

PALFINGER AG

Steep growth in marine business

Presentation on the results for the first half of 2016

Vienna, 27 July 2016

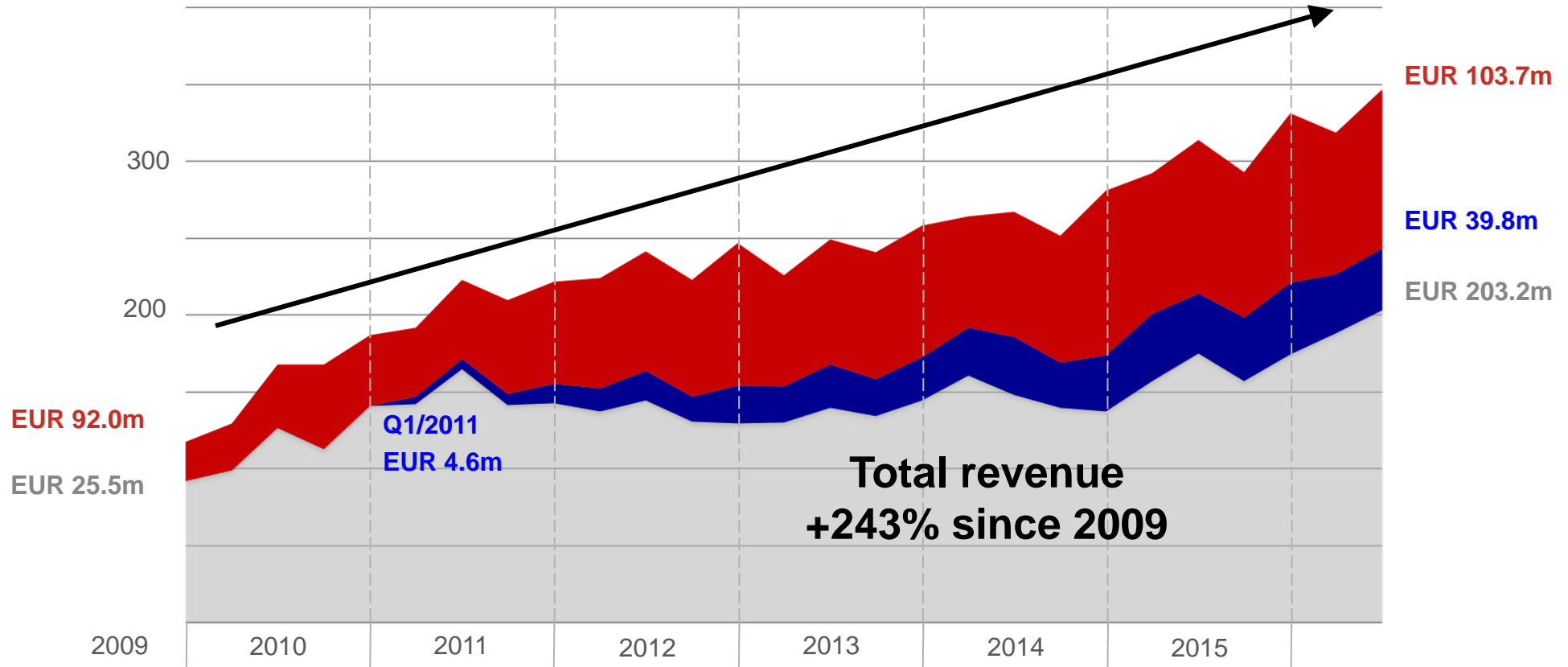
HERBERT ORTNER, CEO

GROWTH DESPITE MARKET VOLATILITY



REVENUE, GROWTH AND VOLATILITY (QUARTERS)

- AREA UNITS from 2009 to 2016: +307%
- PALFINGER MARINE from 2011 to 2016: +768%
- EUROPEAN UNITS (excl. marine business) from 2009 to 2016: +121%



-
- HY1 2016 marked by revenue growth and substantial increase in earnings
 - » Growth achieved in nearly all product areas in Europe
 - » Business in Southern Europe also increased
 - » Good product mix generated exceptionally high increase in earnings
 - » Reorganization in North America
 - » Further market decline in South America
 - » Acquisition of Harding was a milestone confirming focus on expansion of marine activities; largest acquisition in the Company's history
 - » Planned acquisition of TTS Group would make PALFINGER MARINE a global top-3 player
 - Revenue rose by 9.8% to EUR 665.6 million
 - EBIT increased by 21.4% to EUR 64.9 million

