Alimak Group

29 October 2024

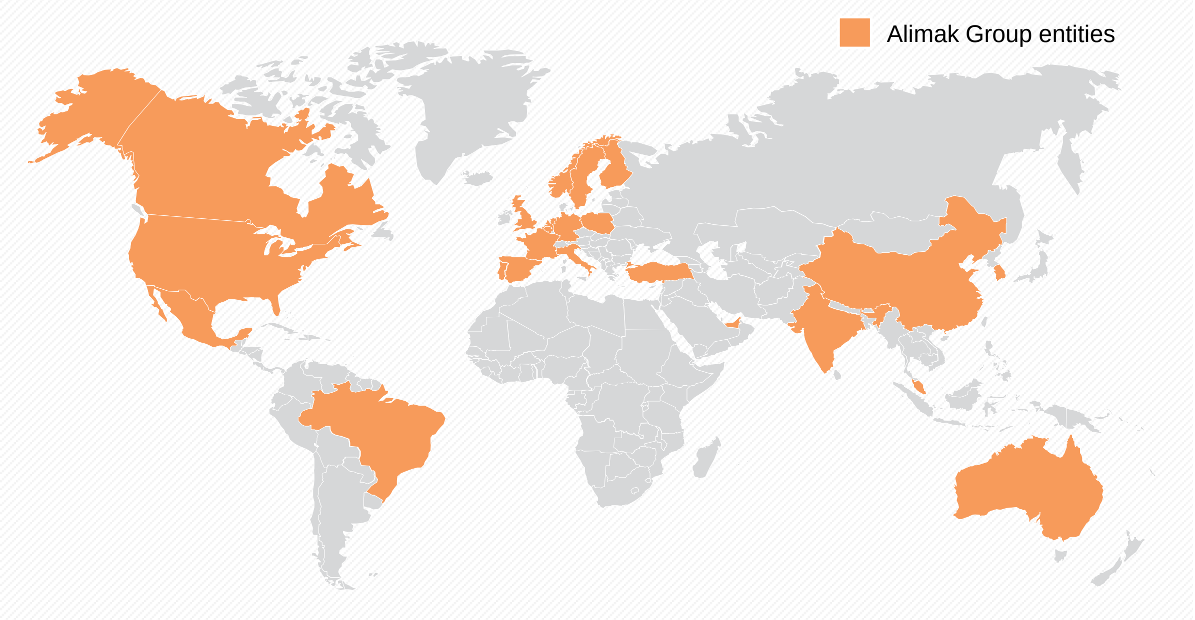
Ole Kristian Jødahl, CEO

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	2	3
Establish the base	**Secure margin improvements**	**Profitable growth**
2020	2021	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

Solid performance

Q3

- Adjusted EBITA at 17.8% – another significant step toward our financial target of an adjusted EBITA margin above 18%
- Transformation program in Facade Access runs according to plan, and we reached an EBITA margin of 11.5%
- Still a challenging construction market, although we expect investment sentiment to gradually become more positive as lower interest rates materialize
- We continue to effectively manage the markets and execute on our profitable growth strategy
- Good cash flow from operations, deleveraging Net debt/EBITA to 2.12 down from 2.29 in Q2



