlog development

Order backlog increased by 16.1% from the end of 9/2020 and by 5.6% from the end of 6/2021

- > Order backlog increased by 5.6% to EUR 1,889.7 million from the end of the previous quarter (EUR 1,789.0 million).
- > Order backlog increased by 16.1% to EUR 1,889.7 (1,627.7) million from the end of September 2020.
  - > At comparable exchange rates the order backlog increased by 14.5% from the end of September 2020.
  - > The order backlog continued to increase in Services, up by 15.2%. Now also the Projects order backlog was up by 17.2%.

Order backlog, EUR million

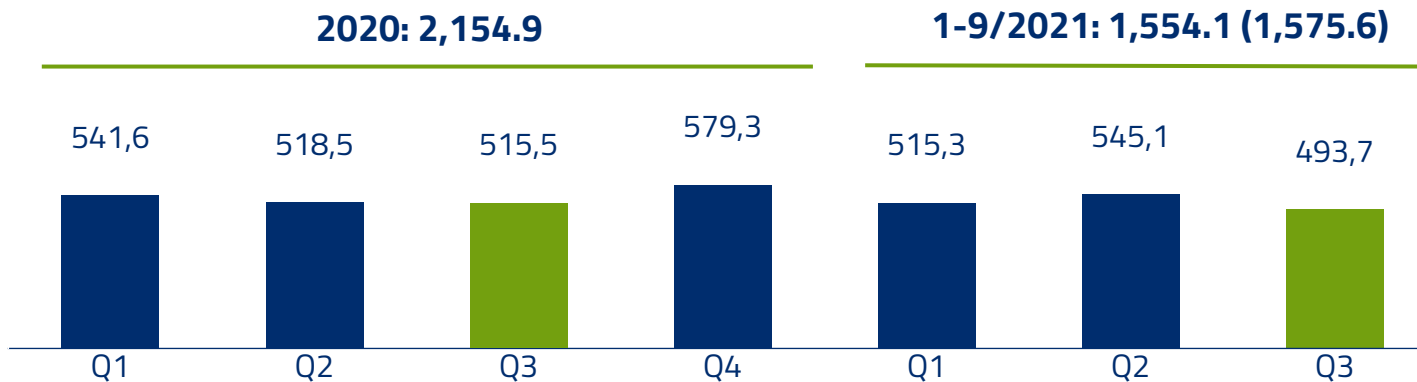




# Revenue development

Revenue decreased seasonally in Q3, as the new orders did not yet materialise in revenue

