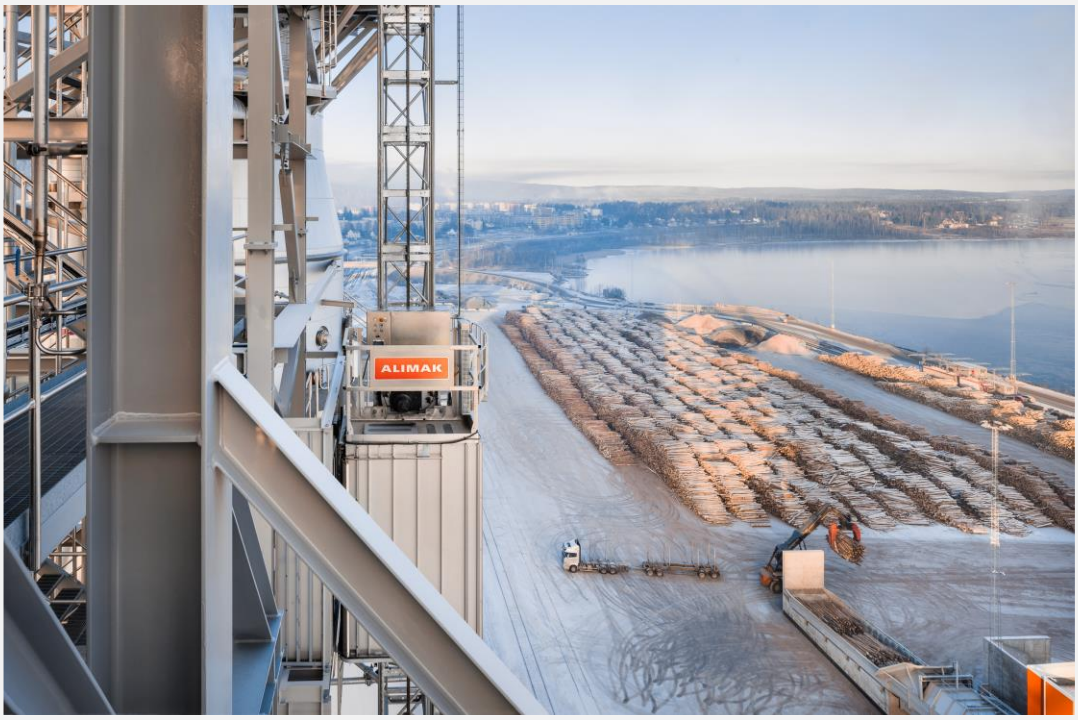
Alimak Group AB
ALIG, SE0007158910

Interim Report

January – December 2018

Q4



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Q4 2018 – Continued strong order intake

FOURTH QUARTER

- Order intake increased by 11% to MSEK 1,214 (1,096) with an organic growth of 5%
- Revenue increased by 10% to MSEK 1,150 (1,050) with an organic growth of 4%
- EBITA adj. increased to MSEK 159 (145), margin 13.8% (13.8)
- EBITA increased to MSEK 144 (127), margin 12.5% (12.1)
- EBIT increased to MSEK 134 (113), margin 11.6% (10.8)
- Net profit increased to MSEK 144 (90)
- Earnings per share increased to SEK 2.65 (1.67)
- Operating cash flow decreased to MSEK 148 (174)

JANUARY-DECEMBER

- Order intake increased by 13% to MSEK 4,621 (4,101) with an organic growth of 4%
- Revenue increased by 8% to MSEK 4,320 (4,001) while organic growth was flat
- EBITA adj. increased to MSEK 555 (510), margin 12.8% (12.8)
- EBITA increased to MSEK 490 (465), margin 11.4% (11.6)
- EBIT increased to MSEK 439 (417), margin 10.2% (10.4)
- Net profit increased to MSEK 344 (292)
- Earnings per share increased to SEK 6.35 (5.38)
- Operating cash flow decreased to MSEK 240 (335)
- The Board of Directors propose a dividend of SEK 2.75 per share (2.30)

Management assessment: If the acquired companies would have been fully consolidated in the Group by 1 January 2017, order intake during January-December 2018 would have increased 4% and revenue would have increased 3% compared to the same period 2017 (please find proforma figures on page 18, table 2).

KEY FIGURES, GROUP	Q4 2018	Q4 2017	Δ	Jan-Dec 2018	Jan-Dec 2017	Δ
Order intake, MSEK	1,214.4	1,096.3	11%	4,621.1	4,101.2	13%
Revenue, MSEK	1,150.2	1,050.0	10%	4,320.4	4,000.7	8%
EBITA adj, MSEK²	158.6	144.7	10%	554.5	510.2	9%
EBITA margin adj, %²	13.8%	13.8%		12.8%	12.8%	
EBITA, MSEK	143.9	126.7	14%	490.5	464.7	6%
EBITA margin, %	12.5%	12.1%		11.4%	11.6%	
EBIT, MSEK	133.6	113.1	18%	439.4	416.8	5%
EBIT margin, %	11.6%	10.8%		10.2%	10.4%	
Net profit, MSEK	143.7	90.5	59%	344.0	291.6	18%
Earnings per share, SEK¹	2.65	1.67	59%	6.35	5.38	18%
Cash flow from operations, MSEK	147.9	173.8	-15%	239.9	335.4	-28%

¹ Previous periods have been adjusted to take into account the change in the number of shares after completion of the rights issue in Q2 2017
² Before items affecting comparability

Comments by the CEO

In focus

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

Alimak Group ended 2018 on a high note in terms of orders, with full year growth in all business areas except Construction Equipment. The Group's 5% organic order growth in the quarter is especially strong seen in the light of hard comparables from 2017, including the MSEK 170 order for Sydney Harbour Bridge.

Revenue in the fourth quarter grew organically by 4%, driven by strong development in Industrial Equipment.

The quarterly Group margin of 13.8%, or 12.8% for the full year, meant we ended 2018 on the same level as 2017. Although we would have liked to see margin improvement, this is still acceptable given the challenges we have faced in our BMU business throughout the year. These issues have been thoroughly addressed and they now make up a very small part of the backlog.

Net profit in the quarter was positively affected by recognition of tax assets. With the improved yearly result and continued strong balance sheet, the Board of Directors propose to increase the dividend to SEK 2.75 (2.30).

Construction Equipment developed well on profitability and order intake, demonstrating a very strong catch up on orders from the weaker previous quarters. External market reports are indicating a slower construction market in developed countries, but we see limited evidence to date for this in our project pipeline.

Revenue, as previously communicated, was lower for the full year than in 2017. This due to a slow down on some emerging markets and a lack of deliveries for new equipment to larger projects. Given the strong order backlog, Construction is now going into 2019 with good momentum.

Despite tough comparables, **Industrial Equipment** only reported a 9% organic drop in order intake with strong development in the Wind business, especially in China. Growth also came from the General Industry and Oil & Gas businesses which reported the highest order numbers in years, though still from low levels. I am pleased to see the margin strengthening following phasing of the BMU backlog and realised synergies.

After Sales was affected on top and bottom line by a decrease in orders of parts and refurbishments. Earnings were impacted by measures on previous BMU deliveries but margin for the full year remained in line with 2017. There are still good growth opportunities in the market, but they have not yet materialised. With our new joint organisation in place in all larger markets, this will be the key focus going forward.

Order intake growth was recorded in all markets for **Rental.** For new orders, priority is given to projects of later start dates and long duration as capacity still is limited by the already high fleet utilisation. The business area reported good performance on revenues and profitability and ended 2018 with a backlog representing approximately one year's revenues.

Cash flow from operations was stable while the negative development in the first half of the year meant we did not reach 2017's level. There is room to improve working capital and activities are ongoing to address it.

