Driving Caverion's financial performance

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Capital Markets Day in Frankfurt

November 19, 2013

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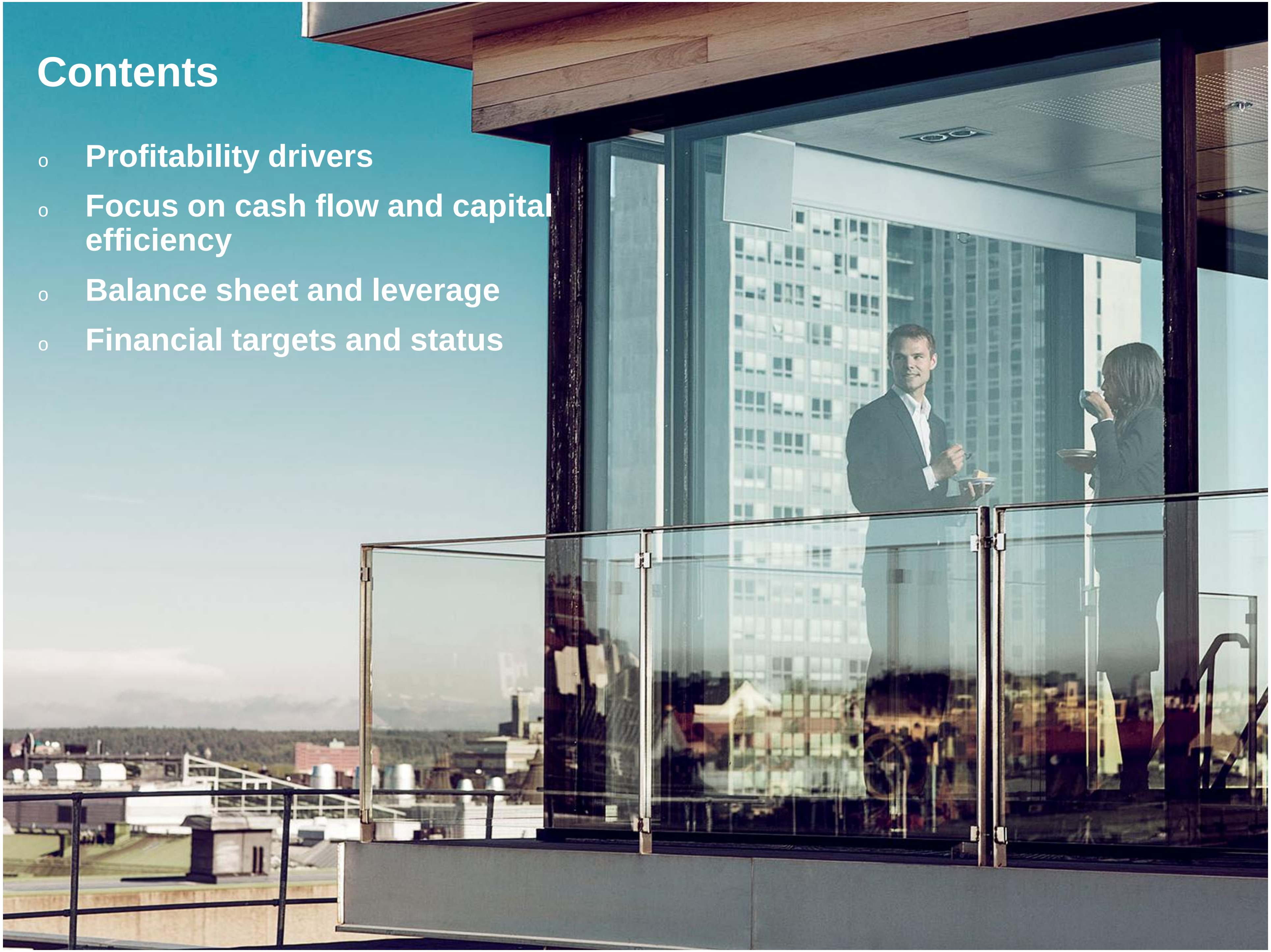
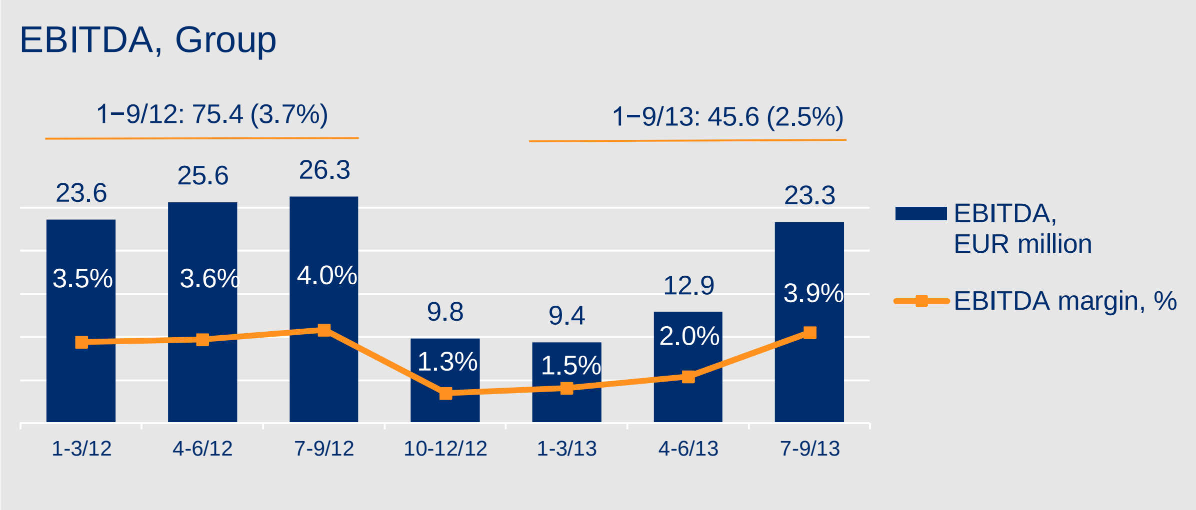
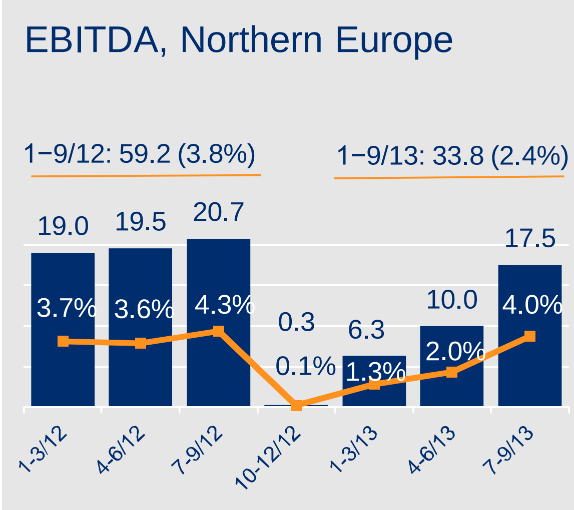