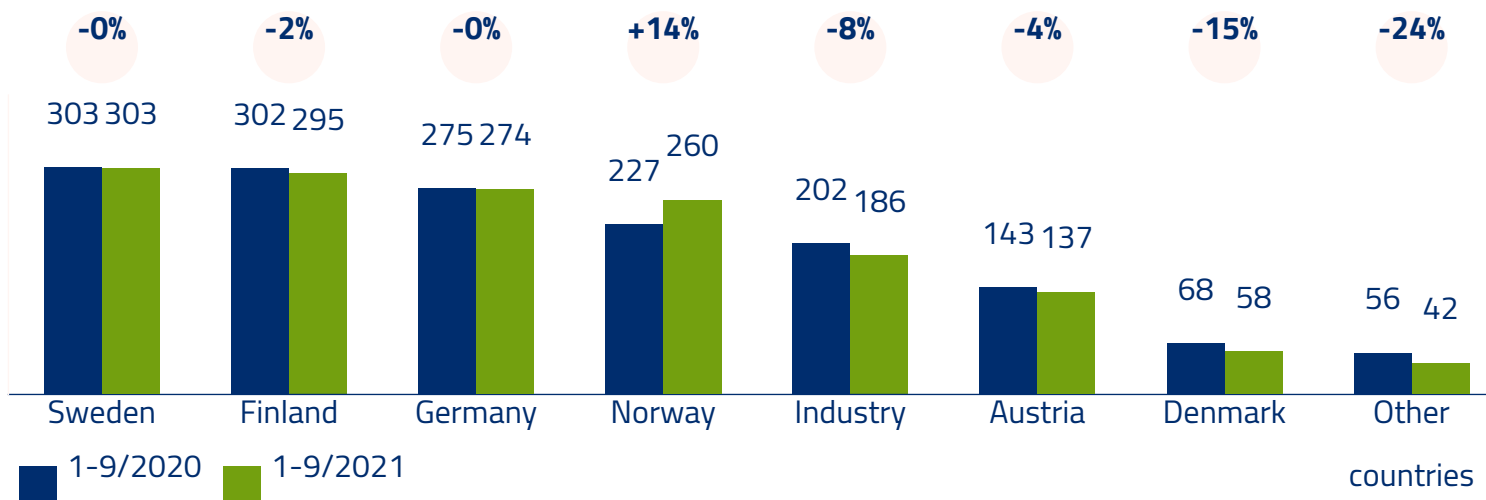
## Group revenue, EUR million



> Revenue Q3/21: EUR 493.7 (515.5) million, down by 4.2% from the previous year, -4.9% in local currencies.

> Organic growth Q3/21: -4.6%

