Alimak Group

Q4 2019, 21 February 2020

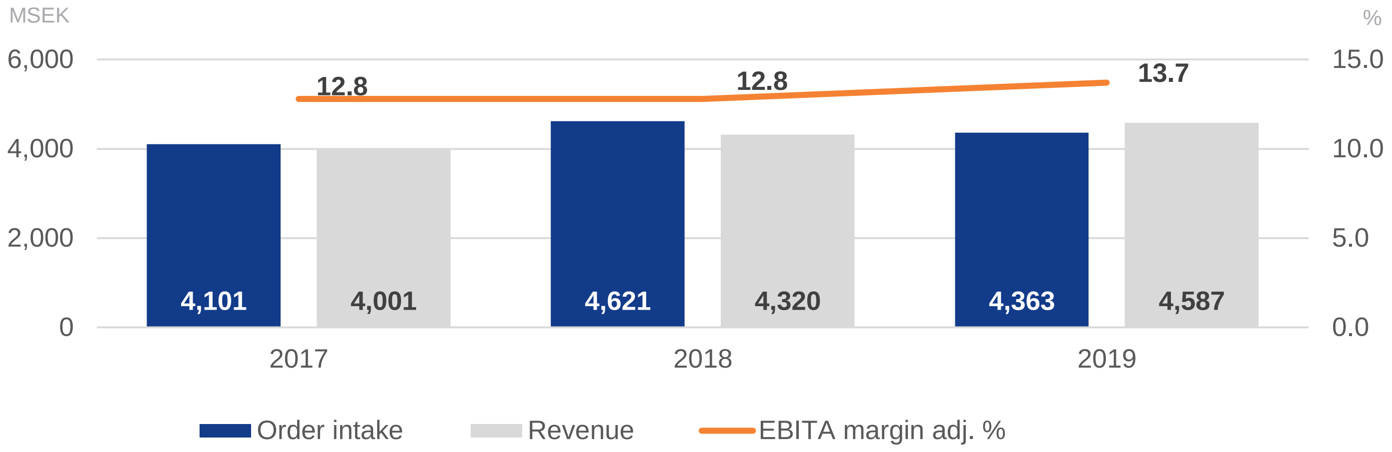
Tormod Gunleiksrud, CEO
Tobias Lindquist, CFO

FY 2019

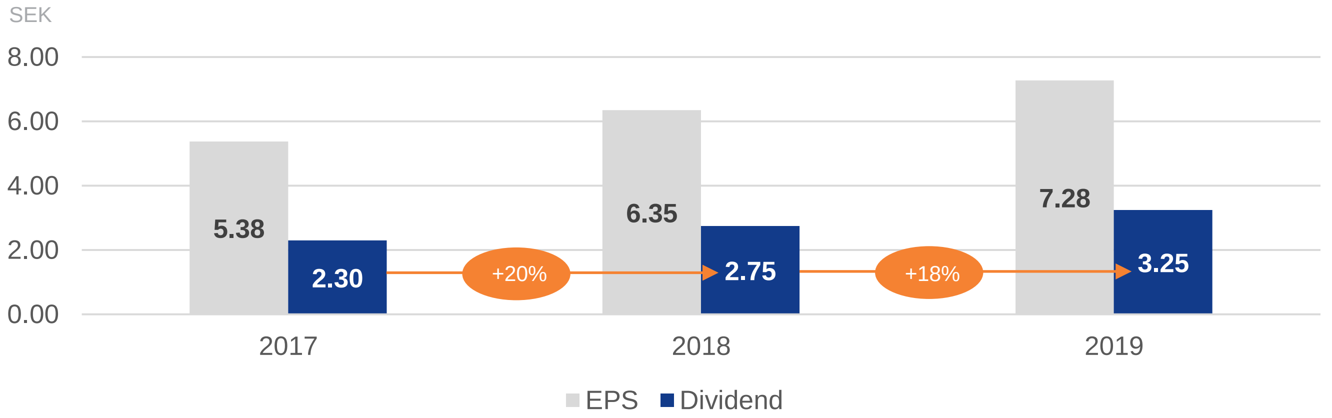
2019

- Three main trends during the year:
  - A weak market for Construction Equipment
  - Changed market conditions for Wind tower internals
  - Good growth for After Sales driven by Wind and BMU
- 6% growth in revenue, of which 2% organic
  - All-time high in 3 out of 4 business areas
- EBITA adj. of MSEK 629 (555), margin 13.7 (12.8)
- Cash flow from operations MSEK 502 (240)
- Dividend of SEK 3.25 (2.75) per share proposed by the Board of Directors

