# Alimak Group

Q1 2021, 22 April 2021

Ole Kristian Jødahl, CEO

Bernt Ingman, Interim CFO

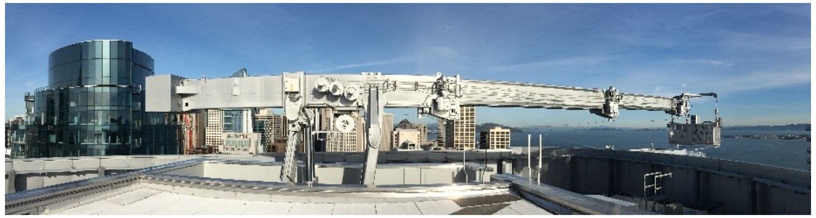
# Agenda

- Q1 2021 results
- New Heights status update
- Q&A

# Quarterly highlights

Q1

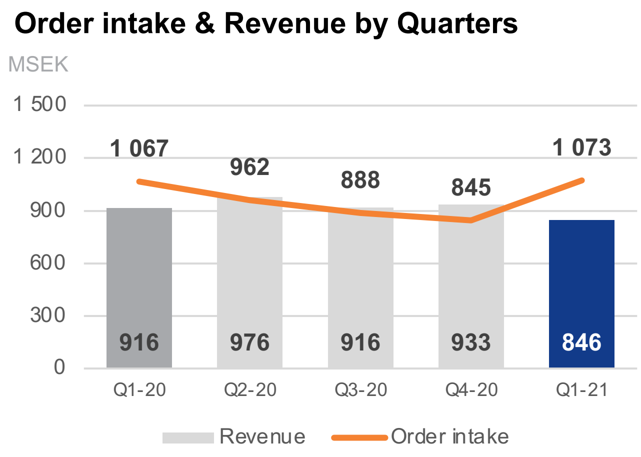
- Margin improvements and cost savings programme on track
- Currency translation effects had negative impact on reported order intake, revenue and earnings
- Organic order intake growth of 7%
- Revenue flat organically as expected due to incoming order backlog and continued effects of the COVID-19 pandemic
- EBITA increased by 20% to MSEK 95 (79), corresponding to a margin of 11.2% (8.7)
- Strong Cash Flow and further strengthened financial position

