

Caverion

From Technical Maintenance towards Managed Services

Thomas Lundin
Executive Vice President & CEO, Division Sweden

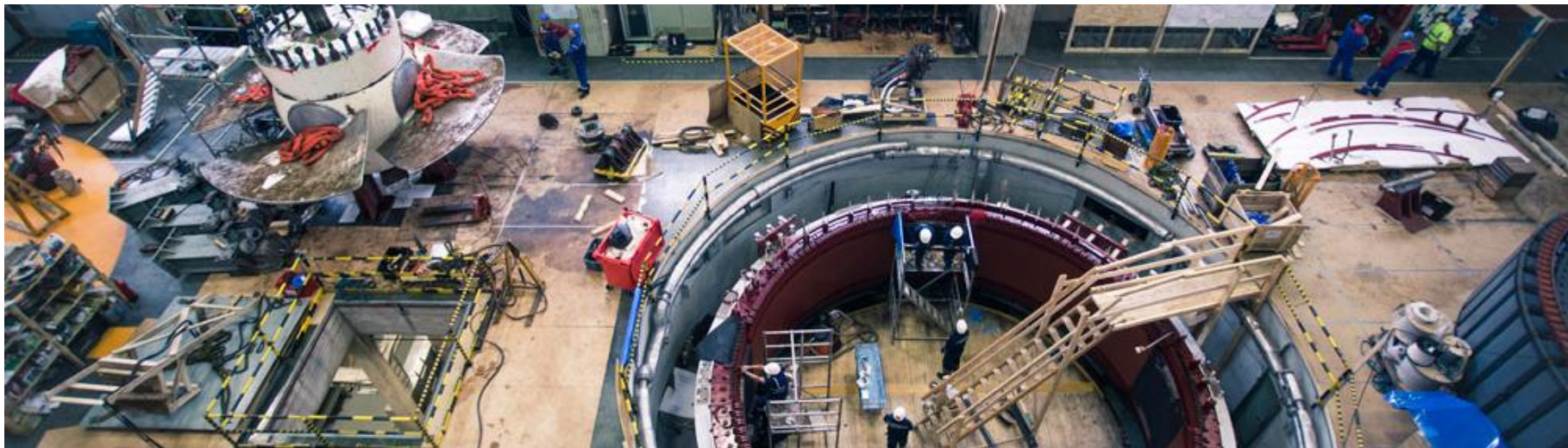
Capital Markets Day in Aachen
September 9, 2015

Increasing demand for Managed Services supports our growth

1. Industrial clients are increasingly focusing on their core operations and starting to outsource the maintenance of their properties and plants.

2. Property owners and users are increasingly focusing on energy efficiency, which opens up opportunities for Caverion.

3. Property users in complex facilities need to secure efficient operations and business continuity.



We are a trusted partner in Technical Maintenance through our efficiency in minimising breakdowns

Monitoring

- Fault and alarm management based on tolerance management (pre-defined alarm trigger)
- Benchmarking of energy consumption
- Operational numbers

Statutory service

- Service interval according to legislation
- Safety and security, fire protection systems, electricity, emergency lightning

Need-based service

- Monitoring system sends message when service is required.
- Ventilation and air-conditioning, cooling, heating and sanitation



Our strong position in Technical Maintenance enables expansion towards Managed Services with existing clients

Technical Maintenance

- Well-known clients since many years
- We have proven our ability and have a relation with client

Managed Services

- We know the clients business challenges
- Good planning and sales strategy, easier to expand then sell to new client

30,000 ServiFlex agreements

Strategic Segmentation

1% = 300



From Technical Maintenance towards long-term Managed Services

Technical Installations

Large Projects

Life Cycle Solutions

Technical Maintenance

- Fixed price preventive maintenance contract
- Corrective maintenance performed on time and material (“ad-hoc”).
- Small improvement projects (“service projects”)

Managed Services

- Medium term contracts to operate, develop and maintain technology/systems and related processes in commercial, industrial and residential buildings.
- Including both hard services and sometimes some contracted soft services



Typical contract types and conditions in Managed Services

Contract types

- Operation and Maintenance
 - Caverion has functional responsibility (KPI's and OPI's)
- EPC/OPC contracts
 - Analysis: Advisory
 - Implementation: Project
 - Follow up: Managed Operations

Average duration

- Operation and maintenance
 - Long-term partnerships
 - Typically 3-5 years, often extended
- EPC/OPC contracts
 - Analysis: 3-12 months
 - Implementation: 12-36 months
 - Follow up: 60-150 months

Pricing

- Fixed price
 - Long-term investments agreed separately
- EPC/OPC contracts
 - Guaranteed performance related to performance with extra savings shared between Caverion and the client
 - No penalties due to changes in energy prices.

