



## NEWS RELEASE

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### Alfa Laval's Capital Markets Day - summary of the business update

**Alfa Laval's Capital Markets Day, held today in Copenhagen, Denmark, started off with a presentation by Tom Erixon, President and CEO. He gave additional information about what the new structure and strategies shall bring. Furthermore, he informed that Alfa Laval's growth target will be revised to a yearly average growth rate of at least 5 percent over a cycle, compared with the current target of at least 8 percent.**

"In today's business climate it is more reasonable to aim towards a 5 percent growth target, especially given what Alfa Laval has managed to achieve over the past years," said Tom Erixon. "With the new strategies in place we have the tools we need to reach our financial targets."

Alfa Laval has a very strong position in the markets where it is present. But, there is room to improve. With this in mind, three new strategic pillars were established, aimed at improving Alfa Laval's business going forward. They encompass an improved customer experience, faster product development as well as an upgraded service offering. This, combined with the new structure, will also lead to a more focused business. Alfa Laval shall invest in resources to target applications and areas which are estimated to be able to generate profitable growth.

*Tom Erixon's presentation can be downloaded from Alfa Laval's website. A recorded version of his presentation, as well as that of Thomas Thuresson, will be posted on Alfa Laval's website in a few days.*

**Thomas Thuresson, Executive Vice President and CFO,** started off with providing some information on the pro-forma development for the future three divisions Energy, Food & Water and Marine. For further details, please have a look at the "Financial Update" powerpoint presentation on Alfa Laval's website.

Furthermore, he gave an updated view on the expected FX effects on the adjusted EBITA level. "The forecast has been updated and the positive FX effects are expected to

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end up at SEK 550 million for this year and at SEK 275 million for 2017, Thomas Thuresson said.

Talking about capital expenditure, the guidance was kept at 2.0 percent of sales, or lower. Further on guidance; Alfa Laval's R&D spend is kept at between 2 and 2.5 percent of sales also going forward; the tax guidance remains at 28 percent of profit before tax and the dividend pay-out ratio is kept at 40-50 percent of EPS, adjusted for step-up amortization.

All presentations are available at:

<http://www.alfalaval.com/investors/Publications/capital-markets-day/>

### **About Alfa Laval**

Alfa Laval is a leading global provider of specialized products and engineering solutions based on its key technologies of heat transfer, separation and fluid handling.

The company's equipment, systems and services are dedicated to assisting customers in optimizing the performance of their processes. The solutions help them to heat, cool, separate and transport products in industries that produce food and beverages, chemicals and petrochemicals, pharmaceuticals, starch, sugar and ethanol.

Alfa Laval's products are also used in power plants, aboard ships, in the mechanical engineering industry, in the mining industry and for wastewater treatment, as well as for comfort climate and refrigeration applications. Alfa Laval's worldwide organization works closely with customers in nearly 100 countries to help them stay ahead in the global arena.

Alfa Laval is listed on Nasdaq OMX, and, in 2015, posted annual sales of about SEK 39.7 billion (approx. 4.25 billion Euros). The company has about 17 500 employees.

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