Alimak Group

Q4 and Full Year 2018, 22 February 2019

Tormod Gunleiksrud, CEO
Tobias Lindquist, CFO

Including acquired businesses

Q4

Acquisitions still affecting Full Year comparisons, Q4 comparisons are like-for-like

- Avanti Wind Systems was consolidated from 1 February 2017
- Facade Access Group was consolidated from 1 March 2017

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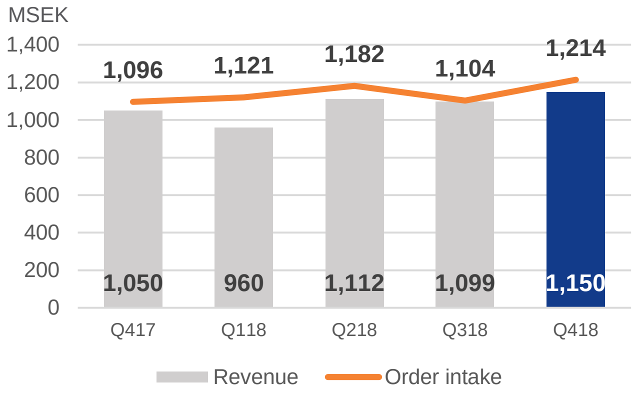
Quarterly highlights: Continued strong order intake

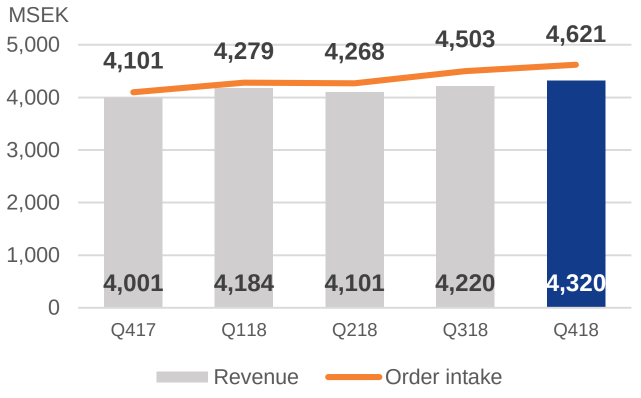
Q4

- Strong order intake growth in the quarter for both Construction and Industrial. An organic growth of 5%, up to MSEK 1,214 (1,096)
- Revenue for the quarter at MSEK 1,150 (1,050), an organic growth of 4%
- EBITA adj. of MSEK 159 (145), representing a margin of 13.8%

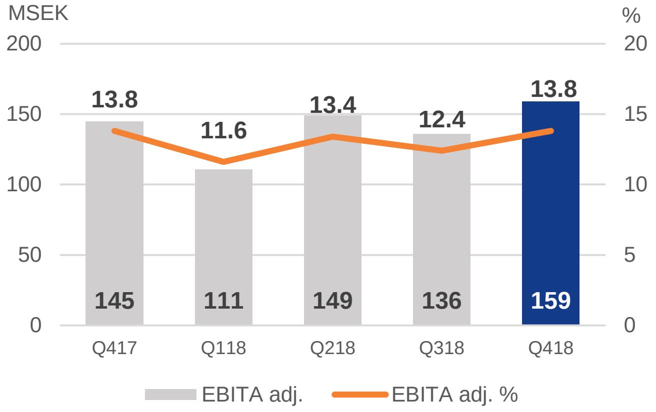
Order intake & Revenue by Quarters



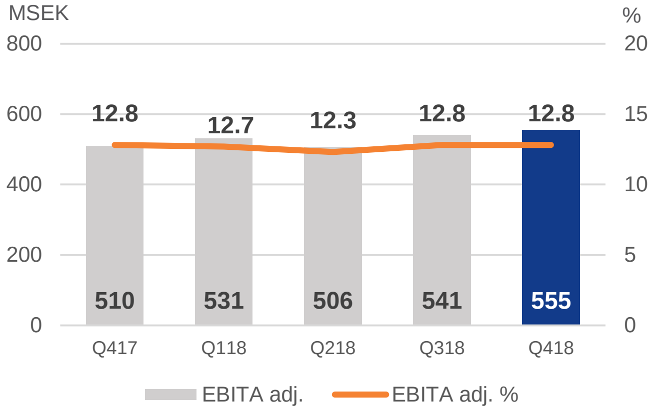
Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by Quarters



