



Caverion
Building Performance

Welcome to Caverion Capital Markets Day 2022

10 May 2022



Agenda

12.00-12.30

Sustainable growth through clear differentiation

Jacob Götzsche, President and CEO

12.30-13.00

Our strategic differentiation

Kari Sundbäck, EVP Services, Solutions, Digital and Strategy*

13.00-13.45

Our business focus areas

Niko Koivuniemi, Alexander Selke, Laura Karotie, Kari Aalto*

13.45-14.00

Coffee break

14.00-14.30

Sustainable growth in financial terms

Riitta Palomäki, Interim CFO

14.30-14.45

Summary of the day, Q&A*

*) Online and live Q&A session at the end of the slot



Disclaimer: Forward-looking statements

The following information contains, or may be deemed to contain, “forward-looking statements”. These statements relate to future events or our future financial performance, including, but not limited to, strategic plans, potential growth, planned operational changes, expected capital expenditures, future cash sources and requirements, liquidity and cost savings that involve known and unknown risks, uncertainties and other factors that may cause Caverion Corporation’s or its businesses’ actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by any forward-looking statements. In some cases, such forward-looking statements can be identified by terminology such as “may”, “will”, “could”, “would”, “should”, “expect”, “plan”, “anticipate”, “intend”, “believe”, “estimate”, “predict”, “potential”, or “continue”, or the negative of those terms or other comparable terminology. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Future results may vary from the results expressed in, or implied by, the following forward-looking statements, possibly to a material degree. All forward-looking statements made in this presentation are based on information presently available to management and Caverion Corporation assumes no obligation to update any forward-looking statements. Nothing in this presentation constitutes investment advice and this presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities or otherwise to engage in any investment activity.”



Sustainable growth
through clear
differentiation

Jacob Götzsche, President and CEO

Sustainable growth through clear differentiation

1

We are ready for sustainable growth

2

We increase the share of our solutions business and grow both organically and by balanced M&A

3

We continue building a clear differentiation from competition

Our people are our strength

Diversity is essential to us – making the team stronger

Our Group Management Board



Professional background both from building technology and other industries

25% (3) women and 6 different nationalities (Austrian, Danish, Finnish, Norwegian, Swedish and German)

Broad educational background and age diversity

Our colleagues you will meet today



Riitta Palomäki
Interim CFO



Niko Koivuniemi
Head of Strategy



Laura Karotie
Head of Managed Operations, Finland



Kari Aalto
Head of Design & Advisory Services, Industry



Alexander Selke
Head of Projects Business Unit, Germany



Milena Haeggström
Head of IR

A selection of our operational leaders with professional backgrounds in their diverse fields in finance, strategy, consulting, industry, projects and business development

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



>14,000
employees

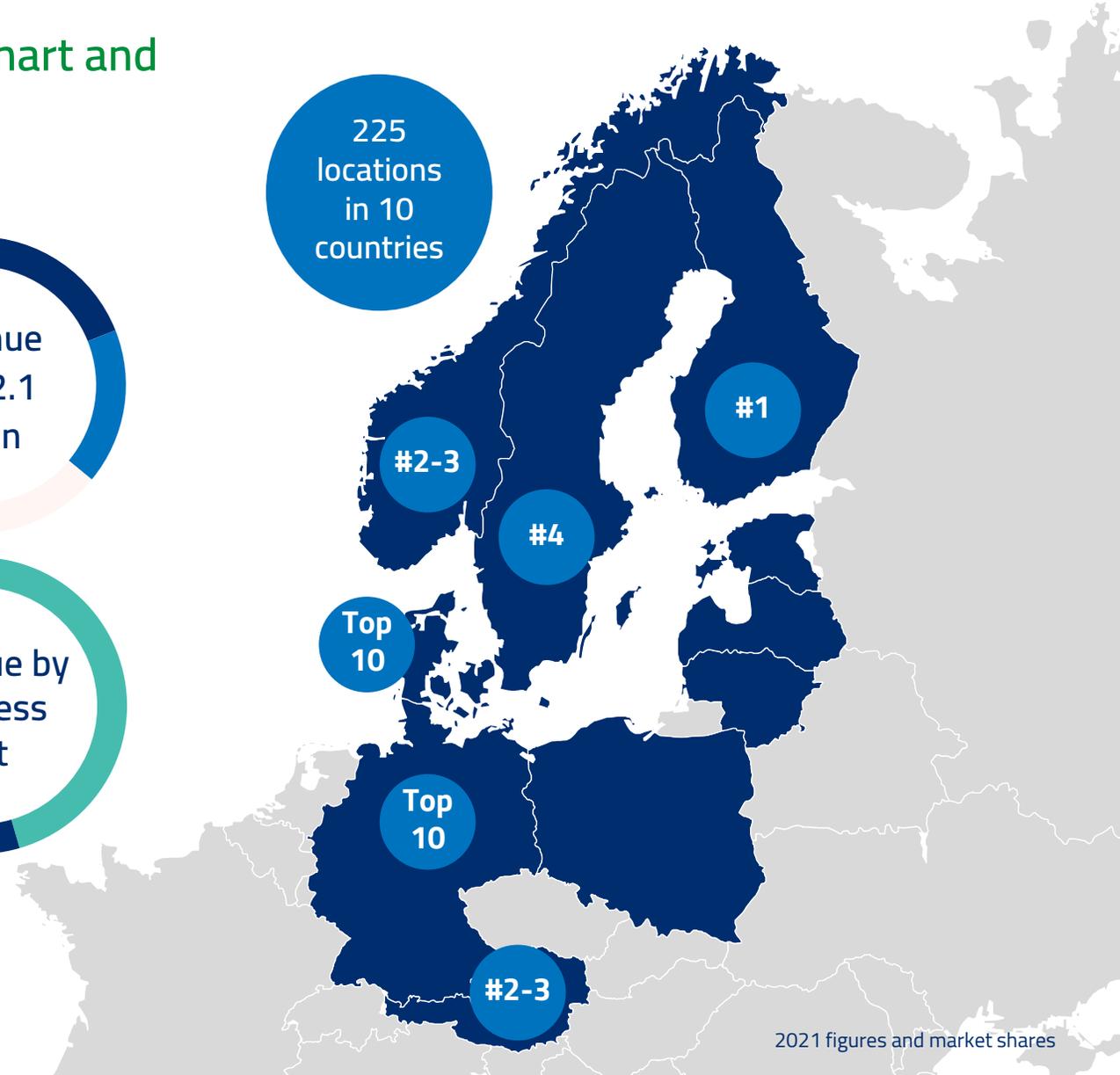
- Sweden 20%
- Finland 19%
- Germany 17%
- Norway 16%
- Industry 12%
- Austria 9%
- Denmark 4%
- Other 3%



- Services, 66%
- Projects, 34%



225
locations
in 10
countries



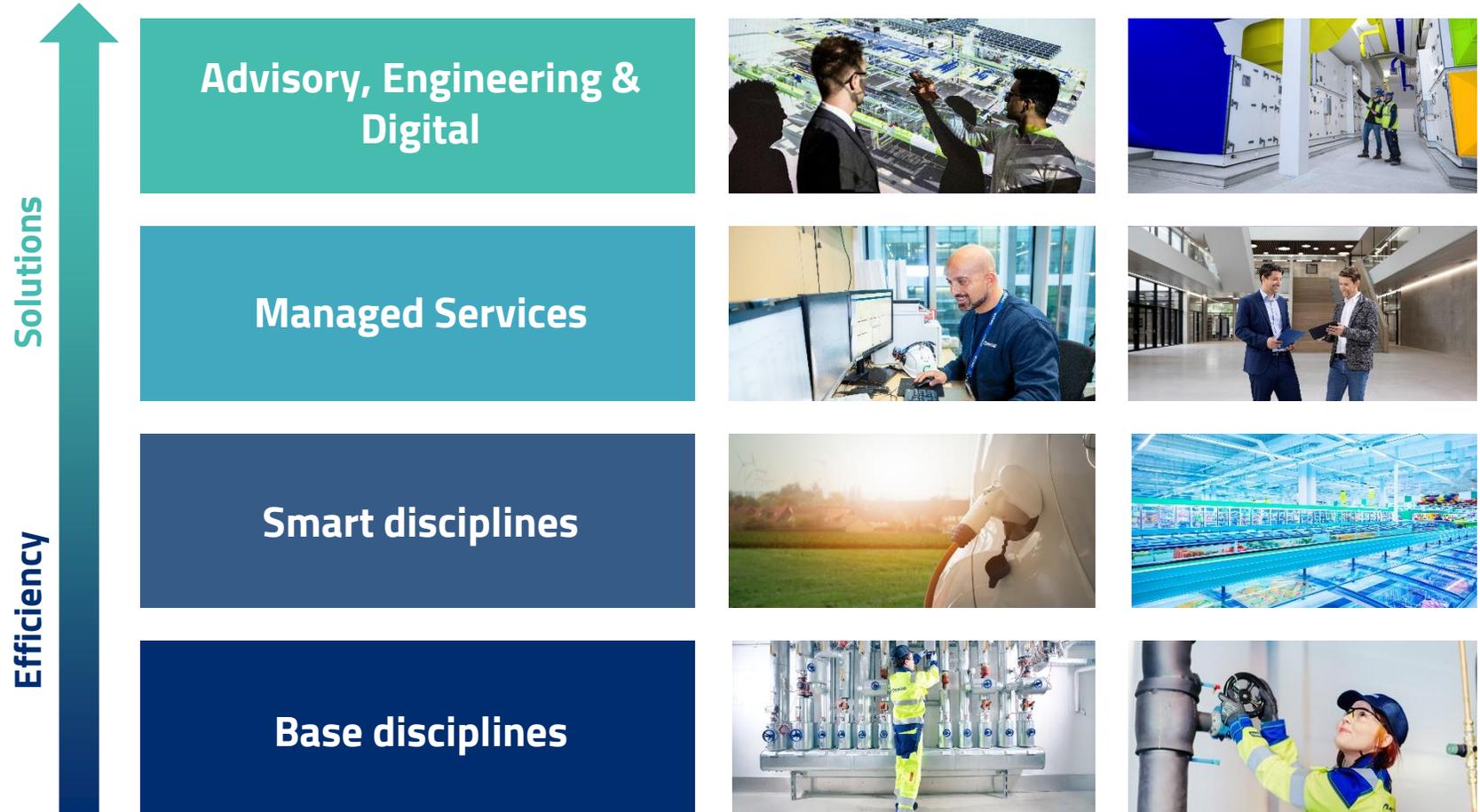
The wide scope of our business differentiates us



Buildings
& Infrastructure



Industry



We have a strong position in a fragmented market

Caverion has a strong competence in all these businesses

Industrial Services	Technical installation & maintenance	Managed Services	Advisory, Engineering & Digital
	 <p>- for et bedre miljø</p>		
			

Caverion estimate of overall market growth

3% p.a.

