# Capital Markets Day 2016

November 22, in Copenhagen

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<th>Time</th>
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<td>10:30</td>
<td>Business update and Q&amp;A</td>
<td>Tom Erixon and Thomas Thuresson</td>
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<td><em>Lunch 12:00</em></td>
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<td>12:45</td>
<td>Innovative technologies and dynamic markets:</td>
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<td>- Water &amp; Waste, Thomas Møller</td>
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<td>- Service in the Middle East, Anantha Padmanabhan</td>
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<td>- India - Energy, environment and food, Lars Dithmer</td>
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<td><em>Divisional scope and direction, incl Q&amp;A</em></td>
<td>Susanne Pahlén Åklundh, Nish Patel and Peter Leifland</td>
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<td><em>Summary &amp; closing remarks</em></td>
<td>Tom Erixon</td>
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Commitment to win

Tom Erixon
President and CEO
Alfa Laval Group
Commitment to win

CUSTOMER CLOSERNESS
Improving customer experience

TECHNOLOGICAL STRENGTH
Increasing pace of innovation

SERVICE EXCELLENCE
Upgrading service offer

PROFITABLE GROWTH
Focusing …
Strengths

- A leader in heat transfer, centrifugal separation and fluid handling
- Strong and recognized brand
- Active in vital areas; energy, environment and food
- Solid local presence
- Strong financial position
Development last 36 months
- Orders received, LTM Q413-Q316, index fixed rates

*) Share of total orders received, LTM September 30, 2016

www.alfalaval.com
Our financial targets

Growth 5%
EBITA 15%
ROCE 20%

NEW

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Customer closeness

TODAY
Optimizing our customers’ processes

OUR STRATEGY
Improving customer experience

OUR TARGET
Customers’ first choice

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Voice of the customer
- In order of importance (%)

Top 5 strengths to maintain

- Leading brand
- Trustworthy
- Long tradition
- Good sales people
- Excellent quality

Top 5 areas to improve

- Unique supplier
- Cost of ownership
- Selecting equipment
- Fast and responsive
- Excellent service

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Strong business drivers

Marine Division
- Separation & Heat Transfer Equip.
- Boiler & Gas Systems
- Pumping Systems

Food & Water Division
- High Speed Separators
- Decanters
- Food Systems
- Hygienic Fluid Handling
- Food Heat Transfer

Energy Division
- Gasketed Plate HEX
- Brazed & Fusion Bonded HEX
- Welded HEX
- Energy Separation
Technological strength

TODAY
World-class products & solutions

OUR STRATEGY
Increasing pace of innovation

OUR TARGET
Unique offering

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Increasing pace of innovation

Food & Water Division

Energy Division

Marine Division

High speed separators

Gasketed plate heat exchangers

Boilers

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High speed separators

- Development of new platforms ongoing
- Investment in new laboratory
- Main focus on Food and Marine
- Market launch stepwise from 2017
Gasketed plate heat exchangers

- Development ongoing of new differentiated platform
- Based on extensive customer input
- Addressing the total market
- Market launch stepwise from 2017
Marine environmental

- The convention for ballast water – enters into force September 2017
- Limit the amount of sulphur emissions from 3.5 percent of fuel content to 0.5 – enter into force from 2020
- Significant investments in a state-of-the-art test and training center
Service excellence

TODAY  OUR STRATEGY  OUR TARGET

Selling parts  Upgrading service offer  Zero downtime

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Service coverage

Our global Service center presence
A network of about 110 service centers in 28 countries

New service centers in 2016
Established service centers
Capturing the installed base

Poland – “It is a journey, not a destination”
- New process to capture their installed base
- The known installed base has grown with 300%
- The service sales has doubled since 2013

India – “Service on wheels”
- Specialized in operating under seasonal conditions.
- Quick response to ensure efficient service.
Service innovation – reconditioning

Service center Monza, Italy

- Developing an automated process for reconditioning plates
- Several new technologies are included in the new automated process
- Standardized process improves productivity and quality
Profitable growth

TODAY
Growing through acquisitions

OUR STRATEGY
Focusing…

OUR TARGET
Solid organic growth

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Strategic focus

Marine Division
- BU Marine Separation & Heat Transfer Equipment
- BU Boiler & Gas Systems
- BU Pumping Systems

Food & Water Division
- BU High Speed Separators
- BU Decanters
- BU Food Systems

Energy Division
- BU Gasketed Plate Heat Exchangers
- BU Brazed & Fusion Bonded Heat Exchangers

BU Pumping Systems:
- Application development medium-term
- Cost down / VAVE
- Keep "Excellence" in Service

BU Food Systems:
- Application scope
- Ongoing cost down projects
- Modularization
Reinforced local market presence

- Service drive
- Lead management to order
- Price management
- Coaching sales company MD’s

North America:
- United States
- Canada

Latin America:
- Brazil
- PArC
- Mexico
- ConVenPa

Northern Europe:
- Nordic
- Mid Europe
- BeNeLux
- United Kingdom

Eastern Europe:
- Russia
- Central Europe
- Poland & Baltics
- Turkey
- South East Europe

North East Asia:
- China
- South Korea
- Japan
- Taiwan

SE Asia & Oceania:
- South East Asia
- Oceania

Southern Europe:
- Adriatic
- France
- Iberica

India, ME & Africa:
- India
- Middle East
- South & East Africa

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The restructuring program

- Adapting the organization
- Separating a few product groups = “Greenhouse”
- Restructuring of manufacturing footprint.
- From capacity management to productivity.
Commitment to win

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Improving customer experience

TECHNOLOGICAL STRENGTH
Increasing pace of innovation

SERVICE EXCELLENCE
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Focusing …
Committed to win