Order intake, Revenue and Margin, by Years



EPS and Dividend, by Years



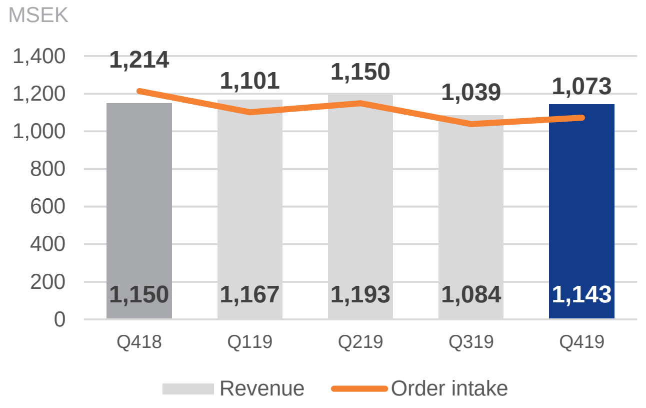
ALIMAK GROUP

Quarterly highlights

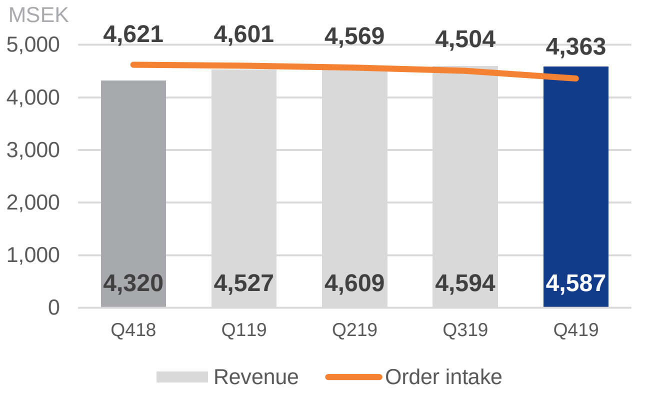
Q4

- Order intake decreased by 12% to MSEK 1,073 (1,214) with an organic decrease of 16%
  - Mainly the result of challenging market conditions for Construction Equipment
  - Strong development for After Sales
- Revenue decreased by 1% to MSEK 1,143 (1,150) with an organic decrease of 5%
  - Growth for all business areas except Industrial Equipment
- EBITA adj. for the quarter was MSEK 151 (159), corresponding to a margin of 13.2% (13.8)
  - Lower margins for Industrial Equipment and After Sales

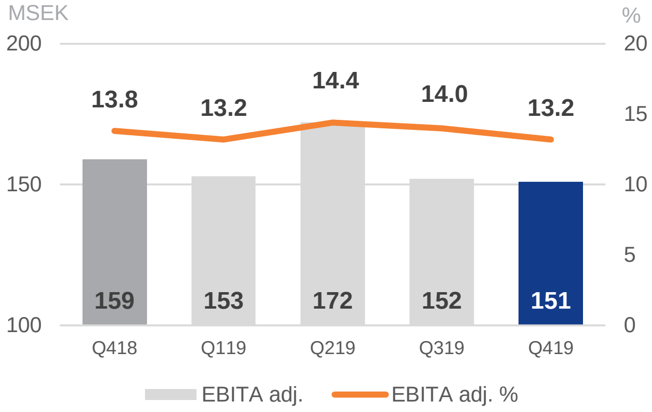
Order intake & Revenue by Quarters



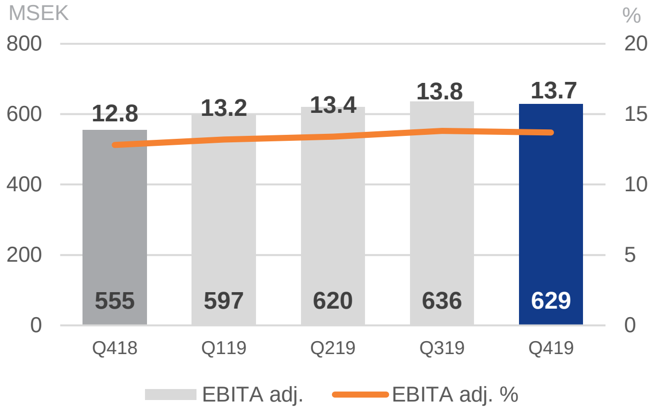
Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by Quarters



