Alimak Group

Q2 2023, 20 July 2023

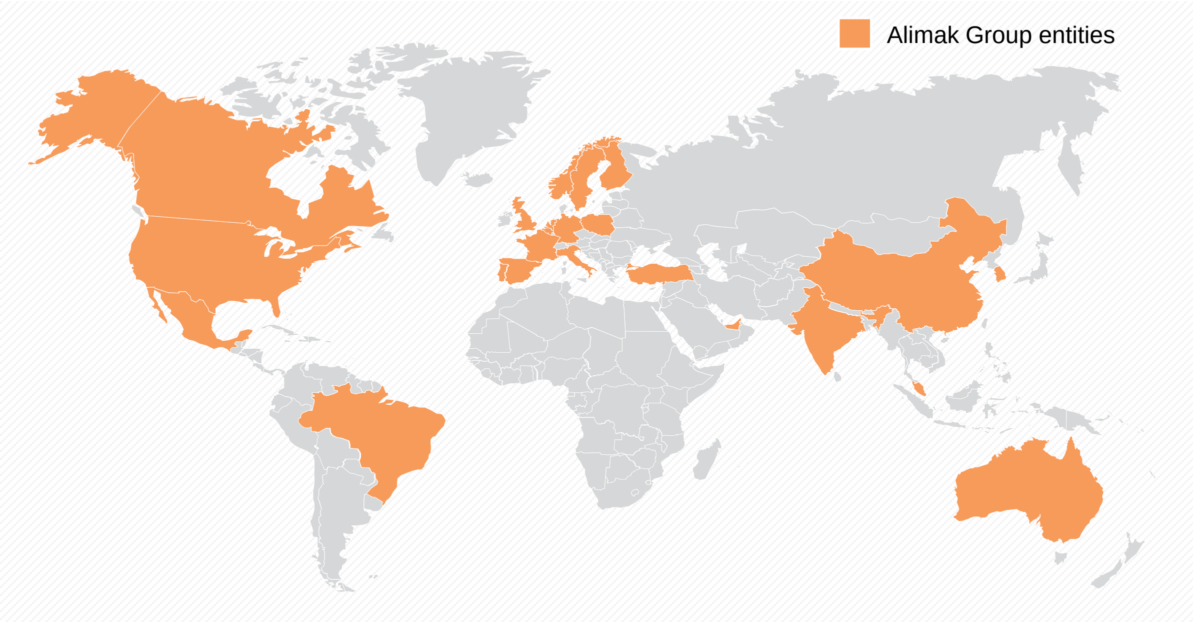
Ole Kristian Jødahl, CEO

Sylvain Grange, CFO

Alimak Group – a diversified global industrial company

Highlights

- Leading provider of premium vertical access and working at height solutions
- 3,000 employees, sales in +120 countries, presence in 28 countries
- Decentralised organisation with 5 customer centric divisions



Drivers for success

- Supported by global trends
- Leading market position in focused niches
- Global footprint with a large installed base
- Spare parts and service
- Strong balance sheet and cash conversion

New Heights programme – our strategic roadmap

1

Establish the base

2020

2

Secure margin improvements

2021

3

Profitable growth

2022-2025

Financial targets and dividend policy

Market growth, product development, cross-selling, and continued M&A	Revenue growth 6-10%
Continued operational efficiency, Tractel synergies, and Facade Access improvements	EBITA margin >18%
Strong focus on working capital improvements and limited capex need	Leverage ratio <2.5x

Dividend pay-out ratio of 40-60%

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Continuing our profitable growth journey

