



Caverion converts its financial targets due to IFRS 16 implementation

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As a result of the modified retrospective adoption of the new IFRS 16 Leases standard effective from 1 January 2019, Caverion converts its strategic financial targets to comply with the IFRS 16 accounting principles. Caverion Group will not restate its financial figures for the financial periods prior to the first date of adoption.

The main updates to the financial targets are the following:

Previous targets (until the end of 2020)	Updated IFRS 16 targets (until the end of 2020)
Cash conversion = Operating cash flow before financial and tax items / EBITDA > 100%	Cash conversion (unchanged) = Operating cash flow before financial and tax items / EBITDA > 100%
Profitability: EBITDA over 6% of revenue	Profitability: Adjusted EBITDA over 8% of revenue
Debt leverage: Net debt/EBITDA < 2.5x	Debt leverage (unchanged): 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 generate over two-thirds of Group revenue.	Growth (unchanged): - Revenue growth target will be given by the end of 2019. - Services growth > market growth.- Long-term target beyond 2020: Services 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.	Dividend policy (unchanged): distribute at least 50% of the result for the year after taxes, however, taking profitability and leverage level into account.

* Based on calculation principles confirmed with the lending parties. The confirmed calculation principles exclude the effects of the IFRS 16 standard and contain certain adjustments. If IFRS 16 adjusted figures were applied in the calculation, the target would be adjusted accordingly.

"The implementation of the IFRS 16 Leases standard will impact our financial figures as of the Q1/2019 interim report. Consequently, we converted our existing financial targets until the end of 2020 to reflect the impacts of IFRS 16. The level of ambition in our financial targets remains unchanged," says **Martti Ala-Härkönen**, CFO of Caverion Corporation.

Caverion will publish its guidance for 2019 in accordance with IFRS 16 and more information on the impact assessment of IFRS 16 for Caverion Group in a separate Financial Statement Release for 2018 on 5 February 2019 at 8.00 a.m. EET.

Caverion will report its results in accordance with IFRS 16 as of January-March 2019 interim report to be published on 26 April 2019.

CAVERION CORPORATION

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Contacts:

Martti Ala-Härkönen, Chief Financial Officer, Caverion Corporation, tel. +358 40 737 6633, martti.ala-harkonen@caverion.com

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

Caverion provides smart technical solutions and services for buildings, industrial processes and infrastructure. Our unique service offering covers the entire life cycle: design, build and maintenance. Our vision is to be the first choice in digitalising environments for customers, employees, partners and investors. Our revenue in 2017 was approximately EUR 2.3 billion. Caverion has about 16,000 employees in 11 countries in Northern, Central and Eastern Europe. Caverion's shares are listed on Nasdaq Helsinki. www.caverion.com Twitter: @CaverionGroup