

Interim Report

January – December 2019

Q4

Full year margin improvements, soft fourth quarter

- Continued order decline in Construction Equipment and Wind, good momentum for After Sales
- Greatly improved cash flow from operations
- All-time high full year revenues for After Sales, Construction Equipment and Rental. Full year EBITA margin adj. increase to 13.7% (12.8)

FOURTH QUARTER

- Order intake decreased by 12% to MSEK 1,073 (1,214) with an organic decrease of 16%
- Revenue decreased by 1% to MSEK 1,143 (1,150) with an organic decrease of 5%
- EBITA adj. decreased to MSEK 151 (159), margin 13.2% (13.8)
- Result for the period decreased to MSEK 88 (144)
- Earnings per share, basic and diluted, decreased to SEK 1.62 (2.65)
- Cash flow from operations increased to MSEK 226 (148)

JANUARY – DECEMBER

- Order intake decreased by 6% to MSEK 4,363 (4,621) with an organic decrease of 10%
- Revenue grew by 6% to MSEK 4,587 (4,320) with an organic increase of 2%
- EBITA adj. increased to MSEK 629 (555), margin 13.7% (12.8)
- Result for the period increased to MSEK 394 (344)
- Earnings per share, basic and diluted, increased to SEK 7.28 (6.35)
- Cash flow from operations was MSEK 502 (240)
- Leverage (Net Debt/EBITDA) at December 31, 2019 was 1.33 (1.55 as of December 31, 2018)
- The Board of Directors propose a dividend of SEK 3.25 per share (2.75)

| KEY FIGURES, GROUP | Q4 2019 | Q4 2018 | Δ | Jan-Dec 2019 | Jan-Dec 2018 | Δ |
|----------------------------------|---------|---------|------|--------------|--------------|------|
| Order intake, MSEK | 1,073.3 | 1,214.4 | -12% | 4,363.2 | 4,621.1 | -6% |
| Revenue, MSEK | 1,143.4 | 1,150.2 | -1% | 4,587.4 | 4,320.4 | 6% |
| EBITA adj, MSEK ¹ | 151.5 | 158.6 | -4% | 628.9 | 554.5 | 13% |
| EBITA margin adj, % ¹ | 13.2% | 13.8% | | 13.7% | 12.8% | |
| EBITA, MSEK | 133.7 | 143.9 | -7% | 608.2 | 490.5 | 24% |
| EBITA margin, % | 11.7% | 12.5% | | 13.3% | 11.4% | |
| EBIT, MSEK | 122.9 | 133.6 | -8% | 565.1 | 439.4 | 29% |
| EBIT margin, % | 10.7% | 11.6% | | 12.3% | 10.2% | |
| Result for the period, MSEK | 87.8 | 143.7 | -39% | 394.0 | 344.0 | 15% |
| Earnings per share, SEK | 1.62 | 2.65 | -39% | 7.28 | 6.35 | 15% |
| Cash flow from operations, MSEK | 225.7 | 147.9 | 53% | 502.1 | 239.9 | 109% |
| Net debt/EBITDA, ratio | 1.33 | 1.55 | -14% | 1.33 | 1.55 | -14% |

¹ Before items affecting comparability

Comments by the CEO

Three trends have characterised 2019 for Alimak Group: a weak construction market, changed market conditions for Wind tower internals and good growth for our After Sales business. These developments continued also in the last quarter which was reflected in the order intake decrease of 12%, to MSEK 1,073 (1,214), a slight decrease in revenue and EBITA adj. ending up at MSEK 151 (159), representing a margin of 13.2% (13.8).

Growing After Sales

I am pleased with the orders for After Sales in the quarter. We see a continued positive momentum for increased scope of services to Wind and BMU customers and I expect a good pace also going forward. As After Sales for the acquired businesses still is biased towards the service offering instead of spare parts, this trend has impacted the mix for the business area.

Continued trends

The changed market conditions for tower internals in business unit Wind during 2019 translated to a cut in order intake of roughly MSEK 300 for the full year, impacting also revenue and profitability. In December, we therefore closed Avanti's assembly plant in Tianjin, streamlining the manufacturing footprint, concentrating on one facility only, for Wind in China. The business unit is now in good shape to leverage on its strong position within lifts and ladders.

Construction Equipment's customer sector remained weak throughout the year, resulting in a significant drop in order intake. We focus on the projects that are available and maintain our market share. At the same time, we have adjusted our organisation and cost base further during Q4, adapting to the weaker market.

Full year improvements

Although 2019 included challenges, we have made progress in important areas. After Sales, Construction Equipment and

Rental reported their best year ever on the revenue side which supported an increase of profit and EPS by 15%, with an increased proposed dividend per share of SEK 3.25 (2.75). Cash flow more than doubled compared to 2018 and we improved our margin by 0.9 percentage points, though not reaching our 15% EBITA margin run rate target which was my ambition and plan.

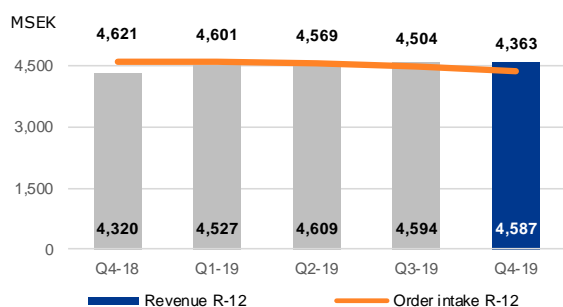
Entering 2020, I believe the conclusion of the Brexit decision will reduce market uncertainty for Construction. It should help projects in the pipeline materialise into orders as new investments are expected in the UK. However, the coronavirus outbreak is a new uncertainty. As of today, we are not aware of any employees infected by the virus and the health and safety of our people is our number one priority. At the same time, we are experiencing issues with the transportation of supplies as well as machines out to customers. The outbreak will affect our operations, mainly in China, for at least the first quarter.

In addition to the above mentioned, the lower backlog in Construction and the schedule of BMU deliveries, with overweight to the latter part of the year, will have an impact on our financials in the first two quarters while I have a more positive view on the second half of 2020.

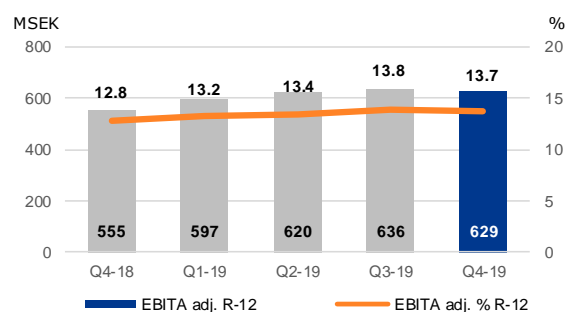


Tormod Gunleiksrud, President and CEO

Order intake & Revenue R12M



EBITA adj. & EBITA margin adj. R12M



Group Performance

FOURTH QUARTER

Order intake in the quarter decreased by 12% to MSEK 1,073 (1,214) with an organic decrease of 16%, mainly the result of challenging market conditions for Construction Equipment.

Revenue decreased by 1% to MSEK 1,143 (1,150) with an organic decrease of 5%. All business areas recorded growth in the quarter except Industrial Equipment where lower revenue from tower internals still impacted the Wind business unit.

EBITA adj. for the quarter was MSEK 151 (159), corresponding to a margin of 13.2% (13.8), mainly the result of lower margins for Industrial Equipment and After Sales. For Industrial Equipment, this was related to the Wind business unit where the lower orders during the year impacted both the revenue and margin. After Sales margin decreased slightly due to the mix. The adoption of IFRS 16 had a positive impact on EBITA adj. of MSEK 4.

Non-recurring items amounted to MSEK -18 (-15) related to the closing of the Tianjin assembly plant.

Amortisation in the quarter amounted to MSEK 11 (10) related entirely to acquired businesses.

EBIT in the quarter amounted to MSEK 123 (134).

The financial net was MSEK -18 (-12) with an impact from IFRS 16 of MSEK -4 but also affected by higher interest cost.

Tax expense for the quarter was MSEK 17, a tax rate of 16%. Last year's tax income of MSEK 22 was positively impacted by the recognition of deferred tax assets of MSEK 45.

Result for the period amounted to MSEK 88 (144) where the decrease mainly came from the higher tax expense. EPS thereby decreased to SEK 1.62 (2.65) for the quarter.

