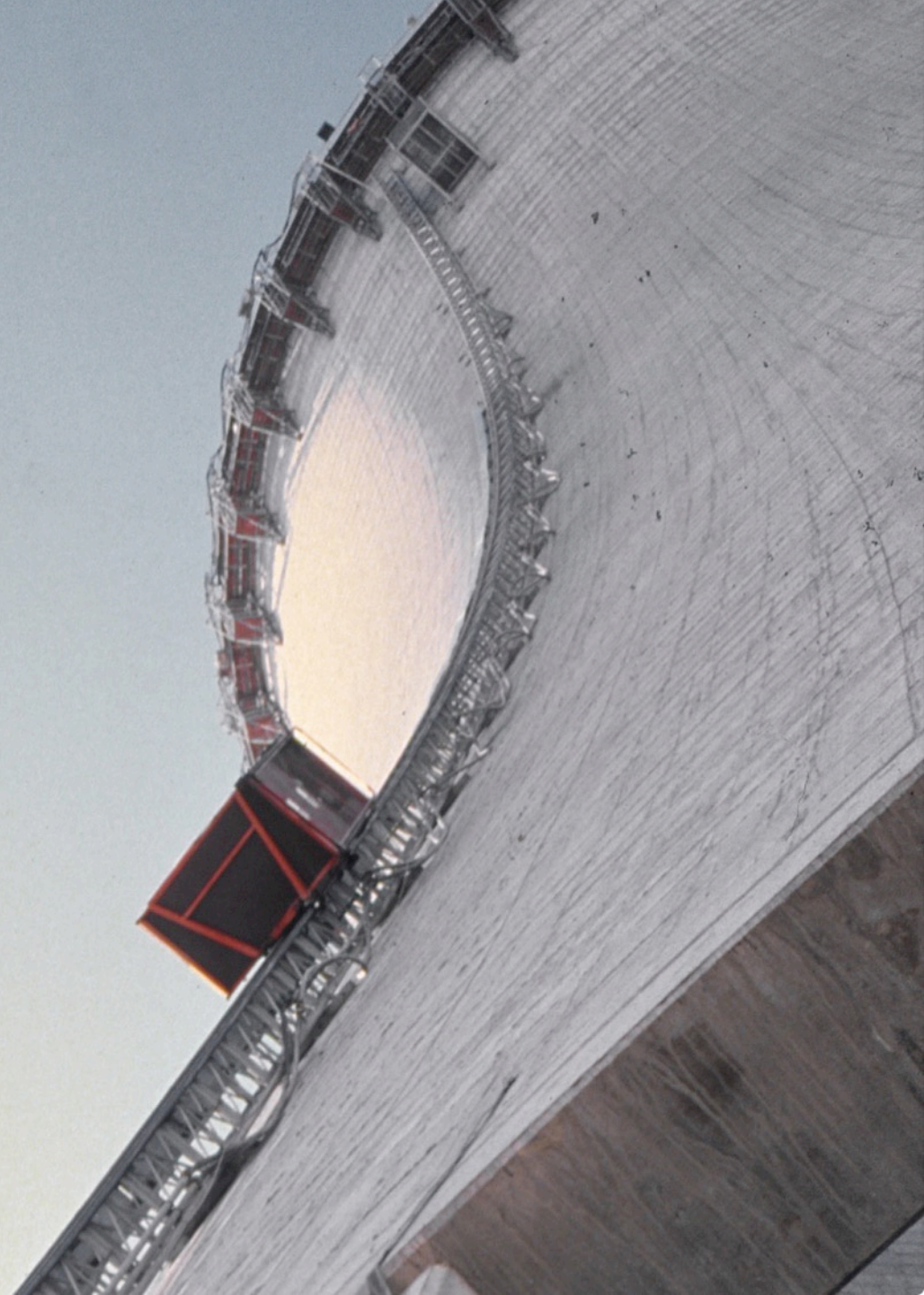


# Q3-2015 Interim Report

Tormod Gunleiksrud, CEO

Stefan Rinaldo, CFO

October 23, 2015



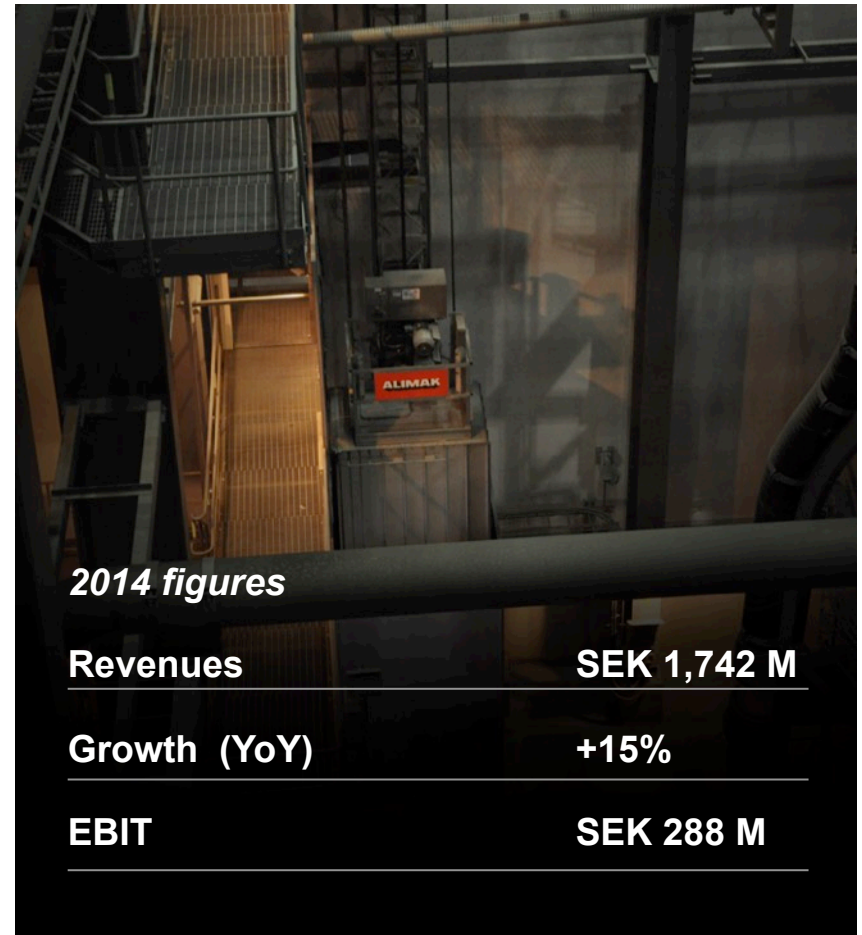
# Agenda

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- **Introduction to Alimak Group**
- Q3 summary and highlights
- Q3 and 9-months 2015: Group and Business Areas
- Update on strategic initiatives
- Financial targets
- Q&A-session

# Alimak at a Glance

- Industrial Rack-and-Pinion Vertical Access Solutions pioneer, founded in 1948
- Headquartered in Sweden
- Elevators, hoists and platforms based on Rack-and-Pinion and Traction technologies
- 21,000 installed units world-wide
- Rack-and-Pinion market leader with 55% global market share in the industrial segment
- Approximately 1,100 full time employees



<i>2014 figures</i>	
Revenues	SEK 1,742 M
Growth (YoY)	+15%
EBIT	SEK 288 M





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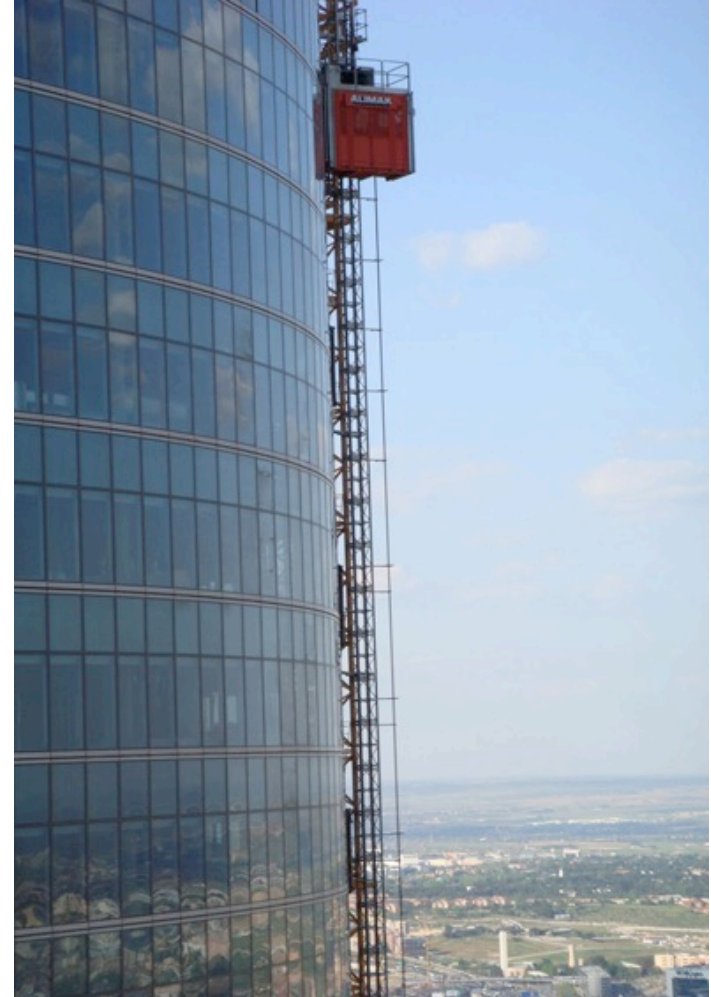
# Q3 2015 summary

- Strong growth in order intake
  - Construction and Rental
  - Stable development in After Sales
- Oil & Gas market impacting BA Industrial
- Revenue of approx. MSEK 40 shifted over into Q4
- **On track to deliver on full year financial targets**



# Market development – Q3

- Stable development in mature markets
- Positive development in emerging markets in South East Asia, Middle East and Africa
- Challenging market conditions in China (Construction) and Brazil (General)
- Continued low activity level in upstream oil and gas



## Business highlights – Q3

- Push to expand and strengthen sales and distribution network globally continues
- Good orders in BA Construction Equipment in Africa, Australia, Canada, Central America, Korea, Turkey, UK, US and Vietnam
- Good orders in Australia for BA Rental
- Well into execution on Johan Sverdrup Industrial project





