



# Capital Markets Day 2016

November 22, in Copenhagen

10:30

## Business update and Q&A

Tom Erixon and Thomas Thuresson

*Lunch 12:00*

12:45

## Innovative technologies and dynamic markets:

- Water & Waste, Thomas Møller
- Service in the Middle East, Anantha Padmanabhan
- India - Energy, environment and food, Lars Dithmer

## Divisional scope and direction, incl Q&A

Susanne Pahlén Åklundh, Nish Patel and Peter Leifland

## Summary & closing remarks

Tom Erixon



# Commitment to win

Tom Erixon  
President and CEO  
Alfa Laval Group

# Commitment to win

CUSTOMER CLOSENESS

Improving customer experience

TECHNOLOGICAL STRENGTH

Increasing pace of innovation

SERVICE EXCELLENCE

Upgrading service offer

PROFITABLE GROWTH

Focusing ...

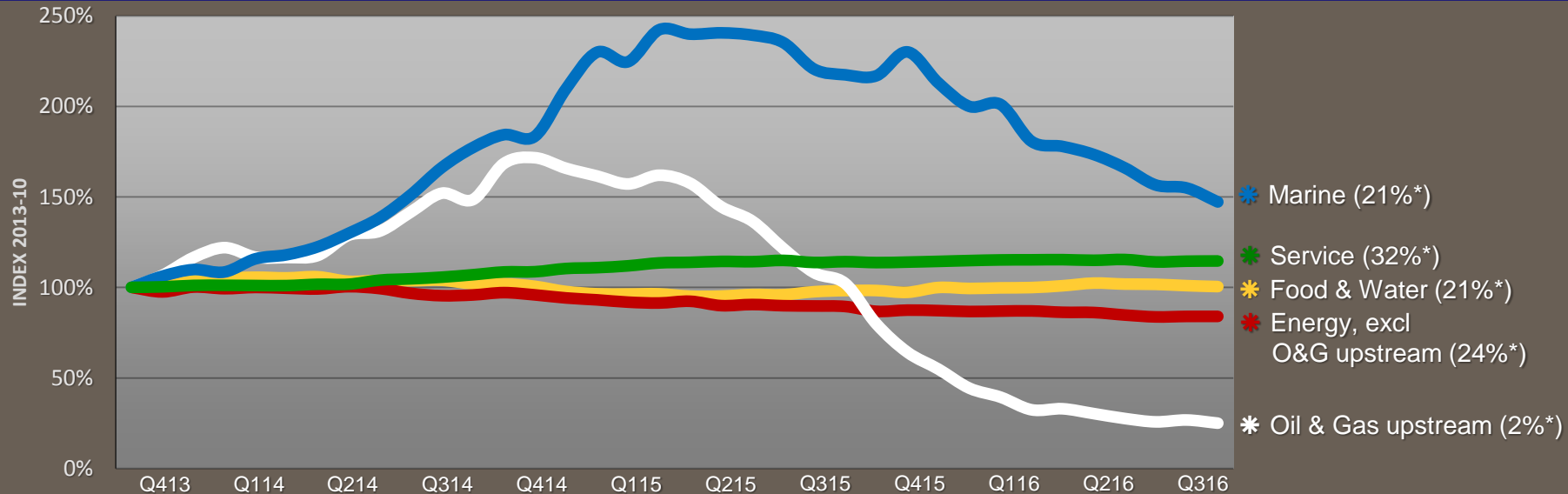
# Strengths



- \* A leader in heat transfer, centrifugal separation and fluid handling
- \* Strong and recognized brand
- \* Active in vital areas; energy, environment and food
- \* Solid local presence
- \* Strong financial position

