A tall, red ALIMAK scissor lift is positioned on a construction site. The lift is extended high into the air, and the word "ALIMAK" is visible on its side. In the background, a cityscape is visible, featuring a prominent church with a green dome and a clock tower. The sky is clear and blue.

ALIMAK GROUP AB

Year-End Report

January – December 2016

World leader in vertical access solutions with a presence in more than 90 countries

ALIMAK GROUP

STRONG FINISH OF A CHALLENGING YEAR

- Strong order intake +22%, mainly driven by Construction Equipment
- EBIT margin (EBIT adj.) 17.5% (17.8) in line with company expectations
- After Sales improves EBIT margin (EBIT adj.) to 34.2% (32.0)
- Revised financial targets

FOURTH QUARTER

- Order intake increased by 22% to 518.8 MSEK (425.6). In local currencies, the increase was 19%.
- Revenues increased by 2% to 597.5 MSEK (587.5). In local currencies, the decrease was 1%.
- Operating profit (EBIT) was 75.1 MSEK (104.4) mainly due to M&A activities.
- Operating margin (EBIT percentage) was 12.6% (17.8).
- Operating profit (EBIT adj.) before items affecting comparability totaled 104.8 MSEK (104.4).
- Operating margin (EBIT adj. percentage) before items affecting comparability was 17.5% (17.8).
- Profit after tax was 48.4 MSEK (72.0) mainly due to M&A activities.
- Earnings per share was 1.12 SEK (1.66).
- Cash flow from operating activities increased to 134.6 MSEK (118.4).

JANUARY–DECEMBER 2016

- Order intake increased by 2% to 2,143.9 MSEK (2,109.1). In local currencies, the increase was 3%.
- Revenues increased by 1% to 2,048.6 MSEK (2,036.3). In local currencies, the increase was 1%.
- Operating profit (EBIT) was 306.8 MSEK (296.2).
- Operating margin (EBIT percentage) was 15.0% (14.5).
- Operating profit (EBIT adj.) before items affecting comparability totaled 329.6 MSEK (350.3).
- Operating margin (EBIT adj. percentage) before items affecting comparability was 16.1% (17.2).
- Earnings per share was 4.48 SEK (3.12).
- Cash flow from operating activities decreased to 224.0 MSEK (239.8).
- The Board of Directors proposes a dividend of 86,652,578 SEK, 2.00 SEK per share with existing number of shares.

KEY FIGURES, GROUP	Q4		Δ%	Jan-Dec		Δ%
	2016	2015		2016	2015	
Order intake, MSEK	518.8	425.6	22%	2,143.9	2,109.1	2%
Revenues, MSEK	597.5	587.5	2%	2,048.6	2,036.3	1%
Operating profit (EBIT), MSEK	75.1	104.4	-28%	306.8	296.2	4%
Operating margin (EBIT)	12.6%	17.8%		15.0%	14.5%	
Operating profit (EBIT adj) MSEK ²	104.8	104.4	0%	329.6	350.3	-6%
Operating margin (EBIT adj) ³	17.5%	17.8%		16.1%	17.2%	
Net profit, MSEK	48.4	72.0	-33%	194.0	135.0	44%
Earnings per share, undiluted/diluted, SEK ¹	1.12	1.66		4.48	3.12	
Earnings per share, undiluted/diluted, SEK	1.12	1.66		4.48	3.12	
Cash flow from operations, MSEK	134.6	118.4		224.0	239.8	

¹ Calculated to existing number of shares, 43 326 289

² Before items affecting comparability, MSEK

³ Before items affecting comparability

COMMENTS FROM THE CEO



STRONG FINISH OF A CHALLENGING YEAR

We ended the year with a strong order intake in Construction Equipment and Rental, and an improvement of the EBIT margin to 34.2% in After Sales. Thus, three out of four business areas showed good or strong results in the quarter, while Industrial Equipment revenues and earnings continued to be negatively impacted by the weak demand in the oil & gas and mining industries.

Construction Equipment demonstrated strong growth in all regions in the quarter. We continued to gain market shares and expanded our geographical footprint. This resulted in increased revenue and an improvement of the EBIT margin to 13.7%.

The market for Industrial Equipment remain challenging, mainly due to the low investment levels in oil & gas and mining industries. Progress was however made by further strengthening the sales efforts into other industrial segments – particularly ports and power.

Business area Rental reported strong growth in order intake during the quarter. Revenue was lower, but this relates to the timing of projects and the divestment of the US Rental operations.

After Sales increased order intake by 2% in the fourth quarter driven by increased penetration in the construction market. I am pleased to see that we managed to improve the operating margin to 34.2% in the quarter, due to a favourable business mix and higher utilization of our people.

The eventful year of 2016 contained both successes and disappointments. External factors driven by political events and volatile raw material markets resulted in a challenging operating environment. The adjusted EBIT margin for the Group ended at 16.1% (17.2). This is in line with our expectations, but lower than the previous year due to the weak performance in Industrial Equipment.

During the fourth quarter, we acquired Facade Access Group and Avanti Wind Systems – two strong market leaders in their respective niches. The acquisitions broaden and diversify our product portfolio and will give us an expansion into new growth segments.

The acquisition of Avanti Wind Systems was finalized

on 30 January and is consolidated as of 1 February 2017. The closing of Facade Access Group is expected during the first quarter of 2017. The ambition for 2017 is to safeguard successful integration of the two acquisitions into the Group and start capturing the cost synergies in the supply chain and expand the after sales offering. Midterm, we expect synergies to contribute with 2 percentage points on the EBITA margin.

Our M&A agenda has attracted a lot of interest among our stakeholders and I am very pleased that we could bring these opportunities to a successful signing in the fourth quarter. I view both Facade Access and Avanti Wind Systems as highly compatible with Alimak in terms of culture and values, and I look forward to work with our employees in elevating the whole group to the next level.

The two acquired companies will be consolidated into the business area Industrial Equipment. This will create a more dynamic and diversified business area, less dependent on market conditions in oil & gas and mining industries. On-going activities to strengthen the sales effort into other industrial segments such as ports and power continue with full force.

Business area Construction Equipment, will continue its journey, expanding the geographical footprint and taking advantage of the strong global construction market and the broader product portfolio.

Alimak Group will, with the addition of the acquired companies, have an installed base of more than 66,000 units. We see a good potential to further develop our after sales offering by leveraging Alimak Groups global network and strong after sales business model.

During 2016 we continued to take further steps in strengthening our global position. With our enlarged product and service portfolio, 2,400 dedicated employees and a business operation covering more than 100 countries, we are well positioned for further growth in 2017.

The Board of Directors proposes a dividend of 86,652,578 SEK which corresponds to 2.00 SEK per share with existing numbers of shares.

Tormod Gunleiksrud

ALIMAK GROUP YEAR-END REPORT Q4 2016

CONSOLIDATED EARNINGS PERFORMANCE OCTOBER TO DECEMBER 2016 AND JANUARY TO DECEMBER 2016

ORDER INTAKE	Q4		Jan-Dec	
	2016	2015	2016	2015
Orders, MSEK	518.8	425.6	2,143.9	2,109.1
Change, MSEK	93.2	-21.2	34.8	319.3
Change	22%	-5%	2%	18%
Whereof:				
Volume and price	19%	-9%	3%	6%
Currency	3%	5%	-1%	10%
Acquisition	0%	0%	0%	2%

REVENUE	Q4		Jan-Dec	
	2016	2015	2016	2015
Revenues, MSEK	597.5	587.5	2,048.6	2,036.3
Change, MSEK	9.9	69.5	12.3	293.8
Change	2%	13%	1%	17%
Whereof:				
Volume and price	-1%	8%	1%	4%
Currency	3%	5%	-1%	10%
Acquisition	0%	0%	0%	3%

EBIT	Q4		Jan-Dec	
	2016	2015	2016	2015
EBIT, MSEK	75.1	104.4	306.8	296.2
EBIT Margin	12.6%	17.8%	15.0%	14.5%

EBIT adj, MSEK	104.8	104.4	329.6	350.3
EBIT Margin adj	17.5%	17.8%	16.1%	17.2%
Change, MSEK	0.3	-4.6	-20.7	33.5
Change, MSEK	0%	-4%	-6%	11%
Whereof:				
Volume and price	-1%	-1%	-6%	7%
Currency	2%	-3%	0%	2%
Acquisition	0%	0%	0%	1%

¹Before items affecting comparability

ORDER INTAKE

Order intake in the fourth quarter of 2016 was 518.8 MSEK (425.6), up 22% compared with the same period last year. In local currencies, the increase was 19%.

