Alimak Group AB
ALIG, SE0007158910

Interim Report Q3

January – September 2018

For more information please contact:
Mathilda Eriksson, Investor Relations Manager, Phone: +46 (0)8 402 14 41
Tobias Lindquist, CFO, Phone: +46 (0)8 402 14 40

Q3 2018 – Strong order intake

THIRD QUARTER

- Order intake increased by 27% to MSEK 1,104 (869) with an organic increase of 17%
- Revenue increased by 12% to MSEK 1,099 (980) with an organic increase of 5%
- EBITA adj. increased to MSEK 136 (101), margin 12.4% (10.3)
- EBITA increased to MSEK 117 (82), margin 10.6% (8.3)
- EBIT increased to MSEK 105 (69), margin 9.6% (7.0)
- Net profit amounted to MSEK 68 (72)
- Earnings per share amounted to SEK 1.26 (1.33)
- Operating cash flow amounted to MSEK 113 (74)

JANUARY-SEPTEMBER

- Order intake increased by 13% to MSEK 3,407 (3,005) with an organic increase of 3%
- Revenue increased by 7% to MSEK 3,170 (2,951) with an organic decrease of 2%
- EBITA adj. increased to MSEK 396 (365), margin 12.5% (12.4)
- EBITA increased to MSEK 347 (338), margin 10.9% (11.5)
- EBIT amounted to MSEK 306 (304), margin 9.6% (10.3)
- Net profit amounted to MSEK 200 (201)
- Earnings per share amounted to SEK 3.70 (3.90)
- Operating cash flow amounted to MSEK 92 (162)

Management assessment: If the acquired companies would have been fully consolidated in the Group by 1 January 2017, order intake during January-September 2018 would have increased 2% and revenue would have remained flat at 0% growth compared to the same period 2017 (please find proforma figures on page 19, table 2).

KEY FIGURES, GROUP	Q3 2018	Q3 2017	Δ	Jan-Sep 2018	Jan-Sep 2017	Δ
Order intake, MSEK	1,103.6	868.8	27%	3,406.7	3,004.9	13%
Revenue, MSEK	1,098.9	979.8	12%	3,170.2	2,950.8	7%
EBITA adj, MSEK²	135.9	101.3	34%	396.0	365.4	8%
EBITA margin adj, %²	12.4%	10.3%		12.5%	12.4%	
EBITA, MSEK	116.6	81.6	43%	346.5	337.9	3%
EBITA margin, %	10.6%	8.3%		10.9%	11.5%	
EBIT, MSEK	105.0	68.7	53%	305.7	303.7	1%
EBIT margin, %	9.6%	7.0%		9.6%	10.3%	
Net profit, MSEK	68.5	72.1	-5%	200.3	201.1	0%
Earnings per share, SEK¹	1.26	1.33	-5%	3.70	3.90	-5%
Cash flow from operations, MSEK	112.8	74.1	52%	92.0	161.7	-43%

¹ Previous periods have been adjusted to take into account the change in the number of shares after completion of the rights issue in Q2 2017
² Before items affecting comparability

Comments by the CEO

In focus

- 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, a catch up after the weak first half of the year

The performance in the third quarter of 2018 was overall good for Alimak Group. Order intake grew 17% organically to MSEK 1,104, driven by the Industrial and After Sales business areas while order intake from the Group's activities towards the construction sector decreased. We saw significant positive effects from exchange rates on both order intake and revenue in the quarter.

I am pleased that all business areas improved their margins from the previous year. The margin for the Group is still affected by the technical challenges and delays in the previously reported handful of BMU projects and will be so also for the fourth quarter.

Construction Equipment reported a strong margin as organic revenue grew 13%, compared to the somewhat lower volumes last year. At the same time, organic order intake decreased 31% year-over-year following a slowdown in some emerging markets and a lack of new investments in the quarter for complex projects in mature markets such as for example Canary Wharf. We are confident that we maintain our market share and going forward we still see a good market with a solid pipeline.

Industrial Equipment reported a very strong organic order intake growth of 60% following improved activity levels in the market. The Wind and Oil & Gas businesses developed particularly well. The BMU business reported decent order intake in the quarter but we have not taken any larger, complex projects as focus remains on risk and margin improvement by upgrading project management and progress control with actions taken and ongoing implementation in the coming months.

EBITA adj. was still affected by margin slippage from earlier identified projects in the BMU business.

Q4 last year included the MSEK 170 Sydney Harbour Bridge order and no such large single order is expected in the coming quarter. The business area is however entering the fourth quarter with a solid backlog which is a good base for future growth.

After Sales continues to progress well with a good organic order intake growth of 23% and a flat level of organic revenue year-over-year. The margin of 26.2% is the result of product and market mix. The service integration of the acquired businesses is developing according to plan and there are large opportunities to further increase the penetration of our installed base.

We see great value in our service offering. To continue developing, positioning and building on this, Alimak Service was launched as a separate brand in the quarter. The brand will be used for all After Sales activity covering all end markets and has been well received by customers.

Rental had a decrease in order intake, the result of close to full utilization after a strong first half of the year. At the same time, revenues grew organically by 19% and the margin remained strong with the utilization of the fleet at near maximum levels.

Cash flow from operations improved to MSEK 113 and activities are ongoing to address inventory and receivables.

We have a solid order backlog and are on track with the strategic direction leveraging on the service opportunities. To sum it up, I am pleased with the development and that we are on a good trajectory towards our financial targets.

Tormod Gunleiksrud, President & CEO

Key figures Q3 and January – September 2018

ORDER INTAKE
Organic order intake in the quarter increased 17%, while the reported order intake increased 27% to MSEK 1,104 (869).

Organic order intake for the period January to September 2018 increased 3%, while reported order intake grew 13% to MSEK 3,407 (3,005).

ORDER INTAKE	Q3		Jan-Sep	
	2018	2017	2018	2017
Orders, MSEK	**1,103.6**	**868.8**	**3,406.7**	**3,004.9**
Change, MSEK	234.8	356.3	401.7	1,379.9
Change, %	27.0%	69.5%	13.4%	84.9%
Whereof:				
Volume & price, %	17.4%	7.0%	2.8%	11.6%
Exchange rate, %	9.6%	-3.5%	2.2%	1.2%
Acquisition & divestment, %	0.0%	66.0%	8.4%	72.1%

REVENUE
Organic revenue in the quarter increased 5%, while reported revenue increased 12% to MSEK 1,099 (980).

Organic revenue for the period January to September 2018 decreased 2%, while reported revenue grew 7% to MSEK 3,170 (2,951).

REVENUE	Q3		Jan-Sep	
	2018	2017	2018	2017
Revenue, MSEK	**1,098.9**	**979.8**	**3,170.2**	**2,950.8**
Change, MSEK	119.1	508.4	219.4	1,499.6
Change, %	12.2%	107.8%	7.4%	103.3%
Whereof:				
Volume & price, %	4.9%	5.5%	-2.0%	11.1%
Exchange rate, %	7.3%	-3.1%	2.1%	1.3%
Acquisition & divestment, %	0.0%	105.4%	7.3%	90.9%

OPERATING PROFIT/LOSS
EBIT in the third quarter amounted to MSEK 105 (69).

EBITA adj. in the third quarter was MSEK 136 (101).

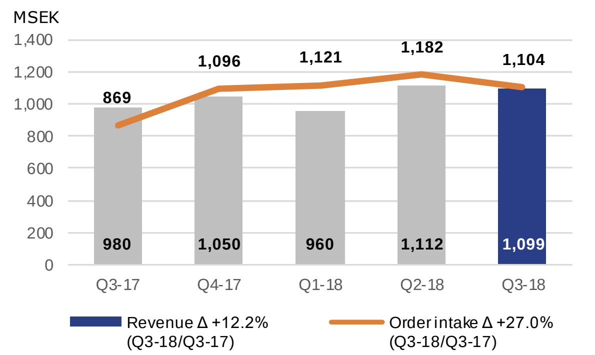
Items affecting comparability in the third quarter amounted to MSEK 19 (20) related to expenses for integration of the businesses acquired by end of 2016 (Avanti Wind Systems and Facade Access Group).

