Alimak Group

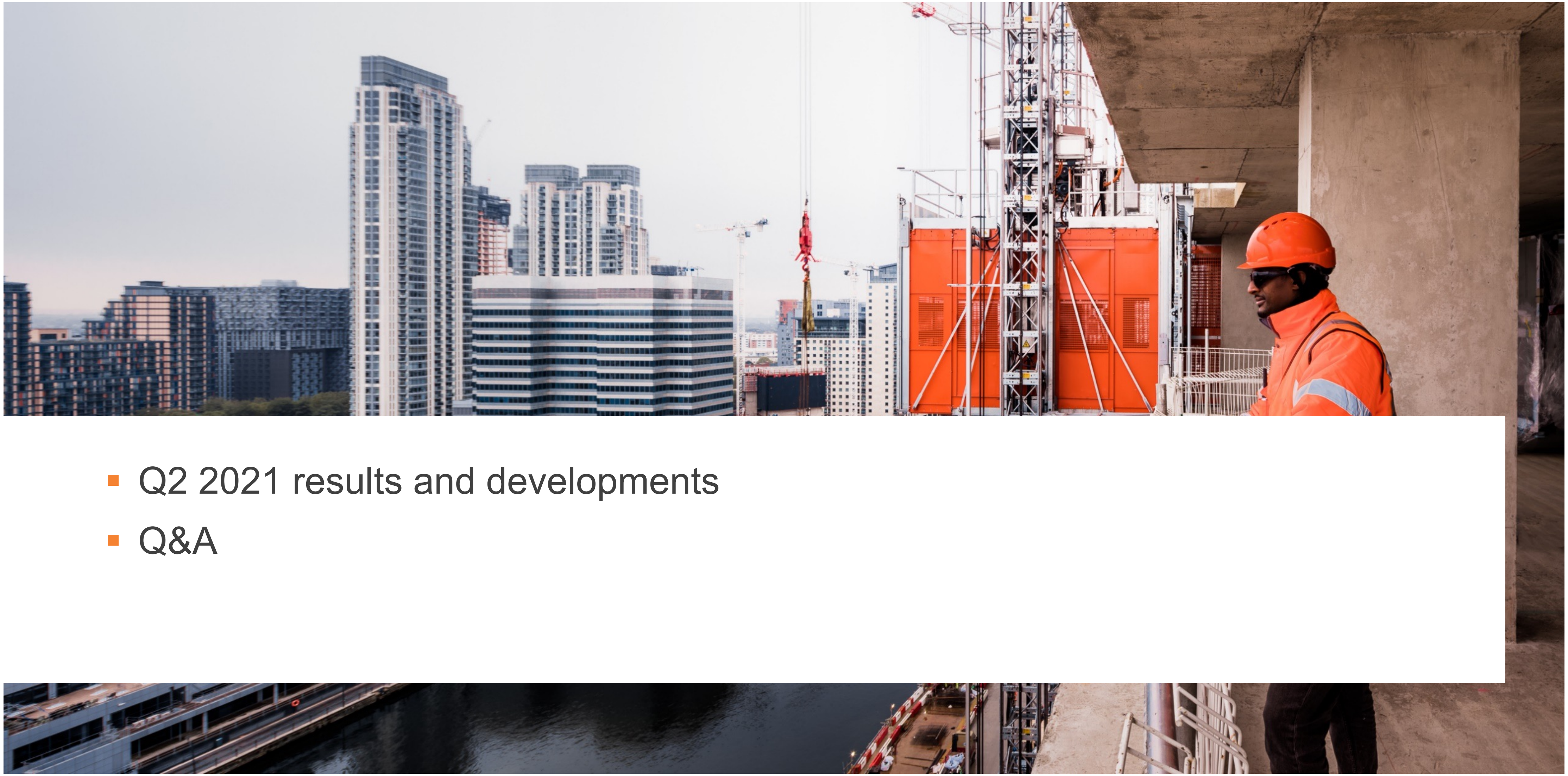
Q2 2021, 20 July 2021

Ole Kristian Jødahl, CEO

Thomas Hendel, CFO

ALIMAK GROUP

Agenda

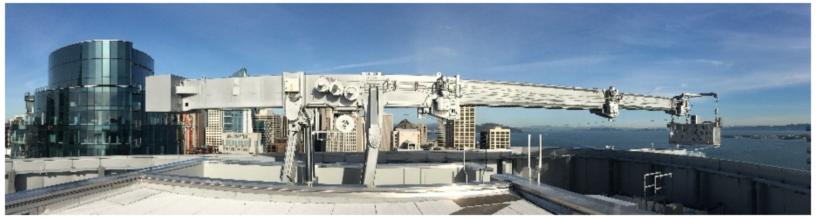


- Q2 2021 results and developments
- Q&A

Quarterly highlights

Q2

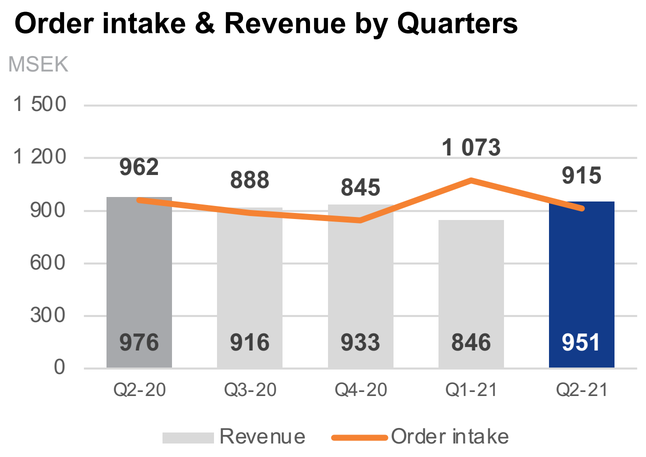
- Continued margin improvements - cost savings programme delivering well in line with targeted savings
- Underlying organic order growth of 5% excluding impact from exiting Tower Internals in Wind division
- Underlying organic revenue growth of 8%, excluding Tower Internals, driven by the execution of the backlog and continued growth in service
- EBITA increased by 45% to MSEK 126 (87), corresponding to a margin of 13.2% (8.9)
- Continued strong Cash Flow and further strengthened financial position
