

Capital Market Day 2014



Customers Services Division

Brian Day, Group EVP



One Source

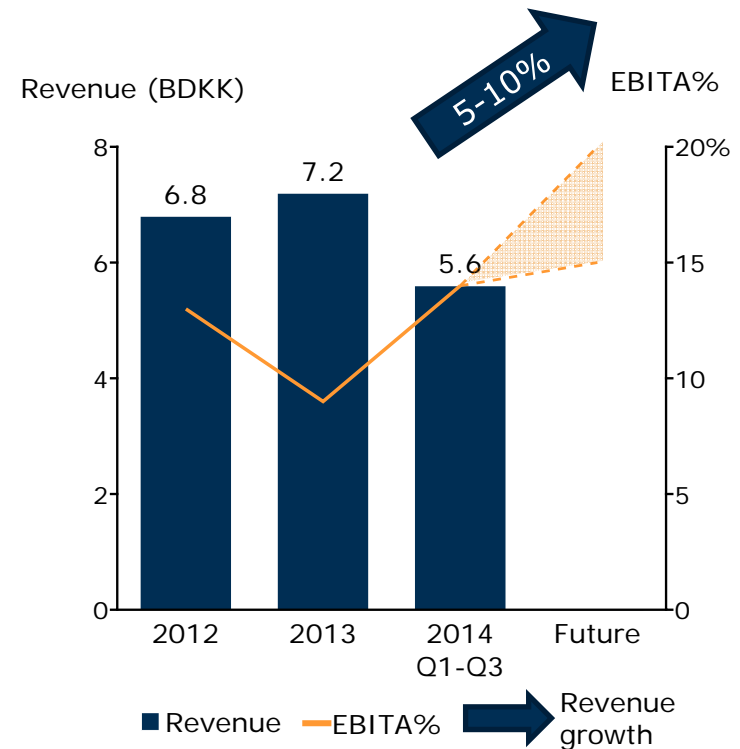
Brian M. Day, Group EVP Customer Services

- Group EVP, Customer Services Division, since Jan 2015
- FLSmidth from 2007:
 - Senior Vice President, Global Customer Services, Minerals
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- GL&V-Dorr Oliver Eimco: Vice President Aftermarket (2002-2007)
- Baker Hughes Inc.: Aftermarket Manager (1991-2002)
- EIMCO Process Equipment Company: Product Engineer / Process Engineer (1980-1991)
- Bachelor of Science degree, Sales recruiting and training, Leadership and business management
- Born 1956, American

