



Interim Report January–September 2023

Jacob Götzsche, President and CEO
Mikko Kettunen, CFO
3 November 2023

Agenda

1. Q3 2023 in brief
2. Financial performance
3. Status of the public tender offer





1. Q3 2023 in brief

Q3 2023 highlights

Solid profitability in an uncertain operating environment

- > 2.5% organic revenue growth, order backlog at previous year’s level in comparable currencies.
- > Adjusted EBITA improved by 10.6 percent.
- > Cash flow was impacted by tender offer related cost reimbursement of EUR 10.0 million to Bain Consortium.
- > Strategy implementation and acquisitions according to plan.

Revenue

578.0 EURm

(564.1)

Adjusted EBITA

29.7 EURm (26.9)

5.1% margin (4.8%)

Revenue growth

2.5% organic (11.8%)

2.5% total

Operating cash flow

-5.9 EURm (7.7)

before financial and tax items

Order backlog

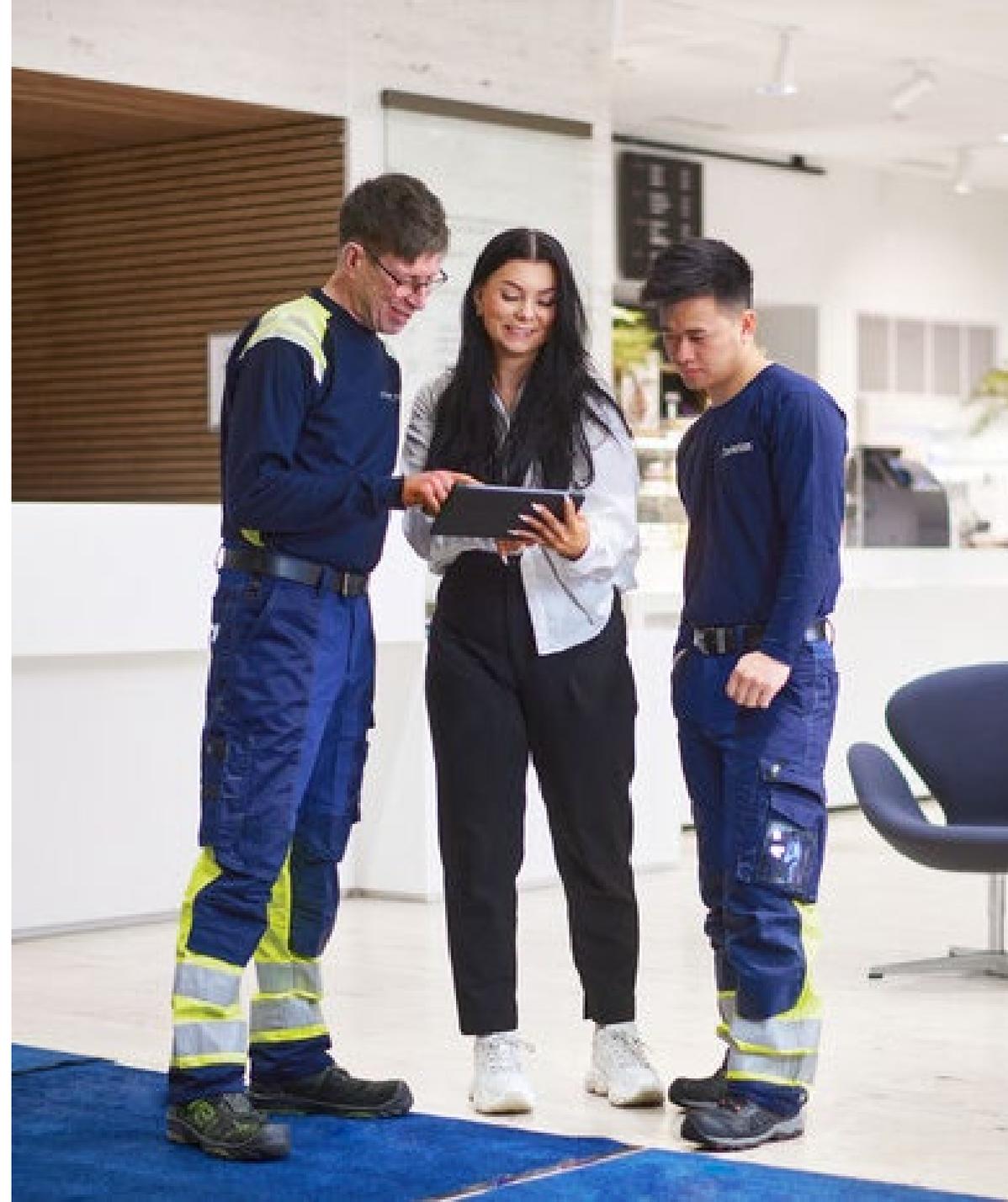
1,943.1 EURm

(1,971.0), -1.4%

Revenue distribution

Services 64.4% (65.9%)

Projects 35.6% (34.1%)



