Alimak Group

Q1 2018, 25 April 2018

Tormod Gunleiksrud, CEO

Stefan Rinaldo, CFO

Including acquired businesses

Q1

- Avanti Wind Systems was consolidated from 1 February 2017
- Facade Access Group was consolidated from 1 March 2017

Quarterly highlights

Q1

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

- 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

Management assessment: If the acquired companies would have been fully consolidated by 1 January 2017:

Order intake growth year to date would have been -13%

Revenue growth year to date would have been -3%

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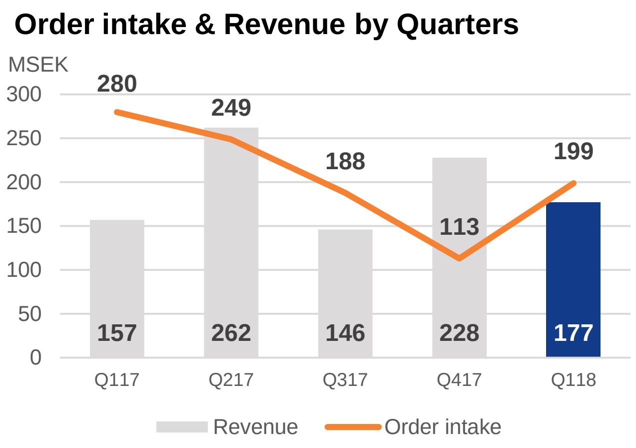
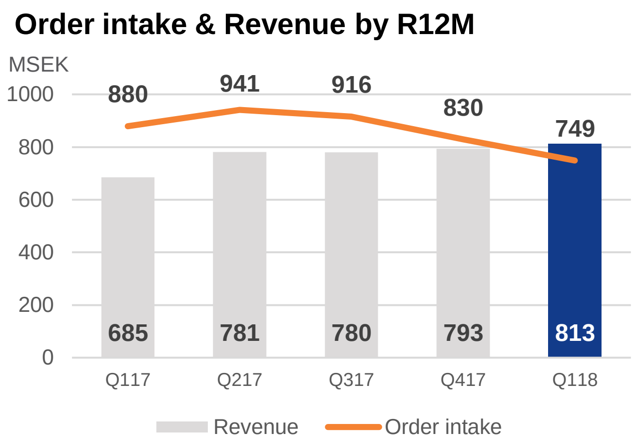
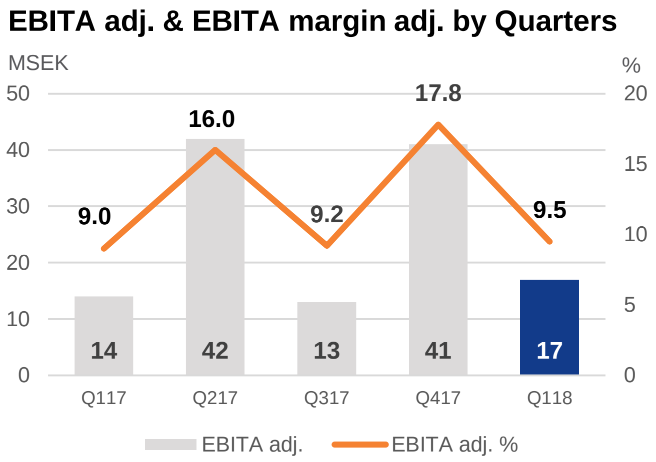
Construction Equipment