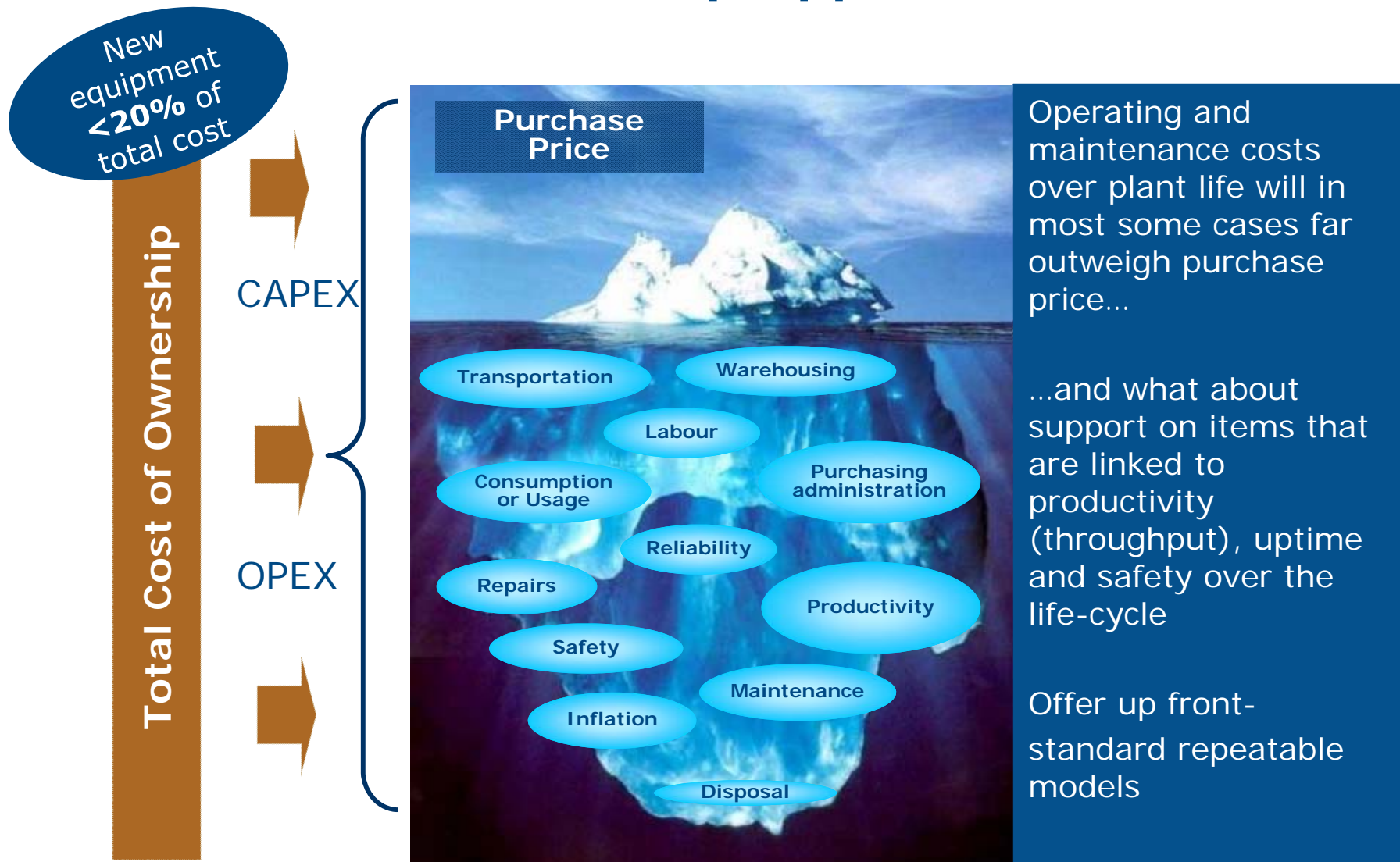


The Customer Services Division in brief

- Full array of services **before, during and after delivery** of new plants and equipment
- More than **100** warehouse, service and support centers Worldwide
- More than **2/3** of all employees are in direct customer contact (~6,400 employees)
- **Main business:**
 - Spare parts ~70%
 - Service ~15%
 - O&M ~15%



Total Cost of Ownership Approach



How we service our customers

- Maximize our customers' plant **productivity** and **return on assets** by providing parts, maintenance, rebuilds, upgrades and services
- Increase customers' return on assets by providing expertise in audits, **operation and maintenance** of our customers' plants (including all aspects service, parts and rebuild, regardless of the age, location and OEM of the plant)
- Deliver a superior alternative to customers' for **OEM replacement parts** and services for mission critical equipment used in global mining



Achieving profitable growth by maximizing our customers' productivity

Our ambition:

- 5-10% annual revenue growth over cycle
- EBITA > 15%
- NWC 15-20%
- Develop O&M to become industry standard
- Grow wear parts business >10%
- Target strategic products and geographies with specific skills and best practices