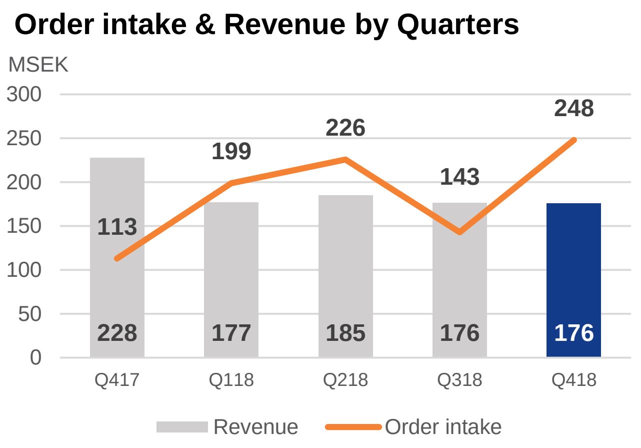
EBITA adj. & EBITA margin adj. by R12M

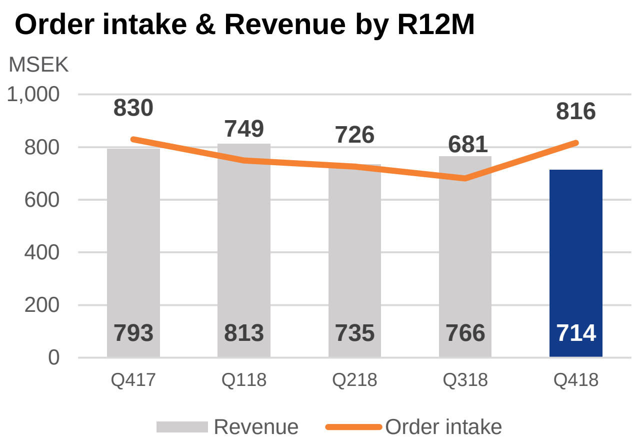


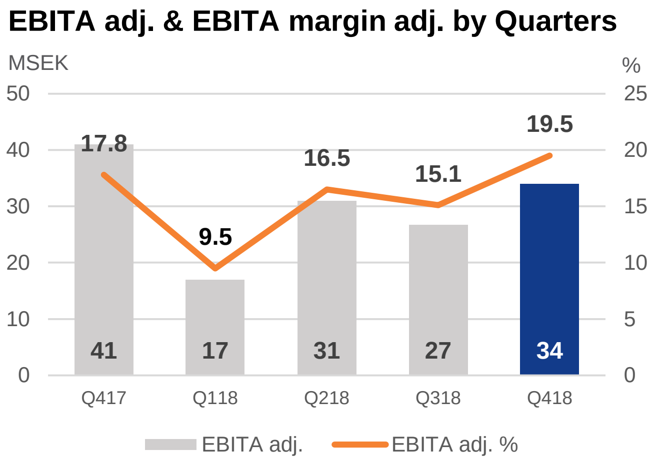
Construction Equipment

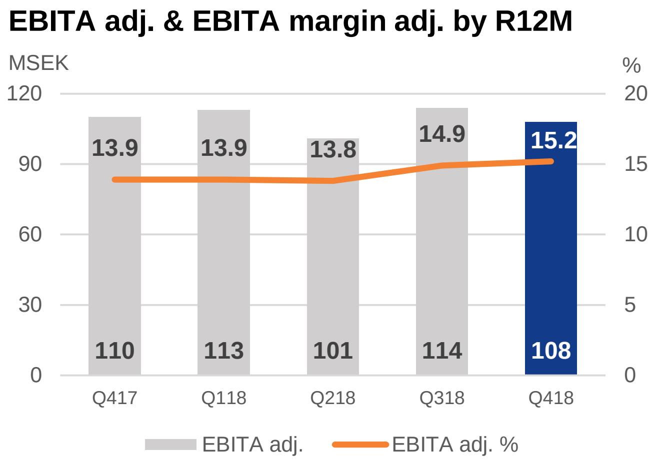
Q4

- Strong organic growth in order intake of 111% to MSEK 248 (113), driven by good development in the US
- Revenues of MSEK 176 (228) with an organic decrease of 27% following low order intake during previous quarter, especially in the Middle East
  - Also affected by external delivery delays
- Strong EBITA margin adj. of 19.5% (17.8) stemming from favourable market and product mix