## Revenue breakdown by division, EUR million



> Business unit revenue Q3/21:

> Services -0.1% (-0.8% locals; -0.4% organic growth)

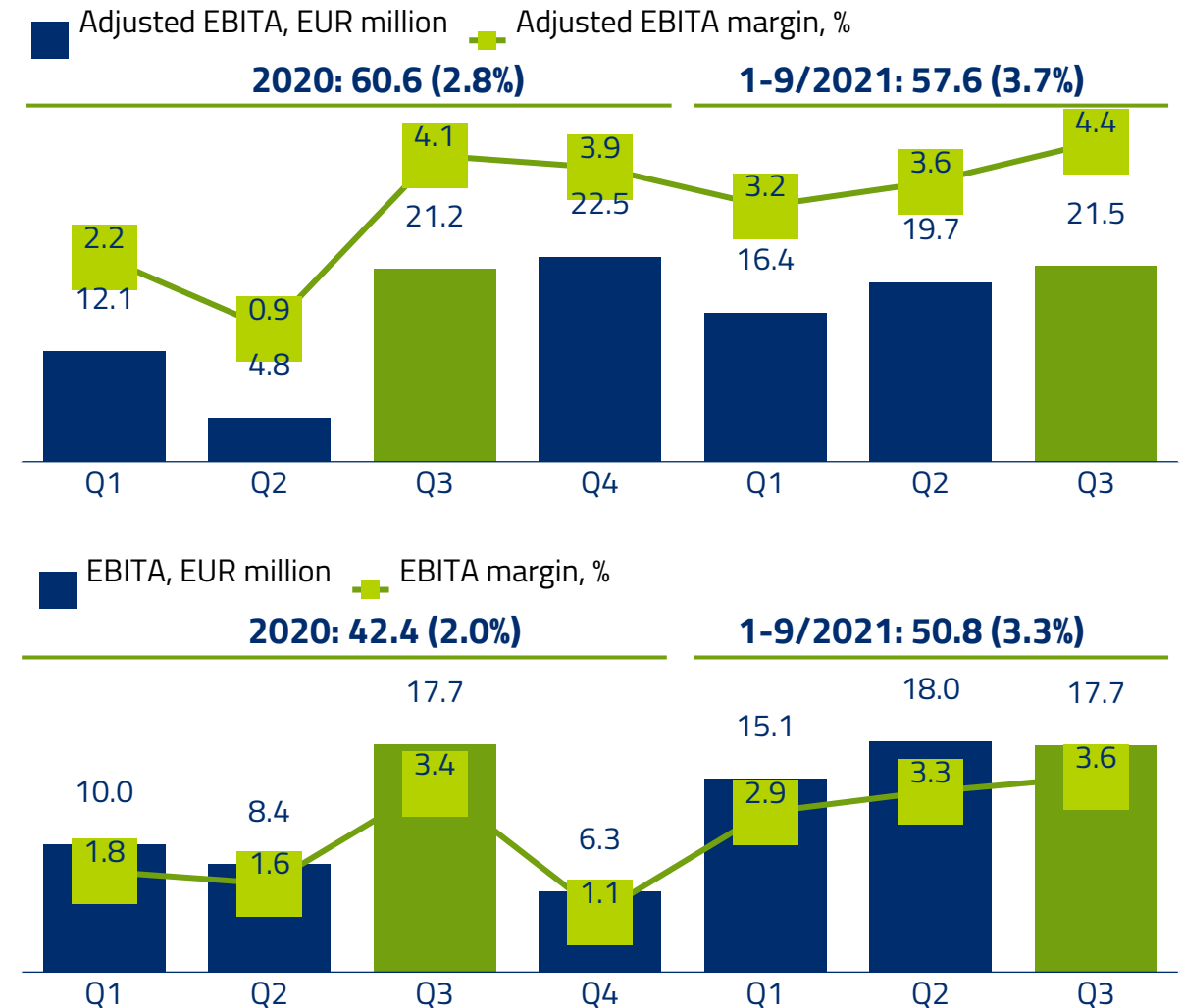
> Projects -11.2% (-11.6% locals; -11.6% organic growth)

