Alimak Group AB
ALIG, SE0007158910

Interim Report
January – June 2019

Q2

Solid Group performance, mixed outcomes within the business areas

- Order intake decrease mainly stemming from weak development in Construction Equipment. Another all-time high of orders in a quarter for After Sales
- Strong revenue growth in Construction Equipment compensates slight decrease in Industrial Equipment
- Margin improvement both year-over-year and sequentially for the Group, EPS increase of 37%

SECOND QUARTER

- Order intake decreased by 3% to MSEK 1,150 (1,182) with an organic decrease of 7%
- Revenue grew by 7% to MSEK 1,193 (1,112) with an organic increase of 3%
- EBITA adj. increased to MSEK 172 (149), margin 14.4% (13.4)
- Result for the period increased to MSEK 108 (79)
- Earnings per share amounted to SEK 2.00 (1.46)
- Cash flow from operations amounted to MSEK 106 (-14)

JANUARY – JUNE

- Order intake decreased by 2% to MSEK 2,251 (2,303) with an organic decrease of 7%
- Revenue grew by 14% to MSEK 2,360 (2,071) with an organic increase of 8%
- EBITA adj. increased to MSEK 325 (260), margin 13.8% (12.6)
- Result for the period amounted to MSEK 207 (132)
- Earnings per share amounted to SEK 3.82 (2.43)
- Cash flow from operations amounted to MSEK 142 (-21)
- Leverage at June 30, 2019 was 1.90 (2.16 as of June 30, 2018 and 1.55 as of December 31, 2018)

KEY FIGURES, GROUP	Q2 2019	Q2 2018	Δ	Jan-Jun 2019	Jan-Jun 2018	Δ
Order intake, MSEK	1 150,0	1 182,4	-3%	2 250,7	2 303,1	-2%
Revenue, MSEK	1 193,5	1 111,6	7%	2 360,0	2 071,2	14%
EBITA adj, MSEK[1]	172,0	148,7	16%	325,4	260,1	25%
EBITA margin adj, %[1]	14,4%	13,4%		13,8%	12,6%	
EBITA, MSEK	171,8	135,5	27%	322,8	229,9	40%
EBITA margin, %	14,4%	12,2%		13,7%	11,1%	
EBIT, MSEK	161,5	120,7	34%	301,4	200,8	50%
EBIT margin, %	13,5%	10,9%		12,8%	9,7%	
Result for the period, MSEK	108,2	79,1	37%	206,7	131,8	57%
Earnings per share, SEK	2,00	1,46	37%	3,82	2,43	57%
Cash flow from operations, MSEK	106,2	-13,7	-873%	142,1	-20,8	-783%
Net debt/EBITDA, ratio	1,90	2,16	-12%	1,90	2,16	-12%

[1] Before items affecting comparability

Comments by the CEO

The financial performance improved for the Group as a whole in Q2 2019, while there were mixed outcomes in the different business areas. The period included several highlights such as record order intake for After Sales, all time high revenues for three of four business areas and good operating cash flow of MSEK 106 (-14).

Revenue increased by 7%, and by 3% organically, to MSEK 1,193 (1,112), supported by very strong revenue development in Construction Equipment and Rental but held back by a revenue decrease in business unit Wind, as expected after the Q1 development in orders.

With EBITA adj. at MSEK 172 (149), profitability continued to improve to 14.4% (13.4). This meant sequential improvements for all business areas except Industrial Equipment where low volumes directly impacted the margin.

However, the Group’s order intake decreased by 3%, and by 7% organically to MSEK 1,150 (1,182), a result of challenging market conditions in two of our end-markets.

Market development

On the Construction side, we are noticing an increased market uncertainty following geopolitical concerns such as Brexit and bilateral trade issues. This has led to more cautious investment processes by customers in several regions, especially in the UK and Northern Europe. This may lead to increased lumpiness of order intake going forward, even though the global pipeline remains solid. With flexible production capabilities in place, we focus on increasing our geographical footprint and broadening our product portfolio to address new opportunities.

The Wind business unit continues to face aggressive price competition on standardised tower internals from new actors, primarily in China. The situation is closely monitored and any changes we see in the market will be reflected in corresponding adaptions to the cost base given the lower volumes. We remain optimistic to the service lift and ladder parts of our Wind business, which are performing well.

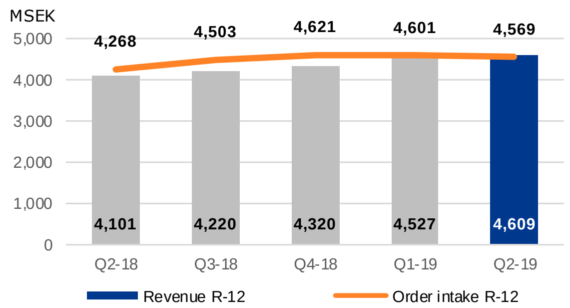
Proof of after-market potential for BMU

In After Sales, orders for BMU refurbishments are materialising to a greater extent than previously seen. This is the result of our continued efforts to educate the market on the importance of properly maintained equipment. It has taken longer than what I initially hoped for, but I am happy to see this now starting to move in the right direction.

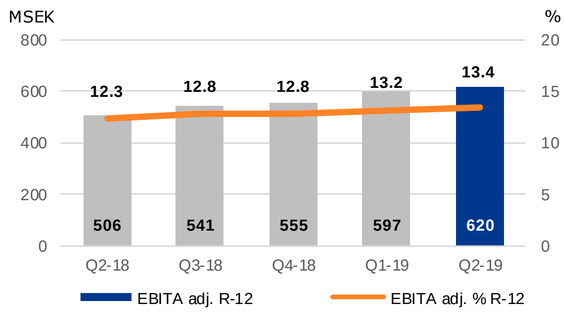
To conclude, the business areas are facing different challenges and opportunities, which are reflected in their performance in the second quarter. As a Group, we are on track towards our mid-term targets, organic revenue growth year to date is at 8%. Furthermore, with the strong backlog and it’s timing, we still maintain our belief that we will be on run-rate for the margin target by the end of the year.