Profitability drivers

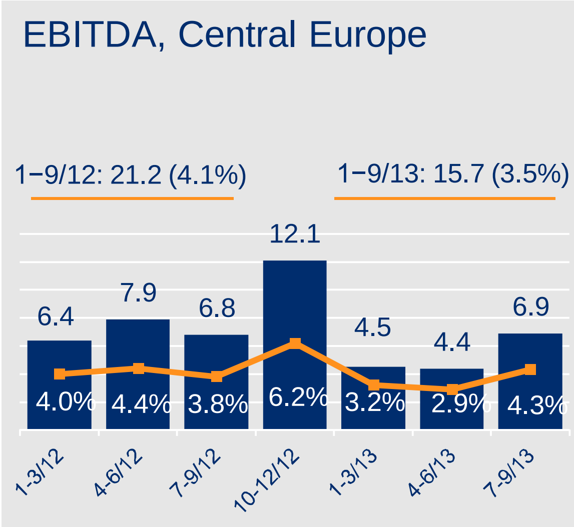
Profitability improved according to plan in July−September



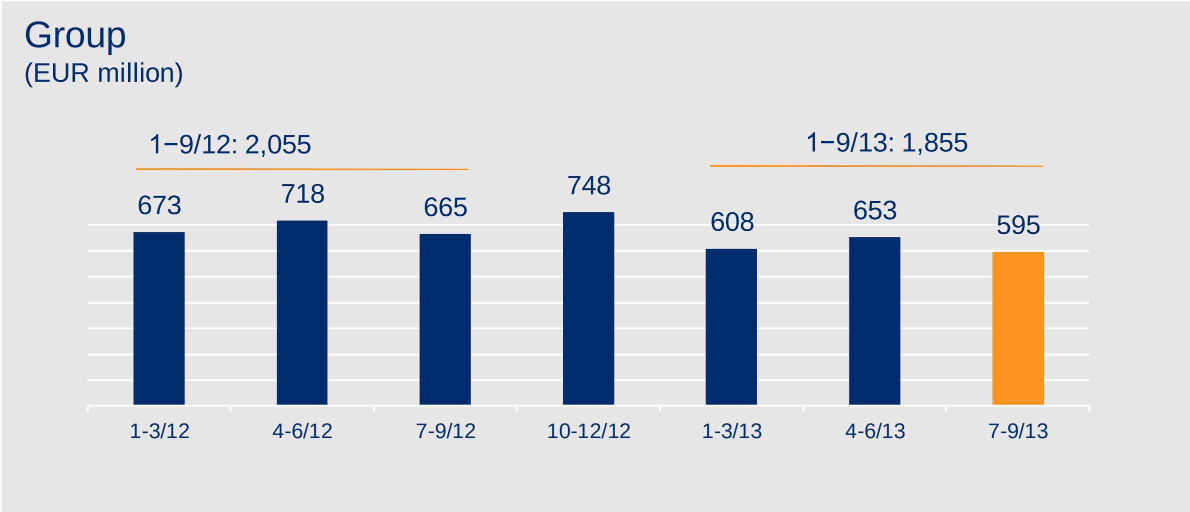


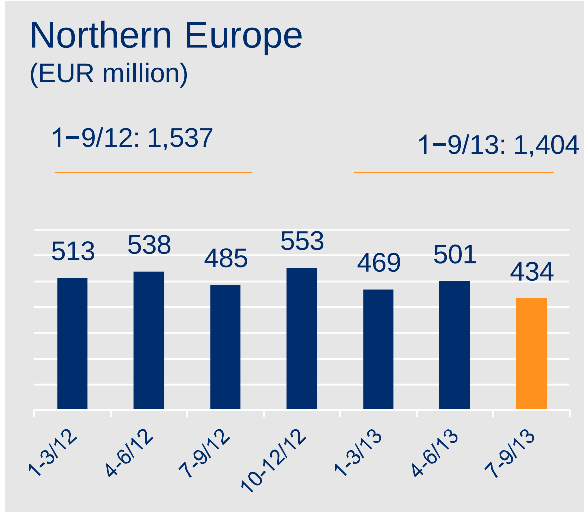
EBITDA for July−September decreased from the previous year by 11%, but improved from the previous two quarters.

- Excluding demerger-related costs EBITDA for July−September was EUR 26.8 million (7−9/12: EUR 26.3 million).



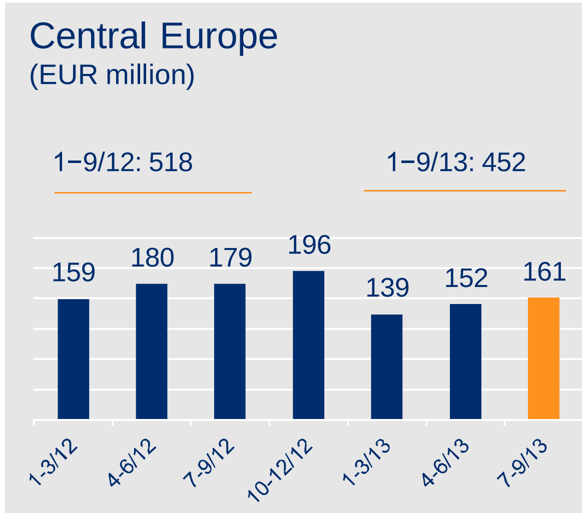
Group revenue was EUR 595 million





- Increased selectiveness in project business in Norway and Sweden
