





Report for Q3 2023

Tom Erixon
President and CEO
Alfa Laval Group

Key figures

– SEK million



	Q3 2023	Q3 2022	Tot Δ, %	Organic Δ, %*
Order intake	17,032	15,202	12	4
Net sales	15,768	13,184	20	13
Adjusted EBITA	2,626	1,934	36	
Adjusted EBITA-margin (%)	16.7	14.7		

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

Energy division

– Highlights and comments, SEK million



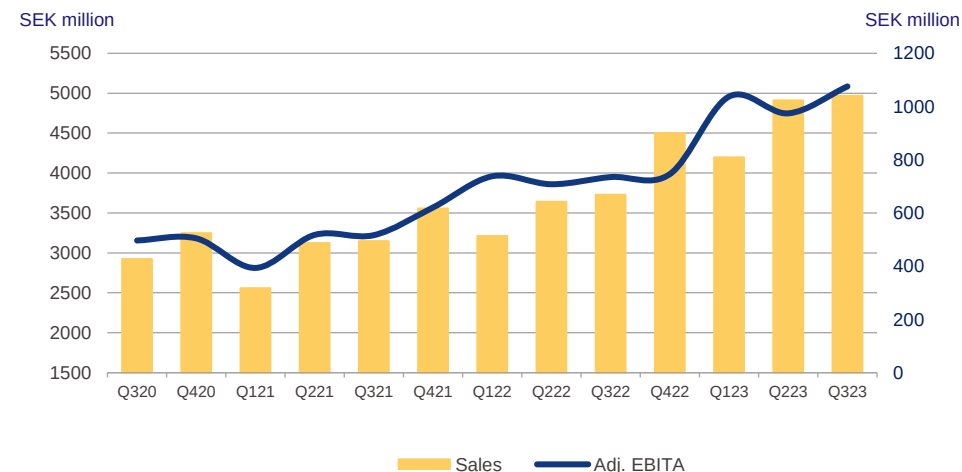
MARKETS & ORDER INTAKE

- Growth supported by continued investments in energy efficiency initiatives in all end markets.
- Continued high demand in Gas and Refinery.
- The heat pump application, although temporarily softer, remained on a stable level.
- HVAC negatively affected by a weaker construction market.
- Record high order intake in Service.

PROFITABILITY (EBITA)

- Margin remained on a high level driven by volume, somewhat lower costs than expected, and profitability improvement in the Welded business unit.

	Q3 23	Q3 22	Tot Δ, %	Org Δ, %	Q2 23
ORDERS	4,902	4,583	7.0	2.3	5,413
SALES	4,967	3,726	33.3	29.0	4,910
Adj EBITA	1,075	735			974
Adj EBITA (%)	21.6	19.7			19.8



Marine division

– Highlights and comments, SEK million



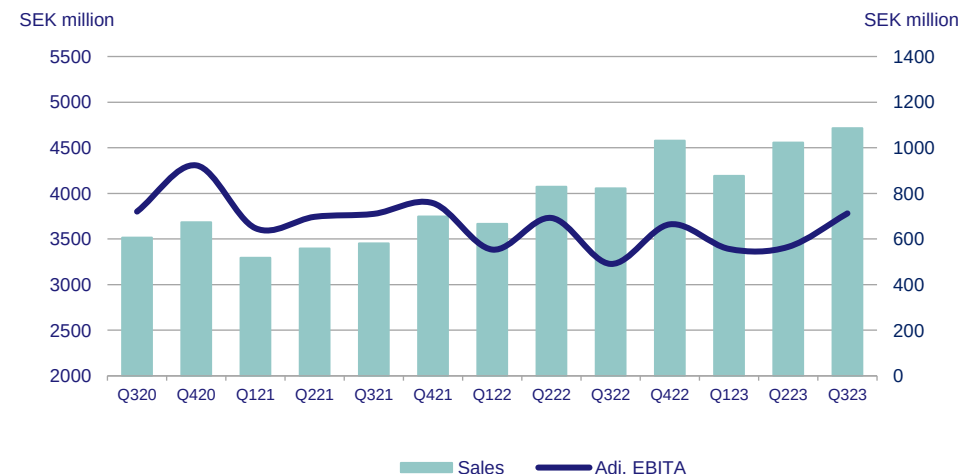
MARKETS & ORDER INTAKE

- Strong order intake with growth in most product areas.
- Continued good demand for pumping systems.
- Growth supported by sustainability solutions.
- Strong growth in Service.