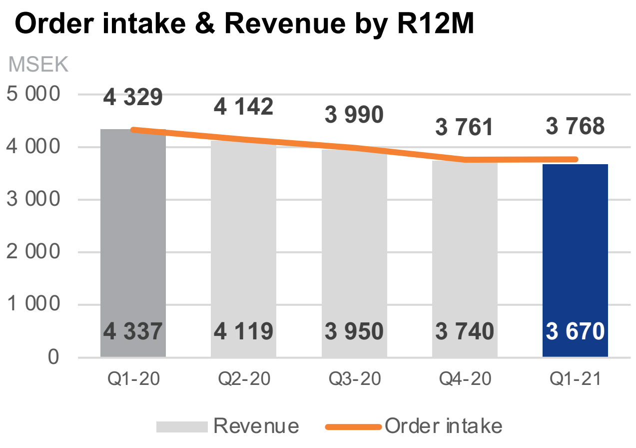


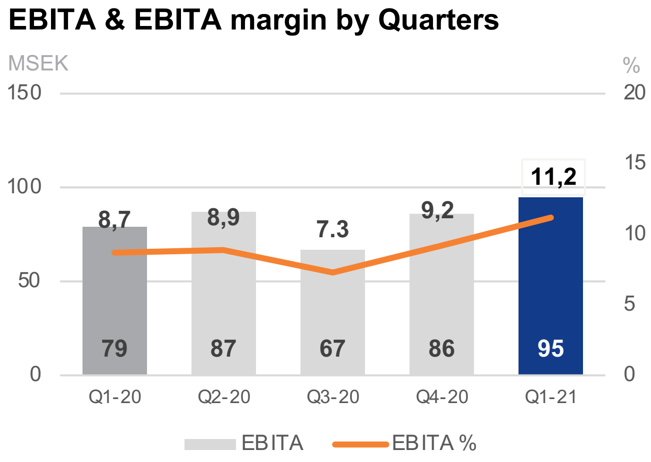
# Group quarterly summary

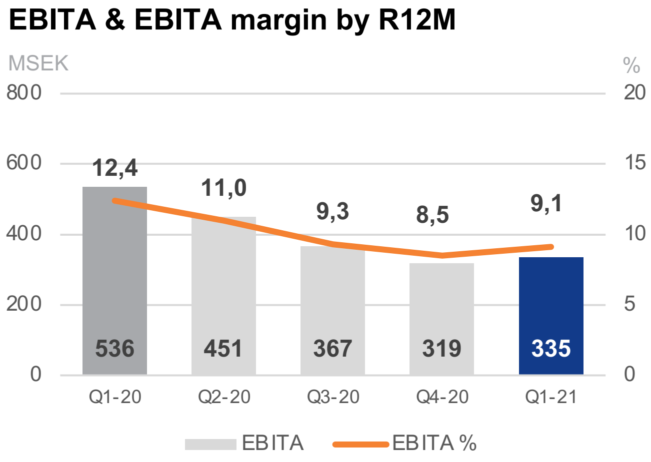
Q1

- **Order intake** increased by 1% (up 7% organically)
  - Strong organic growth in BMU and Construction
  - Industrial delivered solid order intake
  - Wind reported significant drop
- **Revenue** decreased by 8% (down 1% organically)
  - Organic decrease in BMU, Construction and Wind due to incoming order backlog and continued effects of COVID-19
  - Industrial reported an organic increase
- **EBITA** increased to MSEK 95 (79), margin improved to 11.2% (8.7)
  - Increase driven by cost savings and disciplined price management



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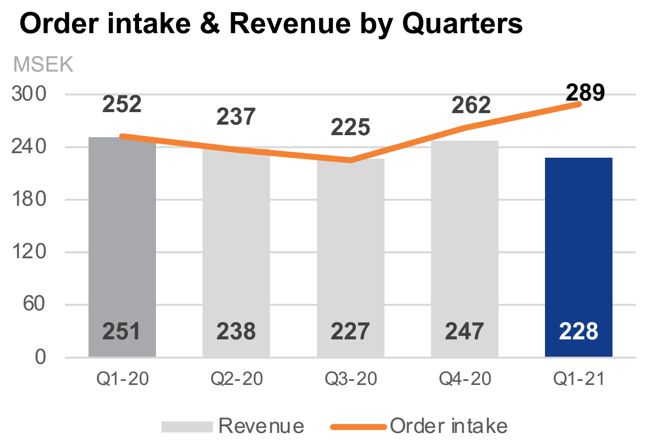
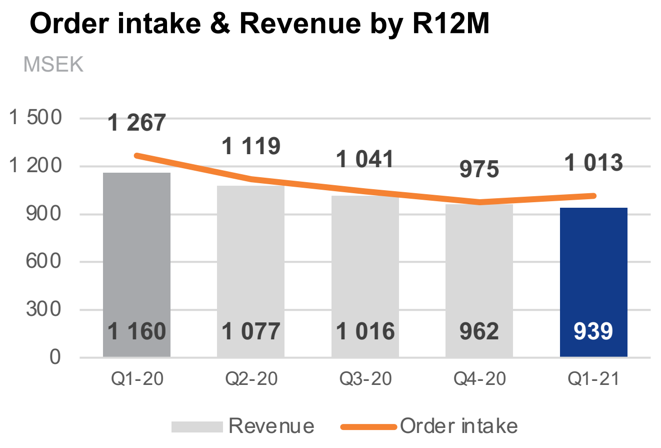
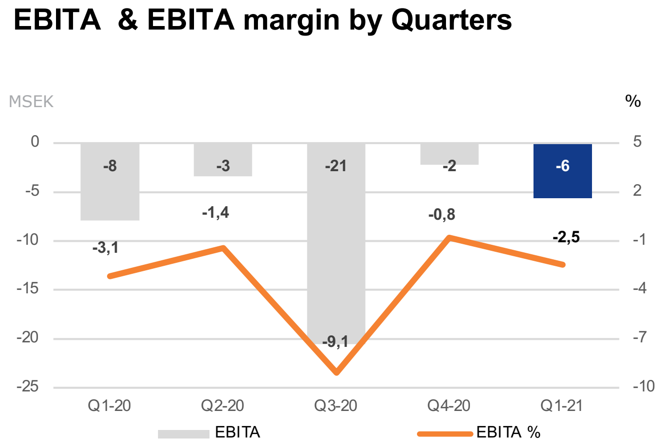
# BMU