In our view, the market sentiment looks encouraging overall even though uncertainties like Brexit and geopolitical volatility exist. After a year of consolidation and improvement activities in several areas, we now expect to see the effect of the work we have performed since the acquisitions and to reach run rate on our financial targets by the end of 2019.

Tormod Gunleiksrud, President & CEO

Key figures Q4 and January – December 2018

ORDER INTAKE

Organic order intake in the quarter increased 5%, while the reported order intake increased 11% to MSEK 1,214 (1,096).

Organic order intake for the period January to December 2018 increased 4%, while reported order intake grew 13% to MSEK 4,621 (4,101).

REVENUE

Organic revenue in the quarter increased 4%, while reported revenue increased 10% to MSEK 1,150 (1,050).

Organic revenue for the period January to December 2018 remained flat, while reported revenue grew 8% to MSEK 4,320 (4,001).

OPERATING PROFIT/LOSS

EBIT in the fourth quarter amounted to MSEK 134 (113).

EBITA adj. in the fourth quarter was MSEK 159 (145).

Items affecting comparability in the fourth quarter amounted to MSEK 15 (18).

Amortization in the fourth quarter amounted to MSEK 10 (14) related entirely to the acquired businesses.

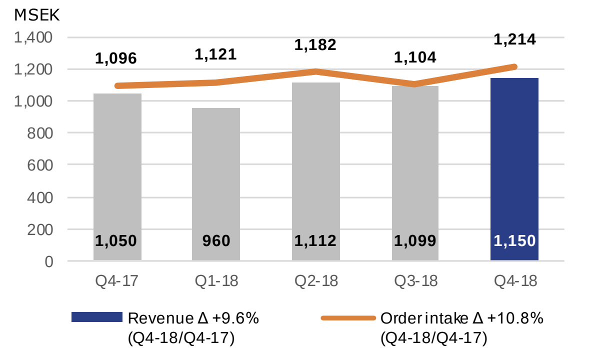
ORDER INTAKE	Q4		Jan-Dec	
	2018	2017	2018	2017
Orders, MSEK	**1,214.4**	**1,096.3**	**4,621.1**	**4,101.2**
Change, MSEK	118.1	577.4	519.9	1,957.3
Change, %	10.8%	111.3%	12.7%	91.3%
Whereof:				
Volume & price, %	5.5%	-5.7%	3.5%	7.4%
Exchange rate, %	5.3%	-4.6%	3.0%	-0.2%
Acquisition & divestment, %	0.0%	121.6%	6.2%	84.1%

REVENUE	Q4		Jan-Dec	
	2018	2017	2018	2017
Revenue, MSEK	**1,150.2**	**1,050.0**	**4,320.4**	**4,000.7**
Change, MSEK	100.3	452.5	319.7	1,952.1
Change, %	9.6%	75.7%	8.0%	95.3%
Whereof:				
Volume & price, %	4.3%	4.0%	-0.3%	9.0%
Exchange rate, %	5.2%	-4.1%	2.9%	-0.3%
Acquisition & divestment, %	0.0%	75.8%	5.4%	86.5%

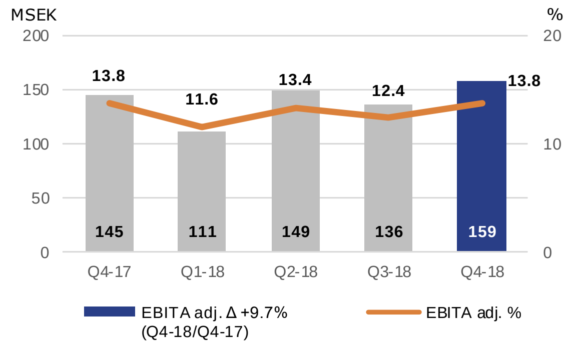
EBIT & EBITA adj.[1]	Q4		Jan-Dec	
	2018	2017	2018	2017
EBIT, MSEK	**133.6**	**113.1**	**439.4**	**416.8**
EBIT margin, %	**11.6%**	**10.8%**	**10.2%**	**10.4%**
EBITA adj, MSEK	**158.6**	**144.7**	**554.5**	**510.2**
EBITA margin adj, %	**13.8%**	**13.8%**	**12.8%**	**12.8%**
Change, MSEK	13.8	39.7	44.4	179.5
Change, %	9.5%	37.8%	8.7%	54.3%
Whereof:				
Volume & price, %	7.9%	25.1%	5.7%	37.4%
Exchange rate, %	1.6%	-2.3%	1.5%	0.2%
Acquisition & divestment, %	0.0%	15.0%	1.5%	16.7%

[1] Before items affecting comparability

Order intake & Revenue by quarters



EBITA adj. & EBITA margin adj. by quarters



EBIT for the period January to December 2018 was MSEK 439 (417).

EBITA adj. for the period January to December 2018 was MSEK 555 (510).

Items affecting comparability for the period January to December 2018 amounted to MSEK 64 (45) mainly related to expenses for integration of the acquired businesses such as restructurings, consulting services, IT etc.

Amortization for the period January to December 2018 increased to MSEK 51 (48) related to the acquired businesses.

NET PROFIT

Profit after tax for the fourth quarter amounted to MSEK 144 (91).

Net financial items in the fourth quarter were MSEK -12 (-15).

Tax income for the fourth quarter was positive MSEK 22 (tax expense last year was MSEK 8), supported by MSEK 47 of changes in deferred taxes following the legal restructuring, allowing for utilisation of tax losses carried forward. The low tax rate in 2017 was affected by revaluation triggered by the new, lower tax rate in the US.

Profit after tax for the period January to December 2018 was MSEK 344 (292).

Net financial items for the period January to December 2018 amounted to MSEK -43 (-28). The financial net in 2017 included a positive revaluation effect on loans of MSEK 43.

Tax expense for the period January to December 2018 was MSEK 53 (97) and the tax rate was 13% (25%). As of December 31, 2018, total tax losses carried forward amounted to MSEK 517 (590) with related balance of recognised deferred tax assets of MSEK 68 (19).

INVESTMENTS

Net investments in intangible fixed assets for the fourth quarter totalled MSEK 11 (0) mainly relating to investment in an ERP system.

Net investments in fixed assets in the fourth quarter totalled MSEK 17 (9).

Net investments in fixed assets during January to December 2018 amounted to MSEK 56 (37). The investments made in the quarter and the full year relates to upgrades of rental assets and regular investments in factories and offices.

FINANCIAL POSITION

As of December 31, 2018, net debt totalled MSEK 867 (910 as of December 31, 2017). The improvement from last year follows reduction in debts and slightly higher cash by the end of the year.

The equity ratio was 56.5% (55.6).

CASH FLOW

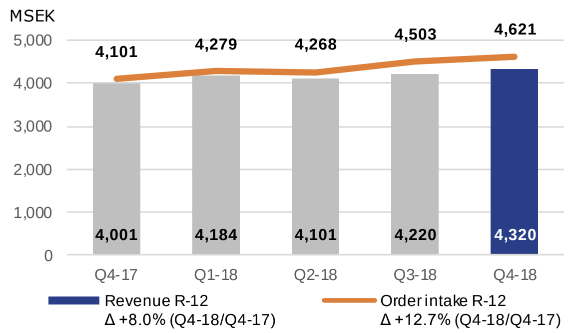
Cash flow from operating activities in the fourth quarter was MSEK 148 (174), mainly derived from the profit. Improvements in inventory and contract assets were offset by higher receivables.

For the period January to December 2018, cash flow from operating activities was MSEK 240 (335). Activities addressing inventory and receivables are ongoing.