> Revenue increased in Norway, remained flat in Sweden and Germany and decreased in other divisions in 1-9/2021.

# Profitability development

## Profitability improvement continuing according to plan in Q3/2021

- Q3/2021 Adjusted EBITA improved to EUR 21.5 (21.2) million, or 4.4% (4.1%) of revenue.
- 1-9/2021 Adjusted EBITA improved to EUR 57.6 (38.1) million, or 3.7% (2.4%) of revenue.
- Positive progress has continued in divisions Industry, Germany, Norway and Sweden.
- In Services, the performance continued overall on a strong level year-to-date. There was a minor negative impact from increased material prices in Q3.
- In Projects, Caverion continued to improve its profitability.
- Q3/2021 EBITA: EUR 17.7 (17.7) million, or 3.6% (3.4%) of revenue.



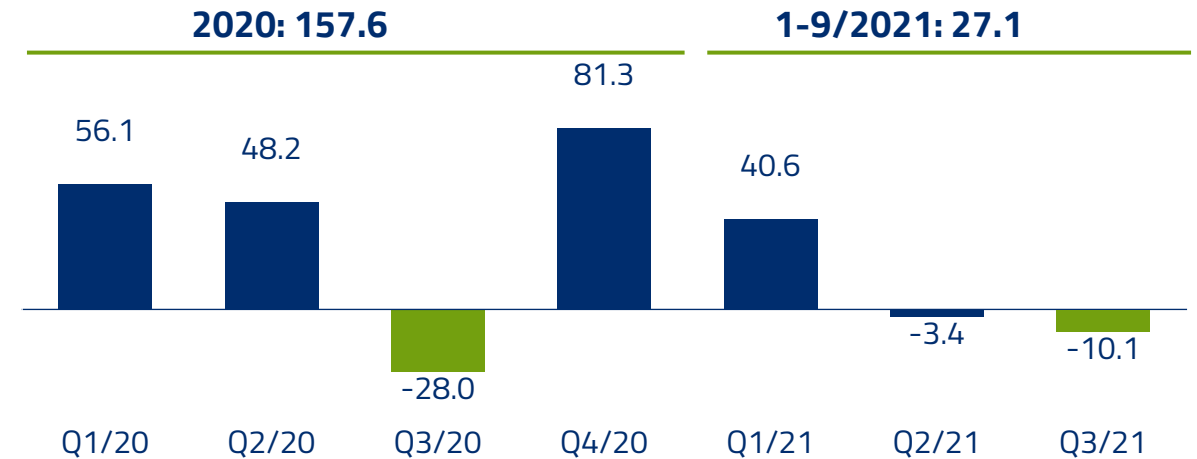


# Cash flow development

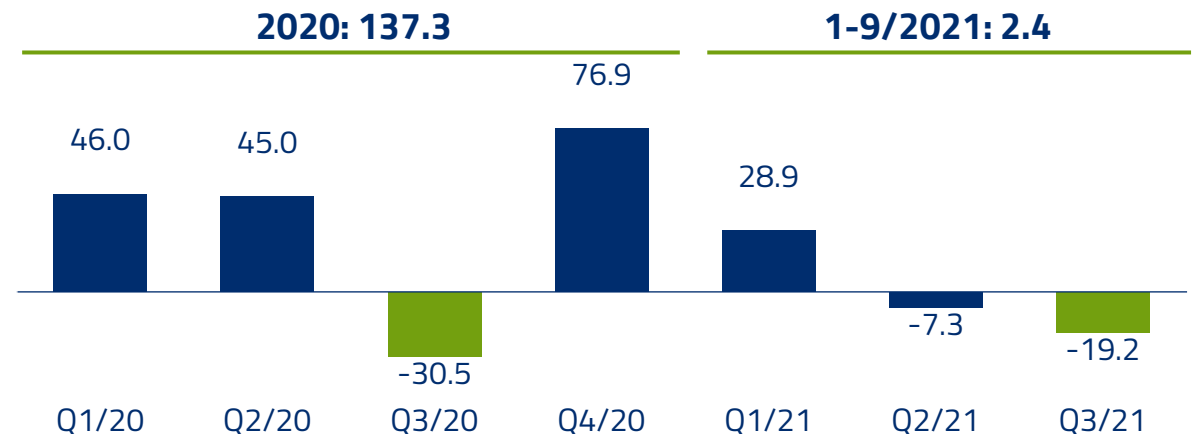
Cash conversion was 96.4% (LTM) in 1-9/2021

- > Operating cash flow was EUR 27.1 (76.3) million in 1-9/21 and cash conversion (LTM) 96.4% (138.2%).
- > Cash flow was lower in the first nine months of the year.
- > Negative change in working capital. Working capital impacted by higher receivables, lower advance payments from new projects and existing older projects being in a cash-consuming phase.
- > Free cash flow: EUR 2.4 (60.5) million in 1-9/21
- > Capex 1-9/21: EUR 20.8 (13.3) million
  - > IT investments: EUR 5.6m (7.1m)
  - > Other investments incl. acquisitions: EUR 15.2m (6.2m)