Payment terms

- Typically monthly
- Ad hoc (e.g. long-term repairs)
 - After completion (or monthly)



Karolinska University Hospital, Sweden



Facts

- Years: 2002-2015/2019
- Client: Locum
- 600,000 patient visits per year
- 7,000 employees
- Total 45 Caverion employees at premises
- Caverion Operation Center: 9 technicians work 24 hours per day all year round take care of 20,000 cases annually.
- Backup power: Tests are operated weekly to ensure operation. 600 m3 diesel in the premises secure functionality of the hospital for 7 days.
- Pneumatic Tube Transport system with 9 km of pipeline and 104 stations transferring 50,000 deliveries per month.

Challenge

- Technical administration of Karolinska University Hospital.
- Reduce energy consumption by 6% annually until year 2020.

Solution

- Caverion manages Karolinska University Hospital property. Contract covers upkeep, corrective maintenance, fault reporting, emergency duty and service for tenants as well as buildings and infrastructure within the hospital area.
- Caverion provides 24/7 services for heating, ventilation, cooling, control and regulation, high and low voltage, backup power, medical gases, sterilization technology, lifts, pneumatic tubes etc.
- Caverion has an operations centre in the hospital area staffed around the clock and monitoring all fields of technology in the hospital area.

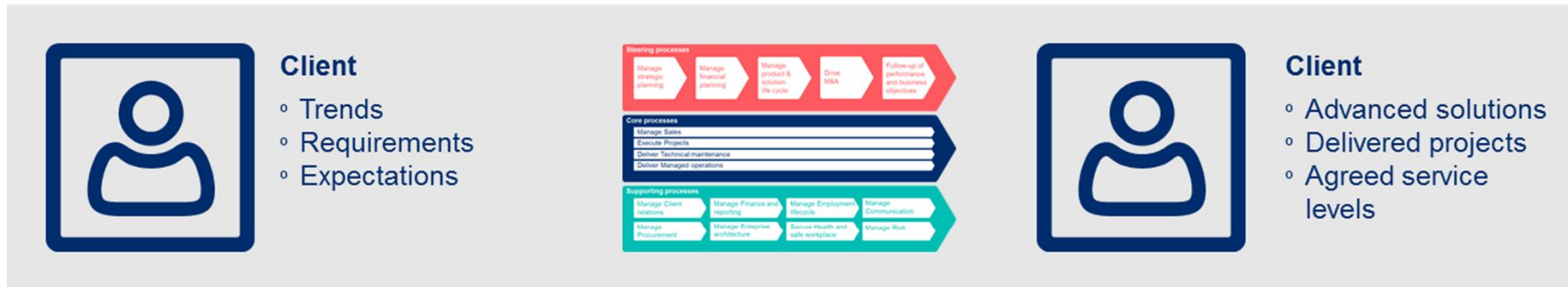
Results

- Energy efficiency is one of the main environmental targets of Locum.
- During 2002-2014 we have managed to save approx. 15,500 MWh through energy optimization and energy projects.



Why customers choose Caverion for Managed Services?

