

Report for Q4 2021

Tom Erixon

President and CEO

Alfa Laval Group

Key figures

– MSEK



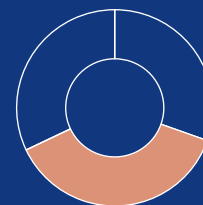
	Q4 2021	Q4 2020	Tot Δ, %	Organic Δ, %*
Order intake	11,651	9,272	26	22
Net sales	11,692	10,695	9	7
Adjusted EBITA**	1,992	1,969	1	
Adjusted EBITA-margin (%)	17.0	18.4		

*) Organic growth i.e. excluding currency effects and structural changes.

**) Positive currency effect SEK 0 million (10)

Food & Water division

– Highlights and comments, MSEK



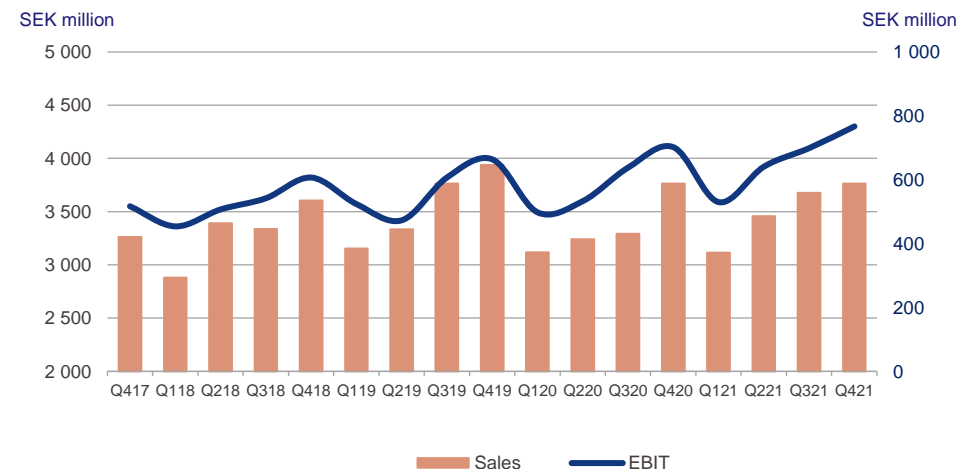
MARKETS & ORDER INTAKE

- Continued high order intake.
- Demand strong across all geographies and most end-markets.
- Growth in service.

	Q4 21	Q4 20	Tot Δ, %	Org Δ, %	Q3 21
ORDERS	4,139	3,723	11.2	9.8	4,241
SALES	4,388	3,764	16.6	16.0	3,678
EBIT	767	702			699
EBIT (%)	17.5	18.7			19.0

PROFITABILITY (EBIT)

- Positive effects from increased volumes could not fully compensate for negative mix effects.



Energy division

– Highlights and comments, MSEK



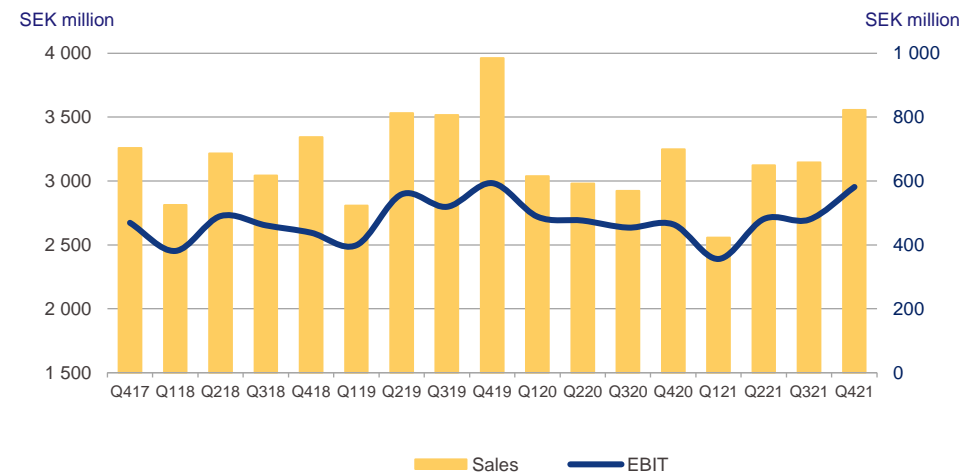
MARKETS & ORDER INTAKE

- Strong demand for HVAC and energy efficiency solutions.
- Improvement in Oil & Gas related industries.
- Service grew across most industries and geographical markets.

	Q4 21	Q4 20	Tot Δ, %	Org Δ, %	Q3 21
ORDERS	3,362	2,760	21.8	20.5	3,659
SALES	3,556	3,247	9.5	9.3	3,146
EBIT	581	464			479
EBIT (%)	16.3	14.3			15.2

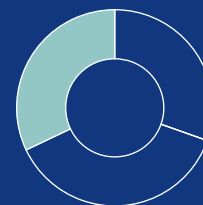
PROFITABILITY (EBIT)

- Operating margin increased from a low level. Positive effects from increased volumes and lower quality costs compensated higher raw material costs and inflationary pressure.