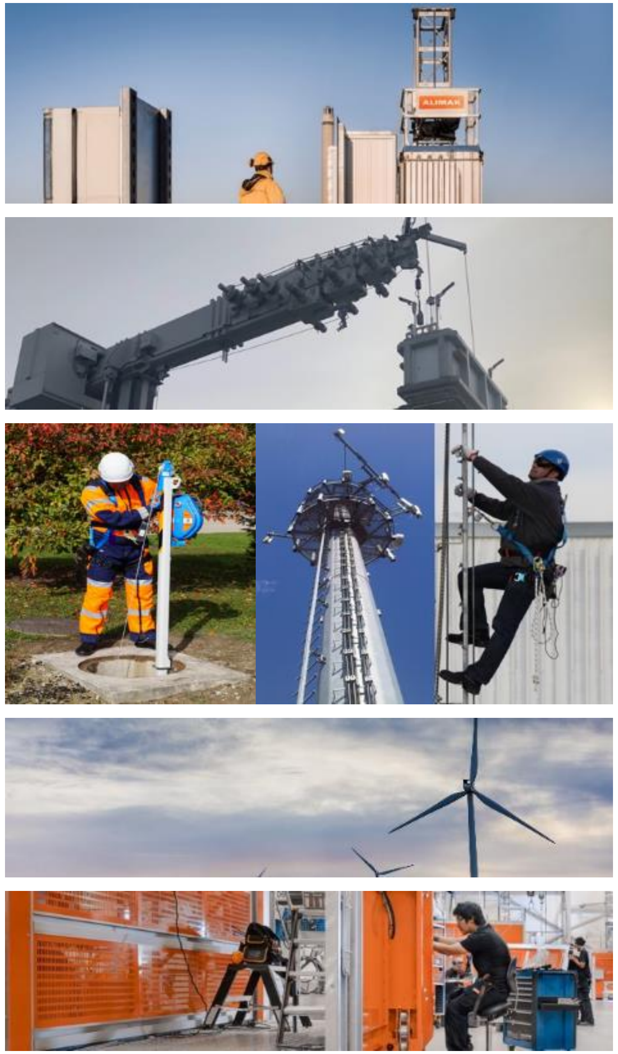
Q2

Q2

- Adjusted EBITA-margin of 16.5%
  - Aggregated EBITA increased by 6%*
- Revenue increased by 65%
- Order intake equal to revenue in absolute value
- Very strong performance in the Wind, Industrial and Height Safety and Productivity Solutions divisions
- Positive cash flow development

H1

- Very solid first half of the year



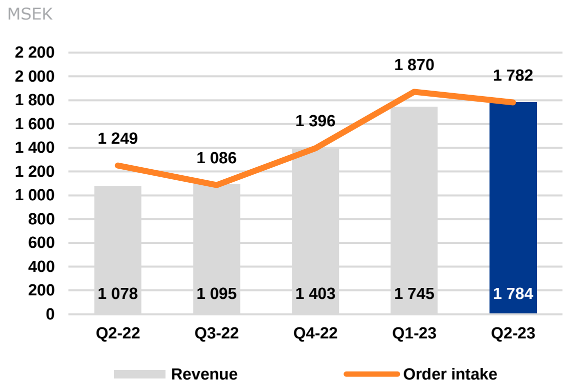
* Aggregated numbers as if Tractel was acquired as of 1 January 2022

Group quarterly summary

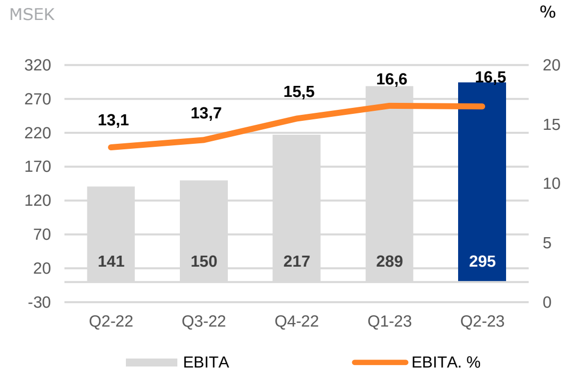
Q2

- **Order intake** was MSEK 1,782, +43% (+53% from acquisitions. -15% organically)
  - Organic decrease mainly due to a high comparable
  - Strong organic growth in Industrial and Wind
- **Revenue** was MSEK 1,784 +65% (59% from acquisitions. 1% organically)
  - Strong organic growth in Industrial and Wind
- **EBITA adj.** increased to MSEK 295 (141), margin at 16.5% (13.1). Adj. aggregated EBITA increased by 6%*
  - High performance in the Industrial, Wind and Height Safety and Productivity Solutions divisions

Order intake & Revenue by Quarters



EBITA adj & EBITA adj margin by Quarters



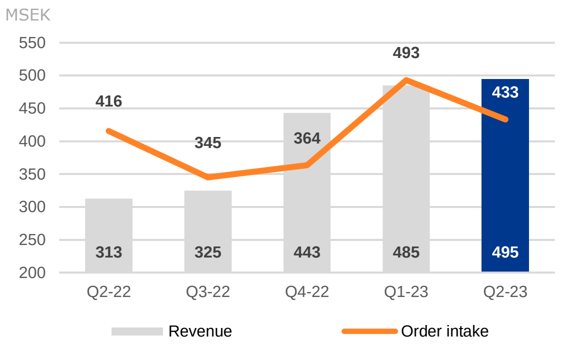
* Aggregated numbers as if Tractel was acquired as of 1 January 2022

Facade Access

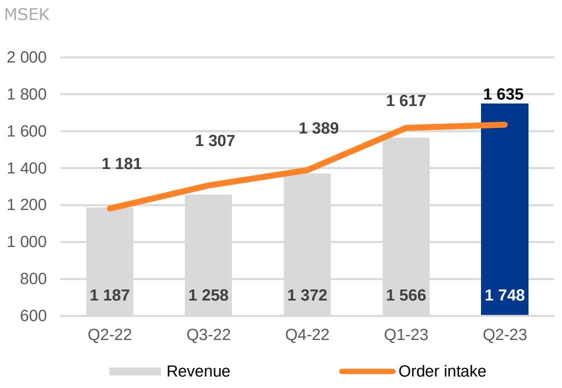
Q2

- **Order intake** was MSEK 433, +4% (+56% from acquisitions. -55% organically)
  - Service continues to contribute positively
  - Comparing to a strong Q2 last year, including a major project in the Middle East with a substantial contract value
  - Impact of higher interest rates resulting in some projects being put on hold or delayed
  - Our higher margin expectations have led us to step out of a few tenders
- **Revenue** was MSEK 495, +58% (+57% from acquisitions. -4% organically)
- **EBITA** at MSEK 26 (6), margin 5.3% (2.0)
  - Continued execution on the transformation program to deliver significantly improved margins

