





# J.P. Morgan Cazenove Capital Goods CEO Conference

Pennyhill Park, June 9th, 2011

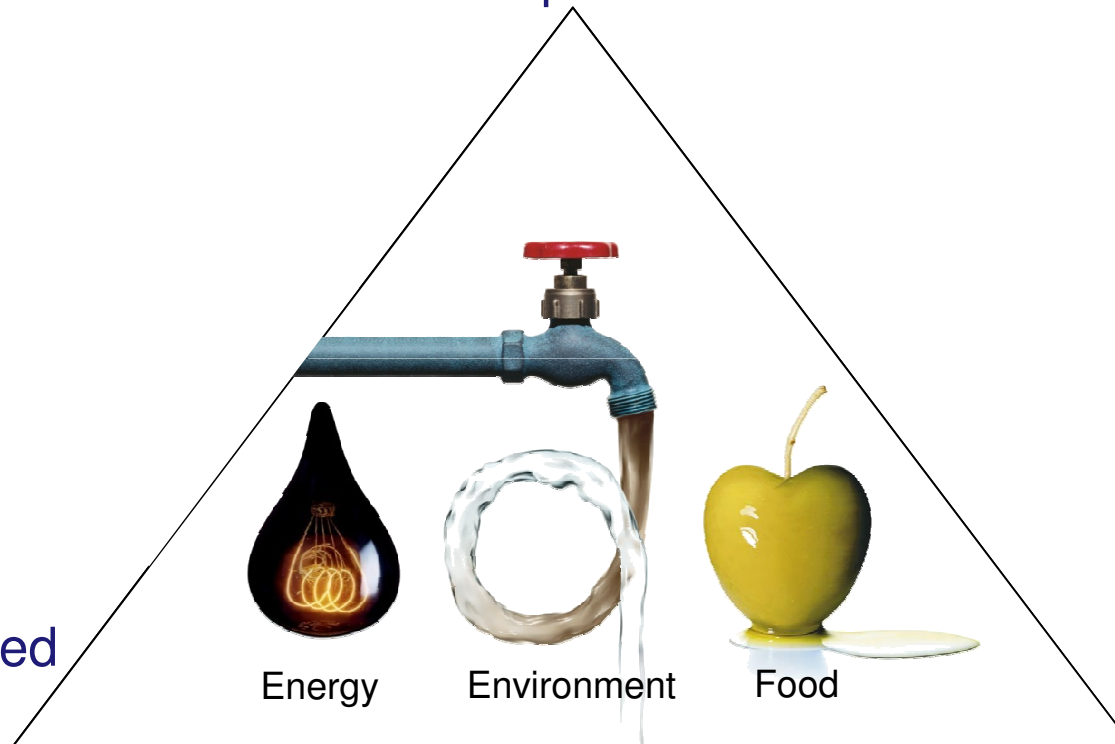
Lars Renström  
President and CEO

# Reasons to invest in Alfa Laval

## Alfa Laval's position

No. 1 in all its product areas

An unparalleled  
global  
presence



3-4% acquired  
growth p.a.

...and 8% CAGR 0309-1009

# What we provide

We help customers to heat, cool, separate and transport products - basic needs in most industries.

Our core areas can be found in energy, environment and food.





