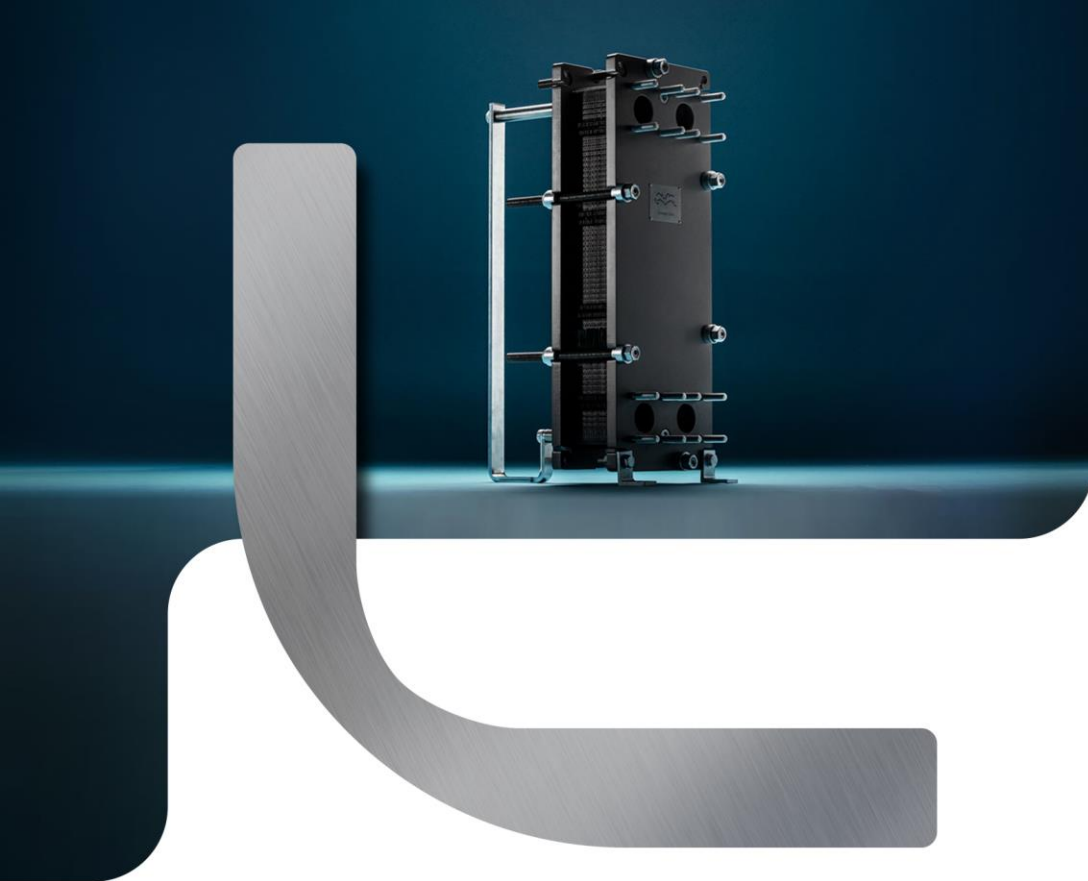


Report for Q4 2022

Tom Erixon

President and CEO

Alfa Laval Group

Key figures

– SEK million

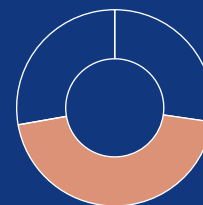


	Q4 2022	Q4 2021	Tot Δ , %	Organic Δ , %*
Order intake	15,767	11,651	35	16
Net sales	16,484	11,692	41	14
Adjusted EBITA	2,520	1,992	27	
Adjusted EBITA-margin (%)	15.3	17.0		

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

Food & Water division

– Highlights and comments, SEK million



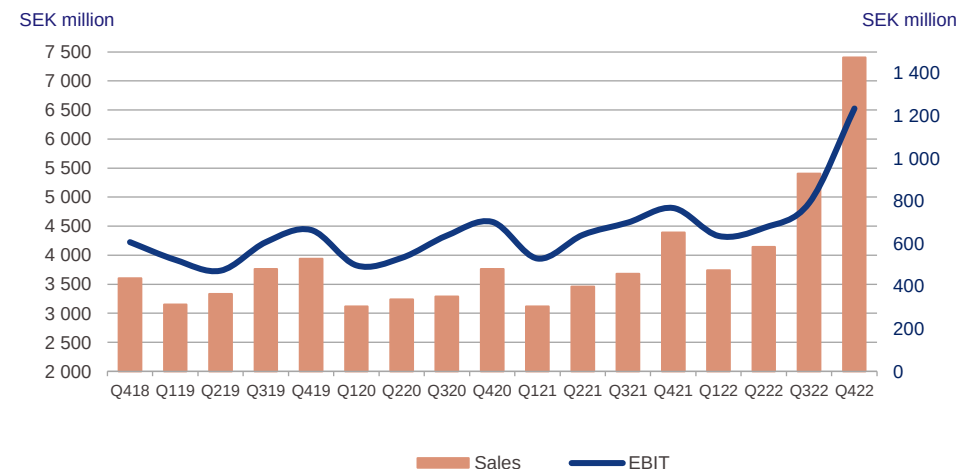
MARKETS & ORDER INTAKE

- Continued strong demand and industry sentiment with some lower activity in Dairy and Brewery.
- China activity is still recovering from disruptions.
- Supply chain challenges easing, enabling record sales.
- Sustainability driven growth: Ethanol, HVO, water applications and service.
- Desmet added 794 MSEK in orders in the quarter.

