

The logo for ALIMAK GROUP is a horizontal rectangle divided into two equal halves. The left half is orange and contains the word "ALIMAK" in white, uppercase, sans-serif font. The right half is blue and contains the word "GROUP" in white, uppercase, sans-serif font. The entire logo is enclosed in a thin white border.

ALIMAK GROUP

Capital Markets Day 2021



Agenda

13.00 Alimak Group - CEO

13.20 BMU division – EVP BMU

13.40 Construction division – EVP Construction

14.00 Industrial division – EVP Industrial

14.20 *Break*

14.35 Wind division – EVP Wind

14.55 Sustainability - CTO

15.05 Group Financials - CFO

15.15 Q&A

16.00 *Event ending*

ALIMAK

Alimak Group

Ole Kristian Jødahl



ALIMAK

“Moving people, material and businesses safely to new heights”

We have a strong foundation

Leading market position

Global footprint with a large installed base

Portfolio of leading brands

Strong balance sheet and cash conservation

Supported by strong trends

- **Urbanisation**
- **Digitalization**
- **Sustainability**
- **Safety**

Potential to improve performance

Revenue growth target

6%

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

EBITA margin target

15%

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

Leverage target (Net debt/EBITDA)

2.0x

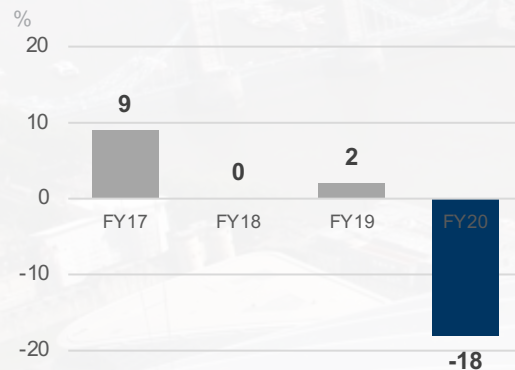
The Group will maintain an effective capital structure with a net debt of around 2.0x EBITDA. The capital structure will be flexible and allow for strategic initiatives.

Dividend payout policy

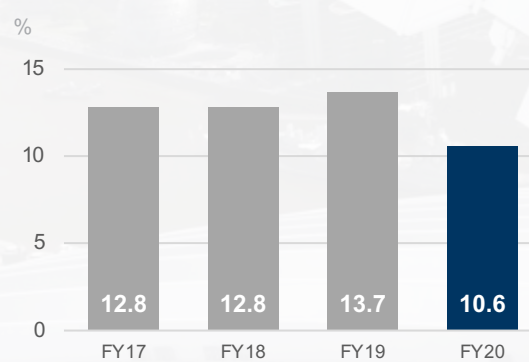
50%

The Group has a target of paying a dividend of approximately 50 per cent of its net profit to its shareholders.

Organic revenue growth in %



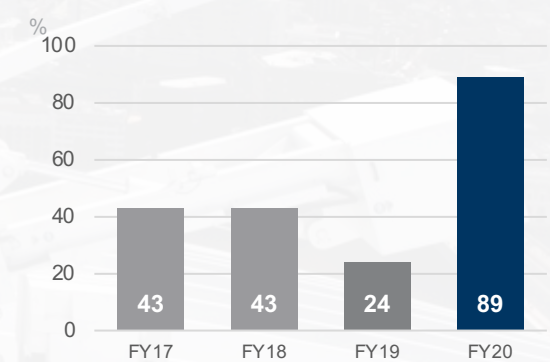
EBITA margin adj. %



Leverage



Dividend payout



New Heights programme - our strategic roadmap



We have a customer focused, decentralised business model and fully accountable divisions

Construction



27% of sales
12% EBITA margin

ALIMAK

ALIMAK SERVICE

Industrial



24% of sales
16% EBITA margin

ALIMAK

ALIMAK SERVICE

Wind



23% of sales
10% EBITA margin

AVANTI

ALIMAK SERVICE

BMU



26% of sales
-3% EBITA margin

COX GOMYL manntech

ALIMAK SERVICE

Numbers above are share of 2020

A diversified and committed leadership team



CEO
Ole Kristian Jødahl



Construction
David Batson



Industrial
Salomeh Tafazoli



Wind
José María Nevot



BMU
Mark Casey



CFO
Thomas Hendel



Technology
Charlotte Brogren



Service Delivery
Patrik Sundqvist

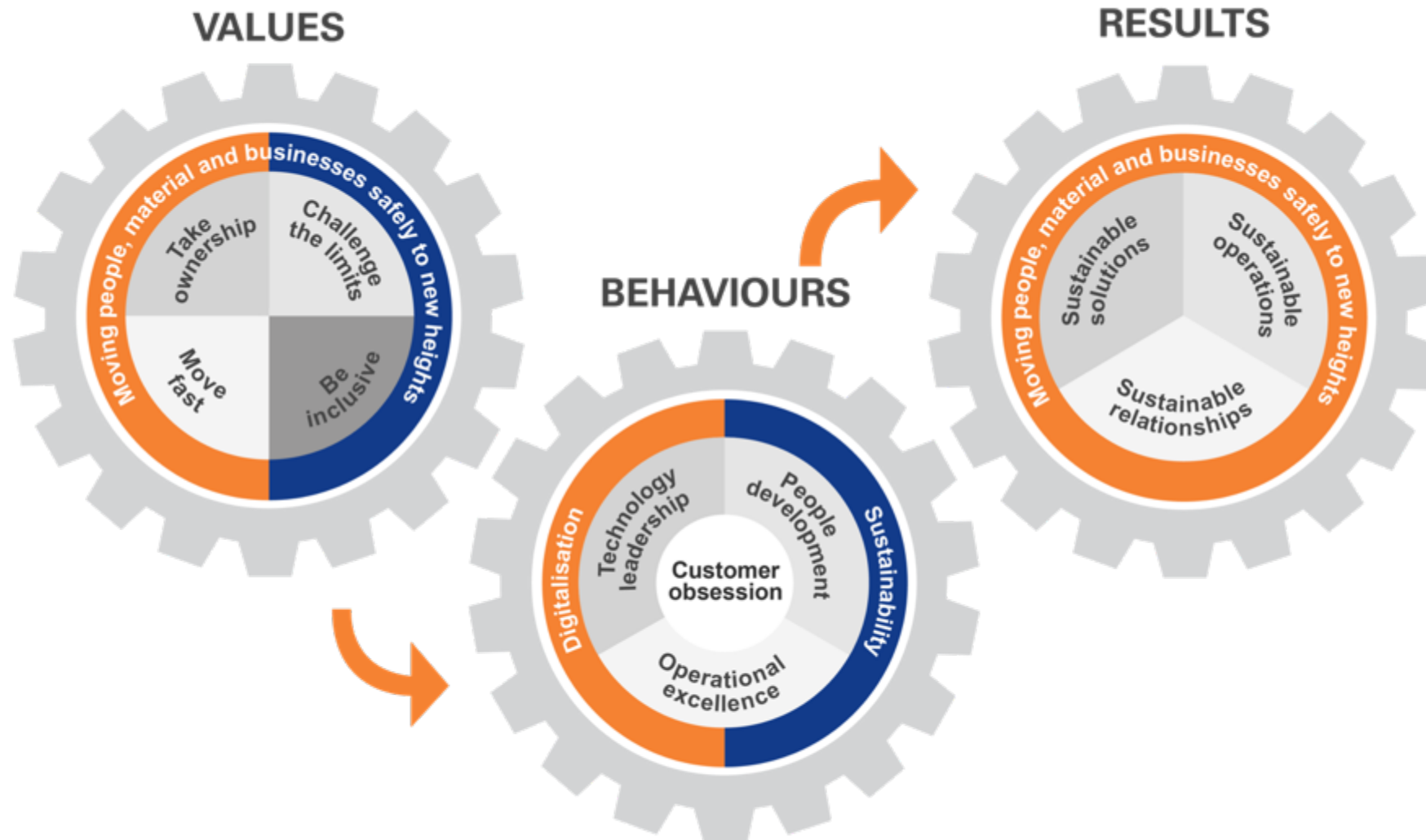


Strategy & M&A
Matilda Wernhoff



People & Culture
Annika Haaker

Strategic enablers for value creation



Increased service focus

Our offering covers the complete asset lifecycle:

- Divisions responsible for the full customer journey - original equipment, spare parts and services
- Service Delivery organisation established to drive operational efficiencies

Service share of Group sales rolling 12 months Q1:

35%

Service & Maintenance



Spare parts



Repairs



Refurbishments



Updated financial targets

Revenue growth target

5-7%

The Group's mid-term target is to have an average annual revenue growth of 5-7%.

EBITA margin target

14-16%

The Group's mid-term target is to reach an operating EBITA margin of 14-16%.

Leverage target (Net debt/EBITDA)

2.0x

The company will maintain an effective capital structure with a net debt of around 2.0x EBITDA over a cycle. The capital structure will be flexible and allow for strategic initiatives.

Dividend payout policy

40-60%

The Group has a target of paying a dividend of approximately 40-60% of its net profit to its shareholders.

