

# Caverion

**Increasing demand for Life Cycle  
Solutions supporting our growth**

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# Increasing demand for Life Cycle Solutions supports our growth

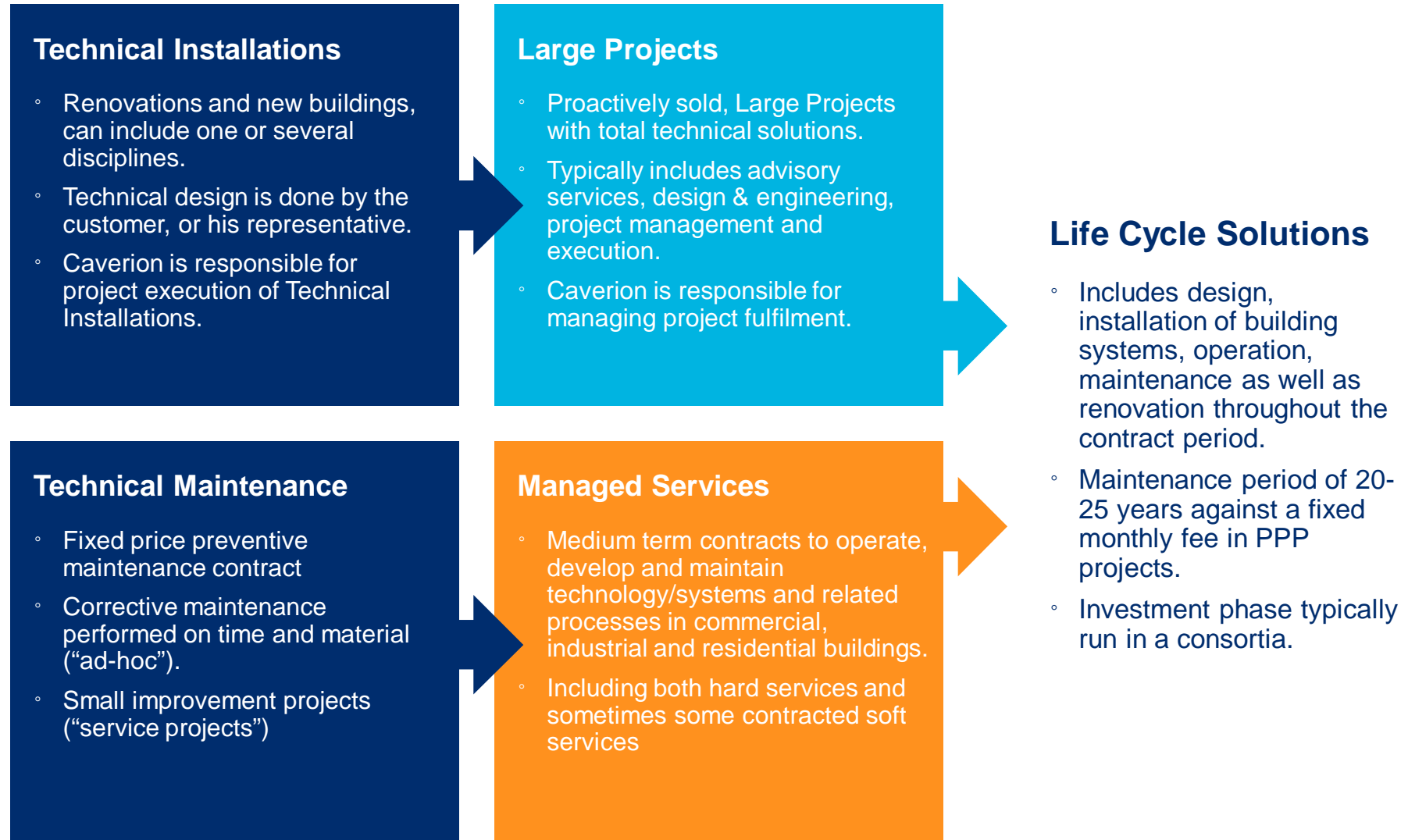
1. Clients are increasingly interested in energy and cost efficiency of their buildings and plants over the life cycle

2. With our offering the life cycle responsibility is transferred from several suppliers to just one partner guaranteeing costs, energy usage and optimal conditions for decades.

