



ALIMAK

New Heights programme

October 8, 2020

Ole Kristian Jødahl, CEO

Tobias Lindquist, CFO

Alimak Group has a strong foundation

Leading market position

Global footprint with large installed base

Portfolio of leading brands

Supported by megatrends

Strong balance sheet – position to invest



But has not delivered on all financial targets

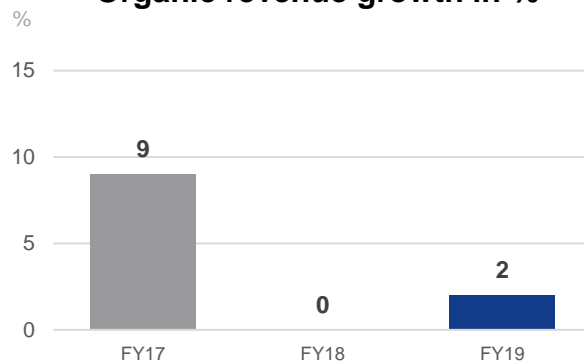
Revenue growth target



6%

The Group's mid-term target is to have an average annual organic revenue growth of at least 6%.

Organic revenue growth in %



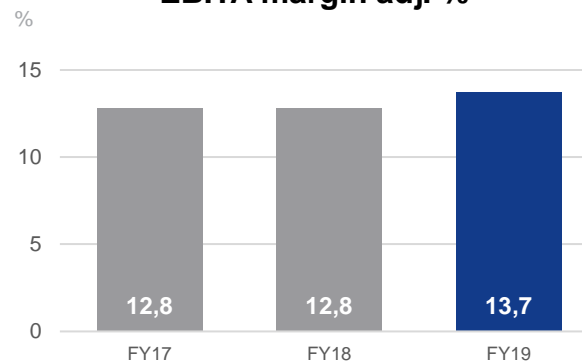
EBITA margin target



15%

The Group's mid-term target is to reach an operating EBITA margin of at least 15%.

EBITA margin adj. %



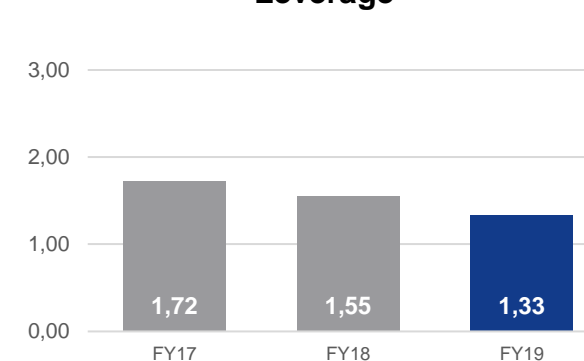
Leverage target
(Net debt/EBITDA)



2.0x

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.

Leverage



Four focus areas during this process

Digitalisation

**Customer
Focus**

**Technology
Leadership**

**Delivering
Shareholder
Value**

**People
& Culture**

Sustainability

Introducing the **New Heights** programme

1

Establish the base
2020

2

Secure margin improvements
2021

3

Profitable growth
2022-2025

What are we doing

- ✓ Updating Group **vision** and **core values**
- ✓ New **customer centric organisation** with full accountability and mandate to act
- ✓ Accelerating **innovation**, digitalisation and a customer centric value proposition
- ✓ Establishing a **People & Culture function** to secure excellence in developing our most important asset
- ✓ Setting **profit before growth** – securing margin improvements



Updated **vision** for Alimak Group

*“Moving people, material and businesses safely
to new heights”*



Updated **values** to guide us



Take ownership



Move fast



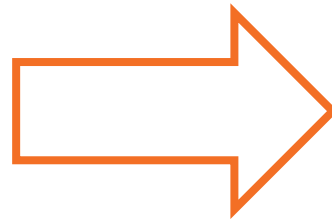
Challenge the limits



Be inclusive

A customer centric **organisation** with full accountability

Four divisions with
responsibility,
accountability and a
mandate to act



Responsible for the full
customer journey. Original
equipment, spare parts and
services

