

Alimak Group to acquire Tractel

Presentation August 2, 2022

Ole Kristian Jødahl, CEO

Thomas Hendel, CFO

Creating a world leading provider of safe and sustainable premium height solutions

- The acquisition is transformational, accelerating Alimak Group's profitable growth strategy and increasing value creation for shareholders, expanding market presence, widening the customer base and solution portfolio
- Creating a world leading provider of safe and sustainable premium height solutions with annual revenue exceeding SEK 6.0 billion, LTM per 30 June 2022, with an EBITA margin of 17%, excluding synergies
- Adds a new vertical into Alimak Group, Height Safety & Productivity Tools and a network of distributors globally
- Strengthens the solution portfolios within Construction, Facade Access and Wind division as well as significantly increasing the potential for the service business



Acquisition in line with the New Heights Programme

1

Establish the base
2020

2

Secure margin improvements
2021

3

Profitable growth
2022-2025

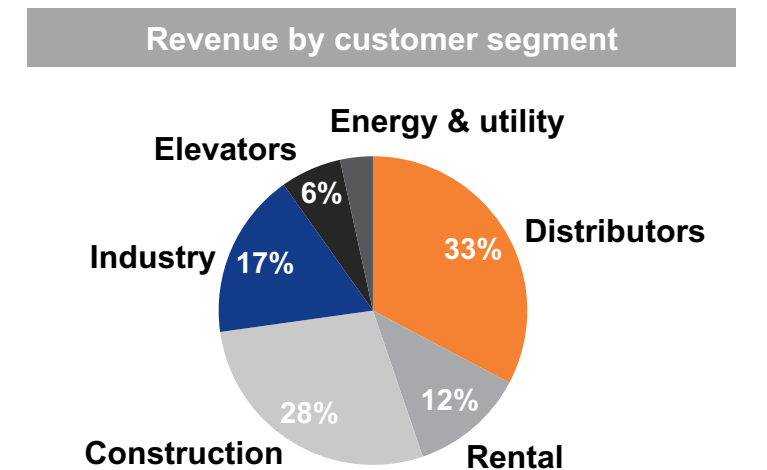
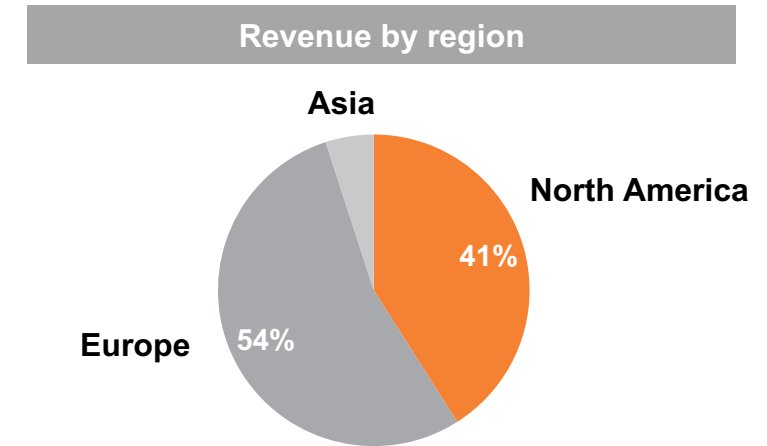
Attractive market supported by global trends

- Global trends and drivers
 - Urbanization
 - Industrialization
 - Regionalization
 - More building at heights
 - Infrastructure investments
 - Increased focus on safety and stricter work environment legislation



Tractel – a high quality company founded in 1947

- World leading height safety specialist, providing reliable, innovative and cost-effective working-at-height solutions
- After sales business model based on products with long lifetime requiring inspection, service and re-certification
- Highly recognized premium brands with established reputation and track record
- Clear focus on key segments with large customer base and strong leadership position
- Presence 120+ countries through subsidiaries in 19 countries, 1,100 employees and 10,000 distributors
- Headquarters: Luxembourg & Paris
- Revenue LTM (end of June), increased 7% to MEUR 201 with EBITDA-margin of 24%