Harmonised processes



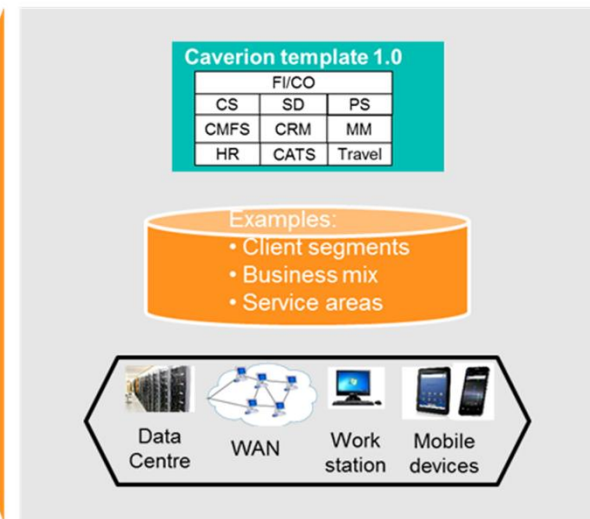
Operational model

Division XX						
	Project Office	Managed Services Office	Region 1	Region 2	Region 3	Region 4
Support functions	Finance & Governance	Centre of excellence				
	HR & People	Centre of excellence & S&ME				
	Operational Development	Complex and large projects				
	Business Development	Advisory services, Design, Engineering, Project right & execution				
		Complex agreements in managed operations and life cycle				
		Technical inspections and Maintenance				