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



## Free cash flow, EUR million

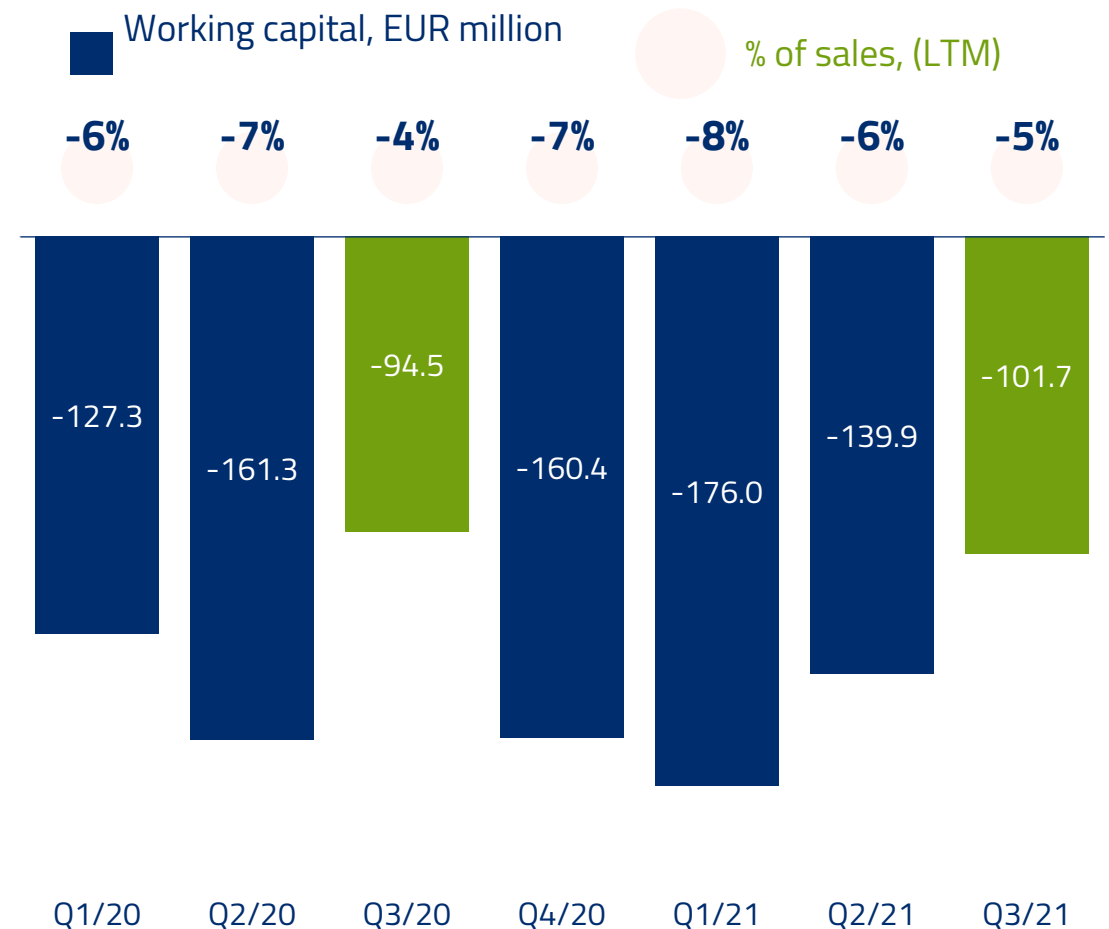


*Free cash flow = Operating cash flow before financial and tax items – Taxes paid – Net cash used in investing activities (net, including acquisitions and disposals).*

# Working capital development

Working capital was at a good level of -5% of sales (LTM)

- > The Group's working capital improved to EUR -101.7 (-94.5) million at the end of September.
- > Trade and POC receivables increased to EUR 530.0 (517.1) million and other current receivables to EUR 30.2 (25.1) million.
- > Advances received increased to EUR 242.1 (236.9) million, other current liabilities to EUR 253.4 (238.2) million and trade and POC payables to EUR 183.1 (182.9) million.
- > Significant actions completed since 2018 to improve the level of working capital.