Order intake for the quarter showed a mixed picture, with strong growth in Construction Equipment and Rental, a stable increase in After

Sales, but low order intake in Industrial Equipment.

For the period January to December 2016, order intake increased by 2% to 2,143.9 MSEK (2,109.1). In local currencies, the increase was 3%.

REVENUES

Revenues in the fourth quarter totaled 597.5 MSEK (587.5), up 2%. In local currencies, the decrease was 1%.

Revenues for the period January-December 2016 totaled 2,048.6 MSEK (2,036.3), an increase of 1%. In local currencies, the increase was 1%.

OPERATING PROFIT/LOSS

Reported operating profit (EBIT) in the fourth quarter was 75.1 MSEK (104.4).

Operating profit before items affecting comparability (EBIT adj.) for the fourth quarter totaled 104.8 MSEK (104.4). Earnings were positively impacted by higher volumes in Construction Equipment and improved margins in After Sales. Lower volumes in Industrial Equipment had a negative impact on earnings.

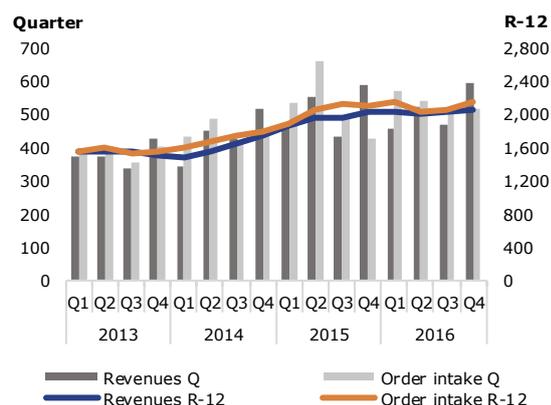
Reported operating margin (EBIT percentage) for the quarter was 12.6% (17.8) and operating margin before items affecting comparability (EBIT adj. percentage) was 17.5% (17.8).

Reported operating profit (EBIT) for the period January to December 2016 was 306.8 MSEK (296.2).

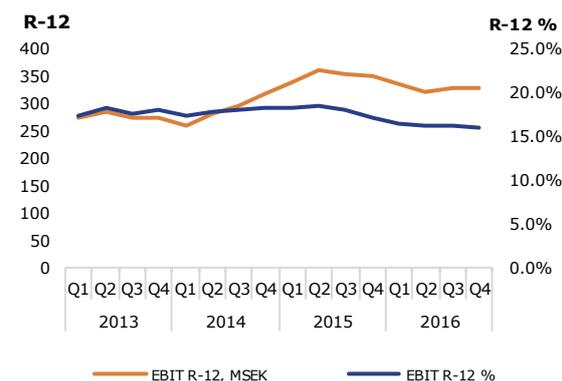
Operating profit before items affecting comparability (EBIT adj.) for the period January to December 2016 was 329.6 MSEK (350.3).

Reported operating margin (EBIT percentage) for the period January to December 2016 was 15.0% (14.5) and operating margin before items affecting comparability (EBIT adj. percentage) was 16.1% (17.2).

REVENUE AND ORDER INTAKE, MSEK



EBIT, BEFORE ITEMS AFFECTING COMPARABILITY, MSEK



ITEMS AFFECTING COMPARABILITY

Items affecting comparability during the fourth quarter of 2016 totaled 29.7 MSEK and are attributable to the acquisitions of Facade Access Group and Avanti Wind Systems. Profit for the fourth quarter of 2015 had no items affecting comparability.

Besides the costs for the M&A activities in the fourth quarter, items affecting comparability in the period of January to December also includes the gain of 6.9 MSEK relating to the sale of the Rental business in the US reported in the third quarter.

The period January to December 2015 included items affecting comparability of 54.1 MSEK. These related mainly to the IPO and the refinancing of Alimak Group in June 2015.

TAX

Tax expense for the fourth quarter of 2016 was 25.1 MSEK (30.2). The tax expense varies depending on the geographic distribution of the company's profits and the utilization of any losses. Tax expense for the period January to December 2016 was 87.4 MSEK (63.3).

PROFIT AFTER TAX

Profit after tax for the fourth quarter decreased to 48.4 MSEK (72.0), mainly effected by M&A

activities. Profit after tax for the period January to December was 194.0 MSEK (135.0).

INVESTMENTS

Investments in the fourth quarter of 2016 totaled 18.6 MSEK (11.2). Total investments during the period January to December 2016 amounted to 36.9 MSEK (28.8), positively impacted by 19.6 MSEK from the divestment of the US Rental business.

FINANCIAL POSITION

Net debt totaled 294.6 MSEK (371.1) as at 31 December 2016. The equity ratio was 67.2% (61.0).

CASH FLOW

Cash flow from operating activities increased during the quarter to 134.6 MSEK (118.4) versus fourth quarter 2015 which was negatively impacted by IPO related costs. Cash flow for the period January to December decreased to 224.0 MSEK (239.8).

PLEGED ASSETS AND CONTINGENT LIABILITIES

Pledged assets and contingent liabilities totaled 10.9 MSEK (8.5) and 106.9 MSEK (98.6), respectively.

EMPLOYEES

As of 31 December, 2016 there were 1,171 (1,077) employees.

CONSTRUCTION EQUIPMENT

- Strong order intake, +49%, with growth in all regions
- Strong revenue growth, +38%
- Improved EBIT margin (EBIT adj.) 13.7% (12.5) as a result of higher volumes

The business area Construction Equipment continued to grow both regarding order intake and revenues. Alimak continued to grow geographically and gained market share. Construction Equipment performed very well in Asia, Middle East, Americas and the Nordics.

The global network of distributors now includes more than 80 distributors worldwide.

Order intake for Construction Equipment for the fourth quarter increased by 49% to 199.3 MSEK (133.7). In local currencies, the increase was 51%. Order intake for the period January to December 2016 increased by 42% to 779.1 MSEK (547.3). Growth in local currencies was 46%.

Revenues increased by 38% during the fourth quarter to 215.5 MSEK (156.4). Growth in local currencies was 36%. Revenues increased by 24% during the period January to December 2016 to 685.9 MSEK (553.3). Growth in local currencies was 25%.

Operating profit before items affecting comparability (EBIT adj.) for the fourth quarter increased to 29.6 MSEK (19.6). Operating profit before items affecting comparability (EBIT adj.) for the period January to December 2016 increased to 83.5 MSEK (58.8). The

improvement was mainly due to higher volumes.