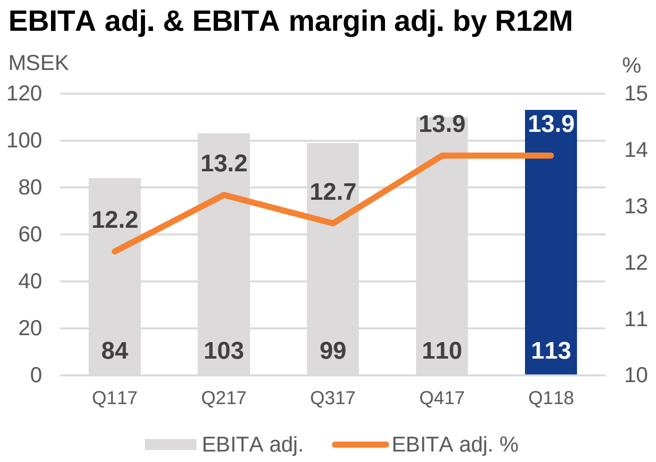
Q1

- 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









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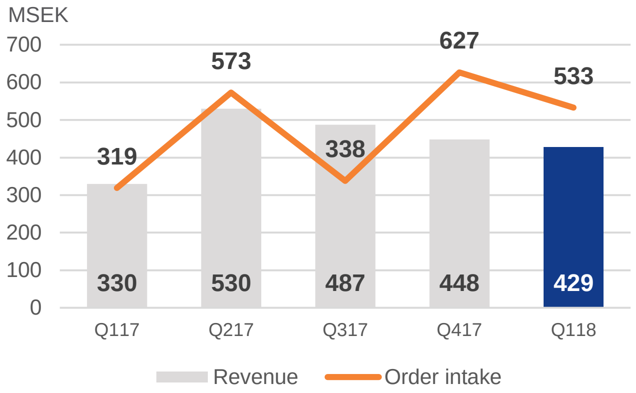
Industrial Equipment

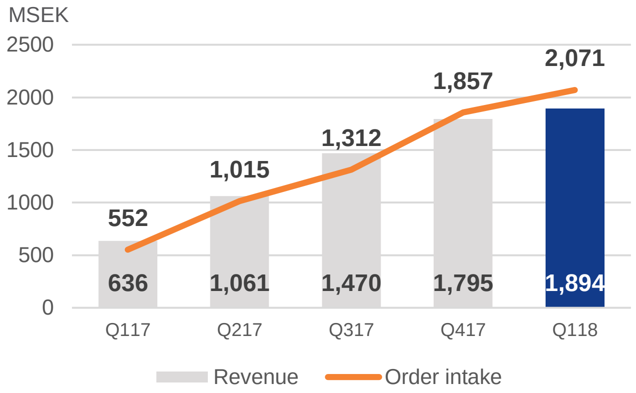
Q1

- 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

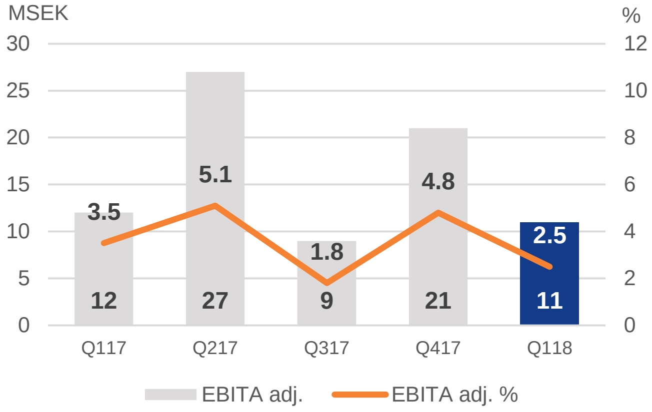
Order intake & Revenue by Quarters



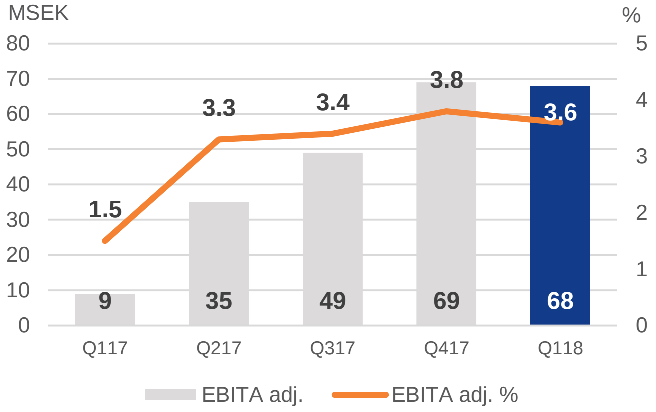
Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by Quarters



