

Report for Q1 2022

Tom Erixon

President and CEO

Alfa Laval Group

Key figures

– MSEK

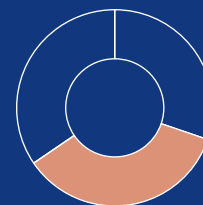


	Q1 2022	Q1 2021	Tot Δ, %	Organic Δ, %*
Order intake	13,255	10,204	30	20
Net sales	10,615	8,969	18	10
Adjusted EBITA	1,816	1,530	19	
Adjusted EBITA-margin (%)	17.1	17.1		

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

Food & Water division

– Highlights and comments, MSEK



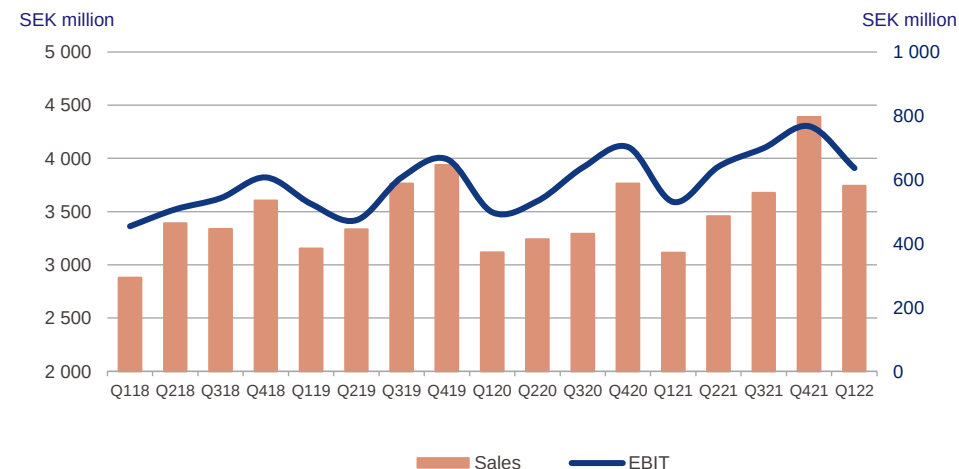
MARKETS & ORDER INTAKE

- Record high order intake.
- Demand remained strong across all geographies and most end-markets.
- Invoicing impacted by supply chain constraints.
- Service growth in most end-markets.

	Q1 22	Q1 21	Tot Δ, %	Org Δ, %	Q4 21
ORDERS	5,652	3,730	51.5	40.6	4,139
SALES	3,742	3,116	20.1	12.1	4,388
EBIT	639	530			767
EBIT (%)	17.1	17.0			17.5

PROFITABILITY (EBIT)

- Operating margin remained stable. Higher volumes compensated for negative mix effects.





2021 sales

300
MEUR



Employees

1,000
globally



- **A strong combination**

- A world leader in the growing areas of biofuel processing, alternative proteins and vegetable oils
- Strong combined technological leadership, market position and global presence creates unparalleled customer offering
- Full value chain coverage from raw materials to end products

