



**Q3/2022**  
**Interim Report**  
**1-9/2022**

## Caverion Corporation's Interim Report for 1 January – 30 September 2022

### Strong quarter with continued organic growth and improved profitability

#### 1 July – 30 September 2022

- > **Revenue:** EUR 564.1 (493.7) million, up by 14.3 (-4.2) percent. Organic growth was 11.8 (-4.6) percent. Services business revenue increased by 15.5 (-0.1) percent. Projects business revenue increased by 11.9 (-11.2) percent.
- > **Adjusted EBITA:** EUR 26.9 (21.5) million, or 4.8 (4.4) percent of revenue, up by 25.0 percent.
- > **EBITA:** EUR 25.1 (17.7) million, or 4.5 (3.6) percent of revenue, up by 42.2 percent.
- > **Operating profit:** EUR 21.1 (13.5) million, or 3.7 (2.7) percent of revenue, up by 55.8 percent.
- > **Operating cash flow before financial and tax items:** EUR 7.7 (-10.1) million.
- > **Earnings per share, undiluted:** EUR 0.10 (0.05) per share.
- > **Acquisitions:** Caverion closed four acquisitions in July–September 2022, total annual revenue EUR 53.2 million.

#### 1 January – 30 September 2022

- > **Recommended public tender offer** for all Caverion shares
- > **Order backlog:** EUR 1,971.0 (1,889.7) million, up by 4.3 (16.1) percent. Services backlog increased by 9.0 (15.2) percent. Projects backlog decreased by 1.3 (+17.2) percent.
- > **Revenue:** EUR 1,669.2 (1,554.1) million, up by 7.4 (-1.4) percent. Organic growth was 6.2 (-2.3) percent. Services business revenue increased by 9.1 (2.6) percent. Projects business revenue increased by 4.3 (-8.1) percent.
- > **Adjusted EBITA:** EUR 67.2 (57.6) million, or 4.0 (3.7) percent of revenue, up by 16.6 percent.
- > **EBITA:** EUR 61.5 (50.8) million, or 3.7 (3.3) percent of revenue, up by 21.1 percent.
- > **Operating profit:** EUR 49.9 (38.4) million, or 3.0 (2.5) percent of revenue, up by 30.0 percent.
- > **Operating cash flow before financial and tax items:** EUR 37.4 (27.1) million, up by 37.9 percent.
- > **Cash conversion (LTM):** 90.1 (96.4) percent.
- > **Earnings per share, undiluted:** EUR 0.23 (0.16) per share.
- > **Net debt/Adjusted EBITDA:** 1.8x (1.4x).
- > **Acquisitions:** Caverion closed nine acquisitions in January–September 2022, total annual revenue EUR 92.3 million.

Unless otherwise noted, the figures in brackets refer to the corresponding period in the previous year.



**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.

## KEY FIGURES

EUR million	7-9/22	7-9/21	Change	1-9/22	1-9/21	Change	1-12/21
Revenue	564.1	493.7	14.3%	1,669.2	1,554.1	7.4%	2,139.5
Organic growth, %	11.8	-4.6		6.2	-2.3		-2.0
Adjusted EBITDA	41.1	35.0	17.3%	109.1	97.6	11.8%	142.1
Adjusted EBITDA margin, %	7.3	7.1		6.5	6.3		6.6
EBITDA	39.3	31.2	26.1%	103.6	90.8	14.1%	113.8
EBITDA margin, %	7.0	6.3		6.2	5.8		5.3
Adjusted EBITA	26.9	21.5	25.0%	67.2	57.6	16.6%	87.7
Adjusted EBITA margin, %	4.8	4.4		4.0	3.7		4.1
EBITA	25.1	17.7	42.2%	61.5	50.8	21.1%	59.4
EBITA margin, %	4.5	3.6		3.7	3.3		2.8
Operating profit	21.1	13.5	55.8%	49.9	38.4	30.0%	43.5
Operating profit margin, %	3.7	2.7		3.0	2.5		2.0
Result for the period	14.6	7.8	86.0%	33.1	23.5	40.9%	25.1
Earnings per share, undiluted, EUR	0.10	0.05	91.4%	0.23	0.16	43.4%	0.17
Operating cash flow before financial and tax items	7.7	-10.1		37.4	27.1	37.9%	103.8
Order backlog				1,971.0	1,889.7	4.3%	1,863.8
Cash conversion (LTM), %				90.1	96.4		91.2
Working capital				-75.8	-101.7	25.4%	-144.7
Interest-bearing net debt				274.0	185.0	48.1%	140.7
Net debt/Adjusted EBITDA				1.8	1.4		1.0
Gearing, %				131.8	96.2		69.8
Equity ratio, %				19.0	19.0		19.0
Personnel, end of period				15,037	14,773	1.8%	14,298

## Jacob Götzsche, President and CEO:

"I am pleased that we continued our positive development in the third quarter of 2022. We delivered a double-digit organic revenue growth both in Services and Projects. Partially the growth was driven by the increased costs of materials and external services, that we were able to successfully factor in our sales prices. We estimate this inflation impact to account for roughly one third of the organic growth. In addition, our profitability and cash flow improved. We expect our solid order backlog to support revenue growth also going forward.

The high cost inflation continued to impact the building technology market in the third quarter. We have proactively taken various measures to manage pricing, including price increase clauses in tenders and agreements. The market instability is expected to decrease new construction volumes going forward. However, our Services business accounts for around two thirds of the Group revenue and is overall more resilient throughout business cycles.

The effects of the corona pandemic stabilised during the third quarter, however the sick leave levels were still above normal. We remain somewhat cautious with the pandemic as unpredictable virus variants and new waves of the pandemic may continue to emerge.

Despite all the challenges posed by the operating environment, our order backlog continued to increase during the third quarter, and amounted to EUR 1,971.0 (1,889.7) million at the end of September, 4.3 percent higher compared to same time previous year. Our third quarter revenue increased by 14.3 percent to EUR 564.1 (493.7) million. The revenue increased in all divisions as a result of increased underlying activity and partly indirectly due to inflation impact.

We have been able to show resilience despite the cost inflation and higher sick leave levels and improved our adjusted EBITA by 25.0 percent to EUR 26.9 (21.5) million, or 4.8 (4.4) percent of revenue during the third quarter of 2022. Profitability improved in both Services and Projects. I am also pleased that in the current operating environment, we could improve our operating cash flow before financial and tax items significantly to EUR 7.7 (-10.1) million in the third quarter.

As part of the implementation of our Sustainable Growth strategy, we have made targeted acquisitions. In the first nine months of 2022, we closed nine acquisitions with total annual revenue of EUR 92.3 million and welcomed already more than 700 new colleagues from the acquired companies. The acquisition of PORREAL Group strengthens our position in the Austrian facility services market. The acquisition of CS electric expands our footprint in marine, energy and industrial segments in Denmark. After the review period, we also signed an agreement to acquire TM Voima group's substation and transmission line business in Finland and Estonia. The acquisition strengthens our presence in the energy sector. Our third quarter revenue increased by 2.9 percent as a result of acquisitions and divestments. We continue to look for high quality companies that complement our existing capabilities or geographical footprint.

A consortium of investors led by Bain Capital has today on 3 November 2022 announced a public tender offer to the shareholders of Caverion. The Board of Directors of Caverion, represented by a quorum comprising the non-conflicted members of the Board of Directors, has unanimously decided to recommend that the shareholders of Caverion accept the tender offer. The offer provides clear evidence that our goal to achieve Sustainable Growth by delivering to our customers along the building's lifecycle and assisting in their Smart Building and green transitions is an attractive strategy for the future. I believe that with the support and resources of the consortium we will be able to further accelerate our business and deliver for all our stakeholders. We at Caverion continue our daily work as usual, focusing on serving our customers and working together across the company.

Despite the lowered economic growth prospects, we are on a good track to improve profitability in line with our strategy. We have already before the ongoing energy crisis proactively strengthened our capabilities in energy efficiency enhancing services. We enable our customers to reduce their energy consumption, be more sustainable and reduce their carbon footprint. We strongly believe in our purpose to enable building performance and people's wellbeing in smart and sustainable built environments."

## Impacts of the Ukraine crisis on Caverion's business during the first nine months of 2022

Russia's invasion of Ukraine at the end of February 2022 increased geopolitical tensions especially in Europe overnight. The war has created uncertainties weakening the growth prospects in several countries where Caverion operates. The duration of the Ukrainian conflict and its future effects on the industry, and Caverion in particular, remain uncertain, and the overall situation remains highly volatile.

Caverion has divested its Russian subsidiary at the end of 2021 and has no operations in Ukraine or Belarus. Therefore, the impact of the conflict on Caverion is currently indirect. Caverion has experienced increases in material prices and delays in the supply chain and in decision-making, however Caverion continued to manage them on a daily basis without having a significant impact on the performance during the first nine months of 2022.

## Market outlook for Caverion's services and solutions in 2022 and megatrends impacting the industry

Caverion expects the underlying demand to be overall positive in Services during the rest of 2022. In Projects, Caverion expects the underlying business activity to remain stable for the last months of 2022. In Projects, however, the economic uncertainty may start to impact the demand environment negatively. This scenario assumes a sufficient control of the corona pandemic impacts with no significant unforeseen setbacks during the last months of 2022 and no further escalation of the conflict in Ukraine.

The conflict has resulted in geopolitical tensions, mounting inflation, rising interest rates and lowered economic growth prospects and the situation is estimated to persist. Also the probability of recession has increased. In order to control the mounting inflation, the European Central Bank (ECB) has continued to raise the key interest rates and indicated further increases in its upcoming meetings.

The business volume and the amount of new order intake are important determinants of Caverion's performance in 2022. A negative scenario whereby the ongoing geopolitical conflict or the corona pandemic start to negatively impact market demand cannot be ruled out. However, a large part of Caverion's services is vital in keeping also critical services and infrastructure up-and-running at all times. Furthermore, the continued focus on energy efficiency and CO<sub>2</sub> reduction activities and projects continues to support the activity and business volume. The energy crisis is expected to increase the need for energy efficient solutions for the built environment.

Increased material prices, including fuel costs, and longer delivery times may continue to affect also Caverion's business going forward. Potential risks may still emerge from the supply side, not only from cost inflation but also from labour shortage, potentially further fuelled by increased sick leave levels or quarantines caused by the corona pandemic. Any further delays in the supply chain and potential cost increases may have a negative impact on business execution and order intake going forward.

The digitalisation and sustainability megatrends are in many ways favourable to Caverion and believed to increase demand for Caverion's offerings going forward. The increased energy efficiency requirements, increasing digitalisation, automation and technology in built environment as well as urbanisation remain strong and are expected to promote demand for Caverion's services and solutions over the coming years. Especially the sustainability trend is expected to continue strong.

The economic stimulus packages provided by national governments and the EU are expected to increase infrastructure, health care and different types of sustainable investments in Caverion's operating area over the next few years. The main themes in the EU stimulus packages are green growth and digitalisation. Caverion expects the national and EU programmes to increase demand also in Caverion's areas of operation in 2022. The EU aims to accelerate the green transition due to the current geopolitical situation that has led into energy crisis in many countries that have been largely dependent on imported gas from Russia.

Increasing awareness of sustainability is supported by both EU-driven regulations and national legislation setting higher targets and actions for energy efficiency and carbon-neutrality. This is furthermore supported by the society's end-users' general request for an environmentally friendly built environment. Examples of current initiatives include e.g. the proposed revision of EU's Energy Performance of Buildings Directive (EPBD) and Minimum Energy Performance Standards (MEPS) it aims to establish as well as the "Fit for 55" climate package and the Renovation Wave Strategy. The "Fit for 55" climate package proposes 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. The objective of the European Commission's Renovation Wave Strategy is to at least double the annual energy renovation rate of residential and non-residential buildings by 2030. Mobilising forces at all levels towards these goals is expected to result in 35 million building units renovated by 2030.