Cash flow from operations in the quarter was MSEK 226 (148), supported by decreases in working capital of MSEK 85 (26) with improvements especially in operating receivable and liabilities levels.

| ORDER INTAKE | Q4 | | Jan-Dec | |
|-----------------------------|----------------|----------------|----------------|----------------|
| | 2019 | 2018 | 2019 | 2018 |
| Orders, MSEK | 1,073.3 | 1,214.4 | 4,363.2 | 4,621.1 |
| Change, MSEK | -141.2 | 118.1 | -257.9 | 519.9 |
| Change, % | -11.6% | 10.8% | -5.6% | 12.7% |
| Whereof: | | | | |
| Volume & price, % | -15.7% | 5.5% | -10.1% | 3.5% |
| Exchange rate, % | 4.1% | 5.3% | 4.5% | 3.0% |
| Acquisition & divestment, % | 0.0% | 0.0% | 0.0% | 6.2% |

| REVENUE | Q4 | | Jan-Dec | |
|-----------------------------|----------------|----------------|----------------|----------------|
| | 2019 | 2018 | 2019 | 2018 |
| Revenue, MSEK | 1,143.4 | 1,150.2 | 4,587.4 | 4,320.4 |
| Change, MSEK | -6.8 | 100.3 | 267.0 | 319.7 |
| Change, % | -0.6% | 9.6% | 6.2% | 8.0% |
| Whereof: | | | | |
| Volume & price, % | -4.6% | 4.3% | 1.6% | -0.3% |
| Exchange rate, % | 4.0% | 5.2% | 4.6% | 2.9% |
| Acquisition & divestment, % | 0.0% | 0.0% | 0.0% | 5.4% |

| EBIT & EBITA adj. ¹ | Q4 | | Jan-Dec | |
|--------------------------------|--------------|--------------|--------------|--------------|
| | 2019 | 2018 | 2019 | 2018 |
| EBIT, MSEK | 122.9 | 133.6 | 565.1 | 439.4 |
| EBIT margin, % | 10.7% | 11.6% | 12.3% | 10.2% |
| EBITA adj, MSEK | 151.5 | 158.6 | 628.9 | 554.5 |
| EBITA margin adj, % | 13.2% | 13.8% | 13.7% | 12.8% |
| Change, MSEK | -7.1 | 13.8 | 74.4 | 44.4 |
| Change, % | -4.5% | 9.5% | 13.4% | 8.7% |
| Whereof: | | | | |
| Volume & price, % | -4.8% | 7.9% | 11.1% | 5.7% |
| Exchange rate, % | 0.3% | 1.6% | 2.3% | 1.5% |
| Acquisition & divestment, | 0.0% | 0.0% | 0.0% | 1.5% |

¹ Before items affecting comparability

Net investments in fixed assets in the quarter totalled MSEK 21 (28), of which MSEK 8 was related to additions to the rental fleet and MSEK 7 to investment in IS/IT software.

No treasury shares were acquired in the quarter, compared to purchases of MSEK 12 last year. Net repayment of borrowings amounted to MSEK 64 (MSEK 76).

JANUARY – DECEMBER

Order intake during the period decreased by 6% to MSEK 4,363 (4,621) with an organic decrease of 10%, stemming from changed market conditions for Wind tower internals and uncertainty on the Construction market.

Revenue grew by 6% to MSEK 4,587 (4,320) with an organic increase of 2%. All business areas recorded growth in revenue for the full year with After Sales, Construction Equipment and Rental all reporting all time high numbers.

EBITA adj. for the period was MSEK 629 (555), corresponding to a margin of 13.7% (12.8). Compared to last year, the margin improved for all business areas except for After Sales.

Non-recurring items in the period amounted to MSEK -21 (-64) related to the closing of the Tianjin assembly plant and the acquisition of Dataline.

Amortisation in the period amounted to MSEK 43 (51) related entirely to acquired businesses. Intangible assets relating to order backlog were fully amortised in 2018.

EBIT for the period amounted to MSEK 565 (439).

The financial net was MSEK -56 (-43) with an impact from IFRS 16 of MSEK -11 and the remaining largely derived from the interest net and currency impact.

Tax expense for the period was MSEK 115 (53) and the tax rate was 23% (13%). Last year's taxes were positively impacted by the recognition of deferred tax assets of MSEK 45 in Q4 2018.

Result for the period amounted to MSEK 394 (344) where the increase primarily relates to the higher EBITA adj. result and lower non-recurring costs, partly offset by the higher taxes. EPS improved to SEK 7.28 (6.35).

Cash flow from operations in the period was MSEK 502 (240) subsequent increase in working capital of MSEK 95 (182).

Net investments in fixed assets in the period totalled MSEK 87 (68). The majority of investments relate to

additions in the rental fleet of MSEK 34 (19) and the Group wide ERP system and software of MSEK 18 (9).

Treasury shares of MSEK 25 (12) were acquired and net repayment of borrowings amounted to MSEK 128 (34).

Dividend of MSEK 149 (125) was paid out in May.

FINANCIAL POSITION

As of December 31, 2019, net debt totalled MSEK 1,007 (867 as of December 31, 2018). Without the impact of IFRS 16, the net debt would amount to MSEK 740.

The equity ratio was 57.4% (56.5 as of December 31, 2018) and the leverage (net debt/EBITDA) was 1.33 (1.55 as of December 31, 2018). The leverage excluding the impact of IFRS 16 would be 0.97.

EMPLOYEES

As of December 31, 2019, there were 2,286 (2,360) FTEs in the Group.

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD JANUARY – DECEMBER 2019

Dividend for 2018

The Board of Directors proposed a dividend of SEK 2.75 per share based on existing number of shares, excluding the 100,000 shares held by the Group, which was approved by the AGM and paid out on May 16.

The total amount paid was SEK 148,659,118.

Acquisition of Dataline i Borås AB

On April 2, 2019, Alimak Group announced the conclusion of an agreement to acquire Dataline i Borås AB. The company has been an important supplier of control systems for construction hoists and permanent lifts for Alimak Group for more than two decades. The acquisition follows Alimak Group's strategy to invest in technologies to enable new, enhanced products and services, to increase future productivity and safety for customers.

The acquisition will be the first step for Alimak Group to establish an IoT development hub for new solutions to increase the performance and functionality of all the Group's products and services.

Extension of credit facility

Alimak Group has extended the multi-currency revolving credit facility with Handelsbanken that was signed in July 2018. The facility now runs until 2024 with the same terms and conditions.

Share repurchase

Under the authorisation from the annual general meeting 2019, the Board decided to buy back own shares on Nasdaq Stockholm. A repurchase of 197,111 shares took place in September.

Nomination committee appointed

The Nomination Committee for the 2020 AGM has been appointed according to the instructions adapted in 2016 and comprises the following members:

- Anders Mörck, Latour, Chair of the Nomination Committee
- Francisco de Juan, Alantra EQMC Asset Management
- Johan Lannebo, Lannebo Fonder
- Åsa Nisell, Swedbank Robur Fonder
- Jan Svensson, Alimak Group's Chair of the Board

The Nomination Committee shall prepare proposals for the 2020 annual general meeting regarding the Chair of the annual general meeting, number of Directors of the Board, fees to be paid to each of the Directors of the Board, election of Directors of the Board and Chair of the Board, remuneration to the auditor and election of auditor and, if necessary, proposal for changes in the instruction for the Nomination Committee.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**Management changes**

As communicated in a press release on January 15, Tormod Gunleiksrud has informed Alimak Group's Board of Directors that he wishes to leave his position as

President and CEO during 2020. Against this background, the Board of Directors has begun the work on evaluating potential successors to Tormod Gunleiksrud.

Dividend for 2019

The Board of Directors propose a dividend of SEK 3.25 (2.75) per share based on existing number of shares.

Proposed changes to the Board

The Nomination Committee proposes that the Board should be composed of seven Directors elected at the annual general meeting, with no alternates, for the period until the next annual general meeting.

The Nomination Committee proposes re-election of Helena Nordman-Knutson, Tomas Carlsson, Christina Hallin and Sven Törnkvist as Directors, and proposes Johan Hjertonsson, Petra Einarsson and Ole Kristian Jørdahl as new Directors of the Board. Jan Svensson and Anders Jonsson has decided to resign as Directors. The Nomination Committee proposes that Johan Hjertonsson be elected Chair of the Board.

The Nomination Committee's other proposals for the annual general meeting on Thursday 7 May 2020 and the reasoned statement on the proposed Board will be available on the Company's website www.alimakgroup.com in connection with the publishing of the notice convening the annual general meeting.

FINANCIAL TARGETS AND POLICIES

Please refer to the latest Annual Report and alimakgroup.com.

Construction Equipment

Share of revenue



Share of EBITA adj.



The business area reported an order intake in line with that of Q3 2019. This represented a decrease year-over-year of 48%, 53% organically, to MSEK 129 (248).

The demand from the US was stable though lower than in the same period the preceding year. Moderate development in emerging markets with increased pressure on prices. Very low order intake from Europe, especially in the important markets of the UK and Scandinavia though the order intake from Sweden improved somewhat during the quarter.

Revenue increased by 15%, up 11% organically, to MSEK 204 (176), recovering from the low Q3 with strong deliveries to the US though resulting in a lower backlog. For the full year the business area reported an organic growth of 9% and thereby reached all-time high revenues.

The strong revenue resulted in an EBITA adj. of MSEK 31 (34), corresponding to a stable margin of 15.4% (19.5) favoured by the product mix. Volume adoption measures in factories were made, leading to additional cost in the quarter.

