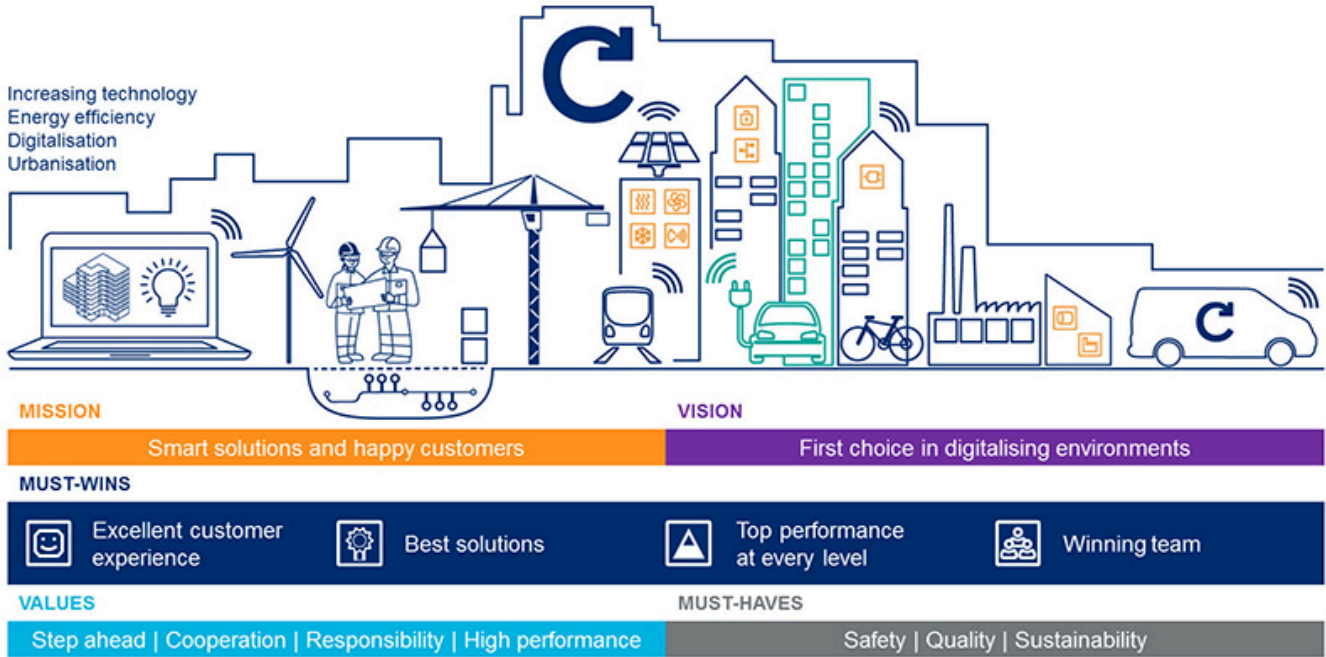


Strategy

In 2017, Caverion focused on its turnaround programme planned to improve the group’s profitability and on the creation of a new strategy. We continued the restructuring actions launched in 2016 and saw the first signs of an improvement in performance. Simultaneously, the ending of our previous strategic period gave us a good opportunity to analyse and learn from the choices made in recent years. To support the successful turnaround of the group, some changes to the management board and its responsibilities also took place.

The creation and launch of our new strategy was one of our highlights in 2017. During the design and preparation phases, our professionals, who numbered around 100 people in total, worked in seven internal streams covering all the main areas of the business. The outcome of this work, our new strategy for 2018-2020, was launched in November 2017.



Digitalisation is revolutionising our industry

Our new strategy, “Fit for growth”, is built around the digitalisation of the industry. Digital revolution favours companies like Caverion, which is already now a forerunner in digitalisation. Caverion’s vision is to be “First choice in

digitalising environments” for our customers, employees and partners in the industry.

Besides digitalisation, we have defined three other megatrends which all support the market demand and underpin our strategy: increasing technology, energy efficiency, and urbanisation.

Getting fit to grow

Caverion’s strategy has two successive stages. In the “Fit” phase in 2018-2019, we will implement clear and concrete actions and milestones planned to materially improve our financial performance. After getting fit, Caverion will move to the “Growth” phase during 2019-2020. The main target of this phase is to further accelerate growth in Services.

Must-wins to make our strategy succeed

Caverion has selected four must-win areas, which are crucial to implementing our strategy successfully.

Our four must-wins are:

- Excellent customer experience
- Best Solutions
- Top performance at every level
- Winning team

Financial targets by the end of 2020

- Cash conversion = Operating cash flow before financial and tax items / EBITDA > 100%
- Profitability: EBITDA over 6% of revenue (no change)
- Debt leverage: Net debt/EBITDA < 2.5x
- Growth: Revenue growth target will be given by the end of 2019. Services growth > market growth. Long-term target beyond 2020: Services to generate over two-thirds of Group revenue

Dividend policy: distribute at least 50% of the result for the year after taxes, however, taking profitability and leverage level into account.

Key milestones towards 2020



Guidance for 2018

Caverion estimates that the Group's revenue for 2018 will decrease compared to the previous year (2017: EUR 2,282.8 million). Caverion estimates that the Group's adjusted EBITDA will more than double in 2018 (2017: EUR 22.3 million).

Progress in reaching financial targets

