



# Overview of the year 2022

Annual General Meeting  
27 March 2023

# Summary of the year 2022

## Strong performance and earnings

- A clear profitability uplift and record-high earnings through performance improvement actions made.
- Operating cash flow improved despite the cost inflation and higher sick leave levels.
- 12 acquisitions were closed in 2022, with a total annual revenue of EUR 94.3 million.

### Revenue

**2,352.1 EURm**

(2,139.5)

### Adjusted EBITA

**105.8 EURm** (87.7)

**4.5% margin** (4.1%)

### Revenue growth

**8.6% organic** (-2.0%)

**9.9% total** (-0.7%)

### Operating cash flow

**144.3 EURm** (103.8)

before financial and  
tax items

### Order backlog

**1,943.3 EURm**

(1,863.8), +4.3%

### Revenue distribution

**Services 66.8%** (65.5%)

**Projects 33.2%** (34.5%)



# Operating environment 2022

The economic uncertainty has increased

## Services 66.8% (65.5%) of Group 2022 revenue

- › The market demand and general investment activity remained positive.
- › Caverion has continued to see a general increasing interest for services supporting sustainability.
- › 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.

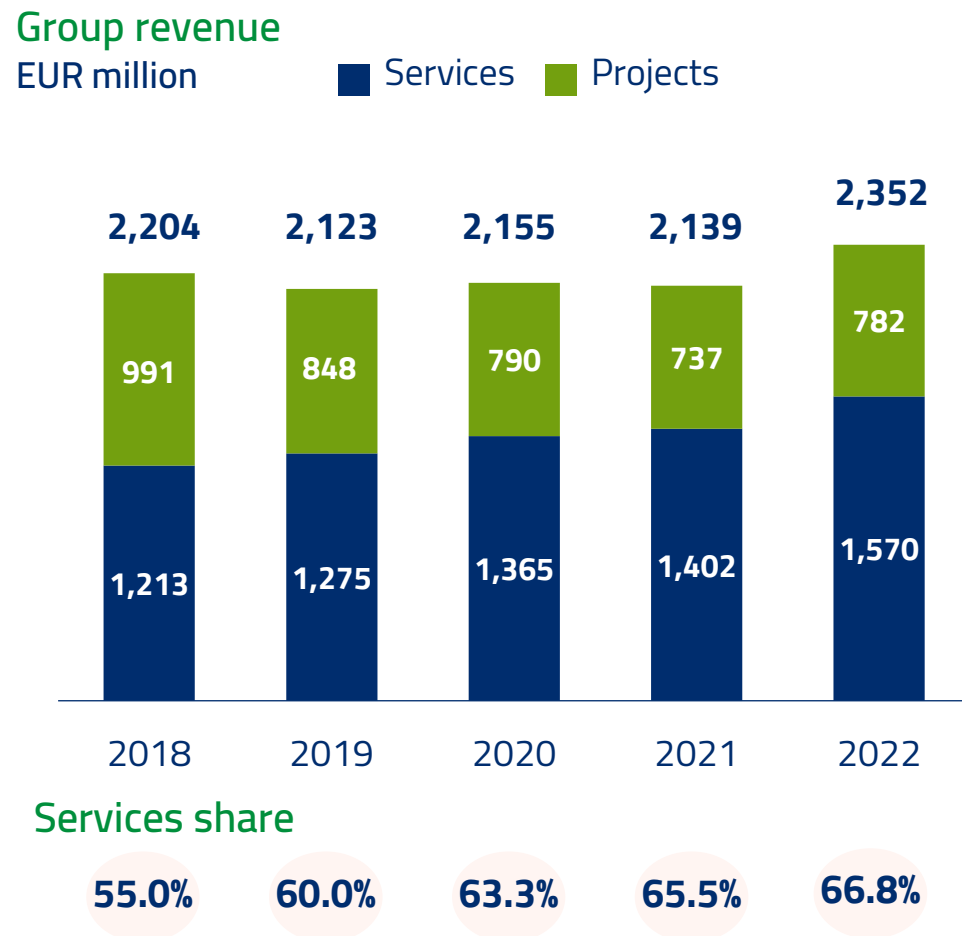
## Projects 33.2% (34.5%) of Group 2022 revenue

- › The market demand remained mostly stable.
- › 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.