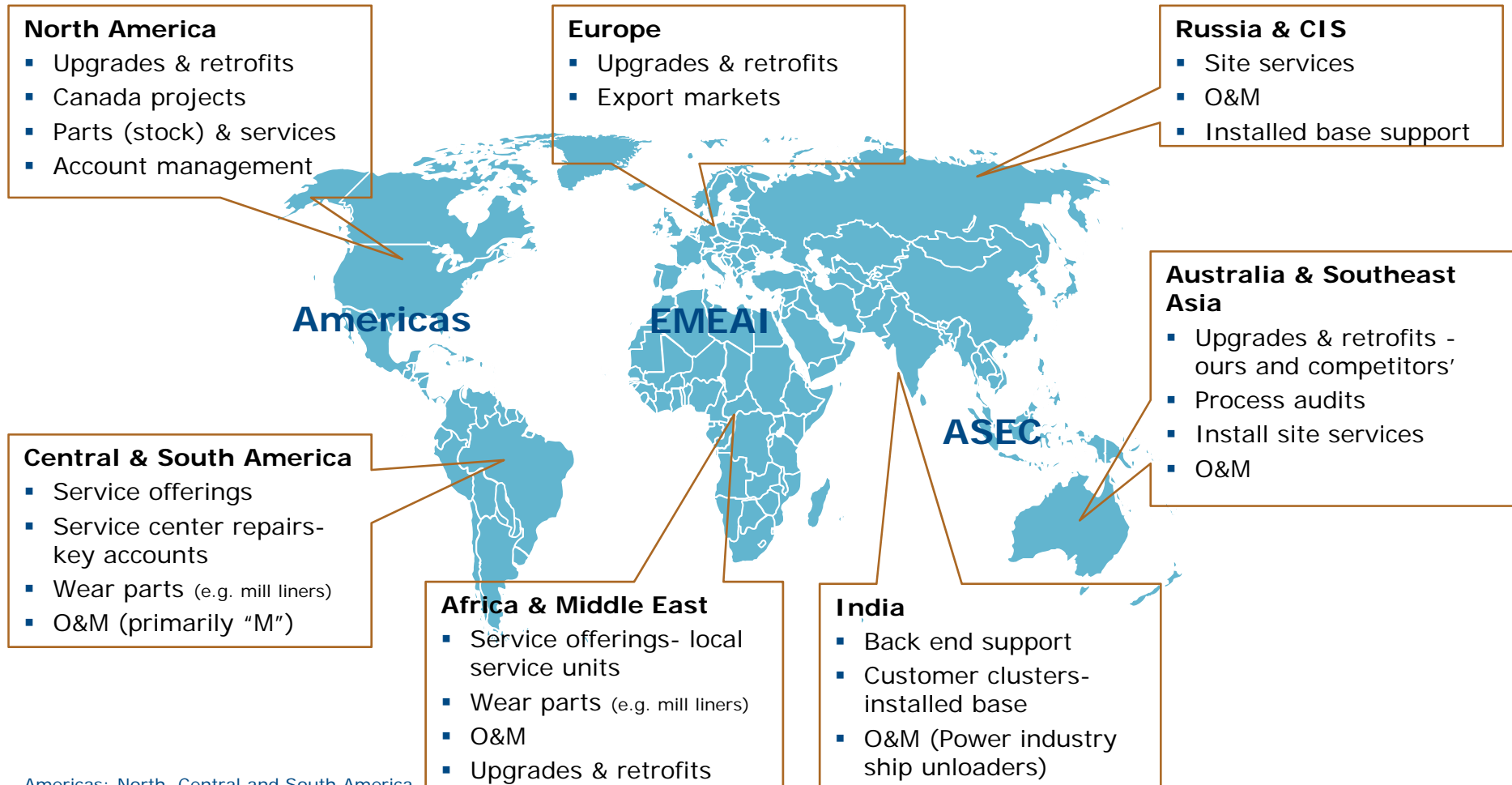
Our vision:

Best in class in maximizing our customers' productivity and return on assets.



Regional alignment of organisation

Understanding regional needs is key..