- Currency translation effects continued to have negative impact on reported order intake, revenue and earnings

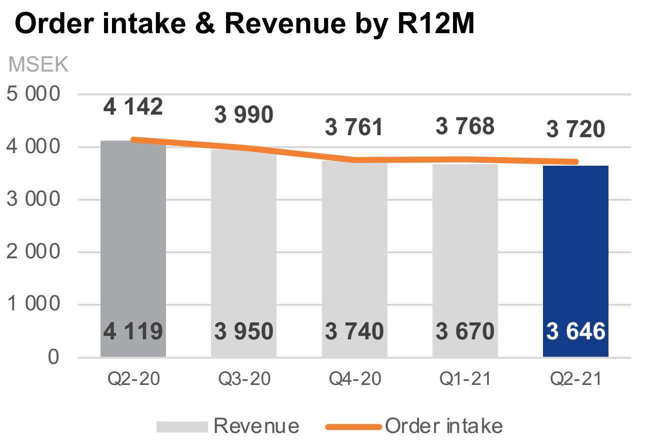


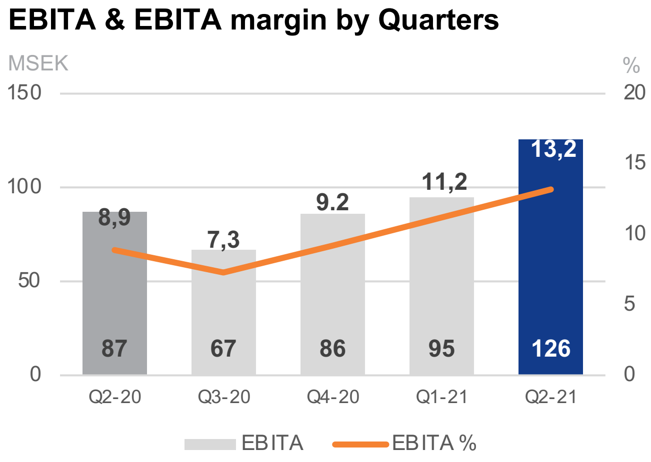
Group quarterly summary

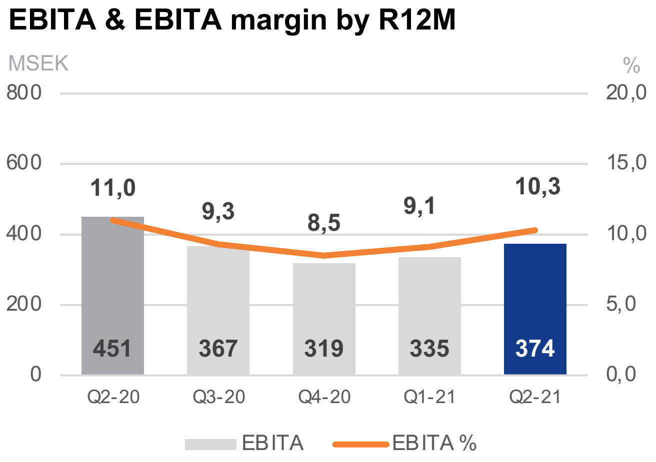
Q2

- **Order intake** decreased by 5% (up 1% organically)
  - Strong organic growth in Industrial
  - Wind reported significant drop as expected
- **Revenue** decreased by 2% (up 4% organically)
  - Organic increase in Construction and in BMU
  - Wind down due to Tower Internals and lower volumes in China
  - Industrial down due to backlog into Q2 and timing of deliveries in US
- **EBITA** increased to MSEK 126 (87), margin improved to 13.2% (8.9)
  - Improved profitability driven by cost savings