# We have three key technologies

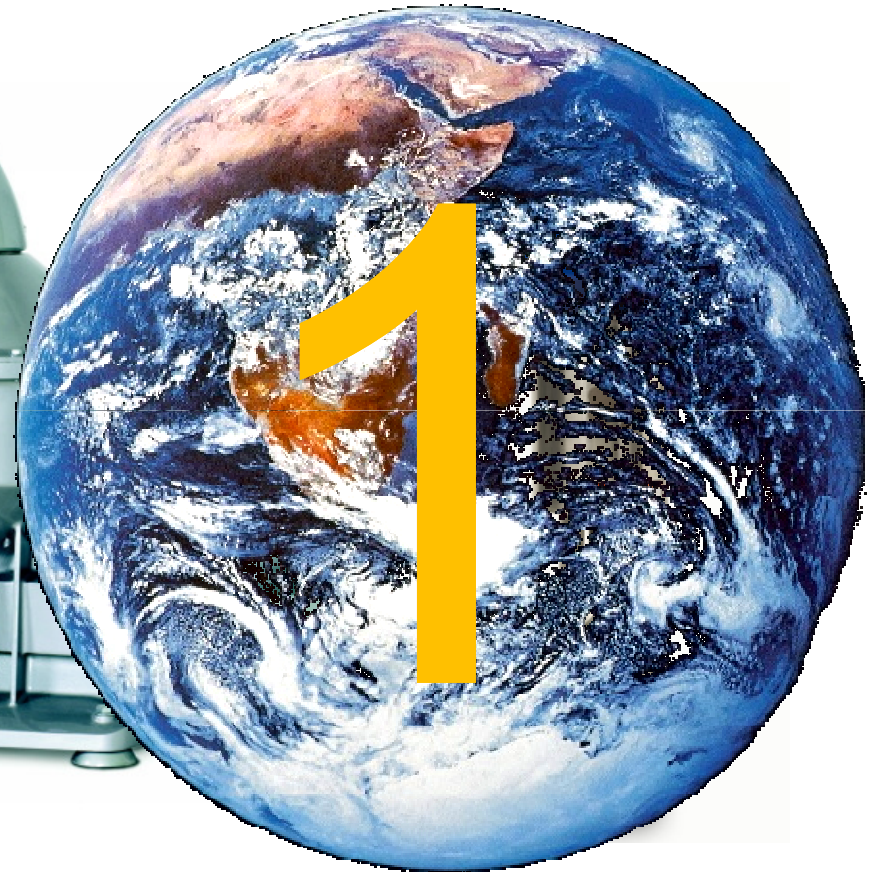
- with leading, global positions



More than 30% of the  
world market



25-30% of the world  
market



10-12% of the world  
market

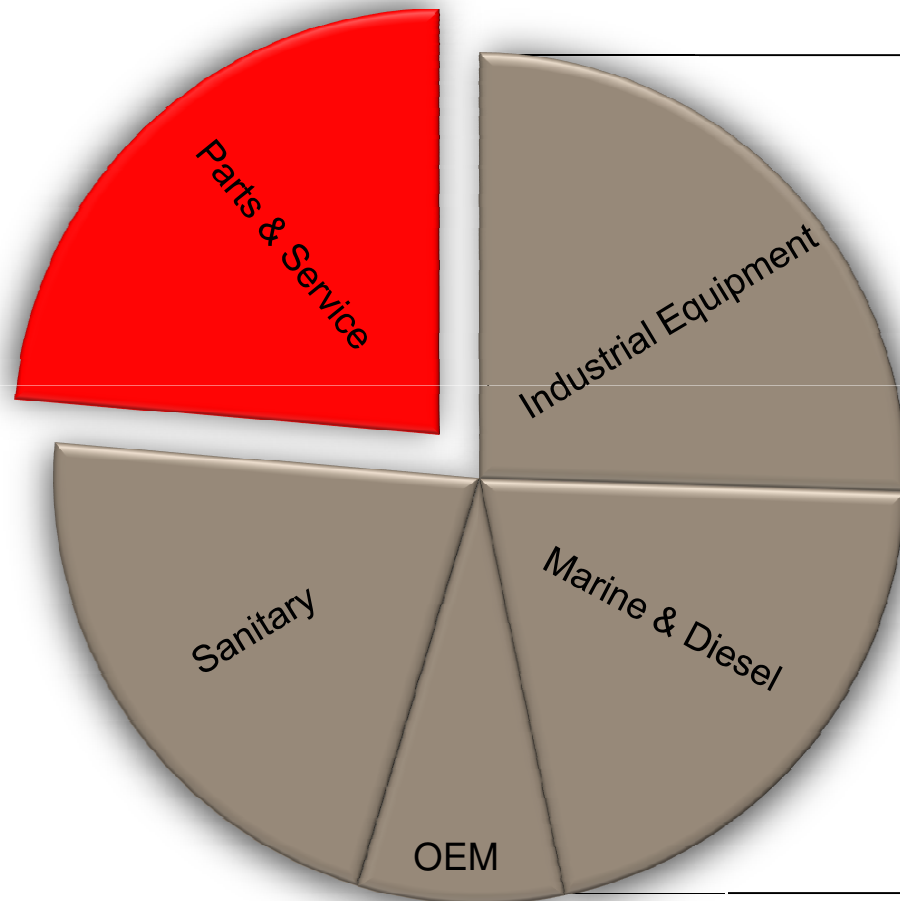
# We serve most industries

Biofuels  
Biotech and pharmaceutical  
Chemicals  
Engine and transport  
Fluid power  
Food and beverages  
HVAC  
Industrial fermentation  
Latex  
Machinery  
Marine and diesel



Metal working  
Mining and mineral processing  
Oil and gas  
Oil refinery  
Power  
Pulp and paper  
Refrigeration and air-conditioning  
Semiconductor systems  
Steel and coke oven gas  
Sugar  
Wastewater treatment

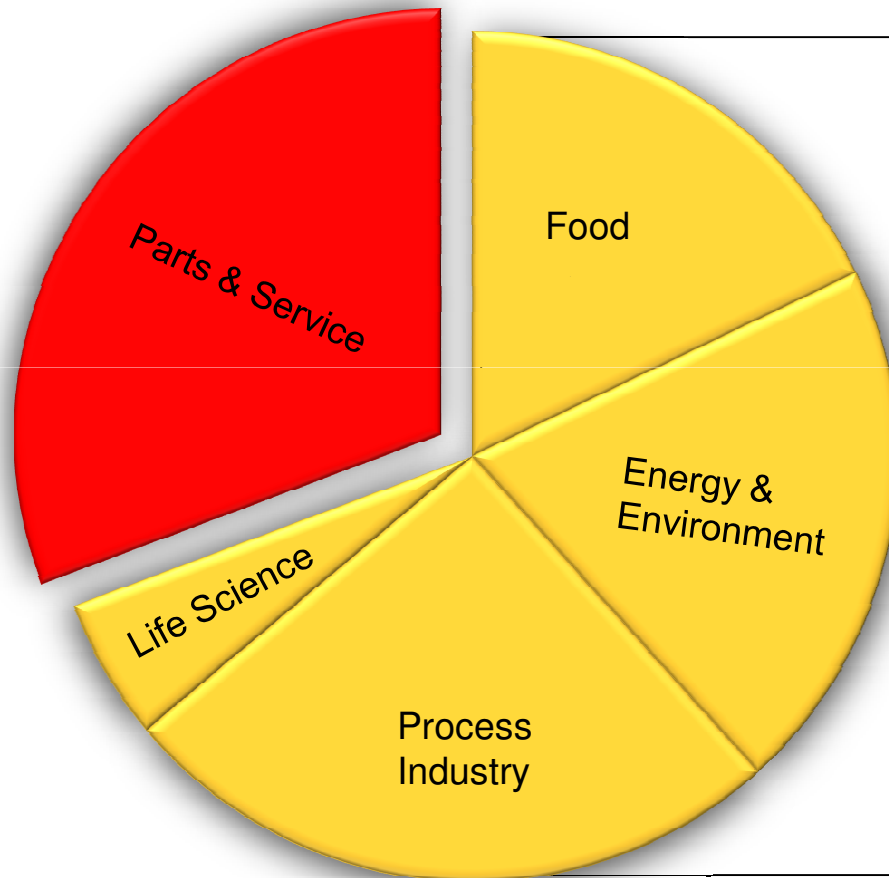
# Through two sales divisions



## Equipment Division

To offer a range of high-performance products to customers with a well-defined and regular need. A multiple sales channel strategy to reach end-users.

# Through two sales divisions



## Process Technology division

To offer unique solutions that help customers optimize their processes. Our scope includes everything from components to systems.

# An unmatched global footprint



- 30 major production units\*
- 70 service centres
- Sales companies in 55 countries
- Other sales representation in 45 countries

\* Plus a number of minor production and assembling units



# A global exposure

Jan – March order intake



Fast growing regions = 47 %

BRIC countries = 25 %

# The growth drivers

– structural changes



– Increasing demand for energy

Increased demand for energy can be met in two ways – through increased energy efficiency and/or an increase in production. Both alternatives boost demand for Alfa Laval's products.

