

Report for Q4 2023

Tom Erixon
President and CEO
Alfa Laval Group

Key figures

– SEK million



	FY 2023	FY 2022	Tot Δ , %	Organic Δ , %*
Order intake	70,742	58,645	21	11
Net sales	63,598	52,135	22	12
Adjusted EBITA	10,221	8,229	24	
Adjusted EBITA-margin (%)	16.1	15.8		

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

Key figures

– SEK million



	Q4 2023	Q4 2022	Tot Δ, %	Organic Δ, %*
Order intake	16,920	15,767	7	7
Net sales	17,839	16,484	8	7
Adjusted EBITA	2,830	2,520	12	
Adjusted EBITA-margin (%)	15.9	15.3		

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

Energy division

– Highlights and comments, SEK million



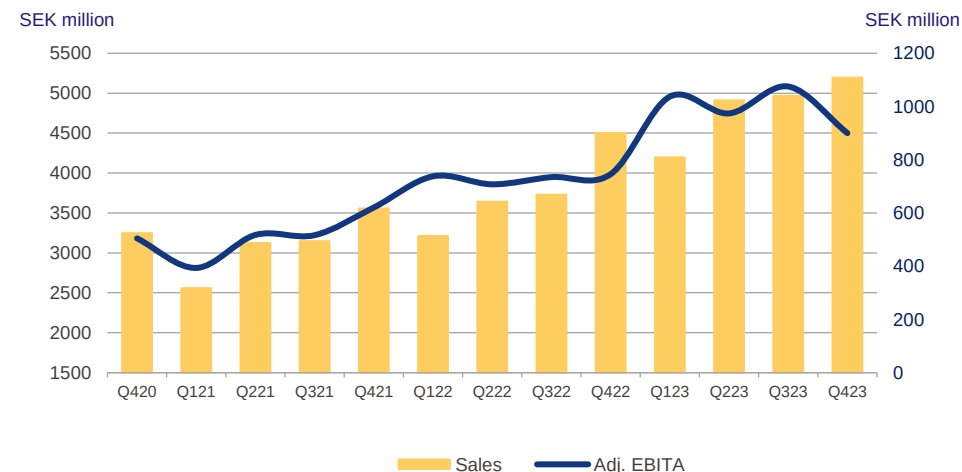
MARKETS & ORDER INTAKE

- A broad product portfolio geared towards energy and utility efficiency continues to drive good demand.
- Continued high demand in Gas and Refinery.
- HVAC negatively affected by a weaker construction market and a softer heat pump market.
- Good growth in Service.

PROFITABILITY (EBITA)

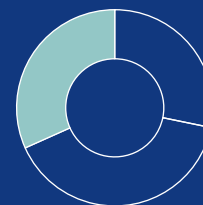
- The margin decreased, as expected, from the elevated level in the last quarters due to mix and negative impact from under-absorption.

	Q4 23	Q4 22	Tot Δ, %	Org Δ, %	Q3 23
ORDERS	4,662	4,407	5.8	4.8	4,902
SALES	5,196	4,500	15.5	13.8	4,967
Adj EBITA	900	746			1,075
Adj EBITA (%)	17.3	16.6			21.6



Marine division

– Highlights and comments, SEK million



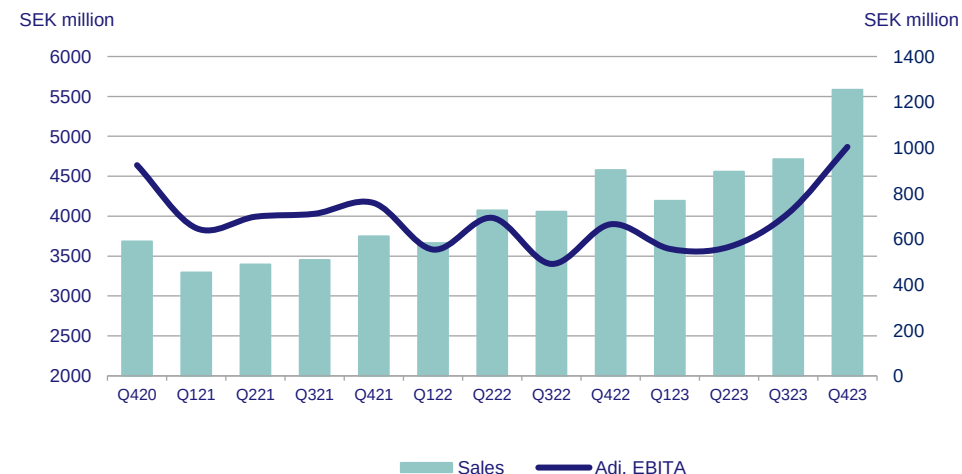
MARKETS & ORDER INTAKE

- Contracting levels are on a good level and demand is further supported by sustainability related solutions.
- Continued good demand for pumping systems.
- Stable supply chains and solid order book resulted in record invoicing.
- Strong growth in Service.