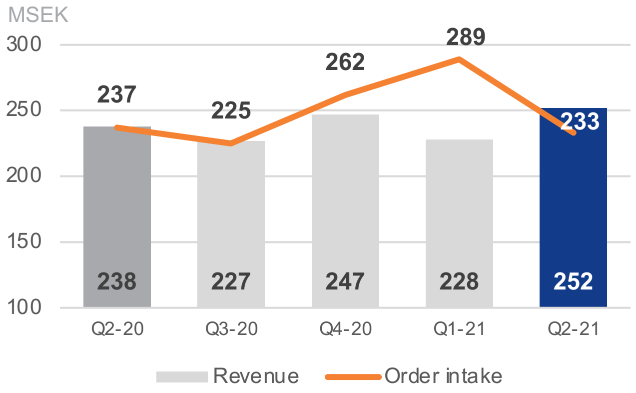


BMU

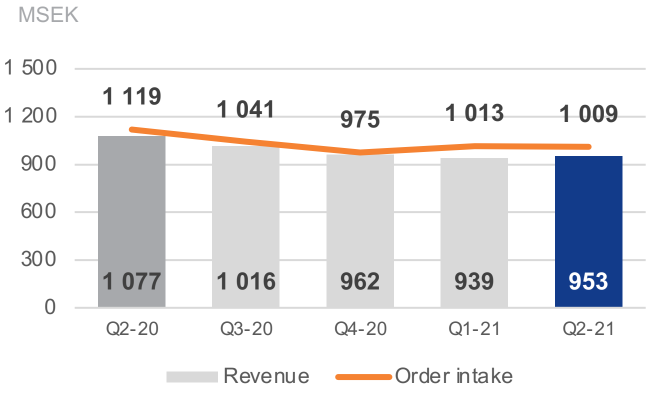
Q2

- **Order intake** decreased by 1% (up 5% organically)
  - Increased service order intake in most regions
  - Equipment sales lower mainly due to US – delayed project awards
- **Revenue** increased by 6% (up 12% organically)
  - Increased service revenues in Europe and Americas
  - Higher equipment revenues from Middle East and Australia (Sydney Harbour Bridge)
- **EBITA** at MSEK 6 (-3), margin 2.5% (-1.4)
  - Impacted by higher revenues and reduced SG&A expenses
  - Activities to improve profitability ongoing