# Summary of 2022

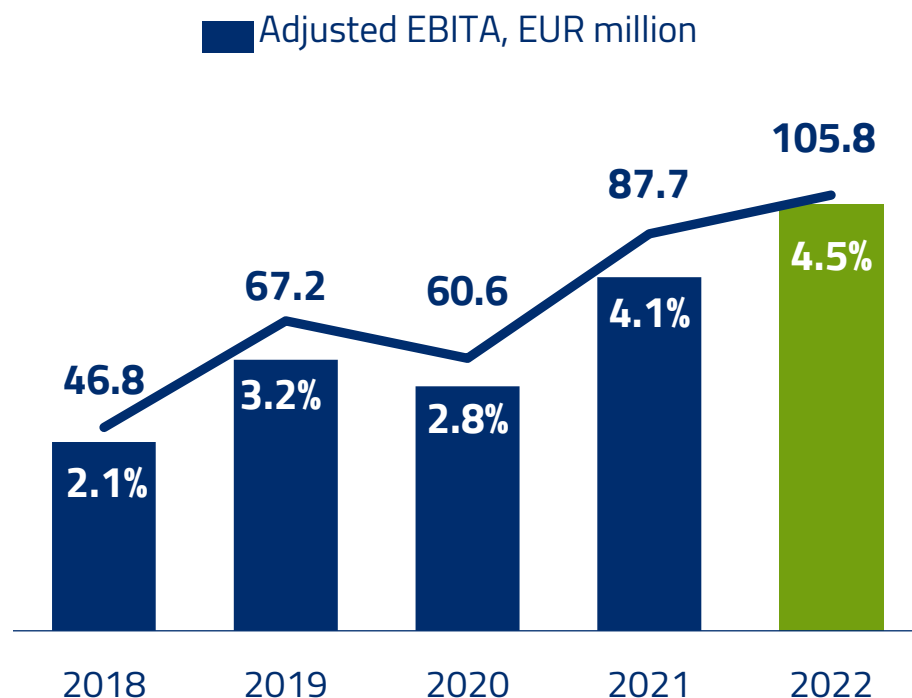
## Revenue up supported by strong organic growth



- > Revenue amounted to EUR 2,352.1 (2,139.5) million, up by +9.9% (+10.9% in locals).
  - > Organic growth was +8.6%.
- > Business unit revenues:
  - > Services +12.0% (+12.9% locals; +9.5% organic)
  - > Projects +6.1% (+7.0% locals; +6.8% organic)
- > Growth in all divisions as a result of increased underlying activity and partly indirectly due to inflation impact
- > 12 acquisitions completed

# Summary of 2022

## Profitability improved despite the cost inflation and higher sick leave levels



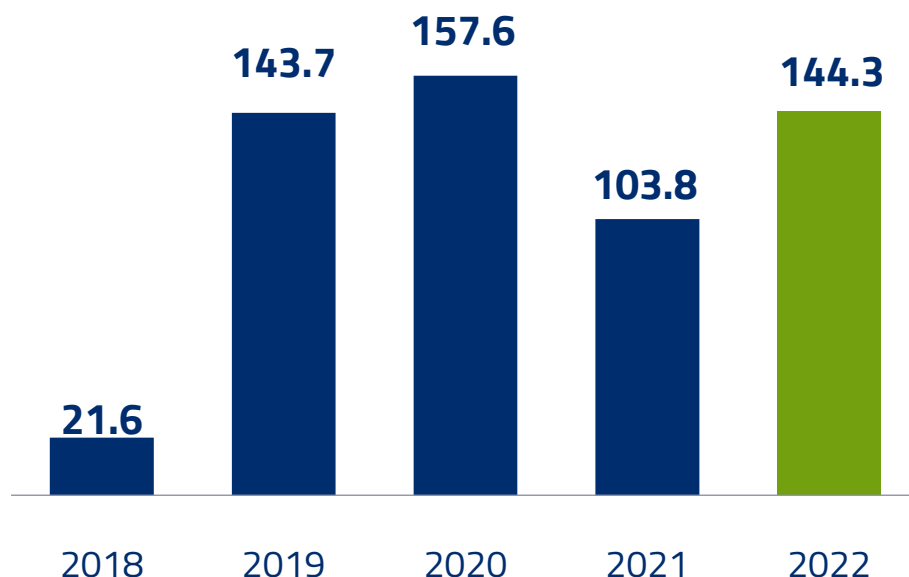
Note! Comparative figures for 2018 have not been restated according to IFRS 16.  
Adjusted EBITA = EBITA before items affecting comparability (IAC)

- > Adjusted EBITA 105.8 (87.7) m€, up by 20.7%, margin 4.5% (4.1%)
  - > Both Services and Projects improved their profitability.
  - > Divisions Austria, Finland, Industry and Norway progressed well. Division Denmark continued the positive performance improvement.
  
