Alimak Group

Q3 2018, 25 October 2018

Tormod Gunleiksrud, CEO
Tobias Lindquist, CFO

Including acquired businesses

Q3

Acquisitions still affecting YTD comparisons, Q3 comparisons are like-for-like

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

Quarterly highlights: Strong order intake

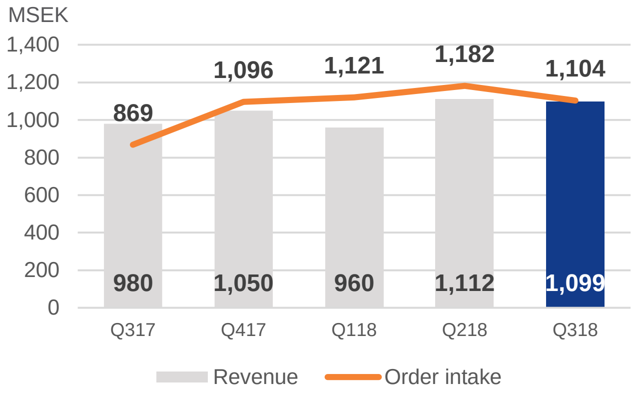
- Order intake of MSEK 1,104 (869), an organic growth of 17% driven by strong quarter for Industrial Equipment and After Sales
- Revenue for the quarter at MSEK 1,099 (980), an organic growth of 5%
- EBITA adj. of MSEK 136 (101), representing a margin of 12.4% (10.3). Improvements within all business areas
- Operational cash flow of MSEK 113 (74) in the quarter
- Launch of Alimak Service brand

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

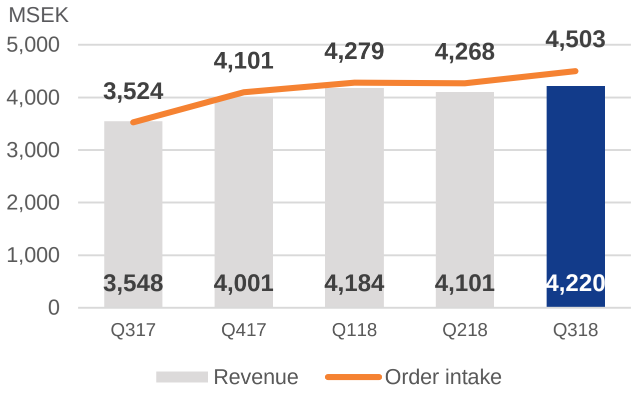
Order intake growth year to date would have been 2%

Revenue growth year to date would have been 0%

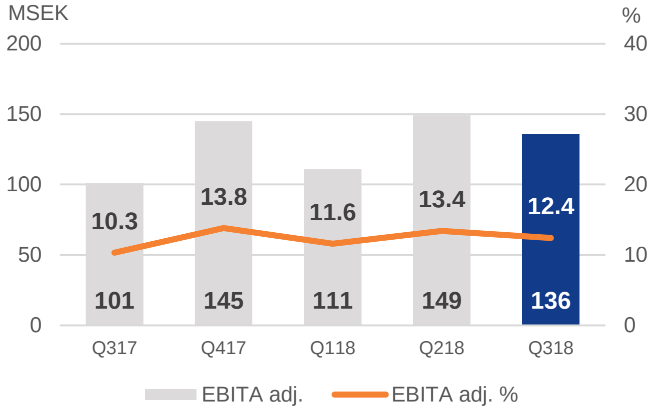
Order intake & Revenue by Quarters



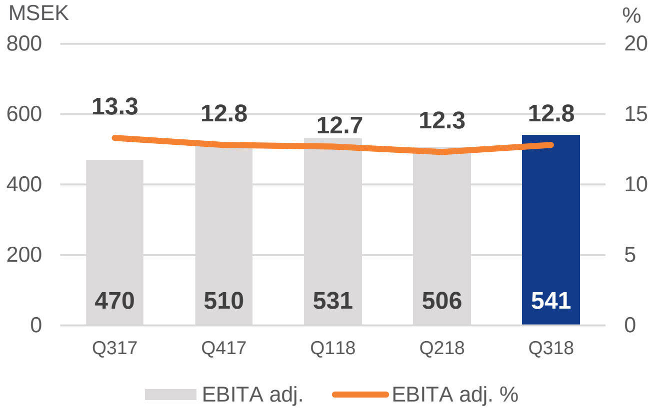
Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by Quarters