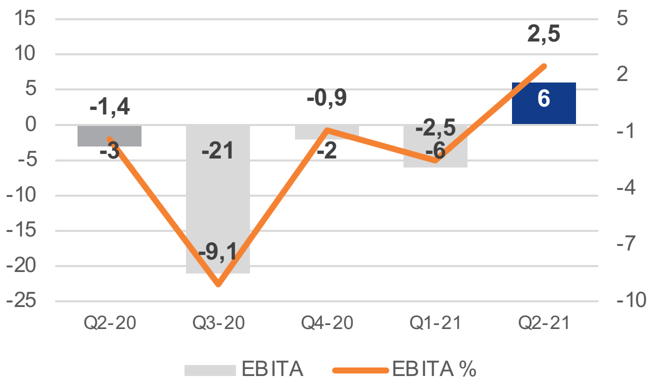
Order intake & Revenue by Quarters



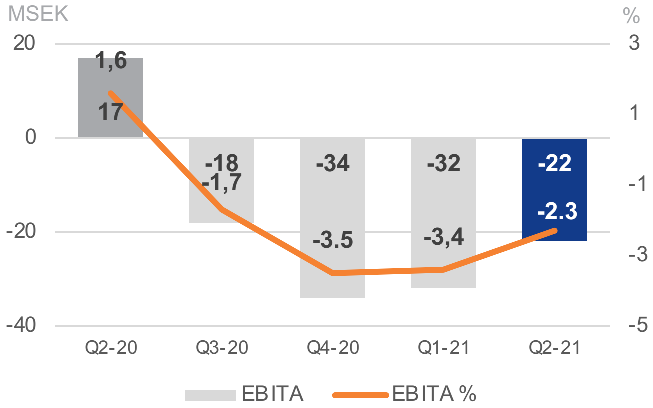
Order intake & Revenue by R12M



EBITA & EBITA margin by Quarters



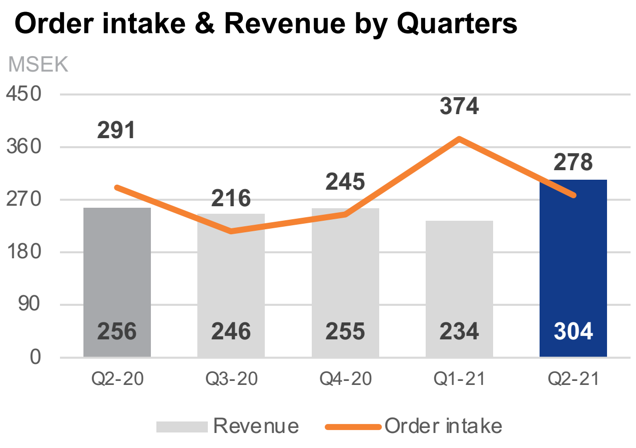
EBITA & EBITA margin by R12M

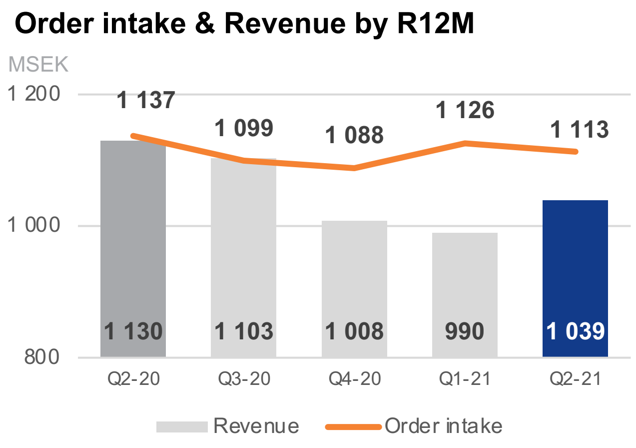


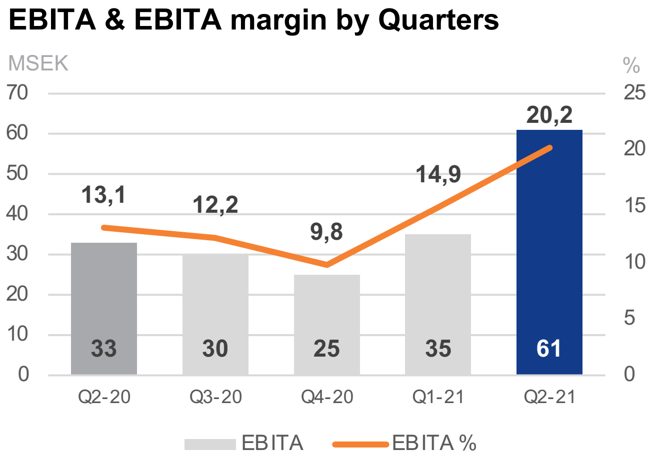
Construction

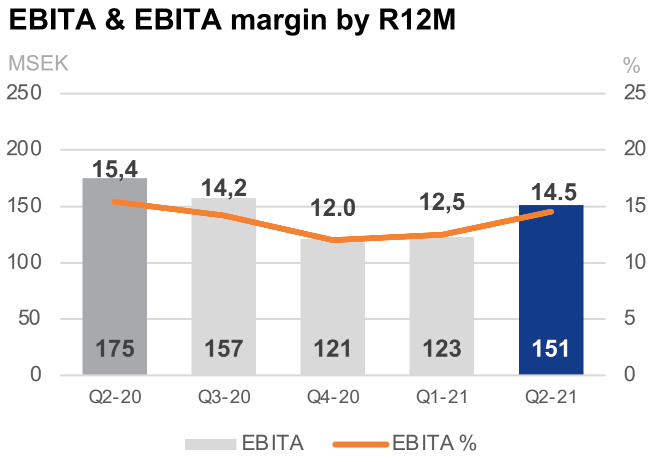
Q2

- **Order intake** decreased by 4%, (flat organically)
  - New equipment sales in Europe and Australia contributed positively
  - Rental was lower y-o-y following a very strong Q1 2021
- **Revenue** increased by 19% (up 24% organically)
  - Increase from new equipment sales in Americas and Europe
  - Increased rental activity in Europe and Australia
- **EBITA** at MSEK 61 (33), margin 20.2% (13.1)
  - Improved result from the cost reduction measures launched in 2020 improving factory production results and lower SG&A expenses







