Alimak Group AB
ALIG, SE0007158910

ALIMAK GROUP

Interim Report

January – September 2019

Q3

Increased margin and earnings

- Strong improvement in Group earnings, EBITA adj. margin increase to 14% and EPS growth of 45%, following continued revenue growth in After Sales and improved margin in Industrial Equipment
- Order intake decrease mainly stemming from the Wind business unit within Industrial Equipment
- Lower orders and revenue in Construction Equipment with decrease coming from the UK and the Nordics while Rental recorded a strong quarter

THIRD QUARTER

- Order intake decreased by 6% to MSEK 1,039 (1,104) with an organic decrease of 9%
- Revenue decreased by 1% to MSEK 1,084 (1,099) with an organic decrease of 5%
- EBITA adj. increased to MSEK 152 (136), margin 14.0% (12.4)
- Result for the period increased to MSEK 100 (68)
- Earnings per share, basic and diluted, increased to SEK 1.83 (1.26)
- Cash flow from operations increased to MSEK 134 (113)

JANUARY – SEPTEMBER

- Order intake decreased by 3% to MSEK 3,290 (3,407) with an organic decrease of 8%
- Revenue grew by 9% to MSEK 3,444 (3,170) with an organic increase of 4%
- EBITA adj. increased to MSEK 477 (396), margin 13.9% (12.5)
- Result for the period increased to MSEK 306 (200)
- Earnings per share, basic and diluted, increased to SEK 5.65 (3.70)
- Cash flow from operations increased to MSEK 276 (92)
- Leverage (Net Debt/EBITDA) at September 30, 2019 was 1.68 (1.81 as of September 30, 2018 and 1.55 as of December 31, 2018)

KEY FIGURES, GROUP	Q3 2019	Q3 2018	Δ	Jan-Sep 2019	Jan-Sep 2018	Δ
Order intake, MSEK	1,039.3	1,103.6	-6%	3,290.0	3,406.7	-3%
Revenue, MSEK	1,084.0	1,098.9	-1%	3,444.0	3,170.2	9%
EBITA adj, MSEK[1]	152.0	135.9	12%	477.4	396.0	21%
EBITA margin adj, %[1]	14.0%	12.4%		13.9%	12.5%	
EBITA, MSEK	151.8	116.6	30%	474.5	346.5	37%
EBITA margin, %	14.0%	10.6%		13.8%	10.9%	
EBIT, MSEK	140.8	105.0	34%	442.2	305.7	45%
EBIT margin, %	13.0%	9.6%		12.8%	9.6%	
Result for the period, MSEK	99.5	68.5	45%	306.3	200.3	53%
Earnings per share, SEK	1.83	1.26	45%	5.65	3.70	53%
Cash flow from operations, MSEK	134.2	112.8	19%	276.3	92.0	200%
Net debt/EBITDA, ratio	1.68	1.81	-7%	1.68	1.81	-7%

[1] Before items affecting comparability

Comments by the CEO

During the third quarter of 2019, the trends and developments from earlier this year have continued.

We are seeing the fruits from our integration efforts of the Wind and BMU businesses with improving margins in Industrial Equipment and increased penetration and growth within After Sales in these segments.

However, the Wind business unit, which forms part of Industrial Equipment, is facing lower orders for tower internal equipment which will have an impact on orders and revenue throughout the year. The service lift and ladder parts of the Wind business continued to perform well and we are evaluating further measures to mitigate the changed market conditions for tower internals since we will not participate in price competition on more commoditised, low margin products as highlighted after Q1.

Furthermore, investment willingness within the construction market is affected by outlook concerns – especially noticeable in the UK and the Nordics and market conditions have not improved in the quarter.

All above are reflected in the financial results for the quarter where order intake decreased by 6% to MSEK 1,039 (1,104) with an organic decrease of 9%. Revenue decreased by 1% to MSEK 1,084 (1,099) with an organic decrease of 5% despite a strong quarter for After Sales.

EBITA adj. for the quarter amounted to MSEK 152 (136), corresponding to a margin of 14.0% (12.4). We continuously improve our margin and earnings and the quarter included a 45% increase of EPS.

Construction customers cautious on new capex

Following a strong Q1 and solid Q2, the market uncertainty took its toll in Q3 for Construction Equipment. Our customers invest in new equipment when they need to replace old ones early in the business cycle and to meet their long-term needs. However, when there is uncertainty for the future, our customers are less likely to invest in new equipment even though the construction activity remains high. We see proof that the latter still is valid by the continued growth in business area Rental.

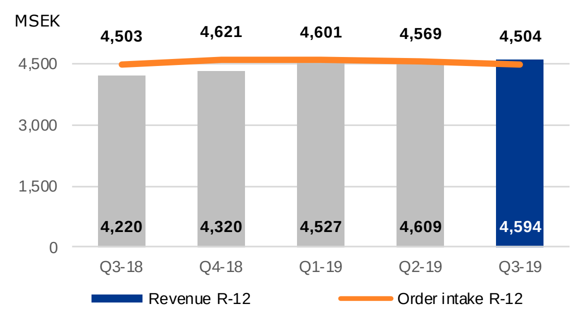
Gaining a good foothold in After Sales

As construction customers' fleet utilisation decreases, so does the demand for accessories for construction products, which can be seen in the order volume for After Sales. Given this development in the construction market, I am pleased with After Sales on all metrics. The underlying performance shows that we are developing the BMU After Sales business at a good pace which is satisfying. We are well on our way to develop another stable revenue stream in our most resilient business area.

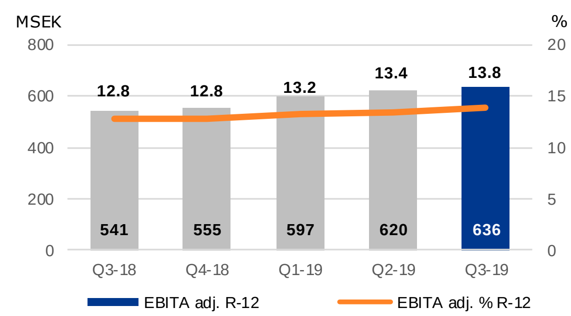
So, while we are facing market uncertainties in some areas, I still believe that the margin run-rate target in Q4, although challenging, can be reached.