Tormod Gunleiksrud, President and CEO

Order intake & Revenue R12M



EBITA adj. & EBITA margin adj. R12M



Group Performance

SECOND QUARTER

Order intake in the quarter decreased by 3% to MSEK 1,150 (1,182) with an organic decrease of 7%. After Sales reported its best quarter ever while Construction Equipment recorded a decrease following low order intake in the UK and Northern Europe.

Revenue grew by 7% to MSEK 1,193 (1,112) with an organic increase of 3%. Very strong revenue development in Construction Equipment and Rental but held back by a revenue decrease in the Wind business unit.

EBITA adj. for the quarter was MSEK 172 (149), corresponding to a margin of 14.4% (13.4). All business areas except After Sales improved their margins compared to Q2 2018. The changed business area mix, with a shift in the proportion of revenues from Industrial Equipment to Construction Equipment, had a positive impact on the Group margin of 0.8 percentage points. The adoption of IFRS 16 had a positive impact on EBITA adj. of MSEK 1.

Items affecting comparability in the quarter amounted to MSEK 0 (13).

Amortisation in the quarter amounted to MSEK 10 (15) related entirely to acquired businesses.

EBIT in the quarter amounted to MSEK 161 (121).

The financial net was MSEK -17 (-9) with an impact from IFRS 16 of MSEK -1 and the remaining derived from the interest net and currency impact.

Tax expense for the quarter was MSEK 36 (33) and the tax rate was 25% (29%). There was no material change in deferred tax assets in the quarter.

Result for the period amounted to MSEK 108 (79) where the improvement mainly came from the increase in EBITA adj. result. EPS improved to SEK 2.00 (1.46) for the quarter.

Net investments in fixed assets in the quarter totalled MSEK 38 (24). Higher investments in IS/IT equipment and software are the main reasons for the increase.

Cash flow from operations in the quarter was MSEK 106 (-14). Working capital increased by MSEK 59 (143) due to lower operating liabilities while there was a reduction in inventories and receivables, all mostly relating to lower volumes for the Wind business.

ORDER INTAKE	Q2		Jan-Jun	
	2019	2018	2019	2018
Orders, MSEK	**1,150.0**	**1,182.4**	**2,250.7**	**2,303.1**
Change, MSEK	-32.4	-10.9	-52.4	167.0
Change, %	-2.7%	-0.9%	-2.3%	7.8%
Whereof:				
Volume & price, %	-6.8%	-1.6%	-7.5%	-3.1%
Exchange rate, %	4.1%	0.7%	5.2%	-0.9%
Acquisition & divestment, %	0.0%	0.0%	0.0%	11.8%

REVENUE	Q2		Jan-Jun	
	2019	2018	2019	2018
Revenue, MSEK	**1,193.5**	**1,111.6**	**2,360.0**	**2,071.2**
Change, MSEK	81.9	-82.7	288.8	100.3
Change, %	7.4%	-6.9%	13.9%	5.1%
Whereof:				
Volume & price, %	3.0%	-7.7%	7.9%	-5.4%
Exchange rate, %	4.4%	0.7%	6.1%	-0.5%
Acquisition & divestment, %	0.0%	0.0%	0.0%	10.9%

EBIT & EBITA adj.[1]	Q2		Jan-Jun	
	2019	2018	2019	2018
EBIT, MSEK	**161.5**	**120.7**	**301.4**	**200.8**
EBIT margin, %	**13.5%**	**10.9%**	**12.8%**	**9.7%**
EBITA adj, MSEK	**172.0**	**148.7**	**325.4**	**260.1**
EBITA margin adj, %	**14.4%**	**13.4%**	**13.8%**	**12.6%**
Change, MSEK	23.3	-24.4	65.4	-4.1
Change, %	15.6%	-14.1%	25.1%	-1.5%
Whereof:				
Volume & price, %	13.9%	-15.1%	21.5%	-4.5%
Exchange rate, %	1.8%	1.0%	3.7%	0.1%
Acquisition & divestment,	0.0%	0.0%	0.0%	2.9%

[1] Before items affecting comparability

JANUARY – JUNE

Order intake during the period decreased by 2% to MSEK 2,251 (2,303) with an organic decrease of 7%.

Revenue grew by 14% to MSEK 2,360 (2,071) with an organic increase of 8%.

EBITA adj. for the period was MSEK 325 (260), corresponding to a margin of 13.8% (12.6)

Items affecting comparability in the period amounted to MSEK 3 (30).

Amortisation in the period amounted to MSEK 21 (29) related entirely to acquired businesses. Intangible assets relating to order backlog were fully amortised in 2018.

EBIT for the period amounted to MSEK 301 (201).

The financial net was MSEK -27 (-18) with an impact from IFRS 16 of MSEK -3 and the remaining largely derived from the interest net and currency impact.

Tax expense for the period was MSEK 68 (51) and the tax rate was 25% (28%).

Result for the period amounted to MSEK 207 (132) where the increase relates to the EBITA adj. result and lower costs for items affecting comparability. EPS improved to SEK 3.82 (2.43).

Net investments in fixed assets in the period totalled MSEK 55 (33). One production facility in China has been relocated combined with investments in IS/IT equipment and software leading to the increase in investments.

Cash flow from operations in the period was MSEK 142 (-21) subsequent increase in working capital of MSEK 171 (230). This was driven by lower operating liabilities combined with higher contract assets relating to BMU projects.

FINANCIAL POSITION

As of June 30, 2019, net debt totalled MSEK 1,321 (867 as of December 31, 2018). The impact of IFRS 16 was MSEK 327. The dividend payment of MSEK 149 in the quarter increased the net debt.

The equity ratio was 54.2% (56.5 as of December 31, 2018) and the leverage was 1.90 (1.55 as of December 31, 2018). The impact of IFRS 16 was 0.47 points, partly offset by the improved EBITDA result.

EMPLOYEES

As of June 30, 2019, there were 2,344 (2,325) FTEs in the Group.

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD JANUARY – JUNE 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.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Extension of credit facility

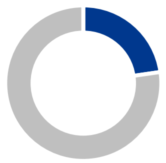
Alimak Group has extended the multi-currency revolving credit facility with Handelsbanken that was signed in July 2018. The facility now runs until 2024 with the same terms and conditions.

