





Report for Q1 2023

Tom Erixon

President and CEO

Alfa Laval Group

Key figures

– SEK million

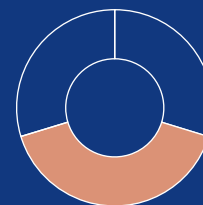


	Q1 2023	Q1 2022	Tot Δ, %	Organic Δ, %*
Order intake	18,385	13,255	39	25
Net sales	14,111	10,615	33	15
Adjusted EBITA	2,387	1,816	31	
Adjusted EBITA-margin (%)	16.9	17.1		

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

Food & Water division

– Highlights and comments, SEK million



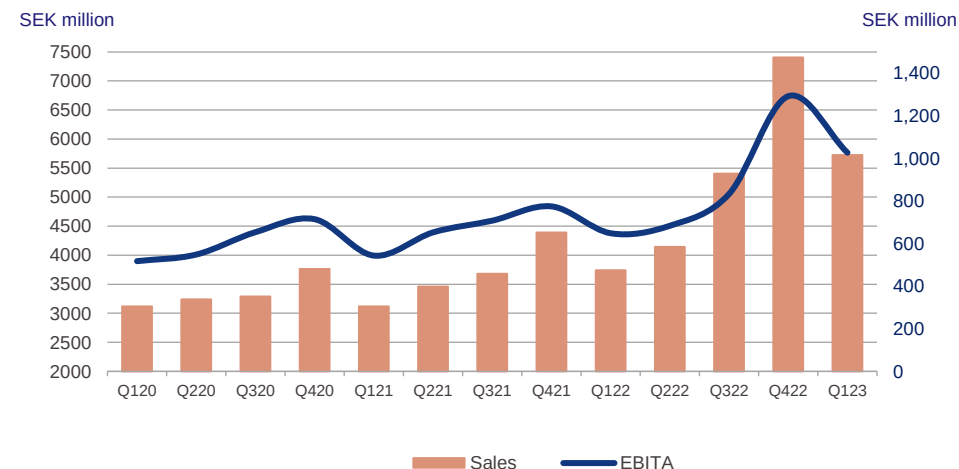
MARKETS & ORDER INTAKE

- Organic order intake decreased compared to a record Q1 last year.
- China remained on a low level.
- Supply chain challenges easing, enabling improved invoicing.
- Strong development for Service.

PROFITABILITY (EBITA)

- Operating margin improved based on higher invoicing and favourable mix.
- The dilutive effect from Desmet was smaller than expected.

	Q1 23	Q1 22	Tot Δ, %	Org Δ, %	Q4 22
ORDERS	5,776	5,652	2.2	-20.5	5,613
SALES	5,722	3,742	52.9	16.4	7,407
Adj EBITA	1,027	649			1,292
Adj EBITA (%)	17.9	17.3			17.4



Energy division

– Highlights and comments, SEK million



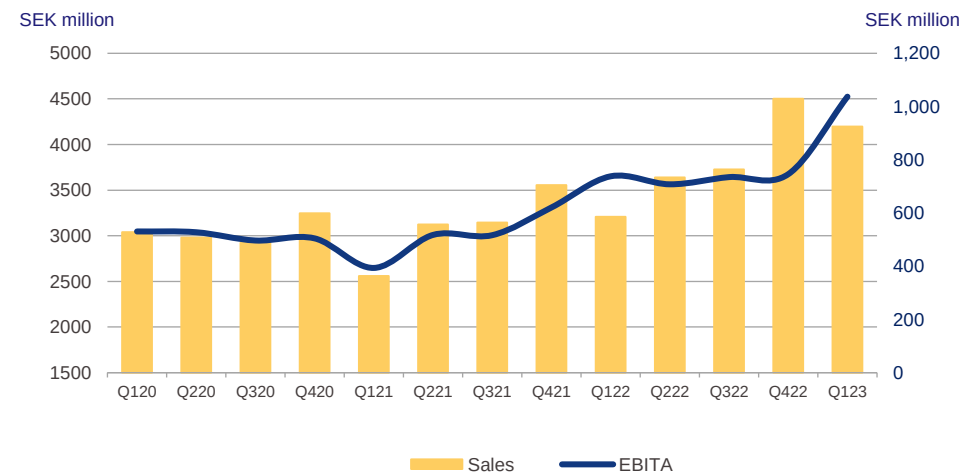
MARKETS & ORDER INTAKE

- Continued strong order intake across all customer segments.
- Growth mainly driven by continued investments in energy efficiency initiatives in all end markets.
- Strong growth in Service.