PROFITABILITY (EBIT)

- Satisfactory and stable operating margin contribution from both capital sales and service.
- Desmet margin was according to expectations.

	Q4 22	Q4 21	Tot Δ, %	Org Δ, %	Q3 22
ORDERS	5,613	4,139	35.6	4.8	5,611
SALES	7,407	4,388	68.8	13.6	5,402
EBIT	1,234	767			792
EBIT (%)	16.7	17.5			14.7



Energy division

– Highlights and comments, SEK million



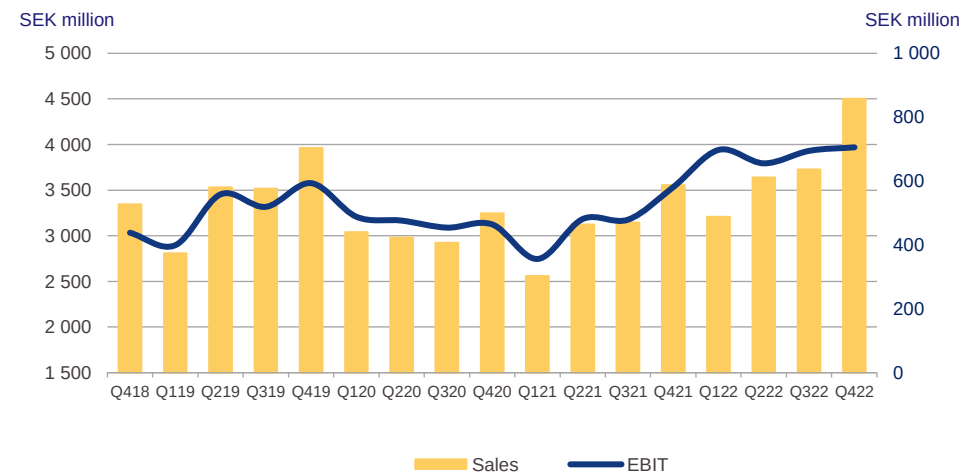
MARKETS & ORDER INTAKE

- Continued strong order intake across all customer segments with notable growth in online sales and distribution.
- Growth mainly driven by continued investments in energy efficiency initiatives.
- Strong growth in Service.

PROFITABILITY (EBIT)

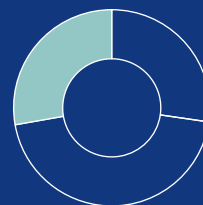
- Operating margin decreased somewhat, mainly related to business unit Welded.
- Restructuring program launched in business unit Welded.

	Q4 22	Q4 21	Tot Δ, %	Org Δ, %	Q3 22
ORDERS	4,407	3,362	31.1	20.2	4,583
SALES	4,500	3,556	26.5	16.7	3,726
EBIT	705	581			694
EBIT (%)	15.7	16.3			18.6



Marine division

– Highlights and comments, SEK million



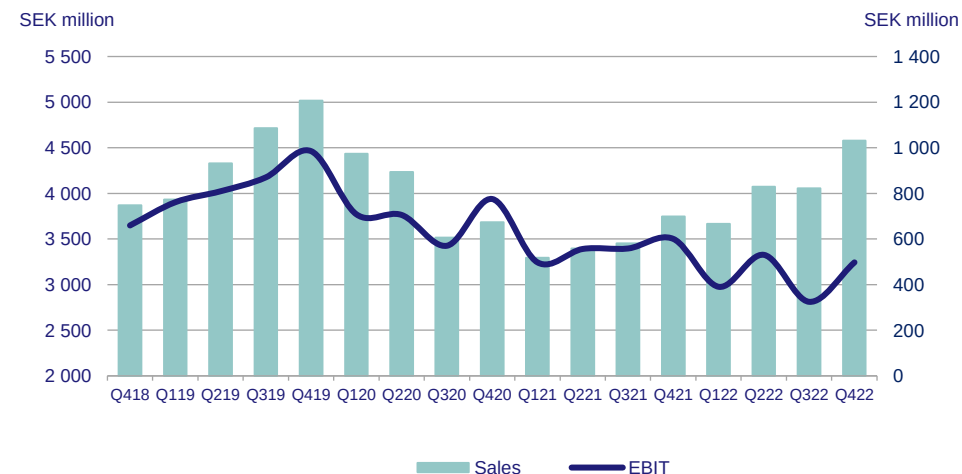
MARKETS & ORDER INTAKE

- Record high order intake, strong freight rates and indications of reactivation of yard capacity.
- Increased traction related to multi-fuels.
- Strong growth in Service.