Tractel – diversified customer base and premium brands

	Permanent Access	Temporary Access	Productivity tools	Height Safety	Services
Financials (2021)	<ul style="list-style-type: none"> 23% of Sales 	<ul style="list-style-type: none"> 18% of Sales 	<ul style="list-style-type: none"> 17% of Sales 	<ul style="list-style-type: none"> 21% of Sales 	<ul style="list-style-type: none"> 21% of Sales
Description	<ul style="list-style-type: none"> Permanent installed façade access solutions like BMUs, monorail systems, davits etc. 	<ul style="list-style-type: none"> Suspended platforms and mast climbers used for renovation and maintenance operations 	<ul style="list-style-type: none"> Selling productivity tools, enabling workers to lift / manage heavy loads safely and more efficiently 	<ul style="list-style-type: none"> Extensive portfolio of fall protection equipment for working at height 	<ul style="list-style-type: none"> Maintenance, training, rental and installations of temporary access equipment
End-markets	<ul style="list-style-type: none"> Construction & civil works Office buildings, hotels, hospitals 	<ul style="list-style-type: none"> Buildings Civil engineering works Industrial structures Wind 	<ul style="list-style-type: none"> Construction Industrial sites 	<ul style="list-style-type: none"> Industrials Construction Energy 	<ul style="list-style-type: none"> Maintenance permanent access Maintenance temporary access Others incl training and rental
Products and examples of brands	 <p>tirak™ Tractel</p>	 <p>SCANCLIMBER® by Tractel greifzug™ minifor™</p>	 <p>Dynafor HHD Display Dynafor Pro</p>	 <p>Harnesses and belts Safety ladders</p> <p>  </p>	 <p>Tractel</p>



Strong strategic fit with limited overlap

- Perfect match with Alimak Group's divisional profitable growth strategies
- Significant commercial synergies in all Alimak Group divisions
 - materially widening the customer base
 - broadened product and service portfolio
 - strengthened market position
 - expanded global service organization
 - cultural fit and shared values



Adding new vertical – Height Safety & Productivity Tools

- The acquisition adds a new vertical into Alimak Group – Height Safety & Productivity Tools
- Provides significant synergies for cross selling of solutions into Tractel's and Alimak Group's customer bases
- Contributes with a vast global network of distributors
- The end customers of these products are found both within construction as well as in basically all industrial segments



*Tirfor
manual hoist*



*Dynafor
Load indicator*



*Harnesses and
belts*



*Faba
Safety ladders*



*Tirak
man riding hoist*



*Davitrac
Access and lifting*

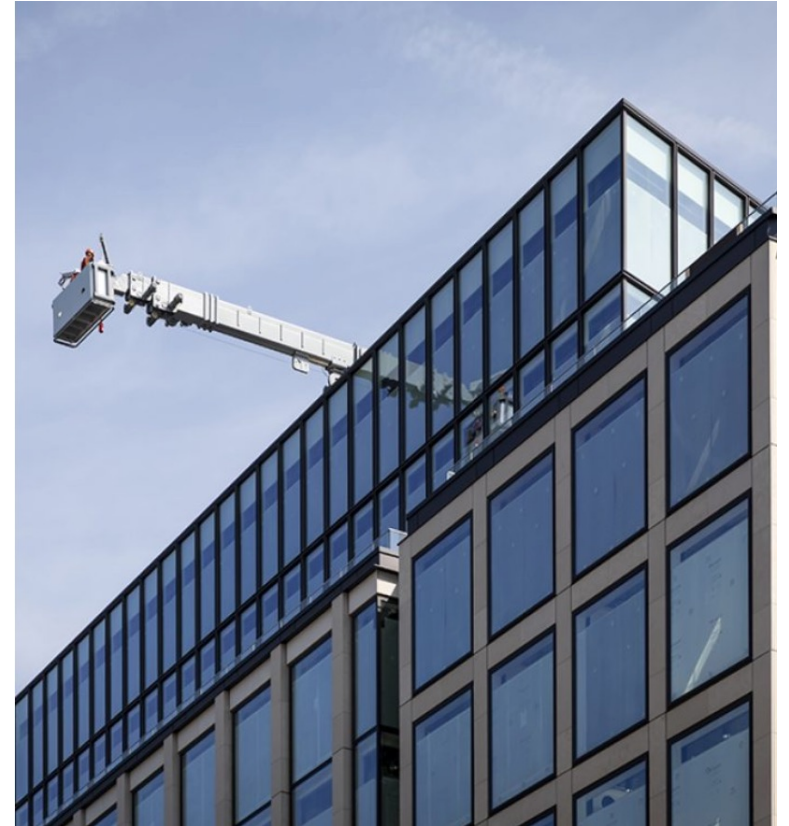
Construction – expanding solution portfolio & customer base

- The acquisition broadens and strengthens the solution portfolio in the Construction division
- Adding a strong offering with the brand Scanclimber – a leading provider of mast climbing work platforms serving both construction and rental customers
- Widening the customer base and opening up significant cross selling opportunities through the broadened solutions portfolio, like the Height Safety products