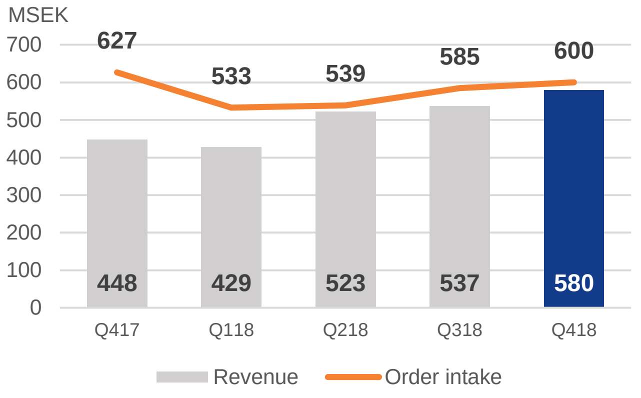


Industrial Equipment

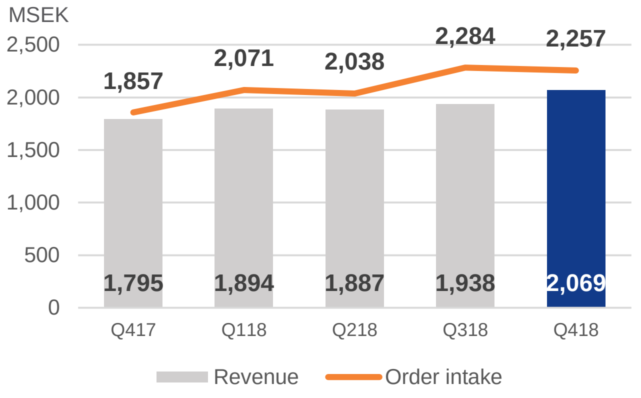
Q4

- Organic decrease in order intake of 9% to MSEK 600 (627). Q4 2017 included the MSEK 170 Sydney Harbour Bridge order for BMU-solutions. Growth in all other businesses
- Organic revenue growth of 23% to MSEK 580 (448) in the quarter
- EBITA adj. of MSEK 32 (21), translating into an improved margin of 5.5% (4.8) following the increase in revenue, realised cost synergies and the phasing of challenging BMU backlog

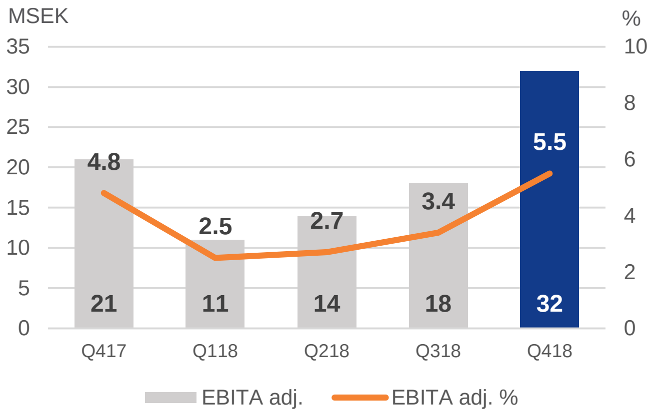
Order intake & Revenue by Quarters



Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by Quarters



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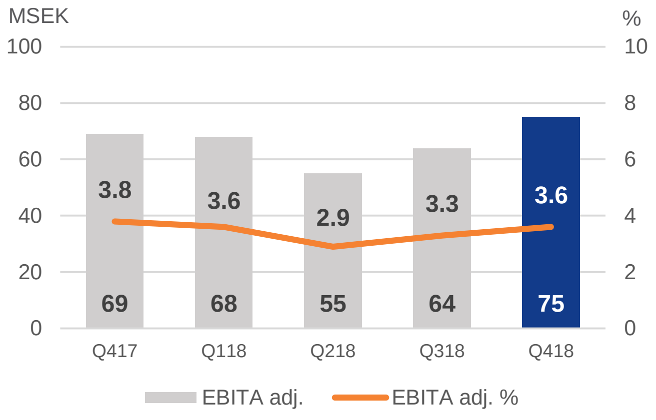

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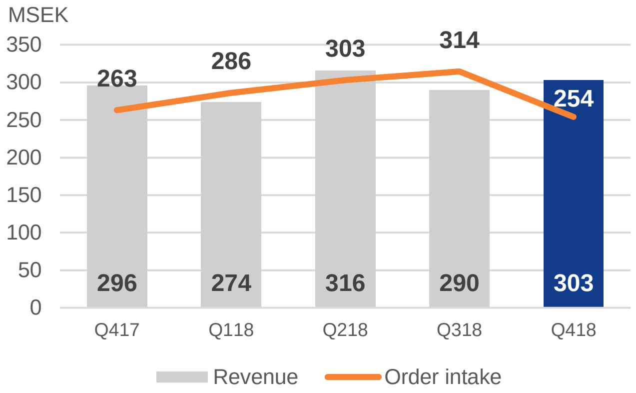
After Sales

