





Report for Q3 2022

Tom Erixon

President and CEO

Alfa Laval Group

Key figures

– MSEK

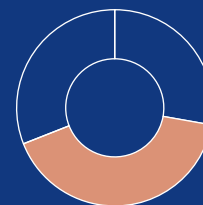


	Q3 2022	Q3 2021	Tot Δ , %	Organic Δ , %*
Order intake	15,202	11,680	30	13
Net sales	13,184	10,275	28	11
Adjusted EBITA	1,934	1,854	3	
Adjusted EBITA-margin (%)	14.7	18.0		

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

Food & Water division

– Highlights and comments, MSEK



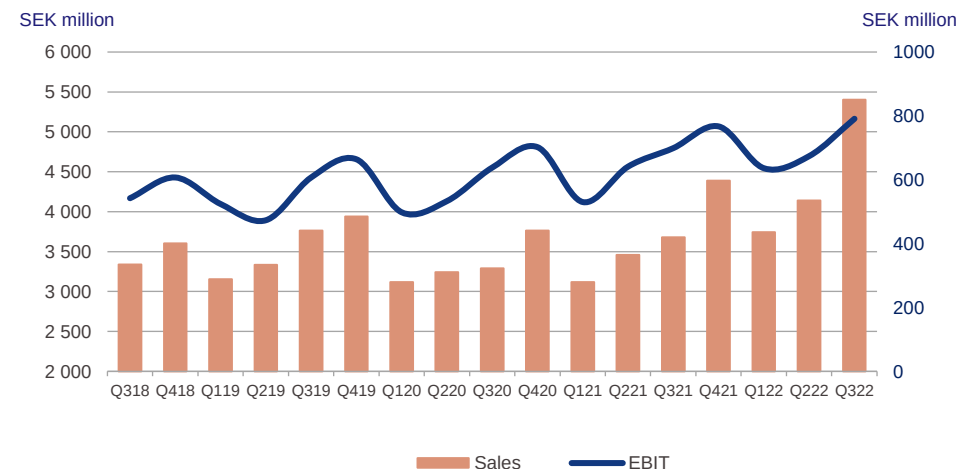
MARKETS & ORDER INTAKE

- Continued strong demand.
- Higher invoicing due to somewhat improved supply chains.
- Strong growth in Service.

	Q3 22	Q3 21	Tot Δ, %	Org Δ, %	Q2 22
ORDERS	5,611	4,241	32.3	5.2	5,033
SALES	5,402	3,678	46.9	17.4	4,140
EBIT	792	699			674
EBIT (%)	14.7	19.0			16.3

PROFITABILITY (EBIT)

- Excluding the acquisition effects from Desmet, the profitability was sequentially stable.
- Acquisition related costs related to Desmet, in combination with seasonal effects, had a dilutive effect of approximately 2 percent on profit margin.



Energy division

– Highlights and comments, MSEK



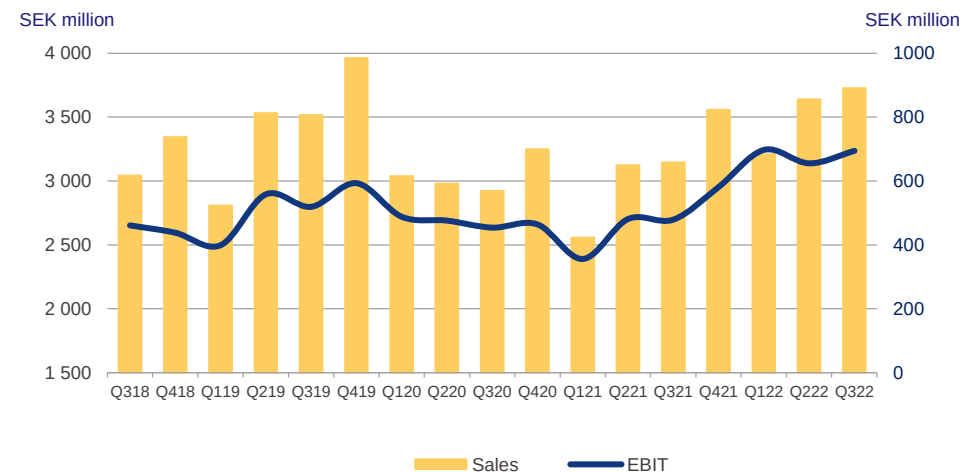
MARKETS & ORDER INTAKE

- Strong order intake.
- Growth mainly driven by continued investments in energy efficiency initiatives.
- Demand increased for clean energy and circularity solutions, from a low level.
- Strong growth in Service.

PROFITABILITY (EBIT)

- Operating margin increased. The improvement was mainly driven by higher volumes, mix and pricing.
- Restructuring program launched in business unit Welded.

