Alimak Group AB
ALIG, SE0007158910

Interim Report

January – March 2018

Q1

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Q1 2018 – Recovered Construction and After Sales make for a good start of 2018

FIRST QUARTER

- Order intake increased by 19% to MSEK 1,121 (943) with organic increase of 10%
- Revenue increased by 24% to MSEK 960 (777) with organic decrease of 2%
- EBITA adj. increased to MSEK 111 (91), underlying margin increase to 11.6% (11.7), with all acquired businesses in for the full quarter
- EBITA increased to MSEK 94 (86), margin 9.8% (11.0)
- EBIT increased to MSEK 80 (79), margin 8.3% (10.2)
- Net profit amounted to MSEK 53 (50)
- Earnings per share amounted to SEK 0.97 (0.93) based on shares at Q1 2018
- Operating cash flow amounted to MSEK -7 (44)

Management assessment: If the acquired companies would have been fully consolidated in the Group by 1 January 2017, order intake during January-March 2018 would have decreased 13% and revenue would have decreased 3% compared to the same period 2017 (please find proforma figures on page 18, table 2).

KEY FIGURES, GROUP	Q1 2018	Q1 2017	Δ
Order intake, MSEK	1,120.7	942.8	19%
Revenue, MSEK	959.7	776.6	24%
EBITA adj, MSEK²	111.3	90.9	22%
EBITA margin adj, %²	11.6%	11.7%	
EBITA, MSEK	94.4	85.8	10%
EBITA margin, %	9.8%	11.0%	
EBIT, MSEK	80.1	79.0	1%
EBIT margin, %	8.3%	10.2%	
Net profit, MSEK	52.7	50.4	5%
Earnings per share, SEK¹	0.97	1.07	-9%
Cash flow from operations, MSEK	-7.1	43.6	-116%

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

- Growth in organic order intake of 10% despite tough comparables in Construction Equipment
- Organic revenue growth in all business areas except Industrial Equipment
- Underlying EBITA margin adj. improvement to 11.6% (11.7), with all acquired businesses in for the full quarter

Alimak Group achieved a 10% organic growth in order intake during the first quarter of 2018 – again providing good support to our set mid-term revenue growth target of 6%. While the revenue was on the lower side, we have a solid backlog to build on for coming quarters. With an EBITA margin adj. of 11.6% we are on route to our set targets while we continue to take out cost both in SG&A and production through the integration of the acquired businesses Facade Access Group and Avanti Wind Systems.

I am pleased to see that **Construction Equipment** is back up on good levels on both order intake and revenue after lower numbers in previous quarters. This still represents a 29% decrease year-over-year following our record high order intake in Q1 2017. The slightly longer decision-making processes reported on in Q4 continue to be in effect. Construction Equipment reported an EBITA margin adj. of 9.5% which is on the low side of the double-digit margin levels expected from the business area. Main reasons for this being product mix and variation in project timing and scope. The Chinese market which for some time has operated in an unsustainable way, now reported that two of the largest local competitors have filed for bankruptcy. We have deliberately been very selective in taking business in China over the last years and we believe it was the right decision. After this latest development we can hopefully expect changes in the market, and I am optimistic that the business eventually will take a direction that is more sustainable.

Industrial Equipment showed good growth in order intake within General Industry. I am also pleased to see the continued recovery and relatively strong order intake in the wind business after the slowdown in the second half of 2017. Both build a good backlog for upcoming quarters.

The BMU business had relatively lower order intake, though receiving notable orders for equipment to Expo 2020 and Haitian Center. Quarter-by-quarter variations are to be expected in such a project-based business.

On the revenue side, the Industrial business area increased 30% year-over-year with an organic decline of 19%. This is an effect of a relatively low order intake in previous quarters as well as project timing issues. The BMU business had some large projects being delayed both due to site constraints and technical issues in materials and design. This, together with the lower organic revenue resulted in an EBITA margin adj. of 2.5%. These projects are being addressed and we are also working to strengthen the project management processes. At the same time, SG&A costs are being reviewed as a step towards improved margins.

After Sales had good organic growth of both order intake and revenue and I am satisfied to see continued positive outcomes of our integration initiatives in this business area. We have continued the roll out of Alimak Service, the joint After Sales concept in more countries. EBITA adj. increased to MSEK 74 which represents a margin of 27.2%, a strong margin recovery from a weak Q4.

Rental again showed very good results in the quarter with growth in order intake, revenue and EBITA adj. The winter season is often challenging for this business, but I am pleased to see the continued high utilization of the fleet and a good order backlog.

On the whole, Q1 was a good start of 2018 for Alimak Group.

Tormod Gunleiksrud, President & CEO

Key figures Q1 2018

ORDER INTAKE
Organic order intake increased 10%, while the reported order intake grew 19% to MSEK 1,121 (943).

The Q1 2017 order intake includes one month of Facade Access business and two months of Avanti business.

REVENUE
Organic revenue decreased 2%, while reported revenue increased 24% to MSEK 960 (777).

The Q1 2017 revenue includes one month of Facade Access business and two months of Avanti business.

OPERATING PROFIT/LOSS
EBIT in the first quarter amounted to MSEK 80 (79), margin 8.3% (10.2) mainly affected by both non-recurring costs and amortizations.

EBITA adj. increased to MSEK 111 (91), giving an operating margin of 11.6% (11.7).

Items affecting comparability amounted to MSEK 17 (5) related to expenses for integration of the acquired businesses. Amortization increased to MSEK 14 (7) related entirely to the acquired businesses.