PROFITABILITY (EBITA)

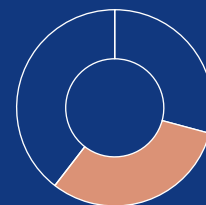
- The margin recovery continued according to plan.
- The improved order book provide margin support well into 2024.

	Q4 23	Q4 22	Tot Δ, %	Org Δ, %	Q3 23
ORDERS	4,972	5,747	-13.5	-12.2	5,765
SALES	5,583	4,577	22.0	22.6	4,715
Adj EBITA	1,003	664			712
Adj EBITA (%)	18.0	14.5			15.1



Food & Water division

– Highlights and comments, SEK million



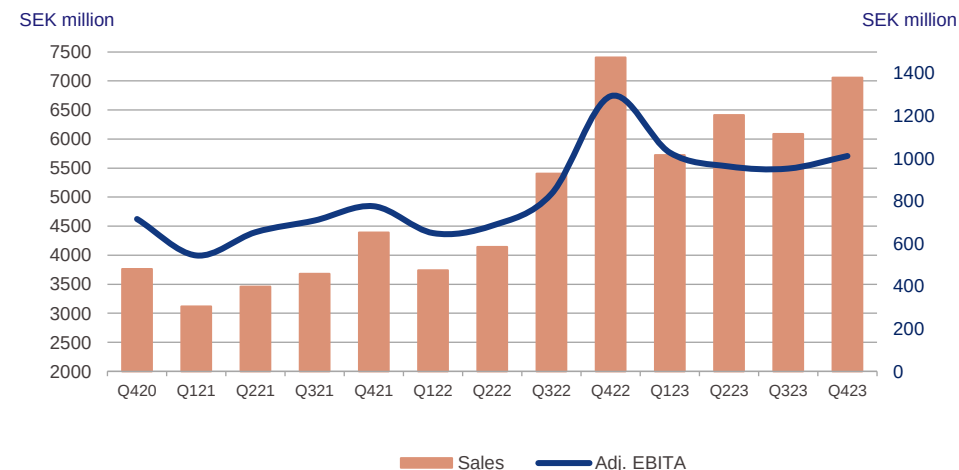
MARKETS & ORDER INTAKE

- Continued good demand driven by the project business, including Desmet.
- The transactional business remained on a lower level, with some early signs of improvement
- Service grew.

PROFITABILITY (EBITA)

- Overall, the underlying margin was relatively stable, however affected by one-time headwinds in the quarter.
- The slow demand in the transactional business impacted utilization and margin.

	Q4 23	Q4 22	Tot Δ, %	Org Δ, %	Q3 23
ORDERS	7,286	5,613	29.8	28.0	6,365
SALES	7,060	7,407	-4.7	-6.4	6,086
Adj EBITA	1,011	1,292			942
Adj EBITA (%)	14.3	17.4			15.5