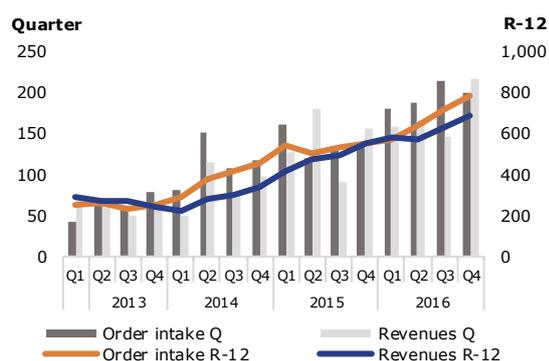
ORDER INTAKE	Q4		Jan-Dec	
	2016	2015	2016	2015
Orders, MSEK	199.3	133.7	779.1	547.3
Change, MSEK	65.5	17.9	231.8	91.2
Change	49%	15%	42%	20%
Whereof:				
Volume and price	51%	7%	46%	7%
Currency	-2%	8%	-3%	13%
Acquisition	0%	0%	0%	0%

REVENUE	Q4		Jan-Dec	
	2016	2015	2016	2015
Revenues, MSEK	215.5	156.4	685.9	553.3
Change, MSEK	59.1	59.4	132.5	219.9
Change	38%	61%	24%	66%
Whereof:				
Volume and price	36%	55%	25%	48%
Currency	2%	6%	-1%	18%
Acquisition	0%	0%	0%	0%

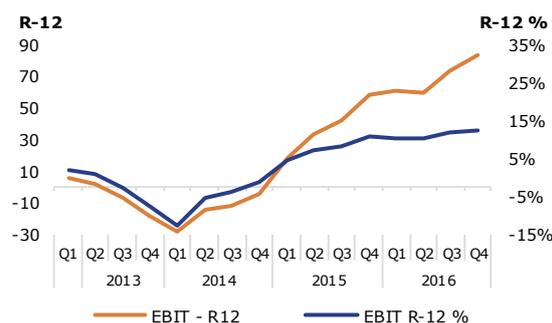
EBIT (adj) ¹	Q4		Jan-Dec	
	2016	2015	2016	2015
EBIT, MSEK	29.6	19.6	83.5	58.8
EBIT Margin	13.7%	12.5%	12.2%	10.6%
Change, MSEK	10.0	17.3	24.7	63.0
Change	51%	748%	42%	1504%
Whereof:				
Volume and price	49%	711%	40%	1415%
Currency	2%	37%	2%	89%
Acquisition	0%	0%	0%	0%

¹ Before items affecting comparability

REVENUE AND ORDER INTAKE, MSEK



EBIT, BEFORE ITEMS AFFECTING COMPARABILITY, MSEK



INDUSTRIAL EQUIPMENT

- Order intake -2% due to challenging market conditions
- EBIT margin (EBIT adj.) impacted by lower volumes 1.7% (9.3)
- Oil & gas and mining industries remained weak

The business area Industrial Equipment continued to struggle with the prevailing situation in the oil & gas business driven by continued low prices. Progress was made in sales to other industrial segments – especially in ports and power. Order intake was driven by sales to mainly the container crane market as well as the refinery and chemical industry.

Order intake during the fourth quarter of 2016 declined by 2% to 81.6 MSEK (83.7). The decrease in local currencies was 5%. Order intake for the period January to December 2016 declined by 35% to 342.8 MSEK (530.9). In local currencies, the decrease was 35%.

Revenue during the fourth quarter declined by 27% to 122.9 MSEK (168.4). In local currencies, revenues declined by 28%.

Revenues for the period January to December 2016 declined by 23% to 373.5 MSEK (485.5). In local currencies, the decrease was 23%.

Operating profit (EBIT adj.) before items affecting comparability for the quarter declined to 2.2 MSEK (15.6), due to lower revenues and higher cost in product development.

Operating profit before items affecting comparability (EBIT adj.) for the period January to December 2016 decreased to -13.7 MSEK (42.0).

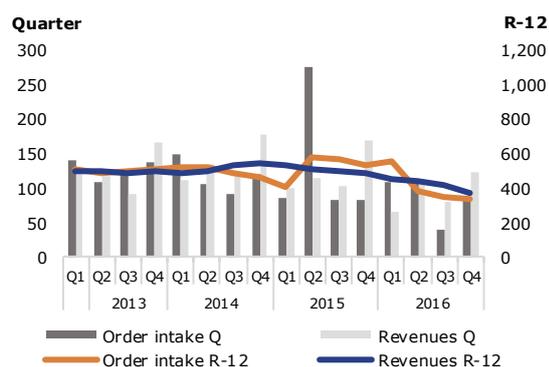
ORDER INTAKE	Q4		Jan-Dec	
	2016	2015	2016	2015
Orders, MSEK	81.6	83.7	342.8	530.9
Change, MSEK	-2.1	-38.0	-188.2	65.8
Change	-2%	-31%	-35%	14%
Whereof:				
Volume and price	-5%	-34%	-35%	8%
Currency	3%	2%	0%	5%
Acquisition	0%	0%	0%	1%

REVENUE	Q4		Jan-Dec	
	2016	2015	2016	2015
Revenues, MSEK	122.9	168.4	373.5	485.5
Change, MSEK	-45.5	-8.8	-112.0	-59.8
Change	-27%	-5%	-23%	-11%
Whereof:				
Volume and price	-28%	-10%	-23%	-21%
Currency	1%	5%	0%	5%
Acquisition	0%	0%	0%	5%

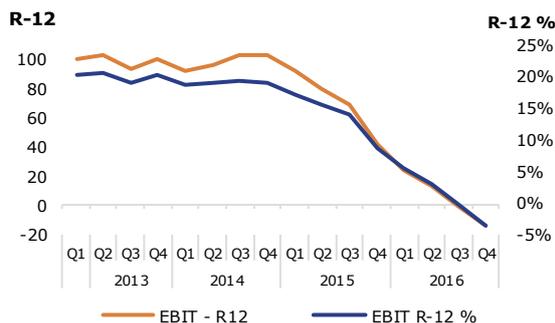
EBIT (adj) ¹	Q4		Jan-Dec	
	2016	2015	2016	2015
EBIT, MSEK	2.2	15.6	-13.7	42.0
EBIT Margin	1.7%	9.3%	-3.7%	8.6%
Change, MSEK	-13.5	-26.6	-55.7	-61.4
Change	-86%	-63%	-133%	-59%
Whereof:				
Volume and price	-83%	-65%	-133%	-61%
Currency	-3%	2%	1%	-1%
Acquisition	0%	0%	0%	3%

¹Before items affecting comparability

REVENUE AND ORDER INTAKE, MSEK



EBIT, BEFORE ITEMS AFFECTING COMPARABILITY, MSEK



RENTAL

- Strong order intake +55% although favorable comparables
- Revenues -14% due to timing of projects and the divestment of the US Rental operation
- EBIT margin (EBIT adj.) decreased to 13.0% (14.5) impacted by lower activity

Order intake during the fourth quarter increased by 55% to 76.8 MSEK (49.5) mainly impacted by weak comparables, strong sales activity in Australia and positive development across all the individual European fleets. In local currencies, order intake increased by 40%.

Order intake for the period January to December 2016 increased by 12% to 369.5 MSEK (328.8). In local currencies, the increase was 12%.

Revenue during the fourth quarter declined by 14% to 73.6 MSEK (85.5). The decrease in local currencies was 20%. The revenue declined due to timing issues and the divestment of the US Rental operation. Total revenue was negatively impacted by low used sales activities.

Revenue for the period January to December 2016 was unchanged to 308.9 MSEK (308.4). In local currencies, the revenue was unchanged.

Operating profit before items affecting comparability (EBIT adj.) for the fourth quarter decreased to 9.6 MSEK (12.4). The result in Rental is impacted by lower activity and effected by the divestment of the US Rental operation. Operating profit (EBIT adj.) before

items affecting comparability for the period January to December 2016, increased to 36.3 MSEK (26.9).