NET PROFIT
Profit after tax for the first quarter increased to MSEK 53 (50). Net financial items were MSEK -9 (-4) reflecting the changed financial structure post acquisitions. Tax for the period was MSEK 18 (24). Expected tax rate of 27-30% going forward.

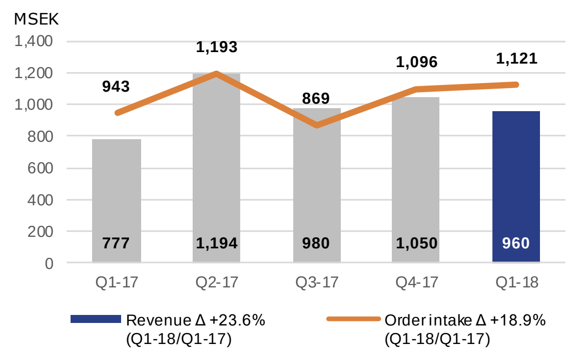
ORDER INTAKE	Q1	
	2018	2017
Orders, MSEK	**1,120.7**	**942.8**
Change, MSEK	177.9	373.4
Change, %	18.9%	65.6%
Whereof:		
Volume & price, %	9.9%	13.7%
Exchange rate, %	-2.8%	3.0%
Acquisition & divestment, %	11.8%	48.9%

REVENUE	Q1	
	2018	2017
Revenue, MSEK	**959.7**	**776.6**
Change, MSEK	183.0	321.4
Change, %	23.6%	70.6%
Whereof:		
Volume & price, %	-1.9%	6.4%
Exchange rate, %	-2.3%	2.9%
Acquisition & divestment, %	27.7%	61.3%

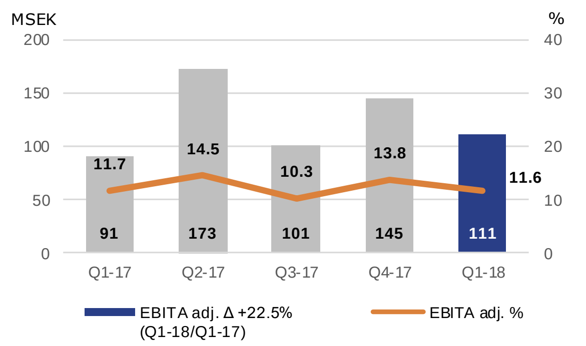
EBIT & EBITA adj.[1]	Q1	
	2018	2017
EBIT, MSEK	**80.1**	**79.0**
EBIT margin, %	**8.3%**	**10.2%**
EBITA adj, MSEK	**111.3**	**90.9**
EBITA margin adj, %	**11.6%**	**11.7%**
Change, MSEK	20.4	30.7
Change, %	22.4%	50.8%
Whereof:		
Volume & price, %	15.6%	10.1%
Exchange rate, %	-1.7%	2.9%
Acquisition & divestment, %	8.4%	37.9%

[1] Before items affecting comparability

Order intake & Revenue by quarters



EBITA adj. & EBITA margin adj. by quarters



INVESTMENTS

Net investments in fixed assets in the first quarter totalled MSEK 8 (9) which is a low level but is reflecting ongoing integration activities and activities aimed at ensuring higher utilization of existing fixed assets.

FINANCIAL POSITION

Net debt totalled MSEK 919 (1,906) as of 31 March 2018 which is slightly higher than in Q4 2017 and reflecting a significantly lower operational cash flow in the quarter. The equity ratio was 56.5% (41.4).

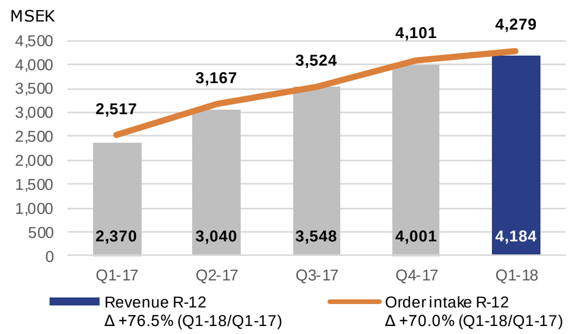
CASH FLOW

Cash flow from operating activities in the first quarter ended at MSEK -7 (44). The main impact bringing the quarterly cash flow down comes from build-up of inventories, increased project receivables both related to delays in schedule of ongoing projects and growth and when invoicing was done in the quarter.

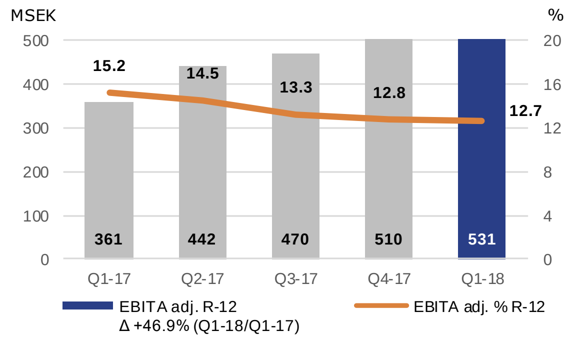
EMPLOYEES

As of 31 March 2018, there were 2,306 (1,166) FTEs in the Group.

Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by R12M



Construction Equipment

- Order intake of MSEK 199, meeting tough comparables of MSEK 280 from all time high Q1 2017
- Organic revenue was up 16% year-over-year with revenue at MSEK 177
- EBITA adj. margin at 9.5% (9.0) following the particularly strong Q4

Good order intake recovery from Q4 to MSEK 199 (280) primarily driven by orders in EMEA and Australia. This still represents a 29% decrease year-over-year, but it compares with record high order intake in Q1 2017. The recovery after the weak Q4 demonstrates a continued good underlying market with high levels of activity. The longer decision-making processes seen during Q4 are still visible and no catch-up effect on orders has been observed.

Revenue grew organically by 16% year-over-year to MSEK 177 (157) driven by continued delivery to projects from backlog and book to bill deliveries.

EBITA adj. ended up at MSEK 17 (14), which means a margin of 9.5% (9.0) which is on the low side of the double-digit margin levels expected from the business area. The somewhat lower margin derives from different product mix, scope and timing of deliveries and also partially uneven load in the factories. EBITA adj. growth was 19% year-over-year.

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

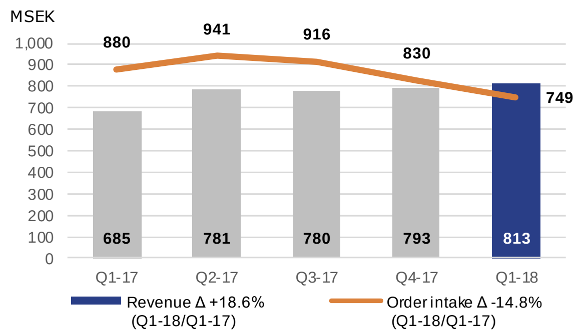
ORDER INTAKE	Q1	
	2018	2017
Orders, MSEK	**198.9**	**279.8**
Change, MSEK	-80.9	100.9
Change, %	-28.9%	56.4%
Whereof:		
Volume & price, %	-27.0%	54.5%
Exchange rate, %	-1.9%	1.9%
Acquisition & divestment, %	0.0%	0.0%

REVENUE	Q1	
	2018	2017
Revenue, MSEK	**176.8**	**156.6**
Change, MSEK	20.2	-0.6
Change, %	12.9%	-0.4%
Whereof:		
Volume & price, %	16.2%	-1.1%
Exchange rate, %	-3.3%	0.7%
Acquisition & divestment, %	0.0%	0.0%

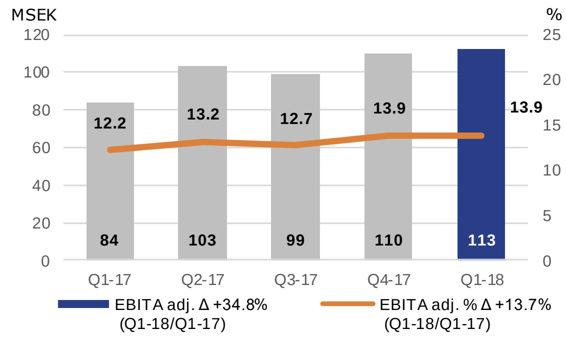
EBITA adj.[1]	Q1	
	2018	2017
EBITA adj, MSEK	**16.8**	**14.1**
EBITA margin adj, %	**9.5%**	**9.0%**
Change, MSEK	2.6	0.1
Change, %	18.7%	0.7%
Whereof:		
Volume & price, %	20.4%	1.3%
Exchange rate, %	-1.7%	-0.6%
Acquisition & divestment, %	0.0%	0.0%

[1] Before items affecting comparability

Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by R12M



Industrial Equipment

— Growth in organic order intake of 40%, reported order intake grew by 67% to MSEK 533
— Organic revenue decrease of 19% in the quarter, reported revenue increase of 30%
— EBITA adj. of MSEK 11 and a decrease in margin to 2.5% (3.5) due to lower organic revenue and project delays

Order intake grew organically 40% and reported order intake increased 67% to MSEK 533 (319). The strong growth in General Industry came from all regions. The wind business continued to pick up after the slowdown in the second half of 2017 and the global outlook for wind is increasingly being shaped by offshore and emerging markets. The BMU business had a relatively lower order intake, but quarter-by-quarter variations are to be expected in this project-based business.

Revenue increased 30% to MSEK 429 (330), with an organic decrease of 19%. This decline in organic revenue reflects previous quarters with relatively low order intake and timing when received orders start. On the BMU side there are also large projects experiencing delays both due to site constraints, factory capacity and technical issues related to materials and design.

EBITA adj. ended up at MSEK 11 (11), a margin of 2.5%, a result of the lower organic revenue but also due to expected cost overruns on some of the more complex projects. Activities to recover in these areas are ongoing.

Management assessment: If the acquired companies had been fully consolidated in the Group by 1 January 2017, order intake during January-March 2018 would have decreased 14% and revenue would have decreased 15% compared to the same period in 2017 (please find quarterly figures on page 18, table 2).

