

Report for Q1 2021

Tom Erixon
President and CEO
Alfa Laval Group

Key figures



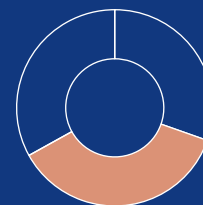
	Q1 2021	Q1 2020	%-change	%-▲,org*
Order intake	10,204	11,877	-14	-5
Net sales	8,969	10,590	-15	-7
Adjusted EBITA**	1,530	1,750	-13	
Adjusted EBITA-margin (%)	17.1	16.5		

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

**) Positive currency effect SEK 20 million (155)

Food & Water division

– Highlights and comments, MSEK



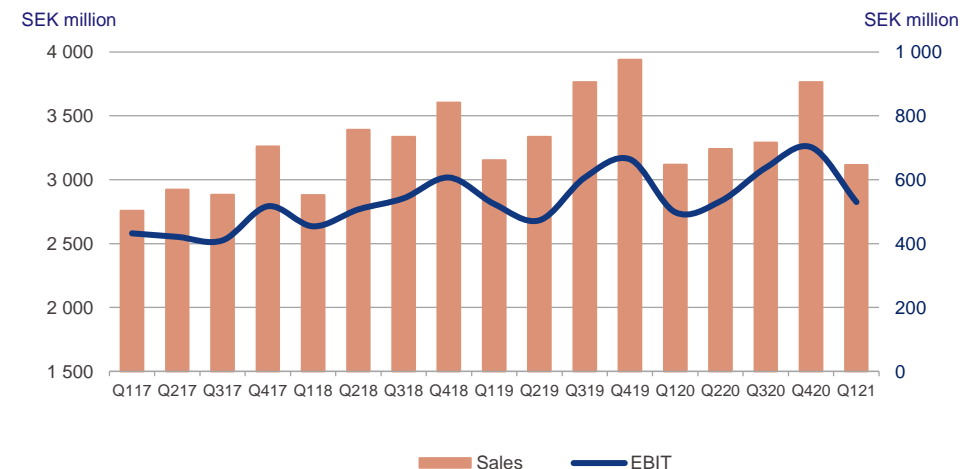
MARKETS & ORDER INTAKE

- Order intake grew significantly compared to the same quarter last year.
- Demand strong across most areas in the division.
- CAPEX decisions for large projects remains slow in the quarter.
- Solid growth in service.

PROFITABILITY (EBIT)

- Profitability remained on a good level, impacted by positive volume effects but negative mix.

	Q1 21	Q1 20	Tot Δ, %	Org Δ, %	Q4 20
ORDERS	3,730	3,612	3.3	15.1	3,723
SALES	3,116	3,118	-0.1	11.1	3,764
EBIT	530	498			702
EBIT (%)	17.0	16.0			18.7



Energy division

– Highlights and comments, MSEK



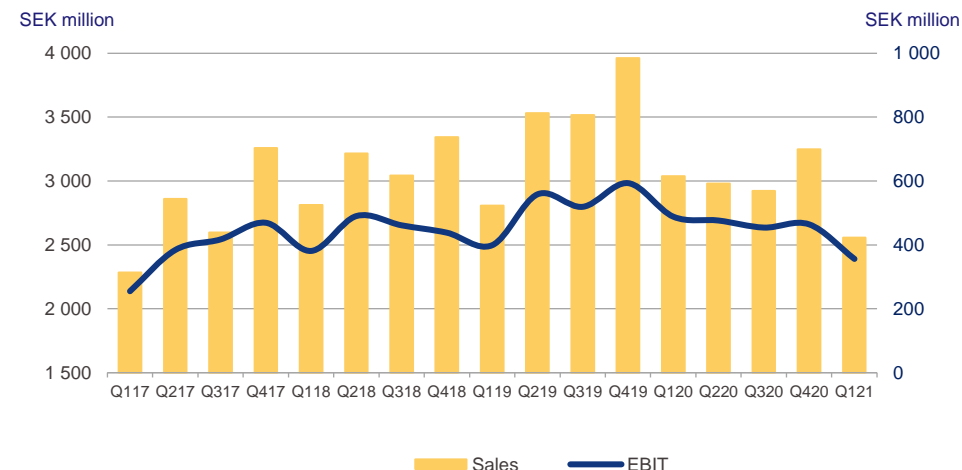
MARKETS & ORDER INTAKE

- Continued strong demand from energy efficiency solutions positively impacting HVAC.
- Demand in downstream Oil & Gas improved in the quarter, while upstream remained slow.
- Higher project activity in the Power and Process industries.
- Service returned to growth across most industries.

PROFITABILITY (EBIT)

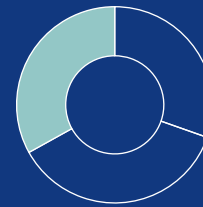
- Operating margin primarily negatively affected by lower invoicing and uneven factory load.

