Advancing better
Our growth story in four phases

- MSEK

Phase 1: "Creating the base"
Order intake: 15-20 BnSEK
Adjusted EBITA: 2 BnSEK

Phase 2: "Super cycle"
Order intake: 20-30 BnSEK
Adjusted EBITA: 5-6 BnSEK

Phase 3: "Aquired growth"
Order intake: 30-35 BnSEK
Adjusted EBITA: 5-6 BnSEK

Phase 4: "Organic growth"
Order intake: 35- BnSEK
Adjusted EBITA: 6- BnSEK
Growth in core products
– 10 years organic growth, MSEK at fixed rates

Decanter
CAGR 2009-16: 2.9%
2016-19: 8.3%

Separators
CAGR 2009-16: 0.6%
2016-19: 4.3%

Brazed HEX
CAGR 2009-16: 5.0%
2016-19: 8.1%

Plate HEX
CAGR 2009-16: 1.6%
2016-19: 5.6%

Fluid Handling
CAGR 2009-16: 5.8%
2016-19: 2.6%
Growth of the Service business
- MSEK millions, total order intake fixed rates
New technology and processes in service centres
- Major cost and lead time reduction by high level of automation and process improvement

• Automated cleaning process and automated crack detection test
• Zero discharge water
• Factory setup using 5S and LEAN
100+ Service centers

- Number of employees in Service operation; field service and service centres
Case; International Marine Service (IMS)

- 18 months experience

- Three time zones
- About 250 dedicated service engineers
- 714 ship visits have been executed
- 85% completed ship visits first harbor
- Top countries with ship visits; Singapore, China, Netherland, USA and United Arab Emirates

Remote technical support cases during last 18 months

5896
Connected solutions
- Alfa Laval PureSOx Connectivity & Service

- PureSOx Compliance Service package including Connectivity with Compliance Service package and 24/7 availability through IMS

- Customer benefits:
  - Compliance insurance and reduced risk for downtime
  - Saves operational cost and provides plannable costs and predictable operations
Case: fish processing case from Peru

- Service agreement

- 3 year agreement
- 42 machines, 4 plants
- Preventive maintenance
- Connectivity solutions installed
Fast development and acceptance

- Hours of data collected by Alfa Laval gateways

- About 400 connected products today
- Ambition to have close to 2000 end of 2020
- Customer are **asking for connectivity** enabled products
- Connecting our equipment **becomes normal** – for us and for our customers
Driving product competence

- Achievements since January 2017

6,205

Hours of product specialist training so far 2019

Certified product specialists in Sales Companies

- Decanters
- Separators
- Plate HEX
- Welded HEX
Growing distributor sales
- Distribution network

China: 175 authorized distributors, with 420 sales engineers focused on Alfa Laval products. Located in 28 provinces
Online/e-Business order intake (MSEK)

- Tools for Distributors
- Online shop in the US, Australia and New Zealand
- Through Alibaba in China
Increased net sales per employee

– KSEK, average number of employees

This slide has been updated after the Capital Markets Day 2019
The day after tomorrow…
Opportunities in the Marine environmental

- Alfa Laval PureSOx Water Cleaning System
- Alfa Laval PureBilge
- Alfa Laval PureNOx
Transformation on the energy market

Clean waste energy

Energy storage
Profitability

- SEK millions (rolling 12 months)
Summary reflections

• The platform for continued organic growth is improved
  - Product competitiveness gradually increasing

• New business opportunities drive R&D investments
  - Protein, new energy landscape, new marine environmental applications

• Portfolio volatility with limited downside
  - Up-stream O&G less than 5% of O/I
  - Marine contracting already at low levels

• CAPEX will start to normalize, after a significant investment period
  - CAPEX trending lower
  - Working capital at elevated level
Financial goals

- Growth*: 5%
- EBITA*: 15%
- ROCE: 20%

*) Measured over a business cycle
Advancing better
Capital Markets Day, 2020
- November 25, Kolding, Denmark