Tormod Gunleiksrud, President and CEO

Order intake & Revenue R12M



EBITA adj. & EBITA margin adj. R12M



Group Performance

THIRD QUARTER

Order intake in the quarter decreased by 6% to MSEK 1,039 (1,104) with an organic decrease of 9%, mainly derived from Industrial Equipment's Wind and Oil & Gas business units.

Revenue decreased by 1% to MSEK 1,084 (1,099) with an organic decrease of 5%. Good quarter for After Sales negated by weak development in Construction Equipment as well as Industrial Equipment's Wind business unit.

EBITA adj. for the quarter was MSEK 152 (136), corresponding to a margin of 14.0% (12.4) with margin improvements for Industrial Equipment and After Sales. The changed business area mix, with a shift in the proportion of revenues to After Sales, had a positive impact on the Group margin of 0.4 percentage points. The adoption of IFRS 16 had a positive impact on EBITA adj. of MSEK 3.

Non-recurring items amounted to MSEK 0 (-19).

Amortisation in the quarter amounted to MSEK 11 (12) related entirely to acquired businesses.

EBIT in the quarter amounted to MSEK 141 (105).

The financial net was MSEK -12 (-13) with an impact from IFRS 16 of MSEK -3 and the remaining derived from the interest net and currency impact. The interest net has decreased following lower borrowings.

Tax expense for the quarter was MSEK 29 (23) with a tax rate of 23% (25%). There was no material change in deferred tax assets in the quarter.

Result for the period amounted to MSEK 100 (68) where the improvement mainly came from the increase in EBITA adj. result and lower non-recurring costs. EPS improved to SEK 1.83 (1.26) for the quarter.

Cash flow from operations in the quarter was MSEK 134 (113) mainly derived from the improved result. Working capital increased by MSEK 9 (-22) due to higher contract assets in the BMU business unit. The decrease in operating receivables and operating liabilities offset each other and relate to lower volumes within the Wind business unit.

Net investments in fixed assets in the quarter totalled MSEK 11 (8). Investment in IS/IT software is the main reasons for the increase.

ORDER INTAKE	Q3		Jan-Sep	
	2019	2018	2019	2018
Orders, MSEK	**1,039.3**	**1,103.6**	**3,290.0**	**3,406.7**
Change, MSEK	-64.3	234.8	-116.7	401.7
Change, %	-5.8%	27.0%	-3.4%	13.4%
Whereof:				
Volume & price, %	-8.9%	17.4%	-8.1%	2.8%
Exchange rate, %	3.1%	9.6%	4.6%	2.2%
Acquisition & divestment, %	0.0%	0.0%	0.0%	8.4%

REVENUE	Q3		Jan-Sep	
	2019	2018	2019	2018
Revenue, MSEK	**1,084.0**	**1,098.9**	**3,444.0**	**3,170.2**
Change, MSEK	-15.0	119.1	273.8	219.4
Change, %	-1.4%	12.2%	8.6%	7.4%
Whereof:				
Volume & price, %	-4.8%	4.9%	3.9%	-2.0%
Exchange rate, %	3.4%	7.3%	4.7%	2.1%
Acquisition & divestment, %	0.0%	0.0%	0.0%	7.3%

EBIT & EBITA adj.[1]	Q3		Jan-Sep	
	2019	2018	2019	2018
EBIT, MSEK	**140.8**	**105.0**	**442.2**	**305.7**
EBIT margin, %	**13.0%**	**9.6%**	**12.8%**	**9.6%**
EBITA adj, MSEK	**152.0**	**135.9**	**477.4**	**396.0**
EBITA margin adj, %	**14.0%**	**12.4%**	**13.9%**	**12.5%**
Change, MSEK	16.1	34.6	81.4	30.5
Change, %	11.8%	34.1%	20.6%	8.4%
Whereof:				
Volume & price, %	10.2%	29.3%	17.7%	4.9%
Exchange rate, %	1.6%	4.9%	2.9%	1.4%
Acquisition & divestment,	0.0%	0.0%	0.0%	2.1%

[1] Before items affecting comparability

Treasury shares of MSEK 25 (0) was acquired in the quarter and net repayment of borrowings amounted to MSEK 174 (MSEK 61).

JANUARY – SEPTEMBER

Order intake during the period decreased by 3% to MSEK 3,290 (3,407) with an organic decrease of 8% with both Industrial Equipment and Construction Equipment contracting.

Revenue grew by 9% to MSEK 3,444 (3,170) with an organic increase of 4%. All business areas recorded growth in revenue for the first nine months.

EBITA adj. for the period was MSEK 477 (396), corresponding to a margin of 13.9% (12.5) where Construction Equipment and Industrial Equipment improved their margin by 2.6 and 2.3 percentage points.

Non-recurring items in the period amounted to MSEK -3 (-49).

Amortisation in the period amounted to MSEK 32 (41) related entirely to acquired businesses. Intangible assets relating to order backlog were fully amortised in 2018.

EBIT for the period amounted to MSEK 442 (306).

The financial net was MSEK -39 (-31) with an impact from IFRS 16 of MSEK -7 and the remaining largely derived from the interest net and currency impact.

Tax expense for the period was MSEK 97 (75) and the tax rate was 24% (27%).

Result for the period amounted to MSEK 306 (200) where the increase primarily relates to the higher EBITA adj. result and lower non-recurring costs. EPS improved to SEK 5.65 (3.70).

Cash flow from operations in the period was MSEK 276 (92) subsequent increase in working capital of MSEK 180 (208). The negative development in working capital is driven by lower operating liabilities combined with higher contract assets relating to BMU projects.

Net investments in fixed assets in the period totalled MSEK 66 (43). The investments in rental fleet amounts to MSEK 26 (22). One production facility in China has been relocated combined with investments in IS/IT equipment and software also contributing to the increase in investments.

Treasury shares of MSEK 25 (0) was acquired and net repayment of borrowings amounted to MSEK 64 (-43).

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

FINANCIAL POSITION

As of September 30, 2019, net debt totalled MSEK 1,262 (867 as of December 31, 2018). Without the impact of IFRS 16, the net debt would amount to MSEK 930.

The equity ratio was 56.2% (56.5 as of December 31, 2018) and the leverage (net debt/EBITDA) was 1.68 (1.55 as of December 31, 2018). The leverage excluding the impact of IFRS 16 would be 1.24.

EMPLOYEES

As of September 30, 2019, there were 2,386 (2,350) FTEs in the Group.

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD JANUARY – SEPTEMBER 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. The long-term aim is to increase safety and productivity for customers.

