Alimak Group

25 April 2024

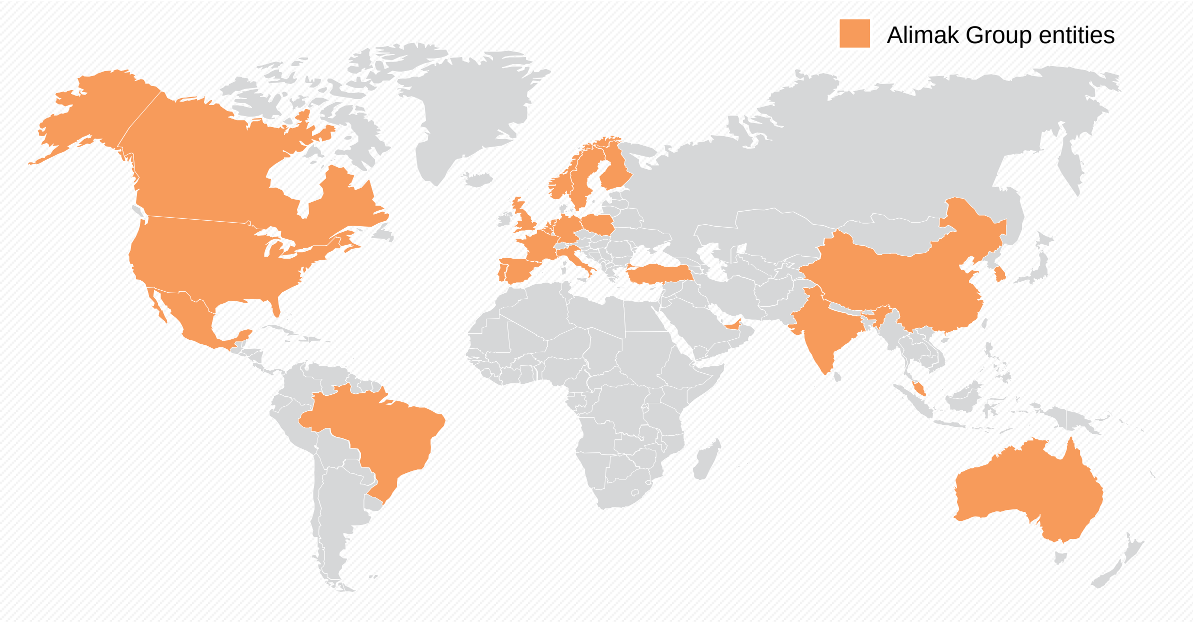
Ole Kristian Jødahl, CEO

Sylvain Grange, CFO

Alimak Group – a diversified global industrial company

Highlights

- Leading provider of sustainable vertical access and working at height solutions
- 3,000 employees, sales in +120 countries, presence in 28 countries
- Decentralised organisation with 5 customer-centric divisions



Drivers for success

- Supported by global trends
- Leading market position in focused niches
- Global footprint with a large installed base
- Spare parts and service
- Strong balance sheet and cash conversion

New Heights programme – our strategic roadmap

1
Establish the base
2020

2
Secure margin improvements
2021

3
Profitable growth
2022-2025

Financial targets and dividend policy

Investment in sales & marketing, product & service development and M&A

Revenue growth
6-10%

Operational efficiency, synergies, and Facade Access improvement

EBITA margin
>18%

Strong focus on working capital improvements and limited capex need

Leverage ratio
<2.5x

Dividend pay-out ratio of 40-60%

Sustainability targets

CO_2 reduction to 2025 *	**Employee NPS**	**LTIFR** Injury rate per mn working hours	**ESG assessment of direct material suppliers****
30%	**>40**	**<2**	**>80%**
As of April 2024, we are in "commitment" status for Science Based Targets			

* Scope 1,2 3, normalized based on turn-over, reduction compared to 2019
** Corresponding to 80% of direct material spend

A mixed start to the year

Q1

- Still facing a challenging market impacted by the persistently high interest rates and geopolitical uncertainty
- Variations between the divisions in the quarter
- Group order intake was on par with our revenue, meaning that our order book remains on a high level
- Our diversification, global footprint and customer focus bring resilience, and adjusted EBITA margin ended on a solid 16.4% in the quarter
- Strong cashflow, with an increase of 99% year-over-year