PROFITABILITY (EBIT)

- Operating margin sequentially improved supported by a better mix and FX development.
- A restructuring program launched to address profitability.
- Margin in Q4 remained impacted by order backlog and low factory load in Marine Pumping Systems.

	Q4 22	Q4 21	Tot Δ, %	Org Δ, %	Q3 22
ORDERS	5,747	4,150	38.5	24.7	5,008
SALES	4,577	3,748	22.1	11.2	4,056
EBIT	497	600			324
EBIT (%)	10.9	16.0			8.0



Service orders

– Order intake, SEK million

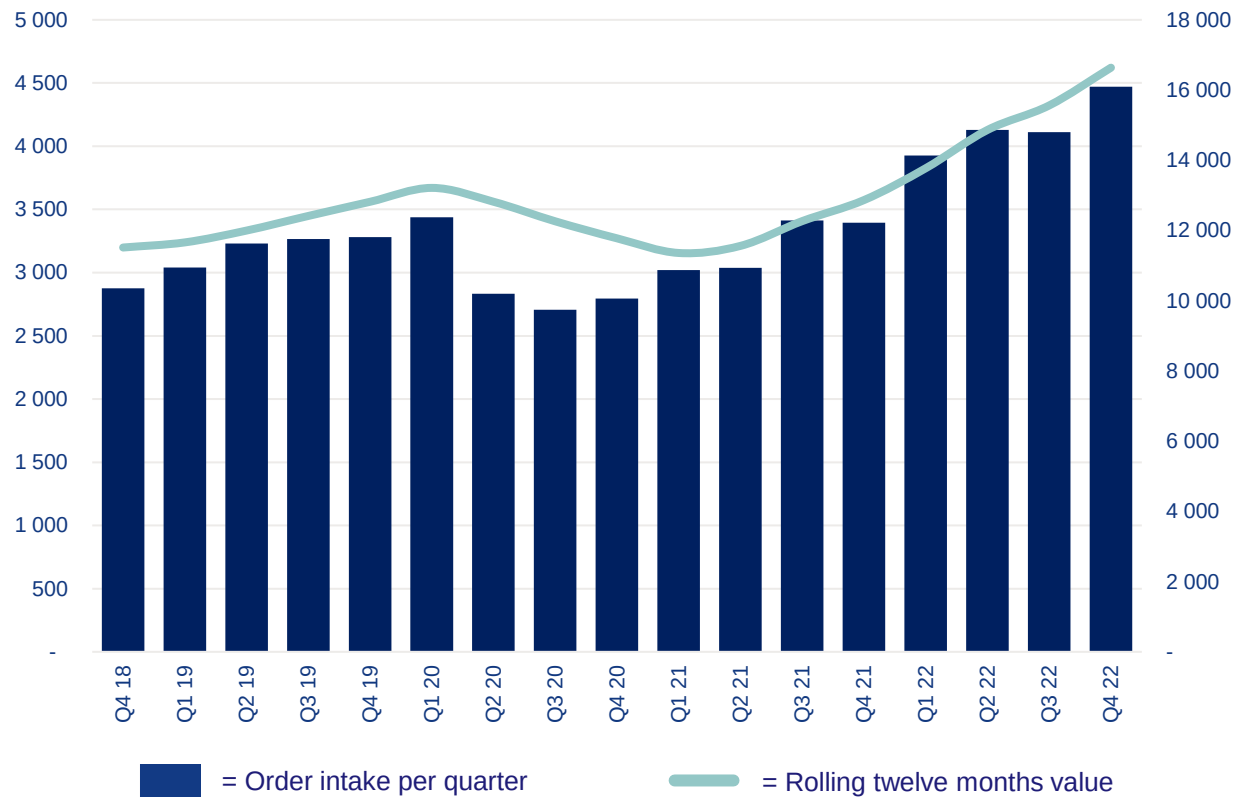
Energy, Q4



Food&Water, Q4

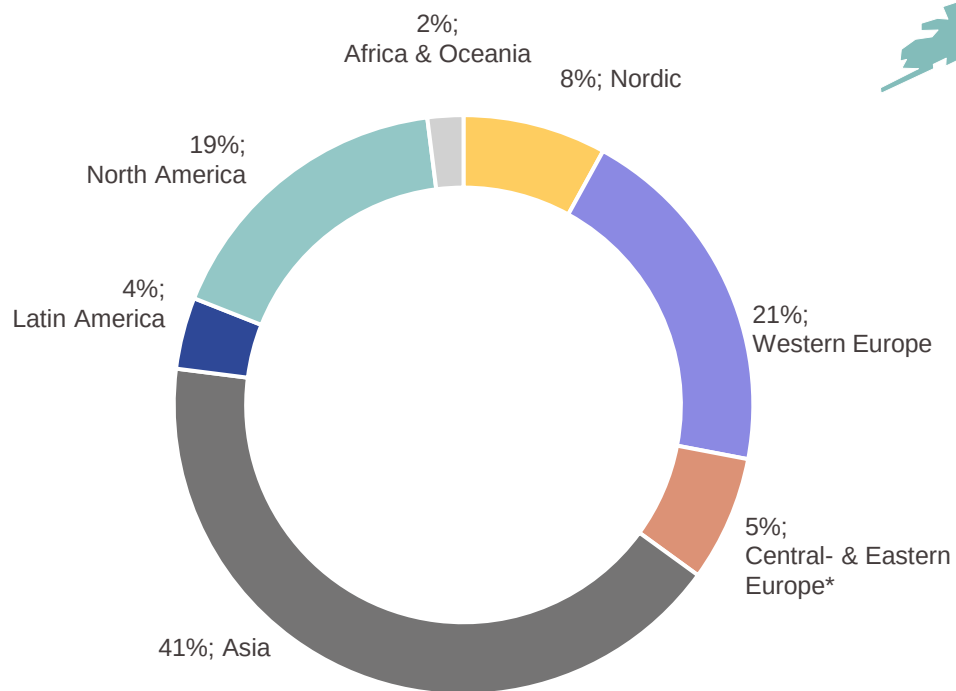


Marine, Q4

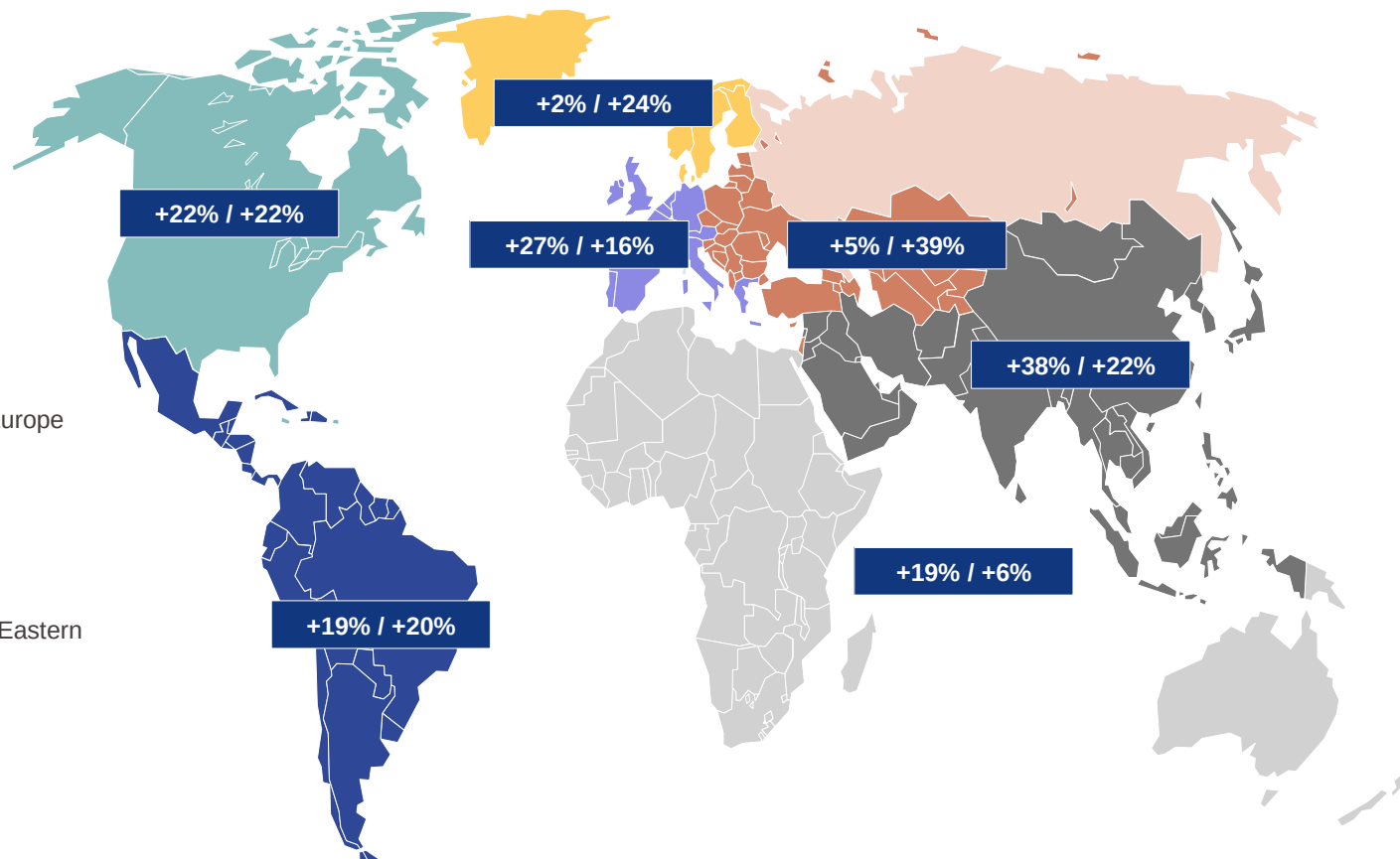


Orders received by region

– at fixed rates