+ many local players and potential new entrants (construction, soft FM and Design & Engineering companies)



Sustainable growth through clear differentiation

1

We are ready for
sustainable growth

Clear progress in achieving our previous financial targets

Previous targets last updated in November 2019

Cash conversion

> 100% Operating cash flow before financial and tax items / EBITDA

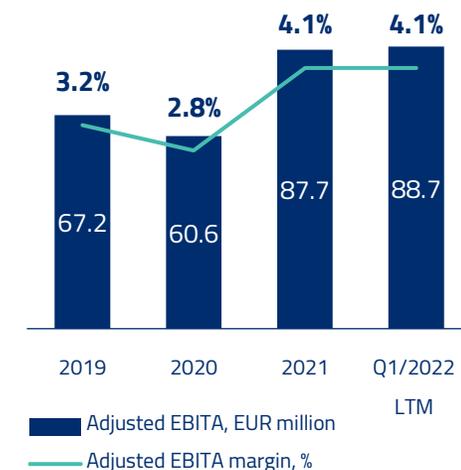
Operating cash flow (EURm) and cash conversion (%)



Profitability

Adjusted EBITA-% > 5.5%

Adjusted EBITA (EURm) and margin (%)



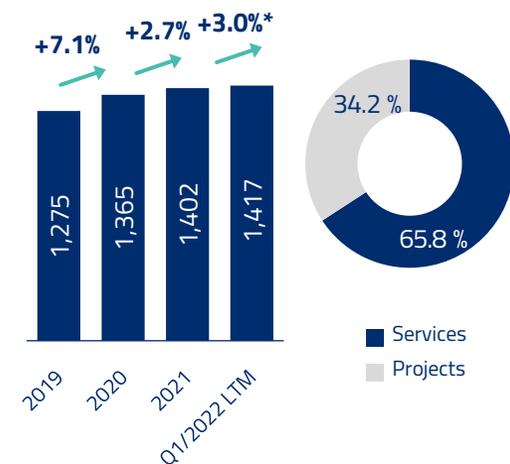
Growth

Organic growth > 4% p.a.

Services revenue growth > market growth

Services generate > 2/3 of Group revenue

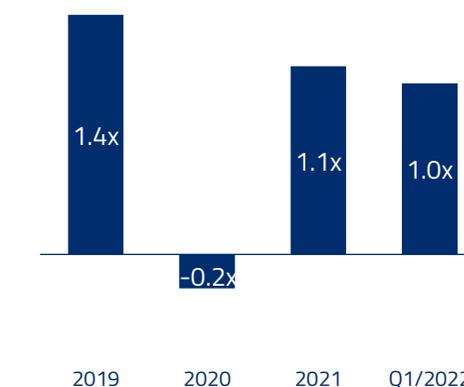
Revenue, Services (EURm) Revenue breakdown Q1/2022 LTM



Leverage

Net debt/EBITDA* < 2.5x

Leverage (Net debt / EBITDA)



Cash conversion = Operating cash flow before financial and tax items (LTM) x 100 / EBITDA (LTM)

EBITDA is defined as Operating profit + amortisation and impairment on intangible assets. Adjustments according to defined Items affecting comparability (IAC).

*Organic growth for Q1/2022 LTM compared to Q1/2021 LTM

* Based on calculation principles confirmed with the lending parties, containing certain agreed adjustments. The calculation principles take into account the impacts of the IFRS 16 standard as of Q4/2021, while prior to this period IFRS 16 standard impacts were not applicable.

Megatrends go in our favour...

Our strategy is supported by the long-term megatrends



Energy efficiency



Increasing technology and digitalisation



Urbanisation



Security

...but it has taken time to turn to growth

Caverion's strategy journey continues: What will change?

2014-2016

Delivering on growth and profitability

- > Fix, Build, Create, Reach

2017- Q1/2022

Fit for growth

- > Fit phase: Improved performance, selectivity in Projects
- > Growth phase: Profitable growth

Q2/2022 – 2025

Sustainable growth

- > By being the most reliable and transparent installation and maintenance partner
- > By delivering services along the lifecycle
- > By adding value through Advisory, Engineering and Digital



Our strategy for sustainable growth in 2022-2025

OUR DIFFERENTIATION

We create sustainable impact for every customer with the solutions we design and deliver, reliably and transparently every time.

OUR BUSINESS FOCUS

Adding value through Advisory, Engineering and Digital

Services along the lifecycle

Outstanding installation and maintenance throughout our regions and disciplines

OUR WINNING CAPABILITIES

Customer-centric solutions

Segment expertise and commercial excellence

Operational excellence in the field

The best experts in the right places

OUR STRATEGIC THEMES

People

Digitalisation

Sustainability

Customer experience



Our strategic themes underpinning our growth

OUR STRATEGIC THEMES

People

The most attractive employer

- › Focusing on attracting and growing the right people
- › Empowering Building Performance culture
- › Leading people and performance with passion and care

Digitalisation

More valuable solutions to our customers

- › We have own digital products and capabilities core to delivery or giving us a competitive edge
- › We digitalise our processes to empower people to serve customers reliably and transparently

Sustainability

Sustainable value for our stakeholders

- › We maximise our positive handprint by advising our customers
- › We comply with requirements supported by meaningful reporting and supplier collaboration

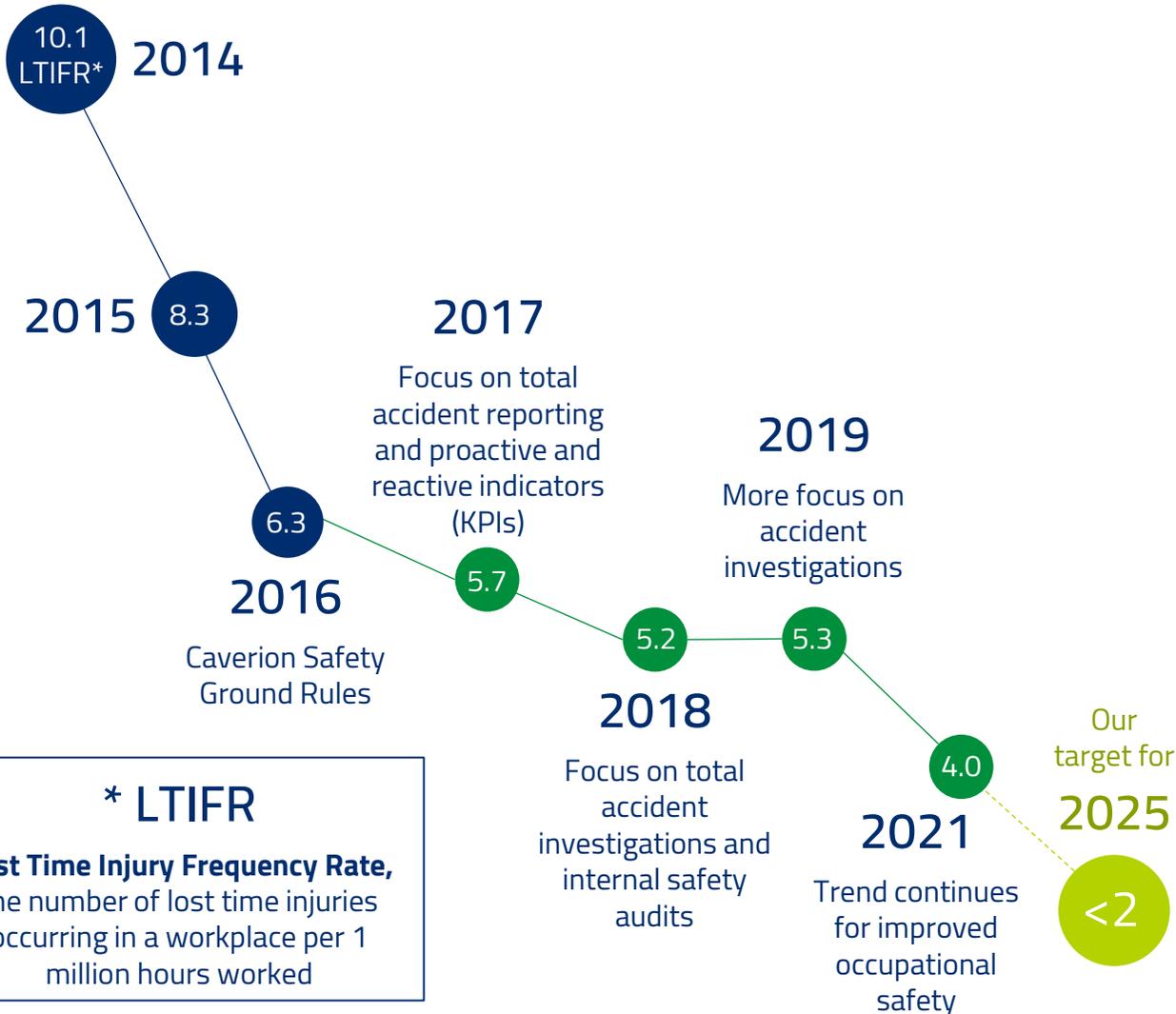
Customer experience

The best customer experience

- › We stay true to our purpose and our promise of Building Performance in every interaction
- › Customer experience is a priority in every business decision

Work safety is our top priority

We are committed to constant improvement



In addition to safe work, we demand that human rights are respected in all our operations and throughout our supply chain.

Our growth is strongly tied to our people strategy

We aim to become the most attractive employer

Retain, attract, and grow the right people

People are at the core of our business and customer interface.

Our leaders are accountable for enabling success with sustainable, value-based leadership.

- > **Focusing on attracting and growing the right people**
- > **Empowering Building Performance culture**
- > **Leading people and performance with passion and care**

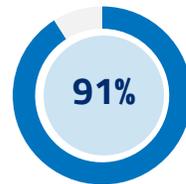
Strong team spirit

- > Competent and engaged employees enable our success
- > Since 2019, improved results in our employee Spirit study

Spirit study



Say that providing excellent customer service is a top priority in their team



Feel respected by their colleagues

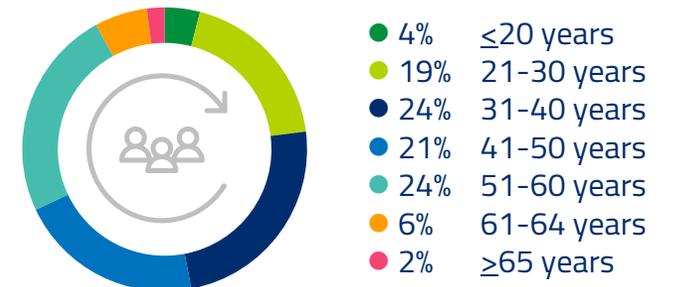
Inclusive work environment for all

- > Over 14,000 people in 10 countries and 47 nationalities

Share of female employees



Age distribution of employees



Caverion's approach to digitalising the Smart City

We have built our own open digital platform over the connected disciplines and systems

