

# Caverion

**Leveraging technical maintenance  
towards life cycle solutions**

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# Reaching 2016 targets

1. Attractive service offering that covers the entire life cycle of the property and selected client segments

2. Our employees are committed to common targets and have technical know-how in all disciplines

3. We have efficient common processes and tools

Up in the value chain  
in the service  
business

Technical Maintenance

Managed Operations

Technical Maintenance

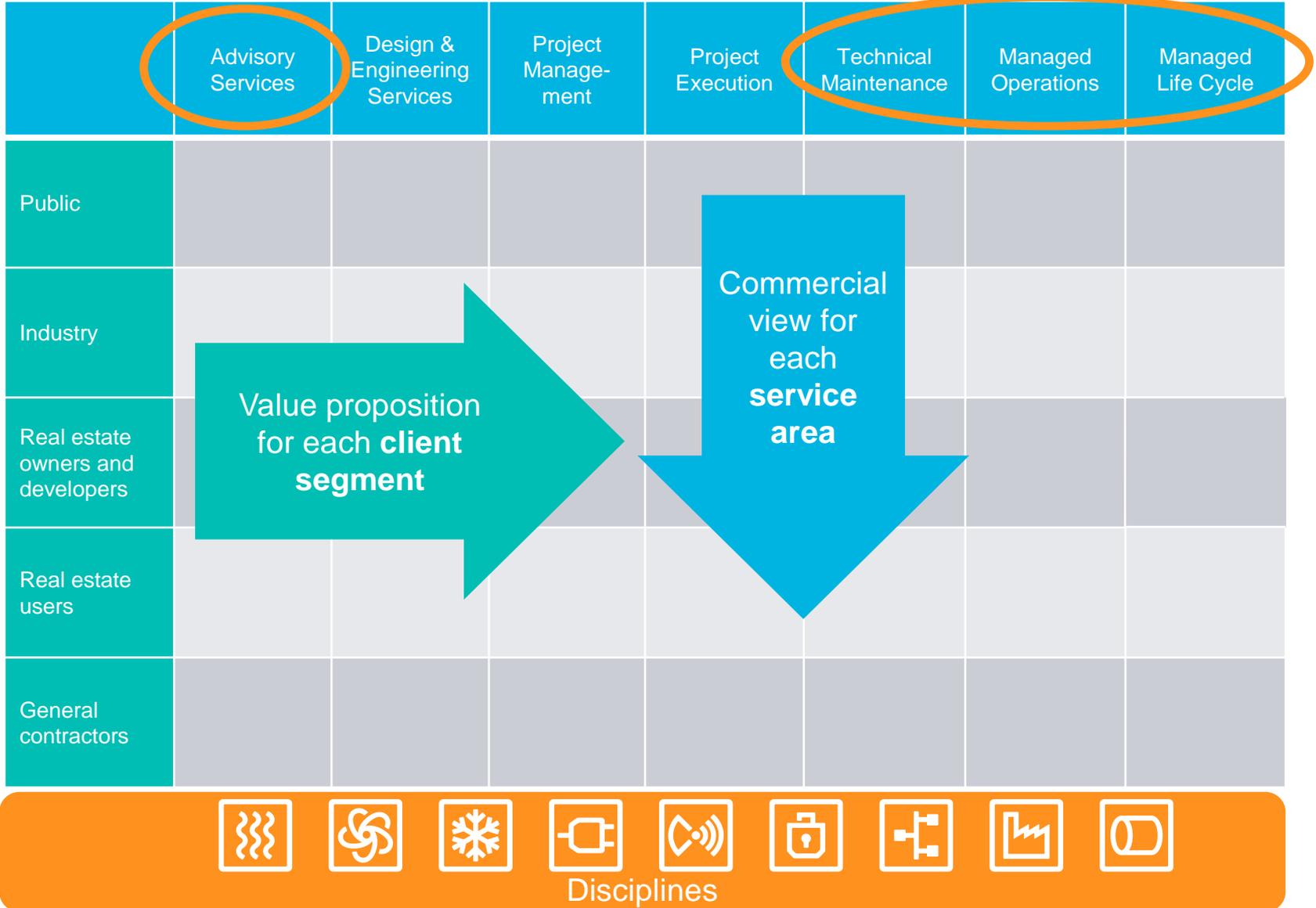
**Managed Life Cycle**

Managed Operations

Technical Maintenance



# Services in our integrated offering for life cycle solutions





# Delivery view: Aiming at more efficient delivery of services



## Structure

**International Center of Service Excellence established to support Caverion strategy**

- Supports service business to improve the efficiency of operations.

## Governance

**Competent own personnel working according to common processes**

- Providing stable quality & internal efficiency and work near our customers
- All nine technical disciplines available for all customers
- Frequent individual performance measurement connected to rewarding

## Processes

**Increasing efficiency by improving common processes**

- Daily work flow, invoicing and scheduling process
- Utilising automation  
Big Data in maintenance
- Roll-out of ERP solution and common tools in all operating countries
  - Mobile device fully integrated to ERP



# Advisory Services: Providing expertise to ensure energy and cost efficiency of our clients' facilities

We provide expertise in building technologies and industrial processes. We develop functional, safe, energy- and cost-efficient technology and solutions to optimise our clients' operations.



## Service business approach

- Optimisation of systems : We scale, adjust and control systems to ensure correct conditions.
- Services for energy efficiency: from energy inspections to ESCO (Energy Service Company) and EPC (Energy Performance Contracting) energy contracting projects.
- 24/7 remote monitoring and control room services

## Client benefits

- Energy efficiency is incorporated in all Caverion's services. Caverion proactively proposes energy-saving activities to its clients.
- In ESCO and EPC projects, savings are guaranteed and no initial investments is needed from the client.