	Q3 22	Q3 21	Tot Δ, %	Org Δ, %	Q2 22
ORDERS	4,583	3,659	25.3	14.3	4,496
SALES	3,726	3,146	18.4	7.9	3,639
EBIT	694	479			665
EBIT (%)	18.6	15.2			18.3



Marine division

– Highlights and comments, MSEK



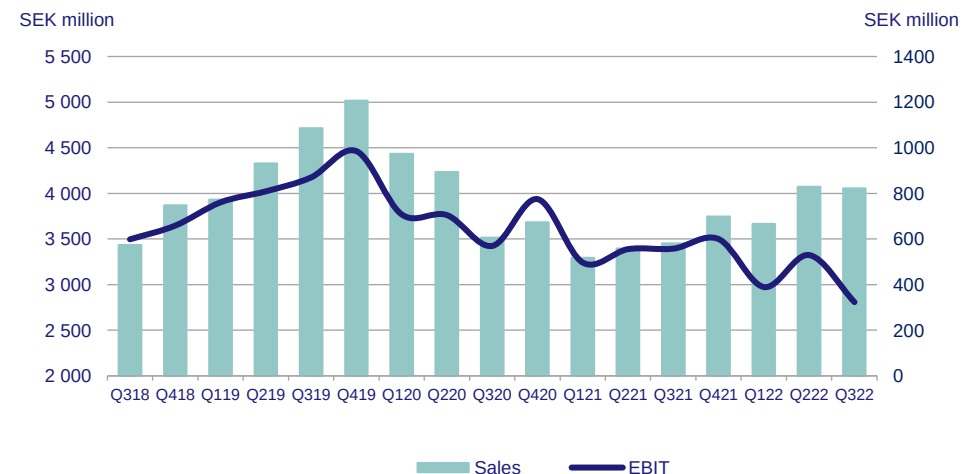
MARKETS & ORDER INTAKE

- Good order growth in most product areas despite somewhat weak contracting market.
- Orders recovered in Marine cargo pumping systems.
- Acquisition of BunkerMetric to strengthen the digital offering.
- Strong growth in Service.

PROFITABILITY (EBIT)

- Operating margin continued to be negatively affected by an old order backlog and mix.
- The profitability in Pumping Systems suffered from low load following a weak tanker market in 2022.
- A restructuring program launched to address profitability.

	Q3 22	Q3 21	Tot Δ, %	Org Δ, %	Q2 22
ORDERS	5,008	3,780	32.5	21.6	4,892
SALES	4,056	3,451	17.5	8.4	4,073
EBIT	324	558			530
EBIT (%)	8.0	16.2			13.0