24/7 remote centres monitor and manage the properties remotely



Customer can follow the visualised content through Caverion SmartView



Uptime, timeliness, and peace of mind for our customers



People

Digitalisation

Sustainability

Customer experience

Building sustainable performance towards a carbon-positive future

We have a strong position in environment and climate protection



Environment

Towards a carbon-positive future

Social

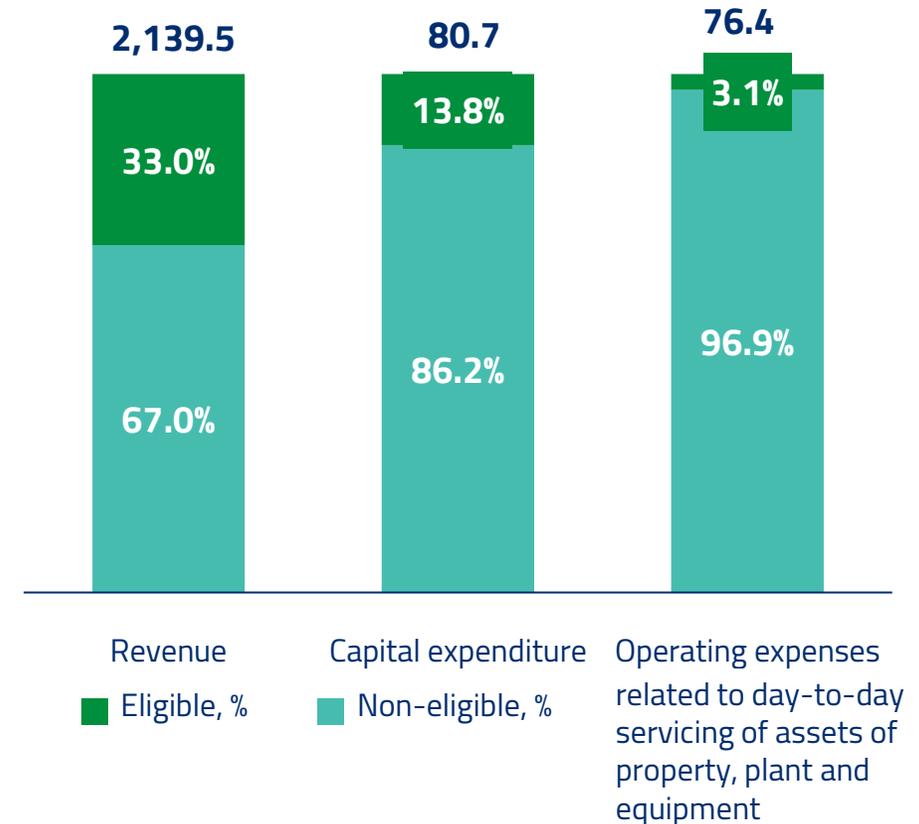
Our people are key to our success

Governance

Ethical operating culture



EU Taxonomy KPI's 2021
EUR million



We have a diversified customer base with a high retention rate

Constant progress in customer satisfaction in recent years

Loyalty

93%

customers are willing to work with Caverion also in the future

Satisfaction

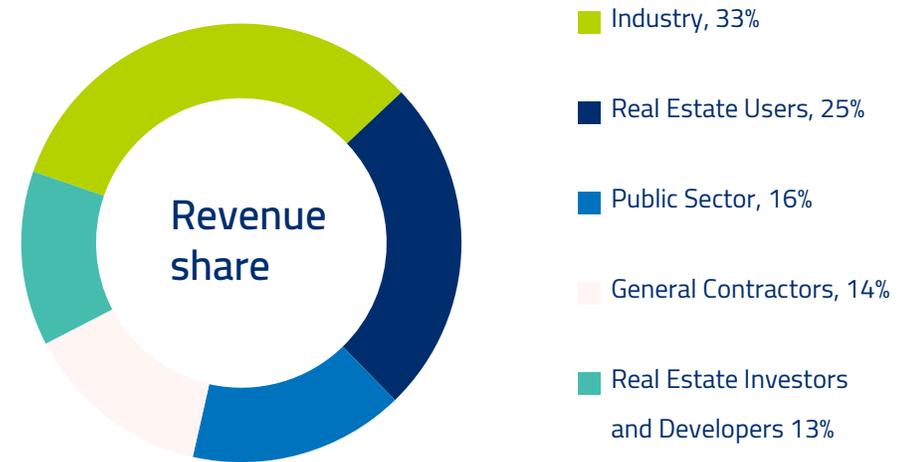
91%

customers are satisfied with Caverion (CSAT)



- Top 5 Performance areas**
1. Service attitude & respectfulness
 2. Competence
 3. Easy to get in touch with
 4. Work safety
 5. Listening to customer needs

Less dependency on economic cycles through various customer groups in private and public sectors



~7% of revenue from Top 3 customers

~14% of revenue from Top 10 customers

High customer retention rate

Sustainable growth through clear differentiation

1

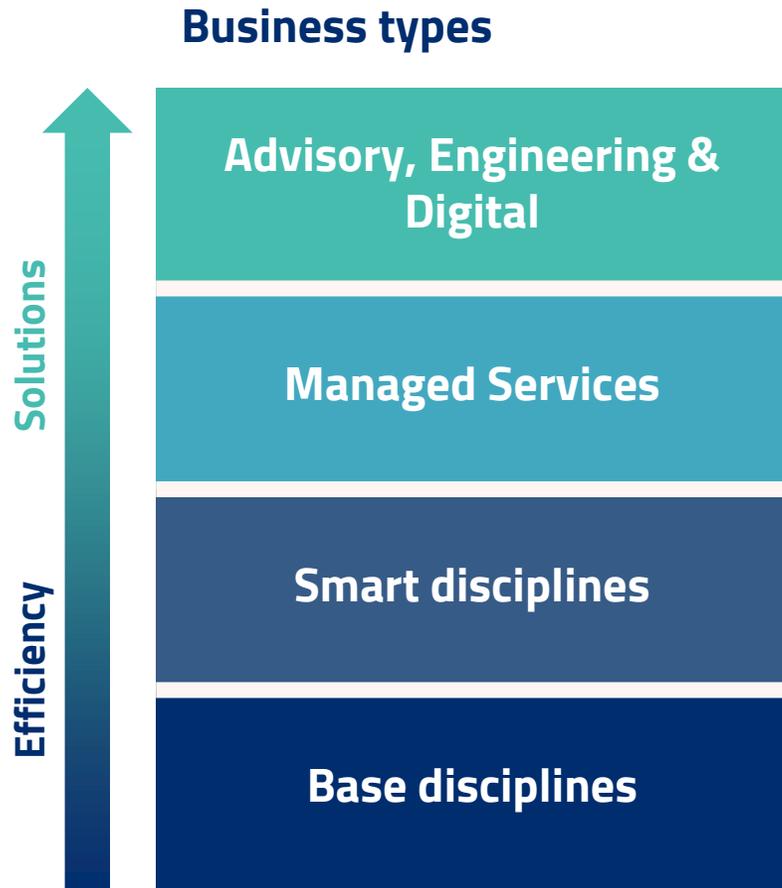
We are ready for
sustainable growth

2

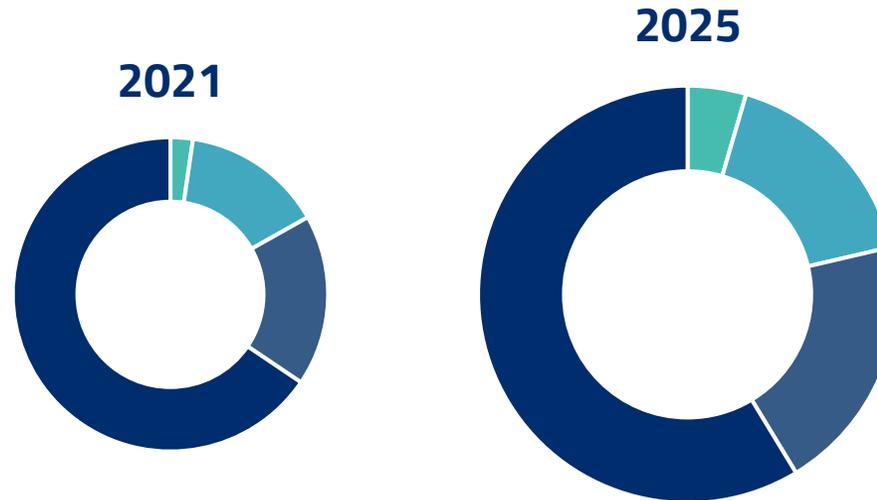
We increase the share of
our solutions business
and grow both organically
and by balanced M&A

Growth in all businesses and divisions, with focus on the higher end of the value chain

Targeting organic growth fuelled by disciplined M&A



Revenue split



Solutions business
portion growing

Services
>2/3
of revenue

There are major opportunities in all of our main markets

The fragmented competition landscape gives us freedom to operate

- > Even with our strong market position, there is considerable room to grow our market size
- > Despite consolidation over recent years, there are still multiple big and small players present in all our markets

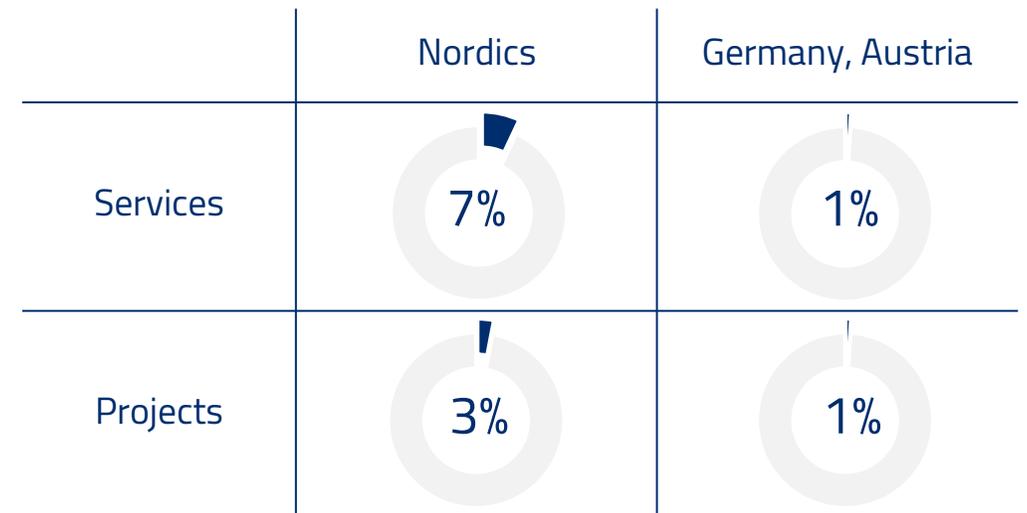
The combination of our presence in Nordics and in Central Europe gives us a competitive edge

- > We are uniquely positioned to serve our customers with a combined Nordic/Central European scope
- > German market size is almost double of our other operating countries combined

