



Caverion's Capital Markets Day 2015: Caverion is developing its business mix to drive profitable growth

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Caverion will today hold its Capital Markets Day in Aachen, Germany. The event focuses on Caverion's strategy and business prospects. There are no changes to the previously communicated financial targets, market outlook or guidance for 2015.

"Caverion is progressing well to reach its strategic targets. The market megatrends, energy efficiency, increasing technology, growing digitalisation and urbanisation, support the future demand for our business and are changing the market. During the past year, we have invested in our harmonised operational model, processes and enterprise architecture and thereby created "One Caverion". As our operational model and enterprise architecture are now under full deployment, we are ready for the next phase of our strategy, with a strengthened focus on growth and developing our group business mix. To drive growth, we are introducing a unified market offering with innovative solutions," says President and CEO **Fredrik Strand**.

Targeting growth in Large Projects and Managed Services

Caverion is targeting further growth especially in Large Projects and Managed Services. Large projects offer customers total technical solutions, including Advisory Services, Design & Engineering, Project Management and Project Execution. With Managed Services, Caverion operates, develops and maintains technology and systems and related processes in commercial, industrial and residential buildings for the medium-term.

"This does not mean that we are moving away from our business in technical installation and maintenance. Rather we are adding a new dimension to it and moving forward to meet the growing demand by our clients for outsourcing the maintenance of their properties and plants. As the buildings become more complex, their usability and life cycle cost will be increasingly important. This concerns not only new buildings, but also existing buildings. The renovation need is distinct in all our markets," Strand continues.

Introducing a unified market offering with innovative solutions

"Based on our technical expertise and capabilities, we focus on efficiently operating buildings through Managed Services, in its widest form offered as Life Cycle Solutions. Clients are increasingly interested in energy and cost efficiency of their buildings and plants over the entire life cycle. Life cycle solutions encompass all the service areas that we offer. Our offering helps clients to move life cycle responsibility from several suppliers to one organisation in order to guarantee costs, energy efficiency and optimal conditions for decades to come. Our aim is to be a leading European provider of advanced and sustainable life cycle solutions for buildings and industries," Strand says.

Strong financial position supporting strategy execution

Caverion's long-term financial targets by the end of 2016 are intact: average annual growth in revenue of more than 10%, EBITDA margin over 6% of revenue and negative working capital. There is no change to the dividend policy either: the company's aim is to distribute at least 50% of the result for the year after taxes, excluding changes in fair value, as dividend and capital redemption to the company's shareholders.

The change in business mix towards growth in Large Projects and Managed Services support the achievement of the revenue and profitability targets by the end of 2016 through their higher growth and margin potential. Caverion's target to reach negative working capital by the end of 2016 is pursued by focusing on efficient invoicing and working capital management. "Efficient working capital management enables us to develop our business mix. It also gives us flexibility to manage our other financial targets," says Strand.

Caverion's profitability is on track to reach the financial target. EBITDA in the first half of the year amounted to EUR 36.2 million, up from the previous year. The improved performance in the second quarter compared to last year, is largely explained by the write downs connected to the project portfolio reviews done in 2014. The performance during the rest of the year is considered to be more in line with last year.

For 2015, Caverion estimates that the Group's revenue will remain at the previous year's level and that the Group's EBITDA margin for 2015 will grow significantly.

Overview of the programme

During the Capital Markets Day, President and CEO Fredrik Strand will talk more about Caverion's strategic targets, business mix development and growth. Werner Kühn, Executive Vice President & CEO, Division Germany, explains how Caverion moves towards providing Large Projects with total technical solutions and a life cycle focus. Thomas Lundin, Executive Vice President & CEO, Division Sweden, describes how Caverion is moving from Technical Maintenance towards Managed Services and Jarmo Hacklin, Executive Vice President & CEO, Division Finland, explains how increasing demand for Life Cycle Solutions supports Caverion's growth. And finally, Antti Heinola, Chief Financial Officer, will give a financial update and describe how Caverion is increasing efficiency and focusing on procurement and sourcing.

After the management presentations the Capital Markets Day guests will visit R&D laboratory in Caverion's Space for Innovation. The laboratory specialises in the research and development of advanced products related to ventilation, cooling and automation as well as in customised solutions for highly demanding facilities such as cleanrooms in hospitals and laboratories. In addition, testing and simulation of indoor climate and fire extinguishing are being performed in the laboratory to ensure functionality and reliability in actual conditions.

The Capital Markets Day will start at 9:00 a.m. CEST (10:00 a.m. Finnish time, EEST). All presentations are available in English at www.caverion.com/investors. It is also possible to follow the presentations through a live webcast at approximately 9:00 a.m.-12:30 p.m. CEST.

For additional information, please contact:

Milena Hæggström, Head of Investor Relations, tel. +358 40 5581 328, milena.haeggstrom@caverion.fi