EBITA adj. & EBITA margin adj. by R12M

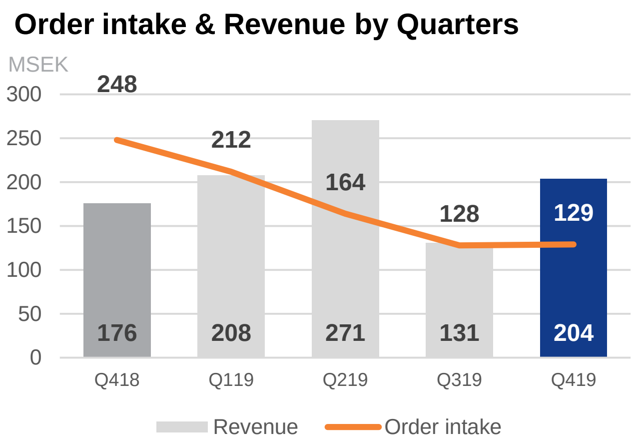


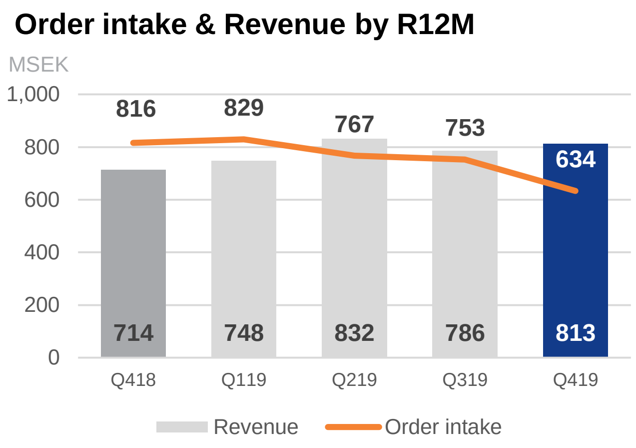
ALIMAK GROUP

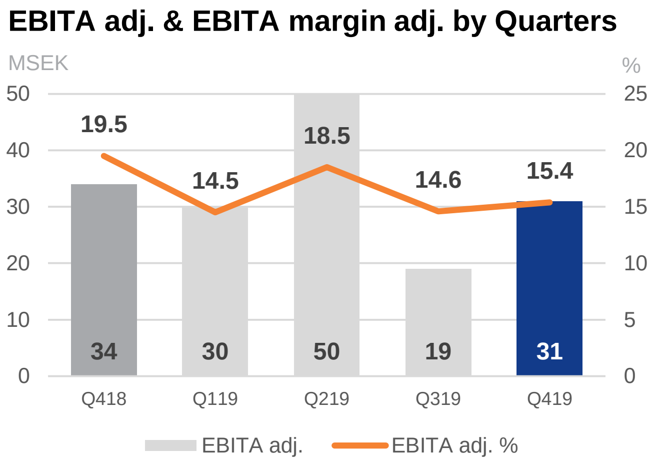
Construction Equipment

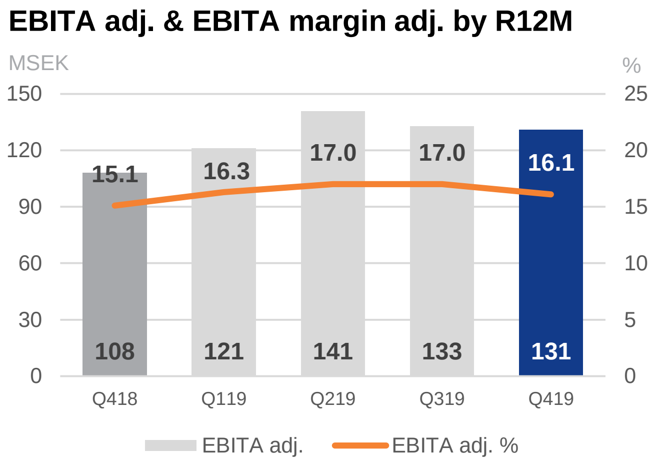
Q4

- Order intake decrease of 48%, down 53% organic, to MSEK 129 (248)
  - In line with Q3 2019
  - Low order intake in Europe
- Revenue increase of 15%, up 11% organic, to MSEK 204 (176)
  - Strong deliveries to the US
  - Full year revenue at all-time high
- EBITA adj. at MSEK 31 (34), a margin of 15.4% (19.5)
  - Effect of high volumes and product mix
  - Volume adoption measures made in factories