# Agenda

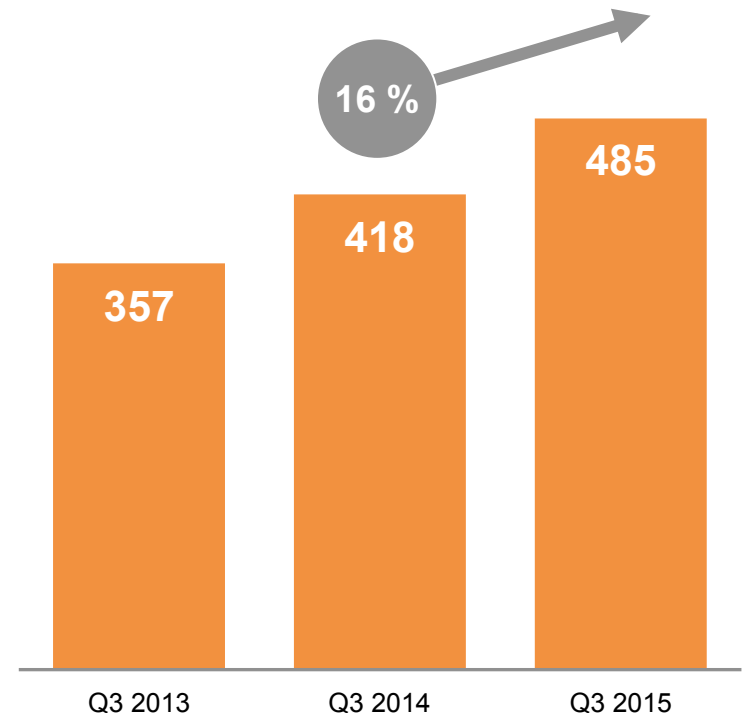
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# Order intake Q3 2015

- Order intake MSEK 485 (418) +16 %
  - FX effects +6 p.p.
  - Strongest growth in Construction and Rental

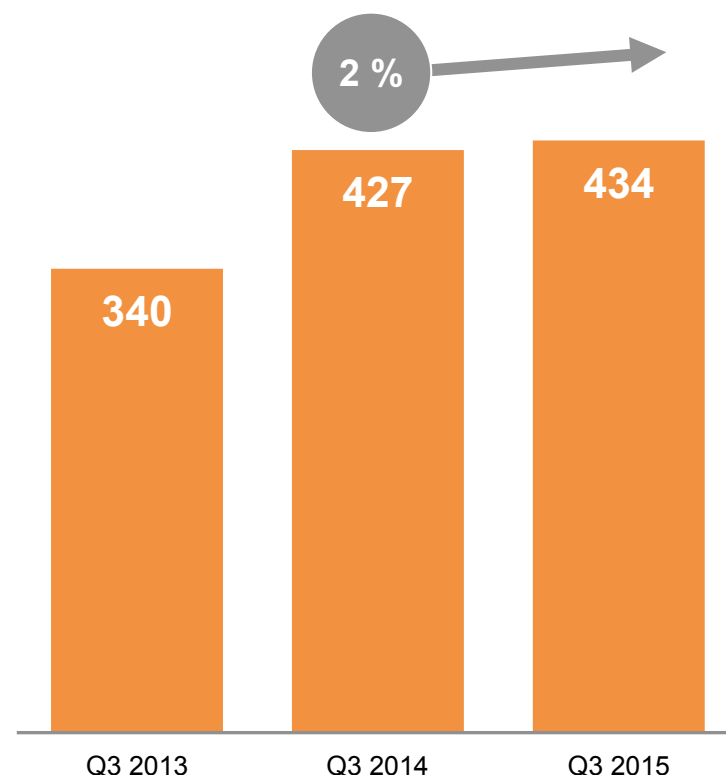
## Order intake (MSEK)