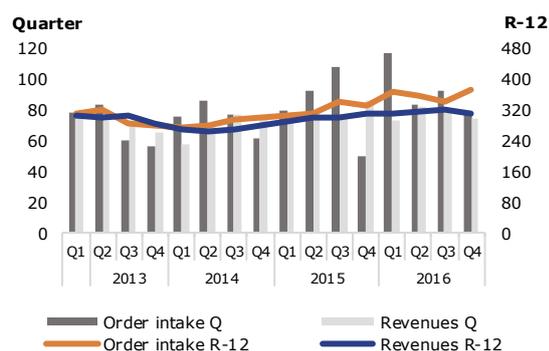
ORDER INTAKE	Q4		Jan-Dec	
	2016	2015	2016	2015
Orders, MSEK	76.8	49.5	369.5	328.8
Change, MSEK	27.3	-11.5	40.7	29.1
Change	55%	-19%	12%	10%
Whereof:				
Volume and price	40%	-16%	12%	4%
Currency	15%	-3%	1%	6%
Acquisition	0%	0%	0%	0%

REVENUE	Q4		Jan-Dec	
	2016	2015	2016	2015
Revenues, MSEK	73.6	85.5	308.9	308.4
Change, MSEK	-11.9	10.3	0.5	29.9
Change	-14%	14%	0%	11%
Whereof:				
Volume and price	-20%	12%	0%	5%
Currency	6%	2%	1%	5%
Acquisition	0%	0%	0%	0%

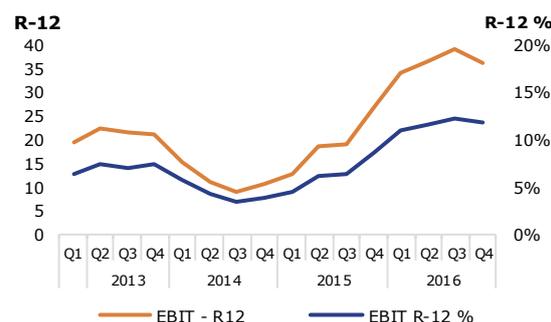
EBIT (adj) ¹	Q4		Jan-Dec	
	2016	2015	2016	2015
EBIT, MSEK	9.6	12.4	36.3	26.9
EBIT Margin	13.0%	14.5%	11.8%	8.7%
Change, MSEK	-2.8	7.9	9.4	16.1
Change	-23%	173%	35%	150%
Whereof:				
Volume and price	-28%	170%	33%	147%
Currency	5%	3%	2%	3%
Acquisition	0%	0%	0%	0%

¹Before items affecting comparability

REVENUE AND ORDER INTAKE, MSEK



EBIT, BEFORE ITEMS AFFECTING COMPARABILITY, MSEK



AFTER SALES

- Stable order intake +2%
- Revenues increased by 5%
- Improved EBIT margin (EBIT adj.) 34.2% (32.0) due to favorable business mix and higher utilization rate.

Business area After Sales finished the year with an improved EBIT margin (EBIT adj.) and a stable increase in order intake and revenues.

Order intake in After Sales for the fourth quarter increased by 2% to 161.2 MSEK (158.7). In local currencies, the order intake decreased by 2%. Order intake for the period January to December 2016 decreased by 7% to 652.5 MSEK (702.0). In local currencies, the decrease was 6%.

Revenues during the fourth quarter increased by 5% to 185.5 MSEK (177.3). In local currencies, the increase was 1%. Main positive impacts came from an increased penetration of the construction sector. Revenues for the period January to December 2016 declined by 1% to 680.3 MSEK (689.0). In local currencies, the decline was 1%.

The improved operating margin of 34.2% in the quarter was due to favorable business mix and higher utilization rate. Operating profit before items affecting comparability (EBIT adj.) increased by 12% during the fourth quarter to 63.4 MSEK (56.8).

Operating profit before items affecting comparability (EBIT adj.) for the period January to December 2016 was unchanged 223.5 MSEK (222.6).

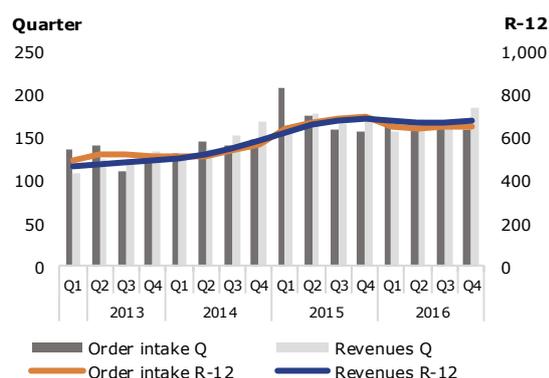
ORDER INTAKE	Q4		Jan-Dec	
	2016	2015	2016	2015
Orders, MSEK	161.2	158.7	652.5	702.0
Change, MSEK	2.5	10.4	-49.5	133.1
Change	2%	7%	-7%	23%
Whereof:				
Volume and price	-2%	0%	-6%	5%
Currency	3%	7%	-1%	13%
Acquisition	0%	0%	0%	6%

REVENUE	Q4		Jan-Dec	
	2016	2015	2016	2015
Revenues, MSEK	185.5	177.3	680.3	689.0
Change, MSEK	8.2	8.7	-8.7	103.8
Change	5%	5%	-1%	18%
Whereof:				
Volume and price	1%	-1%	-1%	1%
Currency	3%	6%	-1%	12%
Acquisition	0%	0%	0%	4%

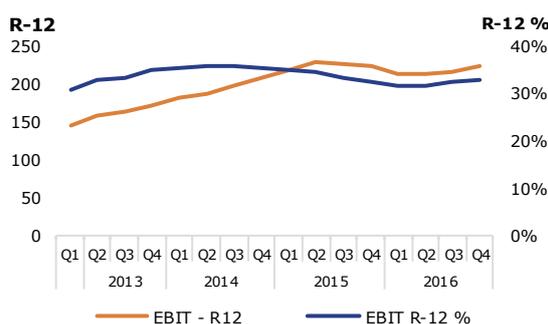
EBIT (adj) ¹	Q4		Jan-Dec	
	2016	2015	2016	2015
EBIT, MSEK	63.4	56.8	223.5	222.6
EBIT Margin	34.2%	32.0%	32.9%	32.3%
Change, MSEK	6.6	-3.1	0.9	15.7
Change	12%	-5%	0%	8%
Whereof:				
Volume and price	9%	14%	1%	2%
Currency	2%	-20%	0%	5%
Acquisition	0%	0%	0%	0%

¹Before items affecting comparability

REVENUE AND ORDER INTAKE, MSEK



EBIT, BEFORE ITEMS AFFECTING COMPARABILITY, MSEK



KEY FIGURES PER SEGMENT

REPORTED FIGURES Q4

ORDER INTAKE

	Q4 2016		Q4 2015	
	MSEK	Share	MSEK	Share
Construction Equipmer	199.3	38.4%	133.7	31.4%
Industrial Equipment	81.6	15.7%	83.7	19.7%
Rental	76.8	14.8%	49.5	11.6%
After Sales	161.2	31.1%	158.7	37.3%
Total	518.8	100.0%	425.6	100.0%

REVENUES

	Q4 2016		Q4 2015	
	MSEK	Share	MSEK	Share
Construction Equipmer	215.5	36.1%	156.4	26.6%
Industrial Equipment	122.9	20.6%	168.4	28.7%
Rental	73.6	12.3%	85.5	14.5%
After Sales	185.5	31.0%	177.3	30.2%
Total	597.5	100.0%	587.5	100.0%

OPERATING PROFIT (EBIT)¹

	Q4 2016		Q4 2015	
	MSEK	Share	MSEK	Share
Construction Equipmer	29.6	28.3%	19.6	18.7%
Industrial Equipment	2.2	2.1%	15.6	15.0%
Rental	9.6	9.1%	12.4	11.9%
After Sales	63.4	60.6%	56.8	54.4%
Total	104.8	100.0%	104.4	100.0%