EBITA adj. & EBITA margin adj. by R12M

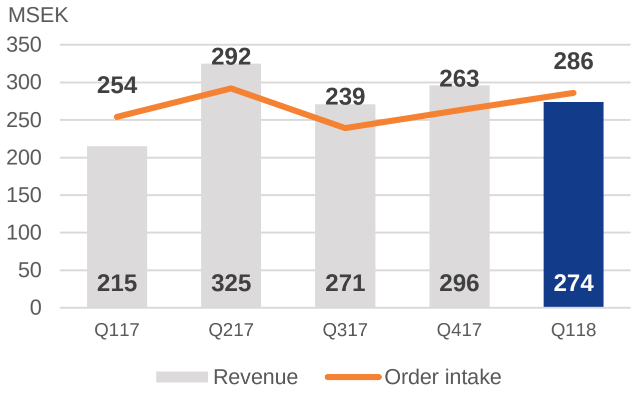


After Sales

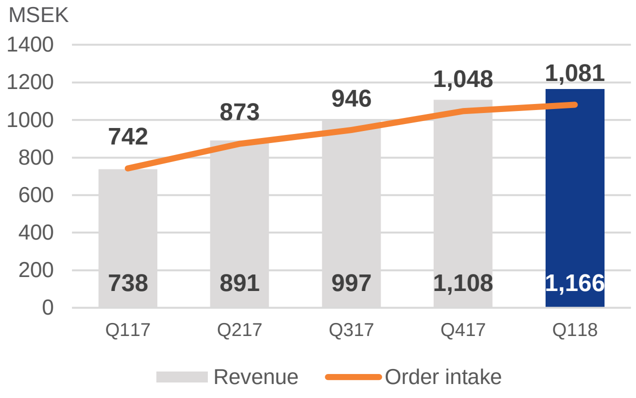
Q1

- 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 acquires businesses

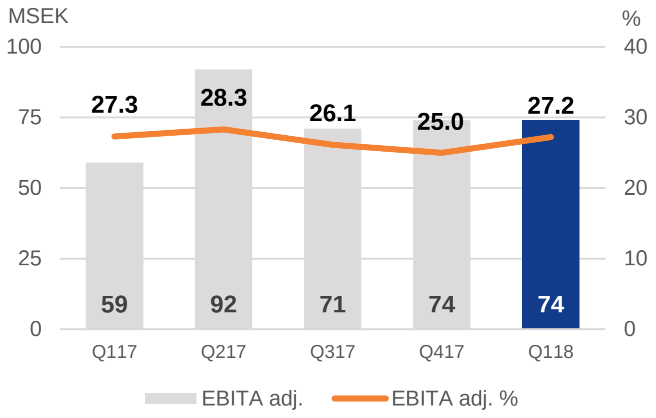
Order intake & Revenue by Quarters



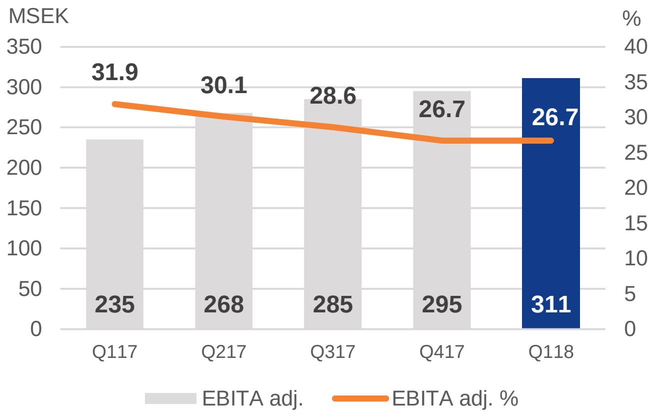
Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by Quarters