Service orders

– Order intake, SEK million

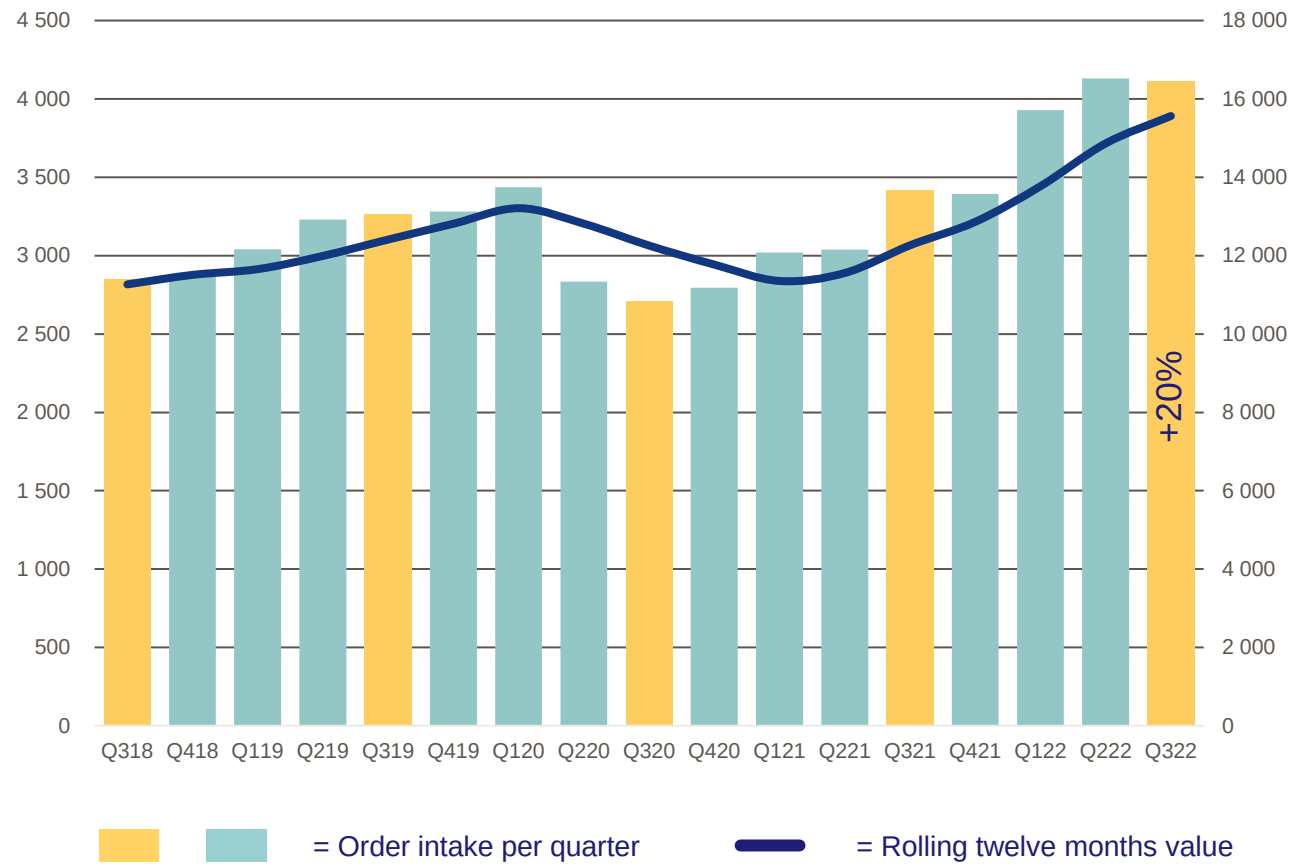
Energy, Q3



Food&Water, Q3

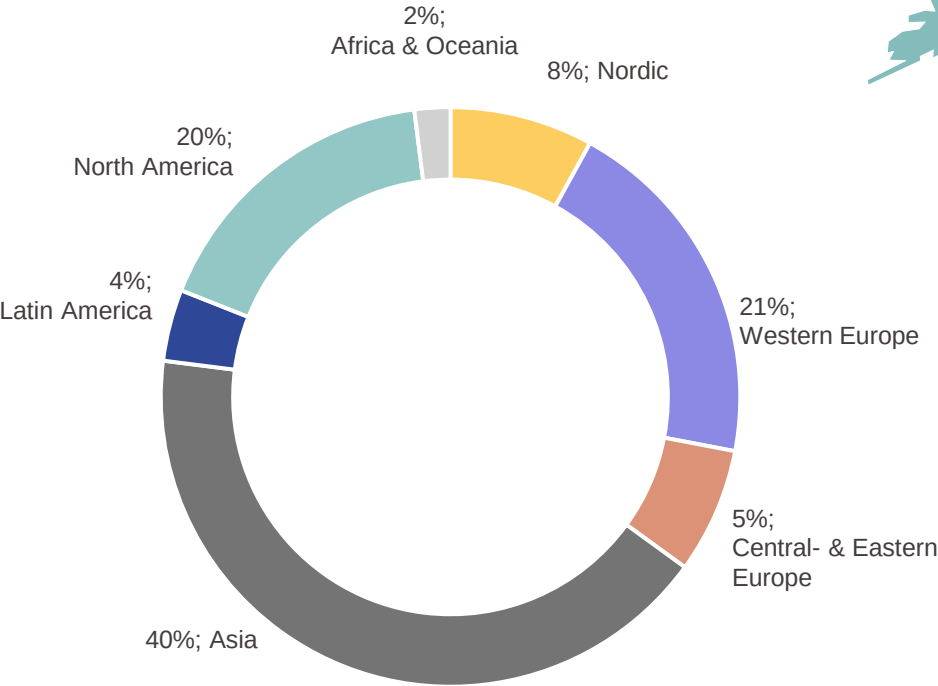


Marine, Q3

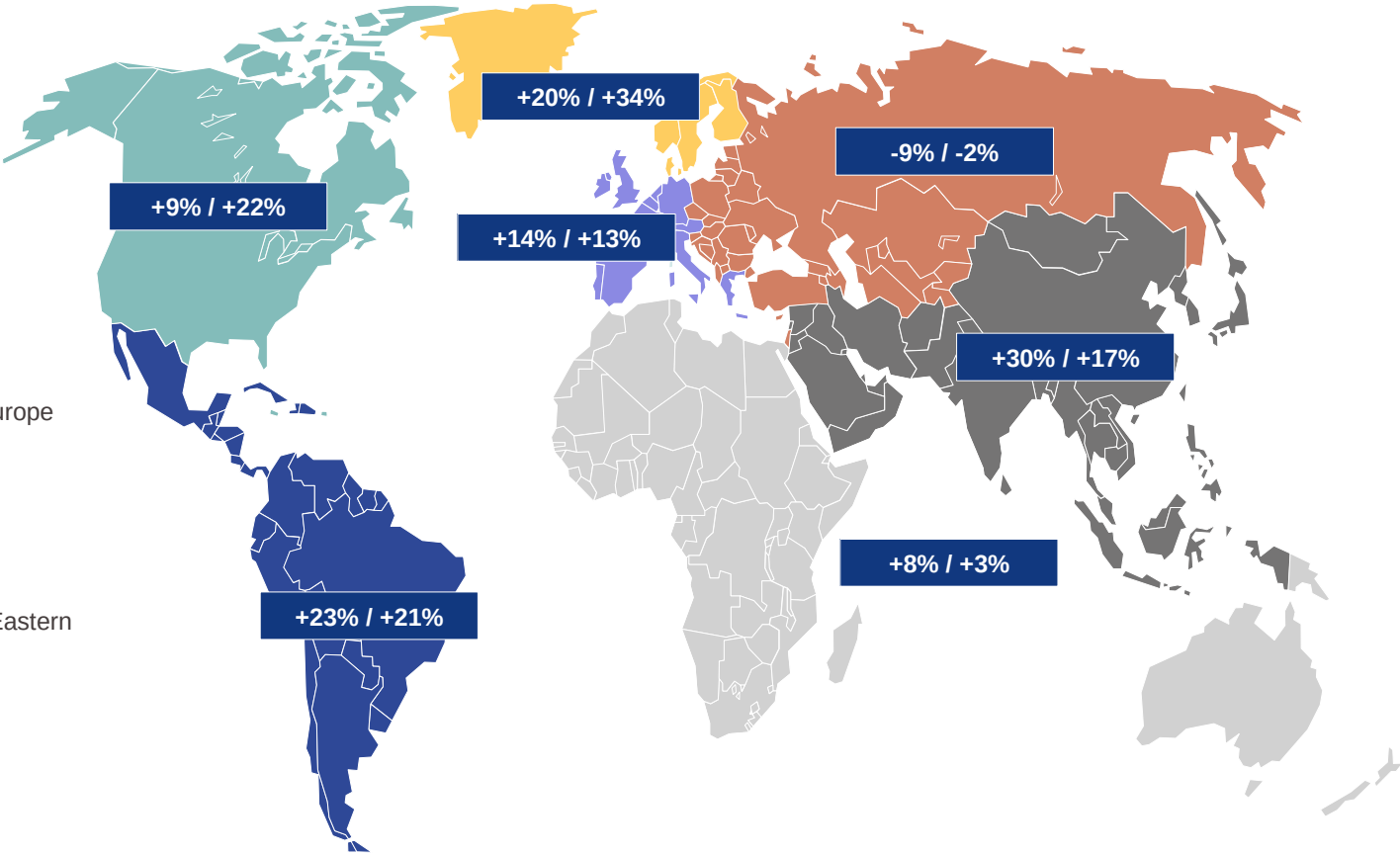


Orders received by region

– at fixed rates