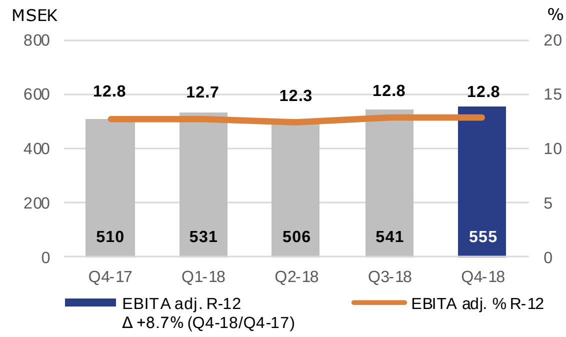
EMPLOYEES

As of December 31, 2018, there were 2,360 (2,439) FTEs in the Group.

Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by R12M



Construction Equipment

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

The quarter's order intake of MSEK 248 (113) meant an organic increase of 111%. This was mainly the result of high demand in the US including the volume order from Bigge that is scheduled for delivery throughout 2019. Continental Europe and Asia also developed well while Scandinavia was slow in the quarter. Activity in the Middle East continues to remain low.

Revenue of MSEK 176 (228), in line with the previous quarters of 2018. The decrease compared to 2017 mostly stems from the low order intake earlier in the year, especially in the Middle East but also Europe. Positive development in Australia and some Asian countries in the quarter. Revenue was to some extent impacted negatively by external shipment delays such as a strike in the port of Gothenburg.

EBITA adj. decreased to MSEK 34 (41). With the lower revenues it represents a very strong margin of 19.5% which was the result of favourable market and product mix.

Business area Construction Equipment is not directly affected by the acquired companies.

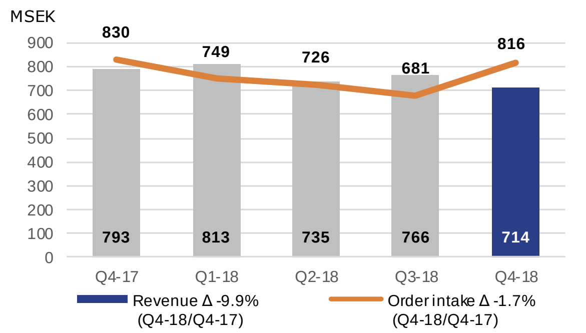
ORDER INTAKE	Q4		Jan-Dec	
	2018	2017	2018	2017
Orders, MSEK	**248.5**	**113.0**	**816.2**	**830.2**
Change, MSEK	135.5	-86.3	-14.0	51.1
Change, %	119.9%	-43.3%	-1.7%	6.6%
Whereof:				
Volume & price, %	110.9%	-39.5%	-3.9%	8.0%
Exchange rate, %	9.0%	-3.8%	2.2%	-1.4%
Acquisition & divestment, %	0.0%	0.0%	0.0%	0.0%

REVENUE	Q4		Jan-Dec	
	2018	2017	2018	2017
Revenue, MSEK	**176.4**	**228.1**	**714.4**	**792.5**
Change, MSEK	-51.7	12.6	-78.1	106.7
Change, %	-22.7%	5.8%	-9.9%	15.6%
Whereof:				
Volume & price, %	-26.5%	10.6%	-12.1%	17.2%
Exchange rate, %	3.8%	-4.7%	2.2%	-1.6%
Acquisition & divestment, %	0.0%	0.0%	0.0%	0.0%

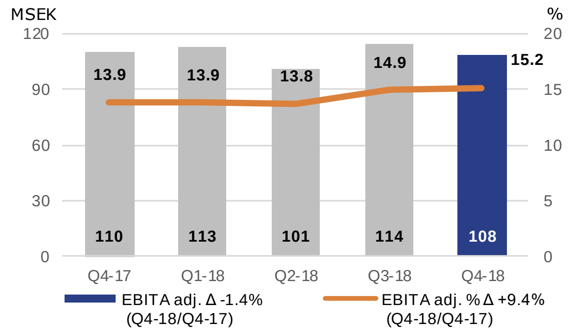
EBITA adj.[1]	Q4		Jan-Dec	
	2018	2017	2018	2017
EBITA adj, MSEK	**34.4**	**40.5**	**108.4**	**110.0**
EBITA margin adj, %	**19.5%**	**17.8%**	**15.2%**	**13.9%**
Change, MSEK	-6.1	10.9	-1.6	26.4
Change, %	-15.1%	37.0%	-1.5%	31.7%
Whereof:				
Volume & price, %	-13.7%	38.7%	-0.3%	32.1%
Exchange rate, %	-1.4%	-1.8%	-1.2%	-0.5%
Acquisition & divestment, %	0.0%	0.0%	0.0%	0.0%

[1] Before items affecting comparability

Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by R12M



Industrial Equipment

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

Despite the challenging comparisons including the MSEK 170 order for the Sydney Harbour Bridge in 2017, order intake only decreased 9% organically to MSEK 600 (627). Strong development in Wind and the General Industry and Oil & Gas businesses which have experienced a turnaround during 2018 from low volumes and reported the highest numbers in several years.

Revenue grew organically by 23% to MSEK 580 (448) with all businesses recording growth. Wind performed exceptionally well, especially in Asia. Some shipments faced external delays that affected revenue negatively and also resulted in higher working capital.

EBITA adj. increased to MSEK 32 (21), at a margin of 5.5% (4.8). The improvement mainly stems from increased volumes but also from phasing of the technically challenging BMU backlog, which will have a vastly lower impact going forward. Realised cost synergies in the business area also contributed to the improvement.

Management assessment: If the acquired companies had been fully consolidated in the Group by 1 January 2017, order intake during January-December 2018 would have increased 5% and revenue would have decreased 5% compared to the same period in 2017 (please find quarterly figures on page 18, table 2).

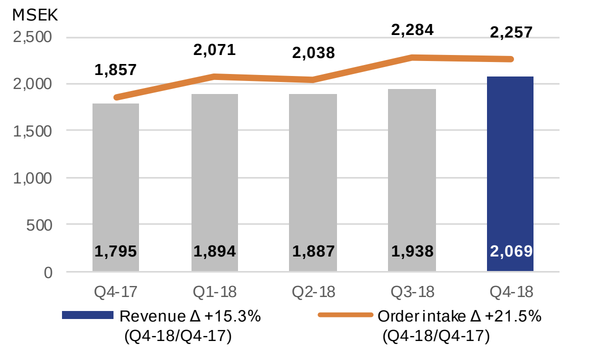
ORDER INTAKE	Q4		Jan-Dec	
	2018	2017	2018	2017
Orders, MSEK	**599.7**	**627.0**	**2,256.8**	**1,857.1**
Change, MSEK	-27.3	545.4	399.7	1,514.3
Change, %	-4.4%	668.5%	21.5%	441.8%
Whereof:				
Volume & price, %	-9.0%	-17.7%	7.1%	-6.4%
Exchange rate, %	4.7%	-3.9%	3.6%	0.0%
Acquisition & divestment, %	0.0%	690.1%	10.8%	448.1%

REVENUE	Q4		Jan-Dec	
	2018	2017	2018	2017
Revenue, MSEK	**579.7**	**448.4**	**2,068.8**	**1,795.2**
Change, MSEK	131.3	325.5	273.5	1,421.7
Change, %	29.3%	264.9%	15.2%	380.6%
Whereof:				
Volume & price, %	23.1%	-14.5%	2.6%	8.3%
Exchange rate, %	6.2%	-2.7%	3.4%	0.2%
Acquisition & divestment, %	0.0%	282.0%	9.2%	372.1%

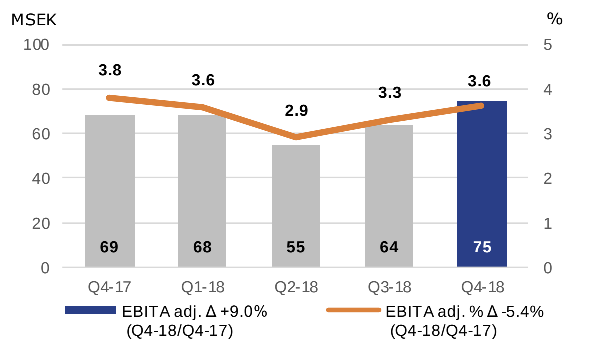
EBITA adj.[1]	Q4		Jan-Dec	
	2018	2017	2018	2017
EBITA adj, MSEK	**32.0**	**21.4**	**75.0**	**68.6**
EBITA margin adj, %	**5.5%**	**4.8%**	**3.6%**	**3.8%**
Change, MSEK	10.6	19.1	6.4	81.9
Change, %	49.5%	837.6%	9.3%	618.6%
Whereof:				
Volume & price, %	47.3%	373.6%	-6.0%	398.3%
Exchange rate, %	2.2%	13.9%	10.6%	-2.6%
Acquisition & divestment, %	0.0%	450.0%	4.8%	223.0%

[1] Before items affecting comparability

Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by R12M



After Sales

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

Fewer orders of spare parts as well as refurbishments were the main factor behind the 9% organic decrease in order intake to MSEK 254 (263). The effect of the customers' increased investments in new, industrial lifts have not yet materialised into After Sales orders.