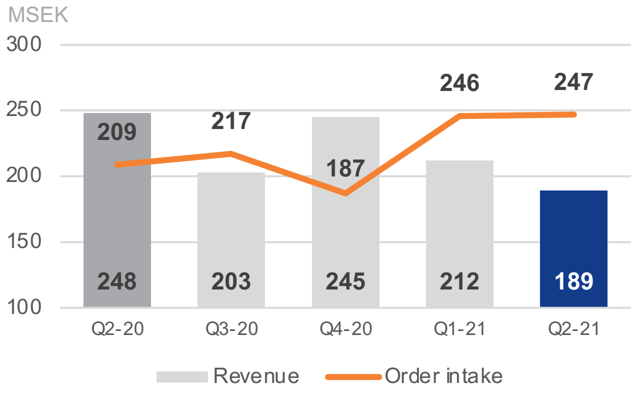


Industrial

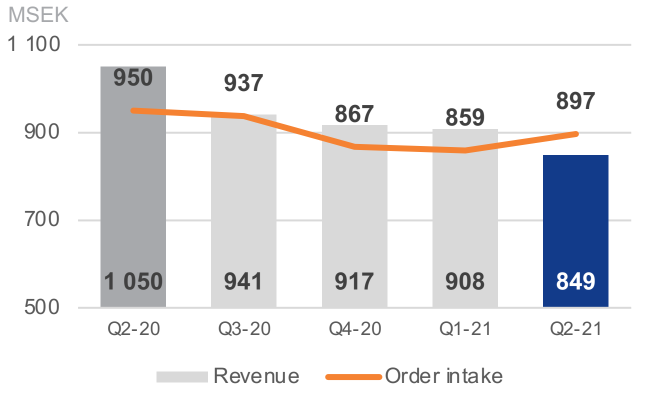
Q2

- **Order intake** increased 18% (up 24% organically)
  - Solid equipment sales in Europe, Americas and emerging markets
  - Increased volume in service and parts
- **Revenue** decreased by 24% (down 18% organically)
  - Low backlog for deliveries in Q2
  - Timing of deliveries in US, expected to pick-up
- **EBITA** decreased to MSEK 35 (38), a margin of 18.7% (15.2)
  - Result somewhat lower due to lower revenues
  - EBITA-margin improvement driven by the previously implemented cost reduction measures