EBITA adj. & EBITA margin adj. by R12M

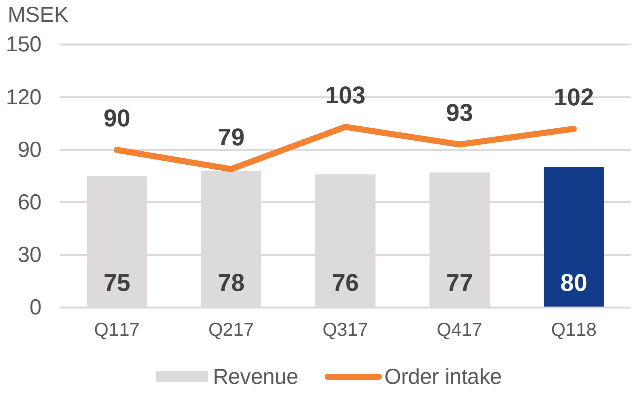


Rental

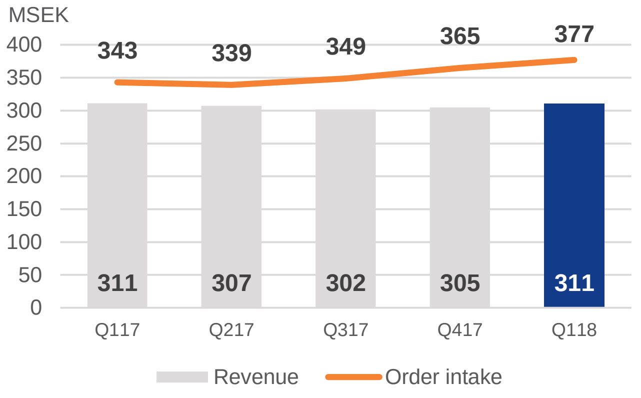
Q1

- 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)

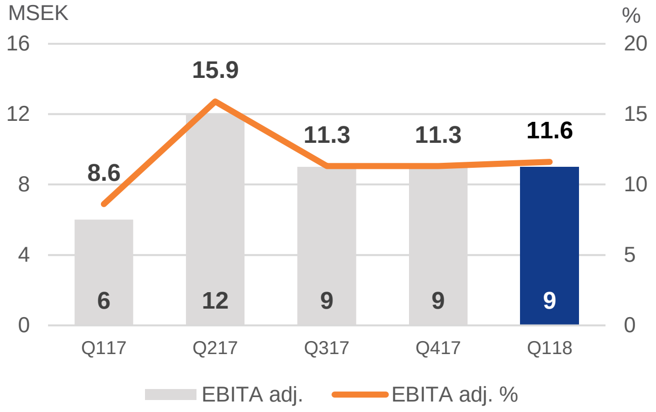
Order intake & Revenue by Quarters



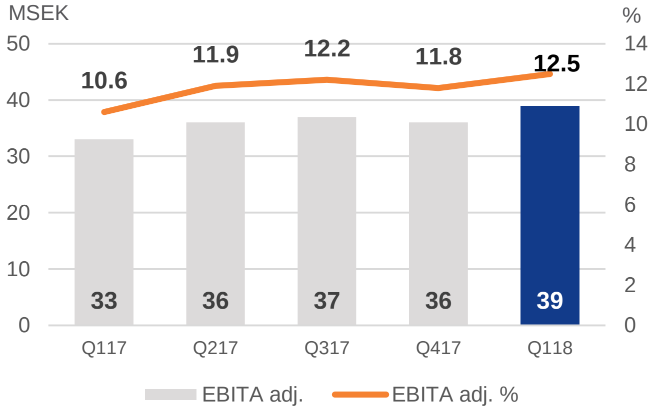
Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by Quarters