Marine division

– Highlights and comments, MSEK



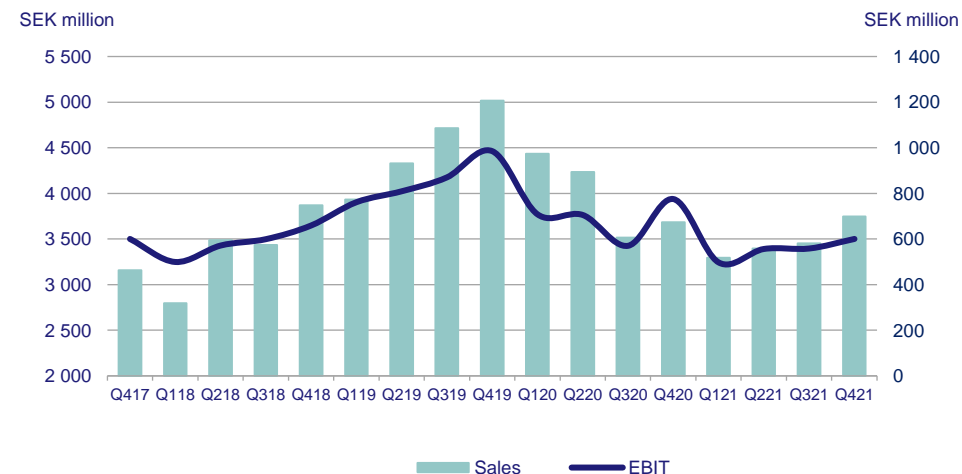
MARKETS & ORDER INTAKE

- Improved demand in all product areas.
- Good development for environmental solutions, driven by record high ballast water treatment orders.
- Service improved as demand grew in both shipbuilding and offshore.

PROFITABILITY (EBIT)

- Operating margin was lower compared to the same quarter last year, which was positively impacted by one-off gains. Negative product mix was compensated by increased service volumes and effects from the restructuring program.

	Q4 21	Q4 20	Tot Δ, %	Org Δ, %	Q3 21
ORDERS	4,150	2,789	48.8	39.8	3,780
SALES	3,748	3,684	1.7	-4.1	3,451
EBIT	600	775			558
EBIT (%)	16.0	21.0			16.2