### *Services*

Caverion expects the underlying demand to be overall positive during the rest of 2022. Caverion's Services business is overall by nature stable and resilient through business cycles. Stimulus packages are also expected to positively impact general demand in the Services business.

There is an increased interest for services supporting sustainability, such as energy management. Caverion has had a special focus for several years both in so-called Smart Technologies as well as in digital solutions development. These are believed to grow faster than more basic services on average and enable data-driven operations with recurring maintenance. The sustainability trend is also increasing the demand for building automation upgrades.

As technology in buildings increases, the need for new services and digital solutions is expected to increase. Customer focus on core operations also continues to open opportunities for Caverion through outsourcing of industrial operation and maintenance, property maintenance as well as facility management.

### *Projects*

The market instability resulting from the war in Ukraine and the high inflation are expected to dampen the willingness to invest in new construction. Uncertainty is caused by the availability of building materials and the significant cost increases. However, the demand for energy improvement projects is expected to increase going forward, driven by the focus on energy consumption due to the energy crisis. The stimulus packages are expected to positively impact the general demand also in the Projects business. Caverion expects the underlying business activity to remain stable for the last months of 2022. In Projects, however, the economic uncertainty may start to impact the demand environment negatively.

From the trends perspective, the digitalisation and sustainability megatrends are supporting demand also in Projects, as Caverion's target is to offer long-term solutions binding both Projects and Services together. The requirements for increased energy efficiency, better indoor climate and tightening environmental legislation continue to drive demand over the coming years.

## Financial and sustainability targets

Caverion updated its financial targets in connection with publishing its updated strategy on 9 May 2022. Sustainability targets remained unchanged. Previous financial targets and results for 2021 are available at Caverion's website at [www.caverion.com/investors](http://www.caverion.com/investors).

Mid-term financial targets until the end of 2025		1-9/2022
<b>Cash conversion (LTM)</b>	Operating cash flow before financial and tax items / EBITDA > 100%	90.1%
<b>Profitability</b>	Adjusted EBITA > 5.5% of revenue	4.0%
<b>Organic revenue growth</b>	3–4% p.a. over the strategy period	6.2%
<b>M&amp;A revenue growth</b>	2–3% p.a. over the strategy period	1.6%
<b>Debt leverage</b>	Net debt/LTM Adjusted EBITDA < 2.5x	1.8x
<b>Dividend policy</b>	Distribute at least 50% of the result for the year after taxes, however, taking leverage level into account	100% *

\*Calculated as Dividend per earnings (%). The Annual General Meeting approved the proposal of the Board of Directors according to which a dividend of EUR 0.17 per share was paid from the distributable funds of the company for the financial year 2021. The dividend was paid on 6 April 2022.

Sustainability targets until 2025	2025 target	2021
<b>Decreasing our footprint</b>		
Total carbon footprint defined and measured	100%	80%
<b>Increasing our handprint</b>		
Our offering has a defined carbon handprint	100%	20%
Carbon handprint over footprint (Scope 1–2)	5x	>2x
<b>Caring for our people</b>		
Lost Time Injury Frequency Rate (LTIFR)	<2	4.0
Share of female employees	15%	11%
Our employees trained in sustainability	100%	89%
<b>Ensuring sustainable value chain</b>		
Supplier Code of Conduct sign-off rate	>90%	66%
Our tender requests include sustainability criteria	100%	-

## NEWS CONFERENCE, WEBCAST AND CONFERENCE CALL

Caverion will hold a news conference on its Interim Report on Thursday, 3 November 2022, at 10.00 a.m. Finnish time (EET) at Flik Studio Eliel, Töölönlahdenkatu 2C (Sanoma House), Helsinki, Finland. The news conference can be viewed live on Caverion's website at [www.caverion.com/investors](http://www.caverion.com/investors). It is also possible to participate in the event through a conference call by registering beforehand on the following link: <https://call.vsy.io/access-8279>. Phone numbers and the conference ID to access the conference will be provided after the registration. To ask a question, press \*5 on your telephone keypad to enter the queue. More practical information on the news conference can be found on Caverion's website, [www.caverion.com/investors](http://www.caverion.com/investors).

## Financial information to be published in 2023

Financial Statement Release for 2022 will be published on 9 February 2023. Annual Review 2022 including the financial statements will be published during week 9/2023, at the latest. Interim/Half-yearly Reports for 2023 will be published on 27 April, 3 August and 3 November 2023.

Financial reports and other investor information are available on Caverion's website [www.caverion.com/investors](http://www.caverion.com/investors). The materials may also be ordered by sending an e-mail to [IR@caverion.com](mailto:IR@caverion.com).

## CAVERION CORPORATION

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## Operating environment in the third quarter and during the first nine months of 2022

The economic uncertainty has increased during the first nine months of 2022 due to the geopolitical tensions related to the Ukraine conflict, resulting in subsequent energy crisis, mounting inflation, rising interest rates and lowered economic growth prospects. Inflation has accelerated towards the end of the third quarter and the cost inflation related to material prices, including fuel costs, continued to impact also the building technology market. There have also been supply shortages and delays in some areas. Caverion has proactively taken various measures to optimise the supply chain and to manage pricing.

Economic sentiment weakened in the EU during the first nine months of 2022 along with lower economic growth prospects. Also the corona pandemic still continued to have some impact on the operating environment through sick leaves, while the restrictions have been lifted in Caverion's operating countries.

### Services

In Services, the market demand and general investment activity remained positive. Caverion has

continued to see a general increasing interest for services supporting sustainability, such as energy management and advisory services, driven by regulation and the expected governmental and EU stimulus packages supporting investments in green growth. There has also been increasing interest towards long-term and large-scale service agreements. Growth has been limited by the availability of competent workforce and delays in the supply chain.

### Projects

In Projects, the market demand remained mostly stable during the first nine months of 2022. The interest for energy improvement projects has picked up, driven by the focus on energy consumption due to the energy crisis.

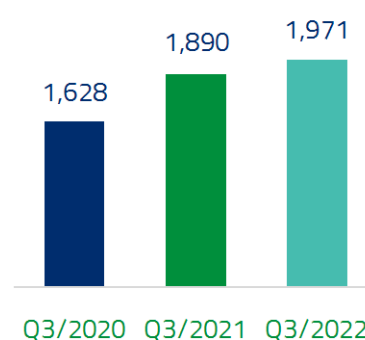
The market was impacted by increases in material prices, delays in decision-making and supply chain as well as uncertainty in the business environment, especially related to new construction.

## Order backlog

- > Despite the challenges posed by the operating environment, order backlog at the end of September increased by 4.3 percent to EUR 1,971.0 million from the end of September in the previous year (EUR 1,889.7 million).
- > At comparable exchange rates the order backlog increased by 5.8 percent from the end of September in the previous year.
- > Order backlog increased by 9.0 (15.2) percent in Services and decreased by 1.3 (+17.2) percent in Projects from the end of September in the previous year.

## Order backlog

(EUR million)



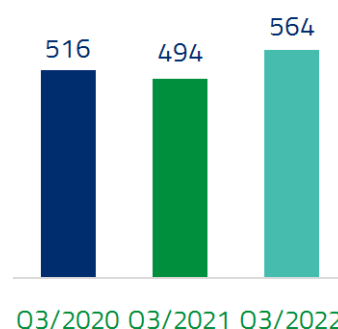
## Revenue

### July–September

- > Revenue for July–September was EUR 564.1 (493.7) million. Revenue increased by 14.3 percent compared to the previous year. At the previous year's exchange rates, revenue was EUR 566.3 million and increased by 14.7 percent compared to the previous year. Organic growth was 11.8 percent.
- > Revenue increased by 2.9 (-0.2) percent as a result of acquisitions and divestments.
- > Revenue was negatively impacted by fluctuations in currency exchange rates of EUR 2.2 million, equalling a decrease of 0.4 percent. Changes in Swedish krona had a negative effect of EUR 4.3 million and Norwegian krone had a positive effect of EUR 2.2 million.
- > Revenue increased in all divisions as a result of increased underlying activity and partly indirectly due to inflation impact.
- > Revenue was impacted by the general inflation through increased prices of materials and external services. The inflation impact is estimated to account for roughly one third of the organic growth.

## Revenue

(EUR million)



EUR million	7-9/ 2022	7-9/ 2021	Change	Change in comparable rates *	Organic growth **	Currency impact	Acquisitions and divestments impact
Services	371.9	322.1	15.5%	15.8%	11.2%	-0.4%	4.6%
Projects	192.1	171.6	11.9%	12.5%	12.9%	-0.6%	-0.4%
Group total	564.1	493.7	14.3%	14.7%	11.8%	-0.4%	2.9%

\* Revenue change in local currencies

\*\* Revenue change in local currencies, excluding acquisitions and divestments

The revenue of the Services business unit increased and was EUR 371.9 (322.1) million in July–September, an increase of 15.5 percent, or 15.8 percent in local currencies.

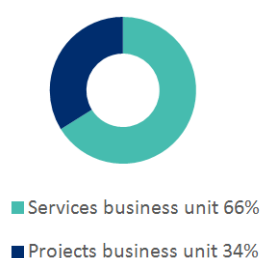
The revenue of the Projects business unit was EUR 192.1 (171.6) million in July–September, an increase of 11.9 percent, or 12.5 percent in local currencies.

*January–September*

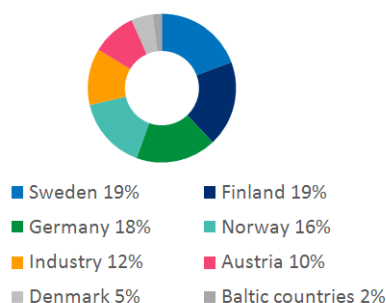
- > Revenue for January–September was EUR 1,669.2 (1,554.1) million. Revenue increased by 7.4 percent compared to the previous year. At the previous year's exchange rates, revenue was EUR 1,675.5 million and increased by 7.8 percent compared to the previous year. Organic growth was 6.2 percent.
- > Revenue increased by 1.6 (-0.5) percent as a result of acquisitions and divestments.
- > Revenue was negatively impacted by fluctuations in currency exchange rates of EUR 6.3 million, equalling a decrease of 0.4 percent. Changes in Swedish krona had a negative effect of EUR 11.8 million and Norwegian krone had a positive effect of EUR 5.8 million.
- > Revenue increased in all divisions as a result of increased underlying activity and partly indirectly due to inflation impact.

**Revenue by business unit**

% of revenue 1-9/2022

**Revenue by division**

% of revenue 1-9/2022



EUR million				Change in	Organic	Currency	Acquisitions and
	1-9/ 2022	1-9/ 2021	Change	comparable rates *	growth **	impact	divestments impact
Services	1,103.9	1,012.3	9.1%	9.4%	7.1%	-0.3%	2.3%
Projects	565.2	541.8	4.3%	4.8%	4.5%	-0.5%	0.3%
Group total	1,669.2	1,554.1	7.4%	7.8%	6.2%	-0.4%	1.6%

\* Revenue change in local currencies

\*\* Revenue change in local currencies, excluding acquisitions and divestments

The revenue of the Services business unit increased and was EUR 1,103.9 (1,012.3) million in January–September, an increase of 9.1 percent, or 9.4 percent in local currencies. The revenue of the Projects business unit was EUR 565.2 (541.8) million in January–September, an increase of 4.3 percent, or 4.8 percent in local currencies. Caverion continued a selective approach in the Projects business.

The share of Services revenue developed in line with the strategy. The Services business unit accounted for 66.1 (65.1) percent of Group revenue, and the Projects business unit for 33.9 (34.9) percent of Group revenue in January–September.