PROFITABILITY (EBITA)

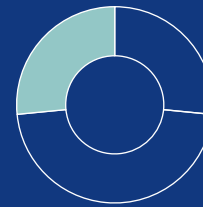
- Underlying margin improved, supported by volume, price and mix.
- Restructuring of business unit welded is progressing as planned.
- Expect similar margin pattern as FY 2022, based on unusually high revaluation effects in Q1.
- Increased costs of approximately 400 MSEK per year related to capacity investments from Q2 onwards.

	Q1 23	Q1 22	Tot Δ, %	Org Δ, %	Q4 22
ORDERS	5,437	3,808	42.8	34.5	4,407
SALES	4,196	3,209	30.8	22.6	4,500
Adj EBITA	1,037	738			746
Adj EBITA (%)	24.7	23.0			16.6



Marine division

– Highlights and comments, SEK million



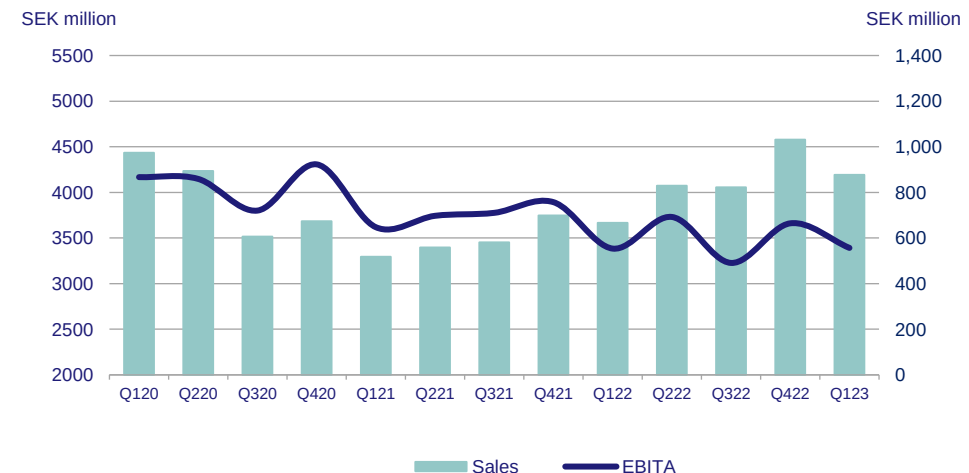
MARKETS & ORDER INTAKE

- Record high order intake with growth in most product areas.
- Very strong order intake for cargo pumping systems.
- Increased traction related to multi-fuels.
- Strong growth in Service.

PROFITABILITY (EBITA)

- Margin remained impacted by order backlog and low factory load in Marine Pumping Systems.
- Restructuring program addressing imbalances in the Boiler and Ballast Water Treatment businesses progresses as planned.
- Utilization in cargo pumping increasing from current low levels in Q3.

	Q1 23	Q1 22	Tot Δ, %	Org Δ, %	Q4 22
ORDERS	7,172	3,795	89.0	81.6	5,747
SALES	4,193	3,664	14.4	6.6	4,577
Adj EBITA	556	553			664
Adj EBITA (%)	13.3	15.1			14.5