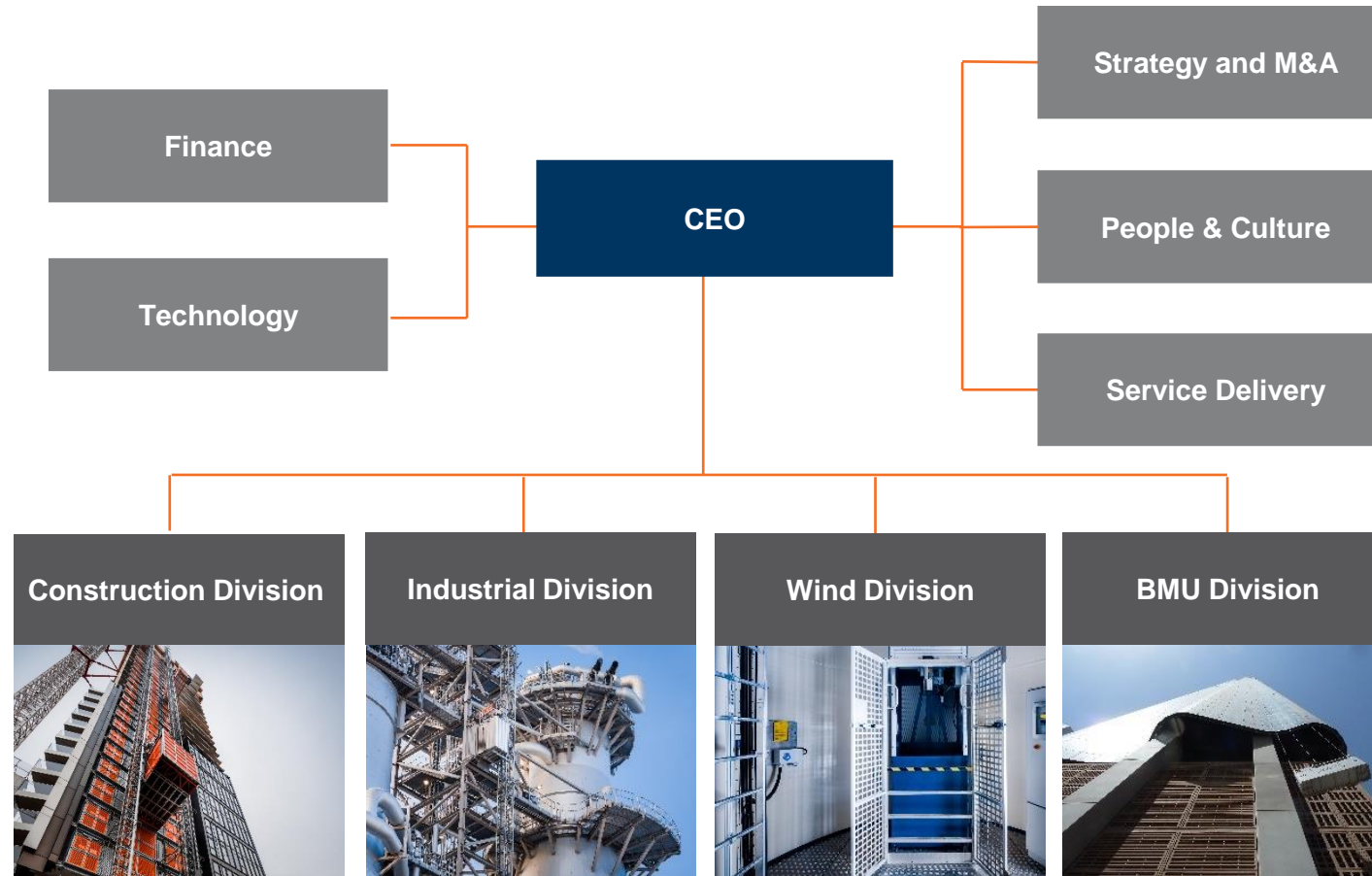
Supported by lean
corporate structures

Four new, customer centric divisions



* Share of Group revenues, estimated proforma FY 2019

Divisions supported by **lean corporate functions**



Accelerating innovation, digitalisation and a customer centric value proposition



- Invest in **innovation**. R&D cost as share of sales still below peers, about half of other comparable leading industrial companies
- Drive **connectivity** and **digitalisation** of our industry
- **Customer centric value propositions** optimising the full asset lifecycle