- > EBITA 86.1 (59.4) m€, up by 44.9%, margin 3.7% (2.8%)
  
- > EPS EUR 0.32 (0.17) per share

# Summary of 2022

## Operating cash flow improved in 2022

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



- > Operating cash flow before financial and tax items was EUR 144.3 (103.8) million
  - > Cash conversion 100.6% (91.2%)
  - > Change in working capital of EUR 9.4m (-21.0m)
  
- > Free cash flow: EUR 32.9 (67.2) million
  - > Impact of acquisitions of EUR 85.3m (9.7m)
  
- > Liquidity position at year-end: cash and cash equivalents EUR 81.2 (130.9) million

As of 2019 figures according to IFRS16

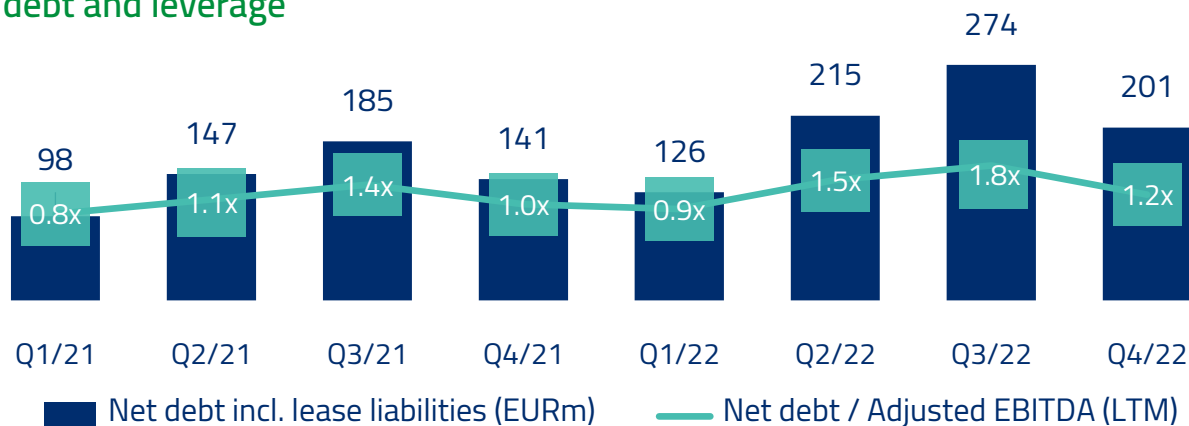
Operating cash flow before financial and tax items = adjusted results for the period + change in working capital

Cash conversion = Operating cash flow before financial and tax items (LTM) x100 / EBITDA (LTM)

# Leverage

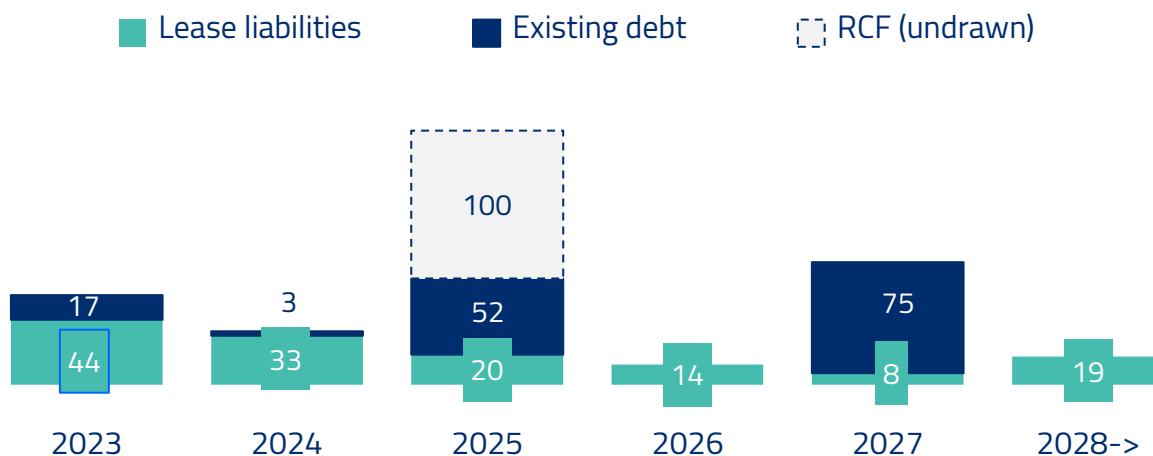
## Net debt impacted by investments in the acquisitions

### Net debt and leverage



- > Interest-bearing net debt incl. lease liabilities: EUR 200.9m (140.7m), excl. lease liabilities: EUR 63.4m (5.0m)
- > Cash and cash equivalents of EUR 81.2m (130.9m)
- > Net debt/Adjusted EBITDA according to group's financial targets at the end of the year: 1.2x (1.0x). Group's target limit is less than 2.5x.