- Low project volume in Germany
- Lower volume in service and maintenance

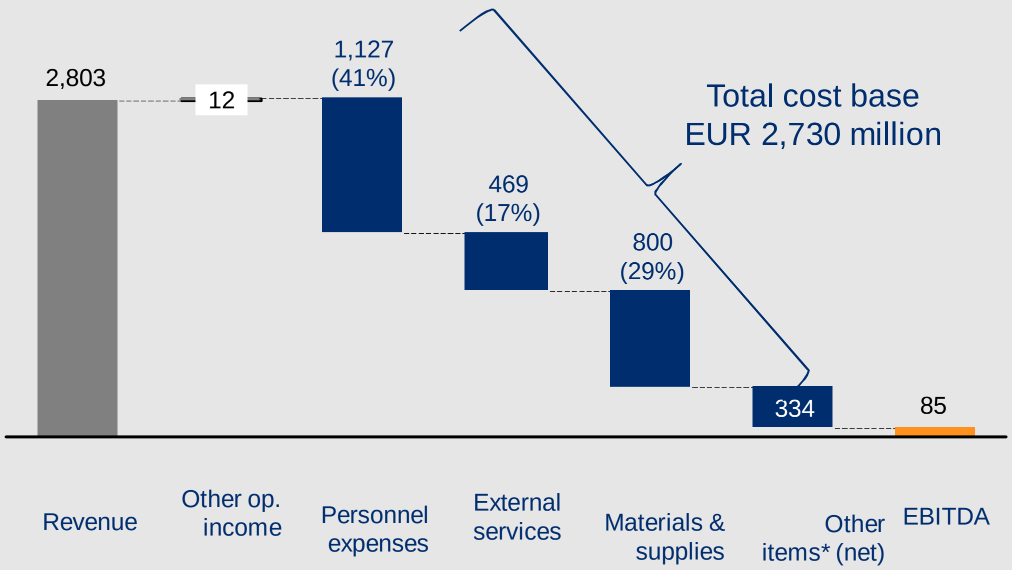
- Changes in foreign exchange rates decreased the revenue in July−September by EUR 15 million compared to the previous year.



Personnel expenses account most of the cost base

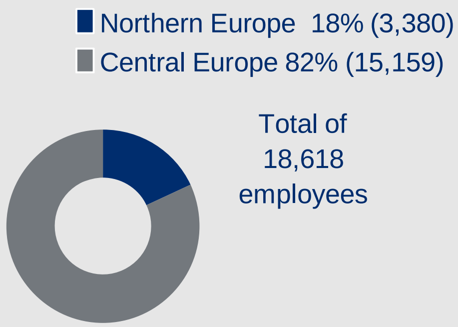
Revenue to EBITDA waterfall in 2012

EUR million
(% of cost base before EBITDA)



- Personnel expenses accounted for 41% of the total cost base in 2012
- Right-sizing the organisation key for margin improvement

