Overview of the year 2019

25 May 2020

2019: The year we turned back to growth – Key events

Order backlog increased both in Services and Projects

Profitable growth in Services continued

- Services revenue up by 6.4% in local currencies (60% of Group revenue)
- Services business unit continued improving profitability.

Projects business turnaround continued

- Projects result improved in H2/2019; still negatively impacted by old projects.
- Selective approach towards Projects continued

Acquisitions supported by strong cash flow

- Maintpartner, Huurre and Pelsu Pelastussuunnitelma
- Cash flow after investments: EUR 64.5 million.

Risk level lower

- Efforts made to close or settle the remaining non-performing projects
- Quality of order backlog improved
- Share of Services increased

Growth phase entered

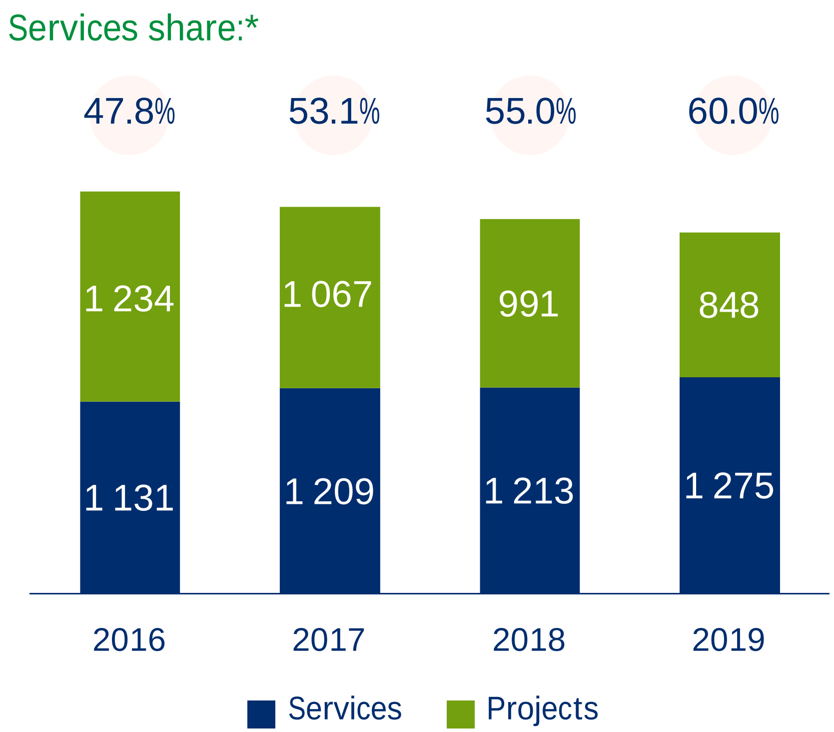
- Updated financial targets launched at the CMD
- Focus on organic growth supported by bolt-on acquisitions
- Order backlog up by 11.8% from the previous year

