



NEWS RELEASE

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Alfa Laval's Capital Markets Day - summary

Alfa Laval's Capital Markets Day was held today in Malmö, Sweden and included an update on the company's performance vs. its financial goals and the ongoing investment programs; product innovation and the manufacturing footprint program. This was followed by divisional presentations covering new products and solutions for a changing planet. The day ended with Tom Erixon giving an overview of the progress so far to 2020 and beyond.

The financial update by Jan Allde, CFO, included the company's performance vs. its financial goals. Jan Allde concluded that the strategy period 2017-19 has delivered against all financial goals; growth, profitability and capital utilization, and the goals will be kept unchanged. He also gave an update on the two major investment programs; R&D spending in new product platforms together with structural change in the manufacturing footprint, which Mikael Tydén, Head of Operations, elaborated on.

Jan closed his presentation with three changes in the general guidance:

- Capital Expenditure in relation to total revenues will gradually decrease to about 2.5% in 2020 and about 2.0% in 2021.
- Step-up amortization of SEK 900 million in 2020, SEK 770 million in 2021.
- FX impact on EBITA estimated to SEK 495 million in 2019, SEK 420 million in 2020.

The guidance for the R&D spend in relation to total revenues, 2.5%, will be maintained as well as the tax guidance in the P&L, to 26.0% of PBT.

The Divisional Presidents presented solutions which included products and applications for a more sustainable future; Susanne Pahlén Åklundh, President of the Energy Division, gave an overview of solutions within energy efficiency, clean waste energy and renewable energy sources, including solutions for energy storage as a way to reach the Paris agreement.

Nish Patel, President of the Food & Water Division, expanded around new exciting products, including plant-based and other alternative feedstocks to meet the growing protein need. Of the growth of protein until 2050 a significant share is expected to come from sources other than fish and meat.

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Sameer Kalra, President of the Marine Division, talked about marine environmental products and alternative fuel types to comply with tougher marine legislations. He shared that there is high interest and discussion in the industry about gas as fuel and if this will be materialized it will have a neutral to positive financial effect for Alfa Laval.

Tom Erixon, President and CEO, closed the Capital Markets Day by capturing the financial performance and the company's innovative strength when it comes to new products and applications for the future, demonstrated during the day by the three Divisional Presidents. He also reminded the audience that up-stream oil & gas represents less than 5 percent of the order intake and that Marine contracting already are at low levels. He concluded that the platform for continued organic growth is improved and that new business opportunities drive the R&D investments.

Tom Erixon also presented Emma Adlerton, who will become member of Alfa Laval's Group Management from January 1, 2020. Emma joined Alfa Laval in 2008 as Senior Legal Counsel and became Group General Counsel in 2015.

All Capital Market Day presentations as well as Emma Adlerton's CV and photo will be available at www.alfalaval.com/investors.

About Alfa Laval

Alfa Laval is a leading global provider of specialized products and engineering solutions based on its key technologies of heat transfer, separation and fluid handling.

The company's equipment, systems and services are dedicated to assisting customers in optimizing the performance of their processes. The solutions help them to heat, cool, separate and transport products in industries that produce food and beverages, chemicals and petrochemicals, pharmaceuticals, starch, sugar and ethanol.

Alfa Laval's products are also used in power plants, aboard ships, oil and gas exploration, in the mechanical engineering industry, in the mining industry and for wastewater treatment, as well as for comfort climate and refrigeration applications.

Alfa Laval's worldwide organization works closely with customers in nearly 100 countries to help them stay ahead in the global arena. Alfa Laval is listed on Nasdaq OMX, and, in 2018, posted annual sales of about SEK 40.7 billion (approx. 4.0 billion Euros). The company has about 17 200 employees.

www.alfalaval.com

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