Service orders

– Order intake, SEK million

Energy, Q1



Food&Water, Q1



Marine, Q1



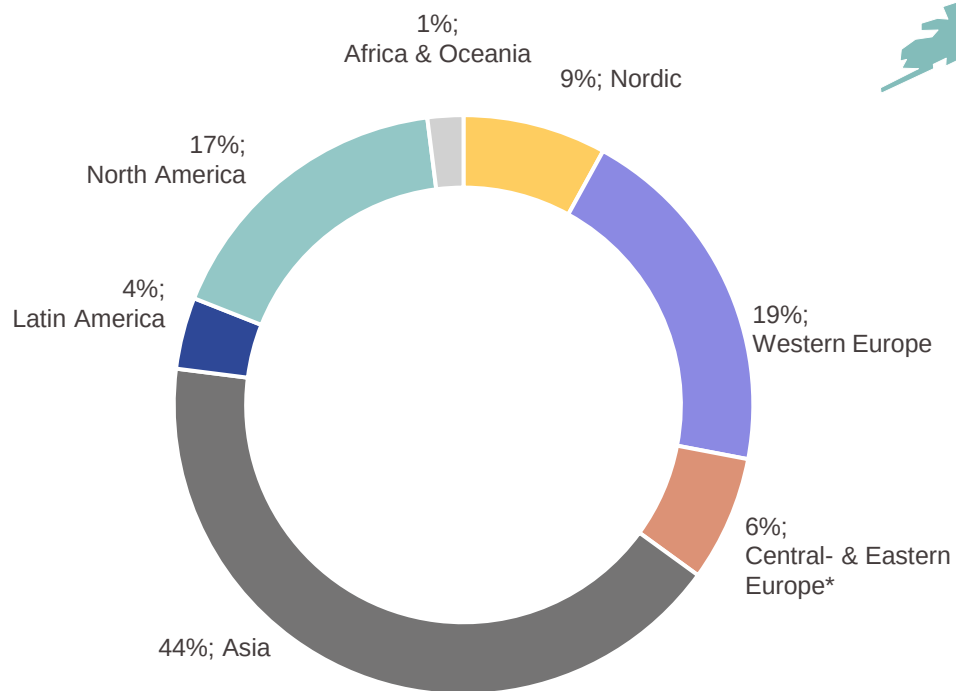
SEK million

SEK million

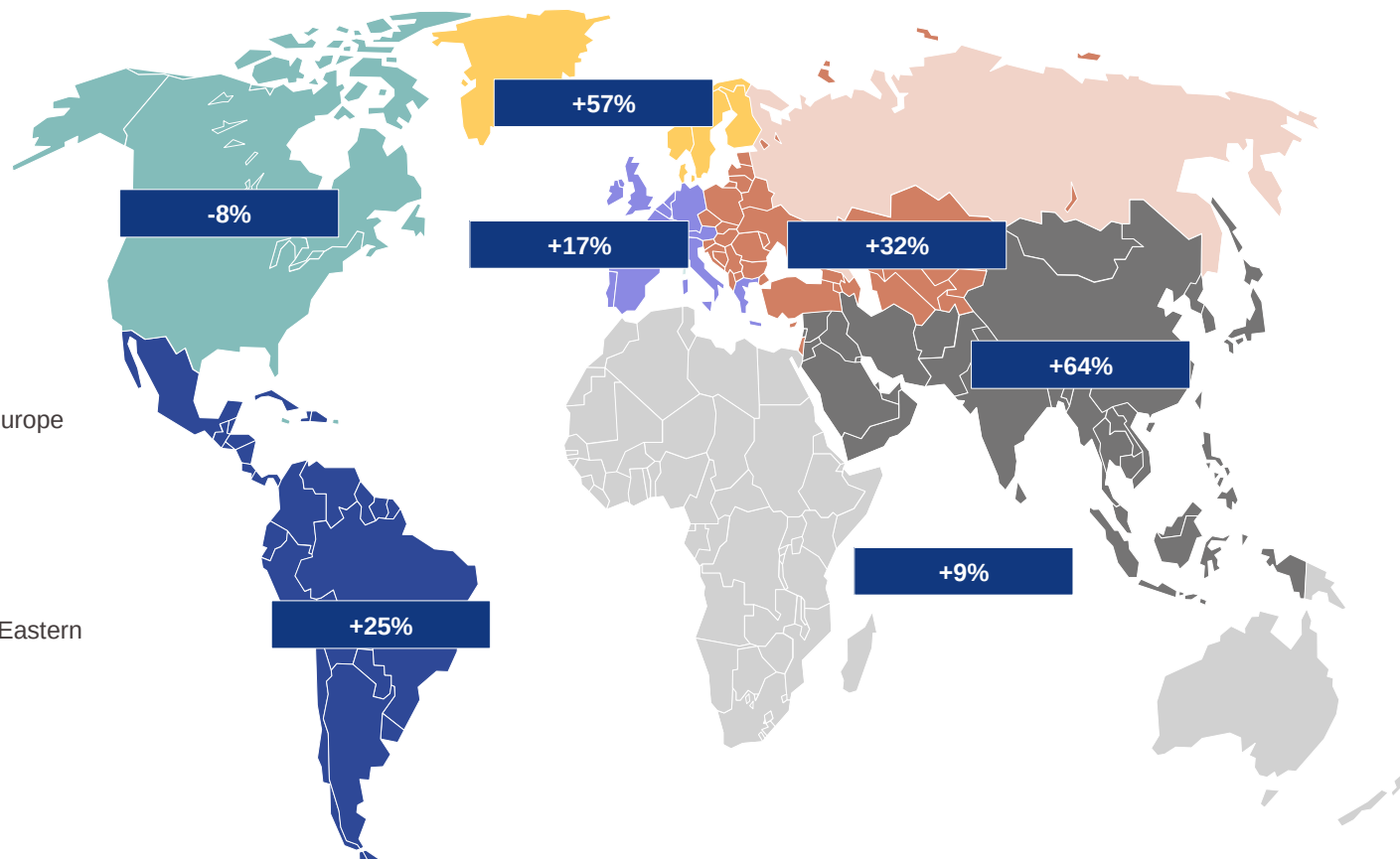


Orders received by region