FINANCIAL TARGETS AND POLICIES

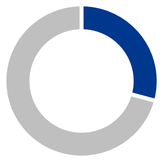
Please see the latest Annual Report and alimakgroup.com.

Construction Equipment

Share of revenue



Share of EBITA adj.



Order intake decreased by 27%, and by 30% organically, to MSEK 164 (226) due to low orders in Northern Europe and the UK. Uncertainty about future construction activity in these regions delayed customers' decisions of investments in fleet expansions and prolonged negotiations. The US and Australian markets remained strong, while Central and South America grew from low levels. South East Asia and Middle East, which showed positive signs in Q1, were again on the low side.

The all-time high quarterly revenues of MSEK 271 (185), a 47% growth and 40% organically, stemmed from the strong order backlog with deliveries mainly to mature markets.

Two new products, a high-speed hoist and a light-weight transport platform, were launched at the Bauma exhibition in Munich to strong customer interest, expanding the product portfolio in both the heavy-duty and lighter equipment segment.

The overweight of mature market deliveries in the product mix together with high volumes resulted in EBITA adj. of MSEK 50 (31), a strong margin of 18.5% (16.5).

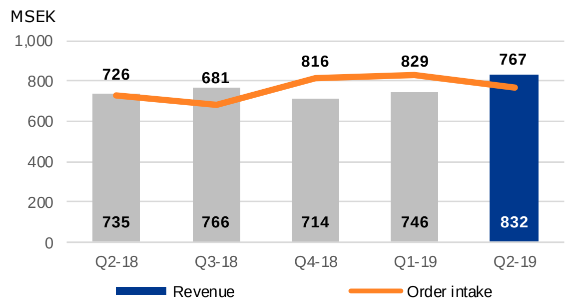
ORDER INTAKE	Q2		Jan-Jun	
	2019	2018	2019	2018
Orders, MSEK	**164.3**	**226.0**	**376.2**	**424.9**
Change, MSEK	-61.6	-23.1	-48.7	-104.0
Change, %	-27.3%	-9.3%	-11.5%	-19.7%
Whereof:				
Volume & price, %	-30.4%	-9.6%	-16.6%	-18.8%
Exchange rate, %	3.2%	0.4%	5.1%	-0.8%
Acquisition & divestment, %	0.0%	0.0%	0.0%	0.0%

REVENUE	Q2		Jan-Jun	
	2019	2018	2019	2018
Revenue, MSEK	**270.9**	**184.7**	**478.7**	**361.5**
Change, MSEK	86.2	-77.2	117.2	-57.1
Change, %	46.7%	-29.5%	32.4%	-13.6%
Whereof:				
Volume & price, %	39.5%	-30.4%	24.1%	-13.0%
Exchange rate, %	7.1%	1.0%	8.3%	-0.6%
Acquisition & divestment, %	0.0%	0.0%	0.0%	0.0%

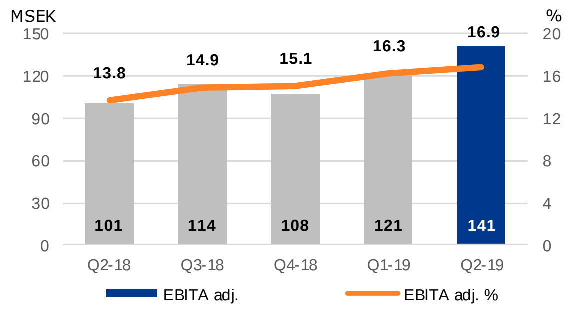
EBITA adj.[1]	Q2		Jan-Jun	
	2019	2018	2019	2018
EBITA adj, MSEK	**50.2**	**30.5**	**80.4**	**47.3**
EBITA margin adj, %	**18.5%**	**16.5%**	**16.8%**	**13.1%**
Change, MSEK	19.7	-11.5	33.2	-8.8
Change, %	64.7%	-27.4%	70.2%	-15.8%
Whereof:				
Volume & price, %	67.5%	-27.5%	70.2%	-15.5%
Exchange rate, %	-2.9%	0.2%	0.0%	-0.3%
Acquisition & divestment, %	0.0%	0.0%	0.0%	0.0%

[1] Before items affecting comparability

Order intake & Revenue R12M



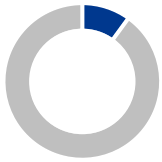
EBITA adj. & EBITA margin adj. R12M



Industrial Equipment

Share of revenue

Share of EBITA adj.



Order intake for Industrial Equipment improved slightly from the first quarter of 2019 and was stable year-over-year at MSEK 551 (539). Good development in most business units but numbers were still held back by continued lower orders for tower internals in Wind. This stems from the market development communicated in Q1 regarding increased price pressure from new competitors, primarily located in China.

BMU order booking increased from last year, especially in the US and Asia. The BMU unit has not been affected by the same market challenges in the European region as Construction Equipment and remained on par with 2018.

Oil & Gas delivered good order bookings, mainly related to North America and explosion-proof elevators, despite lack of large projects.

Revenue decreased 6%, and 7% organically, to MSEK 493 (523), a direct effect of the Q1 order drop in Wind.

The EBITA adj. at MSEK 17 (14), represent a margin of 3.5% (2.7) which is an improvement year-over-year from synergy realisation, but the sequential decrease is a direct result of lower volumes.