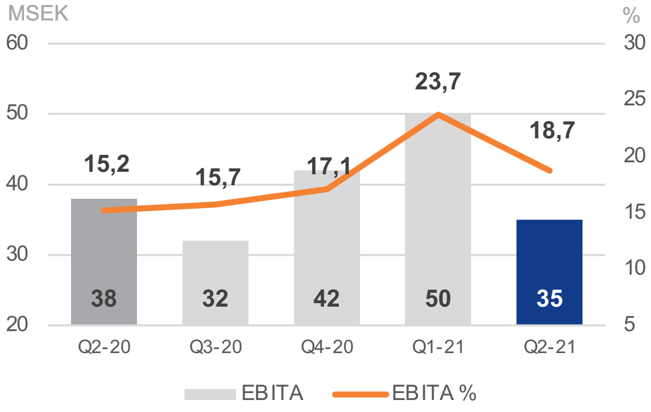
Order intake & Revenue by Quarters



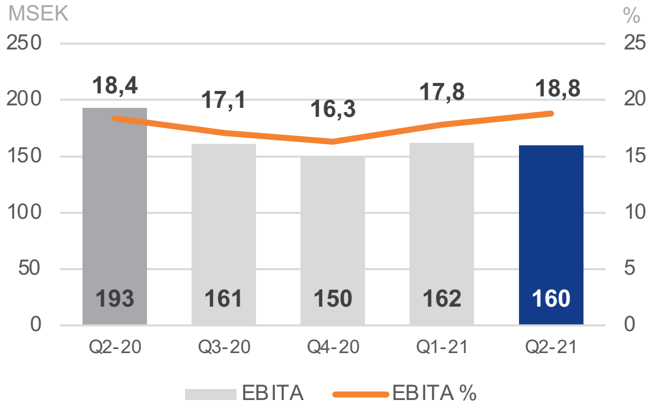
Order intake & Revenue by R12M



EBITA & EBITA margin by Quarters



EBITA & EBITA margin by R12M



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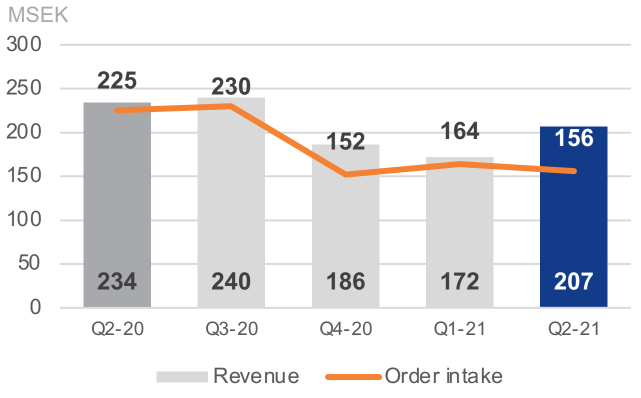
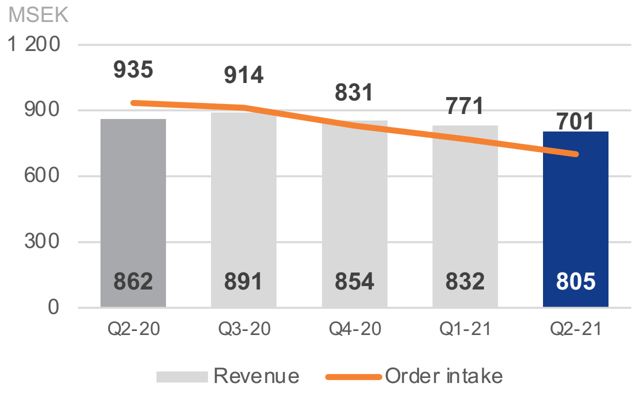
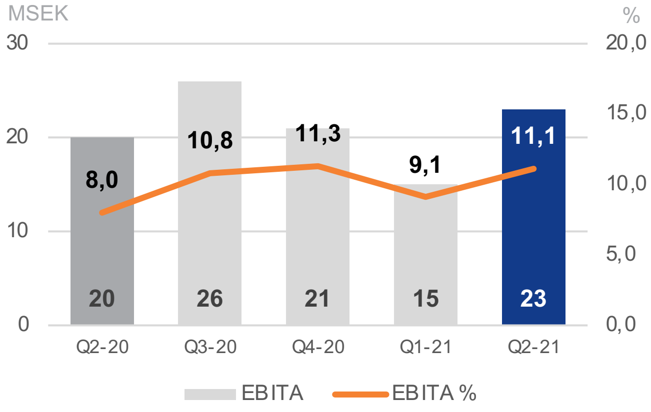
Wind

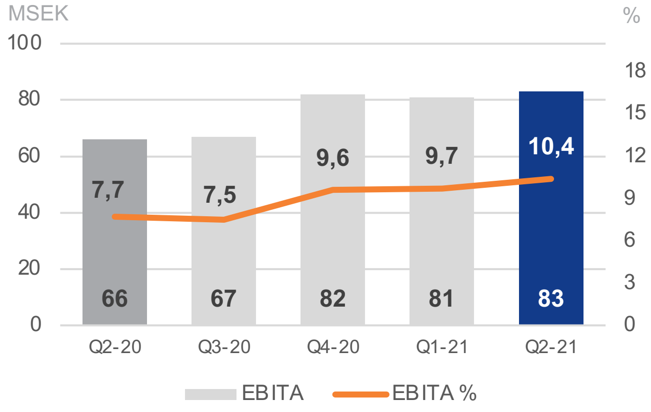
Q2

- **Order intake** decreased 31% (down 25% organically)
  - Effect of exitingTower Internals, volume impact Q2 -30 MSEK y-o-y and 42 MSEK YTD
  - Lower volumes in China, expected to improve in Q4
  - Good development in Brazil and northern Europe
- **Revenue** decreased by 12% (down 5% organically)
  - Tower Internals impact Q2 -35 MSEK y-o-y and 46 MSEK YTD
  - Strong service revenues in the quarter
- **EBITA** at MSEK 23 (20), a margin of 11.1% (8.0)
  - EBITA-margin improvement driven by the previously implemented cost reduction measures
  - One-off costs taken in the quarter to mitigate effects of volumes in Tower Internals









Financial summary Group June 2021

Q2

MSEK	Q2 2021	Q2 2020	∆%	YTD 2021	YTD 2020	∆%
Order intake	915	962	-5	1 988	2 029	-2
Organic order growth			+1			+4
Revenue	951	976	-2	1 797	1 892	-5
Organic revenue growth			+4			+1
EBITA	126	87	+45	221	168	+32
EBITA %	13.2	8.9	+4.3 pp	12.3	8.8	+3.5 pp
Operating cash flow	151	124	+22	263	136	+94

Earnings summary

Q2

- EBITA
  - Lower cost base after implementation of the cost reduction programme initiated in 2020 – impacting both Cost of Goods Sold and SG&A
  - Managing effects of raw materials and freight cost increases
- Financial net
  - Interest net and currency related, stable
- Taxes
  - Tax rate of 25.5% (21.9)