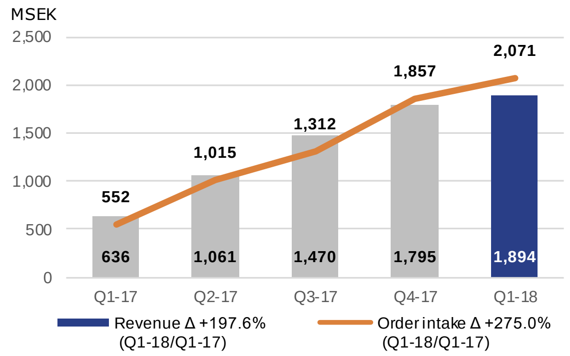
ORDER INTAKE	Q1 2018	Q1 2017
Orders, MSEK	**533.2**	**318.8**
Change, MSEK	214.4	209.6
Change, %	67.2%	192.0%
Whereof:		
Volume & price, %	39.8%	-15.6%
Exchange rate, %	-2.6%	1.6%
Acquisition & divestment, %	30.1%	206.0%

REVENUE	Q1 2018	Q1 2017
Revenue, MSEK	**428.6**	**330.0**
Change, MSEK	98.7	262.9
Change, %	29.9%	391.7%
Whereof:		
Volume & price, %	-19.3%	26.9%
Exchange rate, %	-1.0%	3.6%
Acquisition & divestment, %	50.3%	361.2%

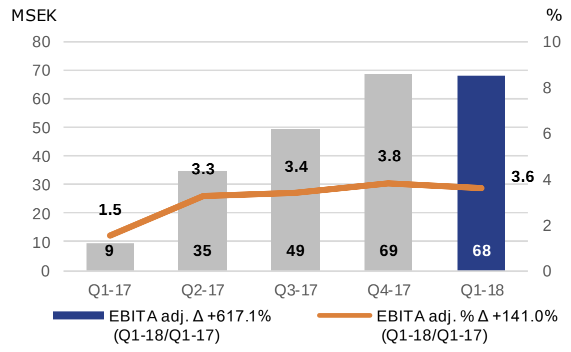
EBITA adj.[1]	Q1 2018	Q1 2017
EBITA adj, MSEK	**10.9**	**11.5**
EBITA margin adj, %	**2.5%**	**3.5%**
Change, MSEK	-0.6	22.7
Change, %	-5.3%	202.7%
Whereof:		
Volume & price, %	-48.7%	12.5%
Exchange rate, %	15.0%	1.0%
Acquisition & divestment, %	28.4%	189.2%

[1] Before items affecting comparability

Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by R12M



After Sales

- Organic order intake up by 11%, reported growth of 13% to MSEK 286
- Organic revenue growth of 9%, reported growth of 27% year-over-year to MSEK 274
- EBITA adj. of MSEK 74, underlying margin improvement to 27.2% (27.3) as Q1 2017 only partially included the acquired businesses

Organic order intake growth of 11%, with 13% reported, to MSEK 286 (254), mainly driven by good growth both in service and parts and in smaller refurbishments.

Revenue increased across all areas, to MSEK 274 (215), a growth of 27%. Organic revenue grew by 9% with most geographies performing well. The end markets of construction, ports and power all showing growth.

EBITA adj. increased to MSEK 74 (59) which represents a margin of 27.2%, recovering after the weaker Q4. The margin was strong due to mix and there is also an ongoing review of the wind based After Sales services to ensure that wind After Sales activities are properly decoupled from new sales activity. We expect this work to be completed during Q2.

The further roll outs of Alimak Service, the Joint After Sales concept continued with UK, Brazil and Singapore during the quarter.

Management assessment: If the acquired companies had been fully consolidated in the Group by 1 January 2017, the order intake during January-March 2018 would have decreased 1% and the revenue growth would have been 9% compared to the same period in 2017 (please find quarterly figures on page 18, table 2).

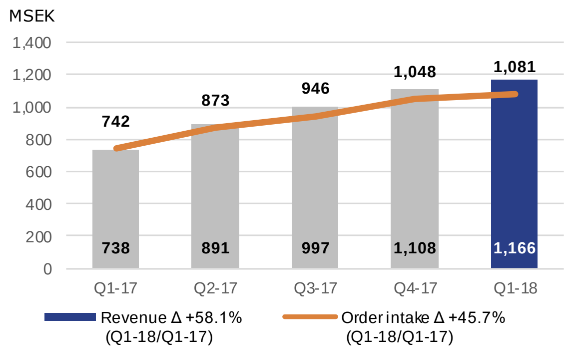
ORDER INTAKE	Q1	
	2018	2017
Orders, MSEK	**286.1**	**253.8**
Change, MSEK	32.4	89.1
Change, %	12.8%	54.1%
Whereof:		
Volume & price, %	11.4%	11.4%
Exchange rate, %	-4.5%	4.2%
Acquisition & divestment, %	5.9%	38.5%

REVENUE	Q1	
	2018	2017
Revenue, MSEK	**273.9**	**215.1**
Change, MSEK	58.8	57.5
Change, %	27.3%	36.5%
Whereof:		
Volume & price, %	8.6%	5.2%
Exchange rate, %	-4.3%	3.9%
Acquisition & divestment, %	22.9%	27.4%

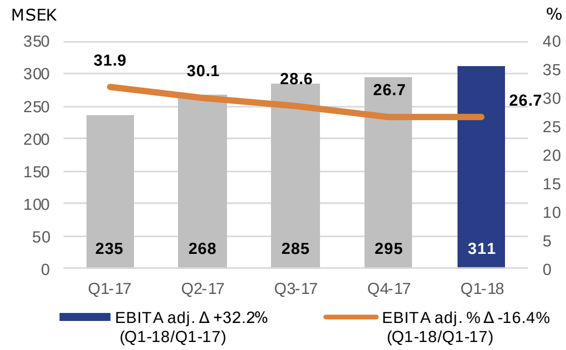
EBITA adj.[1]	Q1	
	2018	2017
EBITA adj, MSEK	**74.4**	**58.8**
EBITA margin adj, %	**27.2%**	**27.3%**
Change, MSEK	15.6	11.3
Change, %	26.5%	23.9%
Whereof:		
Volume & price, %	22.8%	15.0%
Exchange rate, %	-3.8%	3.6%
Acquisition & divestment, %	7.5%	5.3%

[1] Before items affecting comparability

Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by R12M



Rental

— Growing order intake up to MSEK 102, 14% organic increase

— Also improved revenue at MSEK 80, year-over-year increase of 7%

— Good EBITA margin adj. of 11.6% (8.6)

Continued strong order intake reaching MSEK 102 (90), an organic increase of 14% year-over-year despite an already high planned utilization of the rental fleet. The market continues to develop well with high utilization recorded and good length of projects.

