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Capital Markets Day 2014

Lars Renström
President and CEO
Alfa Laval Group

Capital Markets Day 2014

November 25, in Copenhagen

10:30 Business update and Q&A
Lars Renström and Thomas Thuresson

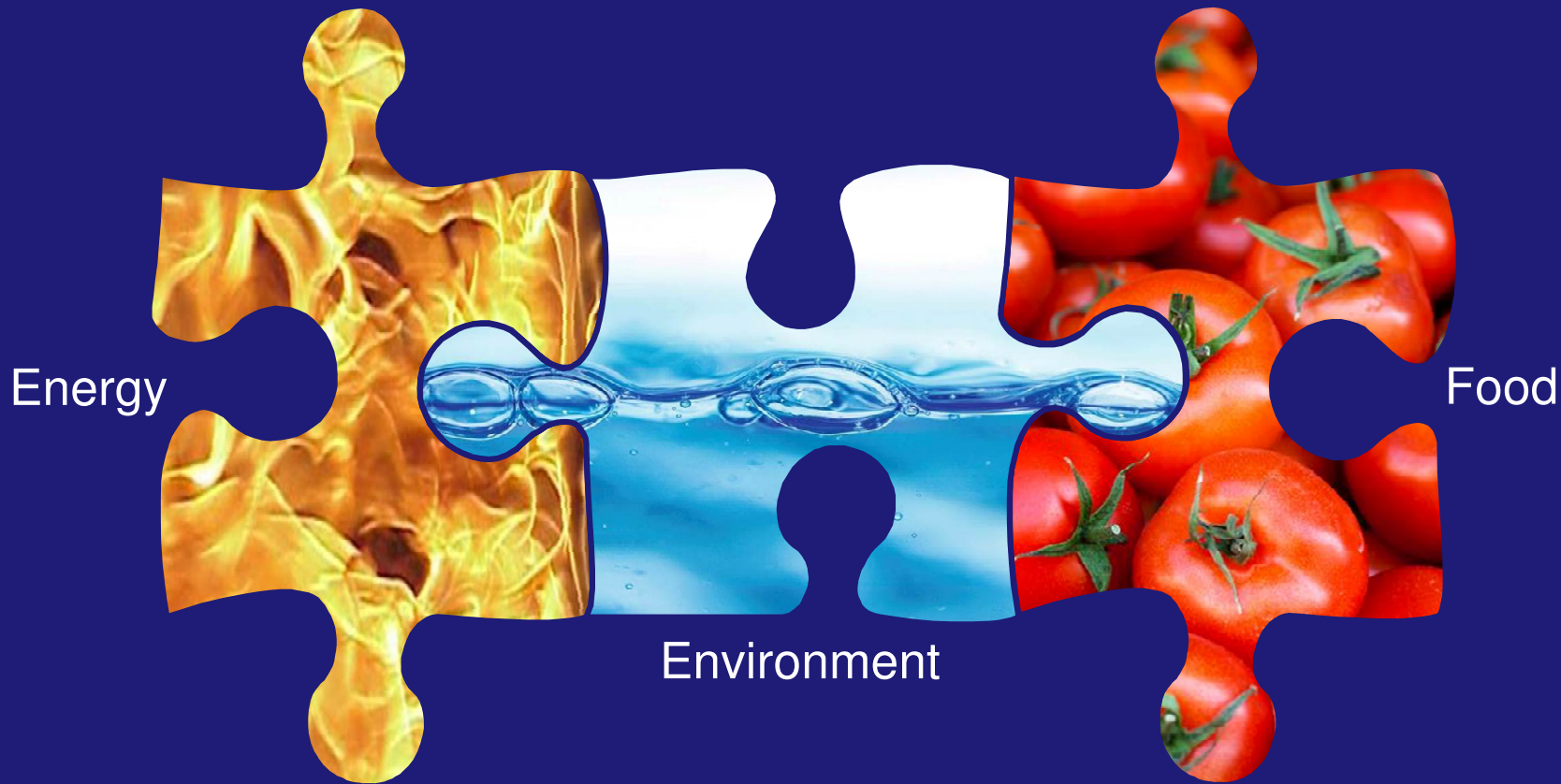
Lunch 11:30

12:30 Innovative technologies and dynamic markets:

- The FRAMO product range, offering and markets (Alex Syed and Magne Sangolt)
- Food trends, offering and markets (Göran Hedbys and Ole Petersen)
- Service trends, offering and markets (Peter Norrby)

15:20 Divisional highlights and Q&A
Susanne Pahlén Åklundh, Peter Leifland and Svante Karlsson

