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# Interim report Q203

Mr. Sigge Haraldsson  
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Alfa Laval Group

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CFO  
Alfa Laval Group

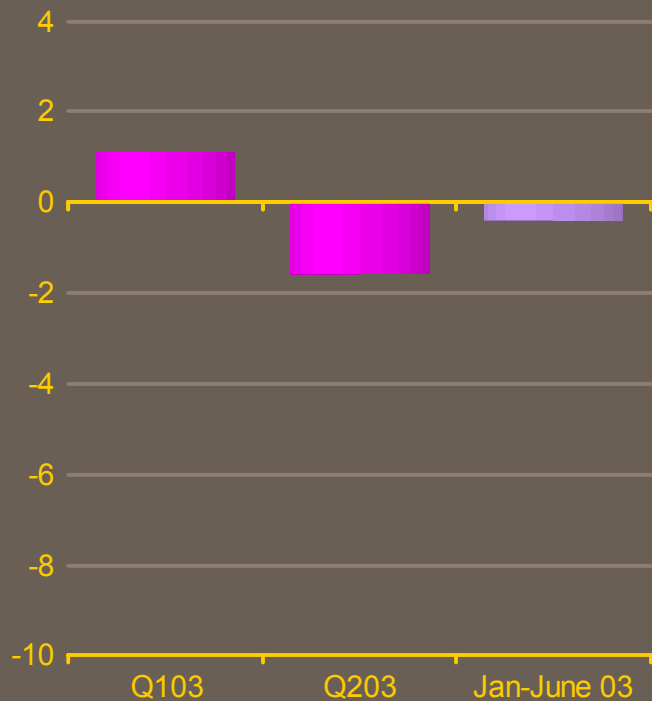
# Highlights

Q203

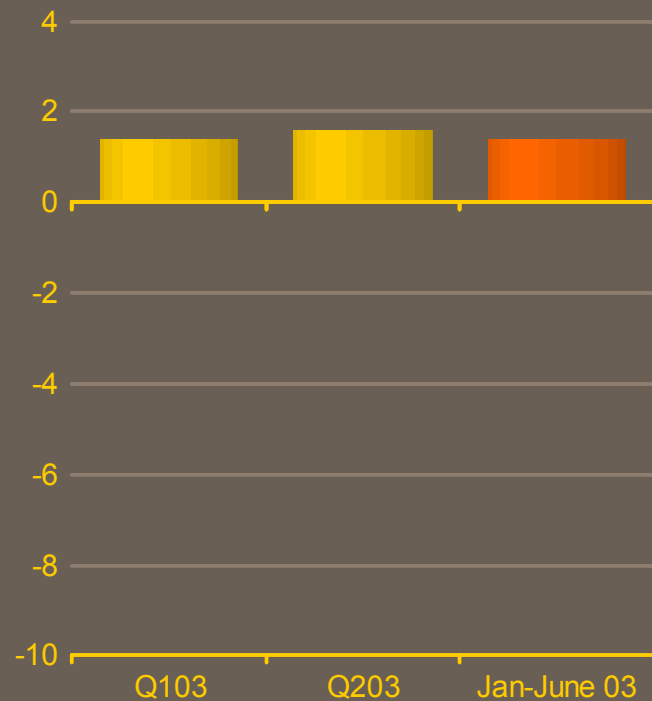
- Order intake: 3,554 MSEK
- Net sales: 3,402 MSEK