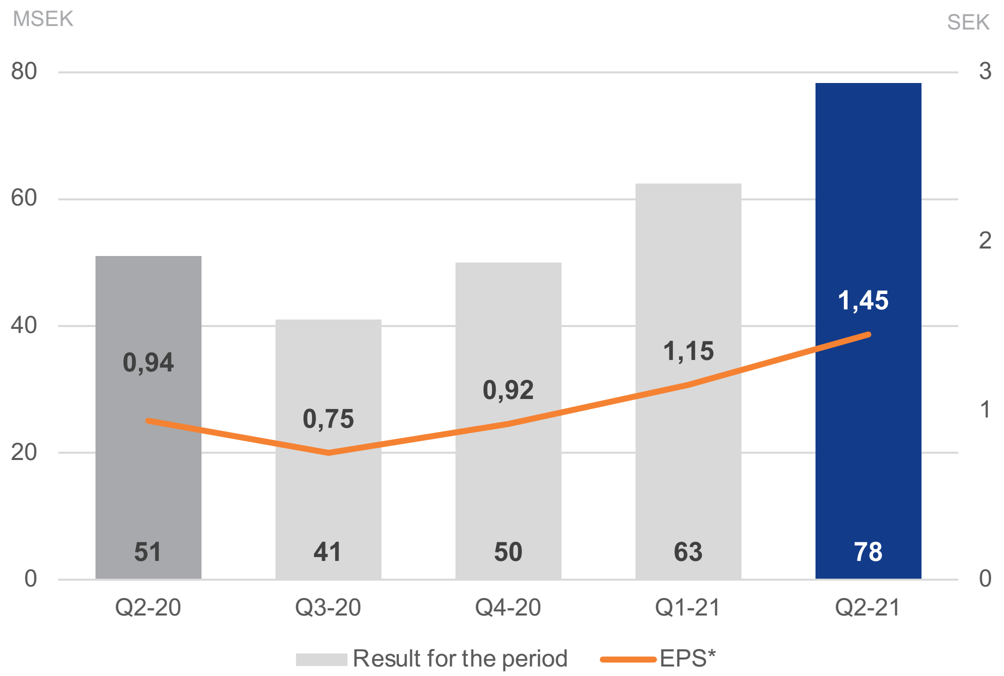
MSEK	Q2 2021	Q2 2020	∆MSEK
EBITA	**126**	**87**	**39**
Amortisations	-9	-13	4
EBIT	**117**	**74**	**43**
Financial net	-11	-10	-1
EBT	**106**	**64**	**42**
Taxes	-27	-14	-13
Result for the period	**78**	**51**	**27**

Result for the period and EPS

Q2

- Result for the period MSEK 78 (51)
  - Increased EBITA, largely explained by lower cost

Result for the period and EPS



*) *Calculated on numbers of shares at 2021-06-30:* 54,157,861

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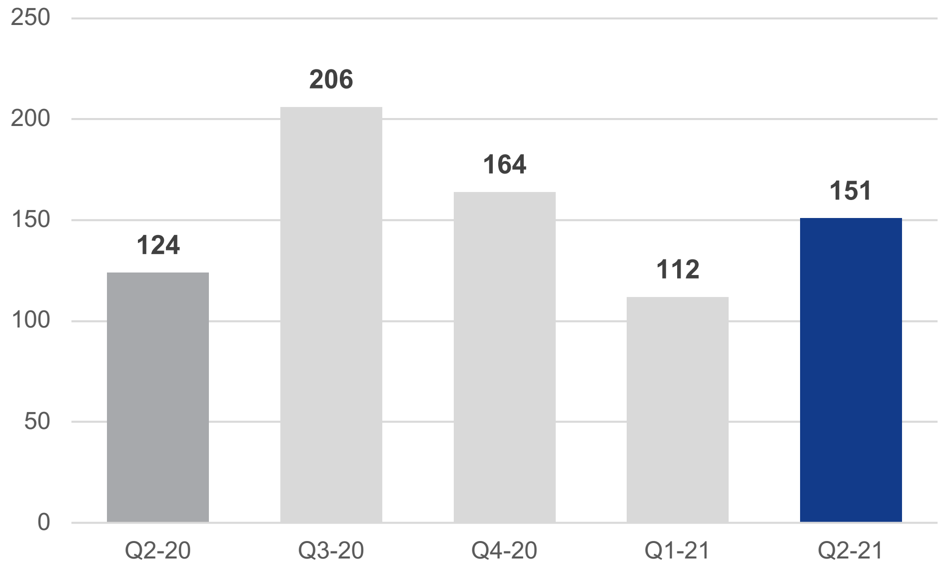
Cash flow