16:20 Closing remarks
Lars Renström



Long-term growth drivers

- Structural changes create demand

- * Energy
- * Environment
- * Increased living standard
- * Globalization



CAGR per business division

- Orders received 2009 - YTD, September 2014

Equipment Division



“Component”
driven

+6%

Marine & Diesel Division



“Marine and
Diesel Industry”
driven

+30%
(+11.8%)*

Process Technology Division



“Process Solution”
driven

+11%

*) Based on net invoicing

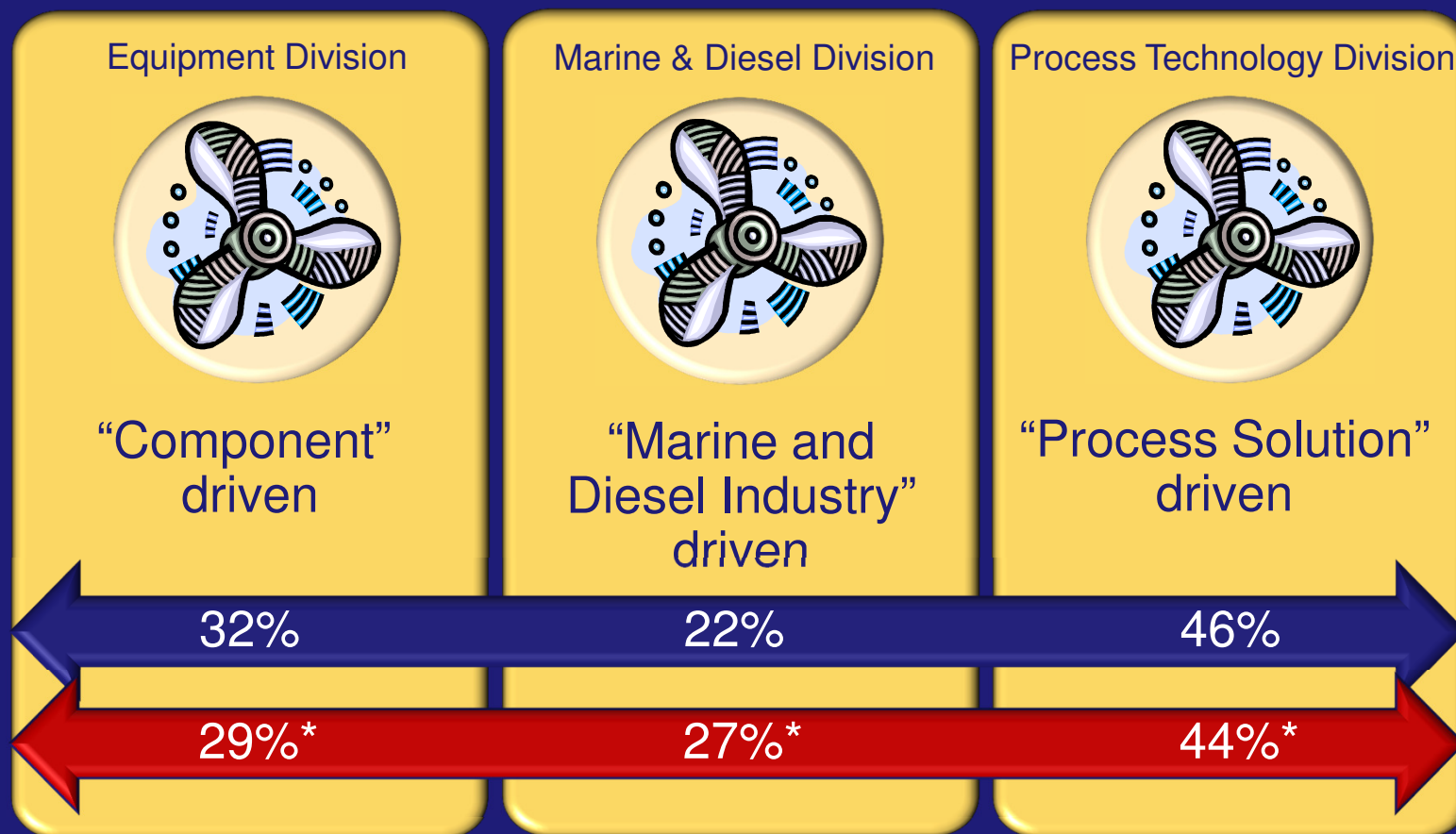
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Acquired growth in 2011 to 2014

Name	Country	Strategy	Business	Sales MSEK
Separators Inc	US	Channel	Provider of service high speed separators	100
Aalborg Industries	Denmark	Product	Supplier of equipment and solutions to marine, offshore and power markets	3,300
Vortex Systems	US	Product	Supplier of mixing and blending equipment and solutions for the oil & gas industry	100
Ashbrook Simon-Hartley	US	Product	Provider of belt filter presses, a complement and alternative to Alfa Laval's decanter range in the dewatering of municipal and industrial wastewater	500
Gamajet Cleaning Systems	US	Product	Provider of tank cleaning equipment for the industrial and sanitary markets in North America.	75
Air Cooled Exchangers	US	Product	Provider of air-cooled heat exchangers to the North American natural gas market.	350
Snecma	France	Product	Technology for a gas combustion unit. A safety equipment for Liquefied Natural Gas carriers.	40
Niagara Blowers	US	Product	Provider of air-cooled heat exchangers to the oil and gas processing industries.	425
Frank Mohn	Norway	Product	Provider of submerged pumping systems to the marine and offshore markets.	3,600
TOTAL MSEK				8,490

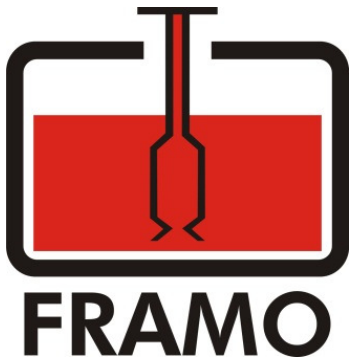
Business divisions' split of sales

- Before and after the acquisition of Frank Mohn AS



*) LTM

Why Framo?