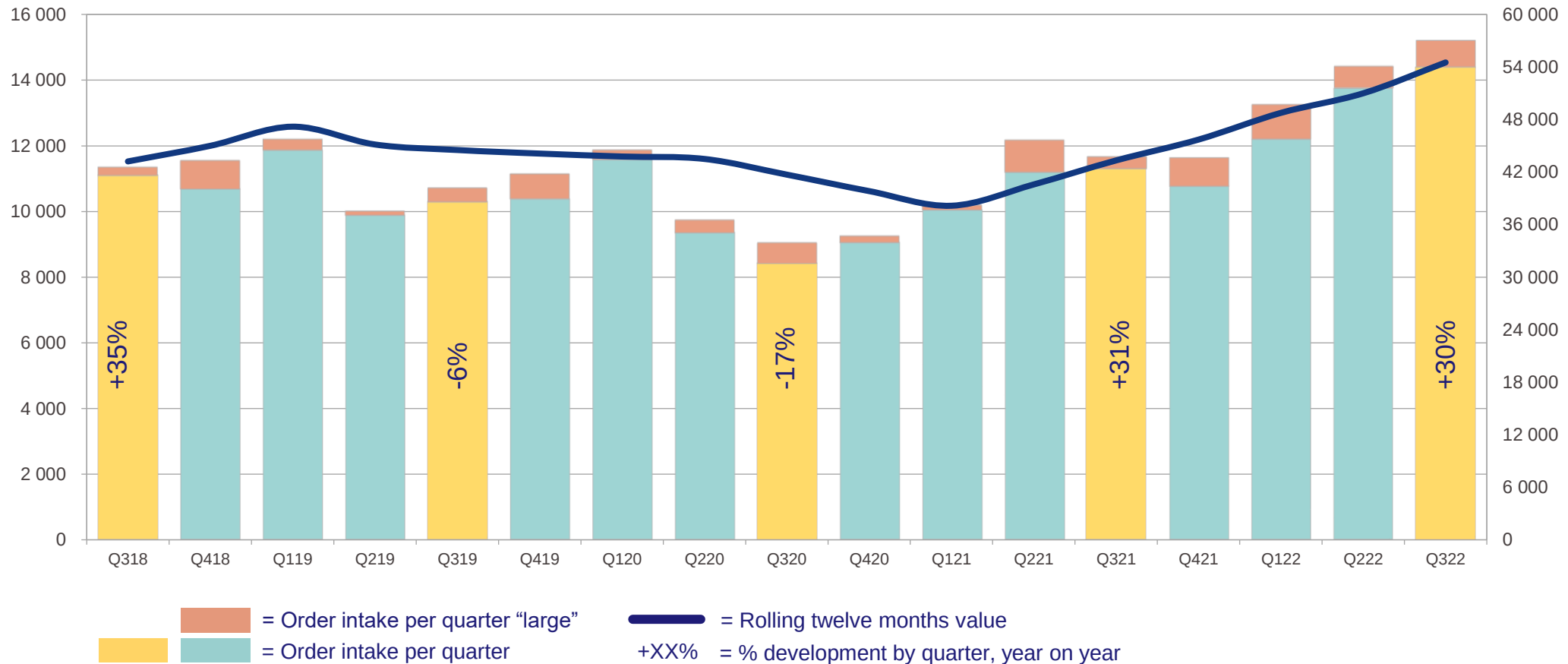
Share %: Jan – Sep 2022

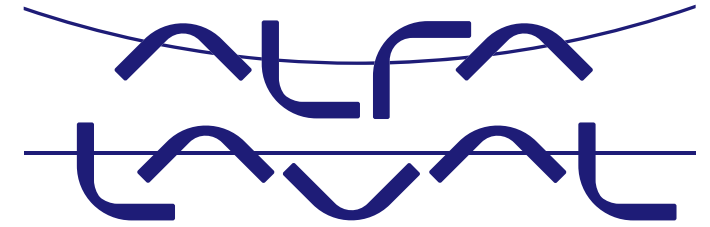


vs Q3 / YTD 2021

Orders received

– Sek million





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Jan Allde
CFO
Alfa Laval Group