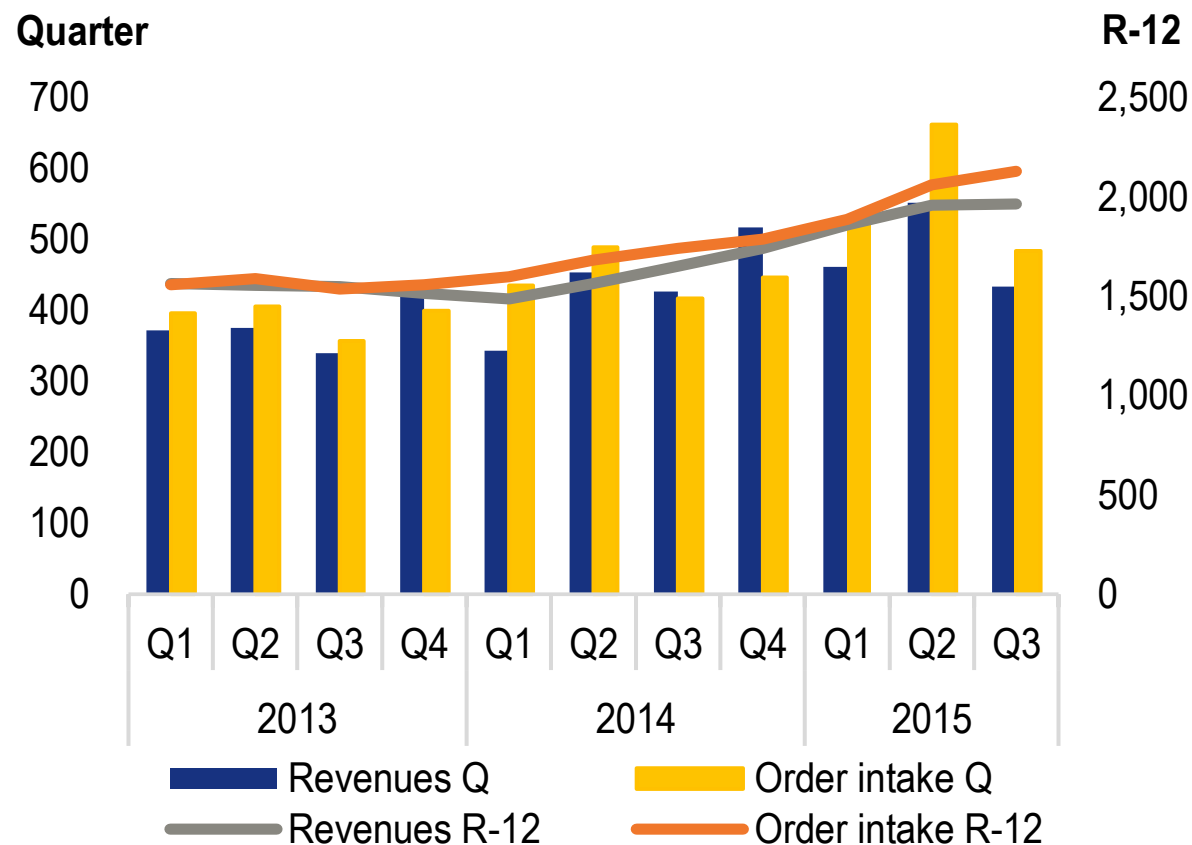
# Revenues Q3 2015

- Revenue MSEK 434 (427) +2 % of which
  - FX effects +7 p.p.
- Deliveries of approx. MSEK 40 shifted over to Q4
- Lower revenue in BA Industrial Equipment

## Revenues (MSEK)



## Order intake and revenue - Quarterly & R12, MSEK

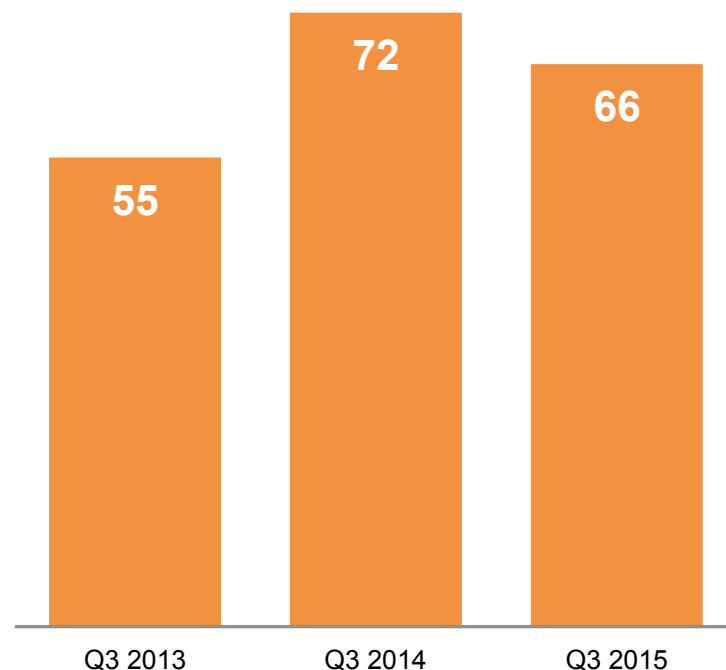




## EBIT (adj.) Q3 2015

- EBIT MSEK 66 (72)
  - EBIT in local currencies MSEK 70 (72)
- Lower EBIT vs. last year due to
  - Deliveries shifted over into Q4
  - Volume effect on profit in BA Industrial Equipment

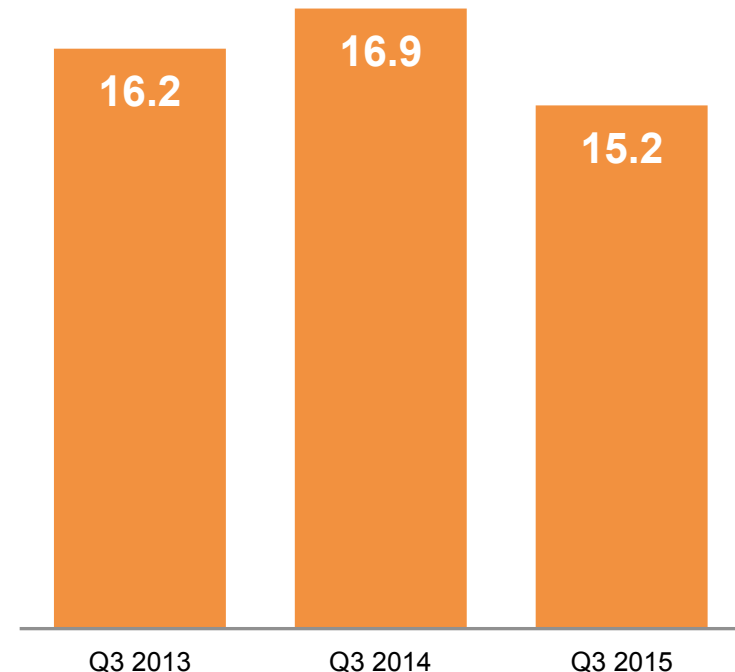
### EBIT (MSEK)