Revenue grew by 7% to MSEK 80 (75) with market conditions still favorable in all addressed markets and with good momentum.

EBITA adj. for the quarter was MSEK 9 (6), a very good margin of 11.6% (8.6).

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

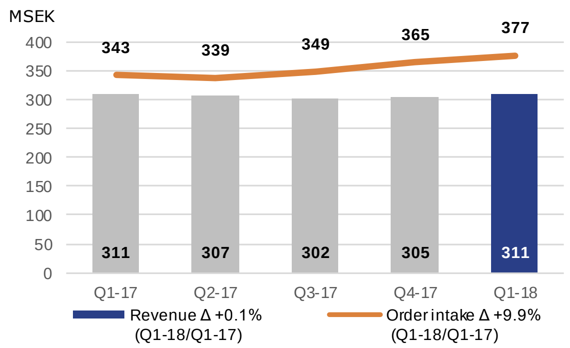
ORDER INTAKE	Q1 2018	Q1 2017
Orders, MSEK	**102.4**	**90.5**
Change, MSEK	11.9	-26.2
Change, %	13.2%	-22.4%
Whereof:		
Volume & price, %	14.3%	-18.0%
Exchange rate, %	-1.1%	4.3%
Acquisition & divestment, %	0.0%	-8.7%

REVENUE	Q1 2018	Q1 2017
Revenue, MSEK	**80.4**	**75.0**
Change, MSEK	5.5	1.6
Change, %	7.3%	2.2%
Whereof:		
Volume & price, %	7.3%	6.0%
Exchange rate, %	-0.1%	5.1%
Acquisition & divestment, %	0.0%	-8.8%

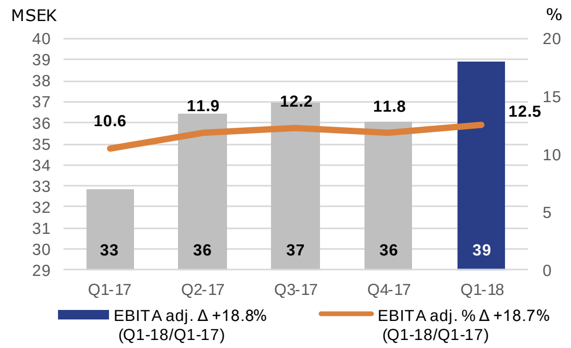
EBITA adj.[1]	Q1 2018	Q1 2017
EBITA adj, MSEK	**9.4**	**6.5**
EBITA margin adj, %	**11.6%**	**8.6%**
Change, MSEK	2.9	-3.5
Change, %	44.4%	-35.1%
Whereof:		
Volume & price, %	50.1%	-28.7%
Exchange rate, %	-5.7%	2.1%
Acquisition & divestment, %	0.0%	-8.6%

[1] Before items affecting comparability

Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by R12M



Group summary

PARENT COMPANY
Revenue for the first quarter 2018 amounted to MSEK 3.5 (2.5) and profit/loss for the period was MSEK -1.3 (-11.3).

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

Management changes
As of January 1, 2018, Alimak Group decided on a new composition of the Group Management Team (GMT). The GMT now consists of the President and CEO, COO, CFO, CTO and Global BA heads.

After a transition period, 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 is in effect as of April 1, 2018

Dividend 2017
The Board of Directors proposes a dividend of SEK 2.30 per share based on existing number of shares.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Nothing to report.

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 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, 24 April 2018

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

Tormod Gunleiksrud

President and CEO

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

Condensed statement of comprehensive income, Group

Amounts in MSEK	Q1 2018	Q1 2017
Revenue	959.7	776.6
Cost of goods sold	-648.7	-509.5
Gross Profit	**311.0**	**267.1**
Total operating expenses	-231.0	-188.2
Operating profit (EBIT)	**80.1**	**79.0**
Net financial items	-9.1	-4.3
Result before tax (EBT)	**70.9**	**74.7**
Tax on profit for the period	-18.2	-24.2
Profit for the period	**52.7**	**50.4**
Attributable to the parent company's shareholders	52.7	50.4
Earnings per share, SEK[1]	0.97	1.07
Other comprehensive income for the period		
Items that will be returned to net income		
Translation differences	53.8	1.5
Cash flow hedging	-4.3	-0.2
Deferred tax attributable to hedging	1.0	0.1
Total	**50.5**	**1.3**
Items not to be returned to net income		
Revaluation of pension plans	0.0	-6.7
Deferred tax attributable to revaluation of pension plans	0.0	1.3
Total	**0.0**	**-5.3**
Other comprehensive income, net after tax	**50.5**	**-4.0**
Total comprehensive income for the period	**103.2**	**46.4**
Attributable to the parent company's shareholders	103.2	46.4