PROFITABILITY (EBITA)

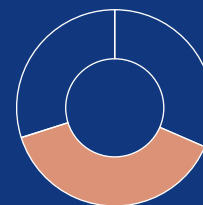
- The margin improvement was a result of better operational balance driven by an improved factory load in Marine Pumping Systems and effects of the restructuring program.

	Q3 23	Q3 22	Tot Δ, %	Org Δ, %	Q2 23
ORDERS	5,765	5,008	15.1	11.4	6,051
SALES	4,715	4,056	16.2	11.0	4,558
Adj EBITA	712	490			565
Adj EBITA (%)	15.1	12.1			12.4



Food & Water division

– Highlights and comments, SEK million



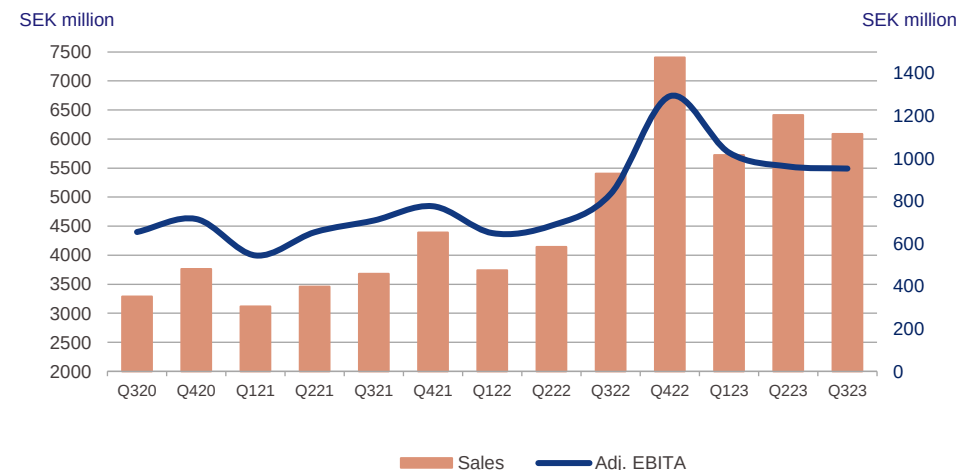
MARKETS & ORDER INTAKE

- Continued good demand driven by large projects, including Desmet.
- The transactional business remained on a somewhat lower level, in line with previous quarters.
- Supply chain conditions improved.
- Strong development for Service.

PROFITABILITY (EBITA)

- The margin was stable in the quarter.
- Increased service sales and improved profitability in Desmet supported the margin.

	Q3 23	Q3 22	Tot Δ, %	Org Δ, %	Q2 23
ORDERS	6,365	5,611	13.4	-2.1	6,941
SALES	6,086	5,402	12.7	2.5	6,412
Adj EBITA	942	833			962
Adj EBITA (%)	15.5	15.4			15.0