Amortization in the third quarter amounted to MSEK 12 (13) related entirely to the acquired businesses.

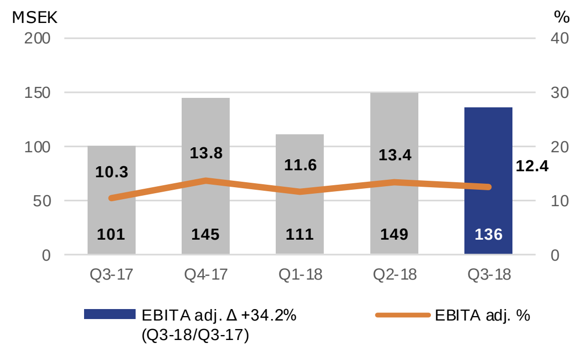
EBIT & EBITA adj.[1]	Q3		Jan-Sep	
	2018	2017	2018	2017
EBIT, MSEK	**105.0**	**68.7**	**305.7**	**303.7**
EBIT margin, %	**9.6%**	**7.0%**	**9.6%**	**10.3%**
EBITA adj, MSEK	**135.9**	**101.3**	**396.0**	**365.4**
EBITA margin adj, %	**12.4%**	**10.3%**	**12.5%**	**12.4%**
Change, MSEK	34.6	28.3	30.5	139.8
Change, %	34.1%	38.8%	8.4%	62.0%
Whereof:				
Volume & price, %	29.3%	2.3%	4.9%	14.6%
Exchange rate, %	4.9%	-1.8%	1.4%	1.4%
Acquisition & divestment, %	0.0%	38.4%	2.1%	46.0%

[1] Before items affecting comparability

Order intake & Revenue by quarters



EBITA adj. & EBITA margin adj. by quarters



EBIT for the period January to September 2018 was MSEK 306 (304).

EBITA adj. for the period January to September 2018 was MSEK 396 (365).

Items affecting comparability for the period January to September 2018 amounted to MSEK 49 (28) related to expenses for integration of the acquired businesses such as restructurings, consulting services, IT etc.

Amortization for the period January to September 2018 increased to MSEK 41 (34) related to the acquired businesses.

NET PROFIT

Profit after tax for the third quarter amounted to MSEK 68 (72).

Net financial items in the third quarter were MSEK -13 (26). The financial net in 2017 included a positive revaluation effect of loans amounting to MSEK 43.

Tax expense for the third quarter was MSEK 23 (22) and the tax rate was 25% (23%).

Profit after tax for the period January to September 2018 was MSEK 200 (201).

Net financial items for the period January to September 2018 amounted to MSEK -31 (-13).

Tax expense for the period January to September 2018 was MSEK 75 (89) and the tax rate was 27% (31%). Through the acquisitions, the Group has added new companies and a country by country tax review is ongoing during 2018 with expected efficiencies starting in Q4 2018. As per September 2018 total tax losses carried forward amounted to MSEK 568. No deferred tax assets are recognized for those losses.

INVESTMENTS

Net investments in fixed assets in the third quarter totalled MSEK 8 (13) mainly related to regular investments in factories.

Net investments in fixed assets during January to September 2018 amounted to MSEK 41 (29) driven by upgrades of rental assets in addition to normal investments in factories and offices.

FINANCIAL POSITION

As of September 30, 2018, net debt totalled MSEK 980 (910 as of December 31, 2017) following the movement in current debts and the cash flow for the period.

The equity ratio was 55.9% (53.4).

CASH FLOW

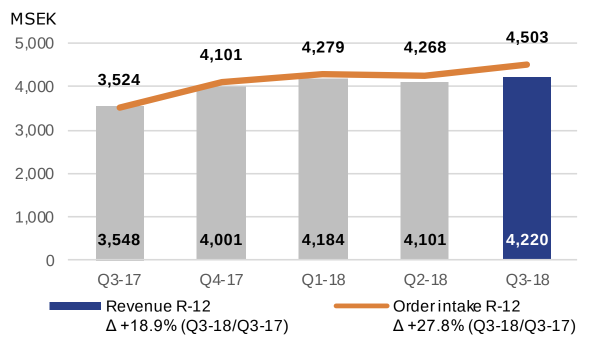
Cash flow from operating activities in the third quarter was MSEK 113 (74) subsequent improvement in collection of receivables, the result of progress in the challenging BMU projects.

For the period January to September 2018, cash flow from operating activities was MSEK 92 (162). Activities addressing inventory and receivables are ongoing.

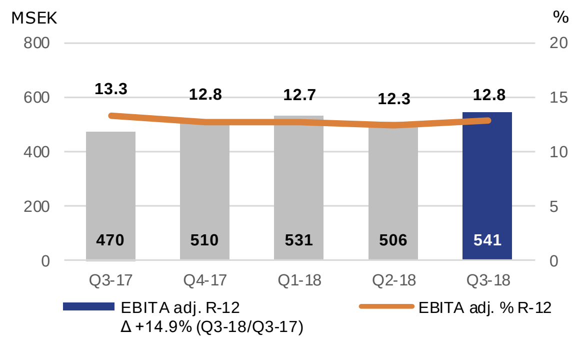
EMPLOYEES

As of September 30, 2018, there were 2,350 (2,340) FTEs in the Group.

Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by R12M



Construction Equipment

- Organic order intake decrease of 31% to MSEK 143 (188), the result of a weak South East Asian and Middle Eastern market and few large projects requiring investments in the quarter in mature markets
- Organic revenue growth of 13% to MSEK 176 (146), with especially Americas and Australia performing well
- Strong EBITA margin adj. of 15.1% (9.2), driven by favourable market and product mix

The quarter's order intake of MSEK 143 (188) meant an organic decrease of 31% year-over-year which is the result of a lack of new investments in equipment for large and complex projects in mature markets, especially in the UK, in the quarter. There is also weak demand in some emerging markets. Middle East and South East Asia is still experiencing market uncertainties. Demand for equipment used in smaller, more standardised projects keeps growing in mature markets such as the US and the pipeline for the coming year is solid on a global level.

Revenue improved 13% organically to MSEK 176 (146), though facing easy comparables from the weak Q3 2017. The reported growth of 21% was also helped by favourable exchange rates. The Americas and Australia are showing positive development.

EBITA adj. increased to MSEK 27 (13), representing a margin of 15.1 (9.2), driven by market mix with more premium products delivered.

Business area Construction Equipment is not directly affected by the acquired companies.