## Revenue by Division and Business Unit

Revenue, EUR million	7-9/22	%	7-9/21	%	Change	1-9/22	%	1-9/21	%	Change	1-12/21	%
Sweden	101.8	18.0	91.9	18.6	10.7%	322.6	19.3	302.7	19.5	6.6%	424.4	19.8
Finland	102.8	18.2	92.7	18.8	10.9%	311.2	18.6	294.8	19.0	5.6%	403.9	18.9
Germany	107.5	19.1	93.1	18.9	15.4%	293.5	17.6	274.5	17.7	6.9%	374.1	17.5
Norway	83.1	14.7	74.3	15.1	11.8%	263.6	15.8	259.8	16.7	1.5%	352.5	16.5
Industry	69.1	12.3	59.0	12.0	17.2%	205.0	12.3	185.6	11.9	10.5%	256.8	12.0
Austria	59.2	10.5	51.3	10.4	15.5%	161.9	9.7	136.9	8.8	18.3%	188.7	8.8
Denmark	29.9	5.3	18.3	3.7	63.2%	77.9	4.7	58.0	3.7	34.5%	80.0	3.7
Other countries*	10.7	1.9	13.2	2.7	-19.0%	33.4	2.0	42.1	2.7	-20.8%	59.0	2.8
Group, total	564.1	100	493.7	100	14.3%	1,669.2	100	1,554.1	100	7.4%	2,139.5	100
Services	371.9	65.9	322.1	65.2	15.5%	1,103.9	66.1	1,012.3	65.1	9.1%	1,402.4	65.5
Projects	192.1	34.1	171.6	34.8	11.9%	565.2	33.9	541.8	34.9	4.3%	737.1	34.5

\* Other countries include the Baltic countries and Russia. Caverion divested its Russian subsidiary in December 2021, which explains the year on year decline in revenue. The revenue of the Baltic countries increased slightly during January-September of 2022 compared to last year.

## Profitability

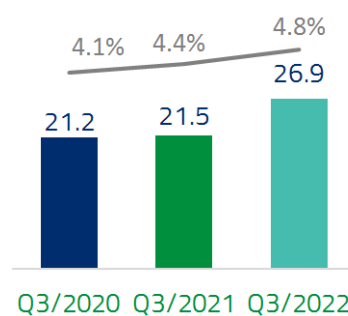
## Adjusted EBITA, EBITA and operating profit

## July–September

- Adjusted EBITA for July–September amounted to EUR 26.9 (21.5) million, or 4.8 (4.4) percent of revenue and EBITA to EUR 25.1 (17.7) million, or 4.5 (3.6) percent of revenue.
- Profitability improved during the period despite the cost inflation and higher sick leave levels. Both Services and Projects improved their profitability. Caverion has managed to cover material cost increases in pricing and improve efficiency.
- Particularly divisions Austria, Finland, Norway and Industry progressed well. Division Denmark continued the positive performance improvement.

## Adjusted EBITA and margin

(EUR million)



The operating profit (EBIT) for July–September was EUR 21.1 (13.5) million, or 3.7 (2.7) percent of revenue.

Costs related to materials and supplies increased to EUR 153.8 (124.0) million and external services increased to EUR 107.8 (88.9) million in July–September. Personnel expenses increased to a total of EUR 210.1 (196.6) million for July–September. Other operating expenses amounted to EUR 53.9 (54.1) million. Other operating income decreased to EUR 0.8 (1.1) million.

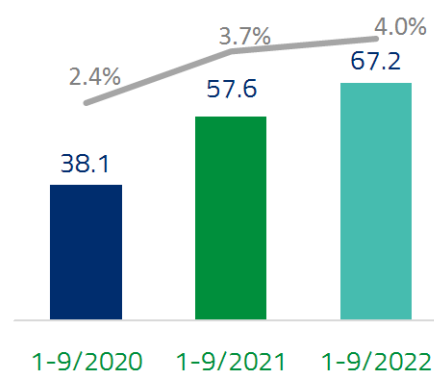
Depreciation, amortisation and impairment amounted to EUR 18.3 (17.7) million in July–September. Of these EUR 14.2 (13.5) million were depreciations on tangible assets and EUR 4.1 (4.2) million amortisations on intangible assets. Of the depreciations, the majority related to right-of-use assets in accordance with IFRS 16 amounting to EUR 12.7 (12.0) million and EUR 1.5 (1.5) million related to machinery and equipment and other tangible assets. The amortisations were related to allocated intangibles on acquisitions amounting to EUR 1.6 (1.0) million as well as IT and developed solutions amounting to EUR 2.5 (3.1) million.

## January–September

- Adjusted EBITA for January–September amounted to EUR 67.2 (57.6) million, or 4.0 (3.7) percent of revenue and EBITA to EUR 61.5 (50.8) million, or 3.7 (3.3) percent of revenue.
- Profitability improved during the period despite the cost inflation and higher sick leave levels. Both Services and Projects improved their profitability. Caverion has managed to cover material cost increases in pricing and improve efficiency.
- Particularly divisions Austria, Finland, Norway and Sweden progressed well. Division Denmark continued the positive performance improvement.

## Adjusted EBITA and margin

(EUR million)



The operating profit (EBIT) for January–September was EUR 49.9 (38.4) million, or 3.0 (2.5) percent of revenue.

Costs related to materials and supplies increased to EUR 431.9 (369.6) million and external services increased to EUR 309.1 (279.5) million in January–September. Personnel expenses amounted to a total of EUR 674.6 (666.1) million for January–September. Other operating expenses increased to EUR 151.8 (150.1) million. Other operating income amounted to EUR 1.9 (1.9) million.

Depreciation, amortisation and impairment amounted to EUR 53.7 (52.4) million in January–September. Of these EUR 42.1 (40.0) million were depreciations on tangible assets and EUR 11.6 (12.4) million amortisations on intangible assets. Of the depreciations, the majority related to right-of-use assets in accordance with IFRS 16 amounting to EUR 37.7 (35.6) million and EUR 4.4 (4.3) million related to machinery and equipment and other tangible assets. The amortisations were related to allocated intangibles on acquisitions amounting to EUR 4.1 (3.0) million as well as IT and developed solutions amounting to EUR 7.4 (9.4) million.

## Adjusted EBITA and items affecting comparability (IAC)

EUR million	7-9/2022	7-9/2021	1-9/2022	1-9/2021	1-12/2021
EBITA	25.1	17.7	61.5	50.8	59.4
EBITA margin, %	4.5	3.6	3.7	3.3	2.8
<i>Items affecting comparability (IAC)</i>					
- Capital gains and/or losses and transaction costs related to divestments and acquisitions	1.7	0.2	4.1	0.5	10.7
- Write-downs, expenses and income from major risk projects*		1.0		2.0	4.0
- Restructuring costs		0.1	1.1	1.5	2.9
- Other items**	0.0	2.5	0.4	2.7	10.6
Adjusted EBITA	26.9	21.5	67.2	57.6	87.7
Adjusted EBITA margin, %	4.8	4.4	4.0	3.7	4.1

\* Major risk projects include only one old risk project in Germany during 2021 and 2022.

\*\* In 2021 and 2022, provisions and legal and other costs for civil claims related to the German anti-trust matter. In the fourth quarter of 2021 EUR 1.4 million previously capitalised expenses were booked as operative expenses due to change in accounting principle of implementation costs in cloud computing arrangements.

*July–September*

Transaction costs related to acquisitions and divestments totalled EUR 1.7 million in July–September.

*January–September*

There were no write-downs from the separately identified major risk project, which was handed over to the customer in the fourth quarter of 2021. However, final discussions between the parties are still ongoing.

The Group's restructuring costs amounted to EUR 1.1 million. There were restructuring costs related to changes in the Group Management Board and Division Norway. Other items totalled EUR 0.4 million and were related to civil claims related to the German anti-trust matter. Transaction costs related to acquisitions and divestments totalled EUR 4.1 million in January–September.

EBITA is defined as Operating profit + amortisation and impairment on intangible assets. Adjusted EBITA = EBITA before items affecting comparability (IAC). Items affecting comparability (IAC) in 2022 are material items or transactions, which are relevant for

understanding the financial performance of Caverion when comparing the profit of the current period with that of the previous periods. These items can include (1) capital gains and/or losses and transaction costs related to divestments and acquisitions; (2) write-downs, expenses and/or income from separately identified major risk projects; (3) restructuring expenses and (4) other items that according to Caverion management's assessment are not related to normal business operations. In 2021 and 2022, major risk projects include only one old risk project in Germany reported under category (2). In 2021 and 2022, provisions and legal and other costs for civil claims related to the German anti-trust matter were reported under category (4). Also, in 2021, previously capitalised expenses were booked as operative expenses due to a change in the accounting principle of implementation costs in cloud computing arrangements and reported under category (4).

Adjusted EBITDA is affected by the same adjustments as adjusted EBITA, except for restructuring costs, which do not include depreciation and impairment relating to restructurings.

## Result before taxes, result for the period and earnings per share

Result before taxes amounted to EUR 43.1 (32.3) million, result for the period to EUR 33.1 (23.5) million, and earnings per share to EUR 0.23 (0.16) in January–September. Net financing expenses in January–September were EUR 6.9 (6.1) million. This includes an interest cost on lease liabilities amounting to EUR 2.9 (2.8) million. In January–March 2022, net finance expenses included one-off exchange

settlement cost related to bond refinancing amounting to EUR 1.2 million.

The Group's effective tax rate was 23.1 (27.3) percent in January–September 2022.

## Capital expenditure, acquisitions and disposals

Gross capital expenditure on non-current assets (excluding capital expenditure on leased assets), including acquisitions, totalled EUR 92.8 (20.8) million in January–September, representing 5.6 (1.3) percent of revenue. Investments in information technology totalled EUR 6.3 (5.6) million representing 0.4 (0.4) percent of revenue. IT investments continued to be focused on building a harmonised IT infrastructure and common platforms, with migration to the cloud. SmartView and mobile tools were also further developed. Other investments, including acquisitions, amounted to EUR 86.5 (15.2) million.

On 3 January 2022, Caverion closed on an agreement to acquire the business of Frödéns Ventilation AB in Sweden. Frödéns offers service and maintenance,

inspections, energy optimisations and smaller projects in the area of ventilation and mainly operates in the Jönköping area. The revenue of Frödéns amounted to EUR 2.7 million in 2021 and the company had 12 employees at the time of the acquisition. The transaction value was not disclosed.

On 1 April 2022, Caverion closed on an agreement to acquire the shares of DI-Teknik A/S in Denmark. DI-Teknik is one of Denmark's largest industrial automation companies with around 185 employees at the time of the acquisition. The company's revenue in 2020/2021 amounted to EUR 27.8 million. This acquisition brought completely new expertise and capabilities in industrial automation to Caverion in Denmark. On 1 April 2022, 80% of DI-Teknik's shares

transferred into Caverion's ownership and Caverion will acquire the remaining 20% of the shares at the latest in April 2026. The transaction value was not disclosed.

On 1 May 2022, Caverion closed on an agreement to acquire the business of Kaldt og Varmt AS in Norway. Kaldt og Varmt is a heating and cooling specialist based in Askim, Norway. The acquisition complemented Caverion's service offering in the region and five employees were transferred into Caverion's service. The acquisition is expected to bring approximately EUR 1 million in revenue for Caverion. The purchase price was not disclosed.

On 2 May 2022, Caverion closed on an agreement to acquire the shares of the Finnish Wind Controller JV Oy ("WiCo"). The transaction included WiCo's subsidiaries WiCo Inspections Oy and WiCo Safety Oy. WiCo is the leading technical consultant and service provider for the Finnish wind power industry. Its customer base includes turbine suppliers and wind farm owners, operators and developers. By entering the wind power segment, Caverion widened its offering in the energy sector. The transaction also complemented Caverion's strong expertise in the energy industry and supported its growth strategy. WiCo had approximately 40 employees at the time of the acquisition and its revenue was EUR 5.1 million in 2021. The purchase price was not disclosed.