# Q on Q vs. last year (excl FX)

## Orders received



## Net sales

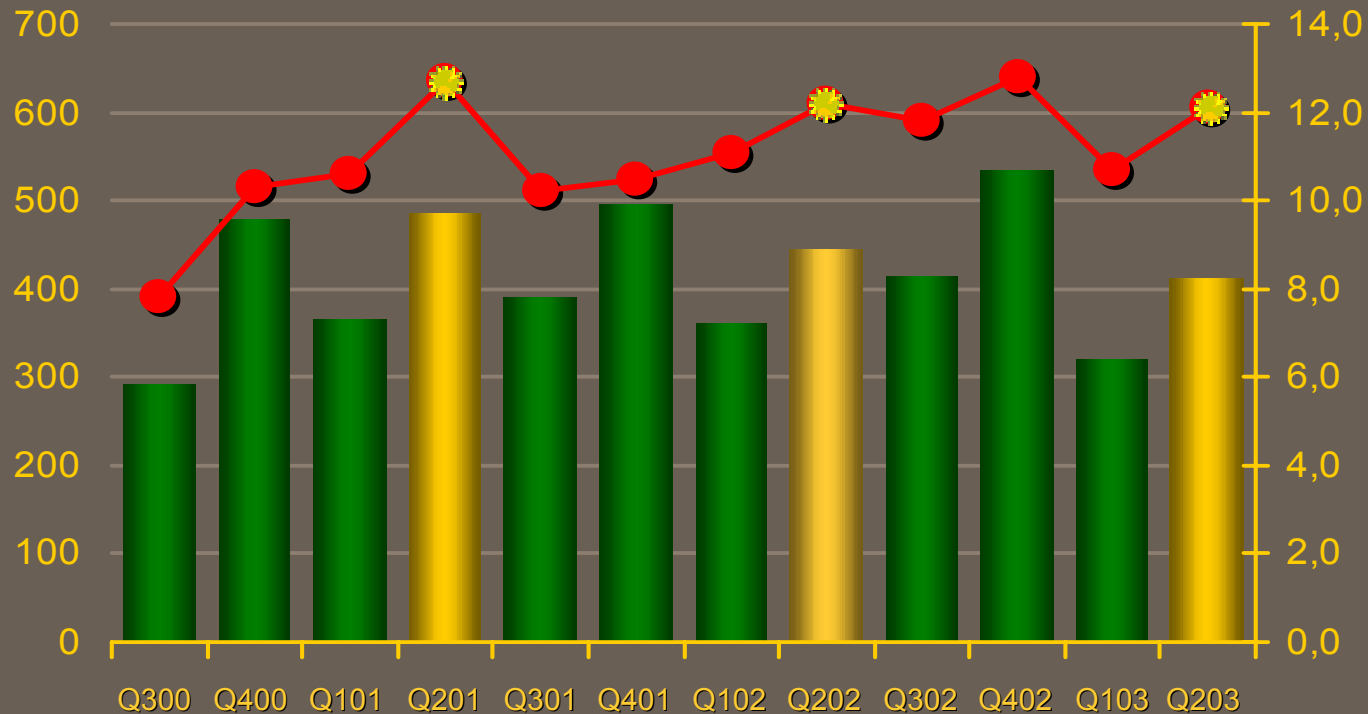


# Highlights

Q203	● Order intake:	3,554 MSEK
	● Net sales:	3,402 MSEK
	● Adjusted EBITA / margin:	412 MSEK / 12.1 %

# Adjusted EBITA / margin \*

MSEK and in percent of sales



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

# Highlights

Q203	● Order intake:	3,554 MSEK
	● Net sales:	3,402 MSEK
	● Adjusted EBITA / margin:	412 MSEK / 12.1 %
	● Profit before tax:	214 MSEK

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H103	● Adjusted EBITA / margin:	734 MSEK / 11.5 %