[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 Mar 2018	31 Dec 2017
ASSETS		
Intangible fixed assets	2,926.0	2,896.0
Tangible fixed assets	358.4	360.4
Financial and other non-current assets	80.8	103.5
Total non-current assets	**3,365.2**	**3,359.9**
Inventories	671.8	583.3
Contract assets	206.6	233.3
Trade receivables	889.1	893.6
Other receivables	248.1	165.6
Cash and cash equivalents	282.6	341.3
Total current assets	**2,298.2**	**2,217.1**
TOTAL ASSETS	**5,663.4**	**5,577.0**
EQUITY AND LIABILITIES		
Shareholders equity	**3,202.5**	**3,099.3**
Non-current liabilities		
Interest bearing debts	1,155.4	1,205.0
Other long term liabilities	379.0	381.7
Total non-current liabilities	**1,534.4**	**1,586.7**
Current liabilities		
Interest bearing debts	45.9	46.0
Accounts payable	478.5	533.0
Other current liabilities	402.1	312.0
Total current liabilities	**926.5**	**891.1**
TOTAL EQUITY AND LIABILITIES	**5,663.4**	**5,577.0**

Condensed statement of changes in equity, Group

Amounts in MSEK	Share capital	Ongoing share issue	Other paid-in capital	Translation reserve	Hedging reserve	Retained earnings and profit for the period	Total equity
Opening balance, 1 Jan 2017	**0.9**	**0.0**	**2,175.4**	**158.3**	**-1.5**	**-130.9**	**2,202.1**
Ongoing share issue[1]		233.6					233.6
Profit for the period						50.4	50.4
Changes of fair value					-0.2	-5.3	-5.6
Tax attributable to cash flow hedging					0.1		0.1
Translation difference				1.5			1.5
Total comprehensive income	**0.0**	**0.0**	**0.0**	**1.5**	**-0.2**	**45.1**	**46.4**
Dividend							0.0
Closing balance, 31 Mar 2017	**0.9**	**233.6**	**2,175.4**	**159.8**	**-1.7**	**-85.8**	**2,482.1**
Ongoing share issue[1]		-233.6					-233.6
Share issue[2]	0.2		775.3				775.5
Profit for the period						241.2	241.2
Changes of fair value					2.4	14.4	16.9
Tax attributable to cash flow hedging					-0.6		-0.6
Translation difference				-95.4			-95.4
Total comprehensive income	**0.0**	**0.0**	**0.0**	**-95.4**	**1.9**	**255.6**	**162.1**
Dividend						-86.7	-86.7
Closing balance, 31 Dec 2017	**1.1**	**0.0**	**2,950.6**	**64.4**	**0.2**	**83.1**	**3,099.3**
Opening balance, 1 Jan 2018	**1.1**	**0.0**	**2,950.6**	**64.4**	**0.2**	**83.1**	**3,099.3**
Profit for the period						52.7	52.7
Changes of fair value					-4.3		-4.3
Tax attributable to hedging					1.0		1.0
Translation difference				53.8			53.8
Total comprehensive income	**0.0**	**0.0**	**0.0**	**53.8**	**-3.3**	**52.7**	**103.2**
Dividend							0.0
Closing balance, 31 Mar 2018	**1.1**	**0.0**	**2,950.6**	**118.2**	**-3.1**	**135.8**	**3,202.5**

[1]The subscription period for new issue of 10,831,572 shares for SEK 73.0 per share ended 31 March 2017. As of this date MSEK 247.6 was paid and held for Alimak Group by Financial Adviser Handelsbanken. This amount net for issue costs of MSEK 14.0 is reported as Ongoing share issue. On 6 April 2017 the remaining MSEK 543.1 was received in full and on 12 April 2017 the registration of new shares was completed.

[2]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.

Cash flow statement, Group

Amounts in MSEK	Q1 2018	Q1 2017
Operating activities:		
Profit before tax	70.9	74.7
Reversal of depreciation and amortisation	31.3	23.6
Taxes paid	-15.9	-12.7
Adjustments for other non-cash items	-6.1	33.5
Cash flow from operating actvities before change in working capital	**80.2**	**119.0**
Change in working capital:		
Change in inventory	-92.5	-38.8
Change in operating receivables	-8.9	-117.6
Change in operating liabilities	14.1	80.9
Cash flow from working capital	**-87.3**	**-75.5**
Cash flow from operating activities	**-7.1**	**43.6**
Investing activities:		
Business acquisitions, net of cash aquired	0.0	-1,094.5
Investment in intangible fixed assets	-0.1	-0.1
Investment in tangible fixed assets	-8.8	-9.5
Sales/disposal of tangible fixed assets	0.5	0.6
Cash flow from investing activities	**-8.4**	**-1,103.5**
Financing activities:		
Dividend	0.0	-
New loans and repayments, net	-51.7	1,155.3
Cash flow from financing activities	**-51.7**	**1,155.3**
Cash flow for the period	**-67.2**	**95.3**
Cash & cash equivalents at beginning of period	341.3	230.6
Translation differences	8.5	5.4
Cash & cash equivalents at end of period	282.6	331.2