	Q1 21	Q1 20	Tot Δ, %	Org Δ, %	Q4 20
ORDERS	3,101	3,197	-3.0	6.6	2,760
SALES	2,558	3,039	-15.8	-7.8	3,247
EBIT	356	488			464
EBIT (%)	13.9	16.1			14.3



Marine division

– Highlights and comments, MSEK



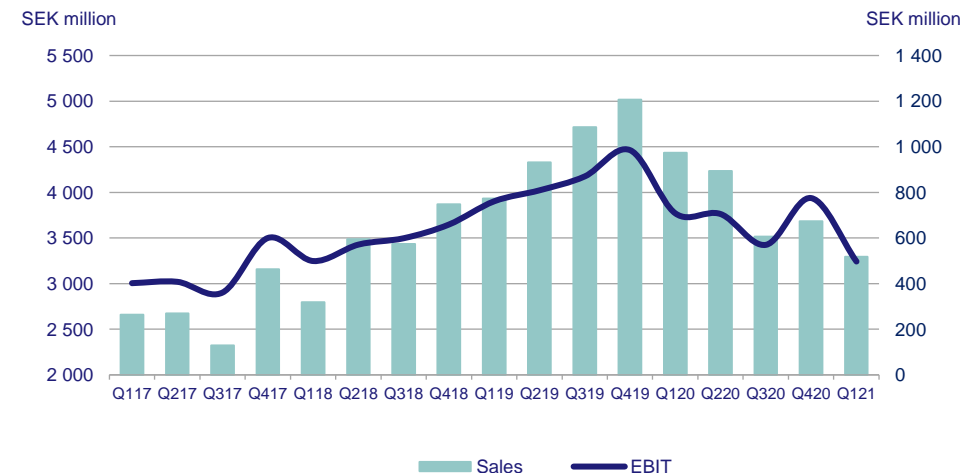
MARKETS & ORDER INTAKE

- Yard contracting increased considerably compared to last year.
- Order intake stabilized on a low level with sequential improvement.
- Service remained on a significantly lower level compared to last year.

PROFITABILITY (EBIT)

- Operating margin negatively affected by lower invoicing.

	Q1 21	Q1 20	Tot Δ, %	Org Δ, %	Q4 20
ORDERS	3,373	5,068	-33.4	-27.1	2,789
SALES	3,295	4,433	-25.7	-19.4	3,684
EBIT	497	708			775
EBIT (%)	15.1	16.0			21.0