– at fixed rates



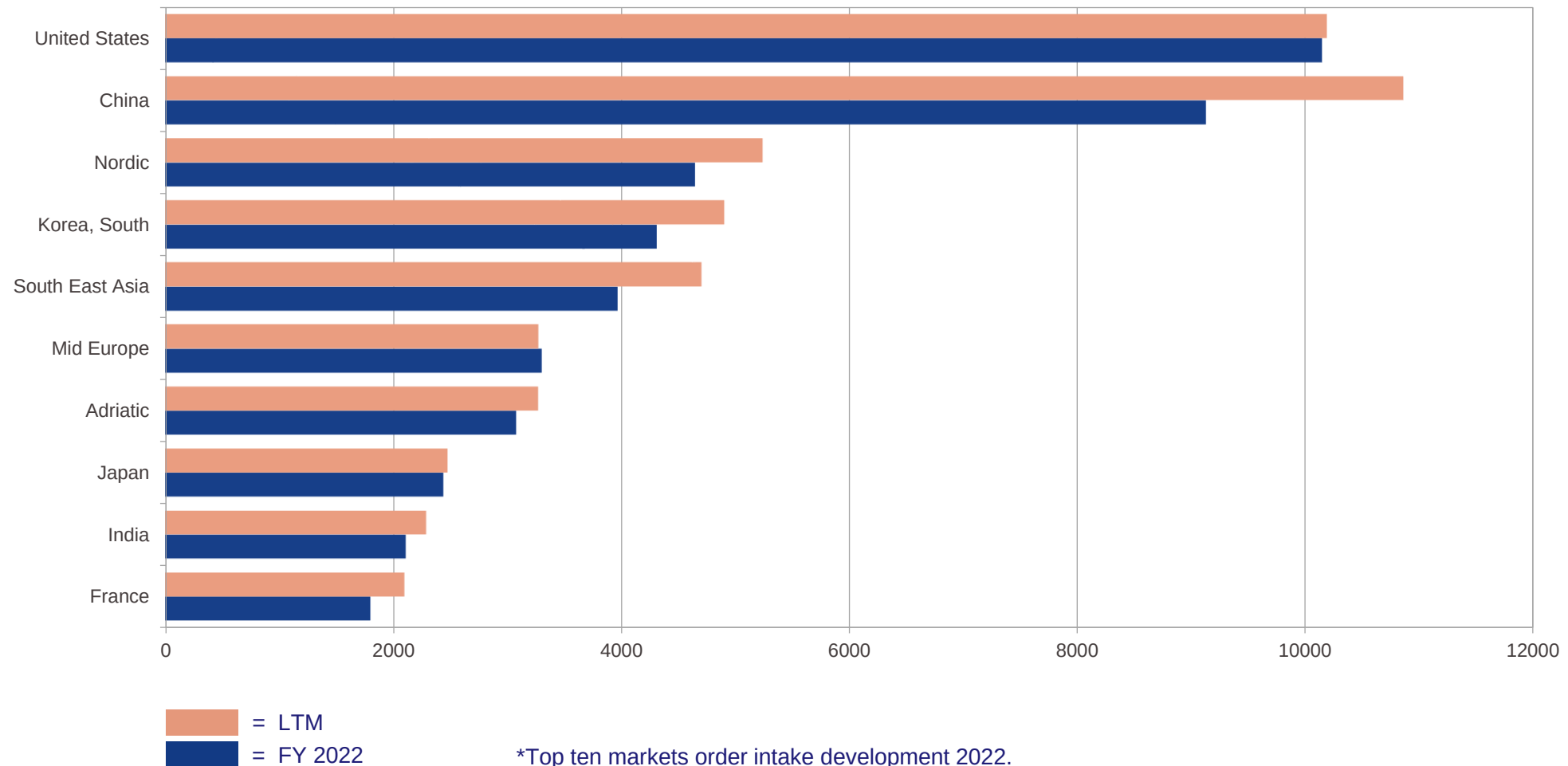
Share %: Jan – Mar 2023

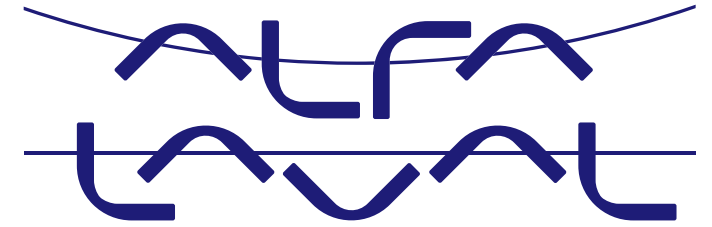


vs Q1 2022

Top ten markets*

– SEK million at prevailing rates