The decrease of spare part orders immediately affected revenue, which decreased 3% organically to MSEK 303 (297).

EBITA adj. amounted to MSEK 78 (74) representing a margin of 25.7% (25.0). The margin was affected by mix, including less high-margin spare parts, additions in service engineers not yet fully utilised as well as incurred costs in the BMU service business for measures for old deliveries.

Management assessment: If the acquired companies had been fully consolidated in the Group by 1 January 2017, the order intake during January-December 2018 would have increased 7% and revenue would have increased 3% compared to the same period in 2017 (please find quarterly figures on page 18, table 2).

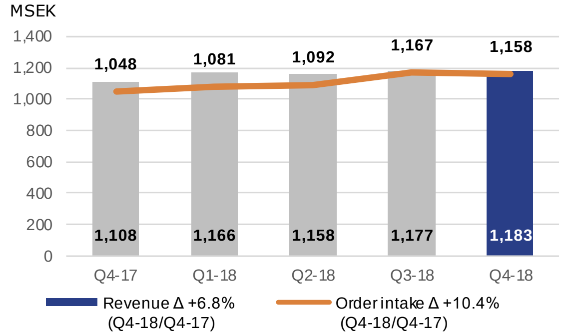
ORDER INTAKE	Q4		Jan-Dec	
	2018	2017	2018	2017
Orders, MSEK	**253.7**	**263.3**	**1,157.6**	**1,048.4**
Change, MSEK	-9.6	102.1	109.1	395.9
Change, %	-3.7%	63.3%	10.4%	60.7%
Whereof:				
Volume & price, %	-9.2%	27.6%	3.0%	16.7%
Exchange rate, %	5.5%	-6.7%	2.5%	-0.2%
Acquisition & divestment, %	0.0%	42.5%	4.9%	44.1%

REVENUE	Q4		Jan-Dec	
	2018	2017	2018	2017
Revenue, MSEK	**302.8**	**296.5**	**1,183.2**	**1,107.7**
Change, MSEK	6.3	111.0	75.5	427.4
Change, %	2.1%	59.9%	6.8%	62.8%
Whereof:				
Volume & price, %	-3.2%	7.1%	-0.2%	3.7%
Exchange rate, %	5.3%	-4.8%	2.6%	-0.1%
Acquisition & divestment, %	0.0%	57.5%	4.5%	59.2%

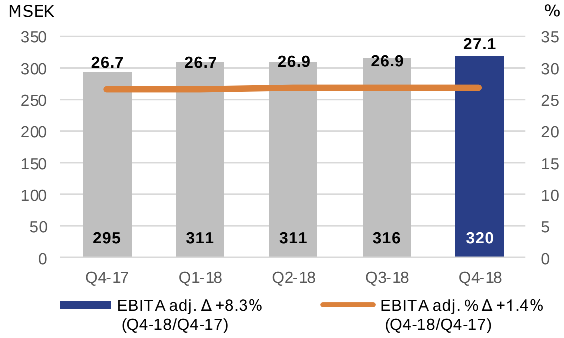
EBITA adj.[1]	Q4		Jan-Dec	
	2018	2017	2018	2017
EBITA adj, MSEK	**77.8**	**74.1**	**320.2**	**295.5**
EBITA margin adj, %	**25.7%**	**25.0%**	**27.1%**	**26.7%**
Change, MSEK	3.7	10.5	24.7	71.5
Change, %	5.0%	16.5%	8.4%	31.9%
Whereof:				
Volume & price, %	1.8%	3.1%	5.8%	3.6%
Exchange rate, %	3.2%	-3.0%	1.0%	0.1%
Acquisition & divestment, %	0.0%	16.4%	1.5%	28.2%

[1] Before items affecting comparability

Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by R12M



Rental

— Order intake of MSEK 113 (93) in the quarter, an organic increase of 17%

— Organic revenue growth of 15% to MSEK 91 (77)

— Continued strong EBITA margin adj. of 15.9% (11.3), the result of high fleet utilisation

Rental ended the fourth quarter of 2018 with strong momentum in all served markets. The order intake of MSEK 113 (93) meant an organic increase of 17% and the order backlog continues to represent approximately a year's revenue. High utilization still constrains new order intake in some markets. Smaller investments were made in the quarter in work platforms for the European fleet to increase capacity.

Revenue developed healthily in all markets, with Australia growing the most. At MSEK 91 (77) it grew organically by 15%.

EBITA margin adj. is in line with the previous quarter at 15.9% (11.3) driven by high volume, utilisation and leveraging on semi-fixed operating expenses.

Business area Rental is not directly affected by the acquired companies.

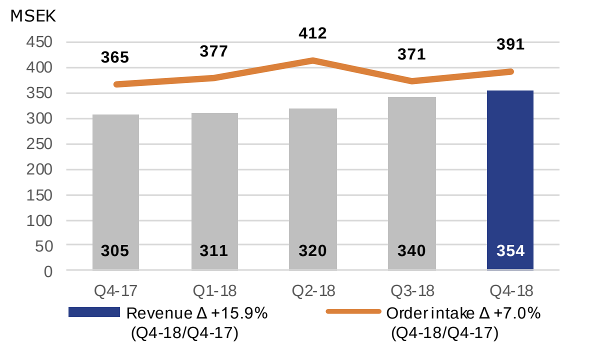
ORDER INTAKE	Q4		Jan-Dec	
	2018	2017	2018	2017
Orders, MSEK	**112.6**	**93.0**	**390.5**	**365.4**
Change, MSEK	19.6	16.2	25.1	-4.0
Change, %	21.1%	21.1%	6.9%	-1.1%
Whereof:				
Volume & price, %	16.5%	24.9%	3.6%	2.6%
Exchange rate, %	4.5%	-3.2%	3.2%	1.9%
Acquisition & divestment, %	0.0%	-0.5%	0.0%	-5.7%

REVENUE	Q4		Jan-Dec	
	2018	2017	2018	2017
Revenue, MSEK	**91.3**	**77.0**	**354.0**	**305.3**
Change, MSEK	14.3	3.4	48.8	-3.6
Change, %	18.6%	4.6%	16.0%	-1.2%
Whereof:				
Volume & price, %	14.7%	7.8%	12.6%	3.4%
Exchange rate, %	3.9%	-2.7%	3.4%	1.9%
Acquisition & divestment, %	0.0%	-0.5%	0.0%	-6.5%