On 11 May 2022, Caverion closed on an agreement to acquire the shares of the Finnish WT-Service Oy. WT-Service provides industrial maintenance, installation and project services in the Vaasa region in Finland. The acquisition strengthened Caverion's regional footprint with new experts and a solid customer base. The company had 17 employees at the time of the acquisition and its revenue was EUR 1.7 million in 2021. The purchase price was not disclosed.

On 1 July 2022, Caverion closed on an agreement to acquire the shares of the Finnish Visi Oy. Visi is an industrial security service specialist providing industrial video and access control services as well as work and safety communication services. The acquisition supported Caverion's sustainable growth strategy and strengthened the Group's capabilities in technical security services. Visi had 22 employees at the time of the acquisition and the company's revenue amounted to EUR 4.6 million for the financial year ending in April 2022. The purchase price was not disclosed.

On 2 August 2022, Caverion closed on an agreement to acquire all the shares in PORREAL GmbH in Austria, also including its fully owned subsidiary ALEA GmbH (together "PORREAL Group"). PORREAL Group offers technical and soft facility services in Austria thus strengthening Caverion's position in the Austrian facility services market. The stand-alone revenues of PORREAL and ALEA amounted to EUR 23.3 million

and EUR 12.0 million in 2021, respectively. PORREAL Group employed approximately 380 employees at the time of the acquisition. The purchase price was not disclosed.

On 31 August 2022, Caverion closed on an agreement to acquire the shares of the Swedish Elicentra AB. Elicentra provides electrical installation services in the Sundsvall area in Sweden and had 18 employees at the time of the acquisition. The acquisition strengthened Caverion's regional service offering in the area of electrification. Elicentra's revenue for the financial year ending in June 2022 amounted to EUR 2.4 million. The purchase price was not disclosed.

On 1 September 2022, Caverion closed on an agreement to acquire the shares of the Danish CS electric A/S. CS electric is a leading player in Denmark in technical engineering, electrification and automation services. The acquisition supported Caverion's sustainable growth strategy and expanded its footprint especially in the marine, energy and industrial customer segments. CS electric employed approximately 70 people at the time of the acquisition and its revenue amounted to EUR 13.4 million in 2021. The purchase price was not disclosed.

After the reporting period on 1 October 2022, Caverion closed on an agreement to acquire the shares of the Norwegian Simex Klima & Kulde AS. The company is one of Norway's Stavanger region's leading suppliers in technical installations of indoor climate, cooling and heat pump systems for commercial buildings. The acquisition complemented Caverion's service capacity in the region and strengthened its market position. Simex Klima & Kulde had 25 employees at the time of the acquisition and the company's 2021 revenue amounted to EUR 4.2 million. The purchase price was not disclosed.

After the reporting period on 27 October 2022, Caverion signed an agreement to acquire TM Voima group's substation and transmission line business in Finland and Estonia. The acquisition will strengthen Caverion's presence in the energy sector and enable growth especially in the substation business. In 2021, the revenue of TM Voima group's substation and transmission line business amounted to EUR 30.5 million and the number of employees was 66. The closing of the acquisition is subject to the approval by the Finnish Competition and Consumer Authority. The purchase price is not disclosed.

More information on Caverion's acquisitions in the review period can be found in Note 5 to this Interim Report.

On 16 May 2022, Caverion and Metsä Fibre Oy agreed on an arrangement whereby Metsä Fibre Oy will take over the maintenance operations of their pulp mills and the Rauma sawmill as well as the related workshop and design services. The operations

are currently performed by Oy Botnia Mill Service Ab, a joint venture company owned by the parties. The transaction will be carried out as a business transfer planned to take effect at the end of the year 2022. Altogether, approximately 350 employees will transfer to Metsä Fibre in the business transfer. The revenue of the business amounted to approximately EUR 60 million in 2021 and its impact on Caverion's EBITA was approximately EUR 4.2 million. As part of the transaction, Caverion will buy all the shares in Oy Botnia Mill Service Ab held by Metsä Fibre Oy. The purchase price was not disclosed. The transaction has no impact on Caverion's guidance for the year 2022 and it has no material impact on the financial position of Caverion.

A disposal affecting comparability between the periods is that in the end of December 2021, Caverion sold the share capital of its subsidiary JSC "Caverion Rus" in Russia to Aim Cosmetics Rus, LTD. The transaction covered Caverion's entire operations in Russia which were focused on the St. Petersburg and Moscow regions. The divested business had a revenue of EUR 13.9 million in 2021 and employed 421 persons at the end of the year. The divestment of the Russian subsidiary was a part of Caverion's strategy to focus on the Group's core businesses in its main market areas and to improve the Group's financial performance.

### Cash flow, working capital and financing

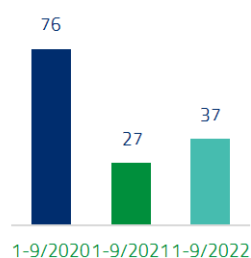
- > The Group's operating cash flow before financial and tax items improved to EUR 37.4 (27.1) million in January–September and cash conversion (LTM) was 90.1 (96.4) percent. The cash flow was negatively impacted by the payment of EUR 8.8 million for civil claims relating to the German anti-trust matter. The respective cost was recognised in 2021 and reported in items affecting comparability in 2021.
- > The Group's free cash flow amounted to EUR -55.2 (2.4) million. Cash flow after investments was EUR -62.9 (-3.9) million.
- > The Group's working capital was EUR -75.8 (-101.7) million at the end of September. Working capital was impacted by revenue growth in the Services business as well as several projects being in a cash-consuming phase.

In July–September, the Group's operating cash flow before financial and tax items improved to EUR 7.7 (-10.1) million. The Group's free cash flow amounted to EUR -42.2 (-19.2) million. Cash flow after investments was EUR -42.6 (-20.1) million.

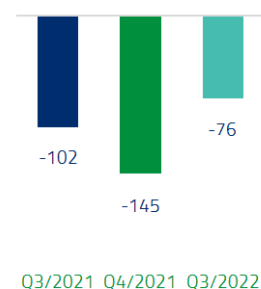
The amount of trade and POC receivables increased to EUR 588.6 (530.0) million and other current receivables decreased to EUR 29.9 (30.2) million. On the liabilities side, advances received increased to EUR 264.0 (242.1) million, other current liabilities decreased to EUR 251.5 (253.4) million and trade and POC payables increased to EUR 201.7 (183.1) million.

Caverion's cash and cash equivalents amounted to EUR 46.8 (81.5) million at the end of September. In addition, Caverion had undrawn revolving credit facilities amounting to EUR 100.0 million and

**Operating cash flow before financial and tax items**  
(EUR million)



**Working capital**  
(EUR million)



undrawn overdraft facilities amounting to EUR 19.0 million.

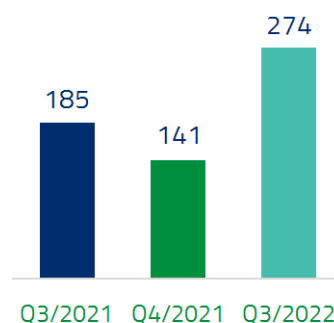
The Group's gross interest-bearing loans and borrowings excluding lease liabilities amounted to EUR 181.9 (137.6) million at the end of September, and the average effective interest rate was 2.4 (2.6) percent. Approximately 32 percent of the loans have been raised from banks and other financial institutions and approximately 68 percent from capital markets. Caverion has issued commercial papers to support sufficient liquidity. At the end of September, the outstanding commercial papers amounted to EUR 44.9 million. Lease liabilities amounted to EUR 138.9 (129.0) million at the end of September 2022, resulting to total gross interest-bearing liabilities of EUR 320.8 (266.5) million.



The Group's interest-bearing net debt excluding lease liabilities amounted to EUR 135.1 (56.0) million at the end of September and including lease liabilities to EUR 274.0 (185.0) million. The net debt was impacted by investments in the acquisitions with a negative cash flow effect of EUR 73.6 million in January-September 2022 and dividend payment of EUR 23.2 million.

- > At the end of September, the Group's gearing was 131.8 (96.2) percent and the equity ratio 19.0 (19.0) percent.
- > Excluding the effect of IFRS 16, the equity ratio would have amounted to 21.6 (21.7) percent.

**Interest-bearing net debt**  
(EUR million)



Caverion has a balanced debt maturity profile, where most of the long-term debt matures in 2025 and in 2027.

In February Caverion issued a senior unsecured bond of EUR 75 million with an issue price of 99.425 percent. The 5-year bond matures on 25 February 2027 and carries a fixed annual interest of 2.75 percent. Also, Caverion carried out a tender offer for the EUR 75 million bond maturing in March 2023 resulting to a EUR 71.5 million acceptance level. The new bond extends the maturity profile, lowers the interest expenses and supports Caverion's strategy for sustainable profitable growth.

On 15 May 2020 Caverion issued a EUR 35 million hybrid bond, an instrument subordinated to the company's other debt obligations and treated as equity in the IFRS financial statements. The hybrid

bond does not confer to its holders the rights of a shareholder and does not dilute the holdings of the current shareholders. The coupon of the hybrid bond is 6.75 percent per annum until 15 May 2023. The hybrid bond does not have a maturity date but the issuer is entitled to redeem the hybrid for the first time on 15 May 2023, and subsequently, on each coupon interest payment date. If the hybrid bond is not redeemed on 15 May 2023, the coupon will be changed to 3-month EURIBOR added with a Re-offer Spread (706.8 bps) and a step-up of 500bps.

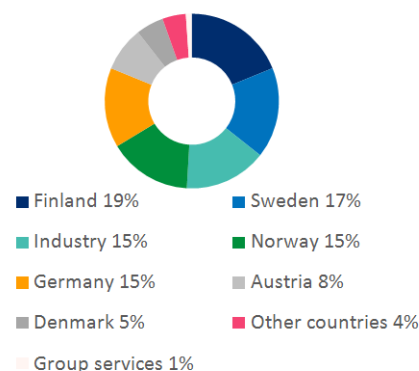
Caverion's external loans are subject to a financial covenant based on the ratio of the Group's net debt to EBITDA according to the calculation principles confirmed with the lending parties. The financial covenant shall not exceed 3.5:1. Caverion is in compliance with the quarterly monitored financial covenant.

## PERSONNEL

- > Caverion Group employed 14,486 (14,905) people on average in January–September 2022. At the end of September, the Group employed 15,037 (14,773) people. Personnel expenses for January–September amounted to EUR 674.6 (666.1) million.
- > Employee safety continued to be a high focus area also in the first nine months of 2022. Due to the corona situation, many extra actions have been taken to protect the employees, to organise the work in a way that it is safe to complete and to establish different supportive trainings, tools and communication methods. However, due to the corona pandemic, sick leave levels increased significantly compared to the previous year.
- > The Group's accident frequency rate at the end of September was 4.0 (4.1).

### Personnel by division

at the end of September 2022



Personnel by division, end of period	9/2022	6/2022	Change	9/2022	9/2021	Change	12/2021
Finland	2,836	2,877	-1%	2,836	2,830	0%	2,819
Sweden	2,521	2,562	-2%	2,521	2,521	0%	2,528
Norway	2,325	2,274	2%	2,325	2,340	-1%	2,331
Industry	2,299	2,358	-3%	2,299	2,272	1%	2,243
Germany	2,218	2,151	3%	2,218	2,171	2%	2,177
Austria	1,245	904	38%	1,245	903	38%	903
Denmark	773	684	13%	773	537	44%	528
Other countries*	654	637	3%	654	1,035	-37%	609
Group Services	166	165	1%	166	164	1%	160
<b>Group, total</b>	<b>15,037</b>	<b>14,612</b>	<b>3%</b>	<b>15,037</b>	<b>14,773</b>	<b>2%</b>	<b>14,298</b>

\* Other countries include the Baltic countries and Russia. Caverion divested its Russian subsidiary in December 2021. Russian subsidiary employed 421 persons at the end of the year 2021.