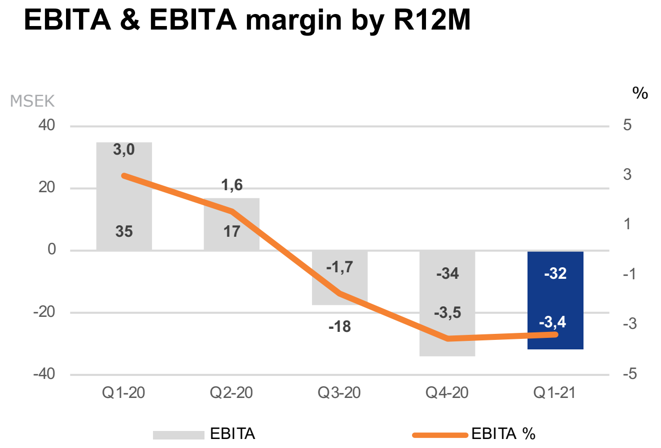
Q1

- **Order intake** increased by 15% (up 22% organically)
  - Increased service order intake in Europe and Asia
  - Equipment sales also increased
  - Uncertainty in US and intense price competition in Middle East and Asia
- **Revenue** decreased by 9% (down 2% organically)
  - Decrease due to incoming order backlog and continued impact from COVID-19
- **EBITA** at MSEK -6 (-8), margin -2.5% (-3.1)
  - Impacted by low volumes and project mix
  - Should be our last quarter with losses



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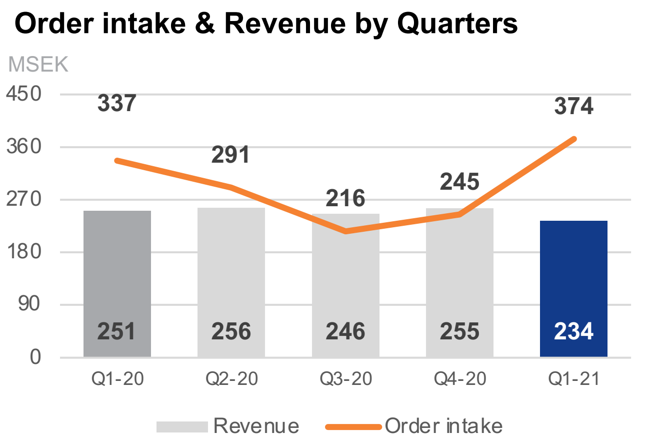
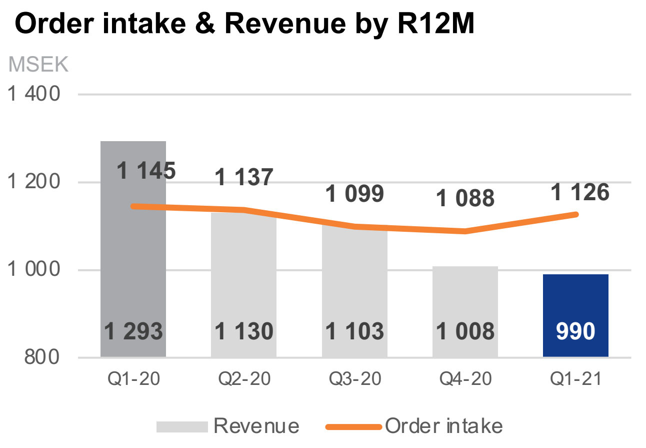
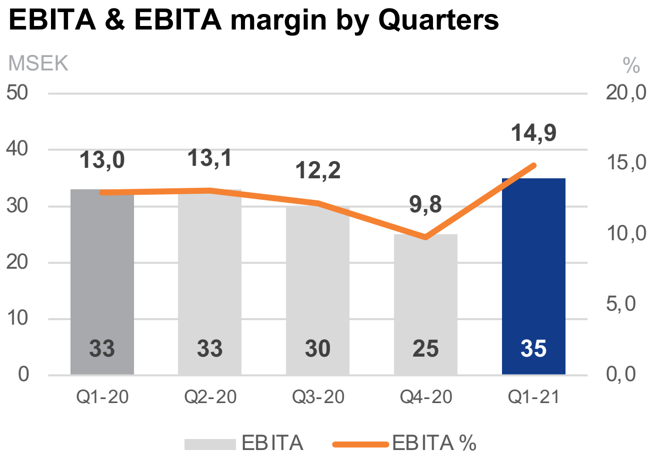
# Construction