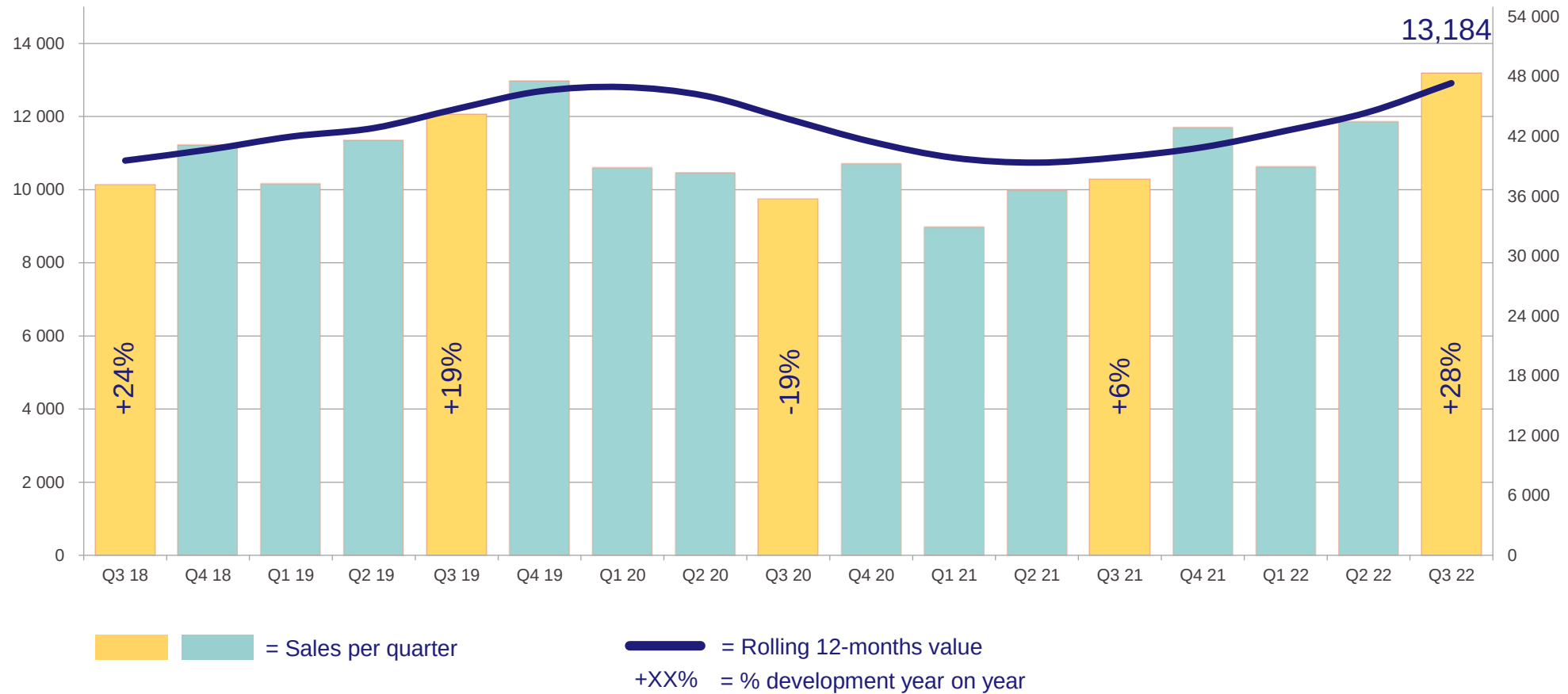
Sales

– MSEK



SEK million

SEK million R 12



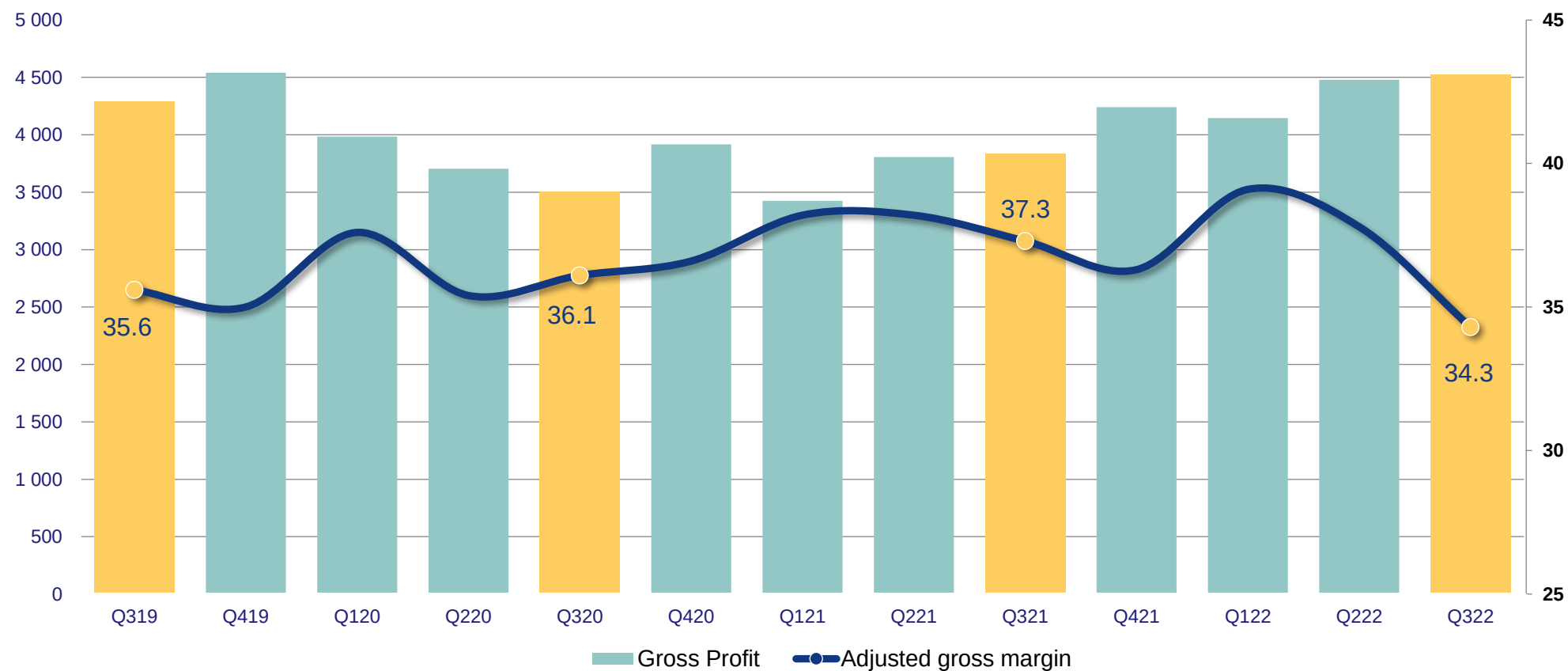
Adjusted gross margin

– In SEK and percent of sales



SEK million

Percent of sales



S&A Expense development

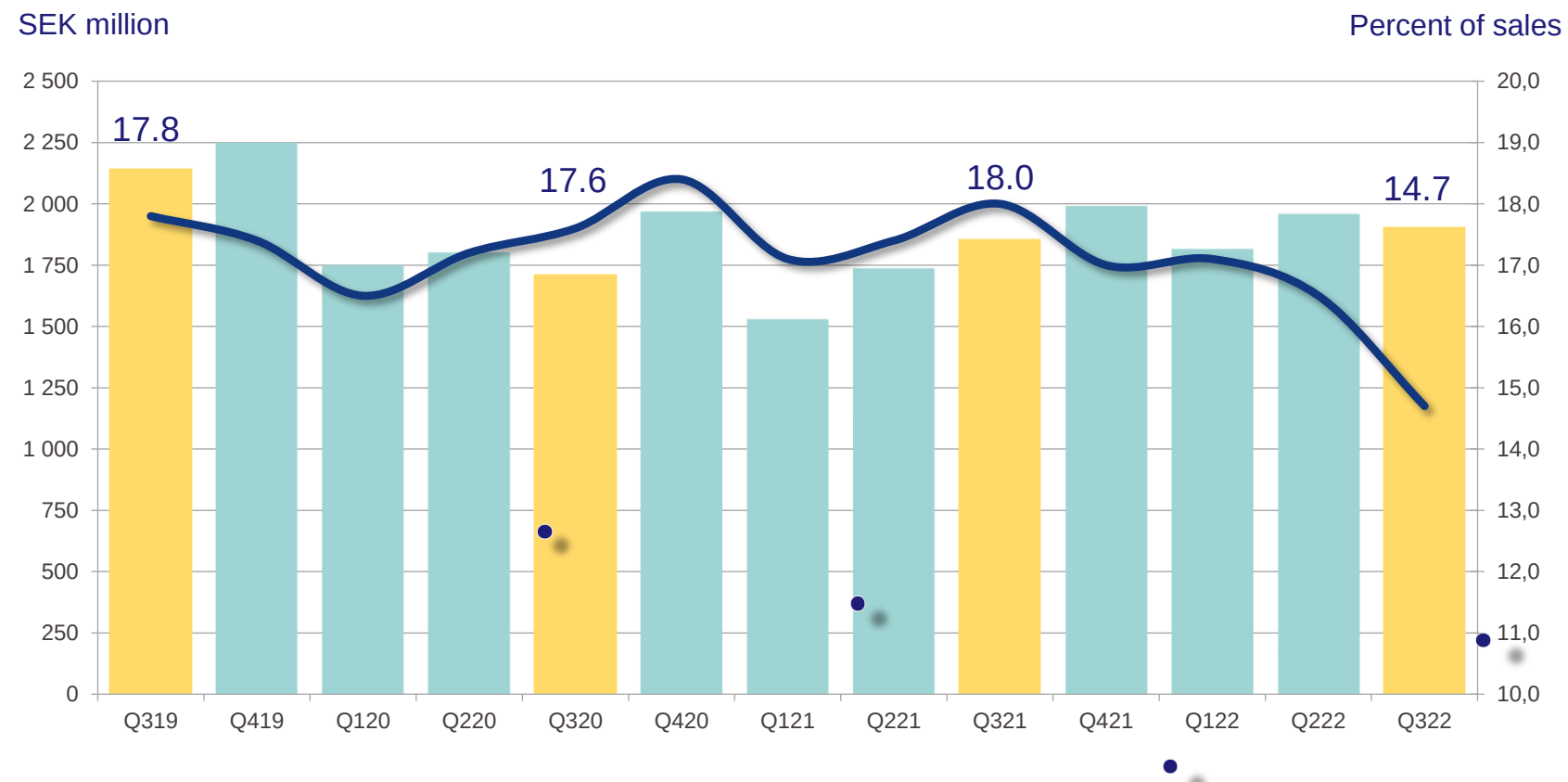
– MSEK



	Q3 2022	Q3 2021	Tot Δ, %	YTD 2022	YTD 2021	Tot Δ, %
