

Changes in the dividend proposed to the Annual General Meeting and further impact from COVID-19

Alimak Group expects material impact on demand and the supply of products and services for at least the first half of 2020 due to the COVID-19 pandemic. The Board of Directors proposes a decreased dividend of SEK 1.75, with the ambition to convene an Extraordinary General Meeting in the second half of the year to decide on the remaining dividend.

New proposal for appropriation of profit

Due to the prevailing market uncertainty caused by COVID-19, the Board of Directors of Alimak Group AB (publ) proposes a dividend for the financial year 2019 of SEK 1.75 per share to the Annual General Meeting to be held on May 7, 2020. The record date for the dividend is proposed to remain unchanged on May 11, 2020. The previous proposal of the Board of Directors of Alimak Group was a dividend of SEK 3.25 per share for the financial year 2019. The ambition of the Board of Directors is to, if conditions allow, convene an Extraordinary General Meeting in the second half of the year to decide on the remaining dividend.

“Alimak Group has a strong financial position, significant unutilised credit facilities and is comfortable with its current capital and covenant structure. For reasons of prudence, the revised dividend proposal is intended to create increased flexibility in a time of uncertainty,” says Jan Svensson, Chairman of Alimak Group.

Impact from COVID-19

In the report for the fourth quarter of 2019, Alimak Group highlighted that COVID-19 would impact its operations in China. The Group's Chinese organisation is now fully back in operation and approaching normal capacity.

Since then, governments across the world are taking significant and increasing measures to contain the COVID-19 pandemic. The methods to deal with the pandemic vary from country to country and new measures are implemented from one day to another. Measures include closing down construction sites, limiting manufacturing operations and maintenance activities. Customers are also, to a varying degree, restricting access to their sites, and this limits new equipment sales but also installation and service activities.

This has resulted in rapidly changing market conditions as well as increased uncertainty. The Group is taking considerable measures, on both global and local levels, to protect its employees and business, and is monitoring the effects of the pandemic, both short and long term. Most of Alimak Group's production and assembly units have been able to continue operating, however due to government restrictions the production is currently on hold or restricted in Brazil and Spain and partially limited in other countries.

The spread of COVID-19 from Asia into Europe and the Americas will therefore have a material impact on demand and on the supply chain, and will restrict service delivery in the first quarter. Alimak Group also expects the challenging market conditions to prevail in the second quarter, at least. However, currently it is not possible to quantify the full financial effects that the pandemic may have on Alimak Group.

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About Alimak Group

Alimak Group is a world-leading provider of vertical access solutions for professional use. With a global reach spanning over more than 100 countries, the Group offers vertical access solutions adding customer value through greater safety, productivity and resource efficiency. Alimak Group's products and service solutions are sold under the brands Alimak, CoxGomyl, Manntech, Avanti and Alimak Service. The Group has an installed base of around 70,000 elevators, hoists, platforms, service lifts and building maintenance units around the world. Founded in Sweden 1948, the Group has its headquarters in Stockholm, 11 production and assembly facilities in 8 countries and 2,300 employees around the world. www.alimakgroup.com