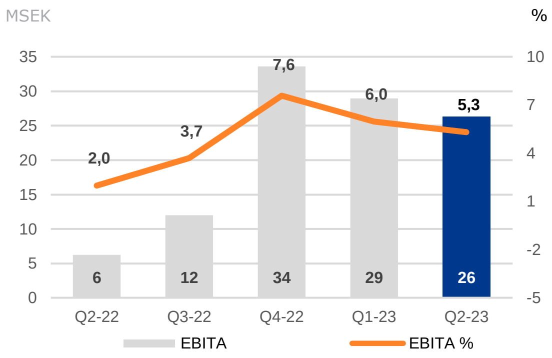
Order intake & Revenue by Quarters



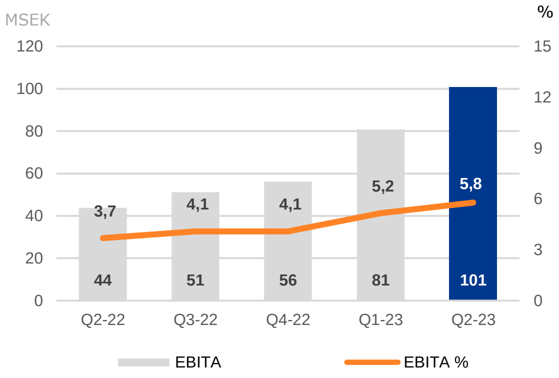
Order intake & Revenue by R12M



EBITA & EBITA margin by Quarters



EBITA & EBITA margin by R12M



Facade Access – business update

- Management team fully in place
- New contracting policy being adopted throughout the division
- New tendering process to secure the right margin levels
- Strict project reviews
- Strengthened market position via combined offering, Tractel and Alimak

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Facade Access – new projects

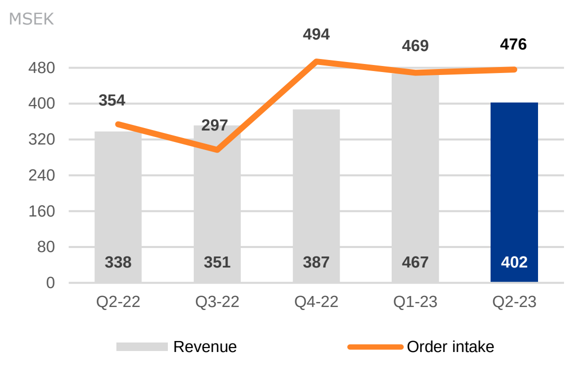
- **Stadium – Spain**
  - The first large scale collaborative project between Tirak hoists and Facade Access in Spain with large permanent access projects
  - A new solution has been developed specifically to serve the customer
- **Shaft access – Austria**
  - Major railway infrastructure project
  - Contracted to design, engineers, manufacture, commissioned and maintain a series of bespoke dual mast climbing platforms
  - 2x dual mast climbing platforms from Scanclimber, special platforms from FA and Faba ladders from HSPS

Construction

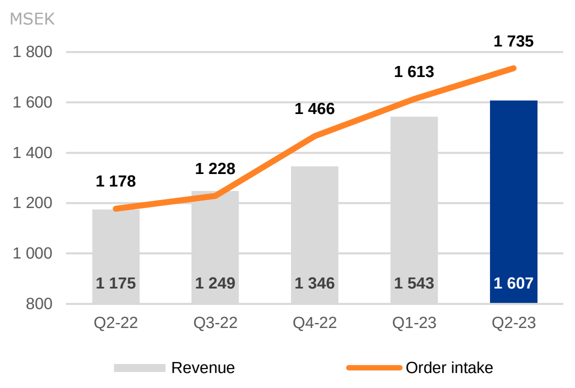
Q2

- **Order intake** was MSEK 476, +34% (+33% from acquisitions. -4% organically)
  - Strong used, rental and service order intake
- **Revenue** was MSEK 402, +19% (+28% from acquisitions. -14% organically)
  - High level of rental activity
  - Low invoicing in the Nordic region and Australia
- **EBITA** at MSEK 71 (64), margin 17.5% (18.8)