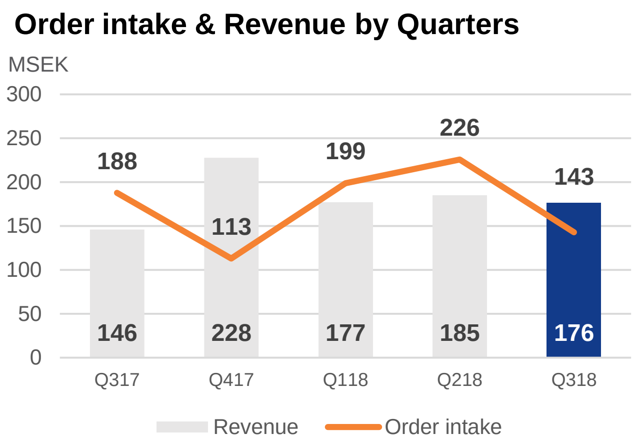
EBITA adj. & EBITA margin adj. by R12M

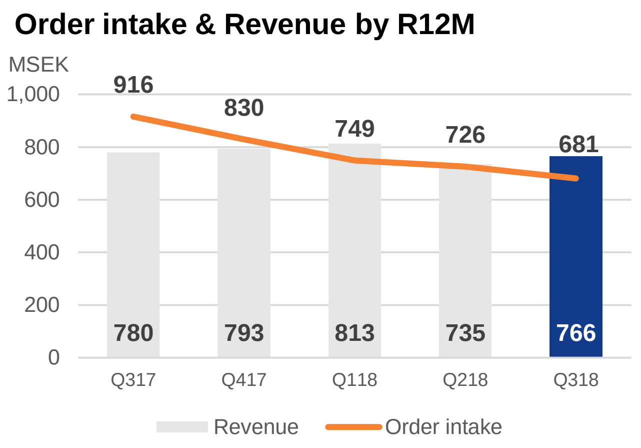


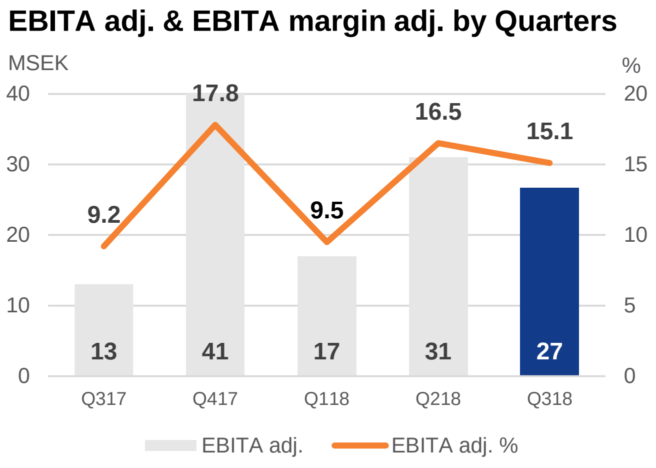
Construction Equipment

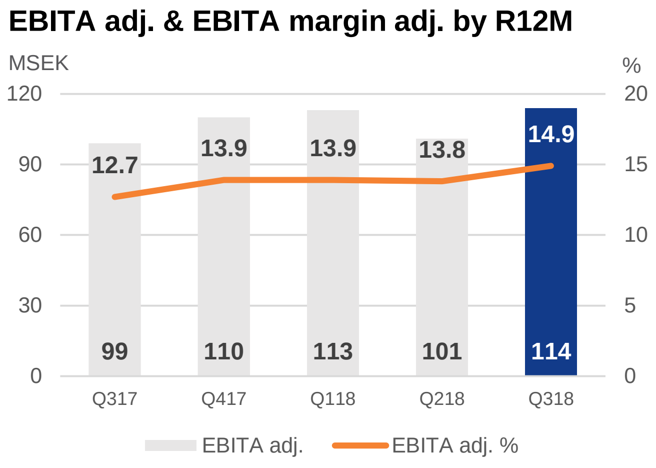
Q3

- Organic order intake decrease of 31% to MSEK 143 (188)
  - Weak market in Middle East and South East Asia
  - Few large projects requiring new investments
  - Market share maintained
  - Market still strong, solid pipeline going forward
- Organic revenue growth of 13% to MSEK 176 (146)
- Strong EBITA margin adj. of 15.1% (9.2)
  - Favourable market and product mix