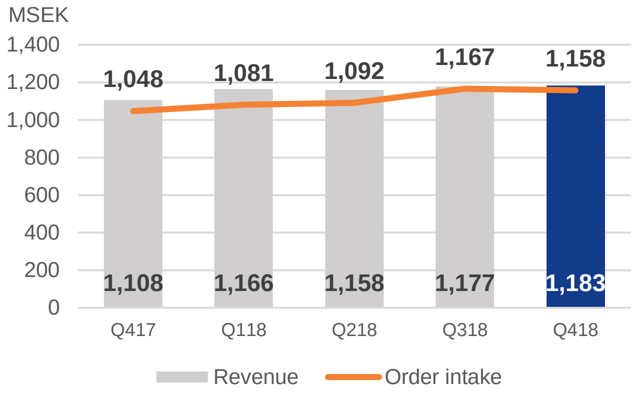
Q4

- Order intake of MSEK 254 (263), an organic decrease of 9% due to lower orders of parts and refurbishments
  - Full year organic growth of 3%
- Revenue at MSEK 303 (297), an organic decrease of 3%
  - Organic development for the full year was flat
- EBITA adj. of MSEK 78 (74), a margin of 25.7% (25.0) following slow growth and incurred costs in the BMU service business
  - Full year margin at 27.1%

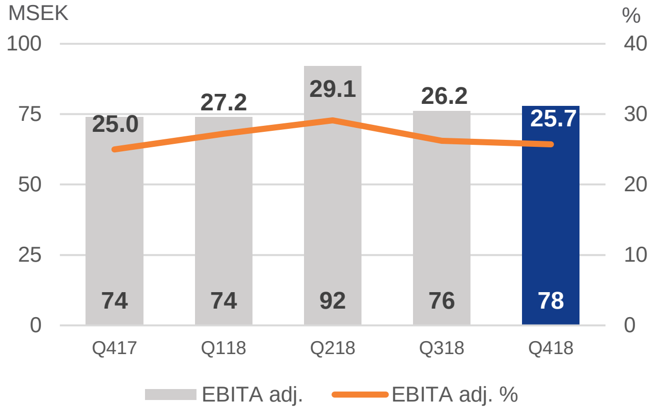
Order intake & Revenue by Quarters



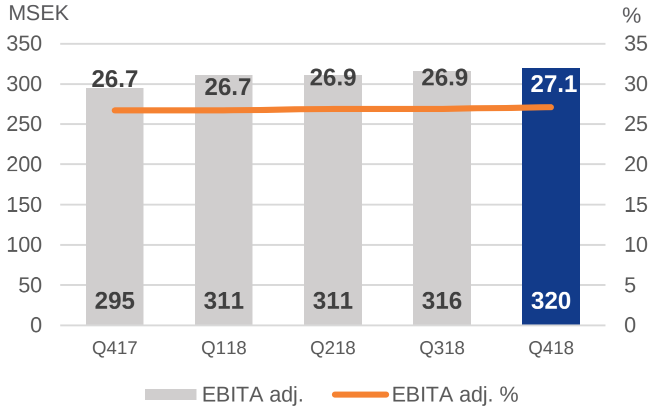
Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by Quarters



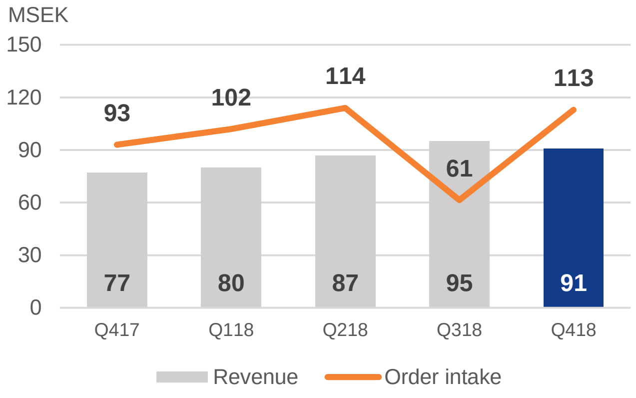
EBITA adj. & EBITA margin adj. by R12M



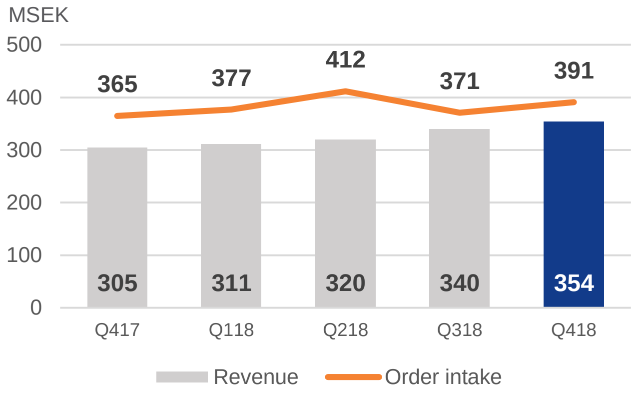
Rental

- Order intake of MSEK 113 (93) in the quarter, an organic increase of 17%
- Organic revenue growth of 15% to MSEK 91 (77)
- Continued strong EBITA margin adj. of 15.9% (11.3), the result of high fleet utilisation