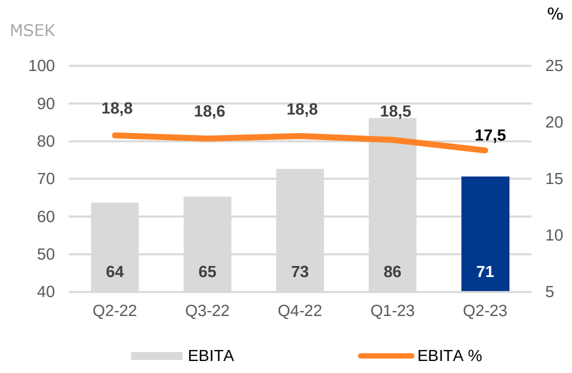
Order intake & Revenue by Quarters



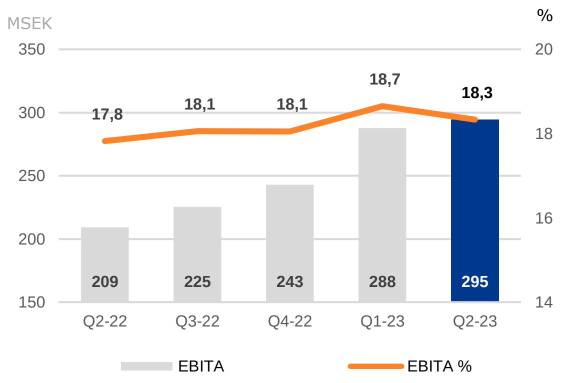
Order intake & Revenue by R12M



EBITA & EBITA margin by Quarters



EBITA & EBITA margin by R12M



Construction – business update

- Significant order from the Middle East for construction hoists
- Multiple major rental orders received in Germany
- Higher interest rates and material pricing affects development in certain geographies (Nordics)
- Investment in the infrastructure and energy- and utilities sectors remain major drivers of overall construction output growth *

* Global Construction outlook Q2 2023, Global Data

Construction – new product launch

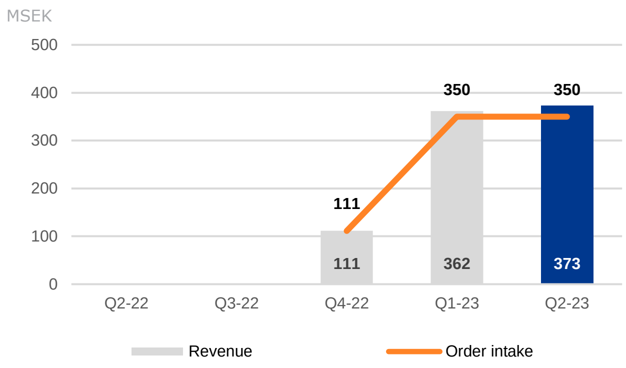
- The all-new Alimak Medius 350 with robust design, based on the TPL platform and triangle 350 mast
  - Compact base and ground enclosure, easily transported on a conventional truck, improving logistics
  - Adaptable to lift shafts, has a quick and easy installation, a fall protection system (FOPS)
  - All height components are shared with standard TPL, improving rental companies' utilisation of assets

Height Safety and Productivity Solutions

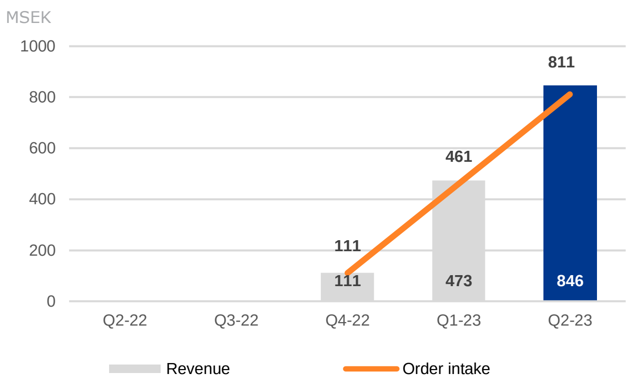
Q2

- **Order** intake was MSEK 350
  - Remaining on a high level
- **Revenue** was MSEK 373
  - Strong sales in the Americas and Germany
  - Strong sales to customers in the elevator segment
- **EBITA** was MSEK 79, margin 21.2%

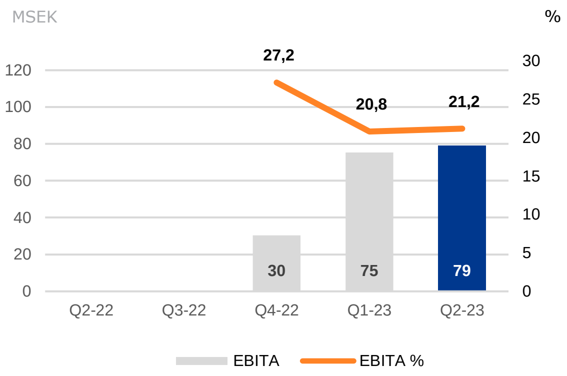
Order intake & Revenue by Quarters



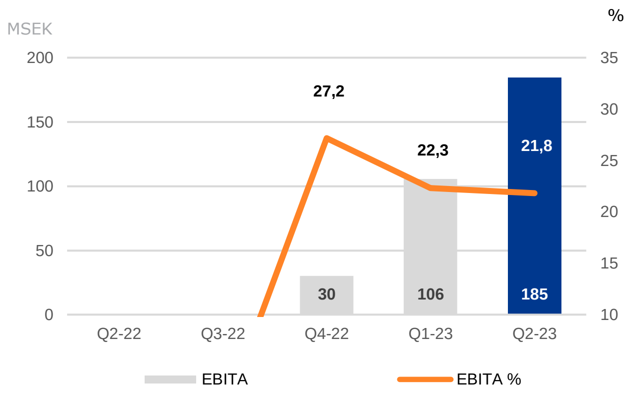
Order intake & Revenue by R12M



EBITA & EBITA margin by Quarters



EBITA & EBITA margin by R12M



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Height Safety and Productivity Solutions – business update