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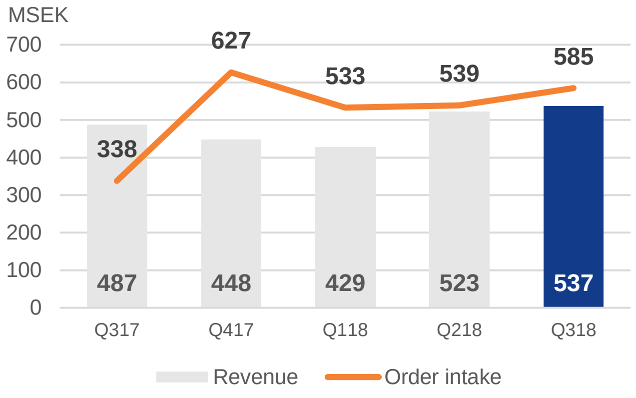
Industrial Equipment

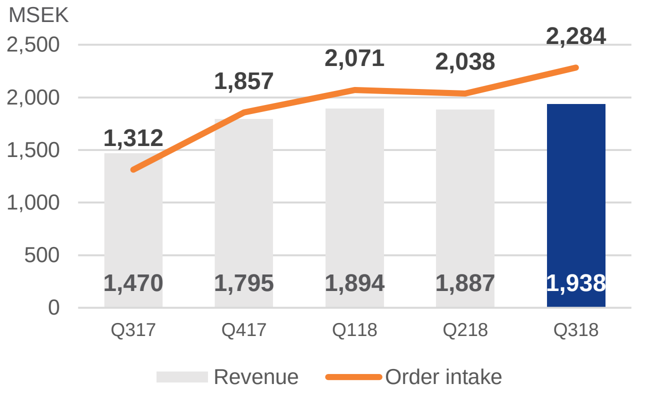
Q3

- Organic order intake growth of 60% to MSEK 585 (338)
  - All segments contributing
  - Wind and Oil & Gas stand out
- Revenue of MSEK 537 (487)
  - Organic growth of 3%
- EBITA adj. of MSEK 18 (9), an improved yet continued low margin of 3.4% (1.8)

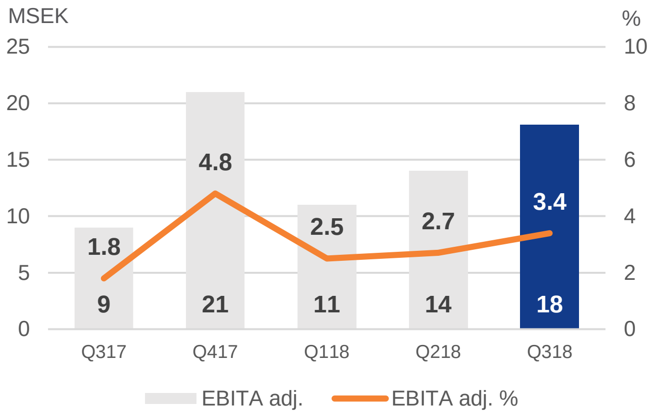
Order intake & Revenue by Quarters



Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by Quarters



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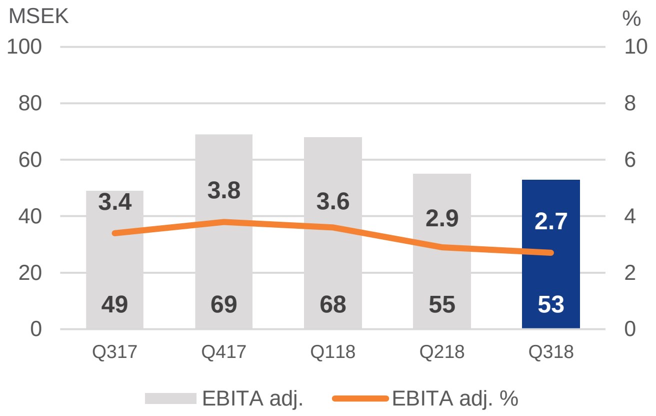