Key figures

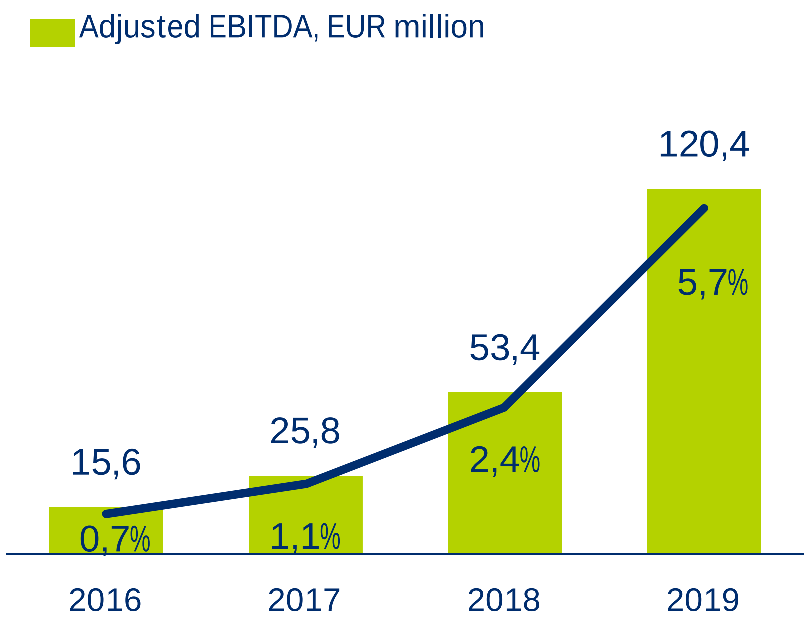
EUR million	1-12/19 (IFRS 16)	1-12/18 (non IFRS 16)	Change
Order backlog	1,670.5	1,494.3	11.8%
Revenue	2,123.2	2,204.1	-3.7%
Adjusted EBITDA	120.4	53.4	125.5%
Adjusted EBITDA margin, %	5.7	2.4	
EBITDA	103.0	-8.8	
EBITDA margin, %	4.8	-0.4	
Adjusted EBITA	67.2	46.8	43.5%
Adjusted EBITA margin, %	3.2	2.1	
EBITA	49.8	-15.4	
EBITA margin, %	2.3	-0.7	
Operating profit	35.3	-35.9	
Operating profit margin, %	1.7	-1.6	
Earnings per share, undiluted, EUR	0.14	-0.40	
Operating cash flow before financial and tax items	143.7	21.6	
Cash conversion (LTM), %	139.5	n.a.	
Working capital	-100.9	-54.6	-84.8%
Interest-bearing net debt	168.4	6.9	
Net debt/EBITDA	1.4	0.2	
Gearing, %	73.6	2.7	
Equity ratio, %	21.5	30.2	
Personnel, end of period	16,273	14,950	8.8%

Comparative figures for 2018 have not been restated according to IFRS 16.

Fit for Growth journey 2017-19: Shift in business mix and turnaround in profitability



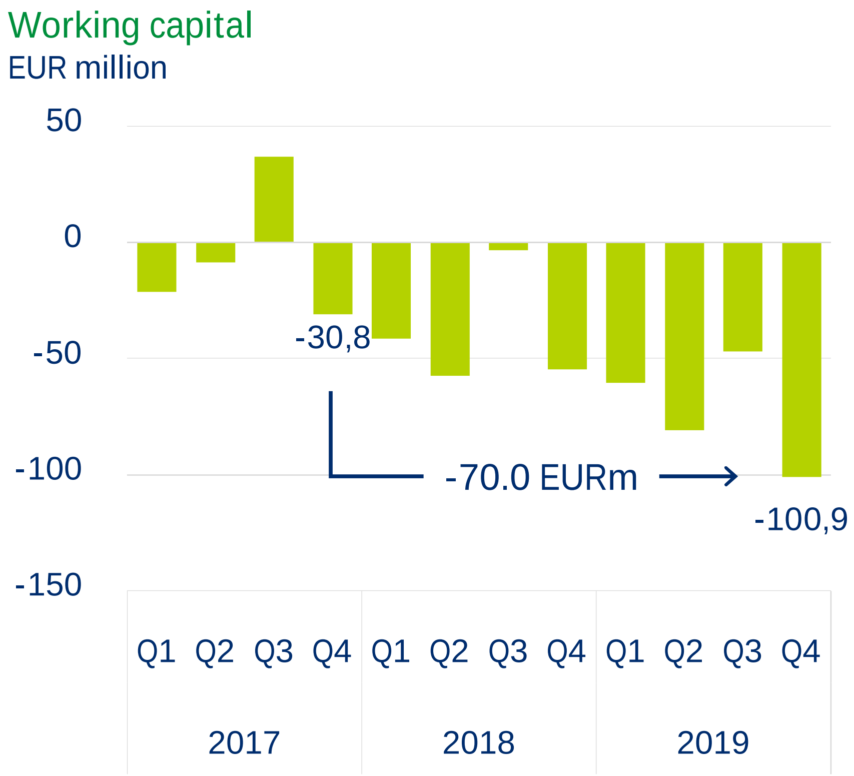
* Change in reporting of business unit revenue in 2018