Service orders

– Order intake, SEK million

Energy, FY



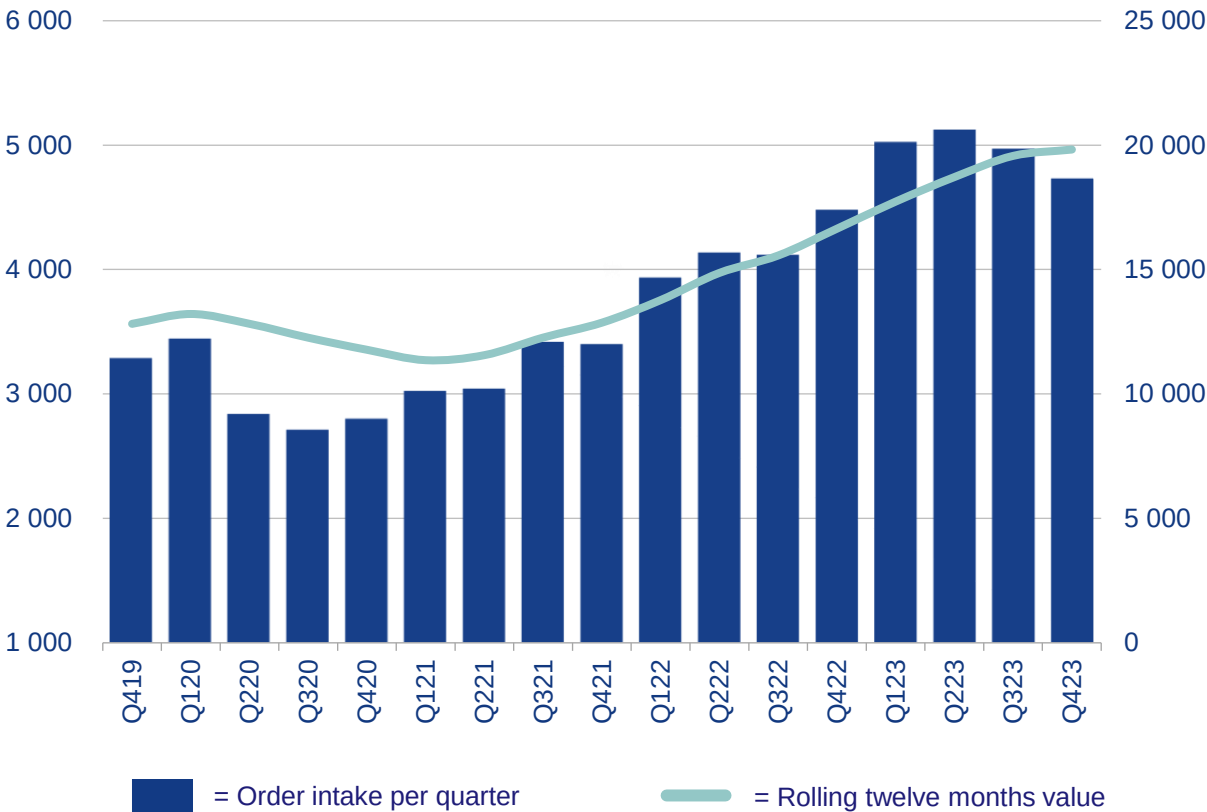
Food&Water, FY



Marine, FY

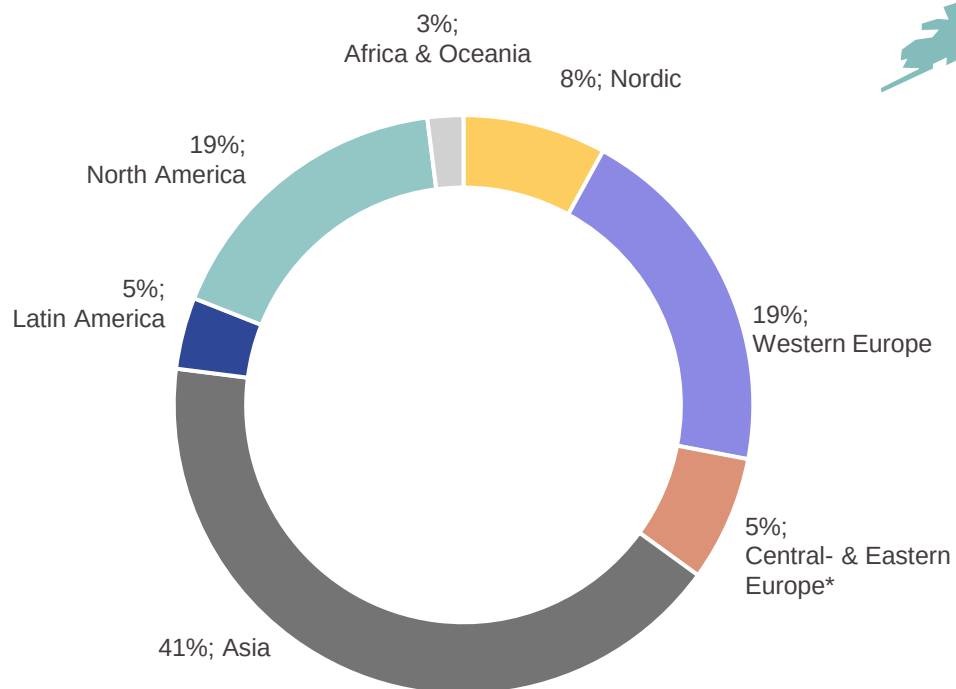


SEK million

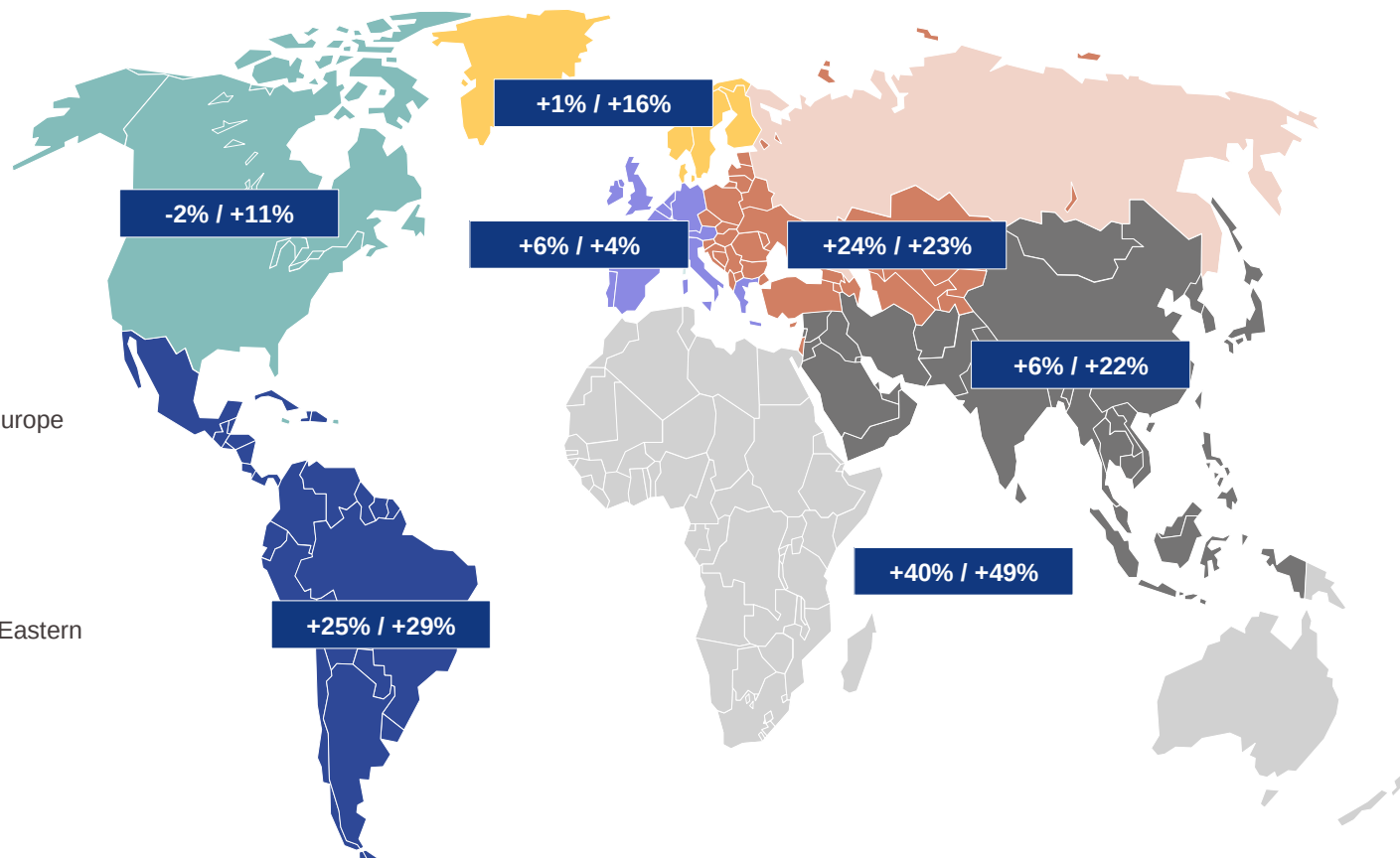