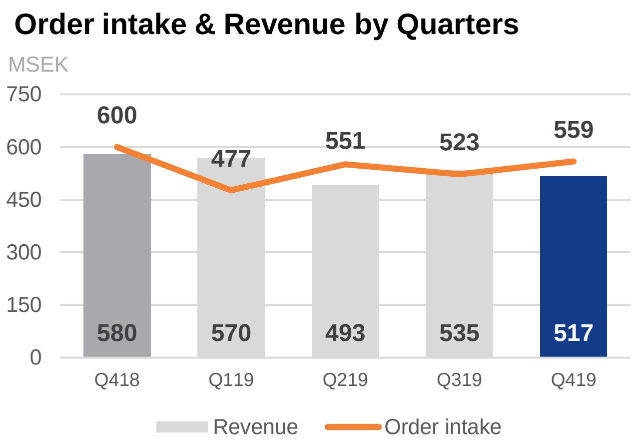


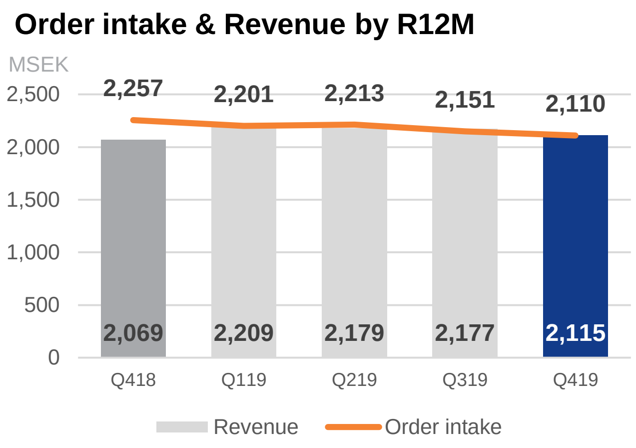


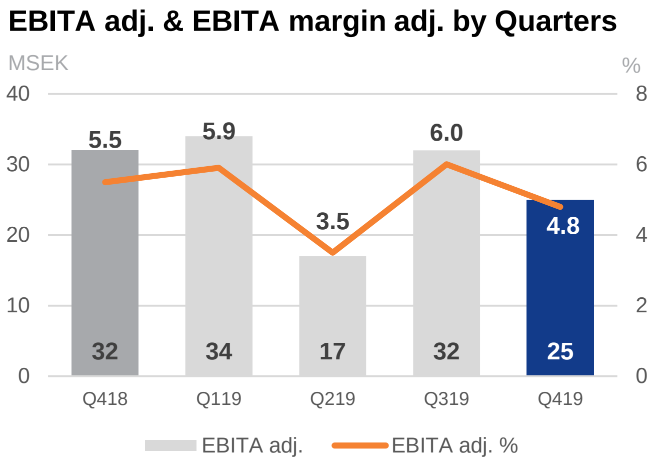
Industrial Equipment

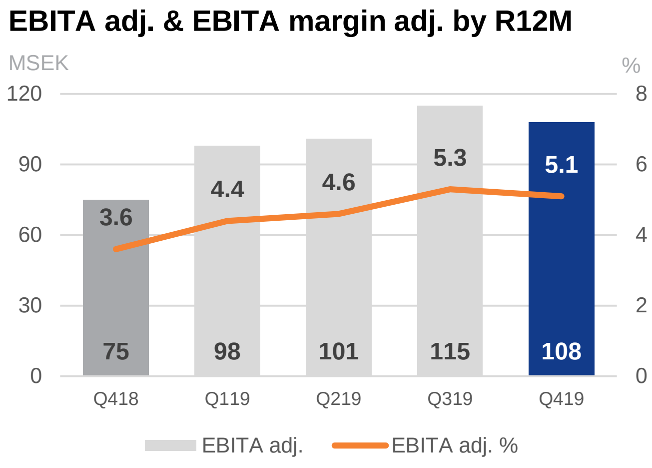
Q4

- Order intake decrease of 7%, down 11% organic, to MSEK 559 (600)
  - Decrease coming from tower internals for Wind
  - Good development for BMU and General Industry
- Revenue decrease of 11%, down 15% organically to MSEK 517 (580)
  - Drop stemming from Wind
  - The other business units up from last year
- EBITA adj. at MSEK 25 (32), a margin of 4.8% (5.5)
- Closing of Avanti's assembly plant in Tianjin, China