- Continuous monitoring of properties decreases energy consumption and enables measures based on actual conditions – sometimes even remotely.
- The monitoring data is also useful for the planning of corrective measures.



# Technical Maintenance: The foundation of service business

Technical maintenance of buildings and industrial plants is our core competence, and a stepping stone to more comprehensive services. We offer preventive, planned maintenance as well as corrective maintenance and ad hoc repairs.



- Preventive, planned maintenance is the preferred choice for the value preservation of our clients' property and effective long-term cost management.
- ServiFlex concept for preventive maintenance allows clients to flexibly combine an individual package from a range of services.

## Client benefits

- Caverion takes care of planning and scheduling selected preventive maintenance tasks, sold in one customisable service package.
- Services are easy to order based on pre-agreed pricing.
- Reporting for authorities included in the services where applicable.
- Service quality – financially stable and reliable company providing services with standardised processes.



## Case study: Max Hamburgers, Sweden



Max Hamburgers chain has a nationwide ServiFlex agreement with Caverion for preventive maintenance covering 93 restaurants in Sweden.



### Challenge

- Uniform technical maintenance across all Max restaurants in Sweden.
- Combining maintenance with several on-going installation projects
- Standardised services in all restaurants, reporting to authorities included
- Required quick response time

### Solution

- Fixed contract on technical maintenance according to pre-agreed prices, tailored to the client's needs
- Focus on preventive maintenance, corrective maintenance easy to add
- Quality-assured processes and standardised services guarantee uniform quality in restaurants.
- Administration of reports according to authorities regulations
- 24/7 Help desk
- One contact person from Caverion in charge of all the services.
- Energy-saving measures frequently identified
  
- Disciplines: Heating, Ventilation, Cooling and Automation
- Lifespan: 1997–2014
- Size: 93 restaurants in Sweden and 3 in Norway
- Contract value: Not disclosed



# Managed Operations: Maintaining the property value

We offer the full scope of technical and soft services for buildings and industrial processes. We manage and control operational expenses and quality of services.