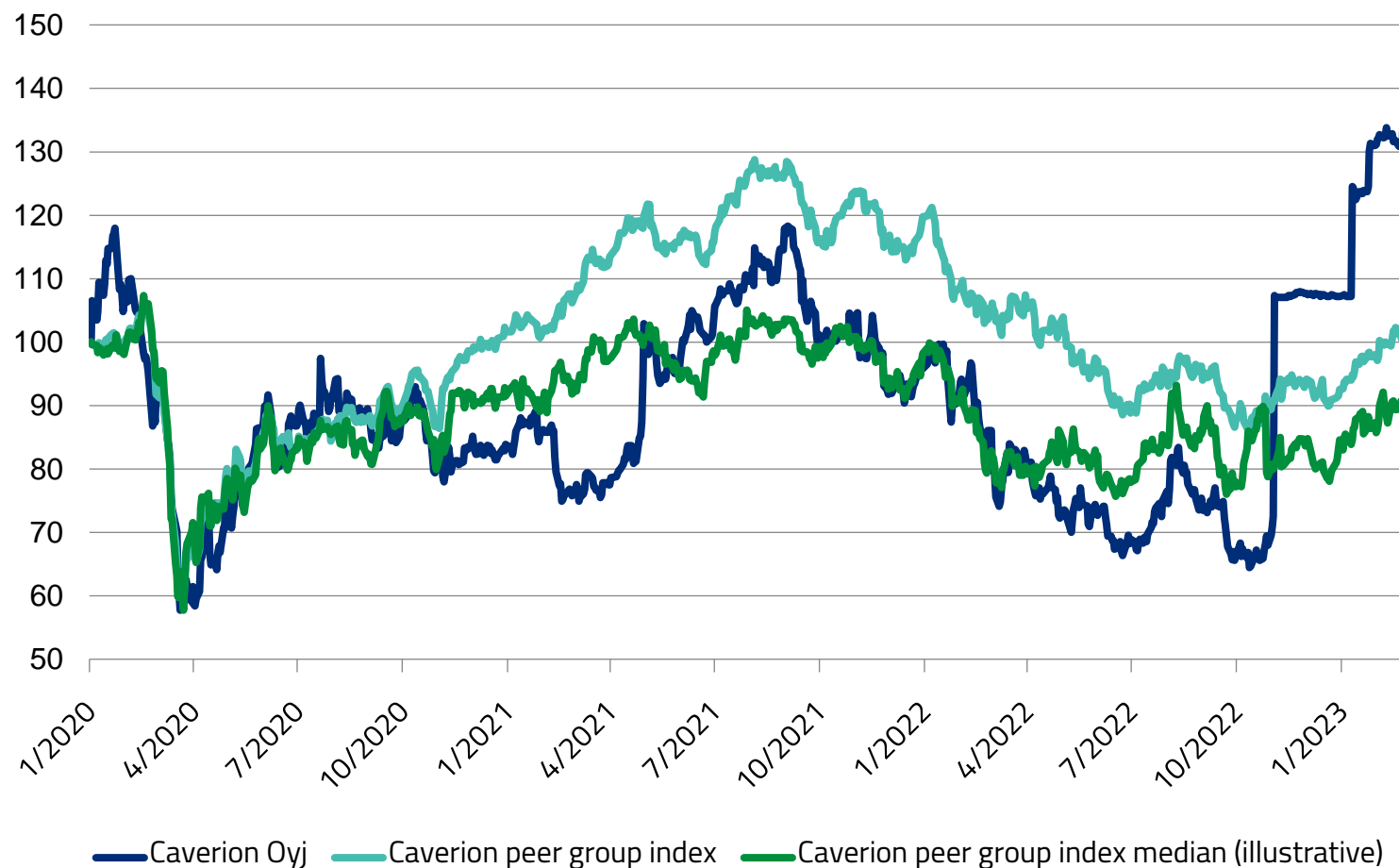
### Debt maturity structure on 31 December 2022, EUR million



- > EUR 35m hybrid bond has first call date in May 2023.
- > Caverion has a balanced debt maturity profile, where most of the long-term debt matures in 2025 and in 2027.

