

Alimak Group takes action to significantly improve profitability in the Facade Access division

As part of the transformation program in the Facade Access division to deliver significantly improved margins over time, Alimak Group considers consolidating the assembly activity in Mammendorf, Germany, to the manufacturing facility in Madrid, Spain. Discussions will now commence with the German works council.

The expected annual cost savings generated by the consolidation of the assembly activity is estimated to be SEK 60 million from 2025 and onwards. The total one-off costs implied by such a project are estimated to be SEK 95 million and include termination, consolidation and some temporary impacts on operations.

Those one-off costs could be partially offset by the capital gain resulting from the divestment of the Mammendorf real estate (SEK 30 million capital gain out of an estimated potential sales value of SEK 60 million).

The consolidation only targets the assembly workshop in Mammendorf, while R&D, engineering functions and service would be maintained in Germany.

One of the most significant projects that involves the Mammendorf facility is Sydney Harbour Bridge, awarded in 2017, including design, manufacturing, installation, and service of several maintenance units. As part of the ongoing project review, a decision has been made to adjust down the project margin. The estimated non-recurring project adjustment will have a negative revenue and EBITA effect of SEK 45 million in the fourth quarter. The project is still estimated to continue for at least another 2-3 years, and to be profitable.

The above items affecting comparability imply that the operating profit will be negatively impacted by an estimated total of SEK 110 million, of which SEK 85 million in Q4 2023, as detailed below:

MSEK	TOTAL	EBITA impact		
		One-off Q4 2023	2024	Expected in 2025
Mammendorf one-off costs	-95	-40	-55	
Real estate divestment	30			30
Sydney Harbour project	-45	-45		
TOTAL	-110	-85	-55	30
<i>Expected annual recurring cost savings of SEK 60 million from 2025 and onwards</i>				

Cash outflows affecting comparability should occur in 2024.

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About Alimak Group

Alimak Group is a global provider of sustainable vertical access and working at height solutions, listed on Nasdaq Stockholm. With presence in more than 120 countries, the Group develops, manufactures, sells and services vertical access and working at height solutions with focus on adding customer value through enhanced safety, higher productivity and improved cost efficiency. The Group has a large installed base of elevators, service lifts, temporary and permanent hoists and platforms and building maintenance units around the world. The solutions portfolio also comprises of height safety protective equipment, load measurement & control, lifting & handling, and a global after-sales business model, with recurring revenue from spare parts and services such as inspection, certification, maintenance, refurbishments, replacements and training. Founded in Sweden 1948, the Group has its headquarters in Stockholm, 24 production and assembly facilities in 15 countries and approximately 3,000 employees.
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