3. Our competitive advantage is driven by our integrated offering.



# Business mix supporting growth in Life Cycle Solutions



# Strong demand in the market for Life Cycle Solutions supporting our growth

## European PPP Market

- Up 15% over the last year
- Value of PPP transactions in 2014: EUR 18.7 billion
- European PPP Market in 2014: 82 deals

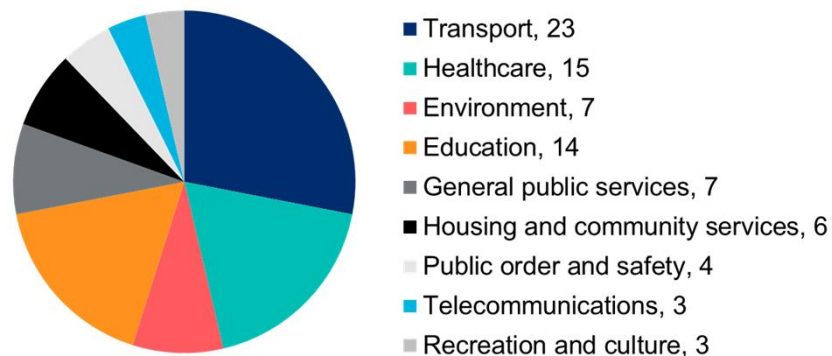
European PPP market in 2014 – Sector breakdown by volume