Information on the effect of acquisitions on Group personnel can be found in Note 5 to this Interim Report.

### Changes in Caverion's Group Management Board and organisation structure

Deputy CEO Thomas Hietto, responsible for Services, Sustainability & Smart City Solutions, resigned as of 28 January 2022. Group Management Board member Kari Sundbäck, responsible for Strategy, Marketing & Communications and Supply Operations, assumed interim responsibility for Services as well as Sustainability & Smart City Solutions on top of his other responsibilities.

As Caverion announced on 10 February 2022, Kari Sundbäck initially took responsibility for Services business, smart technologies, advisory, engineering and digital solutions as well as for strategic and operations development. As of 1 August 2022 Sundbäck is responsible for Services business, smart

technologies, advisory, engineering and digital solutions as well as for sustainability.

Reinhard Poglitsch was appointed as EVP, Head of Commercial, responsible for International customers and commercial development as of 14 March 2022. Poglitsch joined Caverion after a long career in ISS, a global provider of facility services. His most recent position was as Commercial Director, ISS Europe, during 2019–2021. He is also a Group Management Board member of Caverion.

Mikko Kettunen was appointed as CFO of Caverion Group and a member of the Group Management Board of Caverion Corporation as of 22 August 2022.

Kettunen's latest position has been the CFO of the Finnish stock-listed composite solutions manufacturer Exel Composites Plc, where he has also acted earlier in a combined role as CFO and Business Unit Manager for Finland.

Riitta Palomäki held the position of interim CFO in March–August 2022. The previous CFO Martti Ala-

Härkönen had resigned to join another company and continued as CFO until 31 March 2022.

## SIGNIFICANT SHORT-TERM RISKS AND UNCERTAINTIES

There have been no material changes in Caverion's significant short-term risks and uncertainties reported in the Board of Director's Report presented in the Annual Review of 2021. Those risks and uncertainties are still valid. Since then, the most significant factor creating uncertainty is the invasion of Ukraine by Russia. The impacts of the crisis on Caverion's business during the first nine months of 2022 have been described earlier in the report in "Impacts of the Ukraine crisis on Caverion's business during the first nine months of 2022". Any further escalation or prolongation of the conflict or regional unrest in neighbouring areas could negatively affect Caverion's operating environment.

The lack of availability of materials and supply as well as the increase in material prices were presented as short-term risks in the Board of Director's Report presented in the Annual Review of 2021. These risks are still valid and even more significant due to the Ukraine crisis. The same applies to the risk of rising energy and fuel prices. Possible problems with the availability and cost of materials, labour, energy and fuel may impact the operating environment in the near future. These risks have already partly materialised. The key measures how Caverion is managing the situation include price increase clauses in tenders and agreements covering these costs.

The soaring inflation in the EU countries poses several risks and may lead to a recession within the EU and also wider. The situation may have an impact

## IMPACT OF CORONA PANDEMIC ON CAVERION

The corona pandemic continued to negatively impact Caverion's business in the first nine months of 2022. While there was less impact on the demand, the level of sick leaves was particularly high in the Nordics and also higher than normally in Central Europe especially during the first half of the year 2022. In the third quarter, the effects of the pandemic started to normalise but it still had an impact on business.

The business volume and the amount of new order intake are important determinants of Caverion's performance. Despite the somewhat more optimistic outlook of the corona pandemic, a negative scenario whereby new waves of the corona pandemic or new

on the market demand going forward due to a weakening economic sentiment. The potential risk is balanced by the growing need for energy efficiency in the built environment where Caverion is able to support its customers.

Cyber risks have increased due to the Ukraine crisis. There have been concrete cases of cyber-attacks on business enterprises and government authorities. Government authorities have warned of an increasing amount of cyber-attacks. Caverion has improved the company's cyber security operations and technologies continuously and is well prepared against cyber security threats. However, it cannot be excluded that also Caverion could face cyber-attacks with potential impact on operations.

The impacts of the corona pandemic and the actions taken by the company are summarised separately after this section and described earlier in the report in the "Market outlook for Caverion's services and solutions in 2022 and megatrends impacting the industry" and "Operating environment in the third quarter and during the first nine months of 2022".

The comprehensive description of Caverion's key risks is available on the company's website [www.caverion.com/investors](http://www.caverion.com/investors).

pandemics would emerge cannot be ruled out. However, a large part of Caverion's services is vital in keeping critical services for buildings, industries and infrastructure up-and-running at all times.

Should the new waves of the corona pandemic or new pandemics emerge, Caverion's business would be exposed to various risks. These include, for example, suspension or cancellation of existing contracts by customers, lack of demand for new services, absenteeism of employees and subcontractor staff, closures of work sites and other work premises by customers or authorities and defaults in customer payments.

## RESOLUTIONS PASSED AT THE ANNUAL GENERAL MEETING

Caverion Corporation's Annual General Meeting, which was held on 28 March 2022 in Helsinki under the so-called Temporary Act without the shareholders' or their proxy representatives' presence at the meeting venue, adopted the Financial Statements and the consolidated Financial Statements for the year 2021 and discharged the members of the Board of Directors and the President and CEOs from liability. In addition, the Annual General Meeting resolved on the use of the profit shown on the balance sheet and the payment of dividend, the approval of the presented Remuneration Report for Governing Bodies, on the composition of members of the Board of Directors and their remuneration, the election of the auditor and its remuneration as well as authorised the Board of Directors to decide on the repurchase of the company's own shares and/or acceptance as pledge of own shares as well as share issues.

The Annual General Meeting elected a Chairman, a Vice Chairman and five (5) ordinary members to the

Board of Directors. Mats Paulsson was elected as the Chairman of the Board of Directors, Markus Ehrnrooth as the Vice Chairman and Jussi Aho, Joachim Hallengren, Thomas Hinnerkov, Kristina Jahn and Jasmin Soravia as members of the Board of Directors for a term of office expiring at the end of the Annual General Meeting 2023. The stock exchange release on the resolutions passed at the Annual General Meeting is available on Caverion's website at <http://www.caverion.com/newsroom>.

The Board of Directors held its organisational meeting on 28 March 2022. At the meeting the Board decided on the composition of the Human Resources Committee and the Audit Committee. A description of the committees' tasks and charters are available on Caverion's website at [www.caverion.com/investors - Corporate Governance](http://www.caverion.com/investors-Corporate-Governance).

## DIVIDENDS AND DIVIDEND POLICY

The Annual General Meeting, held on 28 March 2022, approved the proposal of the Board of Directors according to which a dividend of EUR 0.17 per share was paid from the distributable funds of the company for the financial year 2021. The dividend was paid to shareholders who on the record date of the dividend payment 30 March 2022 were recorded in the shareholders' register held by Euroclear Finland Oy. The dividend was paid on 6 April 2022.

Caverion's dividend policy is to distribute as dividends at least 50 percent of the result for the year after

taxes, however, taking leverage level into account. Even though there are no plans to amend this dividend policy, there is no guarantee that a dividend or capital redemption will actually be paid in the future, and also there is no guarantee of the amount of the dividend or return of capital to be paid for any given year.

## SHARES AND SHAREHOLDERS

The Caverion Corporation is a public limited company organised under the laws of the Republic of Finland, incorporated on 30 June 2013. The company has a single series of shares, and each share entitles its holder to one vote at the General Meeting of the company and to an equal dividend. The company's shares have no nominal value.

### Share capital and number of shares

The number of shares was 138,920,092 and the share capital was EUR 1,000,000 on 1 January 2022. Caverion held 2,502,467 treasury shares on 1 January 2022. At the end of the reporting period, the total number of shares in Caverion was 138,920,092. Caverion held 2,447,447 treasury shares on 30

September 2022, representing 1.76 percent of the total number of shares and voting rights. The number of shares outstanding was 136,472,645 at the end of September 2022.

The Board of Directors of Caverion Corporation decided on a directed share issue without payment for Caverion's Restricted Share Plan 2019–2021 reward payment, as described in stock exchange release published on 24 February 2022. In the directed share issue without payment, 55,020 Caverion Corporation shares held by the company were on 24 February 2022 conveyed to 22 key employees according to the terms and conditions of the plan. No new shares were issued in connection with the plan and therefore the plan had no diluting effect. The decision on the directed share issue without payment was based on the authorisation granted to the Board of Directors by the Annual General Meeting of Shareholders held on 24 March 2021. Prior to the directed share issue, Caverion held a total of 2,502,467 treasury shares, of which 2,447,447 treasury shares remained with the company after the conveyance.

Caverion's Board of Directors approved in December 2021 the commencement of a new plan period 2022–2024 in the share-based long-term incentive scheme. The scheme is based on a performance share plan (PSP) structure targeted to Caverion's management and selected key employees. The Board approved at the same time the commencement of a new plan period 2022–2024 in the Restricted Share Plan (RSP) structure, which is a complementary share-based incentive structure for specific situations. More information on the plans have been published in a stock exchange release on 14 December 2021. Any potential share rewards based on PSP 2022–2024 and RSP 2022–2024 will be delivered in the spring 2025.

Caverion's long-term share-based incentive schemes for the Group's senior management and key employees were approved by the Board of Directors

### Authorisations of the Board of Directors

#### *Authorising Caverion's Board of Directors to decide on the repurchase and/or on the acceptance as pledge of own shares of the company*

The Annual General Meeting of Caverion Corporation, held on 28 March 2022, authorised the Board of Directors to decide on the repurchase and/or on the acceptance as pledge of the company's own shares in accordance with the proposal by the Board of Directors. The total number of own shares to be repurchased and/or accepted as pledge shall not exceed 13,500,000 shares, which corresponds to approximately 9.7% of all the shares in the company. The company may use only unrestricted equity to repurchase own shares on the basis of the authorisation. Purchase of own shares may be made at a price formed in public trading on the date of the repurchase or otherwise at a price formed on the

in December 2015 and in December 2018. The targets set for the Performance Share Plan 2019–2021 were not achieved, and no rewards thereof were paid. If all targets will be achieved, the share rewards subject to Board approval will comprise a maximum of approximately 1.6 million Caverion shares (gross before the deduction of applicable taxes) for each of PSP 2020–2022, PSP 2021–2023 as well as PSP 2022–2024.

The Restricted Share Plan (RSP) is based on a rolling plan structure originally announced on 18 December 2015. The commencement of each new plan within the structure is conditional on a separate Board approval. Share allocations within the Restricted Share Plan will be made for individually selected key employees in specific situations. Each RSP plan consists of a three-year vesting period after which the allocated share rewards will be delivered to the participants provided that their employment with Caverion continues at the time of the delivery of the share reward. The potential share rewards based on the Restricted Share Plans for 2020–2022, 2021–2023 as well as 2022–2024 total a maximum of approximately 480,000 shares (gross before the deduction of applicable payroll tax). Of these plans, a maximum of 230,000 shares will be delivered in the spring of 2023, a maximum of 165,000 shares in the spring of 2024 and a maximum of 85,000 shares in the spring of 2025.

More information on the incentive plans has been published in stock exchange releases.

Caverion has not made any decision regarding the issue of option rights or other special rights entitling to shares.

market. The Board of Directors resolves on the manner in which own shares will be repurchased and/or accepted as pledge. Repurchase of own shares may be made using, inter alia, derivatives. The repurchase and/or acceptance as pledge of own shares may be made otherwise than in proportion to the share ownership of the shareholders (directed repurchase or acceptance as pledge).

The authorisation cancels the authorisation given by the Annual General Meeting on 24 March 2021 to decide on the repurchase and/or acceptance as pledge of the company's own shares. The authorisation is valid until 28 September 2023. The Board of Directors has not used the authorisation to decide on the repurchase of the company's own shares during the period.