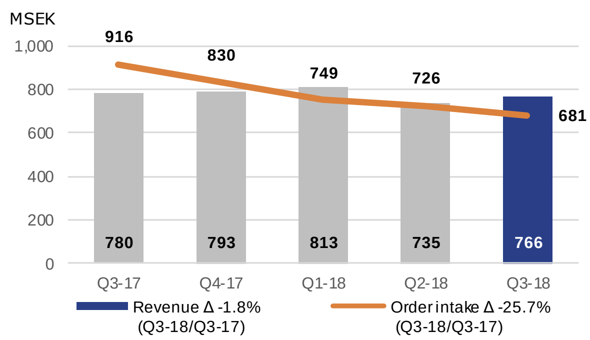
ORDER INTAKE	Q3		Jan-Sep	
	2018	2017	2018	2017
Orders, MSEK	**142.9**	**188.4**	**567.7**	**717.2**
Change, MSEK	-45.5	-24.4	-149.5	137.4
Change, %	-24.2%	-11.5%	-20.8%	23.7%
Whereof:				
Volume & price, %	-30.9%	-6.5%	-22.0%	24.3%
Exchange rate, %	6.7%	-4.9%	1.1%	-0.6%
Acquisition & divestment, %	0.0%	0.0%	0.0%	0.0%

REVENUE	Q3		Jan-Sep	
	2018	2017	2018	2017
Revenue, MSEK	**176.4**	**145.8**	**538.0**	**564.4**
Change, MSEK	30.6	-1.0	-26.4	94.1
Change, %	21.0%	-0.7%	-4.7%	20.0%
Whereof:				
Volume & price, %	13.0%	4.3%	-6.3%	20.2%
Exchange rate, %	8.0%	-5.0%	1.6%	-0.2%
Acquisition & divestment, %	0.0%	0.0%	0.0%	0.0%

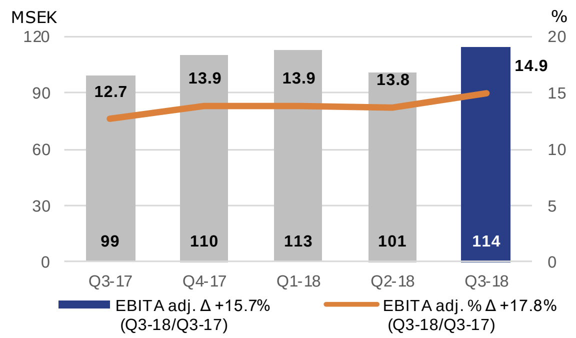
EBITA adj.[1]	Q3		Jan-Sep	
	2018	2017	2018	2017
EBITA adj, MSEK	**26.7**	**13.3**	**73.9**	**69.5**
EBITA margin adj, %	**15.1%**	**9.2%**	**13.7%**	**12.3%**
Change, MSEK	13.3	-3.9	4.5	15.5
Change, %	100.0%	-22.6%	6.5%	28.7%
Whereof:				
Volume & price, %	104.4%	-21.3%	7.6%	28.5%
Exchange rate, %	-4.4%	-1.3%	-1.1%	0.2%
Acquisition & divestment, %	0.0%	0.0%	0.0%	0.0%

[1] Before items affecting comparability

Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by R12M



Industrial Equipment

- Organic order intake growth of 60% to MSEK 585 (338) with positive development in all segments but in particular in the Wind and Oil & Gas businesses
- Revenue of MSEK 537 (487) in the quarter, a 3% organic growth breaking the negative trend in the first half of the year
- EBITA adj. of MSEK 18 (9), an improved yet continued low margin of 3.4% (1.8) following previously communicated project delays

Very strong organic order intake growth of 60% with all segments contributing. Mostly from Wind and Oil & Gas which both showed improved activity levels. While the BMU business reported decent order intake, no larger, complex projects were taken during the quarter as focus continued to be on risk and margin improvement.

Revenue grew to MSEK 537 (487), organically by 3%, still affected by project delays and backlog timing of BMU projects as reported after Q1 and Q2 2018.

EBITA adj. increased to MSEK 18 (9), at a low margin of 3.4% (1.8). It is still affected by the technical challenges and project delays. These projects are expected to affect also the next quarter as projects are finalised and delivered to customers. Q3 2017 was negatively impacted by MSEK 15, the Industrial share of the MSEK 17 Group adjustment related to the Avanti PPA.

Management assessment: If the acquired companies had been fully consolidated in the Group by 1 January 2017, order intake during January-September 2018 would have increased 8% and revenue would have decreased 2% compared to the same period in 2017 (please find quarterly figures on page 19, table 2).

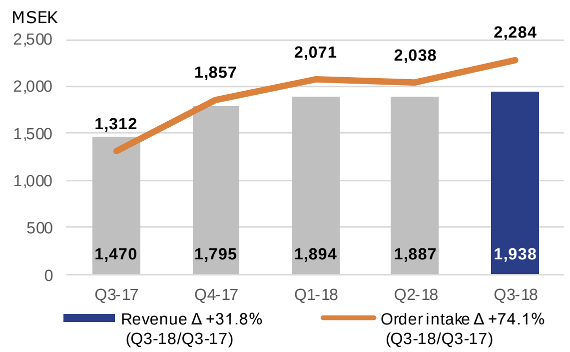
ORDER INTAKE	Q3		Jan-Sep	
	2018	2017	2018	2017
Orders, MSEK	**584.9**	**338.4**	**1,657.2**	**1,230.1**
Change, MSEK	246.5	297.2	427.0	968.9
Change, %	72.9%	722.0%	34.7%	371.0%
Whereof:				
Volume & price, %	59.9%	78.4%	15.3%	-2.8%
Exchange rate, %	12.9%	-4.0%	3.1%	1.2%
Acquisition & divestment, %	0.0%	647.6%	16.3%	372.6%

REVENUE	Q3		Jan-Sep	
	2018	2017	2018	2017
Revenue, MSEK	**537.4**	**487.3**	**1,489.1**	**1,346.8**
Change, MSEK	50.1	408.5	142.3	1,096.2
Change, %	10.3%	518.3%	10.6%	437.4%
Whereof:				
Volume & price, %	3.3%	31.2%	-4.2%	19.5%
Exchange rate, %	7.0%	-1.3%	2.5%	1.6%
Acquisition & divestment, %	0.0%	488.5%	12.3%	416.3%

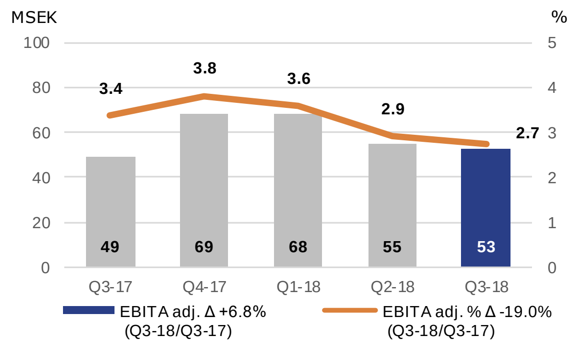
EBITA adj.[1]	Q3		Jan-Sep	
	2018	2017	2018	2017
EBITA adj, MSEK	**18.1**	**8.8**	**43.0**	**47.2**
EBITA margin adj, %	**3.4%**	**1.8%**	**2.9%**	**3.5%**
Change, MSEK	9.3	14.8	-4.2	62.7
Change, %	106.3%	245.9%	-8.9%	404.1%
Whereof:				
Volume & price, %	76.8%	171.2%	-16.4%	65.2%
Exchange rate, %	29.4%	-9.4%	14.4%	-0.2%
Acquisition & divestment, %	0.0%	84.2%	-6.9%	339.1%

[1] Before items affecting comparability

Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by R12M



After Sales

— Continued positive development with organic order intake growth of 23% to MSEK 314 (239)
— Revenue flat year-over-year at MSEK 290 (271) with increase stemming from favourable exchange rates
— EBITA margin adj. stable at 26.2% (26.1), the result of product mix

New orders from offshore customers for permanently installed elevator services following higher oil prices was the main factor behind the organic order intake growth of 23% in the quarter to MSEK 314 (239).

Organic revenue remained flat year-over-year while favourable exchange rates contributed 8% to growth and the business area reports a strong backlog for coming quarters.

EBITA adj. amounted to MSEK 76 (71) which represents a margin of 26.2% (26.1) somewhat affected by product mix with higher share of revenue stemming from the acquired businesses with more labour related services.

The integration keeps running according to plan, focusing on cross-training, scheduling and deployment but now also pushing for growth. The Alimak Service brand, covering the offerings of the After Sales business area, was launched in October with positive response from customers in all markets.

Management assessment: If the acquired companies had been fully consolidated in the Group by 1 January 2017, the order intake during January-September 2018 would have increased 10% and revenue would have increased 3% compared to the same period in 2017 (please find quarterly figures on page 19, table 2).