BMU Division

Mark Casey



Short facts about the BMU Division

Share of Group sales
rolling 12 months Q1:

26%

Installed base:

13 500

Revenues rolling 12
months Q1, MSEK:

940

High complexity BMUs



17% of sales

Med. complexity BMUs



47% of sales

Low complexity BMUs



6% of sales

Services and parts

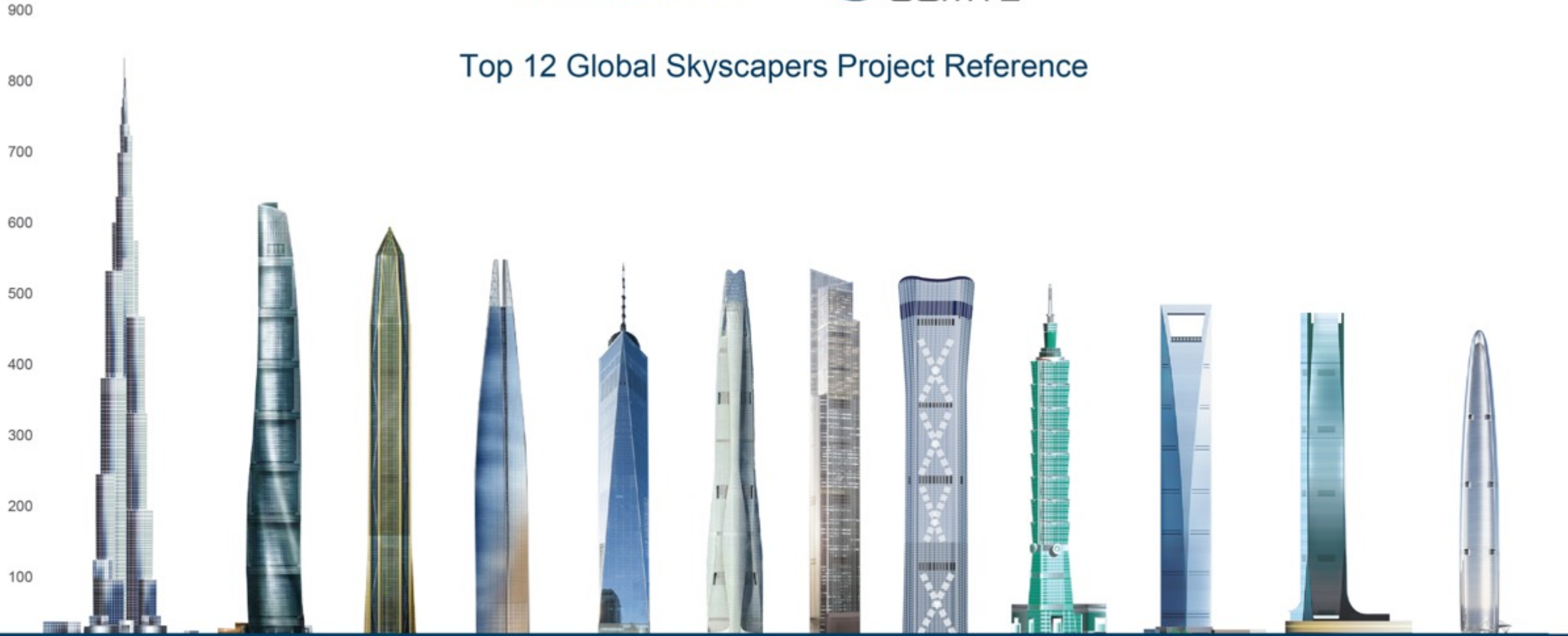


30% of sales

mannotech



Top 12 Global Skyscrapers Project Reference



Burj Khalifa Dubai 828m	Shanghai Tower Shanghai 632m	Ping An IFC Shenzhen 599m	Lotte Tower Seoul 555m	One World Trade Center NY 541m	CTF Tianjin 530m	CTF Guangzhou 530m	CITIC Tower Beijing 527m	Taipei 101 Taipei 508m	Shanghai World Finance Centre 492m	ICC Hong Kong 484m	Wuhan Greenland Centre Wuhan 467m
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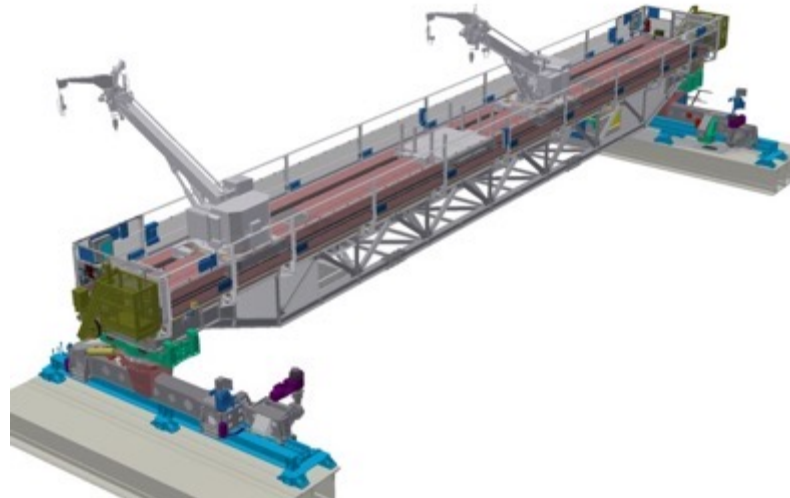
Customer case – Guangzhou Business Centre

- 3 CoxGomyl BMUs
- 375 meter high building
- Order value MSEK 23
- Delivery from Spain in 2022, expected project completion in 2023



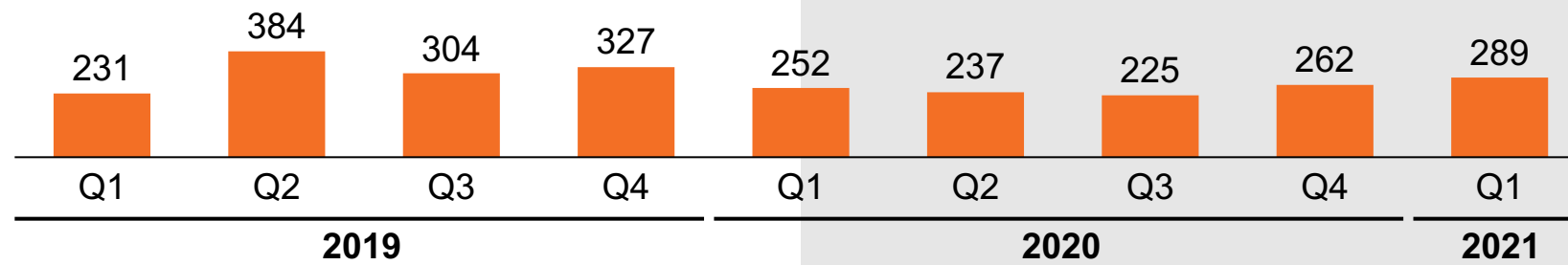
Customer case – Sydney Harbour Bridge

- Two motorised gantries with four Manntech BMU's
- Built in 1932, the bridge is 1149 meters in length, 48.8 meters in width and 134 meters high
- Delivery from Germany in 2022, expected project completion in 2025
- Order value MSEK 335



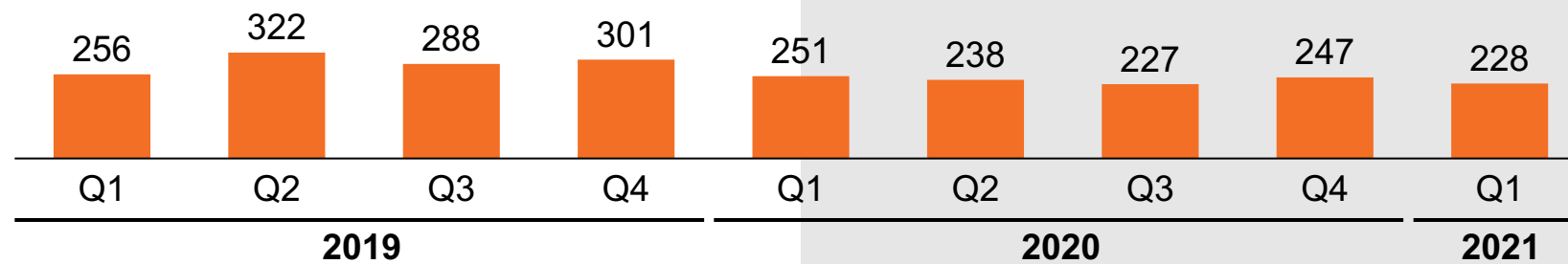
Financial performance

Order intake by Quarter, MSEK:



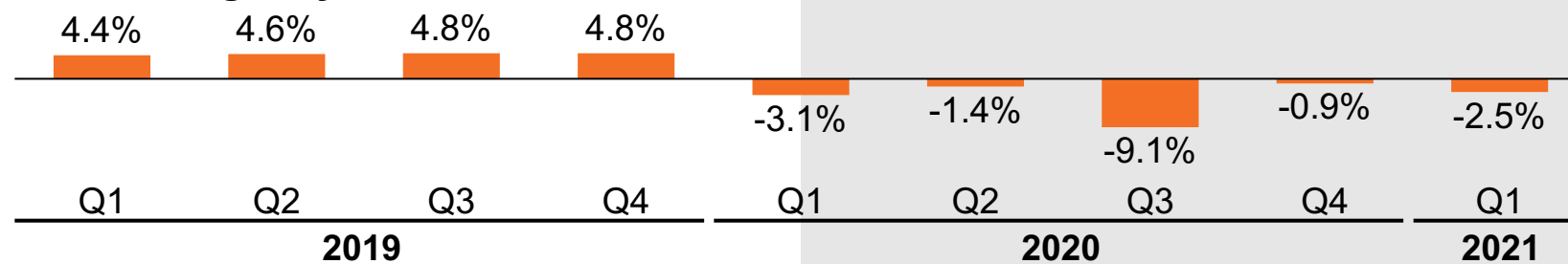
Order intake improving but market uncertainty remains

Revenues by Quarter, MSEK:



Revenue impacted by low order intake

EBITA margin by Quarter, %:



Under-performance resulting from low volume and one-off items

20 * Including New Heights one-off restructuring costs

Key trends in the BMU industry



Urbanisation

Digitalisation

Health,
Safety, and
Environment

Our strategy for profitable growth



1 Operational Efficiencies

2 Replacement, Refurbishment & Service growth

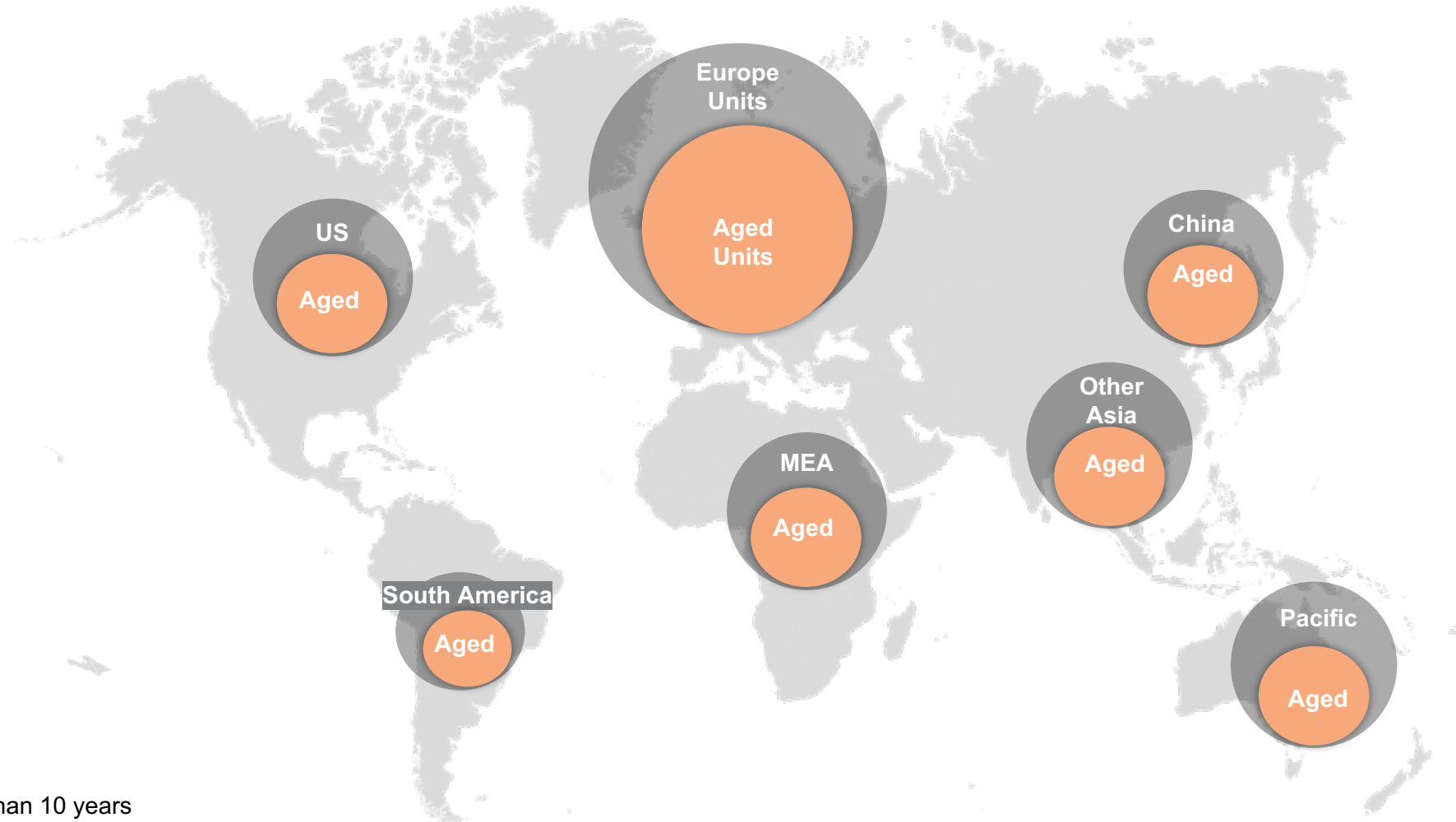
3 Expand Product offering

1 Operational Efficiencies

- Operations – Utilization, Efficiency and Lean Manufacturing
- Sales Process review and optimization
- Quality – TQM system

2 Replacement and Refurbishment

Aged asset pool represents a significant emerging opportunity



* Aged, older than 10 years

3 Expand Product Offering

Current Offering

BMU range

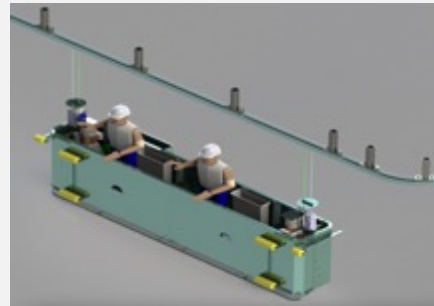


Service and parts



Expanded offering

Light solutions – davits, monorails, gantries



Future potential - automatic cleaning

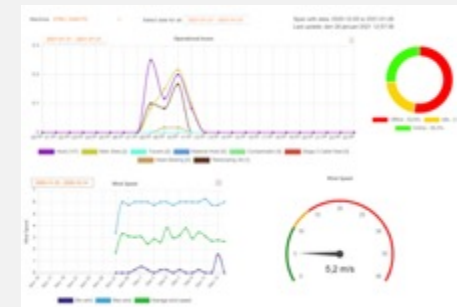


Expanded service offering

Replacements and refurbishments



Remote service reminders enabled by connected machines



Ambition – Provide full façade solution offering



Construction Division

David Batson



Short facts about the Construction Division

Share of Group sales
rolling 12 months Q1:

27%

Installed base:

16 000

Revenues rolling 12
months Q1, MSEK:

990

Construction equipment



59% of sales

Rental operations



27% of sales

Used equipment



1% of sales

Services and parts



13% of sales



Leading product offering



Construction hoists
Core offering



Mast climbing work platforms
Growth potential



Transport platforms
Growth potential



Scaffolding lift
New offering

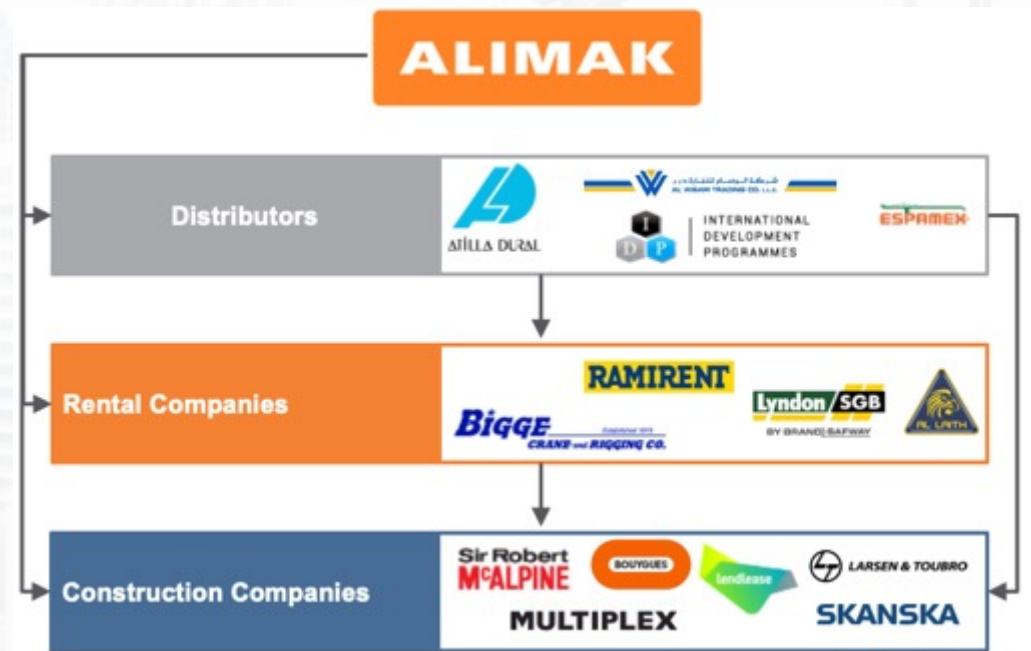
Global footprint to serve our customers

Footprint



- Manufacturing in China, Sweden and Spain
- 21 countries sales and service by own sales companies
- 47 countries sales and service by distributors

Customers



Customer case – One and Two Sydney Harbour

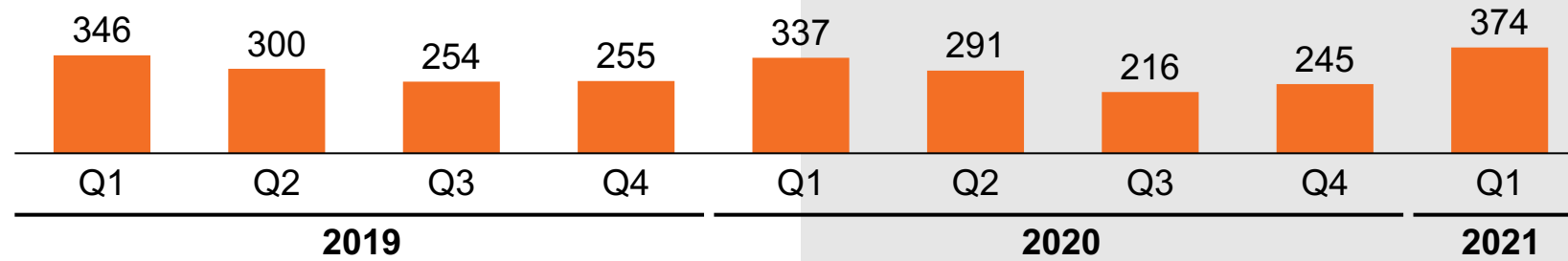
**2 x Common towers and 9 construction hoists
underway to Lendlease AU in 2021, to total value of
MSEK 97**



- ✓ **Sustainability through optimizing the solution and offering. Productive Logistics solution**
- ✓ **Application Engineering, Project Mgmt**
- ✓ **Common Towers, Hoists Twins and Single Cages**
- ✓ **On Site Support**
- ✓ **Safety to highest levels to meet Lend Lease**
- ✓ **Connected assets**

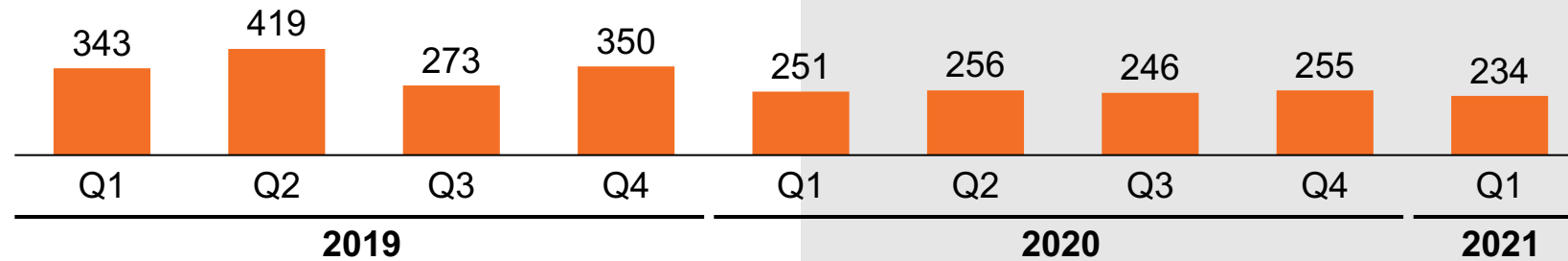
Financial performance

Order intake by Quarter, MSEK:



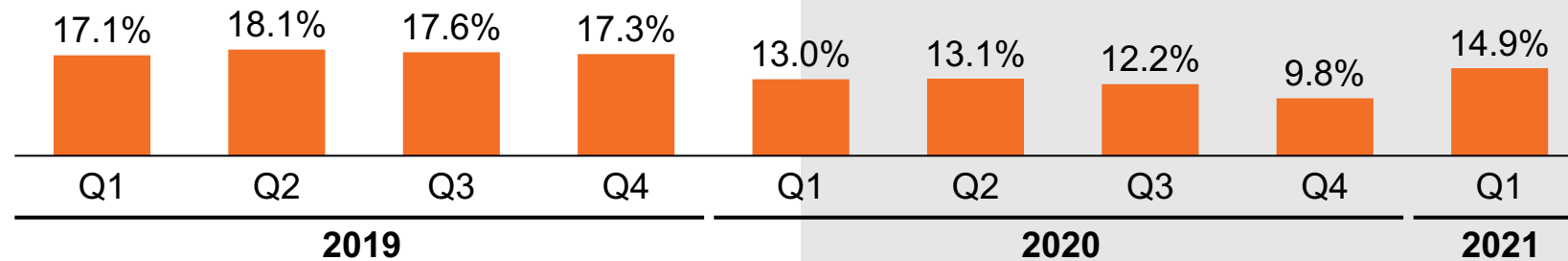
Strong OI in Q1 2021

Revenues by Quarter, MSEK:



Revenue impacted by Covid

EBITA margin by Quarter, %:



Margin improvements in Q1 2021

33 * Including New Heights one-off restructuring costs

Key trends in the construction industry



Strategy for profitable growth



1

Expand geographical footprint

2

Broaden our customer offering

3

Digitalisation of the customer value proposition

1 Expand geographical footprint

- 
- **Strengthen sales company and distribution model**
 - **Expand rental and used to targeted markets**
 - **China for China**

2 Broaden our customer offering

Product offering:

High
Capacity
Low



- Improvements in the core Construction hoist



- Expansion of light Mast climbing work platform and Transport platform offering



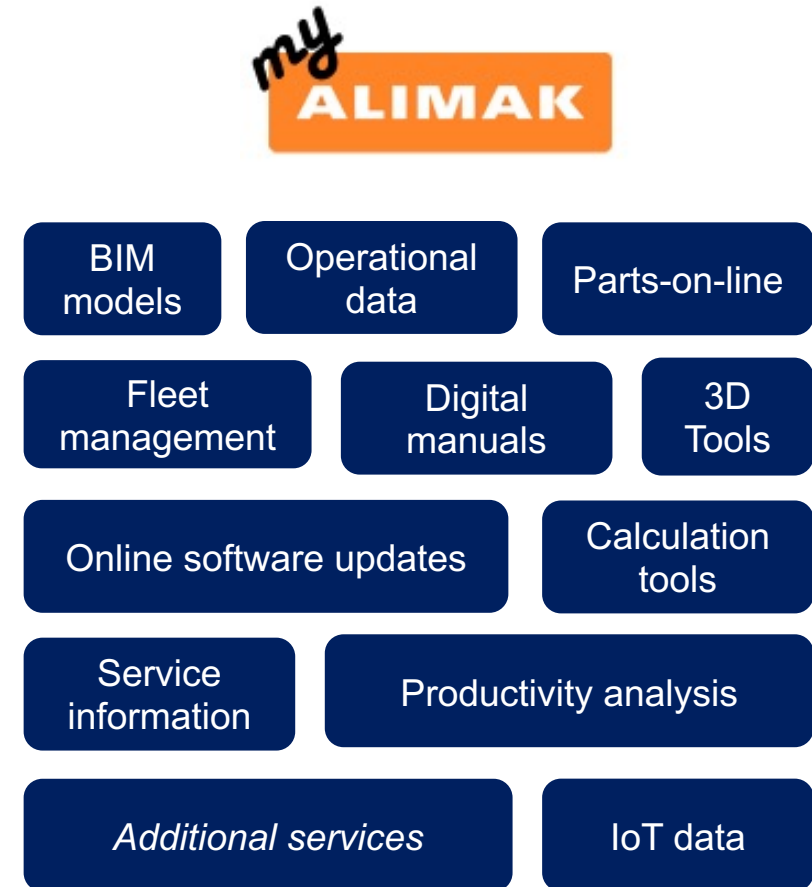
- Scaffolding lift

Services offering:

- Refurbishment
- Application Engineering
- Project management
- Install, Jump and Dismantle
- Service and Preventative Maintenance
- Parts
- Familiarisation, Operator and Technical training
- Asset Management Solutions

3 Digitalisation of the customer value proposition

- **Pre-purchase** (reach and engage)
- **Customer value eco system** includes
 - Utilization analysis to drive productivity
 - Increased sustainability by right sizing the logistics solution
- **Digitalisation of the service offering** through remote monitoring
 - Alert identification and management
 - Predictive maintenance
 - Parts and Services offerings





Industrial Division

Salomeh Tafazoli



Short facts about the Industrial Division

Share of Group rolling 12 months Q1:

24%

Installed base:

8 000

Revenues rolling 12 months Q1, MSEK:

908

Heavy industry



61% of sales

Oil & Gas and Marine



34% of sales

Logistics



4% of sales

Special Engineering



1% of sales



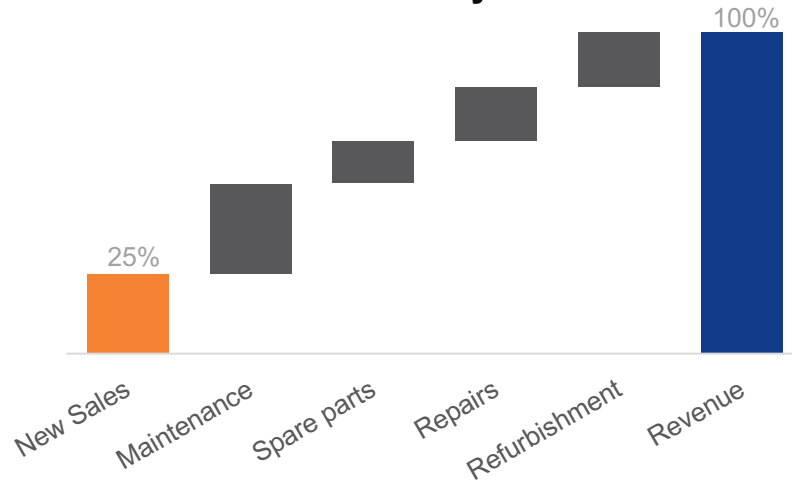
АСТАРТА-КИЇВ
агропромхолдинг



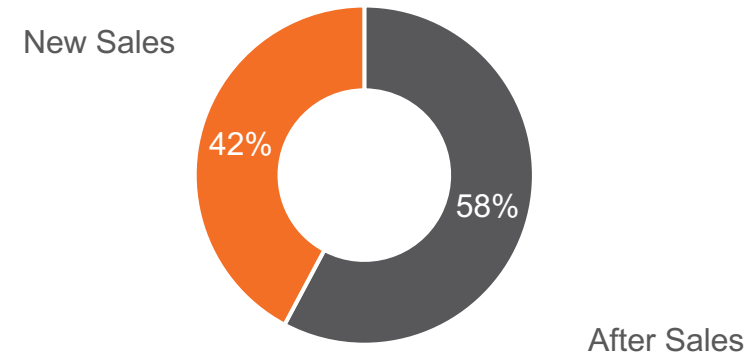
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After Sales an integral part of the business model

Example of Industrial After Sales Revenue Life Cycle⁽¹⁾



Revenue split 2020



Service & Maintenance



Spare parts



Repairs



Refurbishment



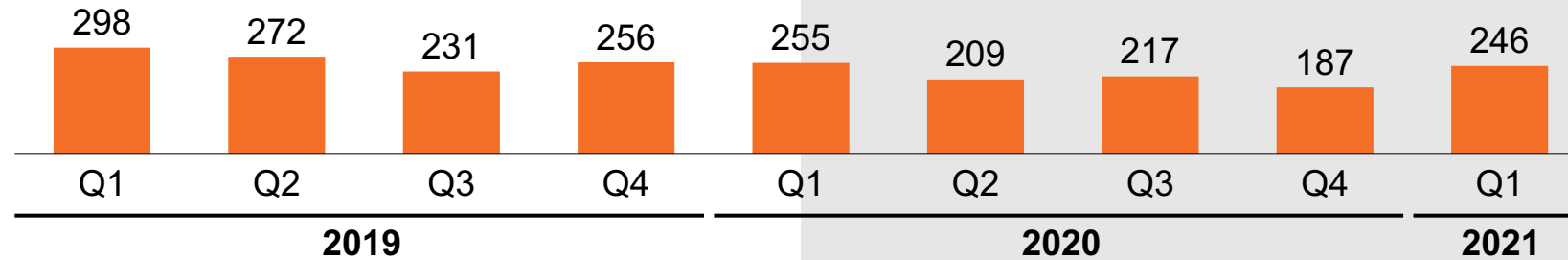
(1) Estimation is based on a 25-30 year life cycle of industrial elevators. Illustrative purposes only