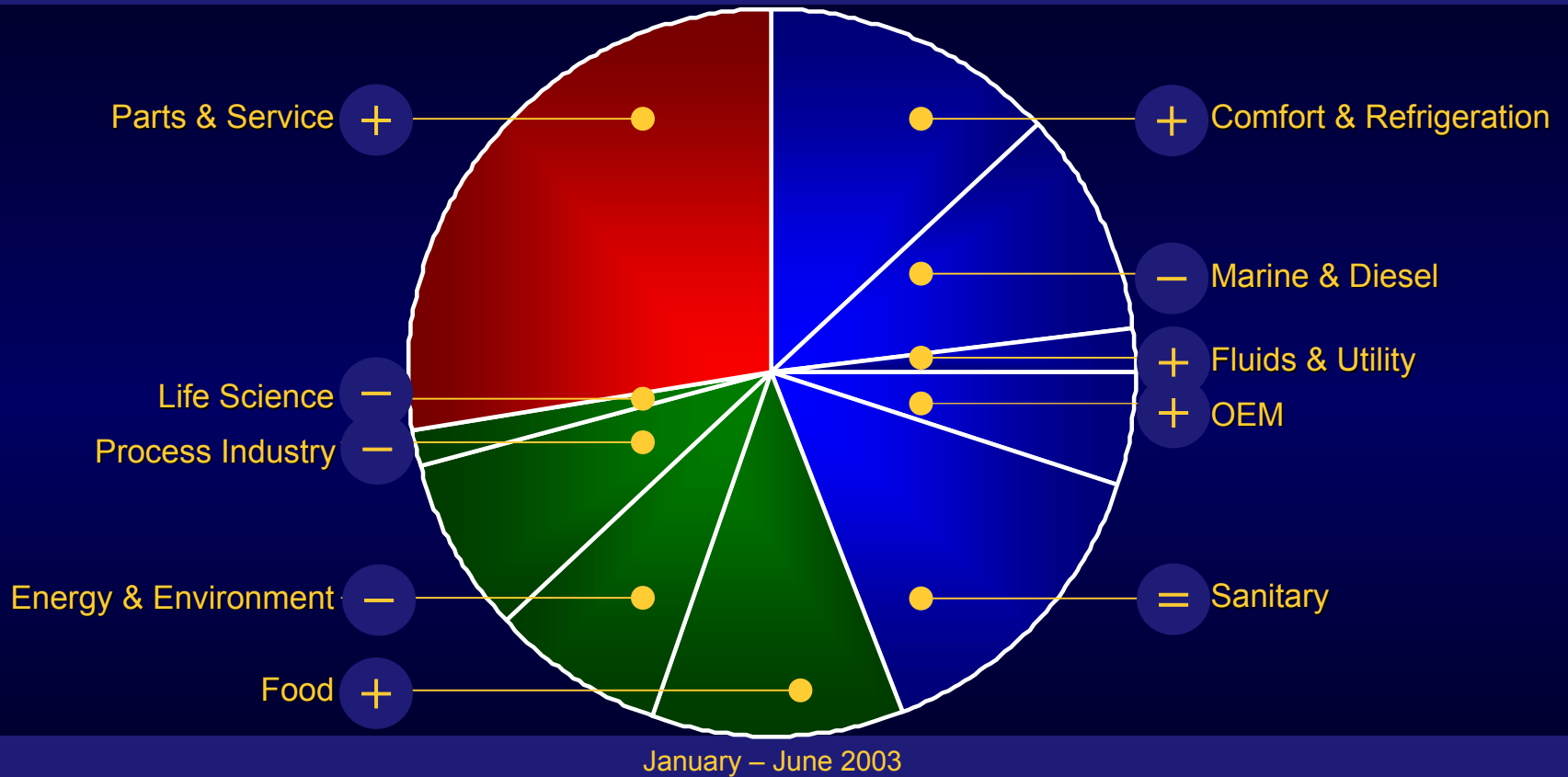
# Adjusted EBITA

MSEK	Q2	H1
2002	445	807
2003	412	734
Deviation	- 33	- 73
FX. translation	28	60
FX. transaction	35	55
Deviation excl FX	+ 30	+ 42