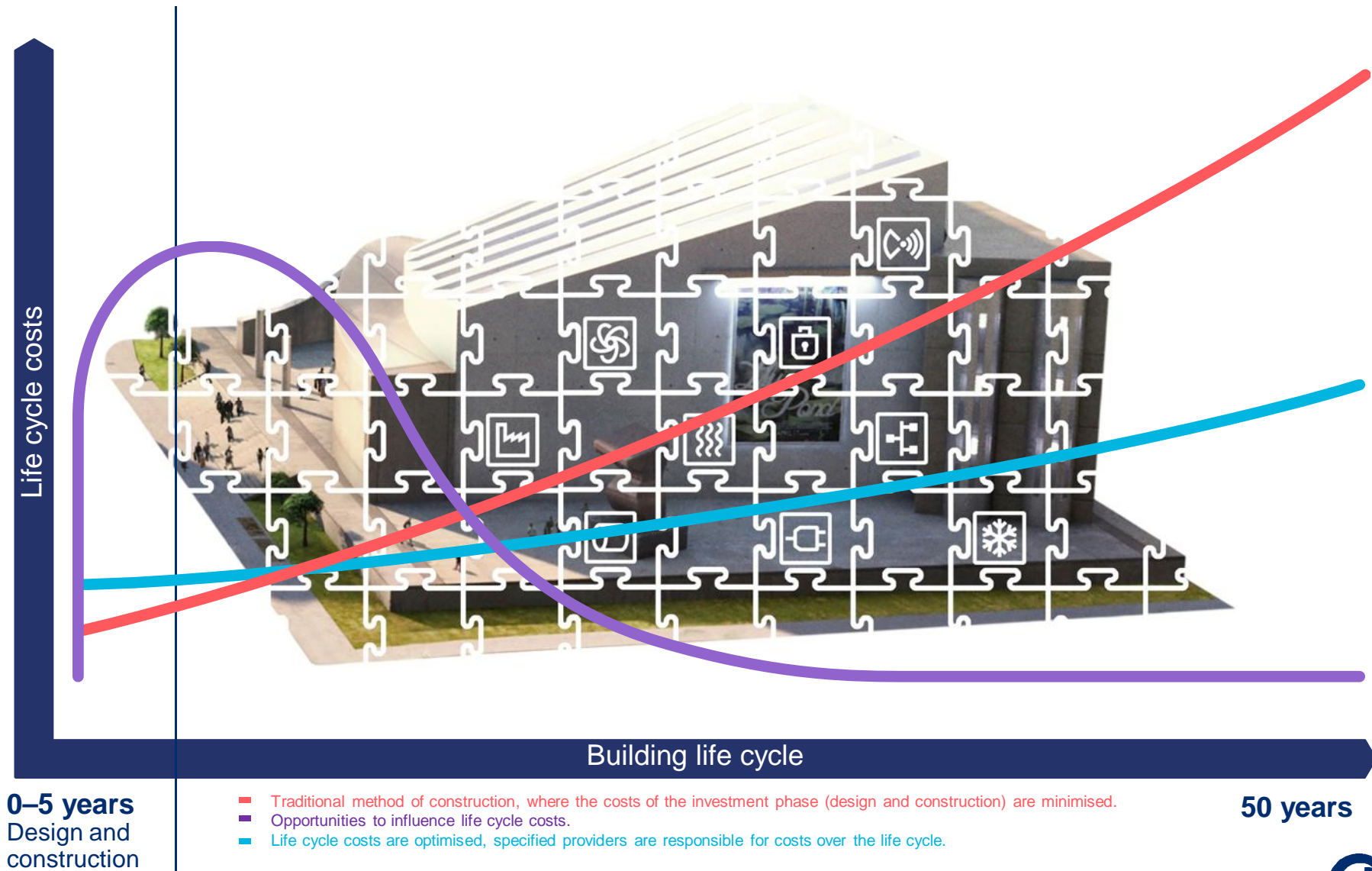
## Finnish PPP market

- In Finland the main sectors are education and transport
- Growth potential especially in healthcare

European PPP market in 2014 – Sector breakdown by number of projects



# Moving from a multi-contractor model...



**0-5 years**  
Design and construction

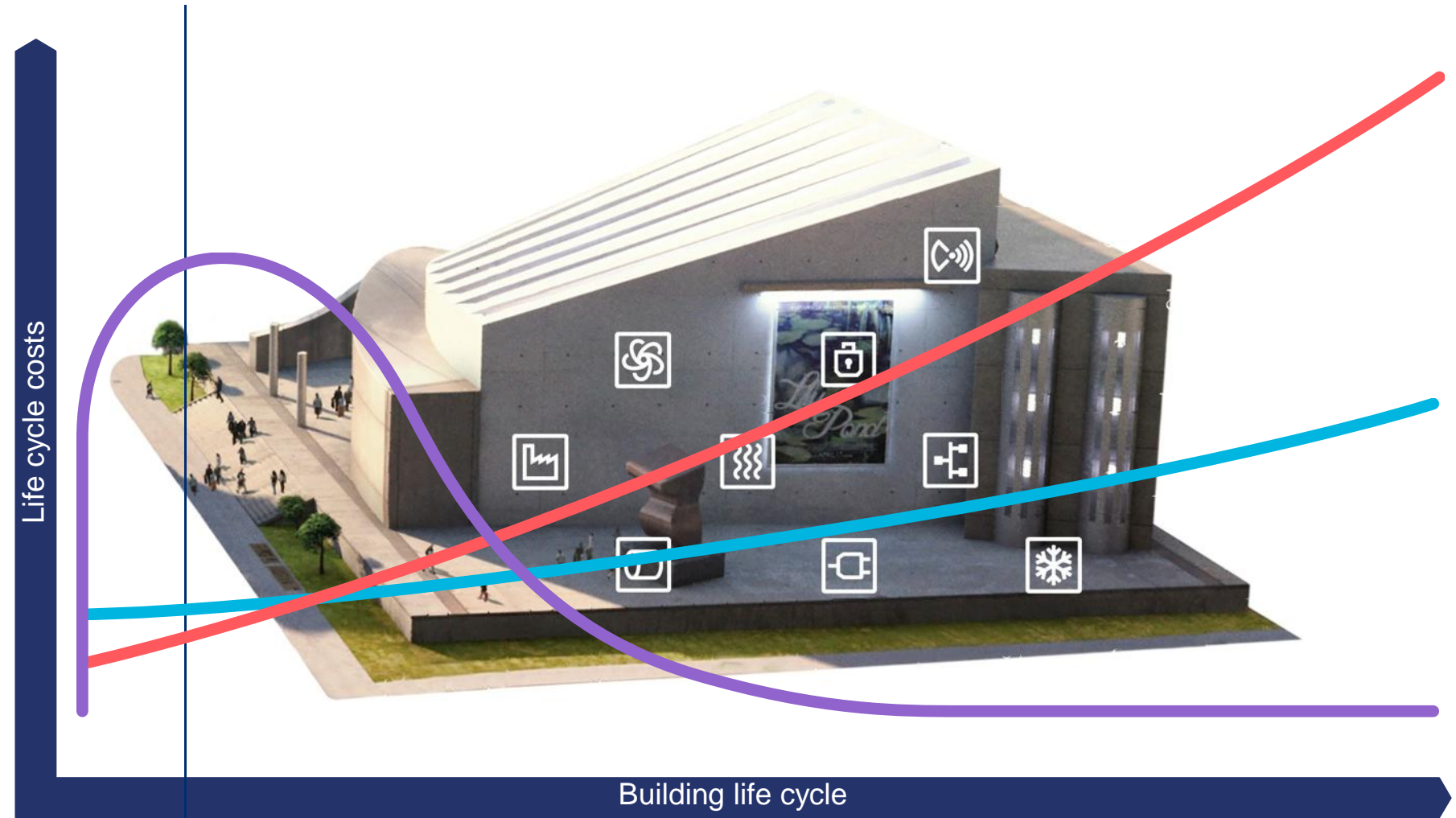
- Traditional method of construction, where the costs of the investment phase (design and construction) are minimised.
- Opportunities to influence life cycle costs.
- Life cycle costs are optimised, specified providers are responsible for costs over the life cycle.