Americas: North, Central and South America
 EMEAI: Europe, Middle East, Africa and India
 ASEC: Australia, South East Asia and China

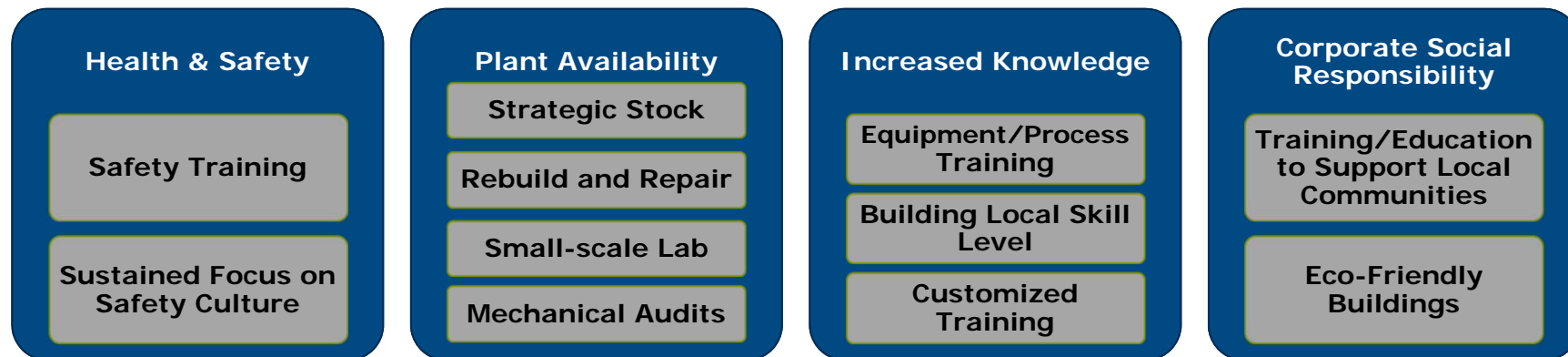
Building strong **customer relationships** and increasing our customers' **productivity**

- Leverage our **local direct** highly trained service and parts organization
- Ability to react quickly to customer needs - **speed**
- Account management- **customised offerings**
- **Strategic footprint** - warehouse, service and support centers
- **Predictive maintenance** - asset management; total cost of ownership modeling; training
- Leverage strong **product and flow-sheet capabilities** in Cement and Minerals (engineered solutions)