- Acquisition of Harding a milestone confirming focus on expansion of marine activities
 - » Together with Harding, PALFINGER MARINE becomes world market leader in maritime lifesaving equipment
 - » Harding operates a global service network (16 locations)
 - » 800 employees, revenue of EUR 140 million, 50 per cent thereof from services; reduced dependence on oil price and investment cycles
 - » One-stop shop for all maritime customer industries with premium-quality packages of products and services
- Full consolidation from 30 June 2016
- Integration into PALFINGER Group to be completed by end of 2017

- Doubling of marine business revenue

- Founded in 1966, listed since 1995, growth through strategic M&A activities since 1996
- Global presence, subsidiaries in 15 countries
- 1,100 employees, revenue of approx. EUR 340 million
- Leading supplier of handling solutions and access systems for maritime and offshore industry
- Strong position in the global services business
- Focus on engineering, products and services for the entire product lifecycle
- Strong position in Chinese ship-building market via three joint ventures

- ➔ **Marine business as strong second mainstay**

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- Acquisition of distribution partner in Spain and foundation of PALFINGER Iberica
 - » 75% share held by PALFINGER
 - » Sale of loader cranes, timber and recycling cranes, hooklifts, access platforms and marine products in Spain and Portugal
 - » Market gradually recovering from total collapse in 2009

 - Flexibility enhancement and capital employed management as a continuous process
 - » Implemented measures proved their worth in current situation
 - » Continuation in all areas, including administration
 - » New structure for PALFINGER MARINE
 - » Country-wise grouping of companies

STRATEGY

5 CONTINENTS – 7 OCEANS



NORTH AMERICA

- Loader cranes
- Timber and recycling cranes
- Tail lifts
- Access platforms
- Hooklifts
- Truck mounted forklifts
- Railway systems

SOUTH AMERICA

- Loader cranes
- Timber and recycling cranes
- Tail lifts
- Access platforms
- Hooklifts
- Railway systems

EMEA

- Loader cranes
- Timber and recycling cranes
- Tail lifts
- Access platforms
- Hooklifts
- Truck mounted forklifts
- Railway systems

MARINE

- Marine and wind cranes
- Lifesaving equipment
- Winches and handling systems
- Ship equipment
- Lifecycle services

CIS

- Loader cranes
- Timber and recycling cranes
- Tail lifts
- Access platforms
- Hooklifts
- Railway systems
- Mobile cranes

ASIA AND PACIFIC

- Loader cranes
- Timber and recycling cranes
- Tail lifts
- Access platforms
- Hooklifts
- Railway systems

-
- Leading international manufacturer of innovative lifting solutions
 - » World market leader in truck mounted loader cranes and hooklifts
 - » Leading specialist in timber and recycling cranes, tail lifts, truck mounted forklifts and high-tech railway systems
 - Global sales and services network (5,000 sales and services centres)

 - Global market leader in marine and wind cranes and maritime lifesaving systems
 - One-stop shop for deck equipment
 - Global network for maritime lifecycle services

 - Expanding the Company's competitive edge, integration of the acquired companies in the marine business

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- Growth, primarily in North America, CIS, China and the marine business
 - Completion of product portfolio in all regions
 - Development of China into second domestic market
 - Global balance of production and proximity to customers
 - Expansion of market position in the marine and offshore areas
 - Maintaining innovation leadership worldwide
 - Meeting customers' expectations through customized solutions
 - Quick adjustment to digitized business models