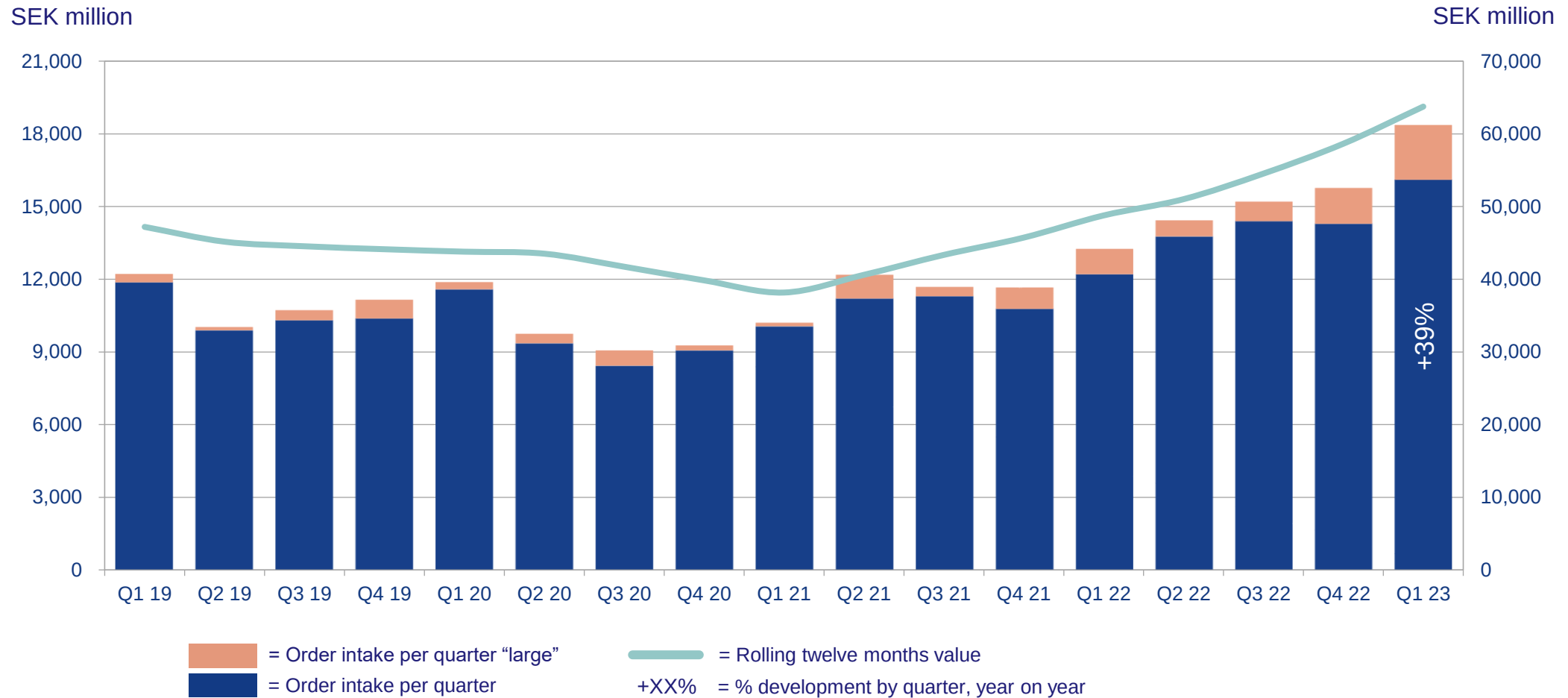


Financials

Fredrik Ekström
CFO
Alfa Laval Group

Orders received

– SEK million



Key figures

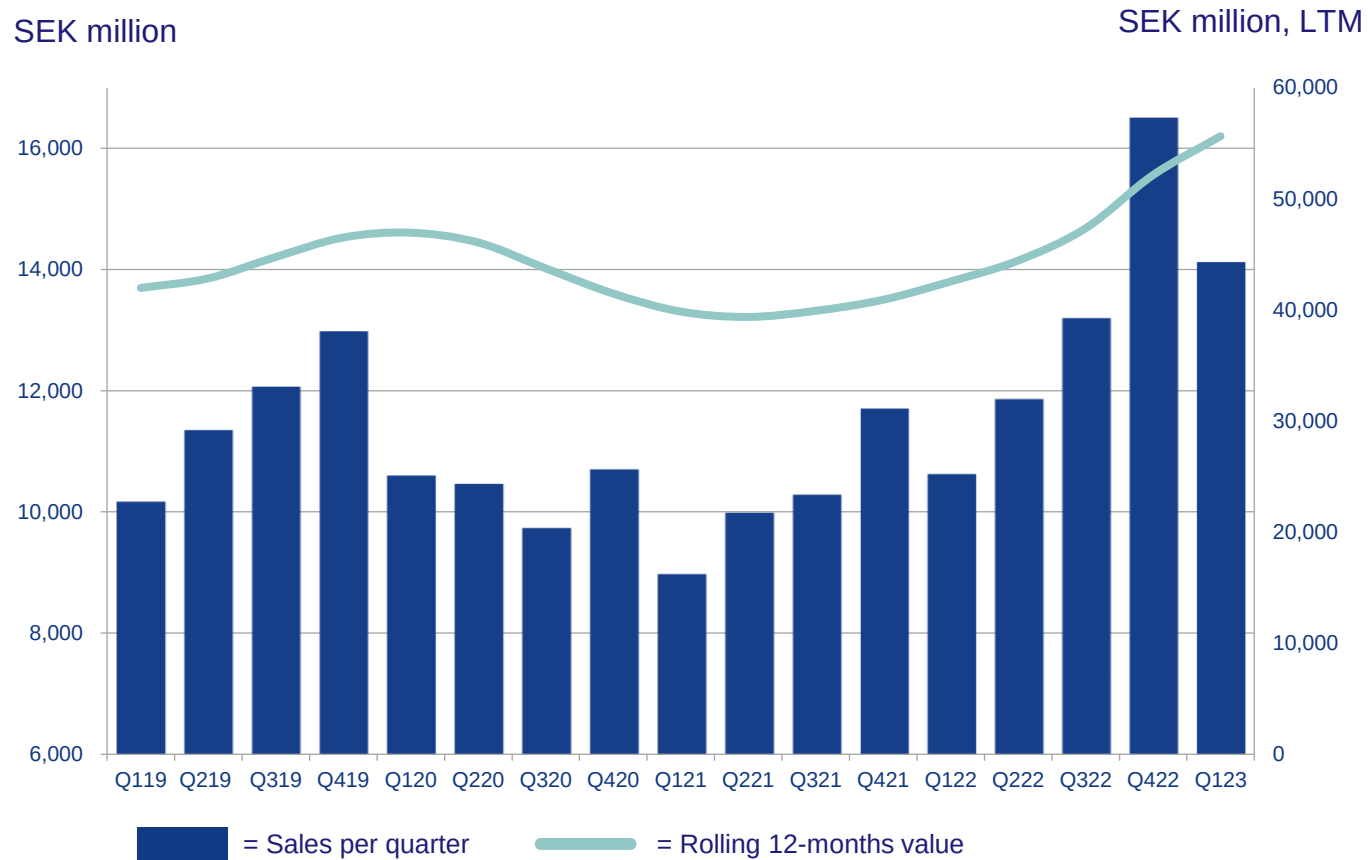
– SEK million



	Q1 2023	Q1 2022
Sales	14,111	10,615
Gross profit	4,865	3,932
Sales & Admin	-2,179	-1,801
R&D	-359	-318
Net other cost/income	-194	-554
Operating income	2,146	1,275
Financial net	-98	-15
Profit before tax	2,048	1,260
Taxes	-533	-328
EPS	3.64	2.22