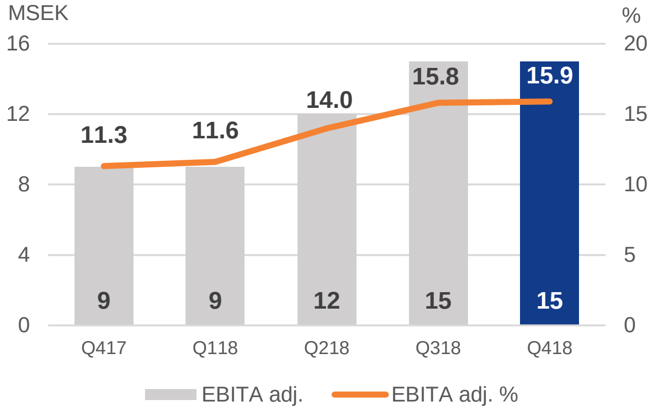
Order intake & Revenue by Quarters



Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by Quarters



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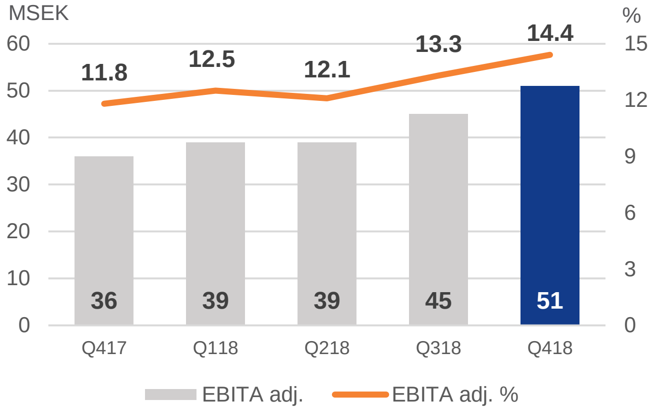


FY 2018

2018

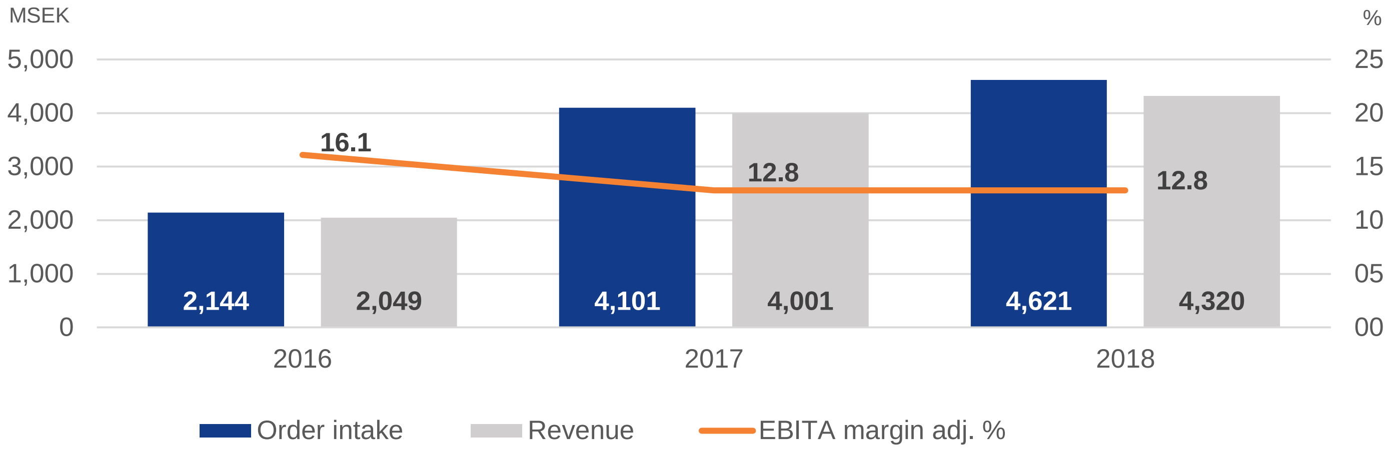
- Order intake growth in all business areas except Construction Equipment
- Year of consolidation – positive effects of integration starting to materialise
- Dividend of SEK 2.75 (2.30) per share proposed by the Board of Directors