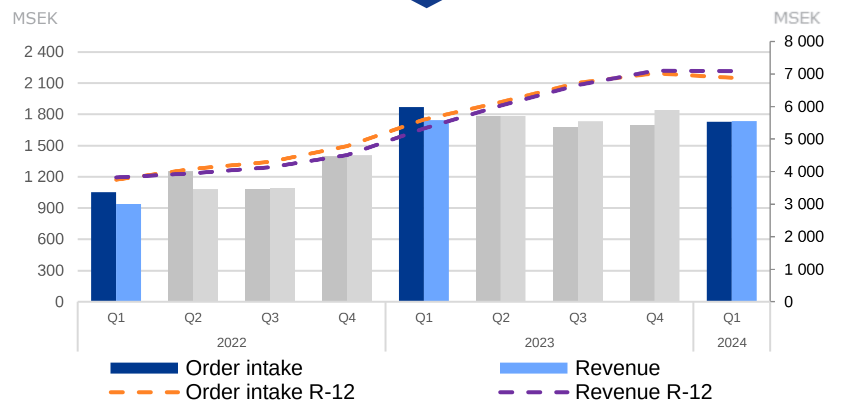


Group quarterly summary

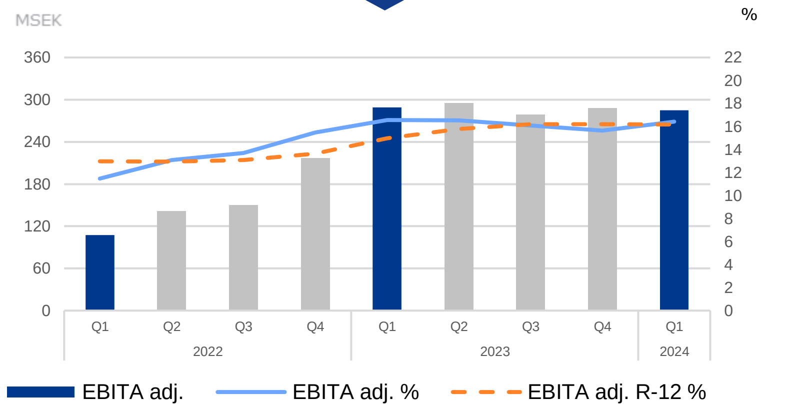
Q1

- **Order intake** was MSEK 1,729, -8% (-7% organically)
  - Lower order intake in the Facade Access, Industrial and Wind divisions
  - Good order intake in the Construction division
- **Revenue** was MSEK 1,736, -1% (0% organically)
  - Low revenue in the Construction division due to the soft order intake in Q4 2023
  - Strong revenue in the Industrial division
- **EBITA adj.** was MSEK 285 (289), margin at 16.4% (16.6)
  - Continued margin improvement in the Facade Access division
  - Significantly lower margin in the Construction division
  - Strong result in the Industrial and Wind divisions

Order intake & revenue



EBITA adj & EBITA adj %



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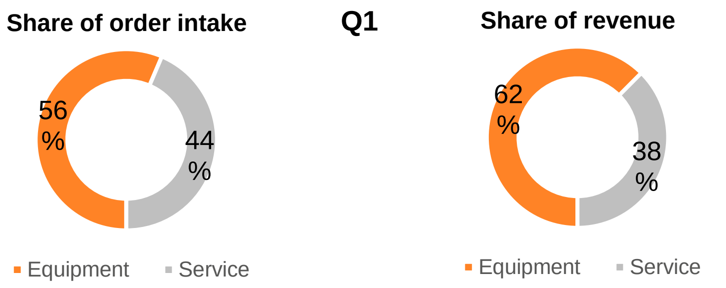
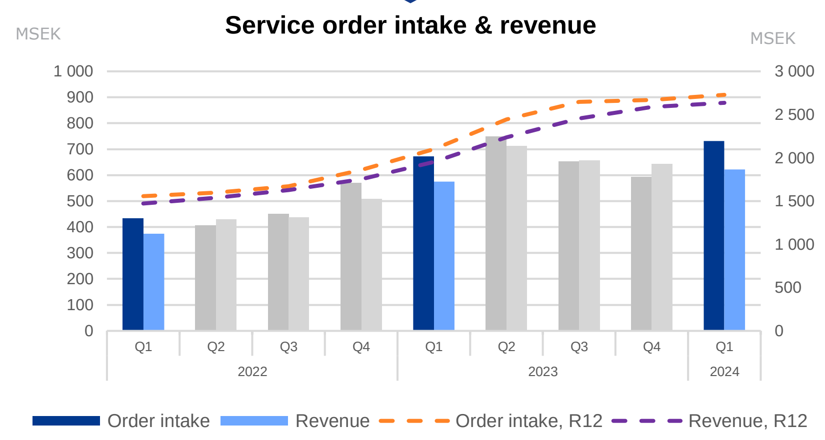
Service order intake and revenue

Q1

- **Service is a key component of the New Heights value creation programme**
  - Creates resilience
  - Significant part of all divisions
  - We continue to actively drive growth initiatives