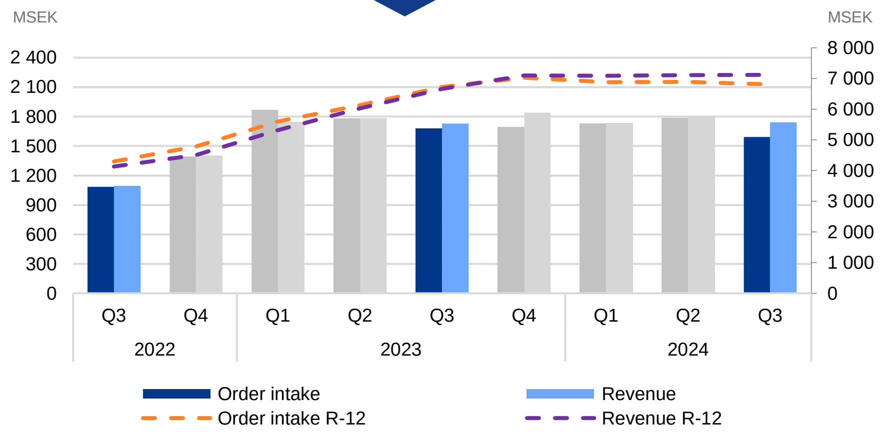


Group quarterly summary

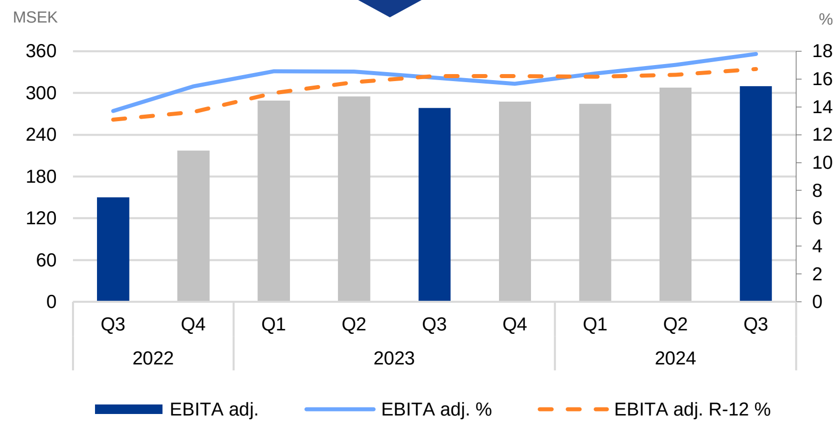
Q3

- **Order intake** was MSEK 1,592, -5% (-2% at constant currency)
  - Strong performance in the Facade Access, Industrial and Wind divisions, while the Construction and HSPS divisions reported lower order intake
- **Revenue** was MSEK 1,742, +1% (+4% at constant currency)
  - Positive contribution from HSPS, Industrial and Wind divisions
- **EBITA adj.** at MSEK 310 (279), margin at 17.8% (16.1)
  - All-time high in reported earnings and margin
  - Continued margin improvement in the Facade Access division

Order intake & revenue



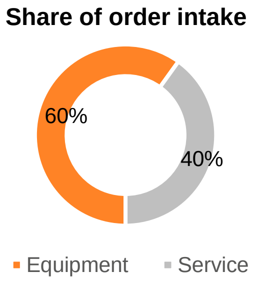
EBITA adj & EBITA adj %

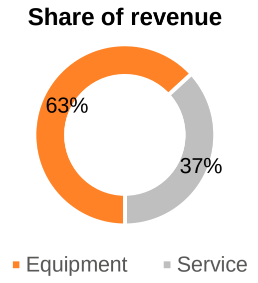


Service order intake and revenue

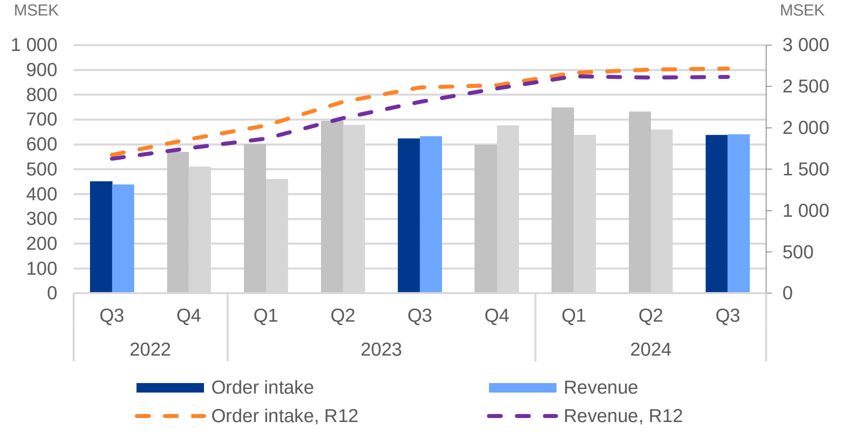
Q3

- **Service is a key component of the New Heights value creation programme**
  - Order intake increased 2% (6% at constant currency) to MSEK 638 (625)
  - Revenue increased 1% (4% at constant currency) to MSEK 640 (633)
  - Creates resilience and opportunities
  - Continues to grow
  - We actively drive growth initiatives





Service order intake & revenue



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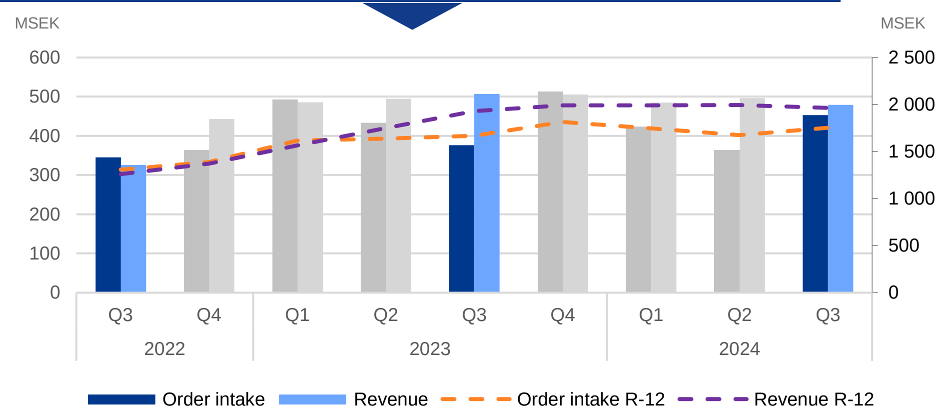
Facade Access