Service orders

– Order intake, SEK million

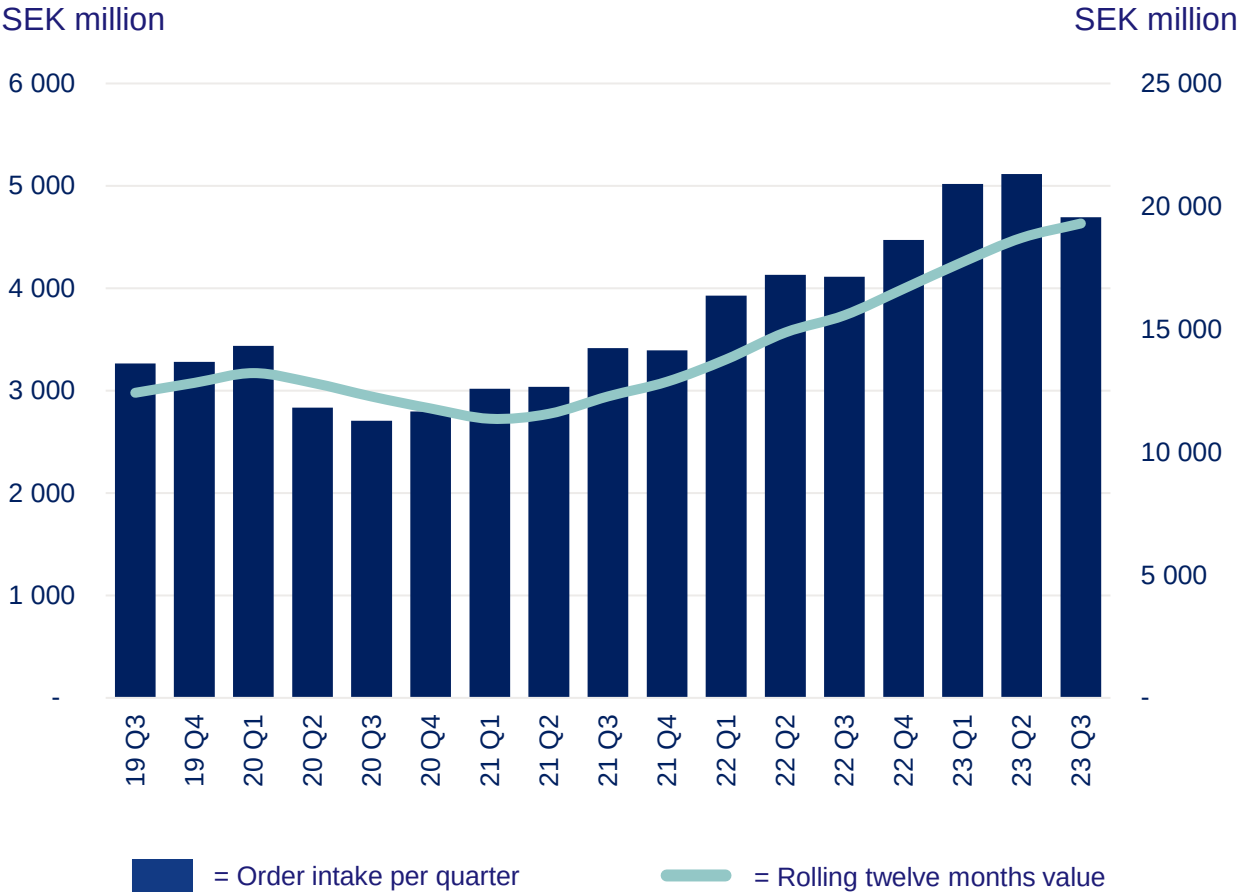
Energy, Q3



Food&Water, Q3

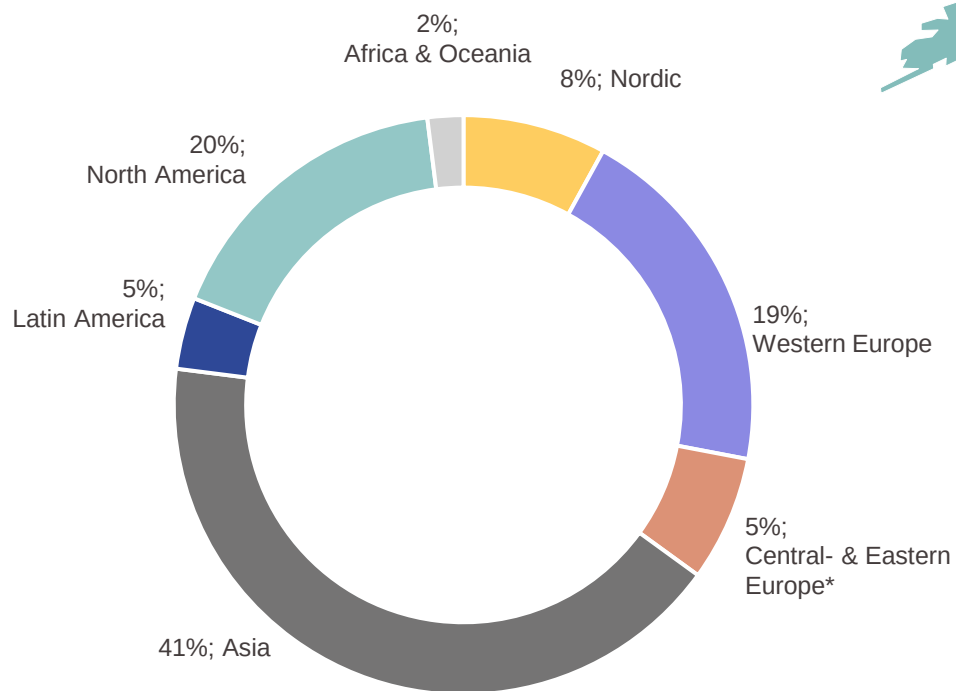


Marine, Q3

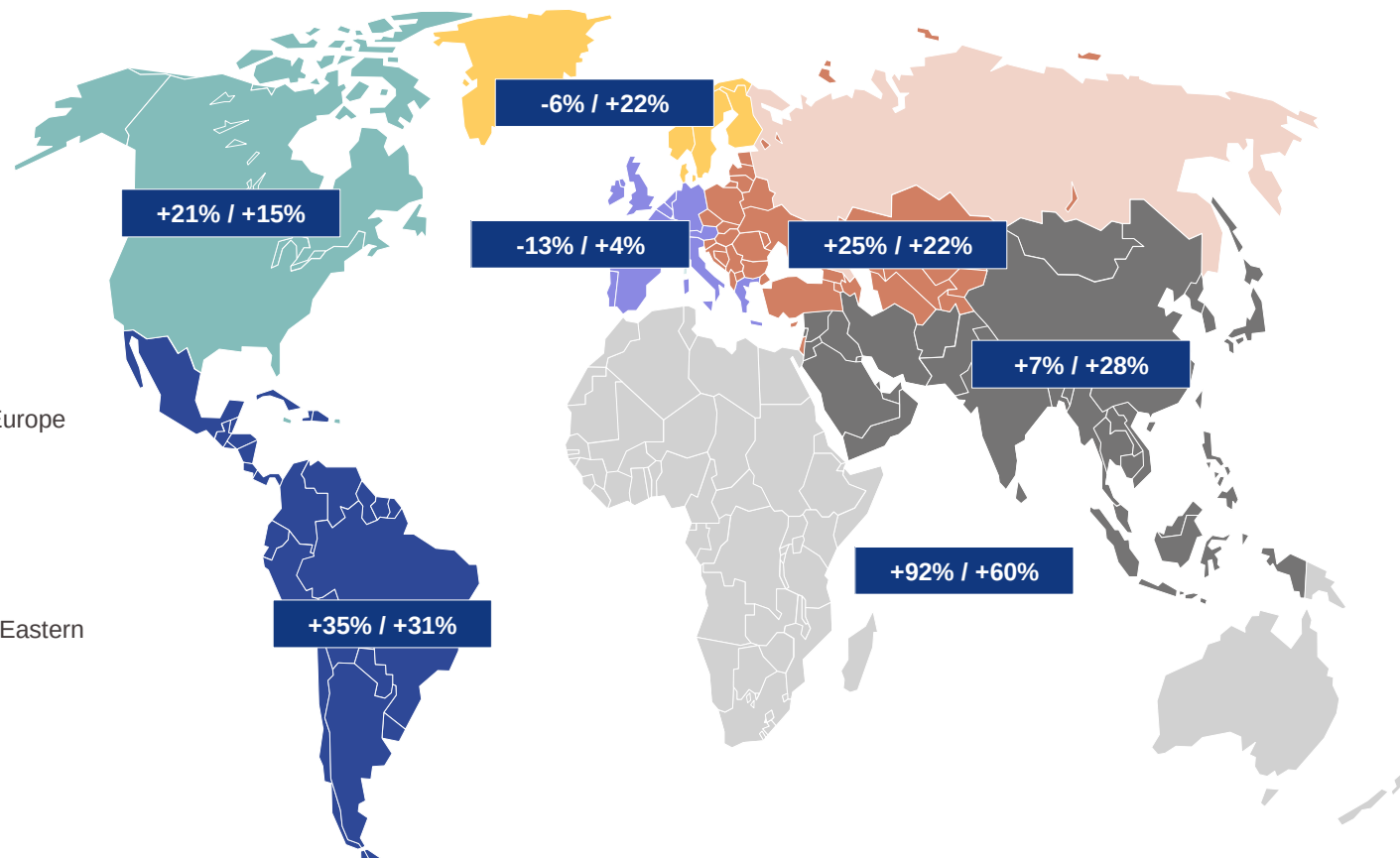


Orders received by region

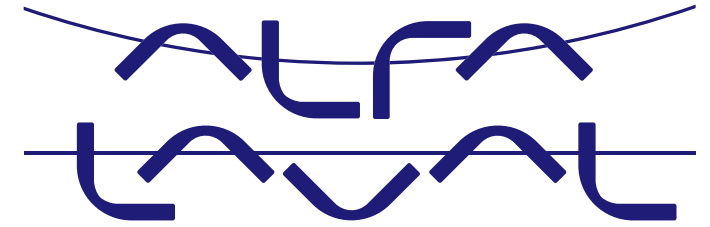