Service order intake & revenue

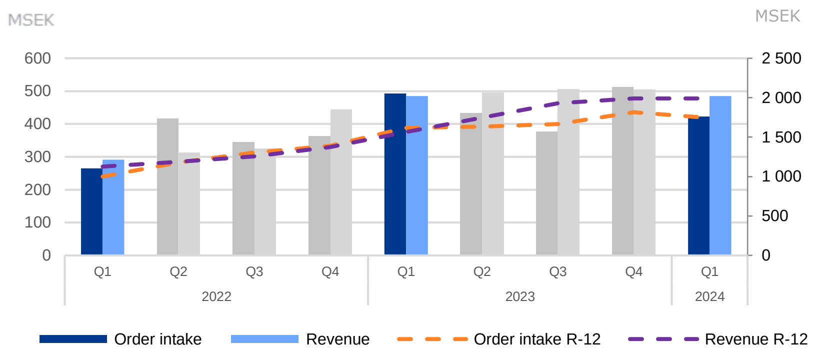


Facade Access

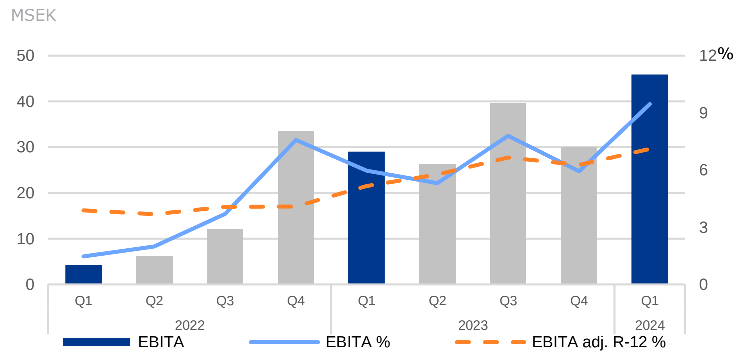
Q1

- **Order intake** was MSEK 423, -14% (-14% organically)
  - The market for high complexity solutions (BMUs) is still challenging, while the market for medium and low complexity solutions continued to develop well
  - Growth in the service and retrofit segments in all geographies
- **Revenue** was MSEK 485, 0% (0% organically)
  - Service revenue continued to grow in all geographies
- **EBITA** at MSEK 46 (29), margin 9.6% (6.0)
  - New projects signed at better margins and including contingencies; improved project execution
  - Service margins improved through pricing and retrofit/refurbishment/replacement focus
  - Factory underutilisation still too high, German assembly site closure under way

Order intake & revenue



EBITA & EBITA %



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Facade Access – business update

Q1

- **Mammendorf assembly site closure project ahead of schedule**
  - Signed agreement with the German works council
  - Supply chain and competency transfers to Madrid site ongoing
  - Assembly activity at the Mammendorf facility will conclude at the end of summer (with the Sydney Harbour Bridge project being the only exception)
- **Acquisition of One Legacy, Malaysia**
  - Specialist BMU service provider based in Kuala Lumpur
  - Approximately MSEK 6.7 turnover
  - Strengthening our position as a service provider in APAC
  - Supporting our refurbishment/retrofit/replacement strategy

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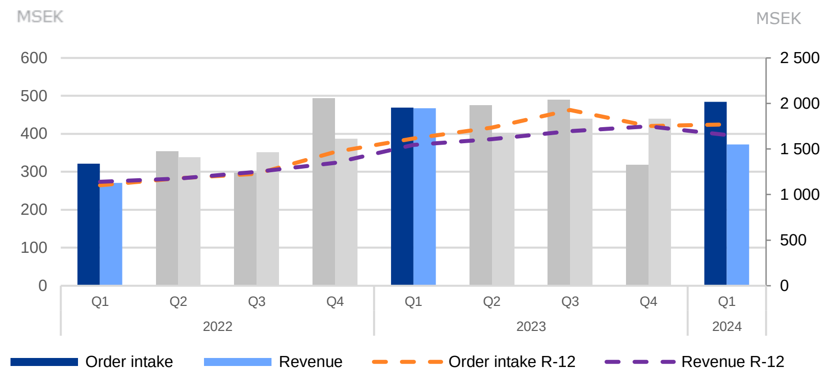
Construction

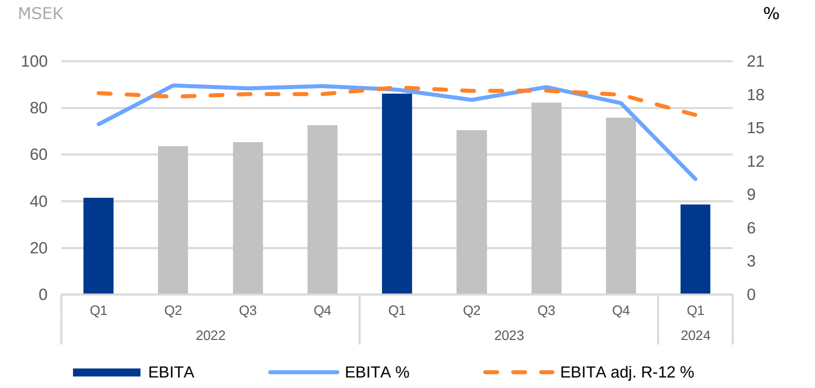
Q1

- **Order intake** was MSEK 484, +3% (+4% organically)
  - Solid orders received for new equipment, rental, parts and service in all regions
- **Revenue** was MSEK 371, -20% (-20% organically)
  - Low revenue due to soft order intake in Q4 last year
  - Very low invoicing out of the Skelleftea factory in January and February
  - Scanclimber business significantly impacted by a very slow Nordic market
- **EBITA** at MSEK 39 (86), margin 10.4% (18.5)
  - Soft order intake in Q4 for new equipment, impacting product mix and gross margin
  - Accelerating the review of our fixed cost structure