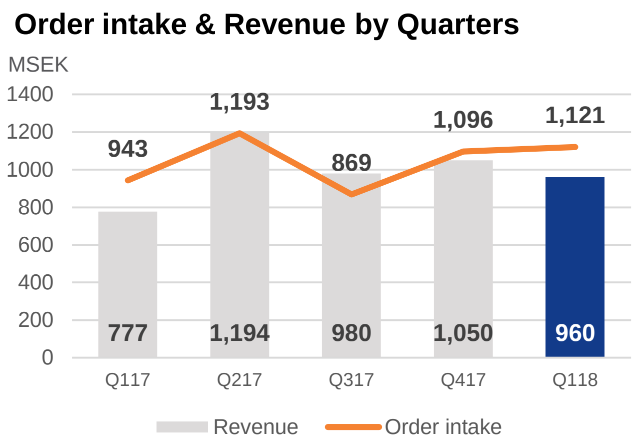


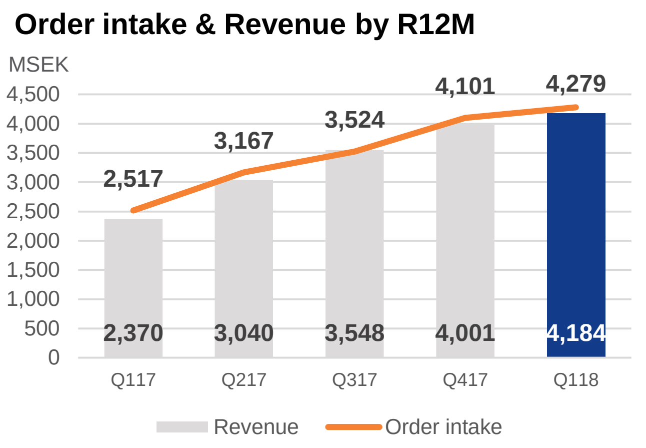
EBITA adj. & EBITA margin adj. by R12M

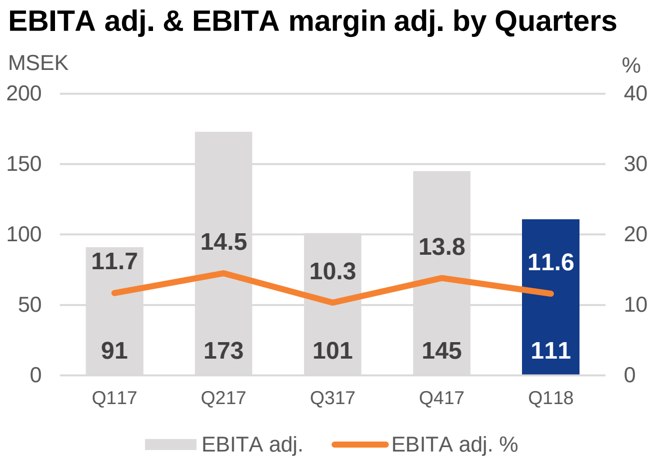


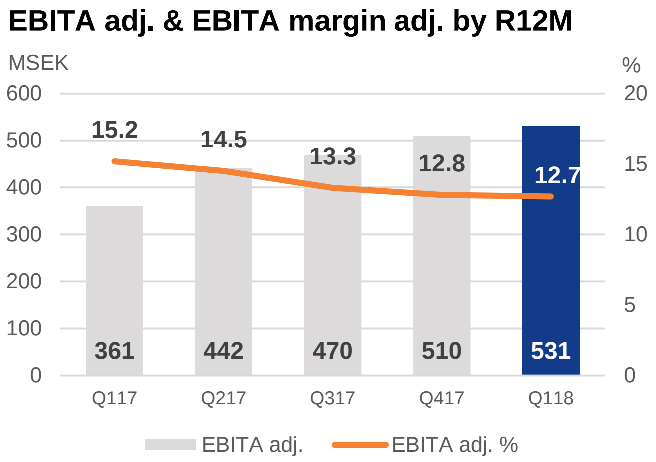
Group

- Good organic order intake growth of 10%
- Organic revenue growth in all business areas except Industrial Equipment
- Underlying EBITA margin adj. improvement to 11.6% with acquired business in for the full quarter in 2018