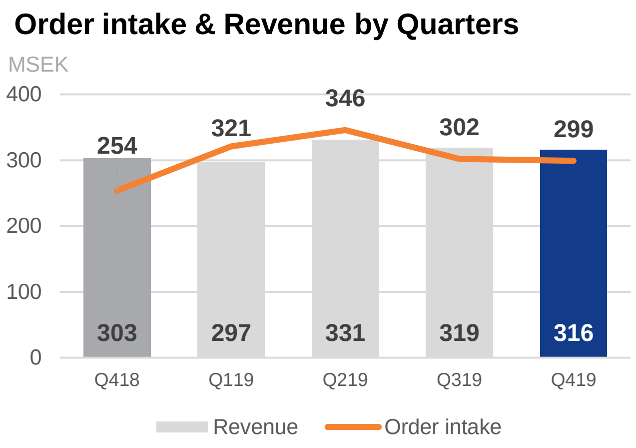


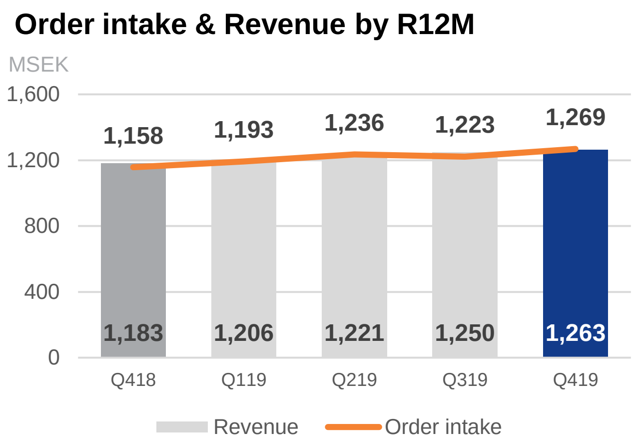
ALIMAK GROUP

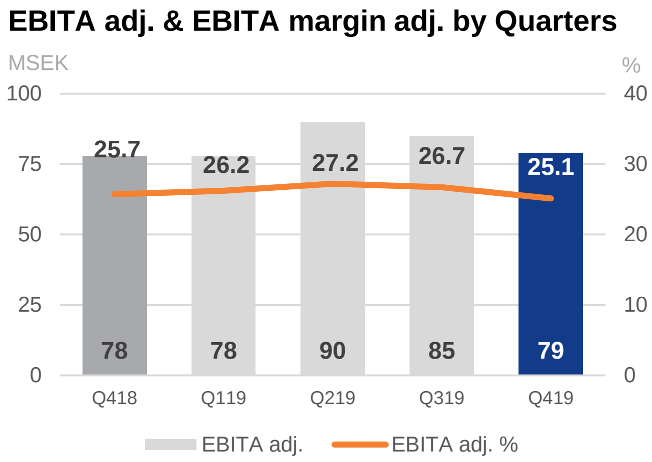
After Sales

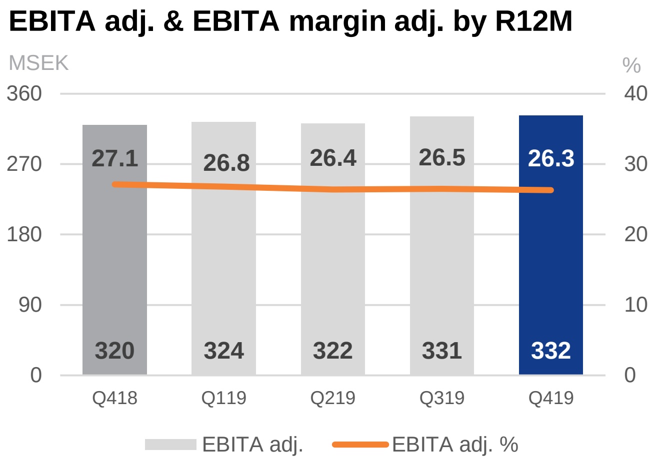
Q4

- Order intake increase of 18% to MSEK 299 (254), up 14% organically
  - Recovery in South East Asia and good development in Australia
- 4% growth of revenue, flat organically, to MSEK 316 (303)
- EBITA adj. at MSEK 79 (78), a margin of 25.1% (25.7)
  - Increased share of revenue from Wind and BMU affecting mix







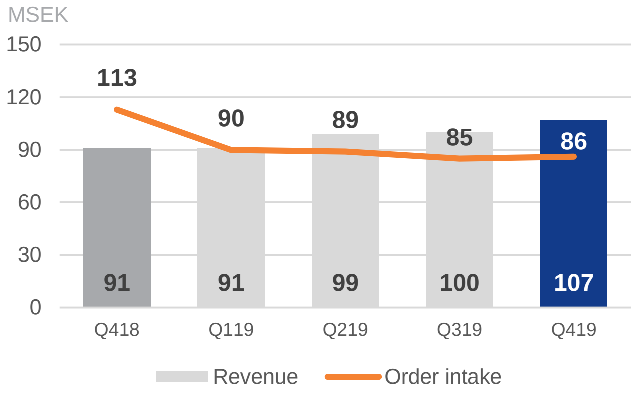


Rental

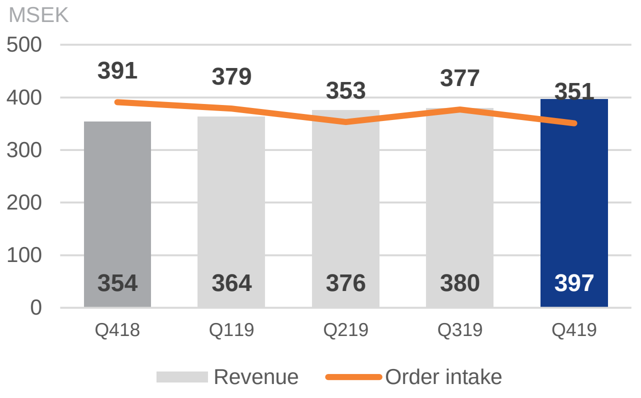
Q4

- Order intake decrease of 23% to MSEK 86 (113), down 26% organically
  - Solid backlog, promising pipeline
- Revenue growth of 17% in the quarter, 15% organic, to MSEK 107 (91)
  - High utilisation
  - All-time high full year revenue
- EBITA adj. at MSEK 16 (15), margin at 15.3% (15.9)