Energy division

– Highlights and comments, MSEK



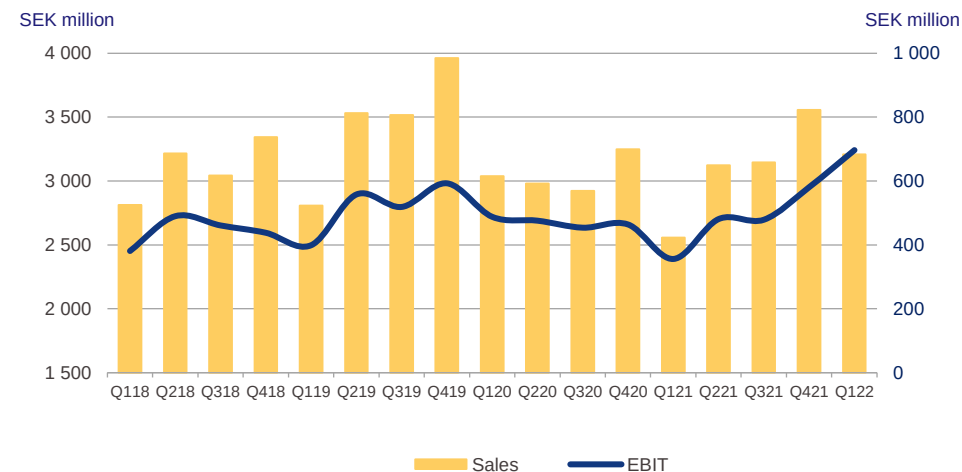
MARKETS & ORDER INTAKE

- Record order intake for HVAC and Refrigeration related to ongoing energy efficiency initiatives.
- Improved demand in gas production and distribution.
- Service grew across all industries and all geographical markets.

PROFITABILITY (EBIT)

- Operating margin increased. The improvement was driven by higher volumes and one-time inventory revaluation effects that compensated for higher raw material costs and inflationary pressure.

	Q1 22	Q1 21	Tot Δ, %	Org Δ, %	Q4 21
ORDERS	3,808	3,101	22.8	16.1	3,362
SALES	3,209	2,558	25.4	18.5	3,556
EBIT	697	356			581
EBIT (%)	21.7	13.9			16.3



Marine division

– Highlights and comments, MSEK



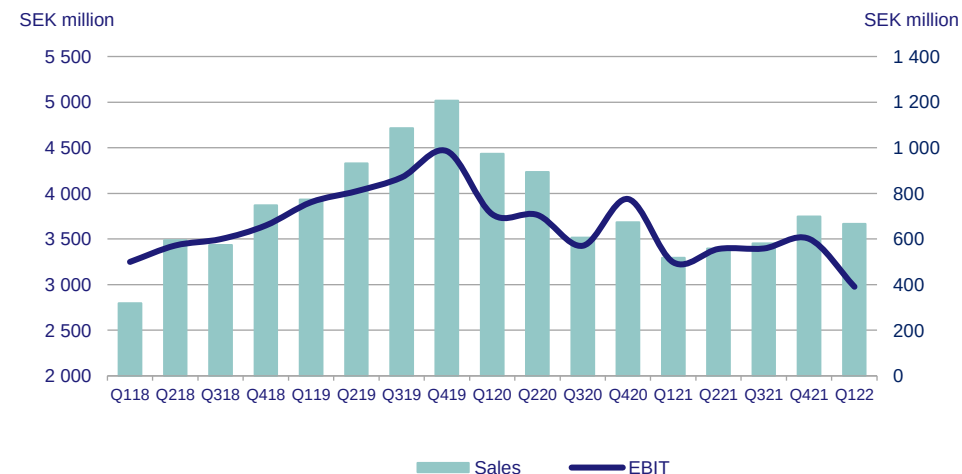
MARKETS & ORDER INTAKE

- Order growth despite cancelations related to Russian sanctions.
- High demand for environmental solutions, driven by ballast water orders and good development for new products.
- Service improved as demand grew in both shipping and offshore.

PROFITABILITY (EBIT)

- Profitability was negatively impacted mainly by increased material costs impact on the order backlog, higher overhead costs and higher royalty costs related to the Pure Ballast JV.

	Q1 22	Q1 21	Tot Δ, %	Org Δ, %	Q4 21
ORDERS	3,795	3,373	12.5	1.7	4,150
SALES	3,664	3,295	11.2	0.7	3,748
EBIT	390	497			600
EBIT (%)	10.6	15.1			16.0