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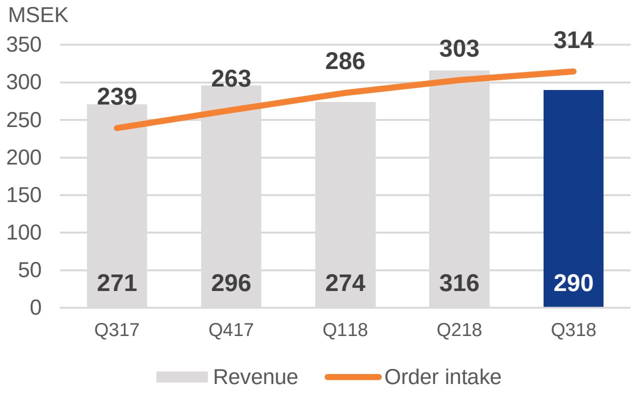
After Sales

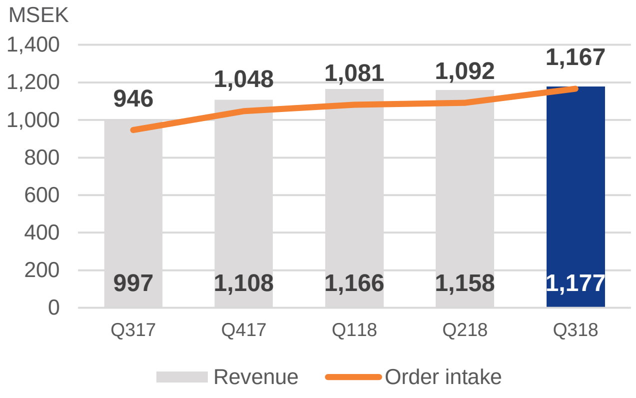
Q3

- Organic order intake growth of 23% to MSEK 314 (239)
- Organic revenue flat year-over-year at MSEK 290 (271)
- EBITA adj. of MSEK 76 (71) in the quarter. Margin stable at 26.2% (26.1)
- Launch of Alimak Service brand

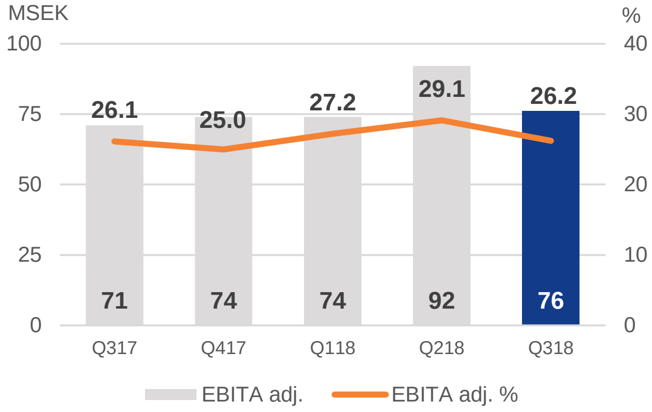
Order intake & Revenue by Quarters



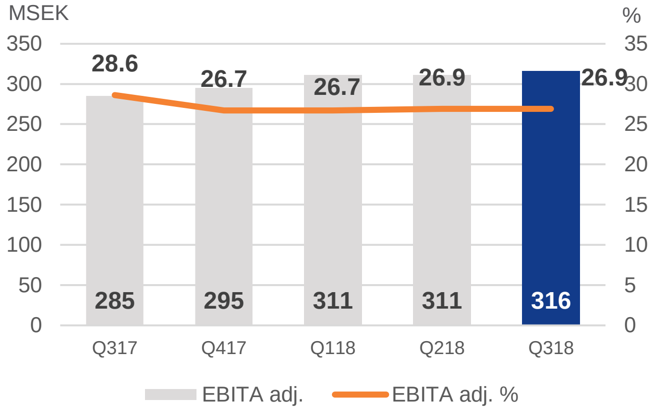
Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by Quarters