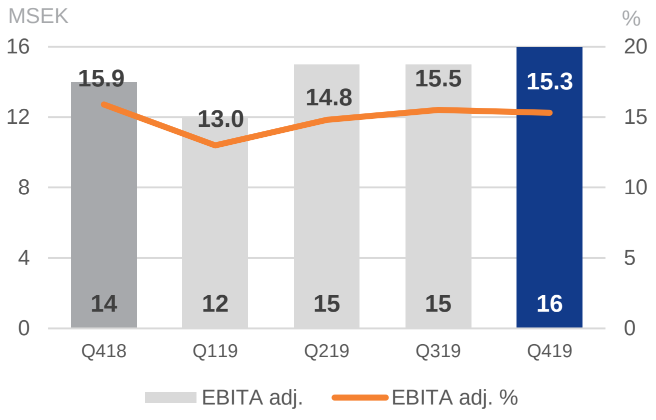
Order intake & Revenue by Quarters



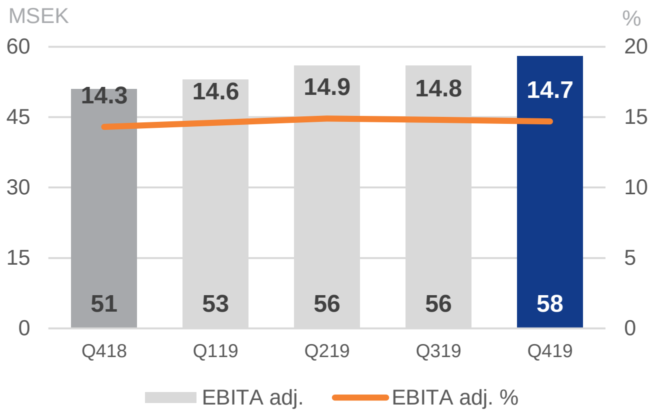
Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by Quarters



EBITA adj. & EBITA margin adj. by R12M



Earnings summary

Q4

- EBITA adjusted
  - Q4 lower revenue and margin for Industrial Equipment
  - All BA's improved result on yearly basis
- Non-recurring:
  - Tianjin plant Wind (Q4) and Dataline (Q2)
- Financial net:
  - Mainly IFRS 16 impact
- Taxes:
  - 2018 One-time adjustment of Deferred tax assets MSEK 45

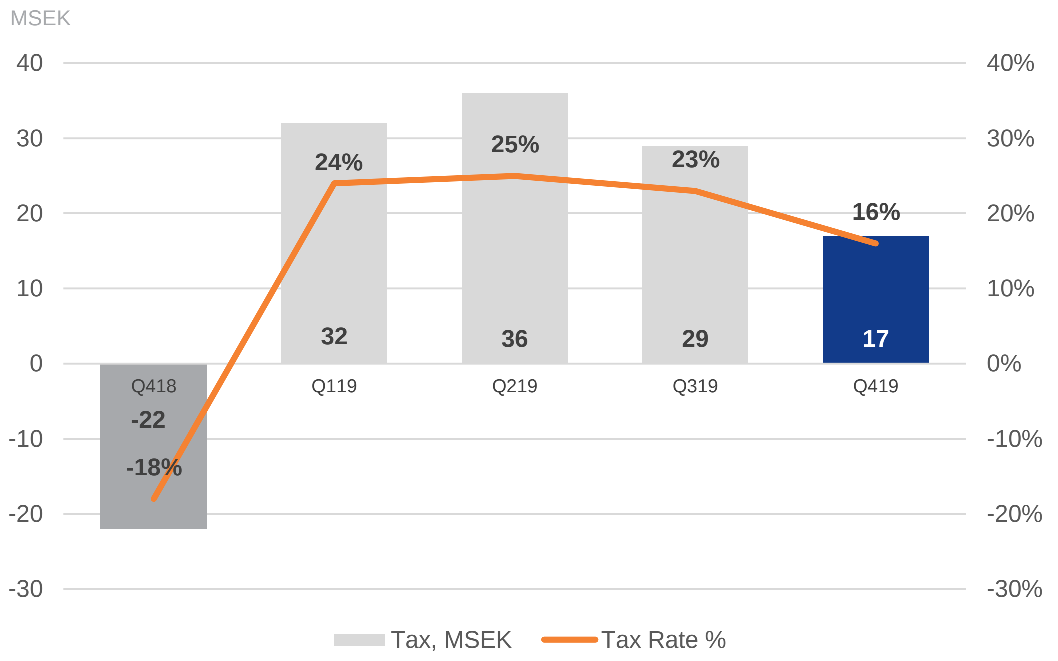
MSEK	Q4 2019	Q4 2018	△MSEK	FY 2019	FY 2018	△MSEK
EBITA adj.	**151**	**159**	**-8**	**629**	**555**	**+74**
Non-recurring costs	(18)	(15)	-3	(21)	(64)	+43
EBITA	**134**	**144**	**-10**	**608**	**490**	**+118**
Amortisations	(11)	(10)	-1	(43)	(51)	+8
EBIT	**123**	**134**	**-11**	**565**	**439**	**+126**
Financial net	(18)	(12)	-6	(56)	(43)	-13
EBT	**105**	**122**	**-17**	**509**	**396**	**+113**
Taxes	(17)	22	-39	(115)	(53)	-62
Result for the period	**88**	**144**	**-56**	**394**	**344**	**+50**