¹ Before items affecting comparability

OPERATING PROFIT (EBIT)¹

OPERATING MARGIN (EBIT IN %)

	Q4 2016		Q4 2015	
	MSEK	Margin	MSEK	Margin
Construction Equipmer	29.6	13.7%	19.6	12.5%
Industrial Equipment	2.2	1.7%	15.6	9.3%
Rental	9.6	13.0%	12.4	14.5%
After Sales	63.4	34.2%	56.8	32.0%
Total	104.8	17.5%	104.4	17.8%

¹ Before items affecting comparability

REVENUES, Q4 2016



- Construction Equipment 36%
- Industrial Equipment 21%
- Rental 12%
- After Sales 31%

EBIT, BEFORE ITEMS AFFECTING COMPARABILITY, Q4 2016



- Construction Equipment 28%
- Industrial Equipment 2%
- Rental 9%
- After Sales 61%

KEY FIGURES PER SEGMENT

REPORTED FIGURES Q4, EXCLUDING CURRENCY TRANSLATION EFFECTS

ORDER INTAKE

	Q4 2016		Q4 2015	
	MSEK	Share	MSEK	Share
Construction Equipmer	201.6	39.8%	133.7	31.4%
Industrial Equipment	79.3	15.7%	83.7	19.7%
Rental	69.5	13.7%	49.5	11.6%
After Sales	156.3	30.8%	158.7	37.3%
Total	506.7	100.0%	425.6	100.0%

REVENUES

	Q4 2016		Q4 2015	
	MSEK	Share	MSEK	Share
Construction Equipmer	212.8	36.6%	156.4	26.6%
Industrial Equipment	120.5	20.7%	168.4	28.7%
Rental	68.3	11.8%	85.5	14.5%
After Sales	179.4	30.9%	177.3	30.2%
Total	581.1	100.0%	587.5	100.0%

OPERATING PROFIT (EBIT)¹

	Q4 2016		Q4 2015	
	MSEK	Share	MSEK	Share
Construction Equipmer	29.3	28.4%	19.6	18.7%
Industrial Equipment	2.7	2.6%	15.6	15.0%
Rental	8.9	8.7%	12.4	11.9%
After Sales	62.1	60.3%	56.8	54.4%
Total	103.0	100.0%	104.4	100.0%

¹ Before items affecting comparability

OPERATING PROFIT (EBIT)¹

	Q4 2016		Q4 2015	
	MSEK	Margin	MSEK	Margin
Construction Equipmer	29.3	13.7%	19.6	12.5%
Industrial Equipment	2.7	2.2%	15.6	9.3%
Rental	8.9	13.1%	12.4	14.5%
After Sales	62.1	34.6%	56.8	32.0%
Total	103.0	17.7%	104.4	17.8%

¹ Before items affecting comparability

REVENUES, BEFORE CURRENCY EFFECTS, Q4 2016



- Construction Equipment 37%
- Industrial Equipment 21%
- Rental 12%
- After Sales 31%

EBIT, BEFORE ITEMS AFFECTING COMPARABILITY AND CURRENCY EFFECTS, Q4 2016



- Construction Equipment 28%
- Industrial Equipment 3%
- Rental 9%
- After Sales 60%

PARENT COMPANY

Revenue for the fourth quarter of 2016 amounted to 2.6 MSEK (7.5) and profit for the quarter was 120.9 MSEK (110.4). Revenue for the period January to December 2016 amounted to 8.0 MSEK (7.5) and profit for the period was 106.3 MSEK (65.4)

EVENTS WITHIN THE REPORTING PERIOD**ACQUISITION OF FACADE ACCESS GROUP**

On 27 October 2016, Alimak Group signed an agreement to acquire Facade Access Group, the global market leader in permanent facade access solutions for an enterprise value of 120 MAUD (approximately 819 MSEK).

The enterprise value corresponds to an EV/EBITDA of 7.7x and EV/EBIT of 9.2x as of 30 June, 2016. The acquisition is funded within existing credit facilities.

Through this acquisition Alimak Group will strengthen and broaden the product portfolio, expand existing footprint and business into a global adjacent niche market within vertical access, while benefitting from a healthy underlying growth in the facade access market. The acquisition will enable scale and synergistic advantages in the supply chain and expand overall business opportunity, including further development of the after sales offering.

The acquisition is expected to be finalized during the first quarter of 2017.

ACQUISITION OF AVANTI WIND SYSTEMS

On 5 December 2016, Alimak Group signed an agreement to acquire Avanti Wind Systems, the global market leader in vertical access solutions for wind turbine towers for an enterprise value of 91 MEUR. The acquisition broadens and diversifies Alimak Group's product portfolio and offers an expansion into a growing area of renewable energy.

Avanti was established in 1885 and has more than 30,000 service lifts installed globally. Avanti's net sales for 2016 was 97 MEUR, and it operates globally with six production facilities in Denmark, Spain, China, US and Brazil.

The acquisition is financed through a bridge loan intended to be repaid by proceeds from a proposed rights issue of new shares with preferential rights for existing shareholders in Alimak Group AB of up to 800 MSEK.

EVENTS AFTER THE REPORTING PERIOD**EXTRA GENERAL MEETING**

On 23 January 2017, Alimak Group held an Extraordinary General Meeting. The meeting passed a resolution to authorise the Board to resolve to issue new shares.

The resolution allows the Board to decide to issue new shares on one or more occasions before the next Annual General Meeting. An issue of new shares can only be decided with regards to shareholders' pre-emption rights.

Following this authorisation, the Board may resolve to issue a total maximum number of shares equivalent to a proceed of a maximum of SEK 800 million. The authorisation includes the right to resolve that shares will be issued against cash payment. The reason for the resolution at the Extraordinary General Meeting was to optimize the capital structure of the company and to allow for strategic initiatives.

Further details on the resolution are found in the notice to the meeting and the complete proposal, which are presented in its entirety at www.alimakgroup.com

DIVIDEND FOR 2016

The Board of Directors proposes a dividend of 86,652,578 SEK which corresponds to 2.00 SEK per share with existing numbers of shares.

ACQUISITION OF AVANTI WIND SYSTEMS FINALIZED

The acquisition of Avanti Wind Systems was finalized on 30 January, 2017 and the business operation will be consolidated as of 1 February, 2017.

REVISED FINANCIAL TARGETS

On 23 February, 2017 Alimak Group presents its revised financial targets reflecting the new business mix including Facade Access Group and Avanti Wind Systems.

FINANCIAL TARGETS 2017 (FROM 2017-02-23)

The Group's mid-term target is to have an average annual organic revenue growth of at least 6%. The Company aims to gradually reach its mid-term financial targets over a time span of 3-4 years. The financial targets have been amended in 2017 due to the acquisitions of Facade Access Group and Avanti affecting the business mix. The prolonged downturn in oil and gas is also reflected in our revised growth target. Growth will remain a central pillar of our strategy also in the future, but there will be an increased focus on profitability going forward.

The Company has chosen to use EBITA as a new profitability target instead of EBIT, due to the acquisitions and the related amortizations from the acquisitions. The proforma EBITA margin including the acquisitions was 12% in 2016.

Revenue growth

The Group's mid-term target is to have an average annual organic revenue growth of at least 6%.

EBITA margin

The Group's mid-term target is to reach an operating EBITA margin of at least 15%.

Leverage (net debt/EBITDA) (Unchanged)

The company will maintain an effective capital structure with a net debt of around twice EBITDA. The capital structure will be flexible and allow for strategic initiatives.

Dividend policy (Unchanged)

The company has a target of paying a dividend of approximately 50% of its net profit for the current period to its shareholders. Decisions on dividend payment will take account of the company's financial position, cash flow, acquisition opportunities, strategic considerations and prospects.

ALIMAK GROUP IN BRIEF

Alimak Group is a world-leading supplier of elevators, platforms and after-market services for the industrial and construction sectors.