# Development last 36 months

- Orders received, LTM Q413-Q316, index fixed rates



\*) Share of total orders received, LTM September 30, 2016

# Our financial targets

Growth

**5%**



EBITA

**15%**

ROCE

**20%**

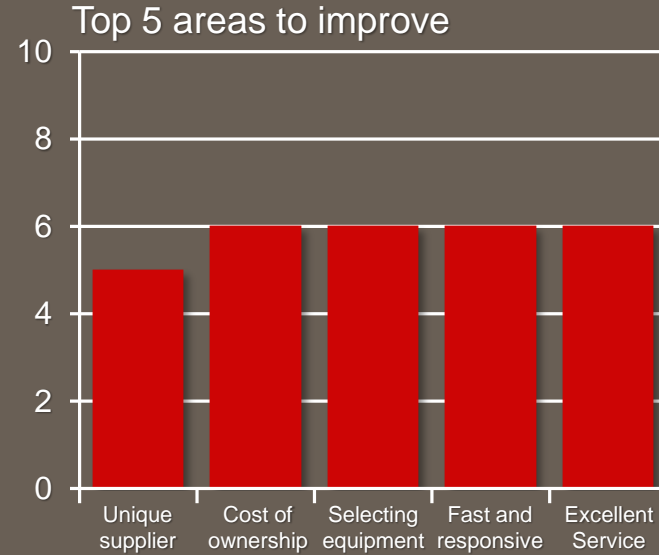
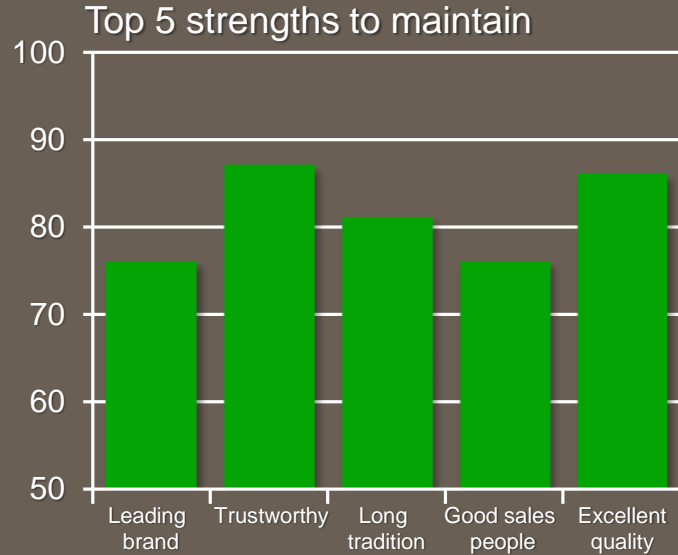
# Customer closeness



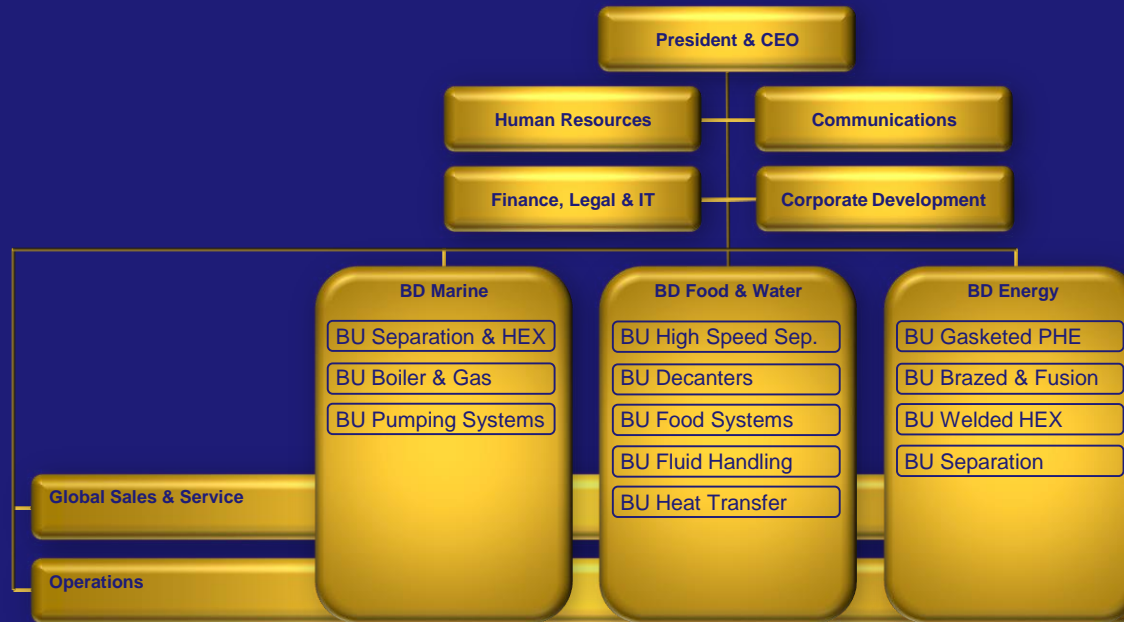


# Voice of the customer

- In order of importance (%)



# Speed and accountability



# Strong business drivers

## Marine Division



Separation &  
Heat Transfer Equip.



Boiler & Gas  
Systems



Pumping Systems

## Food & Water Division



High Speed  
Separators



Decaners



Food Systems



Hygienic Fluid  
Handling



Food Heat Transfer

## Energy Division



Gasketed Plate HEX



Brazed & Fusion  
Bonded HEX



Welded HEX



Energy Separation

# Technological strength

TODAY

World-class  
products &  
solutions

OUR STRATEGY

Increasing pace  
of innovation

OUR TARGET

Unique offering

# Increasing pace of innovation



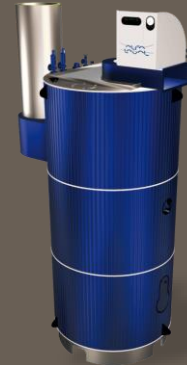
High speed  
separators

Food & Water  
Division



Gasketed plate  
heat exchangers

Energy  
Division



Boilers

Marine  
Division

# High speed separators



New high speed  
separator platforms

- \* Development of new platforms ongoing
- \* Investment in new laboratory
- \* Main focus on Food and Marine
- \* Market launch stepwise from 2017

# Gasketed plate heat exchangers



New platform for gasketed plate heat exchangers

- \* Development ongoing of new differentiated platform
- \* Based on extensive customer input
- \* Addressing the total market
- \* Market launch stepwise from 2017