Strong, global footprint

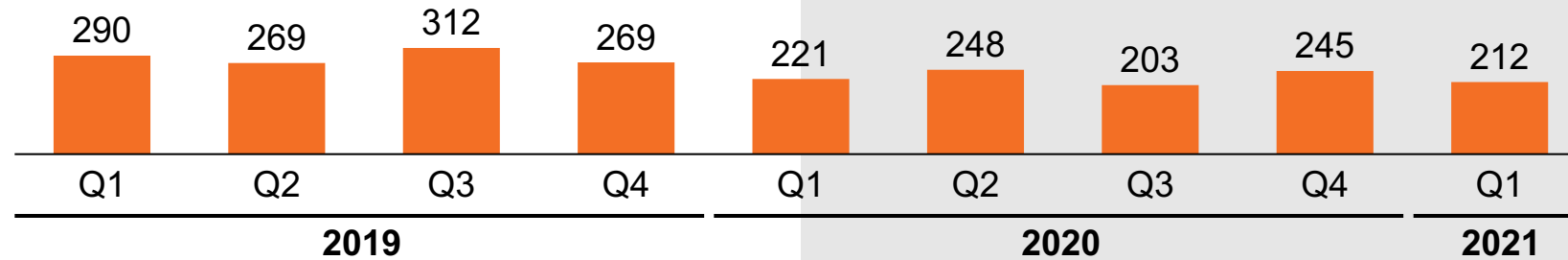


Financial performance

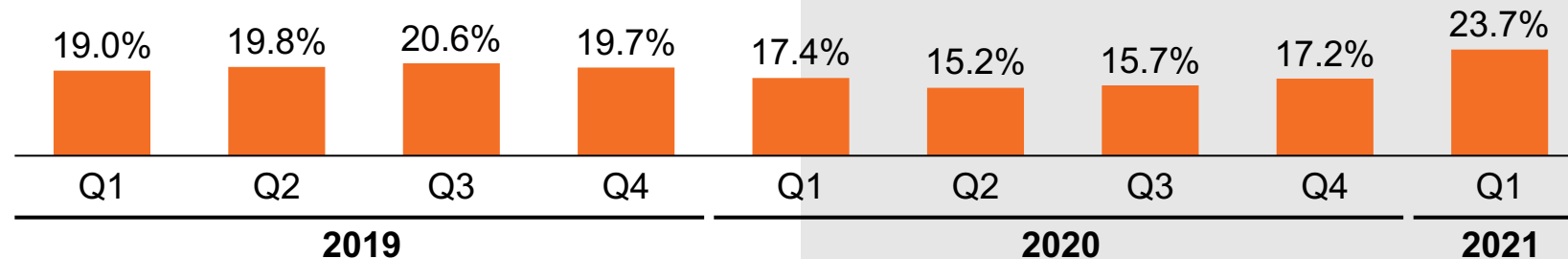
Order intake by Quarter, MSEK:



Revenues by Quarter, MSEK:



EBITA margin by Quarter, %:



Continued
increased
activity

Covid-19
effect –
low order
intake in
2020

Margin
improvements in
Q1 2021

Key trends in the industry



Geographical
Development

Service

Health, Safety
&
Environment

Strategy for profitable growth

**1**

Segment focus – outside in perspective

2

Geographical footprint – leverage in mature markets, expand in merging markets

3

Best in class service

1 Segment focus – outside in perspective

Segment focus in the complete organisation

- Segment offering
- Strengthening product management
- Sales and Service Training

Heavy Industry
Core offering

Oil & Gas and Marine
Growth potential

Logistics
Under investigation

Special Engineering
Growth potential

2 Geographical footprint

Leverage in mature markets, expand in merging markets

- Sales channels strategy
- Initiate local initiatives to target existing units and plants
- Traction competence center

3 Best in class service

- Service packages and service sales
- Enhance local service presence
 - Service hubs
- Digitalization and sustainability
 - Remote monitoring and preventive maintenance



ALUMINA

Wind Division

José María Nevot



Short facts about the Wind Division

Share of Group sales
rolling 12 months Q1:

23%

Installed base:

37 500

Revenues rolling 12
months Q1, MSEK:

832

Service lifts



33% of sales

Ladders



22% of sales

Internals



21% of sales

Services & PPE



24% of sales



Global footprint with focus on growth markets



Solid customer base



Vestas customer case

157 Dolphin lifts delivered to Vestas offshore project, to total value of MSEK 12

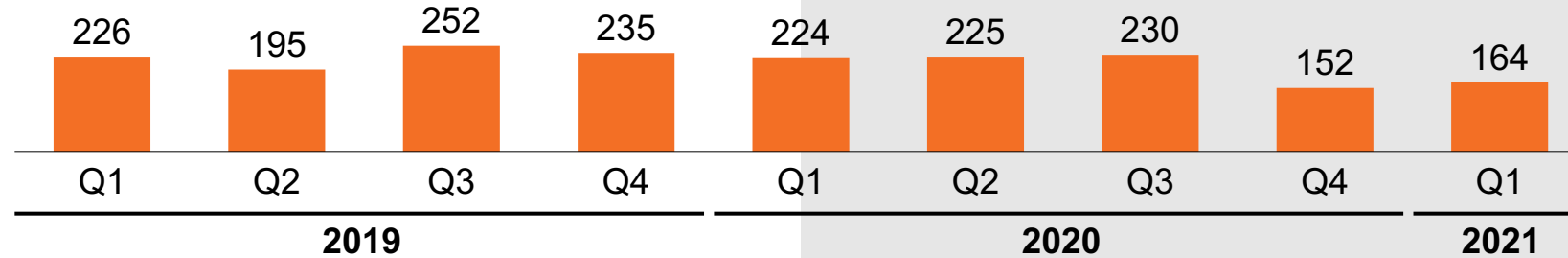


Picture courtesy of Vestas Wind Systems A/S

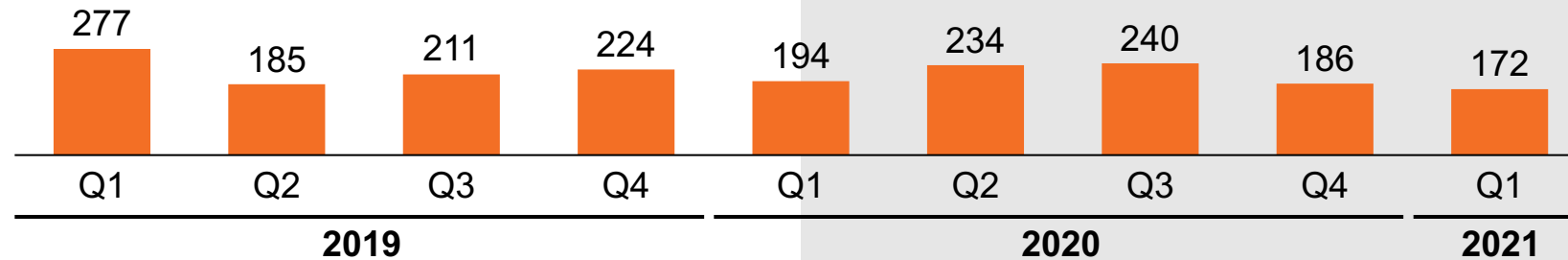
- ✓ **Lifts for offshore wind turbines**
- ✓ **Minimising turbine downtime**
- ✓ **Compliance with CE safety regulations**
- ✓ **Engineering support for integration in the towers**
- ✓ **Training and support of use, Installation, and Maintenance**

Financial performance

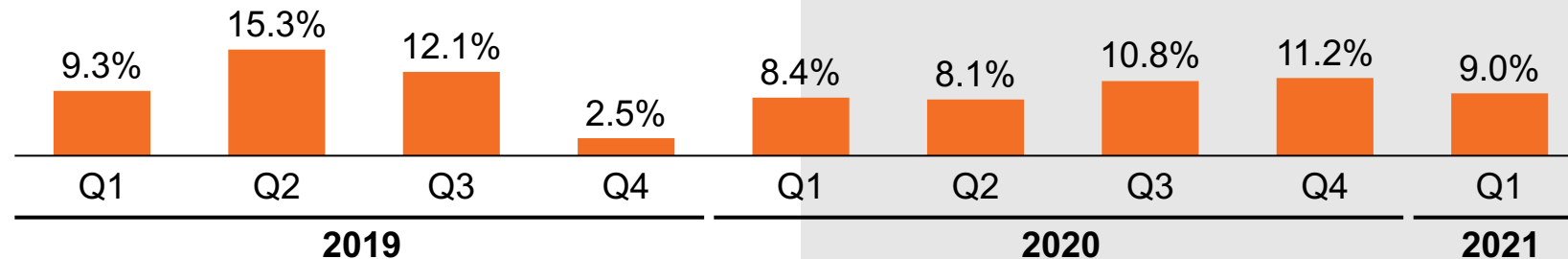
Order intake by Quarter, MSEK:



Revenues by Quarter, MSEK:



EBITA margin by Quarter, %:



Exit from
low-profit
internals

Low
backlog
into 2021

Cost
reduction
program
ongoing

Key trends in the wind industry



**Wind power
growth**

**Reduction of
Levelized cost
of Energy**

**Higher
capacity
turbines**

Strategy for profitable growth



1

Leadership in core business

2

Growth in safety and services

3

Review of potential expansion in renewables

1 Leadership in core business

Growth in core business

- New generation of innovative, digital and sustainable lifts
- Extend offering
- Lean and sustainable operations

China for China

- Remain among top 3 in China
- Develop a pure Chinese product strategy and local R&D

2 Growth in safety and services

Growth in safety

- Extend offering of safety products
- Develop range of safety products for China

Growth in services

- New value proposition with digital services
- Retrofit of lifts with upgrade kits
- Extend service footprint

3 Review of potential expansion in renewables

Extend activities out of the wind tower with new technologies for blade services

- Growing market size related to total cumulative power capacity
- Regular blade inspections and repairs increase the profitability
- Visual and thermal inspection of blades using drones
- Repair of blades using robots



Sustainability

Charlotte Brogren



We strive to make a difference in the world

Sustainable relationships



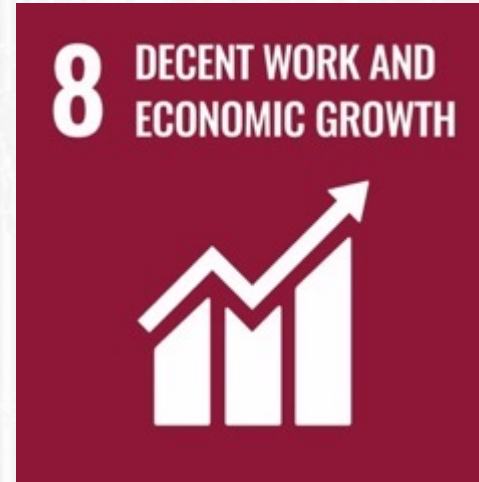
Sustainable solutions



Sustainable operations



Focusing on 8 Sustainable Development Goals



An aerial photograph of Sydney, Australia, featuring the Sydney Opera House and the Sydney Harbour Bridge. The image is overlaid with a semi-transparent grey box containing text. The text reads: "Aim to reduce our CO₂ footprint with 30% cross our value chain by 2025*". The "30%" is highlighted in orange.