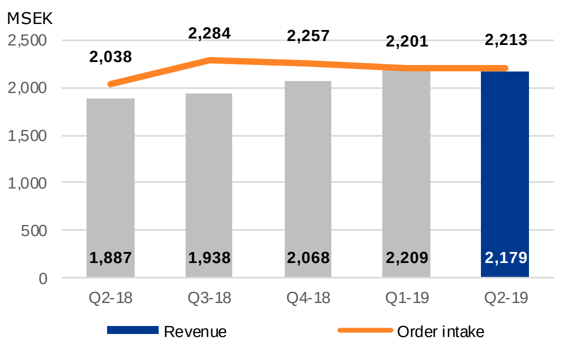
ORDER INTAKE	Q2		Jan-Jun	
	2019	2018	2019	2018
Orders, MSEK	**551.1**	**539.1**	**1,028.3**	**1,072.3**
Change, MSEK	12.0	-33.9	-44.0	180.5
Change, %	2.2%	-5.9%	-4.1%	20.2%
Whereof:				
Volume & price, %	-1.9%	-6.4%	-9.2%	-1.6%
Exchange rate, %	4.1%	0.4%	5.1%	-0.7%
Acquisition & divestment, %	0.0%	0.0%	0.0%	22.5%

REVENUE	Q2		Jan-Jun	
	2019	2018	2019	2018
Revenue, MSEK	**492.7**	**523.1**	**1,062.8**	**951.7**
Change, MSEK	-30.4	-6.5	111.0	92.2
Change, %	-5.8%	-1.2%	11.7%	10.7%
Whereof:				
Volume & price, %	-6.5%	-1.7%	5.8%	-8.4%
Exchange rate, %	0.7%	0.4%	5.8%	-0.1%
Acquisition & divestment, %	0.0%	0.0%	0.0%	19.3%

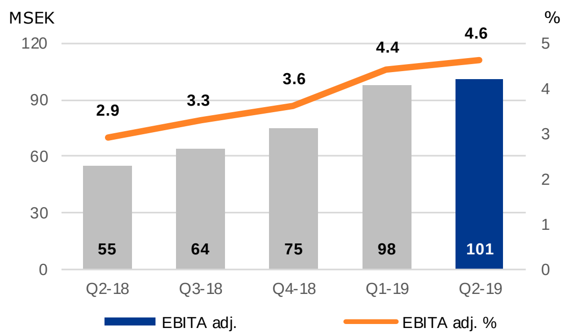
EBITA adj.[1]	Q2		Jan-Jun	
	2019	2018	2019	2018
EBITA adj, MSEK	**17.2**	**13.9**	**50.7**	**24.8**
EBITA margin adj, %	**3.5%**	**2.7%**	**4.8%**	**2.6%**
Change, MSEK	3.3	-12.9	25.9	-13.6
Change, %	23.4%	-48.2%	104.2%	35.3%
Whereof:				
Volume & price, %	28.0%	-57.4%	100.3%	32.9%
Exchange rate, %	-4.7%	9.2%	3.9%	10.9%
Acquisition & divestment, %	0.0%	0.0%	0.0%	-8.5%

[1] Before items affecting comparability

Order intake & Revenue R12M



EBITA adj. & EBITA margin adj. R12M



After Sales

Share of revenue

Share of EBITA adj.

The business area reported a 14% order intake increase, and an 8% increase organically, to MSEK 346 (303), and beat the previous all-time high from Q1. Demand was strong in several regions, with special mention of China and the US while the South East Asian market had a more modest quarter in terms of orders. A noticeable increase of refurbishment and service orders for BMUs was booked in the quarter.

Revenue grew by 5% but was flat organically. Same as with orders, China and the US developed favourably. Good development within service and refurbishments, while the revenue share of spare parts decreased slightly.

EBITA adj. amounted to at MSEK 90 (92), representing a good margin of 27.2% (29.1). The difference compared to last year's high level was due to the mix.

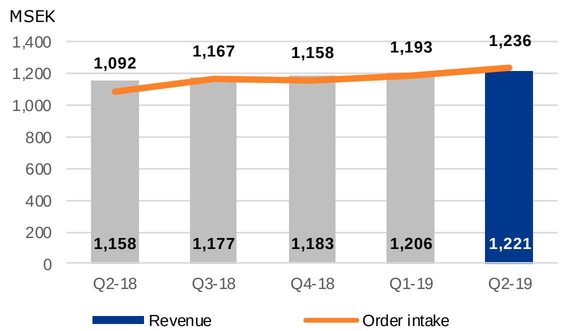
ORDER INTAKE	Q2		Jan-Jun	
	2019	2018	2019	2018
Orders, MSEK	**346.1**	**303.3**	**667.3**	**589.4**
Change, MSEK	42.8	11.3	77.8	43.7
Change, %	14.1%	3.9%	13.2%	8.0%
Whereof:				
Volume & price, %	8.5%	3.2%	6.7%	0.3%
Exchange rate, %	5.6%	0.7%	6.5%	-1.7%
Acquisition & divestment, %	0.0%	0.0%	0.0%	9.5%

REVENUE	Q2		Jan-Jun	
	2019	2018	2019	2018
Revenue, MSEK	**331.0**	**316.4**	**628.2**	**590.3**
Change, MSEK	14.6	-8.5	37.9	50.2
Change, %	4.6%	-2.6%	6.4%	9.3%
Whereof:				
Volume & price, %	-0.2%	-3.0%	0.4%	1.6%
Exchange rate, %	4.8%	0.4%	6.0%	-1.5%
Acquisition & divestment, %	0.0%	0.0%	0.0%	9.1%

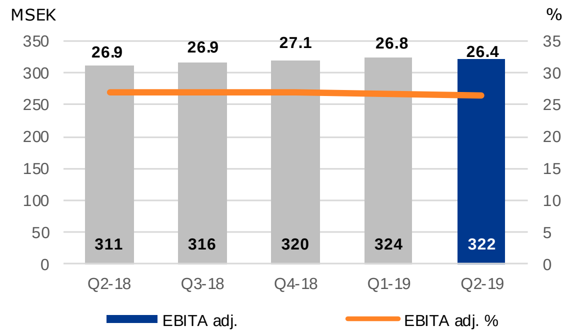
EBITA adj.[1]	Q2		Jan-Jun	
	2019	2018	2019	2018
EBITA adj, MSEK	**89.9**	**92.0**	**167.8**	**166.4**
EBITA margin adj, %	**27.2%**	**29.1%**	**26.7%**	**28.2%**
Change, MSEK	-2.0	0.1	1.4	15.6
Change, %	-2.2%	0.1%	0.8%	10.4%
Whereof:				
Volume & price, %	2.4%	0.7%	0.8%	9.3%
Exchange rate, %	-4.6%	-0.6%	0.0%	-1.9%
Acquisition & divestment, %	0.0%	0.0%	0.0%	2.9%

[1] Before items affecting comparability

Order intake & Revenue R12M

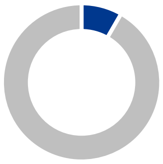


EBITA adj. & EBITA margin adj. R12M

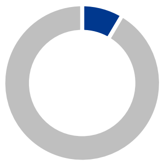


Rental

Share of revenue



Share of EBITA adj.