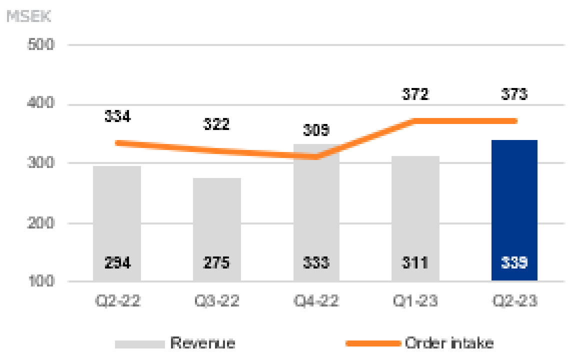
- Synergies with Facade Access starting to materialize
  - Work in progress also with other divisions
- Working close with customers in different segments to develop the products and solutions they need
  - A good example: European distributor specialized in PPE
  - Close cooperation, growing together in many markets
- Fiberglass guardrails for Telecom and Electricity verticals gaining attraction in North America
- Heavy load turning devices help manufacturers make the job safer and more efficient

Industrial

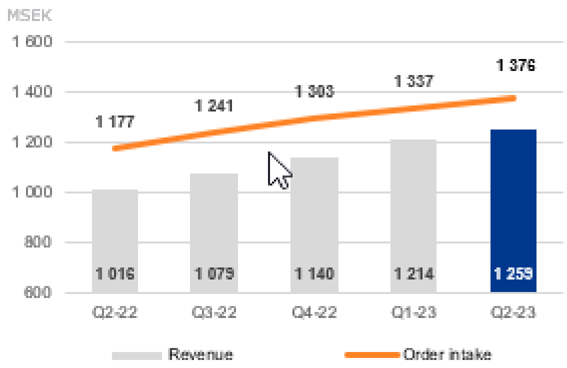
Q2

- **Order intake** was MSEK 373, +12% (+8% organically)
  - Solid order intake during the quarter, especially within aftersales
  - Healthy equipment order intake, especially in the cement, marine, power, and bridges segments
- **Revenue** was MSEK 339, +15% (+11% organically)
  - High growth driven by the strategic focus on sales and the service segment
  - High order backlog
- **EBITA** increased to MSEK 81 (52), a margin of 23.9% (17.7%)
  - Improved EBITA and margin driven by increased revenue, good cost control and active price management

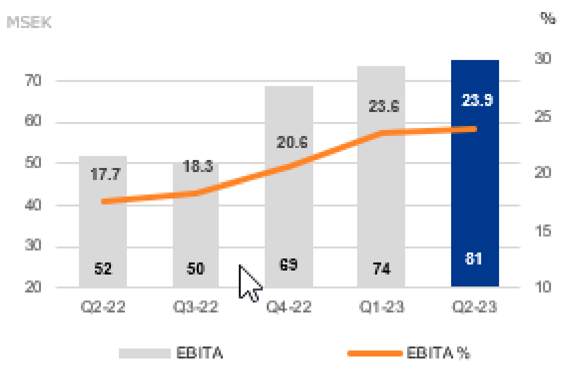
Order intake & Revenue by Quarters



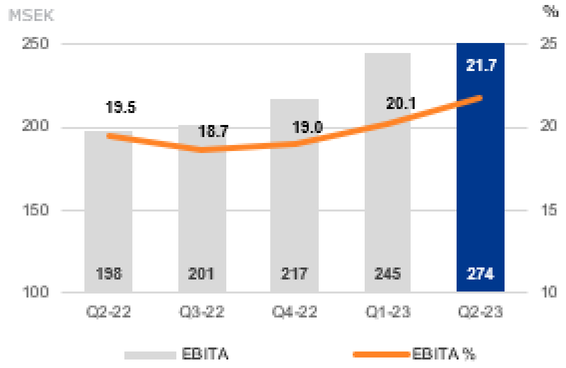
Order intake & Revenue by R12M



EBITA & EBITA margin by Quarters



EBITA & EBITA margin by R12M



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Q2

Industrial – business update

- Large refurbishment order in Spain
  - Iconic telecommunication tower (288m)
  - 2 operating Alimak elevators (one panoramic and one for service) since 30+ years
- Good quarter in APAC in terms of order intake
  - Alimak SL lifts for cross ocean highway in China
  - The bridge has a total length of 2,200 meters, the world's longest span for a three-tower highway cable-stayed bridge