# The growth drivers

– structural changes



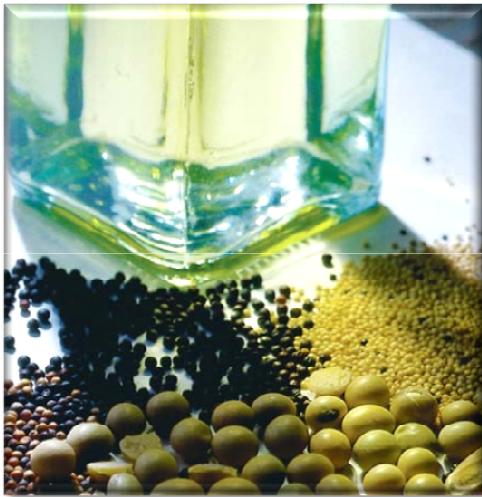
– Increased environmental focus

As the world's population grows and the urbanization continues, there is an increased focus on environmental protection. Alfa Laval's products can reduce emissions, purify liquids and reduce the consumption of water and energy.



# The growth drivers

– structural changes



## – Improved living standard

With improved living standards comes changed eating and drinking habits and demand for food of better quality.

Alfa Laval has focused on food applications since 1883. Today the company's products can contribute by getting:

- more out of the raw material
- less waste
- more out of the process
- a better end product

# The growth drivers

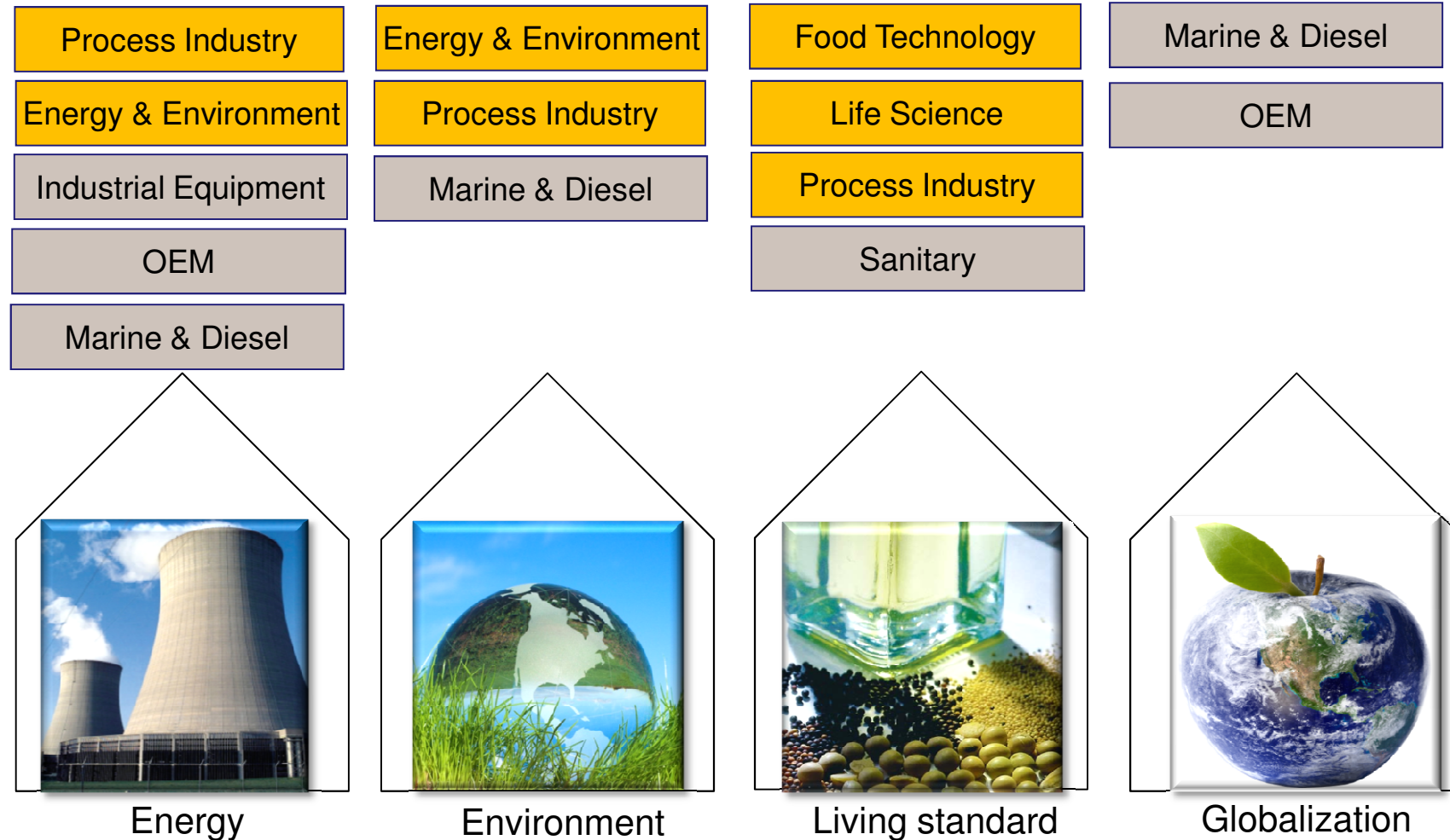
– structural changes



## – Globalization

The ongoing globalization leads to increased demand for transport solutions. Alfa Laval offers specialized products and solutions for use on board vessels.