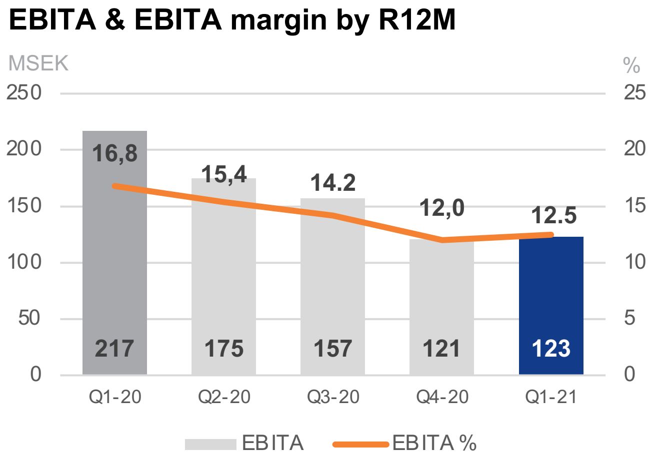
Q1

- **Order intake** increased by 11%, (up 17% organically)
  - Increased capex investments in the US
  - Improvements in Nordics, Latin America, India as well as the Pacific, particularly in Australia
  - Increased parts and Service orders overall
- **Revenue** decreased by 7% (down 2% organically)
  - Decrease due to low backlog entering 2021
- **EBITA** at MSEK 35 (33), margin 14.9% (13.0)
  - Improvement due to higher factory utilization, lower operating expenses, sales mix and cost reduction measures implemented in 2020.



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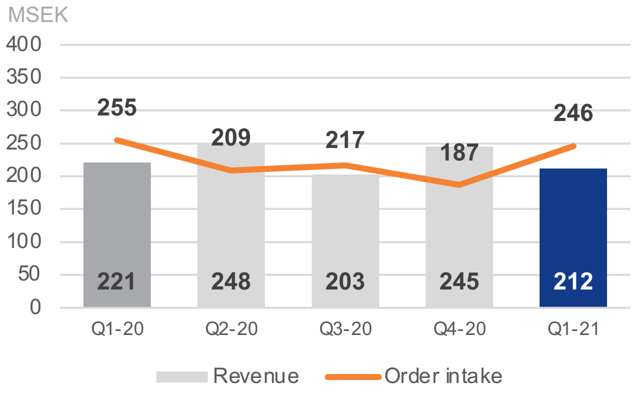
# Industrial

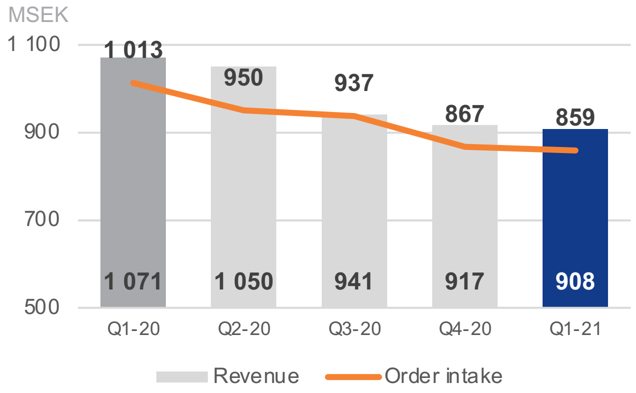
Q1

- **Order intake** decreased 3% (up 4% organically)
  - Increased capex investments, mainly in Americas
  - Solid order intake in emerging markets and in spare parts due to increased activity in most industry segments
- **Revenue** decreased by 4% (up 3% organically)
  - Low backlog of refurbishment and upgrade projects due to earlier limitation on travel
  - Improvement, especially in Americas
- **EBITA** increased to MSEK 50 (38), a margin of 23.7% (17.4)
  - The increase was the result of better utilization, improved field service utilization and cost reduction measures