Sales costs	1,531	1,159	32.1%	4,081	3,288	24.1%
Admin costs	513	442	16.1%	1,714	1,382	24.0%
Total S&A costs	2,044	1,601	27.7%	5,795	4,670	24.1%
Excl. FX impacts and acq./divestments			12.6%			11.6%

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



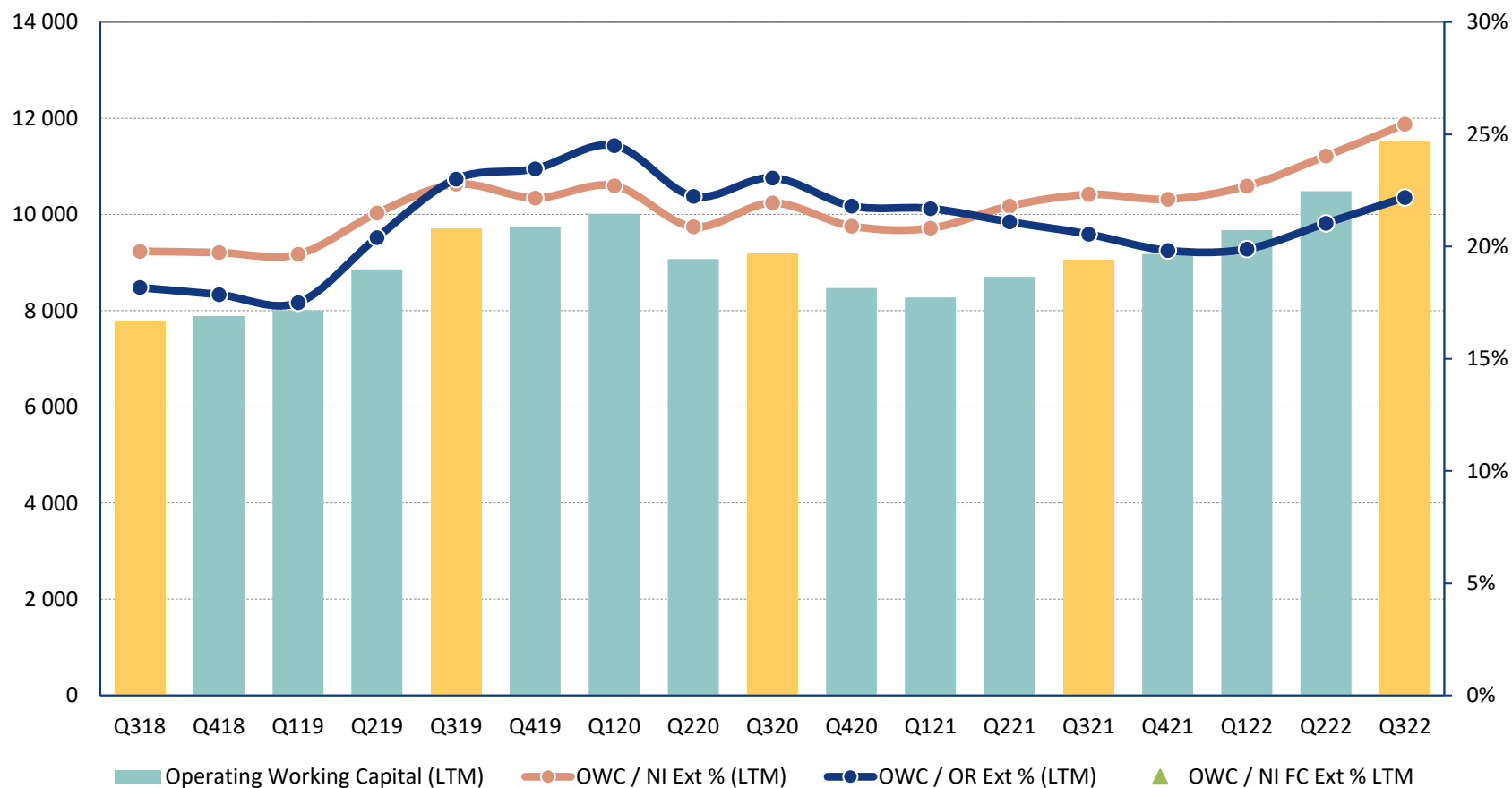
	Q3 2022	Q3 2021
Sales	13,184	10,275
Gross profit	4,274	3,636
Sales & Admin	-2,044	-1,601
R&D	-329	-251
Net other cost/income	-215	-155
Operating income	1,686	1,655
Financial net	-105	-88
Profit before tax	1,581	1,567
Taxes	-356	-341
EPS	2.92	2.91

Operating Working Capital (OWC)*

– SEK million, fixed rate



Alfa Laval Group, OWC (MSEK)



*) Operating Working Capital = Sum of Account receivables; Total inventory; Account payable; and Advance payments.