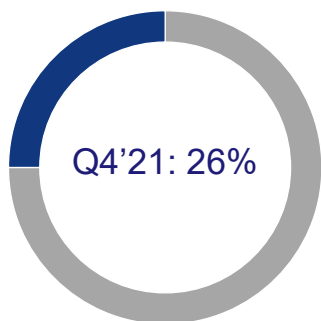


Service, by division

– Order intake Q4, share and development



ENERGY

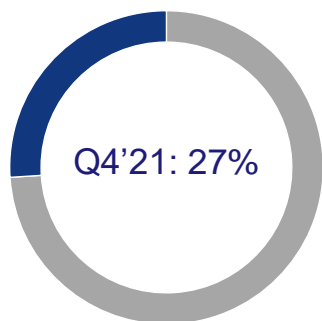


Organic growth



YoY

FOOD & WATER

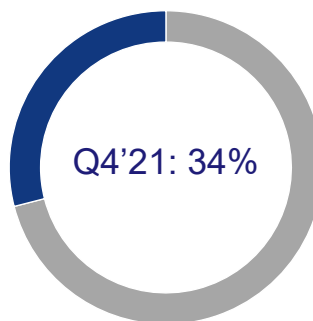


Organic growth



YoY

MARINE



Organic growth

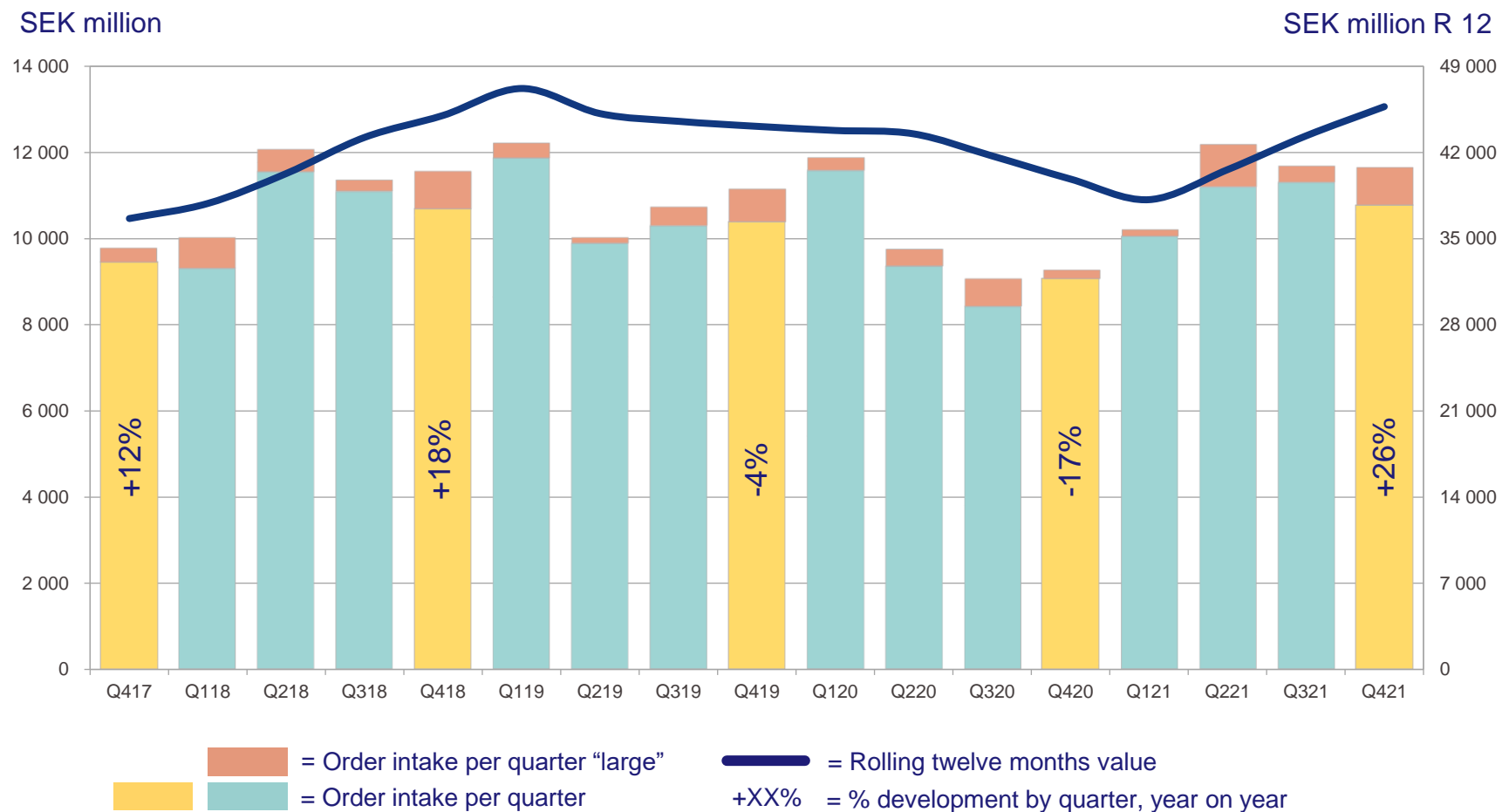


YoY

 = Service share of total order intake

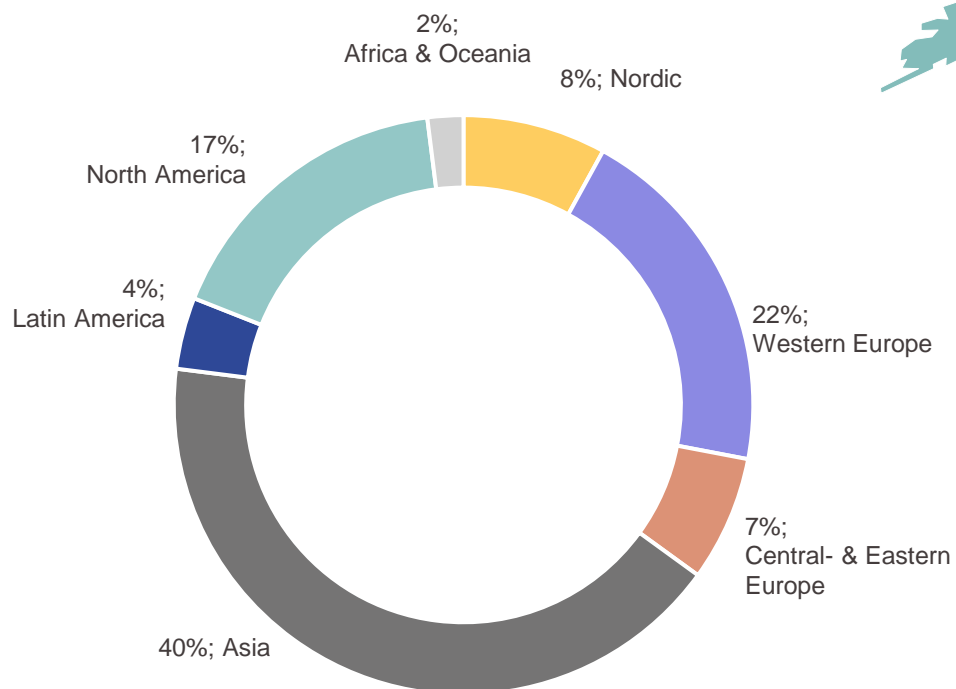


Orders received

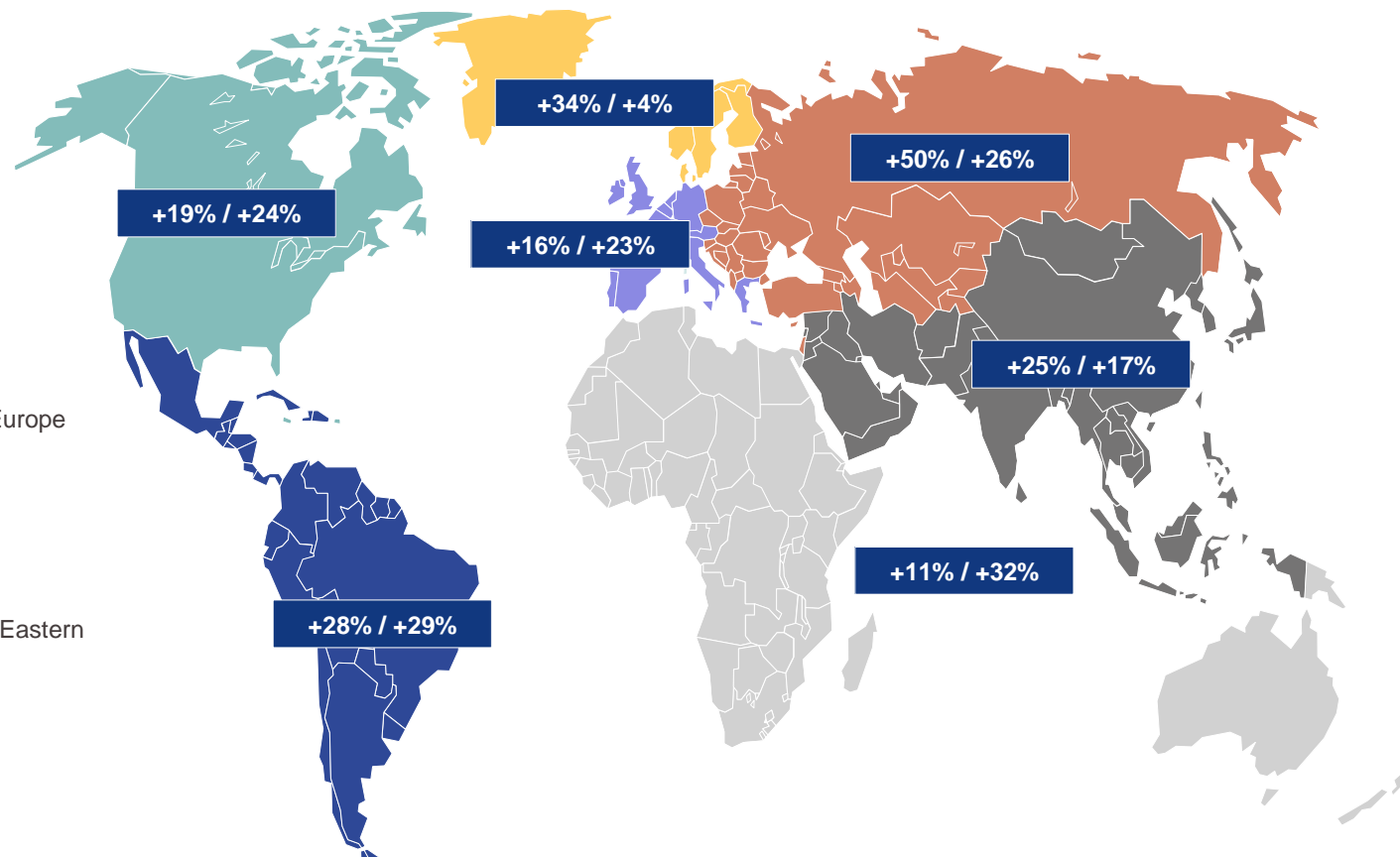


Orders received by region