# Structural changes – growth drivers today and tomorrow



# Factors for profitable growth



# Factors for profitable growth



R&D

BRIC

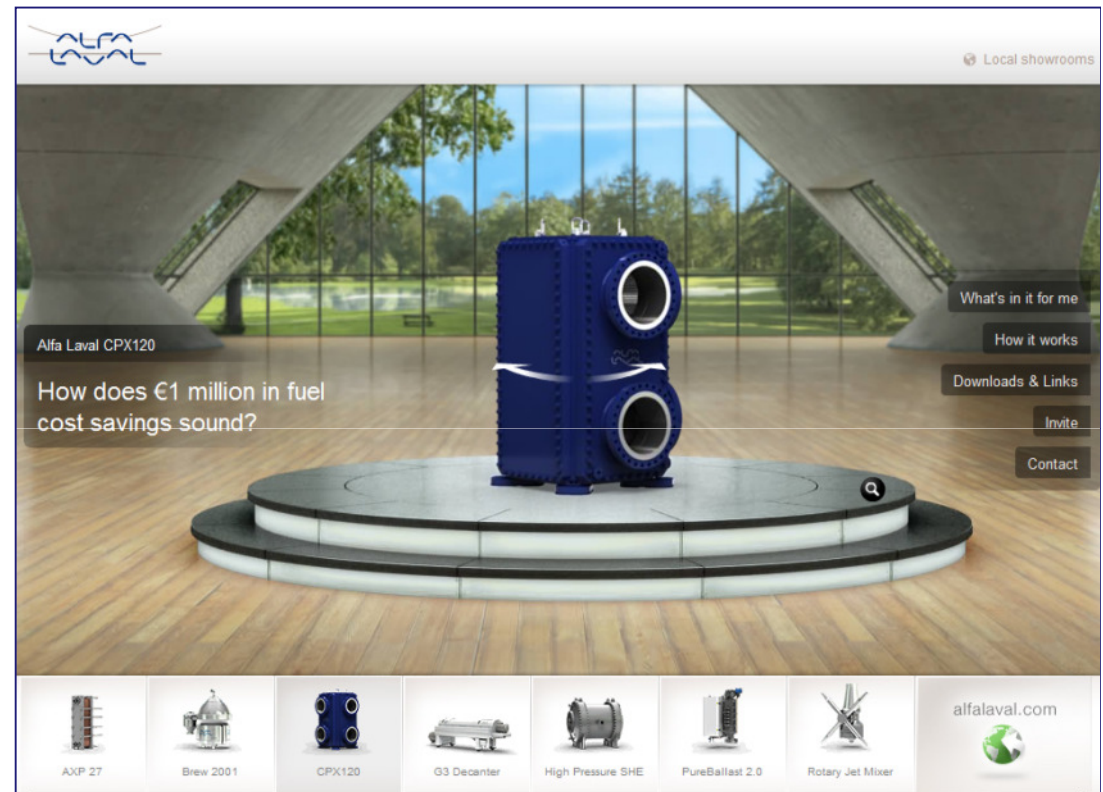
Aftermarket

Pricing



# Focus on R&D

- Constant improvements of existing products
- New capacities, materials and functions
- New products and technologies
- Cooperation with customers and partners



Visit our showroom on [www.alfalaval.com/showroom](http://www.alfalaval.com/showroom) to see our newest products

# Focus on R&D

- Investment 2010:  
= SEK 625 mln
- 35-40 new products/year
- More than 300 patents  
related to own products
- Investments up 70%  
since 2004



# Investments in BRIC

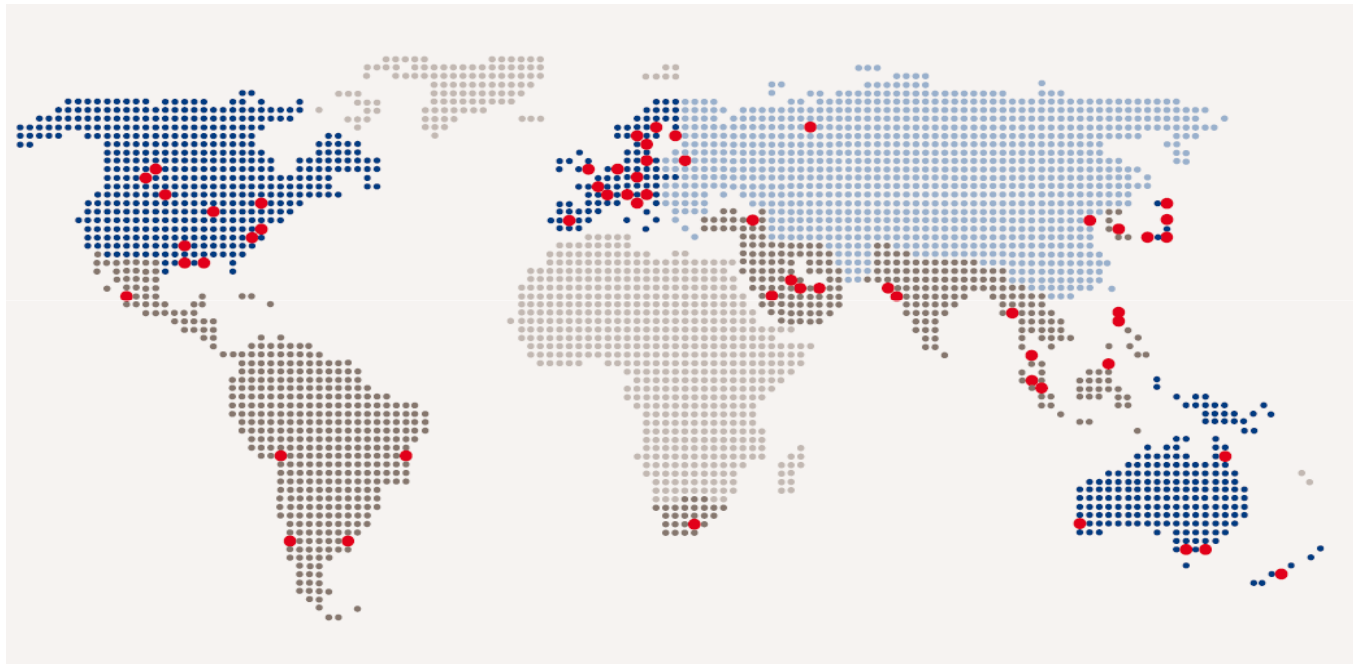


## Footprint

- \* 3 300 employees in 2010
- \* 25% of orders in 1Q
- \* 9 major production sites
- \* Gradual addition of new capacity



# Focus on the aftermarket



Service centers to provide parts and services to the global, installed base of Alfa Laval products