Management assessment: If the acquired companies would have been fully consolidated by 1 January 2017:

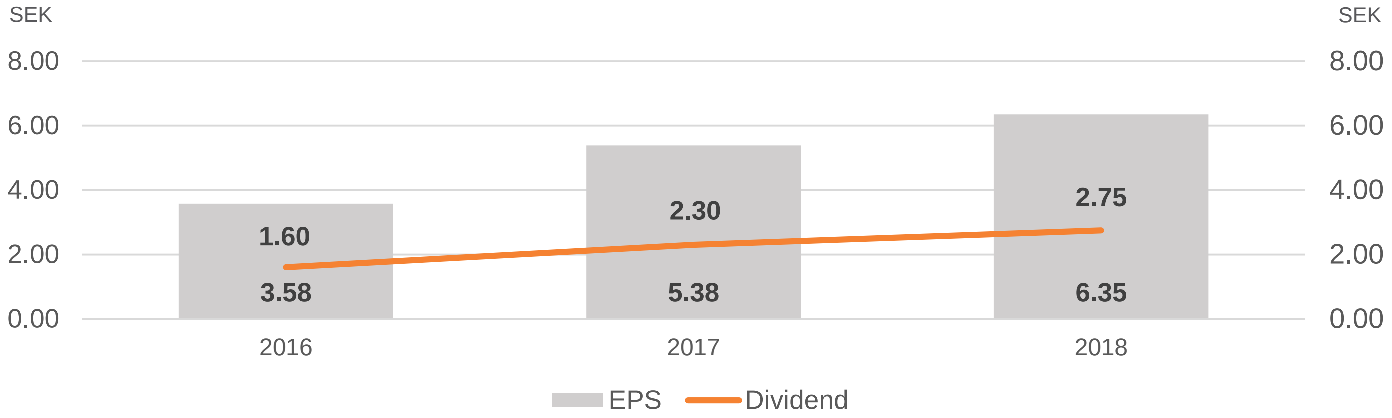
Order intake growth in 2018 would have been 4%

Revenue growth in 2018 would have been 3%

Order intake, Revenue and Margin, by Years



EPS and Dividend, by Years



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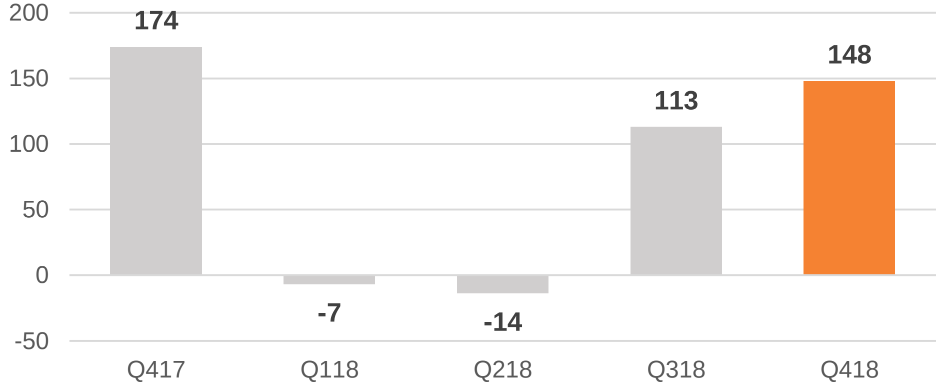
Cash Flow and Net Debt