– Development Q4 2021 vs Q4 2020, at fixed rates



Share %: Jan – Dec 2021



vs Q4-20 / YTD 2020



Report for Q4 2021

Jan Alde
CFO
Alfa Laval Group

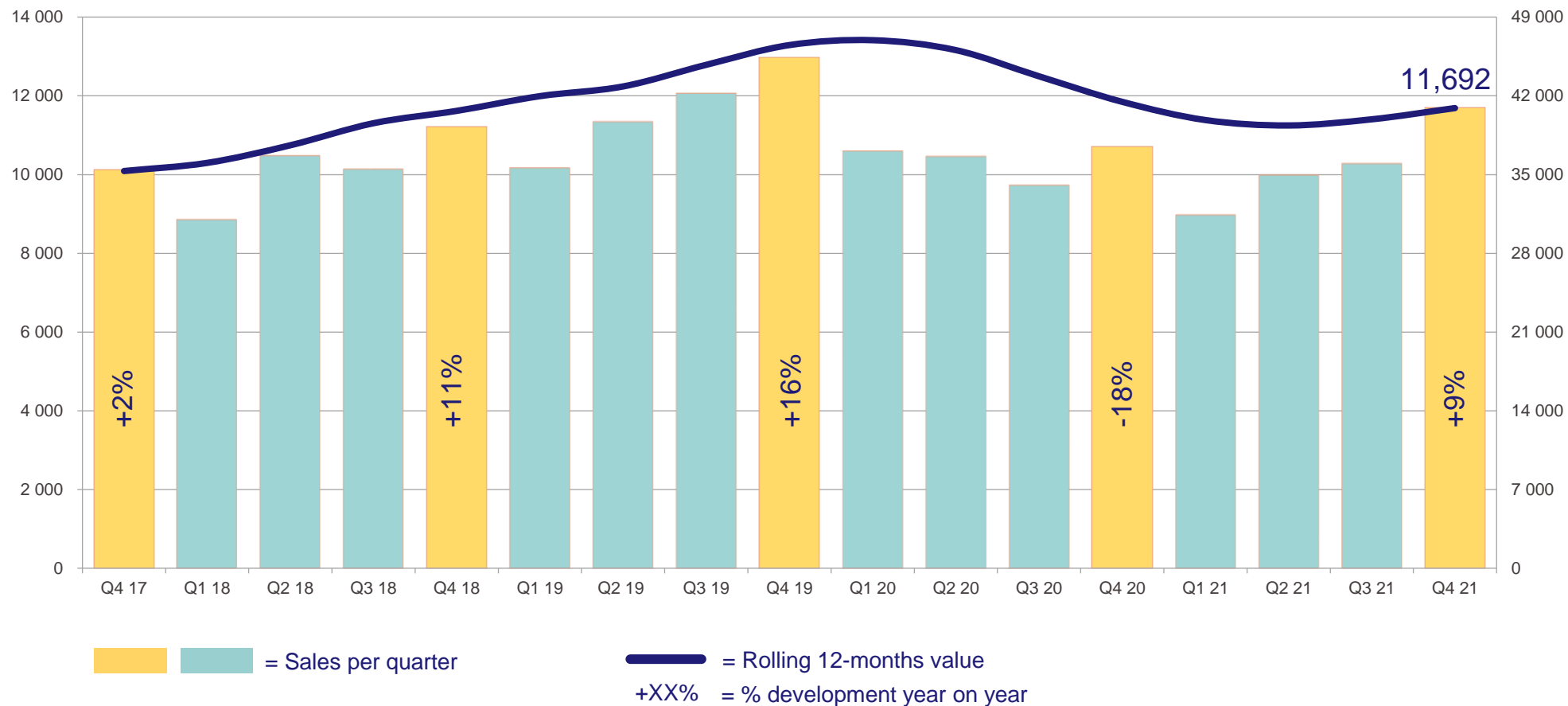
Sales

– MSEK



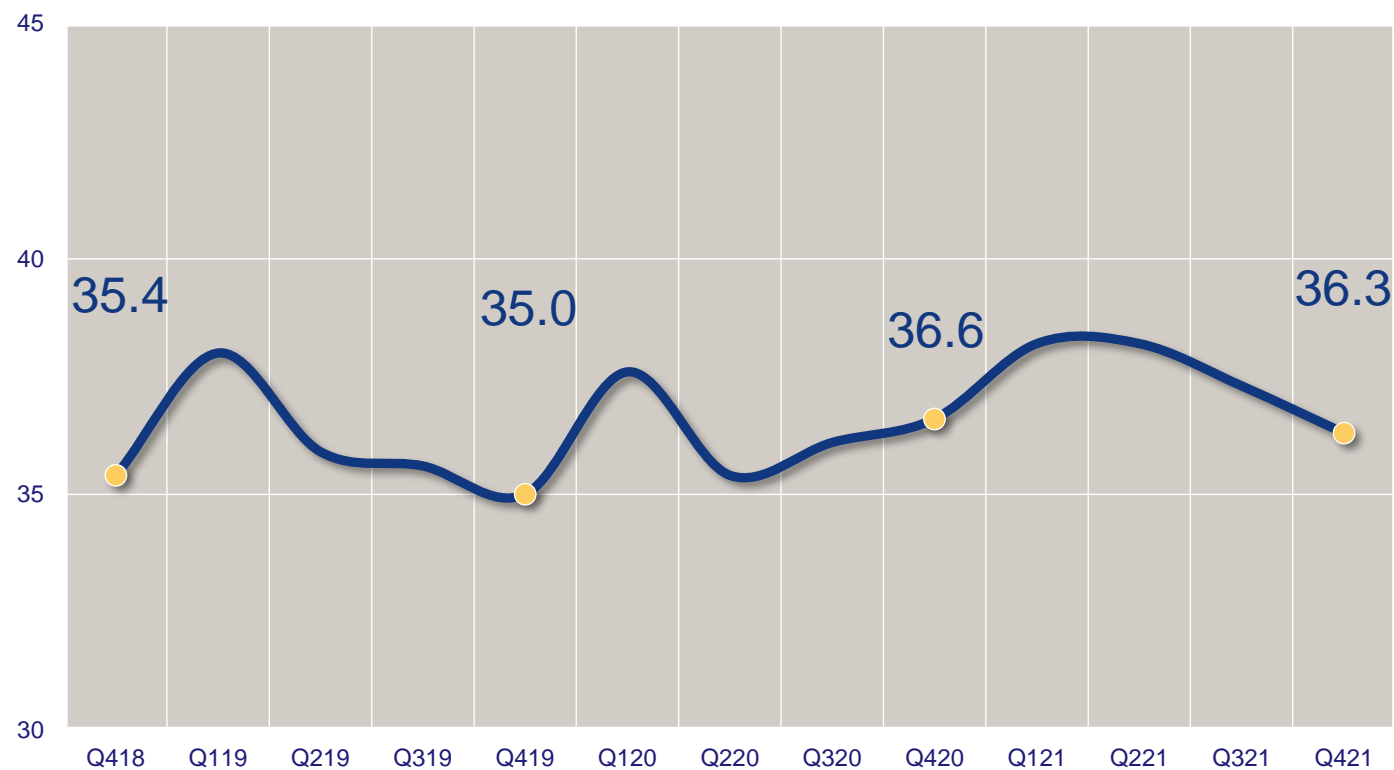
SEK million

SEK million R 12



Adjusted gross margin

– In percent of sales



Q4 2020	36.6
---------	------

Mix/price	-
-----------	---

Load/volume	+
-------------	---

PPV/metals	-
------------	---

FX	=
----	---

Structure	+
-----------	---

Q4 2021	36.3
---------	------

S&A Expense development