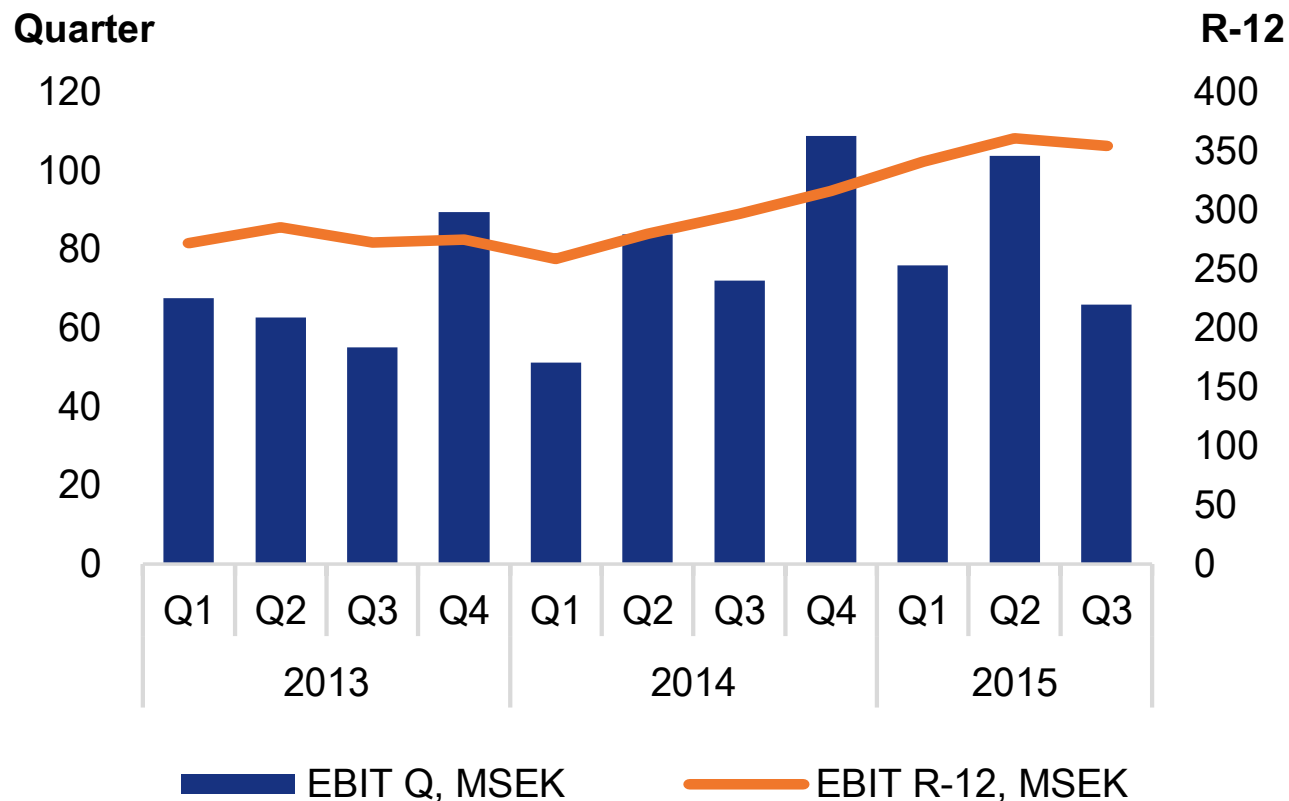
## EBIT (adj.) margin Q3 2015

- EBIT margin 15.2 % (16.9)
- EBIT margin in local currencies 17.2 (16.9) %
- Main impact from currency translation effects on After Sales and Construction