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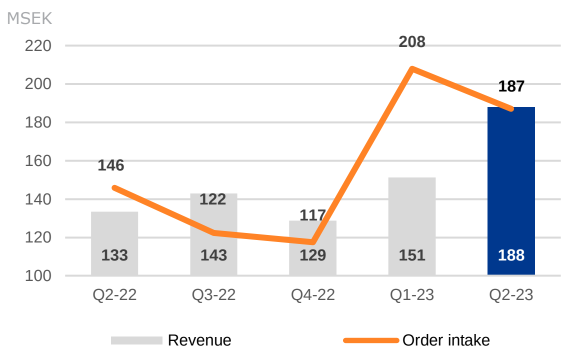
Wind

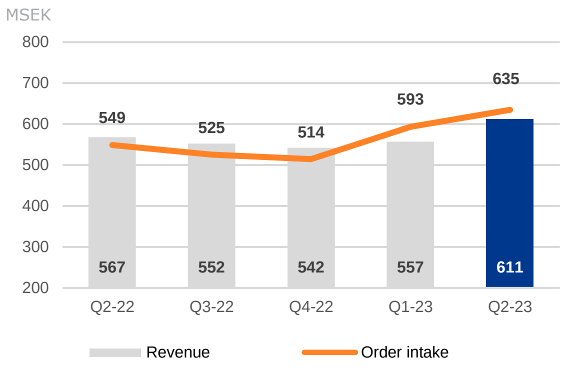
Q2

- **Order intake** was MSEK 187, +28% (+21% organically)
  - Continued strong orders in the US
  - Positive development in China
  - European markets improving
- **Revenue** was MSEK 188, +41% (+32% organically)
  - Substantial increased revenue in the US
  - Europe and China contributed positively
  - Service segment remained on a high level in all markets
- **EBITA** doubled to MSEK 38 (19), a margin of 20.2% (14.4)
  - Increased earnings due to strong sales process, close cost follow-up and a consolidated and proactive price management