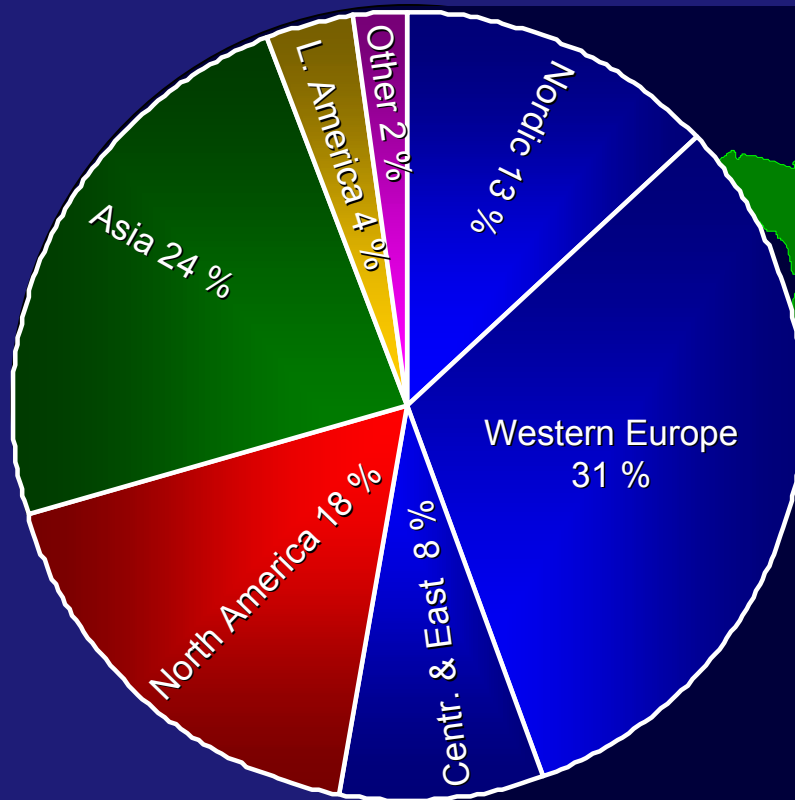
# Highlights

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H103	● Adjusted EBITA / margin:	734 MSEK / 11.5 %
	● Profit before tax:	355 MSEK
	● Cash flow from operating activities:	650 MSEK
	● ROCE:	20.9 %

# Orders Received by Segment



# Orders Received by Region



January – June 2003



# Highlights

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	● ROCE:	20.9 %
	● Asbestos-related lawsuits in the United States	