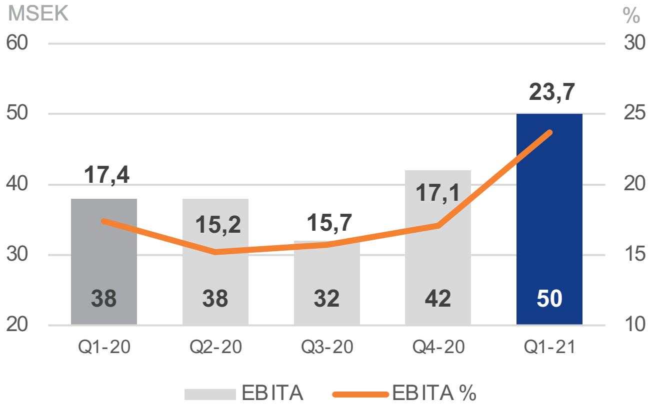
**Order intake & Revenue by Quarters**



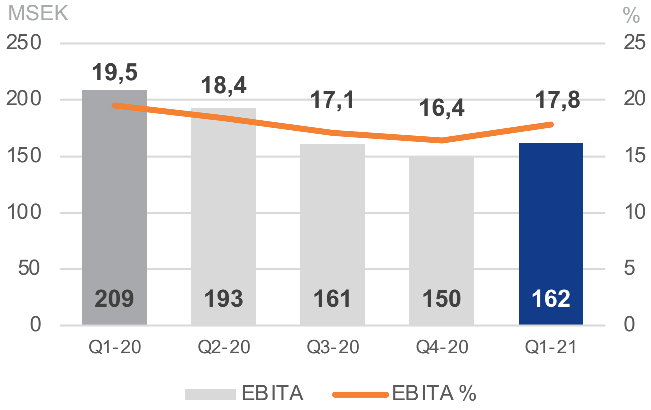

**Order intake & Revenue by R12M**




**EBITA & EBITA margin by Quarters**




**EBITA & EBITA margin by R12M**

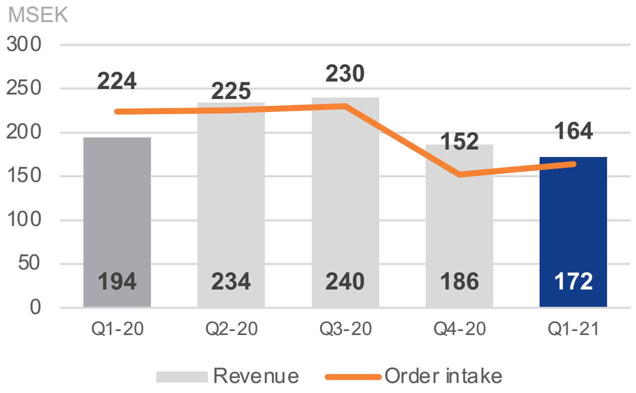


# WIND

Q1

- **Order intake** decreased 27% (down 20% organically)
  - Effect of profit before growth focus regarding tower internals
  - Good development in northern Europe
- **Revenue** decreased by 11% (down 2% organically)
  - Impacted by incoming order backlog
- **EBITA** at MSEK 15 (16), a margin of 9.0% (8.4)
  - Margin positively impacted by cost reduction measures

**Order intake & Revenue by Quarters**

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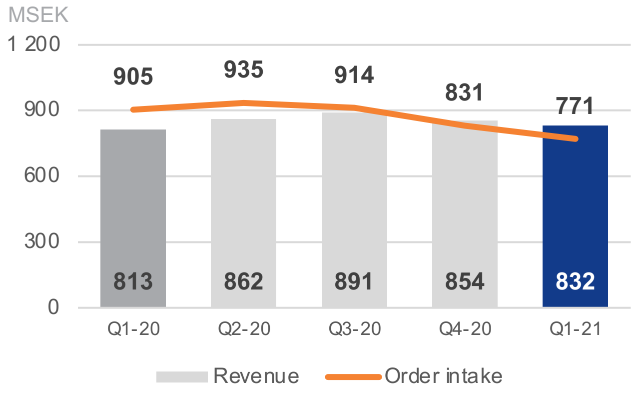
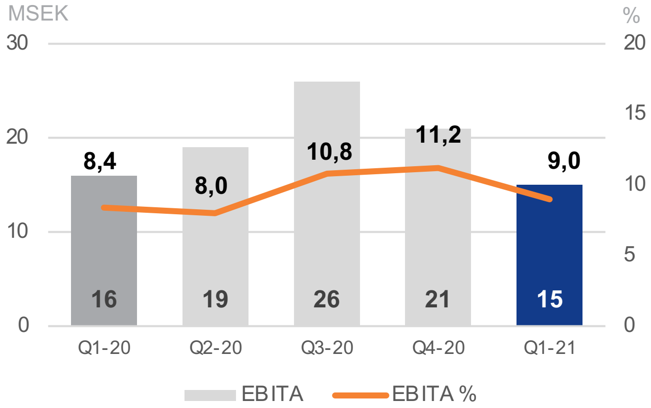
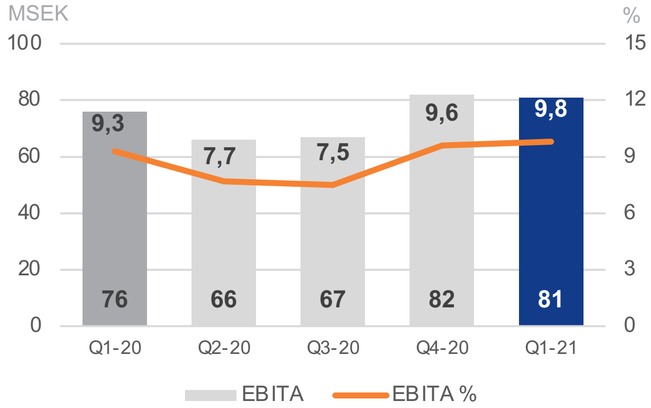