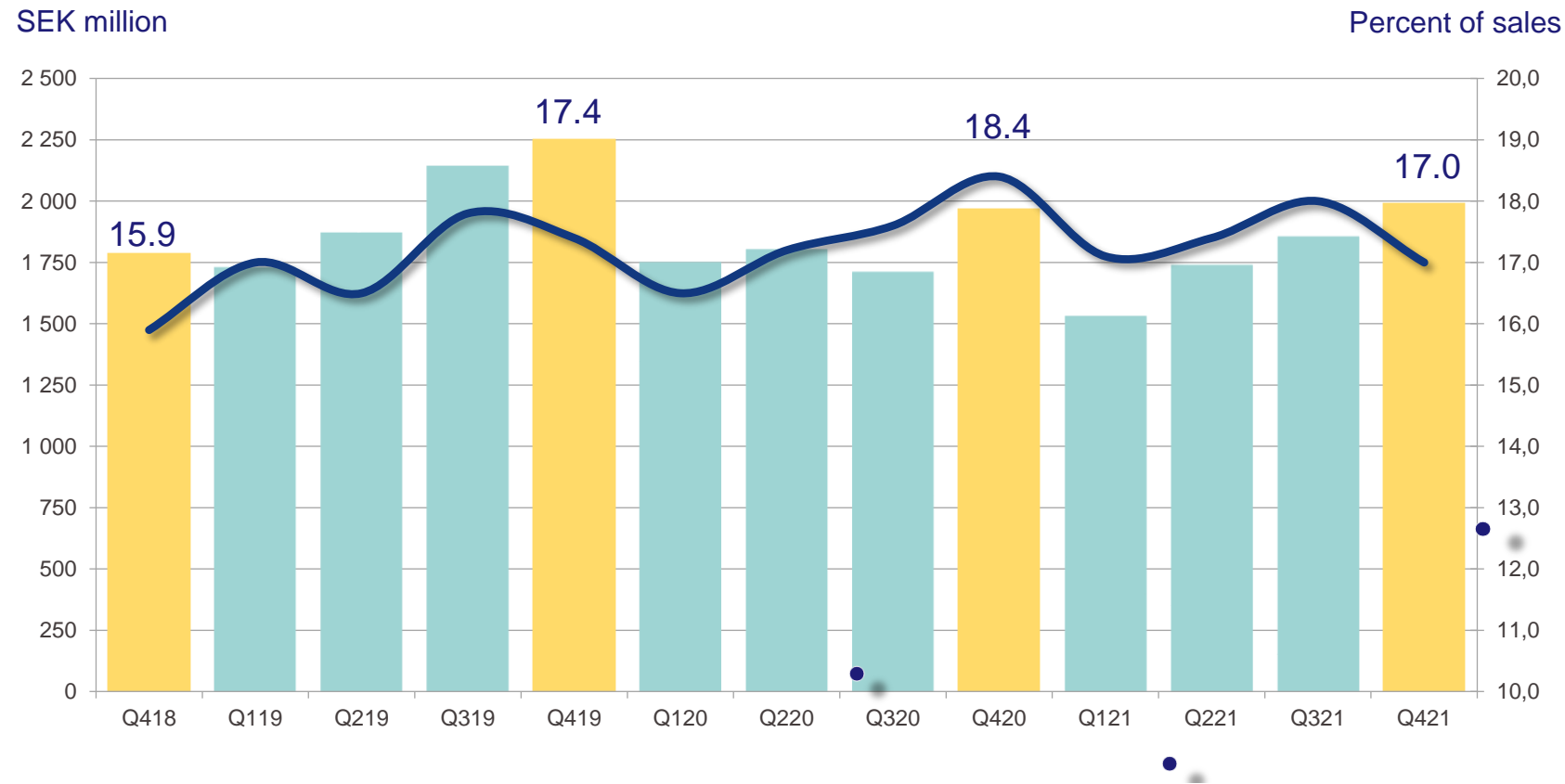
– MSEK



	Q4 2021	Q4 2020	Tot Δ, %	FY 2021	FY 2020	Tot Δ, %
Sales costs	1,155	1,015	13.8%	4,443	4,125	7.7%
Admin costs	558	458	21.8%	1,940	1,834	5.8%
Total S&A costs	1,713	1,473	16.3%	6,383	5,959	7.1%
Excl. FX impacts and acq./divestments			13.3%			7.6%

Adjusted EBITA/margin*

– SEK millions and in percent of sales



* Adjusted EBITA – "Earnings before interests, taxes, amortization of goodwill and step up values and comparison distortion items."

Key figures

– MSEK