A leading supplier of
marine & offshore
pumping systems

- ✓ We know pumping technology
- ✓ We know the marine and offshore customers
- ✓ We have similar cultures

Σ Limited risk



High performance pumping systems

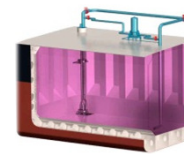
Marine
pumping
56%*



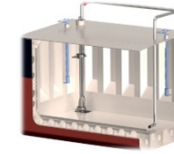
Submerged cargo pump



Cargo heater



Cargo cooler



Submerged ballast pump



Offshore
pumping
23%*



Water injection pumps



Cable free electric submersible pumps



Hydraulic fire water pumps



Electric fire water pumps



Electric submersible pumps



Oil recovery
systems
3%*



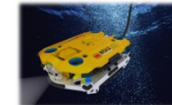
Emergency offloading



The Transrec system



Remote offloading



Service
18%*

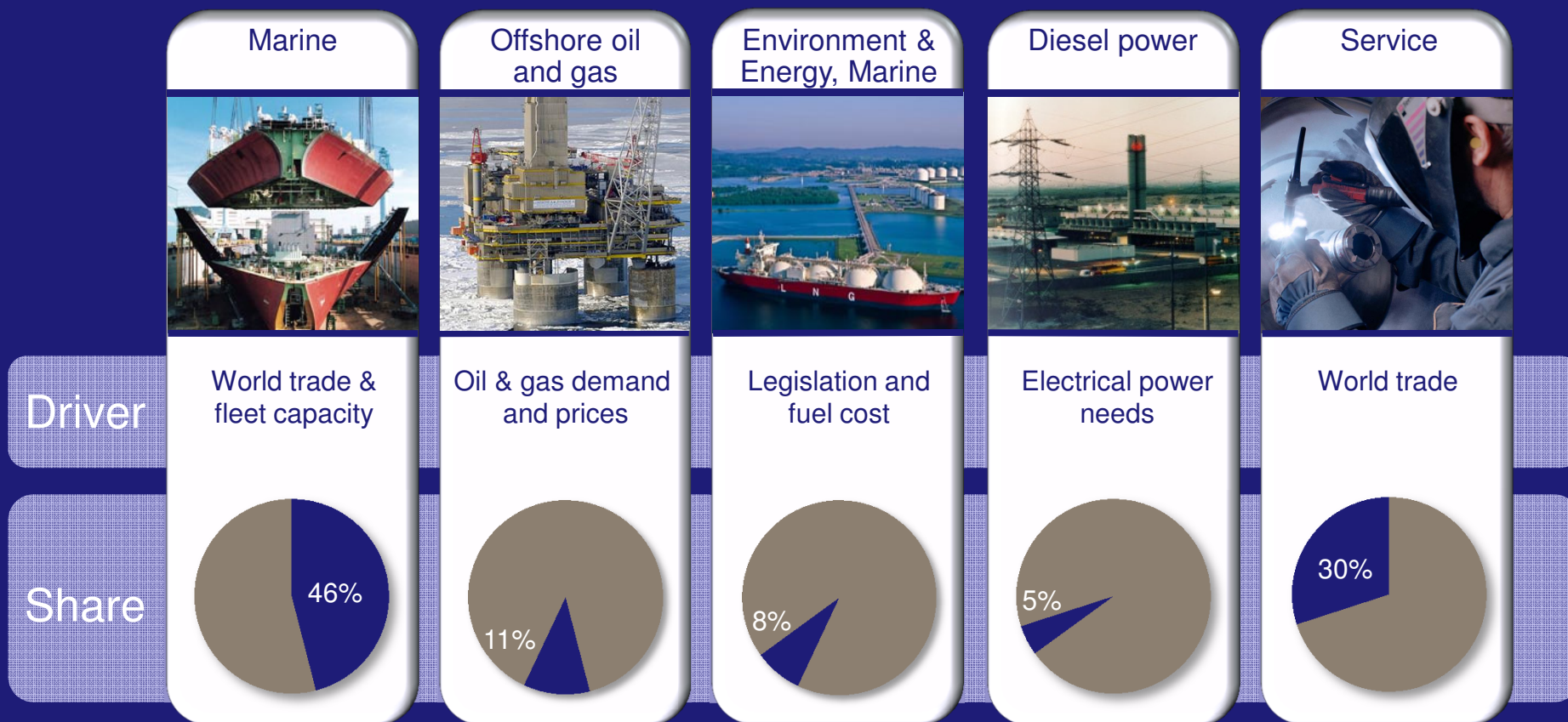


*) Sales LTM 09 2014 (Proforma)

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Industry split including Framo