2021 Market size in services and projects, € bn



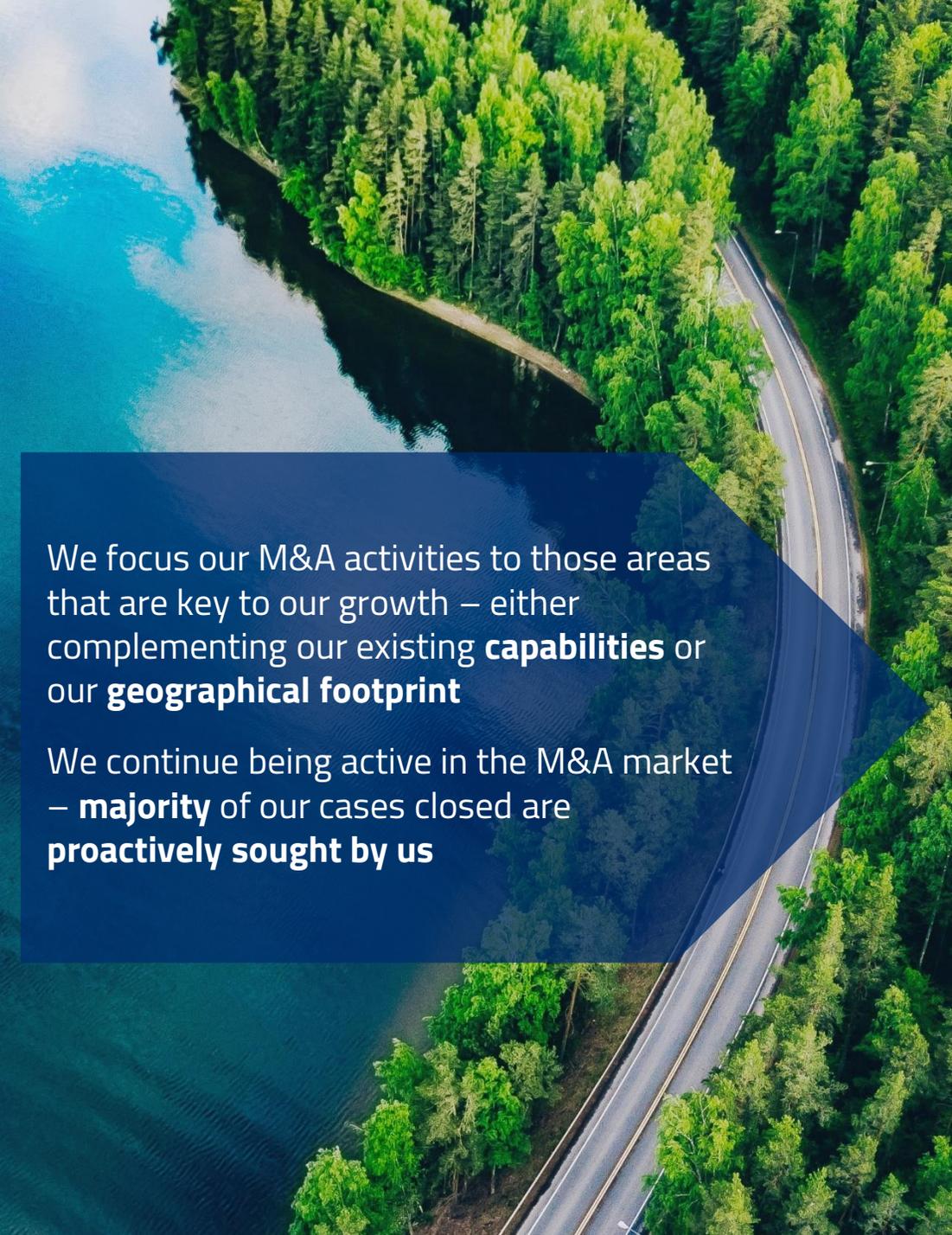
Caverion market share in 2021



Our growth and development will be supported by acquisitions and partnerships

Primary target areas

- › Advisory, design and engineering, especially energy efficiency and sustainability solutions
- › Technical facility management
- › Smart technologies (e.g. automation, cooling, electrical security)
- › Bolt-ons in base disciplines to complement coverage, both in Projects and Services business



We focus our M&A activities to those areas that are key to our growth – either complementing our existing **capabilities** or our **geographical footprint**

We continue being active in the M&A market – **majority** of our cases closed are **proactively sought by us**

Our updated financial targets until the end of 2025

1	Cash flow	Cash conversion > 100%
2	Profitability	Adjusted EBITA > 5.5% of revenue
3	Growth	Organic revenue growth 3-4% p.a. over the strategy period
4	Acquisitions	M&A revenue growth 2-3% p.a. over the strategy period
5	Debt leverage	Net debt / Adjusted EBITDA* < 2.5x

Dividend policy

Payout ratio of at least 50% of the result for the year after taxes, however, taking leverage level into account.

*Net debt/Rolling 12M Adjusted EBITDA

Actions driving our sustainable growth

Focus on both revenue growth and margin uplift

Growth actions

- › Move higher up in the value chain (Managed Services and Advisory, Engineering and Digital)
- › Invest in competences and expand the business platform (organic and M&A)
- › Grow recurring digital solutions and services

Margin uplift actions

- › Scale and leverage (operating and financial)
- › Improve scalability, efficiency and productivity
 - › Procurement, buying power
 - › IT and digital transformation
 - › Sharing common expertise efficiently

Sustainable growth through clear differentiation

1

We are ready for sustainable growth

2

We increase the share of our solutions business and grow both organically and by balanced M&A

3

We continue building a clear differentiation from competition



Our strategic
differentiation

Kari Sundbäck, EVP Services,
Solutions, Digital and Strategy

Our differentiation by 2025

We create sustainable impact for every customer with the solutions we **design and deliver, reliably and transparently** every time.



Differentiation is built with our winning capabilities

OUR DIFFERENTIATION

We create sustainable impact for every customer with the solutions we design and deliver, reliably and transparently every time.

OUR BUSINESS FOCUS

Adding value through Advisory, Engineering and Digital

Services along the lifecycle

Outstanding installation and maintenance throughout our regions and disciplines

OUR WINNING CAPABILITIES

Customer-centric solutions

Segment expertise and commercial excellence

Operational excellence in the field

The best experts in the right places

OUR STRATEGIC THEMES

People

Digitalisation

Sustainability

Customer experience



Differentiation is built with our winning capabilities

OUR WINNING CAPABILITIES

Customer-centric solutions

Segment expertise and commercial excellence

Operational excellence in the field

The best experts in the right places

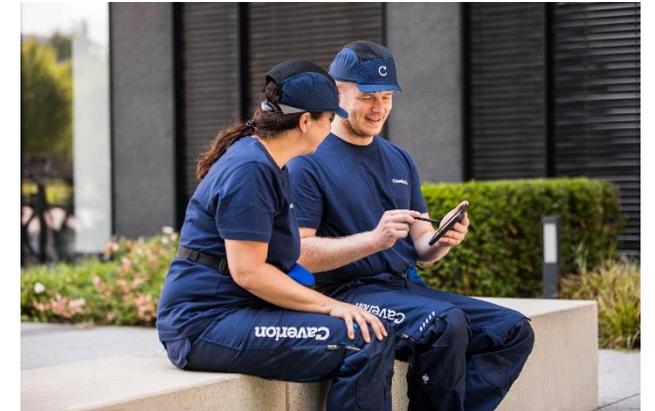
Empowering our people to serve customers

Focus on digitalised customer interface

Continued focus on efficiency

Presence close to our key long-term customers

Majority of delivery is run by own employees



What it means to be the most reliable and transparent in our business

OUR WINNING CAPABILITIES

Operational excellence
in the field

The best experts in
the right places

130 sites **3** countries

~30,000 service orders
per year

Our differentiation in action: Long-term facility management partnership with PostNord in the Nordics since 2020, complemented by working together in digitalisation and energy efficiency through SmartView

Differentiation is built with our winning capabilities

OUR WINNING CAPABILITIES

Customer-centric solutions

Segment expertise and commercial excellence

Operational excellence in the field

The best experts in the right places

Be at the core of our customers' solutions

Solutions designed with customers

Solutions expertise shared and replicated

Specialised customer engagement in key customer segments

Commercial excellence for our different business types



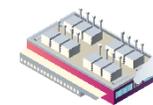
Building



Infrastructure



Factory



Power Plant



What it means to be able to both design and deliver solutions to our customers: acquisition of DI-Teknik A/S

OUR WINNING CAPABILITIES

Customer-centric solutions

Segment expertise and commercial excellence

Our differentiation in action: Acquisition of DI-Teknik A/S brings completely new expertise in industrial automation in Denmark. Going forward, Caverion will be able to provide customer-centric solutions at the higher end of the value chain in addition to its strong installation and maintenance capability.



What it means to be able to both design and deliver solutions to our customers: acquisition of Wind Controller

OUR WINNING CAPABILITIES

Customer-centric solutions

Segment expertise and commercial excellence

Our differentiation in action: Wind Controller is the leading technical consultant and service provider for the Finnish wind power industry. By entering the wind power segment, Caverion widens its offering in the energy sector. The transaction complements Caverion's strong expertise in the energy industry and supports our growth strategy.

Our strategy for sustainable growth in 2022-2025

OUR DIFFERENTIATION

We create sustainable impact for every customer with the solutions we design and deliver, reliably and transparently every time.

OUR BUSINESS FOCUS

Adding value through Advisory, Engineering and Digital

Services along the lifecycle

Outstanding installation and maintenance throughout our regions and disciplines

OUR WINNING CAPABILITIES

Customer-centric solutions

Segment expertise and commercial excellence

Operational excellence in the field

The best experts in the right places

OUR STRATEGIC THEMES

People

Digitalisation

Sustainability

Customer experience



Caverion's approach to digitalising the Smart City

Uptime, timeliness, and peace of mind for our customers

Customer

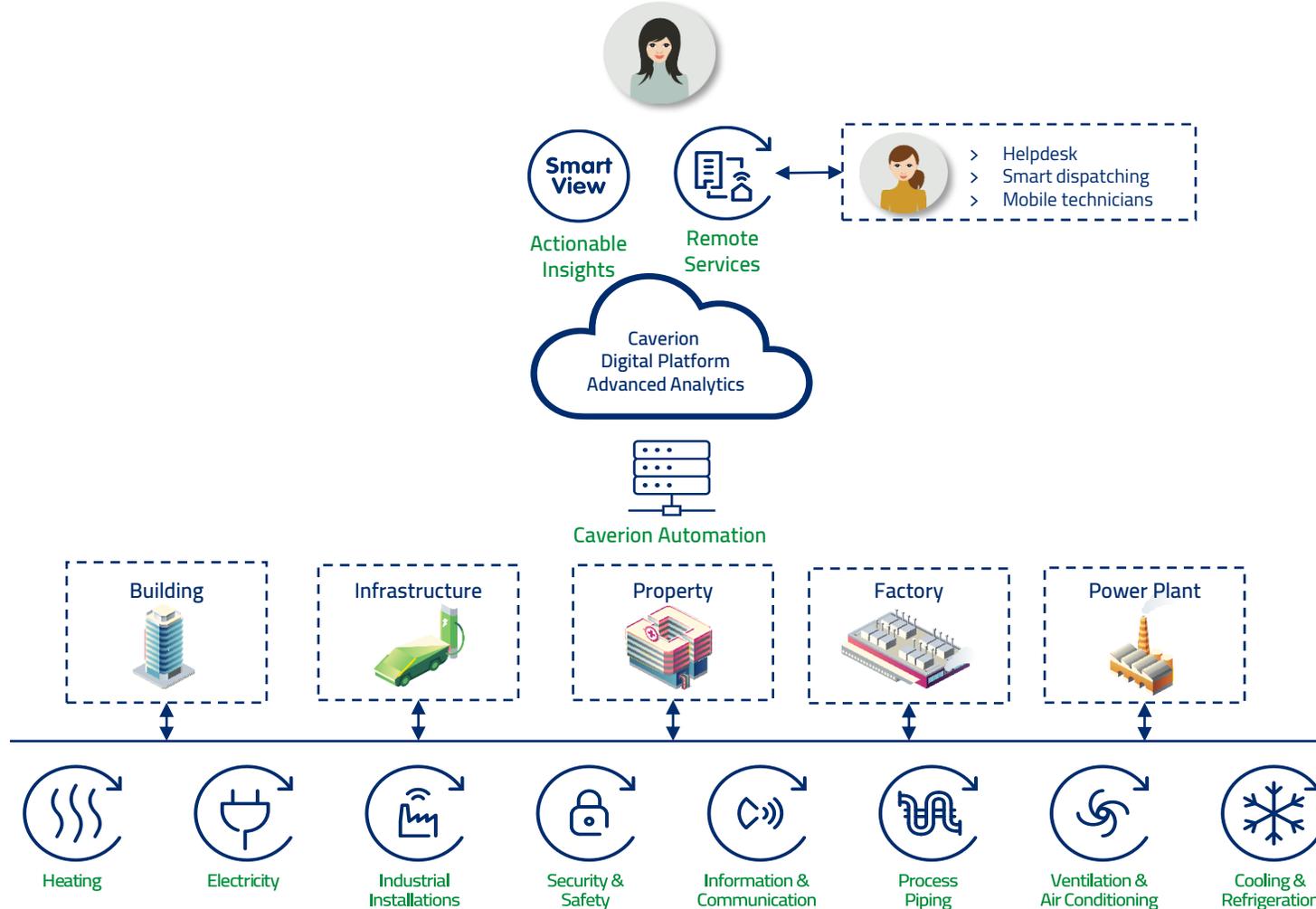
Outcomes

Digital platforms

Automation

Environments

Base & Smart Disciplines



From transactions to solutions



From one-time to recurring revenue

People

Digitalisation

Sustainability

Customer experience

Sustainability strategy focus areas & targets by 2025

Caring for our people

- > Lost Time Injury Frequency Rate (LTIFR) <2
- > Our employees trained in sustainability
- > Share of female employees 15%

Increasing our handprint

- > 5 times carbon handprint over footprint (Scope 1-2)
- > Our offering has a defined carbon handprint



Ensuring sustainable value chain operations

- > Supplier Code of Conduct sign-off rate >90%
- > Our tender requests include sustainability criteria

Decreasing our footprint

- > Total carbon footprint defined and measured

By 2030...