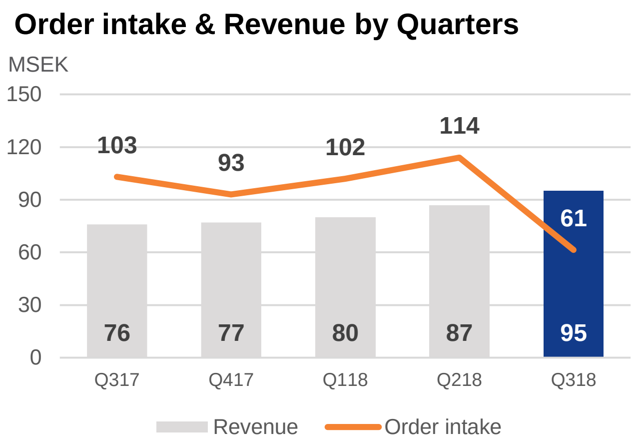
EBITA adj. & EBITA margin adj. by R12M

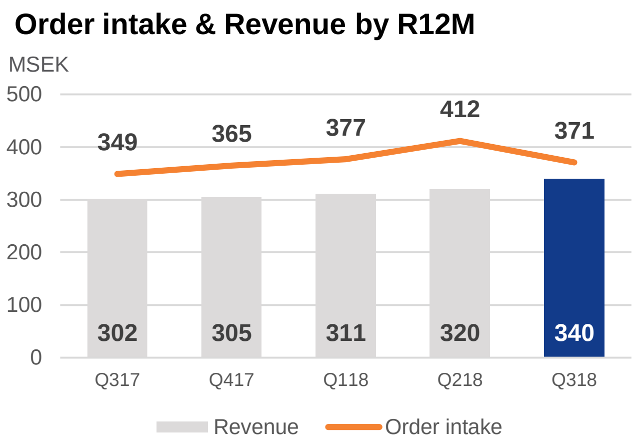


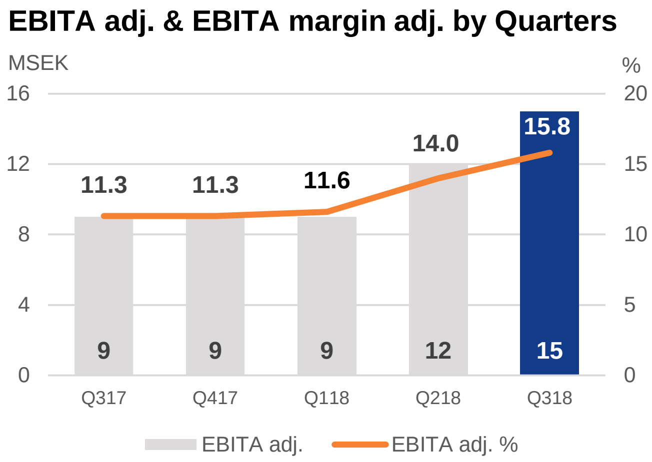
Rental

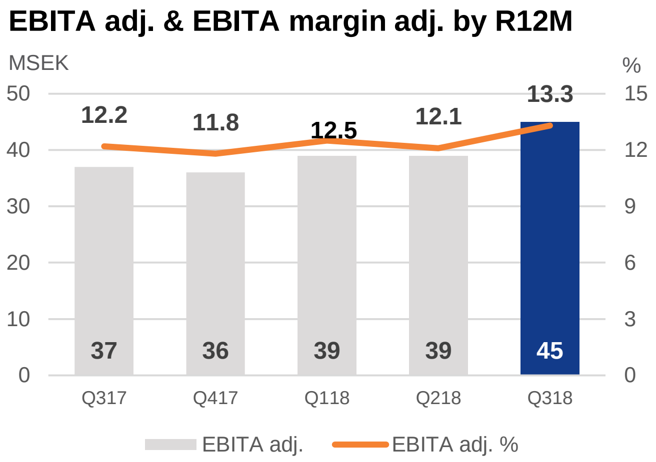
Q3

- Order intake of MSEK 61 (103). An organic decrease of 46% following two very strong quarters
  - Full utilization in some markets hindering further order growth
- Organic revenue growth of 19% to MSEK 95 (76)
  - Expected to remain at high level
- Strong EBITA margin adj. of 15.8% (11.3)