Sales

– SEK million



Q1 2023

- Sales of 14,111 MSEK (10,615)
- 33% growth
 - 15% organic growth
 - 10% structure
 - 8% currency
- Improving supply chains

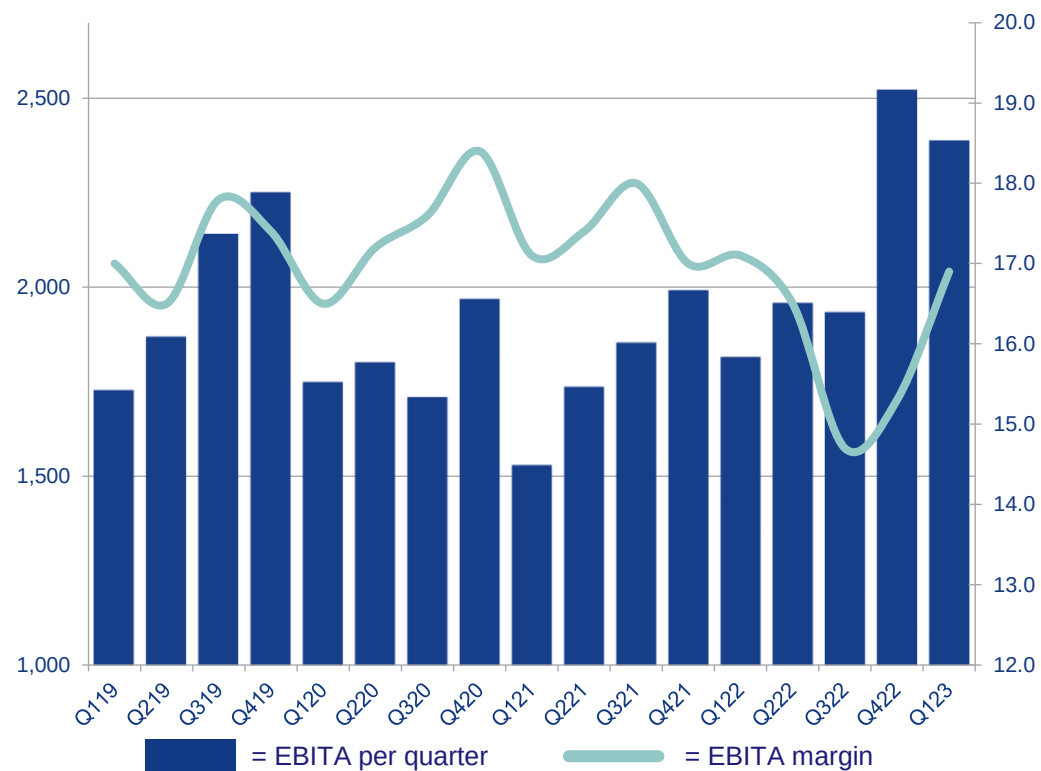
Adjusted EBITA margin*

– SEK million and in percent of sales



SEK million

Margin, %



	Q1 2023	Organic	Currency	Structure	Q1 2022
Sales	14,111	1,583	852	1,062	10,615
Growth, %	32.9%	14.9%	8.0%	10.0%	
EBITA	2,387	335	145	91	1,816
EBITA, %	16.9%				17.1%
Dil/Acc		0.5%	0.0%	-0.6%	