Order intake was on the same level as Q1 but dropped 22% year-over-year, and by 24% organically to MSEK 89 (114). The lower order intake is mainly stemming from Australia where availability of machines is low following high utilisation.

Following high utilisation, revenue grew by 13%, and by 11% organically, to MSEK 99 (87) and reached record level.

Previously delayed projects in the Netherlands and Germany were started in the quarter and supported the growth in revenue.

EBITA adj. of MSEK 15 (12) meant an improved margin of 14.8% (14.0) following the high revenues.

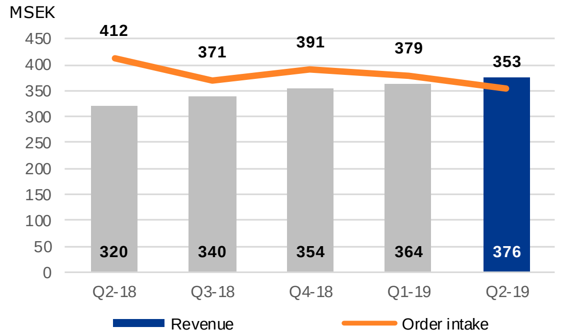
ORDER INTAKE	Q2		Jan-Jun	
	2019	2018	2019	2018
Orders, MSEK	**88.5**	**114.1**	**178.9**	**216.5**
Change, MSEK	-25.6	34.9	-37.6	46.8
Change, %	-22.4%	44.0%	-17.4%	27.6%
Whereof:				
Volume & price, %	-24.2%	40.8%	-19.7%	26.7%
Exchange rate, %	1.7%	3.2%	2.4%	0.9%
Acquisition & divestment, %	0.0%	0.0%	0.0%	0.0%

REVENUE	Q2		Jan-Jun	
	2019	2018	2019	2018
Revenue, MSEK	**98.9**	**87.3**	**190.4**	**167.7**
Change, MSEK	11.6	9.5	22.7	14.9
Change, %	13.3%	12.2%	13.5%	9.8%
Whereof:				
Volume & price, %	11.2%	8.7%	10.5%	8.0%
Exchange rate, %	2.1%	3.4%	3.0%	1.7%
Acquisition & divestment, %	0.0%	0.0%	0.0%	0.0%

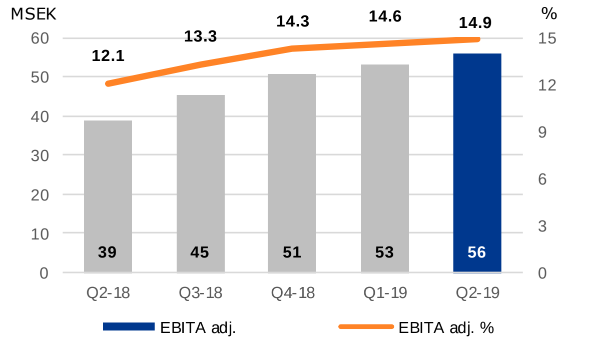
EBITA adj.[1]	Q2		Jan-Jun	
	2019	2018	2019	2018
EBITA adj, MSEK	**14.6**	**12.2**	**26.5**	**21.6**
EBITA margin adj, %	**14.8%**	**14.0%**	**13.9%**	**12.9%**
Change, MSEK	2.4	-0.2	5.0	2.7
Change, %	19.8%	-1.2%	23.0%	14.5%
Whereof:				
Volume & price, %	22.8%	-1.7%	23.0%	16.1%
Exchange rate, %	-3.1%	0.4%	0.0%	-1.7%
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 Board of Directors and 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, 20 August 2019

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

Jan Svensson Chairman of the Board	Anders Jonsson Board member	Helena Nordman-Knutson Board member
Tomas Carlsson Board member	Christina Hallin Board member	Sven Törnkvist Board member
Örjan Fredriksson Employee representative		Greger Larsson Employee representative

Tormod Gunleiksrud
President and CEO

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

Condensed statement of comprehensive income, Group

Amounts in MSEK	Q2 2019	Q2 2018	Jan-Jun 2019	Jan-Jun 2018
Revenue	1,193.5	1,111.6	2,360.0	2,071.2
Cost of sales [1]	-781.7	-738.4	-1,573.6	-1,383.4
Gross profit	**411.8**	**373.2**	**786.4**	**687.8**
Operating expenses [1]	-250.3	-252.5	-485.0	-487.0
Operating profit (EBIT)	**161.5**	**120.7**	**301.4**	**200.8**
Financial net	-16.9	-8.5	-26.5	-17.7
Result before tax (EBT)	**144.6**	**112.2**	**274.9**	**183.1**
Taxes	-36.4	-33.1	-68.2	-51.3
Result for the period	**108.2**	**79.1**	**206.7**	**131.8**
Attributable to the parent company's shareholders	108.2	79.1	206.7	131.8
Earnings per share, SEK	2.00	1.46	3.82	2.43
Other comprehensive income for the period				
Items that will be returned to net income				
Translation differences	24.0	98.4	82.5	152.2
Cash flow hedging	13.5	-2.1	2.0	-6.4
Deferred tax attributable to hedging	-3.5	0.4	-0.4	1.4
Total	**34.0**	**96.7**	**84.1**	**147.2**
Items not to be returned to net income				
Revaluation of pension plans	-7.8	-0.2	-23.0	-0.2
Deferred tax attributable to revaluation of pension plans	1.4	0.0	5.5	0.0
Total	**-6.4**	**-0.2**	**-17.5**	**-0.2**
Other comprehensive income, net after tax	**27.6**	**96.5**	**66.6**	**147.0**
Total comprehensive income for the period	**135.8**	**175.6**	**273.3**	**278.8**
Attributable to the parent company's shareholders	135.8	175.6	273.3	278.8