# Caverion's total return development vs. key peers

- > Before the tender offer launch on 3 November 2022, the total shareholder return was not satisfactory, but developed still largely in line with the peer group median.
- > Caverion and most of its peers were hit to a certain extent by the pandemic.
- > Caverion's market capitalisation was EUR 946m at the end of 2022.
- > 21,672 shareholders at the end of February 2023



Total return development 1 January 2020 – 1 March 2023

Note: Illustrative. Might differ from calculated TSR. Median includes peer companies operating in similar industries



# Directly registered shareholders on 28 February 2023

<b>Largest shareholders</b>		<b>Shares, pcs</b>	<b>% of shares</b>	<b>Change after 12/2021, pcs</b>
1	Herlin Antti	21,054,392	15.2	-
2	Fennogens Investments SA (Ehrnrooth family)	14,169,850	10.2	-
3	Crayfish Bidco Oy	13,647,263	9.8	13,647,263
4	Varma Mutual Pension Insurance Company	9,035,780	6.5	-692,627
5	Mandatum companies	5,663,569	4.1	-96,323
6	Ilmarinen Mutual Pension Insurance Company	4,162,955	3.0	560,000
7	Elo Mutual Pension Insurance Company	2,565,640	1.8	-663,943
8	Caverion Oyj	2,447,447	1.8	-55,020
9	Säästöpankki funds	1,962,447	1.4	-1,739,115
10	Brotherus Ilkka	1,803,765	1.3	-
11	Aktia funds	1,250,000	0.9	200,000
12	The State Pension Fund	1,050,000	0.8	-1,000,000
13	Kaleva Mutual Insurance Company	969,025	0.7	-
14	Nordea funds	913,044	0.7	-1,069,495
15	Veritas Pension Insurance Company Ltd.	755,000	0.5	151,530
16	Sinituote Oy	572,400	0.4	-200,000
17	Samfundet folkhälsan i Svenska Finland rf	374,400	0.3	200,600
18	Wihuri funds	283,000	0.2	-
19	Brotherus Monica	244,000	0.2	-
20	Maa- ja Vesitekniikan Tuki ry.	175,000	0.1	-
<b>20 largest, total</b>		<b>83,098,977</b>	<b>59.8</b>	
<b>All shares</b>		<b>138,920,092</b>	<b>100.00</b>	

# Updated strategy launched in May 2022

Our strategy for sustainable growth in 2022-2025

## OUR DIFFERENTIATION

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

### OUR BUSINESS FOCUS

Adding value through Advisory, Engineering and Digital

Services along the lifecycle

Outstanding installation and maintenance throughout our regions and disciplines

### OUR WINNING CAPABILITIES

Customer-centric solutions

Segment expertise and commercial excellence

Operational excellence in the field

The best experts in the right places

## OUR STRATEGIC THEMES

People

Digitalisation

Sustainability

Customer experience



**Sustainability targets  
and offering**





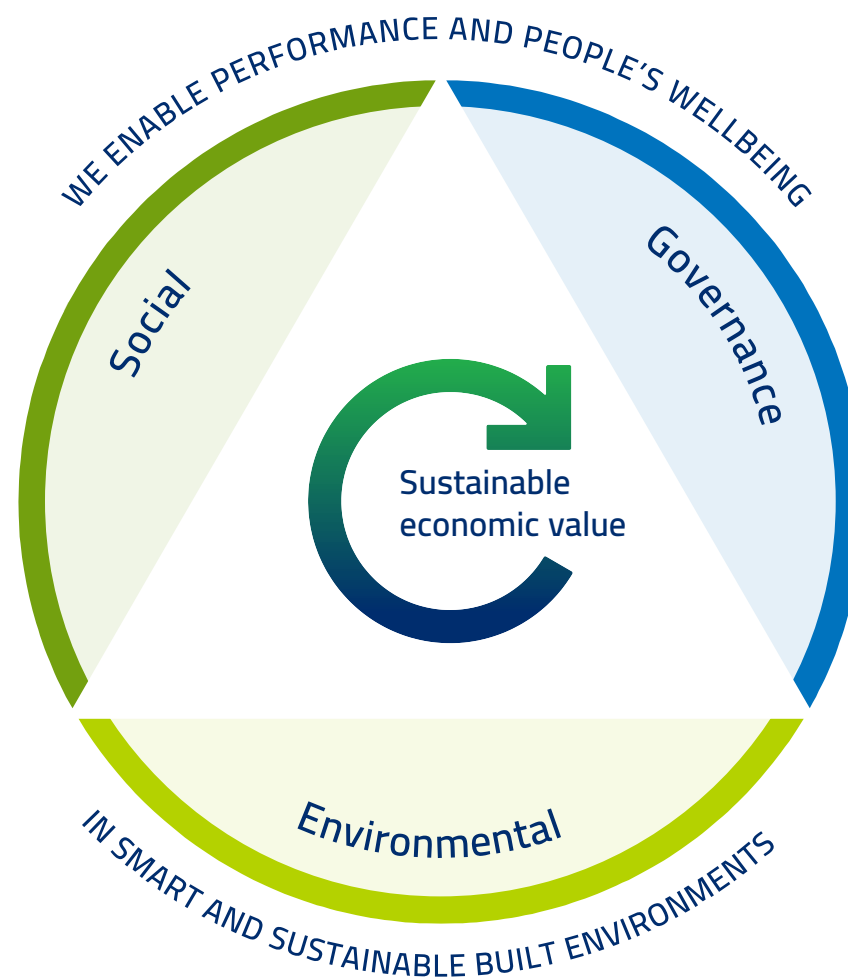
# Caverion sustainability strategy focus areas & targets by 2025