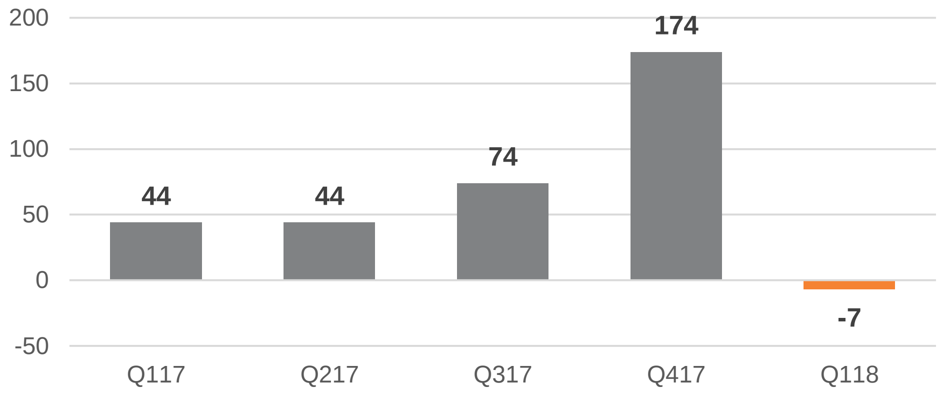


Cash flow and Net debt

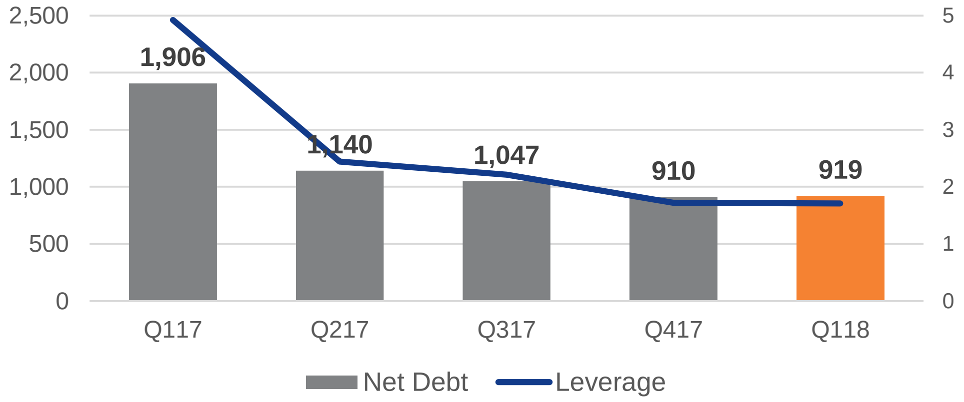
Q1

- A weak cash flow quarter from operating activities at MSEK -7 (44)
- Net debt at Q1 MSEK 919 (1,906) slightly increased compared to last quarter
- Leverage (Net debt/EBITDA) at 1.71 (4.92) just below last quarter
- A strong financial position for the Group

Cash Flow by Quarter, MSEK



Net Debt, MSEK and Leverage by Quarter



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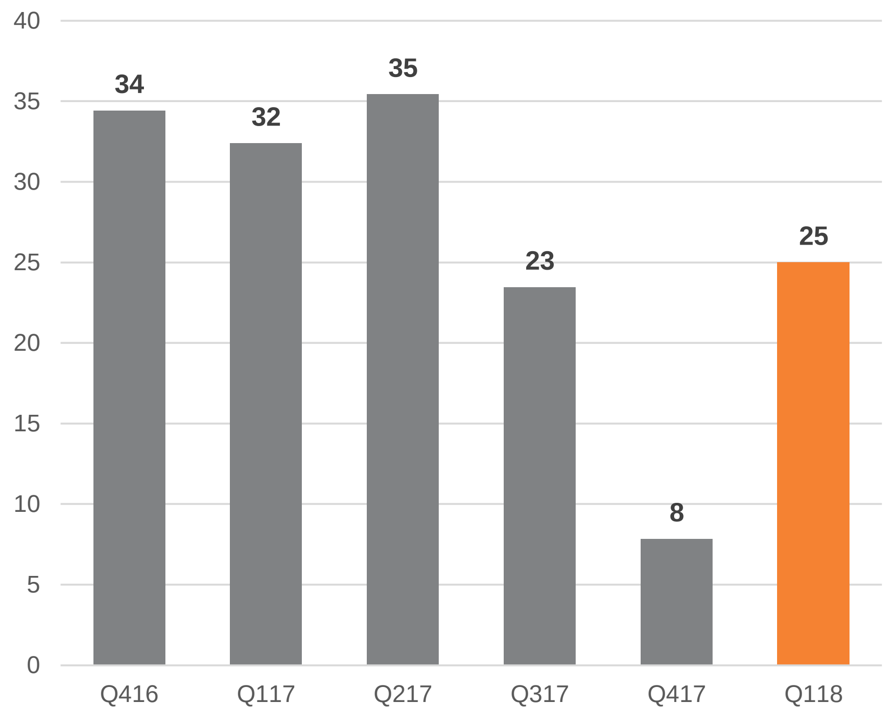
Tax Expense

Q1

- Tax expense for the period was MSEK 18 (24)
- Expected mid term tax rate to be between 26 – 28%