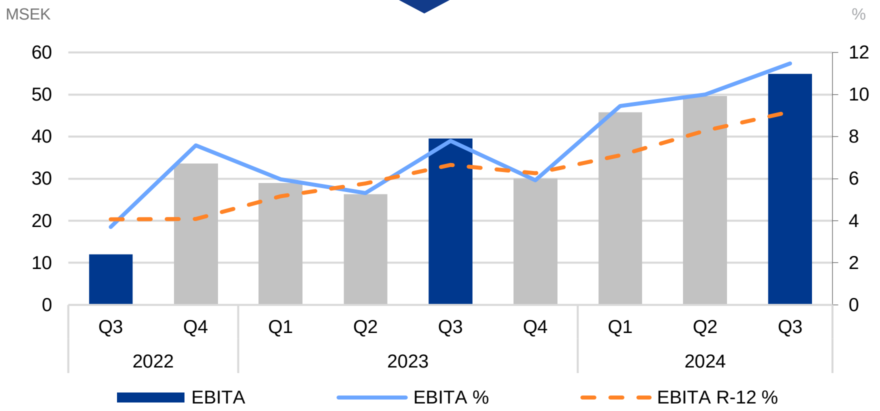
Q3

- **Order intake** was MSEK 453, +20% (+25% at constant currency)
  - Significant infrastructure project order won in North America
  - Good equipment orders in China and Australia
  - Strong retrofit, refurbishment and replacement orders in France and the UK
- **Revenue** was MSEK 479, -6% (-2% at constant currency)
  - Double-digit growth for service revenue
- **EBITA** at MSEK 55 (40), margin 11.5% (7.8)
  - Impact of projects signed at better margin and improved project execution
  - The service segment, together with the refurbishment, retrofit and replacement segment, contributed positively to the margin improvement

Order intake & revenue



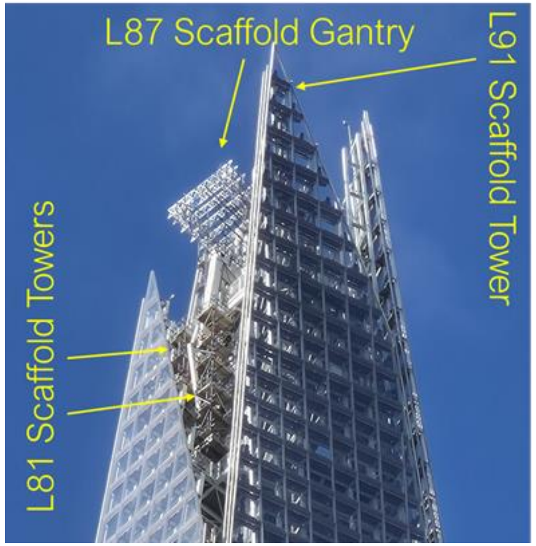
EBITA & EBITA %

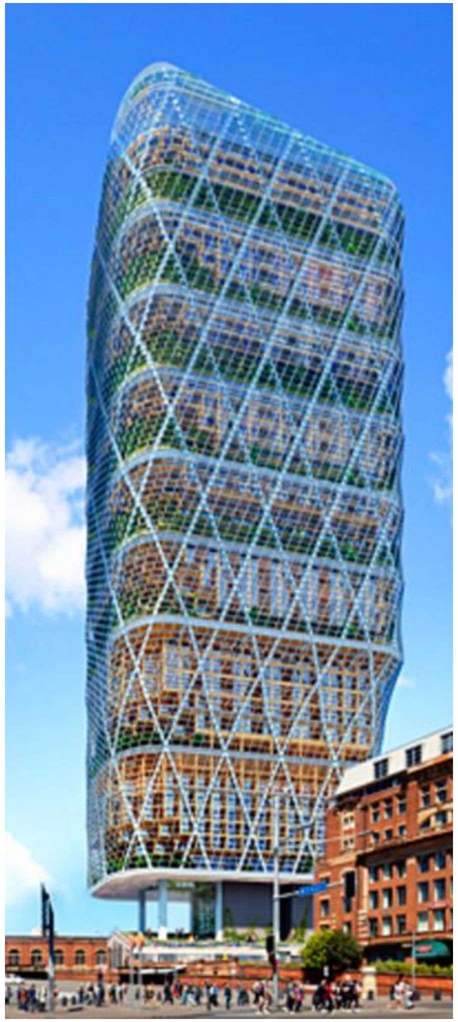


Facade Access – business update

Q3

- **New significant infrastructure project**
  - Large bridge project order won, following the Houston bridge project initiated earlier this year
- **Continued success for the retrofit, refurbishment and replacement (RRR) strategy**
  - The Shard in London and Radio France in Paris, two examples
- **Significant orders won based on long-term customer relationships and technology leadership**
  - Telescopic mast technology chosen for iconic project in Sydney
  - Significant project in Shenzen won
- **Footprint optimization – one company, 3 brands**
  - Division multibrand website launched





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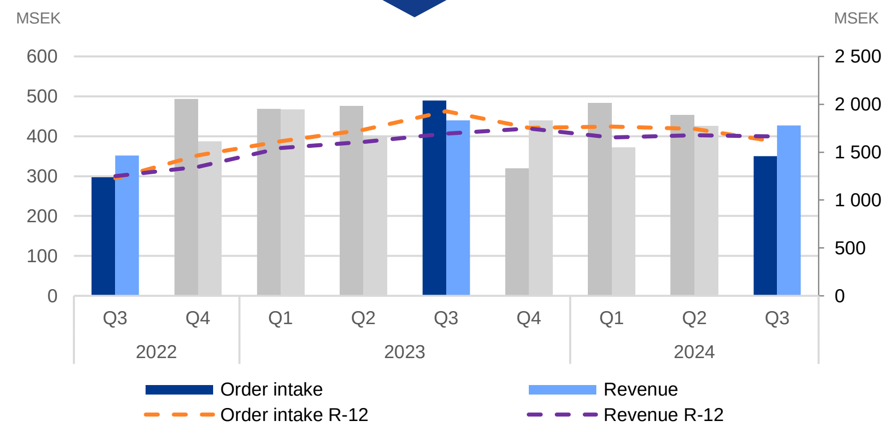
Construction