Order intake & revenue



EBITA & EBITA %



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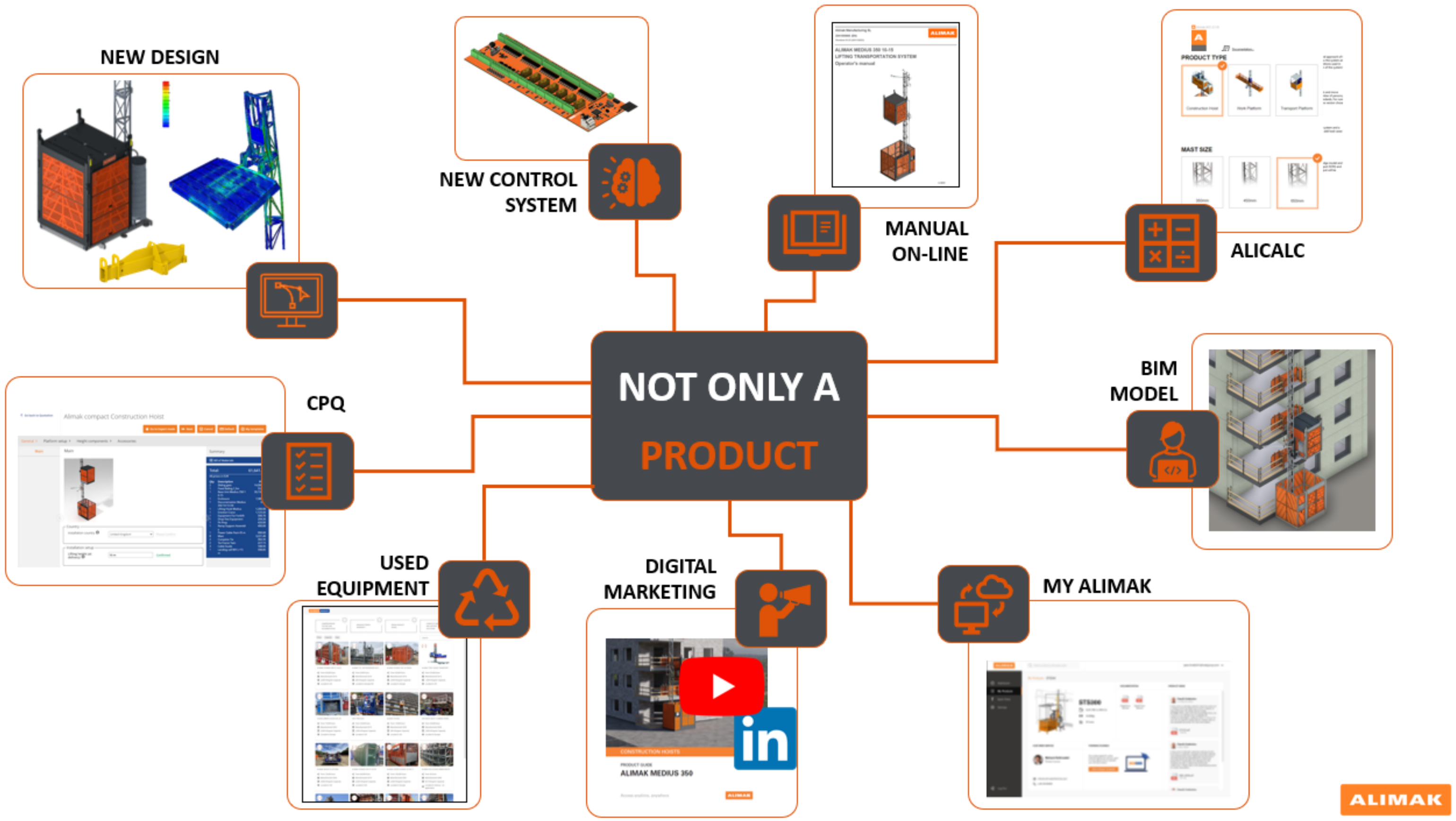
Construction – business update

- **Long-term strategy remains unchanged**
  - Strong order intake in Q1 driven by customer focus, geographic expansion, product development and flexible business model
- **Construction markets still experiencing headwinds**
  - The Nordic market continues to be very weak
  - Despite tough global market conditions, we see continued growth opportunities in most regions
- **Major orders won across our footprint**
  - Multiple orders for construction hoists in USA
  - Significant hoist orders for apartment projects in Dubai
  - Orders for mast climbers, including accessories, in India
  - Order for the highest building (the first Skyscraper) in Greece

Construction – business update

Q1

- **Moving people, material and businesses safely to new heights**
  - Close to our customers
  - Technology leadership
  - Sustainable business model