**Aim to reduce our CO₂ footprint with
30%
cross our value chain by 2025***

Sustainable Relationships

- **We conduct business in a responsible manner, promoting an inclusive and engaging workplace, and expect business partners to do the same**
- **We engage in relevant ecosystems to be part in the transformation towards increased sustainability in the sectors we are active in**



Sustainable Solutions

- Our products and solutions are designed with the aim to minimise the impact on the environment throughout their lifetime
- Through our products and solutions, we help our customers to increase productivity and minimizing their CO₂ footprint
- Safe and reliable solutions are part of our DNA



Sustainable Operations

- **Minimise the climate impact across all our operations**
- **Improve resource efficiency by digital means**
- **Safe, inclusive and engaging workplace**
- **Attractive for new talent**

An aerial photograph of Sydney, Australia, featuring the Sydney Opera House and the Sydney Harbour Bridge. The image is overlaid with a semi-transparent grey rectangle containing text. The text reads: "Aim to reduce our CO₂ footprint with 30% cross our value chain by 2025*". The "30%" is in orange, while the rest is in black.

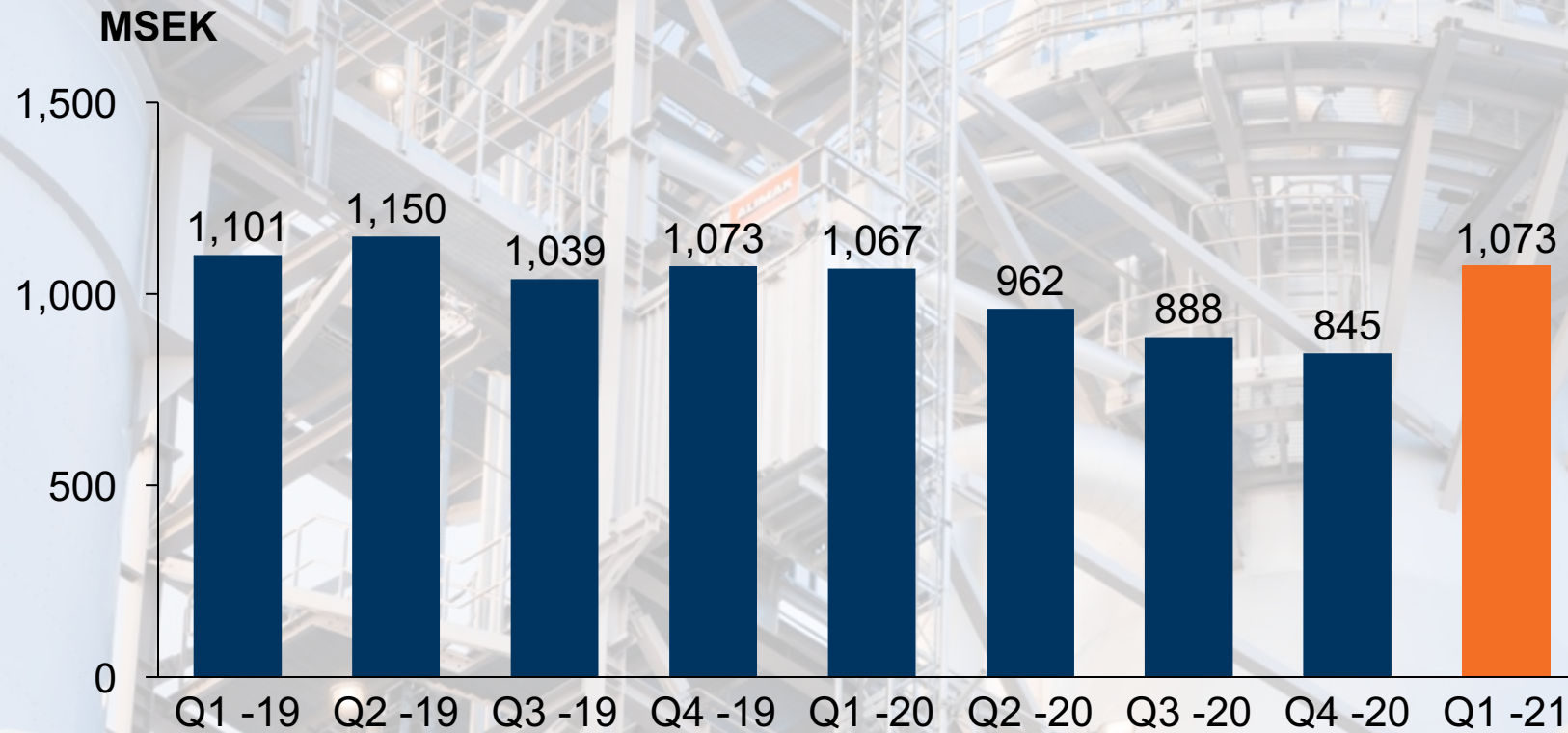
**Aim to reduce our CO₂ footprint with
30%
cross our value chain by 2025***

Group Financials

Thomas Hendel



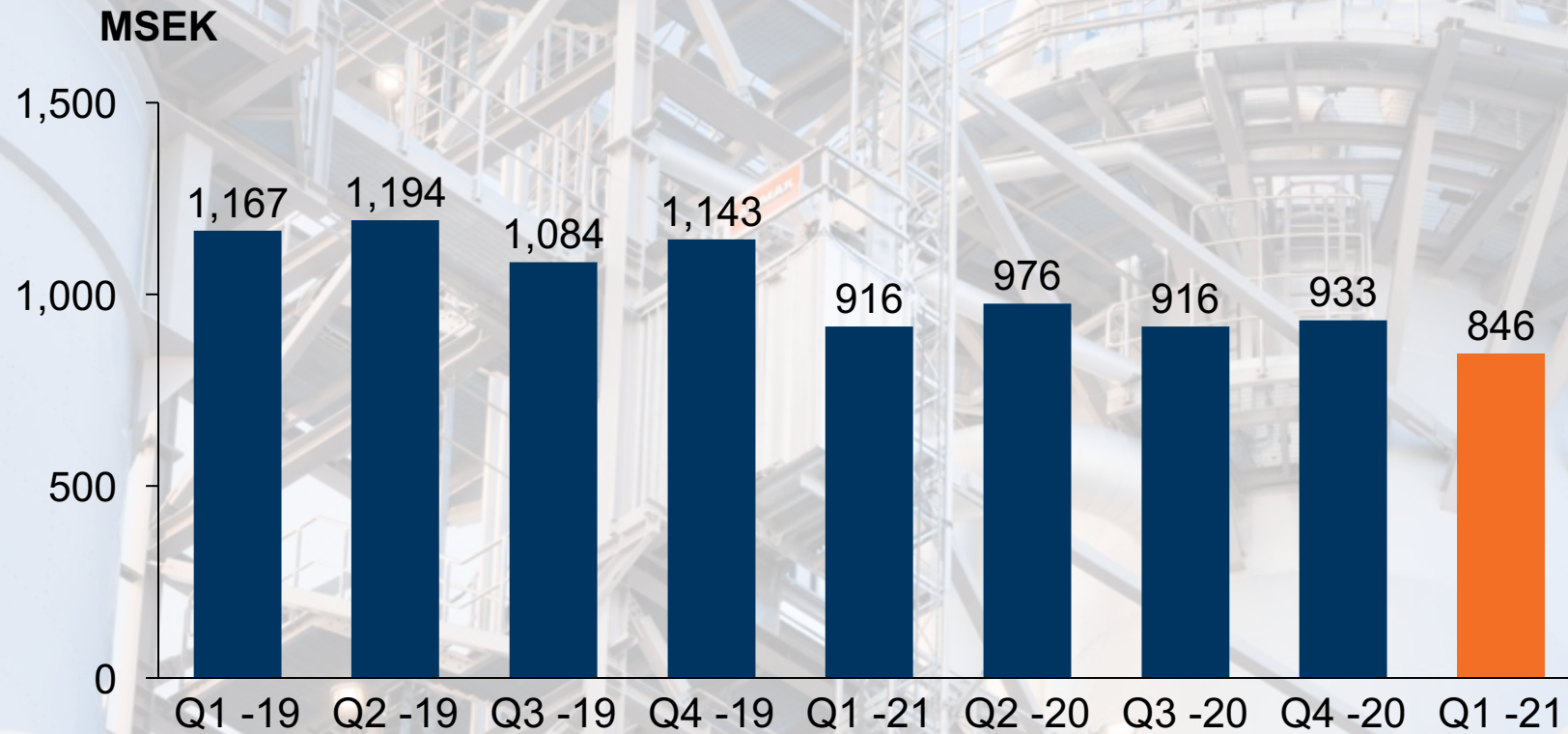
Order intake development



Q1 y-o-y

- Organic order growth 7%
- 3 of 4 Divisions show growth
- Division Wind more selective