# Split of order intake



Order split in 1Q 2011

# Pricing



# Growth target

*At least* **8%** *average sales  
growth per year, over a business cycle.*

# Including complementary acquisitions

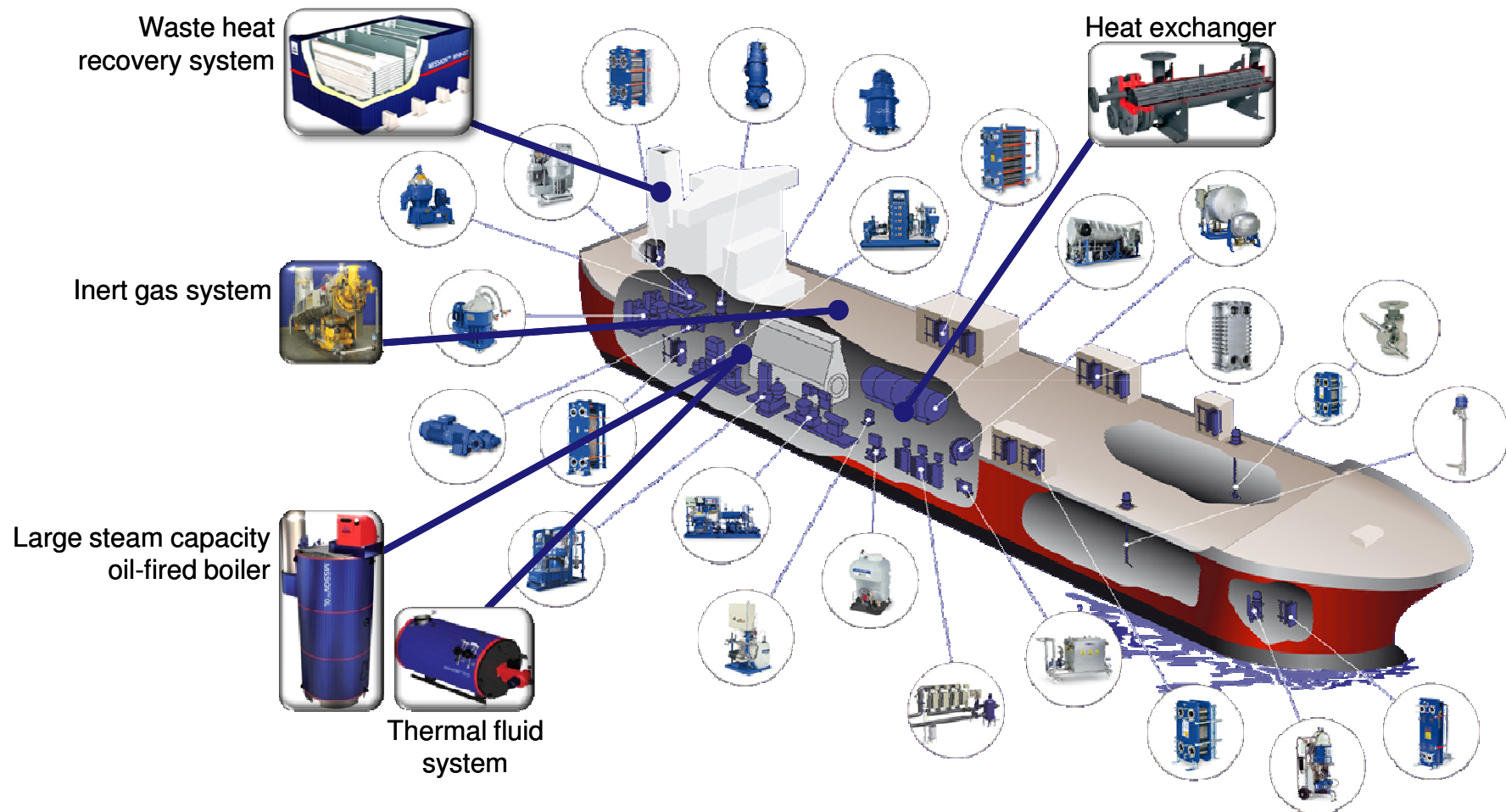
- \* Alfa Laval targets 3-4% annual sales growth through bolt-on acquisitions. On top of that comes larger acquisitions such as Aalborg(> 10%).
- \* Aims to acquire companies that complement the existing business in terms of geographic presence, sales' channels or products

# Acquisitions – an example

## Aalborg Industries

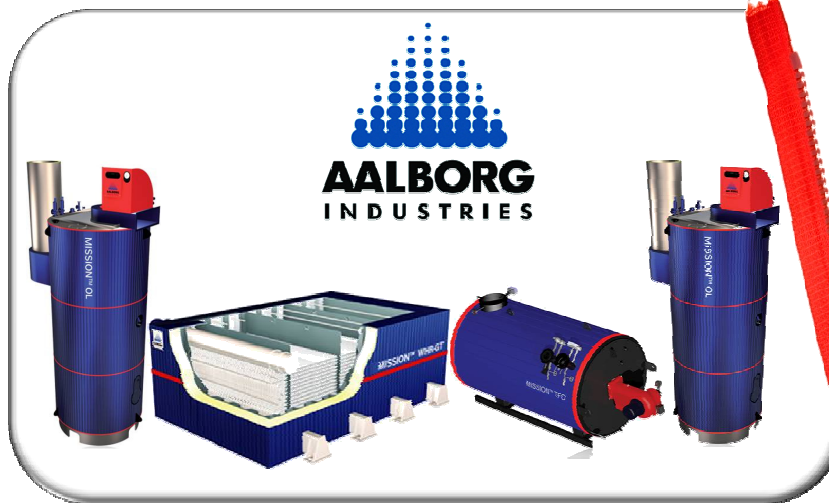
- ★ A world leading manufacturer and supplier of marine boiler systems and a major provider of inert gas systems, thermal fluid systems, and shell and tube heat exchangers
- ★ Some 2,600 employees
- ★ The acquisition is expected to be accretive to EPS from 2011

# Complementary offering





# Attractive structural growth drivers



To optimise the performance of our customers' processes.  
Time and time again.