Personnel by segment in 2012**



*) Includes: Other operating expenses, change in inventories of finished goods and work in progress and production for own use
**) At the end of the period; Based on segment reporting in the YIT annual reports

Right-sizing of the organization
Announced measures to decrease personnel finalised in Q3/2013

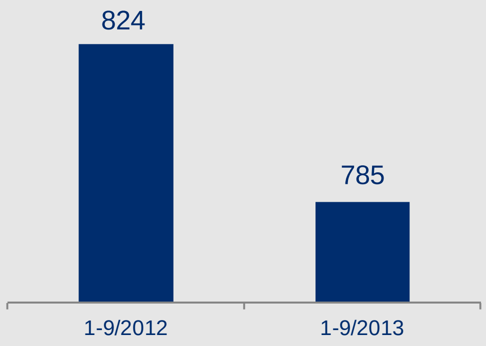
Decrease in number of employees from 9/2011 to 9/2013:

- Northern Europe: ~1,800 employees
- Central Europe: ~230 employees

Number of employees

- Previously announced measures to decrease personnel by further 600 employees finalised in Q3/2013
- Personnel expenses decreased by almost EUR 40 million from 1−9/2012 to 1−9/2013

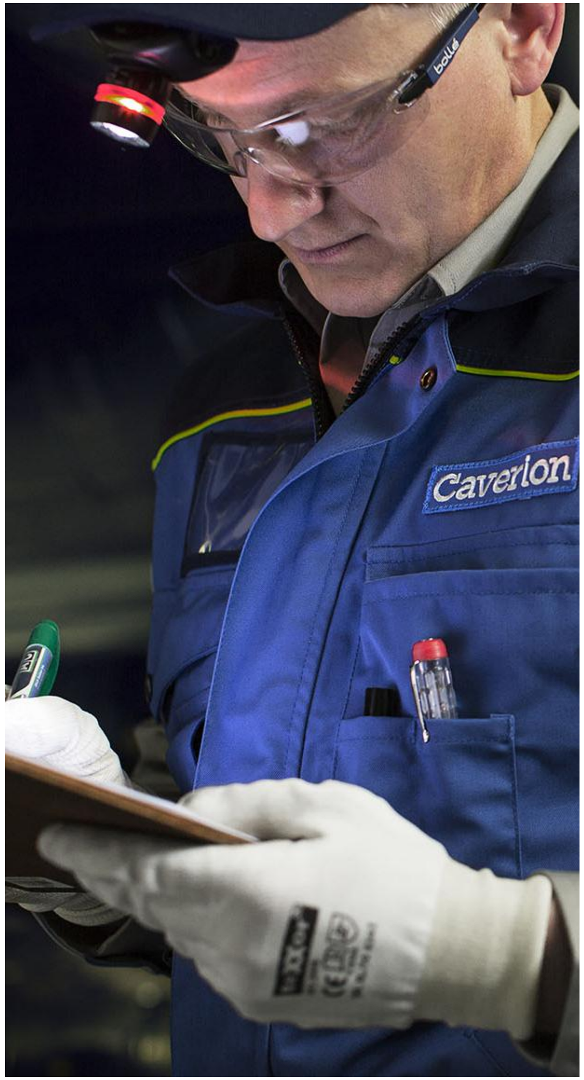
Personnel expenses
EUR million



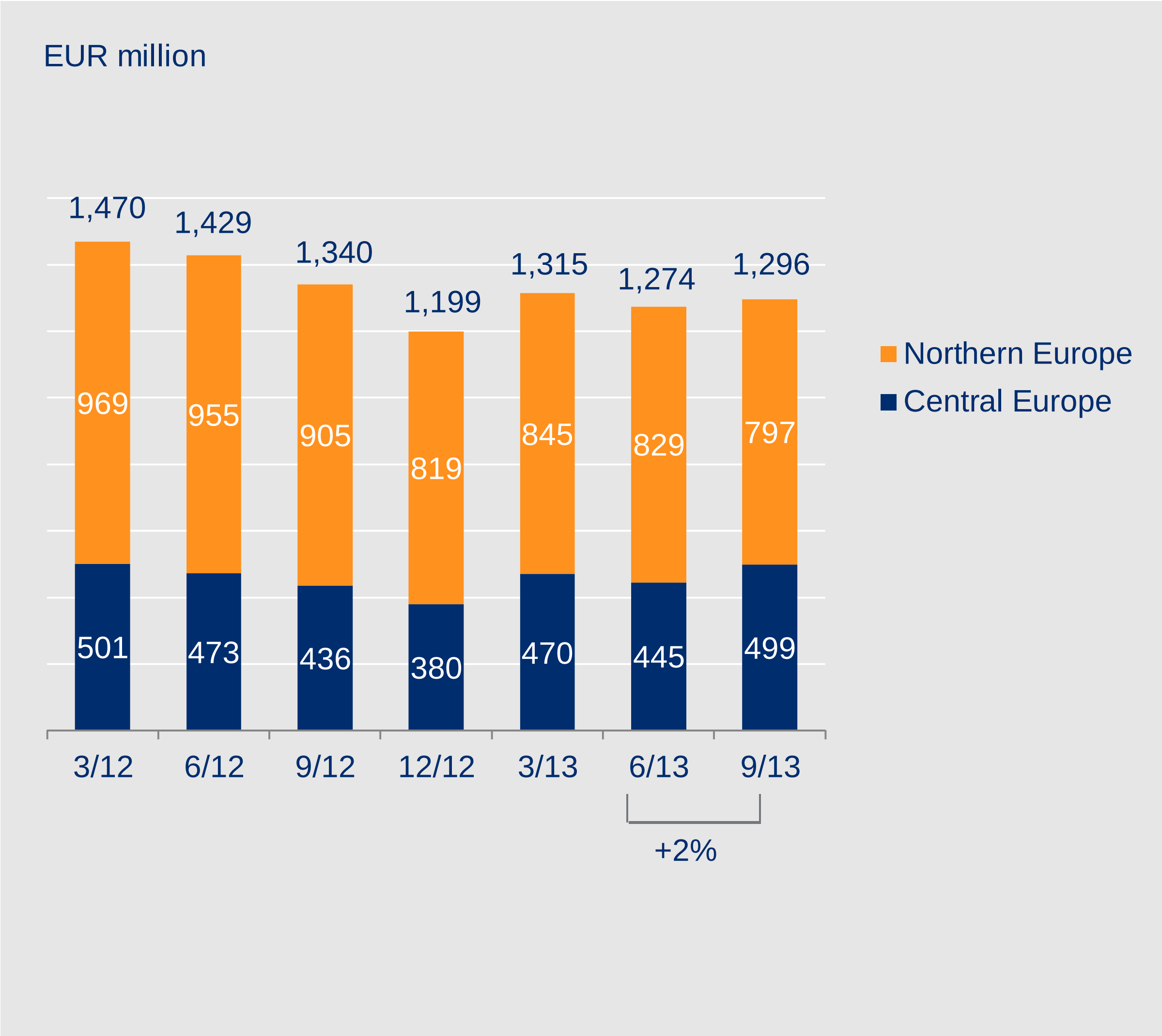
Order backlog as an indicator of future revenue

Only around 60% of revenue through order backlog

	Work type	Order backlog
Service and maintenance	**Long-term contracts**	Fixed period contracts = Remaining value of the total On-going contracts = Remaining value until the notice period
	Additional orders from existing contract customers	**Not included in order backlog**