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.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

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.

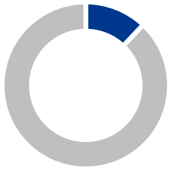
Shareholders who wish to present proposals to the Nomination Committee for the 2020 annual general meeting can submit them by post: Alimak Group AB, att: Nomination Committee, Blekholmstorget 30, SE-111 64 Stockholm, Sweden or via e-mail: anders.morck@latour.se. In order for the Nomination Committee to be able to consider submitted proposals in a constructive manner, these should be submitted no later than by Tuesday January 14, 2020.

FINANCIAL TARGETS AND POLICIES

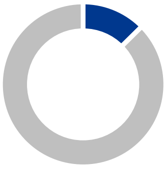
Please refer to the latest Annual Report and alimakgroup.com.

Construction Equipment

Share of revenue



Share of EBITA adj.



Following a solid first half of the year for the business area, the market uncertainty took its toll in Q3. Order intake decreased by 10%, down 13% organically, to MSEK 128 (143). The business area is continuing to face weak demand from customers in the UK and the Nordics. These markets represent a significant portion of the volumes in the European region as the Rental business area is focusing on central Europe. Other regions were on par with the previous year, however, there are signs of more cautious investment where the US is moving towards more normalised levels with fewer large frame agreements. In Australia, where the Group offers both new sales and rental of equipment, there is an increasing preference for rental solutions.

Revenue ended low, partly as an effect of large project deliveries made at the end of Q2, but also hampered by this year's drop in orders for the UK and the Nordic markets. Other regions' revenue was on par with 2018 and the order backlog remains healthy. Year-to-date, revenues are up by 8% organically, largely an effect of the strong US performance during the first six months.

The lower EBITA adj. of MSEK 19 (27) was an effect of the volume drop in the quarter. The margin of 14.6% (15.1) held up following good utilisation in factories, as these are shared with other business areas. The result was positively impacted by a large part of deliveries from high margin inventories.

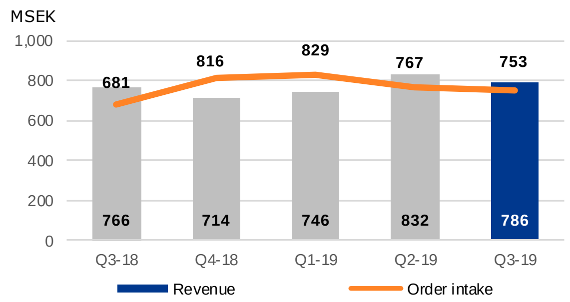
ORDER INTAKE	Q3		Jan-Sep	
	2019	2018	2019	2018
Orders, MSEK	**128.4**	**142.9**	**504.5**	**567.7**
Change, MSEK	-14.5	-45.5	-63.2	-149.5
Change, %	-10.1%	-24.2%	-11.1%	-20.8%
Whereof:				
Volume & price, %	-13.1%	-30.9%	-16.2%	-22.0%
Exchange rate, %	3.0%	6.7%	5.1%	1.1%
Acquisition & divestment, %	0.0%	0.0%	0.0%	0.0%

REVENUE	Q3		Jan-Sep	
	2019	2018	2019	2018
Revenue, MSEK	**130.7**	**176.4**	**609.4**	**538.0**
Change, MSEK	-45.7	30.6	71.5	-26.4
Change, %	-25.9%	21.0%	13.3%	-4.7%
Whereof:				
Volume & price, %	-28.5%	13.0%	7.8%	-6.3%
Exchange rate, %	2.6%	8.0%	5.5%	1.6%
Acquisition & divestment, %	0.0%	0.0%	0.0%	0.0%

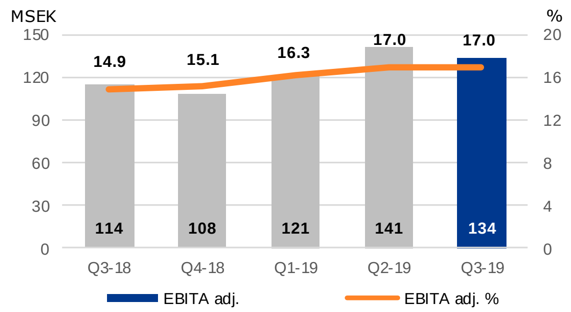
EBITA adj.[1]	Q3		Jan-Sep	
	2019	2018	2019	2018
EBITA adj, MSEK	**19.1**	**26.7**	**99.5**	**73.9**
EBITA margin adj, %	**14.6%**	**15.1%**	**16.3%**	**13.7%**
Change, MSEK	-7.6	13.3	25.6	4.5
Change, %	-28.3%	100.0%	34.6%	6.5%
Whereof:				
Volume & price, %	-23.7%	104.4%	33.1%	7.6%
Exchange rate, %	-4.6%	-4.4%	1.5%	-1.1%
Acquisition & divestment, %	0.0%	0.0%	0.0%	0.0%

[1] Before items affecting comparability

Order intake & Revenue R12M



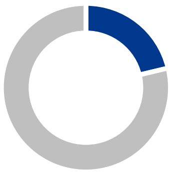
EBITA adj. & EBITA margin adj. R12M



Industrial Equipment

Share of revenue

Share of EBITA adj.



Order intake decreased by 11%, down 14% organically, to MSEK 523 (585) in the quarter, mainly due to lost contracts for tower internals for the Wind business unit and this will have an effect throughout the year. The service lift and ladder parts of the Wind business continued to perform well. Also impacting the quarterly intake is the smaller number of large orders for the Oil & Gas sector. The General Industry and BMU businesses are both exceeding last year on a quarterly as well as year-to-date basis. The latter recorded the additional scope extension order for the Sydney Harbour Bridge in Q3.

Revenue for the quarter at MSEK 535 (537) was in line with last year, despite the negative impact of the lost tower internal volume. Strong growth overall for the General Industry and BMU business units, particularly in Europe.

The almost doubled EBITA adj. result of MSEK 32 (18) represents an improved margin of 6.0% (3.4). The business mix, with high revenue from General Industry, combined with better performance by the BMU business both supported the surge in the result.