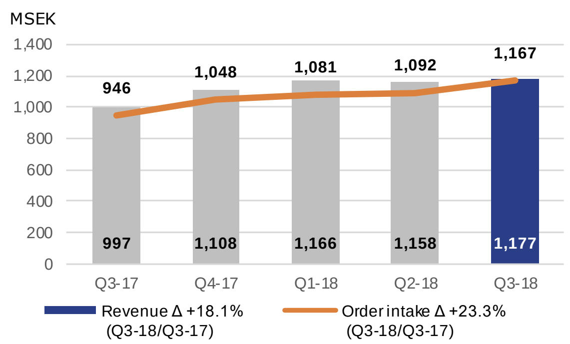
ORDER INTAKE	Q3		Jan-Sep	
	2018	2017	2018	2017
Orders, MSEK	**314.4**	**239.3**	**903.9**	**785.1**
Change, MSEK	75.1	73.4	118.8	293.8
Change, %	31.4%	44.3%	15.1%	59.8%
Whereof:				
Volume & price, %	22.7%	0.9%	7.1%	13.2%
Exchange rate, %	8.7%	-4.0%	1.4%	2.0%
Acquisition & divestment, %	0.0%	47.3%	6.6%	44.7%

REVENUE	Q3		Jan-Sep	
	2018	2017	2018	2017
Revenue, MSEK	**290.1**	**271.2**	**880.4**	**811.2**
Change, MSEK	18.9	105.7	69.2	316.3
Change, %	7.0%	63.9%	8.5%	63.9%
Whereof:				
Volume & price, %	-0.7%	-3.5%	0.9%	2.5%
Exchange rate, %	7.6%	-3.6%	1.6%	1.7%
Acquisition & divestment, %	0.0%	70.9%	6.1%	59.8%

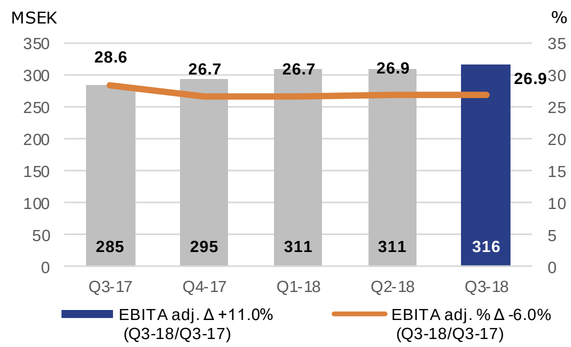
EBITA adj.[1]	Q3		Jan-Sep	
	2018	2017	2018	2017
EBITA adj, MSEK	**76.1**	**70.7**	**242.4**	**221.4**
EBITA margin adj, %	**26.2%**	**26.1%**	**27.5%**	**27.3%**
Change, MSEK	5.4	16.9	21.0	61.0
Change, %	7.6%	31.4%	9.5%	38.0%
Whereof:				
Volume & price, %	2.6%	-7.0%	7.2%	3.8%
Exchange rate, %	5.0%	-3.0%	0.3%	1.3%
Acquisition & divestment, %	0.0%	41.4%	2.0%	32.9%

[1] Before items affecting comparability

Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by R12M



Rental

- Order intake of MSEK 61 (103) in the quarter. An organic decrease of 46% following two very strong quarters
- Organic revenue growth of 19% to MSEK 95 (76)
- Strong EBITA margin adj. of 15.8% (11.3), at almost maximum utilization of the fleet

The previously high order intake has led to some markets now being close to full utilization which limits further order intake growth. Subsequently, order intake decreased organically by 46% in the quarter to MSEK 61 (103) after a very strong first half of the year.

Revenue grew in all markets, organically by 19%, despite being affected by the Australian winter and European summer vacation. The business area is showing a strong backlog and revenue is expected to remain at a high level for coming quarters.

EBITA margin adj. improved to 15.8% (11.3) driven by high volume, utilization and leveraging on semi-fixed operating expenses.

Business area Rental is not directly affected by the acquired companies.

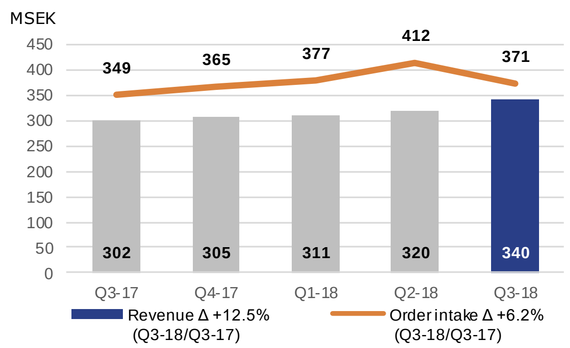
ORDER INTAKE	Q3		Jan-Sep	
	2018	2017	2018	2017
Orders, MSEK	**61.4**	**102.8**	**277.9**	**272.5**
Change, MSEK	-41.4	10.1	5.5	-20.3
Change, %	-40.2%	10.9%	2.0%	-6.9%
Whereof:				
Volume & price, %	-46.1%	17.5%	-0.8%	-3.2%
Exchange rate, %	5.8%	0.8%	2.8%	3.3%
Acquisition & divestment, %	0.0%	-7.4%	0.0%	-7.0%

REVENUE	Q3		Jan-Sep	
	2018	2017	2018	2017
Revenue, MSEK	**95.1**	**75.6**	**262.7**	**228.3**
Change, MSEK	19.5	-4.7	34.4	-7.0
Change, %	25.8%	-5.9%	15.1%	-3.0%
Whereof:				
Volume & price, %	19.5%	1.2%	11.8%	2.0%
Exchange rate, %	6.3%	-0.2%	3.2%	3.3%
Acquisition & divestment, %	0.0%	-6.9%	0.0%	-8.3%

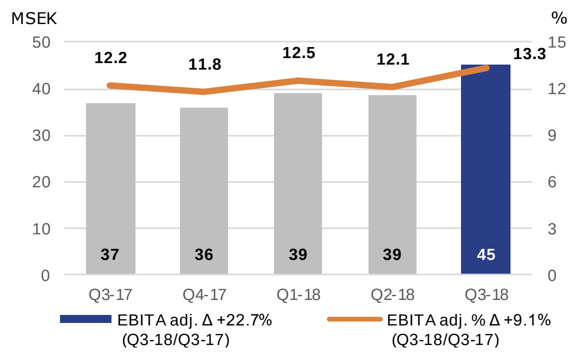
EBITA adj.[1]	Q3		Jan-Sep	
	2018	2017	2018	2017
EBITA adj, MSEK	**15.0**	**8.5**	**36.6**	**27.4**
EBITA margin adj, %	**15.8%**	**11.3%**	**13.9%**	**12.0%**
Change, MSEK	6.5	0.5	9.3	0.6
Change, %	76.8%	6.6%	33.8%	2.4%
Whereof:				
Volume & price, %	70.8%	-2.3%	33.1%	5.1%
Exchange rate, %	6.0%	-0.2%	0.7%	3.7%
Acquisition & divestment, %	0.0%	9.1%	0.0%	-6.4%

[1] Before items affecting comparability

Order intake & Revenue by R12M



EBITA adj. & EBITA margin adj. by R12M



Significant Events

DURING THE REPORTING PERIOD JANUARY – SEPTEMBER 2018

Management changes

As of January 1, 2018, Alimak Group implemented a new composition of the Group Management Team (GMT). The GMT now consists of the President and CEO, COO, CFO, CTO, the Global BA heads and Global Business Unit Heads.

Mark Casey replaced Tony Combe and José Maria Nevot replaced Erik Laursen in their roles as Global Business Unit Heads for BMU and Wind, respectively. The change came into effect as of April 1, 2018.