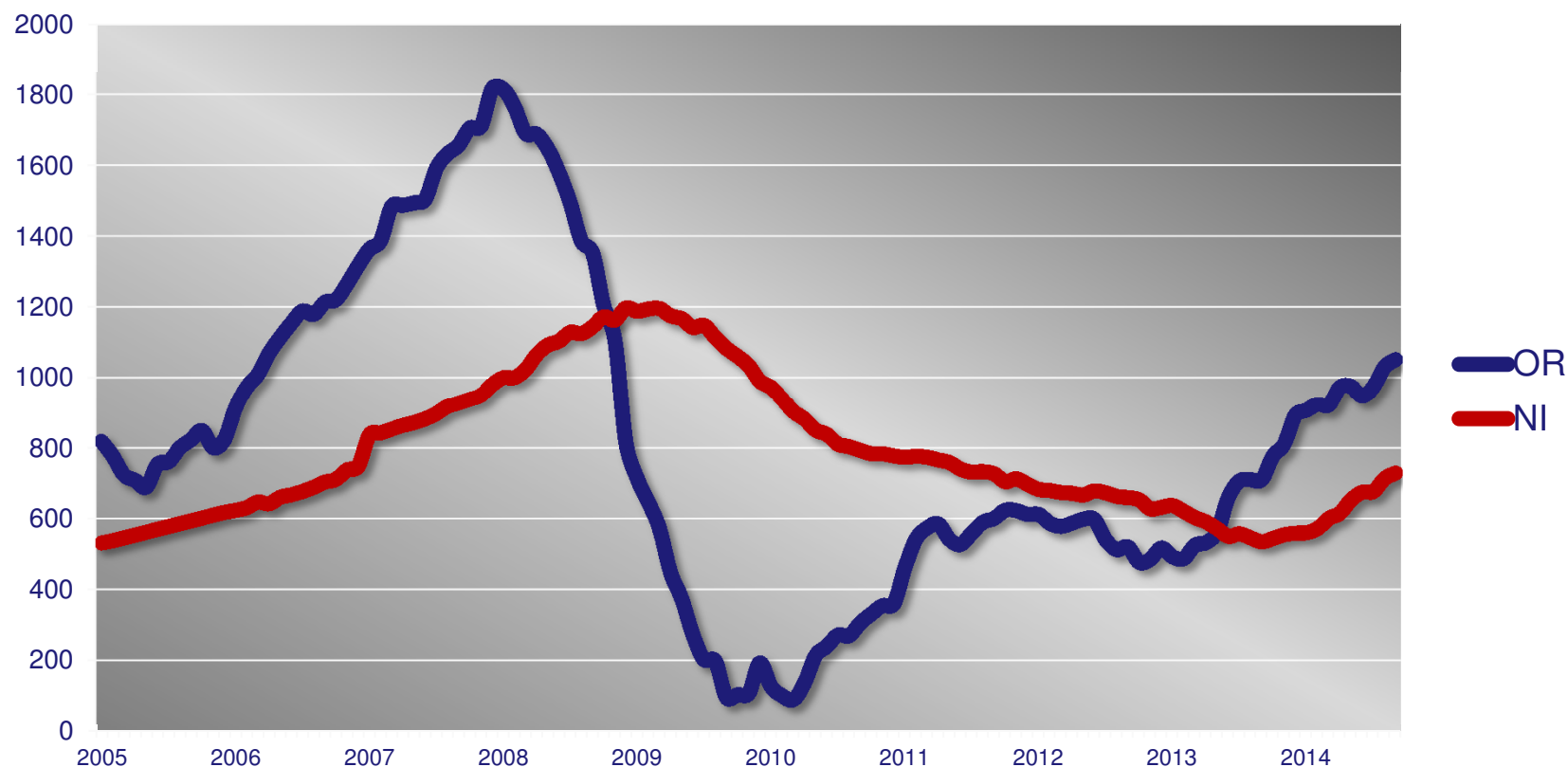
- Distribution invoicing LTM, end September 2014*



*) Pro-forma

Orders received and Net invoicing

- LTM Marine capital orders and sales (M€)*



*) Capital Sales LTM (Proforma) including Aalborg and Frank Mohn.

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Marine & Diesel backlog*

- Development 2010 – YTD (MSEK)