Operating environment Q3 2023

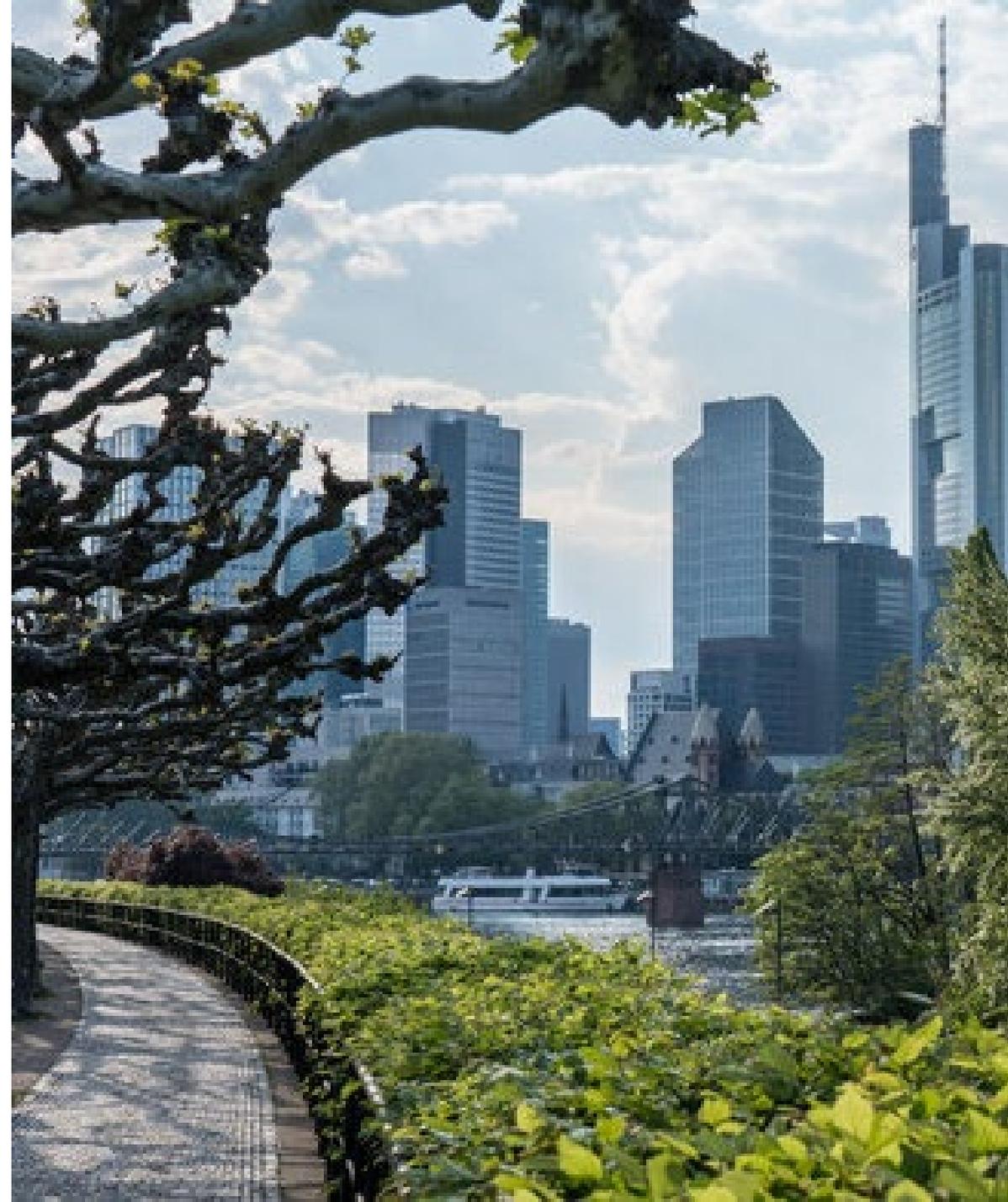
Economic uncertainty still impacted the market

Services 64.4% (65.9%) of Group Q3 2023 revenue

- › The market demand and general investment activity remained positive.
- › Increasing interest towards long-term and large-scale service agreements.
- › Increasing demand also for services supporting sustainability.
- › Growth has been limited by the availability of competent workforce.

Projects 35.6% (34.1%) of Group Q3 2023 revenue

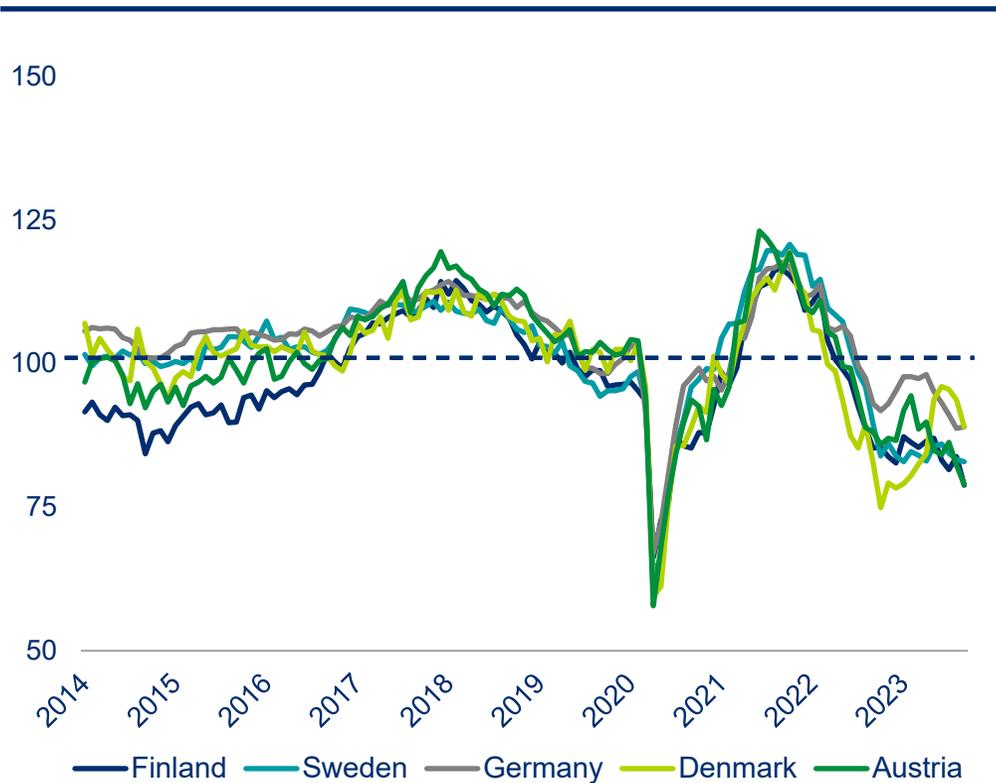
- › The increasing interest rates have as much as stalled certain segments of the building construction market. The residential construction market, however, does not have a significant role in Caverion's Projects business portfolio.
- › On the other hand, the demand in certain other businesses, such as renewable energy related projects, has been strong.
- › For Caverion's Projects business as a whole, the market demand has remained mostly stable.