# Key figures

January – March 2011

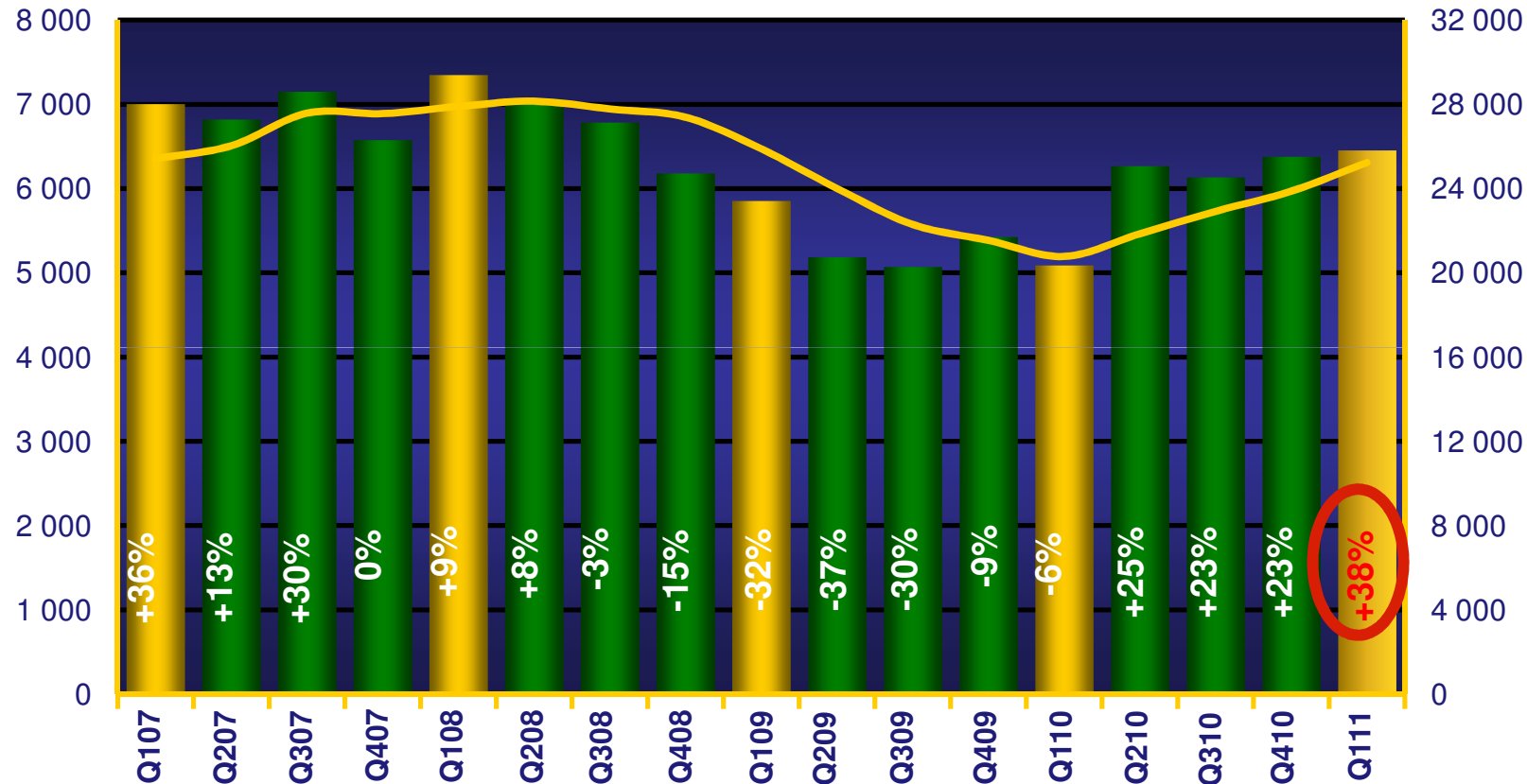
- Orders received rose 27% to SEK 6,455 mln
- Net sales increased 10% to SEK 5,899 mln.
- Adjusted EBITA up 12% at SEK 1,134 mln.
- Adjusted EBITA margin 19.2% vs 18.8%
  - *Negative currency effect SEK 85 million*