As part of the implementation of the Matching Share Plan announced on 7 February 2018, the company has accepted as a pledge the shares acquired by those key employees who took a loan from the company. As a result, Caverion had 623,122 Caverion Corporation shares as a pledge at the end of the reporting period on 30 September 2022.

#### *Authorising Caverion's Board of Directors to decide on share issues*

The Annual General Meeting of Caverion Corporation, held on 28 March 2022, authorised the Board of Directors to decide on share issues in accordance with the proposal by the Board of Directors. The total number of shares to be issued under the authorisation may not exceed 13,500,000 shares, which corresponds to approximately 9.7% of all the shares in the company. The Board of Directors decides on all the conditions of the issuance of shares. The authorisation concerns both the issuance

of new shares as well as the transfer of treasury shares. The issuance of shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorisation can be used, e.g. in order to develop the company's capital structure, to broaden the company's ownership base, to be used as payment in corporate acquisitions or when the company acquires assets relating to its business and as part of the company's incentive programs. The authorisation cancels the authorisation given by the Annual General Meeting on 24 March 2021 to decide on the issuance of shares. The authorisation is valid until the end of the next Annual General Meeting, however no later than 30 June 2023.

The Board of Directors has not used the current authorisation to decide on share issues during the period. The decision on the directed share issue without payment described under "Share capital and number of shares" was based on the previous authorisation.

#### Trading in shares

The closing price of Caverion's share was EUR 6.39 at the end of the year 2021. The closing rate on the last trading day of the review period on 30 September was EUR 4.30. The share price decreased by 33 percent during January–September. The highest price of the share during the review period January–September was EUR 6.74, the lowest was EUR 4.16 and the average price was EUR 5.16. Share turnover on Nasdaq Helsinki in January–September amounted to 20.5 million shares. The value of share turnover

was EUR 105.8 million (source: Nasdaq Helsinki). Caverion's shares are also traded in other marketplaces, such as Cboe and Turquoise.

The market capitalisation of the Caverion Corporation at the end of the review period was EUR 586.8 million. Market capitalisation has been calculated excluding the 2,447,447 shares held by the company as per 30 September 2022.

#### Number of shareholders and flagging notifications

At the end of September 2022, the number of registered shareholders in Caverion was 30,273 (6/2022: 29,999). At the end of September 2022, a total of 29.2 percent of the shares were owned by nominee-registered and non-Finnish investors (6/2022: 29.7%).

Caverion Corporation received on 5 January 2022 an announcement under Chapter 9, Section 5 of the Finnish Securities Markets Act, according to which the holding of Antti Herlin in Caverion Corporation through Security Trading Oy (a company owned by Antti Herlin) had exceeded the threshold of 15

percent on 5 January 2022, as Security Trading Oy acquired 100% of the share capital in Hisra Consulting and Finance Oy. The combined direct and indirect holding of Antti Herlin and Security Trading in Caverion increased to 21,054,392 shares, corresponding to 15.1558 percent of Caverion's shares and voting rights.

Updated lists of Caverion's largest shareholders and ownership structure by sector as per 30 September 2022, are available on Caverion's website at [www.caverion.com/investors](http://www.caverion.com/investors).

## INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2022: FINANCIAL TABLES

## Condensed consolidated income statement

EUR million	7-9/2022	7-9/2021	1-9/2022	1-9/2021	1-12/2021
<b>Revenue</b>	<b>564.1</b>	<b>493.7</b>	<b>1,669.2</b>	<b>1,554.1</b>	<b>2,139.5</b>
Other operating income	0.8	1.1	1.9	1.9	2.8
Materials and supplies	-153.8	-124.0	-431.9	-369.6	-523.9
External services	-107.8	-88.9	-309.1	-279.5	-398.4
Employee benefit expenses	-210.1	-196.6	-674.6	-666.1	-889.9
Other operating expenses	-53.9	-54.1	-151.8	-150.1	-216.3
Share of results of associated companies			0.0	0.0	0.0
Depreciation, amortisation and impairment	-18.3	-17.7	-53.7	-52.4	-70.3
<b>Operating result</b>	<b>21.1</b>	<b>13.5</b>	<b>49.9</b>	<b>38.4</b>	<b>43.5</b>
% of revenue	3.7	2.7	3.0	2.5	2.0
Financial income and expense, net	-2.2	-1.9	-6.9	-6.1	-8.6
<b>Result before taxes</b>	<b>18.9</b>	<b>11.6</b>	<b>43.1</b>	<b>32.3</b>	<b>34.9</b>
% of revenue	3.3	2.3	2.6	2.1	1.6
Income taxes	-4.3	-3.7	-10.0	-8.8	-9.8
<b>Result for the period</b>	<b>14.6</b>	<b>7.8</b>	<b>33.1</b>	<b>23.5</b>	<b>25.1</b>
% of revenue	2.6	1.6	2.0	1.5	1.2
<b>Attributable to</b>					
Equity holders of the parent company	14.6	7.8	33.1	23.5	25.0
Non-controlling interests	0.0	0.0	0.0	0.0	0.0
Earnings per share attributable to the equity holders of the parent company					
Earnings per share, undiluted, EUR	0.10	0.05	0.23	0.16	0.17
Diluted earnings per share, EUR	0.10	0.05	0.23	0.16	0.17

## Consolidated statement of comprehensive income

EUR million	7-9/2022	7-9/2021	1-9/2022	1-9/2021	1-12/2021
<b>Result for the review period</b>	<b>14.6</b>	<b>7.8</b>	<b>33.1</b>	<b>23.5</b>	<b>25.1</b>
<b>Other comprehensive income</b>					
Items that will not be reclassified to profit/loss:					
- Change in fair value of defined benefit pension plans	0.6	0.0	1.5	-0.7	-0.1
-- Deferred tax					-0.5
- Change in fair value of other investments		0.0	-0.1	0.0	0.0
-- Deferred tax					
Items that may be reclassified subsequently to profit/loss:					
- Translation differences	-1.7	0.2	-4.6	1.8	8.1
<b>Other comprehensive income, total</b>	<b>-1.2</b>	<b>0.1</b>	<b>-3.2</b>	<b>1.1</b>	<b>7.5</b>
<b>Total comprehensive result</b>	<b>13.4</b>	<b>8.0</b>	<b>29.9</b>	<b>24.5</b>	<b>32.5</b>
<b>Attributable to</b>					
Equity holders of the parent company	13.4	8.0	29.8	24.5	32.5
Non-controlling interests	0.0	0.0	0.0	0.0	0.0



## Condensed consolidated statement of financial position

EUR million	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	19.5	18.0	17.6
Right-of-use assets	134.2	125.1	131.2
Goodwill	429.9	369.2	369.9
Other intangible assets	57.2	50.1	47.7
Shares in associated companies and joint ventures	1.5	1.7	1.5
Other investments	1.3	1.3	1.3
Other receivables	9.0	8.1	9.6
Deferred tax assets	18.4	19.0	16.8
<b>Total non-current assets</b>	<b>671.0</b>	<b>592.6</b>	<b>595.6</b>
<b>Current assets</b>			
Inventories	22.8	16.6	16.9
Trade receivables	302.5	288.9	346.0
POC receivables	285.8	241.1	195.6
Other receivables	30.4	30.5	34.4
Income tax receivables	1.1	2.9	0.6
Cash and cash equivalents	46.8	81.5	130.9
<b>Total current assets</b>	<b>689.5</b>	<b>661.6</b>	<b>724.4</b>
<b>Total assets</b>	<b>1,360.5</b>	<b>1,254.2</b>	<b>1,320.0</b>
<b>Equity and liabilities</b>			
Equity attributable to equity holders of the parent company			
Share capital	1.0	1.0	1.0
Hybrid capital	35.0	35.0	35.0
Other equity	171.7	156.1	165.1
Non-controlling interest	0.3	0.3	0.3
<b>Equity</b>	<b>208.0</b>	<b>192.4</b>	<b>201.4</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	40.3	38.0	34.0
Pension liabilities	49.3	51.0	50.6
Provisions	7.6	9.6	10.6
Lease liabilities	95.7	89.3	94.1
Other interest-bearing debts	133.3	134.3	132.9
Other liabilities	9.8	7.1	7.1
<b>Total non-current liabilities</b>	<b>336.0</b>	<b>329.4</b>	<b>329.2</b>
<b>Current liabilities</b>			
Advances received	264.0	242.1	261.3
Trade payables	172.7	155.4	167.4
Other payables	252.1	248.4	276.5
Income tax liabilities	5.1	9.1	5.5
Provisions	30.7	34.5	34.0
Lease liabilities	43.2	39.6	41.6
Other interest-bearing debts	48.7	3.2	3.1
<b>Total current liabilities</b>	<b>816.5</b>	<b>732.4</b>	<b>789.4</b>
<b>Total equity and liabilities</b>	<b>1,360.5</b>	<b>1,254.2</b>	<b>1,320.0</b>

## Working capital

EUR million	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
Inventories	22.8	16.6	16.9
Trade and POC receivables	588.6	530.0	541.9
Other current receivables	29.9	30.2	33.8
Trade and POC payables	-201.7	-183.1	-197.7
Other current liabilities	-251.5	-253.4	-278.3
Advances received	-264.0	-242.1	-261.3
<b>Working capital</b>	<b>-75.8</b>	<b>-101.7</b>	<b>-144.7</b>

## Consolidated statement of changes in equity

EUR million	Equity attributable to owners of the parent									
	Share capital	Retained earnings	Cumulative translation differences	Fair value reserve	Treasury shares	Unrestricted equity reserve	Hybrid capital	Total	Non-controlling interest	Total equity
<b>Equity on January 1, 2022</b>	<b>1.0</b>	<b>107.6</b>	<b>-6.0</b>	<b>-0.2</b>	<b>-2.4</b>	<b>66.0</b>	<b>35.0</b>	<b>201.1</b>	<b>0.3</b>	<b>201.4</b>
<b>Comprehensive income</b>										
Result for the period		33.1						33.1	0.0	33.1
Other comprehensive income:										
Change in fair value of defined benefit pension plans		1.5						1.5		1.5
-Deferred tax										
Change in fair value of other investments				-0.1				-0.1		-0.1
-Deferred tax										
Translation differences			-4.6					-4.6		-4.6
<b>Comprehensive income, total</b>		<b>34.5</b>	<b>-4.6</b>	<b>-0.1</b>				<b>29.8</b>	<b>0.0</b>	<b>29.9</b>
Dividend distribution		-23.2						-23.2	0.0	-23.2
Share-based payments		1.8						1.8		1.8
Transfer of own shares		-0.4			0.4					
Hybrid capital interests and costs after taxes		-1.9						-1.9		-1.9
<b>Equity on September 30, 2022</b>	<b>1.0</b>	<b>118.5</b>	<b>-10.6</b>	<b>-0.2</b>	<b>-2.0</b>	<b>66.0</b>	<b>35.0</b>	<b>207.7</b>	<b>0.3</b>	<b>208.0</b>