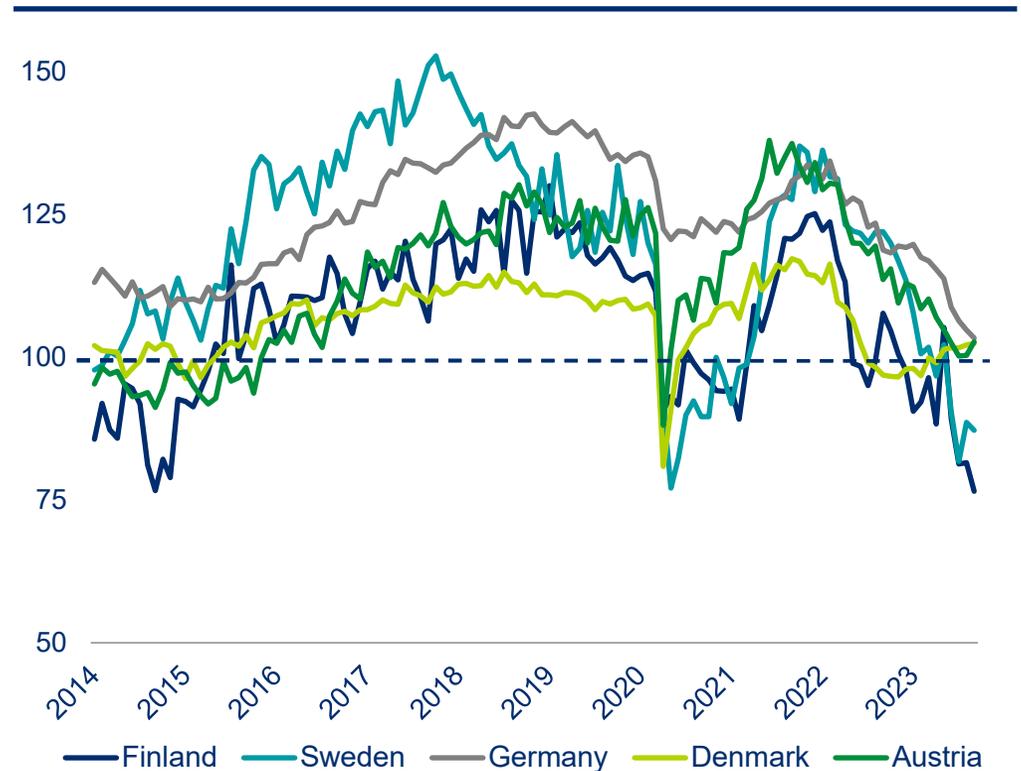
Operating environment Q3 2023

Sentiment indicators continued volatile

ECONOMIC SENTIMENT INDICATOR (2014 – 9/2023)



CONSTRUCTION CONFIDENCE INDICATOR (2014 – 9/2023)

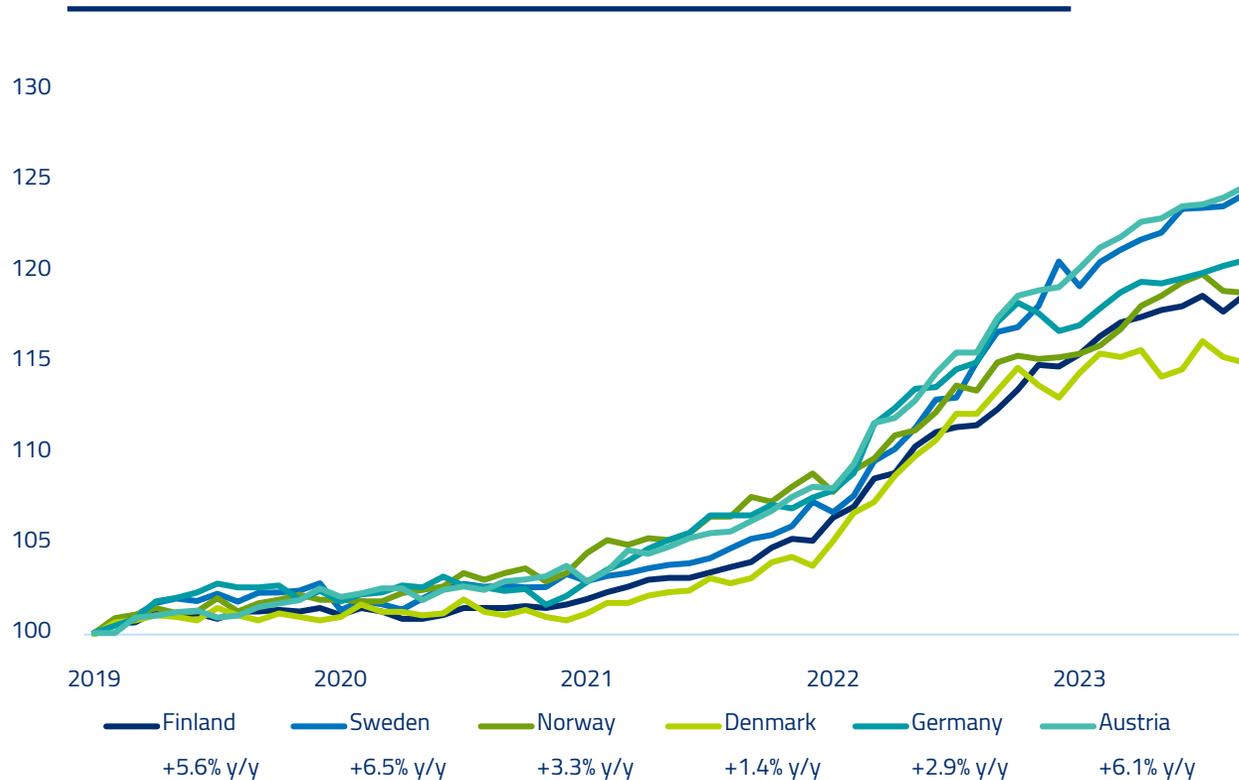


Sources: European Commission, September 2023

Operating environment Q3 2023

Inflation has remained on an elevated level

CONSUMER PRICE INDEX (2019=100) (2019 – 9/2023)



Sources: Countries Statistical centers, September 2023

- > The cost inflation related to material prices continued to impact the building technology market.
- > Caverion has proactively taken various measures to optimise the supply chain and to manage pricing.