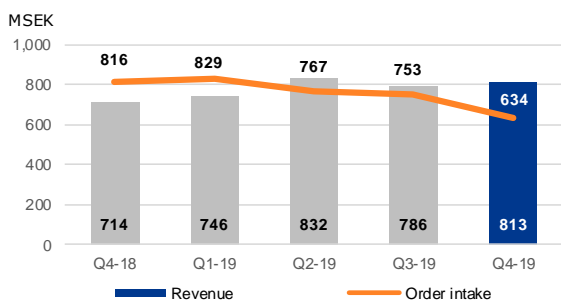
| ORDER INTAKE | Q4 | | Jan-Dec | |
|-----------------------------|--------|--------|---------|-------|
| | 2019 | 2018 | 2019 | 2018 |
| Orders, MSEK | 129.0 | 248.5 | 633.6 | 816.2 |
| Change, MSEK | -119.5 | 135.0 | -182.6 | -14.0 |
| Change, % | -48.1% | 119.9% | -22.4% | -1.7% |
| Whereof: | | | | |
| Volume & price, % | -53.0% | 110.9% | -27.4% | -3.9% |
| Exchange rate, % | 4.9% | 9.0% | 5.0% | 2.2% |
| Acquisition & divestment, % | 0.0% | 0.0% | 0.0% | 0.0% |

| REVENUE | Q4 | | Jan-Dec | |
|-----------------------------|-------|--------|---------|--------|
| | 2019 | 2018 | 2019 | 2018 |
| Revenue, MSEK | 203.8 | 176.4 | 813.2 | 714.4 |
| Change, MSEK | 27.3 | -51.7 | 98.8 | -78.1 |
| Change, % | 15.5% | -22.7% | 13.8% | -9.9% |
| Whereof: | | | | |
| Volume & price, % | 10.9% | -26.5% | 8.6% | -12.1% |
| Exchange rate, % | 4.6% | 3.8% | 5.3% | 2.2% |
| Acquisition & divestment, % | 0.0% | 0.0% | 0.0% | 0.0% |

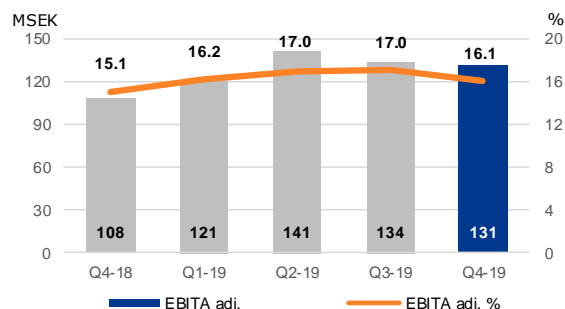
| EBITA adj. ¹ | Q4 | | Jan-Dec | |
|-----------------------------|--------|--------|---------|-------|
| | 2019 | 2018 | 2019 | 2018 |
| EBITA adj, MSEK | 31.4 | 34.4 | 131.0 | 108.4 |
| EBITA margin adj, % | 15.4% | 19.5% | 16.1% | 15.1% |
| Change, MSEK | -3.0 | -6.1 | 22.6 | -1.6 |
| Change, % | -8.7% | -15.1% | 20.9% | -1.5% |
| Whereof: | | | | |
| Volume & price, % | -11.4% | -13.7% | 19.1% | -0.3% |
| Exchange rate, % | 2.7% | -1.4% | 1.8% | -1.2% |
| Acquisition & divestment, % | 0.0% | 0.0% | 0.0% | 0.0% |

¹ Before items affecting comparability

Order intake & Revenue R12M



EBITA adj. & EBITA margin adj. R12M

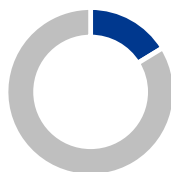


Industrial Equipment

Share of revenue



Share of EBITA adj.



Order intake decreased by 7%, down 11% organically, to MSEK 559 (600) with the decrease relating to business unit Wind, driven by tower internals. The BMU business unit reported a significant increase of order intake partly driven by the order for 21 Moorfields and thereby also a strong development on a yearly basis. General Industry developed well in most regions, especially strong in North America, Europe and the Middle East.

Revenue for the quarter was MSEK 517 (580), a decrease of 11%, down 15% organically, where the decline fully relates to Wind while the revenue for the other business units were up from last year. The Americas and Europe recorded sound growth whereas Asia Pacific declined.

The decreased EBITA adj. of MSEK 25 (32), corresponding to a margin 4.8% (5.5), was primarily the result of lower volumes for tower internals for Wind affecting the utilisation in the Tianjin plant.

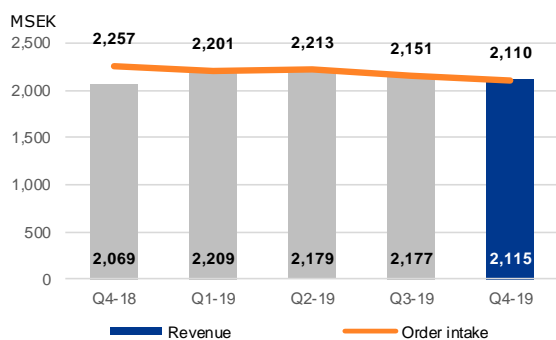
| ORDER INTAKE | Q4 | | Jan-Dec | |
|-----------------------------|--------|-------|---------|---------|
| | 2019 | 2018 | 2019 | 2018 |
| Orders, MSEK | 558.8 | 599.7 | 2,110.5 | 2,256.8 |
| Change, MSEK | -40.9 | -27.3 | -146.4 | 399.7 |
| Change, % | -6.8% | -4.4% | -6.5% | 21.5% |
| Whereof: | | | | |
| Volume & price, % | -11.1% | -9.0% | -11.0% | 7.1% |
| Exchange rate, % | 4.2% | 4.7% | 4.5% | 3.6% |
| Acquisition & divestment, % | 0.0% | 0.0% | 0.0% | 10.8% |

| REVENUE | Q4 | | Jan-Dec | |
|-----------------------------|--------|-------|---------|---------|
| | 2019 | 2018 | 2019 | 2018 |
| Revenue, MSEK | 517.5 | 579.7 | 2,115.1 | 2,068.8 |
| Change, MSEK | -62.2 | 131.3 | 46.3 | 273.5 |
| Change, % | -10.7% | 29.3% | 2.2% | 15.2% |
| Whereof: | | | | |
| Volume & price, % | -14.8% | 23.1% | -2.4% | 2.6% |
| Exchange rate, % | 4.1% | 6.2% | 4.6% | 3.4% |
| Acquisition & divestment, % | 0.0% | 0.0% | 0.0% | 9.2% |

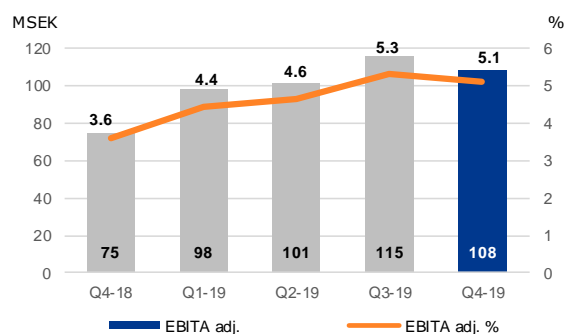
| EBITA adj. ¹ | Q4 | | Jan-Dec | |
|-----------------------------|--------|-------|---------|-------|
| | 2019 | 2018 | 2019 | 2018 |
| EBITA adj, MSEK | 24.6 | 32.0 | 107.6 | 75.0 |
| EBITA margin adj, % | 4.8% | 5.5% | 5.1% | 3.6% |
| Change, MSEK | -7.4 | 10.6 | 32.6 | 6.4 |
| Change, % | -23.1% | 49.5% | 43.5% | 9.3% |
| Whereof: | | | | |
| Volume & price, % | -31.4% | 47.3% | 40.0% | -6.0% |
| Exchange rate, % | 8.3% | 2.2% | 3.5% | 10.6% |
| Acquisition & divestment, % | 0.0% | 0.0% | 0.0% | 4.8% |

¹ Before items affecting comparability

Order intake & Revenue R12M



EBITA adj. & EBITA margin adj. R12M



After Sales

Share of revenue



Share of EBITA adj.



Business area After Sales reported an order intake increase of 18% to MSEK 299 (254), up 14% organically. This was mostly driven by progress in Asia Pacific with a recovery in South East Asia and good development in Australia.

Revenue grew by 4% to MSEK 316 (303) but was flat organically. Asia Pacific reported strong development especially in the BMU segment with an overweight of service over spare parts. The US, which had a good first nine months of 2019, was weaker following a lack of big projects and lower revenue for parts. For the full year, the business area reported a 7% growth of revenues, up 2% organically, and a stronger development on the order intake side which was up 10%, 5% organically.

The slightly increased EBITA adj. of MSEK 79 (78) was driven by higher volumes but corresponds to a shrinking margin of 25.1% (25.7) due to the product mix which included lower parts and a larger share of revenue relating to Wind and BMU that have somewhat lower profitability.