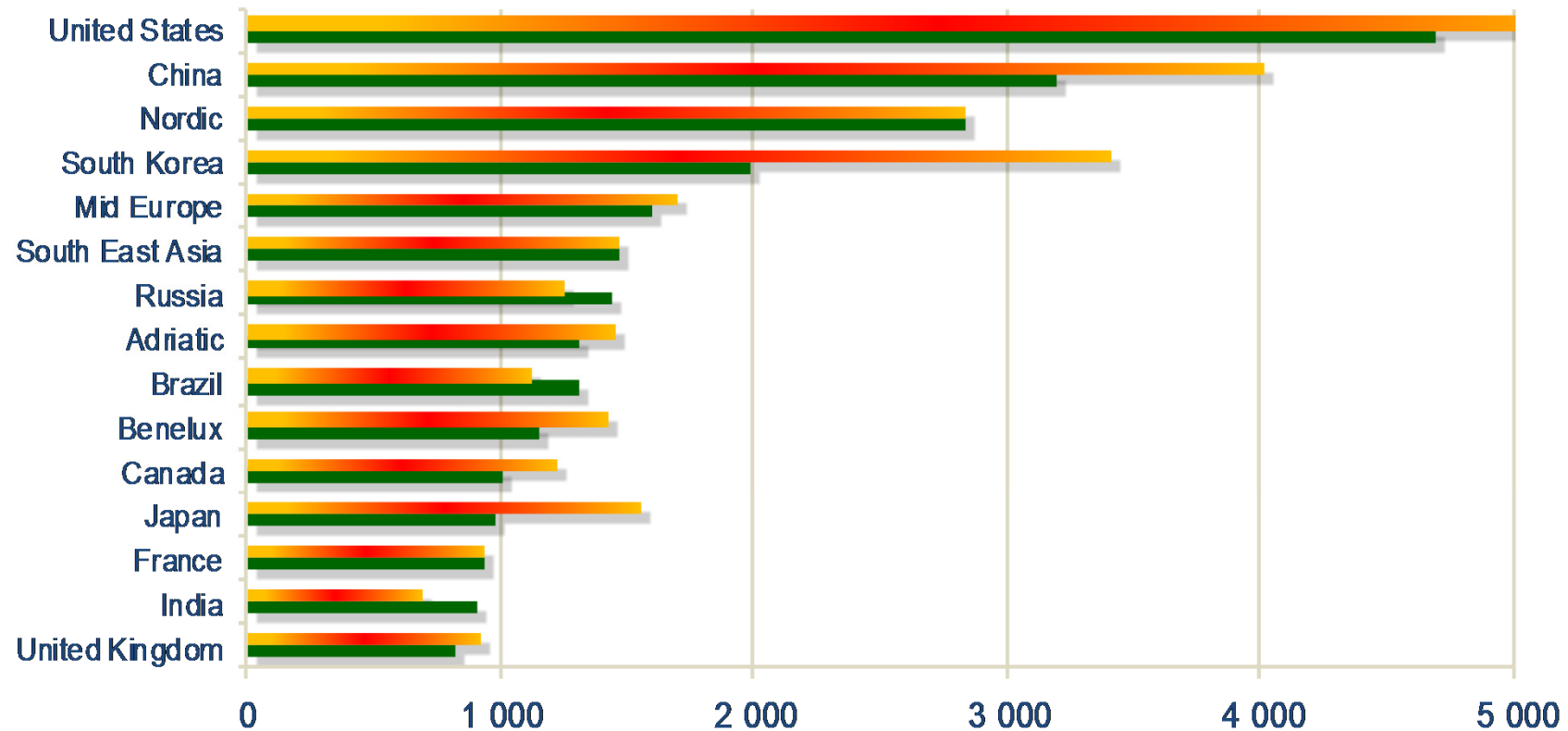



*) For delivery after December 31


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Top 15 markets – orders received*

- SEK million at prevailing rates









 = R12 as per end of September





 = WY 2013

*) The development of the 2013 top fifteen markets.

Alfa Laval China*



Orders Received 2013		LTM Q3-2014 / LTM Q3-2013	
Total Sales Company 378 M EUR			32% Growth – Marine contracting, Waste Water, Brewery, Dairy as well as investments in second and third tier cities remained strong throughout the year
Sales Company Excluding Marine 193 M EUR			4% Growth – The overall business climate has been positive this year, however, large projects have been moving slower due to a more careful approach to financing as well as central anti corruption initiatives
Service Division 41 M EUR			11% Growth – The market for Service remains positive with a growing Installed Base and an increasing awareness of the need for good maintenance

