Capital Markets Day

Marine Service

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Marine Separation & Heat Transfer Equipment
Uptime and stable operations crucial

THE BACKGROUND

• Sailing ships are extremely exposed in their normal operations

• Alfa Laval’s equipment often critical to the operation of the ship => bottom line impact of the customer
ALFA LAVAL SERVICE PROVIDES PEACE OF MIND

• 100 years in the industry = commitment, trust and reliability with an outstanding global service network

• Professional parts supply and service secure uptime and performance

• Large installed base to serve; on board more than ¾ of all ocean-going vessels
Service stable over business cycles
Limited correlation with shipowner earnings

Orders received, service vs capital equipment*
Rolling 12 months average

Service* vs Clark Sea Index**
Order intake: Rolling 12 months average

*figures exclude oil & gas offshore

**Source: Clarkson
Macro drivers for Service

SEABORNE TRADE
• Growing ~3% per year

WORLD FLEET DEVELOPMENT
• Last 10 years the fleet has grown with*
  ~70% in tonnage
  ~30% in no of vessels

*Source: Clarkson, vessels > 2,000 DWT
Broader portfolio expands Service opportunities

Building a significantly larger installed base

Over the last 10 years, 11 product groups added to the portfolio

- 6 by acquisition
- 5 by innovation

Synergies from serving more products in global network
The benefits of choosing Alfa Laval
Global marine service and sales network

WE PROVIDE AVAILABILITY

- Global 24/7 service network
  - Troubleshooting
  - Field service
  - Parts supply

- Investing in “service hubs” to provide increased service level and availability globally

- Global KAM for Service sales
The benefits of choosing Alfa Laval
Complete service offering for our customers

CUSTOMERS’ OPERATIONS IS OUR PRIORITY

- Industry-leading portfolio
  - Parts, repair, field service and value-added services for 17 product groups
- We invest in
  - Line optimization
  - Digitalization/connectivity
Example: Adaptive fuel line

LINE OPTIMIZATION

• Adaptive fuel line means
  – Saving fuel
  – Protecting the engine from catalytic fines (aluminum & silicon from refineries)

• Offered together with new equipment and as a service upgrading product
KEEPING AN EYE ON THINGS – CONNECTIVITY

Commercial and pilot installations running in 2017, exploring e.g.:

- Predictive maintenance
- Compliance monitoring
- Remote process optimization
Service order intake by category

Complete service offering for our customers

**THE SPLIT**

- Parts make up 70% of our service order intake
- Aalborg Industries and Framo have added a more service and repair intensive service business – now ~20%

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*figures excludes oil & gas offshore*
Summary

• Service is critical to our customers and stable for Alfa Laval over business cycles
• Solid growth drivers and broader portfolio foundation for growth
• Unique global network and a broad offering