	Other ad-hoc orders/one timers	**Not included in order backlog**
Projects	**Design & Build**	Remaining value of the total contract value
	Contracting	Remaining value of the total contract value



Order backlog on par with the end of June



- Group order backlog has increased by 8% since December 2012.
- Increase in Central Europe by 31% since December:
  - Increased order intake in Germany expected to contribute favorably to the revenue development during the first half of 2014.
- Decrease in Northern Europe is partly due to Caverion's own selectiveness in project business.

Focus on cash flow and capital efficiency

Definitions

Working capital

+ Operative working capital
+ Other current receivables

- Other current payables
- Current provisions

Does not include pension obligations and non-current provisions.

Operative working capital

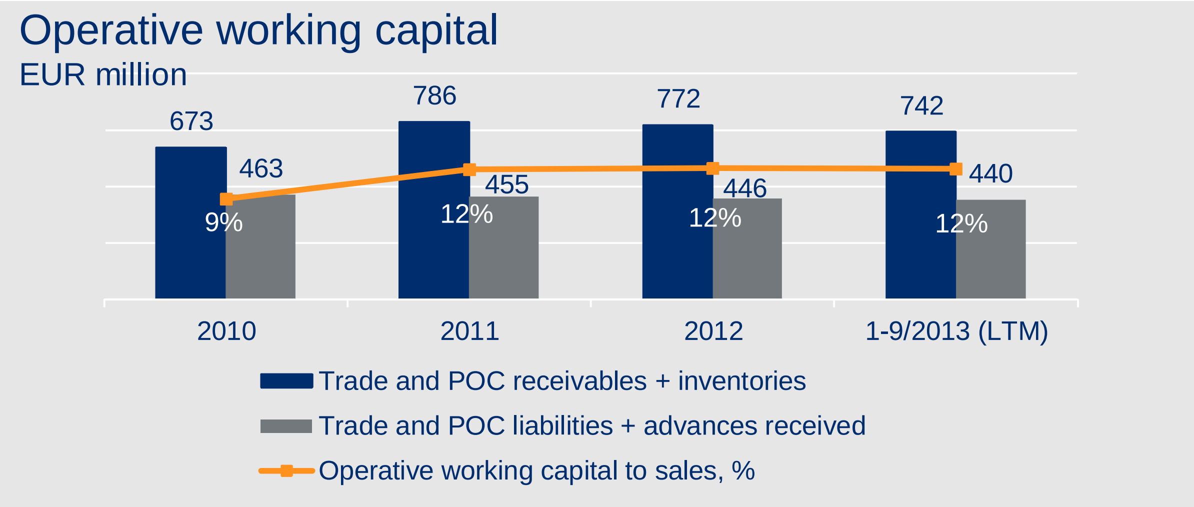
+ Inventories
+ Trade receivables (excl. other receivables)
+ POC receivables (uninvoiced work performed)

- Trade payables (excl. other payables)
- Advances received
- POC payables

Does not include other receivables and payables nor pension obligations and provisions .