Orders received by region

– at fixed rates



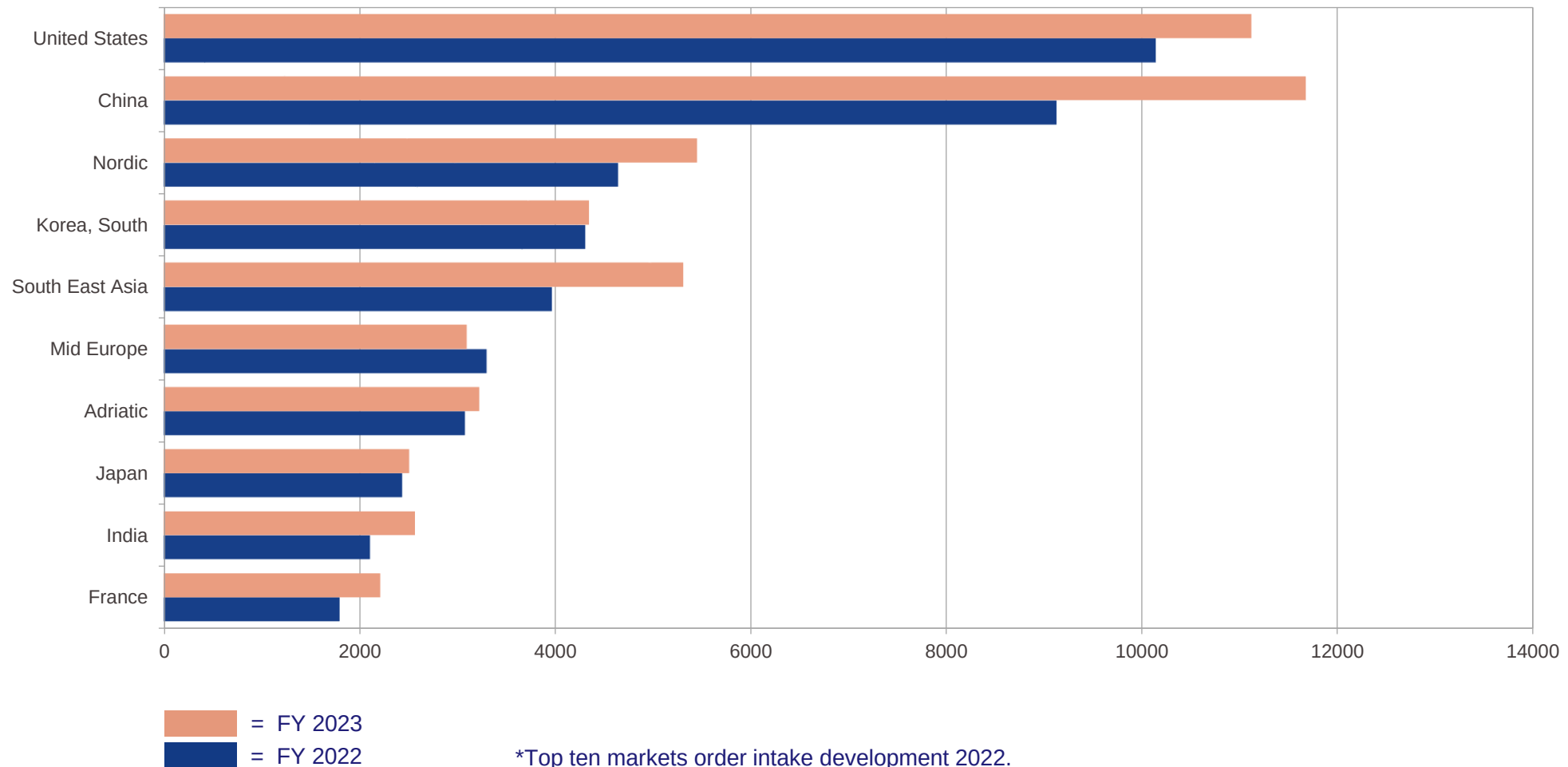
Share %: Jan – Dec 2023

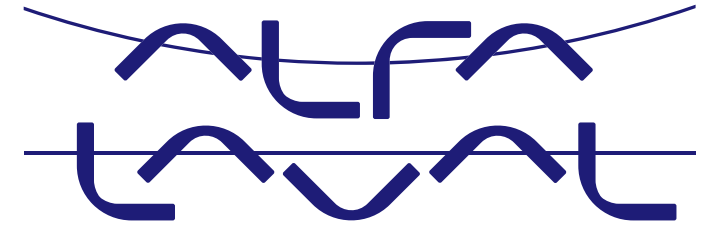


vs Q4 2022 / YTD 2022

Top ten markets*

– SEK million at prevailing rates