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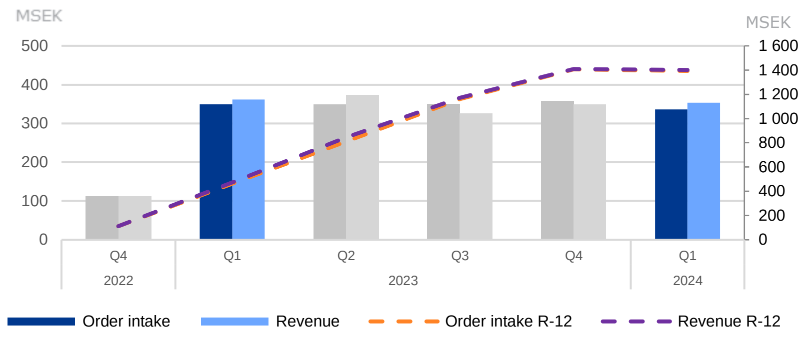
Height Safety & Productivity Solutions

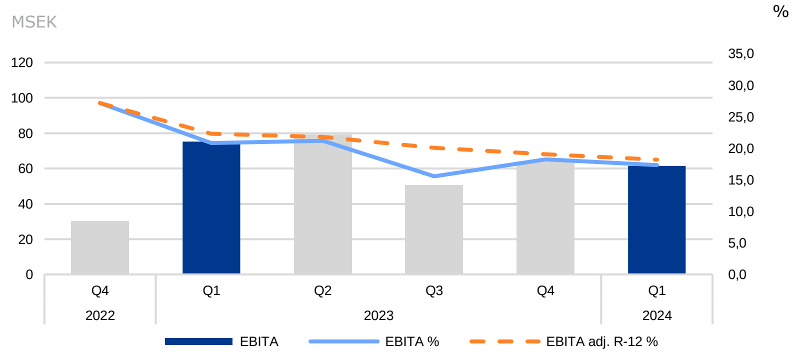
Q1

- **Order intake** was MSEK 336, -4% (-4% organically)
  - Excluding inter-division sales, growth was flat year-over-year
  - The lifting & handling specialist and elevator segments held up well
- **Revenue** was MSEK 354, -2% (-3% organically)
- **EBITA** was MSEK 61 (75), margin 17.4% (20.8)
  - Decrease mainly driven by central cost allocation changes (as for the last two quarters), which is expected to also affect Q2

Order intake & revenue



EBITA & EBITA %



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HSPS – business update

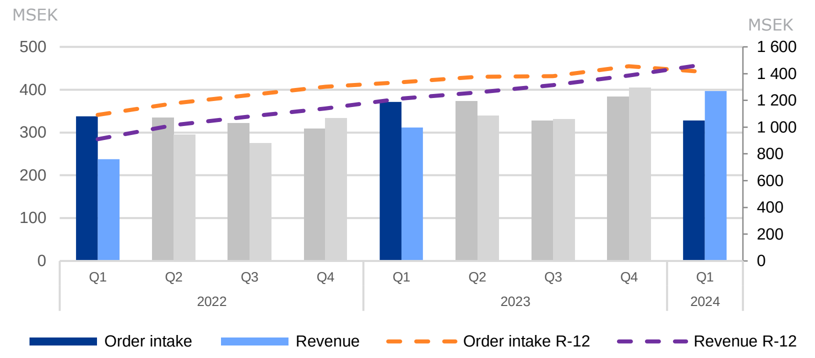
- **Continued focus on sales, marketing and product development**
  - Main focus on the elevator, underground networks, confined industries, fire & rescue and load measurement segments
  - 10% increase in lead generation
  - Strengthening of service delivery performance
- **Regionalization into North America, Southern Europe & Northern Europe**
  - More cross-border solutions and resource sharing
- **Comprehensive sale to top elevator company in the UK**
  - A large number of Tirak hoists, including safety devices, pulleys and wire ropes

Industrial

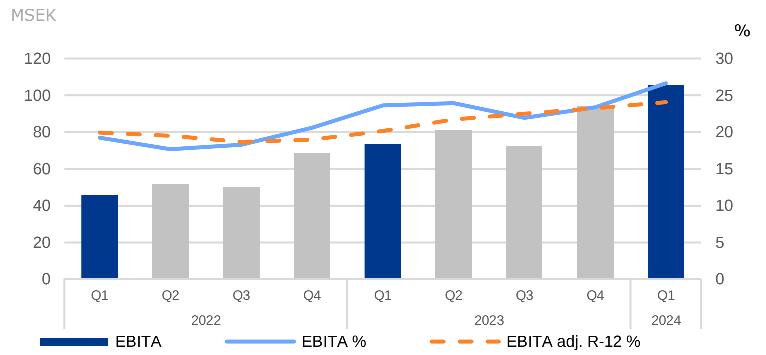
Q1

- **Order intake** was MSEK 328, -12% (-11% organically)
  - Decrease in traction equipment order intake
  - Sales pipeline remains strong
  - Continued strong spare parts and services growth throughout all regions
- **Revenue** was MSEK 397, +27% (+28% organically)
  - Several key equipment deliveries in the quarter within cement, oil and gas, and port customer segments
  - Strong aftermarket revenue
- **EBITA** increased to MSEK 106 (74), margin 26.6% (23.6)
  - Record margin driven by volume, strong project execution and aftermarket activity