Targeting to reduce working capital

Focus on more efficient use of capital



Working capital (excl. non-current items) was EUR 120 million in the end of September

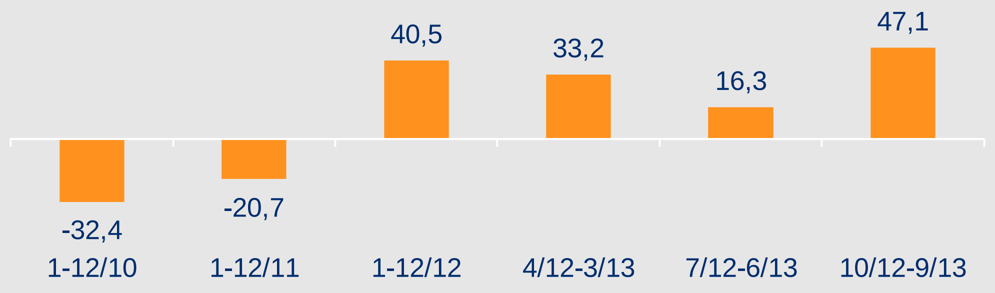
Target:
Negative working capital by the end of 2016

- Management focus on business related receivables/liabilities
  - POC receivables (internal actions, more efficient invoicing)
  - Trade receivables (payment terms)
  - Advances received to be negotiated

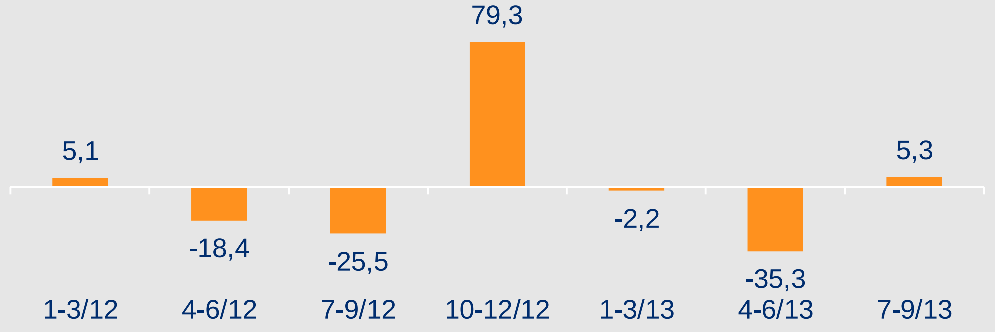
*) Carve-out figures for 2010-2012.

Targeting to improve cash flow by decreasing operative working capital from the balance sheet

Operating cash flow after investments, LTM
EUR million



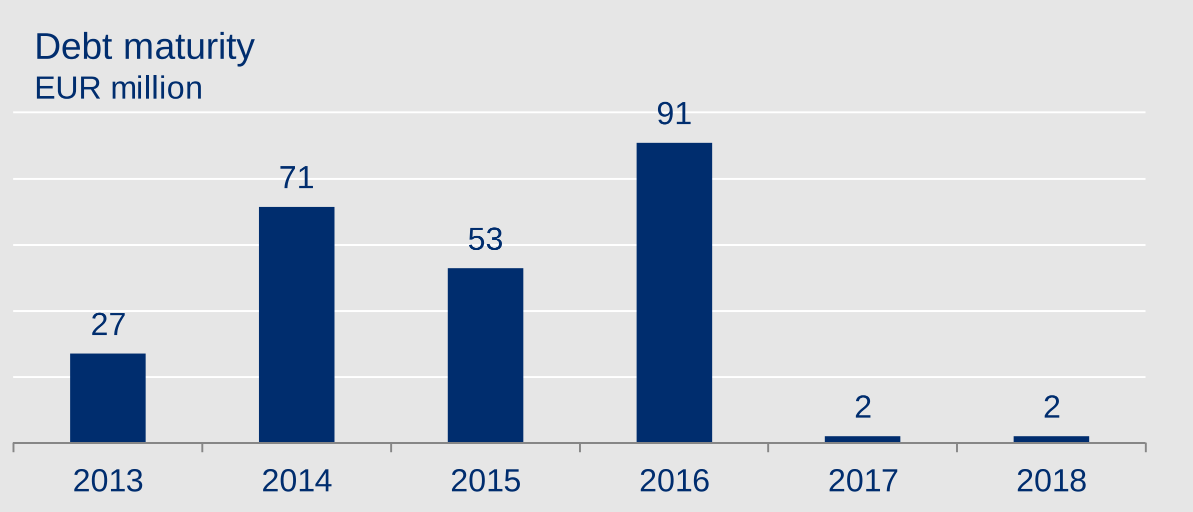
Operating cash flow after investments
EUR million



- Limited investments (excl. M&A)
- Demerger-related IT investments of EUR 5.7 million in 7−9/2013
- Historically seasonality within a year