[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 Jun 2019	30 Jun 2018	31 Dec 2018
ASSETS			
Intangible fixed assets	3,007.1	2,981.3	2,930.1
Tangible fixed assets	371.1	372.1	357.7
Right-of-use assets	326.3	-	-
Financial and other non-current assets	163.5	89.6	168.8
Total non-current assets	**3,868.0**	**3,443.0**	**3,456.6**
Inventories	639.5	724.8	679.4
Contract assets	292.0	242.3	244.4
Trade receivables	1,024.0	1,035.0	1,017.8
Other receivables	377.2	235.8	278.6
Cash and cash equivalents	327.0	287.9	355.6
Total current assets	**2,659.7**	**2,525.8**	**2,575.8**
TOTAL ASSETS	**6,527.7**	**5,968.8**	**6,032.4**
EQUITY AND LIABILITIES			
Shareholders equity	**3,534.9**	**3,253.6**	**3,409.7**
Non-current liabilities			
Interest bearing debts	1,285.5	1,319.3	1,110.5
Lease liability	294.9	-	-
Other long term liabilities	374.6	384.1	327.6
Total non-current liabilities	**1,955.0**	**1,703.4**	**1,438.1**
Current liabilities			
Interest bearing debts	65.3	58.3	111.8
Lease liability	31.9	-	-
Contract liabilities	39.5	94.2	87.8
Accounts payable	346.6	447.2	553.4
Other current liabilities	554.5	412.1	431.6
Total current liabilities	**1,037.8**	**1,011.8**	**1,184.6**
TOTAL EQUITY AND LIABILITIES	**6,527.7**	**5,968.8**	**6,032.4**

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	-	-	-	-	131.8	131.8
Changes of fair value	-	-	-	-6.4	-0.2	-6.6
Tax attributable to revaluations	-	-	-	1.4	-	1.4
Translation difference	-	-	152.3	-	-	152.3
Total comprehensive income	**-**	**-**	**152.3**	**-5.0**	**131.6**	**278.9**
Dividend	-	-	-	-	-124.6	-124.6
Closing balance, 30 Jun 2018	**1.1**	**2,950.6**	**216.6**	**-4.8**	**90.1**	**3,253.6**
Result for the period	-	-	-	-	212.1	212.1
Changes of fair value	-	-	-	3.6	-	3.6
Revaluation of pension plans	-	-	-	-	9.4	9.4
Tax attributable to revaluations	-	-	-	-0.8	-1.6	-2.4
Translation difference	-	-	-54.7	-	-	-54.7
Total comprehensive income	**-**	**-**	**-54.7**	**2.8**	**219.9**	**168.0**
Acquisition 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	-	-	-	-	206.7	206.7
Changes of fair value	-	-	-	2.0	-	2.0
Revaluation of pension plans	-	-	-	-	-23.0	-23.0
Tax attributable to revaluations	-	-	-	-0.4	5.5	5.1
Translation difference	-	-	82.5	-	-	82.5
Total comprehensive income	**-**	**-**	**82.5**	**1.6**	**189.2**	**273.3**
Dividend	-	-	-	-	-148.7	-148.7
Share based payments	-	0.6	-	-	-	0.6
Closing balance, 30 Jun 2019	**1.1**	**2,939.3**	**244.4**	**-0.4**	**350.5**	**3,534.9**

Cash flow statement, Group

Amounts in MSEK	Q2 2019	Q2 2018	Jan-Jun 2019	Jan-Jun 2018
Operating activities:				
Result before tax	144.6	112.2	274.9	183.1
Reversal of depreciation and amortisation	49.1	31.8	100.1	63.1
Taxes paid	-24.8	-21.4	-63.8	-37.3
Adjustments for other non-cash items	-4.1	6.7	1.6	0.6
Cash flow from operating activities before change in working capital	**164.8**	**129.3**	**312.8**	**209.5**
Change in working capital:				
Change in inventory	49.0	-11.8	60.2	-104.3
Change in contract assets	28.4	-40.0	-37.7	-13.3
Change in operating receivables	40.3	-153.2	-13.1	-188.7
Change in operating liabilities	-176.3	62.0	-180.1	76.0
Cash flow from working capital	**-58.6**	**-143.0**	**-170.7**	**-230.3**
Cash flow from operating activities	**106.2**	**-13.7**	**142.1**	**-20.8**
Investing activities:				
Business acquisitions, net of cash aquired	-16.6	-	-16.6	-
Investment in intangible fixed assets	-7.0	0.0	-11.0	-0.1
Investment in tangible fixed assets	-31.4	-25.5	-43.7	-34.3
Sales/disposal of tangible fixed assets	0.0	1.2	0.0	1.7
Changes in financial assets	-4.0	-	-28.8	-
Cash flow from investing activities	**-59.0**	**-24.3**	**-100.1**	**-32.7**
Financing activities:				
Dividend	-148.7	-124.6	-148.7	-124.6
Payment of Lease liability	-22.9	-	-45.5	-
New loans and repayments, net	163.5	155.2	110.7	103.5
Cash flow from financing activities	**-8.1**	**30.6**	**-83.5**	**-21.1**
Cash flow for the period	**39.1**	**-7.4**	**-41.5**	**-74.6**
Cash & cash equivalents at beginning of period	289.0	282.6	355.6	341.3
Translation differences	-1.1	12.7	12.9	21.2
Cash & cash equivalents at end of period	327.0	287.9	327.0	287.9