Revenue development



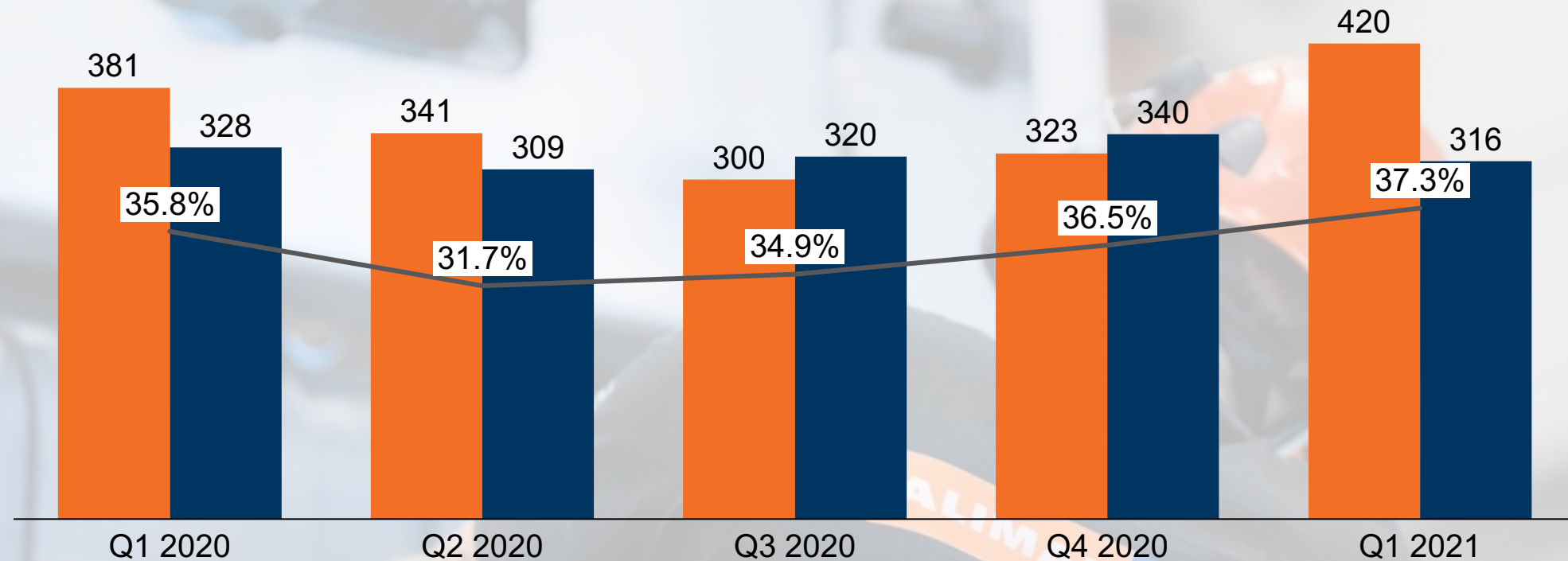
Q1 y-o-y

- Organic revenue growth -1%
- Good leverage potential from increased revenues

Group Service volume development 2020 & 2021

Service, MSEK

Orders Revenues — % of total Revenues

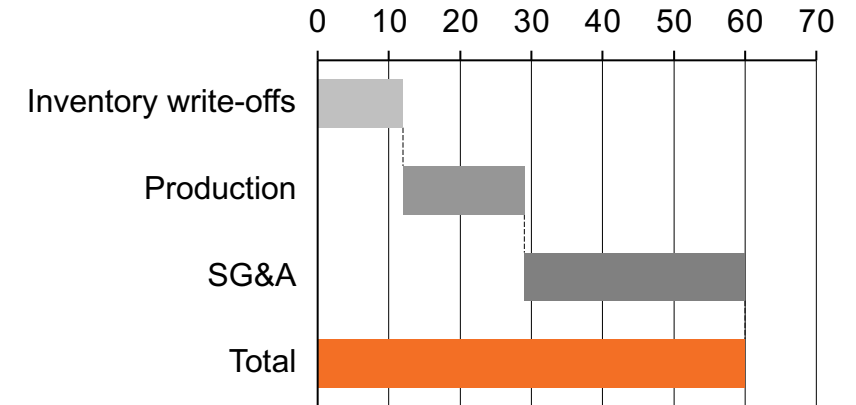


Continued focus on Service business in all recently formed Divisions

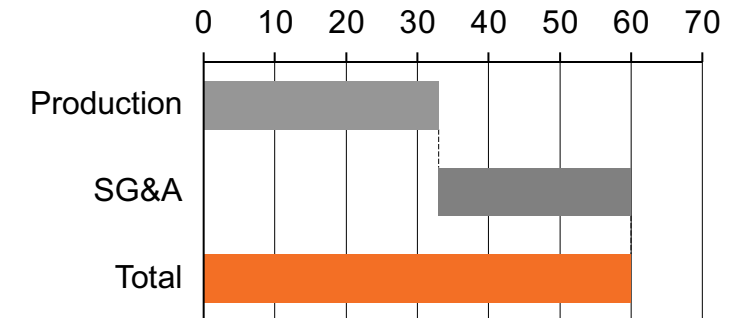
Phase 2 New Heights - secure margin improvements

- Profit before growth
 - Gain efficiencies from new organisation
 - Improve working capital management
 - Increased room to continue investment in technology and digitalisation
-
- ⇒ Net reduction of ~120 employees (80 production and 40 SG&A)
 - ⇒ Targeted **annual savings of ~MSEK 60**, full effect by end of H1 2021
 - ⇒ One-time costs of ~ **MSEK 60** (MSEK 35 in Q3 and MSEK 25 in Q4 2020)

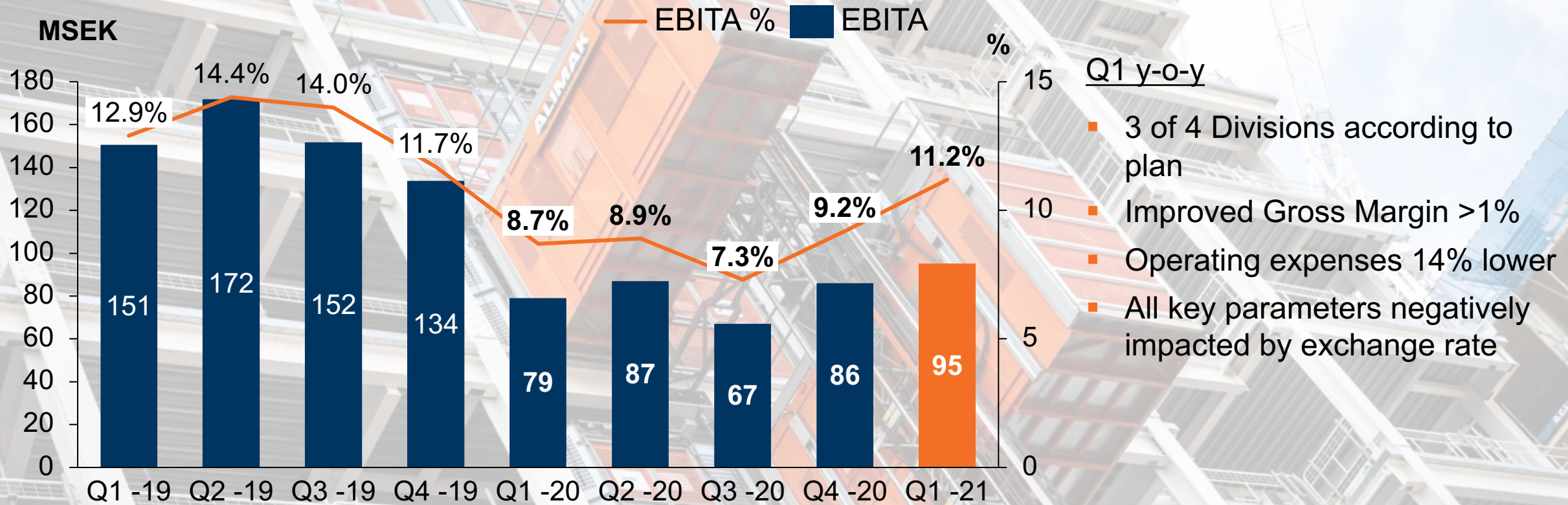
One-off costs



Annualised savings

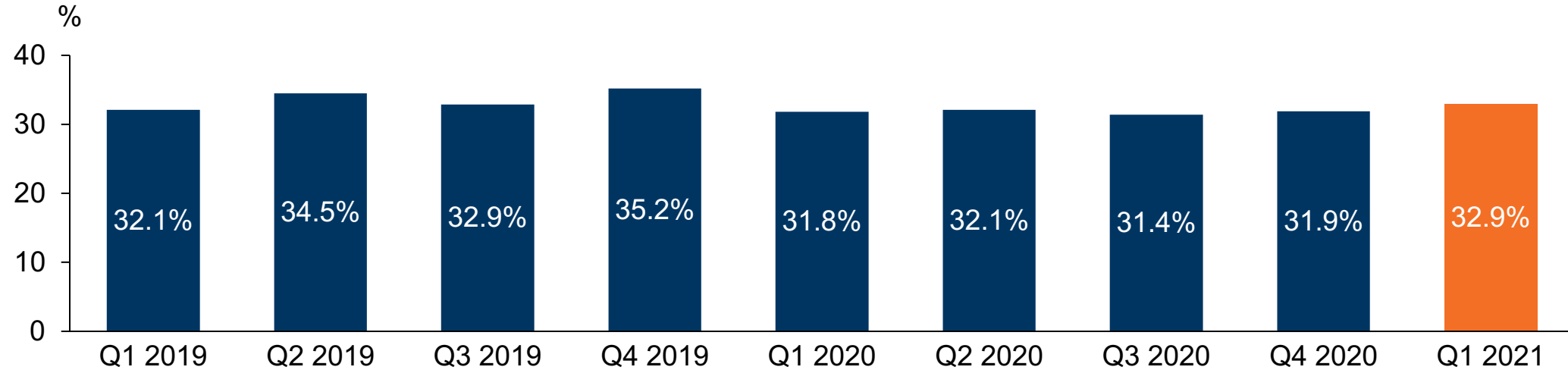


Margin improvements and cost savings on track



Strong focus on gross margin

Revenues GM-%



Target to improve Revenue Gross Margin-%:

- Pricing
- Project control and execution
- Increased Service Revenues
- Operational Excellence