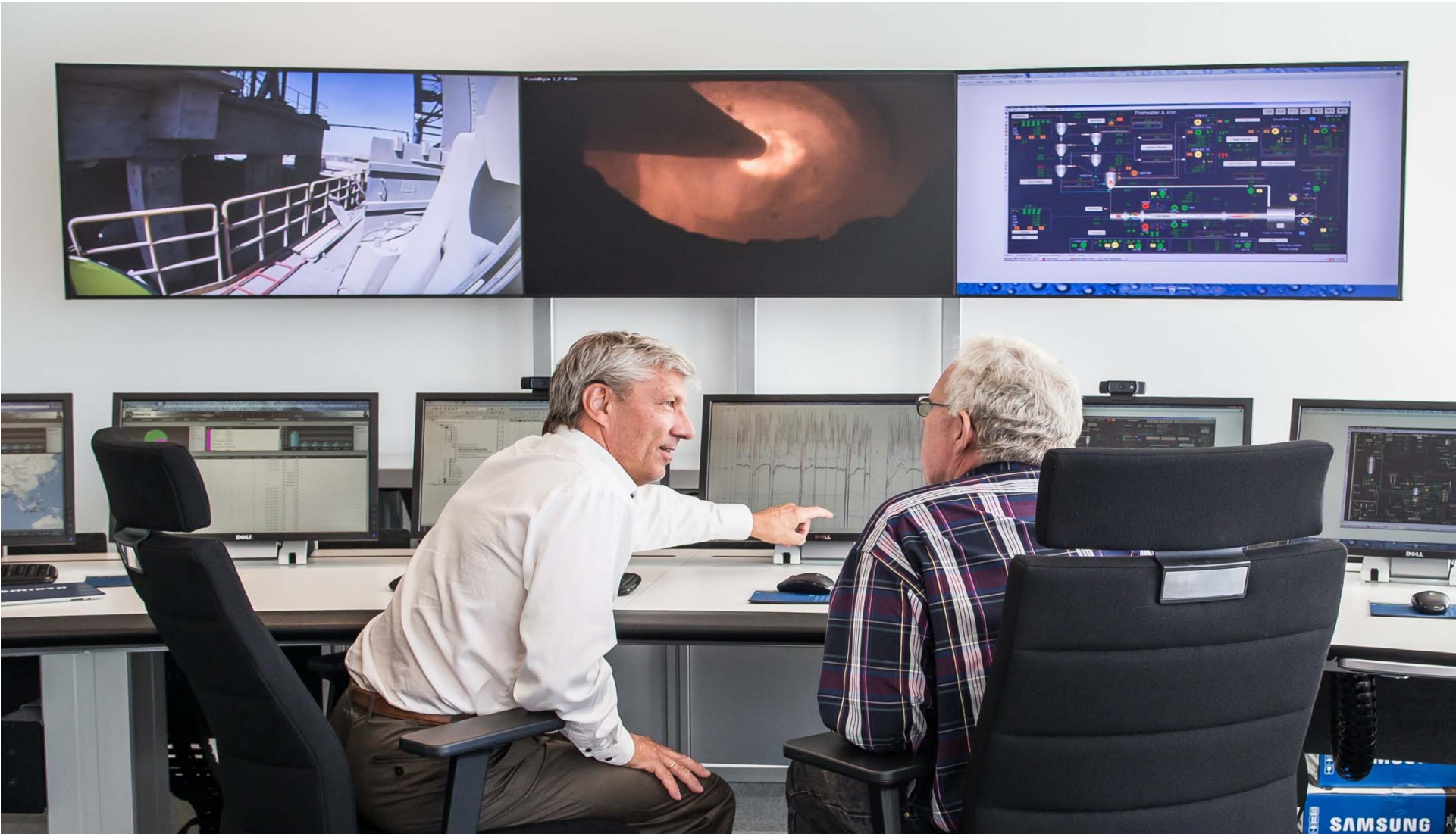
Service Offerings - Value Chain



Service Centers – strategically located