Key figures

Quarterly data	2018	2017			
	Q1	Q4	Q3	Q2	Q1
Order intake, MSEK	1,120.7	1,096.3	868.8	1,193.3	942.8
Revenue, MSEK	959.7	1,050.0	979.8	1,194.3	776.6
EBITA adj, MSEK	111.3	144.7	101.3	173.2	90.9
EBITA margin adj, %	11.6%	13.8%	10.3%	14.5%	11.7%
EBITA, MSEK	94.4	126.7	81.6	170.5	85.8
EBITA margin, %	9.8%	12.1%	8.3%	14.3%	11.0%
EBIT, MSEK	80.1	113.1	68.7	156.1	79.0
EBIT, %	8.3%	10.8%	7.0%	13.1%	10.2%
Net profit, MSEK	52.7	90.5	72.1	78.6	50.4
Total comprehensive income, MSEK	103.2	135.1	2.6	24.3	46.4
Cash flow from operations, MSEK	-7.1	173.8	74.1	44.0	43.6
Total cash flow, MSEK	-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	43,326.3
Average number of shares, thousands	54,157.9	54,157.9	54,157.9	52,729.5	43,326.3
Earnings per share, SEK[2]	0.97	1.67	1.33	1.48	1.07
Earnings per share, SEK, as per numbers of shares at 31 Mar 2018	0.97	1.67	1.33	1.45	0.93
Total cash flow per share, SEK[2]	-1.24	0.50	0.12	-0.26	2.02
Equity per share, SEK[2]	59.13	57.23	54.73	54.71	52.49
Total assets, MSEK	5,663.4	5,577.0	5,550.5	5,654.2	5,998.6
Cash and cash equivalents end of period, MSEK	282.6	341.3	292.3	293.1	331.2
Equity, MSEK	3,202.5	3,099.3	2,964.2	2,962.8	2,482.1
Capital employed, MSEK	4,121.3	4,009.0	4,011.6	4,103.1	4,387.7
Net debt, MSEK	918.8	909.7	1,047.3	1,140.3	1,905.6
Equity ratio, %	56.5%	55.6%	53.4%	52.4%	41.4%
Return on equity, %	10.3%	11.0%	9.8%	9.1%	9.5%
Return on capital employed goodwill excluded, %	21.1%	33.5%	29.9%	30.3%	23.2%
Return on capital employed, %	9.8%	12.8%	11.6%	11.9%	9.6%
Interest coverage ratio, times	2.68	5.20	6.14	11.08	2.76
Net debt/EBITDA ratio	1.71	1.72	2.21	2.44	4.92
Number of employees	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			
	Q1	Q4	Q3	Q2	Q1
Order intake, MSEK	4,279.1	4,101.2	3,523.8	3,167.4	2,517.3
Revenue, MSEK	4,183.8	4,000.7	3,548.2	3,039.8	2,370.0
EBITA adj, MSEK	530.6	510.2	470.5	442.1	361.3
EBITA margin adj, %	12.7%	12.8%	13.3%	14.5%	15.2%
EBIT, MSEK	417.9	416.8	378.8	389.7	325.8
EBIT, %	10.0%	10.4%	10.7%	12.8%	13.7%
Net profit, MSEK	293.9	291.6	249.4	228.5	215.2
Total comprehensive income, MSEK	265.2	208.4	152.8	213.9	265.6
Cash flow from operations, MSEK	284.8	335.4	296.2	214.6	237.1
Total cash flow, MSEK	-47.5	114.9	111.2	64.4	16.2

Historical quarterly data 2016 – 2018

Amounts in MSEK	2018	2017				2016			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order Intake									
Construction Equipment	199	113	188	249	280	199	213	188	179
Industrial Equipment	533	627	338	573	319	82	41	111	109
After Sales	286	263	239	292	254	161	166	161	165
Rental	102	93	103	79	90	77	93	83	117
Total	**1,121**	**1,096**	**869**	**1,193**	**943**	**519**	**512**	**543**	**569**
Revenue									
Construction Equipment	177	228	146	262	157	215	147	166	157
Industrial Equipment	429	448	487	530	330	123	79	105	67
After Sales	274	296	271	325	215	185	165	172	158
Rental	80	77	76	78	75	74	80	82	73
Total	**960**	**1,050**	**980**	**1,194**	**777**	**597**	**471**	**524**	**455**
EBITA adj.									
Construction Equipment	17	41	13	42	14	30	17	23	14
Industrial Equipment	11	21	9	27	12	2	-6	2	-11
After Sales	74	74	71	92	59	64	54	59	47
Rental	9	9	9	12	6	10	8	9	10
Total	**111**	**145**	**101**	**173**	**91**	**105**	**73**	**92**	**60**
EBITA									
Construction Equipment	17	40	6	42	14	19	17	23	14
Industrial Equipment	-1	6	-1	25	7	-6	-6	2	-11
After Sales	70	72	68	92	58	57	54	59	47
Rental	9	9	9	12	6	5	15	9	10
Total	**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			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order Intake									
Construction Equipment	199	113	188	249	280	199	213	188	179
Industrial Equipment	533	627	338	573	622	448	566	593	485
After Sales	286	263	239	292	290	240	250	244	234
Rental	102	93	103	79	90	77	93	83	117
Total	**1,121**	**1,096**	**869**	**1,193**	**1,281**	**963**	**1,121**	**1,108**	**1,015**
Revenue									
Construction Equipment	177	228	146	262	157	215	147	166	157
Industrial Equipment	429	448	487	530	504	512	459	523	502
After Sales	274	296	271	325	255	273	257	262	228
Rental	80	77	76	78	75	74	80	82	73
Total	**960**	**1,050**	**980**	**1,194**	**990**	**1,074**	**943**	**1,033**	**961**

Income statement, parent company

Amounts in MSEK	Q1 2018	Q1 2017
Revenue	3.5	2.5
Operating expenses	-8.9	-21.8
Operating profit/loss (EBIT)	**-5.4**	**-19.3**
Net financial items	4.1	0.8
Profit/loss after financial items	**-1.3**	**-18.5**
Group contribution	0.0	-
Result before tax (EBT)	**-1.3**	**-18.5**
Tax on profit/loss for the period	0.0	7.2
Profit/loss for the period	**-1.3**	**-11.3**