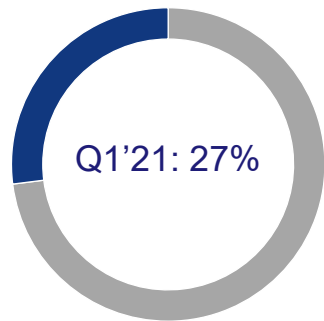


Service, by division

– Order intake Q1, share and development



ENERGY

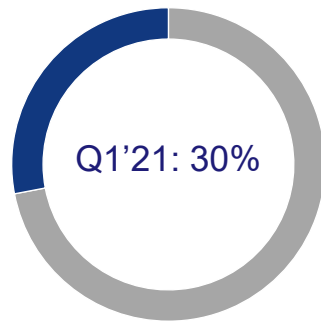


Organic growth



YoY

FOOD & WATER

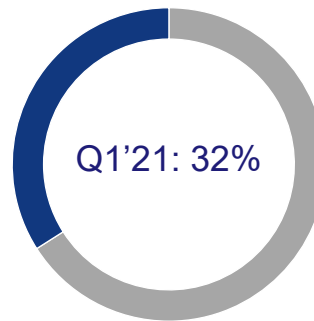


Organic growth



YoY

MARINE



Organic growth

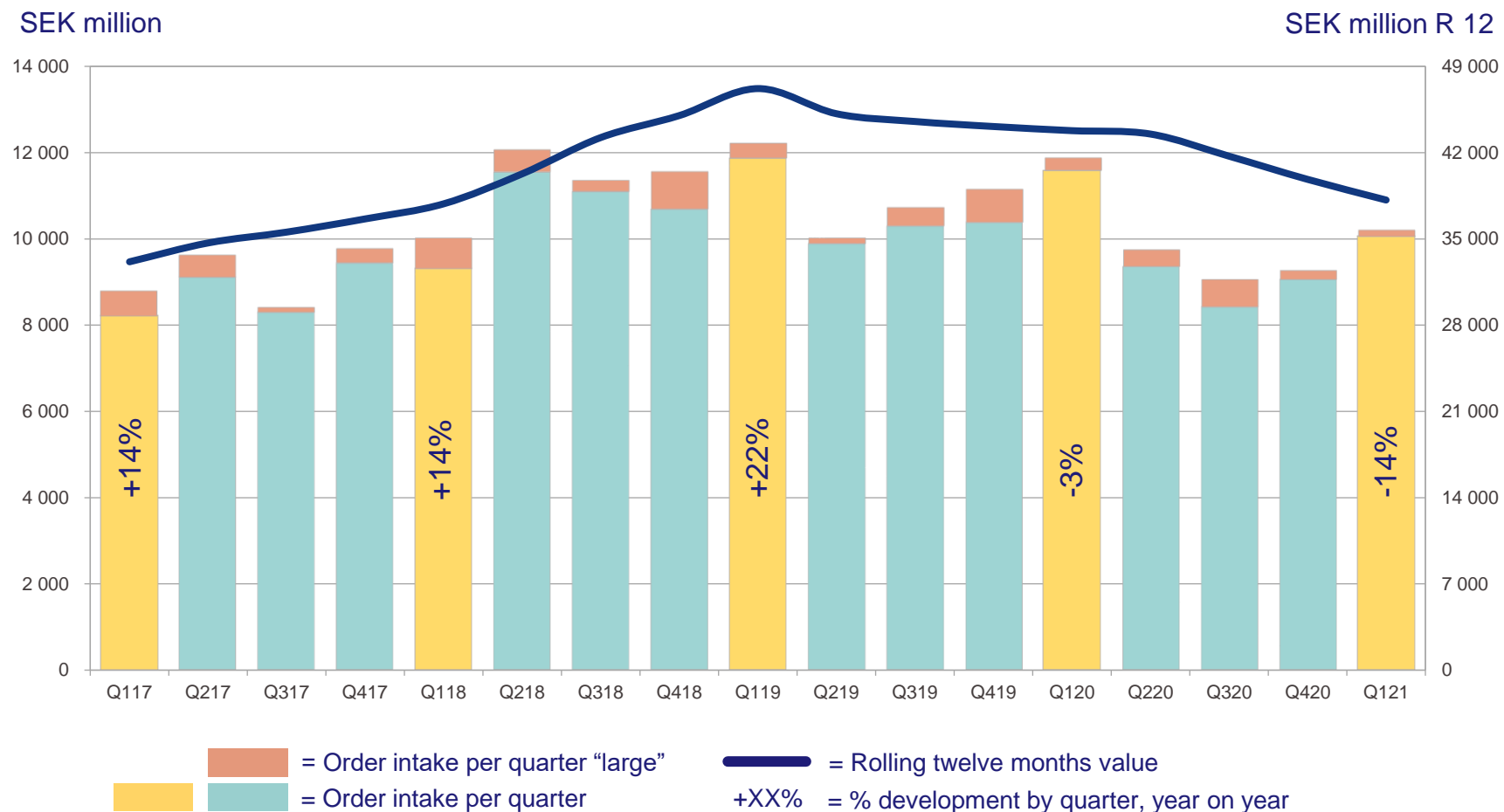


YoY

 = Service share of total order intake

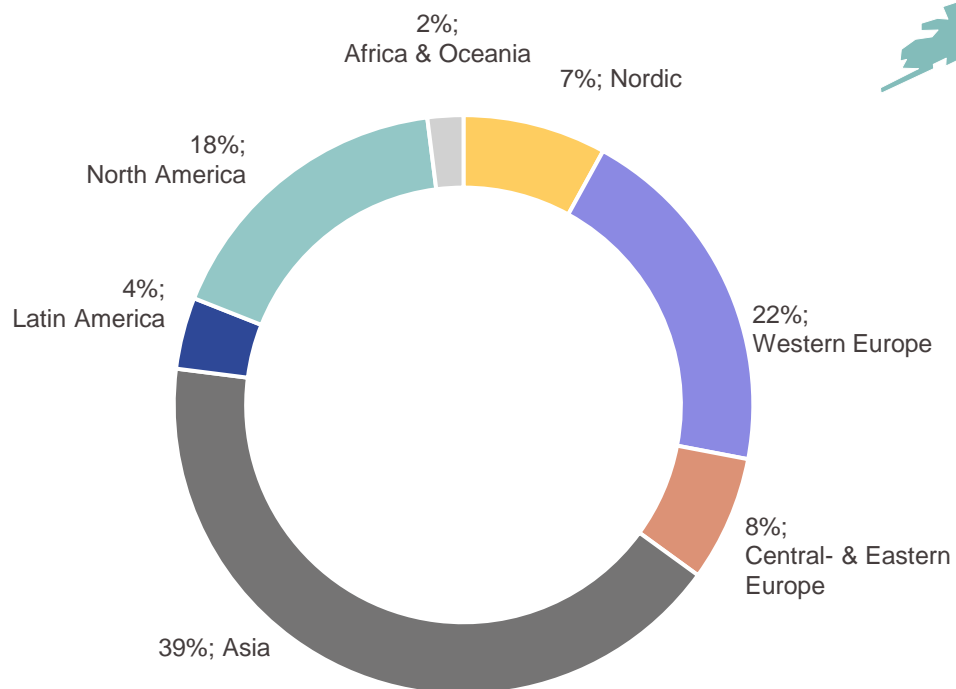


Orders received

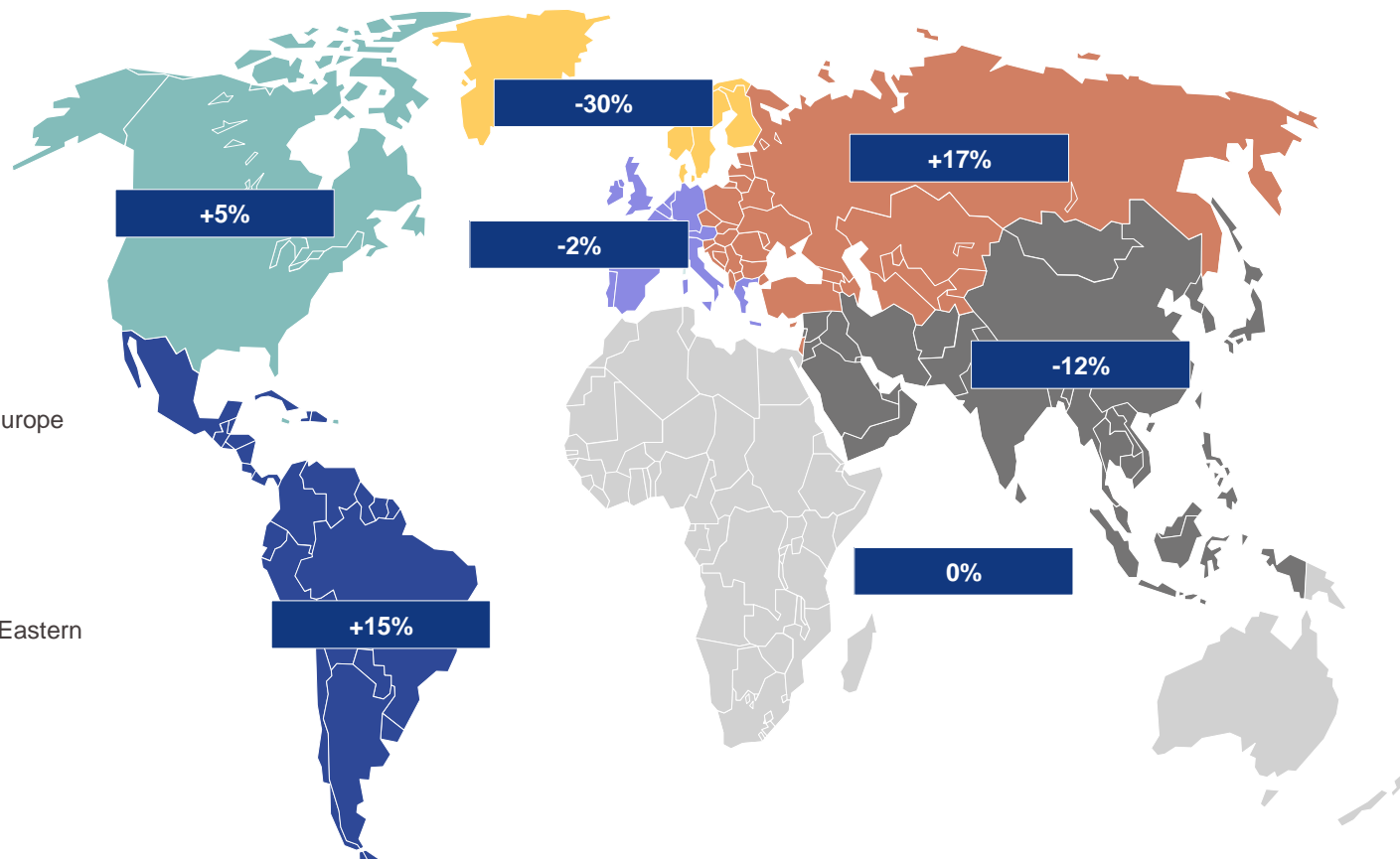


Orders received by region