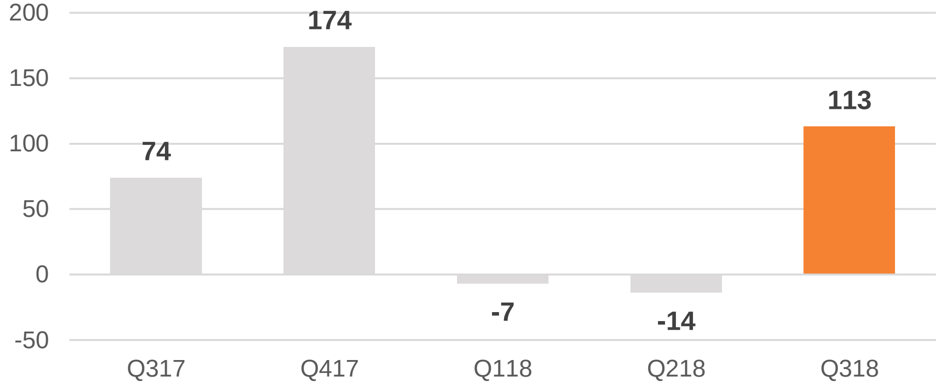


Cash Flow and Net Debt

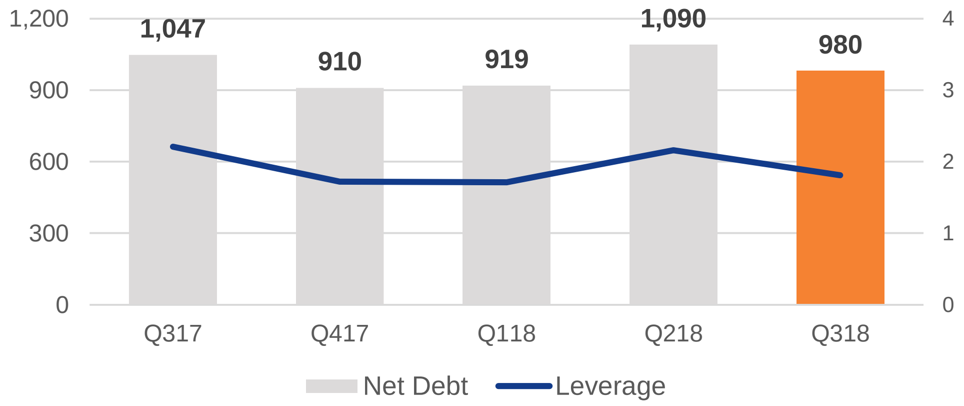
Q3

- Cash flow from operating activities in the third quarter was MSEK 113 (74)
- Net debt at end of Q3 was MSEK 980 (910 at 31 December 2017)
- Leverage (Net debt/EBITDA) at 1.81 (2.21)
- A strong financial position for the Group

Cash Flow by Quarter, MSEK



Net Debt, MSEK and Leverage by Quarter



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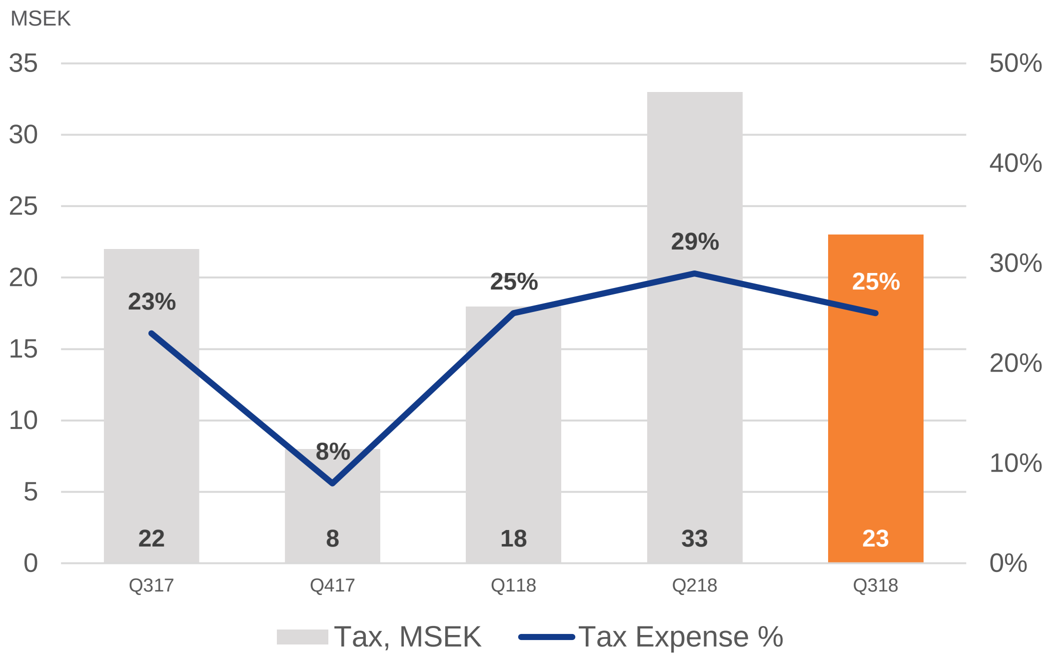
Tax Expense