**50 years**





# ...to one simple Life Cycle Solution



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Design and construction

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**50 years**



# Typical contract types and conditions in Life Cycle Solutions

## Contract types

- Design, Build and Finance
  - General Contractor responsible
  - Finance organised by the client in public sector
- Operation and Maintenance
  - Caverion responsible

## Average duration

- Development phase: 0-5 years
- Design phase: 6-12 months
- Execution phase: 8-30 months
- Operation and maintenance: over 20 years

## Pricing

- Fixed lump-sum contract
  - Reconsidered if changes +/- 5 % in number of users or usage times

Note: The fixed lump-sum does not include the price for energy.

## Payment terms

- Investment
  - Payment by milestones
- Maintenance
  - Monthly
- Long Term Repairs (LTR)
  - Monthly
  - After completion



## Huhtasuo school and day-care centre, Jyväskylä, Finland



The new Huhtasuo school and day-care centre comprises a kindergarten and a comprehensive school in a single complex. The planning of this functional and versatile facility was based largely on users' needs.

### Challenge

- Installation and maintenance of complex technical systems in a large and versatile building
- Huhtasuo comprehensive school, approximately 740 students
- Special school, approximately 80 students
- Huhtasuo kindergarten, approximately 160 children, 7+2 groups

### Solutions

- Jyväskylä city decided that the managed life cycle model is optimal for this project. Caverion takes care of the facility through regular and predictive maintenance, preventing any maintenance backlog and ensuring that the quality of the facility remains high for its entire life cycle.
- The premises have been linked to Caverion's facility control room.
- Disciplines: Caverion is responsible for all the technical systems in the facility.
- Lifespan: Project started in spring 2012; the 1st phase was completed in August 2013 and the 2nd phase in August 2015; service agreement 20 years (ends in 30 June 2033).
- Size of the building: approx. 16,000 m<sup>2</sup>