Continued focus on our customers

Examples of some new customer orders



Reducing CO2 emissions | Deggendorf Institute of Technology

Updating and improving the power grid for green transition | Fingrid

Securing the operation of data centers | Telia

- > Continuing a quarter century of partnership in maintaining technical systems at the campus
- > Highly efficient heat pump technology and energy monitoring ensure meeting targets as well as reducing CO2 emissions
- The DIT buildings contribute in the state of Bavaria achieving its climate neutrality goal by 2040

- > Renewing and building new power lines in Central Finland and modernising and expanding two substations
- > Securing electricity supply and the safe distribution of electricity
- > Building the infrastructure for green transition around the country

- > Continuing partnership data center maintenance, including Telia Helsinki Data Center
- > Securing the smooth operation of the data centers requires 24/7 maintenance readiness
- > Service include also remote controlling and monitoring services



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Smart & Digital solutions



Sustainability



Well-being for people



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Sustainability



Well-being for people



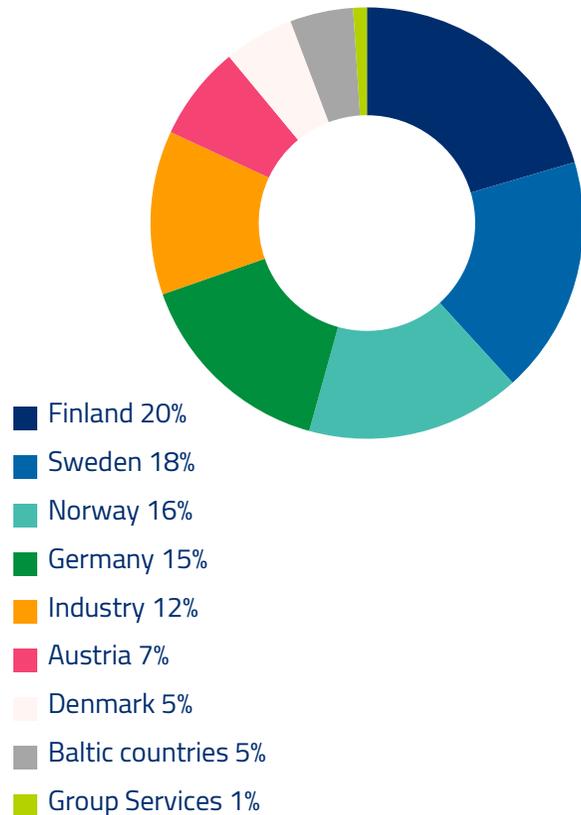
Smart & Digital solutions



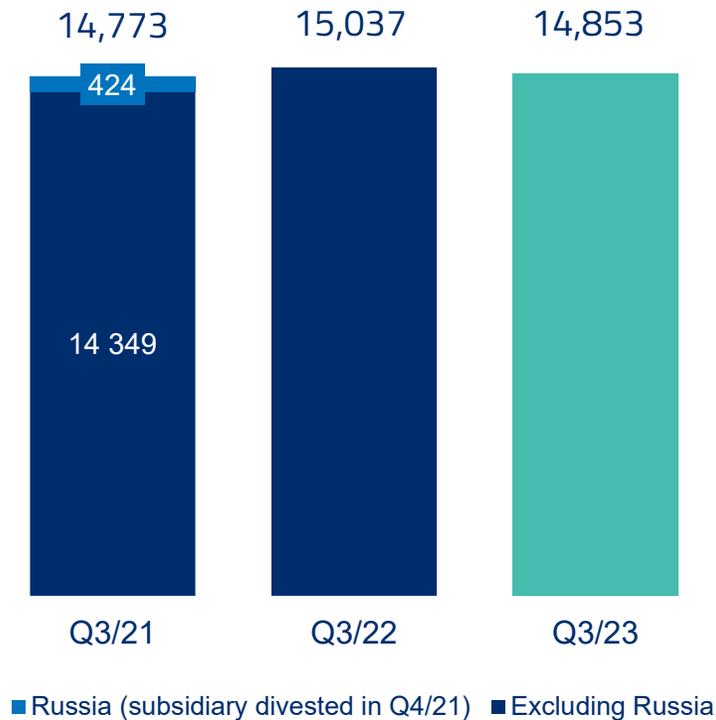
Sustainability

Almost 15,000 skilled professionals at the core of our business

Employees by division Q3/2023



Number of employees (end of period)



- > Accident frequency rate* was 4.4 (4.0) at the end of September.
- > Caverion cares for the safety, health and wellbeing of its employees and will continue to have high ambition and strong focus on improving them.

*Occupational safety is measured using a common indicator (number of accidents per one million working hours). Last 12 months.

We continue to invest in capabilities and core competencies

VVS Teknikk

- > Specialises in ventilation, piping and building automation related services and projects.
- > The acquisition strengthened Caverion's service capacity and expertise in Norway's Sunnmøre region
- > Closed on 1 July 2023



Norway

Kiwa Inspecta / Building services business unit

- > Provides services related to building condition surveys, consisting of field services and assessments to buildings, structures, and HVAC systems.
- > The acquisition supports Caverion's sustainable growth strategy and expands Caverion's expertise in advisory services in Finland.
- > Closed on 1 September 2023



Finland

Revenue in
2022:

EUR 7.8m

EUR 3.8m

Employees:

35

50



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.