Dividend 2017

The Board of Directors proposed a dividend of SEK 2.30 per share based on existing number of shares, which was also approved by the AGM in May.

New CFO appointed

Tobias Lindquist was appointed Chief Financial Officer and member of the management team of Alimak Group AB. Tobias Lindquist assumed the position as of September 1, 2018.

The Interim CFO Stefan Rinaldo continued in his position as Chief Operational Officer after September 1, 2018.

New revolving credit facility

On July 2, 2018, Alimak Group signed a new multi-currency revolving credit facility with Handelsbanken. The facility has a tenor of five years and includes two extension options of one year, at the approval of the lender. This facility replaces the existing MSEK 2,000 credit facility originally dated June 25, 2015 and the amendment dated July 11, 2016.

For Alimak Group, this refinancing solution means an increase of the existing financing with MSEK 500 on improved terms, including lower pricing and longer maturity.

Management changes

Fredrik Betts was appointed Global Business Unit Head for General Industry and Oil & Gas within business area Industrial Equipment, taking over after Mark F Noble. The change came into effect as of August 20, 2018.

Product and service rebrand

Late September, 2018, Alimak Group launched a rebranding of the product and service offering; replacing the Hek and Heis-Tek brands with Alimak and introducing the Alimak Service brand to cover the offerings of the After Sales business area for all equipment brands.

AFTER THE REPORTING PERIOD

Nomination committee appointed

The Nomination Committee for the 2019 AGM has been appointed according to the instruction adapted in 2016 and comprises the following members:

- Anders Mörck, Latour, Chairman of the Nomination Committee
- Johan Lannebo, Lannebo Fonder
- Åsa Nisell, Swedbank Robur Fonder
- Michael Green, Handelsbanken Fonder
- Jan Svensson, Alimak Group's Chairman of the Board

The Nomination Committee shall prepare proposals for the 2019 Annual General Meeting regarding the Chairman of the Meeting, number of Board members, fees to be paid to each of the Board members, election of Board members and Board Chairman, remuneration to the auditor and election of auditor and, if necessary, proposal for changes in the instruction for the Nomination Committee.

Shareholders who wish to present proposals to the Nomination Committee for the 2019 Annual General Meeting can submit them by post: Alimak Group AB, att: Nomination Committee, Brunkebergs torg 5, 3 tr, SE-111 51 Stockholm or via e-mail: anders.morck@latour.se. In order for the Nomination Committee to be able to consider submitted proposals in a constructive manner, these should be submitted no later than by Monday 14 January 2019.

Financial targets and policies

FINANCIAL TARGETS

The financial targets were revised in February 2017 due to the acquisitions of Facade Access Group and Avanti Wind Systems which affected the business mix. The company aims to gradually reach its mid-term financial targets over a time span of 3-4 years. 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 also maintain an effective capital structure with a net debt of around 2x EBITDA. The capital structure will be flexible and allow for strategic initiatives.

DIVIDEND POLICY

The company has a target of paying a dividend of approximately 50% of its net profit for the current period to its shareholders. Decisions on dividend payment will take account of the company's financial position, cash flow, acquisition opportunities, strategic considerations and prospects.

RISKS

For a description of risks and uncertainties please refer to Alimak Group AB's 2017 Annual Report.

DECLARATION

The CEO declares that the interim report presents a true and fair view of the operations, financial position and results of the Parent Company and Group, and describes the significant risks and uncertainties facing the Parent Company and the companies forming part of the Group.

Stockholm, 24 October 2018

Alimak Group AB (publ) corporate identity number 556714-1857

Tormod Gunleiksrud

President and CEO

THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

Review report

Alimak Group AB, org.nr 556714-1857

Introduction
We have reviewed the condensed interim report for Alimak Group AB as at September 30, 2018 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review
We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, 24 October 2018

Ernst & Young AB

Rickard Andersson

Authorized Public Accountant

Condensed statement of comprehensive income, Group

Amounts in MSEK	Q3 2018	Q3 2017	Jan-Sep 2018	Jan-Sep 2017
Revenue	1,098.9	979.8	3,170.2	2,950.8
Cost of goods sold	-757.6	-680.8	-2,151.4	-1,962.4
Gross Profit	**341.4**	**299.0**	**1,018.8**	**988.3**
Total operating expenses	-236.5	-230.4	-713.0	-684.6
Operating profit (EBIT)	**104.9**	**68.7**	**305.7**	**303.7**
Net financial items	-13.2	25.5	-30.9	-13.4
Result before tax (EBT)	**91.7**	**94.2**	**274.9**	**290.3**
Tax on profit for the period	-23.3	-22.1	-74.6	-89.2
Profit for the period	**68.4**	**72.1**	**200.3**	**201.1**
Attributable to the parent company's shareholders	68.4	72.1	200.3	201.1
Earnings per share, SEK[1]	1.26	1.33	3.70	3.90
Other comprehensive income for the period				
Items that will be returned to net income				
Translation differences	-61.8	-42.9	90.4	-125.6
Cash flow hedging	3.5	-5.2	-2.9	0.2
Hedging of net investments	-	-30.6	-	0.0
Deferred tax attributable to hedging	-0.8	7.9	0.6	0.0
Total	**-59.1**	**-70.8**	**88.1**	**-125.5**
Items not to be returned to net income				
Revaluation of pension plans	7.5	1.7	7.3	-2.8
Deferred tax attributable to revaluation of pension plans	-1.6	-0.3	-1.6	0.6
Total	**5.9**	**1.3**	**5.7**	**-2.2**
Other comprehensive income, net after tax	**-53.2**	**-69.4**	**93.8**	**-127.7**
Total comprehensive income for the period	**15.2**	**2.6**	**294.1**	**73.3**
Attributable to the parent company's shareholders	15.2	2.6	294.1	73.3

[1] Previous periods have been adjusted to take into account the change in the number of shares after completion of the rights issue in Q2 2017

Condensed statement of financial position, Group

Amounts in MSEK	30 Sep 2018	31 Dec 2017
ASSETS		
Intangible fixed assets	2,928.8	2,896.0
Tangible fixed assets	361.1	360.4
Financial and other non-current assets	102.7	103.5
Total non-current assets	**3,392.6**	**3,359.9**
Inventories	730.8	583.3
Contract assets	183.2	233.3
Trade receivables	997.6	893.6
Other receivables	223.8	165.6
Cash and cash equivalents	317.1	341.3
Total current assets	**2,452.5**	**2,217.1**
TOTAL ASSETS	**5,845.1**	**5,577.0**
EQUITY AND LIABILITIES		
Shareholders equity	**3,268.9**	**3,099.3**
Non-current liabilities		
Interest bearing debts	1,200.7	1,205.0
Other long term liabilities	368.9	381.7
Total non-current liabilities	**1,569.6**	**1,586.7**
Current liabilities		
Interest bearing debts	95.9	46.0
Contract liabilities	77.8	95.9
Accounts payable	450.7	437.1
Other current liabilities	382.2	312.0
Total current liabilities	**1,006.6**	**891.0**
TOTAL EQUITY AND LIABILITIES	**5,845.1**	**5,577.0**