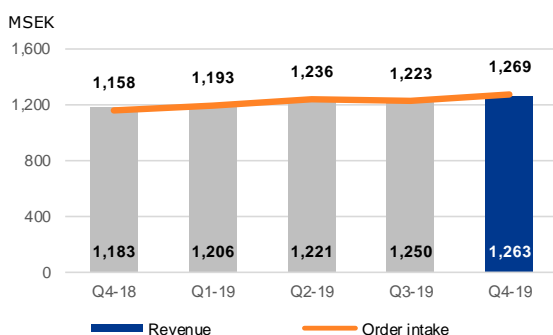
| ORDER INTAKE | Q4 | | Jan-Dec | |
|-----------------------------|-------|-------|---------|---------|
| | 2019 | 2018 | 2019 | 2018 |
| Orders, MSEK | 299.2 | 253.7 | 1,268.7 | 1,157.6 |
| Change, MSEK | 45.5 | -9.6 | 111.1 | 109.1 |
| Change, % | 18.0% | -3.7% | 9.6% | 10.4% |
| Whereof: | | | | |
| Volume & price, % | 14.2% | -9.2% | 4.9% | 3.0% |
| Exchange rate, % | 3.8% | 5.5% | 4.7% | 2.5% |
| Acquisition & divestment, % | 0.0% | 0.0% | 0.0% | 4.9% |

| REVENUE | Q4 | | Jan-Dec | |
|-----------------------------|-------|-------|---------|---------|
| | 2019 | 2018 | 2019 | 2018 |
| Revenue, MSEK | 315.5 | 302.8 | 1,262.6 | 1,183.2 |
| Change, MSEK | 12.7 | 6.3 | 79.4 | 75.5 |
| Change, % | 4.2% | 2.1% | 6.7% | 6.8% |
| Whereof: | | | | |
| Volume & price, % | 0.3% | -3.2% | 2.0% | -0.2% |
| Exchange rate, % | 3.9% | 5.3% | 4.7% | 2.6% |
| Acquisition & divestment, % | 0.0% | 0.0% | 0.0% | 4.5% |

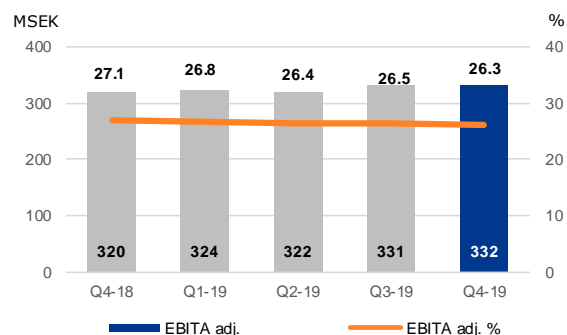
| EBITA adj. ¹ | Q4 | | Jan-Dec | |
|-----------------------------|-------|-------|---------|-------|
| | 2019 | 2018 | 2019 | 2018 |
| EBITA adj, MSEK | 79.1 | 77.8 | 332.0 | 320.2 |
| EBITA margin adj, % | 25.1% | 25.7% | 26.3% | 27.1% |
| Change, MSEK | 1.3 | 3.7 | 11.8 | 24.7 |
| Change, % | 1.7% | 5.0% | 3.7% | 8.4% |
| Whereof: | | | | |
| Volume & price, % | 5.2% | 1.8% | 1.6% | 5.8% |
| Exchange rate, % | -3.5% | 3.2% | 2.1% | 1.0% |
| Acquisition & divestment, % | 0.0% | 0.0% | 0.0% | 1.5% |

¹ Before items affecting comparability

Order intake & Revenue R12M

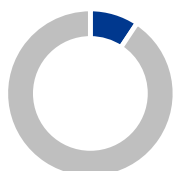


EBITA adj. & EBITA margin adj. R12M

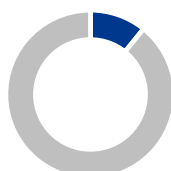


Rental

Share of revenue



Share of EBITA adj.



Order intake decreased by 23% to MSEK 86 (113), down 26% organically when facing very strong comparables. The business area still has a solid backlog and a promising pipeline, especially for Australia.

Revenue grew by 17% in the quarter to MSEK 107 (91), 15% organically, with a continued high utilisation of the fleet. The full year revenue of MSEK 397 (354) was the highest ever recorded.

EBITA adj. amounted to MSEK 16 (15) following the high volumes, corresponding to a margin of 15.3% (15.9). The widespread fires in Australia had a small impact on service efficiency and margin.

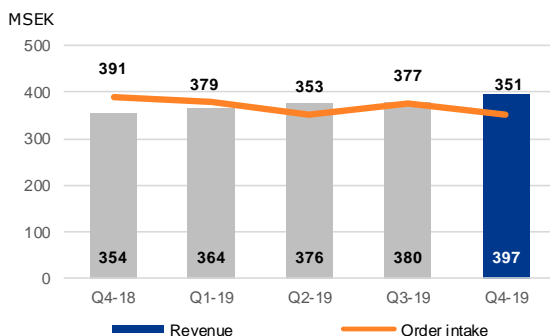
| ORDER INTAKE | Q4 | | Jan-Dec | |
|-----------------------------|--------|-------|---------|-------|
| | 2019 | 2018 | 2019 | 2018 |
| Orders, MSEK | 86.2 | 112.6 | 350.6 | 390.5 |
| Change, MSEK | -26.4 | 19.6 | -39.9 | 25.1 |
| Change, % | -23.4% | 21.1% | -10.2% | 6.9% |
| Whereof: | | | | |
| Volume & price, % | -25.9% | 16.5% | -12.7% | 3.6% |
| Exchange rate, % | 2.5% | 4.5% | 2.5% | 3.2% |
| Acquisition & divestment, % | 0.0% | 0.0% | 0.0% | 0.0% |

| REVENUE | Q4 | | Jan-Dec | |
|-----------------------------|-------|-------|---------|-------|
| | 2019 | 2018 | 2019 | 2018 |
| Revenue, MSEK | 106.7 | 91.3 | 396.6 | 354.0 |
| Change, MSEK | 15.4 | 14.3 | 42.5 | 48.8 |
| Change, % | 16.8% | 18.6% | 12.0% | 16.0% |
| Whereof: | | | | |
| Volume & price, % | 14.5% | 14.7% | 9.7% | 12.6% |
| Exchange rate, % | 2.3% | 3.9% | 2.3% | 3.4% |
| Acquisition & divestment, % | 0.0% | 0.0% | 0.0% | 0.0% |

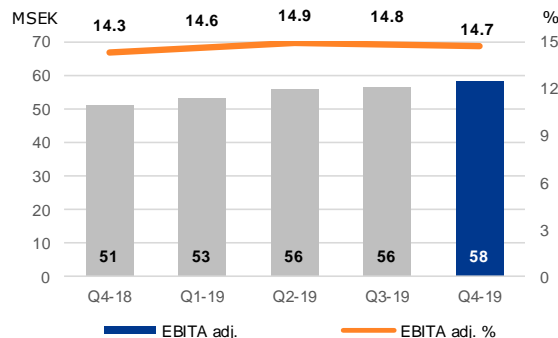
| EBITA adj. ¹ | Q4 | | Jan-Dec | |
|-----------------------------|-------|-------|---------|-------|
| | 2019 | 2018 | 2019 | 2018 |
| EBITA adj, MSEK | 16.4 | 14.5 | 58.3 | 51.1 |
| EBITA margin adj, % | 15.3% | 15.9% | 14.7% | 14.3% |
| Change, MSEK | 1.9 | 5.8 | 7.2 | 15.0 |
| Change, % | 13.0% | 66.2% | 14.1% | 41.6% |
| Whereof: | | | | |
| Volume & price, % | 10.8% | 63.2% | 12.0% | 40.4% |
| Exchange rate, % | 2.2% | 3.1% | 2.2% | 1.3% |
| Acquisition & divestment, % | 0.0% | 0.0% | 0.0% | 0.0% |

¹ Before items affecting comparability

Order intake & Revenue R12M



EBITA adj. & EBITA margin adj. R12M



DECLARATION

The CEO declares that the interim 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, February 20, 2020