– Development Q1 2021 vs Q1 2020, at fixed rates



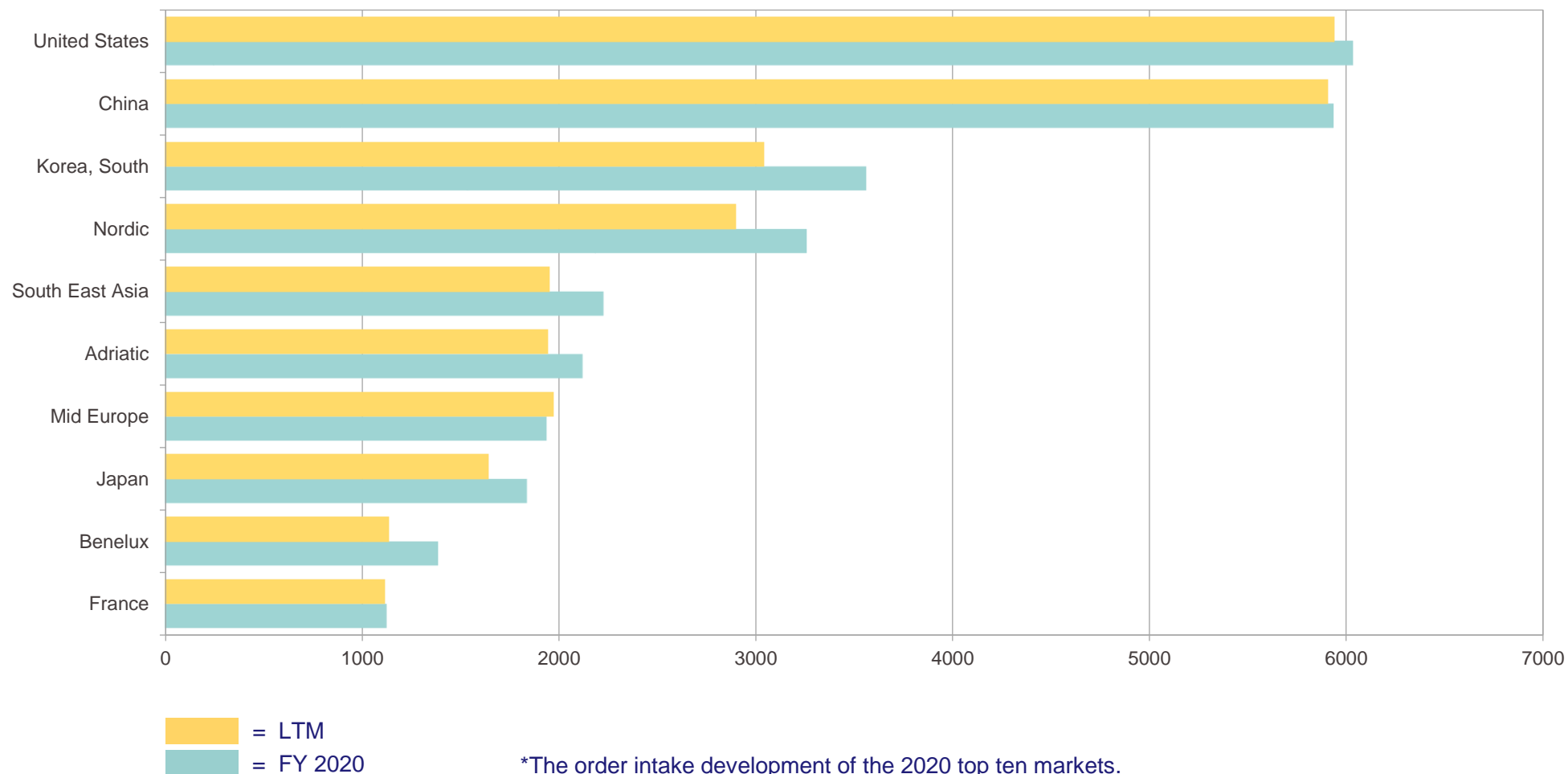
Share %: Jan – Mar 2021



vs Q1-20

Top ten markets*

– SEK million at prevailing rates



*The order intake development of the 2020 top ten markets.