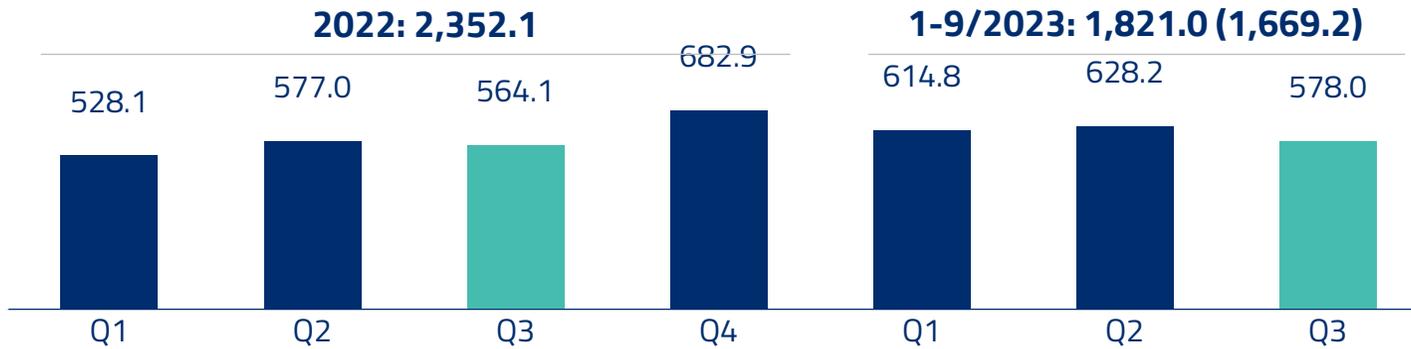


2. Financial performance

Revenue

Revenue up in Q3/2023 despite currency impact

Group revenue, EUR million



- > Q3/23 revenue: EUR 578.0 (564.1) million, up by +2.5% (+6.3% in locals)
- > 1-9/23 revenue: EUR 1,821.0 (1,669.2) million, up by +9.1% (+13.1% in locals)

Revenue development in 1-9/2023, EUR million, %

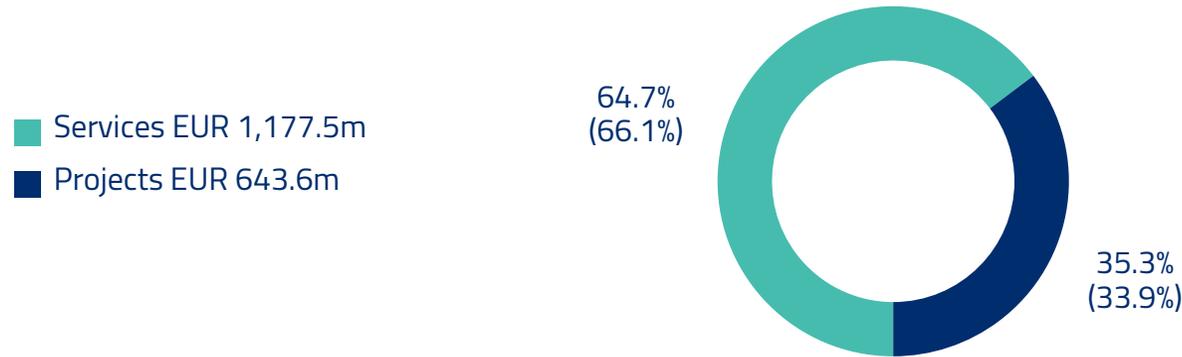


- > 1-9/23 currency devaluation in Sweden and Norway impacted reported revenue by -4.1%.
- > 1-9/23 organic growth: +8.1%, driven by increased underlying activity

Revenue

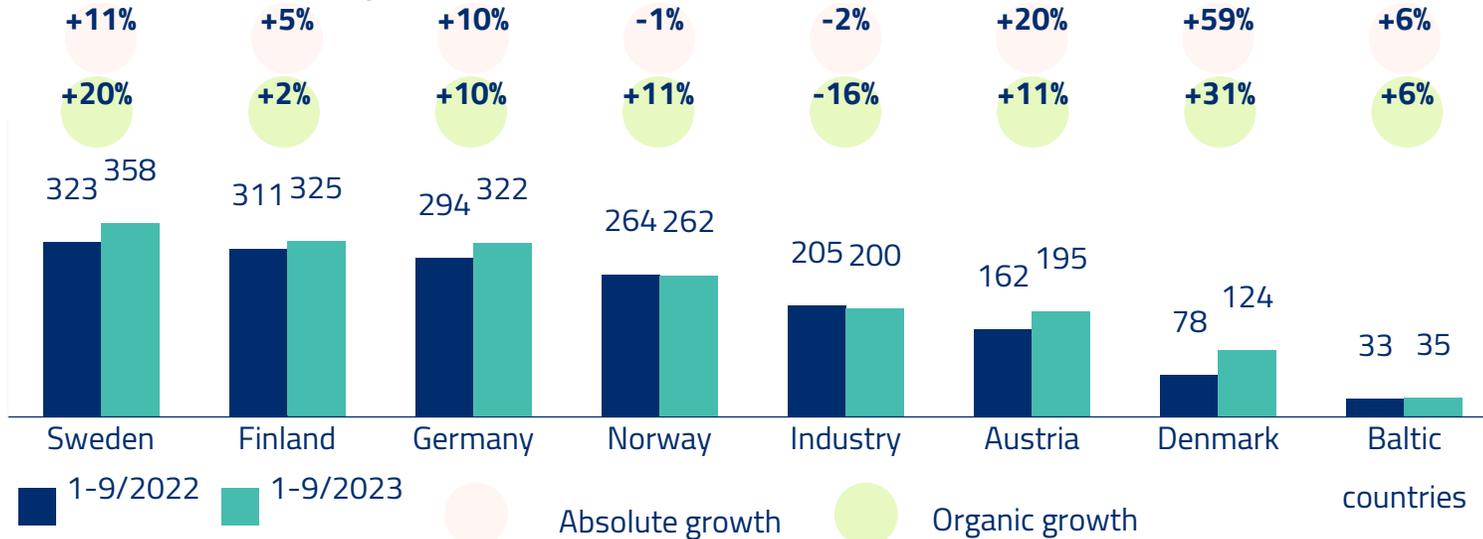
Growth in both Services and Projects in 1-9/2023