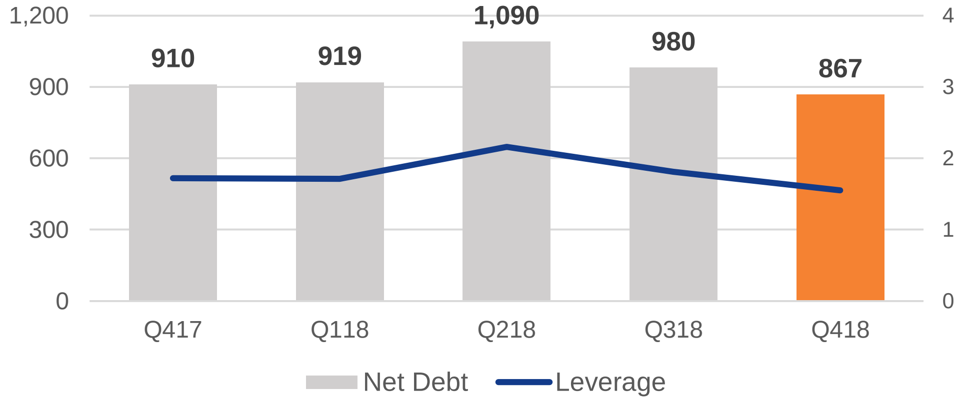
Q4

- Cash flow from operating activities in the fourth quarter was MSEK 148 (174)
  - Full year cash flow MSEK 240 (335), high working capital in first half of the year
  - Full year investments of MSEK 68 (37), in line with depreciation
- Net debt at end of 2018 was MSEK 867 (910)
- Leverage (Net debt/EBITDA) at 1.55 (1.72)
- A strong financial position for the Group

Cash Flow, MSEK by Quarter



Net Debt, MSEK and Leverage by Quarter



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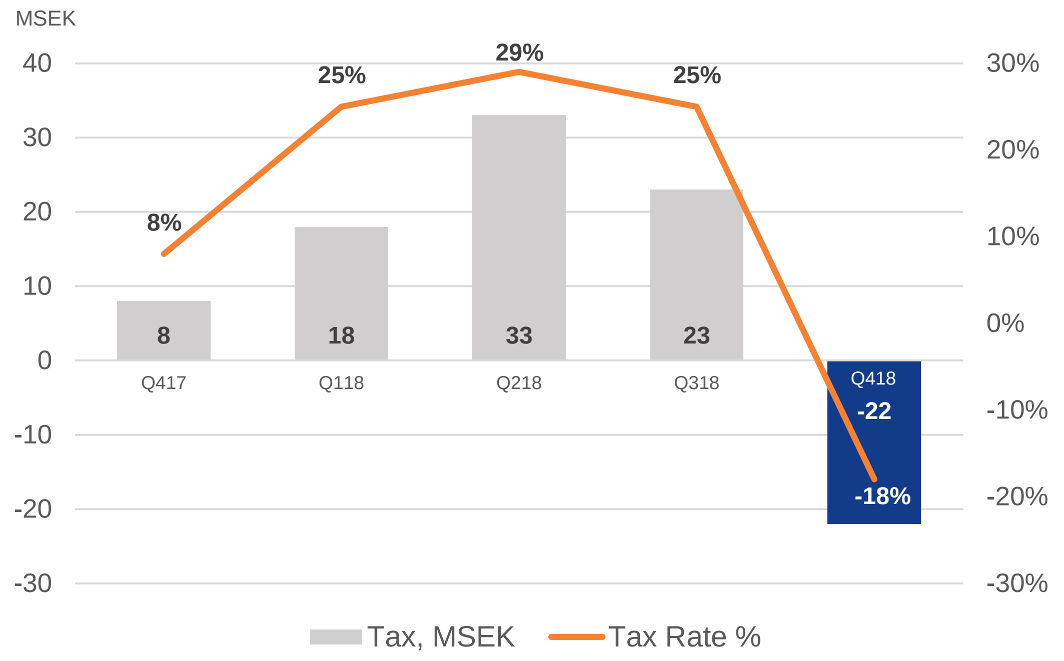
Tax Expense

Q4

- Tax income for the fourth quarter was positive MSEK 22 (tax expense Q4 2017 was MSEK 8), supported by MSEK 47 of changes in deferred taxes
  - MSEK 40 of these from legal restructuring within the Group
- As of December 31, 2018, total tax losses carried forward amounted to MSEK 517 (590) with related balance of recognised deferred tax assets of MSEK 68 (19)
- Tax rate for the full year of 13% (25)