Balance sheet, parent company

Amounts in MSEK	31 Mar 2018	31 Dec 2017
Non-current assets		
Shares in group companies	1,898.4	1,898.4
Other non-current assets	1.0	1.0
Total non-current assets	**1,899.5**	**1,899.5**
Current assets		
Receivables from group companies	1,706.7	1,554.0
Other short term receivables	215.7	216.3
Cash and cash equivalents	0.0	0.0
Total current assets	**1,922.4**	**1,770.3**
TOTAL ASSETS	**3,821.9**	**3,669.8**
EQUITY AND LIABILITIES		
Shareholders equity	3,039.6	3,041.0
Non-current liabilities, interest bearing	54.5	63.9
Current liabilities, interest bearing	23.3	13.2
Liabilities to group companies	651.0	500.7
Other current liabilities	53.5	51.0
TOTAL EQUITY AND LIABILITIES	**3,821.9**	**3,669.8**

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 and 15 are the most important of the standards, new interpretations and amendments effective from January 1, 2018. Alimak has implemented IFRS 15 using the full retrospective method. As an effect of this Contract assets have been reclassified from Inventory in all comparative periods. On consolidated level the assessment is that there is no other significant impact from IFRS 15, IFRS 9 or other new- or changed standards. IFRS 16 that applies from 2019 has been assessed to be of significance on consolidated level.

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

Q1 2018, Amounts in MSEK	Group
Europe	414.1
Of which Sweden	20.9
APAC	230.4
Americas	269.6
Other markets	45.5
Total	**959.7**

	Construction Equipment	Industrial Equipment	After Sales	Rental	Group
Over time	0.0	185.3	0.0	35.2	220.5
Point in time	176.7	243.3	273.9	45.3	739.2
Total	**176.7**	**428.6**	**273.9**	**80.5**	**959.7**

Q1 2017, Amounts in MSEK	Group
Europe	319.6
Of which Sweden	44.6
APAC	187.0
Americas	220.7
Other markets	49.4
Total	**776.7**

	Construction Equipment	Industrial Equipment	After Sales	Rental	Group
Over time		88.9		35.3	163.9
Point in time	156.6	241.1	215.1	39.7	612.8
Total	**156.6**	**330.0**	**215.1**	**75.0**	**776.7**

NOTE 3. FINANCIAL INSTRUMENTS

Amounts in MSEK	Total carrying amount		Fair value	
	31 Mar 2018	31 Dec 2017	31 Mar 2018	31 Dec 2017
FINANCIAL ASSETS				
Derivative financial instruments	6.3	4.2	6.3	4.9
Other financial receivables	1,046.9	893.6	1,046.9	893.6
Cash and cash equivalents	282.6	341.3	282.6	341.3
Total	**1,335.8**	**1,239.1**	**1,335.8**	**1,239.1**
FINANCIAL LIABILITIES				
Derivative financial instruments	13.2	4.2	13.2	4.2
Interest bearing debts	1,188.1	1,251.0	1,188.1	1,257.1
Other financial liabilities	626.6	393.0	626.6	393.0
Total	**1,827.9**	**1,648.2**	**1,827.9**	**1,654.3**

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

31 Mar 2018	Level 2
Financial assets	
Currency derivatives	6.3
Total	**6.3**
Financial liabilities	
Currency derivatives	13.2
Total	**13.2**

31 Mar 2017	Level 2
Financial assets	
Currency derivatives	1.1
Total	**1.1**
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 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 March 31, 2018, the maximum potential future payments Alimak Group could be required to make under issued financial guarantees totalled MSEK 474.9 (446.3 at the end of 2017) of which MSEK 474.3 refers to indemnity bonds for commitments to customers (445.7 at the end of 2017). Assets pledged totalled MSEK 14.2 (12.5 at the end of 2017).

FINANCIAL CALENDAR

- The Annual General Meeting will be held on 16 May 2018 at 17.00 CET in Kreugersalen, Tändstickspalatset, Västra Trädgårdsgatan 15, Stockholm.
- The Interim Report for the second quarter of 2018 will be published on 21 August 2018.
- The Interim Report for the third quarter of 2018 will be published on 25 October 2018.

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

WELCOME TO ALIMAK GROUP'S PRESENTATION OF THE INTERIM REPORT FOR JANUARY – MARCH 2018

A telephone conference will be held on Wednesday April 25th at 10:00 CET. CEO Tormod Gunleiksrud and COO and acting CFO Stefan Rinaldo 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:
UK: +442030089818
SE: +46856642700
US: +18558315947

Link to audiocast:
https://tv.streamfabriken.com/alimak-group-q1-2018

DEFINITIONS

Alimak presents certain financial measures that are not defined in the interim report in accordance with IFRS. Alimak 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 uses, please visit www.alimakgroup.com

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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 25 April 2018.

About Alimak Group

Alimak Group is a world-leading provider of vertical access solutions for the industry and construction sectors. With a presence in more than 100 countries, Alimak develops, manufactures, sells 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 Hek, CoxGomyl, Manntech and Avanti. Alimak has an installed base of more than 67,000 elevators, hoists, platforms, service lifts and building maintenance units around the world. Founded in Sweden 1948, Alimak has its headquarters in Stockholm, 12 manufacturing facilities in 8 countries and 2,400 employees around the world. www.alimakgroup.com.