Revenue breakdown by business unit in 1-9/2023, EUR million



- > Business unit revenues 1-9/23:
 - > Services +6.7% (+11.2% locals; +6.9% organic)
 - > Projects +13.9% (+17.0% locals; +10.6% organic)

Revenue breakdown by division in 1-9/2023, EUR million

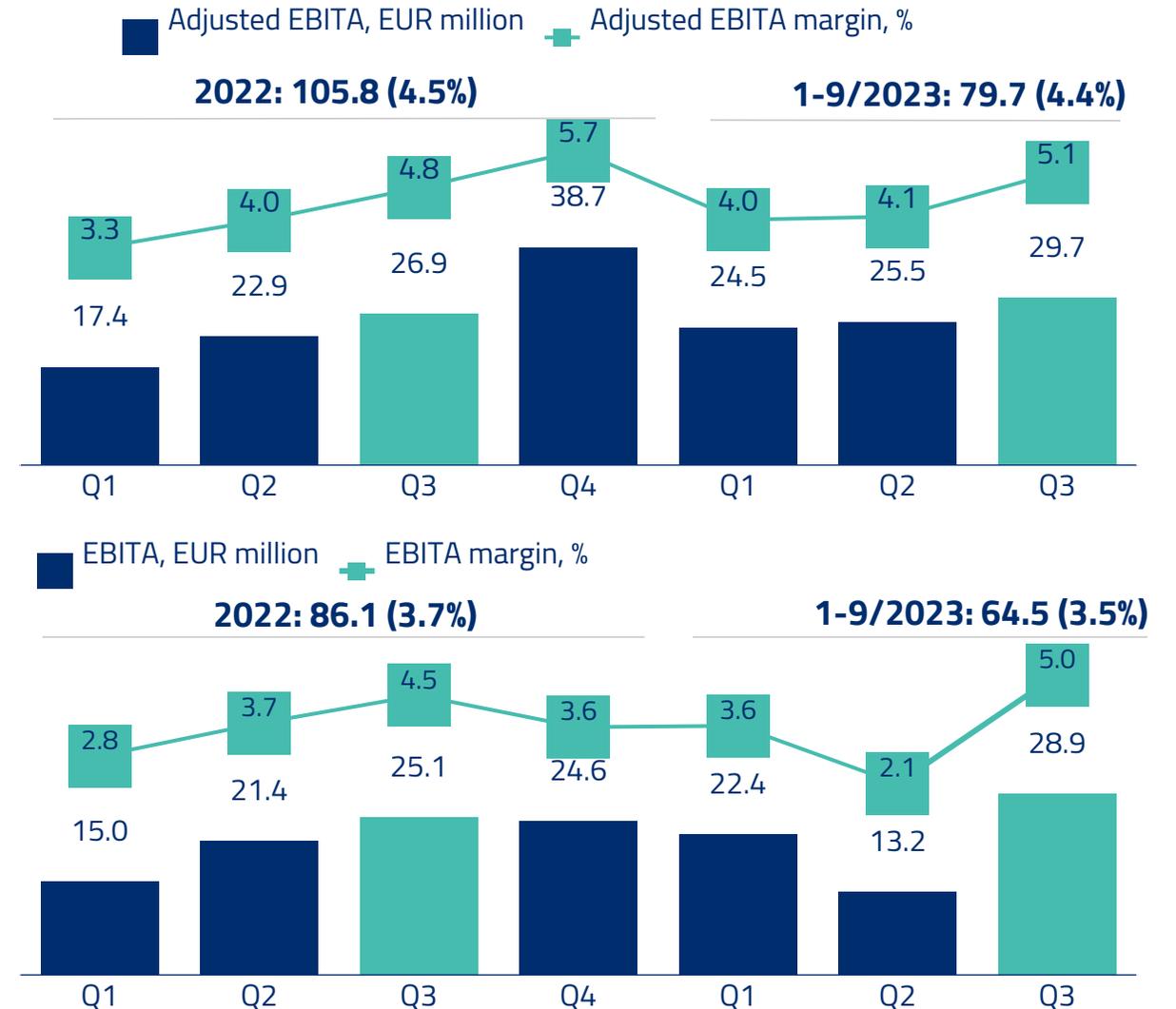


- > Growth in local currencies in Sweden, Finland, Germany, Norway, Austria and Denmark and at the previous year's level in Industry in 1-9/23.
- > Organic growth was strong especially in Divisions Denmark and Sweden in 1-9/23.

Profitability

The devaluation of SEK and NOK had a negative impact on adjusted EBITA

- > Q3/2023: Adjusted EBITA improved by 10.6% to EUR 29.7 (26.9) million, adjusted EBITA margin 5.1% (4.8%)
- > Q3/2023 EBITA: EUR 28.9 (25.1) million
- > 1-9/2023 Adjusted EBITA: EUR 79.7 (67.2) million, up by 18.6%, adjusted EBITA margin 4.4% (4.0%)
- > 1-9/2023 EBITA: EUR 64.5 (61.5) million, up by 4.9%, EBITA margin 3.5% (3.7%)
- > 1-9/2023 EBITA and EBITA margin impacted by reimbursement of costs to the Bain Consortium (EUR 10.0m) paid in Q3/23