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

*Scope 1-2

ESG enabler creating positive carbon handprint

Our smart technology cooling solutions reduce CO2 emissions and energy consumption



Kuntolaakso Life Cycle Contract, Kuopio, Finland

- > 20-year lifecycle contract
- > Covering swimming centre and an ice stadium



Cooperation with Arina & Oulun Energia, Oulu, Finland

- > 80 retail properties of Osuuskauppa Arina
- > Enhancing district heating by ~5%
- > Reducing CO2 emissions by ~10%

People

Digitalisation

Sustainability

Customer experience

Minimising our own carbon footprint

Driving towards zero emissions in our car fleet as fast as possible during the strategy period

We are committed to the Science-based targets and work across the full value chain according to the SBT principles. Car fleet is a key component in our footprint.

New service van orders

- › Fully electric vehicles in cities as default, i.e. for most of our fleet

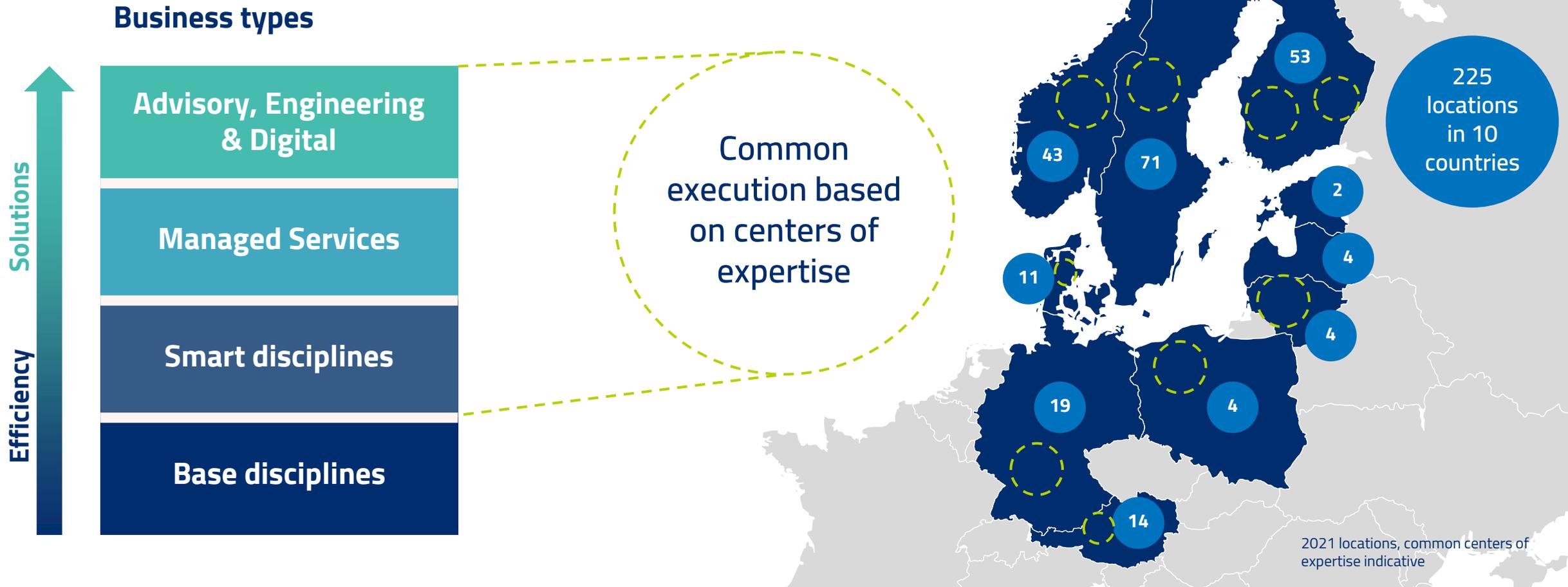
New passenger car orders

- › Fully electric vehicles as default in the Nordics
- › 50% in Central Europe from now on, increasing gradually over the coming period



Strong local presence combined with a common buildup and sharing of expertise in solutions business

Our operating model



Our strategy for sustainable growth in 2022-2025

OUR DIFFERENTIATION

We create sustainable impact for every customer with the solutions we design and deliver, reliably and transparently every time.

OUR BUSINESS FOCUS

Adding value through Advisory, Engineering and Digital

Services along the lifecycle

Outstanding installation and maintenance throughout our regions and disciplines

OUR WINNING CAPABILITIES

Customer-centric solutions

Segment expertise and commercial excellence

Operational excellence in the field

The best experts in the right places

OUR STRATEGIC THEMES

People

Digitalisation

Sustainability

Customer experience





Q&A

- > Live audience
- > Online Q&A

Our business focus areas

Niko Koivuniemi, Head of Strategy,
Caverion Group

Alexander Selke, Head of Projects Business Unit,
Division Germany

Laura Karotie, Head of Managed Services,
Division Finland

Kari Aalto, Head of Design & Advisory Services,
Division Industry



We grow by investing in our key business focus areas



**Solutions
business**
portion growing



Services
>2/3
of revenue



OUR BUSINESS FOCUS

Adding value through Advisory, Engineering
and Digital

Services along the lifecycle

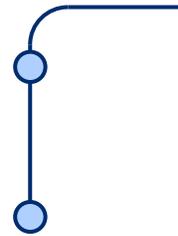
Outstanding installation and maintenance
throughout our regions and disciplines

We grow by investing in our key business focus areas



Balanced base business in the right locations
and with the right people

Building a **base for higher value-added** solutions



OUR BUSINESS FOCUS

Outstanding installation and maintenance
throughout our regions and disciplines

Outstanding installation and maintenance throughout our regions and disciplines



Alexander's key highlights

Top 5 in building technology

> 750 employees in Projects in Germany

80–100 projects in portfolio p.a

0.5–30 m€ contract value / project

Customers

R&D, hospitals, pharma & health care, laboratories, airports, stations, offices, transport, industrial production, multi-use buildings etc.

Today's customer case on the area

> **Recharge**

Outstanding installation and maintenance throughout our regions and disciplines



Economic
value



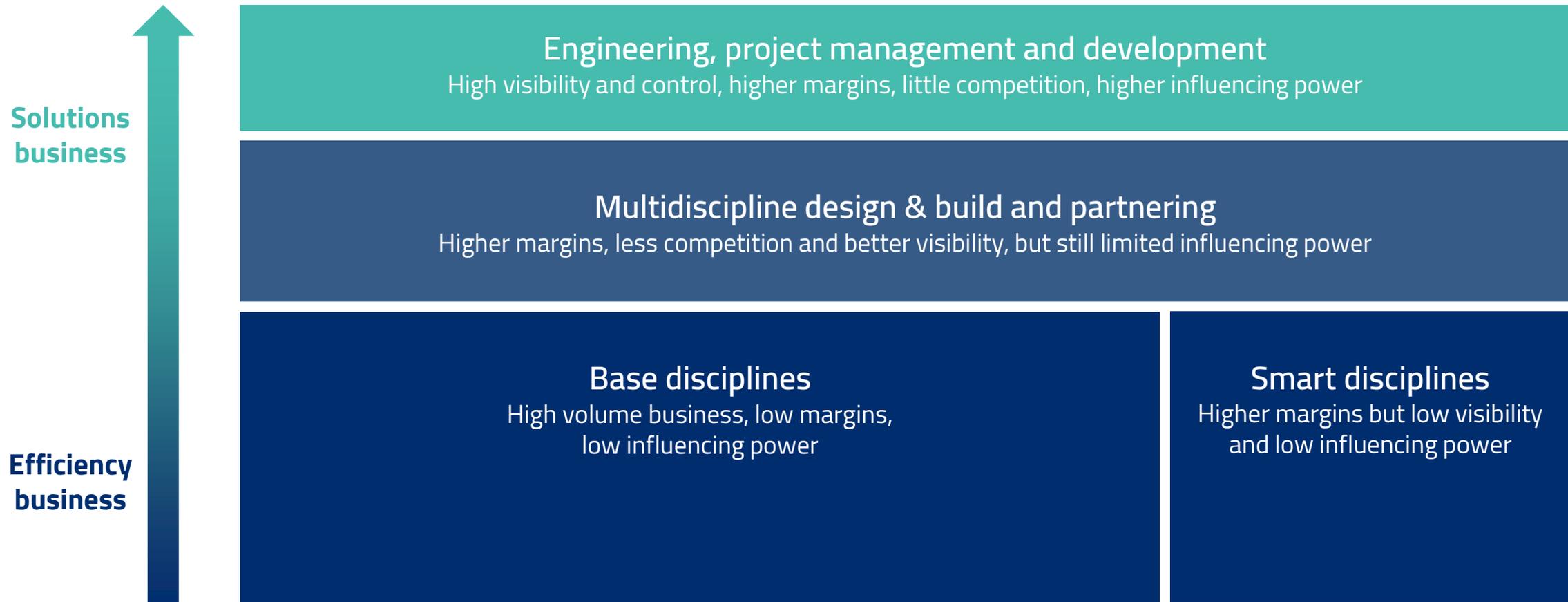
Sustainability
outcomes



Innovation

- > Accelerated profitable growth
- > Customer loyalty
- > Better conversion from Projects to Services and back
- > Unique competitive position

In Projects, we move from basic technology and subcontracting up the value chain into being a true solution provider

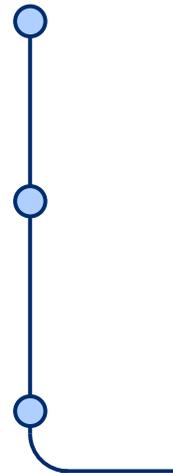
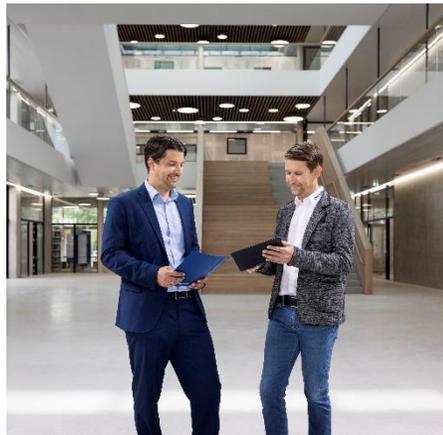


We grow by investing in our key business focus areas

We grow our managed services business through **facility management contracts**

We use facility management contracts as a basis to **organically grow our property management competencies**

We use our **presence** to acquire new installation and maintenance business throughout disciplines



OUR BUSINESS FOCUS

Services along the lifecycle

Services along the lifecycle



Laura's key highlights

20+ years of experience
in Managed Services in Finland

24/7 remote services and help desk

>4 million m² of our customers'
property space under our management

10+ years customers typically staying with us

Today's customer cases on the area

- > Technopolis
- > Kesko

Our journey with Kesko: property management and technical maintenance since 2001

Customer needs

- > **Superior end user experience** and cost-efficiency without disturbance to business operations
- > **Uniform processes** and way of working across ~1,300 locations in Finland
- > **Carbon neutrality by 2025** and emissions from own operations and transports cut to zero by 2030

Kesko is the third largest retailer in the Nordic region and the most sustainable grocery trade company in the world. Kesko operates in the grocery trade, the building and technical trade and the car trade. Kesko has ~1,800 stores engaged in chain operations in Finland, Sweden, Norway, Estonia, Latvia, Lithuania and Poland.