**EBITA & EBITA margin by Quarters**




**EBITA & EBITA margin by R12M**



# Earnings summary

Q1

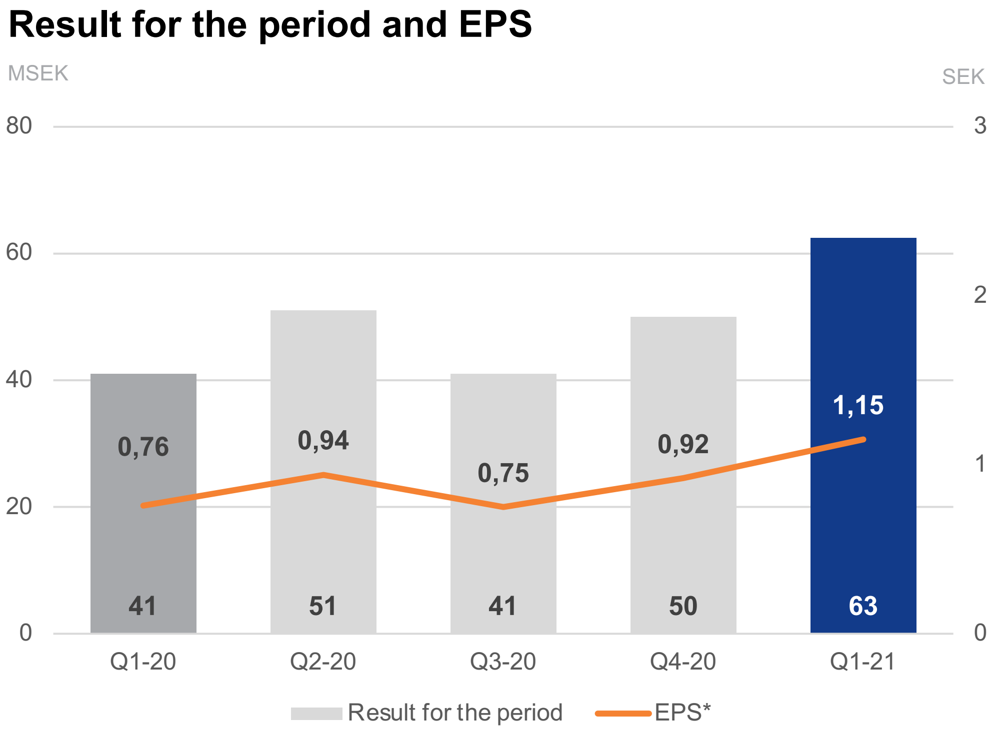
- EBITA
  - Good and disciplined price management
  - Lower operating expenses
- Financial net
  - Interest net and currency related
- Taxes
  - Tax rate of 25% (23)

| MSEK | Q1 2021 | Q1 2020 | ∆MSEK |
|---|---|---|---|
| **EBITA** | **95** | **79** | **16** |
| Amortisations | (9) | (12) | +3 |
| **EBIT** | **86** | **68** | **18** |
| Financial net | (4) | (14) | +10 |
| **EBT** | **83** | **53** | **30** |
| Taxes | (20) | (12) | -8 |
| **Result for the period** | **63** | **41** | **22** |