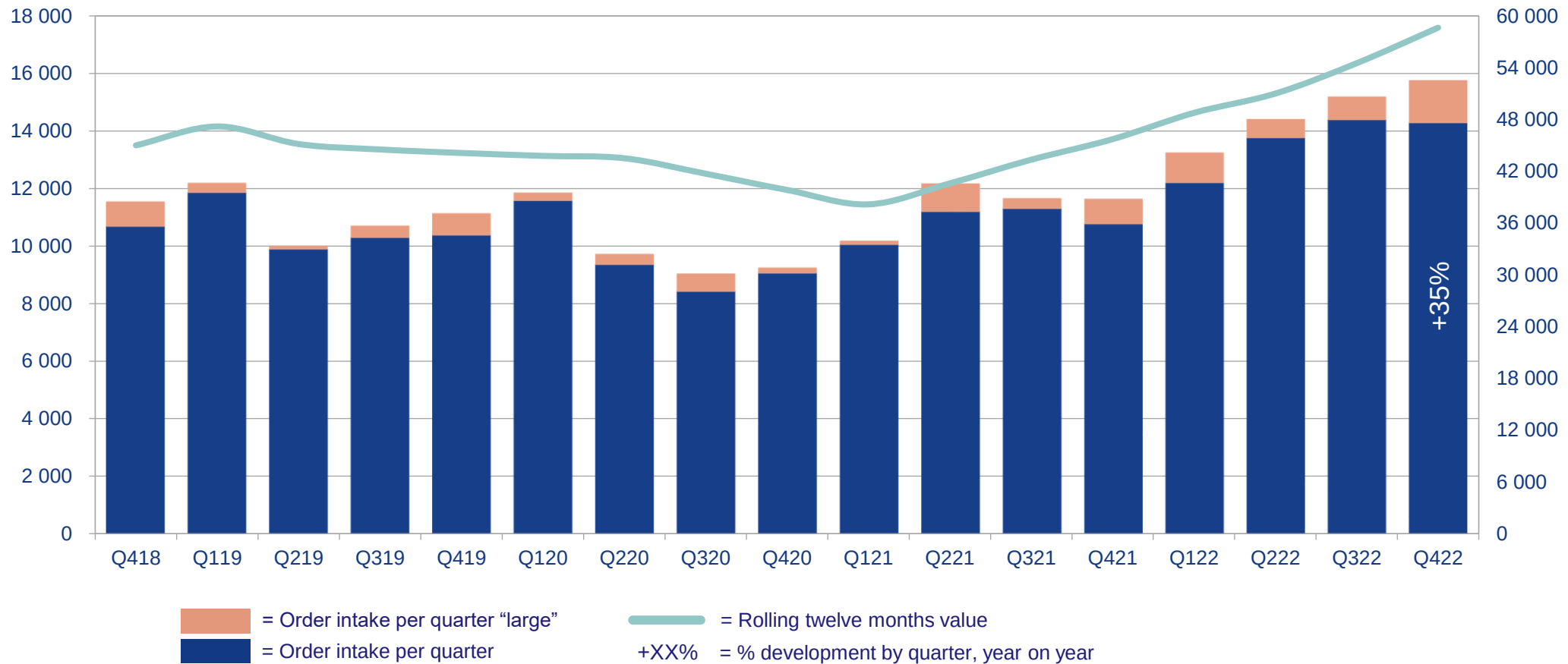
Share %: Jan – Dec 2022

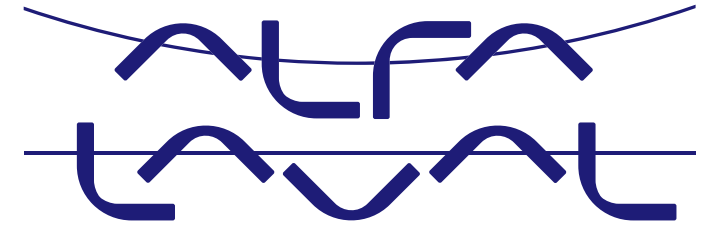


vs Q4 / YTD 2021

Orders received

– SEK million





Report for Q4 2022

Fredrik Ekström
CFO
Alfa Laval Group

Key figures

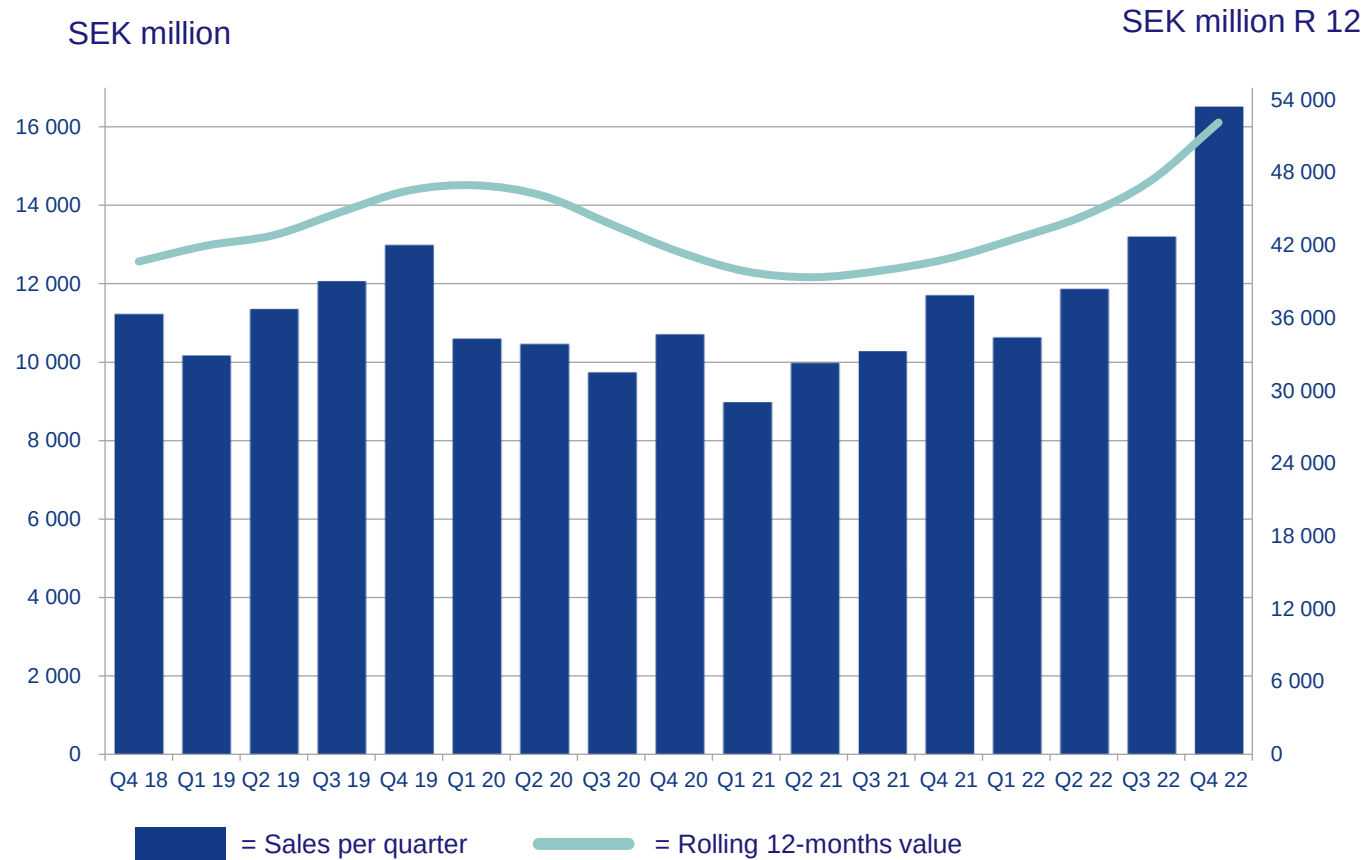
– SEK million



	Q4 2022	Q4 2021	FY 2022	FY 2021
Sales	16,484	11,692	52,135	40,911
Gross profit	5,177	4,035	17,646	14,510
Sales & Admin	-2,144	-1,713	-7,939	-6,383
R&D	-386	-351	-1,356	-1,159
Net other cost/income	-857	-196	-1,880	-918
Operating income	1,814	1,787	6,519	6,126
Financial net	-52	74	-340	16
Profit before tax	1,762	1,861	6,179	6,142
Taxes	-502	-383	-1,610	-1,341
EPS	3.00	3.51	10.89	11.38