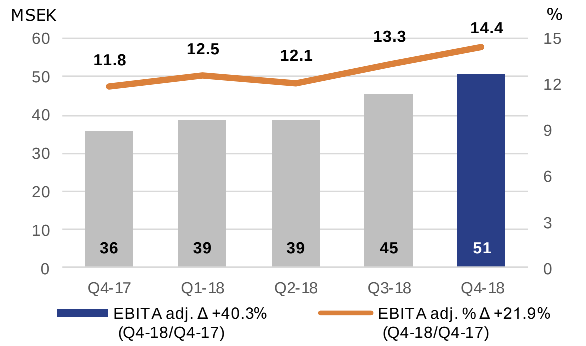
EBITA adj.[1]	Q4		Jan-Dec	
	2018	2017	2018	2017
EBITA adj, MSEK	**14.5**	**8.7**	**51.1**	**36.1**
EBITA margin adj, %	**15.9%**	**11.3%**	**14.4%**	**11.8%**
Change, MSEK	5.8	-0.9	15.0	-0.2
Change, %	66.2%	-9.0%	41.6%	-0.6%
Whereof:				
Volume & price, %	63.2%	-0.5%	40.4%	3.6%
Exchange rate, %	3.1%	-2.6%	1.3%	2.0%
Acquisition & divestment, %	0.0%	-5.8%	0.0%	-6.2%

[1] Before items affecting comparability

Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by R12M



Significant Events

DURING THE REPORTING PERIOD JANUARY – DECEMBER 2018

Management changes
As of January 1, 2018, Alimak Group implemented a new composition of the Group Management Team (GMT). The GMT now consists of the President and CEO, COO, CFO, CTO, the Global Business Area Heads and Global Business Unit Heads.

Mark Casey replaced Tony Combe and José Maria Nevot replaced Erik Laursen in their roles as Global Business Unit Heads for BMU and Wind, respectively. The change came into effect as of April 1, 2018.

Tobias Lindquist was appointed Chief Financial Officer and member of the management team of Alimak Group AB. Tobias Lindquist assumed the position as of September 1, 2018. The Interim CFO Stefan Rinaldo continued in his position as Chief Operational Officer after September 1, 2018.

Fredrik Betts was appointed Global Business Unit Head for General Industry and Oil & Gas within business area Industrial Equipment, taking over after Mark F Noble. The change came into effect as of August 20, 2018.

Dividend 2017
The Board of Directors proposed a dividend of SEK 2.30 per share based on existing number of shares, which was also approved by the AGM in May.

New revolving credit facility
On July 2, 2018, Alimak Group signed a new multi-currency revolving credit facility with Handelsbanken. The facility has a tenor of five years and includes two extension options of one year, at the approval of the lender. This facility replaces the existing MSEK 2,000 credit facility originally dated June 25, 2015 and the amendment dated July 11, 2016.

Product and service rebrand
Late September, 2018, Alimak Group launched a rebranding of the product and service offering; replacing the Hek and Heis-Tek brands with Alimak and introducing the Alimak Service brand to cover the offerings of the After Sales business area for all equipment brands.

Nomination committee appointed

The Nomination Committee for the 2019 AGM was appointed in October, 2018, according to the instruction adapted in 2016 and comprises the following members, following the adjustment made in November:

- Anders Mörck, Latour, Chairman of the Nomination Committee
- Johan Lannebo, Lannebo Fonder
- Åsa Nisell, Swedbank Robur Fonder
- Francisco De Juan, Alantra EQMC Asset Management
- Michael Green, Handelsbanken Fonder
- Jan Svensson, Alimak Group’s Chairman of the Board

The Nomination Committee shall prepare proposals for the 2019 Annual General Meeting regarding the Chairman of the Meeting, number of Board members, fees to be paid to each of the Board members, election of Board members and Board Chairman, remuneration to the auditor and election of auditor and, if necessary, proposal for changes in the instruction for the Nomination Committee.

Share repurchase
Under the authorisation from the annual general meeting 2018, the board of Alimak Group AB (publ) (“Alimak”) decided to buy back own shares on Nasdaq Stockholm. The repurchase is made on the purposes determined by the annual general meeting, i.e. to increase the flexibility of the Board in connection to potential future corporate acquisitions, to enable share transfers of own shares to participants in LTI 2018 as well as to participants in future incentive programs, and to enable divestment of shares to cover costs for LTI 2018 and future incentive programs. The repurchase of 100,000 shares was made on December 6, 2018.

AFTER THE REPORTING PERIOD

Interim management changes
Following on Michael Pagendam being on sick leave, Patrik Sundqvist was appointed Interim Global Head of Business Area After Sales on January 10, 2019.

Dividend 2018
The Board of Directors propose a dividend of SEK 2.75 per share based on existing number of shares.

Financial targets and policies

FINANCIAL TARGETS

The financial targets were revised in February 2017 due to the acquisitions of Facade Access Group and Avanti Wind Systems which affected the business mix. The company aims to gradually reach its mid-term financial targets over a time span of 3-4 years. The Group's mid-term target is to have an average annual organic revenue growth of at least 6%. The Group's mid-term target is to reach an operating EBITA margin of at least 15%. The company will also maintain an effective capital structure with a net debt of around 2x EBITDA. The capital structure will be flexible and allow for strategic initiatives.

DIVIDEND POLICY

The company has a target of paying a dividend of approximately 50% of its net profit for the current period to its shareholders. Decisions on dividend payment will take account of the company's financial position, cash flow, acquisition opportunities, strategic considerations and prospects.

RISKS

For a description of risks and uncertainties please refer to Alimak Group AB's 2017 Annual Report.

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, 21 February 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	Joakim Rosengren 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	Q4 2018	Q4 2017	Jan-Dec 2018	Jan-Dec 2017
Revenue	1,150.2	1,050.0	4,320.4	4,000.7
Cost of goods sold	-797.0	-695.4	-2,948.4	-2,657.8
Gross Profit	**353.2**	**354.6**	**1,372.0**	**1,342.9**
Total operating expenses	-219.6	-241.5	-932.6	-926.1
Operating profit (EBIT)	**133.6**	**113.1**	**439.4**	**416.8**
Net financial items	-11.9	-14.9	-42.9	-28.3
Result before tax (EBT)	**121.7**	**98.2**	**396.5**	**388.6**
Tax on profit for the period	22.0	-7.7	-52.5	-97.0
Profit for the period	**143.7**	**90.5**	**344.0**	**291.6**
Attributable to the parent company's shareholders	143.7	90.5	344.0	291.6
Earnings per share, SEK[1]	2.65	1.67	6.35	5.58
Other comprehensive income for the period				
Items that will be returned to net income				
Translation differences	7.1	31.8	97.5	-93.8
Cash flow hedging	0.2	2.0	-2.7	2.2
Hedging of net investments	-	-0.5	-	-0.5
Deferred tax attributable to hedging	0.0	0.0	0.6	0.0
Total	**7.3**	**33.4**	**95.4**	**-92.1**
Items not to be returned to net income				
Revaluation of pension plans	2.0	13.9	9.3	11.1
Deferred tax attributable to revaluation of pension plans	-0.1	-2.8	-1.7	-2.2
Total	**1.9**	**11.1**	**7.6**	**8.9**
Other comprehensive income, net after tax	**9,2**	**44.5**	**103.0**	**-83.2**
Total comprehensive income for the period	**152.9**	**135.1**	**447.0**	**208.4**
Attributable to the parent company's shareholders	152.9	135.1	447.0	208.4

[1] Previous periods have been adjusted to take into account the change in the number of shares after completion of the rights issue in Q2 2017

Condensed statement of financial position, Group

Amounts in MSEK	31 Dec 2018	31 Dec 2017
ASSETS		
Intangible fixed assets	2,930.1	2,896.0
Tangible fixed assets	357.8	360.4
Financial and other non-current assets	168.6	103.5
Total non-current assets	**3,456.5**	**3,359.9**
Inventories	679.4	583.3
Contract assets	244.4	233.3
Trade receivables	1,017.9	893.6
Other receivables	278.5	165.6
Cash and cash equivalents	355.6	341.3
Total current assets	**2,575.8**	**2,217.1**
TOTAL ASSETS	**6,032.3**	**5,577.0**
EQUITY AND LIABILITIES		
Shareholders equity	**3,409.7**	**3,099.3**
Non-current liabilities		
Interest bearing debts	1,110.4	1,205.0
Other long term liabilities	327.5	381.7
Total non-current liabilities	**1,437.9**	**1,586.7**
Current liabilities		
Interest bearing debts	111.9	46.0
Contract liabilities	87.8	95.9
Accounts payable	553.5	437.1
Other current liabilities	431.5	312.0
Total current liabilities	**1,184.7**	**891.0**
TOTAL EQUITY AND LIABILITIES	**6,032.3**	**5,577.0**