### EBIT Margin (%)

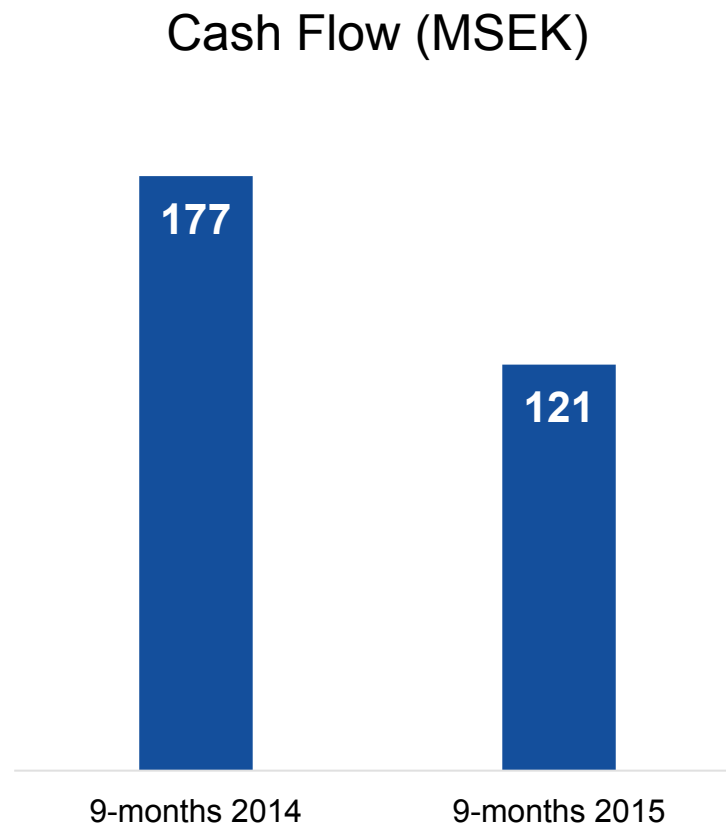


## EBIT (adj.), Quarterly and R12, MSEK



# Cash flow and Net Debt, 9 months 2015

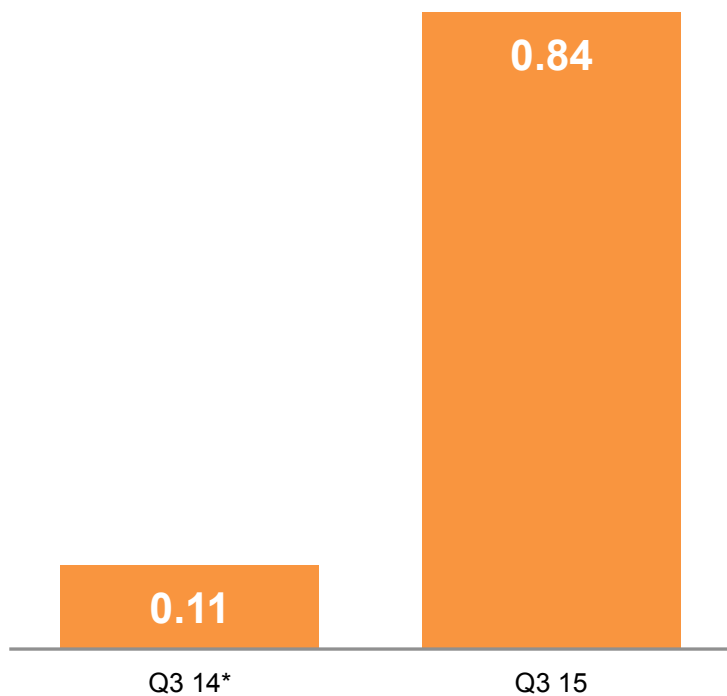
- Cash flow from operating activities MSEK 121 (177)
- Net debt, MSEK 491 (662)
- Net debt/EBITDA ratio 1.5 (2.0)



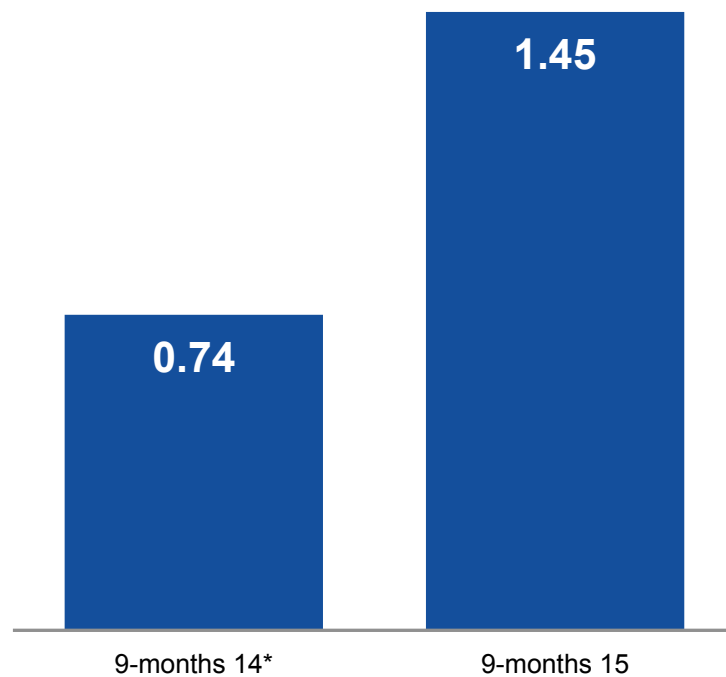


# EPS Q3 and 9-months 2015

EPS (SEK) Q3



EPS (SEK) 9-months



\*Calculated based on the existing number of shares, 43 326 289

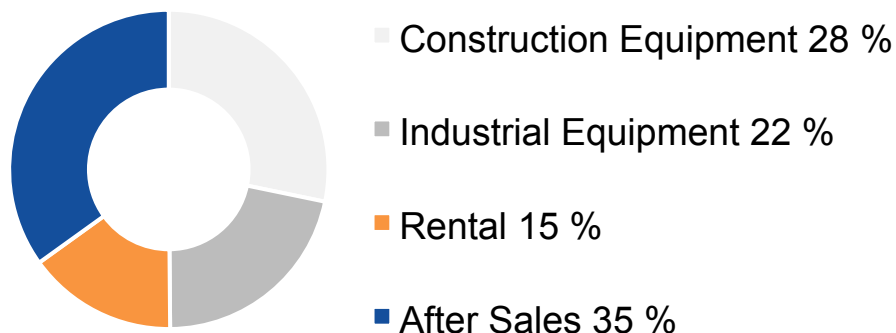
# Financial summary – 9 months 2015

- Order intake MSEK 1,683 (1,343) +25 %
  - Of which FX effects +11 p.p.
- Sales MSEK 1,449 (1,224) +18 %
  - Of which FX effects +12 p.p.
- EBIT (adj.) MSEK 246 (208) +18 %
- EBIT (adj.) margin 17.0 (17.0)%
- EPS SEK 1.45 (0.74\*)

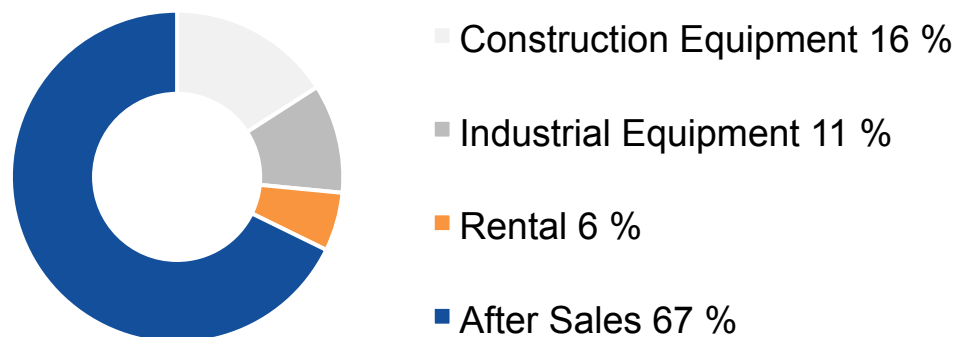
\*Calculated based on the existing number of shares, 43 326 289