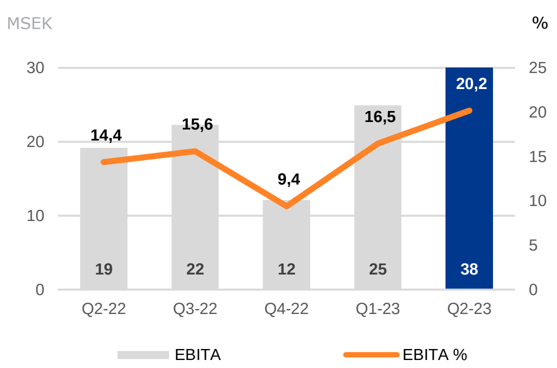
Order intake & Revenue by Quarters



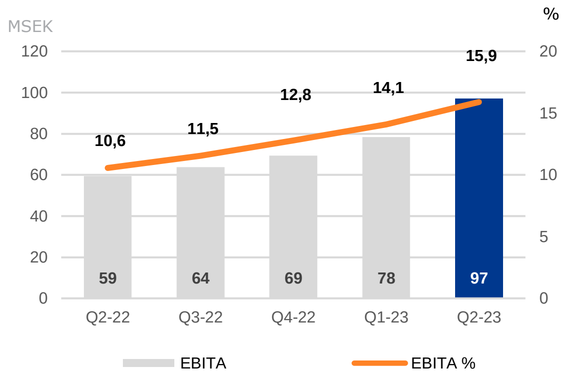
Order intake & Revenue by R12M



EBITA & EBITA margin by Quarters



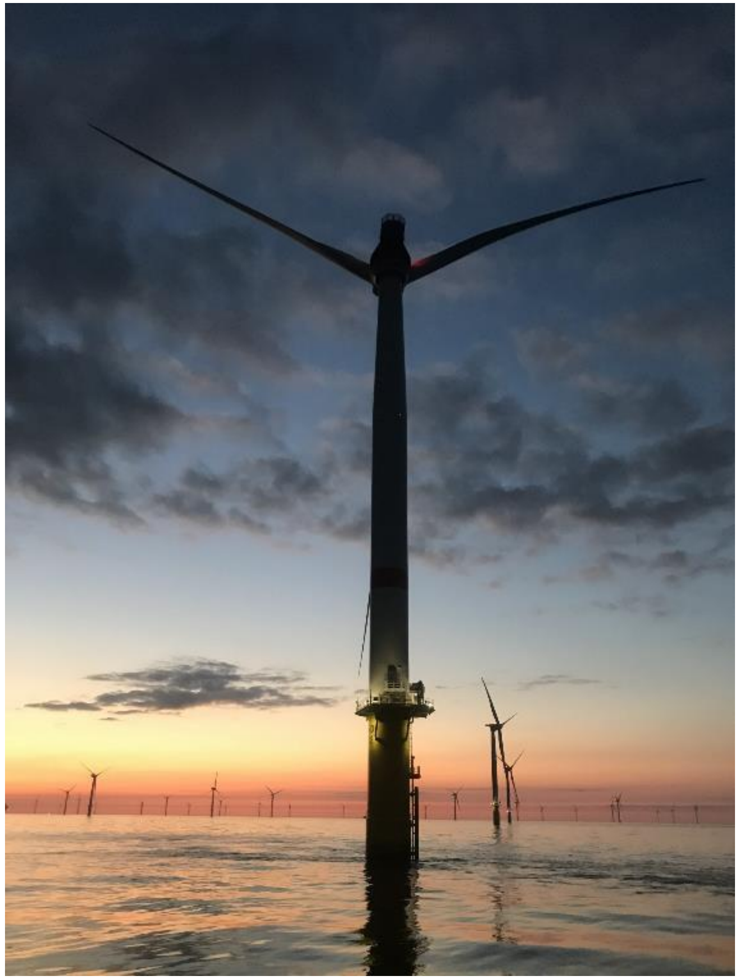
EBITA & EBITA margin by R12M



Wind – business update

Q2

- EU signed off the new Renewable Energy Directive
  - Will speed up the 80 GW projects in the pipeline
- Wind division remains in close cooperation with key customers for development of on and offshore products
  - Securing regional volume needs
  - Achieving wind sector ESG targets
- Service lifts for a 3-GW wind farm in China
  - Phase I and 2 successfully completed, phase 3 to be developed in the coming months
  - 5 years' service contract included



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Financial summary

Q2

MSEK	Q2 2023	Q2 2022	Δ%	YTD 2023	YTD 2022	Δ%
Order intake	**1 782**	**1 249**	43	**3 652**	**2 302**	59
Organic order growth			-15			-6
Revenue	**1 784**	**1 078**	65	**3 529**	**2 014**	75
Organic revenue growth			1			6
EBITA adj	**295**	**141**	107	**584**	**248**	135
EBITA adj %	**16.5**	**13.1**	+3.4 pp	**16.5**	**12.3**	+4.2 pp
EBITA	**288**	**141**	104	**575**	**248**	131
EBITA%	**16.2**	**13.1**	+3.1 pp	**16.3**	**12.3**	+4 pp
Operating cash flow	**206**	**37**	456	**314**	**73**	329

Earnings summary

Q2

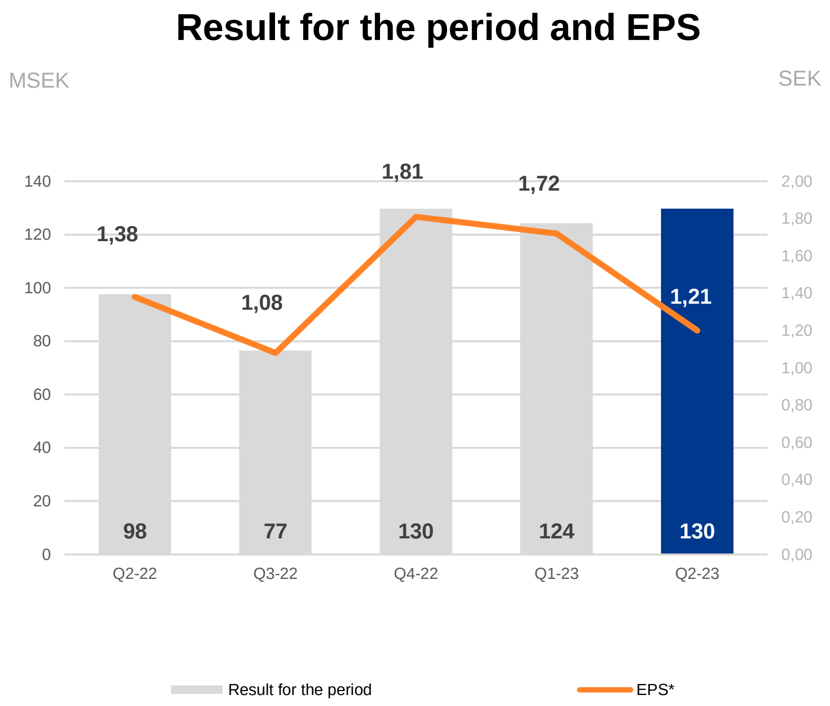
- EBITA adj.
  - Margin improved vs. last year, mainly due to increased revenues, operational improvements and contribution from the Tractel acquisition
  - Gross margin kept on a high level through active price management
  - Items affecting comparability, negative MSEK 6 on EBITA
- Financial net
  - Interest net of MSEK -54 (-4), and the remaining currency effects
- Taxes
  - Tax rate for the quarter of 27.3% (22.2), reflecting the country profit distribution

MSEK	Q2 2023	Q2 2022	∆MSEK
EBITA adj	**295**	**141**	**154**
Items affecting comparability	-6	-	-6
EBITA	**288**	**141**	**147**
Amortisations	-52	-9	-43
EBIT	**236**	**132**	**104**
Financial net	-58	-5	-54
EBT	**178**	**127**	**50**
Taxes	-49	-30	-19
Result for the period	**130**	**98**	**32**