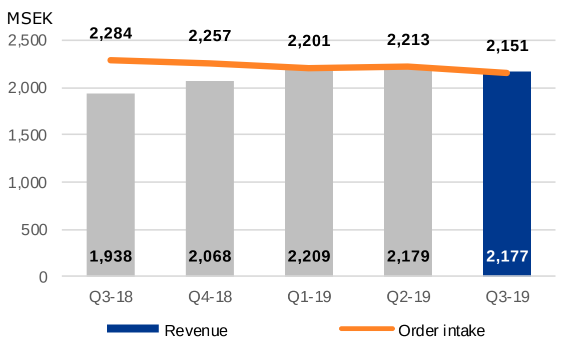
ORDER INTAKE	Q3		Jan-Sep	
	2019	2018	2019	2018
Orders, MSEK	**523.4**	**584.9**	**1,551.7**	**1,657.2**
Change, MSEK	-61.5	246.5	-105.5	427.0
Change, %	-10.5%	72.9%	-6.4%	34.7%
Whereof:				
Volume & price, %	-13.8%	59.9%	-11.0%	15.3%
Exchange rate, %	3.3%	12.9%	4.7%	3.1%
Acquisition & divestment, %	0.0%	0.0%	0.0%	16.3%

REVENUE	Q3		Jan-Sep	
	2019	2018	2019	2018
Revenue, MSEK	**534.9**	**537.4**	**1,597.6**	**1,489.1**
Change, MSEK	-2.5	50.1	108.5	142.3
Change, %	-0.5%	10.3%	7.3%	10.6%
Whereof:				
Volume & price, %	-4.3%	3.3%	2.5%	-4.2%
Exchange rate, %	3.8%	7.0%	4.8%	2.5%
Acquisition & divestment, %	0.0%	0.0%	0.0%	12.3%

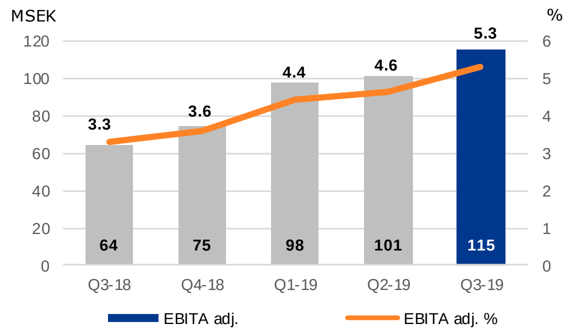
EBITA adj.[1]	Q3		Jan-Sep	
	2019	2018	2019	2018
EBITA adj, MSEK	**32.3**	**18.1**	**83.0**	**43.0**
EBITA margin adj, %	**6.0%**	**3.4%**	**5.2%**	**2.9%**
Change, MSEK	14.2	9.3	40.0	-4.2
Change, %	78.1%	106.3%	93.2%	-8.9%
Whereof:				
Volume & price, %	75.9%	76.8%	91.1%	-16.4%
Exchange rate, %	2.2%	29.4%	2.0%	14.4%
Acquisition & divestment, %	0.0%	0.0%	0.0%	-6.9%

[1] Before items affecting comparability

Order intake & Revenue R12M



EBITA adj. & EBITA margin adj. R12M



After Sales

Share of revenue

Share of EBITA adj.

Following a weak first two months of the quarter, but a strong September, the business area reported a 4% order intake decrease, a 7% decrease organically, to MSEK 302 (314). The China and Hong Kong markets, which both had a strong first half of 2019, reported lower orders than the same period last year. The unstable geopolitical situation in the latter impacted the provision of services and also delayed investment decisions by customers. US customers showcased more hesitation regarding signing larger contracts, while Europe performed well despite a lack of large upgrade orders.

In terms of revenue, all regions were up in Q3 as well as year-to-date with US being the market with highest increase. Higher share of revenues related to general service with especially positive development for servicing of BMU equipment, particularly in the APAC region. The spare part business for Wind installations also showed an improved traction. In total, the business area reported a 10% growth in revenue, up 6% organically, to MSEK 319 (290).

The improved quarterly EBITA adj. result of MSEK 85 (76), representing a margin of 26.7% (26.2), was a combined effect of both higher revenues and better gross margins. The change in mix was the main factor for the year-to-date margin being behind last year.

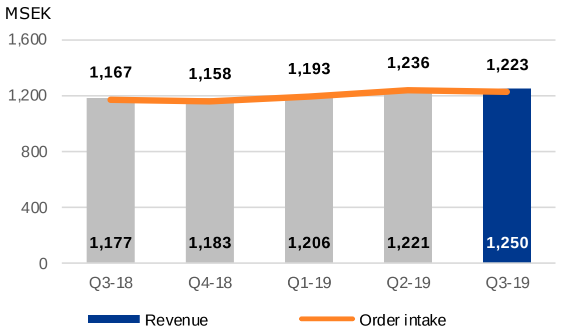
ORDER INTAKE	Q3		Jan-Sep	
	2019	2018	2019	2018
Orders, MSEK	**302.1**	**314.4**	**969.4**	**903.9**
Change, MSEK	-12.3	75.1	65.6	118.8
Change, %	-3.9%	31.4%	7.3%	15.1%
Whereof:				
Volume & price, %	-7.2%	22.7%	2.3%	7.1%
Exchange rate, %	3.3%	8.7%	5.0%	1.4%
Acquisition & divestment, %	0.0%	0.0%	0.0%	6.6%

REVENUE	Q3		Jan-Sep	
	2019	2018	2019	2018
Revenue, MSEK	**318.8**	**290.1**	**947.0**	**880.4**
Change, MSEK	28.8	18.9	66.7	69.2
Change, %	9.9%	7.0%	7.6%	8.5%
Whereof:				
Volume & price, %	6.2%	-0.7%	2.6%	0.9%
Exchange rate, %	3.7%	7.6%	5.0%	1.6%
Acquisition & divestment, %	0.0%	0.0%	0.0%	6.1%

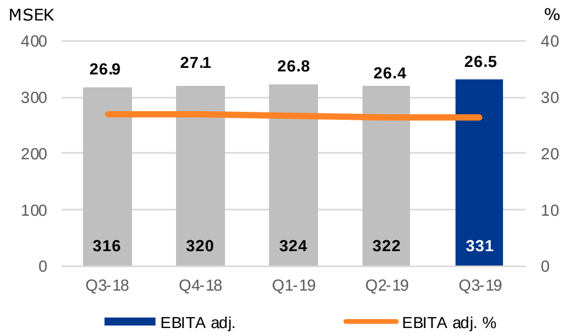
EBITA adj.[1]	Q3		Jan-Sep	
	2019	2018	2019	2018
EBITA adj, MSEK	**85.1**	**76.1**	**252.9**	**242.4**
EBITA margin adj, %	**26.7%**	**26.2%**	**26.7%**	**27.5%**
Change, MSEK	9.1	5.4	10.5	21.0
Change, %	11.9%	7.6%	4.3%	9.5%
Whereof:				
Volume & price, %	9.2%	2.6%	0.5%	7.2%
Exchange rate, %	2.7%	5.0%	3.8%	0.3%
Acquisition & divestment, %	0.0%	0.0%	0.0%	2.0%