Q3

- Tax expense for the quarter was MSEK 23 (22)
- Legal tax review ongoing, expected efficiencies starting in Q4 2018

Tax Expense, % of EBT by Quarter

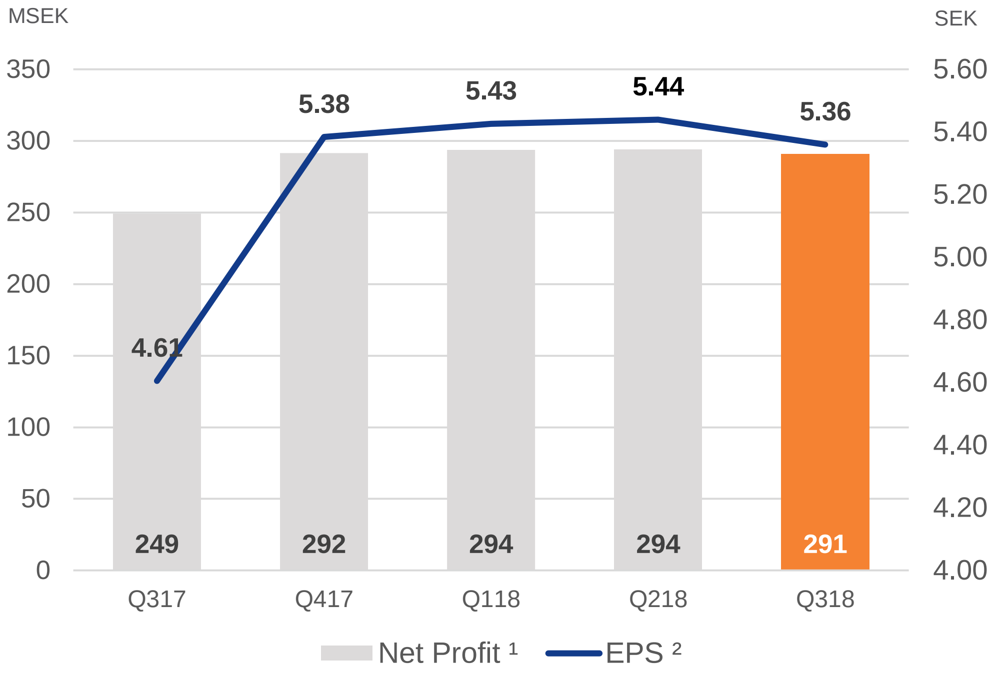


EPS

Q3

- EPS was SEK 1.26 (1.33) in the quarter based on current number of shares

Net Profit and EPS, R12M



1) Net Profit R-12 months
2) EPS R12M calculated on numbers of shares at 2018-09-30: 54,157,861

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Integration plan

Q3

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

Q3

- Joint After Sales concept will be operational in all major markets during 2018
  - Alimak Service brand launched in the quarter
  - www.alimakservice.com
- Procurement integration progressing well
- Continued streamlining of sales, administration and support organizations
  - Merger of premises, offices and functions ongoing
  - New legal country footprint under implementation. First wave ongoing and second part in beginning of 2019

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

Q3

- Strong organic order intake growth +17% driven by Industrial Equipment and After Sales
- Organic revenue growth +5%
- Increased earnings (EBITA adj.), +29% organic growth
- Solid order backlog
- Launch of Alimak Service brand
- Overall good development and we are on a good trajectory towards our financial targets

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Q&A