Equity attributable to owners of the parent										
EUR million	Share capital	Retained earnings	Cumulative translation differences	Fair value reserve	Treasury shares	Unrestricted equity reserve	Hybrid capital	Total	Non-controlling interest	Total equity
<b>Equity on January 1, 2021</b>	<b>1.0</b>	<b>111.3</b>	<b>-14.1</b>	<b>-0.1</b>	<b>-2.8</b>	<b>66.0</b>	<b>35.0</b>	<b>196.3</b>	<b>0.3</b>	<b>196.6</b>
<b>Comprehensive income</b>										
Result for the period		23.5						23.5	0.0	23.5
Other comprehensive income:										
Change in fair value of defined benefit pension plans		-0.7						-0.7		-0.7
-Deferred tax										
Change in fair value of other investments				0.0				0.0		0.0
-Deferred tax										
Translation differences			1.8					1.8		1.8
<b>Comprehensive income, total</b>		<b>22.7</b>	<b>1.8</b>	<b>0.0</b>				<b>24.5</b>	<b>0.0</b>	<b>24.5</b>
Dividend distribution		-27.3						-27.3	0.0	-27.3
Share-based payments		0.4						0.4		0.4
Transfer of own shares		-0.4			0.4					
Hybrid capital interests and costs after taxes		-1.9						-1.9		-1.9
<b>Equity on September 30, 2021</b>	<b>1.0</b>	<b>104.9</b>	<b>-12.2</b>	<b>-0.2</b>	<b>-2.4</b>	<b>66.0</b>	<b>35.0</b>	<b>192.1</b>	<b>0.3</b>	<b>192.4</b>

Equity attributable to owners of the parent										
EUR million	Share capital	Retained earnings	Cumulative translation differences	Fair value reserve	Treasury shares	Unrestricted equity reserve	Hybrid capital	Total	Non-controlling interest	Total equity
<b>Equity on January 1, 2021</b>	<b>1.0</b>	<b>111.3</b>	<b>-14.1</b>	<b>-0.1</b>	<b>-2.8</b>	<b>66.0</b>	<b>35.0</b>	<b>196.3</b>	<b>0.3</b>	<b>196.6</b>
<b>Comprehensive income</b>										
Result for the period		25.0						25.0	0.0	25.1
Other comprehensive income:										
Change in fair value of defined benefit pension plans		-0.1						-0.1		-0.1
-Deferred tax		-0.5						-0.5		-0.5
Change in fair value of other investments				0.0				0.0		0.0
-Deferred tax										
Translation differences			8.1					8.1		8.1
<b>Comprehensive income, total</b>		<b>24.4</b>	<b>8.1</b>	<b>0.0</b>				<b>32.5</b>	<b>0.0</b>	<b>32.5</b>
Dividend distribution		-27.3						-27.3	0.0	-27.3
Share-based payments		1.5						1.5		1.5
Transfer of own shares		-0.4			0.4					
Hybrid capital interests and costs after taxes		-1.9						-1.9		-1.9
<b>Equity on December 31, 2021</b>	<b>1.0</b>	<b>107.6</b>	<b>-6.0</b>	<b>-0.2</b>	<b>-2.4</b>	<b>66.0</b>	<b>35.0</b>	<b>201.1</b>	<b>0.3</b>	<b>201.4</b>

## Condensed consolidated statement of cash flows

EUR million	7-9/2022	7-9/2021	1-9/2022	1-9/2021	1-12/2021
<b>Cash flows from operating activities</b>					
Result for the period	14.6	7.8	33.1	23.5	25.1
Adjustments to result	23.7	24.9	62.9	64.8	99.8
Change in working capital	-30.6	-42.8	-58.6	-61.1	-21.0
<b>Operating cash flow before financial and tax items</b>	<b>7.7</b>	<b>-10.1</b>	<b>37.4</b>	<b>27.1</b>	<b>103.8</b>
Financial items, net	-0.4	-0.9	-7.6	-6.2	-9.0
Taxes paid	-2.0	-0.6	-8.5	-9.5	-14.3
<b>Net cash from operating activities</b>	<b>5.3</b>	<b>-11.6</b>	<b>21.3</b>	<b>11.3</b>	<b>80.4</b>
<b>Cash flows from investing activities</b>					
Acquisition of subsidiaries and businesses, net of cash	-45.2	-5.9	-73.6	-6.6	-9.7
Disposal of subsidiaries and businesses, net of cash			-0.1		-0.9
Capital expenditure and other investments, net	-2.7	-2.6	-10.5	-8.6	-11.7
<b>Net cash used in investing activities</b>	<b>-47.9</b>	<b>-8.5</b>	<b>-84.2</b>	<b>-15.2</b>	<b>-22.3</b>
<b>Cash flow after investing activities</b>	<b>-42.6</b>	<b>-20.1</b>	<b>-62.9</b>	<b>-3.9</b>	<b>58.2</b>
<b>Cash flow from financing activities</b>					
Change in loan receivables, net			0.8		
Change in current liabilities, net	45.3	0.0	45.3	0.0	
Proceeds from borrowings	0.1		74.7	0.1	50.3
Repayments of borrowings	0.0	0.0	-73.0	-1.5	-53.2
Repayments of lease liabilities	-12.5	-11.9	-36.7	-34.7	-46.9
Hybrid capital costs and interests			-2.4	-2.4	-2.4
Dividends paid and other distribution of assets			-23.2	-27.3	-27.3
<b>Net cash used in financing activities</b>	<b>32.9</b>	<b>-11.9</b>	<b>-14.5</b>	<b>-65.8</b>	<b>-79.5</b>
<b>Change in cash and cash equivalents</b>	<b>-9.6</b>	<b>-32.0</b>	<b>-77.4</b>	<b>-69.6</b>	<b>-21.3</b>
Cash and cash equivalents at the beginning of the period	58.7	113.7	130.9	149.3	149.3
Change in the foreign exchange rates	-2.2	-0.2	-6.7	1.9	2.9
<b>Cash and cash equivalents at the end of the period</b>	<b>46.8</b>	<b>81.5</b>	<b>46.8</b>	<b>81.5</b>	<b>130.9</b>

## Free cash flow

EUR million	7-9/2022	7-9/2021	1-9/2022	1-9/2021	1-12/2021
Operating cash flow before financial and tax items	7.7	-10.1	37.4	27.1	103.8
Taxes paid	-2.0	-0.6	-8.5	-9.5	-14.3
Net cash used in investing activities	-47.9	-8.5	-84.2	-15.2	-22.3
<b>Free cash flow</b>	<b>-42.2</b>	<b>-19.2</b>	<b>-55.2</b>	<b>2.4</b>	<b>67.2</b>

## NOTES TO THE INTERIM REPORT

### 1. Accounting principles

Caverion Corporation's Interim Report for 1 January – 30 September, 2022 has been prepared in accordance with IAS 34, 'Interim Financial Reporting'. Caverion has applied the same accounting principles in the preparation of the Interim Report as in its Financial Statements for 2021.

The information presented in this Interim Report has not been audited.

In the Interim Report the figures are presented in million euros subject to rounding, which may cause some rounding inaccuracies in column and total sums.

### 2. Key figures

	9/2022	9/2021	12/2021
Revenue, EUR million	1,669.2	1,554.1	2,139.5
Organic growth, %	6.2	-2.3	-2.0
EBITDA, EUR million	103.6	90.8	113.8
EBITDA margin, %	6.2	5.8	5.3
Adjusted EBITDA, EUR million	109.1	97.6	142.1
Adjusted EBITDA margin, %	6.5	6.3	6.6
EBITA, EUR million	61.5	50.8	59.4
EBITA margin, %	3.7	3.3	2.8
Adjusted EBITA, EUR million	67.2	57.6	87.7
Adjusted EBITA margin, %	4.0	3.7	4.1
Operating profit, EUR million	49.9	38.4	43.5
Operating profit margin, %	3.0	2.5	2.0
Result before taxes, EUR million	43.1	32.3	34.9
% of revenue	2.6	2.1	1.6
Result for the review period, EUR million	33.1	23.5	25.1
% of revenue	2.0	1.5	1.2
Earnings per share, undiluted, EUR	0.23	0.16	0.17
Earnings per share, diluted, EUR	0.23	0.16	0.17
Equity per share, EUR	1.5	1.4	1.5
Equity ratio, %	19.0	19.0	19.0
Interest-bearing net debt, EUR million	274.0	185.0	140.7
Gearing ratio, %	131.8	96.2	69.8
Total assets, EUR million	1,360.5	1,254.2	1,320.0
Operating cash flow before financial and tax items, EUR million	37.4	27.1	103.8
Cash conversion (LTM), %	90.1	96.4	91.2
Working capital, EUR million	-75.8	-101.7	-144.7
Gross capital expenditures, EUR million	92.8	20.8	26.0
% of revenue	5.6	1.3	1.2
Order backlog, EUR million	1,971.0	1,889.7	1,863.8
Personnel, average for the period	14,486	14,905	14,831
Number of outstanding shares at the end of the period (thousands)	136,473	136,448	136,418
Average number of shares (thousands)	136,462	136,253	136,298

## 3. Financial development by quarter

EUR million	7-9/2022	4-6/2022	1-3/2022	10-12/2021	7-9/2021	4-6/2021	1-3/2021
Revenue	564.1	577.0	528.1	585.3	493.7	545.1	515.3
Organic growth, %	11.8	4.7	2.4	-1.1	-4.6	3.3	-5.4
EBITDA	39.3	35.8	28.5	23.0	31.2	31.5	28.1
EBITDA margin, %	7.0	6.2	5.4	3.9	6.3	5.8	5.5
Adjusted EBITDA	41.1	37.3	30.8	44.5	35.0	33.2	29.4
Adjusted EBITDA margin, %	7.3	6.5	5.8	7.6	7.1	6.1	5.7
EBITA	25.1	21.4	15.0	8.6	17.7	18.0	15.1
EBITA margin, %	4.5	3.7	2.8	1.5	3.6	3.3	2.9
Adjusted EBITA	26.9	22.9	17.4	30.1	21.5	19.7	16.4
Adjusted EBITA margin, %	4.8	4.0	3.3	5.1	4.4	3.6	3.2
Operating profit	21.1	17.5	11.4	5.1	13.5	13.9	11.0
Operating profit margin, %	3.7	3.0	2.2	0.9	2.7	2.5	2.1

	7-9/2022	4-6/2022	1-3/2022	10-12/2021	7-9/2021	4-6/2021	1-3/2021
Earnings per share, undiluted, EUR	0.10	0.09	0.04	0.01	0.05	0.06	0.05
Earnings per share, diluted, EUR	0.10	0.09	0.04	0.01	0.05	0.06	0.05
Equity per share, EUR	1.5	1.4	1.4	1.5	1.4	1.4	1.3
Equity ratio, %	19.0	18.6	17.3	19.0	19.0	18.1	17.2
Interest-bearing net debt, EUR million	274.0	215.4	125.6	140.7	185.0	147.3	98.0
Gearing ratio, %	131.8	111.3	67.7	69.8	96.2	79.9	55.2
Total assets, EUR million	1,360.5	1,289.5	1,313.9	1,320.0	1,254.2	1,258.3	1,280.9
Operating cash flow before financial and tax items, EUR million	7.7	-9.3	39.1	76.7	-10.1	-3.4	40.6
Cash conversion (LTM), %	90.1	81.3	89.6	91.2	96.4	80.3	137.4
Working capital, EUR million	-75.8	-106.5	-158.2	-144.7	-101.7	-139.9	-176.0
Gross capital expenditures, EUR million	54.8	33.3	4.7	5.2	13.7	2.8	4.3
% of revenue	9.7	5.8	0.9	0.9	2.8	0.5	0.8
Order backlog, EUR million	1,971.0	1,907.9	1,951.6	1,863.8	1,889.7	1,789.0	1,626.7
Personnel at the end of the period	15,037	14,612	14,272	14,298	14,773	14,958	14,892
Number of outstanding shares at end of period (thousands)	136,473	136,473	136,473	136,418	136,448	136,296	136,176
Average number of shares (thousands)	136,473	136,473	136,440	136,433	136,361	136,258	136,138

## 4. Calculation of key figures

### IFRS key figures

$$\text{Earnings / share, undiluted} = \frac{\text{Result for the period (attributable for equity holders)} - \text{hybrid capital expenses and accrued unrecognised interests after tax}}{\text{Weighted average number of shares outstanding during the period}}$$

$$\text{Earnings /share, diluted} = \frac{\text{Result for the period (attributable for equity holders)} - \text{hybrid capital expenses and accrued unrecognised interests after tax}}{\text{Weighted average dilution adjusted number of shares outstanding during the period}}$$