# Orders received

SEK million

SEK million R 12

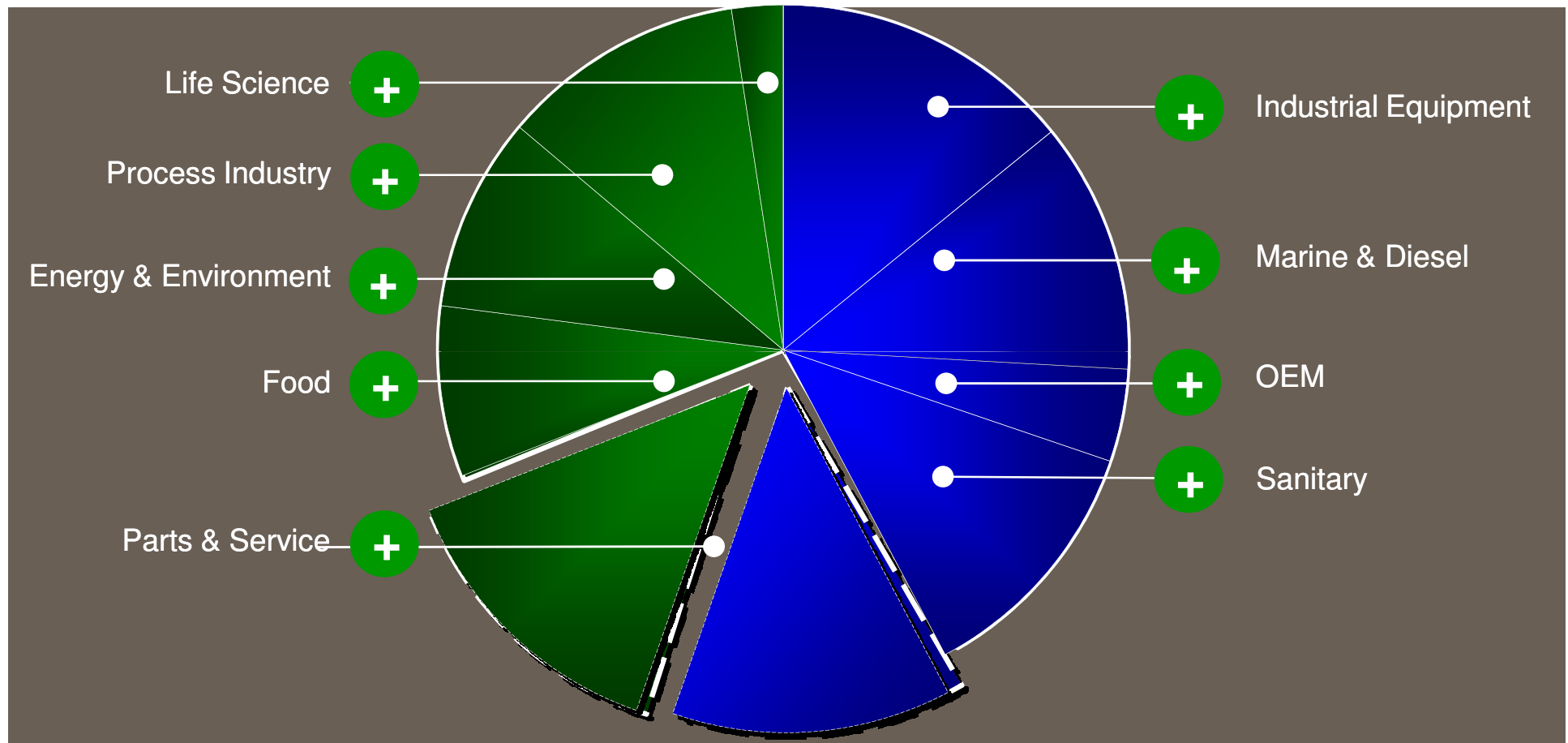


= rolling twelve months value  
  = order intake per quarter

+xx% = % development at constant rates by quarter, year on year

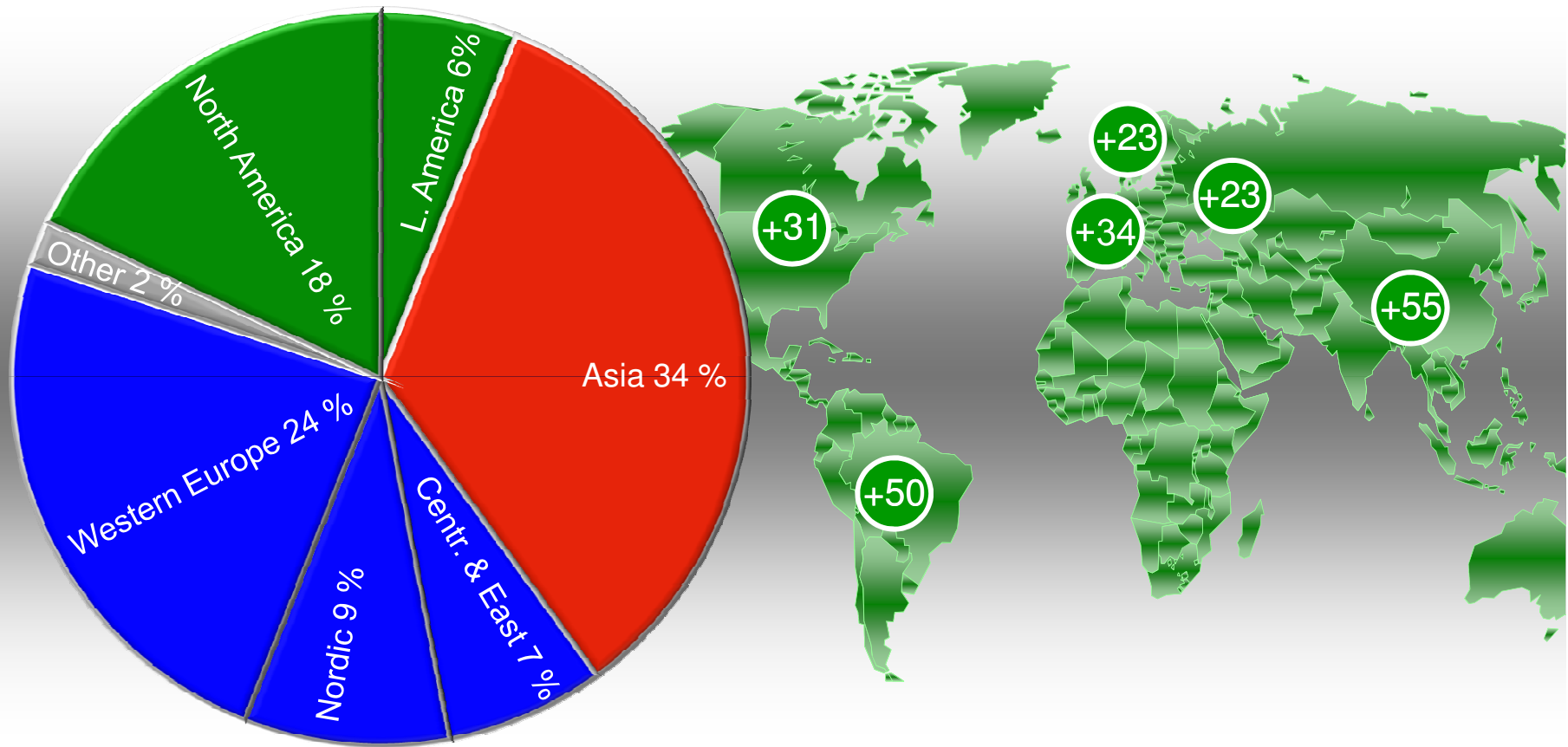
# Orders received by customer segment

Jan - March 2011, at constant rates



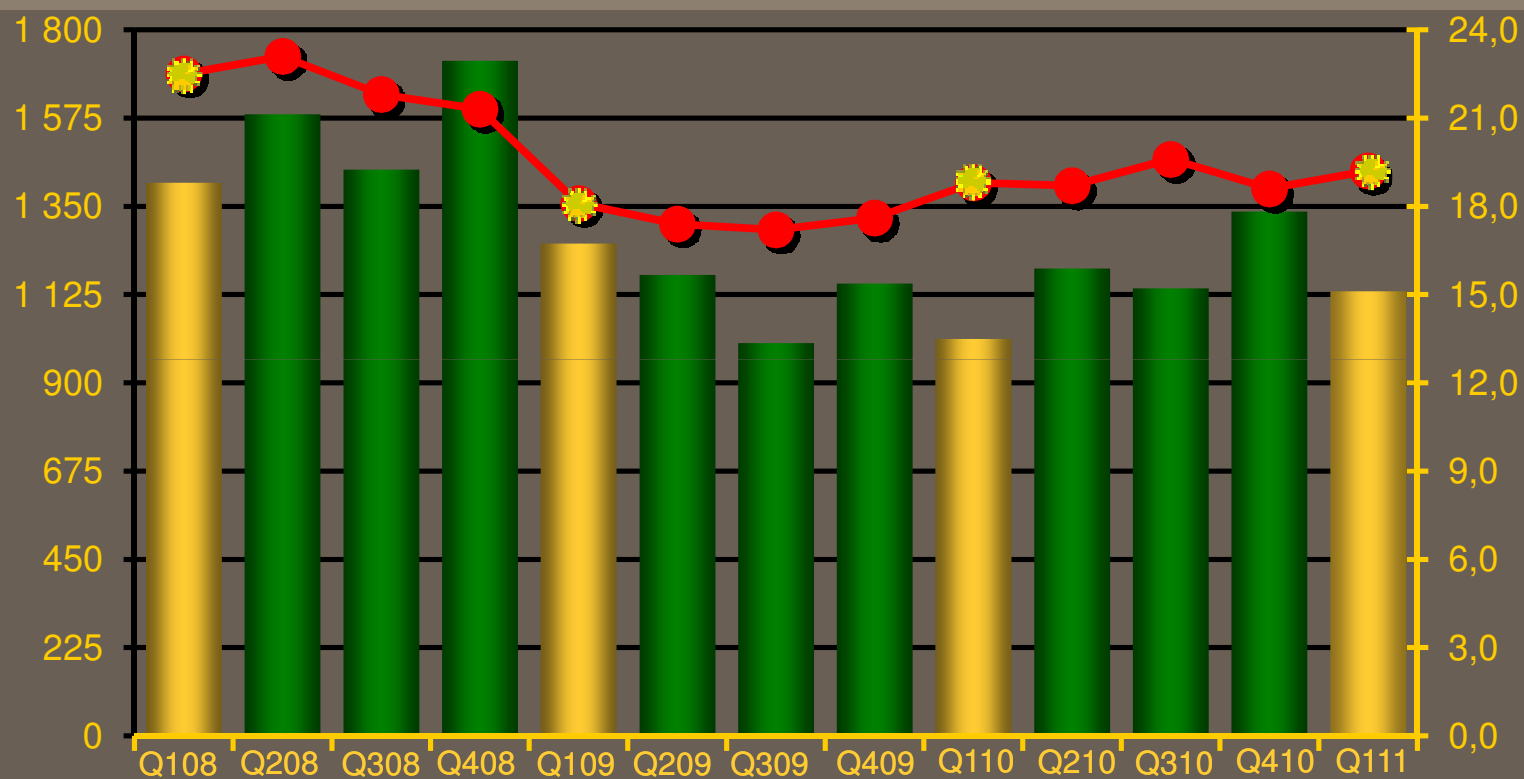
# Orders received by Region

Jan – March 2011, at constant rates