[1] Before items affecting comparability

Order intake & Revenue R12M

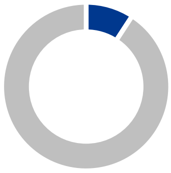


EBITA adj. & EBITA margin adj. R12M

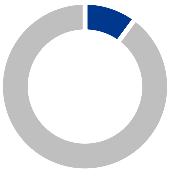


Rental

Share of revenue



Share of EBITA adj.



Strong order intake of MSEK 85 (61) on par with Q2 and up 39% versus last year, up 37% organically. This was driven by Australia and Germany/Switzerland. Rental reports a continued strong construction market activity across its served markets where the main challenge for continued growth is the shortage of machines in fleet.

Revenue grew by 5%, 3% organically, to MSEK 100 (95), on par with Q2 and up from last year with healthy utilisation in the majority of the markets. The capacity has also increased as an effect of the investments made earlier this year. The order backlog remains on a high level across all markets.

The strong revenue and high utilisation led to a strong EBITA adj. of MSEK 15 (15) even though the result was impacted by an increase in cost following new safety regulations in Australia which had a temporary negative impact on the margin which ended up at 15.5% (15.8).

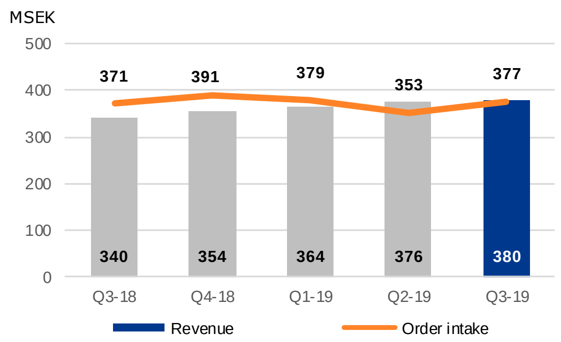
ORDER INTAKE	Q3		Jan-Sep	
	2019	2018	2019	2018
Orders, MSEK	**85.4**	**61.4**	**264.3**	**277.9**
Change, MSEK	24.0	-41.4	-13.6	5.5
Change, %	39.1%	-40.2%	-4.9%	2.0%
Whereof:				
Volume & price, %	37.5%	-46.1%	-7.4%	-0.8%
Exchange rate, %	1.6%	5.8%	2.5%	2.8%
Acquisition & divestment, %	0.0%	0.0%	0.0%	0.0%

REVENUE	Q3		Jan-Sep	
	2019	2018	2019	2018
Revenue, MSEK	**99.6**	**95.1**	**289.9**	**262.7**
Change, MSEK	4.5	19.5	27.2	34.4
Change, %	4.7%	25.8%	10.3%	15.1%
Whereof:				
Volume & price, %	3.1%	19.5%	8.1%	11.8%
Exchange rate, %	1.6%	6.3%	2.3%	3.2%
Acquisition & divestment, %	0.0%	0.0%	0.0%	0.0%

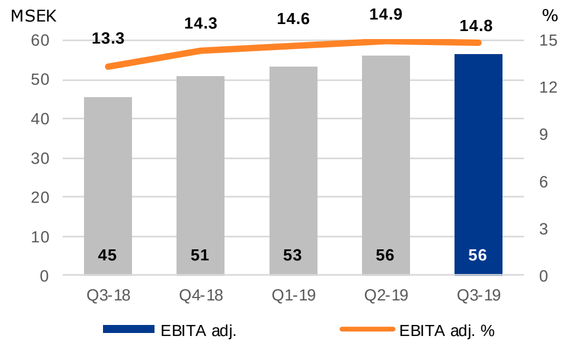
EBITA adj.[1]	Q3		Jan-Sep	
	2019	2018	2019	2018
EBITA adj, MSEK	**15.4**	**15.0**	**42.0**	**36.6**
EBITA margin adj, %	**15.5%**	**15.8%**	**14.5%**	**13.9%**
Change, MSEK	0.4	6.5	5.3	9.3
Change, %	2.6%	76.8%	14.6%	33.8%
Whereof:				
Volume & price, %	0.6%	70.8%	12.5%	33.1%
Exchange rate, %	2.0%	6.0%	2.1%	0.7%
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, October 22, 2019

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

Tormod Gunleiksrud

President and CEO

THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

Review report

Alimak Group AB, org.nr 556714-1857

Introduction
We have reviewed the condensed interim report for Alimak Group AB as at September 30, 2019 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review
We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, 22 October 2019

Ernst & Young AB

Rickard Andersson

Authorized Public Accountant

Condensed statement of comprehensive income, Group

Amounts in MSEK	Q3 2019	Q3 2018	Jan-Sep 2019	Jan-Sep 2018
Revenue	1,084.0	1,098.9	3,444.0	3,170.2
Cost of sales [1]	-727.8	-749.8	-2,301.3	-2,133.2
Gross profit	**356.2**	**349.1**	**1,142.7**	**1,037.0**
Operating expenses [1]	-215.4	-244.2	-700.5	-731.3
Operating profit (EBIT)	**140.8**	**104.9**	**442.2**	**305.7**
Financial net	-12.1	-13.2	-38.6	-30.8
Profit before tax (EBT)	**128.7**	**91.7**	**403.6**	**274.9**
Income tax	-29.2	-23.3	-97.3	-74.9
Result for the period	**99.5**	**68.4**	**306.3**	**200.3**
Attributable to owners of the parent company	99.5	68.4	306.3	200.3
Earnings per share, basic and dilluted, SEK	1.83	1.26	5.65	3.70
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to net profit for the period				
Remeasurements of defined benefit pension plans	-7.1	7.5	-30.1	7.3
Income tax relating to remeasurements of pension plans	1.2	-1.6	6.7	-1.6
Total	**-5.9**	**5.9**	**-23.4**	**5.7**
Items that may be reclassified to net profit for the period				-
Forreign exchange translation differences	80.9	-61.8	163.4	90.4
Change in fair value of cash flow hedges	-9.4	3.5	-7.4	-2.9
Income tax relating to change in fair value of cash flow hedges	2.0	-0.8	1.6	0.6
Total	**73.5**	**-59.1**	**157.6**	**88.1** -
Other comprehensive income	**67.6**	**-53.2**	**134.2**	**93.8**
Total comprehensive income	**167.1**	**15.2**	**440.5**	**294.1**
Attributable to owners of the parent company	167.1	15.2	440.5	294.1