### Alternative performance measures

ESMA (European Securities and Markets Authority) has issued guidelines regarding Alternative Performance Measures ("APM"). Caverion presents APMs to improve the analysis of business and financial performance and to enhance the comparability between reporting periods. APMs presented in this report should not be considered as a substitute for measures of performance in accordance with the IFRS.

$$\text{EBITDA} = \text{Operating profit (EBIT)} + \text{depreciation, amortisation and impairment}$$

$$\text{Adjusted EBITDA} = \text{EBITDA before items affecting comparability (IAC) *}$$

$$\text{EBITA} = \text{Operating profit (EBIT)} + \text{amortisation and impairment}$$

$$\text{Adjusted EBITA} = \text{EBITA before items affecting comparability (IAC) *}$$

$$\text{Equity ratio (\%)} = \frac{(\text{Equity} + \text{non-controlling interest}) \times 100}{\text{Total assets} - \text{advances received}}$$

$$\text{Gearing ratio (\%)} = \frac{(\text{Interest-bearing liabilities} - \text{cash and cash equivalents}) \times 100}{\text{Shareholders' equity} + \text{non-controlling interest}}$$

$$\text{Interest-bearing net debt} = \text{Interest-bearing liabilities} - \text{cash and cash equivalents}$$

$$\text{Working capital} = \text{Inventories} + \text{trade and POC receivables} + \text{other current receivables} - \text{trade and POC payables} - \text{other current payables} - \text{advances received} - \text{current provisions}$$

$$\text{Free cash flow} = \text{Operating cash flow before financial and tax items} - \text{taxes paid} - \text{net cash used in investing activities}$$

$$\text{Cash conversion (\%)} = \frac{\text{Operating cash flow before financial and tax items (LTM)} \times 100}{\text{EBITDA (LTM)}}$$

$$\text{Equity / share} = \frac{\text{Shareholders' equity}}{\text{Number of outstanding shares at the end of the period}}$$

$$\text{Dividend / earnings (\%)} = \frac{\text{Dividend per share} \times 100}{\text{Earnings per share}}$$

Net debt / Adjusted EBITDA = 
$$\frac{\text{Interest-bearing net debt}}{\text{Adjusted EBITDA (LTM)}}$$

Organic growth = Defined as the change in revenue in local currencies excluding the impacts of (i) currencies; and (ii) acquisitions and divestments. The currency impact shows the impact of changes in exchange rates of subsidiaries with a currency other than the euro (Group's reporting currency). The acquisitions and divestments impact shows how acquisitions and divestments completed during the current or previous year affect the revenue reported.

\*Items affecting comparability (IAC) in 2022 are material items or transactions, which are relevant for understanding the financial performance of Caverion when comparing the profit of the current period with that of the previous periods. These items can include (1) capital gains and/or losses and transaction costs related to divestments and acquisitions; (2) write-downs, expenses and/or income from separately identified major risk projects; (3) restructuring expenses and (4) other items that according to Caverion management's assessment are not related to normal business operations. In 2021 and 2022, major risk projects only include one old risk project in Germany reported under category (2). In 2021 and 2022, provisions and legal and other costs for civil claims related to the German anti-trust matter were reported under category (4). Also, in 2021, previously capitalised expenses were booked as operative expenses due to a change in the accounting principle of implementation costs in cloud computing arrangements and reported under category (4).

Adjusted EBITDA is affected by the same adjustments as adjusted EBITA, except for restructuring costs, which do not include depreciation and impairment relating to restructurings.



## 5. Acquisitions 2022

Acquired unit	Division	Business unit	Technical area	Acquisition type	Acquisition period	Employees	Prior financial year annual sales, EUR
Frödéns Ventilation	Sweden	Services	Ventilation and air conditioning	Business	Jan	12	2.7
DI-Teknik A/S	Denmark	Services	Automation	Shares	Apr	185	27.8
Kaldt og Varmt	Norway	Services	Cooling and heating	Business	May	5	1.8
Wind Controller Group	Industry	Services	Energy utilities operation and maintenance	Shares	May	40	5.1
WT-Service Oy	Industry	Services	Industrial maintenance	Shares	May	17	1.7
Visi Oy	Finland	Services	Security and safety	Shares	Jul	22	4.6
PORREAL Group	Austria	Services	Technical maintenance	Shares	Aug	380	32.8
Elicentra AB	Sweden	Services	Electricity	Shares	Aug	18	2.4
CS electric A/S	Denmark	Services	Industrial engineering and automation	Shares	Sep	70	13.4
Simex Klima & Kulde AS	Norway	Services	Cooling and heating	Shares	Oct	25	4.2
TM Voima Group	Industry	Projects	Industrial project installations	Shares	Signed in Oct*	66	30.5

\* Caverion signed the agreement to acquire TM Voima Group's substation and transmission line business in October 2022 but the closing of the acquisition is subject to the approval by the Finnish Competition and Consumer Authority.

## 6. Related party transactions

Caverion announced on 7 February 2018 in a stock exchange release the establishment of a new share-based incentive plan directed for the key employees of the Group ("Matching Share Plan 2018–2022"). The company provided the participants a possibility to finance the acquisition of the company's shares through an interest-bearing loan from the company, which some of the participants utilised. In the end of September 2022, the total outstanding amount of these loans amounted approximately to EUR 3.7 (4.4) million. The loans will be repaid in full on 29

December 2023, at the latest. Company shares have been pledged as a security for the loans.

### *Purchases from members of the Board*

Caverion has a fixed term contract with a member of the Board concerning consulting services. The contract is valid until 31 December 2022 and the value is not material.

## 7. Financial risk management

Caverion's main financial risks are the liquidity risk, credit risk as well as market risks including the foreign exchange and interest rate risk. The objectives and principles of financial risk management are

defined in the Treasury Policy approved by the Board of Directors. Financial risk management is carried out by Group Treasury in co-operation with the Group's subsidiaries.

At the end of September the market risk sentiment continued weak driven by geopolitical risks and inflation. With continuing high inflation rates, the pressure on interest rate increases remains strong and high volatility on foreign exchange rates is expected. Also, despite the more optimistic outlook on the corona pandemic, it cannot be ruled out that new waves of the pandemic continue to emerge further increasing the market risks. Caverion monitors the risks closely and at the moment does not see any need for changes in the risk management principles. The risks related to the availability of financing, the availability of guarantee facilities as well as foreign exchange and interest rate related risks are in control.

The objective of capital management in Caverion Group is to maintain an optimal capital structure, maximise the return on the respective capital employed and to minimise the cost of capital within the limits and principles stated in the Treasury Policy. The capital structure is modified primarily by directing investments and working capital employed.

No significant changes have been made to the Group's financial risk management principles in the

reporting period. Further information is presented in Group's 2021 financial statement in note 5.5 Financial risk management.

Caverion continues the sharpened focus on optimising cash flow and working capital management. Ensuring adequate liquidity has been prioritised to support the growth strategy through acquisitions.

Caverion's external loans are subject to a financial covenant based on the ratio of the Group's net debt to EBITDA according to the calculation principles confirmed with the lending parties. The covenant ratio is continuously monitored and evaluated against actual and forecasted EBITDA and net debt figures.

The next table presents the maturity structure of interest-bearing liabilities. Interest-bearing borrowings are based on contractual maturities of liabilities excluding interest payments. Lease liabilities are presented based on discounted present value of remaining lease payments. Cash flows of foreign-denominated liabilities are translated into the euro at the reporting date.

EUR million	2022	2023	2024	2025	2026	2027->	Total
Interest-bearing borrowings	47.0	6.5	3.0	51.5	0.0	75.0	183.0
Lease liabilities	11.0	41.0	29.6	17.7	12.8	26.8	138.9
<b>Total</b>	<b>58.0</b>	<b>47.5</b>	<b>32.6</b>	<b>69.2</b>	<b>12.8</b>	<b>101.8</b>	<b>321.9</b>

## 8. Financial liabilities and interest-bearing net debt

EUR million	Sep 30, 2022 Carrying amount	Sep 30, 2021 Carrying amount	Dec 31, 2021 Carrying amount
Non-current liabilities			
Senior bonds	76.7	74.8	74.9
Loans from financial institutions	50.0	50.0	50.0
Other financial loans	0.5	0.5	0.5
Pension loans	6.0	9.0	7.5
Lease liabilities	95.7	89.3	94.1
<b>Total non-current interest-bearing liabilities</b>	<b>228.9</b>	<b>223.6</b>	<b>226.9</b>
Current liabilities			
Loans from financial institutions	0.1	0.0	0.1
Pension loans	3.0	3.0	3.0
Other financial loans	0.6	0.2	
Commercial papers	44.9		
Lease liabilities	43.2	39.6	41.6
<b>Total current interest-bearing liabilities</b>	<b>91.9</b>	<b>42.9</b>	<b>44.7</b>
<b>Total interest-bearing liabilities</b>	<b>320.8</b>	<b>266.5</b>	<b>271.6</b>
<b>Total interest-bearing liabilities (excluding IFRS 16 lease liabilities)</b>	<b>181.9</b>	<b>137.6</b>	<b>135.9</b>
Cash and cash equivalents	46.8	81.5	130.9
<b>Interest-bearing net debt</b>	<b>274.0</b>	<b>185.0</b>	<b>140.7</b>
<b>Interest-bearing net debt excluding IFRS 16 lease liabilities</b>	<b>135.1</b>	<b>56.0</b>	<b>5.0</b>

The fair value of senior bonds amounted to EUR 68.6 million at the end of September 2022. The carrying amounts of all other financial assets and liabilities are reasonably close to their fair values.

## Derivative instruments

Nominal amounts	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
EUR million			
Foreign exchange forwards	113.9	59.3	65.2
Fair values			
EUR million			
Foreign exchange forwards			
positive fair value	0.1	0.2	0.1
negative fair value	-1.0	-0.5	-0.1

The fair values of the derivative instruments have been defined as follows: The fair values of foreign exchange forward agreements have been defined by using market prices on the closing day. The fair values of interest rate swaps are based on discounted cash flows.

## 9. Commitments and contingent liabilities

EUR million	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
Guarantees given on behalf of associated companies and joint ventures		33.1	32.1
Parent company's guarantees on behalf of its subsidiaries	447.2	458.9	467.9
Other commitments			
- Other contingent liabilities	0.2	0.2	0.2
Accrued unrecognised interest on hybrid bond	0.9	0.9	1.5

Entities participating in the demerger are jointly and severally responsible for the liabilities of the demerging entity which have been generated before the registration of the demerger. As a consequence, a secondary liability up to the allocated net asset value was generated to Caverion Corporation, incorporated due to the partial demerger of YIT Corporation, for those liabilities that were generated before the registration of the demerger and remain with YIT Corporation after the demerger. Caverion Corporation

has a secondary liability relating to the Group guarantees which remain with YIT Corporation after the demerger. These Group guarantees amounted to EUR 18.0 (19.6) million at the end of September 2022.

The short-term risks and uncertainties relating to the operations have been described in section "Significant short-term risks and uncertainties".

## 10. Events after the reporting period

A consortium of investors led by Bain Capital has on 3 November 2022 announced a public tender offer to the shareholders of Caverion. The Board of Directors of Caverion, represented by a quorum comprising the non-conflicted members of the Board of Directors,

has unanimously decided to recommend that the shareholders of Caverion accept the tender offer. More information can be found in the stock exchange release published on 3 November 2022.

## Caverion's Financial Information in 2023

Financial Statement Release for 2022: 9 February 2023

Annual Review 2022: during week 9/2023, at the latest

Interim report for January–March: 27 April 2023

Half-year financial report for January–June: 3 August 2023

Interim report for January–September: 3 November 2023



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