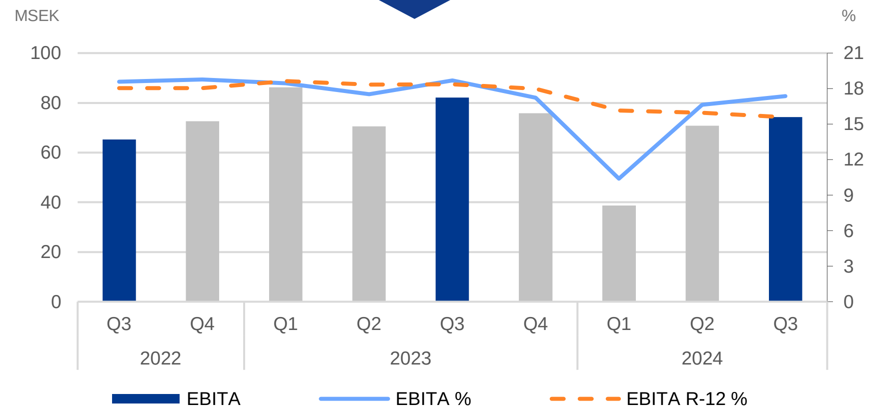
Q3

- **Order intake** was MSEK 350, -28% (-27% at constant currency)
  - Compared to an all-time high quarter last year
  - New equipment and rental orders in North America and APAC remained stable, while Europe continued to be weak
  - Solid parts and service orders in all regions
  - Used equipment orders continued to contribute
- **Revenue** was MSEK 427, -3% (0% at constant currency)
- **EBITA** at MSEK 74 (82), margin 17.4% (18.7)
  - Margin affected by lower revenue
  - Our focus on reducing fixed costs and becoming more resilient to changes in volume remains

Order intake & revenue

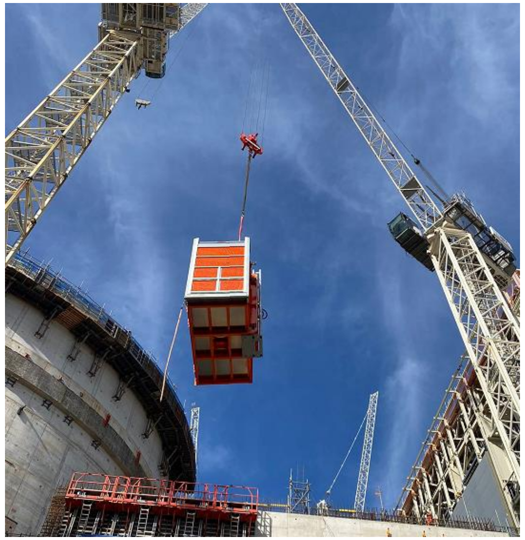


EBITA & EBITA %



Construction – business update

- **Market conditions remained challenging**
  - Market conditions remained challenging as inflationary pressure in the construction supply chain has stifled investments
  - As inflation eases and interest rates fall, market conditions are expected to improve
- **Mast climbing work platform strategy giving result**
  - Increasing orders for Scanclimber MCWP units by proving safe and ergonomical vertical access solutions
- **Used machine sales continued the strong momentum with expanded market penetration**