FLSmidth Intelligent Collaboration Environment Room (ICE) - Valby

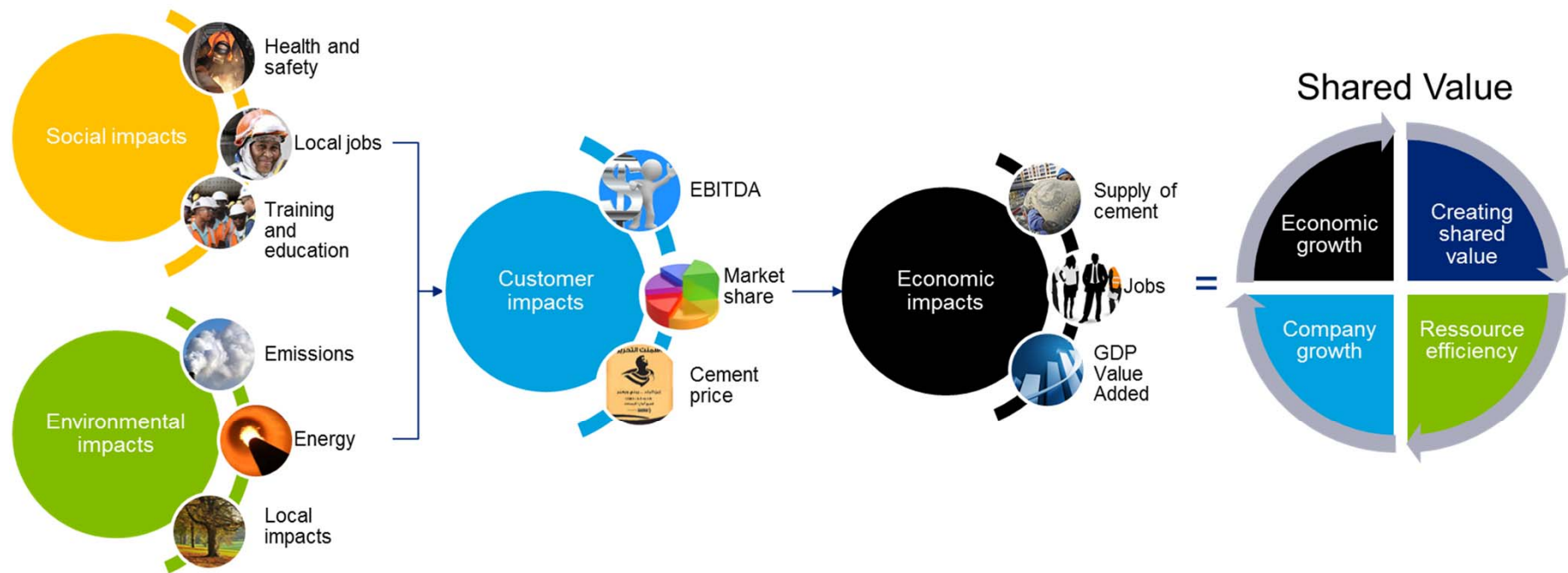


Sustainable value creation