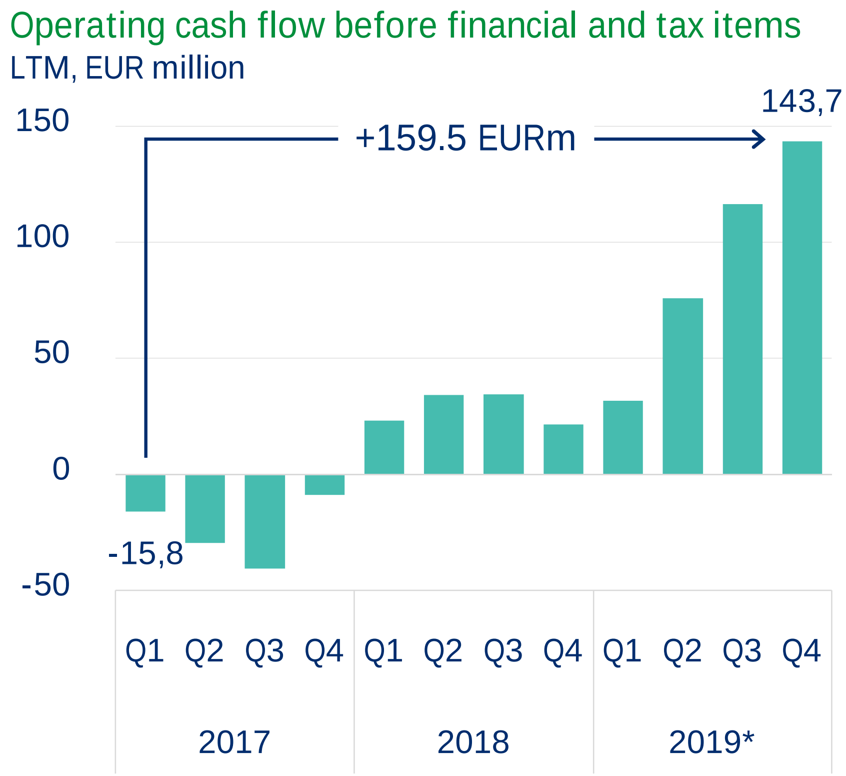


Note! 2016: EBITDA excl. restructuring costs; 2017-2019: Adjusted EBITDA. The same figures have been used for the presentation of the respective margins. Comparative figures for 2018 (or prior periods) have not been restated according to IFRS 16.