[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	30 Sep 2019	30 Sep 2018	31 Dec 2018
ASSETS			
Goodwill and other Intangible assets	3,061.2	2,928.8	2,930.1
Property, plant and and equipment	370.1	361.1	357.8
Right-of-use assets	327.7	-	-
Financial and other non-current assets	169.9	102.7	168.6
Total non-current assets	**3,928.9**	**3,392.6**	**3,456.5**
Inventories	644.7	730.8	679.4
Contract assets	324.6	183.2	244.4
Trade receivables	1,026.4	997.6	1,017.8
Other receivables and assets	254.7	139.6	193.7
Prepaid expenses and accrued income	93.4	84.2	84.8
Short term investments	23.4	-	-
Cash and cash equivalents	245.2	317.1	355.6
Total current assets	**2,612.4**	**2,452.5**	**2,575.8**
TOTAL ASSETS	**6,541.3**	**5,845.1**	**6,032.3**
EQUITY AND LIABILITIES			
Shareholders equity	**3,676.9**	**3,268.9**	**3,409.7**
Long-term borrowings	1,164.4	1,200.7	1,110.5
Lease liability	302.5	-	-
Other long term liabilities	398.2	368.9	327.5
Total non-current liabilities	**1,865.1**	**1,569.6**	**1,438.0**
Short-term borrowings	33.8	95.9	111.9
Lease liability	29.4	-	-
Contract liabilities	30.8	77.8	87.8
Tade payables	319.7	450.7	448.9
Other current liabilities	585.6	382.2	536.0
Total current liabilities	**999.3**	**1,006.6**	**1,184.6**
TOTAL EQUITY AND LIABILITIES	**6,541.3**	**5,845.1**	**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**	**64.3**	**0.2**	**83.1**	**3,099.3**
Result for the period	-	-	-	-	200.3	200.3
Changes of fair value	-	-	-	-2.9	5.7	2.8
Tax attributable to revaluations	-	-	-	0.6	-	0.6
Translation difference	-	-	90.4	-	-	90.4
Total comprehensive income	**-**	**-**	**90.4**	**-2.3**	**206.0**	**294.1**
Dividend	-	-	-	-	-124.6	-124.6
Closing balance, 30 Sep 2018	**1.1**	**2,950.6**	**154.7**	**-2.1**	**164.5**	**3,268.9**
Result for the period	-	-	-	-	143.7	143.7
Changes of fair value	-	-	-	0.1	-	0.1
Revaluation of pension plans	-	-	-	-	3.5	3.5
Tax attributable to revaluations	-	-	-	0.0	-1.7	-1.7
Translation difference	-	-	7.2	-	-	7.2
Total comprehensive income	**-**	**-**	**7.2**	**0.1**	**145.5**	**152.8**
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	-	-	-	-	306.3	306.3
Changes of fair value	-	-	-	-7.4	-	-7.4
Revaluation of pension plans	-	-	-	-	-30.1	-30.1
Tax attributable to revaluations	-	-	-	1.6	6.7	8.3
Translation difference	-	-	163.4	-	-	163.4
Total comprehensive income	**-**	**-**	**163.4**	**-5.8**	**282.9**	**440.5**
Dividend	-	-	-	-	-148.7	-148.7
Repurchase of Treasury shares	-	-25.4	-	-	-	-25.4
Share based payments	-	0.8	-	-	-	0.8
Closing balance, 30 Sep 2019	**1.1**	**2,914.1**	**325.3**	**-7.8**	**444.2**	**3,676.9**

Cash flow statement, Group

Amounts in MSEK	Q3 2019	Q3 2018	Jan-Sep 2019	Jan-Sep 2018
Operating activities				
Profit before tax	128.8	91.7	403.7	274.9
Depreciation, amortisation and impairment losses	47.5	29.2	147.6	92.3
Other non-cash items	-4.5	-11.4	-2.9	-10.8
Income taxes paid	-28.7	-18.9	-92.5	-52.6
Cashflow before change in working capital	**143.1**	**90.6**	**455.9**	**300.2**
Change in working capital				
Change in inventory	9.8	-9.7	70.0	-114.1
Change in contract assets	-21.9	56.5	-59.5	20.1
Change in operating receivables	51.0	46.3	37.9	-119.3
Change in operating liabilities	-47.8	-70.9	-228.0	5.1
Cash flow from working capital	**-8.9**	**22.2**	**-179.6**	**-208.2**
Cash flow from operating activities	**134.2**	**112.8**	**276.3**	**92.0**
Investing activities				
Purchase of subsidiaries net of cash acquired	-	-	-16.6	-
Purchase of intangible fixed assets	-1.3	0.0	-12.3	-0.1
Purchase of property, plant and equipment	-9.7	-8.2	-53.3	-42.6
Disposal of property, plant and equipment	0.0	0.2	0.0	1.9
Net change in short term financial investments	6.6	-	-22.3	-
Cash flow from investing activities	**-4.4**	**-8.0**	**-104.5**	**-40.8**
Financing activities				
Proceeds from borrowings	-	-	210.4	103.5
Repayment of borrowings	-174.3	-60.9	-274.1	-60.9
Repayment of Lease liability	-19.6	-	-65.0	-
Repurchase of treasury shares	-25.4	-	-25.4	-
Dividends paid	-	-	-148.7	-124.6
Cash flow from financing activities	**-219.3**	**-60.9**	**-302.8**	**-82.0**
Net change in cash and cash equivalents	**-89.5**	**43.9**	**-131.0**	**-30.8**
Cash & cash equivalents at beginning of period	327.0	287.9	355.6	341.3
Exchange rate differences in cash and cash equivalents	7.7	-14.7	20.6	6.6
Cash & cash equivalents at end of period	245.2	317.1	245.2	317.1