The Group has manufacturing operations in Sweden and China and a sales and servicing network in more than 90 countries supplying and maintaining vertical access solutions. At present, there are more than 22,000 elevators and platforms installed around globally.

Alimak was established in Skellefteå in 1948, has its head office in Stockholm and has approximately 1,200 employees around the world. The Group, which had sales of around 2.0 billion SEK in 2016 with an operating profit (adjusted for items affecting comparability) of 330 MSEK, is listed on Nasdaq Stockholm.

ALIMAK HAS FOUR BUSINESS AREAS:

Construction Equipment: Hoists and platforms for construction and refurbishment projects

Industrial Equipment: Elevators for industrial use in end markets such as oil and gas, ports, shipyards, energy and cement.

Rental: Rental services of the company's products.

After Sales: After-market services such as servicing, training, spare parts and refurbishment.

Chairman of the Board: Anders Thelin

President and CEO: Tormod Gunleiksrud

FINANCIAL TARGETS 2017 (FROM 2017-02-23)

The Group's mid-term target is to have an average annual organic revenue growth of at least 6%. The Company aims to gradually reach its mid-term financial targets over a time span of 3-4 years. The financial targets have been amended in 2017 due to the acquisitions of Facade Access Group and Avanti affecting the business mix. The prolonged downturn in oil and gas is also reflected in our revised growth target. Growth will remain a central pillar of our strategy also in the future, but there will be

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The Company has chosen to use EBITA as a new profitability target instead of EBIT, due to the acquisitions and the related amortizations from the acquisitions. The proforma EBITA margin including the acquisitions was 12% in 2016.

Revenue growth

The Group's mid-term target is to have an average annual organic revenue growth of at least 6%

EBITA margin

The Group's mid-term target is to reach an operating EBITA margin of at least 15%

Leverage (net debt/EBITDA) (Unchanged)

The company will maintain an effective capital structure with a net debt of around twice EBITDA. The capital structure will be flexible and allow for strategic initiatives.

Dividend policy (Unchanged)

The company has a target of paying a dividend of approximately 50% of its net profit for the current period to its shareholders. Decisions on dividend payment will take account of the company's financial position, cash flow, acquisition opportunities, strategic considerations and prospects.

RISKS

For a description of risks and uncertainties please refer to Alimak Group AB's 2015 Annual Report. No material changes have been made since publication of the 2015 Annual Report.

CALENDAR

- The Annual Report for the financial year 2016 will be published 20 April 2017.
- The Interim Report for the first quarter of 2017 will be published 26 April 2017.
- The Annual General Meeting will be held on 11 May 2017.
- The Interim Report for the second quarter of 2017 will be published on 17 August 2017.

Alimak Group's financial calendar is available at www.alimakgroup.com

DECLARATION

The Board of Directors and the CEO declare that the year-end report presents a true and fair view of the operations, financial position and results of the Parent Company and Group, and describes the significant risks and uncertainties facing the Parent Company and the companies forming part of the Group.

Stockholm, 23 February 2017
Alimak Group AB corporate identity number 556714-1857

Anders Thelin
Chairman of the Board

Carl Johan Falkenberg
Board member

Anders Jonsson
Board member

Eva Lindqvist
Board member

Helena Nordman-Knutson
Board member

Joakim Rosengren
Board member

Örjan Fredriksson
Employee representative

Greger Larsson
Employee representative

Tormod Gunleiksrud
President and CEO

This interim report has not been reviewed by the company's auditors.

For further information, please contact

Per Ekstedt, CFO, telephone: +46 (0)8 402 14 57

Sofia Wretman, Head of IR, telephone: +46 (0)8 402 14 41

This information is information that Alimak Group AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 CET on 23 February 2017.

FINANCIAL STATEMENTS

CONDENSED STATEMENT OF COMPREHENSIVE INCOME, GROUP

	Q4 2016	Q4 2015	Jan-Dec 2016	Jan-Dec 2015
Amounts in SEK million				
Revenues	597.5	587.5	2,048.6	2,036.3
Cost of goods sold	-379.5	-360.7	-1,230.7	-1,216.6
Gross Profit	217.9	226.8	817.9	819.7
Total operating expenses	-142.8	-122.3	-511.1	-523.5
Operating profit (EBIT)	75.1	104.4	306.8	296.2
Net financial items	-1.6	-2.2	-25.4	-97.9
Result before tax (EBT)	73.5	102.3	281.4	198.3
Tax on profit for the period	-25.1	-30.2	-87.4	-63.3
Profit for the period	48.4	72.0	194.0	135.0
Attributable to the parent company's shareholders	48.4	72.0	194.0	135.0
Earnings per share, SEK ¹	1.12	1.66	4.48	3.12
Other comprehensive income for the period				
Items that will be returned to net income				
Translation differences	32.6	14.0	66.8	45.6
Cash flow hedging	-0.2	2.2	-2.5	30.1
Deferred tax attributable to hedging	0.0	-0.5	0.5	-6.6
Total	32.4	15.7	64.8	69.1
Items not to be returned to net income				
Revaluation of pension plans	-1.6	29.4	-27.9	29.4
Deferred tax attributable to revaluation of pension plans	0.3	-6.0	5.6	-6.0
Total	-1.3	23.4	-22.3	23.4
Other comprehensive income, net after tax	31.1	39.1	42.5	92.5
Total comprehensive income for the period	79.5	111.1	236.5	227.5
Attributable to the parent company's shareholders	79.5	111.1	236.5	227.5

¹Calculated to existing number of shares, 43 326 289

CONDENSED STATEMENT OF FINANCIAL POSITION, GROUP

Amounts in SEK million	31 Dec 2016	31 Dec 2015
ASSETS		
Intangible fixed assets	1,789.2	1,729.7
Tangible fixed assets	258.7	268.1
Financial and other non-current assets	48.0	74.6
Total non-current assets	2,095.9	2,072.4
Inventories	394.6	343.9
Trade receivables	408.8	365.8
Other receivables	146.4	127.5
Cash and cash equivalents	230.6	450.0
Total current assets	1,180.3	1,287.2
TOTAL ASSETS	3,276.2	3,359.6
EQUITY AND LIABILITIES		
Shareholders equity	2,202.1	2,052.1
Non-current liabilities		
Interest bearing debts	446.5	743.3
Other long term liabilities	128.5	120.9
Total non-current liabilities	575.0	864.2
Current liabilities		
Interest bearing debts	78.7	77.8
Accounts payable	219.3	195.9
Other current liabilities	201.2	169.6
Total current liabilities	499.1	443.3
TOTAL EQUITY AND LIABILITIES	3,276.2	3,359.6

CONDENSED STATEMENT OF CHANGES IN EQUITY, GROUP

Attributable to the parent company's shareholders

	Share capital	Other paid-in capital	Translation reserve	Hedging reserve	Retained earnings and profit for the period	Total equity
Amounts in SEK million						
Opening balance, 1 Jan 2015	0.1	1,215.2	45.8	-23.1	-373.8	864.2
Profit for the period					135.0	135.0
Changes of fair value				30.1	23.4	53.5
Tax attributable to cash flow hedging				-6.6		-6.6
Translation difference			45.6			45.6
Total comprehensive income	0.0	0.0	45.6	23.5	158.4	227.5
Bonus Issue / Offset Issue	0.8	960.1			-0.6	960.3
Closing balance, 31 Dec 2015	0.9	2,175.4	91.4	0.4	-216.0	2,052.1
Opening balance, 1 Jan 2016	0.9	2,175.4	91.4	0.4	-216.0	2,052.1
Profit for the period					194.0	194.0
Changes of fair value				-2.5	-22.3	-24.7
Tax attributable to cash flow hedging				0.5		0.5
Translation difference			66.8			66.8
Total comprehensive income	0.0	0.0	66.8	-1.9	171.7	236.6
Dividend					-86.7	-86.7
Closing balance, 31 Dec 2016	0.9	2,175.4	158.3	-1.5	-130.9	2,202.1