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

Cash-flow statement

– SEK million



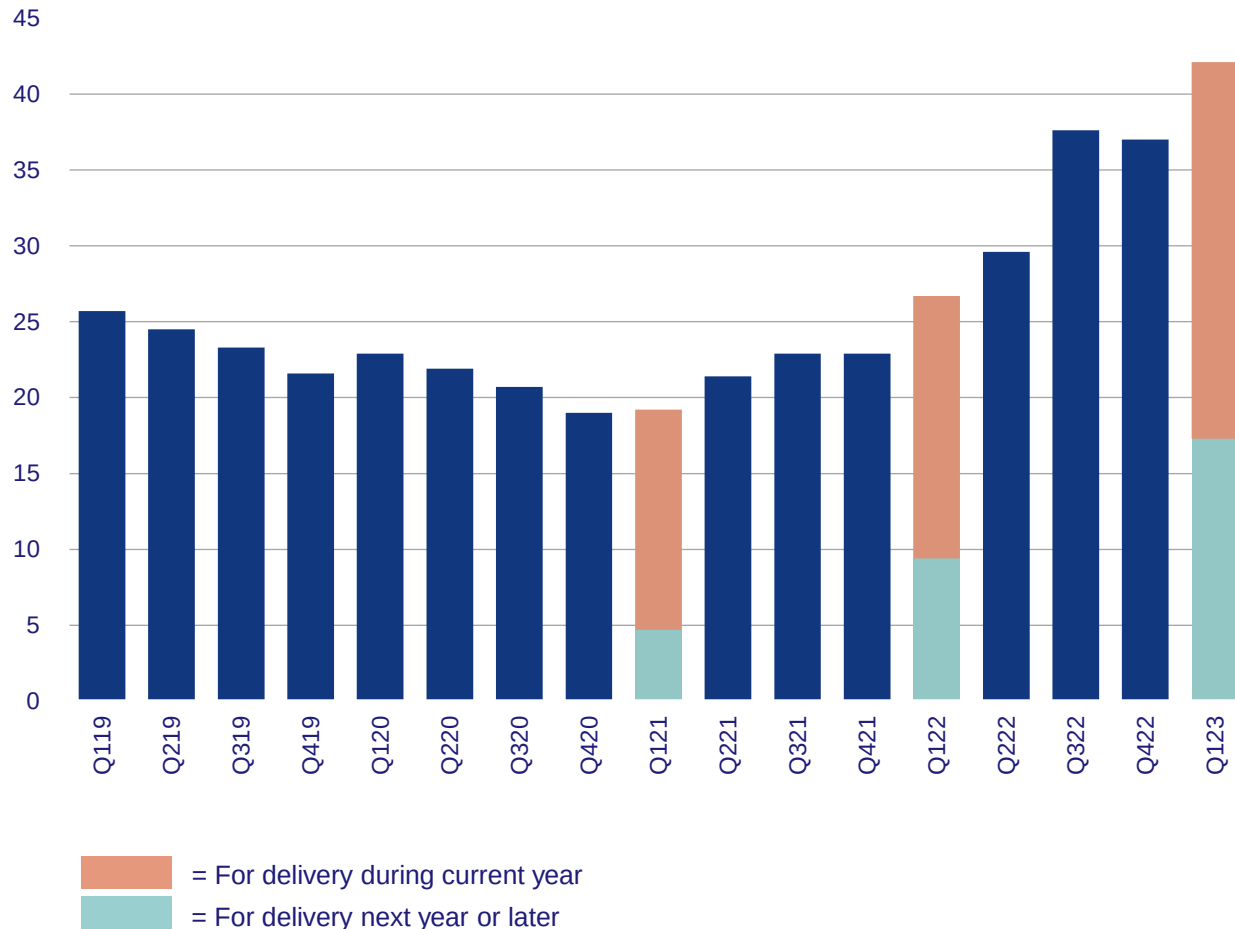
	Q1 2023	Q1 2022
EBITDA	2,752	2,185
Working Capital	-1,312	-937
Taxes paid	-436	-481
Cash flow from operating activities	1,004	767
Capital expenditures	-440	-274
Disposals	1	5
Acquisitions	-86	-4
Cash flow from investing activities	-525	-273
Financing activities	-686	-3,150
Cash flow	-207	3,644
Free cash flow*	374	423
Financial net	-190	-70

Order backlog as per March 31

– SEK billion



SEK billion



Q1 2023

- Order backlog of 42.2 BSEK
 - 24.8 BSEK for delivery 2023
 - 17.3 BSEK for delivery 2024 or later
- 59% increase YoY
- Current backlog corresponding to 5.3 months
- Q4 book-to-bill of 1.30

Guidance



	Q2 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 130 MSEK	Estimated transaction and translation impact of 375 MSEK	Estimated transaction and translation impact of 435 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 March 31, 2023. EUR/USD 1,069 and EUR/SEK 11,1561

Outlook for the second quarter:

“Market conditions are expected to remain positive, although demand is expected to be sequentially lower in the next 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.