Tax Expense

Q4

- Tax expense for the quarter was MSEK 17, a tax rate of 16%
- Last year's tax income of MSEK 22 was positively impacted by the recognition of deferred tax assets of MSEK 45
- Tax rate for the year 23% (13%)

Tax expense and Tax rate by Quarter



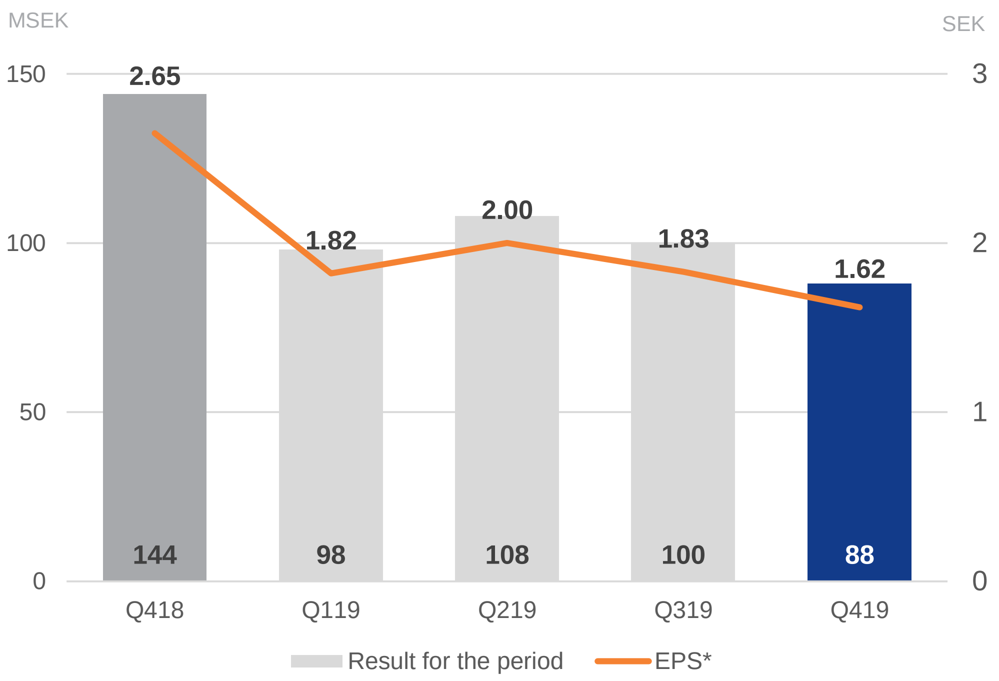
ALIMAK GROUP

Result for the period and EPS

Q4

- Result for the period MSEK 88 (144)
- The decrease mainly came from the higher tax expense
- EPS thereby decreased to SEK 1.62 (2.65) for the quarter
- EPS for the year SEK 7.28 (6.35) +15%
- Proposed dividend SEK 3.25 (2.75) +18%