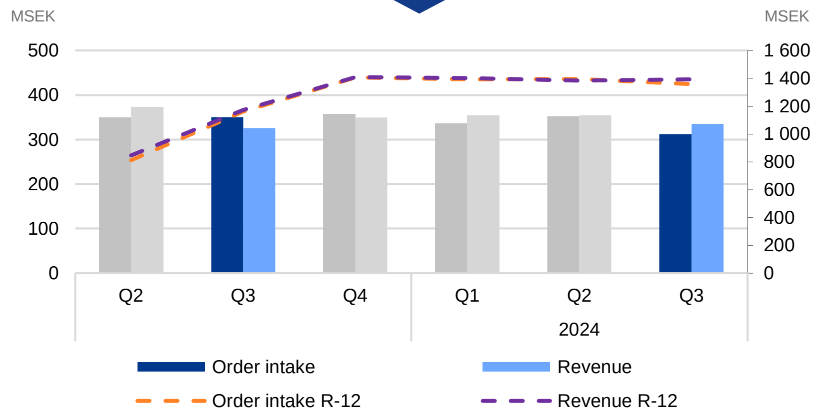


Height Safety & Productivity Solutions

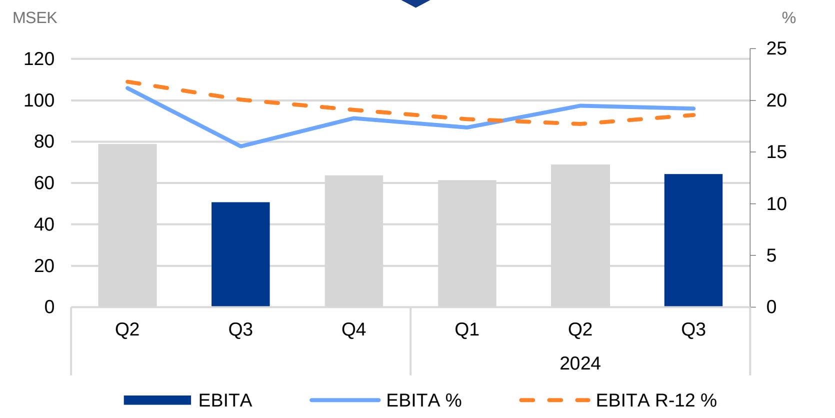
Q3

- **Order intake** was MSEK 312, -11% (-8% at constant currency)
  - Distribution business continued to develop well and grow
  - Softer order intake for elevator customers, after a strong 2023
  - Orders from rental and other direct customers affected by an underlying weak construction market
- **Revenue** was MSEK 335, +3% (+7% at constant currency)
  - Good performance mainly driven by the distribution business
- **EBITA** at MSEK 64 (51), margin 19.2% (15.6%)
  - Reflecting a good topline performance and cost control

Order intake & revenue



EBITA & EBITA %



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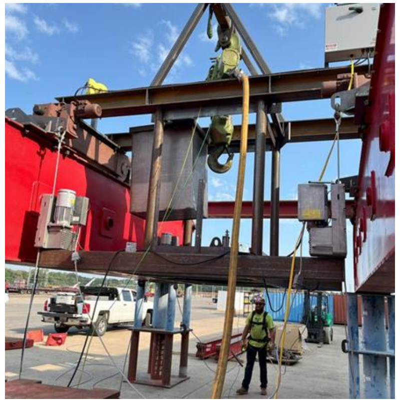
HSPS – business update

Q3

- **Strengthening proximity to end users**
  - Developing a specific Personal Protection Equipment Kit with one of our largest elevator customers
  - Digital marketing to reach out to new potential users of our Measure & Control solutions
- **Building on our technology leadership**
  - Launch of the Volt Trac double speed electric chain hoist
  - A new hook block used in the reactor of a nuclear plant
- **Developing bespoke solutions together with existing product ranges**
  - Designing the best solution to secure the facility rooftop of a large consumer goods company
  - Providing a synchronized double hoist lifting solution for Barnhart Crane (Memphis, TN)
  - Installing winches and safety ladders in UK's largest water reservoir

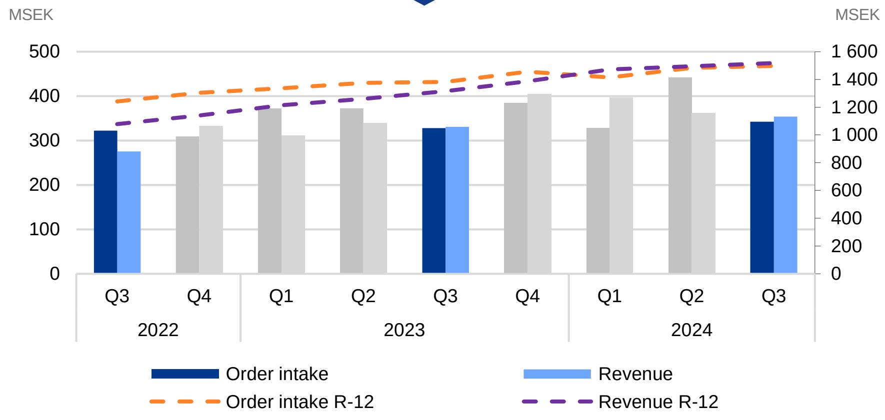



Industrial

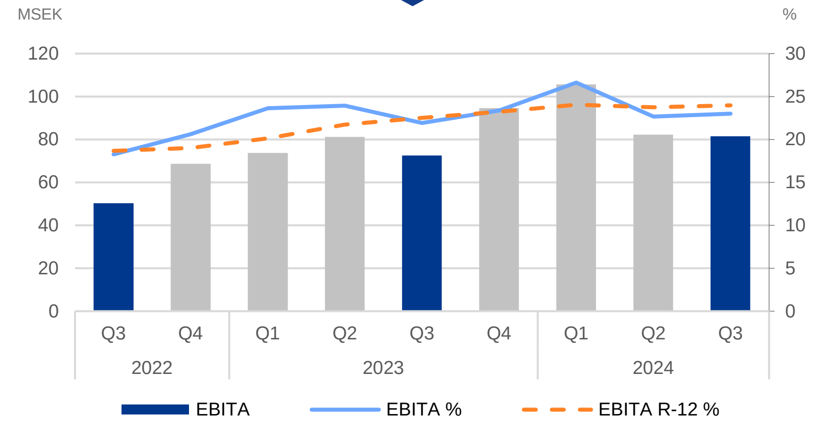
Q3

- **Order intake** was MSEK 342, +4% (+8% at constant currency)
  - Solid development for new equipment with North America as the main driver
  - Steady aftermarket development
- **Revenue** was MSEK 354, +7% (+11% at constant currency)
  - Strong equipment revenue and deliveries
  - Recruitment of service technicians starting to pay off, generating higher parts and service revenue
- **EBITA** at MSEK 81 (73), margin 23.0% (21.9%)
  - Margin uplift driven by increased revenue, a strong gross margin and cost control