Our journey with Kesko: property management and technical maintenance since 2001



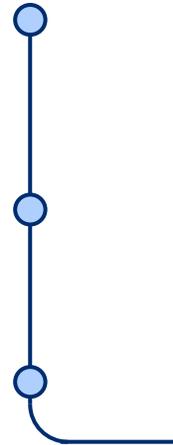
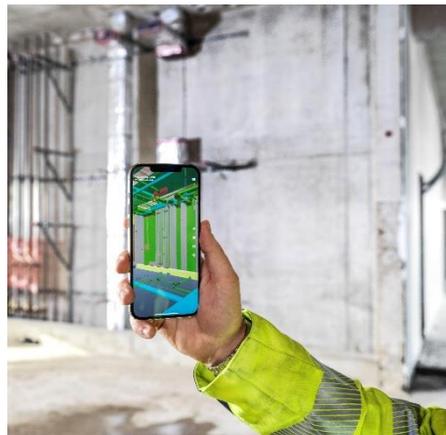
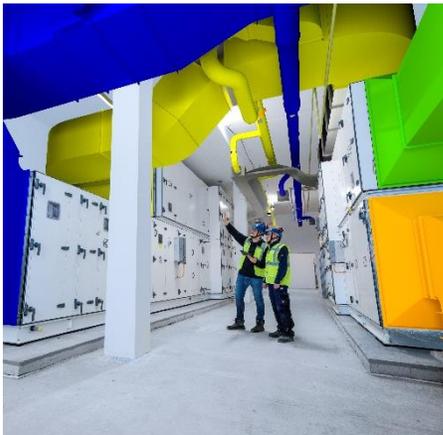
Services developed to match the evolving needs of the customer

We grow by investing in our key business focus areas

We harvest the **full value** from our current customer base and shifting to **higher margin business with better managed risks**

We build deep capabilities in **energy efficiency and sustainability**, supported by megatrends, incentives and regulation shift

Our **Advisory & Engineering** learns from the field, and our installation and maintenance operations benefit from our deep expertise in technical solutions



OUR BUSINESS FOCUS

Adding value through Advisory, Engineering and Digital

Adding value through Advisory, Engineering and Digital



Kari's key highlights

- >4.0 GW** electricity generation under Caverion's control
- >400,000** data measurement points under Caverion's control
- >20 years** of experience with more than 200 experts in Industry Advisory

Today's case study on the area

- > Caverion Smart Readiness Indicator**

Adding value through Advisory, Engineering and Digital

1

Design & Advisory services for industrial life cycle

Local service in engineering for
partnership sites

Management and engineering services
for the life cycle investments

2

Reliability services

Analysis and operating
models for reliability

Content creation for maintenance
systems and digital asset management

3

Digital solutions for industry

Caverion Intelligence

Automation solutions for better reliability and
production efficiency



Our customers' partner for daily maintenance development
and advisory organization for life cycle projects

Continuous improvement of performance, sustainability and safety

- > We have the know-how, technology and leadership to continuously improve **performance, sustainability and safety**
- > As **experts in the life cycle maintenance**, we can optimise projects to serve customers long-term goals
- > We have **benchmarks** needed to analyse how our customers plant is performing – and competence to make needed **improvements**
- > Our ambition is to provide the best **engineering, project management, analysis** and **advisory**



- ✓ Increased production efficiency
- ✓ ~200 experts
- ✓ >400,000 measurement points in our machine learning
- ✓ Lower maintenance costs
- ✓ Over 20 years of history
- ✓ 12 locations

- ✓ Plant reliability and performance
- ✓ AI based process anomaly detection
- ✓ Industrial IoT analytics for remote operations
- ✓ O&M digitalisation consultancy
- ✓ Audio and visual machine learning

Caverion Intelligence

We increase our customers' plant reliability and performance by using artificial intelligence, advanced analytics and industrial IoT solutions

- > We are our customers' **partner in continuous development** of production efficiency and process reliability
- > Caverion Intelligence combines **machine learning with real time process data**
- > Business model works **across borders** and creates **recurring revenue**
- > We help our customers to transform their daily practices into truly **data-driven decision-making**

Caverion
Building Performance

CUSTOMERS



We grow by investing in our key business focus areas



**Solutions
business**
portion growing



Services
>2/3
of revenue



OUR BUSINESS FOCUS

Adding value through Advisory, Engineering
and Digital

Services along the lifecycle

Outstanding installation and maintenance
throughout our regions and disciplines



Q&A

- > Live audience
- > Online Q&A



Caverion
Building Performance



Coffee break 13.45-14.00

Sustainable growth in
financial terms

Riitta Palomäki, Interim CFO





Sustainable growth in financial terms

1

We are fit to grow
and reach the
next level of profitability

2

We strive for
operational excellence

3

We increase our
capital efficiency
and M&A focus



Sustainable growth in financial terms

1

We are fit to grow
and reach the
next level of profitability

Strong order backlog in 2021 supporting our growth

+15.8%

Order backlog

- > Strong growth both in Services and Projects
- > Increased order backlog expected to realise in revenue growth in 2022

2,139.5 m€

Revenue

- > Services organic growth 1.4%
- > Business mix change continued as the Services business accounted for 65.5% (63.3%) of revenue

87.7 m€

Adjusted EBITA

- > Adjusted EBITA up by 44.6%, adjusted EBITA margin 4.1%
- > Performance overall on a strong level in Services, market demand started to pick up also in Projects

103.8 m€

Operating cash flow before financial and tax items

- > Operating cash flow was impacted by a change in working capital of EUR -21.0 million due to higher receivables
- > 91.2% cash conversion (LTM)

1.1x

Net debt/EBITDA*

- > Low leverage level and strong liquidity position
- > Cash and cash equivalents of EUR 130.9 (149.3) million
- > Strong position for M&A going forward

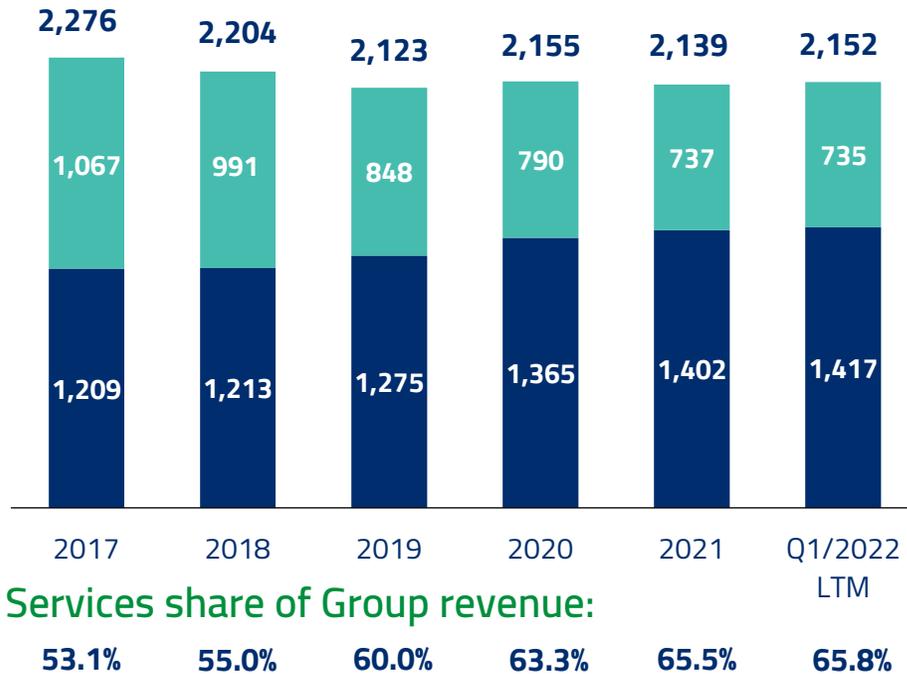
* Based on calculation principles confirmed with the lending parties, containing certain agreed adjustments.

Our shift in business mix and turnaround in profitability is progressing well

Group revenue

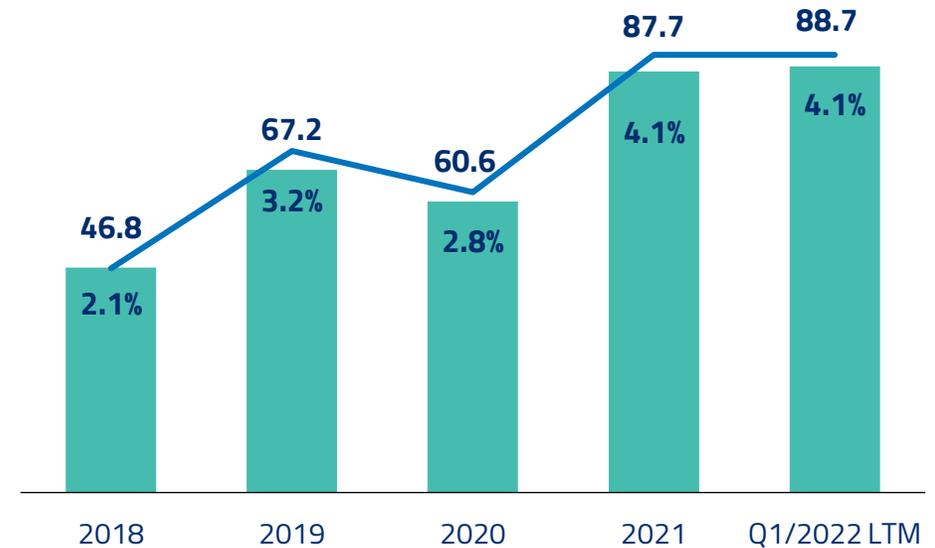
EUR million

■ Services ■ Projects



* Change in reporting of business unit revenue in 2018

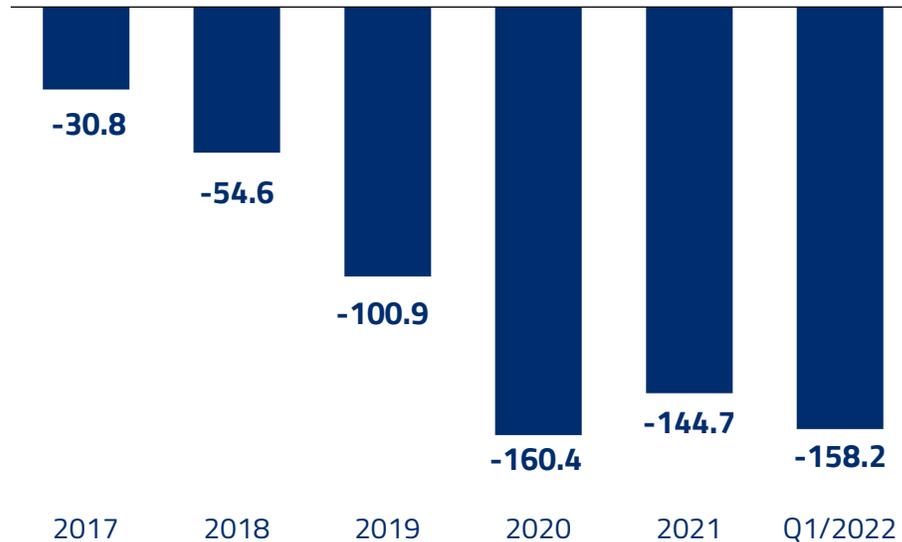
■ Adjusted EBITA, EUR million — Adjusted EBITA margin, %