Fit for Growth journey 2017-19: Cash flow back to target level

Substantial cash release from working capital. FY 2019 cash conversion 139.5%





* 2019 figures according to IFRS16

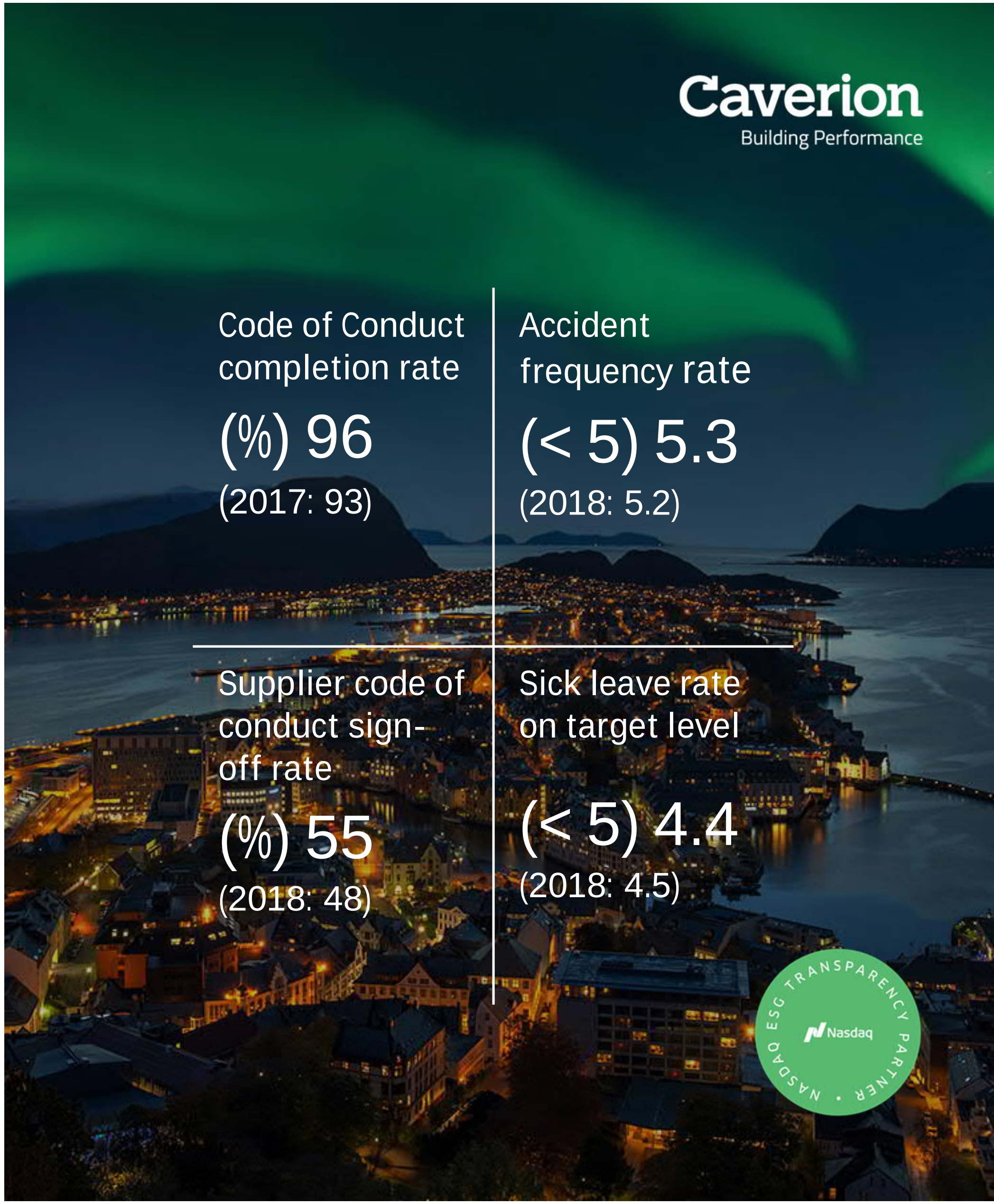
Sustainability Highlights

Environmental handprint

- Significant customer energy savings
  - Energy savings for customers 72,000 (66,000) MW/h through Energy Performance Contracting (EPC) services, corresponding to average annual consumption of 30,000 3-room flats in an apartment building
- More sustainable installations (e.g. solar panels and LED lighting)
  - In Norway alone over 11,000 electric vehicle charging points were installed

Environmental footprint

- CO_2 emissions of service vehicle fleet 7.6 (8.2)



* tCO2 / revenue mEUR
Unless otherwise noted, the figures in brackets refer to the corresponding period in the previous year.

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Going forward

Financial targets and results so far

1

Our Fit for Growth strategy launched in 2017 is working well

2

Digitalisation will revolutionise our industry and sustainability needs are growing rapidly – we are well positioned

3

Growth fundamentals already created, numerous sources of profitable growth enabled by our existing strengths

Cash conversion*	Profitability (Adjusted EBITA-%)	Leverage (Net debt/EBITDA**)	Growth Organic growth
>100%	> 5.5%	< 2.5x	> 4% p.a.
2019: 139.5%	2019: 3.2%	2019: 1.4x	2019: Services growth 6.4% in local currencies, share of Services 60.0%