# Result for the period and EPS



- Result for the period MSEK 63 (41)
  - Increased EBITA, largely explained by lower Operating expenses
  - Lower Financial net



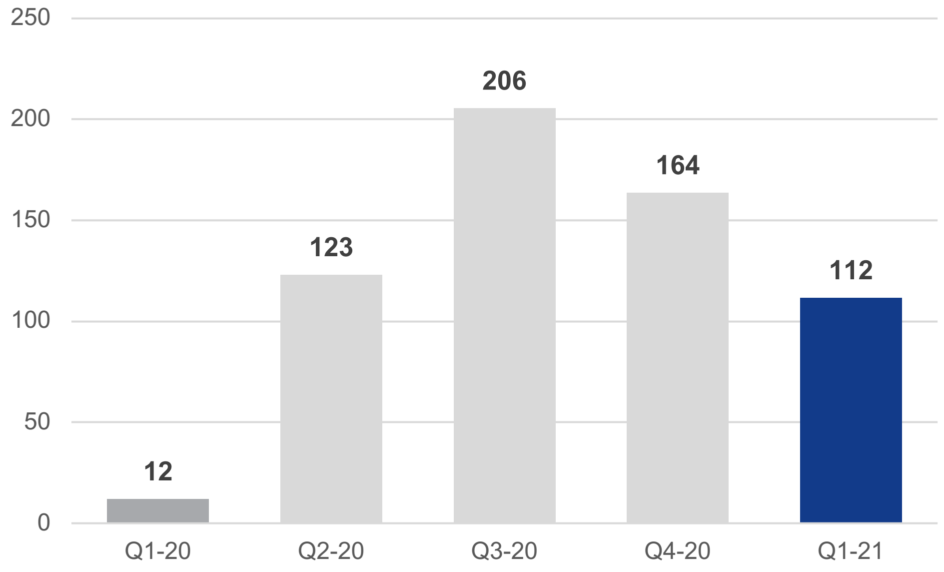

*) *Calculated on numbers of shares at 2021-03-31:* 54,157,861

# Cash flow

Q1

- Cash flow from operations MSEK 112 (12)
  - Higher operating result
  - Reduction in working capital of MSEK 16
- Cash management improvements
  - High attention on receivables and payment terms

**Operating Cash flow, MSEK by Quarter**



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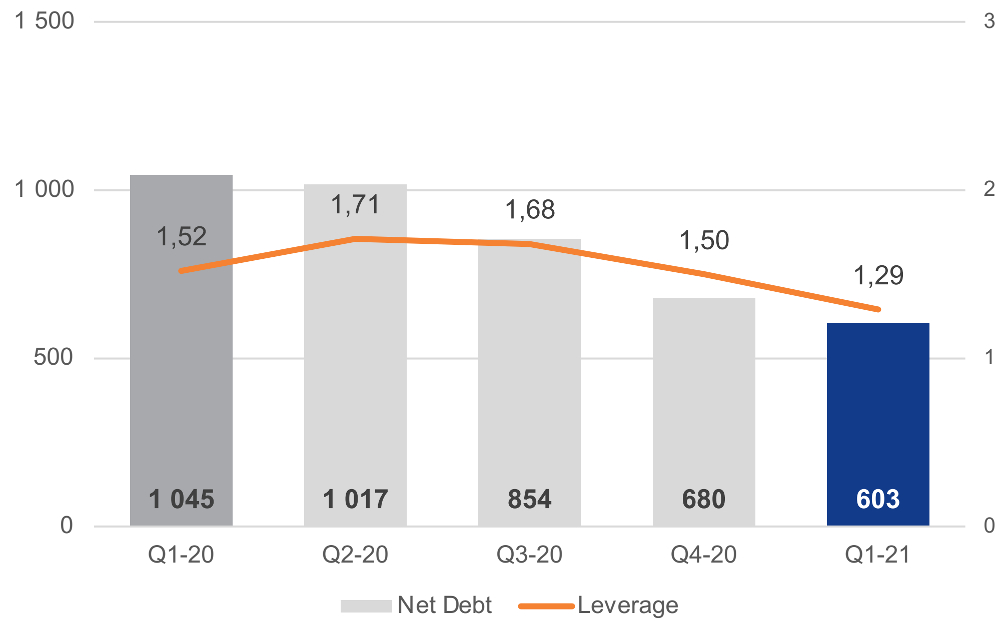
Q1