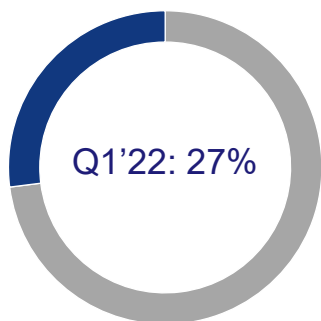


Service, by division

– Order intake Q1 2022, share and development



ENERGY

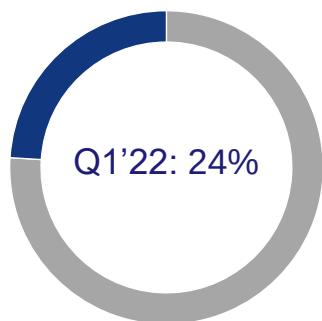


Organic growth



YoY

FOOD & WATER

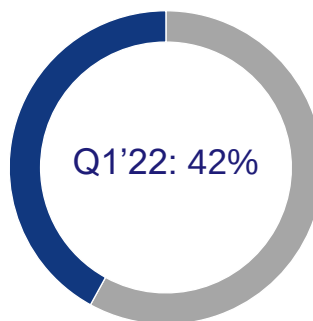


Organic growth



YoY

MARINE



Organic growth



YoY

 = Service share of total order intake

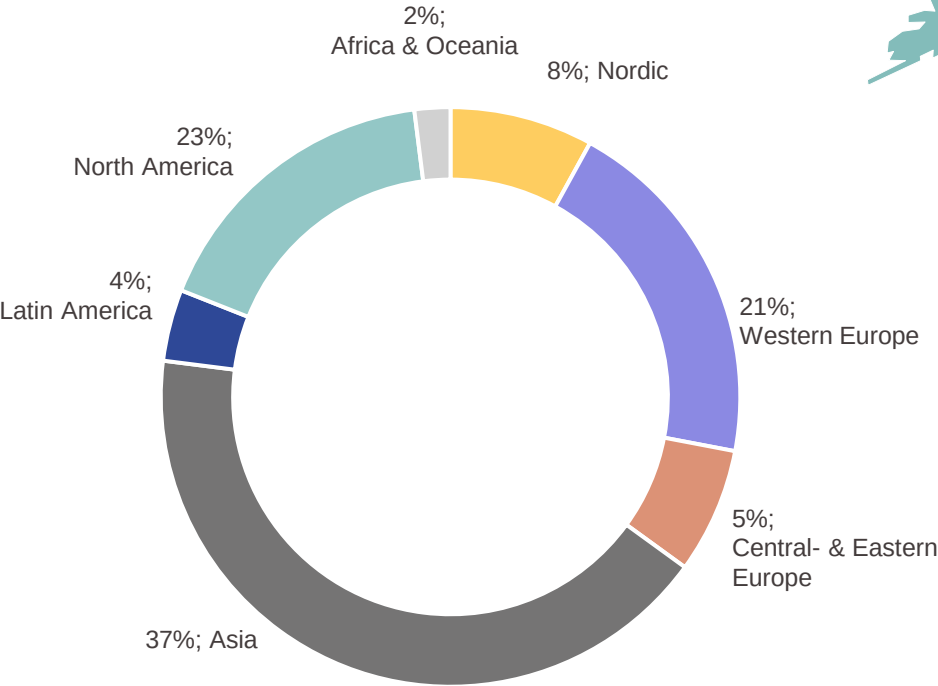


Orders received

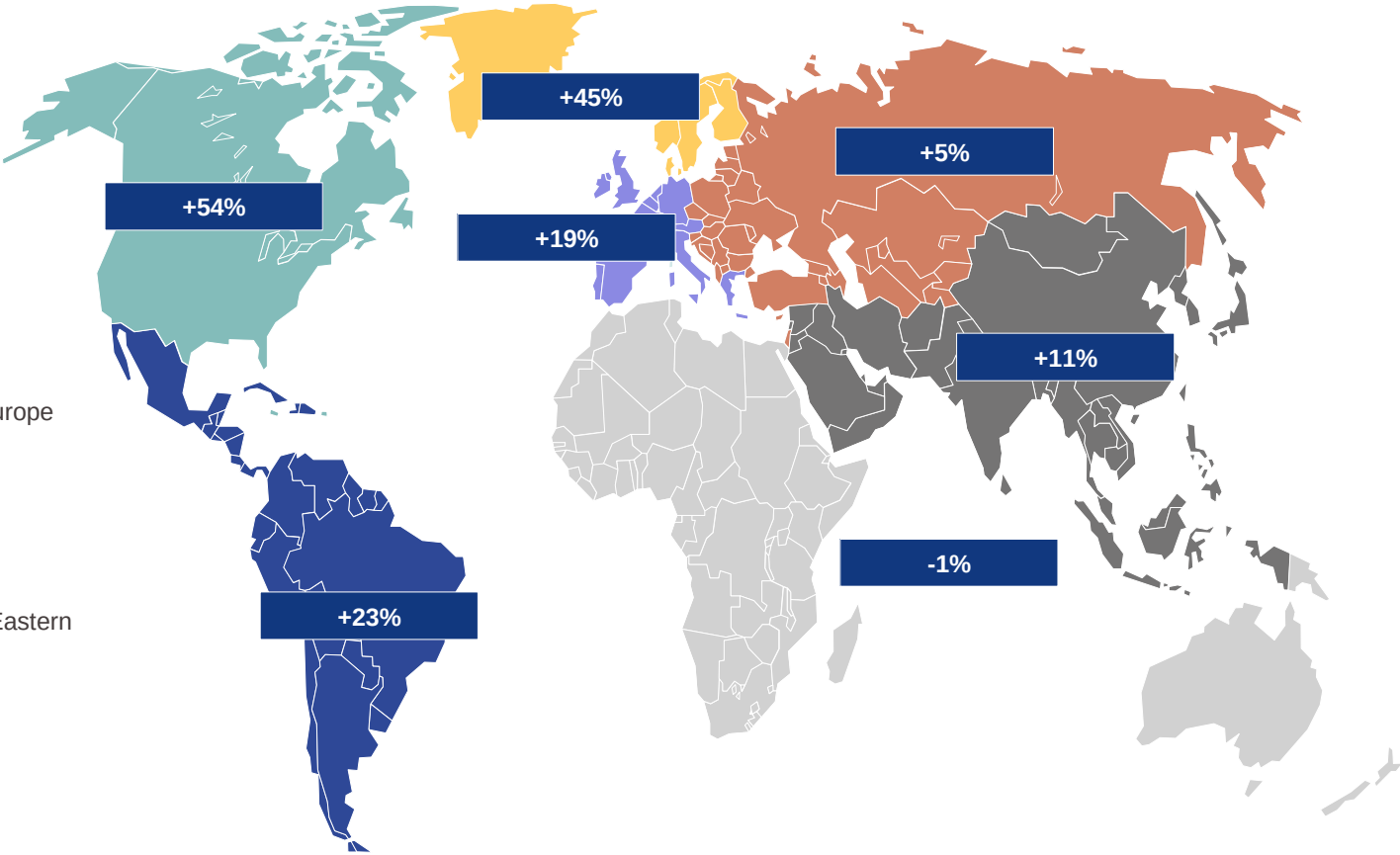


Orders received by region

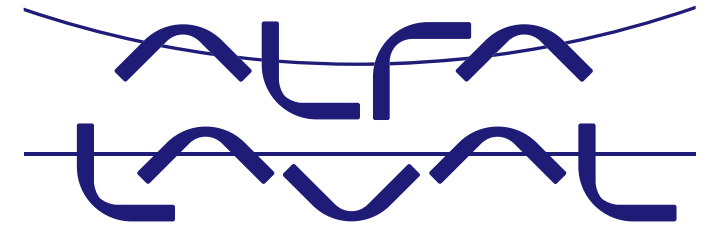
– Development Q1 2022 vs Q1 2021, at fixed rates