Report for Q1 2021

Jan Alde
CFO
Alfa Laval Group

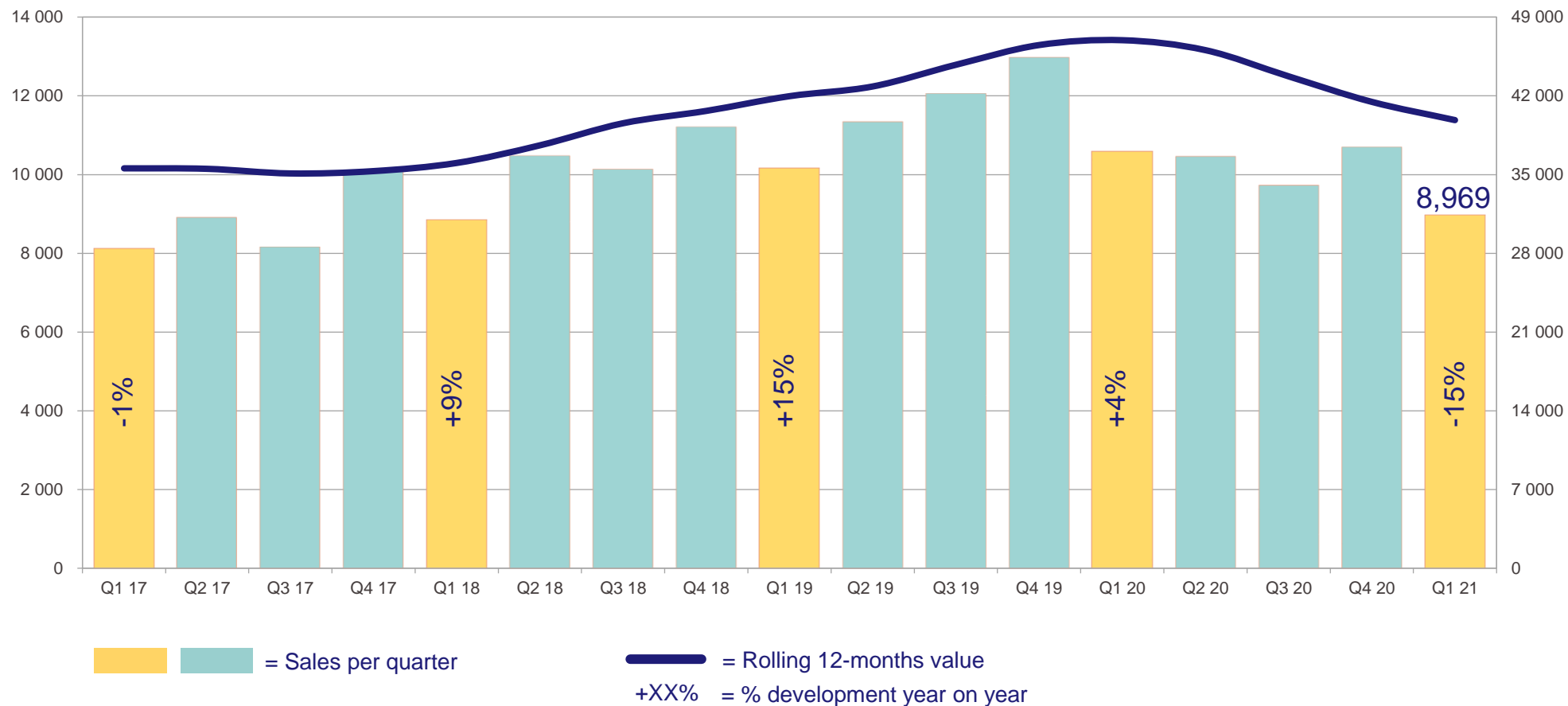
Sales

– MSEK



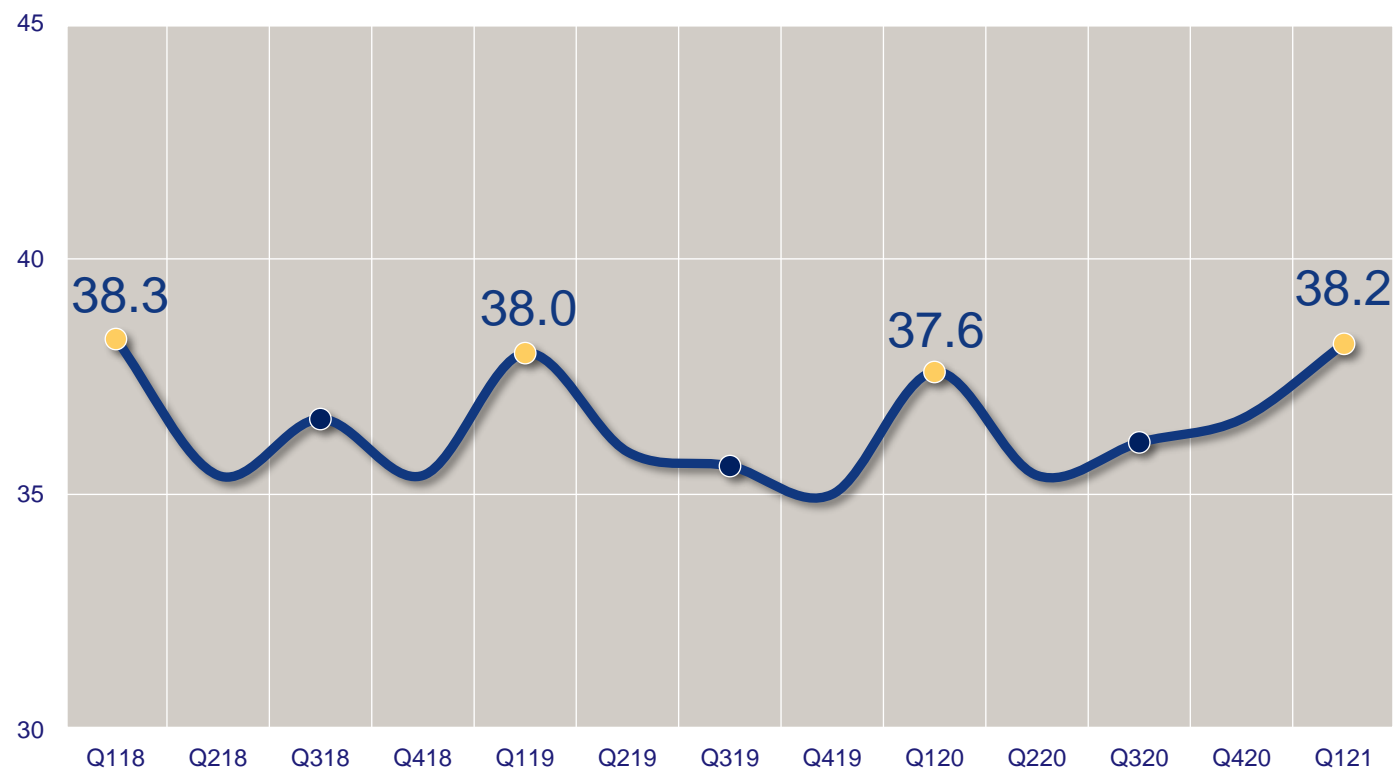
SEK million

SEK million R 12



Adjusted gross margin

– In percent of sales



Q1 2020	37.6
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Mix/price	-
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Load/volume	+
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PPV/metals	-
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FX	+
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Structure	=
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Q1 2021	38.2
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S&A Expense development