Order intake & revenue



EBITA & EBITA %



Industrial – business update

Q3

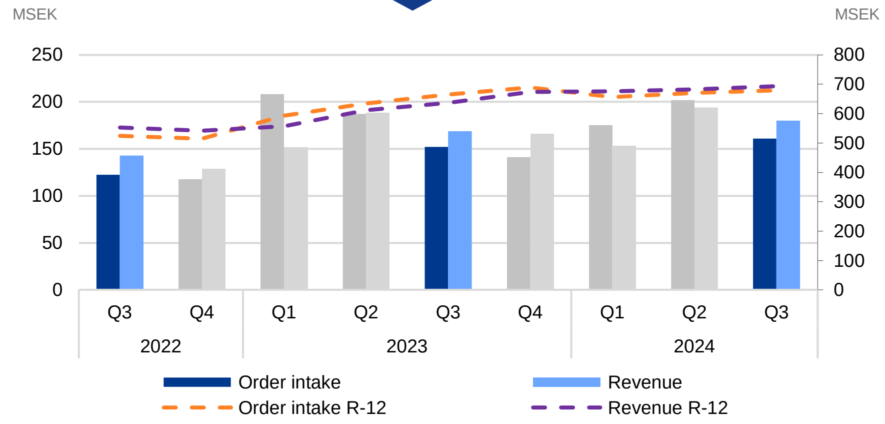
- **Power and Infrastructure segment had strongest growth for new equipment**
  - US, Europe and China secured important projects in these segments
- **Increased orders of service operation vessels to offshore wind turbines, after a softer start of the year**
  - Additional traction and rack and pinion orders from repeat customers
- **Securing first orders for transport platforms for data centres**

Wind

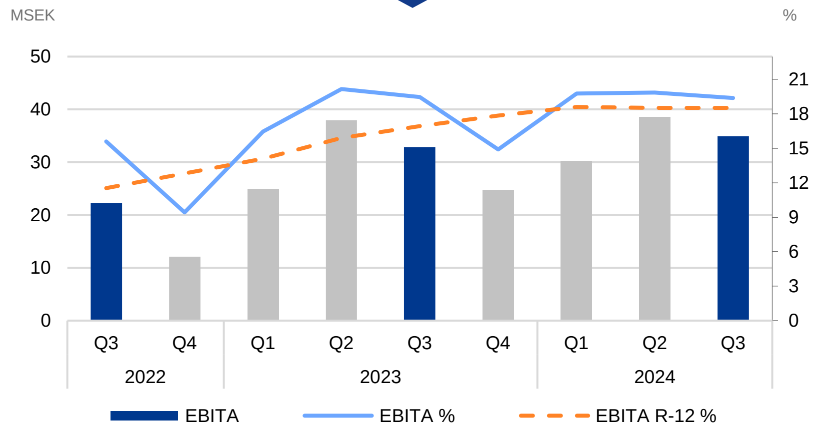
Q3

- **Order intake** was MSEK 161, +6% (+11% at constant currency)
  - Solid performance in new equipment across all regions, especially in China
  - Continued progress in aftermarket
- **Revenue** was MSEK 180, +7% (+11% at constant currency)
  - Strong sales, particularly in North Europe and China
- **EBITA** at MSEK 35 (33), margin 19.4% (19.5%)
  - Continued stable margin built on good overall control of the business

Order intake & revenue



EBITA & EBITA %



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Wind – business update

- **Challenging market**
  - A slow market in China is pushing local OEMs to increase their sales efforts in other regions
  - Decreased losses for western OEMs compared to previous years
  - A stalled US market due to the upcoming election
- **Continued innovation**
  - Barracuda XL (wire-guided lift for three people) for the offshore market in Northern Europe
  - Octopus L80 (ladder-guided lift) for the lower part of the tower and free climbing device for the upper

Profit & loss summary

Q3

- **EBITA adj.**
  - Growing by 11%, despite almost flat revenue
- **IAC**
  - Net MSEK 36 negative difference vs Q3 2023
- **Financial net**
  - Decrease mainly due to lower debt level
- **Taxation**
  - Tax rate for the quarter of 22.4% (25.2), mostly reflecting country mix
- **Net result for the quarter**
  - Growing by 10%

MSEK	Q3 2024	Q3 2023	Δ%	YTD 2024	YTD 2023	Δ%
Order intake	**1 592**	**1 678**	**-5**	**5 110**	**5 330**	**-4**
Organic order growth			*-2*			*-3*
Revenue	**1 742**	**1 730**	**1**	**5 283**	**5 259**	**0**
Organic revenue growth			*4*			*1*
Gross Profit	**697**	**672**	**4**	**2 134**	**2 078**	**3**
Gross Margin %	*40.0*	*38.8*	*1,2 pp*	*40.4*	*39.5*	*0,9 pp*
Operating expenses *	**-389**	**-360**	**8**	**-1 250**	**-1 191**	**5**
Operating expenses %	*-22.4*	*-20.8*	*-1,6 pp*	*-23.7*	*-22.7*	*-1 pp*
EBITA	**308**	**312**	**-2**	**885**	**887**	**4**
EBITA%	*17.7*	*18.1*	*-0,4 pp*	*16.7*	*16.9*	*-0,1 pp*
Items affecting Comparability	*-2*	*34*	*-107*	*-17*	*25*	*-171*
EBITA adj	**310**	**279**	**11**	**902**	**862**	**5**
EBITA adj %	*17.8*	*16.1*	*+1,7 pp*	*17.1*	*16.4*	*+0,7 pp*
Amortisation	-48	-56	-15	-150	-147	2
EBIT	**260**	**256**	1	**734**	**740**	-1
Financial net	-60	-67	-11	-172	-208	-17
EBT	**200**	**189**	6	**563**	**533**	6
Taxes	-45	-48	-7	-134	-138	-3
Result for the period	**155**	**141**	10	**429**	**395**	9