Sales

– SEK million



Q4 2022

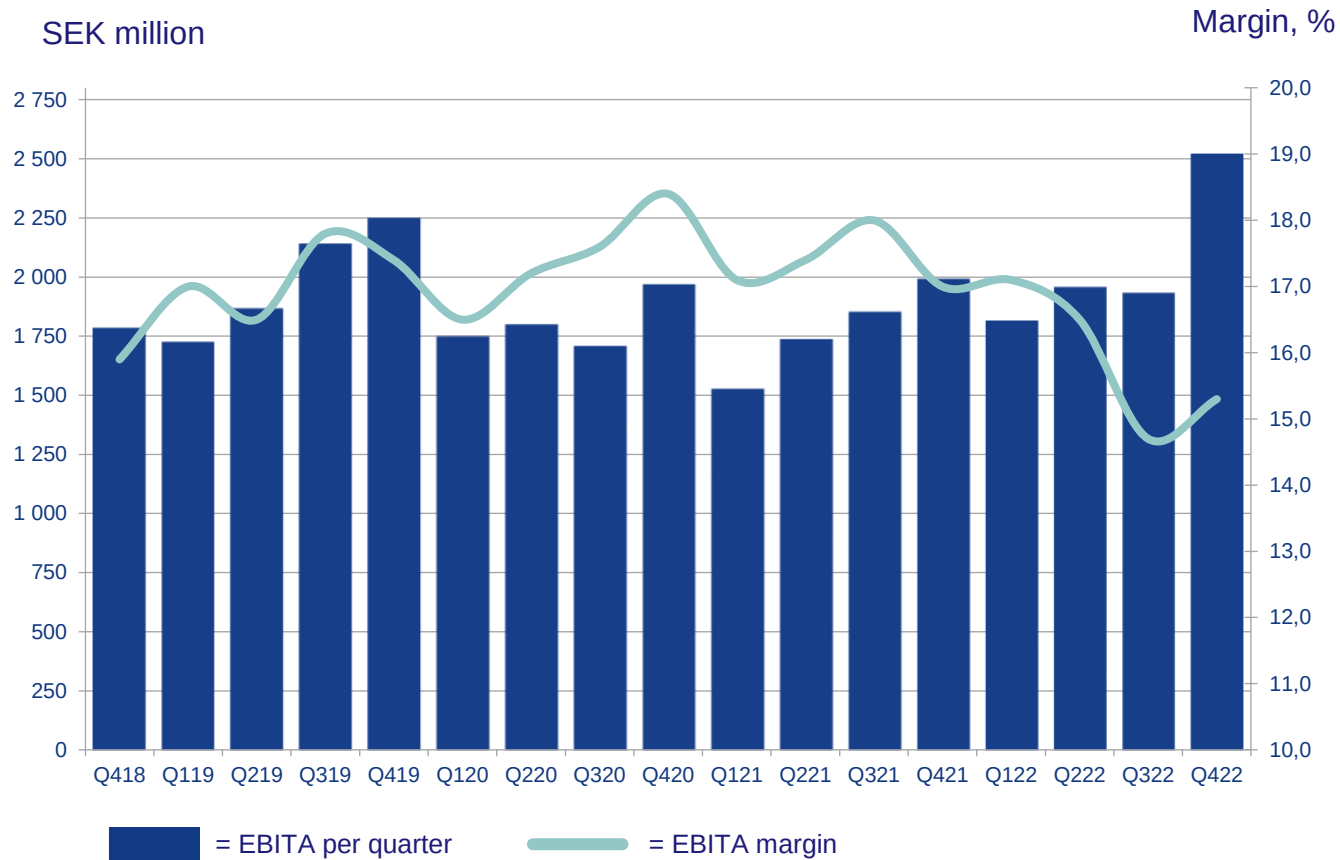
- Sales of 16,484 MSEK (11,692)
- 14% organic growth
- 1,918 MSEK contribution from Desmet

FY 2022

- Sales of 52,135 MSEK (40,911)
- 11% organic growth
- 2,474 MSEK contribution from Desmet

Adjusted EBITA margin

– SEK million and in percent of sales



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

Q4 2022

- Adj EBITA of 2,520 MSEK (1,992)
- Margin of 15.3% (17.0)
- Pricing offsetting inflationary pressure

FY 2022

- Adj EBITA of 8,229 MSEK (7,114)
- Margin of 15.8% (17.4)
- Normalization of the margin from Q3

Cash-flow statement

– SEK million



	Q4 2022	Q4 2021	YTD 2022	YTD 2021
EBITDA	2,546	2,298	9,016	8,260
Working Capital	-490	-569	-3,891	-1,397
Taxes paid	-394	-318	-1,834	-1,599
Cash flow from operating activities	1,662	1,411	3,291	5,264
Capital expenditures	-913	-474	-1,853	-1,229
Disposals	4	0	20	32
Acquisitions	-13	-213	-3,685	-3,828
Cash flow from investing activities	-922	-687	-5,518	-5,025
Financing activities	-275	-332	3,093	-2,081
Cash flow	465	392	866	-1,842
Free cash flow*	669	1,041	1,168	4,080
Financial net	-80	104	-270	45

Update on Investment and Restructuring programs



Investment program

- Additional opportunities identified related to the energy transition and Service.
- CAPEX guidance raised to 2.5 – 3.0 BSEK per year in the next 3-4 years (2.0 – 2.5 BSEK).