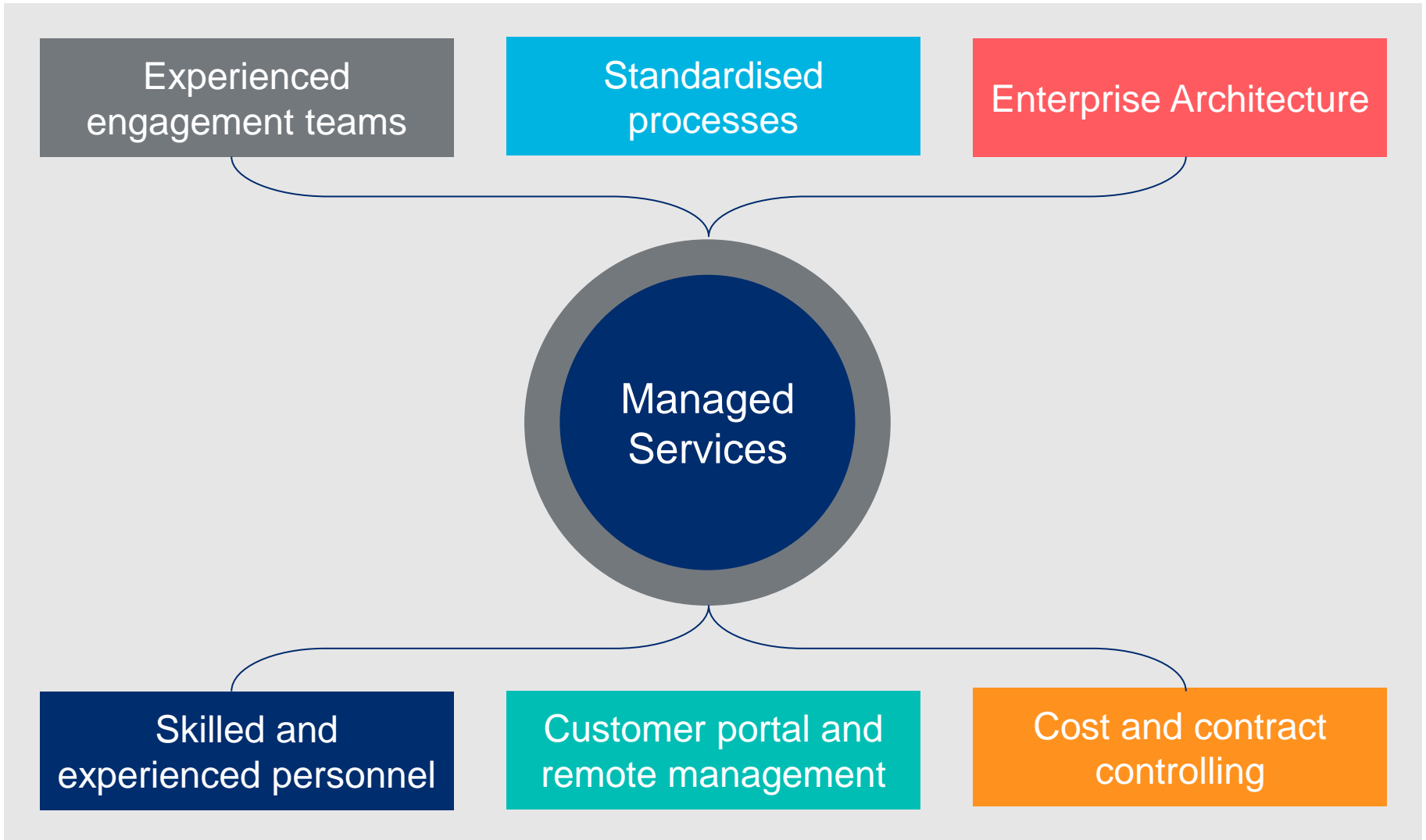
Strategy



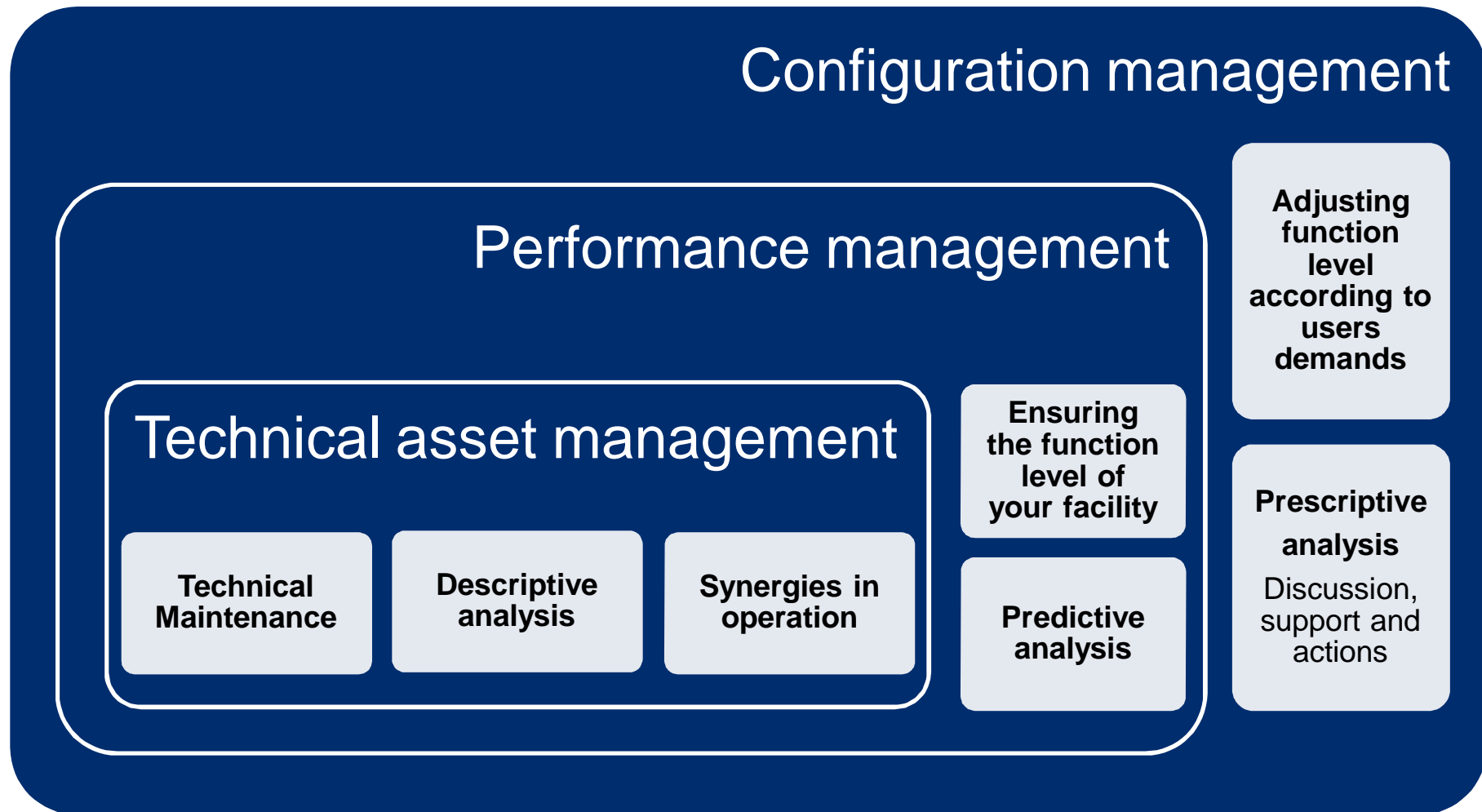
Systems and Data



Why customers choose Caverion for Managed Services?



As a trusted partner we can take on more responsibility for the clients' processes



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**Life Cycle Solutions for
Buildings and Industries**