Order intake & revenue



EBITA & EBITA %



Q1

Industrial – business update

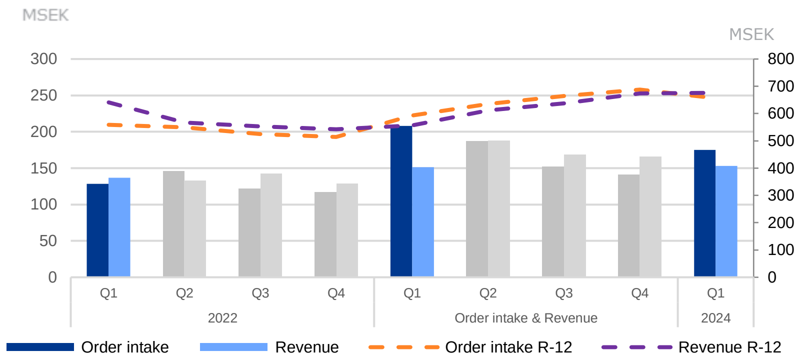
- **Geographical expansion**
  - Adding sales resources in key growth regions generating results, e.g. Latin America
- **Further success in offshore wind support**
  - Securing a repeat order of rack and pinion gangway lifts
- **Improving aftermarket penetration in all regions**
- **Launch of the SL-Ex lift**
  - Cost competitive explosion proof offering, for e.g. in the oil & gas segment, for non-regulated markets

Wind

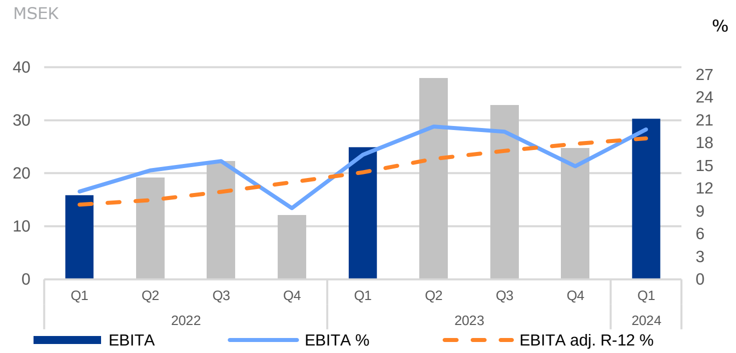
Q1

- **Order intake** was MSEK 175, -16% (-15% organically)
  - Compared to a high comparable in Q1 2023
- **Revenue** was MSEK 153, +1% (+1% organically)
  - Strong sales in most regions of ladders, fall protection systems and PPE (personal protective equipment)
  - Strong service activity in EMEA
- **EBITA** at MSEK 30 (25), margin 19.8% (16.5)
  - Good EBITA margin supported by a favourable product mix

Order intake & revenue



EBITA & EBITA %



Wind – business update

Q1

- **Market expectations positive in the long-term, but with some short-term concerns**
  - Fierce price competition
- **New versions of ladder guided lifts are being developed in China**
  - In line with our strategical initiative “China for China”
- **Strong development for the ladders, fall protection systems and PPE segments in most regions**

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Profit & loss summary

Q1

- **EBITA adj.**
  - Stable with a stable revenue and despite cost inflation
- **Amortisation**
  - At circa MSEK 50 since Q2 2023
- **Taxation**
  - Tax rate for the quarter of 26.1% (25.2), reflecting country mix
- **Net result for the period**
  - Growing by 6%

MSEK	Q1 2024	Q1 2023	Δ%
Order intake	**1 729**	**1 870**	**-8**
Organic order growth			*-7*
Revenue	**1 736**	**1 745**	**-1**
Organic revenue growth			*0*
Gross Profit	**698**	**696**	**0**
Gross Margin %	***40.2***	***39.9***	*+0.3 pp*
Operating expenses *	**-417**	**-410**	**2**
Operating expenses %	***-24.0***	***-23.5***	*-0.6 pp*
EBITA	**281**	**286**	**-2**
EBITA%	***16.2***	***16.4***	*-0.2 pp*
Items affecting Comparability	***-4***	***-3***	*-39*
EBITA adj	**285**	**289**	**-2**
EBITA adj %	***16.4***	***16.6***	*-0.2 pp*
Amortisation	**-53**	**-38**	39
EBIT	**228**	**248**	-8
Financial net	**-50**	**-82**	-39
EBT	**178**	**166**	7
Taxes	**-46**	**-42**	11
Result for the period	**131**	**124**	6

