



Caverion withdraws its guidance for 2020 due to the coronavirus pandemic

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Caverion withdraws its guidance for 2020 due to the increased uncertainty around the market outlook as a result of the coronavirus pandemic. Caverion's first quarter performance has been largely according to the company's expectations, with cash flow as the highlight of the quarter.

A large part of Caverion's services are vital in keeping critical services and infrastructure up-and-running. This includes ensuring the continued functioning of real estate premises, energy and transportation infrastructure, health facilities, pharmaceutical and food industries, food retail and logistics as well as facilities and services used by public authorities. An important share of these services needs to be performed even under lockdown measures imposed to help fight the coronavirus pandemic.

In the first quarter of 2020, the spread of the coronavirus had only a limited impact on Caverion and the business was rolling almost at a normal pace. Caverion's order backlog is on a high level and its liquidity is strong. According to preliminary figures, Caverion's revenue in the first quarter of 2020 was EUR 541.6 (514.4) million, up by 5.3 percent year-on-year, and operating cash flow before financial and tax items was strong at approximately EUR 56 (30) million. The result was also according to the company's expectations. Caverion has not experienced any major constraints from the supply chain perspective either.

However, due to the increased uncertainty around the market outlook as a result of the coronavirus pandemic, Caverion withdraws its guidance for 2020. Caverion expects that going forward, the demand environment both in Projects and Services will be weaker. Any restrictive measures such as limiting industrial operations and shut-downs or temporary close-downs of premises or construction sites may also have an impact on Caverion's business.

In order to minimise the negative financial impacts from the pandemic on its operations, Caverion has already launched cost saving actions and adapted its resources. In most of the operating countries, the key flexibility measures are the use of temporary lay-offs and the reduction of subcontracting.

"Our Services business is by nature more stable and resilient through the business cycles than the Projects business. So far there has only been a limited amount of work site closures in the Projects business. As the strong cash flow in the first quarter shows, our asset-light cash flow business model is working and our liquidity position is strong," says Ari Lehtoranta, President and CEO of Caverion Corporation.

"Caverion takes the spreading of the coronavirus very seriously. Our priority is to ensure the health and well-being of our people and to minimise the impacts on our customers, partners and other stakeholders. We are actively managing the situation and following the instructions from the local governments and health authorities," Lehtoranta continues.

Caverion plans to provide more information on the market outlook in conjunction with its January-March Interim report to be published on 30 April 2020. Caverion may provide an updated guidance for 2020 once the visibility improves and more reliable estimates can be made.

According to the previous guidance published on 7 February 2020, the Group's revenue (2019: EUR 2,123.2 million) and adjusted EBITA (2019: EUR 67.2 million) were estimated to grow in 2020 compared to 2019.

CAVERION CORPORATION

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With Caverion's services and solutions, built environments become smart and sustainable. Customers can trust our expert guidance during the entire life cycle of their buildings, infrastructure or industrial sites and processes: from design & build to technical and industrial maintenance as well as facility management, including smart technologies and advisory services. Our customers are supported by over 16,000 professionals in 11 countries in Northern, Central and Eastern Europe. Our revenue in 2019 was approximately EUR 2.1 billion. Caverion's shares are listed on Nasdaq Helsinki. Caverion - Building Performance www.caverion.com Twitter: @CaverionGroup