Tax Expense, % of EBT by Quarter



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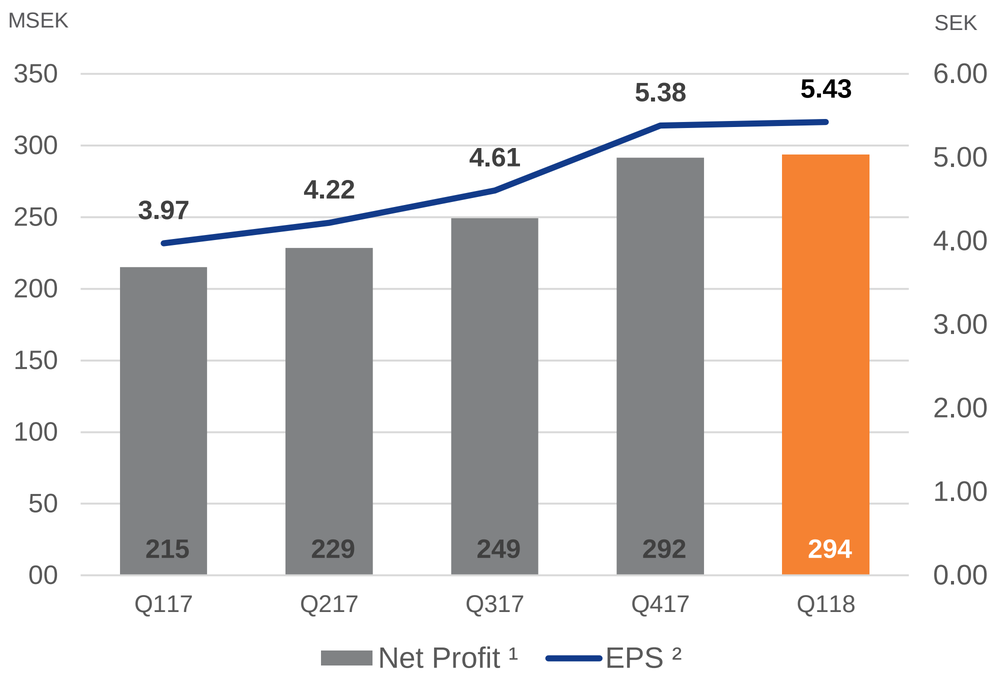
EPS

- 54,157,861 shares as per 2018-03-31
- EPS was SEK 0.97 (0.93) in the quarter
- The Board of Directors proposes a dividend for 2017 of SEK 2.30 per share based on the existing number of shares

Net Profit and EPS, R12M



1) Net Profit R-12 months
2) EPS calculated on numbers of shares at 2018-03-31

Integration plan

Q1

Synergy potential

- Synergies of 2 percentage points (baseline 12.0%, actual proforma 2016) on the EBITA margin with full effect during 2019
- Procurement and manufacturing optimization
- After Sales
  - Increased footprint, size and utilization
  - Improved structure and service levels
- Strengthened organization and structure

Integration plan

- Transformation ready by 2019
- 15 cross functional work streams with the task to develop the best practice across the organization
- Integration costs ~MSEK 110
  - Non recurring costs reported in 2017 and most of remaining integration costs expected to be incurred during 2018

Integration project update

Q1

- Joint After Sales concept, Alimak Service, to be launched in all major markets during 2018
  - US pilot was launched in Q4 2017
  - Now rolling out in Brazil, UK and Singapore
  - Remaining major countries to follow
- Procurement integration progressing well, identified savings under execution and continuous re-negotiations with suppliers
- Streamlining of administration and support organizations ongoing in all countries during 2018
  - Merger of premises, offices and functions ongoing
  - Updated legal footprint per country defined and implementation started in 2018

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Mid-term Financial Targets

Revenue growth target	EBITA margin target	Leverage target (net debt/EBITDA)
6%	15%	2.0x
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 maintain an effective capital structure with a net debt of around 2.0x EBITDA. The capital structure will be flexible and allow for strategic initiatives.

Summary

Q1

- Recovery in Construction and After Sales
- Organic order intake growth of 10% for the Group
- Organic revenue growth in all business areas except Industrial Equipment
- Underlying EBITA margin adj. improvement to 11.6% (11.7) in the quarter driven by After Sales, Construction Equipment and Rental
- Integration activities running according to plan

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Q&A