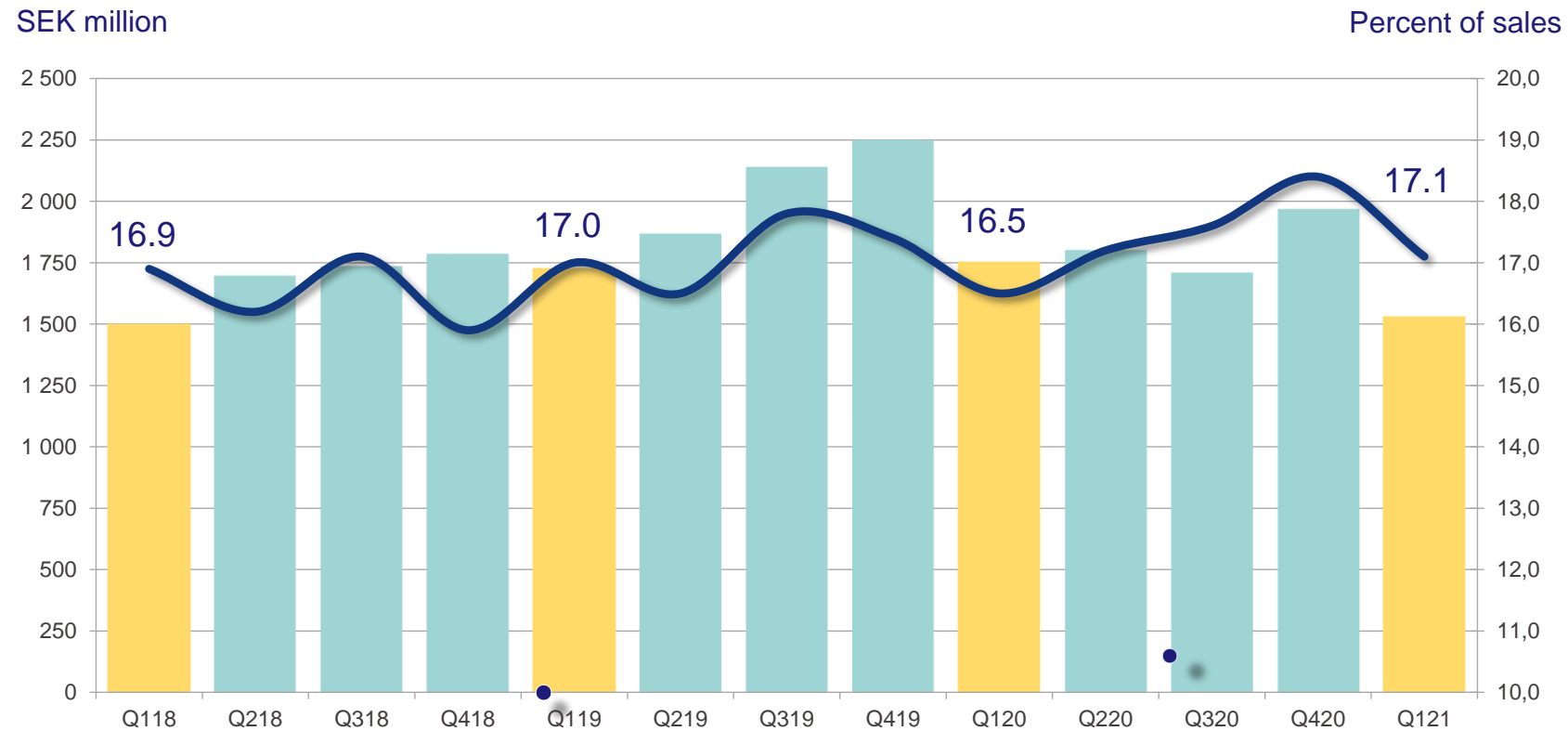
– MSEK



	Q1 2021	Q1 2020	
Sales costs	1,019	1,157	-11.9%
Admin costs	436	513	-15.0%
Total S&A costs	1,455	1,670	-12.9%
Excl. FX impacts and acq./divestments			-6.3%

Adjusted EBITA/margin*

– SEK millions and in percent of sales



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

Key figures

– MSEK



	Q1 2021	Q1 2020
Sales	8,969	10,590
Gross profit	3,223	3,763
Sales & Admin	-1,455	-1,670
R&D	-271	-286
Net other cost/income	-177	-291
Operating income*	1,340	1,528
Financial net	143	-271
Profit before tax	1,483	1,257
Taxes	-371	-334
EPS	2.64	2.19

Cash-flow statement

– MSEK



	Q1 2021	Q1 2020
EBITDA	1,822	2,028
Other non-cash items	-24	-20
Working Capital	-43	-455
Taxes paid	-792	-594
Cash flow from operating activities	963	959
Capital expenditures	-266	-207
Disposals	25	132
Acquisitions	-13	-8
Cash flow from investing activities	-254	-83
Financial net paid	90	-347
Cash flow	799	529
Free cash flow*	787	405

**) Incl. cash flow from operating activities, capital expenditure and financial net paid.*

Foreign exchange



– Estimated impact on adjusted EBITA from FX fluctuations, MSEK

	Q1 2021	FY 2021	FY 2022*
Transaction effect	20	100	-175
Translation effect	-90	-80	-
Total	-70	20	-175

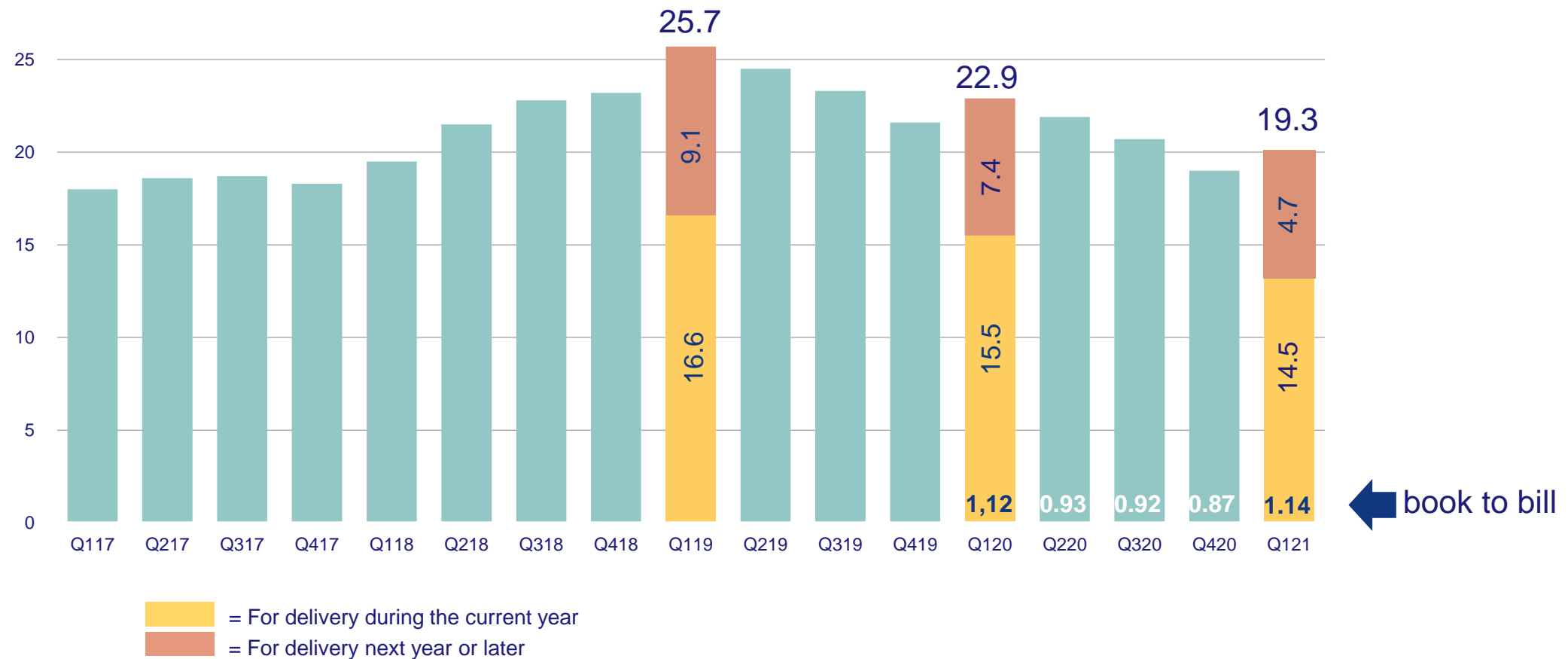
Note: Excludes FX effects caused by revaluation of balance items in foreign currency.