Tax Expense and Tax Rate by Quarter



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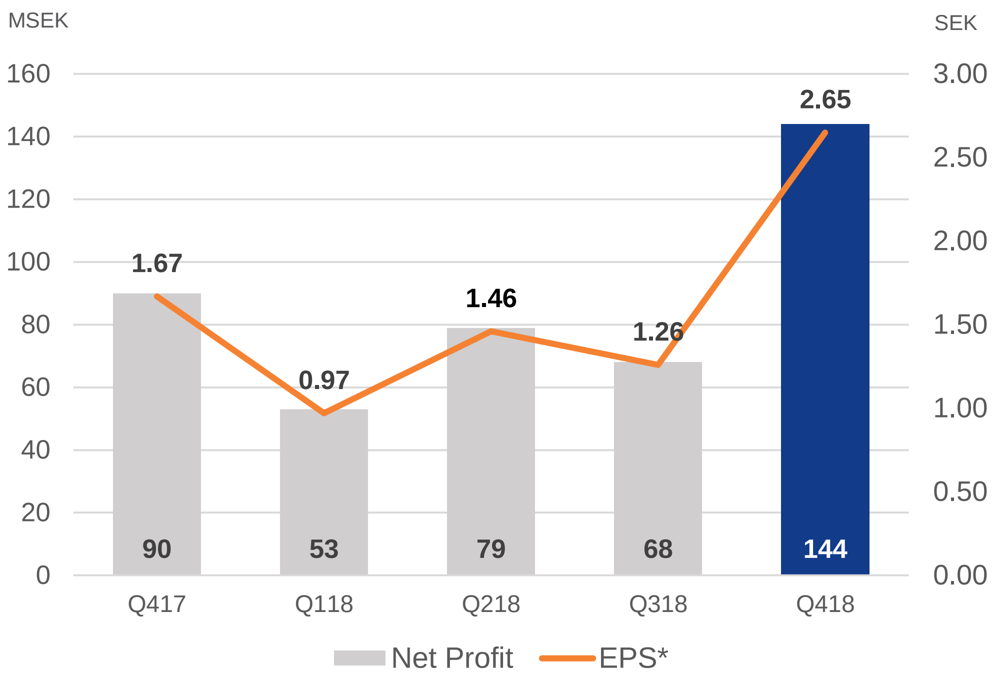
Net profit and EPS

Q4

- Net profit of MSEK 144 (90) in the quarter
  - EPS was SEK 2.65 (1.67) in the quarter based on current number of shares
- Net profit MSEK 344 (292) for the full year
  - EPS for the full year was SEK 6.35 (5.38)
- Dividend of SEK 2.75 (2.30) per share proposed by the Board of Directors

Net Profit and EPS



*\) *Calculated on numbers of shares at 2018-12-31:* 54,157,861

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Integration update

Q4

Synergy potential

- Synergies of 2 percentage points (baseline 12.0%, actual proforma 2016) on the EBITA margin with full effect by end of 2019
- Procurement and manufacturing optimization
- After Sales
  - Increased footprint, size and utilization
  - Improved structure and service levels
- Strengthened organisation and structure

Integration plan

- Large portion of transformation completed
  - 15 cross functional work streams with the task to develop the best practice across the organization, majority finished
- Forward focus on areas including design and manufacturing with longer-term perspective
- Integration costs ~MSEK 110
  - Actions remaining in 2019 have been provisioned for in Q4 2018

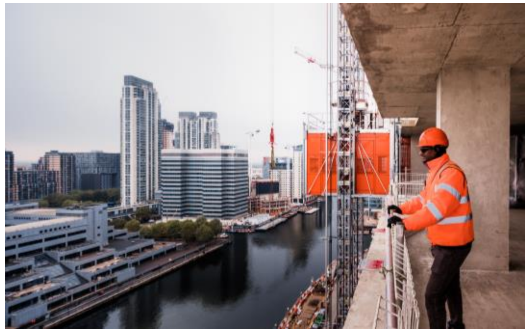
Mid-term Financial Targets

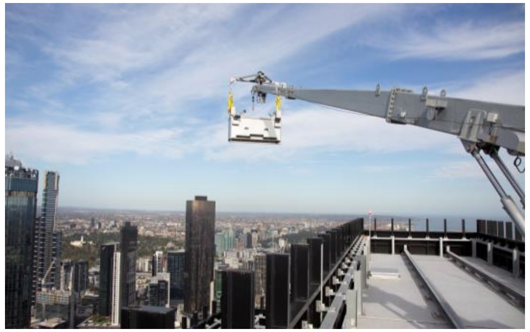
Revenue growth target	EBITA margin target	Leverage target (net debt/EBITDA)
6%	**15%**	**2.0x**
The Group's mid-term target is to have an average annual organic revenue growth of at least 6%.	The Group's mid-term target is to reach an operating EBITA margin of at least 15%.	The company will maintain an effective capital structure with a net debt of around 2.0x EBITDA. The capital structure will be flexible and allow for strategic initiatives.

Summary

Q4

- Strong order intake growth in the quarter, even when comparing to Q4 2017 including all time high-order of MSEK 170 for Sydney Harbour Bridge
- Group margin in line with last year, improved margins in all business areas but with a changed business mix
- Market sentiment looks encouraging even though uncertainties like Brexit and geopolitical volatility exist
- Run rate on financial targets by end of 2019





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Q&A