People & Culture function

- Establishing a **People & Culture function** to secure excellence in developing our most important asset
- Leverage on the **full potential** of every employee
- Ensuring a high performing **company culture** living the core values



Group-wide synergies

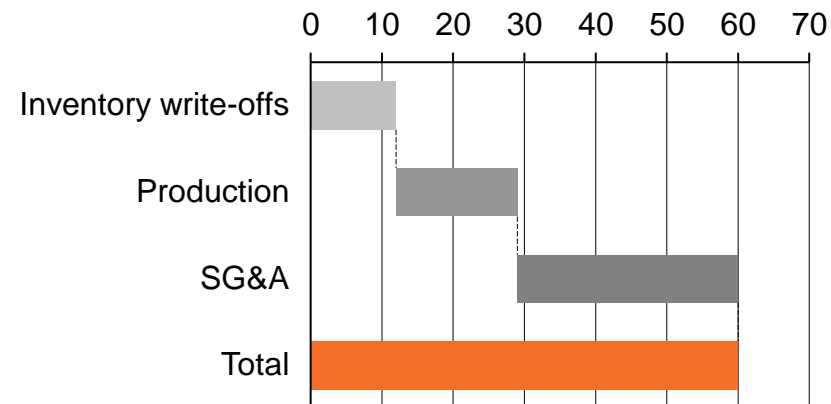
- **The Group will support and leverage:**
 - Digitalisation
 - Sustainability
 - People development and culture
 - Global setup, but local presence
 - The widest technology base and portfolio in the industry
 - Global Service Delivery function
 - Strong financial backing supporting the right investments



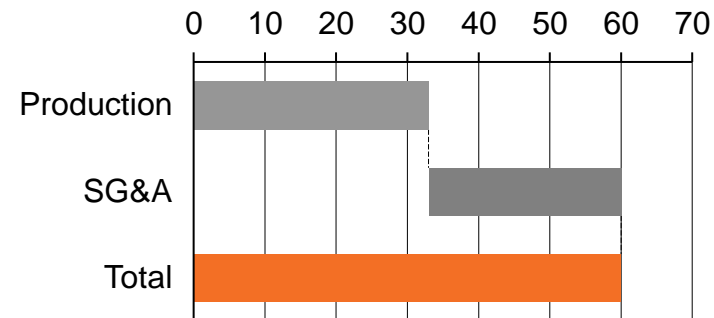
Secure **margin** improvements

- Profit before growth
 - Gain efficiencies from new organisation
 - Improve working capital management
 - Increased room to continue investment in technology and digitalisation
-
- ⇒ Net reduction of ~120 employees (80 production and 40 SG&A)
 - ⇒ Targeted **annual savings of ~MSEK 60**, full effect by end of H1 2021
 - ⇒ One-time costs of ~ **MSEK 60** (MSEK 35 in Q3 and MSEK 25 in Q4 2020)