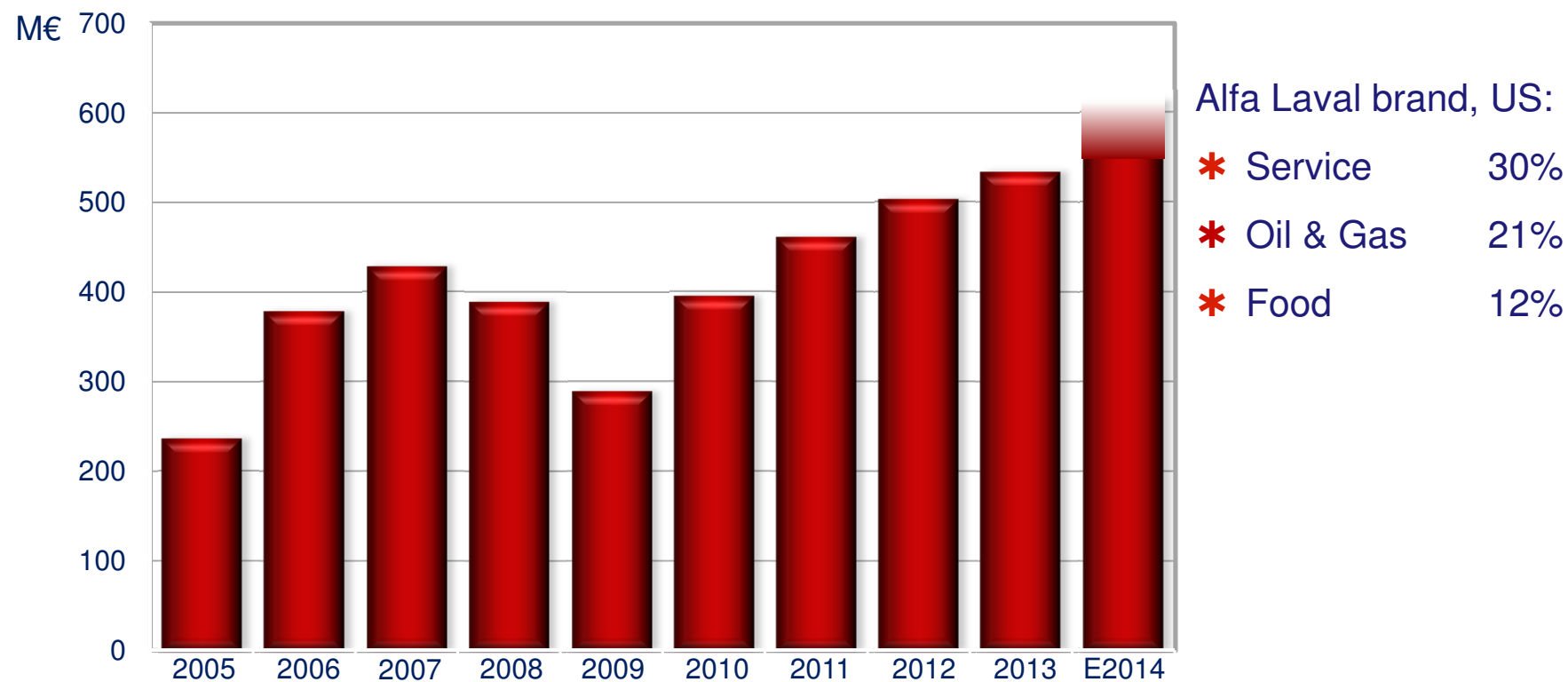
 >10%
  5%-10%
  0%-5%
  <0%

*) Excluding Framo

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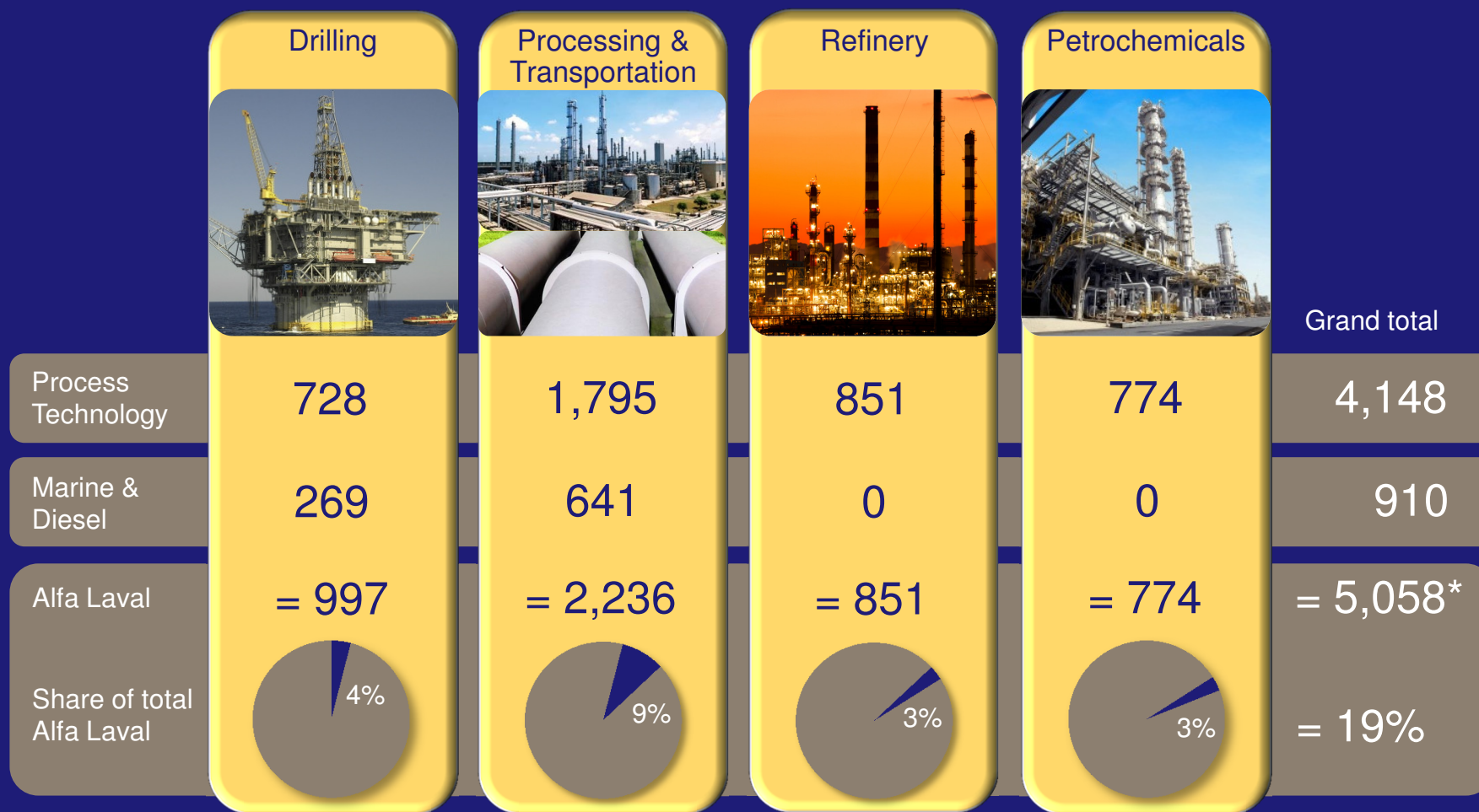
Order intake