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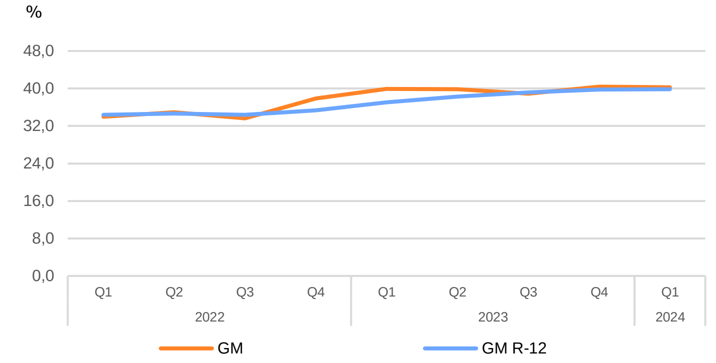
Gross margin and operating expenses

Q1

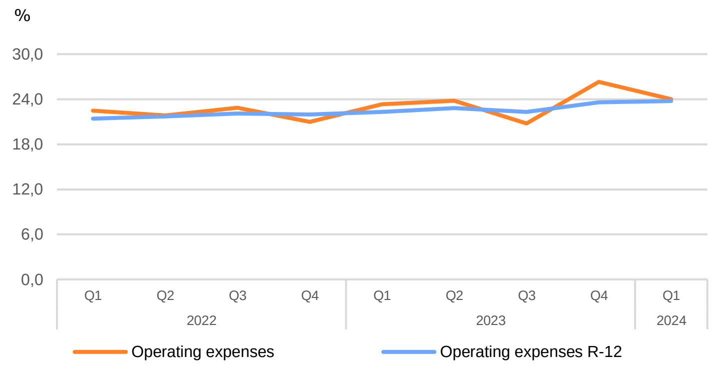
- **Gross margin was 40.2% (39.9)**
  - Continued margin improvement in the Facade Access division
  - Wind division margin improved over time and supported in the quarter by a favourable mix effect
  - Significantly lower margin in the Construction division in the quarter (mix and under-utilization)

- **Operating expenses were 24.0% (23.5) as a revenue percentage**
  - Some investments in sales (IND) and product development
  - Cost initiatives to produce effects later in the year and in 2025

Gross margin



Operating expenses*



* excluding Amortisation

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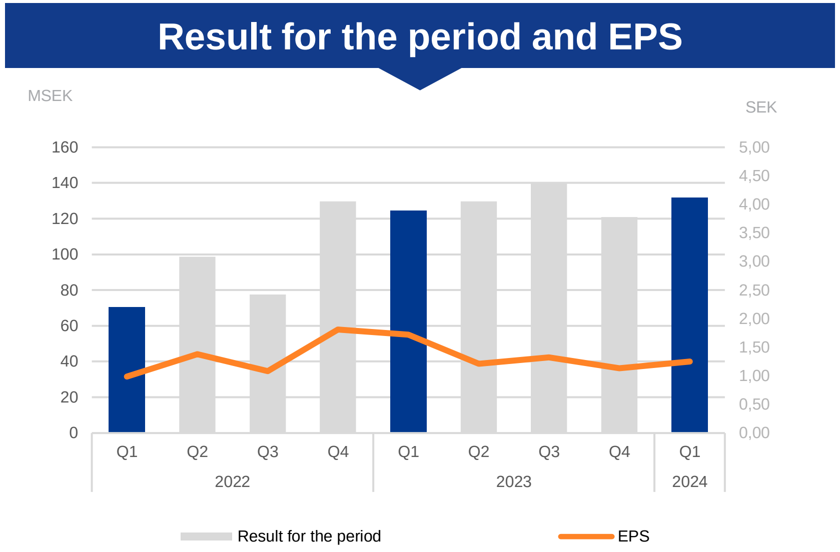
Result for the period and EPS

Q1

- **Result for the period was MSEK 131 (124), +6%**
- **Excluding IAC** (Items Affecting Comparability)**, result for the period was MSEK 135 (127), +7%**
- **Earnings per share was SEK 1.24 (1.72)**
  - Adjusted for IAC and acquisition related amortizations, EPS was SEK 1.66 (2.11)
  - EPS and adjusted EPS affected by higher number of shares, further to the rights issue in March 2023



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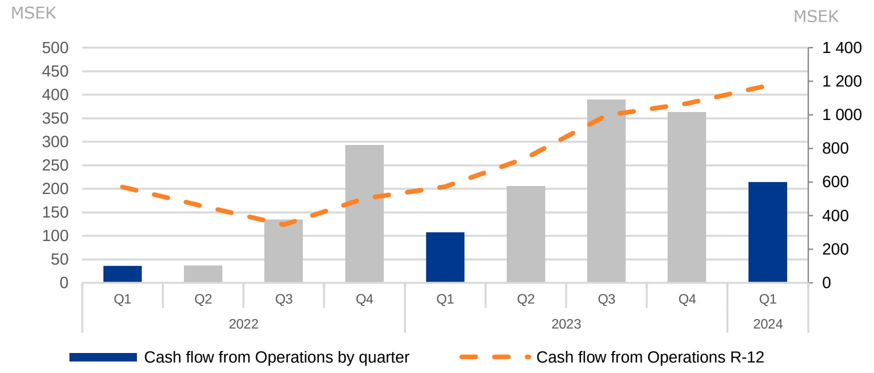
Operating cash flow