- Focus on technical services, soft services (security services, janitor, indoor cleaning and outdoor maintenance etc.) offered as subcontracting.
- Demand based services, 24/7 remote monitoring and operation of properties.
- Comprehensive maintenance cooperation and outsourcings.

## Client benefits

- Caverion can deliver all technical and soft services.
- Financially and technically risk-free for client, allowing them to focus on core operations.
- Rental and resale value of the property maintained or even increased.
- Lower total costs:
  - Maintenance plans tailored to individual needs
  - Energy costs can be decreased by more than 10% with correct technical services
  - Less admin costs



## Case study: Kemijoki's hydropower plants, Finland



Kemijoki Oy has outsourced maintenance and operations of its 16 hydropower plants to Caverion.

### Challenge

- The client aimed to focus more on its core competence and thus decided to purchase a significant number of its functions from external service providers.
- Outsourcing also enabled the company to better adjust to changes in demand.

### Solution

- Caverion assumed the full responsibility for daily operations and maintenance of hydropower plants in the Kemijoki water system
- Approximately 80 employees transferred to Caverion in March 2014.
- Caverion also took the main responsibility of Kemijoki Oy's Pankakoski modernisation project and the increase of the power capacity of Seitakorva hydropower plant.
- Service area: Managed Operations
- Disciplines: Industrial Installations
- Lifespan: March 2014 onwards.
- Size: 16 hydropower plants and 80 employees
- Contract value: Not disclosed



# Managed Life Cycle: All services in one contract

We can assume the full responsibility for designing, building, operating and maintaining the technical solutions of our clients' building or industrial plant throughout the life cycle.



- Guaranteed effectiveness, usability, safety and condition of the property throughout the contract period, which is often more than 20 years.
- Various kinds of financing and operating models, suitable for all client segments.

## Client benefits

- Responsibility – only one contractual responsibility for the user comfort, safety, energy efficiency and functionality.
- Property value and condition of the building systems maintained.
- Easiness – Caverion takes care of planning, financing, execution, maintenance and scheduling for selected tasks, sold in one customisable service package.

## Case study: Energy efficient children day care centres, City of Porvoo, Finland



Caverion is responsible for delivering all technical disciplines for three day care centres as well as maintenance services and optimisation of energy consumption during the life cycle of the property. With less than half of the energy consumed being purchased energy, the properties are very close to being passive houses.

### Challenge

- Day care centre properties must stay in good condition and available at all times. Good indoor air quality, energy efficiency and safe and healthy for the users must be ensured and maintained throughout the life cycle.

### Solution:

- Technical systems delivered by Caverion are highly energy-efficient: Underfloor heating, combination of terrestrial heat and solar collectors, LED technology and motion detectors used in the lighting, presence-based ventilation.
- After delivering the building systems, Caverion is responsible for maintaining the technical systems and ensuring agreed level of energy consumption for the next 20 years.
- The maintenance is preventive and based on real conditions. The properties will be connected to Caverion's property control room, providing 24/7 monitoring of conditions and energy consumption.
- Disciplines: Heating & Sanitation, Ventilation & Air-conditioning, Cooling, Electricity, Security & Safety, Information and communication services, Automation
- Lifespan: 2012–2032
- Size: Total floor space of approx. 4,300 m<sup>2</sup>
- Contract value: Not disclosed



# Service development supports the achievement of Group financial targets

Profitability  
(EBITDA)  
over 6% of revenue

Average annual  
revenue growth  
> 10%

Negative  
working capital

- Developing service concepts with higher margin potential
- Optimal pricing
- Costs and budgets closely followed up in every unit and agreement

- Generating new business potential through new service areas, client segments and disciplines
- Expanding existing contracts with additional services and disciplines
- Focus on add-on sales during every site visit

- Monitoring, reporting and invoicing on a daily basis
- Contract models and payments terms revised
- Service processes and tools developed



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**Life Cycle Solutions for  
Buildings and Industries**