# Asbestos-related lawsuits in the US

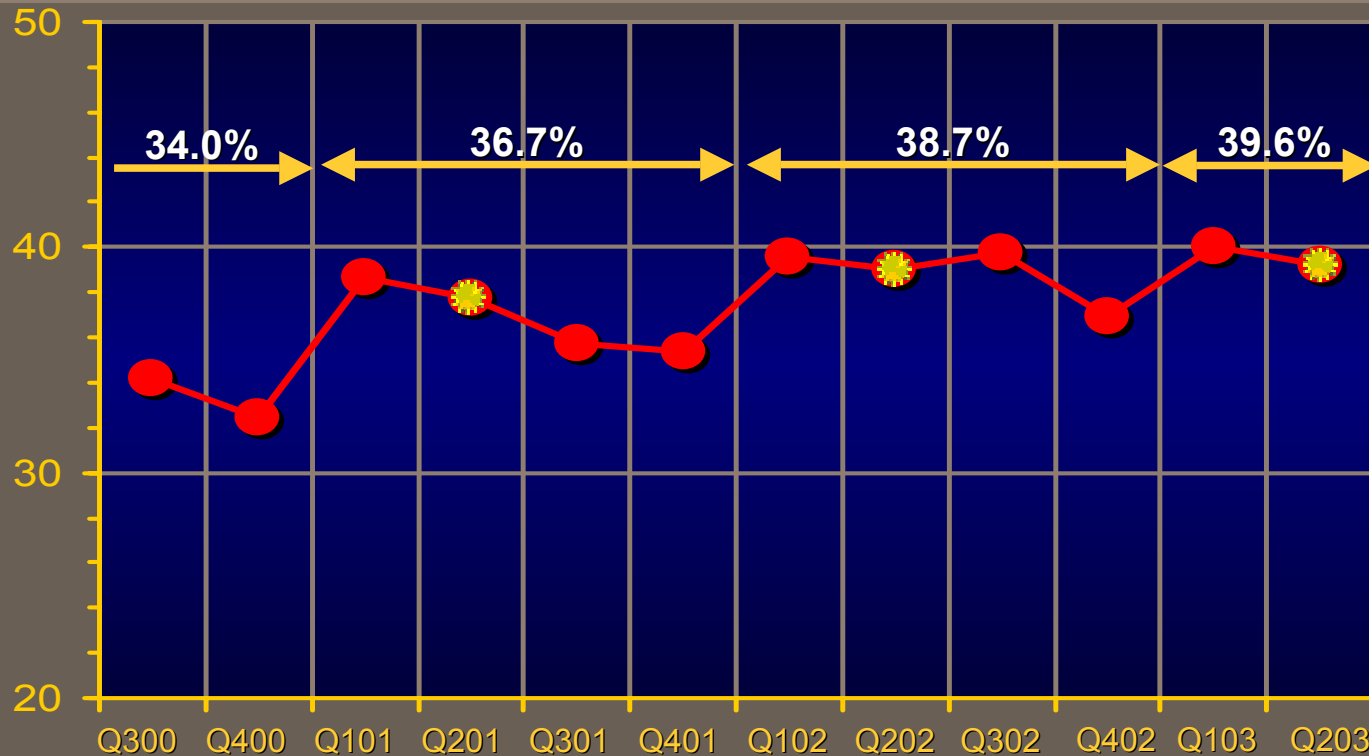
- **Alfa Laval Inc. was as of June 30, 2003 named co-defendant in a total of 109 asbestos-related lawsuits with a total of approximately 20 200 plaintiffs. The lawsuits filed in Mississippi account for approximately 99% of all plaintiffs.**
- **Developments between March 31 and June 30, 2003:**
  - 15 lawsuits have been resolved during the period, which gives a grand total of 52 lawsuits that have been resolved;
  - 27 additional lawsuits with a total of approximately 2 700 plaintiffs.
- **Alfa Laval continues to believe:**
  - that claims and defense costs against Alfa Laval Inc. will be covered by insurance policies;
  - that these lawsuits will not have a material adverse effect on the company's financial condition or result of operation.

# Consolidated Profit and Loss

<b>MSEK</b>	<b>1.1-30.6 2003</b>	<b>1.1-30.6 2002</b>
Net sales	6,397	6,916
Adjusted EBITA	734	807
Amortization of goodwill and step-up	- 246	- 252
Financial net	- 137	- 399
Comparison distortion items	+ 4	- 349
PBT	355	- 193

