Capital Markets Day 2015

Lars Renström
President and CEO
Alfa Laval Group
Capital Markets Day 2015

November 24, in Copenhagen

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

Lunch 11:30

12:30  Innovative technologies and dynamic markets:
- Food in USA (John Atanasio)
- Food in China (Jan Debruyn)
- Innovation (Alex Syed and Jan Ackalin)

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

16:20  Closing remarks
Lars Renström
Growth opportunities

- Service
- Energy – both marine and land-based gas
- Increased living standard – food, beverages, pharma
- Environment – water and industrial waste
Service =

Parts

Service

operations
### Service growth
- Development before and after 2013

<table>
<thead>
<tr>
<th></th>
<th>Before 2008-2012 CAGR</th>
<th>After 2013-2015Q3 CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>+ 2.6%</td>
<td>+ 7.9%</td>
</tr>
<tr>
<td>Parts</td>
<td>+ 1.0%</td>
<td>+ 7.2%</td>
</tr>
<tr>
<td>Service operations</td>
<td>+ 5.3%</td>
<td>+ 9.5%</td>
</tr>
</tbody>
</table>
Importance of Service
- Stability in orders received over the business cycle

Orders received

## Alfa Laval China*

<table>
<thead>
<tr>
<th>Order intake 2014</th>
<th>LTM Q3-2015 / LTM Q3-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong> 437 M EUR</td>
<td>![Sun] ![Cloud] <strong>11% contraction</strong> – Marine contracting slowed down. Investments in Waste Water, Brewery, Dairy as well as investments in second and third tier cities remained strong.</td>
</tr>
<tr>
<td><strong>Excluding Marine</strong> 208 M EUR</td>
<td>![Cloud] ![Cloud] <strong>4% contraction</strong> – No major change in the business climate, however, large projects in process related industries have continued to move slowly.</td>
</tr>
<tr>
<td><strong>Service</strong> 49 M EUR</td>
<td>![Sun] ![Cloud] <strong>Stable</strong> – The market for Service remains positive with a growing installed base and an increasing awareness of the need for good maintenance.</td>
</tr>
</tbody>
</table>

*) Excluding Framo

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**Weather Key:**
- ![Sun] > +3%
- ![Cloud] +3% -3%
- ![Rain] -3% -10%
- ![Thunder] > -10%

www.alfalaval.com
Yard contracting and deliveries

- October 2015, including all ships above 2,000 Dwt/Gt

Source: Clarkson Research Services Limited

www.alfalaval.com

No of ships contracted

No of ships delivered

Actual Contracted YTD

Number of vessels


Source: Clarkson Research Services Limited

www.alfalaval.com
Shipmix
- 2014 vs. estimated 2015, number of vessels

2014 = 2,077 vessels
E 2015 = 1,213 vessels

*) Alfa Laval “sweet spot”: Crude tankers, Products & chemical tankers, Gas carriers and Container vessels
**) Other vessels: General cargo & MPP, Reefer, Ro-ro & vehicle carriers, Cruise, Offshore and miscellaneous

Source: Clarkson, 1st October 2015
www.alfalaval.com
Marine growth areas
- Orders received in MEUR

CAGR 44.1%

<table>
<thead>
<tr>
<th>Year</th>
<th>New fuels</th>
<th>Energy</th>
<th>Environmental</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>20</td>
<td>20</td>
<td>60</td>
</tr>
<tr>
<td>2012</td>
<td>20</td>
<td>20</td>
<td>60</td>
</tr>
<tr>
<td>2013</td>
<td>20</td>
<td>20</td>
<td>60</td>
</tr>
<tr>
<td>2014</td>
<td>40</td>
<td>40</td>
<td>80</td>
</tr>
<tr>
<td>LTM 2015-09</td>
<td>80</td>
<td>80</td>
<td>120</td>
</tr>
</tbody>
</table>
Framo update

- Framo exceeds our expectations
- Integration according to plan and will deliver synergies of 120 MNOK p.a. by 2017
- Amortization of loans 6 months ahead of plan – quickly deleveraging
Framo development
- Orders received LTM Q315; 578 M€

- Marine cargo pumping: 380
- Off-shore pumping: 89
- Oil recovery: 5
- Service: 104

www.alfalaval.com
**Alfa Laval USA**

<table>
<thead>
<tr>
<th>Order intake 2014</th>
<th>LTM Q3-2015 / LTM Q3-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong> 595 M EUR</td>
<td><img src="sun.png" alt="Sun" /> <img src="cloud.png" alt="Cloud" /> <strong>11% contraction</strong> – Oil &amp; Gas contracting, Food growing along with general industrial sectors including renewed activity in BioTech.</td>
</tr>
<tr>
<td>Excluding Oil &amp; Gas 458 M EUR</td>
<td><img src="sun.png" alt="Sun" /> <img src="cloud.png" alt="Cloud" /> <strong>Stable</strong> – The overall business climate is steady this year except O&amp;G, however, large projects in the industrial sector have been moving slower due to a more careful approach.</td>
</tr>
<tr>
<td><strong>Service</strong> 178 M EUR</td>
<td><img src="sun.png" alt="Sun" /> <img src="cloud.png" alt="Cloud" /> <strong>Stable</strong> – The market for Service remains active although non repeat of larger replacement orders has an effect on the total.</td>
</tr>
</tbody>
</table>

*) Excluding Framo

![Sun](sun.png) > +3%  ![Cloud](cloud.png) +3% -3%  ![Rain](rain.png) -3% -10%  ![Thunderstorm](thunderstorm.png) > -10%

www.alfalaval.com
Activity split O&G, total

- Distribution of orders Q3 2015 (MSEK)

<table>
<thead>
<tr>
<th>Process Technology</th>
<th>Drilling</th>
<th>53</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marine &amp; Diesel</td>
<td>190</td>
<td>230</td>
</tr>
<tr>
<td>Alfa Laval</td>
<td>243</td>
<td>569</td>
</tr>
<tr>
<td>Refinery</td>
<td>170</td>
<td>170</td>
</tr>
<tr>
<td>Petrochemicals</td>
<td>385</td>
<td>385</td>
</tr>
<tr>
<td>Grand total</td>
<td>947</td>
<td>1,367*</td>
</tr>
</tbody>
</table>

Sequential development

*) Including Service  **) Sequential comparison

Share of total Alfa Laval

2.8% 6.6% 2.0% 4.4%

=15.7%

www.alfalaval.com
Food and pharma
- Increased living standard, MSEK fixed rates

Total Q315: MSEK 2 470
Q315 vs. Q215: +6%
Q315 vs. Q314: +10%

Americas: 776
+4%
+14%

Europe: 704
-10%

Asia, Pacific & Africa: 990
+25%
+29%
Acquired growth, 2011-2015

In total

12 companies = M€ 970*

in sales

CAGR in sales

+6.3%

By strategy

*) At the time of the acquisition
Acquisition focus

Equipment Division

USA

Three key technologies
In conclusion…

- Prospects of Service and good backlog in Marine gives resilience.
- Expect to enjoy a continued good shipmix 2015.
- Alfa Laval in Q315:
  - Hydrocarbon chain = 16%
  - Food and pharma = 28%
- Acquisition capacity = 5 BSEK