Alimak Group AB (publ) corporate identity number 556714-1857

Tormod Gunleiksrud
President and CEO

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

Condensed statement of comprehensive income, Group

| Amounts in MSEK | Q4 2019 | Q4 2018 | Jan-Dec 2019 | Jan-Dec 2018 |
|---|--------------|--------------|----------------|----------------|
| Revenue | 1,143.4 | 1,150.2 | 4,587.4 | 4,320.4 |
| Cost of sales ¹ | -741.4 | -793.3 | -3,042.7 | -2,926.5 |
| Gross profit | 402.0 | 356.9 | 1,544.7 | 1,393.9 |
| Operating expenses ¹ | -279.1 | -223.3 | -979.6 | -954.5 |
| Operating profit (EBIT) | 122.9 | 133.6 | 565.1 | 439.4 |
| Financial net | -18.0 | -11.9 | -56.5 | -42.9 |
| Profit before tax (EBT) | 104.9 | 121.7 | 508.6 | 396.5 |
| Income tax | -17.1 | 22.0 | -114.6 | -52.5 |
| Result for the period | 87.8 | 143.7 | 394.0 | 344.0 |
| Attributable to owners of the parent company | 87.8 | 143.7 | 394.0 | 344.0 |
| Earnings per share, basic and diluted, SEK | 1.62 | 2.65 | 7.28 | 6.35 |
| OTHER COMPREHENSIVE INCOME | | | | |
| Items that will not be reclassified to net profit for the period | | | | |
| Remeasurements of defined benefit pension plans | 15.8 | 2.0 | -14.2 | 9.3 |
| Income tax relating to remeasurements of pension plans | -3.9 | -0.1 | 2.8 | -1.7 |
| Total | 11.9 | 1.9 | -11.4 | 7.6 |
| Items that may be reclassified to net profit for the period | | | | |
| Foreign exchange translation differences | -97.4 | 7.1 | 65.9 | 97.5 |
| Change in fair value of cash flow hedges | 5.9 | 0.2 | -1.5 | -2.7 |
| Income tax relating to change in fair value of cash flow hedges | -1.3 | 0.0 | 0.3 | 0.6 |
| Total | -92.8 | 7.3 | 64.7 | 95.4 |
| Other comprehensive income | -80.9 | 9.2 | 53.3 | 103.0 |
| Total comprehensive income | 6.9 | 152.9 | 447.3 | 447.0 |
| Attributable to owners of the parent company | 6.9 | 152.9 | 447.3 | 447.0 |

¹ Restatements have been made for previous periods between Cost of sales and Operating expenses, see note 3

Condensed statement of financial position, Group

| Amounts in MSEK | 31 Dec 2019 | 31 Dec 2018 |
|--|----------------|----------------|
| ASSETS | | |
| Goodwill and other Intangible assets | 2,988.4 | 2,930.1 |
| Property, plant and and equipment | 368.9 | 357.8 |
| Right-of-use assets | 262.9 | - |
| Financial and other non-current assets | 177.4 | 168.6 |
| Total non-current assets | 3,797.6 | 3,456.5 |
| Inventories | 613.3 | 679.4 |
| Contract assets | 357.9 | 244.4 |
| Trade receivables | 966.0 | 1,017.8 |
| Other receivables and assets | 254.5 | 193.8 |
| Prepaid expenses and accrued income | 57.8 | 84.8 |
| Short term investments | 56.2 | - |
| Cash and cash equivalents | 313.6 | 355.6 |
| Total current assets | 2,619.3 | 2,575.8 |
| TOTAL ASSETS | 6,416.9 | 6,032.3 |
| EQUITY AND LIABILITIES | | |
| Shareholders equity | 3,684.2 | 3,409.7 |
| Long-term borrowings | 1,034.5 | 1,110.4 |
| Lease liability | 202.9 | - |
| Other long term liabilities | 350.6 | 327.5 |
| Total non-current liabilities | 1,588.0 | 1,437.9 |
| Short-term borrowings | 84.0 | 111.9 |
| Lease liability | 64.1 | - |
| Contract liabilities | 99.4 | 87.8 |
| Trade payables | 336.7 | 553.5 |
| Other current liabilities | 560.5 | 431.5 |
| Total current liabilities | 1,144.7 | 1,184.7 |
| TOTAL EQUITY AND LIABILITIES | 6,416.9 | 6,032.3 |

Condensed statement of changes in equity, Group

| Amounts in MSEK | Share capital | Other paid-in capital | Translation reserve | Hedging reserve | Retained earnings and profit for the period | Total equity |
|-------------------------------------|---------------|-----------------------|---------------------|-----------------|---|----------------|
| Opening balance, 1 Jan 2018 | 1.1 | 2,950.6 | 64.4 | 0.1 | 83.1 | 3,099.3 |
| Result for the period | - | - | - | - | 344.0 | 344.0 |
| Changes of fair value | - | - | - | -2.7 | - | -2.7 |
| Revaluation of pension plans | - | - | - | - | 9.3 | 9.3 |
| Tax attributable to revaluations | - | - | - | 0.6 | -1.7 | -1.1 |
| Translation difference | - | - | 97.5 | - | - | 97.5 |
| Total comprehensive income | - | - | 97.5 | -2.1 | 351.6 | 447.0 |
| Dividend | - | - | - | - | -124.6 | -124.6 |
| Repurchase of Treasury shares | - | -12.1 | - | - | - | -12.1 |
| Share based payments | - | 0.2 | - | - | - | 0.2 |
| Closing balance, 31 Dec 2018 | 1.1 | 2,938.7 | 161.9 | -2.0 | 310.0 | 3,409.7 |
| Opening balance, 1 Jan 2019 | 1.1 | 2,938.7 | 161.9 | -2.0 | 310.0 | 3,409.7 |
| Result for the period | - | - | - | - | 394.0 | 394.0 |
| Changes of fair value | - | - | - | -1.5 | - | -1.5 |
| Revaluation of pension plans | - | - | - | - | -14.2 | -14.2 |
| Tax attributable to revaluations | - | - | - | 0.3 | 2.8 | 3.1 |
| Translation difference | - | - | 65.9 | - | - | 65.9 |
| Total comprehensive income | - | - | 65.9 | -1.2 | 382.6 | 447.3 |
| Dividend | - | - | - | - | -148.7 | -148.7 |
| Repurchase of Treasury shares | - | -25.4 | - | - | - | -25.4 |
| Share based payments | - | 1.3 | - | - | - | 1.3 |
| Closing balance, 31 Dec 2019 | 1.1 | 2,914.6 | 227.8 | -3.2 | 543.9 | 3,684.2 |

Cash flow statement, Group

| Amounts in MSEK | Q4 2019 | Q4 2018 | Jan-Dec 2019 | Jan-Dec 2018 |
|--|--------------|--------------|---------------|---------------|
| Operating activities | | | | |
| Profit before tax | 104.9 | 121.7 | 508.6 | 396.5 |
| Depreciation, amortisation and impairment losses | 49.6 | 25.8 | 197.1 | 118.1 |
| Other non-cash items | -10.8 | -19.5 | -13.5 | -30.2 |
| Income taxes paid | -2.6 | -6.6 | -95.1 | -62.8 |
| Cashflow before change in working capital | 141.1 | 121.4 | 597.1 | 421.6 |
| Change in working capital | | | | |
| Change in inventory | 17.2 | 50.6 | 87.3 | -63.5 |
| Change in contract assets | -43.2 | -58.5 | -102.8 | -38.3 |
| Change in operating receivables | 43.3 | -72.2 | 81.2 | -191.6 |
| Change in operating liabilities | 67.3 | 106.5 | -160.7 | 111.6 |
| Cash flow from working capital | 84.6 | 26.4 | -95.0 | -181.8 |
| Cash flow from operating activities | 225.7 | 147.8 | 502.1 | 239.8 |
| Investing activities | | | | |
| Purchase of subsidiaries net of cash acquired | - | - | -16.5 | - |
| Purchase of intangible fixed assets | -10.0 | -10.6 | -22.3 | -10.8 |
| Purchase of property, plant and equipment | -11.5 | -17.3 | -64.8 | -59.7 |
| Disposal of property, plant and equipment | - | 0.5 | - | 2.3 |
| Net change in short term financial investments | -41.7 | - | -64.0 | - |
| Cash flow from investing activities | -63.2 | -27.4 | -167.6 | -68.2 |
| Financing activities | | | | |
| Proceeds from borrowings | 51.7 | 35.7 | 262.0 | 262.8 |
| Repayment of borrowings | -115.7 | -112.0 | -389.8 | -296.5 |
| Repayment of Lease liability | -23.0 | - | -88.1 | - |
| Repurchase of treasury shares | - | -12.1 | -25.4 | -12.1 |
| Dividends paid | - | - | -148.7 | -124.6 |
| Cash flow from financing activities | -87.0 | -88.4 | -390.0 | -170.4 |
| Net change in cash and cash equivalents | 75.5 | 32.0 | -55.5 | 1.2 |
| Cash & cash equivalents at beginning of period | 245.2 | 317.1 | 355.6 | 341.3 |
| Exchange rate differences in cash and cash equivalents | -7.1 | 6.5 | 13.5 | 13.1 |
| Cash & cash equivalents at end of period | 313.6 | 355.6 | 313.6 | 355.6 |