* excluding Amortisation

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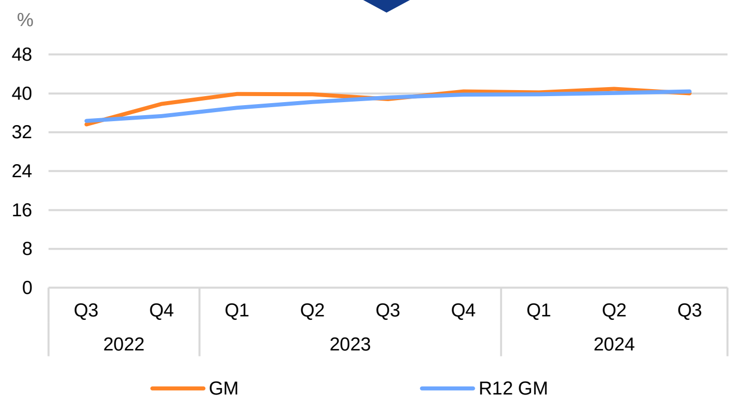
Gross margin and operating expenses

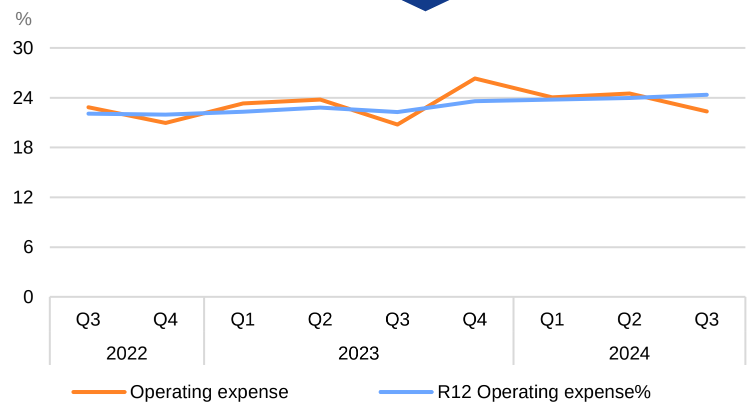
Q3

- **Gross margin was 40.0% (38.8)**
  - Continued significant margin improvement in the Facade Access division
  - Industrial, Wind and HSPS improved to a lesser extent
  - Construction margin flat
- **Operating expenses were 22.4% (20.8) as a revenue percentage**
  - Excluding IAC, more marginal increase (23.2% vs 22.6%)
  - Investments in sales (IND) and product development
  - Inflation overall compensated by cost optimization

Gross margin



Operating expenses*



* excluding Amortisation

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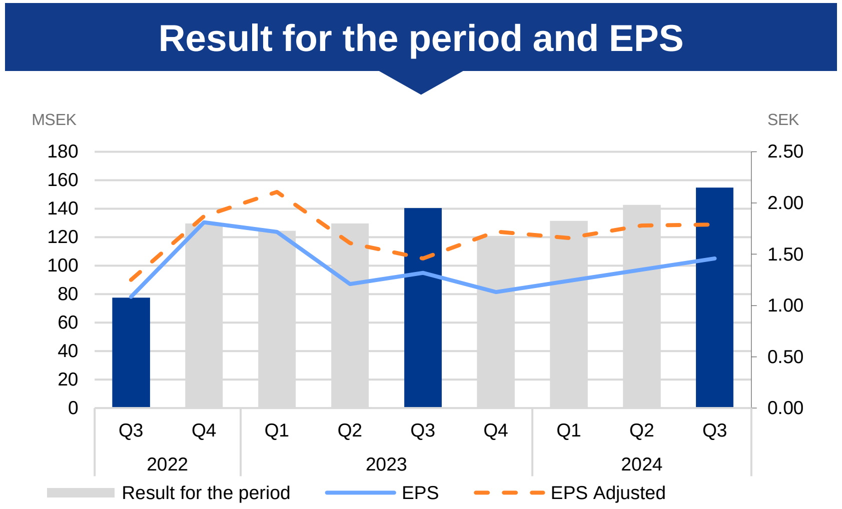
Result for the period and EPS

- **Result for the period was MSEK 155 (141), +10%**
- **Excluding IAC** (Items Affecting Comparability)**, result for the period was MSEK 157 (107), +47%**
- **Earnings per share was SEK 1.46 (1.32)**
  - Adjusted for IAC and acquisition related amortization, EPS was SEK 1.79 (1.46)