Result for the period and EPS

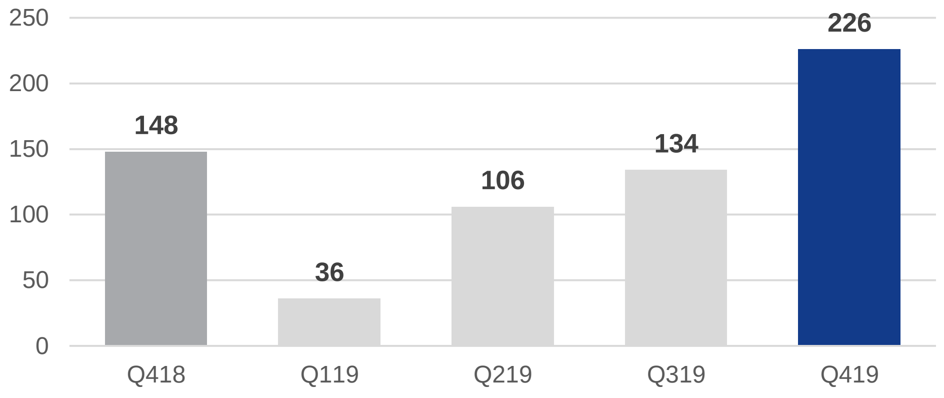


*) Calculated on numbers of shares at 2019-12-31: 54,157,861

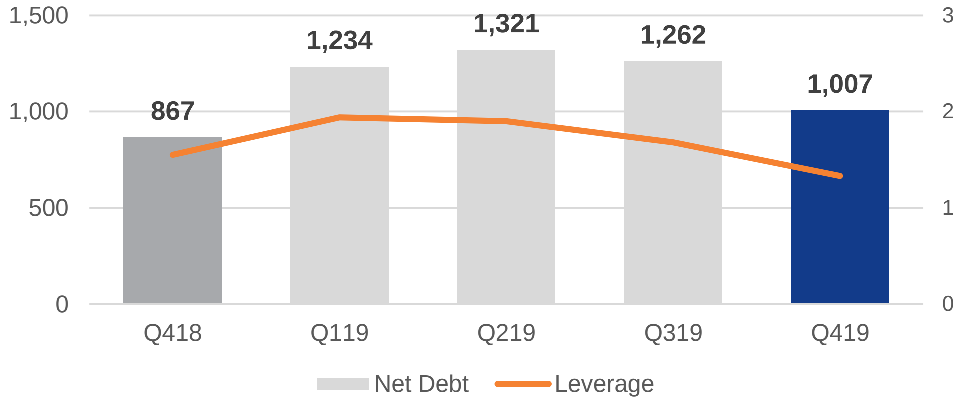
Cash flow and Net debt

- Strong cash flow from operations MSEK 226 (148)
  - Improvements especially in operating receivable and liabilities levels
- Net debt totalled MSEK 1,007 (867 as of December 31, 2018)
  - Net debt MSEK 740 excluding IFRS 16 impact
- Leverage (Net Debt/EBITDA) at December 31, 2019 was 1.33 (1.55 as of December 31, 2018)
  - Leverage 0.97 excluding IFRS 16 impact

Cash flow, MSEK by Quarter



Net debt, MSEK and Leverage by Quarter



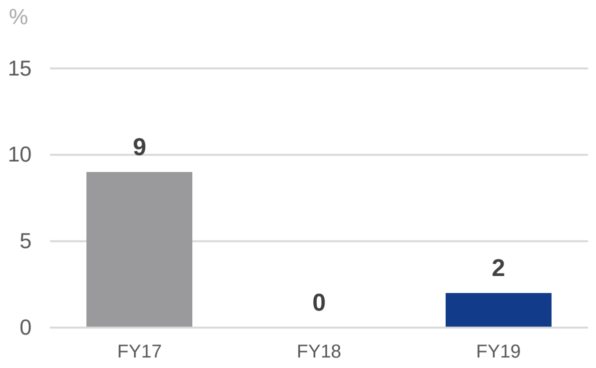
ALIMAK GROUP

Mid-term Financial Targets

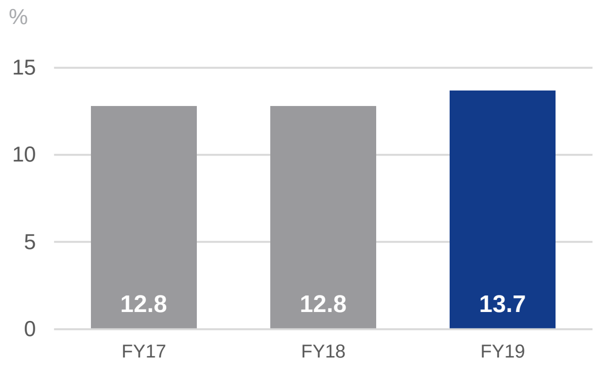
Q4

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.

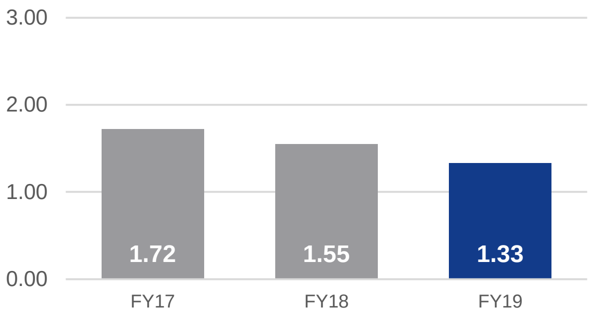
Organic revenue growth in %



EBITA margin adj. %



Leverage

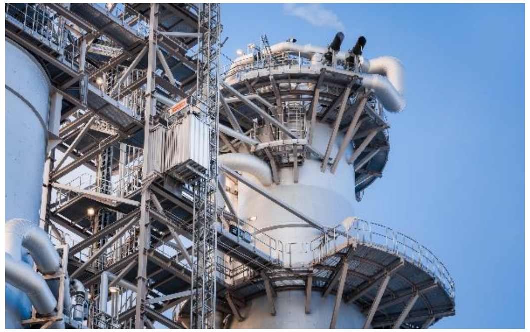


ALIMAK GROUP

Summary

Q4

- Soft fourth quarter, full year improvements
- Order decline in Construction Equipment and Wind, good momentum for After Sales
- All-time high full year revenues for After Sales, Construction Equipment and Rental
- Full year EBITA adj. increase to MSEK 629 (555), a margin of 13.7% (12.8)
- H1 2020 will be impacted by lower Construction backlog and challenges following the coronavirus outbreak. Stronger H2 2020 expected



2020 focus areas

Market expansion

- Product portfolio
  - New applications
  - New services
- Acquisition agenda

After Sales growth

- Service penetration
  - Continued focus on BMU installed base
- Utilisation within After Sales
  - Field Service Management system

Optimised operations

- Common platforms
  - BMU design
  - Field Service Management system
  - ERP
- Streamlined organisation
  - Operational excellence
  - Legal structure

Q&A