Result for the period and EPS

Q2

- Result for the period was MSEK 130 (98)
- Adjusted for items affecting comparability (IAC): MSEK 136 (98), +38%
- Earnings per share was SEK 1.21 (1.38), decrease due to increased number of shares
- Adjusted for IAC: 1.26 (1.38)



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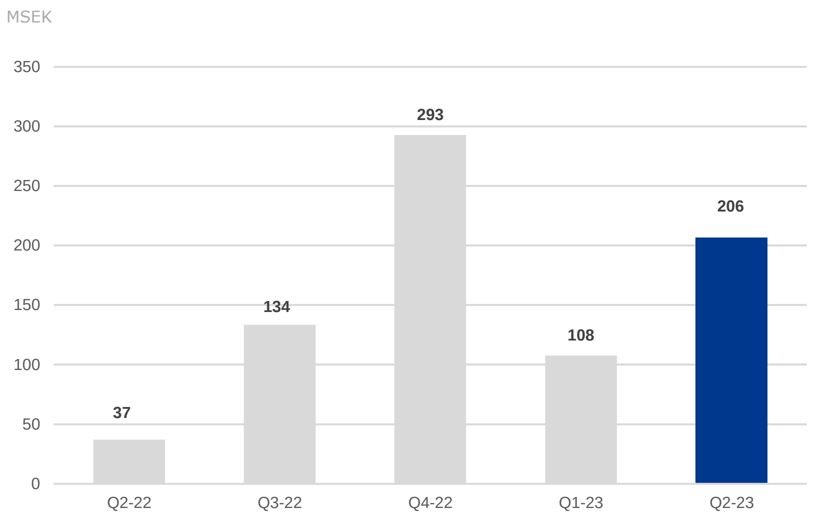
Cash flow

Q2

- Cash flow from operations MSEK 206 (37)
  - Overall strong due to cash focus
  - Impact of higher interest and tax outflows

Operating cash flow, MSEK by quarter



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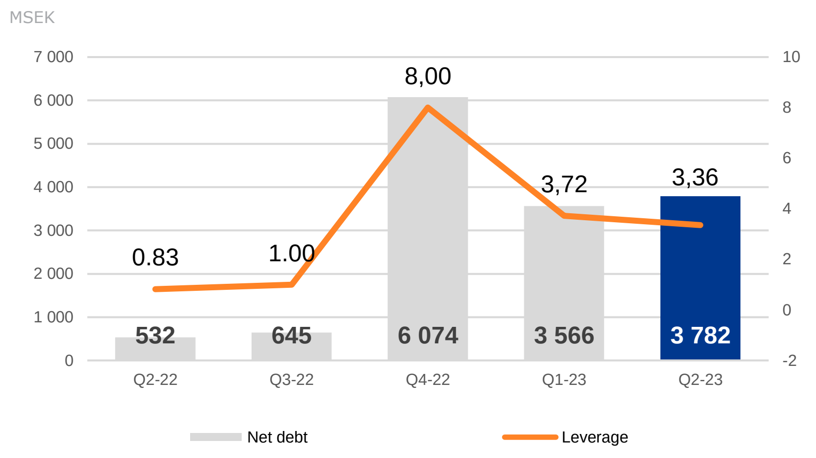
Net debt

Q2

- Net debt
  - Impacted negatively by dividend payment and fx revaluation of euro loan
- Leverage down to 3.36 in Q2, 2.97 when factoring R12 months of Tractel EBITDA
- Capital allocation priorities remain:
  - Short term to deleverage
  - Dividend according to policy
  - Profitable growth – sales and development
  - M&A over time

Net debt, MSEK and leverage, by quarter



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Balance Sheet

Q2

- Balance Sheet impacted by acquisitions
  - Goodwill and other intangible assets
  - Equity (including effect of rights issue)
  - LT borrowings (including term loan raised for Tractel acquisition)

Balance Sheet

Amounts in MSEK	Q2 2023	Q2 2022
Goodwill	6 195	2 486
Other intangible assets	2 810	575
Tangible assets	970	529
Financial and other non-current assets	462	323
Total non-current assets	**10 437**	**3 913**
Inventories	1 777	950
Trade receivables	1 473	856
Other receivables, prepaid expenses and short investments	530	316
Cash and cash equivalents	714	301
Total current assets	**4 494**	**2 422**
TOTAL ASSETS	**14 931**	**6 335**
Shareholders equity	**7 254**	**4 065**
Long-term borrowings	4 195	609
Other non-current liabilities	1 772	524
Trade payables	447	295
Other current liabilities	1 263	842
Total liabilities	**7 677**	**2 270**
TOTAL EQUITY AND LIABILITIES	**14 931**	**6 335**

Summary

Q2

- Continuing our profitable growth journey
- Strong performance in the Industrial, Wind and Height Safety and Productivity Solutions divisions
- Higher interest rates have started to impact parts of our business
  - Our well diversified business, good cost control and active pricing management brings us resilience
- We will continue to execute on the New Heights programme to ensure we deliver on our new financial and sustainability targets
- Thank you to all employees for another good quarter and a great first half of the year!





Q&A