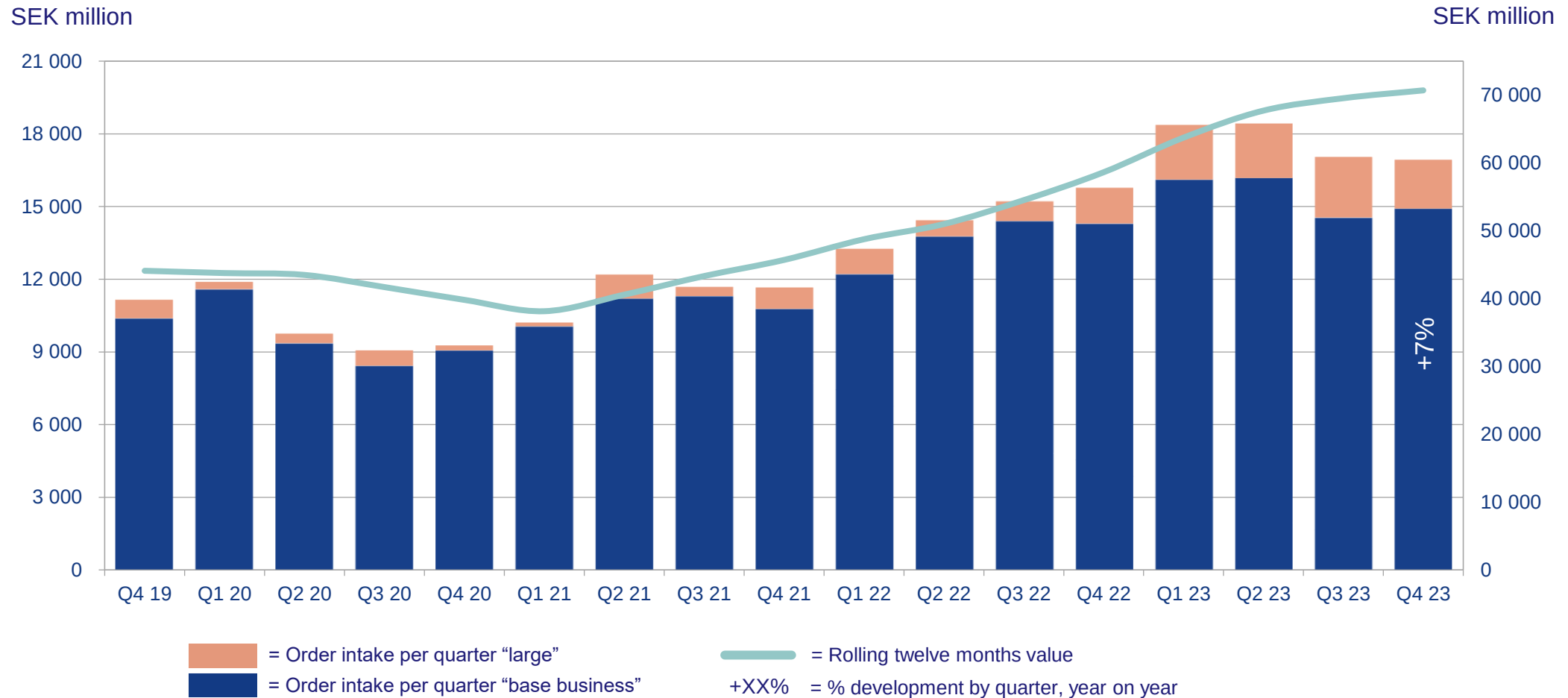


Financials

Fredrik Ekström
CFO
Alfa Laval Group

Orders received

– SEK million

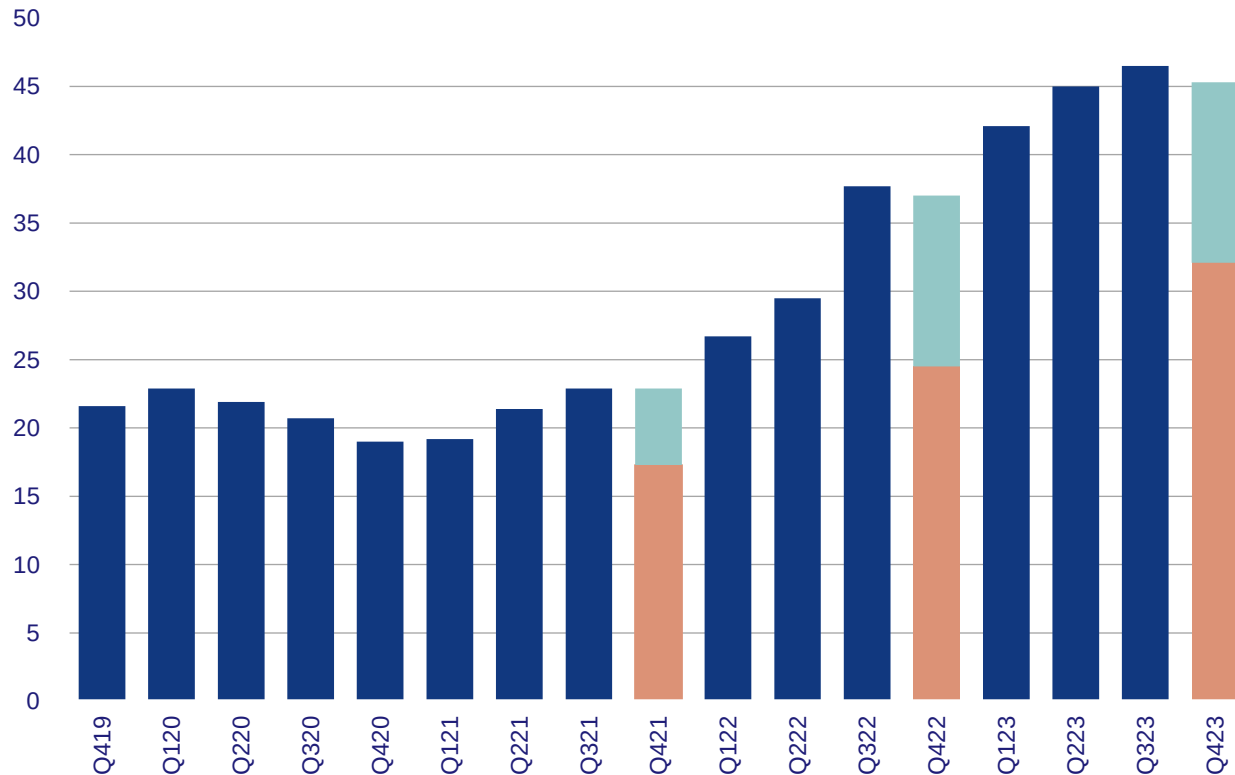


Order backlog as per December 31

– SEK billion



SEK billion