CASH FLOW STATEMENT, GROUP

	Q4		Jan-Dec	
	2016	2015	2016	2015
Amounts in SEK million				
Operating activities:				
Profit before tax	73.5	102.3	281.4	198.3
Reversal of depreciation and amortisation	12.1	12.8	50.5	51.9
Taxes paid	-4.3	-16.3	-39.3	-39.3
Adjustments for other non-cash items	-20.3	-48.8	-31.8	78.0
Cash flow from operating activities before change in working capital	61.0	50.0	260.8	288.9
Change in working capital:				
Change in inventory	24.4	48.6	-40.5	-22.2
Change in operating receivables	14.0	-3.7	-29.5	-14.9
Change in operating liabilities	35.2	23.5	33.2	-12.0
Cash flow from working capital	73.6	68.4	-36.8	-49.1
Cash flow from operating activities	134.6	118.4	224.0	239.8
Investing activities:				
Investment in intangible fixed assets	0.2	-0.2	-0.1	-0.3
Investment in tangible fixed assets	-17.8	-17.4	-57.0	-42.8
Sales/disposal of tangible fixed assets	-1.0	6.3	20.1	14.3
Changes in financial fixed assets	0.0	0.1	0.0	0.0
Cash flow from investing activities	-18.6	-11.2	-36.9	-28.8
Financing activities:				
Dividend	0.0	0.0	-86.7	0.0
New loans and repayments, net	-92.4	12.7	-338.9	-134.6
Cash flow from financing activities	-92.4	12.7	-425.5	-134.6
Cash flow for the period	23.5	119.9	-238.4	76.4
Cash & cash equivalents at beginning of period	200.7	340.1	450.0	384.7
Translation differences	6.3	-10.0	18.9	-11.1
Cash & cash equivalents at end of period	230.6	450.0	230.6	450.0

KEY FIGURES

	2016				2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake, MSEK	518.8	512.5	543.1	569.4	425.6	484.6	663.0	535.8
Revenues, MSEK	597.5	471.4	524.5	455.3	587.5	434.4	552.1	462.3
Operating profit (EBIT) before items affecting comparability, MSEK	104.8	72.7	92.1	60.0	104.4	66.0	103.8	76.0
Operating margin (EBIT) before items affecting comparability	17.5%	15.4%	17.6%	13.2%	17.8%	15.2%	18.8%	16.4%
Operating profit (EBIT), MSEK	75.1	79.6	92.1	60.0	104.4	66.0	53.7	72.0
Operating margin (EBIT)	12.6%	16.9%	17.6%	13.2%	17.8%	15.2%	9.7%	15.6%
Profit for the period, MSEK	48.4	51.2	65.2	29.2	72.0	36.2	22.0	4.7
Total comprehensive income, MSEK	79.5	64.1	75.6	17.3	111.1	48.6	17.7	50.0
Cash flow from operating activities, MSEK	134.6	-7.6	66.5	30.5	118.4	66.6	41.9	12.9
Total cash flow, MSEK	23.5	-40.5	-62.2	-159.2	119.9	-50.2	27.7	-21.0
Undiluted/diluted number of shares, thousand's	43,326	43,326	43,326	43,326	43,326	43,326	43,326	1,000
Average amount of undiluted/diluted number of shares, thousand's	43,326	43,326	43,326	43,326	43,326	43,326	20,523	1,000
Undiluted/diluted earnings per share, SEK	1.12	1.18	1.51	0.67	1.66	0.84	0.51	4.73
Undiluted/diluted earnings per share, SEK ¹	1.12	1.18	1.51	0.67	1.66	0.84	0.51	0.11
Total cash flow per share, SEK ¹	0.54	-0.93	-1.44	-3.67	2.77	-1.16	0.64	-0.48
Undiluted/diluted equity per share, SEK ¹	50.83	48.99	47.52	47.82	47.36	44.79	43.67	21.10
Total assets, MSEK	3,276.2	3,291.2	3,204.4	3,187.3	3,359.6	3,318.1	3,384.4	3,372.9
Cash and cash equivalents end of period, MSEK	230.6	200.7	232.3	287.3	450.0	340.1	394.6	376.5
Equity, MSEK	2,202.1	2,122.5	2,058.8	2,069.3	2,052.1	1,940.7	1,892.3	914.2
Capital employed, MSEK	2,496.7	2,521.8	2,443.7	2,419.9	2,423.2	2,431.5	2,424.5	2,432.1
Net debt, MSEK	294.6	399.3	385.0	350.6	371.1	490.7	532.3	576.9
Equity ratio	67.2%	64.5%	64.2%	65.0%	61.0%	58.5%	55.9%	27.1%
Return on equity	9.1%	10.7%	10.3%	10.7%	9.3%	5.8%	3.5%	5.4%
Return on capital employed goodwill excluded	43.3%	45.0%	45.3%	39.8%	44.2%	39.1%	39.1%	46.5%
Return on capital employed	12.5%	13.6%	13.3%	11.7%	12.4%	11.7%	11.7%	13.4%
Interest coverage ratio, times	6.6	7.1	7.4	4.5	7.1	3.3	3.4	1.1
Net debt/EBITDA ratio	0.8	1.0	1.0	1.0	1.1	1.5	1.6	1.6
Number of employees	1,171	1,193	1,204	1,166	1,077	1,048	1,088	1,083

¹Calculated to existing number of shares, 43326 289

HISTORICAL QUARTERLY DATA 2014 - 2016

Amounts in SEK million	2016				2015				2014			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order Intake												
Construction Equipment	199	213	188	179	134	134	119	161	116	108	151	81
Industrial Equipment	82	41	111	109	84	84	277	87	122	90	105	148
Rental	77	93	83	117	50	108	92	80	61	77	86	75
After Sales	161	166	161	165	159	159	175	209	148	143	147	131
Total	519	512	543	569	426	485	663	536	447	418	489	435
Revenues												
Construction Equipment	215	147	166	157	156	91	179	127	97	73	114	48
Industrial Equipment	123	79	105	67	168	102	116	99	177	123	134	112
Rental	74	80	82	73	86	74	78	71	75	77	68	58
After Sales	185	165	172	158	177	167	179	165	169	154	138	125
Total	597	471	524	455	588	434	552	462	518	427	454	343
Operating Profit (EBIT), reported												
Construction Equipment	19	17	23	14	20	4	5	9	-3	-5	9	-11
Industrial Equipment	-6	-6	2	-11	16	7	-1	5	37	17	25	17
Rental	5	15	9	10	12	6	0	3	-4	5	0	1
After Sales	57	54	59	47	57	49	49	55	55	51	50	44
Total	75	80	92	60	104	66	54	72	85	68	84	51
Operating profit (EBIT), before items affecting comparability												
Construction Equipment	30	17	23	14	20	4	24	12	2	-5	9	-11
Industrial Equipment	2	-6	2	-11	16	7	13	6	42	19	25	17
Rental	10	8	9	10	12	6	6	3	5	5	0	1
After Sales	63	54	59	47	57	49	61	55	60	53	50	44
Total	105	73	92	60	104	66	104	76	109	72	84	51

INCOME STATEMENT, PARENT COMPANY

	Q4		Jan-Dec	
	2016	2015	2016	2015
Amounts in SEK million				
Net sales	2.6	7.5	8.0	7.5
Operating expenses	-6.5	-8.9	-27.5	-23.0
Operating profit/loss	-3.9	-1.4	-19.5	-15.5
Net financial items	-0.9	-2.0	-4.0	-45.7
Profit/loss after financial items	-4.8	-3.4	-23.5	-61.2
Group contribution	160.1	145.0	160.1	145.0
Result before tax (EBT)	155.3	141.6	136.6	83.8
Tax on profit/loss for the period	-34.4	-31.2	-30.3	-18.4
Profit/loss for the period	120.9	110.4	106.3	65.4