Virtuous circle: CSR as a driver for O&M productivity

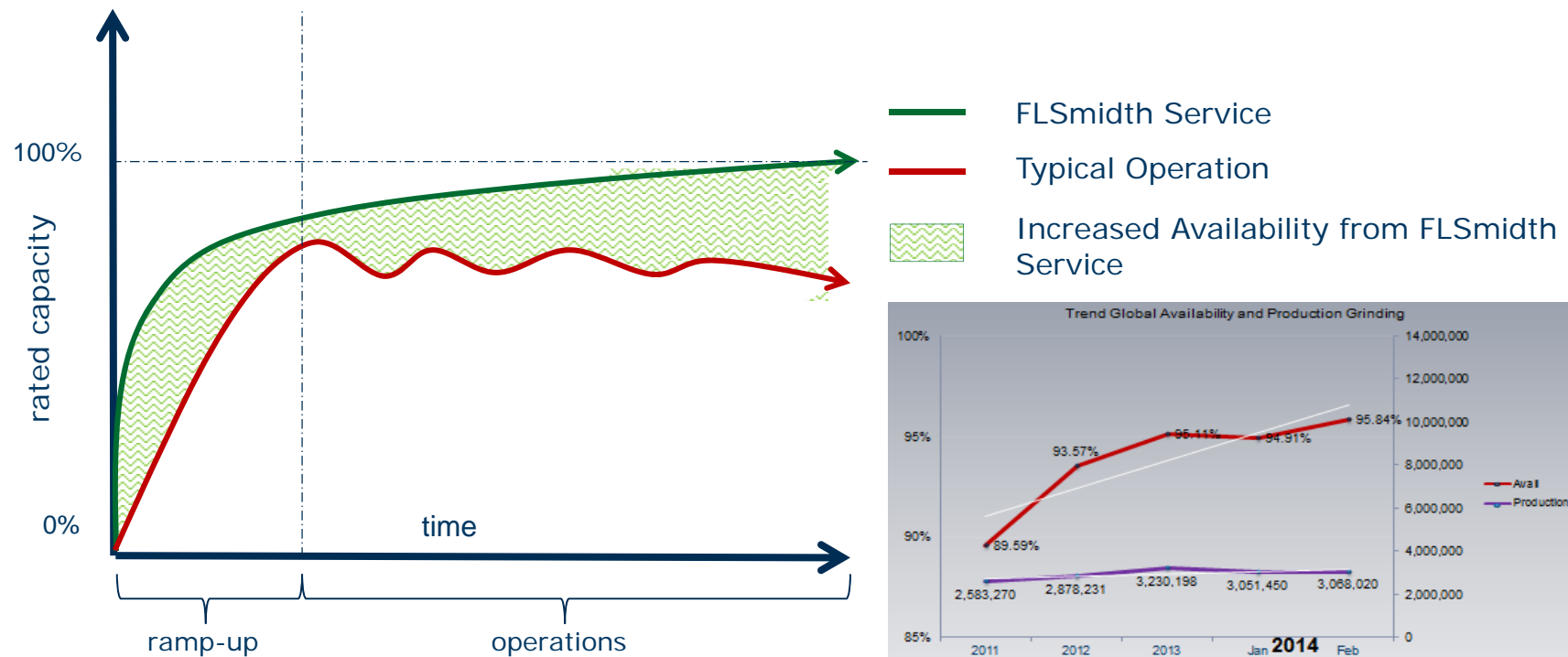
Case study in Eqypt:

Significant **social-economic impact through O&M** business model



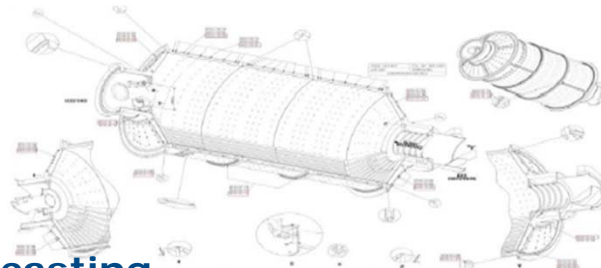
Plant availability and Asset management

Maximise client's **return on investment** by achieving rapid ramp-up from commissioning and guaranteeing high plant availability and high levels of production throughout the life of the project.

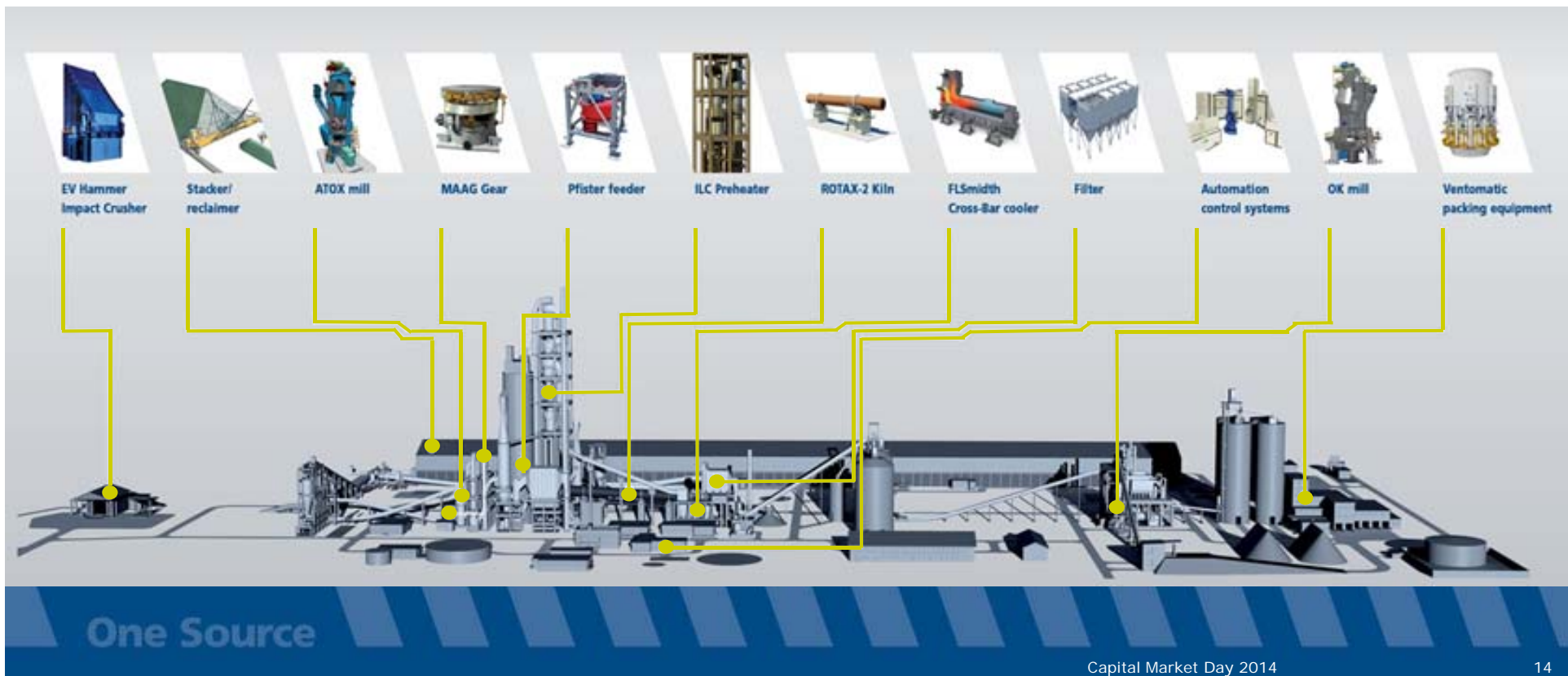


Product and Flow Sheet Intelligence

- Asset management
- Maintenance planning
- Parts and resource forecasting
- Plant lifecycle predictability



ITEM	PKS	DESCRIPTION	QUANTITY	UNIT	DATE OF DELIVERY	STATUS	...
14	20.01.02	Stacker/Reclaimer	1	Set	2014-01-15	Ordered	
15	20.01.02	Stacker/Reclaimer	1	Set	2014-01-15	Ordered	
16	20.01.02	Stacker/Reclaimer	1	Set	2014-01-15	Ordered	
17	20.01.02	Stacker/Reclaimer	1	Set	2014-01-15	Ordered	
18	20.01.02	Stacker/Reclaimer	1	Set	2014-01-15	Ordered	
19	20.01.02	Stacker/Reclaimer	1	Set	2014-01-15	Ordered	
20	20.01.02	Stacker/Reclaimer	1	Set	2014-01-15	Ordered	
21	20.01.02	Stacker/Reclaimer	1	Set	2014-01-15	Ordered	
22	20.01.02	Stacker/Reclaimer	1	Set	2014-01-15	Ordered	
23	20.01.02	Stacker/Reclaimer	1	Set	2014-01-15	Ordered	
24	20.01.02	Stacker/Reclaimer	1	Set	2014-01-15	Ordered	
25	20.01.02	Stacker/Reclaimer	1	Set	2014-01-15	Ordered	
26	20.01.02	Stacker/Reclaimer	1	Set	2014-01-15	Ordered	
27	20.01.02	Stacker/Reclaimer	1	Set	2014-01-15	Ordered	
28	20.01.02	Stacker/Reclaimer	1	Set	2014-01-15	Ordered	
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39	20.01.02	Stacker/Reclaimer	1	Set	2014-01-15	Ordered	
40	20.01.02	Stacker/Reclaimer	1	Set	2014-01-15	Ordered	



The Customer Services Division: Key takeaways

- ☑
Resilient and growing business area
- ☑
Focused regional approach with local direct support
 - Leverage efforts to service both industries
- ☑
Particular growth areas:
 - Develop Operation & Maintenance to become industry standard
 - Move into wear parts to close customer relationship gap