*) Based on EUR/USD 1.186 and EUR/SEK 10.233

Projected FX-transaction effect for 2021 communicated in Q4 2020 report: SEK 85 million

Order backlog as per March 31

– SEK billion



Sales

– FY 2021, SEK billion



Q1 Sales	9.0
Backlog, for delivery current year	+14.5
Subtotal	23.5

For you to consider:

Price

“In-for-out”*

FX translation

Acquisitions

Full year 2021

*IFO in Q2-Q4 2020 excluding acquisitions/divestments was SEK 15.4 bln.

Outlook for the second quarter:

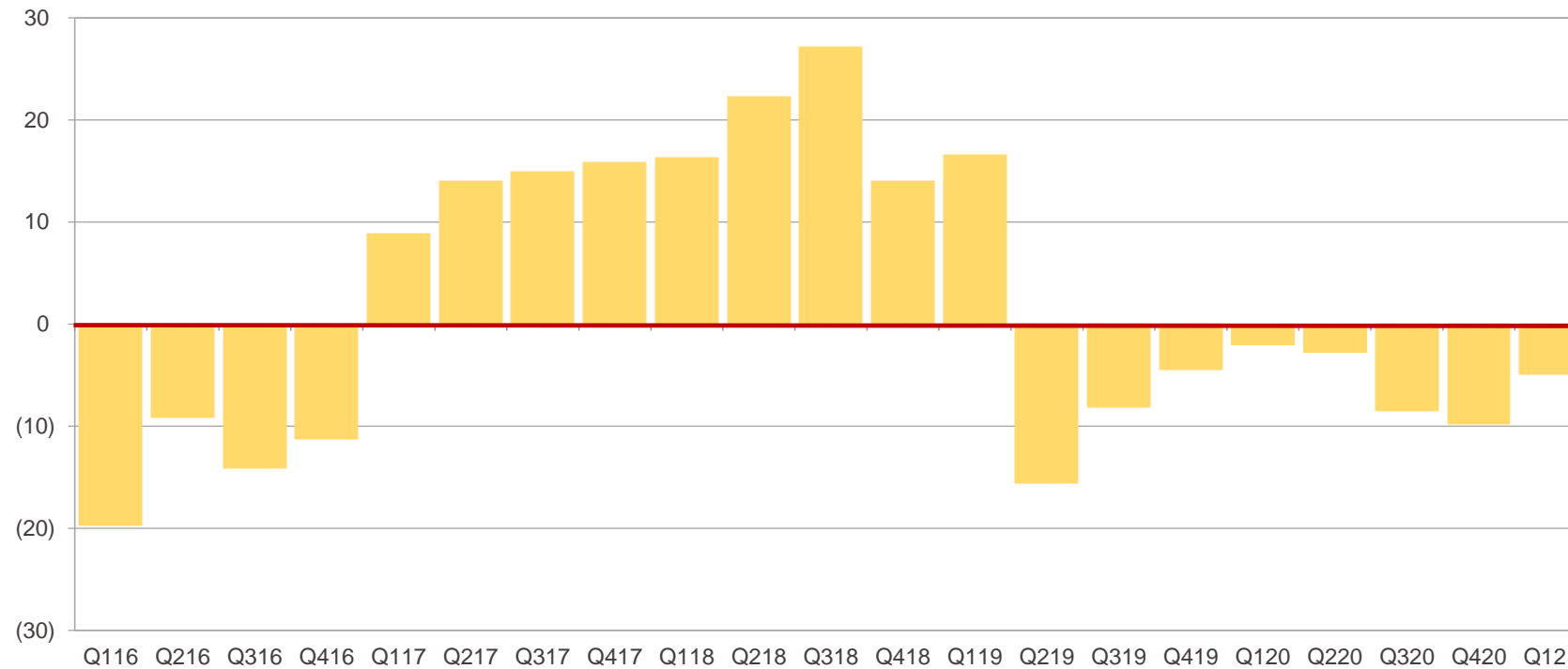
“We expect demand in the second quarter to be on the same level as in the first quarter.”



Organic growth pace



– Compared with same quarter last year (%), excluding currency effects



 = Order intake growth

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.