BALANCE SHEET, PARENT COMPANY

	31 Dec 2016	31 Dec 2015
Amounts in SEK million		
Non-current assets		
Shares in group companies	1,898.4	1,898.4
Other non-current assets	3.2	30.8
Total non-current assets	1,901.7	1,929.2
Current assets		
Receivables from group companies	558.2	665.5
Other short term receivables	1.7	0.1
Cash and cash equivalents	41.6	128.6
Total current assets	601.5	794.2
TOTAL ASSETS	2,503.2	2,723.5
EQUITY AND LIABILITIES		
Shareholders equity	2,205.4	2,185.8
Non-current liabilities, interest bearing	0.0	226.4
Liabilities to group companies	287.6	305.6
Other current liabilities	10.2	5.7
TOTAL EQUITY AND LIABILITIES	2,503.2	2,723.5

NOTES

NOTE 1. ACCOUNTING POLICIES

This year-end report was prepared in accordance with IFRS, applying IAS 34, Interim Financial Reporting. The same accounting and valuation policies were applied as in the most recent annual report except for new and revised standards and interpretations effective from January 1, 2016.

The year-end report for the parent company has been prepared in accordance with the Annual Accounts and with standard RFR 2 Reporting by a legal entity, issued by the Swedish Financial Reporting Board.

NOTE 2. RELATED-PARTY TRANSACTIONS

Significant related-party transactions are described in Note 24 to the consolidated accounts in the Company's 2015 Annual Report. No material changes have taken place in relations or transactions with related parties compared with the description in the 2015 Annual Report.

NOTE 3. FINANCIAL INSTRUMENTS

Amounts in SEK million	Total carrying amount		Fair value	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
FINANCIAL ASSETS				
Derivative financial instruments	4.9	2.6	4.9	2.6
Other financial receivables	509.6	472.5	509.6	472.5
Cash and cash equivalents	230.6	450.0	230.6	450.0
Total	745.1	925.1	745.1	925.1
FINANCIAL LIABILITIES				
Derivative financial instruments	7.7	2.9	7.7	2.9
Interest bearing debts	525.2	821.1	529.1	826.1
Other financial liabilities	265.5	248.2	265.5	248.2
Total	798.5	1,072.2	802.4	1,077.2

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

31 Dec 2016	Level 2
Financial assets	
Currency derivatives	4.9
Total	4.9
Financial liabilities	
Currency derivatives	7.7
Total	7.7
31 Dec 2015	Level 2
Financial assets	
Currency derivatives	2.6
Total	2.6
Financial liabilities	
Currency derivatives	2.9
Total	2.9

Level 1 - quoted prices in active markets for identical financial instruments

Level 2 - inputs other than quoted prices included in level 1 that are observable for the financial instrument, either directly (i.e. as prices) or indirect (i.e. derived from prices).

Level 3 - inputs for the financial instrument that are not based on observable market data (unobservable inputs)

Currency derivatives are valued at fair value by discounting the difference between the contracted forward rate and the rate that can be subscribed for on the balance sheet date for the remaining contract term.

NOTE 4. BUSINESS COMBINATIONS

AVANTI WIND SYSTEMS

On 5 December 2016, Alimak announced the acquisition of Avanti Wind Systems, headquartered in Denmark, and the transaction was finalized on 30 January, 2017. The acquisition of Avanti comprises 100% of the voting shares and the business will be consolidated by Alimak Group as of 1 February, 2017. Acquisition costs included in Alimak Group's operating expenses for Q4 2016 amount to approximately 10.0 MSEK.

Avanti is the global market leader in vertical access solutions for wind turbine towers and has more than 30,000 service lifts installed globally. Avanti revenues for the 2016 totaled 97 MEUR.

The acquisition of Avanti broadens and diversifies the product portfolio of Alimak Group's business area Industrial Equipment and offers an expansion into a growing area of renewable energy. Opportunities related to cost synergies in the supply chain as well as an expanded after sales offering will be captured.

The purchase price allocation is in process and has not yet been finalized. A provisional purchase price allocation is presented below. The purchase consideration as well as fair values are indicative and subject to change following the preparation of closing accounts and further analysis of net assets acquired.

Purchase Price Allocation - provisional

	MSEK
Consideration paid - Cash	670.6
<u>Fair value of identified assets acquired and liabilities assumed:</u>	
Tangible fixed assets	36.1
Net working capital	261.8
Net debt	-143.0
<u>Assets acquired and liabilities assumed, net</u>	<u>155.0</u>
Surplus value; customer relationships, trade name, technology and goodwill	515.7
Total consideration transferred	670.6

Part of the surplus value is expected to be related to identifiable intangible assets such as customer relationships, trade name and technology. Goodwill is expected to be related to cost synergies in the supply chain area, leveraging of after sales business model, know-how and additional sales to non-relationship customers. Goodwill is not expected to be deductible for tax purposes.

DEFINITIONS

Alternative Performance Measures (APMs) are used in this report. APMs are key ratios and performance measures that are not defined or specified in IFRS. The APMs are used to help investors as well as management analyze the company's operations. The APMs used are described below.

ORDER INTAKE

All orders for which contracts have been signed during the accounting period and which have been confirmed. Canceled orders affect order intake if booked and canceled in the same year.

OPERATING PROFIT (EBIT)

Profit before financial items and tax.

NET DEBT

The net amount of interest bearing liabilities (shareholders' loans excluded) and assets as well as cash and cash equivalents.

OPERATING MARGIN (EBIT), %

Operating profit (EBIT) as a percentage of revenues during the period

NET DEBT/EBITDA RATIO (LEVERAGE)

Average net debt in relation to operating profit before depreciation and amortization (EBITDA), rolling twelve-month value.

UNDILUTED AVERAGE NUMBER OF SHARES

Weighted average number of shares outstanding during the period.

NET DEBT/EQUITY RATIO

Net debt in relation to shareholders' equity.

DILUTED AVERAGE NUMBER OF SHARES

Weighted average number of shares outstanding during the period as well as potential additional shares.

RETURN ON EQUITY

Profit after tax for the period, rolling twelve-month value, as a percentage of the average shareholders' equity excluding shares without controlling interests.

UNDILUTED/ DILUTED EARNINGS PER SHARE

After tax result in relation to the undiluted and diluted average number of shares.

RETURN ON CAPITAL EMPLOYED

Operating profit (EBIT), rolling twelve-month value, as a percentage of the average capital employed. Capital employed means net debt plus shareholders' equity plus shareholders' loans.

UNDILUTED/ DILUTED EQUITY PER SHARE

Shareholders' equity in relation to the outstanding undiluted number of shares at the end of the period.

INTEREST COVERAGE RATIO

Profit after financial items plus financial expenses in relation to financial expenses.

EQUITY RATIO

Shareholders' equity as a percentage of total assets.

EBITA

Operating profit before amortization.

EBITDA

Operating profit before depreciation and amortization.

ITEMS AFFECTING COMPARABILITY

Non-recurring profit and loss items with notable effect on profit, and of importance for the understanding of the profit development.

ALIMAK GROUP IN BRIEF

Alimak is a world-leading supplier of elevators, platforms and after-market service for the industrial and construction sectors. The Group has manufacturing operations in Sweden and China and a sales and servicing network in more than 90 countries supplying and maintaining vertical access solutions. At present, there are more than 22,000 elevators and platforms installed globally. Alimak was established in Skellefteå in 1948 and has 1,200 employees around the world. The Group is listed on Nasdaq Stockholm. www.alimakgroup.com