*Operating cash flow before financial and tax items / EBITDA
**Based on calculation principles confirmed with the lending parties. The confirmed calculation principles exclude the effects of the IFRS 16 standard and contain certain adjustments. If IFRS 16 adjusted figures were applied in the calculation, the target would be adjusted accordingly

Megatrends have developed in our favour and support our growth

	Development since 2017
Increasing technology	Continuous trend towards complexity of networked and integrated technologies that fewer players can manage
Digitalisation	Data-driven analytics and new technologies emerging to enable smart buildings and cities
Energy efficiency	Changes in EU legislation driving growth, increased focus on sustainability and carbon neutrality
Urbanisation	Security and safety are becoming even more important

Key future themes

- Digitalisation
- Sustainability

We have entered the Growth phase

Good progress in Fit for Growth strategy

- The critical phase of turnaround is behind us
- We are delivering increasing profits and cash flow
- We have started to invest in growth, e.g. in our digital platform, sales, brand, offering as well as M&A

Focus will remain on efficiency improvement

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

Coronavirus crisis response in Caverion

Area	Identified issues	Actions taken
People	• Governments in our operating countries reacted to the situation by enforcing strict restrictions on social contacts, group gatherings and travel, many also by locking down their national borders.	• Wellbeing of our employees, customers and other stakeholders as our first priority. New safer procedures to perform project and service works. • Staying close to customers • Corona war rooms active
Cash flow and liquidity	• Uncertainty on the crisis duration • Importance of short-term and long-term cash flow forecasting • High volatility in capital markets	• Contingency plans put into use • Daily/weekly performance management cycle incl. invoicing and cash flow focus • Tightened credit control
Operations and supply chain	• Optimisation of operations more challenging due to increased uncertainty • No major constraints from the supply chain perspective yet	• Cost saving actions launched (discretionary spending etc.) • Resources adapted by using temporary lay-offs and reducing subcontracting

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Guidance and dividend proposal

Guidance and dividends

Guidance for 2020

- On 14 April 2020, Caverion withdrew its guidance for 2020 due to the increased uncertainty around the market outlook as a result of the coronavirus pandemic.

Dividend proposal

- The Board of Directors of Caverion proposes to the AGM to be held on 25 May 2020 that no dividends will be distributed based on the balance sheet to be adopted for 2019 by a resolution of the Annual General Meeting, but that the Board of Directors be authorised to decide at their discretion on the distribution of dividends of a maximum amount of EUR 0.08 per share from the Company's retained earnings.
- Dividend policy: Dividend pay-out at least 50% of the result for the year after taxes, however, taking profitability and leverage level into account.