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 2017	**0.9**	**2,175.4**	**158.3**	**-1.5**	**-130.9**	**2,202.1**
Share issue[1]	0.2	775.3	-	-	-	775.5
Profit for the period	-	-	-	-	291.6	291.6
Changes of fair value	-	-	-	2.2	9.0	11.2
Tax attributable to cash flow hedging	-	-	-	-0.5	-	-0.5
Translation difference	-	-	-93.9	-	-	-93.9
Total comprehensive income	**-**	**-**	**-93.9**	**1.6**	**300.6**	**208.3**
Dividend	-	-	-	-	-86.7	-86.6
Closing balance, 31 Dec 2017	**1.1**	**2,950.6**	**64.4**	**0.1**	**83.1**	**3,099.3**
Opening balance, 1 Jan 2018	**1.1**	**2,950.6**	**64.4**	**0.1**	**83.1**	**3,099.3**
Profit for the period	-	-	-	-	344.0	344.0
Changes of fair value	-	-	-	-2.7	-	-2.7
Revaluation of pension plans				-	9.3	9.3
Tax attributable to other comprehensive income	-	-	-	0.6	-1.7	-1.1
Translation difference	-	-	97.5	-	-	97.5
Total comprehensive income	**-**	**-**	**97.5**	**-2.1**	**351.6**	**447.0**
Dividend	-	-	-	-	-124.6	-124.6
Acquisition of Treasury shares[2]	-	-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**

[1] A new issue of 10,831,572 shares for SEK 73.0 per share was fully completed and registered on 12 April 2017. Other paid-in capital is reported net for issue costs of MSEK 15.2.

[2] In December 2018 Alimak Group acquired 100,000 Treasury shares to cover for it's commitments under the "Long term Incentive Program 2018" at a total value of 12,1 MSEK.

Cash flow statement, Group

Amounts in MSEK	Q4 2018	Q4 2017	Jan-Dec 2018	Jan-Dec 2017
Operating activities:				
Profit before tax	121.7	98.2	396.5	388.6
Reversal of depreciation and amortisation	25.8	30.0	118.1	112.6
Taxes paid	-6.6	-28.0	-62.8	-99.3
Adjustments for other non-cash items	-19.5	5.0	-30.2	-39.7
Cash flow from operating actvities before change in working capital	**121.4**	**105.3**	**421.6**	**362.1**
Change in working capital:				
Change in inventory	50.6	-8.3	-63.5	-31.1
Change in operating receivables	-130.7	86.8	-229.9	-60.9
Change in operating liabilities	106.5	-10.1	111.6	65.3
Cash flow from working capital	**26.4**	**68.5**	**-181.7**	**-26.7**
Cash flow from operating activities	**147.8**	**173.8**	**239.8**	**335.4**
Investing activities:				
Business acquisitions, net of cash aquired	-	43.7	-	-1,086.1
Investment in intangible fixed assets	-10.6	0.0	-10.8	-0.2
Investment in tangible fixed assets	-17.3	-10.4	-59.7	-43.2
Sales/disposal of tangible fixed assets	0.5	1.7	2.3	6.0
Cash flow from investing activities	**-27.4**	**35.2**	**-68.2**	**-1,123.4**
Financing activities:				
Dividend	-	0.0	-124.6	-86.7
Acquisition of Treasury shares	-12.1	-	-12.1	-
Rights issue	-	0.0	-	775.5
New loans and repayments, net	-76.3	-181.7	-33.7	214.0
Cash flow from financing activities	**-88.4**	**-181.7**	**-170.4**	**902.8**
Cash flow for the period	**32.0**	**27.2**	**1.2**	**114.9**
Cash & cash equivalents at beginning of period	317.1	292.3	341.3	230.6
Translation differences	6.5	21.8	13.1	-4.1
Cash & cash equivalents at end of period	355.6	341.3	355.6	341.3

Key figures

Quarterly data	2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake, MSEK	1,214.4	1,103.6	1,182.4	1,120.7	1,096.3	868.8	1,193.3	942.8
Revenue, MSEK	1,150.2	1,098.9	1,111.6	959.7	1,050.0	979.8	1,194.3	776.6
EBITA adj, MSEK	158.6	135.9	148.7	111.3	144.7	101.3	173.2	90.9
EBITA margin adj, %	13.8%	12.4%	13.4%	11.6%	13.8%	10.3%	14.5%	11.7%
EBITA, MSEK	143.9	116.6	135.5	94.4	126.7	81.6	170.5	85.8
EBITA margin, %	12.5%	10.6%	12.2%	9.8%	12.1%	8.3%	14.3%	11.0%
EBIT, MSEK	133.6	105.0	120.7	80.1	113.1	68.7	156.1	79.0
EBIT, %	11.6%	9.6%	10.9%	8.3%	10.8%	7.0%	13.1%	10.2%
Net profit, MSEK	143.7	68.5	79.1	52.7	90.5	72.1	78.6	50.4
Total comprehensive income, MSEK	152.9	15.2	175.6	103.2	135.1	2.6	24.3	46.4
Cash flow from operations, MSEK	147.8	112.8	-13.7	-7.1	173.8	74.1	44.0	43.6
Total cash flow, MSEK	32.0	43.8	-7.4	-67.2	27.2	6.4	-13.9	95.3
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	43,326.3
Average number of shares, thousands	54,157.9	54,157.9	54,157.9	54,157.9	54,157.9	54,157.9	52,729.5	43,326.3
Earnings per share, SEK[2]	2.65	1.26	1.46	0.97	1.67	1.33	1.48	1.07
Earnings per share, SEK, as per numbers of shares at 31 December 2018	2.65	1.26	1.46	0.97	1.67	1.33	1.45	0.93
Total cash flow per share, SEK[2]	0.59	0.81	-0.14	-1.24	0.50	0.12	-0.26	2.02
Equity per share, SEK[2]	62.96	60.36	60.08	59.13	57.23	54.73	54.71	52.49
Total assets, MSEK	6,032.3	5,845.1	5,968.8	5,663.4	5,577.0	5,550.5	5,654.2	5,998.6
Cash and cash equivalents end of period, MSEK	355.6	317.1	287.9	282.6	341.3	292.3	293.1	331.2
Equity, MSEK	3,409.7	3,268.9	3,253.7	3,202.5	3,099.3	2,964.2	2,962.8	2,482.1
Capital employed, MSEK	4,276.5	4,248.4	4,343.3	4,121.3	4,009.0	4,011.6	4,103.1	4,387.7
Net debt, MSEK	866.7	979.5	1,089.6	918.8	909.7	1,047.3	1,140.3	1,905.6
Equity ratio, %	56.5%	55.9%	54.5%	56.5%	55.6%	53.4%	52.4%	41.4%
Return on equity, %	10.6%	9.3%	9.5%	10.3%	11.0%	9.8%	9.1%	9.5%
Return on capital employed goodwill excluded, %	23.4%	22.5%	19.7%	21.1%	33.5%	29.9%	30.3%	23.2%
Return on capital employed, %	10.6%	10.1%	9.1%	9.8%	12.8%	11.6%	11.9%	9.6%
Interest coverage ratio, times	7.02	-	4.66	2.68	5.20	6.14	11.08	2.76
Net debt/EBITDA ratio	1.55	1.81	2.16	1.71	1.72	2.21	2.44	4.92
Number of employees	2,360	2,350	2,325	2,306	2,439	2,340	2,351	2,325