Cash flow

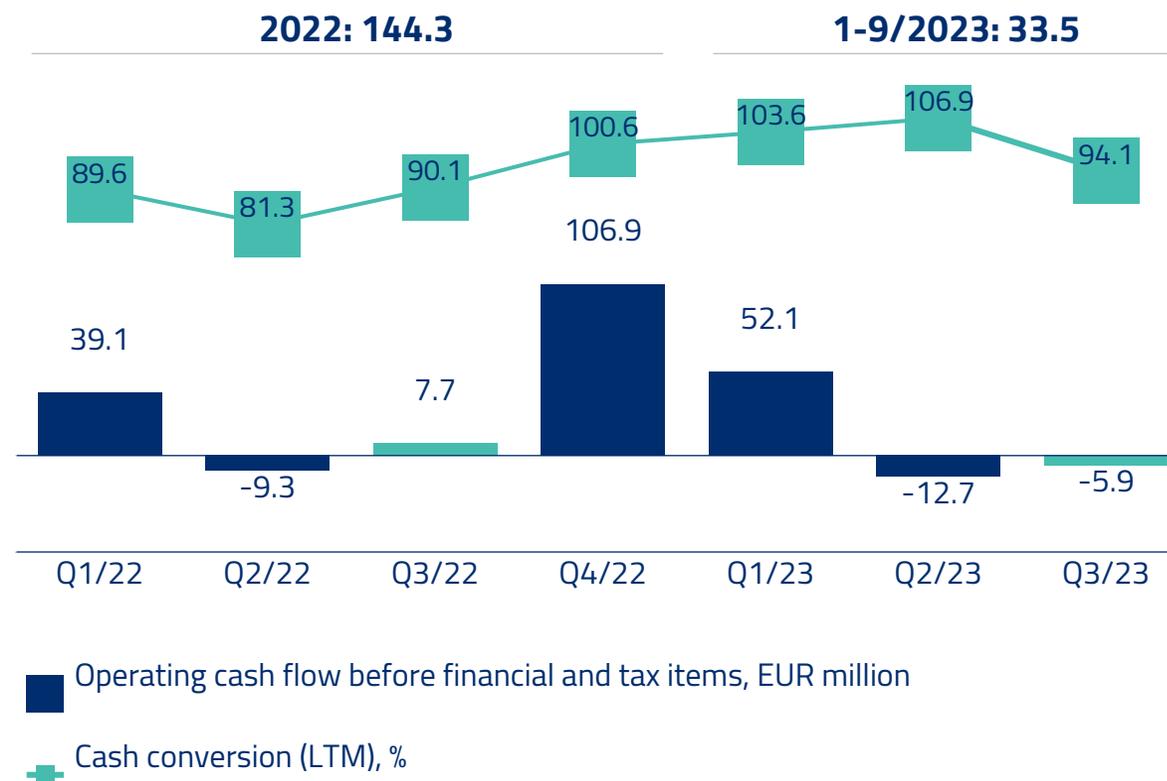
Operating cash flow decreased in 1-9/2023, impacted by EUR 10 million cost reimbursement related to the tender offer

- > Operating cash flow before financial and tax items decreased to EUR 33.5 (37.4) million in 1-9/2023.
 - > Cash conversion (LTM) 94.1% (90.1%)
 - > Change in working capital of EUR -75.6m (-58.6m)

- > Free cash flow 1-9/2023: EUR -12.2 (-55.2) million
 - > Cash flow impact of acquisitions of EUR -29.8m (-73.6m)

- > Capex 1-9/2023: EUR 39.9 (92.8) million, representing 2.2% (5.6%) of revenue
 - > Acquisitions EUR 31.6m (82.6m)
 - > IT investments EUR 3.6m (6.3m)
 - > Other investments EUR 4.6m (3.9m)

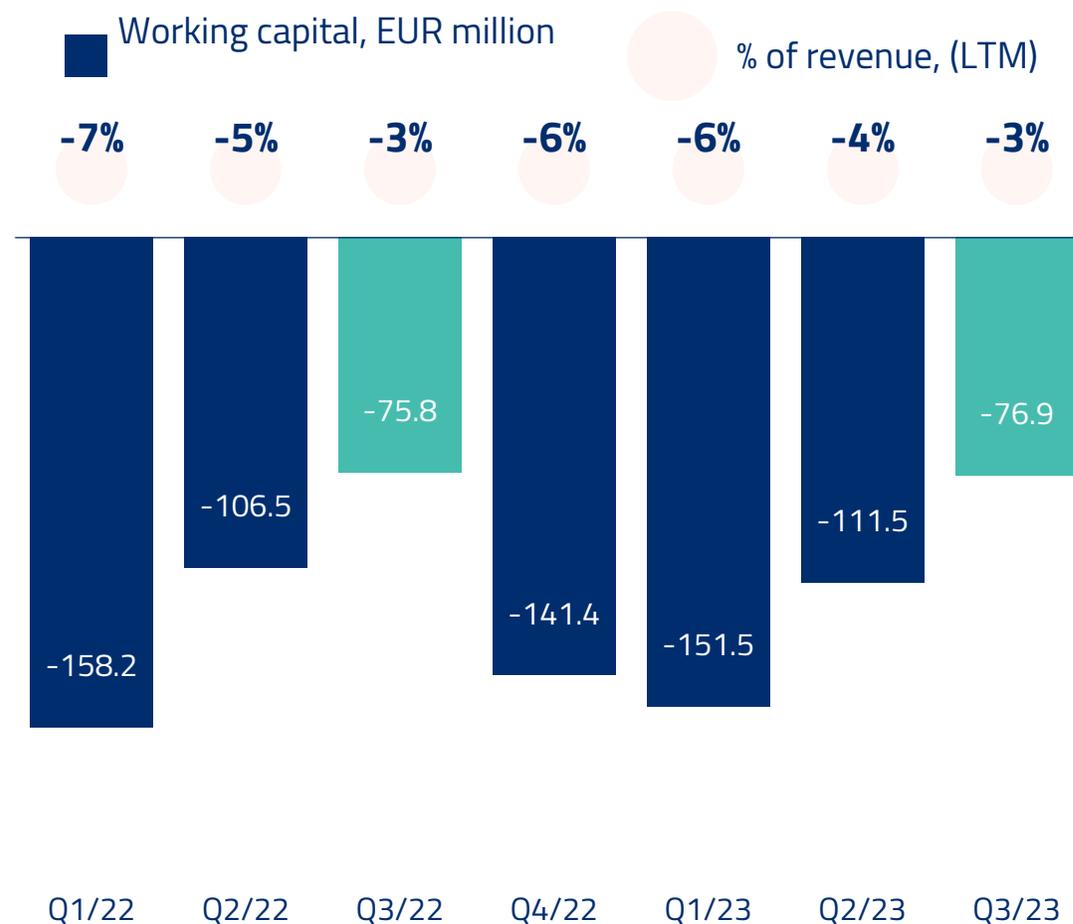
Operating cash flow before financial and tax items, EUR million