One-off costs

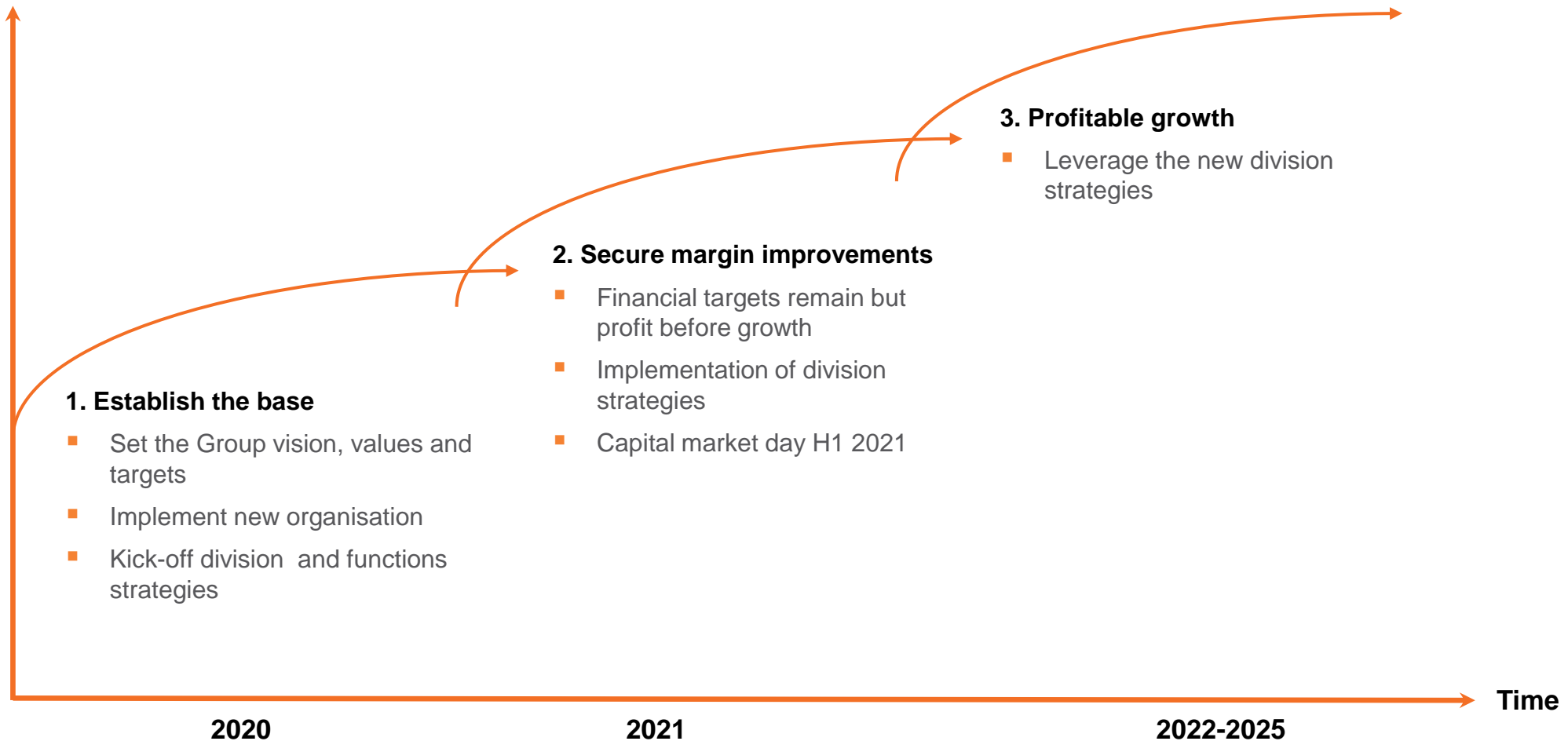


Annualised savings

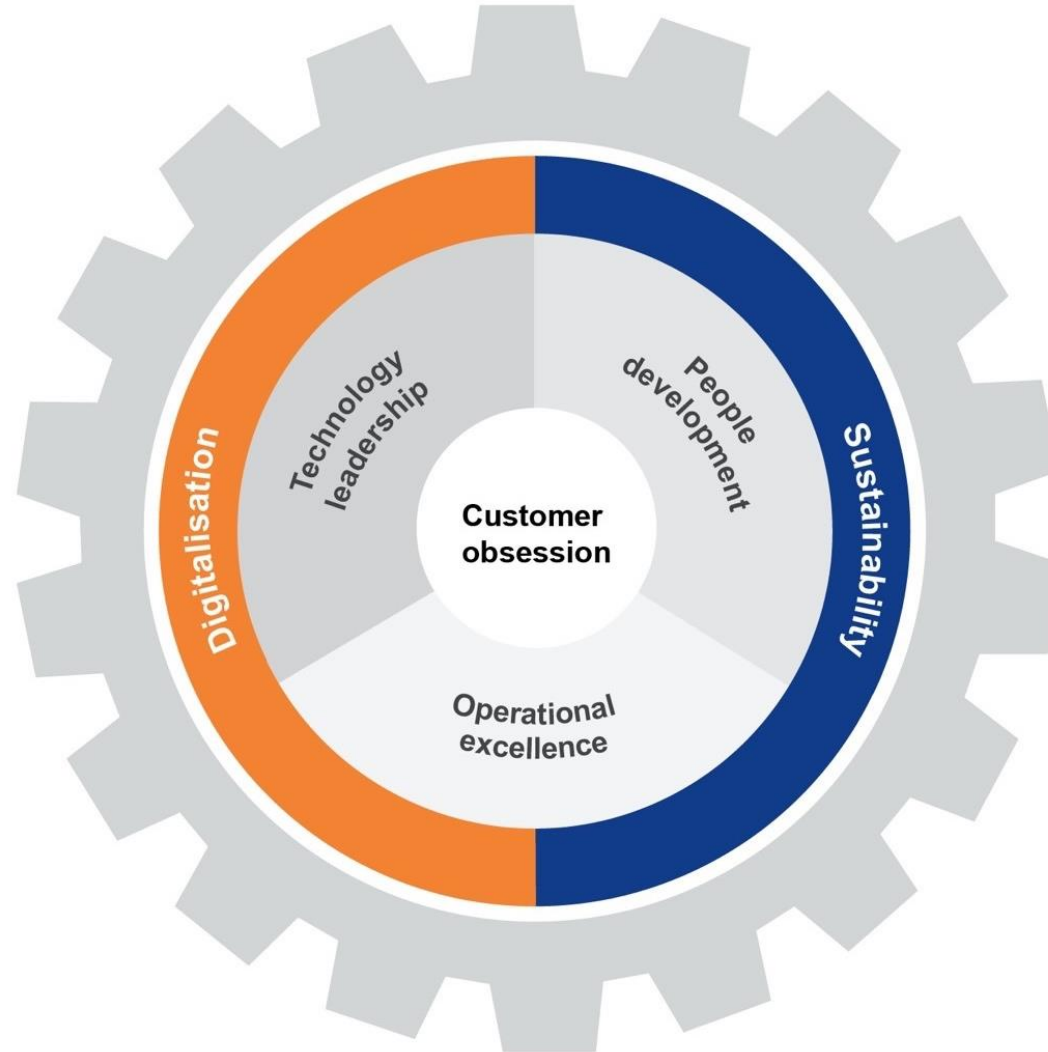


Timeline and roadmap to **New Heights**

Development



Corner stones for Alimak Group's future **value creation**



New Group **Leadership** Team



Ole Kristian Jødahl

Chief Executive Officer



Tobias Lindquist

Chief Financial Officer



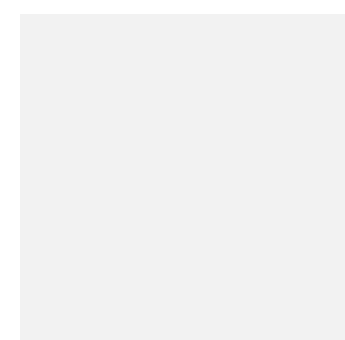
Charlotte Brogren

Chief Technology Officer



Matilda Wernhoff

Chief Strategy Officer



Recruitment ongoing

*Chief People & Culture Officer
Interim Cecilia Westerholm Beer*



Patrik Sundqvist

Chief Service Delivery Officer



José Maria Nevot

EVP Wind Division



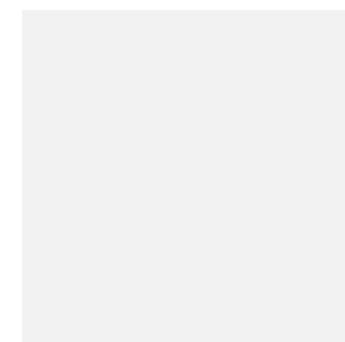
Mark Casey

EVP BMU Division



David Batson

EVP Construction Division



Recruitment ongoing

*EVP Industrial Division
Interim Patrik Sundqvist*



Q&A