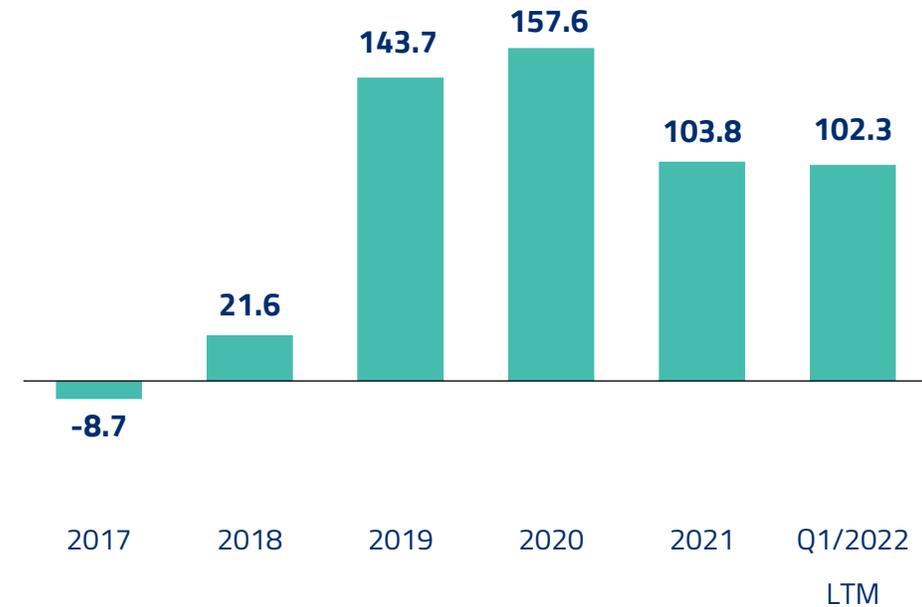
The same figures have been used for the presentation of the respective margins. Comparative figures for 2018 have not been restated according to IFRS 16. Adjusted EBITA = EBITA before items affecting comparability (IAC)

Our performance management mindset with focus on cash flow generation and working capital management are bearing fruit

Working capital
EUR million



Operating cash flow before financial and tax items
EUR million



As of 2019 figures according to IFRS16

Operating cash flow before financial and tax items = adjusted results for the period + change in working capital

Tangible progress in each division

Services improving across our portfolio, Projects developing in right direction

Illustrative performance by division

	Finland	Sweden	Norway	Denmark	Germany	Austria	Industry
Status (Q3/2019, previous CMD)							
							
Overall FIT status (Q1/2022)							
Comment	Strong performance continued in both Projects and Services	Performance improving y-o-y, Projects turning positive	Still on an improving trend	Fit actions continued and adding more critical mass and competences like DI-Teknik	Solid development. Fit actions in Projects bringing positive results, still room for improvement	Continued stable profit generation	Profitable Services and Projects
% of revenue in 2021	19%	20%	16%	4%	17%	9%	12%

Our updated financial targets until the end of 2025

1	Cash flow	Cash conversion > 100%
2	Profitability	Adjusted EBITA > 5.5% of revenue
3	Growth	Organic revenue growth 3-4% p.a. over the strategy period
4	Acquisitions	M&A revenue growth 2-3% p.a. over the strategy period
5	Debt leverage	Net debt / Adjusted EBITDA* < 2.5x

Dividend policy

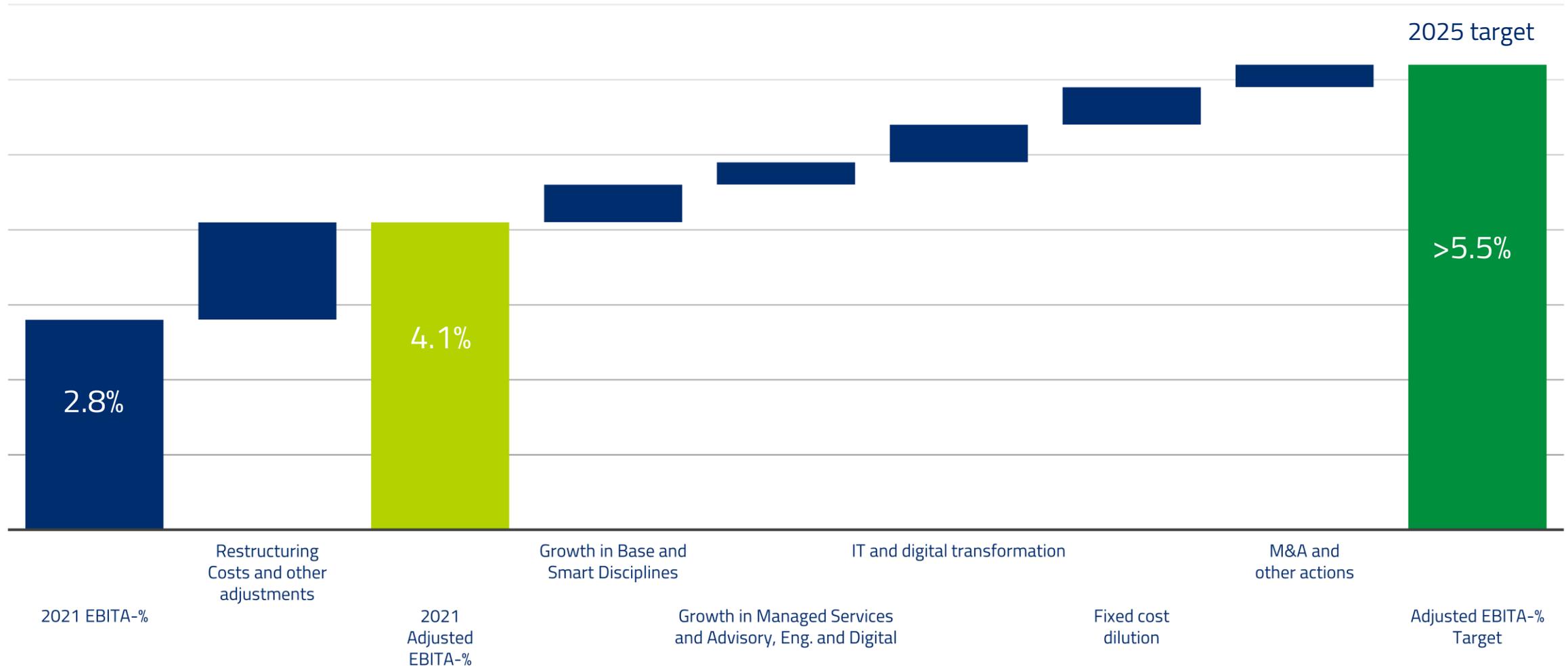
Payout ratio of at least 50% of the result for the year after taxes, however, taking leverage level into account.

*Net debt/Rolling 12M Adjusted EBITDA

Targeting sustainable profitable growth

Sustainable growth actions projected to take us to the next level of profitability

Illustrative





Sustainable growth in financial terms

1

We are fit to grow
and reach the
next level of profitability

2

We strive for
operational excellence

Personnel expenses, materials and supplies, external services and other costs have all been cut to improve performance



- 1 Productivity

- 2 Scale

- 3 Efficiency

- 4 Procurement

The turnaround of our Projects business has been successful, with strong focus on selectivity, governance and performance management

Our turnaround actions, started in 2017

- 1 Select projects based on profitability, cash flow and ability to support growth in services
- 2 Implement Projects Performance Management
- 3 Improve project management competences and develop resource planning
- 4 Manage project portfolio and business mix, climb up in the value chain

Project business now on a healthy base



Roles & organisation

Key project roles and responsibilities with competent people in key delivery roles

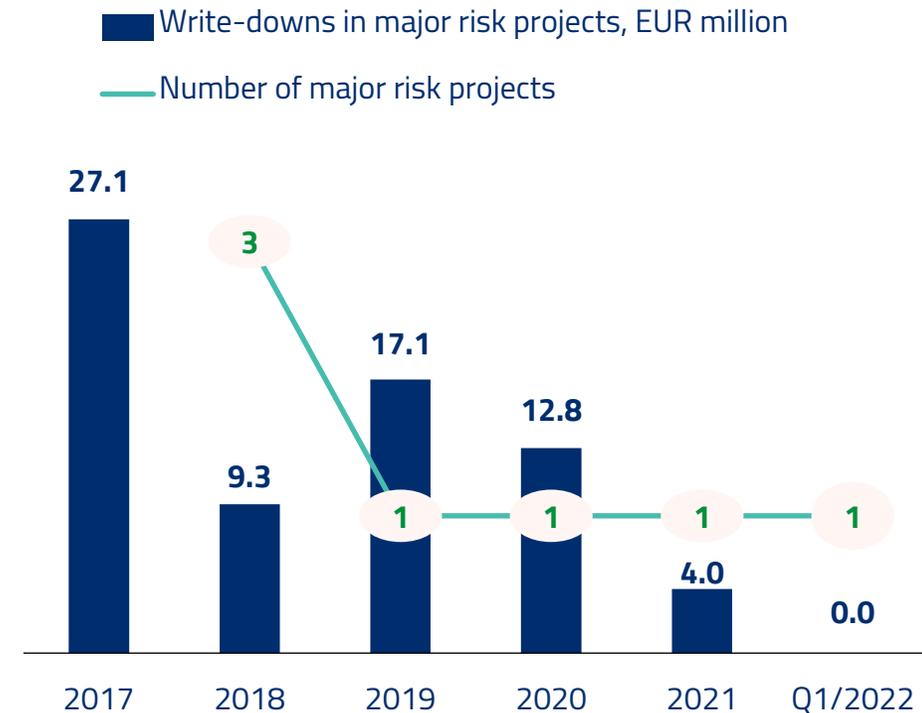


Processes, governance & performance management

Common process and governance of end-to-end project process compliance, including early warning indicators. Project follow-up steering and monthly reporting consistently with common KPI's