Key figures

| Quarterly data | 2019 | | | | 2018 | | | |
|---|----------|----------|----------|----------|----------|----------|----------|----------|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Order intake, MSEK | 1,073.3 | 1,039.3 | 1,150.0 | 1,100.7 | 1,214.4 | 1,103.6 | 1,182.4 | 1,120.7 |
| Revenue, MSEK | 1,143.4 | 1,084.0 | 1,193.5 | 1,166.5 | 1,150.2 | 1,098.9 | 1,111.6 | 959.7 |
| EBITDA, MSEK | 172.4 | 188.6 | 210.6 | 190.9 | 159.5 | 134.1 | 152.6 | 111.4 |
| EBITA adj, MSEK | 151.5 | 152.0 | 172.0 | 153.4 | 158.6 | 135.9 | 148.7 | 111.3 |
| EBITA margin adj, % | 13.2% | 14.0% | 14.4% | 13.2% | 13.8% | 12.4% | 13.4% | 11.6% |
| EBITA, MSEK | 133.7 | 151.8 | 171.8 | 151.0 | 143.9 | 116.6 | 135.5 | 94.4 |
| EBITA margin, % | 11.7% | 14.0% | 14.4% | 12.9% | 12.5% | 10.6% | 12.2% | 9.8% |
| EBIT, MSEK | 122.9 | 140.8 | 161.5 | 139.9 | 133.6 | 105.0 | 120.7 | 80.1 |
| EBIT, % | 10.7% | 13.0% | 13.5% | 12.0% | 11.6% | 9.6% | 10.9% | 8.3% |
| Result for the period, MSEK | 87.8 | 99.5 | 108.2 | 98.5 | 143.7 | 68.5 | 79.1 | 52.7 |
| Total comprehensive income, MSEK | 6.9 | 167.1 | 135.8 | 137.5 | 152.9 | 15.2 | 175.6 | 103.2 |
| Cash flow from operations, MSEK | 225.7 | 134.2 | 106.2 | 35.9 | 147.8 | 112.8 | -13.7 | -7.1 |
| Cash flow for the period, MSEK | 75.5 | -89.5 | 39.1 | -80.7 | 32.0 | 43.8 | -7.4 | -67.2 |
| Cash flow from operations/EBITDA | 1.3 | 0.7 | 0.5 | -0.2 | 0.9 | 0.8 | -0.1 | -0.1 |
| Number of shares, thousands ¹ | 54,157.9 | 54,157.9 | 54,157.9 | 54,157.9 | 54,157.9 | 54,157.9 | 54,157.9 | 54,157.9 |
| Average number of shares, thousands | 54,157.9 | 54,157.9 | 54,157.9 | 54,157.9 | 54,157.9 | 54,157.9 | 54,157.9 | 54,157.9 |
| Earnings per share, SEK | 1.62 | 1.83 | 2.00 | 1.82 | 2.65 | 1.26 | 1.46 | 0.97 |
| Cash flow per share, SEK | 1.39 | -1.65 | 0.72 | -1.49 | 0.59 | 0.81 | -0.14 | -1.24 |
| Equity per share, SEK | 68.03 | 67.89 | 65.27 | 65.51 | 62.96 | 60.36 | 60.08 | 59.13 |
| Total assets, MSEK | 6,416.9 | 6,541.3 | 6,527.7 | 6,523.5 | 6,032.3 | 5,845.1 | 5,968.8 | 5,663.4 |
| Cash and cash equivalents end of period, MSEK | 313.6 | 245.2 | 327.0 | 289.0 | 355.6 | 317.1 | 287.9 | 282.6 |
| Equity, MSEK | 3,684.2 | 3,676.9 | 3,534.9 | 3,547.7 | 3,409.7 | 3,268.9 | 3,253.7 | 3,202.5 |
| Capital employed, MSEK | 4,691.5 | 4,938.5 | 4,855.4 | 4,781.5 | 4,276.5 | 4,248.4 | 4,343.3 | 4,121.3 |
| Net debt, MSEK | 1,007.3 | 1,261.5 | 1,320.5 | 1,233.8 | 866.7 | 979.5 | 1,089.6 | 918.8 |
| Net debt excl. Lease liability (IFRS 16), MSEK | 740.3 | 929.9 | 993.7 | 871.3 | 866.7 | 979.5 | 1,089.6 | 918.8 |
| Equity ratio, % | 57.4% | 56.2% | 54.2% | 54.4% | 56.5% | 55.9% | 54.5% | 56.5% |
| Return on equity, % | 11.1% | 13.0% | 12.3% | 11.5% | 10.6% | 9.3% | 9.5% | 10.3% |
| Return on capital employed goodwill excluded, % | 26.4% | 25.7% | 23.6% | 25.1% | 23.4% | 22.5% | 19.7% | 21.1% |
| Return on capital employed, % | 12.6% | 12.5% | 11.7% | 11.7% | 10.6% | 10.1% | 9.1% | 9.8% |
| Interest coverage ratio, times | 9.31 | 13.79 | 13.43 | 12.35 | 15.63 | - | 4.66 | 2.68 |
| Net debt/EBITDA ratio | 1.33 | 1.68 | 1.90 | 1.94 | 1.55 | 1.81 | 2.16 | 1.71 |
| Net debt excl. Lease liability/EBITDA ratio | 0.97 | 1.24 | 1.43 | 1.37 | 1.55 | 1.81 | 2.16 | 1.71 |
| Number of employees | 2,286 | 2,386 | 2,344 | 2,361 | 2,360 | 2,350 | 2,325 | 2,306 |

¹ There are no financial instrument or other contract that may entitle its holder to potential shares, thus there is no potential dilution

| Rolling 4 Quarters | 2019 | | | | 2018 | | | |
|----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Order intake, MSEK | 4,363.2 | 4,504.4 | 4,568.7 | 4,601.1 | 4,621.1 | 4,502.9 | 4,268.2 | 4,279.1 |
| Revenue, MSEK | 4,587.4 | 4,594.2 | 4,609.2 | 4,527.2 | 4,320.4 | 4,220.1 | 4,101.0 | 4,183.8 |
| EBITA adj, MSEK | 628.9 | 636.0 | 619.9 | 596.6 | 554.5 | 540.7 | 506.1 | 530.6 |
| EBITA margin adj, % | 13.7% | 13.8% | 13.4% | 13.2% | 12.8% | 12.8% | 12.3% | 12.7% |
| EBIT, MSEK | 565.1 | 575.9 | 540.0 | 499.2 | 439.4 | 418.8 | 382.6 | 417.9 |
| EBIT, % | 12.3% | 12.5% | 11.7% | 11.0% | 10.2% | 9.9% | 9.3% | 10.0% |
| Result for the period, MSEK | 394.0 | 449.9 | 418.9 | 389.7 | 344.0 | 290.8 | 294.4 | 293.9 |
| Total comprehensive income, MSEK | 447.3 | 593.3 | 441.4 | 343.7 | 447.0 | 429.1 | 416.5 | 265.2 |
| Cash flow from operations, MSEK | 502.1 | 424.2 | 402.8 | 305.8 | 239.8 | 265.8 | 227.1 | 284.8 |
| Cash flow for the period, MSEK | -55.5 | -99.0 | 34.3 | -12.2 | 1.2 | -3.6 | -41.0 | -47.5 |

For definitions of Key figures please visit: <https://www.alimakgroup.com/English/investor-relations/financials/definitions/>

A bridge file for calculations from IFRS measurements to Alimaks Group's APMs will be available on www.alimakgroup.com shortly after publication of the interim report.

Historical quarterly data 2017 – 2019

| Amounts in MSEK | 2019 | | 2019 | | 2018 | | | | 2017 | | | |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|------------|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Order Intake | | | | | | | | | | | | |
| Construction Equipment | 129 | 128 | 164 | 212 | 248 | 143 | 226 | 199 | 113 | 188 | 249 | 280 |
| Industrial Equipment | 559 | 523 | 551 | 477 | 600 | 585 | 539 | 533 | 627 | 338 | 573 | 319 |
| After Sales | 299 | 302 | 346 | 321 | 254 | 314 | 303 | 286 | 263 | 239 | 292 | 254 |
| Rental | 86 | 85 | 89 | 90 | 113 | 61 | 114 | 102 | 93 | 103 | 79 | 90 |
| Total | 1,073 | 1,039 | 1,150 | 1,101 | 1,214 | 1,104 | 1,182 | 1,121 | 1,096 | 869 | 1,193 | 943 |
| Revenue | | | | | | | | | | | | |
| Construction Equipment | 204 | 131 | 271 | 208 | 176 | 176 | 185 | 177 | 228 | 146 | 262 | 157 |
| Industrial Equipment | 517 | 535 | 493 | 570 | 580 | 537 | 523 | 429 | 448 | 487 | 530 | 330 |
| After Sales | 316 | 319 | 331 | 297 | 303 | 290 | 316 | 274 | 296 | 271 | 325 | 215 |
| Rental | 107 | 100 | 99 | 91 | 91 | 95 | 87 | 80 | 77 | 76 | 78 | 75 |
| Total | 1,143 | 1,084 | 1,193 | 1,167 | 1,150 | 1,099 | 1,112 | 960 | 1,050 | 980 | 1,194 | 777 |
| EBITA adj. | | | | | | | | | | | | |
| Construction Equipment | 31 | 19 | 50 | 30 | 34 | 27 | 31 | 17 | 41 | 13 | 42 | 14 |
| Industrial Equipment | 25 | 32 | 17 | 34 | 32 | 18 | 14 | 11 | 21 | 9 | 27 | 12 |
| After Sales | 79 | 85 | 90 | 78 | 78 | 76 | 92 | 74 | 74 | 71 | 92 | 59 |
| Rental | 16 | 15 | 15 | 12 | 14 | 15 | 12 | 9 | 9 | 9 | 12 | 6 |
| Total | 151 | 152 | 172 | 153 | 159 | 136 | 149 | 111 | 145 | 101 | 173 | 91 |
| EBITA | | | | | | | | | | | | |
| Construction Equipment | 31 | 19 | 50 | 30 | 46 | 27 | 30 | 17 | 40 | 6 | 42 | 14 |
| Industrial Equipment | 7 | 32 | 17 | 32 | 11 | 6 | 4 | -1 | 6 | -1 | 25 | 7 |
| After Sales | 79 | 85 | 90 | 77 | 73 | 69 | 89 | 70 | 72 | 68 | 92 | 58 |
| Rental | 16 | 15 | 15 | 12 | 14 | 15 | 12 | 9 | 9 | 9 | 12 | 6 |
| Total | 134 | 152 | 172 | 151 | 144 | 117 | 135 | 95 | 127 | 82 | 170 | 86 |