- Alfa Laval Group, US



Activity split O&G, total

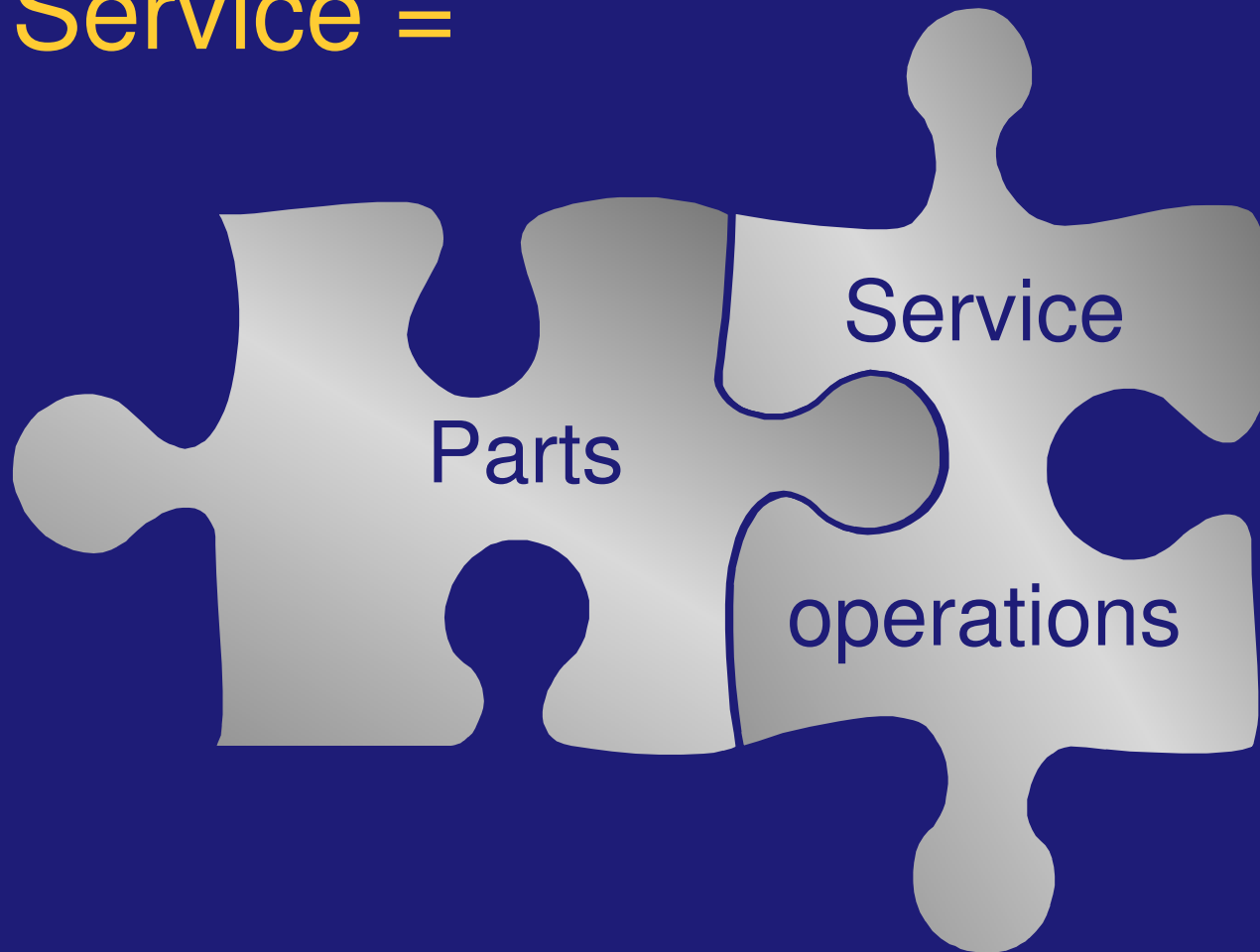
- Distribution of orders YTD, end of September 2014 (MSEK)