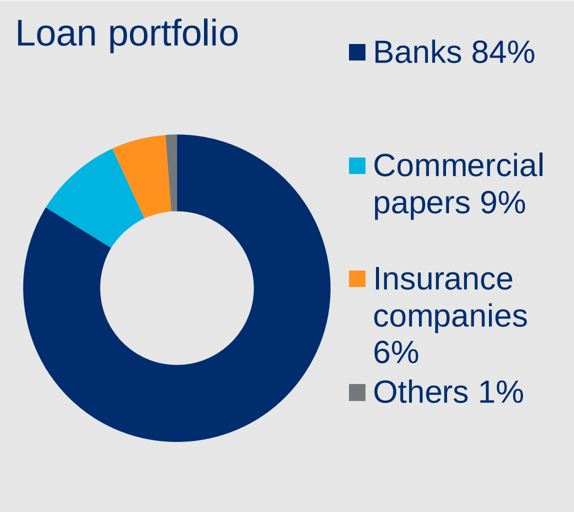
Balance sheet and leverage

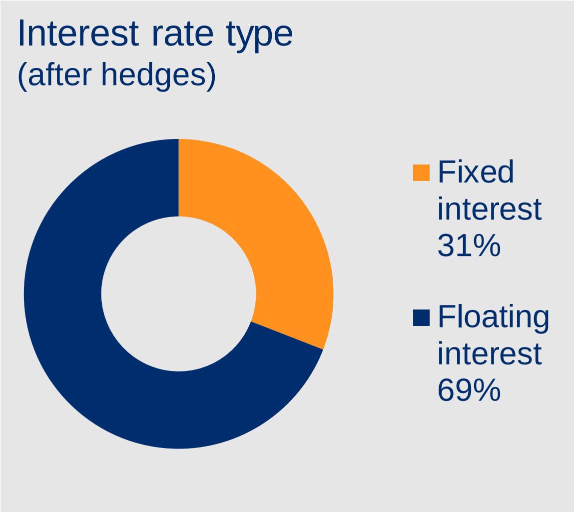
Diversified debt structure



External financing

- EUR 201 million amortizing loans
- EUR 22 million bridge loan due June 2014
- EUR 23 million commercial papers due during 2013
- EUR 60 million revolving credit facility due June 2016 (fully undrawn)

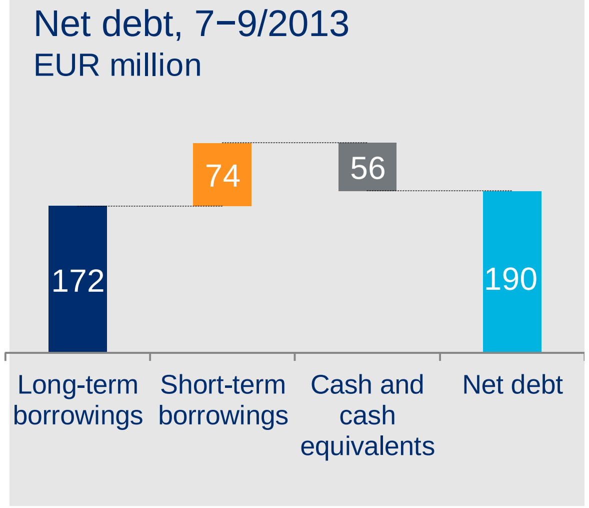




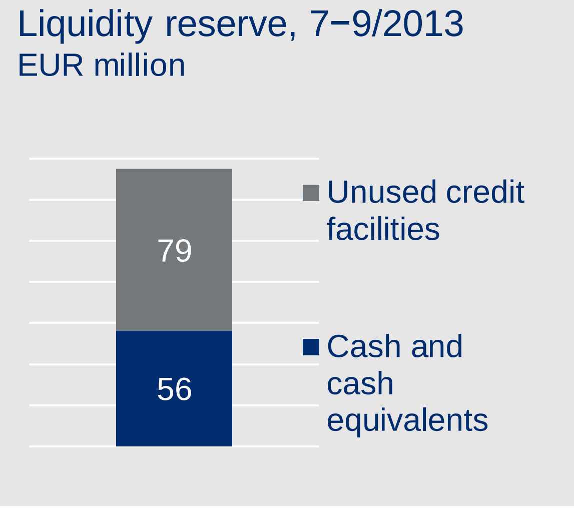
- Loan portfolio total: EUR 246.3 million
- Average interest rate after hedges: 2.09%

Financing position enables the implementation of the Group's strategy

Net debt decreased slightly to EUR 190 million mainly due to increased cash and cash equivalents



Solid liquidity reserve of EUR 135 million to meet the debt repayments and potential funding need of business operations



Financial targets and status

Updated financial targets for the strategy period 2014–2016

Revenue

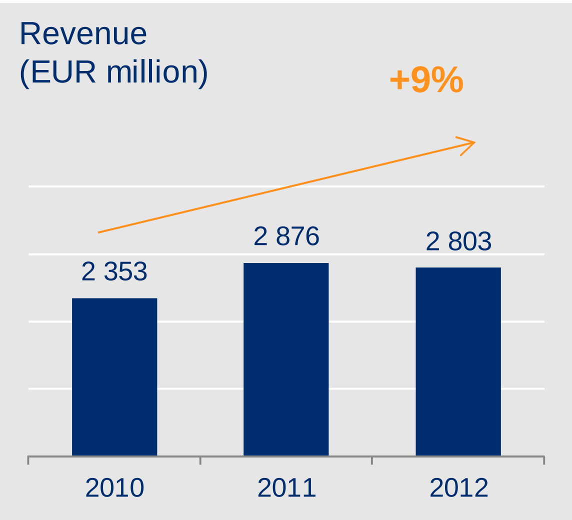
Annual revenue growth more than 10 per cent on average