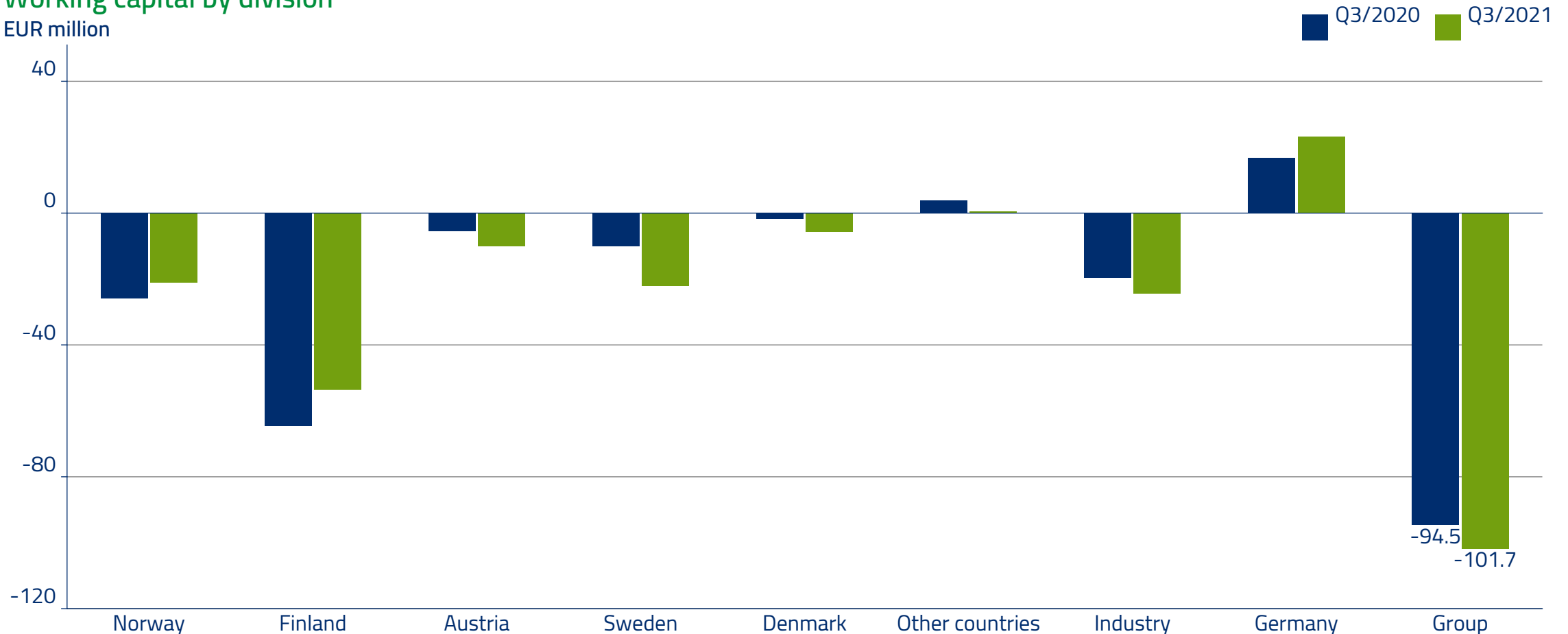


# Continued efforts to improve working capital

Improvements in all divisions except for Norway, Finland and Germany

## Working capital by division

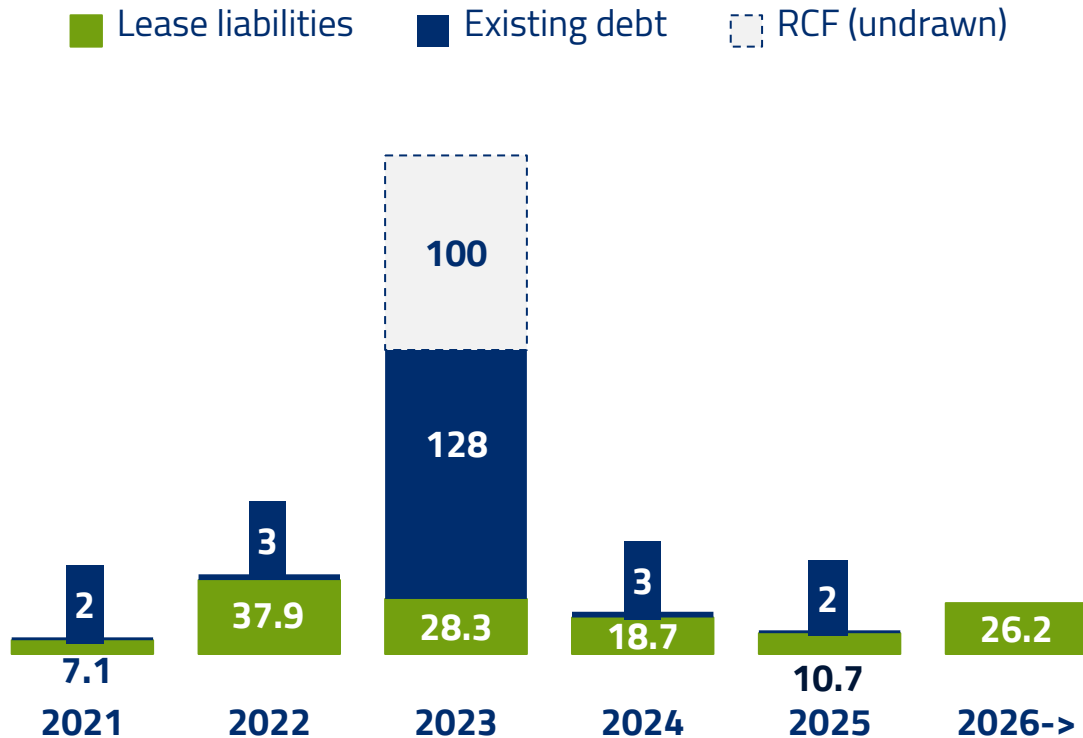
EUR million



# Debt maturity structure

## Debt maturity structure on 30 September 2021

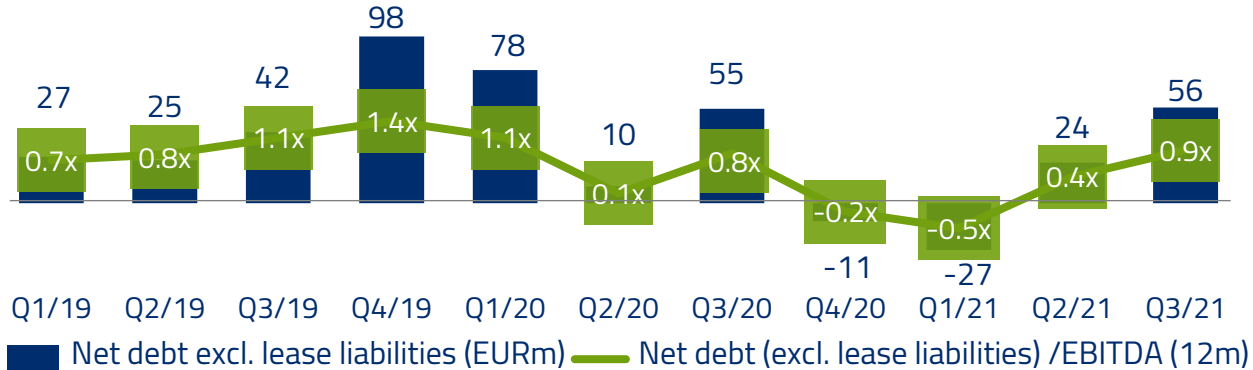
EUR million



- > Interest-bearing net debt incl. lease liabilities: EURm 185.0 (187.5)
- > Interest-bearing net debt excl. lease liabilities: EURm 56.0 (55.3)
- > 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 35m hybrid bond has first call date in May 2023.



