Alfa Laval in Asia

Peter Leifland
Executive VP
Region Asia, Latin America, Oceania
A global company

Year 2003

- Total sales: MSEK 13,900
- No. of employees: 9,350
- 20 production units
- 70 service centres
- Sales Companies in 50 countries
- Other sales representation in more than 45 countries
Streamlining implemented

- **Agri**
- **Food**
- **Industry**

1990

1991

When IK bought AL

**Divested**

- **Tetra Laval**

**Divested**

- **Process Technology Division**
- **Equipment Division**
- **Today**

**Thermal**

**Other**

**Separation**

**Flow**

**Automation**

**Ind.Flow**

www.alfalaval.com
Capital sales/core product group

- Heat Transfer: 41%
- Separation: 30%
- Fluid Handling: 18%

Market share:
- Heat Transfer: 36%
- Separation: 24%
- Fluid Handling: 10%
## Highlights

<table>
<thead>
<tr>
<th>Year</th>
<th>Order intake:</th>
<th>14,145 MSEK</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Net sales:</td>
<td>13,909 MSEK</td>
</tr>
<tr>
<td></td>
<td>Adjusted EBITA / margin:</td>
<td>1,627 MSEK / 11.7%</td>
</tr>
<tr>
<td></td>
<td>Profit before tax:</td>
<td>817 MSEK</td>
</tr>
<tr>
<td></td>
<td>Cash flow from operating activities</td>
<td>1,654 MSEK</td>
</tr>
<tr>
<td></td>
<td>ROCE</td>
<td>21.3%</td>
</tr>
</tbody>
</table>
Orders received by Segment

January – December 2003
Orders received by Region

- Asia 25%
- North America 17%
- Latin America 4%
- Central & Eastern Europe 9%
- Nordic 13%
- Western Europe 30%
- Other 2%

January – December 2003
Facts on Asia, 2003

- Order intake, MSEK 3,474
- Net invoicing, MSEK 3,253
- Employees
  - Sales & Services 1,028
  - Manufacturing 970
- Service centers 16
- Production facilities 6
Orders received by region

- Asia 25%
- Western Europe 30%
- North America 17%
- Centr. & East 9%
- Nordic 13%
- Other 2%
- Latin America 4%

Alfa Laval Group January – December 2003

+18%
Orders received Asia

- Parts & Service
- Life Science
- Process Industry
- Energy & Environment
- Food
- Comfort & Refrigeration
- Marine & Diesel
- Fluids & Utility
- OEM
- Sanitary

January – December 2003
How we drive growth

- Salesman
- Sales Company segment
- Central segment
- AL Group

Accelerator
- Activities & Competence
- Key performance indicators
- Customer pyramid & grid

Connect
- Key growth drivers
- Gap analysis & Targets

Gearbox
- The six gears
Sales channels

Distribution in % per type of channel
Equipment Division, last 12 months June 2003

Distributors

System Builders

Contractors

End Users

18

36

28

18

18
Financial performance measurements

All measurements are rolling twelve months values

- Total orders received per country
- Profit factor = Consolidated gross margin / Local cost
- Net DSO = Outstanding A/R less advances in no of days of invoicing
Performance in Asia

- Higher growth
- Lower sales and administration costs
- Shorter payment terms
- Gross margin on average
Opportunities and threats

- More group supplies
  - Especially from India and China
- Competitive situation similar to Europe
  - Longterm more regional competitors