MANAGEMENT ASSESSMENT (PROFORMA), UNAUDITED, ONLY FOR REFERENCE 2016 - Q1 2017

| Amounts in MSEK | 2019 | | 2019 | | 2018 | | | | 2017 | | | |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Order Intake | | | | | | | | | | | | |
| Construction Equipment | 129 | 128 | 164 | 212 | 248 | 143 | 226 | 199 | 113 | 188 | 249 | 280 |
| Industrial Equipment | 559 | 523 | 551 | 477 | 600 | 585 | 539 | 533 | 627 | 338 | 573 | 622 |
| After Sales | 299 | 302 | 346 | 321 | 254 | 314 | 303 | 286 | 263 | 239 | 292 | 290 |
| Rental | 86 | 85 | 89 | 90 | 113 | 61 | 114 | 102 | 93 | 103 | 79 | 90 |
| Total | 1,073 | 1,039 | 1,150 | 1,101 | 1,214 | 1,104 | 1,182 | 1,121 | 1,096 | 869 | 1,193 | 1,281 |
| Revenue | | | | | | | | | | | | |
| Construction Equipment | 204 | 131 | 271 | 208 | 176 | 176 | 185 | 177 | 228 | 146 | 262 | 157 |
| Industrial Equipment | 517 | 532 | 493 | 570 | 580 | 537 | 523 | 429 | 448 | 487 | 530 | 504 |
| After Sales | 316 | 319 | 331 | 297 | 303 | 290 | 316 | 274 | 296 | 271 | 325 | 255 |
| Rental | 107 | 100 | 99 | 91 | 91 | 95 | 87 | 80 | 77 | 76 | 78 | 75 |
| Total | 1,143 | 1,081 | 1,193 | 1,167 | 1,150 | 1,099 | 1,112 | 960 | 1,050 | 980 | 1,194 | 990 |

Condensed Income statement, parent company

| Amounts in MSEK | Q4 2019 | Q4 2018 | Jan-Dec 2019 | Jan-Dec 2018 |
|--|--------------|-------------|--------------|--------------|
| Revenue | 4.3 | 6.5 | 12.1 | 17.0 |
| Operating expenses | -7.9 | -10.2 | -33.4 | -40.2 |
| Operating profit/loss (EBIT) | -3.6 | -3.7 | -21.3 | -23.2 |
| Financial net | 4.7 | 4.5 | 17.5 | 21.4 |
| Profit/loss after financial items | 1.1 | 0.8 | -3.8 | -1.8 |
| Change in untaxed reserves | -47.3 | - | -47.3 | - |
| Group contribution | 190.0 | - | 190.0 | - |
| Profit before tax (EBT) | 143.8 | 0.8 | 138.9 | -1.8 |
| Income tax | -30.7 | -0.9 | -29.0 | -0.1 |
| Net profit for the period | 113.1 | -0.1 | 109.9 | -1.9 |

Condensed Balance sheet, parent company

| Amounts in MSEK | 31 Dec 2019 | 31 Dec 2018 |
|---|----------------|----------------|
| Non-current assets | | |
| Shares in group companies | 1,898.4 | 1,898.4 |
| Other non-current assets | 2.4 | 1.2 |
| Total non-current assets | 1,900.8 | 1,899.6 |
| Current assets | | |
| Receivables from group companies | 1,622.4 | 1,594.5 |
| Other short term receivables | 1.6 | 0.6 |
| Cash and cash equivalents | 89.4 | 0.0 |
| Total current assets | 1,713.4 | 1,595.1 |
| TOTAL ASSETS | 3,614.2 | 3,494.7 |
| EQUITY AND LIABILITIES | | |
| Shareholders equity | 2,838.2 | 2,902.4 |
| Untaxed reserves | 47.3 | |
| Non-current liabilities, interest bearing | 37.9 | 106.7 |
| Current liabilities, interest bearing | | 29.8 |
| Liabilities to group companies | 648.0 | 402.6 |
| Other current liabilities | 42.8 | 53.2 |
| TOTAL EQUITY AND LIABILITIES | 3,614.2 | 3,494.7 |

Notes

NOTE 1. ACCOUNTING POLICIES

This Interim 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, 2019. Non-IFRS measures are also presented in the report since they are considered to be important supplemental measures of the Alimak Group's performance. The definition of these can be found on the Group's homepage.

IFRS 16 Leases

IFRS 16 "Leases" replaces the current IAS 17 "Leases" including interpretations in IFRIC 4 SIC 15 and SIC 27. The standard takes effect from January 1, 2019. IFRS 16 applies a control model to the identification of leases, distinguishing between lease and service contracts based on whether there is an identified asset controlled by the lessee. The standard removes the classification of leases as operating leases or finance leases, for lessees and instead introduces a single accounting model. In the model, leases result in the lessee obtaining the right to use an asset during the lease term and, if lease payments are made over time, also obtaining financing. Alimak Group's operating leases are recognised as non-current assets and financial liabilities in the consolidated statement of financial position. Instead of operating lease expenses, Alimak Group recognises depreciation and interest expenses in the consolidated statement of comprehensive income. Lease payments affects cash flow from operating activities (e.g. interest), and cash flow from financing activities (repayment of the lease liability) in the cash flow statement. The standard does not include significant changes to the requirements for accounting by lessors.

Alimak Group applies the new standard using the modified retrospective approach, which means that comparative figures are not restated. The cumulative effect of applying IFRS 16 is recognised at January 1, 2019. The lease liabilities attributable to leases which have previously been classified as operating leases under IAS 17 are measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate as of January 1, 2019. The weighted average incremental borrowing rate for all markets where Alimak Group have Right-of-use assets is 3.8%. Alimak Group recognises a right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments recognised in the consolidated statement of financial position as of December 31, 2018. Hence, the transition to IFRS 16 has no effect on group equity.

Alimak Group is not applying IFRS 16 to intangible assets. Non-lease components are expensed and not accounted for as part of the right-of-use-asset or the lease liability. Alimak Group has at the date of initial application of IFRS 16 reassessed whether a contract is or contains a lease.

For leases classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability under IFRS 16 at January 1, 2019, is the carrying amount of the lease asset and lease liability accounted for under IAS 17 immediately before transition to IFRS 16.

The initial application of IFRS 16 had the following effects on the consolidated statement of financial position at the date of initial application January 1, 2019.

| MSEK | Jan 1 2019 |
|---------------------------------------|------------|
| Right-of-use asset | 345 |
| Total assets ¹ | 345 |
| Lease liabilities, short term | 76 |
| Lease liabilities, long term | 269 |
| Total liabilities ¹ | 345 |

Alimak Group has identified lease contracts relating to e.g. premises, vehicles and equipment.

In determining the balances above, the main judgements made are related to determining the lease terms and whether a contract is or contains a lease. Regarding lease terms, most of the lease contracts for premises includes options either to extend or to terminate the contract. When determining the lease term, Alimak Group considers all facts and circumstances that creates an economic incentive to exercise an extension option, or not to exercise a termination option. Example of factors that are considered are; strategic plans, assessment of future technology changes, the importance of the underlying asset to Alimak Group's operations and/or costs associated with not extending or not terminating the lease.

The difference between Alimak Group's future minimum lease payments under operating lease agreements in accordance with IAS 17 and the lease liability that are recognised as of January 1, 2019, in accordance with IFRS 16 is mainly related to finance leases, estimated lease term extension periods and reassessments of whether a contract is or contains a lease. See below reconciliation of lease obligations at December 31, 2018 and Lease liabilities at January 1, 2019.

| Reconciliation Lease obligations to Lease liabilities | Jan 1 2019 |
|--|-------------------|
| Operating lease obligations at December 31 2018 | 201.0 |
| Option to prolong leases for premises | 171.2 |
| Other | -0.2 |
| Gross lease liability at January 1 2019 | 372.0 |
| Discounting | -27.0 |
| Additional lease liabilities as a result of the initial application of IFRS 16 as at 1 January 2019¹ | 345.0 |

1) The effects from the initial application of IFRS 16 has been adjusted compared to previously disclosed numbers.

Alimak Group AB is the Parent Company of Alimak Group. The Interim Report for the parent company has been prepared in accordance with the Annual Accounts Act and with standard RFR 2 Reporting by a legal entity, issued by the Swedish Financial Reporting Board. The same accounting principles and methods of computation are followed in the interim financial statements as compared with the most recent annual report. Alimak Group AB is applying the exception from IFRS 16 allowed under RFR 2. Right-of-use assets or lease liabilities are not recognized.