*) including Service = 23%

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Service =



Service

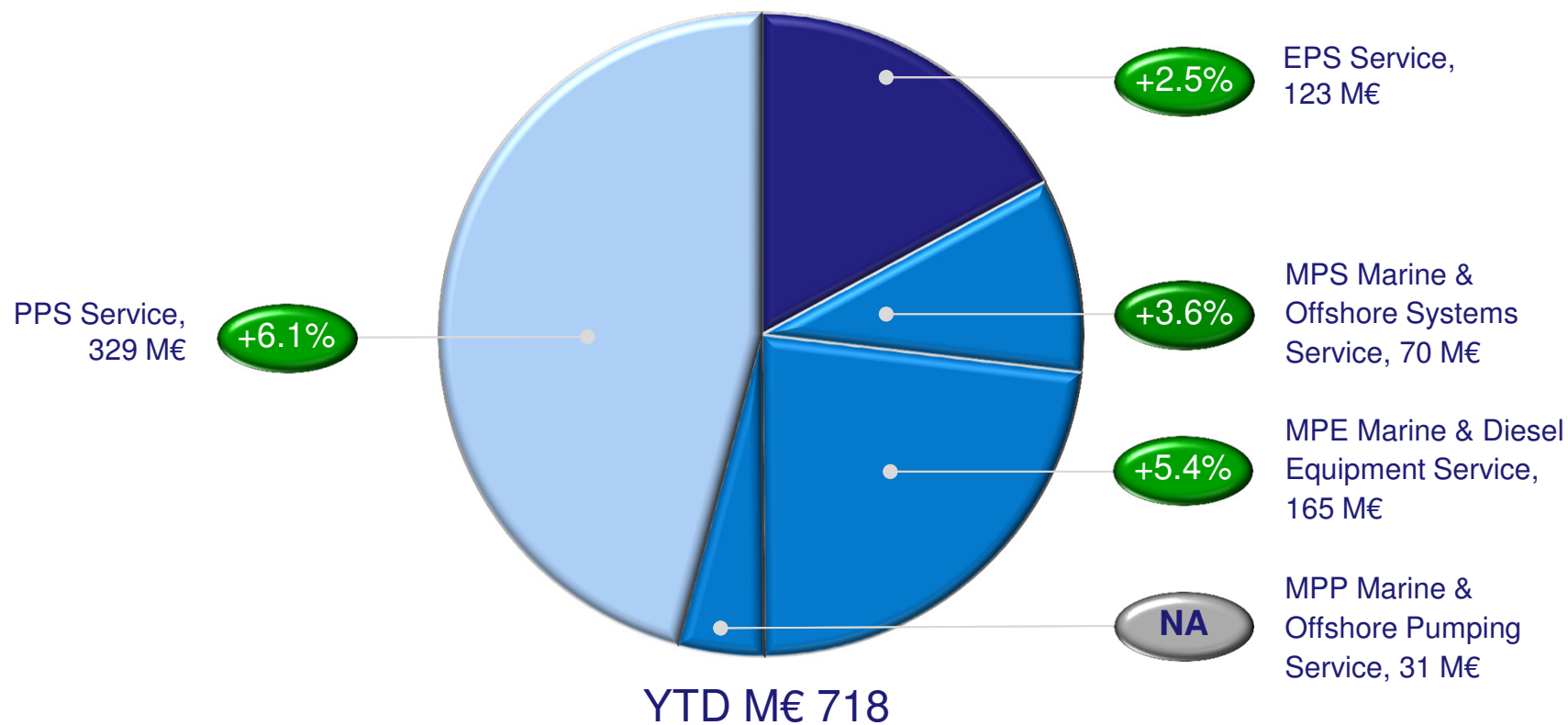


Prime focus is to increase the market share on our own installed base

- * Cover installed base – increase market share:
 - Take ownership in a more extensive and proactive way
 - Adding more sales and field service “feet on the street”
- * Sell Service operations (man-hours)
 - increase share of service operations:
 - Brick-walling – growth opportunity
 - Develop competence and service products

Service growth by segment

- Orders received YTD/LY YTD at fixed rates + 10%



- Equipment division
- Marine & Diesel division
- Process Technology division

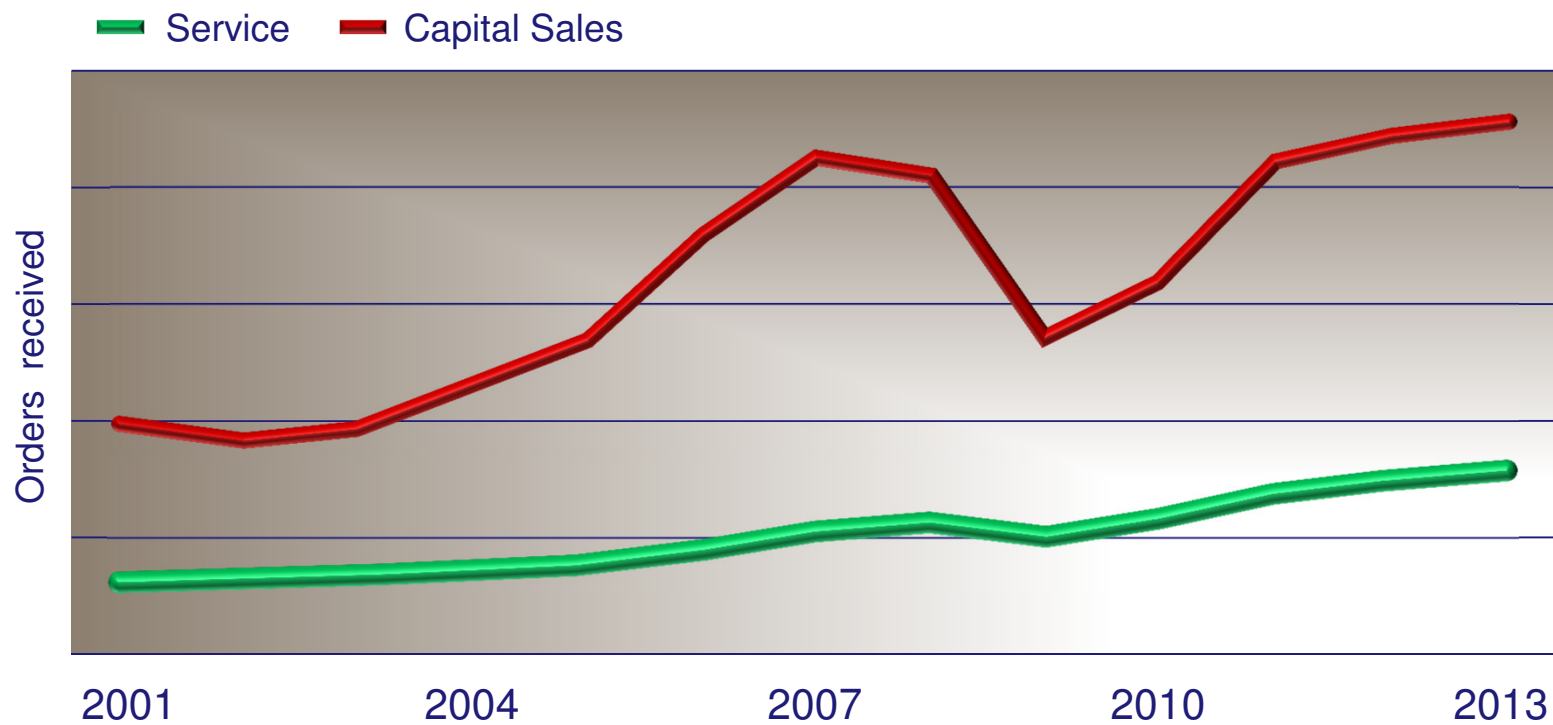
Customer service

- Alfa Laval Group = 107 dedicated service centres



Importance of Service

- Stability in orders received over the business cycle



In conclusion...



- * Service will be an important contributor to profitable growth
- * Marine & Diesel division; 30 percent Service share and a solid backlog stretching even into 2017
- * Diversified presence in the whole oil & gas chain with different demand holds good prospects for the future.

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