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Correction of error in the income statement for prior quarters 2020

“Comprehensive income” for each period is not affected, but the error has meant that financial measures higher up in the income statement have not become correct, which in turn among other things have meant that “Earnings per share” has been stated at too high amounts. For the first six months 2020 “Earnings per share” should rightfully amount to SEK 4.68, which is SEK 0.82 lower than the previously reported figure. The equity is not affected.

In the Group consolidation for the third quarter 2020 a classification error has been detected in the income statement for prior quarters 2020. Realized and unrealized exchange differences concerning loans that constitute a hedge of net assets in foreign currency are normally booked against other comprehensive income. The reversal of unrealized exchange losses at December 31, 2019 has in connection with loans maturing during 2020, however, due to a mistake, only partly been booked against other comprehensive income in order to meet the realized exchange loss in connection with the maturity of the loan. This has meant that the items have been reported gross instead of net, which is incorrect.

The correction now performed means the following: Unrealised financial exchange differences of SEK 129 million in Q1, SEK 306 million in Q2 and SEK 435 million for the first six months have been moved from “Interest income and financial exchange gains” to “Translation difference” in “Other comprehensive income”. The corresponding tax of SEK -28 million in Q1, SEK -65 million in Q2 and SEK -93 million Alfa Laval Third Quarter 2020 Q3 19 26 for the first six months have been moved from “Taxes” to “Deferred tax on other comprehensive income”. This affects “Result after financial items” with SEK -129 million in Q1, SEK -306 million in Q2 and SEK -435 million for the first six months. “Net income” is affected with SEK -101 million in Q1, SEK -241 million in Q2 and SEK -342 million for the first six months. “Other comprehensive income” is affected with SEK 101 million in Q1, SEK 241 million in Q2 and SEK 342 million for the first six months. The effect on “Net income” is attributable to the owners of the parent. This in turn means that “Earnings per share” is decreased by SEK 0.24 in Q1, SEK 0.58 in Q2 and SEK 0.82 for the first six months. The return on equity is decreased to 19.6% in Q1 and 18.0% in Q2.

As stated, this relates to a classification error within the income statement for each period. “Comprehensive income” and “Equity” for each period are thus not affected.

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