# Marine environmental



- \* The convention for ballast water – enters into force September 2017
- \* Limit the amount of sulphur emissions from 3.5 percent of fuel content to 0.5 – enter into force from 2020
- \* Significant investments in a state-of-the-art test and training center



# Service excellence

TODAY

Selling parts

OUR STRATEGY

Upgrading  
service offer

OUR TARGET

Zero downtime

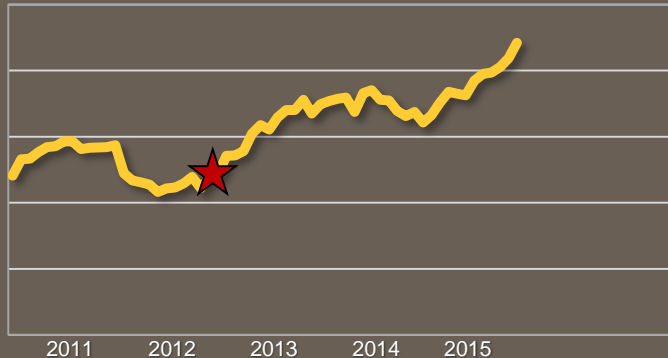
# Service coverage



# Capturing the installed base

## Poland – “It is a journey, not a destination”

- \* New process to capture their installed base
- \* The known installed base has grown with 300%
- \* The service sales has doubled since 2013



## India – “Service on wheels”

- \* Specialized in operating under seasonal conditions.
- \* Quick response to ensure efficient service.

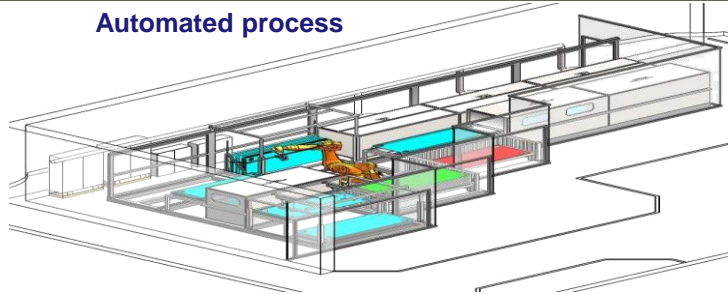


# Service innovation – reconditioning



Gasket removal

Automated process



Regasketing

## Service center Monza, Italy

- \* Developing an automated process for reconditioning plates
- \* Several new technologies are included in the new automated process
- \* Standardized process improves productivity and quality

# Profitable growth

TODAY

Growing through  
acquisitions

OUR STRATEGY

Focusing...

OUR TARGET

Solid organic  
growth

# Strategic focus

## Marine Division

BU Marine  
Separation &  
Heat Transfer  
Equipment

BU Boiler &  
Gas Systems

BU Pumping  
Systems

## Food & Water Division

BU High Speed  
Separators

BU Decanters

BU Food  
Systems

## Energy Division

BU Gasketed  
Plate Heat  
Exchangers

BU Brazed &  
Fusion  
Bonded Heat  
Exchangers

### BU Pumping Systems:

- \* Application development medium-term
- \* Cost down / VAVE
- \* Keep "Excellence" in Service

### BU Food Systems:

- \* Application scope
- \* Ongoing cost down projects
- \* Modularization

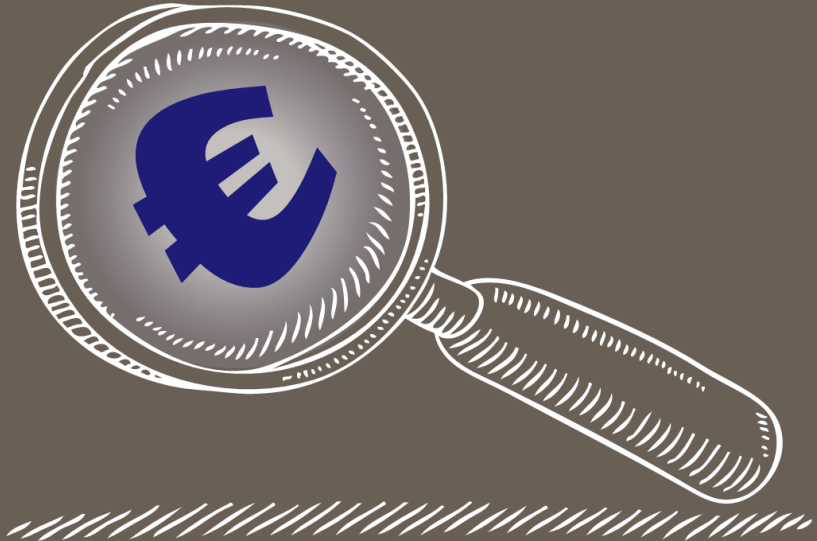
# Reinforced local market presence



- \* Service drive
- \* Lead management to order
- \* Price management
- \* Coaching sales company MD's

# The restructuring program

- \* Adapting the organization
- \* Separating a few product groups = “Greenhouse”
- \* Restructuring of manufacturing footprint.
- \* From capacity management to productivity.





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