[1] There are no financial instrument or other contract that may entitle its holder to potential shares, thus there is no potential dilution
[2] Previous periods have been adjusted to take into account the change in the number of shares after completion of the rights issue in Q2 2017

Rolling 4 Quarters	2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake, MSEK	4,621.1	4,502.9	4,268.2	4,279.1	4,101.2	3,523.8	3,167.4	2,517.3
Revenue, MSEK	4,320.4	4,220.1	4,101.0	4,183.8	4,000.7	3,548.2	3,039.8	2,370.0
EBITA adj, MSEK	554.5	540.7	506.1	530.6	510.2	470.5	442.1	361.3
EBITA margin adj, %	12.8%	12.8%	12.3%	12.7%	12.8%	13.3%	14.5%	15.2%
EBIT, MSEK	439.4	418.8	382.6	417.9	416.8	378.8	389.7	325.8
EBIT, %	10.2%	9.9%	9.3%	10.0%	10.4%	10.7%	12.8%	13.7%
Net profit, MSEK	344.0	290.8	294.4	293.9	291.6	249.4	228.5	215.2
Total comprehensive income, MSEK	447.0	429.1	416.5	265.2	208.4	152.8	213.9	265.6
Cash flow from operations, MSEK	239.8	265.8	227.1	284.8	335.4	296.2	214.6	237.1
Total cash flow, MSEK	1.2	-3.6	-41.0	-47.5	114.9	111.2	64.4	16.2

Historical quarterly data 2016 – 2018

Amounts in MSEK	2018				2017				2016			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order Intake												
Construction Equipment	248	143	226	199	113	188	249	280	199	213	188	179
Industrial Equipment	600	585	539	533	627	338	573	319	82	41	111	109
After Sales	254	314	303	286	263	239	292	254	161	166	161	165
Rental	113	61	114	102	93	103	79	90	77	93	83	117
Total	**1,214**	**1,104**	**1,182**	**1,121**	**1,096**	**869**	**1,193**	**943**	**519**	**512**	**543**	**569**
Revenue												
Construction Equipment	176	176	185	177	228	146	262	157	215	147	166	157
Industrial Equipment	580	537	523	429	448	487	530	330	123	79	105	67
After Sales	303	290	316	274	296	271	325	215	185	165	172	158
Rental	91	95	87	80	77	76	78	75	74	80	82	73
Total	**1,150**	**1,099**	**1,112**	**960**	**1,050**	**980**	**1,194**	**777**	**597**	**471**	**524**	**455**
EBITA adj.												
Construction Equipment	34	27	31	17	41	13	42	14	30	17	23	14
Industrial Equipment	32	18	14	11	21	9	27	12	2	-6	2	-11
After Sales	78	76	92	74	74	71	92	59	64	54	59	47
Rental	14	15	12	9	9	9	12	6	10	8	9	10
Total	**159**	**136**	**149**	**111**	**145**	**101**	**173**	**91**	**105**	**73**	**92**	**60**
EBITA												
Construction Equipment	46	27	30	17	40	6	42	14	19	17	23	14
Industrial Equipment	11	6	4	-1	6	-1	25	7	-6	-6	2	-11
After Sales	73	69	89	70	72	68	92	58	57	54	59	47
Rental	14	15	12	9	9	9	12	6	5	15	9	10
Total	**144**	**117**	**135**	**95**	**127**	**82**	**170**	**86**	**75**	**80**	**92**	**60**

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

Amounts in MSEK	2018				2017				2016			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order Intake												
Construction Equipment	248	143	226	199	113	188	249	280	199	213	188	179
Industrial Equipment	600	585	539	533	627	338	573	622	448	566	593	485
After Sales	254	314	303	286	263	239	292	290	240	250	244	234
Rental	113	61	114	102	93	103	79	90	77	93	83	117
Total	**1,214**	**1,104**	**1,182**	**1,121**	**1,096**	**869**	**1,193**	**1,281**	**963**	**1,121**	**1,108**	**1,015**
Revenue												
Construction Equipment	176	176	185	177	228	146	262	157	215	147	166	157
Industrial Equipment	580	537	523	429	448	487	530	504	512	459	523	502
After Sales	303	290	316	274	296	271	325	255	273	257	262	228
Rental	91	95	87	80	77	76	78	75	74	80	82	73
Total	**1,150**	**1,099**	**1,112**	**960**	**1,050**	**980**	**1,194**	**990**	**1,074**	**943**	**1,033**	**961**

Income statement, parent company

Amounts in MSEK	Q4 2018	Q4 2017	Jan-Dec 2018	Jan-Dec 2017
Revenue	6.5	2.5	17.0	10.0
Operating expenses	-10.2	-11.3	-40.2	-53.2
Operating profit/loss (EBIT)	**-3.7**	**-8.8**	**-23.2**	**-43.2**
Net financial items	4.5	5.0	21.4	10.8
Profit/loss after financial items	**0.8**	**-3.8**	**-1.8**	**-32.4**
Group contribution	-	215.0	-	215.0
Result before tax (EBT)	**0.8**	**211.2**	**-1.8**	**182.6**
Tax on profit/loss for the period	-0.9	-46.4	-0.1	-36.9
Profit/loss for the period	**-0.1**	**164.8**	**-1.9**	**145.7**

Balance sheet, parent company

Amounts in MSEK	31 Dec 2018	31 Dec 2017
Non-current assets		
Shares in group companies	1,898.4	1,898.4
Other non-current assets	1.2	1.0
Total non-current assets	**1,899.6**	**1,899.5**
Current assets		
Receivables from group companies	1,594.5	1,665.9
Other short term receivables	0.6	1.3
Cash and cash equivalents	0.0	0.0
Total current assets	**1,595.1**	**1,667.2**
TOTAL ASSETS	**3,494.7**	**3,566.7**
EQUITY AND LIABILITIES		
Shareholders equity	2,902.4	3,041.0
Non-current liabilities, interest bearing	106.7	63.9
Current liabilities, interest bearing	29.8	13.2
Liabilities to group companies	402.6	397.6
Other current liabilities	53.2	50.9
TOTAL EQUITY AND LIABILITIES	**3,494.7**	**3,566.7**

Notes

NOTE 1. ACCOUNTING POLICIES

This Interim Report was prepared in accordance with IFRS, applying IAS 34, Interim Financial Reporting. The same accounting and valuation policies were applied as in the most recent annual report except for new and revised standards and interpretations effective from January 1, 2018. Non-IFRS measures are also presented in the report since they are considered to be important supplemental measures of the company's performance. The definition of these can be found on the Group's homepage.

IFRS 9
IFRS 9, Financial instruments is effective from January 1, 2018. The standard is replacing IAS 39, Financial instruments and include rules on classification and valuation of financial assets and liabilities and hedge accounting. Accounting principles applied by Alimak in accordance with IFRS 9 are consistent with those described in the annual report 2017, see notes 2 and 16. There is no impact on reported values for financial assets or liabilities nor on the hedge accounting.

The standard also regulates impairment of financial assets. Alimak applies a simplified approach to measure and recognize expected credit losses for the remaining term no matter if a loss event has occurred or not. The method is based on historical loss data adjusted for current conditions. In addition to this an assessment is done of macroeconomic factors and forecasts of future events that can have an impact on the impairment need. There is no significant impact from adapting the impairment model to IFRS 9 for the Alimak Group.

IFRS 15
IFRS 15 "Revenue from Contracts with Customers" is effective for the annual reporting period beginning January 1, 2018 and supersedes IAS 11 and IAS 18. Alimak has implemented the new standard using the full retrospective method. No adjustments to previous periods have been made as the impact on the revenue recognition from the new standard is immaterial. According to IFRS 15 Contract assets- and liabilities should be disclosed separately in the balance sheet. This has been made also for previous periods.