– at fixed rates



Share %: Jan – Sep 2023



vs Q3 2022 / YTD 2022

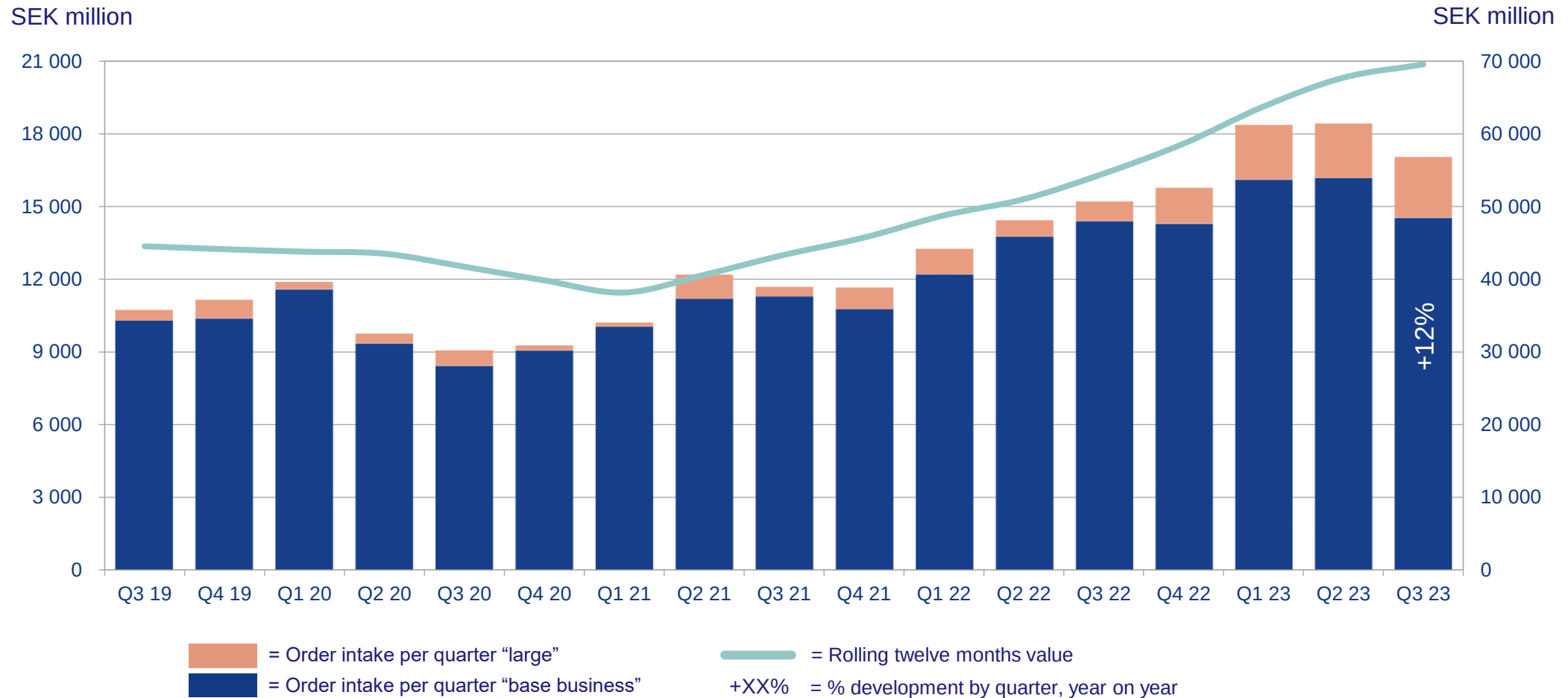


Financials

Fredrik Ekström
CFO
Alfa Laval Group

Orders received

– SEK million

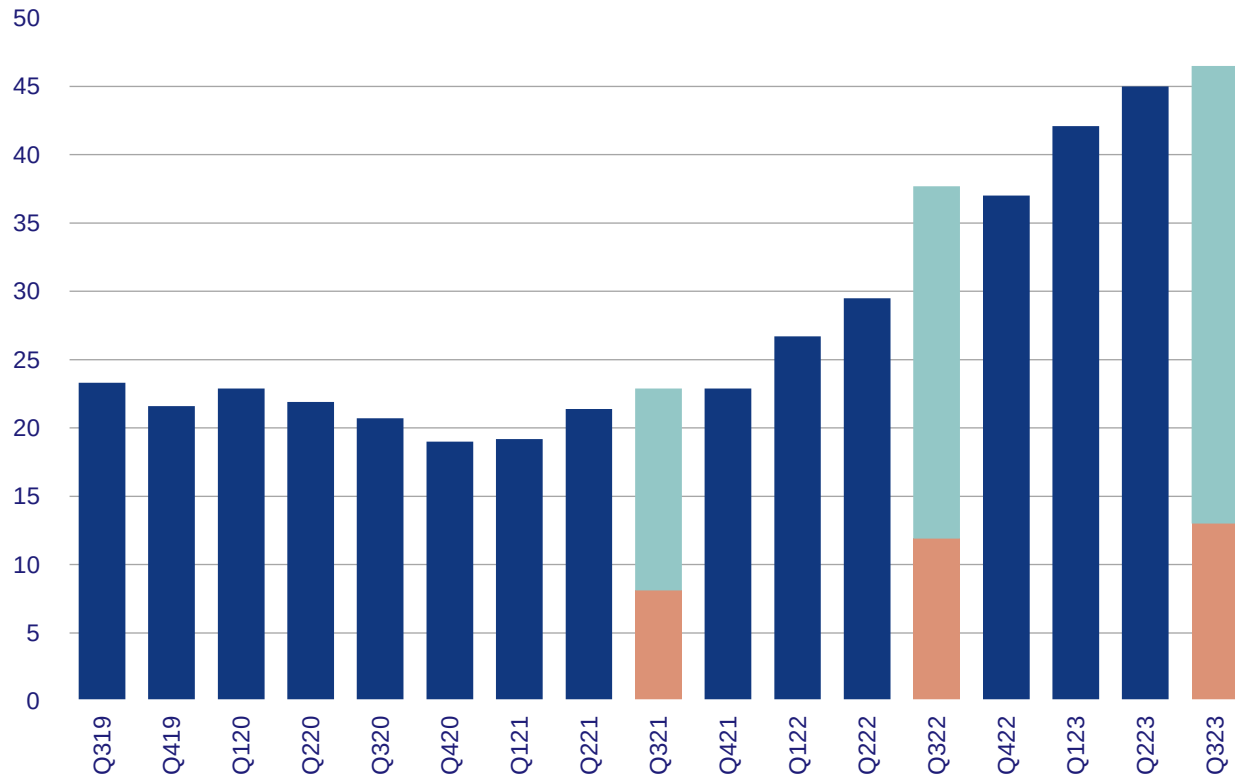


