Water & Waste

Alfa Laval’s Capital Markets Day 2016

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The water challenge

- Growing demand and an increasingly stressed water supply
  - Population growth
  - Urbanization
  - Increased pollution

Source: Frost & Sullivan
The water challenge

- the solution

- Increased legislation, fines and costs aimed at solving the problem by:
  - lowering consumption
  - decreasing pollution
Alfa Laval in wastewater

**Alfa Laval**: More than 40 years in water treatment.

**Customers**: Mainly municipal treatment plants across the globe. Industrial waste water treatment is a new focus area.

**Scope of supply**: Different types of separation equipment as well as heat exchangers.

**Order intake LTM**: SEK 1.7 billion, +9% vs LY LTM. +10.1% CAGR over past 5 years.
Alfa Laval in wastewater

- municipal and industrial

Industrial

Water intake treatment → Industrial processing (e.g. Brewery) → Waste stream treatment (value recovery)

Municipal

Sewage waste → Wastewater treatment
Alfa Laval’s offering

Water intake treatment
- ISO disc
- Decanter

Waste stream treatment
- RO system
- Membrane
- Separator
- Evaporator
- Decanter
- Membrane
- Iso Disc

Wastewater treatment
- Belt thickener
- Plate press
- Screw press
- Gates
- Tube in tube HE
- Drum filter
- Spiral HE
- MBR
- SBR
- Decanter
Municipal wastewater

Drivers in mature markets

- Old plants
- Cities are growing
- Limited space
- Increased outlet demands

- Refurbishment needs
- More waste treatment capacity needed
- More modern treatment processes
- Additional treatment step

Global outlook: 9.9% CAGR from 2015-2020
Municipal wastewater

Case story – wastewater treatment plant in Poland

- Wastewater treatment for 5,000 people
- Lower life cycle costs + better water outlet quality
- 3 MSEK order value
- 15 000 cities in the EU with the same needs!
Municipal wastewater

- Drivers in newer markets

- Demand for greenfield capacity
- Different preferences call for sufficient functionality
- Adapted portfolio to meet demand
Industrial wastewater

- Drivers

The forcing drivers:

* Water scarcity
* Disposal costs
* Legislations and fines

The beneficial drivers:

* Recovery of valuables
* Recovery of water
* Minimizing volume content going to sewers

Global outlook: 8% CAGR from 2015-2020
Industrial wastewater

– Case story

The forcing drivers:

🌟 Water scarcity
🌟 Disposal costs
🌟 Legislations and fines

The beneficial drivers:

🌟 Recovery of valuables
🌟 Recovery of water
🌟 Minimizing volume content going to sewers
Summary

- Broad portfolio & technology edge
- Increased focus on industrial waste is paying off
- Strong presence & solid customer relationships

The market is there and it is growing. This is not a problem that goes away.