# Alimak Group Business Areas

## Revenues 9-months 2015 – share of group total



## EBIT excl. XO costs 9-months 2015 – share of group total



# Business Area Construction Equipment

## Business Highlights

- Good momentum in Australia, Canada, Middle East, parts of South East Asia and US
- Expanded sales and distribution network in Africa, Eastern Europe and Middle East

## Order intake

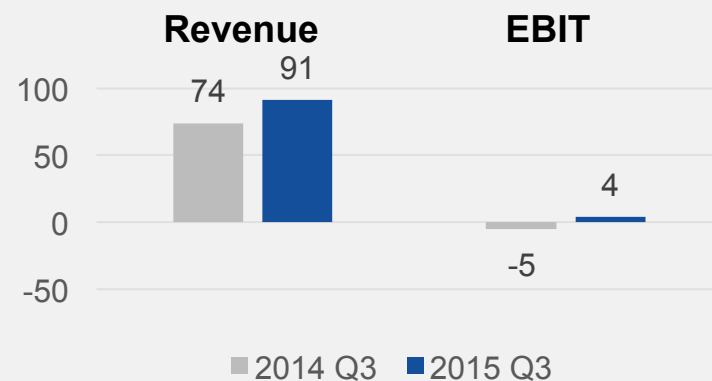
- MSEK 134 (108), +24 %

## Revenues

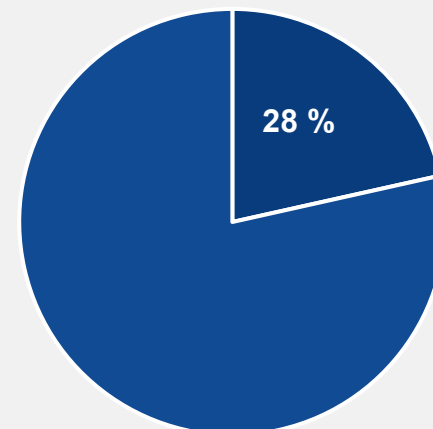
- MSEK 91 (74), +24 %

## Adj. EBIT and margin

- MSEK 4 (-5)
- 4.3 % (-6.3). In local currencies 9.2 % (-6.3)



Share of group revenue 9-months 2015





# Business Area Industrial Equipment

## Business Highlights

- Order from domestic China and Japan
- Good momentum in Ports
- Sales efforts geared towards general industry and downstream Oil & Gas

## Order intake

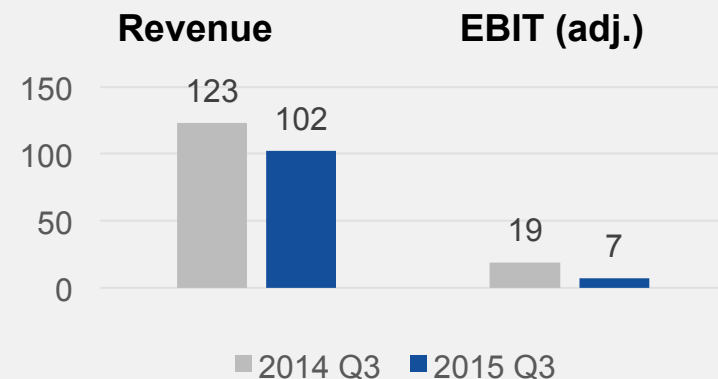
- MSEK 84 (90), -7 %

## Revenues

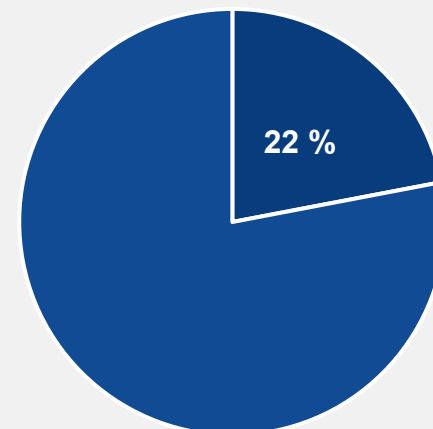
- MSEK 102 (123), -17 %

## Adj. EBIT and margin

- MSEK 7 (19) -61 %
- 7.0% (15.3). In local currencies 4.9 % (15.3)



Share of group revenue 9-months 2015



# Business Area Rental

## Business Highlights

- Continued strong demand from Australian market
- Europe gradually recovering with improved utilization levels

## Order intake

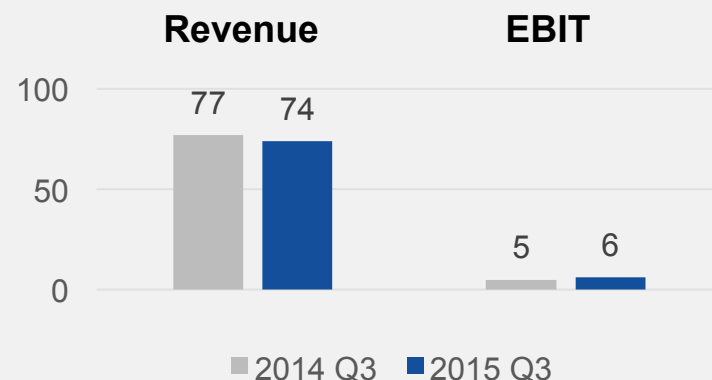
- MSEK 108 (77), +41 %

## Revenues

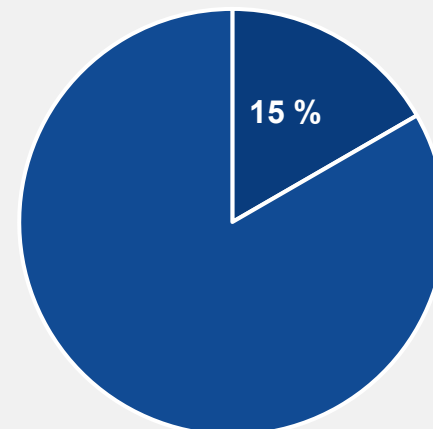
- MSEK 74 (77), -4 %

## Adj. EBIT and margin

- MSEK 6 (5) +12 %
- 7.5 % (6.4). In local currencies 8.3 % (6.4)