Q1

- **Cash flow from operations MSEK 214 (108)**
  - Continued cash focus
  - Positive impact of better working capital management

Operating cash flow, MSEK



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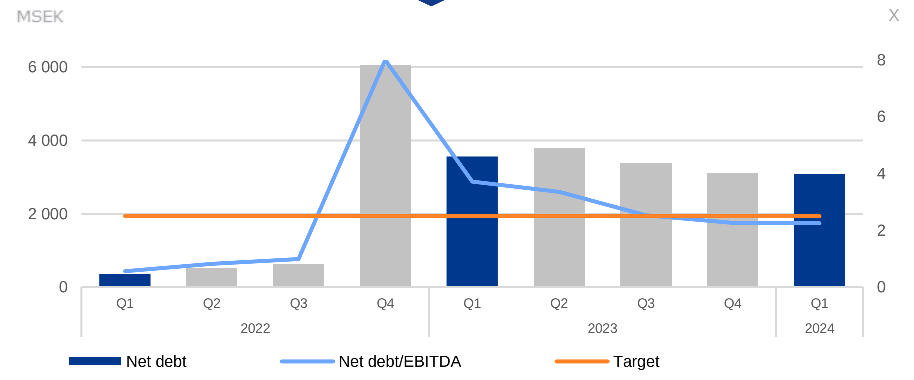
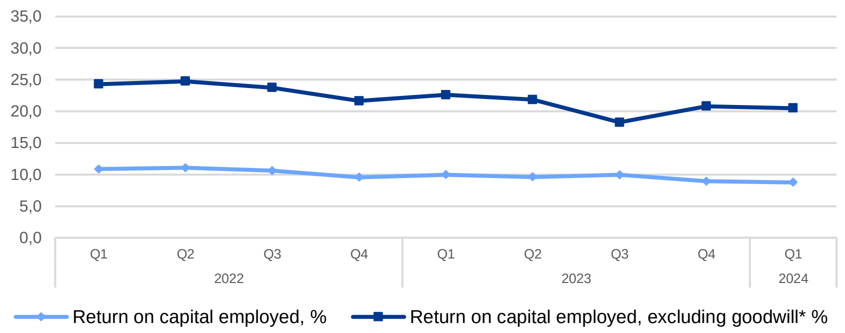
Net debt and return on capital employed

- **Net debt remains stable**
- **Net debt/EBITDA 2.25 (3.72)**
  - Well in line with our financial target of being below 2.5x
- **Focus on operating cash flow will continue**
- **Capital allocation priorities:**
  - De-leveraging
  - Investing in organic growth
  - Acquisitions
  - Dividend according to policy
- **Return on capital employed**
  - Affected in the quarter by impact of balance sheet FX (weak SEK)

Net debt, MSEK and leverage



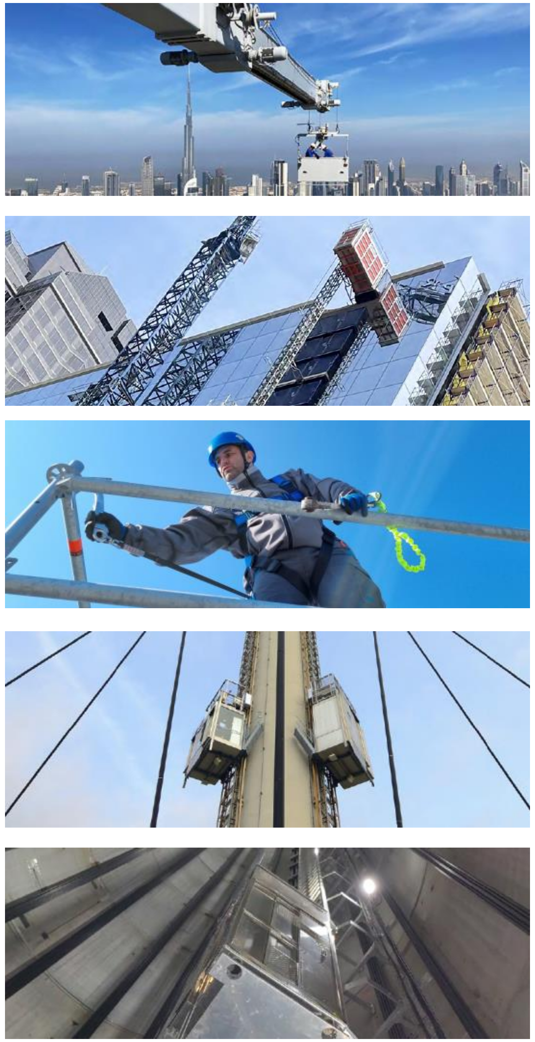
Return on capital employed



Q1

A mixed start to the year

- Variations between the divisions
- Our diversification, global footprint and customer focus brings resilience
- We will continue to execute on the New Heights programme to ensure we deliver on our financial and sustainability targets
- Thank you to all employees!



Q&A