Condensed statement of changes in equity, Group

Amounts in MSEK	Share capital	Other paid-in capital	Translation reserve	Hedging reserve	Retained earnings and profit for the period	Total equity
Opening balance, 1 Jan 2017	**0.9**	**2,175.4**	**158.3**	**-1.5**	**-130.9**	**2,202.1**
Share issue[1]	0.2	775.3	-	-	-	775.5
Profit for the period	-	-	-	-	201.1	201.1
Changes of fair value	-	-	-	0.2	-2.2	-2.1
Tax attributable to cash flow hedging	-	-	-	0.0	-	0.0
Translation difference	-	-	-125.7	-	-	-125.6
Total comprehensive income	**-**	**-**	**-125.7**	**0.1**	**198.9**	**73.3**
Dividend	-	-	-	-	-86.7	-86.7
Closing balance, 30 Sep 2017	**1.1**	**2,950.6**	**32.6**	**-1.4**	**-18.7**	**2,964.2**
Share issue[1]	-	-	-	-	-	0.0
Profit for the period	-	-	-	-	90.5	90.5
Changes of fair value	-	-	-	2.1	11.2	13.3
Tax attributable to cash flow hedging	-	-	-	-0.5	-	-0.5
Translation difference	-	-	31.8	-	-	31.8
Total comprehensive income	**-**	**-**	**31.8**	**1.6**	**101.7**	**135.1**
Dividend	-	-	-	-	-	-
Closing balance, 31 Dec 2017	**1.1**	**2,950.6**	**64.4**	**0.2**	**83.1**	**3,099.3**
Opening balance, 1 Jan 2018	**1.1**	**2,950.6**	**64.4**	**0.2**	**83.1**	**3,099.3**
Profit for the period	-	-	-	-	200.3	200.3
Changes of fair value	-	-	-	-2.9	5.7	2.8
Tax attributable to hedging	-	-	-	0.6	-	0.6
Translation difference	-	-	90.4	-	-	90.4
Total comprehensive income	**-**	**-**	**90.4**	**-2.3**	**206.0**	**294.1**
Dividend	-	-	-	-	-124.6	-124.6
Closing balance, 30 Sep 2018	**1.1**	**2,950.6**	**154.8**	**-2.1**	**164.5**	**3,268.9**

[2]A new issue of 10,831,572 shares for SEK 73.0 per share was fully completed and registered on 12 April 2017. Other paid-in capital is reported net for issue costs of MSEK 15.2.

Cash flow statement, Group

Amounts in MSEK	Q3 2018	Q3 2017	Jan-Sep 2018	Jan-Sep 2017
Operating activities:				
Profit before tax	91.7	94.2	274.9	290.3
Reversal of depreciation and amortisation	29.2	29.7	92.3	82.6
Taxes paid	-18.9	-19.7	-56.2	-71.4
Adjustments for other non-cash items	-11.4	-40.8	-10.8	-44.7
Cash flow from operating actvities before change in working capital	**90.6**	**63.4**	**300.2**	**256.9**
Change in working capital:				
Change in inventory	-9.7	-10.4	-114.1	-22.8
Change in operating receivables	102.8	33.6	-99.2	-147.7
Change in operating liabilities	-70.9	-12.5	5.1	75.3
Cash flow from working capital	**22.2**	**10.7**	**-208.2**	**-95.2**
Cash flow from operating activities	**112.8**	**74.1**	**92.0**	**161.7**
Investing activities:				
Business acquisitions, net of cash aquired	-	-1.6	-	-1,129.8
Investment in intangible fixed assets	0.0	0.4	-0.1	-0.1
Investment in tangible fixed assets	-8.2	-13.2	-42.5	-32.9
Sales/disposal of tangible fixed assets	0.2	1.5	1.9	4.3
Cash flow from investing activities	**-8.0**	**-13.0**	**-40.8**	**-1,158.5**
Financing activities:				
Dividend	-	0.0	-124.6	-86.7
Rights issue	-	-1.2	-	775.5
New loans and repayments, net	-60.9	-53.5	42.6	395.8
Cash flow from financing activities	**-60.9**	**-54.8**	**-82.0**	**-1,084.6**
Cash flow for the period	**43.9**	**6.4**	**-30.8**	**87.7**
Cash & cash equivalents at beginning of period	287.9	293.1	341.3	230.6
Translation differences	-14.7	-7.2	6.6	-26.0
Cash & cash equivalents at end of period	317.1	292.3	317.1	292.3

Key figures

Quarterly data	2018			2017			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake, MSEK	1,103.6	1,182.4	1,120.7	1,096.3	868.8	1,193.3	942.8
Revenue, MSEK	1,098.9	1,111.6	959.7	1,050.0	979.8	1,194.3	776.6
EBITA adj, MSEK	135.9	148.7	111.3	144.7	101.3	173.2	90.9
EBITA margin adj, %	12.4%	13.4%	11.6%	13.8%	10.3%	14.5%	11.7%
EBITA, MSEK	116.6	135.5	94.4	126.7	81.6	170.5	85.8
EBITA margin, %	10.6%	12.2%	9.8%	12.1%	8.3%	14.3%	11.0%
EBIT, MSEK	105.0	120.7	80.1	113.1	68.7	156.1	79.0
EBIT, %	9.6%	10.9%	8.3%	10.8%	7.0%	13.1%	10.2%
Net profit, MSEK	68.5	79.1	52.7	90.5	72.1	78.6	50.4
Total comprehensive income, MSEK	15.2	175.6	103.2	135.1	2.6	24.3	46.4
Cash flow from operations, MSEK	112.8	-13.7	-7.1	173.8	74.1	44.0	43.6
Total cash flow, MSEK	43.8	-7.4	-67.2	27.2	6.4	-13.9	95.3
Number of shares, thousands[1]	54,157.9	54,157.9	54,157.9	54,157.9	54,157.9	54,157.9	43,326.3
Average number of shares, thousands	54,157.9	54,157.9	54,157.9	54,157.9	54,157.9	52,729.5	43,326.3
Earnings per share, SEK[2]	1.26	1.46	0.97	1.67	1.33	1.48	1.07
Earnings per share, SEK, as per numbers of shares at 30 Sept 2018	1.26	1.46	0.97	1.67	1.33	1.45	0.93
Total cash flow per share, SEK[2]	0.8	-0.14	-1.24	0.50	0.12	-0.26	2.02
Equity per share, SEK[2]	60.4	60.08	59.13	57.23	54.73	54.71	52.49
Total assets, MSEK	5,845.1	5,968.8	5,663.4	5,577.0	5,550.5	5,654.2	5,998.6
Cash and cash equivalents end of period, MSEK	317.1	287.9	282.6	341.3	292.3	293.1	331.2
Equity, MSEK	3,268.9	3,253.7	3,202.5	3,099.3	2,964.2	2,962.8	2,482.1
Capital employed, MSEK	4,248.4	4,343.3	4,121.3	4,009.0	4,011.6	4,103.1	4,387.7
Net debt, MSEK	979.5	1,089.6	918.8	909.7	1,047.3	1,140.3	1,905.6
Equity ratio, %	55.9%	54.5%	56.5%	55.6%	53.4%	52.4%	41.4%
Return on equity, %	9.3%	9.5%	10.3%	11.0%	9.8%	9.1%	9.5%
Return on capital employed goodwill excluded, %	22.5%	19.7%	21.1%	33.5%	29.9%	30.3%	23.2%
Return on capital employed, %	10.1%	9.1%	9.8%	12.8%	11.6%	11.9%	9.6%
Interest coverage ratio, times	-	4.66	2.68	5.20	6.14	11.08	2.76
Net debt/EBITDA ratio	1.81	2.16	1.71	1.72	2.21	2.44	4.92
Number of employees	2,350	2,325	2,306	2,439	2,340	2,351	2,325

[1] There are no financial instrument or other contract that may entitle its holder to potential shares, thus there is no potential dilution

[2] Previous periods have been adjusted to take into account the change in the number of shares after completion of the rights issue in Q2 2017