Project write-downs in major risk projects under control

- › In 2021, Caverion critically assessed its final remaining major risk project at the end of the year
- › The write-downs from this major risk project amounted to EUR 4.0 million in 2021
- › The project is now handed over to the customer, however final discussions between the parties are still ongoing



*Major risk projects include only one risk project in Germany in 2019 – Q1/2022.
 In 2018, major risk projects included three completed Large Projects from Industrial Solutions.*



Sustainable growth in financial terms

1

We are fit to grow
and reach the
next level of profitability

2

We strive for
operational excellence

3

We increase our
capital efficiency
and M&A focus

Capital allocation policy to achieve sustainable growth

Illustrative

Investment capacity created through:

- > Sustainable growth
- > Margin uplift
- > Improved scalability, efficiency and productivity including procurement optimisation
- > Strong cash conversion



Capital allocation policy



Organic investments

Investments in organic growth, including digitalisation and offering development



Dividends

Dividend policy: Payout ratio of at least 50% of the result for the year after taxes, however, taking leverage level into account



M&A

M&A in selected growth areas and complementary capabilities



There are major opportunities in all of our main markets

The fragmented competition landscape gives us freedom to operate

- › Even with our strong market position, there is considerable room to grow our market size
- › Despite consolidation over recent years, there are still multiple big and small players present in all our markets

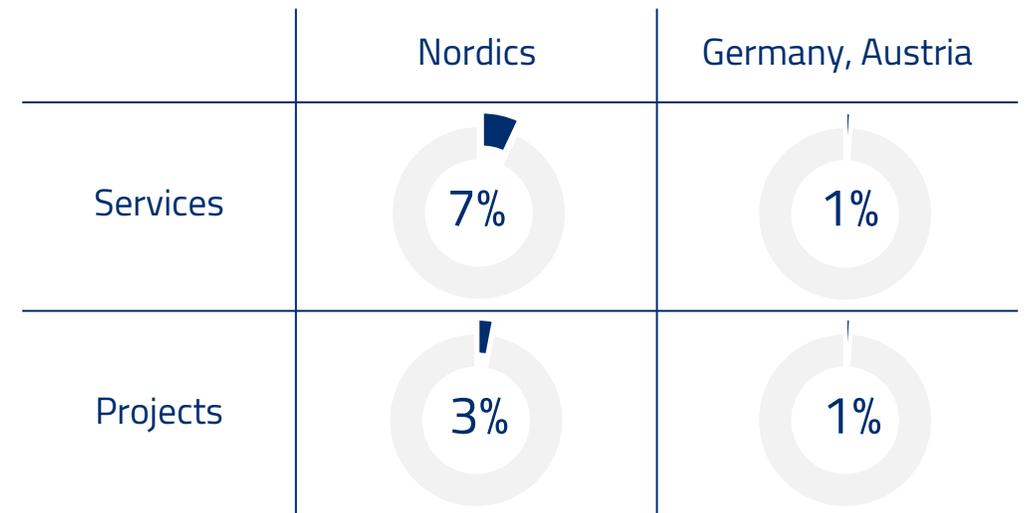
The combination of our presence in Nordics and in Central Europe gives us a competitive edge

- › We are uniquely positioned to serve our customers with a combined Nordic/Central European scope
- › German market size is almost double that of our other operating countries combined

2021 Market size in services and projects, € bn



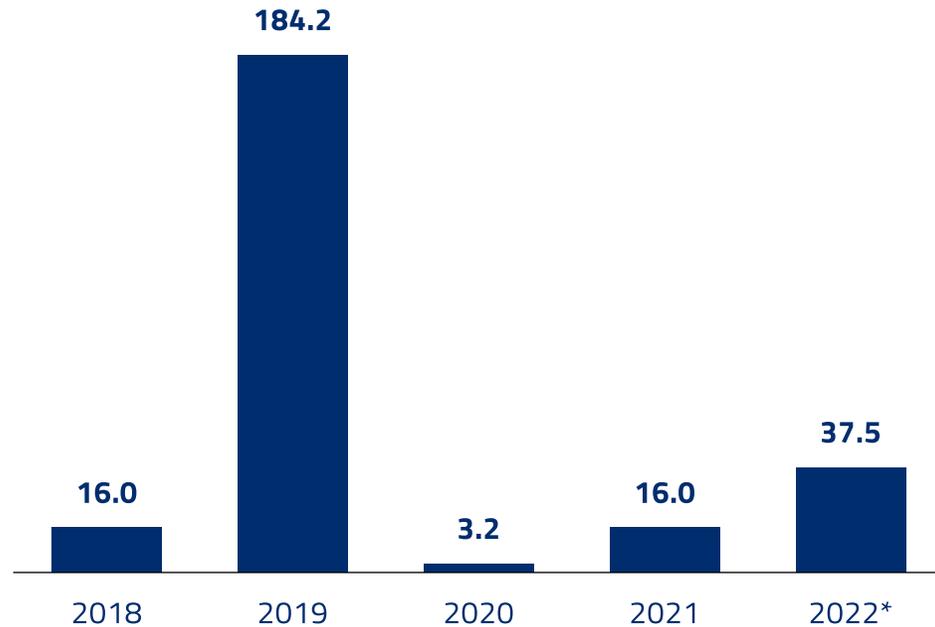
Caverion market share in 2021



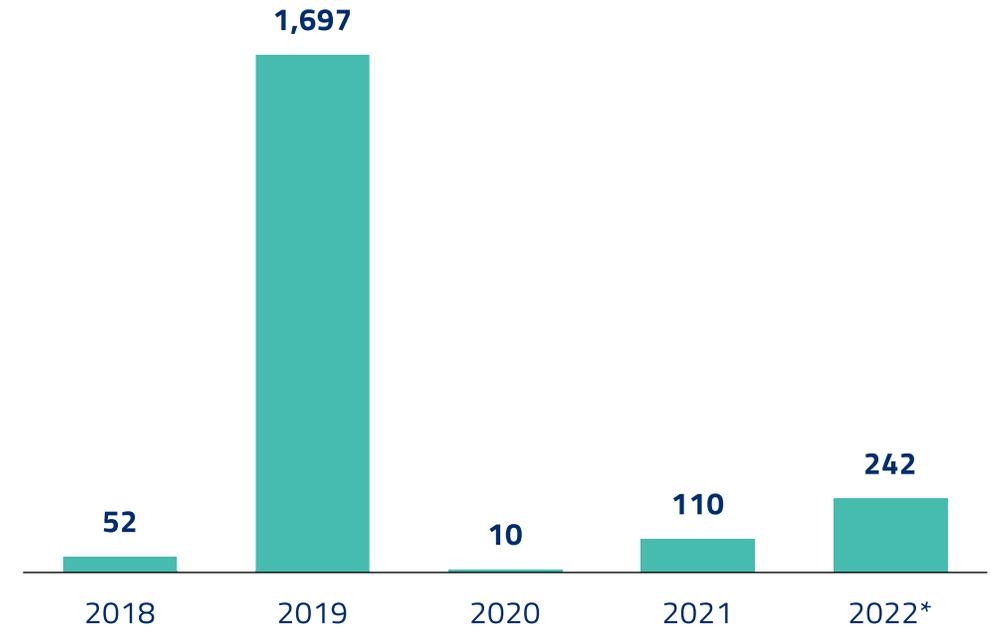
We continue being active in M&A

Majority of closed cases are proactively sought by us

Revenue acquired, €m (Total 257 €m)



Employees in acquired companies (Total 2,111)



of acquired companies



of acquired companies



* Until 2 May 2022



Revenue, €m:	50.6	130.1	27.8	5.1
Employees:	271	1,414	185	40



Sustainable growth in financial terms

1

We are fit to grow
and reach the
next level of profitability

2

We strive for
operational excellence

3

We increase our
capital efficiency
and M&A focus

Our strategy for sustainable growth in 2022-2025

OUR DIFFERENTIATION

We create sustainable impact for every customer with the solutions we design and deliver, reliably and transparently every time.

OUR BUSINESS FOCUS

Adding value through Advisory, Engineering and Digital

Services along the lifecycle

Outstanding installation and maintenance throughout our regions and disciplines

OUR WINNING CAPABILITIES

Customer-centric solutions

Segment expertise and commercial excellence

Operational excellence in the field

The best experts in the right places

OUR STRATEGIC THEMES

People

Digitalisation

Sustainability

Customer experience





Summary of the day, Q&A

Sustainable growth through clear differentiation

1

We are ready for sustainable growth

2

We increase the share of our solutions business and grow both organically and by balanced M&A

3

We continue building a clear differentiation from competition

Our updated financial targets until the end of 2025

1	Cash flow	Cash conversion > 100%
2	Profitability	Adjusted EBITA > 5.5% of revenue
3	Growth	Organic revenue growth 3-4% p.a. over the strategy period
4	Acquisitions	M&A revenue growth 2-3% p.a. over the strategy period
5	Debt leverage	Net debt / Adjusted EBITDA* < 2.5x

Dividend policy

Payout ratio of at least 50% of the result for the year after taxes, however, taking leverage level into account.

*Net debt/Rolling 12M Adjusted EBITDA

Guidance and dividends

Guidance for 2022

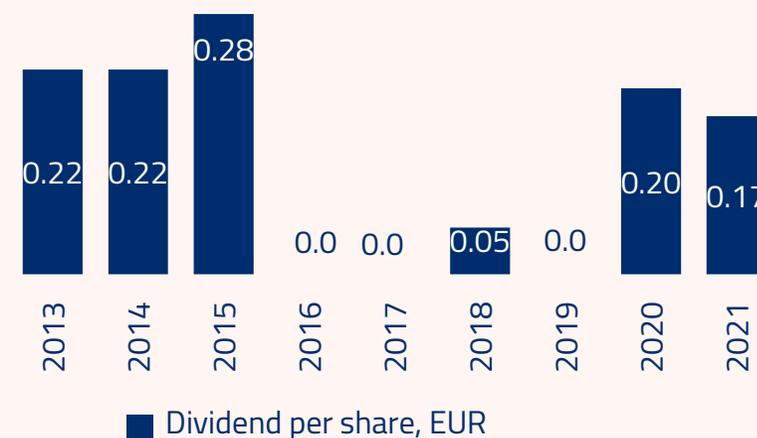
- › In 2022, Caverion Group's revenue (2021: EUR 2,139.5 million) and adjusted EBITA (2021: EUR 87.7 million) will grow compared to 2021.

Dividend

- › The Annual General Meeting held on 28 March 2022 decided that a dividend of EUR 0.17 per share was paid for the year 2021. The payment date was 6 April 2022.



Dividends paid



Why invest in Caverion?

- 
1. **Well-positioned to drive sustainable profitable growth**
 2. **A leading position in a huge market supported by megatrends**
 3. **A large range of sustainable solutions with a clear differentiation offered to a diversified customer base**
 4. **Strong team to execute on strategy and capture untapped potential**
 5. **Solid order backlog with an increasing share of services and recurring work**
 6. **Performance management culture with focus on cash flow, working capital and strong liquidity**



Q&A

- > Live audience
- > Online Q&A



Thank you for joining
Caverion CMD 2022!

We welcome your feedback, please fill in
this simple feedback form:

<https://bit.ly/3LLQcVZ>