Share %: Jan – Mar 2022



vs Q1-21



Report for Q1 2022

Jan Allde
CFO
Alfa Laval Group

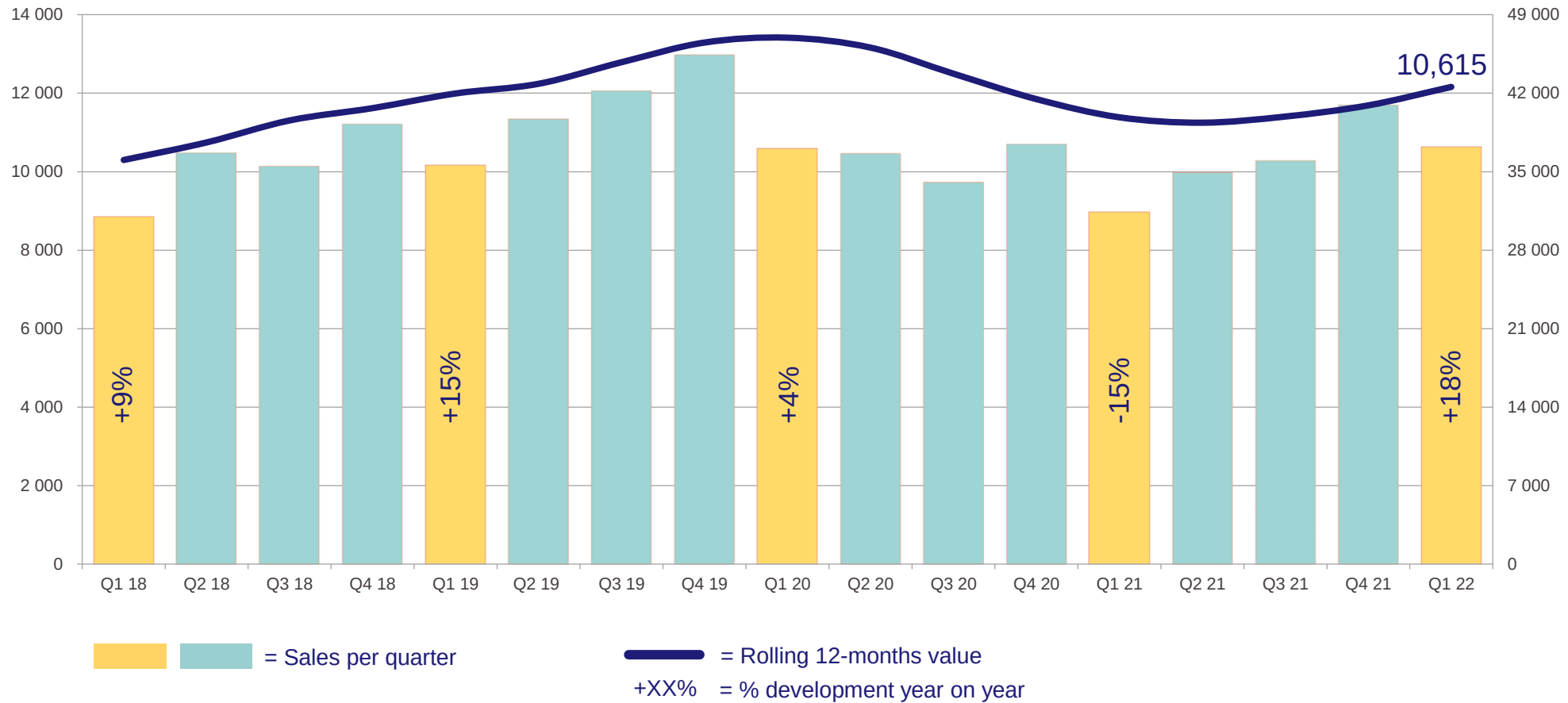
Sales

– MSEK



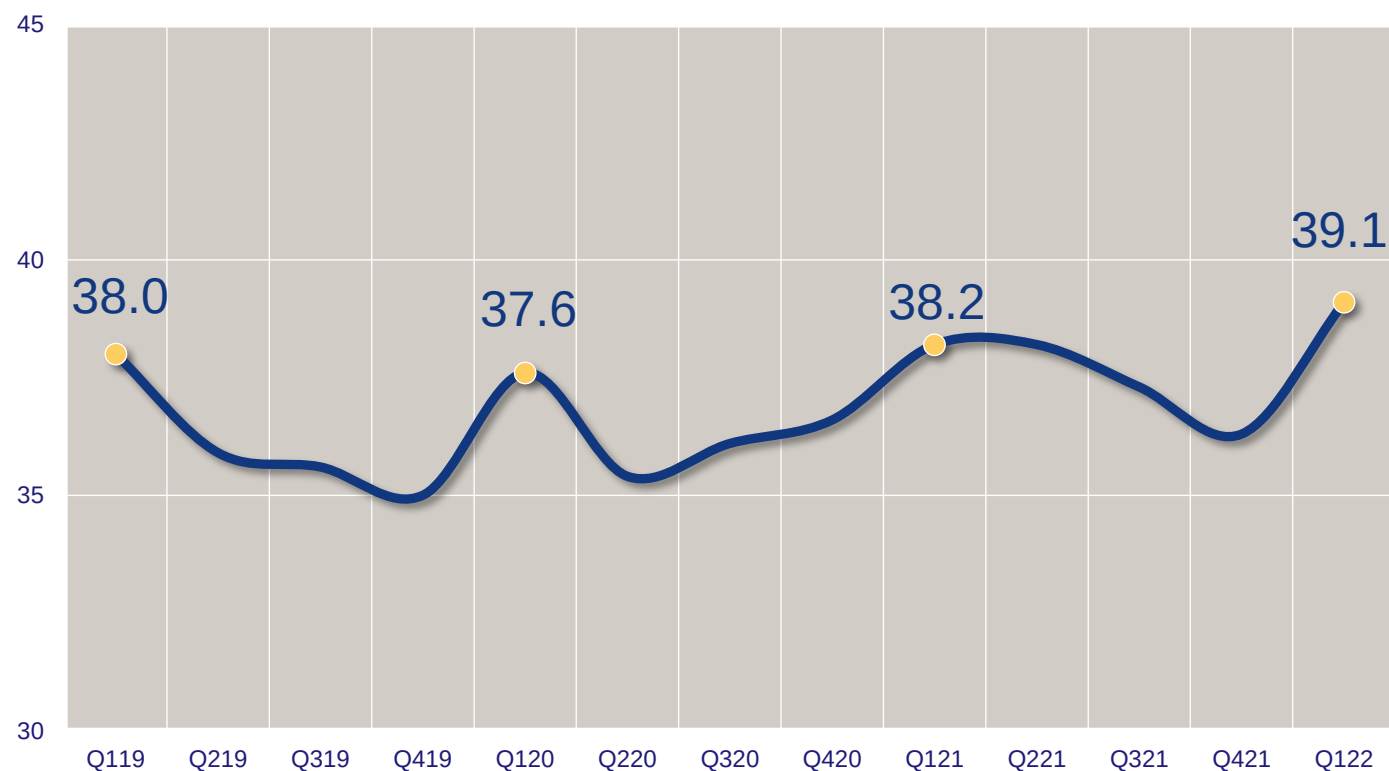
SEK million

SEK million R 12



Adjusted gross margin

– In percent of sales



Q1 2021	38.2
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Mix/price	-
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Load/volume	+
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PPV/metals	+
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FX	-
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Structure	+
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Q1 2022	39.1
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S&A Expense development