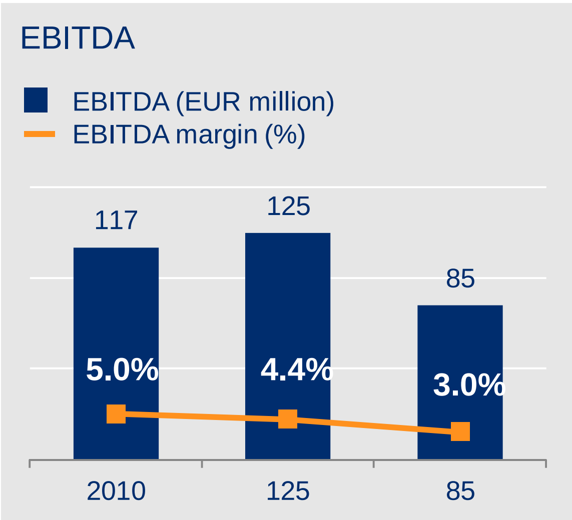
Profitability

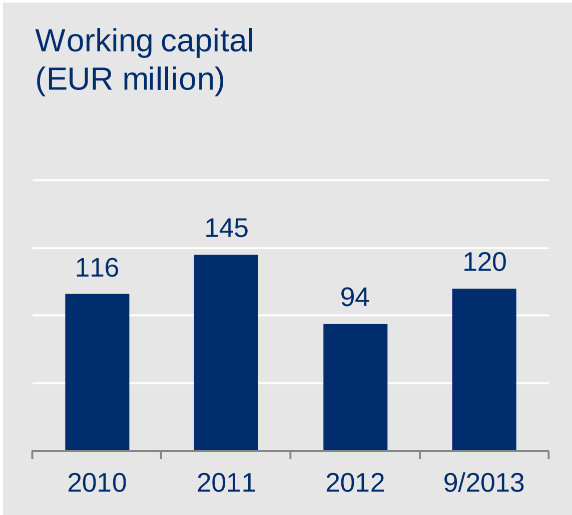
EBITDA over 6 per cent of revenue

Working capital

Negative working capital (New target)







*) EUR million, based on carve-out figures; working capital 9/2013 based on actuals, working capital as of end of period.

Dividend policy

- Dividend payout at least 50 per cent of the net profit for the period

Key figures

EUR million	7−9/13	7−9/12 1)	Change	1−9/13	1−9/12 1)	Change	1−12/12 1)
Revenue	594.8	664.7	-11%	1,855.5	2,054.8	-10%	2,803.2
EBITDA	23.3	26.3	-11%	45.6	75.4	-39%	85.3
EBITDA margin, %	3.9	4.0		2.5	3.7		3.0
Operating profit	17.8	18.9	-6%	29.9	56.8	-47%	61.1
Operating profit margin, %	3.0	2.9		1.6	2.8		2.2
Net profit for the period	11.4	14.1	-19%	18.4	38.2	-52%	40.8
Working capital	119.9	128.3	-7%	119.9	128.3	-7%	94.0
Operating cash flow after investments	5.3	-25.5		-32.2	-38.7		40.5
Interest-bearing net debt, end of period 2)	190.1	1.4		190.1	1.4		-9.8
Gearing, end of period, % 2)	79.7	0.3		79.7	0.3		-2.5
Earnings per share, EUR 3)	0.09	0.11	-19%	0.15	0.30	-52%	0.32
Personnel, average for the period	18,016	19,172	-6%	18,174	19,254	-6%	18,592

1) The revised IAS 19 standard has had the following effects on the consolidated income statement for 1-12/2012: personnel expenses increased by EUR 0.1 million and EBITDA and operating profit and profit before taxes decreased correspondingly by EUR 0.1 million. The revised IAS 19 standard has had the following effects on the consolidated income statement for 1-9/2012: personnel expenses increased by EUR 0.5 million and EBITDA and operating profit and profit before taxes decreased correspondingly by EUR 0.5 million. The revised IAS 19 standard has had the following effects on the consolidated income statement for 7-9/2012: personnel expenses increased by EUR 0.2 million and EBITDA and operating profit and profit before taxes decreased correspondingly by EUR 0.2 million.
2) Interest-bearing net debt and gearing for 2012 are not comparable to the figures in 2013 due to the new credit facility transferred to Caverion Corporation as a result of the partial demerger as per June 30, 2013.
3) Excluding the financial cost effect for January-June 2013 of the new financing arrangements transferred to Caverion Corporation as a result of the partial demerger. If the refinancing under new loan agreement would have been drawn down in the beginning of the financial year, the net financing expenses in January-September would have amounted to approximately EUR 6.1 million.

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