# Adjusted EBITA / margin \*

SEK millions and in percent of sales



\* Adjusted EBITA – "Earnings before interests, taxes, amortization of goodwill and step up values and comparison distortion items."

# Outlook for the second quarter

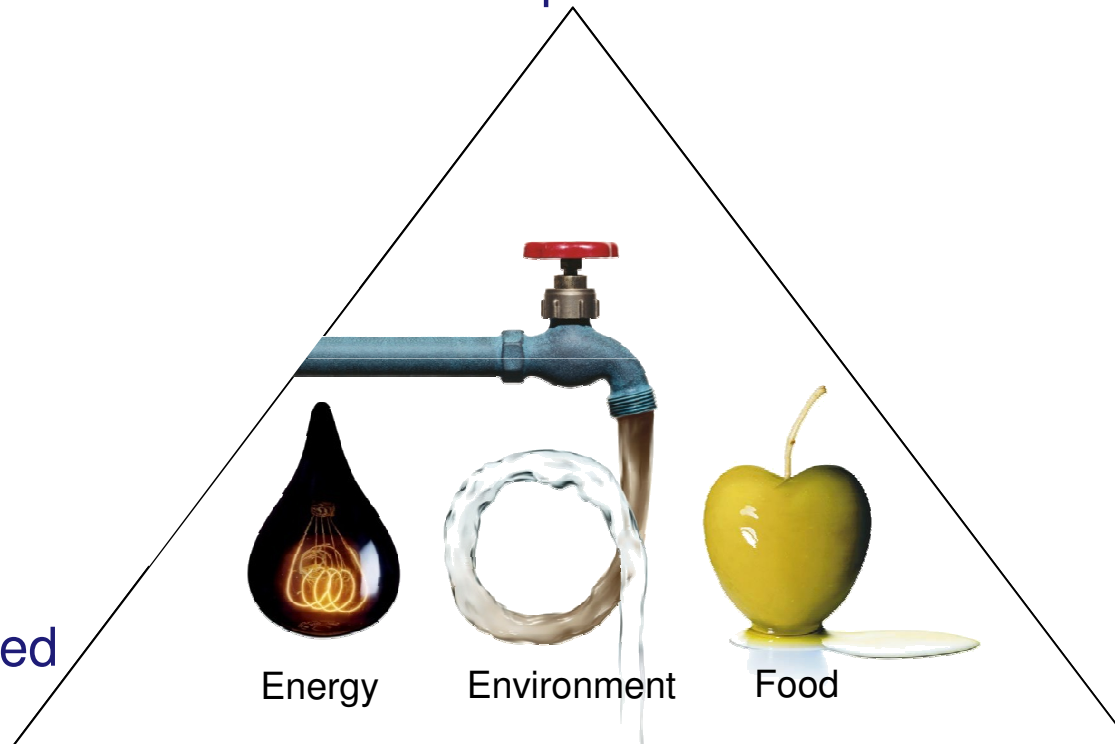
*“We expect demand during the second quarter 2011 to be somewhat higher than the second quarter of 2010.”*

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