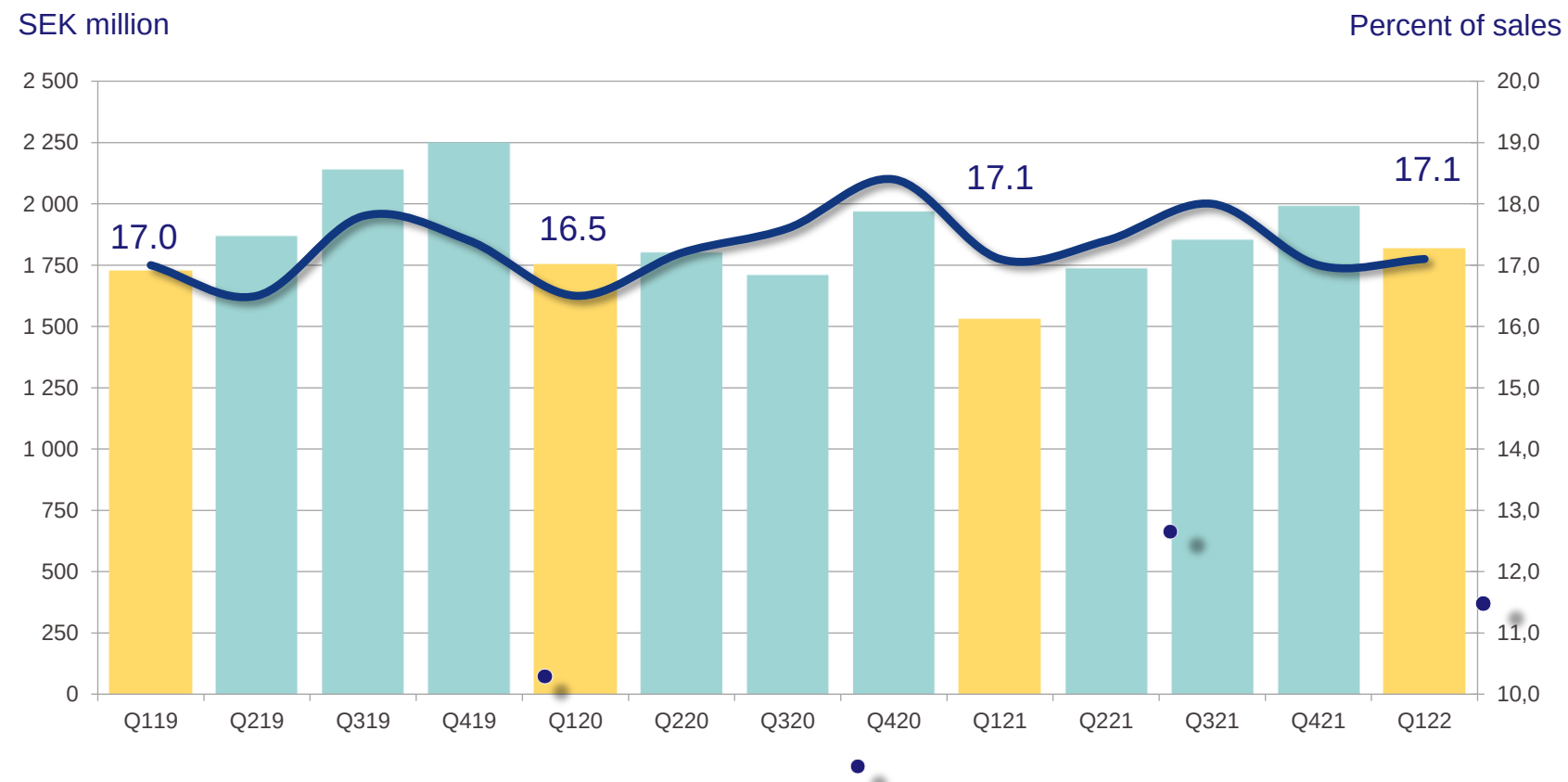
– MSEK



	Q1 2022	Q1 2021	Tot Δ, %
Sales costs	1,222	1,019	19.9%
Admin costs	579	436	32.8%
Total S&A costs	1,801	1,455	23.8%
Excl. FX impact and acq./divestments			11.3%

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



	Q1 2022	Q1 2021
Sales	10,615	8,969
Gross profit	3,932	3,223
Sales & Admin	-1,802	-1,455
R&D	-318	-271
Net other cost/income	-554	-177
Operating income	1,275	1,340
Financial net	-15	143
Profit before tax	1,260	1,483
Taxes	-328	-371
EPS	2.22	2.64

Cash-flow statement

– MSEK



	Q1 2022	Q1 2021
EBITDA	2,185	1,798
Working Capital	-937	-43
Taxes paid	-481	-792
Cash flow from operating activities	767	963
Capital expenditures	-274	-266
Disposals	5	25
Acquisitions	-4	-13
Cash flow from investing activities	-273	-254
Financial net paid	-70	90
Cash flow	424	799
Free cash flow*	423	787