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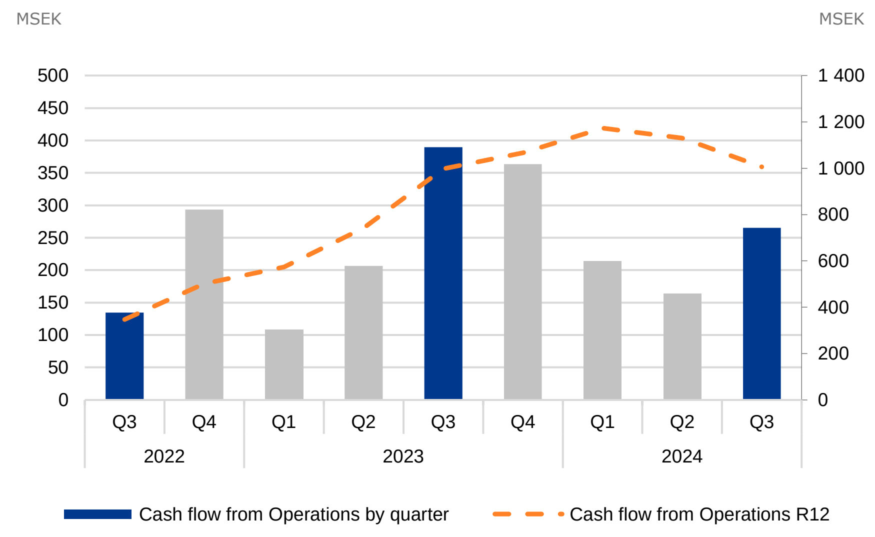
Q3

Operating cash flow

- **Cash flow from operations MSEK 265 (390)**
  - Good performance from most divisions
  - High comparable with Q3 2023
  - Cash focus will continue

Operating cash flow, MSEK



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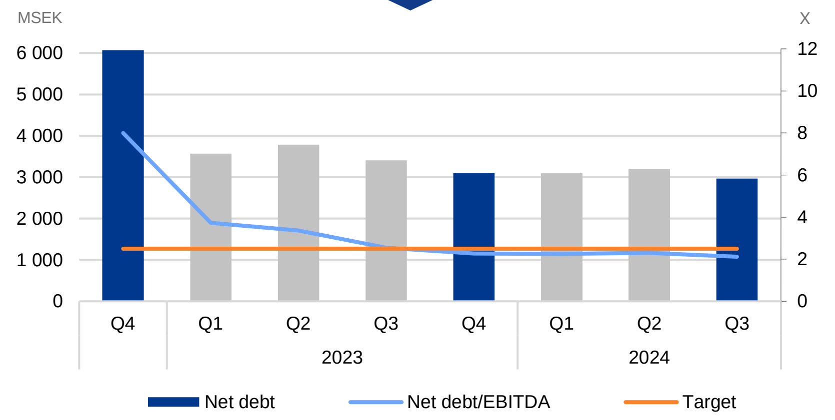
Net debt and return on capital employed

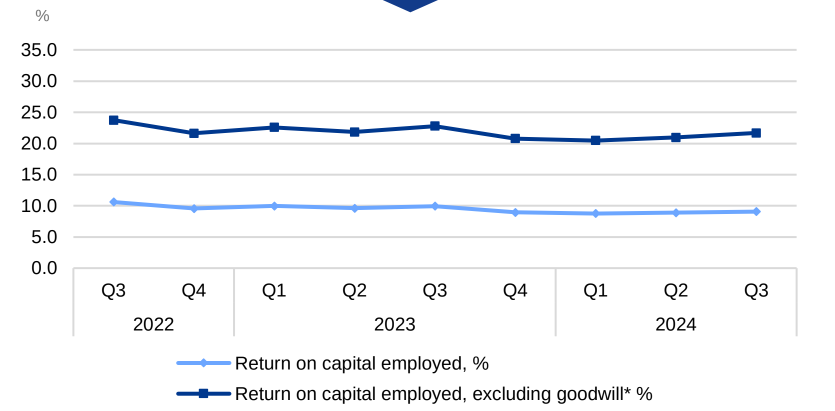
Q3

- **Net debt down by MSEK 157**
  - Impact of operating cash-flows
- **Net debt/EBITDA 2.12 (2.53)**
  - Well in line with our financial target of being below 2.5x
- **Focus on operating cash flow will continue**
- **Capital allocation priorities:**
  - Investing in organic growth
  - Acquisitions
  - Dividend according to policy
- **Return on capital employed**
  - Slightly growing sequentially to 21.7% excl. GW (9.1% incl. GW)

Net debt, MSEK and leverage



Return on capital employed



Summary

Q3

- We are on track to deliver on our financial and sustainability targets
  - New margin level despite challenging market conditions
- New Heights strategy continues to serve us well
  - Customer obsession, Technology leadership, Operational efficiency and People
  - Effective, decentralized organisation
  - Strong culture
- Solid financial position that allows us to continue to invest in our profitable growth agenda
- We expect the investment sentiment to become more positive as interest rates decrease and we are well-positioned to capitalize on the positive effects that will follow
- Investor Update on 20 November
- Thank you to all our employees, customers and partners!

Q&A