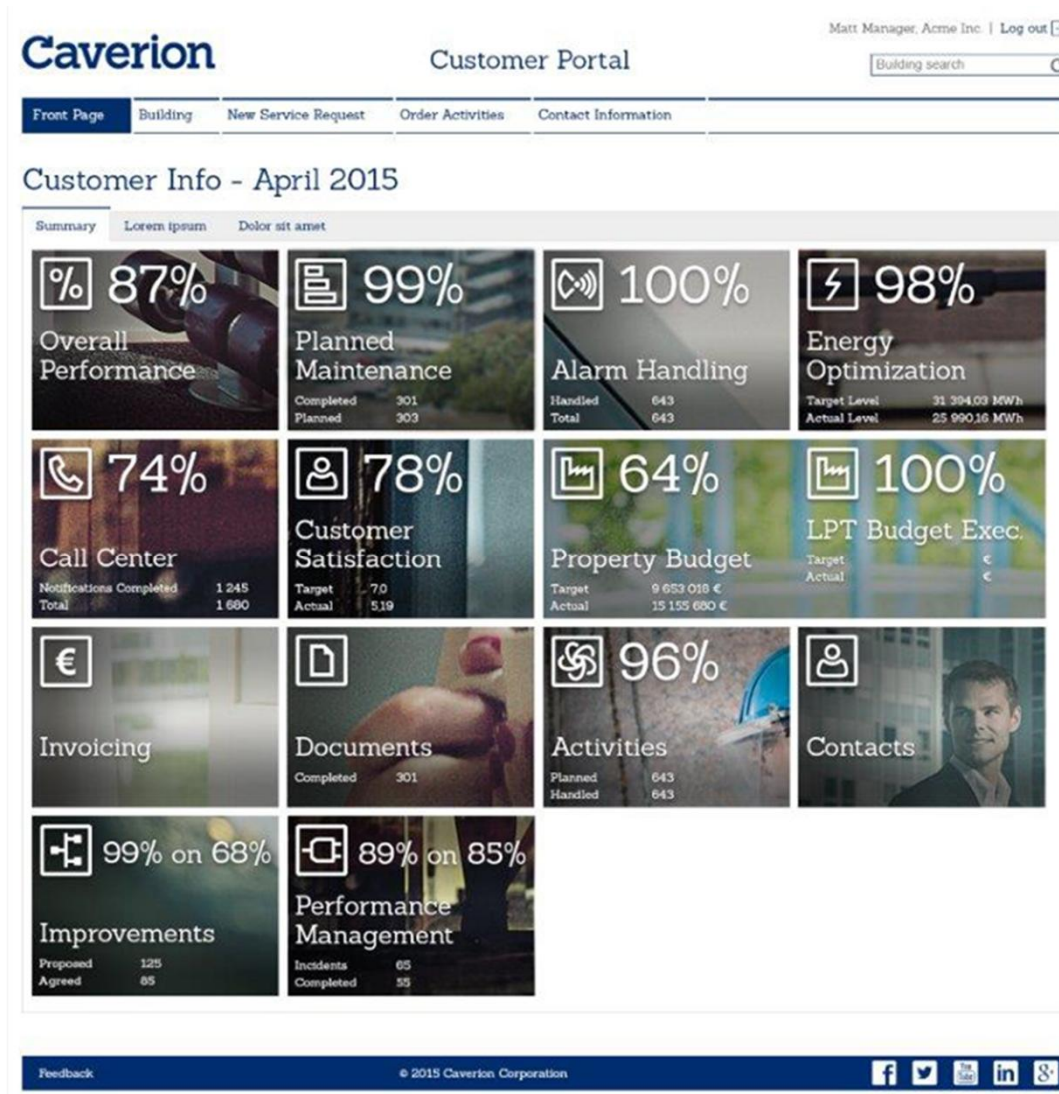
# Why clients choose Caverion for Life Cycle Solutions?

- **All life cycle projects are different, based on user requirements**
- **Selection criteria include:**
  - Quality, functionality
  - Energy efficiency and ecological aspects
  - Architectural solutions
  - Flexibility of facilities and acoustic solutions
  - Delivering of designing and building
  - Delivering of maintenance and services
  - Long term action plans and modernisations
  - Condition of the building at handover, scale 1 - 5
- **Valuation quality vs. price/value for money**

In a life cycle project, the service provider is responsible for the usability, condition and energy consumption of the building for the entire duration of the life cycle period.



# Monitoring and reporting of a life cycle project



Typical KPI's of a life cycle project for a school

- Energy consumption % (93)
- Indoor air quality % (99)
- Utilization rate % (72)
- Usability % (99)
- Response time % (88)
- User satisfaction % (83)
- Carbon footprint % (94)
- Alarm handling % (100)
- Number of users and usage times



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**Life Cycle Solutions for  
Buildings and Industries**