IFRS 15 specifies how and when revenue should be recognized as well as requires more detailed revenue disclosures. The standard provides a single, principle based five-step model to be applied to all contracts with customers. Revenue is allocated to performance obligations (equipment and services) in proportion to standalone selling prices items of the individual. Revenue is recognized when (at a point in time) or as (over a period of time) the performance obligations are satisfied, which is determined by the manner in which control passes to the customer.

Alimak Group manufactures, sells and leases out solutions for vertical transports for the construction and industry sector. Alimak also provides support- and service for the installed base of units. The business is operated in four business areas Construction equipment, Industrial equipment, Rental and After sales.

Some of the areas where the new revenue standard gives detailed guidance are important for Alimak, those are described below:

Combined offerings; Alimak offers combinations of transportation units (hoist, elevators, building maintenance units) and services. For each contract a detailed analysis is performed of the performance obligations included in the contracts. The price is allocated to the included components.

IFRS 15 gives guidance on how to recognize *variable consideration*. Alimak has some contracts with retroactive volume rebates. Alimak considers this already in the initial revenue recognition.

There is, in IFRS 15, specific criteria to decide if revenue should be recognized *at a point in time or over a period of time*. Alimak's business is to a large part recognized at point in time. Revenue is recognized when the control is passed to the customer. Both the revenue allocated to the equipment and the revenue allocated to installation is recognized at a point in time. For the equipment at delivery and for installation services when the installation is finalized. Some of the solutions delivered are highly specialized and adapted for each specific customer from a very early stage in the production. A large part of the production is performed on the customer site. For these projects Alimak recognizes revenue over time using the input method. For support- and other services, which normally are performed over a very short period of time, revenue is recognized when the service is performed.

Many of Alimak's contracts include *warranty clauses*. As the warranties normally follows legal requirements and/or industry practice they are accounted for as provisions according to IAS 37.

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 long-term operating leases will be recognized as non-current assets and financial liabilities in the consolidated statement of financial position. Instead of operating lease expenses, Alimak Group will recognize depreciation and interest expenses in the consolidated statement of comprehensive income. Lease payments will affect cash flow from operating activities (e.g. interest, low value asset leases and short-term leases), 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 will apply the new standard using the modified retrospective approach, which means that comparative figures will not be restated. The cumulative effect of applying IFRS 16 will be recognized at January 1, 2019. The lease liabilities attributable to leases which have previously been classified as operating leases under IAS 17 will be measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate as of January 1, 2019. Alimak Group will recognize a right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments recognized in the consolidated statement of financial position as of December 31, 2018. Hence, the transition to IFRS 16 will have no effect on group equity.

Alimak Group will apply the practical expedients to recognize payments associated with short-term leases and leases of low value assets, as an expense in the income statement and will not apply IFRS 16 to intangible assets. Non-lease components will be expensed and not accounted for as part of the right-of-use-asset or the lease liability. Alimak Group will at the date of initial application of IFRS 16 reassess 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, will be 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 is preliminary estimated to increase Total assets and Total liabilities with BSEK 0.4.

Alimak Group has identified lease contracts relating to e.g. premises, cars and office 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 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 which will be recognized 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.

Alimak Group AB is the Parent Company of the 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	Q4 2018	Q4 2017	Jan-Dec 2018	Jan-Dec 2017
Europe	378.8	398.1	1,545.5	1,528.2
Of which Sweden	42.5	21.1	176.3	130.1
APAC	413.9	297.9	1,403.4	1,155.0
Americas	281.7	284.6	1,095.5	1,095.2
Other markets	75.8	69.4	276.0	222.3
Total	**1,150.2**	**1,050.0**	**4,320.4**	**4,000.7**

Over time	Q4 2018	Q4 2017	Jan-Dec 2018	Jan-Dec 2017
Construction Equipment	-	-	-	-
Industrial Equipment	264.2	363.2	889.1	889.1
After Sales	-	-	-	-
Rental *)	47.4	35.5	167.6	149.8
Total over time	**311.6**	**398.7**	**1,056.7**	**1,038.9**

Point in time	Q4 2018	Q4 2017	Jan-Dec 2018	Jan-Dec 2017
Construction Equipment	175.6	228.1	714.4	792.5
Industrial Equipment	315.5	85.2	1,180.2	906.1
After Sales	302.9	296.5	1,182.6	1,107.7
Rental	44.6	41.5	186.5	155.5
Total point in time	**838.6**	**651.3**	**3,263.7**	**2,961.8**
Total	**1,150.2**	**1,050.0**	**4,320.4**	**4,000.7**

*) Part of business area Rental is accounted for applying IAS17, Leases

NOTE 3. FINANCIAL INSTRUMENTS

Amounts in MSEK	Total carrying amount		Fair value	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
FINANCIAL ASSETS				
Derivative financial instruments	6.0	4.2	6.0	4.2
Other financial receivables	1,228.5	1,048.2	1,228.5	1,048.2
Cash and cash equivalents	355.6	341.3	355.6	341.3
Total	**1,590.1**	**1,393.7**	**1,590.1**	**1,393.7**
FINANCIAL LIABILITIES				
Derivative financial instruments	9.0	4.2	9.0	4.2
Interest bearing debts	1,222.4	1,251.0	1,222.4	1,257.1
Other financial liabilities	705.1	597.1	705.1	606.0
Total	**1,936.5**	**1,852.2**	**1,935.5**	**1,867.3**

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

31 Dec 2018	Level 2
Financial assets	
Currency derivatives	6.0
Total	**6.0**
Financial liabilities	
Currency derivatives	9.0
Total	**9.0**
31 Dec 2017	Level 2
Financial assets	
Currency derivatives	4.2
Total	**4.2**
Financial liabilities	
Currency derivatives	4.2
Total	**4.2**

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 4. ACQUISITIONS

Alimak Group has not acquired any companies or business operations in 2018.

In the first quarter of 2017, the acquisitions of Avanti Wind Systems and Facade Access Group were finalized. The acquisitions broaden and diversify the product portfolio of Alimak Group’s business area Industrial Equipment and provide a good foundation for continued expansion of the After Sales service and support portfolio offered by Alimak Group across brands.

NOTE 5. ASSETS PLEDGED AND CONTINGENT LIABILITIES

As of December 31, 2018, the maximum potential future payments Alimak Group could be required to make under issued financial guarantees totalled MSEK 449.1 (446.3 at the end of 2017) of which MSEK 448.5 refers to indemnity bonds for commitments to customers (445.7 at the end of 2017). Assets pledged totalled MSEK 12.4 (12.5 at the end of 2017).

FINANCIAL CALENDAR

- The Annual Report for 2018 will be published on April 10, 2019.
- The Interim Report for the first quarter of 2019 will be published April 26, 2019.
- The Annual General Meeting will be held on May 9, 2019 in Stockholm.
- The Interim Report for the second quarter of 2019 will be published August 21, 2019.
- The Interim Report for the third quarter of 2019 will be published October 23, 2019.

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

TELEPHONE CONFERENCE/PRESENTATION

A telephone conference will be held on Friday February 22nd at 10:00 CET. 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/20190222

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/

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This information is information that Alimak Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 08.00 CET at 22 February 2019.

About Alimak Group

Alimak Group is a world-leading provider of vertical access solutions for professional use. With sales to more than 100 countries, the Group designs, develops, manufactures, distributes and provides service to vertical access solutions with focus on adding customer value through greater safety, higher productivity and improved cost efficiency. The Group's products and solutions are sold under the brands Alimak, CoxGomyl, Manntech, Avanti and Alimak Service. Alimak has an installed base of around 70,000 elevators, hoists, platforms, service lifts and building maintenance units around the world. Founded in Sweden 1948, Alimak Group has its headquarters in Stockholm, 12 manufacturing facilities in 8 countries and 2,400 employees around the world. www.alimakgroup.com.

ALIMAK GROUP