	Q4 2021	Q4 2020
Sales	11,692	10,695
Gross profit	4,035	3,714
Sales & Admin	-1,713	-1,473
R&D	-351	-279
Net other cost/income	-196	-921
Operating income	1,787	1,034
Financial net	74	-110
Profit before tax	1,861	924
Taxes	-383	-360
EPS	3.51	1.33

Cash-flow statement

– MSEK



	Q4 2021	Q4 2020	FY 2021	FY 2020
EBITDA	2,298	2,253	8,260	8,326
Working Capital	-569	656	-1,397	934
Taxes paid	-318	-245	-1,599	-1,537
Cash flow from operating activities	1,411	2,664	5,264	7,723
Capital expenditures	-474	-456	-1,229	-1,232
Disposals	0	26	32	244
Acquisitions	-213	-52	-3,828	-70
Cash flow from investing activities	-687	-482	-5,025	-1,058
Financial net paid	104	-149	45	-616
Cash flow	828	2,033	284	6,049
Free cash flow*	1,041	2,059	4,080	5,875

*) Incl. cash flow from operating activities, capital expenditure and financial net paid.

Foreign exchange

– Estimated impact on adjusted EBITA from FX fluctuations, MSEK



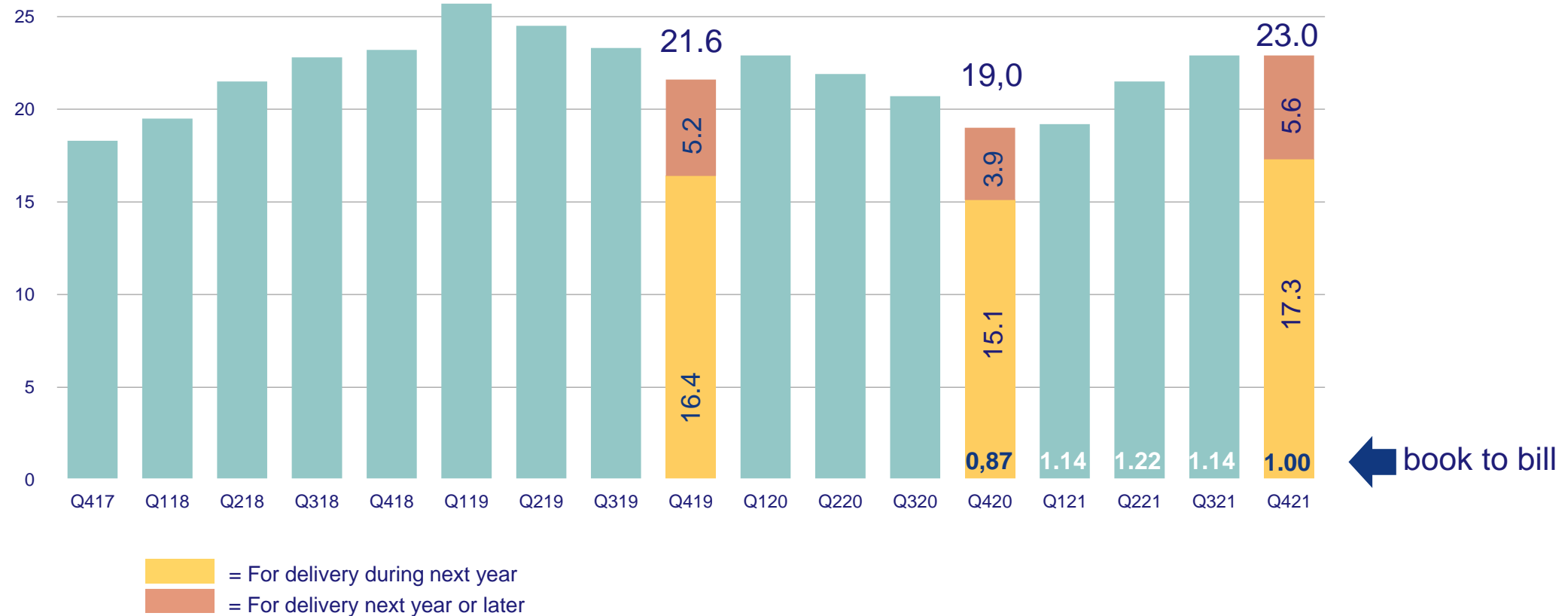
	Q4 2021	FY 2021	FY 2022*
Transaction effect	10	80	-130
Translation effect	40	-130	-
Total	50	-50	-130