Comparison distortion items

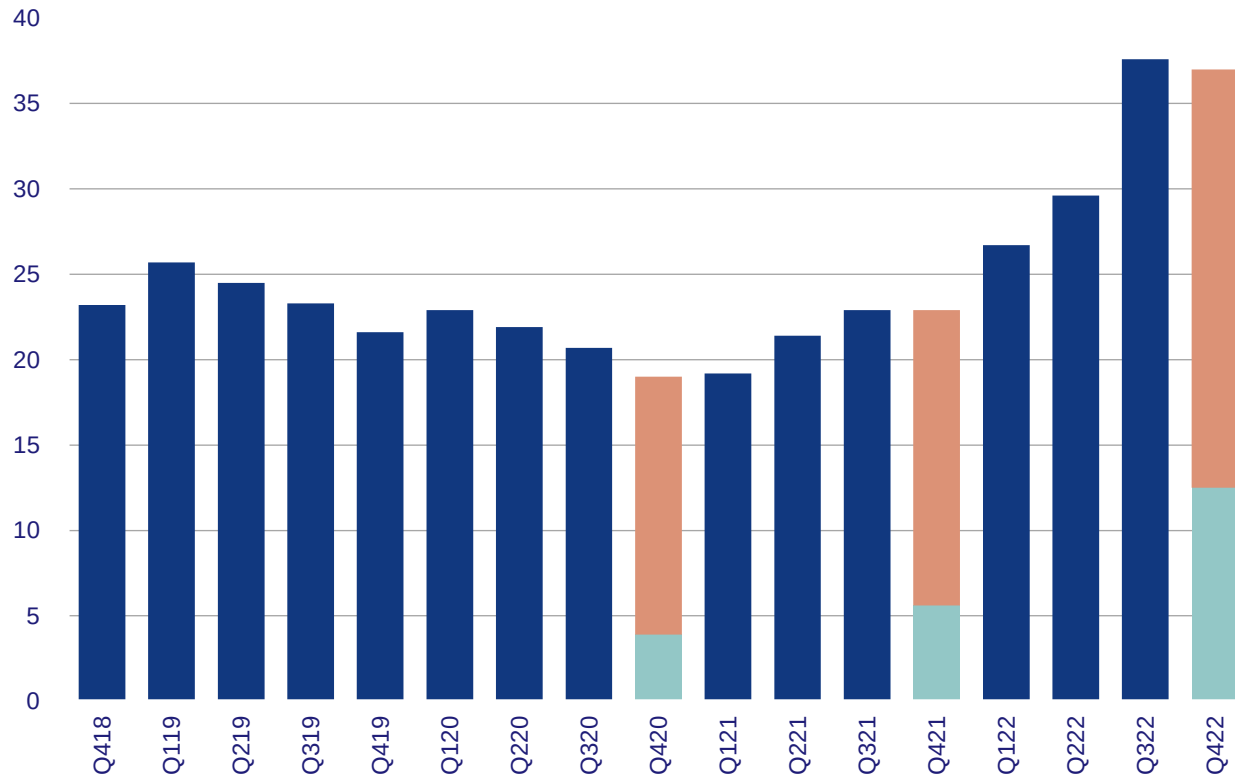
- Total of SEK 767 million in 2023.
- SEK 367 MSEK in restructuring cost focused on Marine and Energy.
 - Payback of approximately 2 years. Fully implemented Q3 2023.
- SEK 400 million reserved for wind-down in Russia.

Order backlog as per December 31

– SEK billion



SEK billion



 = For delivery during current year
 = For delivery next year or later

Q4 2022

- Order backlog of 37.0 BSEK
 - 24.5 BSEK for delivery 2023
 - 12.5 BSEK for delivery 2024 or later
- 61% increase YoY
- Current backlog corresponding to 5.6 months
- Q4 book-to-bill of 0.96
- FY book-to-bill of 1.12

Guidance



	Q1 2023	FY 2023	FY 2024
CAPEX (cash)	Around similar level as previous quarter	Estimated 2.5 – 3.0 BSEK	Estimated 2.5 – 3.0 BSEK
Currency impact on EBITA*	Estimated transaction and translation impact of 31 MSEK	Estimated transaction and translation impact of 235 MSEK	Estimated transaction and translation impact of 410 MSEK
PPA amortization		950 MSEK	680 MSEK
Tax rate		24-26%	24-26%

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

*) Based on currency rates as per December 31, 2022. EUR/USD 1,0822 and EUR/SEK 11,1496

Profitability per division, Q4 2022

– SEK million



	Energy	Food & Water	Marine
EBIT	705	1,234	497
<i>EBIT-margin, %</i>	<i>15.7</i>	<i>16.7</i>	<i>10.9</i>
Adjusted EBITA	746	1,292	664
<i>Adjusted EBITA-margin, %</i>	<i>16.7</i>	<i>17.5</i>	<i>14.5</i>

Outlook for the first quarter:

“We expect demand in the first quarter to be on about the same level compared to the fourth 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.