Order backlog as per September 30

– SEK billion



SEK billion



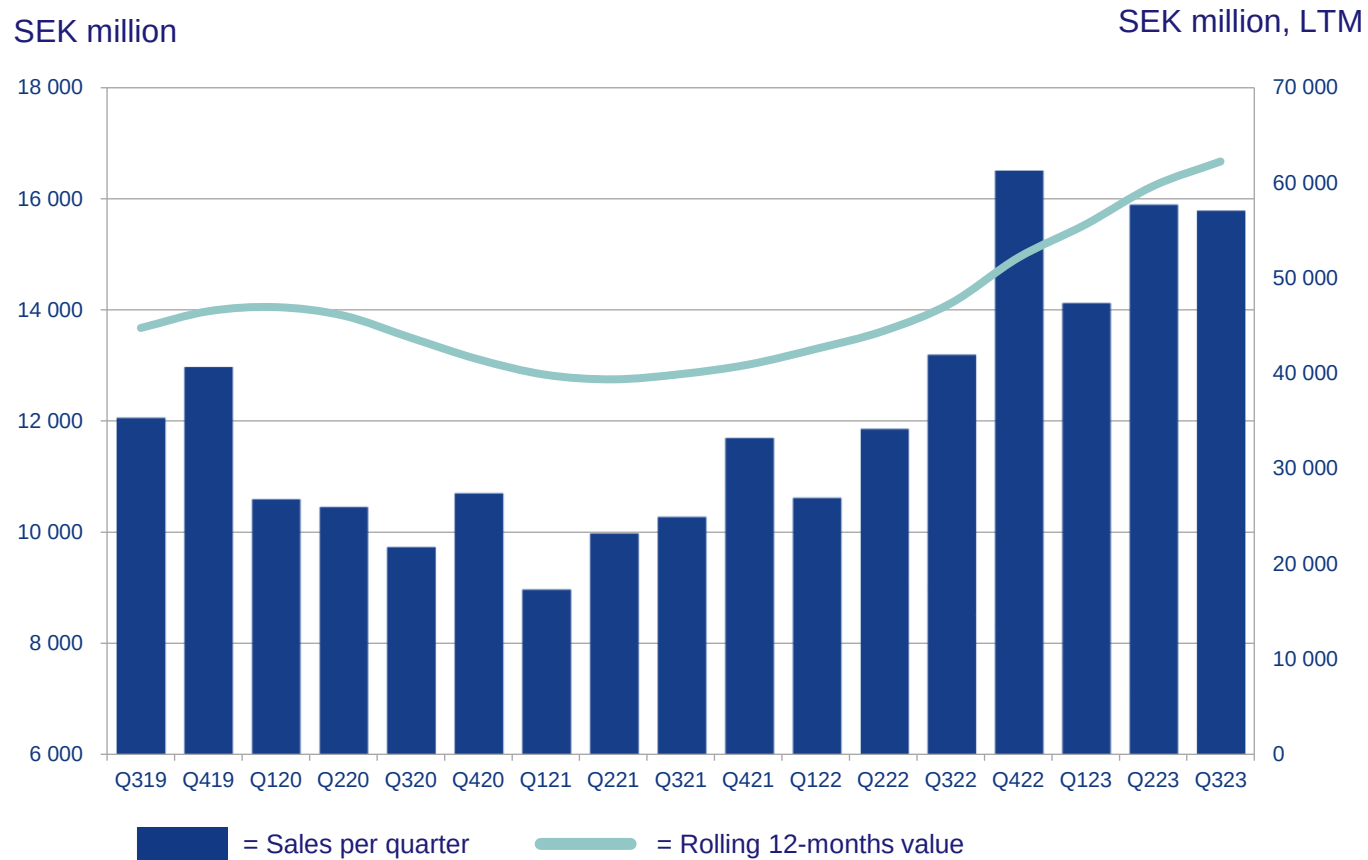
 = For delivery during current year
 = For delivery next year or later

Q3 2023

- Order backlog of 46 BSEK
 - 13.0 BSEK for delivery 2023
 - 33.5 BSEK for delivery 2024 or later
- 23% increase YoY
- Current backlog corresponding to 8.0 months of sales
- Q3 book-to-bill of 1.08

Sales

– SEK million



Q3 2023

- Sales of 15,768 MSEK (13,184)
- 20% growth
 - 13% organic growth
 - 3% structure
 - 4% currency

Key figures

– SEK million



	Q3 2023	Q3 2022
Sales	15,768	13,184
Gross profit	5,233	4,274
Sales & Admin	-2,260	-2,044
R&D	-374	-329
Net other cost/income	-235	-215
Operating income	2,379	1,686
Financial net	-34	-105
Profit before tax	2,345	1,581
Taxes	-564	-356
EPS	4.29	2.92