Rolling 4 Quarters	2018			2017			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake, MSEK	4,502.9	4,268.2	4,279.1	4,101.2	3,523.8	3,167.4	2,517.3
Revenue, MSEK	4,220.1	4,101.0	4,183.8	4,000.7	3,548.2	3,039.8	2,370.0
EBITA adj, MSEK	540.7	506.1	530.6	510.2	470.5	442.1	361.3
EBITA margin adj, %	12.8%	12.3%	12.7%	12.8%	13.3%	14.5%	15.2%
EBIT, MSEK	418.8	382.6	417.9	416.8	378.8	389.7	325.8
EBIT, %	9.9%	9.3%	10.0%	10.4%	10.7%	12.8%	13.7%
Net profit, MSEK	290.8	294.4	293.9	291.6	249.4	228.5	215.2
Total comprehensive income, MSEK	429.1	416.5	265.2	208.4	152.8	213.9	265.6
Cash flow from operations, MSEK	265.8	227.1	284.8	335.4	296.2	214.6	237.1
Total cash flow, MSEK	-3.6	-41.0	-47.5	114.9	111.2	64.4	16.2

Historical quarterly data 2016 – 2018

Amounts in MSEK	2018	2018		2017				2016			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order Intake											
Construction Equipment	143	226	199	113	188	249	280	199	213	188	179
Industrial Equipment	585	539	533	627	338	573	319	82	41	111	109
After Sales	314	303	286	263	239	292	254	161	166	161	165
Rental	61	114	102	93	103	79	90	77	93	83	117
Total	**1,104**	**1,182**	**1,121**	**1,096**	**869**	**1,193**	**943**	**519**	**512**	**543**	**569**
Revenue											
Construction Equipment	176	185	177	228	146	262	157	215	147	166	157
Industrial Equipment	537	523	429	448	487	530	330	123	79	105	67
After Sales	290	316	274	296	271	325	215	185	165	172	158
Rental	95	87	80	77	76	78	75	74	80	82	73
Total	**1,099**	**1,112**	**960**	**1,050**	**980**	**1,194**	**777**	**597**	**471**	**524**	**455**
EBITA adj.											
Construction Equipment	27	31	17	41	13	42	14	30	17	23	14
Industrial Equipment	18	14	11	21	9	27	12	2	-6	2	-11
After Sales	76	92	74	74	71	92	59	64	54	59	47
Rental	15	12	9	9	9	12	6	10	8	9	10
Total	**136**	**149**	**111**	**145**	**101**	**173**	**91**	**105**	**73**	**92**	**60**
EBITA											
Construction Equipment	27	30	17	40	6	42	14	19	17	23	14
Industrial Equipment	6	4	-1	6	-1	25	7	-6	-6	2	-11
After Sales	69	89	70	72	68	92	58	57	54	59	47
Rental	15	12	9	9	9	12	6	5	15	9	10
Total	**117**	**135**	**95**	**127**	**82**	**170**	**86**	**75**	**80**	**92**	**60**

MANAGEMENT ASSESSMENT (PROFORMA), UNAUDITED, ONLY FOR REFERENCE 2016 - Q1 2017

Amounts in MSEK	2018	2018		2017				2016			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order Intake											
Construction Equipment	143	226	199	113	188	249	280	199	213	188	179
Industrial Equipment	585	539	533	627	338	573	622	448	566	593	485
After Sales	314	303	286	263	239	292	290	240	250	244	234
Rental	61	114	102	93	103	79	90	77	93	83	117
Total	**1,104**	**1,182**	**1,121**	**1,096**	**869**	**1,193**	**1,281**	**963**	**1,121**	**1,108**	**1,015**
Revenue											
Construction Equipment	176	185	177	228	146	262	157	215	147	166	157
Industrial Equipment	537	523	429	448	487	530	504	512	459	523	502
After Sales	290	316	274	296	271	325	255	273	257	262	228
Rental	95	87	80	77	76	78	75	74	80	82	73
Total	**1,099**	**1,112**	**960**	**1,050**	**980**	**1,194**	**990**	**1,074**	**943**	**1,033**	**961**

Income statement, parent company

Amounts in MSEK	Q3 2018	Q3 2017	Jan-Sep 2018	Jan-Sep 2017
Revenue	3.5	2.5	10.5	7.5
Operating expenses	-9.9	-8.8	-30.0	-41.9
Operating profit/loss (EBIT)	**-6.4**	**-6.3**	**-19.5**	**-34.4**
Net financial items	6,7	2.3	16.9	5.7
Profit/loss after financial items	**0.3**	**-4.0**	**-2.6**	**-28.7**
Group contribution	-	-	-	-
Result before tax (EBT)	**0.3**	**-4.0**	**-2.6**	**-28.7**
Tax on profit/loss for the period	0.6	0.9	0.6	9.5
Profit/loss for the period	**0.9**	**-3.1**	**-2.0**	**-19.2**

Balance sheet, parent company

Amounts in MSEK	30 Sep 2018	31 Dec 2017
Non-current assets		
Shares in group companies	1,898.4	1,898.4
Other non-current assets	1.3	1.0
Total non-current assets	**1,899.7**	**1,899.5**
Current assets		
Receivables from group companies	1,663.6	1,665.9
Other short term receivables	5.6	1.3
Cash and cash equivalents	7.4	0.0
Total current assets	**1,676.6**	**1,667.2**
TOTAL ASSETS	**3,576.3**	**3,566.7**
EQUITY AND LIABILITIES		
Shareholders equity	2,914.3	3,041.0
Non-current liabilities, interest bearing	170.8	63.9
Current liabilities, interest bearing	-	13.2
Liabilities to group companies	439.6	397.6
Other current liabilities	51.6	50.9
TOTAL EQUITY AND LIABILITIES	**3,576.3**	**3,566.7**

Notes

NOTE 1. ACCOUNTING POLICIES

This Interim Report was prepared in accordance with IFRS, applying IAS 34, Interim Financial Reporting. The same accounting and valuation policies were applied as in the most recent annual report except for new and revised standards and interpretations effective from January 1, 2018. Non-IFRS measures are also presented in the report since they are considered to be important supplemental measures of the company's performance. The definition of these can be found on the Group's homepage.

IFRS 9

IFRS 9, Financial instruments is effective from January 1, 2018. The standard is replacing IAS 39, Financial instruments and include rules on classification and valuation of financial assets and liabilities and hedge accounting. Accounting principles applied by Alimak in accordance with IFRS 9 are consistent with those described in the annual report 2017, see notes 2 and 16. There is no impact on reported values for financial assets or liabilities nor on the hedge accounting.

The standard also regulates impairment of financial assets. Alimak applies a simplified approach to measure and recognize expected credit losses for the remaining term no matter if a loss event has occurred or not. The method is based on historical loss data adjusted for current conditions. In addition to this an assessment is done of macroeconomic factors and forecasts of future events that can have an impact on the impairment need. There is no significant impact from adapting the impairment model to IFRS 9 for the Alimak Group.

IFRS 15

IFRS 15 "Revenue from Contracts with Customers" is effective for the annual reporting period beginning January 1, 2018 and supersedes IAS 11 and IAS 18. Alimak has implemented the new standard using the full retrospective method. No adjustments to previous periods have been made as the impact on the revenue recognition from the new standard is immaterial. According to IFRS 15 Contract assets- and liabilities should be disclosed separately in the balance sheet. This has been made also for previous periods.

IFRS 15 specifies how and when revenue should be recognized as well as requires more detailed revenue disclosures. The standard provides a single, principle based five-step model to be applied to all contracts with customers. Revenue is allocated to performance obligations (equipment and services) in proportion to standalone selling prices items of the individual. Revenue is recognized when (at a point in time) or as (over a period of time) the performance obligations are satisfied, which is determined by the manner in which control passes to the customer.

Alimak Group manufactures, sells and leases out solutions for vertical transports for the construction and industry sector. Alimak also provides support- and service for the installed base of units. The business is operated in four business areas Construction equipment, Industrial equipment, Rental and After sales.

Some of the areas where the new revenue standard gives detailed guidance are important for Alimak, those are described below:

Combined offerings; Alimak offers combinations of transportation units (hoist, elevators, building maintenance units) and services. For each contract a detailed analysis is performed of the performance obligations included in the contracts. The price is allocated to the included components.