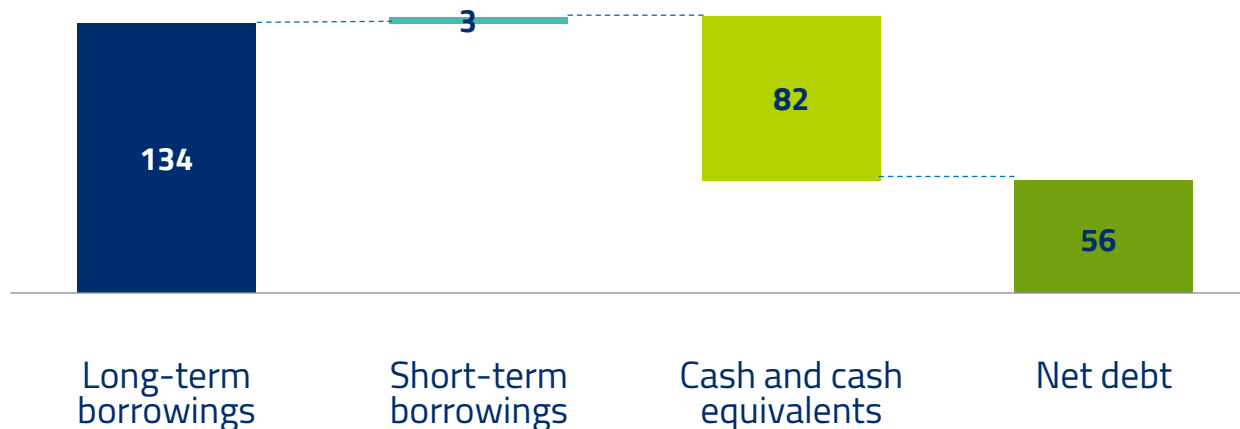
# Low leverage level and strong liquidity position



## Financial covenant Net debt/EBITDA

- > Net debt/EBITDA Q3/2021: 0.9x (0.8x) 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 September 2021 (EURm) excluding lease liabilities



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

- > Cash and cash equivalents of EURm 81.5 (84.8)
- > In addition, undrawn revolving credit facilities of EUR 100.0m and undrawn overdraft facilities of EUR 19.0m
- > Firing power for M&A: three bolt-on acquisitions completed in Sweden and Austria in Q3.