Cash-flow statement

– MSEK



	Q3 2022	Q3 2021	YTD 2022	YTD 2021
EBITDA	2,400	2,158	4,705	4,339
Working Capital	-1,260	-592	-3,401	-828
Taxes paid	-470	-97	-1,440	-1,281
Cash flow from operating activities	670	1,469	1,629	3,853
Capital expenditures	-355	-317	-940	-755
Disposals	-1	6	16	32
Acquisitions	-3,668	-14	-3,672	-3,615
Cash flow from investing activities	-4,024	-325	-4,596	-4,338
Financial net paid	14	-146	-190	-59
Cash flow	-3,340	998	-3,157	-544
Free cash flow*	329	1,006	499	3,039

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

Foreign exchange

– Estimated impact on adjusted EBITA from FX fluctuations, MSEK



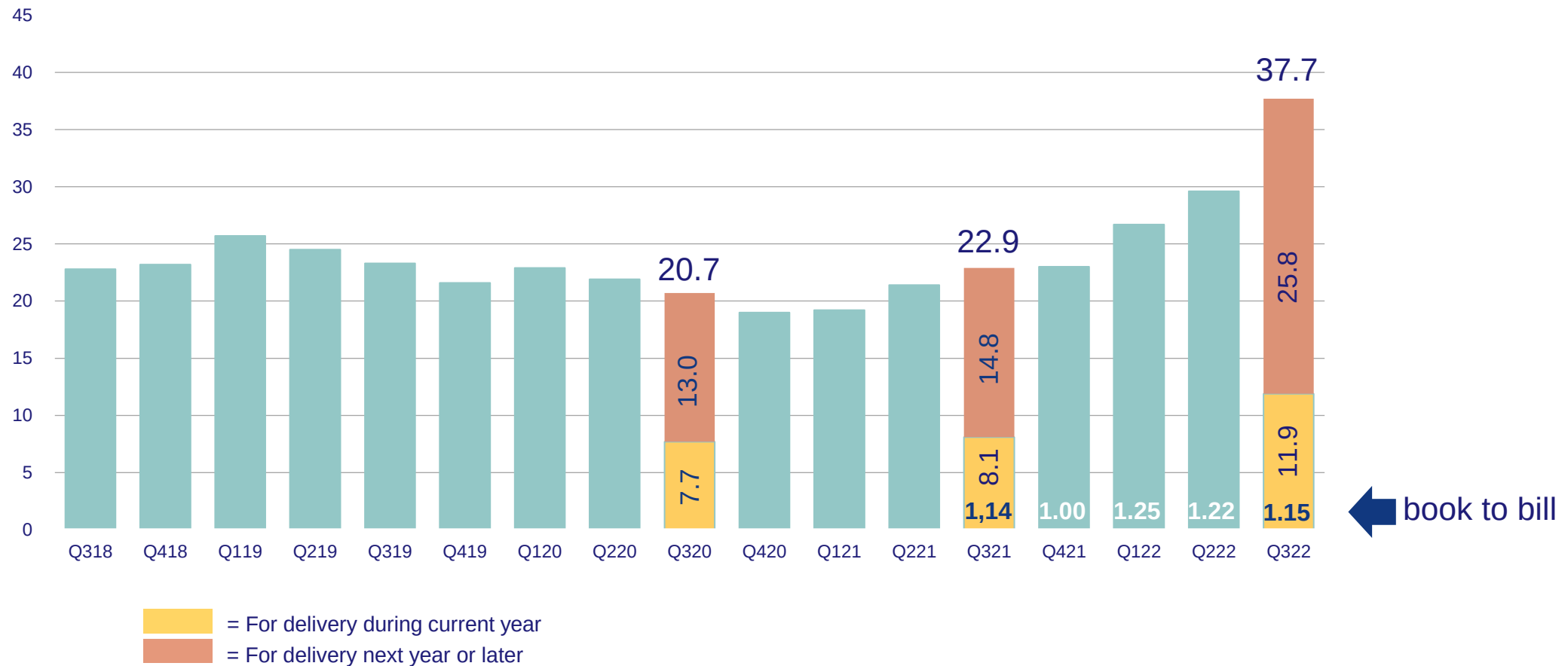
	Q3 2022	FY 2022	FY 2023*
Transaction effect	-25	-50	520
Translation effect	145	400	-
Total	120	350	520

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

*) Based on EUR/USD 0,9919 and EUR/SEK 10,8802

Order backlog as per September 30

– SEK billion



Sales

– FY 2022, SEK billion



YTD 2022	35.6
Backlog for delivery in 2022	11.9
Subtotal	47.5

For you to consider:

Price

“In-for-out”*

FX translation

Acquisitions

FY 2022

*IFO in Q4 2021 was SEK 3.6 bn.

Outlook for the fourth quarter:

“We expect demand in the fourth quarter to be on about the same level compared to the third 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.