Q2

- Cash flow from operations MSEK 151 (124)
  - Main driver increased EBITDA
  - Reduction in working capital of MSEK 12
- Cash management actions
  - High attention on overdue receivables and payment terms in new contracts
  - Execute milestones in the projects

Operating Cash flow, MSEK by Quarter



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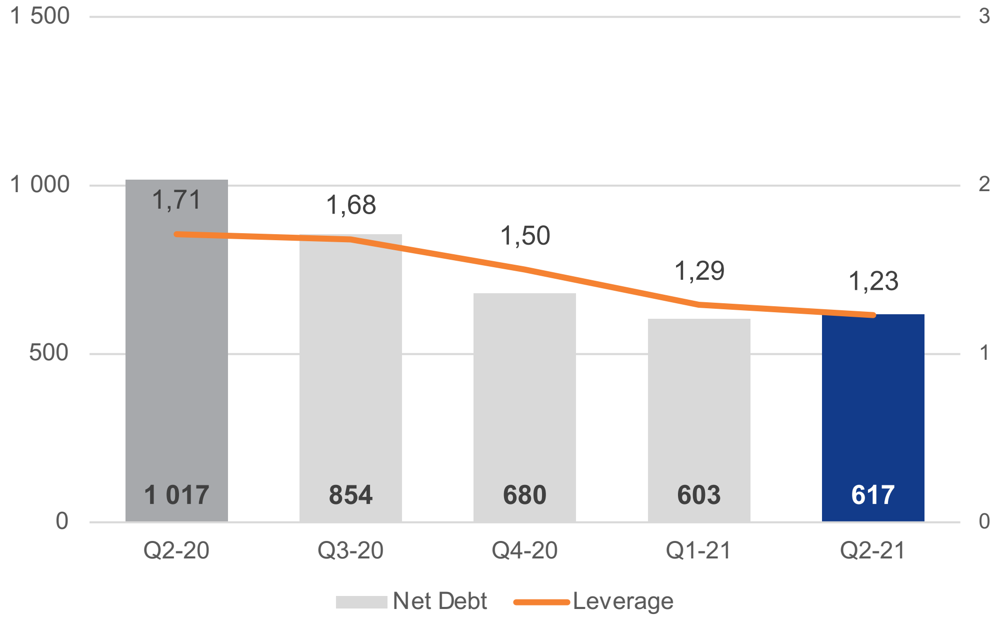
Net debt

Q2

- Net debt
  - Strong operating cash flow
  - Limited investments
- Leverage
  - Lower Net debt
  - Higher EBITDA result
- Dividend payment of 162 MSEK in Q2
- 1.9 billion SEK in unutilised credit facilities
- Further strengthened financial position

Net debt, MSEK and Leverage by Quarter



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Enhancing customer value trough digitalization

- Optimized utilization
- Remote control
- Improved sustainability
- New service schemes

my ALIMAK

- BIM models
- Operational data
- Parts-on-line
- Fleet management
- Digital manuals
- 3D Tools
- Online software updates
- Calculation tools
- Service information
- Productivity analysis
- *Additional services*
- IoT data

Acquisition of Cento Engineering Group July 1 2021

- Cento Engineering Group, a UK BMU engineering and service provider and Manntech distributor 20+ years
- Provides installation, maintenance, spare parts and inspections for BMUs in the UK
- Integrated into Alimak Group´s BMU division from July 1 2021, further strengthening standing as the market leading BMU service provider in the UK
- Revenue in 2020 of approx. MSEK 60.

Updated financial targets

Revenue growth target

5-7%

The Group's mid-term target is to have an average annual revenue growth of 5-7%.

EBITA margin target

14-16%

The Group's mid-term target is to reach an operating EBITA margin of 14-16%.

Leverage target (Net debt/EBITDA)

2.0x

The company will maintain an effective capital structure with a net debt of around 2.0x EBITDA over a cycle. The capital structure will be flexible and allow for strategic initiatives.

Dividend payout policy

40-60%

The Group has a target of paying a dividend of 40-60% of its net profit to its shareholders.

Aim to reduce our CO_2 footprint with

30%

cross our value chain by 2025*

*Scope 3, normalized based on turn-over, reduction compared to 2019

Summary

Q2

- Continued margin improvements
  - Organic revenue growth in Q2 of 4%
  - EBITA-margin improved by 4.3 p.p.
  - Strong financial position and cash flow
- Prepared for growth implementing the divisional strategies
  - Expanding range of products and solutions
  - Geographical expansion
  - Further service penetration
  - Accelerating efforts in R&D and digitalisation
  - M&A opportunities
- Expecting markets to continue to improve supported by megatrends but with continued uncertainties.

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Q&A