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

Foreign exchange

– Estimated impact on adjusted EBITA from FX fluctuations, MSEK



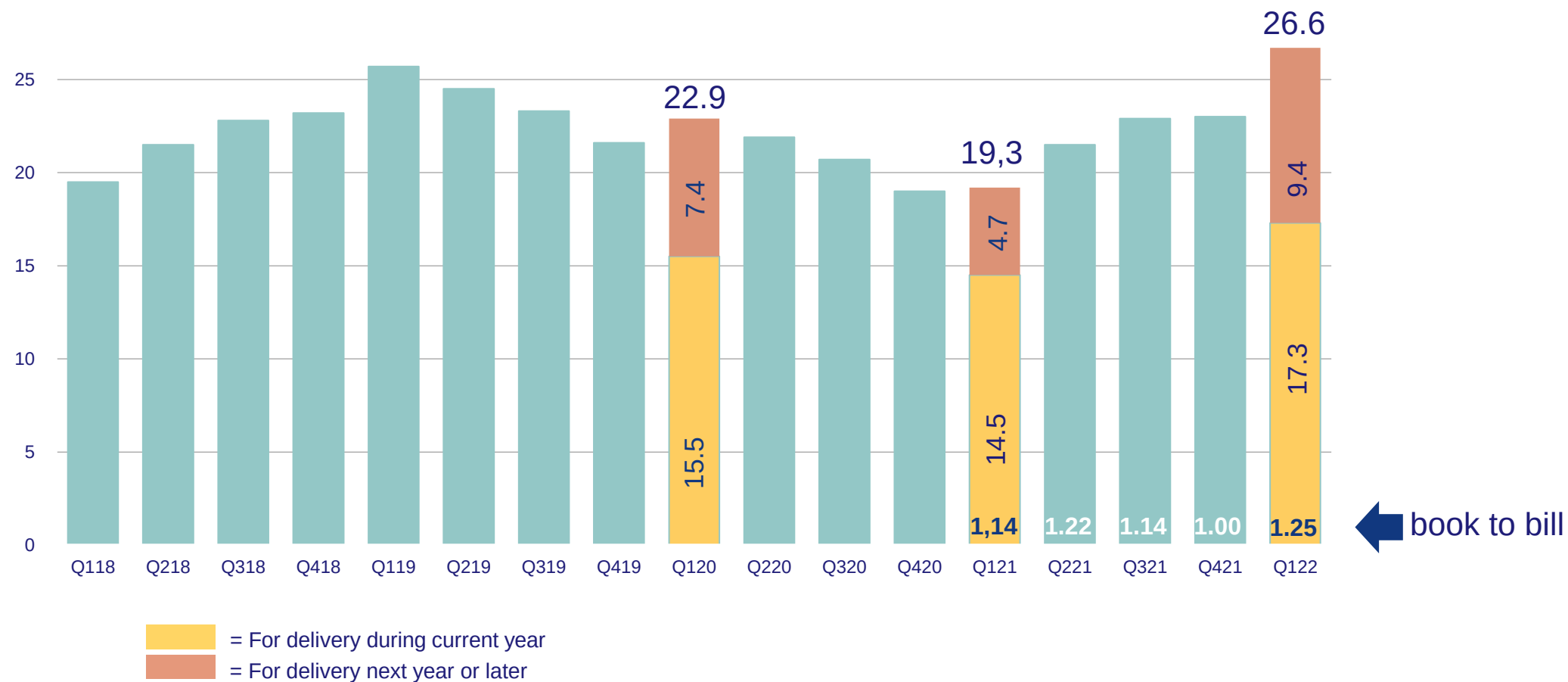
	Q1 2022	FY 2022	FY 2023*
Transaction effect	-40	-115	-125
Translation effect	80	215	-
Total	40	100	-125

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

*) Based on EUR/USD 1,1375 and EUR/SEK 10,400

Order backlog as per March 31

– SEK billion



Sales

– FY 2022, SEK billion



Q1 2022	10.6
Backlog for delivery in 2022	17.3
Subtotal	27.9

For you to consider:

Price

“In-for-out”*

FX translation

Acquisitions

FY 2022

*IFO in Q2-Q4 2021 was SEK 17.4 bn.

Outlook for the second quarter:

“We expect demand in the second quarter to be somewhat lower compared to the first quarter.”



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.