NOTE 2. REVENUE SPLIT

| Amounts in MSEK | Q4 2019 | Q4 2018 | Jan-Dec 2019 | Jan-Dec 2018 |
|----------------------------|----------------|----------------|----------------|----------------|
| Europe | 401.3 | 378.8 | 1,600.7 | 1,545.6 |
| APAC | 411.1 | 464.2 | 1,594.2 | 1,624.2 |
| Americas | 324.0 | 281.7 | 1,346.3 | 1,095.4 |
| Other markets ¹ | 7.0 | 25.5 | 46.2 | 55.2 |
| Total | 1,143.4 | 1,150.2 | 4,587.4 | 4,320.4 |
| Over time | | | | |
| Construction Equipment | - | - | - | - |
| Industrial Equipment | 213.7 | 264.2 | 870.0 | 889.1 |
| After Sales | - | - | - | - |
| Rental ² | 60.7 | 47.4 | 216.7 | 167.6 |
| Total over time | 274.4 | 311.6 | 1,086.7 | 1,056.7 |
| Point in time | | | | |
| Construction Equipment | 203.8 | 175.6 | 813.2 | 714.4 |
| Industrial Equipment | 303.8 | 315.5 | 1,245.1 | 1,180.2 |
| After Sales | 315.4 | 302.9 | 1,262.5 | 1,182.6 |
| Rental | 46.0 | 44.6 | 179.9 | 186.5 |
| Total point in time | 869.0 | 838.6 | 3,500.7 | 3,263.7 |
| Total | 1,143.4 | 1,150.2 | 4,587.4 | 4,320.4 |

¹⁾ "Middle East" was in previous periods included in "Other markets" but is now part of "APAC".

²⁾ Part of business area Rental is accounted for applying IFRS 16, Leases.

NOTE 3. RESTATE

From Q2 2019 currency transaction effects on operating receivables and liabilities are reported within Operating expenses. For earlier periods they were included in Cost of sales.

Restatement of previously reported numbers have been made according to the table below.

| Amounts in MSEK | Q1 2019 | Q4 2018 | Q3 2018 | Q2 2018 | Q1 2018 | Jan-Dec 2018 | Jan-Sep 2018 | Jan-Jun 2018 |
|----------------------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|
| Cost of sales | | | | | | | | |
| Reported | -796.2 | -797.0 | -757.6 | -745.2 | -648.7 | -2,948.5 | -2,151.5 | -1,393.8 |
| Effect of reclassification | 4.3 | 3.7 | 7.8 | 6.8 | 3.6 | 21.9 | 18.2 | 10.4 |
| Restated | -791.9 | -793.3 | -749.8 | -738.4 | -645.1 | -2,926.6 | -2,133.3 | -1,383.4 |
| Gross profit | | | | | | | | |
| Reported | 370.3 | 353.2 | 341.4 | 366.4 | 311.0 | 1,372.0 | 1,018.8 | 677.4 |
| Effect of reclassification | 4.3 | 3.7 | 7.8 | 6.8 | 3.6 | 21.9 | 18.2 | 10.4 |
| Restated | 374.6 | 356.9 | 349.2 | 373.2 | 314.6 | 1,393.9 | 1,037.0 | 687.8 |
| Operating expenses | | | | | | | | |
| Reported | -230.4 | -219.6 | -236.5 | -245.7 | -231.0 | -932.6 | -713.2 | -476.6 |
| Effect of reclassification | -4.3 | -3.7 | -7.8 | -6.8 | -3.6 | -21.9 | -18.2 | -10.4 |
| Restated | -234.7 | -223.3 | -244.3 | -252.5 | -234.6 | -954.5 | -731.4 | -487.0 |

NOTE 4. RIGHT-OF-USE ASSETS

| Amounts in MSEK | 31 Dec 2019 | 31 Dec 2018 |
|--|--------------|-------------|
| Right-of-use assets are split into the following categories | | |
| Premises | 207.5 | - |
| Vehicles | 40.1 | - |
| Equipment | 15.3 | - |
| Total | 262.9 | - |

The following amounts for Right-of-use assets and Lease liabilities are included in the Income statement.

| Amounts in MSEK | Q4 2019 | Q4 2018 | Jan-Dec 2019 | Jan-Dec 2018 |
|---------------------------------------|-------------|----------|--------------|--------------|
| Depreciations are included in: | | | | |
| Cost of sales | 10.3 | - | 61.9 | - |
| Operating expenses | 15.6 | - | 29.1 | - |
| | 25.9 | - | 91.0 | - |
| Included in Finance net: | | | | |
| Interest expenses | 3.9 | - | 10.5 | - |
| | 3.9 | - | 10.5 | - |
| Total | 29.8 | - | 101.5 | - |

NOTE 5. FINANCIAL INSTRUMENTS

| Amounts in MSEK | Total carrying amount | |
|----------------------------------|-----------------------|----------------|
| | 31 Dec 2019 | 31 Dec 2018 |
| FINANCIAL ASSETS | | |
| Derivative financial instruments | 4.5 | 6.0 |
| Other financial receivables | 1,262.3 | 1,228.5 |
| Cash and cash equivalents | 313.6 | 355.6 |
| Total | 1,580.4 | 1,590.1 |
| FINANCIAL LIABILITIES | | |
| Derivative financial instruments | 5.3 | 9.0 |
| Interest bearing debts | 1,118.5 | 1,222.4 |
| Other financial liabilities | 810.4 | 705.1 |
| Total | 1,934.2 | 1,936.5 |

Fair values are the same as carrying values for all financial assets and liabilities.

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

| 31 Dec 2019 | Level 2 |
|------------------------------|----------------|
| Financial assets | |
| Currency derivatives | 4.5 |
| Total | 4.5 |
| Financial liabilities | |
| Currency derivatives | 5.3 |
| Total | 5.3 |
| 31 Dec 2018 | Level 2 |
| Financial assets | |
| Currency derivatives | 6.0 |
| Total | 6.0 |
| Financial liabilities | |
| Currency derivatives | 9.0 |
| Total | 9.0 |

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 6. ACQUISITIONS

During the second quarter of 2019 Alimak Group made one minor acquisition, Dataline i Borås AB. The company has been an important supplier of control systems for construction hoists and permanent lifts for Alimak Group for more than two decades. The acquisition follows Alimak Group's strategy to invest in technologies to enable new, enhanced products and services, to increase future productivity and safety for customers.

No acquisitions were made during 2018.

NOTE 7. ASSETS PLEDGED AND CONTINGENT LIABILITIES

As of December 31, 2019, the maximum potential future payments Alimak Group could be required to make under issued financial guarantees totalled MSEK 477.6 (449.1) of which MSEK 477.0 (448.5) refers to indemnity bonds for commitments to customers. Assets pledged totalled MSEK 21.1 (12.4).

FINANCIAL CALENDAR

- The Annual Report for 2019 will be published March 26, 2020.
- The Interim Report for the first quarter of 2020 will be published April 24, 2020.
- The Annual General Meeting will be held on May 7, 2020 in Stockholm.
- The Interim Report for the second quarter of 2020 will be published July 23, 2020.
- The Interim Report for the third quarter of 2020 will be published October 22, 2020.

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

TELEPHONE CONFERENCE/PRESENTATION

A telephone conference for investors, analysts and financial media will be held at 10.00 CET on Friday February 21, 2020. CEO Tormod Gunleiksrud and CFO Tobias Lindquist will present and comment on the report.

The presentation, held in English, can also be followed via audiocast.

To participate by phone – please call:

SE: +46850558365

UK: +443333009030

US: +16467224956

Link to audiocast:

<https://alimak.eventcdn.net/2019fy/>

DEFINITIONS

Alimak Group presents certain financial measures that are not defined in the interim report in accordance with IFRS. Alimak Group believes that these measures provide useful supplemental information to investors and the company's management when they allow evaluation of trends and the company's performance. As not all companies calculate the financial measures in the same way, these are not always comparable to measures used by other companies. These financial measures should not be seen as a substitute for measures defined under IFRS. For definitions of key figures that Alimak Group uses, please visit

<https://www.alimakgroup.com/English/investor-relations/financials/definitions/>

A bridge file with calculations from the APM's used to IFRS measurements will be available at www.alimakgroup.com shortly after the publication of this report.

For further information, contact:

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This information is information that Alimak Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 08.00 CET on February 21, 2020.

About Alimak Group

Alimak Group is a world-leading provider of vertical access solutions for professional use. With a global reach spanning more than 100 countries, the Group offers vertical access solutions adding customer value through greater safety, productivity and resource efficiency. Alimak Group's products and service solutions are sold under the brands Alimak, CoxGomyl, Manntech, Avanti and Alimak Service. The Group has an installed base of around 70,000 elevators, hoists, platforms, service lifts and building maintenance units around the world. Founded in Sweden 1948, the Group has its headquarters in Stockholm, 11 production and assembly facilities in 8 countries and 2,300 employees around the world. www.alimakgroup.com