Key figures

Quarterly data	2019		2018			
	Q2	Q1	Q4	Q3	Q2	Q1
Order intake, MSEK	1,150.0	1,100.7	1,214.4	1,103.6	1,182.4	1,120.7
Revenue, MSEK	1,193.5	1,166.5	1,150.2	1,098.9	1,111.6	959.7
EBITDA, MSEK	210.6	190.9	159.5	134.1	152.6	111.4
EBITA adj, MSEK	172.0	153.4	158.6	135.9	148.7	111.3
EBITA margin adj, %	14.4%	13.2%	13.8%	12.4%	13.4%	11.6%
EBITA, MSEK	171.8	151.0	143.9	116.6	135.5	94.4
EBITA margin, %	14.4%	12.9%	12.5%	10.6%	12.2%	9.8%
EBIT, MSEK	161.5	139.9	133.6	105.0	120.7	80.1
EBIT, %	13.5%	12.0%	11.6%	9.6%	10.9%	8.3%
Result for the period, MSEK	108.2	98.5	143.7	68.5	79.1	52.7
Total comprehensive income, MSEK	135.8	137.5	152.9	15.2	175.6	103.2
Cash flow from operations, MSEK	106.2	35.9	147.8	112.8	-13.7	-7.1
Cash flow for the period, MSEK	39.1	-80.7	32.0	43.8	-7.4	-67.2
Cash flow from operations/EBITDA	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
Average number of shares, thousands	54,157.9	54,157.9	54,157.9	54,157.9	54,157.9	54,157.9
Earnings per share, SEK	2.00	1.82	2.65	1.26	1.46	0.97
Earnings per share, SEK, as per numbers of shares at 30 Sept 2018	2.00	1.82	2.65	1.26	1.46	0.97
Cash flow per share, SEK	0.72	-1.49	0.59	0.81	-0.14	-1.24
Equity per share, SEK	65.27	65.51	62.96	60.36	60.08	59.13
Total assets, MSEK	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	327.0	289.0	355.6	317.1	287.9	282.6
Equity, MSEK	3,534.9	3,547.7	3,409.7	3,268.9	3,253.7	3,202.5
Capital employed, MSEK	4,855.4	4,781.5	4,276.5	4,248.4	4,343.3	4,121.3
Net debt, MSEK	1,320.5	1,233.8	866.7	979.5	1,089.6	918.8
Equity ratio, %	54.2%	54.4%	56.5%	55.9%	54.5%	56.5%
Return on equity, %	12.3%	11.5%	10.6%	9.3%	9.5%	10.3%
Return on capital employed goodwill excluded, %	23.6%	25.1%	23.4%	22.5%	19.7%	21.1%
Return on capital employed, %	11.7%	11.7%	10.6%	10.1%	9.1%	9.8%
Interest coverage ratio, times	11.63	11.5	8.32	-	4.66	2.68
Net debt/EBITDA ratio	1.90	1.94	1.55	1.81	2.16	1.71
Number of employees	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			
	Q2	Q1	Q4	Q3	Q2	Q1
Order intake, MSEK	4,568.7	4,601.1	4,621.1	4,502.9	4,268.2	4,279.1
Revenue, MSEK	4,609.2	4,527.2	4,320.4	4,220.1	4,101.0	4,183.8
EBITA adj, MSEK	619.9	596.6	554.5	540.7	506.1	530.6
EBITA margin adj, %	13.4%	13.2%	12.8%	12.8%	12.3%	12.7%
EBIT, MSEK	540.0	499.2	439.4	418.8	382.6	417.9
EBIT, %	11.7%	11.0%	10.2%	9.9%	9.3%	10.0%
Result for the period, MSEK	418.9	389.7	344.0	290.8	294.4	293.9
Total comprehensive income, MSEK	441.4	343.7	447.0	429.1	416.5	265.2
Cash flow from operations, MSEK	402.8	305.8	239.8	265.8	227.1	284.8
Cash flow for the period, MSEK	34.3	-12.2	1.2	-3.6	-41.0	-47.5

Historical quarterly data 2017 – 2019

Amounts in MSEK	2019		2018				2017			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order Intake										
Construction Equipment	164	212	248	143	226	199	113	188	249	280
Industrial Equipment	551	477	600	585	539	533	627	338	573	319
After Sales	346	321	254	314	303	286	263	239	292	254
Rental	89	90	113	61	114	102	93	103	79	90
Total	**1,150**	**1,101**	**1,214**	**1,104**	**1,182**	**1,121**	**1,096**	**869**	**1,193**	**943**
Revenue										
Construction Equipment	271	208	176	176	185	177	228	146	262	157
Industrial Equipment	493	570	580	537	523	429	448	487	530	330
After Sales	331	297	303	290	316	274	296	271	325	215
Rental	99	91	91	95	87	80	77	76	78	75
Total	**1,193**	**1,167**	**1,150**	**1,099**	**1,112**	**960**	**1,050**	**980**	**1,194**	**777**
EBITA adj.										
Construction Equipment	50	30	34	27	31	17	41	13	42	14
Industrial Equipment	17	34	32	18	14	11	21	9	27	12
After Sales	90	78	78	76	92	74	74	71	92	59
Rental	15	12	14	15	12	9	9	9	12	6
Total	**172**	**153**	**159**	**136**	**149**	**111**	**145**	**101**	**173**	**91**
EBITA										
Construction Equipment	50	30	46	27	30	17	40	6	42	14
Industrial Equipment	17	32	11	6	4	-1	6	-1	25	7
After Sales	90	77	73	69	89	70	9	9	12	6
Rental	15	12	14	15	12	9	72	68	92	58
Total	**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			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order Intake										
Construction Equipment	164	212	248	143	226	199	113	188	249	280
Industrial Equipment	551	477	600	585	539	533	627	338	573	622
After Sales	346	321	254	314	303	286	263	239	292	290
Rental	89	90	113	61	114	102	93	103	79	90
Total	**1,150**	**1,101**	**1,214**	**1,104**	**1,182**	**1,121**	**1,096**	**869**	**1,193**	**1,281**
Revenue										
Construction Equipment	271	208	176	176	185	177	228	146	262	157
Industrial Equipment	493	570	580	537	523	429	448	487	530	504
After Sales	331	297	303	290	316	274	296	271	325	255
Rental	99	91	91	95	87	80	77	76	78	75
Total	**1,193**	**1,167**	**1,150**	**1,099**	**1,112**	**960**	**1,050**	**980**	**1,194**	**990**