Facade Access – establishing a global leading position

- Opportunity to establish a global market leading position in Facade Access through the widened customer base and solution portfolio
- Complete portfolio of solutions and a global service organization to support customers to optimize total cost of ownership, globally
- Provides a much more complete portfolio for all categories of buildings and structures
 - Complex projects and high rises
 - Standard BMU's and mid rises
 - Davits and simpler access systems for low rises



Wind – growth opportunities

- Strategic review of Wind division concluded and closed. Alimak Group will continue to develop the Wind business
- Increased market demand for renewable energy
- Tractel's product range and growth initiatives has perfect fit with Alimak Group's Avanti portfolio and broadens scope and opportunities for safe and efficient access and lifting & handling solutions in Wind towers
- Enhanced value proposition to both OEM's and end customers, expanding the portfolio and widening the customer base – increasing uptime and reducing total cost of ownership



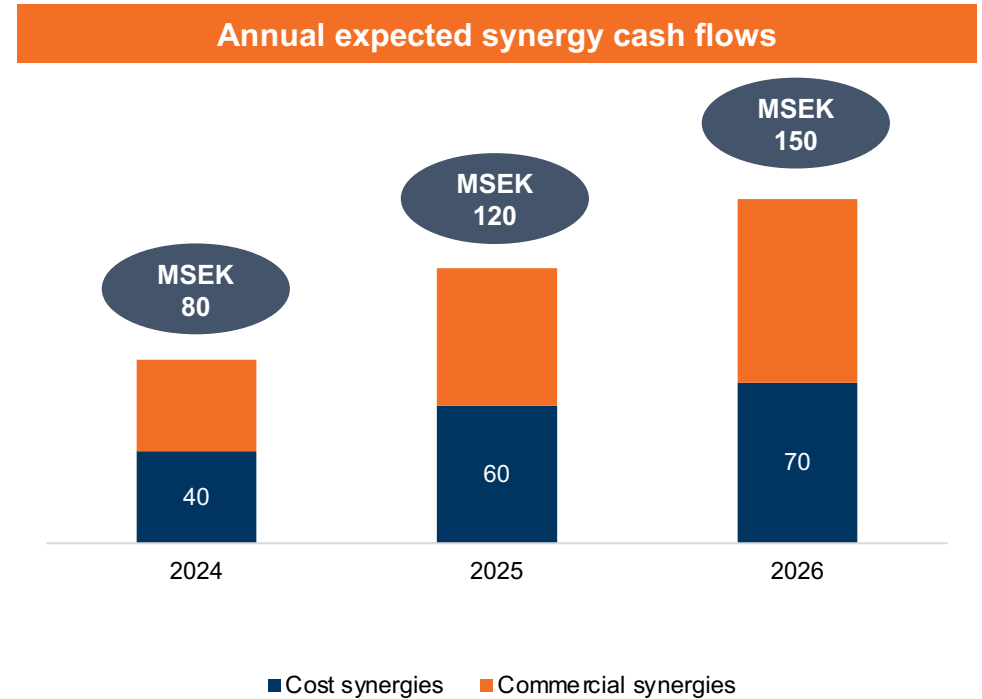
Service – capturing recurring revenue opportunities

- Significant potential to increase Alimak Group's service business, based on the large combined installed base and expanded solution offering
- Alimak Group and Tractel have similar after sales business models and products that have a long life with need for inspection, service and re-certification
- Brings us closer to our customers through a combined very strong global footprint of workshops, field service engineers and spare parts management
- Prolonging the lifetime of solutions
- Refurbishments and if needed replacements
- Reducing the climate and environmental footprint
- Minimize customers' "Total Cost of Ownership"



Synergies

- Annual cost synergies of approx. MSEK 70, of which approx. MSEK 40 are estimated to be realized by 2024
- Expected cost synergies as a result of efficiency improvements in SG&A, supply chain, procurement and distribution
- Significant commercial synergies