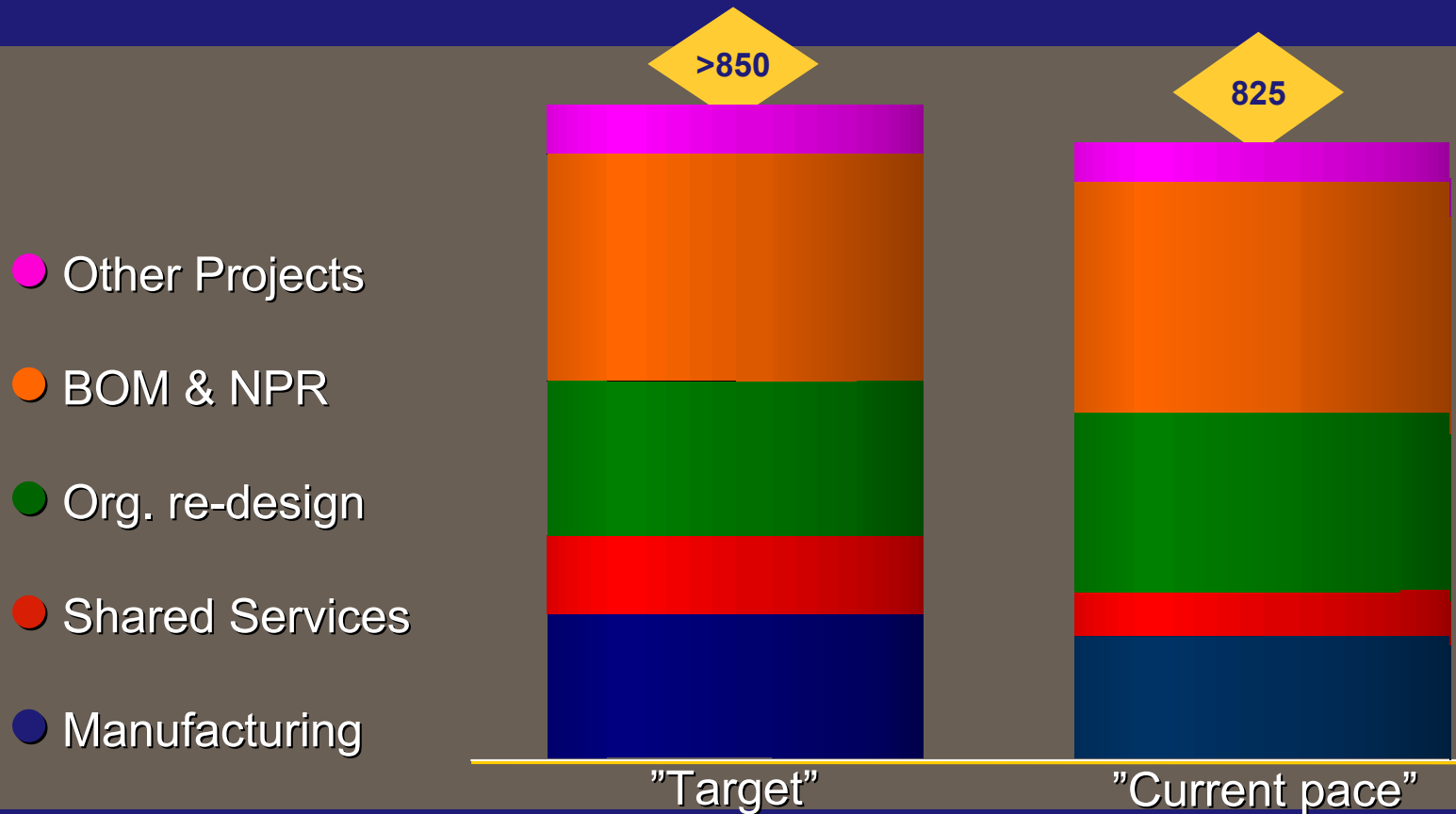
# Gross Profit Margin

In percent of sales



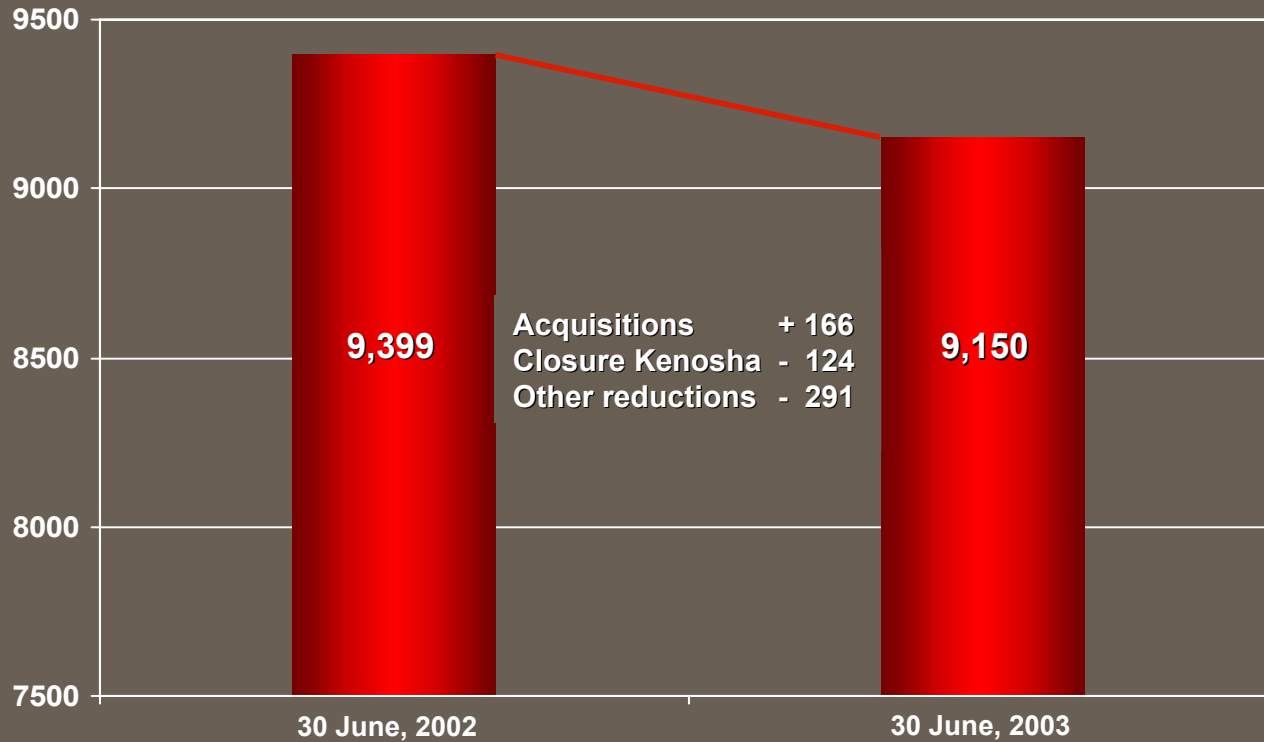


# “Beyond Expectations”



*In the P&L, MSEK 725*

# Number of employees



# Foreign exchange

Impact from Fx. fluctuations in H1 2003 over H1 2002

<b>MSEK</b>	<b>Adjusted EBITA</b>	<b>Profit Before Tax</b>
Translation effect	- 60	- 50
Transaction effect	- 55	- 55
Total	- 115	- 105

# Foreign exchange

Estimated impact from Fx. fluctuations in 2003 vs. 2002

<b>MSEK</b>	<b>Adjusted EBITA</b>	<b>Profit Before Tax</b>
Translation effect	- 90	- 65
Transaction effect	- 140	- 140
Total	- 230	- 205

*Based on market exchange rates as per June 30, 2003*

# Cash-flow Statement

<b>MSEK</b>	<b>H1 2003</b>	<b>H1 2002</b>
Cash flows from		
- operating activities	650	937
- investing activities	- 52	- 486
Financial net paid	-147	- 728
Total	451	-277
Pro Forma Free-cash-flow*	470	521

*\*Excl acquisitions, disposals, debt repayments and dividends*

# Financial standards

	Target	H103	H102	2002
Net Debt / Equity	< 1.0	0.69	1.02	0.78
Cash-flow from operating activities*	10 –14	10.2	13.5	13.2
Capital expenditure*	appr. 2.5	1.4	2.2	1.9

\* *In percent of sales*

# Key ratios, per share

	H1 2003	H1 2002	2002
Cash-flow from operating activities*	5.82	8.39	17.23
Earnings	2.44	- 5.45	1.41

*\*Based on the current number of shares*

# Outlook 2003

“Order intake will show a limited increase during the year. Additional savings initiatives will reduce the impact from foreign exchange exposures. Profit before tax will show a major improvement.”



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# Calendar and contact information

- September 16 Capital Market Day, Copenhagen
- October 28 Q3 report 2003
- February 16, 2004 Q4 report 2003

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