Income statement, parent company

Amounts in MSEK	Q2 2019	Q2 2018	Jan-Jun 2019	Jan-Jun 2018
Revenue	2.5	3.5	5.0	7.0
Operating expenses	-8.0	-11.2	-15.0	-20.1
Operating profit/loss (EBIT)	**-5.5**	**-7.7**	**-10.0**	**-13.1**
Financial net	4.0	6.1	8.4	10.2
Profit/loss after financial items	**-1.5**	**-1.6**	**-1.6**	**-2.9**
Result before tax (EBT)	**-1.5**	**-1.6**	**-1.6**	**-2.9**
Taxes	1.0	-	1.0	-
Result for the period	**-0.5**	**-1.6**	**-0.6**	**-2.9**

Balance sheet, parent company

Amounts in MSEK	30 Jun 2019	30 Jun 2018	31 Dec 2018
Non-current assets			
Shares in group companies	1,898.4	1,898.4	1,898.4
Other non-current assets	2.0	1.1	1.1
Total non-current assets	**1,900.4**	**1,899.5**	**1,899.5**
Current assets			
Receivables from group companies	1,528.5	1,864.9	1,594.5
Other short term receivables	4.3	2.0	0.6
Cash and cash equivalents	21.3	0.0	0.0
Total current assets	**1,554.1**	**1,866.9**	**1,595.1**
TOTAL ASSETS	**3,454.5**	**3,766.4**	**3,494.6**
EQUITY AND LIABILITIES			
Shareholders equity	2,753.1	2,913.4	2,902.4
Non-current liabilities, interest bearing	88.1	180.1	106.6
Current liabilities, interest bearing	-	-	29.8
Liabilities to group companies	604.9	605.9	402.6
Other current liabilities	8.4	67.0	53.2
TOTAL EQUITY AND LIABILITIES	**3,454.5**	**3,766.4**	**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. 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	378
Total assets	**378**
Lease liabilities, short term	76
Lease liabilities, long term	302
Total liabilities	**378**

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	204.2
Other	-0.2
Gross lease liability at January 1 2019	**405.0**
Discounting	-27.0
Additional lease liabilities as a result of the initial application of IFRS 16 as at 1 January 2019	**378.0**

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.

NOTE 2. REVENUE SPLIT

Amounts in MSEK	Q2 2019	Q2 2018	Jan-Jun 2019	Jan-Jun 2018
Europe	450.1	405.7	806.3	819.8
APAC	384.5	438.1	823.6	718.4
Americas	343.9	247.6	701.3	517.2
Other markets[1]	15.0	20.2	28.8	15.8
Total	**1,193.5**	**1,111.6**	**2,360.0**	**2,071.2**
Over time				
Construction Equipment	-	-	-	-
Industrial Equipment	225.1	237.5	445.6	422.9
After Sales	-	-	-	-
Rental[2]	55.2	48.7	98.8	76.8
Total over time	**280.3**	**286.2**	**544.4**	**499.7**
Point in time				
Construction Equipment	270.9	184.7	478.7	361.5
Industrial Equipment	267.8	286.7	617.1	529.8
After Sales	330.8	315.4	628.2	589.3
Rental	43.7	38.6	91.6	90.9
Total point in time	**913.2**	**825.4**	**1,815.6**	**1,571.5**
Total	**1,193.5**	**1,111.6**	**2,360.0**	**2,071.2**

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 translation 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 Jun 2019	30 Jun 2018	31 Dec 2018
Right-of-use assets are split into the following categories			
Premises	274.4	-	-
Vehicles	32.4	-	-
Equipment	19.5	-	-
Total	**326.3**	**-**	**-**

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

Amounts in MSEK	Q2 2019	Q2 2018	Jan-Jun 2019	Jan-Jun 2018
Depreciations are included in:				
Cost of sales	16.9	-	35.7	-
Operating expenses	5.0	-	8.7	-
	21.9	**-**	**44.4**	**-**
Included in Finance net:				
Interest expenses	1.3	-	3.4	-
	1.3	**-**	**3.4**	**-**
Total	**23.2**	**-**	**47.8**	**-**

NOTE 5. FINANCIAL INSTRUMENTS

Amounts in MSEK	Total carrying amount		
	30 Jun 2019	30 Jun 2018	31 Dec 2018
FINANCIAL ASSETS			
Derivative financial instruments	0.8	1.5	6.0
Other financial receivables	1,282.3	1,179.2	1,228.5
Cash and cash equivalents	327.0	287.9	355.6
Total	**1,610.1**	**1,468.6**	**1,590.1**
FINANCIAL LIABILITIES			
Derivative financial instruments	2.0	12.1	9.0
Interest bearing debts	1,350.8	1,377.6	1,222.3
Other financial liabilities	917.1	635.6	705.2
Total	**2,269.9**	**2,025.3**	**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 Jun 2019	Level 2
Financial assets	
Currency derivatives	0.8
Total	**0.8**
Financial liabilities	
Currency derivatives	2.0
Total	**2.0**
30 Jun 2018	Level 2
Financial assets	
Currency derivatives	1.5
Total	**1.5**
Financial liabilities	
Currency derivatives	12.1
Total	**12.1**
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 June 30, 2019, the maximum potential future payments Alimak Group could be required to make under issued financial guarantees totalled MSEK 477.6 (449.1 at the end of 2018, 558.7 June 30, 2018) of which MSEK 477.0 refers to indemnity bonds for commitments to customers (448.5 at the end of 2018, June 30, 558.1). Assets pledged totalled MSEK 15.0 (12.8 at the end of 2018, 20.2 June 30, 2018).

FINANCIAL CALENDAR

- The Interim Report for the third quarter of 2019 will be published October 23, 2019.
- 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 will be held on Wednesday August 21st at 10:00 CEST. CEO Tormod Gunleiksrud and CFO Tobias Lindquist will present and comment on the report. The presentation, that will be 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/201908H1/

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/

For further information, contact:

Mathilda Eriksson, Investor Relations and Group Communications Manager, Phone: +46 (0)8 402 14 41

Tobias Lindquist, CFO, Phone +46 (0)8 402 14 40

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 21 August 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

ALIMAK GROUP