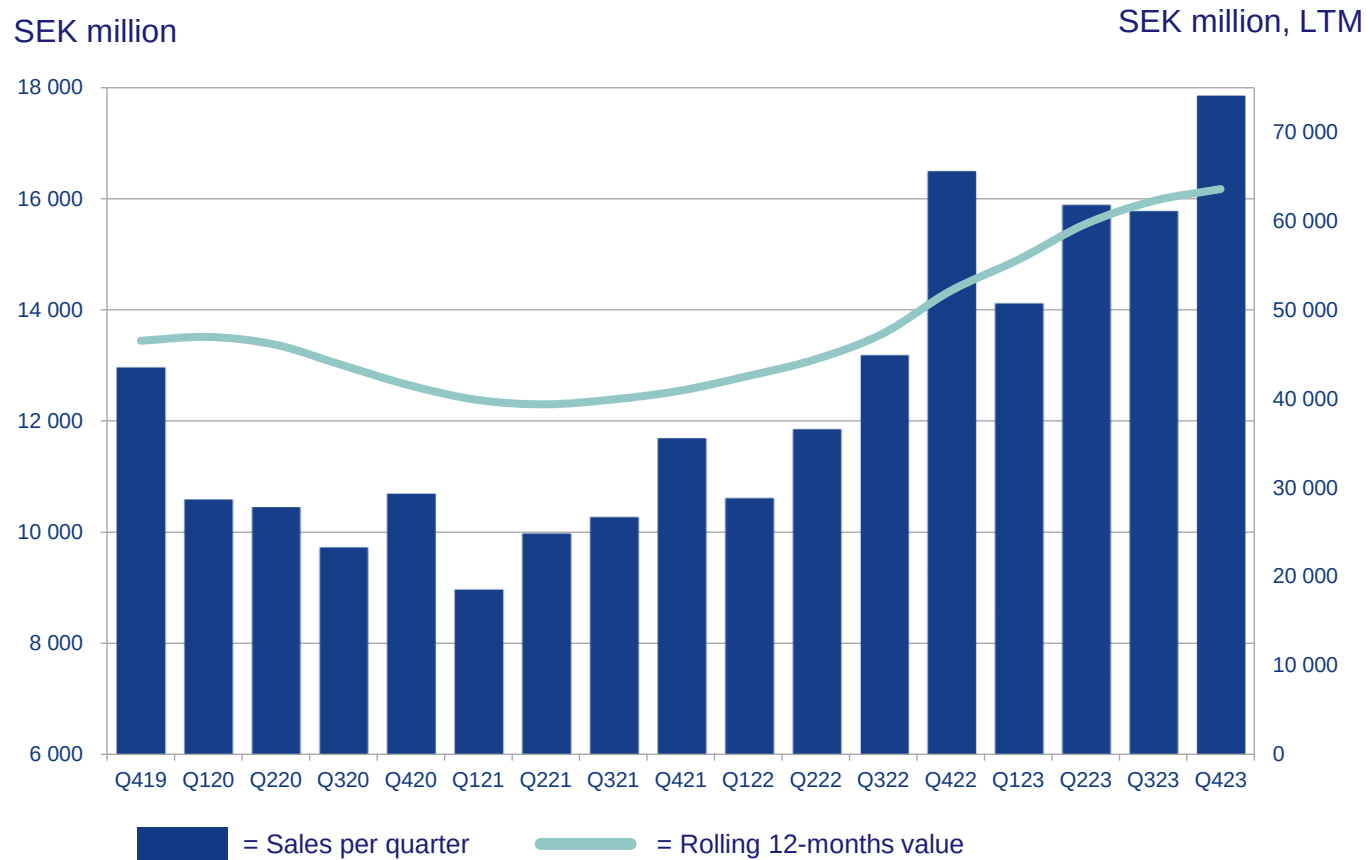
 = For delivery during current year
 = For delivery next year or later

Q4 2023

- Order backlog of 45 BSEK
 - 32.1 BSEK for delivery 2024
 - 13.2 BSEK for delivery 2025 or later
- 22% increase YoY
- Current backlog corresponding to 7.8 months of sales
- Q4 book-to-bill of 0.95

Sales

– SEK million



Q4 2023

- Sales of 17,839 MSEK (16,484)
- 8% growth
 - 7% organic growth
 - 0.1% structure
 - 0.9% currency