Working capital

Working capital was at a level of -3% of revenue (LTM)

- > The Group's working capital increased to EUR -76.9 (-75.8) million at the end of September.
- > Trade and POC receivables increased to EUR 628.3 (588.6) million and other current receivables increased to EUR 31.3 (29.9) million. Inventories decreased to EUR 20.7 (22.8) million.
- > Advances received increased to EUR 270.3 (264.0) million. Other current liabilities increased to EUR 271.5 (251.5) million and trade and POC payables increased to EUR 215.5 (201.7) million.



Order backlog

At comparable exchange rates, order backlog was at last year's level

- > Order backlog decreased by 1.4% year-on-year to EUR 1,943.1 (1,971.0) million at the end of September.
- > At comparable exchange rates, order backlog was at last year's level at EUR 1,970.2 million.
- > Order backlog decreased by 2.8% in Services and increased by 0.4% in Projects from the end of September 2022.

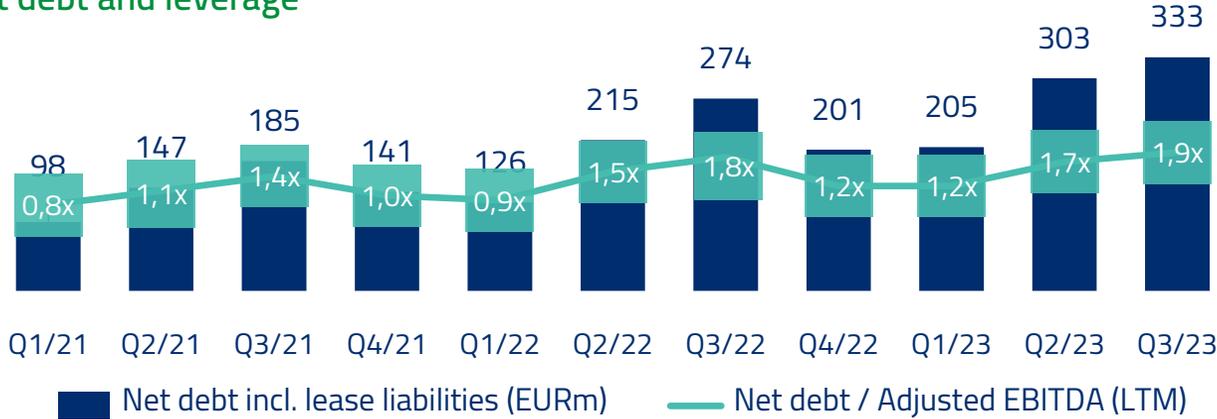
Order backlog, EUR million



Leverage

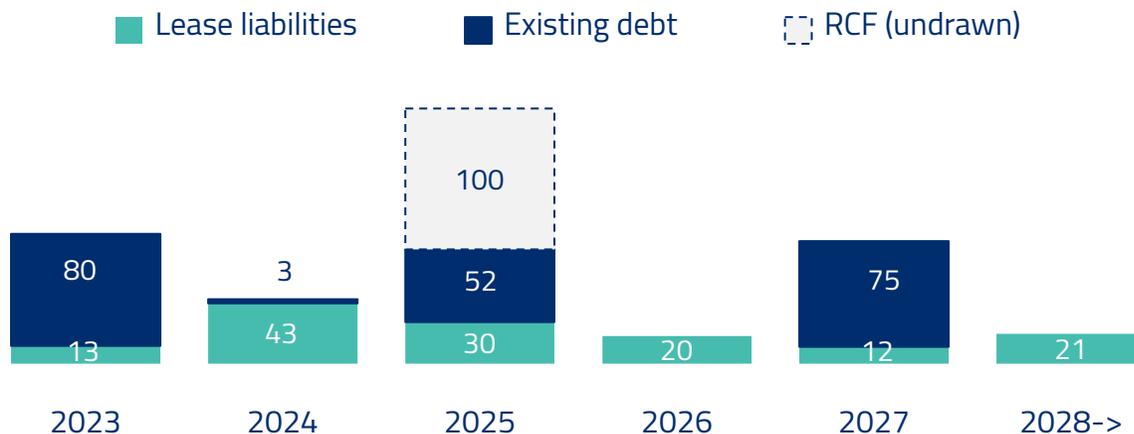
Net debt impacted by the change of control on 31 October 2023

Net debt and leverage



- > Interest-bearing net debt incl. lease liabilities at the end of September: EUR 332.8m (274.0m), excl. lease liabilities: EUR 194.3m (135.1m)
- > Caverion has issued commercial papers to support sufficient liquidity. At the end of September outstanding amount was EUR 76.9m.
- > Following the change of control event on 31 October 2023, Caverion lenders (excluding commercial paper lenders) have the option to cancel their available commitments and request early repayment. Concerning the EUR 75 million Senior Bond, repurchase offer has been issued on 31 October 2023.

Debt maturity structure on 30 September 2023, EUR million





3. Status of the public tender offer



Public tender offer by Triton/ Grayfish BidCo Oy will be completed in November 2023

All regulatory approvals and minimum acceptance conditions have been met

Triton's shareholding is approximately 94.30% (preliminary result as of 2.11.2023)

Extraordinary General Meeting on 15 November, new Board of Directors to be elected



At Caverion we continue to focus on serving our customers as before

Together with our management, Triton intends to continue to develop Caverion in the positive direction we are already on



Building Performance