



NEWS RELEASE

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Alfa Laval withdraws its dividend proposal

As communicated earlier, Alfa Laval is implementing a broad cost reduction program with the objective of reducing fixed costs with SEK 1 billion on a 12-month running basis. The program is well on track and the first financial effects are expected in April.

An important part of the cost reduction program is related to the flexibility of various working hour reduction schemes in countries like Italy, Germany, France, and since recently, Sweden. In Sweden specifically, the company intends to reduce the working time with 40 percent for approximately 900 white-collar employees, starting May 1. Preparations for using the same program for blue-collar employees are ongoing, as the load in Swedish factories is expected to decline.

To further strengthen the company in relation to the negative short- and medium-term economic impact from the COVID-19 the Alfa Laval Board of Directors proposes a withdrawal of the dividends for 2019 as a measure to preserve cash. The earlier proposal was to pay a dividend of 5.50 SEK per share.

Alfa Laval has previously indicated that the demand in the first quarter 2020 was expected to be on about the same level as in the fourth quarter 2019. The company confirms the guidance from the quarterly report Q419.

In a press release on March 17, Alfa Laval expressed concerns regarding the business climate from Q220 and onwards due to the negative effects of the COVID-19 pandemic. The company confirms the negative short-term outlook statement from March 17. A more detailed review of the business situation and Alfa Laval's end markets will be provided in connection with the first quarter report on April 23.

This is Alfa Laval

Alfa Laval is active in the areas of Energy, Marine, and Food & Water, offering its expertise, products, and service to a wide range of industries in some 100 countries. The company is committed to optimizing processes, creating responsible growth, and driving progress – always going the extra mile to support customers in achieving their business goals and sustainability targets.

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Alfa Laval's innovative technologies are dedicated to purifying, refining, and reusing materials, promoting more responsible use of natural resources. They contribute to improved energy efficiency and heat recovery, better water treatment, and reduced emissions. Thereby, Alfa Laval is not only accelerating success for its customers, but also for people and the planet. Making the world better, every day. It's all about Advancing better™.

Alfa Laval has 17,500 employees. Annual sales in 2019 were SEK 46.5 billion (approx. EUR 4.4 billion). The company is listed on Nasdaq OMX.

www.alfalaval.com

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