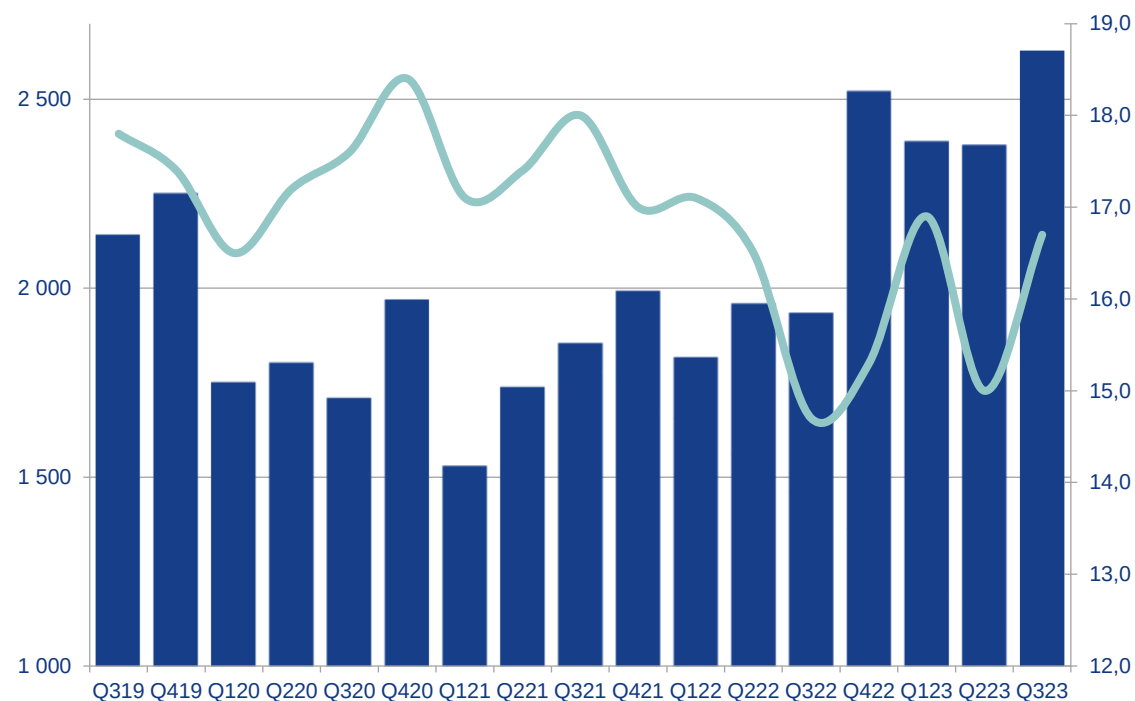
Adjusted EBITA margin*

– SEK million and in percent of sales



SEK million

Margin, %



■ = Adj EBITA per quarter — = Adj EBITA margin

	Q3 2023	Organic	Currency	Structure	Q3 2022
Sales	15,768	1,661	514	409	13,184
Sales growth, %	19.6%	12.6%	3.9%	3.1%	
Adj EBITA	2,626	617	42	33	1,934
Adj EBITA %	16.7%				14.7%
Dil/Acc		2.4%	-0.2%	-0.2%	

Cash-flow statement

– SEK million



	Q3 2023	Q3 2022	YTD 2023	YTD 2022
EBITDA	3,006	2,400	8,541	6,470
Working Capital	429	-1,260	-1,622	-3,401
Taxes paid	-503	-470	-1,641	-1,440
Cash flow from operating activities	2,932	670	5,278	1,629
Capital expenditures	-527	-355	-1,516	-940
Free cash flow	2,405	315	3,762	689
Disposals	12	-1	14	16
Acquisitions	-232	-3,668	-332	-3,672
Cash flow after investing activities	2,185	-3,354	3,444	-2,967
Financing activities	-804	4,189	-3,000	3,368
Cash flow	1,381	835	444	401

Debt position

– SEK million



Net debt

	Q3 2023	Q3 2022
Debt	15,452	14,943
Debt/EBITDA	1.42	1.69
Cash & cash equivalents and current deposits	-5 104	-4 320
Net Debt excl leases	10,348	10,623
Net Debt excl leases/EBITDA LTM	0.95	1.20
Lease liabilities	2 674	2 611
Net Debt incl leases	13,022	13,234
Net Debt incl leases/EBITDA LTM	1.19	1.50

Maturity profile and liquidity buffer

- Loans maturing 2023-2029: 15,134 MSEK
- Weighted maturity 2.8 years. 33% matures within 12 months
- Average funding rate on our debt is 1.92% p.a.
- Interest duration for the total portfolio is 25 months



Guidance



	Q4 2023	FY 2023	FY 2024
CAPEX (cash)	Around similar level as previous quarter	Estimated 2.5 BSEK	Estimated 2.5 – 3.0 BSEK
Currency impact on EBITA*	Estimated transaction and translation impact of 185 MSEK	Estimated transaction and translation impact of 740 MSEK	Estimated transaction and translation impact of 810 MSEK
PPA amortization		965 MSEK	710 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 September 30, 2023. EUR/USD 1.0857 and EUR/SEK 11.530

Outlook for the fourth quarter:

“We expect demand in the fourth quarter to be on about the same as in the third quarter.”



Q&A



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.