## 5. Guidance and dividend policy





# 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	T-5/21	T-5/20	Change	T-5/21	T-5/20	Change	T-12/20
Order backlog	1,889.7	1,627.7	16.1%	1,889.7	1,627.7	16.1%	1,609.1
Revenue	493.7	515.5	-4.2%	1,554.1	1,575.6	-1.4%	2,154.9
Organic growth, %	-4.6	-6.0		-2.3	-3.5		-4.1
Adjusted EBITDA	35.0	34.8	0.4%	97.6	79.6	22.6%	116.5
Adjusted EBITDA margin, %	7.1	6.8		6.3	5.0		5.4
EBITDA	31.2	31.4	-0.8%	90.8	77.7	16.9%	99.4
EBITDA margin, %	6.3	6.1		5.8	4.9		4.6
Adjusted EBITA	21.5	21.2	1.5%	57.6	38.1	51.1%	60.6
Adjusted EBITA margin, %	4.4	4.1		3.7	2.4		2.8
EBITA	17.7	17.7	-0.4%	50.8	36.1	40.6%	42.4
EBITA margin, %	3.6	3.4		3.3	2.3		2.0
Operating profit	13.5	13.9	-2.5%	38.4	25.3	51.6%	27.2
Operating profit margin, %	2.74	2.69		2.47	1.61		1.26
Earnings per share, undiluted, EUR	0.05	0.06	-8.4%	0.16	0.08	112.3%	0.05
Operating cash flow before financial and tax items	-10.1	-28.0	64.0%	27.1	76.3	-64.5%	157.6
Cash conversion (LTM), %				96.4	138.2		158.5
Working capital				-101.7	-94.5	-7.6%	-160.4
Interest-bearing net debt				185.0	187.5	-1.3%	118.6
Net debt/EBITDA*				0.9	0.8		-0.2
Gearing, %				96.2	93.8		60.4
Equity ratio, %				19.0	19.8		18.9
Number of personnel at the end of the period				14 773	15 649	-5.6%	15 163

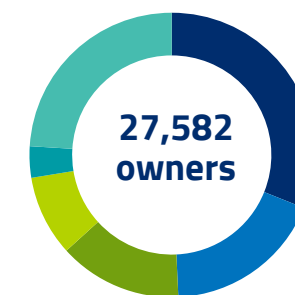
\* Based on calculation principles confirmed with the lending parties.



# Directly registered shareholders on 31 December 2021

Largest shareholders	Shares, pcs	% of shares	Change after 9/2021, 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	5,759,892	4.1	-10,061
5 Säästöpankki funds	3,701,562	2.7	0
6 Ilmarinen Mutual Pension Insurance Company	3,602,955	2.6	-285,760
7 Elo Mutual Pension Insurance Company	3,229,583	2.3	0
8 Caverion Oyj	2,502,467	1.8	30,066
9 The State Pension Fund	2,050,000	1.5	0
10 Nordea funds	1,982,539	1.4	-6,810
11 Brotherus Ilkka	1,803,765	1.3	0
12 OP funds	1,510,055	1.1	-35,989
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 FIM funds	607,315	0.4	265,913
17 Veritas Pension Insurance Company Ltd.	603,470	0.4	-101,530
18 Voluntas Investment Oy	550,000	0.4	0
19 Fondita funds	490,000	0.4	0
20 Lehtoranta Ari Tapio	367,051	0.3	0
<b>20 largest, total</b>	<b>75,954,728</b>	<b>54.7</b>	
<b>All shares</b>	<b>138,920,092</b>	<b>100.0</b>	

## Sector distribution (12/2021)



Nominee reg. and non-Finnish	31.1% (Sep. 30: 31.7%)
Households	18.2% (17.9%)
General government	14.0% (14.3%)
Financial and insurance corporations	9.2% (9.3%)
Non-profit institutions	3.6% (3.3%)
Non-financial corporations and housing corporations	24.0% (23.5%)

# 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 