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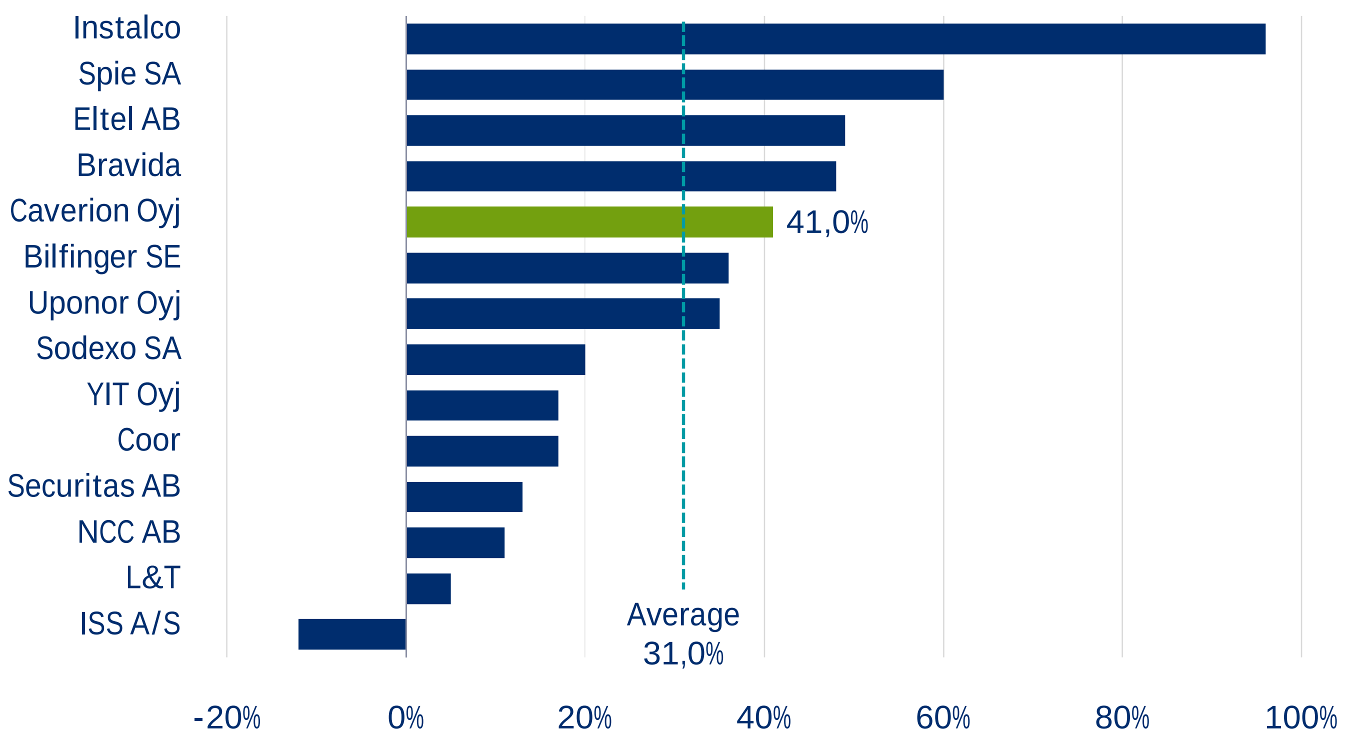
Shareholders

Directly registered shareholders on 30 April 2020

	Largest shareholders	Shares, pcs	% of shares	Change after 12/2018, pcs
1	Herlin Antti	20,503,753	14.8	3,573
2	Structor S.A. (Ehrnrooth family)	14,169,850	10.2	-
3	Varma Mutual Pension Insurance Company	11,138,407	8.0	1,417,000
4	Mandatum companies	5,677,169	4.1	1,198,151
5	Ilmarinen Mutual Pension Insurance Company	3,857,142	2.8	-162,858
6	Säästöpankki funds	2,935,255	2.1	1,220,147
7	Caverion Oyj	2,810,233	2.0	-454,218
8	Evli funds	2,590,000	1.9	1,538,643
9	Elo Mutual Pension Insurance Company	2,431,001	1.7	1,371,001
10	Nordea funds	2,151,877	1.5	-951,332
11	The State Pension Fund	2,050,000	1.5	200,000
12	Fondita funds	1,540,000	1.1	-1,531,618
13	Aktia funds	1,458,099	1.0	-660,761
14	Brotherus Ilkka	1,403,765	1.0	355,500
15	Kaleva Mutual Insurance Company	969,025	0.7	485,189
16	Ari Lehtoranta	917,051	0.7	127,320
17	Sinituote Oy	672,400	0.5	450,000
18	OP funds	596,045	0.4	-250,695
19	Wipunen varainhallinta Oy	550,000	0.4	-
20	Mariatorp Oy	500,000	0.4	-
	20 largest, total	78,921,072	56.81	
	All shares	138,920,092	100.00	

Share price development of peer companies in 2019*



- At the end of 12/2019, the GMB members and the Board of Directors of Caverion together held 16.2 percent of the total number of shares in the company (GMB: 1.4%).
- Market cap of EUR 771 million as per 8 May 2020
- 27,461 shareholders at the end of April 2020

* Close price change during Dec. 28 2018 – Dec. 30 2019. (OMXHPI: +13.0%)

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