Key figures

Quarterly data	2019			2018			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake, MSEK	1,039.3	1,150.0	1,100.7	1,214.4	1,103.6	1,182.4	1,120.7
Revenue, MSEK	1,084.0	1,193.5	1,166.5	1,150.2	1,098.9	1,111.6	959.7
EBITDA, MSEK	188.6	210.6	190.9	159.5	134.1	152.6	111.4
EBITA adj, MSEK	152.0	172.0	153.4	158.6	135.9	148.7	111.3
EBITA margin adj, %	14.0%	14.4%	13.2%	13.8%	12.4%	13.4%	11.6%
EBITA, MSEK	151.8	171.8	151.0	143.9	116.6	135.5	94.4
EBITA margin, %	14.0%	14.4%	12.9%	12.5%	10.6%	12.2%	9.8%
EBIT, MSEK	140.8	161.5	139.9	133.6	105.0	120.7	80.1
EBIT, %	13.0%	13.5%	12.0%	11.6%	9.6%	10.9%	8.3%
Result for the period, MSEK	99.5	108.2	98.5	143.7	68.5	79.1	52.7
Total comprehensive income, MSEK	167.1	135.8	137.5	152.9	15.2	175.6	103.2
Cash flow from operations, MSEK	134.2	106.2	35.9	147.8	112.8	-13.7	-7.1
Cash flow for the period, MSEK	-89.5	39.1	-80.7	32.0	43.8	-7.4	-67.2
Cash flow from operations/EBITDA	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
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
Earnings per share, SEK	1.83	2.00	1.82	2.65	1.26	1.46	0.97
Cash flow per share, SEK	-1.65	0.72	-1.49	0.59	0.81	-0.14	-1.24
Equity per share, SEK	67.89	65.27	65.51	62.96	60.36	60.08	59.13
Total assets, MSEK	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	245.2	327.0	289.0	355.6	317.1	287.9	282.6
Equity, MSEK	3,676.9	3,534.9	3,547.7	3,409.7	3,268.9	3,253.7	3,202.5
Capital employed, MSEK	4,938.5	4,855.4	4,781.5	4,276.5	4,248.4	4,343.3	4,121.3
Net debt, MSEK	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	929.9	993.7	871.3				
Equity ratio, %	56.2%	54.2%	54.4%	56.5%	55.9%	54.5%	56.5%
Return on equity, %	13.0%	12.3%	11.5%	10.6%	9.3%	9.5%	10.3%
Return on capital employed goodwill excluded, %	25.7%	23.6%	25.1%	23.4%	22.5%	19.7%	21.1%
Return on capital employed, %	12.5%	11.7%	11.7%	10.6%	10.1%	9.1%	9.8%
Interest coverage ratio, times	13.79	13.43	12.35	15.63	-	4.66	2.68
Net debt/EBITDA ratio	1.68	1.90	1.94	1.55	1.81	2.16	1.71
Net debt excl. Lease liability/EBITDA ratio	1.24	1.43	1.37				
Number of employees	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			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake, MSEK	4,504.4	4,568.7	4,601.1	4,621.1	4,502.9	4,268.2	4,279.1
Revenue, MSEK	4,594.2	4,609.2	4,527.2	4,320.4	4,220.1	4,101.0	4,183.8
EBITA adj, MSEK	636.0	619.9	596.6	554.5	540.7	506.1	530.6
EBITA margin adj, %	13.8%	13.4%	13.2%	12.8%	12.8%	12.3%	12.7%
EBIT, MSEK	575.9	540.0	499.2	439.4	418.8	382.6	417.9
EBIT, %	12.5%	11.7%	11.0%	10.2%	9.9%	9.3%	10.0%
Result for the period, MSEK	449.9	418.9	389.7	344.0	290.8	294.4	293.9
Total comprehensive income, MSEK	593.3	441.4	343.7	447.0	429.1	416.5	265.2
Cash flow from operations, MSEK	424.2	402.8	305.8	239.8	265.8	227.1	284.8
Cash flow for the period, MSEK	-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			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order Intake											
Construction Equipment	128	164	212	248	143	226	199	113	188	249	280
Industrial Equipment	523	551	477	600	585	539	533	627	338	573	319
After Sales	302	346	321	254	314	303	286	263	239	292	254
Rental	85	89	90	113	61	114	102	93	103	79	90
Total	**1,039**	**1,150**	**1,101**	**1,214**	**1,104**	**1,182**	**1,121**	**1,096**	**869**	**1,193**	**943**
Revenue											
Construction Equipment	131	271	208	176	176	185	177	228	146	262	157
Industrial Equipment	535	493	570	580	537	523	429	448	487	530	330
After Sales	319	331	297	303	290	316	274	296	271	325	215
Rental	100	99	91	91	95	87	80	77	76	78	75
Total	**1,084**	**1,193**	**1,167**	**1,150**	**1,099**	**1,112**	**960**	**1,050**	**980**	**1,194**	**777**
EBITA adj.											
Construction Equipment	19	50	30	34	27	31	17	41	13	42	14
Industrial Equipment	32	17	34	32	18	14	11	21	9	27	12
After Sales	85	90	78	78	76	92	74	74	71	92	59
Rental	15	15	12	14	15	12	9	9	9	12	6
Total	**152**	**172**	**153**	**159**	**136**	**149**	**111**	**145**	**101**	**173**	**91**
EBITA											
Construction Equipment	19	50	30	46	27	30	17	40	6	42	14
Industrial Equipment	32	17	32	11	6	4	-1	6	-1	25	7
After Sales	85	90	77	73	69	89	70	72	68	92	58
Rental	15	15	12	14	15	12	9	9	9	12	6
Total	**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		2018				2017			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order Intake											
Construction Equipment	128	164	212	248	143	226	199	113	188	249	280
Industrial Equipment	523	551	477	600	585	539	533	627	338	573	622
After Sales	302	346	321	254	314	303	286	263	239	292	290
Rental	85	89	90	113	61	114	102	93	103	79	90
Total	**1,039**	**1,150**	**1,101**	**1,214**	**1,104**	**1,182**	**1,121**	**1,096**	**869**	**1,193**	**1,281**
Revenue											
Construction Equipment	131	271	208	176	176	185	177	228	146	262	157
Industrial Equipment	535	493	570	580	537	523	429	448	487	530	504
After Sales	319	331	297	303	290	316	274	296	271	325	255
Rental	100	99	91	91	95	87	80	77	76	78	75
Total	**1,084**	**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	Q3 2019	Q3 2018	Jan-Sep 2019	Jan-Sep 2018
Revenue	2.8	3.5	7.8	10.5
Operating expenses	-10.7	-9.9	-25.5	-30.0
Operating profit/loss (EBIT)	**-7.9**	**-6.4**	**-17.7**	**-19.1**
Financial net	4.5	6.7	12.8	16.9
Profit/loss after financial items	**-3.4**	**0.3**	**-4.9**	**-2.6**
Profit before tax (EBT)	**-3.4**	**0.3**	**-4.9**	**-2.6**
Income tax	0.8	0.6	1.7	0.6
Net profit for the period	**-2.6**	**0.9**	**-3.2**	**-2.0**