Note: Excludes FX effects caused by revaluation of balance items in foreign currency

*) Based on EUR/USD 1,141 and EUR/SEK 10,24

Order backlog as per December 31

– SEK billion



Sales

– FY 2022, SEK billion



FY 2021	40.9
Change in order backlog YoY*	2.2
Acquisitions / divestments during 2021	0.4
Subtotal	43.5

For you to consider:

Price

“In-for-out”**

FX translation

Acquisitions

FY 2022

* Change in OBL y-o-y excluding acquisitions/divestments

**IFO in 2021 excluding acquisitions/divestments was SEK 25.4 bn.

The board proposes a dividend of SEK 6:00 (5.50)

Outlook for the first quarter:

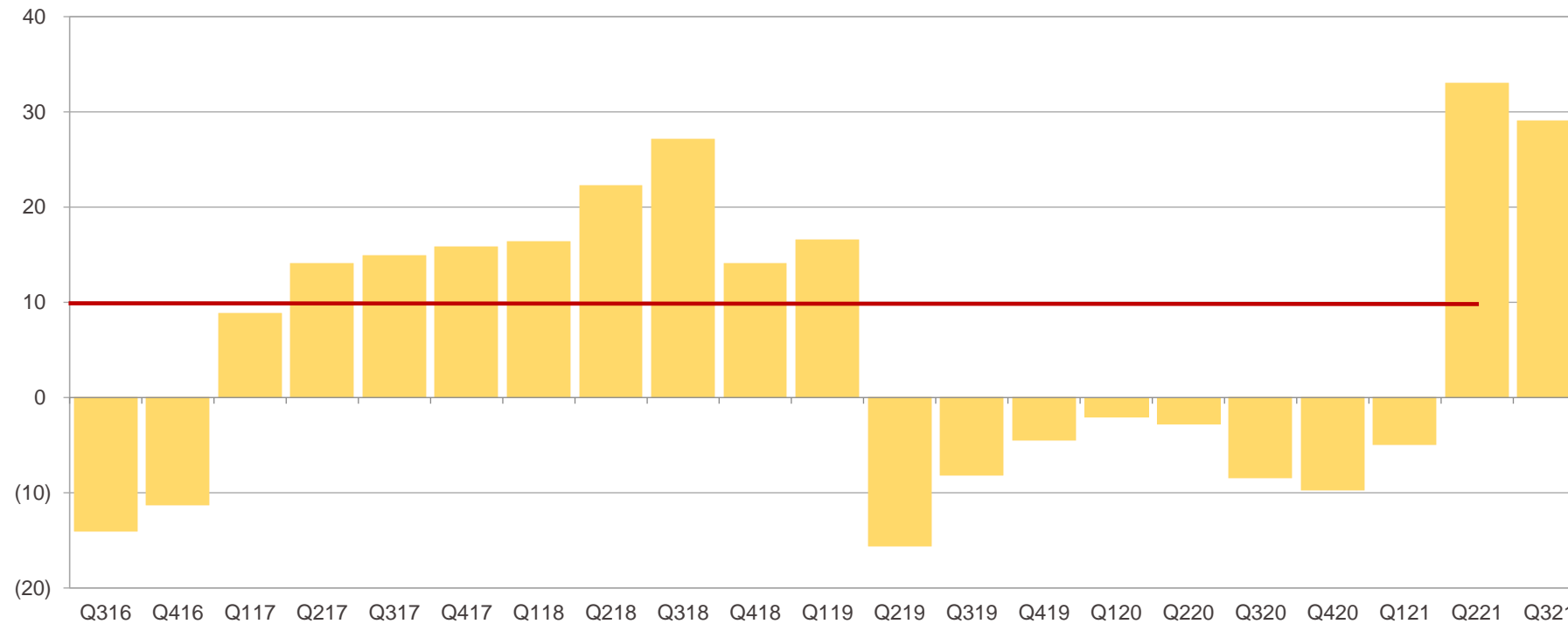
“We expect demand in the first quarter to be on a higher level compared to the fourth quarter.”



Organic growth pace



– Compared with same quarter last year (%), excluding currency effects



 = Order intake growth

Cautionary statement



This presentation contains forward-looking statements that are based on the current expectations of the management of Alfa Laval Group.

Although management believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those implied in the forward-looking statements as a result of, among other factors, changes in economic, market and competitive conditions, changes in the regulatory environment, other government actions and fluctuations in exchange rates. Alfa Laval undertakes no obligation to publicly update or revise these forward-looking statements, other than as required by law or other regulations.