Key figures

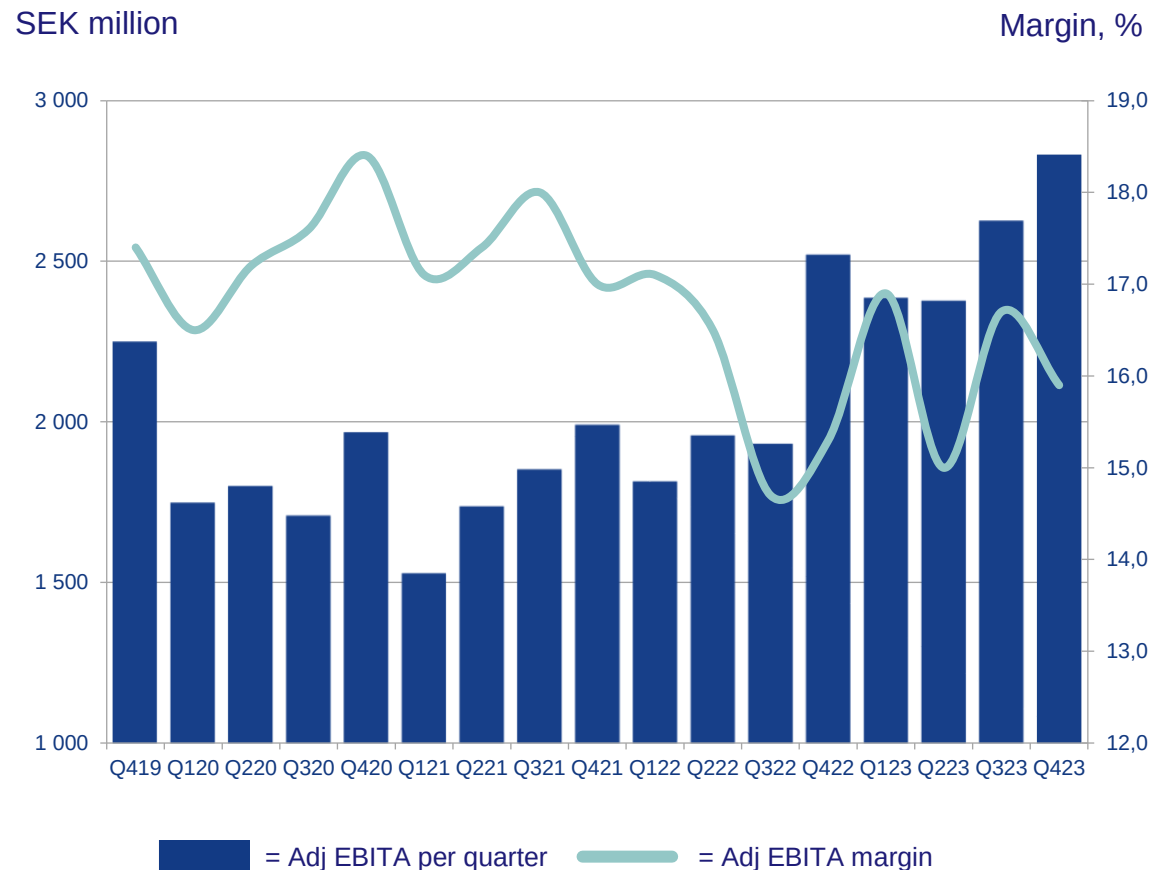
– SEK million



	Q4 2023	Q4 2022
Sales	17,839	16,484
Gross profit	5,642	5,177
Sales & Admin	-2,441	-2,144
R&D	-413	-386
Net other cost/income	-198	-857
Operating income	2,595	1,814
Financial net	-341	-52
Profit before tax	2,254	1,762
Taxes	-684	-502
EPS	3.77	3.00

Adjusted EBITA margin*

– SEK million and in percent of sales



	Q4 2023	Organic	Currency	Structure	Q4 2022
Sales	17,839	1,187	151	16	16,484
Growth, %	8.2%	7.2%	0.9%	0.1%	
Adj EBITA	2,830	346	-23	-13	2,520
Adj EBITA, %	15.9%				15.3%
Dil/Acc		0.9%	-0.2%	-0.1%	

	FY 2023	Organic	Currency	Structure	FY 2022
Sales	63,598	6,413	2,290	2,760	52,135
Growth, %	22.0%	12.3%	4.4%	5.3%	
Adj EBITA	10,221	1,579	207	206	8,229
Adj EBITA, %	16.1%				15.8%
Dil/Acc		0.9%	-0.2%	-0.4%	

Cash-flow statement

– SEK million



	Q4 2023	Q4 2022	FY 2023	FY 2022
EBITDA	2,820	2,546	11,361	9,016
Working Capital	1,363	-490	-259	-3,891
Taxes paid	-292	-394	-1,933	-1,834
Cash flow from operating activities	3,891	1,662	9,169	3,291
Capital expenditures	-924	-913	-2,440	-1,853
Free cash flow	2,967	749	6,729	1,438
Disposals	76	4	90	20
Acquisitions	-5	-13	-337	-3,685
Cash flow after investing activities	3,038	740	6,482	-2,227
Financing activities	-2,543	-275	-5,543	3,093
Cash flow	495	465	939	866

Debt position

– SEK million



Net debt

	Q4 2023	Q4 2022
Debt	13,273	15,062
Debt/EBITDA	1.13	1.56
Cash & cash equivalents and current deposits	-5,863	-4,663
Net Debt excl leases	7,410	10,399
Net Debt excl leases/EBITDA LTM	0.63	1.17
Lease liabilities	2,601	2,671
Net Debt incl leases	10,011	13,070
Net Debt incl leases/EBITDA LTM	0.85	1.47

Maturity profile and liquidity buffer

- Loans maturing 2024-2029: 13,155 MSEK
- Weighted maturity 2.8 years. 25% matures within 12 months
- Average funding rate on our debt is 1.73% per annum
- Interest duration for the total portfolio is 26 months



Reclassification of corporate costs for 2024

– Adjusted EBITA, SEK million



	Group	Energy	Food & Water	Marine
Full year 2023, as reported	10,221	3,986	3,942	2,836
	16.1%	20.7%	15.6%	14.9%
Full year 2023 inc reclassification	10,221	3,887	3,865	2,737
	16.1%	20.2%	15.3%	14.4%

- Reclassification of corporate costs as from January 1, 2024.
- Costs related to HR, Marketing, Legal, Sustainability, etc.
- This reclassification will move costs to a divisional level.
- No effect on Group level.

Guidance



	Q1 2024	FY 2024	FY 2025
CAPEX (cash)	Around similar level as previous quarter	Estimated 2 BSEK	Estimated 2.5 – 3.0 BSEK
Currency impact on EBITA	Estimated transaction and translation impact of 92 MSEK	Estimated transaction and translation impact of 367 MSEK	
PPA amortization		965 MSEK	710 MSEK
Tax rate		24-26%	24-26%
Dividend per share	SEK 7.50 (6.00)		

Outlook for the first quarter:

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