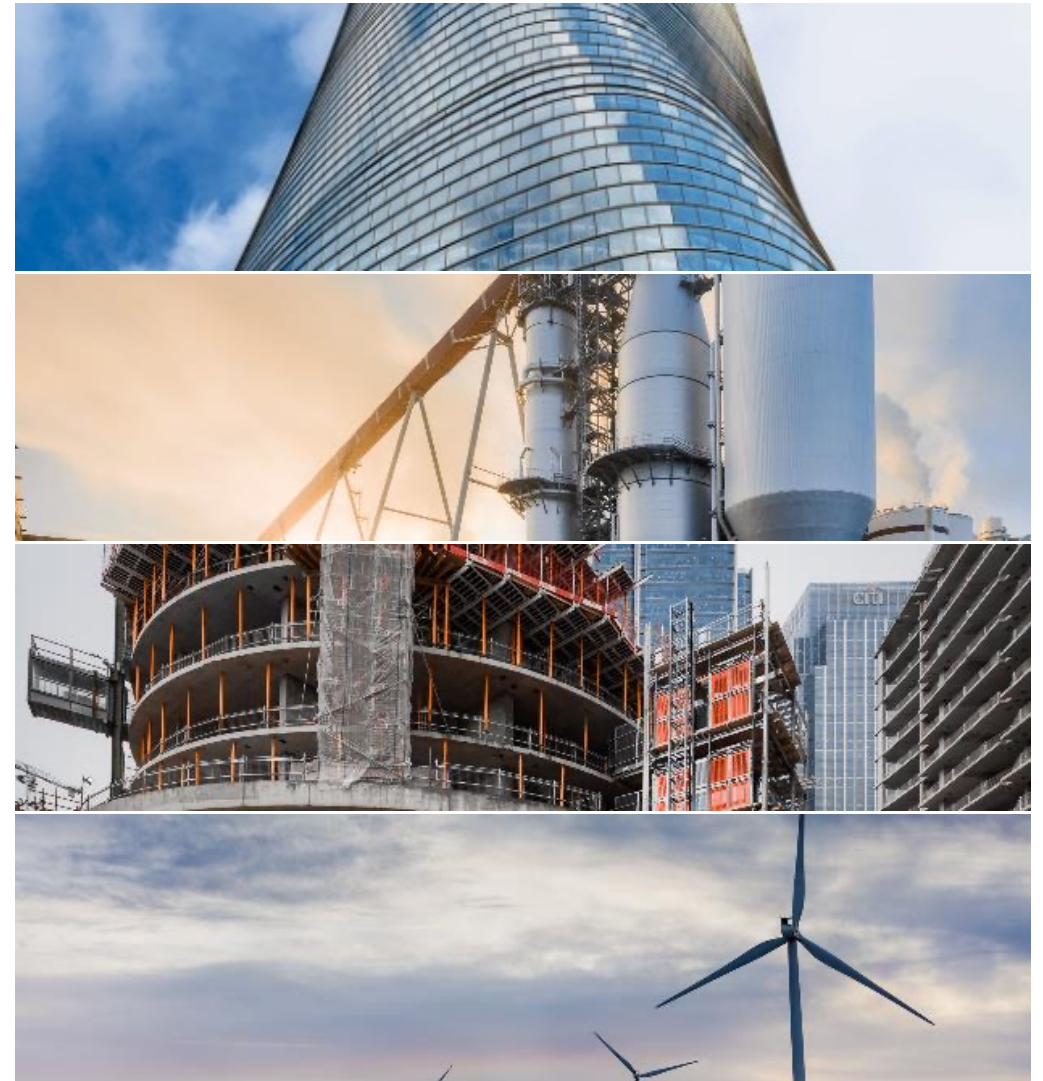
Improve bottom-line



Secure further investments to strengthen product portfolio

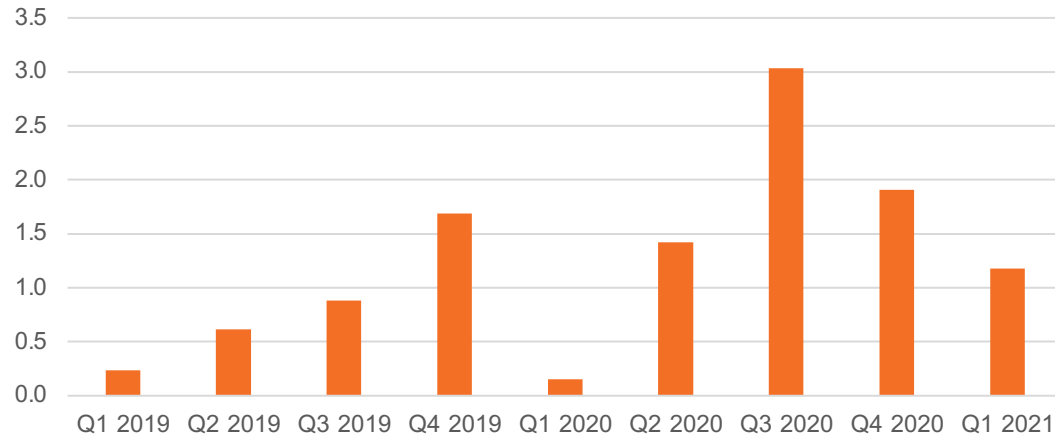
Short term outlook 2021

- Expecting improved business climate in H2 2021, with continued COVID-19 impact in Q2
- Expected lower volumes full year in Division Wind, tower internals:
 - Orders ~ 60 MSEK lower than last year
 - Revenues ~100 MSEK lower y-o-y

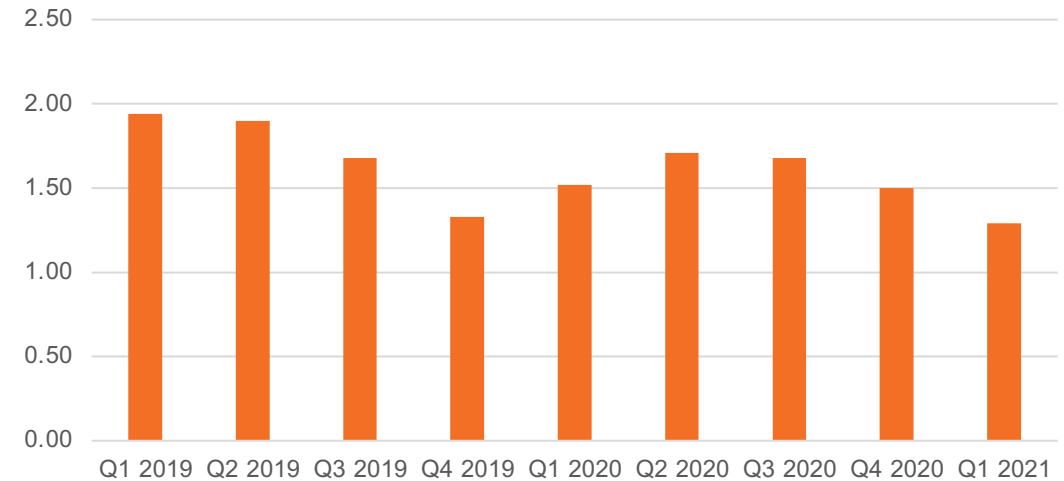


Stable cash conversion & strong balance sheet

Cash Conversion



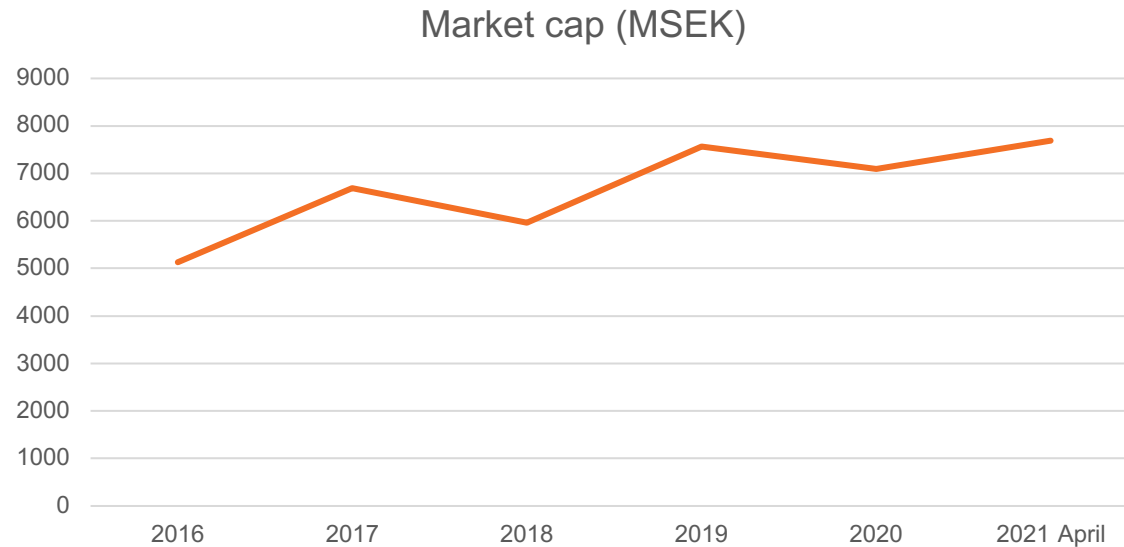
Net debt/EBITDA, ratio



- Strong & stable cash generation due to reduced working capital
- Continued focus on terms of payment & execution

- Financial flexibility:
 - Constantly below target 2,0 in leverage
 - Equity / Asset ratio 66% Q1 2021
 - Unutilized Revolving Credit facility of SEK 1.9 billion with maturity July 2024

Total shareholder return



- Total shareholder return per year 2016-2020: ~ 10%
 - Market cap yearly growth 8%
 - Average dividend yield 2%

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Dividend per share	1.60	2.30	2.75	1.75	3.00*
EPS	3.58	5.38	6.35	7.28	3.37
Dividend -%**	45%	43%	43%	24%	89%

* 1 of 3 was extra dividend

** Average dividend 49% of net income (policy ~ 50%)

Capital allocation

- Creating shareholder value by investing in organic growth
 - CAPEX
 - Working Capital
 - Investments in product portfolio & solutions to increase competitiveness
- M&A – bolt on acquisitions in baseline plan
- Deliver according to dividend policy
- Upholding a strong balance sheet

Investments
in organic
growth

Selective
M&A

Dividends

Solid roadmap to deliver on our financial targets

Strong global market position and portfolio of brands

Large installed base - service revenue growth opportunities

New Heights Programme phase 3 - profitable growth

Operational excellence, cost efficiency and cash generation

Strong balance sheet – position to invest in growth

Revenue growth of 5-7%

EBITA margin of 14-16%

Net debt/EBITDA ratio of around 2x

Dividend of 40-60% of net profit

With the Company's financial condition, cash flow, acquisition opportunities, strategic considerations and future prospects taken into account in any dividend decision.

Reduce CO₂ footprint with 30% cross our value chain by 2025