Transaction overview and financing

- Consideration of MEUR 500 (approx. SEK 5.3 billion) on cash and debt free basis (Enterprise Value) corresponding to an EV/EBITDA multiple of 10.3x based on Tractel's EBITDA (LTM ending 30 June)
- Acquisition financed by long-term facility of MEUR 300 and bridge loan facility. Bridge loan facility, post-closing of the transaction, to be repaid with proceeds from new share issue with pre-emptive rights for Alimak Group's shareholders
- Investment AB Latour, representing approx. 29.6% of the votes and shares in Alimak Group, supports the Transaction and has undertaken to vote for the Board's proposals at the EGM and subscribe for its pro-rata share of the Rights Issue. In addition, a group of institutional owners, including among others Alantra, First AP-fund, C Worldwide, and Sundt AS, holding approx. 23 % of the votes and shares in Alimak Group, have through non-binding statements expressed intention to vote in favor of the Board's proposal at the EGM and intention to subscribe for their respective pro-rata share of the Rights Issue
- Post completion of the transaction and the Rights Issue, the Net Debt /EBITDA ratio will increase to 2.9x and temporarily exceed the long-term financial target
- Acquisition-related costs, including transaction, financing, integration and restructuring costs, will amount to approximately MSEK 55, expected to be recognized in 2022 and in 2023 and reported as IAC
- Closing expected in the second half of 2022, subject to customary competition authority approvals and the shareholders of Alimak Group authorizing the Board to resolve on the Rights Issue

Strong commitment to our financial targets

Revenue growth target

5-7%

The Group's mid-term target is to have an average annual revenue growth of 5-7%.

EBITA margin target

14-16%

The Group's mid-term target is to reach an operating EBITA margin of 14-16%.

Leverage target (Net debt/EBITDA)

2.0x

The company will maintain an effective capital structure with a net debt of around 2.0x EBITDA over a cycle. The capital structure will be flexible and allow for strategic initiatives.

Dividend payout policy

40-60%

The Group has a target of paying a dividend of approximately 40-60% of its net profit to its shareholders.

Strong commitment to our sustainability target



**Aim to reduce our CO₂ footprint with
30%
cross our value chain by 2025***

* Scope 3, normalized based on turn-over, reduction compared to 2019

Strong strategic, operational and cultural fit

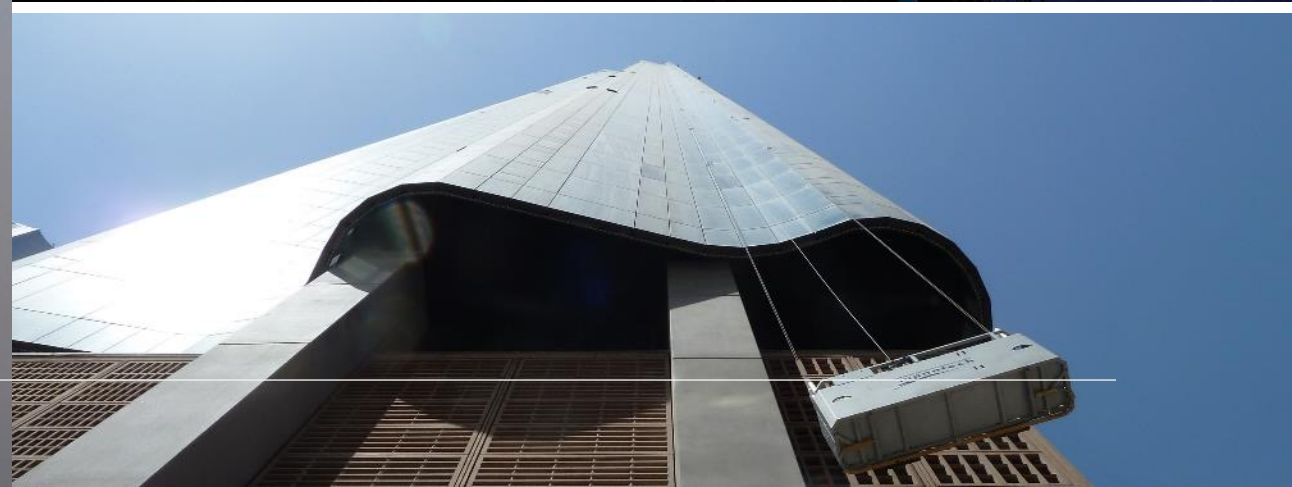
- Similar views on product development, technology and sustainability
- Cultures well aligned, with focus on:
 - People being the most important asset
 - Stakeholder value
 - Quality
 - Sustainable solutions
 - Digitalization
 - Safe and inclusive work environment



Summary

- A transformational acquisition creating significant shareholder value over time via higher revenue growth and improved profitability
- Underlines Alimak Group profitable growth strategy and ambition to expand the global market presence
- Establishing a highly profitable world leading provider of safe and sustainable premium height solutions with annual revenue exceeding SEK 6.0 billion, LTM per 30 June, with an EBITA margin of 17%, excluding synergies
- Strong strategic fit
 - expanding and strengthening our market position
 - widening our customer base and expanding our offering
 - creates significant potential to our service business with materially increased installed base





Q&A