Share of group revenue 9-months 2015



# Business Area After Sales

## Business Highlights

- Higher activity in mature markets
- Increased penetration of services towards construction customers

## Order intake

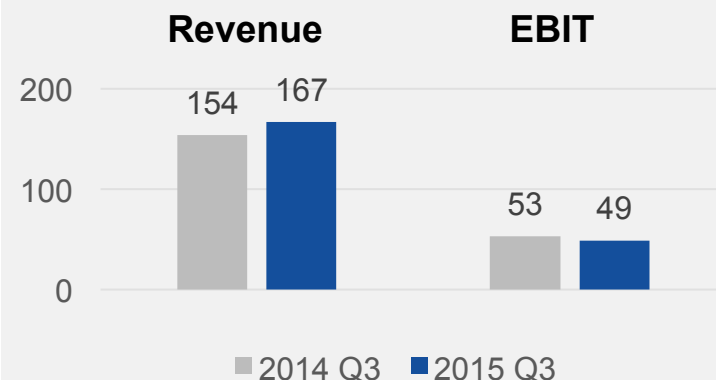
- MSEK 159 (143), +12 %

## Revenues

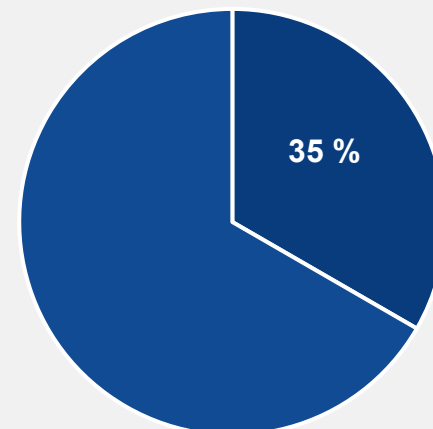
- MSEK 167 (154), +9 %

## Adj. EBIT and margin

- MSEK 49 (53) -7 %
- 29.4 % (34.6). In local currencies 33.7 % (34.6)



Share of group revenue 9-months 2015



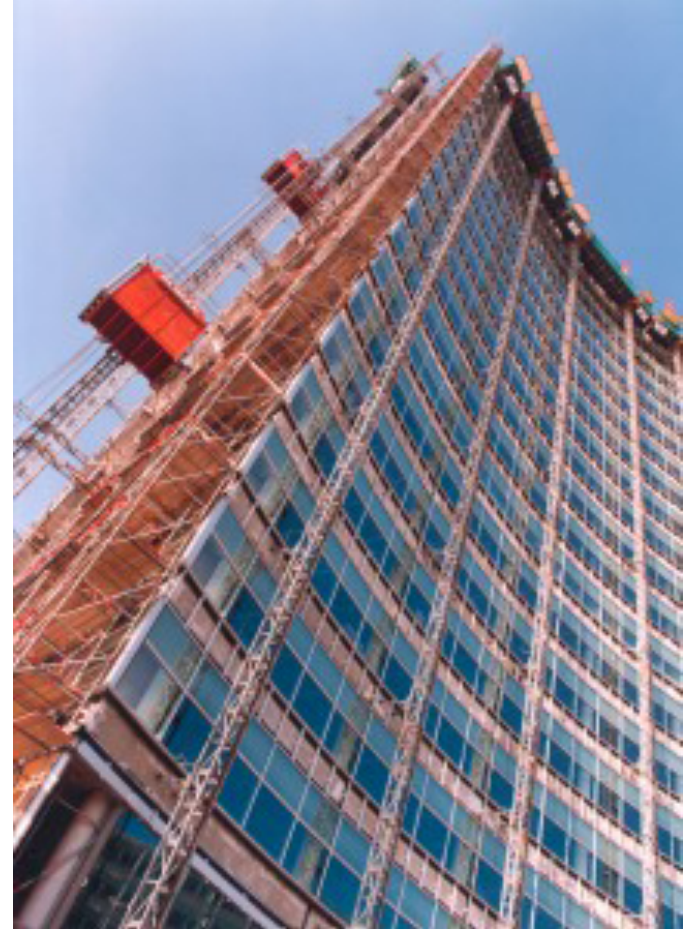
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# Strategic initiatives and business plan 2015

- Business development and sales into additional industries and application areas
- Development of mid market offering, sales and distribution network in mature and emerging markets
- Increased penetration of After Sales services into our installed base
- Develop sales and profitability in Business Area Rental
- Utilize potential sales and product cost synergies from Heis-Tek acquisition



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# Mid term financial targets

## Financial targets

<b>Revenue Growth:</b>	Mid term annual growth of 10%
<b>EBIT Margin:</b>	Mid term EBIT margin of 17%
<b>Leverage:</b>	Net Debt/EBITDA of around 2x, subject to flexibility for strategic activities
<b>Dividend Policy:</b>	Intention to pay out around 50% of the annual net profit for the period, subject to the company's financial position and strategic considerations

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# Q&A