IFRS 15 gives guidance on how to recognize *variable consideration*. Alimak has some contracts with retroactive volume rebates. Alimak considers this already in the initial revenue recognition.

There is, in IFRS 15, specific criteria to decide if revenue should be recognized *at a point in time or over a period of time*. Alimak's business is to a large part recognized at point in time. Revenue is recognized when the control is passed to the customer. Both the revenue allocated to the equipment and the revenue allocated to installation is recognized at a point in time. For the equipment at delivery and for installation services when the installation is finalized. Some of the solutions delivered are highly specialized and adapted for each specific customer from a very early stage in the production. A large part of the production is performed on the customer site. For these projects Alimak recognizes revenue over time using the input method. For support- and other services, which normally are performed over a very short period of time, revenue is recognized when the service is performed.

Many of Alimak's contracts include *warranty clauses*. As the warranties normally follows legal requirements and/or industry practice they are accounted for as provisions according to IAS 37.

IFRS 16 that applies from 2019 has been assessed to be of significance on consolidated level. The ongoing implementation of a group common systemized approach for collection and valuation of lease contracts is close to finalization.

Alimak Group AB is the Parent Company of the Alimak Group. The Interim Report for the parent company has been prepared in accordance with the Annual Accounts Act and with standard RFR 2 Reporting by a legal entity, issued by the Swedish Financial Reporting Board. The same accounting principles and methods of computation are followed in the interim financial statements as compared with the most recent annual report.

NOTE 2. REVENUE SPLIT

Amounts in MSEK	Q3 2018	Q3 2017	Jan-Sep 2018	Jan-Sep 2017
Europe	346.8	376.2	1,166.7	1,130.1
Of which Sweden	43.7	26.9	133.8	109.0
APAC	391.5	307.9	989.5	857.2
Americas	296.6	259.9	813.8	810.7
Other markets	64.0	35.9	200.2	152.9
Total	**1,098.9**	**979.9**	**3,170.2**	**2,950.8**

Over time	Q3 2018	Q3 2017	Jan-Sep 2018	Jan-Sep 2017
Construction Equipment	-	-	-	-
Industrial Equipment	202.0	201.6	624.9	525.9
After Sales	-	-	-	-
Rental *)	43.4	38.1	120.2	114.3
Total over time	**245.4**	**239.7**	**745.1**	**640.2**

Point in time	Q3 2018	Q3 2017	Jan-Sep 2018	Jan-Sep 2017
Construction Equipment	176.5	145.8	538.0	564.4
Industrial Equipment	334.9	285.7	864.8	820.9
After Sales	290.5	271.1	879.8	811.2
Rental	51.6	37.6	142.5	114.0
Total point in time	**853.5**	**740.2**	**2,425.1**	**2,310.5**
Total	**1,098.9**	**979.9**	**3,170.2**	**2,950.8**

*) Part of business area Rental is accounted for applying IAS17, Leases

NOTE 3. FINANCIAL INSTRUMENTS

Amounts in MSEK	Total carrying amount		Fair value	
	30 Sep 2018	31 Dec 2017	30 Sep 2018	31 Dec 2017
FINANCIAL ASSETS				
Derivative financial instruments	0.0	4.2	0.0	4.2
Other financial receivables	1,125.1	1,024.9	1,125.1	1,024.9
Cash and cash equivalents	317.1	341.3	317.1	341.3
Total	**1,442.2**	**1,370.4**	**1,442.2**	**1,370.4**
FINANCIAL LIABILITIES				
Derivative financial instruments	2.0	4.2	2.0	4.2
Interest bearing debts	1,296.6	1,251.0	1,296.6	1,257.1
Other financial liabilities	600.4	597.1	600.4	606.0
Total	**1,899.0**	**1,852.2**	**1,899.0**	**1,867.3**

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE	
30 Sep 2018	Level 2
Financial assets	
Currency derivatives	0.0
Total	**0.0**
Financial liabilities	
Currency derivatives	2.0
Total	**2.0**
31 Dec 2017	Level 2
Financial assets	
Currency derivatives	4.2
Total	**4.2**
Financial liabilities	
Currency derivatives	4.2
Total	**4.2**

Level 1 - quoted prices in active markets for identical financial instruments

Level 2 - inputs other than quoted prices included in level 1 that are observable for the financial instrument, either directly (i.e. as prices) or indirect (i.e. derived from prices).

Level 3 – inputs for the financial instrument that are not based on observable market data (unobservable inputs)

Currency derivatives are valued at fair value by discounting the difference between the contracted forward rate and the rate that can be subscribed for on the balance sheet date for the remaining contract term.

NOTE 4. ACQUISITIONS

Alimak Group has not acquired any companies or business operations in 2018.

In the first quarter of 2017, the acquisitions of Avanti Wind Systems and Facade Access Group were finalized. The acquisitions broaden and diversify the product portfolio of Alimak Group's business area Industrial Equipment and provide a good foundation for continued expansion of the After Sales service and support portfolio offered by Alimak Group across brands.

NOTE 5. ASSETS PLEDGED AND CONTINGENT LIABILITIES

As of September 30, 2018, the maximum potential future payments Alimak Group could be required to make under issued financial guarantees totalled MSEK 590.0 (446.3 at the end of 2017) of which MSEK 589.4 refers to indemnity bonds for commitments to customers (445.7 at the end of 2017). Assets pledged totalled MSEK 8.2 (12.5 at the end of 2017).

FINANCIAL CALENDAR

- The Year-End report of 2018 will be published on February 22, 2019.
- The Interim Report for the first quarter of 2019 will be published April 26, 2019.
- The Annual General Meeting will be held on May 9, 2019 in Stockholm.
- The Interim Report for the second quarter of 2019 will be published August 21, 2019.

Alimak Group's financial calendar is available at www.alimakgroup.com

WELCOME TO ALIMAK GROUP'S PRESENTATION OF THE INTERIM REPORT FOR JANUARY – SEPTEMBER 2018

A telephone conference will be held on Thursday October 25th at 10:00 CEST. CEO Tormod Gunleiksrud and CFO Tobias Lindquist will present and comment on the report. The presentation, that will be held in English, can also be followed via audiocast.

To participate by phone – please call:

SE: +46856642661
UK: +442031940544
US: +18552692604

Link to audiocast:

https://alimak.eventcdn.net/20181025/

DEFINITIONS

Alimak Group presents certain financial measures that are not defined in the interim report in accordance with IFRS. Alimak Group believes that these measures provide useful supplemental information to investors and the company's management when they allow evaluation of trends and the company's performance. As not all companies calculate the financial measures in the same way, these are not always comparable to measures used by other companies. These financial measures should not be seen as a substitute for measures defined under IFRS. For definitions of key figures that Alimak Group uses, please visit www.alimakgroup.com

For further information, contact:

Mathilda Eriksson, Investor Relations Manager, Phone: +46 (0)8 402 14 41

Tobias Lindquist, CFO, Phone +46 (0)8 402 14 40

This information is information that Alimak Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 08.00 CEST at 25 October 2018.

About Alimak Group

Alimak Group is a world-leading provider of vertical access solutions for the industry and construction sectors. With a presence in more than 100 countries, the Group develops, manufactures, sells and provides service to vertical access solutions with focus on adding customer value through greater safety, higher productivity and improved cost efficiency. The Group's products and solutions are sold under the brands Alimak, CoxGomyl, Manntech, Avanti and Alimak Service. Alimak Group has an installed base of more than 67,000 elevators, hoists, platforms, service lifts and building maintenance units around the world. Founded in Sweden 1948, the Group has its headquarters in Stockholm, 12 manufacturing facilities in 8 countries and 2,400 employees around the world. www.alimakgroup.com.

ALIMAK GROUP