# Net debt

- Net debt
  - Strong operating cash flow
  - Limited investments
- Leverage
  - Lower Net debt
  - Higher EBITDA result
- 1.8 billion SEK in unutilised credit facilities
- Strong financial position

**Net debt, MSEK and Leverage by Quarter**



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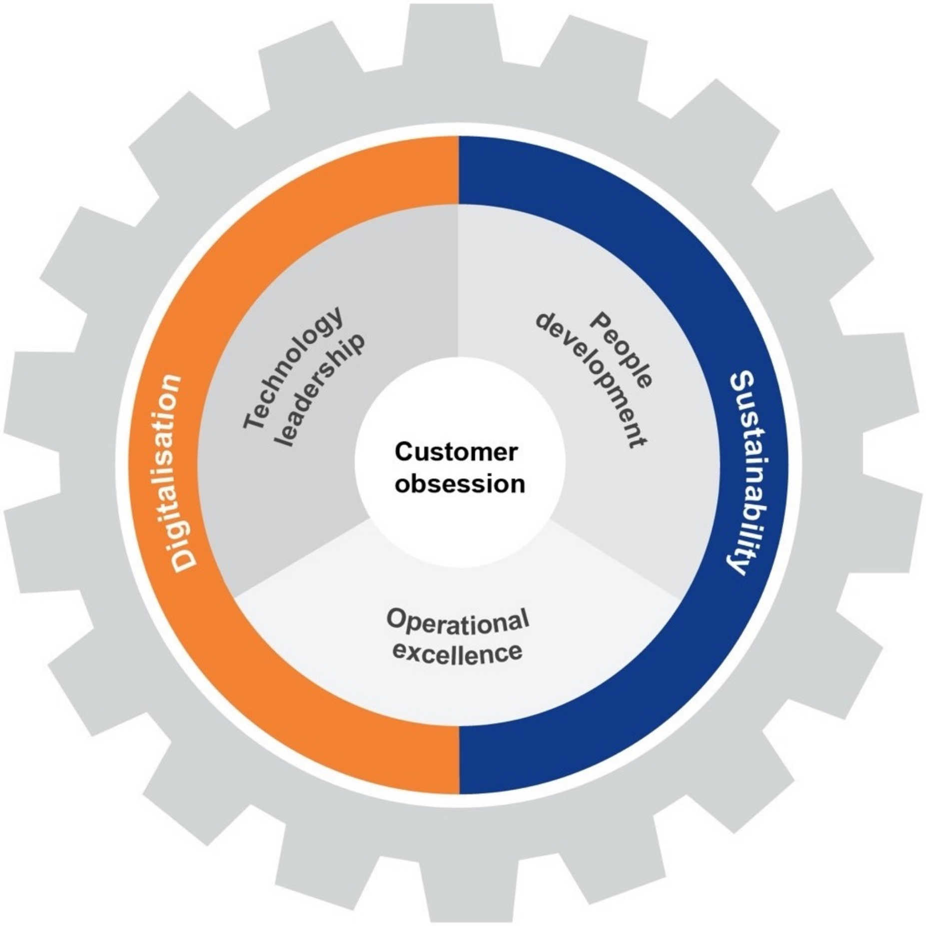
# Product development, technology and sustainability

- New products launched adopted to the specific needs of the Asian market
  - A new industrial elevator specialized on the requirements for the growing industrial sector in Asia
  - A new construction machine to be used inside lift shafts during the construction phase of tall residential buildings
- Piloting of various digital services with selected customers with very good feedback
- Alimak Group new partner to REES a strategic R&D in circular economy led by Linköping University



# Summary

Q1

- Order intake growth and improved margins
  - Organic revenue growth
  - EBITA-margin improved by 2.5 p.p.
  - Strong financial position and cash flow
- Phase 2 of New Heights Programme - improved margins
  - New organisation and leadership team
  - Focus on delivering on our profit commitments
  - Preparing for sustainable profitable growth
  - Accelerating efforts in R&D and digitalisation
- Expecting improved business climate in H2 2021, with continued COVID-19 impact in Q2
- Thank you!



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# Q&A