## Caring for our people

We provide our people a **safe and sustainable environment with diversity, equity and inclusion**, backed up by training and processes.

## Increasing our carbon handprint

We maximise our positive **handprint** with a directed effort on identifying and developing smart and sustainable solutions to **advise** our customers.



## Ensuring sustainable value chain

We **comply with legal requirements and Caverion policies** supported by meaningful **reporting** and **supplier engagement**.

## Decreasing our carbon footprint

We develop detailed targets and **emission reduction plans** for our footprint while engaging our suppliers and customers to reduce the emissions throughout our value chain.

By 2030...

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

\* Scope 1-2



# Progress in our sustainability targets

Sustainability targets	2020	2021	2022	2025 Target
<b>Our business makes sustainable impact</b>				
Total carbon footprint defined and measured (%)	66%	80%	90%	100%
All of our offering has a defined carbon handprint (%)	-	20%	25%	100%
5 times carbon handprint over footprint (Scope 1-2)	>1x	>2x	>3x	>5x
<b>We care for our employees</b>				
Lost Time Injury Frequency Rate (LTIFR) <2	4.2	4.0	4.0	<2
Our employees trained in sustainability (%)	-	N/A *	30% **	100%
Share of female employees (%)	11%	11%	11%	15%
<b>We ensure efficient and high-quality implementation of sustainability</b>				
Supplier Code of Conduct sign-off rate (%)	63%	66%	74%	>90%
All tender requests include sustainability criteria (%)	-	-	-	100%

\* Sustainability eLearning not yet available. Two other ESG related eLearnings conducted with performance rates of 86% (Safety eLearning) and 92% (Code of Conduct eLearning).

\*\* Sustainability eLearning available since Q4/2022. During the year two other ESG related eLearnings conducted with performance rates of 97% (InfoSec eLearning) and 97% (Code of Conduct eLearning).

E

S

G



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

## Financial targets and dividend proposal

# Financial targets

Mid-term financial targets until the end of 2025		Actual 2022	Actual 2021
<b>Cash conversion (LTM)</b>	Operating cash flow before financial and tax items / EBITDA > 100%	100.6%	91.2%
<b>Profitability</b>	Adjusted EBITA > 5.5% of revenue	4.5%	4.1%
<b>Organic revenue growth</b>	3–4% p.a. over the strategy period	8.6%	-2.0%
<b>M&amp;A revenue growth</b>	2–3% p.a. over the strategy period	2.2%	-0.2%
<b>Debt leverage</b>	Net debt/LTM Adjusted EBITDA < 2.5x	1.2x	1.0x
<b>Dividend policy</b>	Distribute at least 50% of the result for the year after taxes, however, taking leverage level into account	62% *	100% **

\*Calculated as Dividend per earnings (%). Board of Directors' proposal to the Annual General meeting.

\*\*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.



# Guidance

## Guidance for 2023

**In 2023, Caverion Group's revenue (2022: EUR 2,352.1 million) and adjusted EBITA (2022: EUR 105.8 million) will grow compared to 2022.**

## Dividend

- › Board's dividend proposal for the AGM on 27 March 2023: Dividend of EUR 0.20 per share for the year 2022.