Condensed Balance sheet, parent company

Amounts in MSEK	30 Sep 2019	30 Sep 2018	31 Dec 2018
Non-current assets			
Shares in group companies	1,898.4	1,898.4	1,898.4
Other non-current assets	2.1	1.3	1.1
Total non-current assets	**1,900.5**	**1,899.7**	**1,899.5**
Current assets			
Receivables from group companies	1,615.9	1,663.6	1,594.5
Other short term receivables	5.5	5.6	0.6
Cash and cash equivalents	0.0	7.4	0.0
Total current assets	**1,621.4**	**1,676.6**	**1,595.1**
TOTAL ASSETS	**3,521.9**	**3,576.3**	**3,494.6**
EQUITY AND LIABILITIES			
Shareholders equity	2,725.1	2,914.3	2,902.4
Non-current liabilities, interest bearing	36.9	170.8	106.6
Current liabilities, interest bearing	-	-	29.8
Liabilities to group companies	748.1	439.6	402.6
Other current liabilities	11.8	51.6	53.2
TOTAL EQUITY AND LIABILITIES	**3,521.9**	**3,576.3**	**3,494.6**

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 2019 [1]	**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	Q3 2019	Q3 2018	Jan-Sep 2019	Jan-Sep 2018
Europe	393.0	346.8	1,199.4	1,166.7
APAC	359.5	441.6	1,183.1	1,160.0
Americas	321.0	296.6	1,022.3	813.8
Other markets[1]	10.5	13.9	39.2	29.7
Total	**1,084.0**	**1,098.9**	**3,444.0**	**3,170.2**
Over time				
Construction Equipment	-	-	-	-
Industrial Equipment	210.7	202.0	656.3	624.9
After Sales	-	-	-	-
Rental[2]	57.3	43.4	156.1	120.2
Total over time	**268.0**	**245.4**	**812.4**	**745.1**
Point in time				
Construction Equipment	130.7	176.5	609.4	538.0
Industrial Equipment	324.2	334.9	941.4	864.8
After Sales	318.9	290.5	947.0	879.8
Rental	42.2	51.6	133.8	142.5
Total point in time	**816.0**	**853.5**	**2,631.6**	**2,425.1**
Total	**1,084.0**	**1,098.9**	**3,444.0**	**3,170.2**

[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	-932.8	-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**	**-954.7**	**-731.4**	**-487.0**

NOTE 4. RIGHT-OF-USE ASSETS

Amounts in MSEK	30 Sep 2019	30 Sep 2018	31 Dec 2018
Right-of-use assets are split into the following categories			
Premises	278.0	-	-
Vehicles	31.6	-	-
Equipment	18.1	-	-
Total	**327.7**	**-**	**-**

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

Amounts in MSEK	Q3 2019	Q3 2018	Jan-Sep 2019	Jan-Sep 2018
Depreciations are included in:				
Cost of sales	15.9	-	51.6	-
Operating expenses	4.8	-	13.5	-
	20.7	**-**	**65.1**	**-**
Included in Finance net:				
Interest expenses	3.2	-	6.6	-
	3.2	**-**	**6.6**	**-**
Total	**23.9**	**-**	**71.7**	**-**

NOTE 5. FINANCIAL INSTRUMENTS

Amounts in MSEK	Total carrying amount		
	30 Sep 2019	30 Sep 2018	31 Dec 2018
FINANCIAL ASSETS			
Derivative financial instruments	2.5	0.0	6.0
Other financial receivables	1,233.0	1,125.1	1,228.5
Cash and cash equivalents	245.2	317.1	355.6
Total	**1,480.7**	**1,442.2**	**1,590.1**
FINANCIAL LIABILITIES			
Derivative financial instruments	13.1	2.0	9.0
Interest bearing debts	1,198.3	1,296.6	1,222.3
Other financial liabilities	890.2	600.4	705.2
Total	**2,101.6**	**1,899.0**	**1,936.5**

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

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

30 Sep 2019	Level 2
Financial assets	
Currency derivatives	2.5
Total	**2.5**
Financial liabilities	
Currency derivatives	13.1
Total	**13.1**
30 Sep 2018	Level 2
Financial assets	
Currency derivatives	0.0
Total	**0.0**
Financial liabilities	
Currency derivatives	2.0
Total	**2.0**
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 September 30, 2019, the maximum potential future payments Alimak Group could be required to make under issued financial guarantees totalled MSEK 480.8 (449.1 at the end of 2018, 590.0 Sept 30, 2018) of which MSEK 478.9 refers to indemnity bonds for commitments to customers (448.5 at the end of 2018, Sept 30, 589.4). Assets pledged totalled MSEK 19.8 (12.8 at the end of 2018, 8.2 Sept 30, 2018).

FINANCIAL CALENDAR

- The Year-End report of 2019 will be published on February 21, 2020.
- The Annual Report for 2019 will be published on March 26, 2020.
- The Annual General Meeting will be held on May 7, 2020 in Stockholm.

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 CEST on Wednesday October 23, 2019. 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: +46856642661
UK: +442031940544
US: +18552692604

Link to audiocast:
https://alimak.eventcdn.net/2019q3/

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.

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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 CEST on October 23, 2019.

About Alimak Group

Alimak Group is a world-leading provider of vertical access solutions for professional use. With presence in more than 100 countries, the Group develops, manufactures, sells and services vertical access solutions with focus on adding customer value through greater safety, higher productivity and improved cost efficiency. Alimak Group's products and 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, 12 production and assembly facilities in 8 countries and 2,400 employees around the world. www.alimakgroup.com