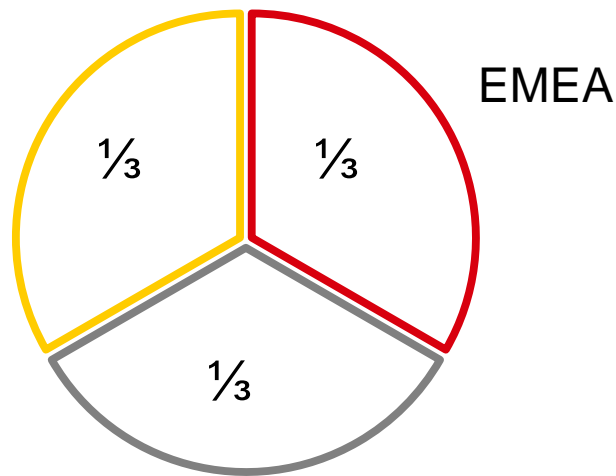
→ Revenue target 2017: approx. EUR 1.8 billion*

* including the not fully-consolidated joint venture companies

STRATEGIC TARGET 2017

approx. EUR 1.8bn*

ASIA AND PACIFIC
CIS

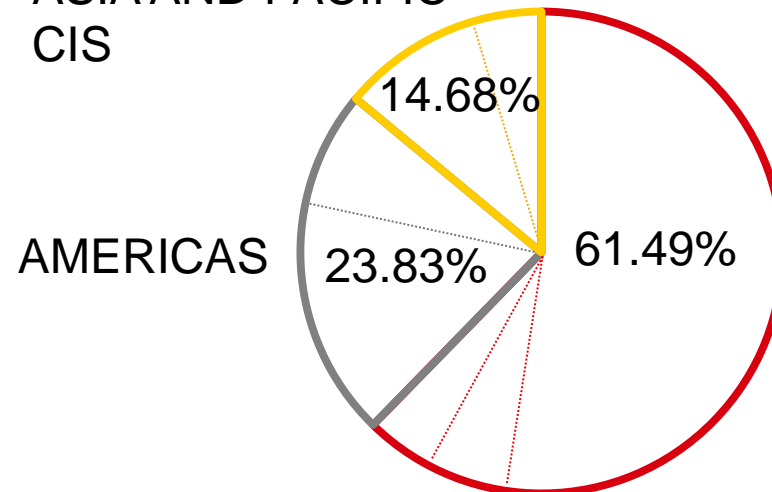


AMERICAS

REVENUE HY1 2016

EUR 665.6m

ASIA AND PACIFIC
CIS



EMEA

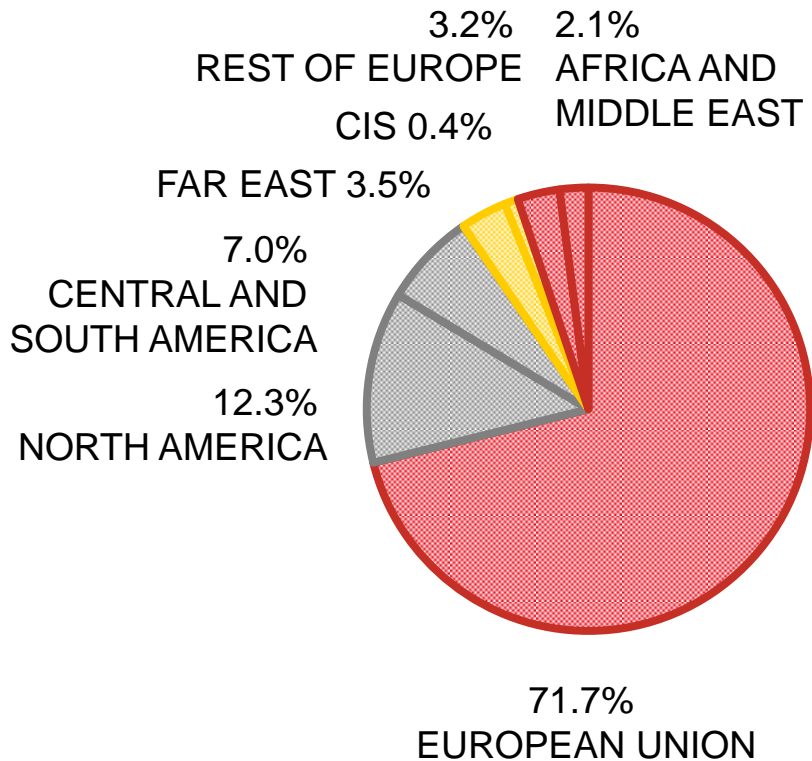
* Including JVs in China and Russia

* The global marine business is included in the EMEA segment

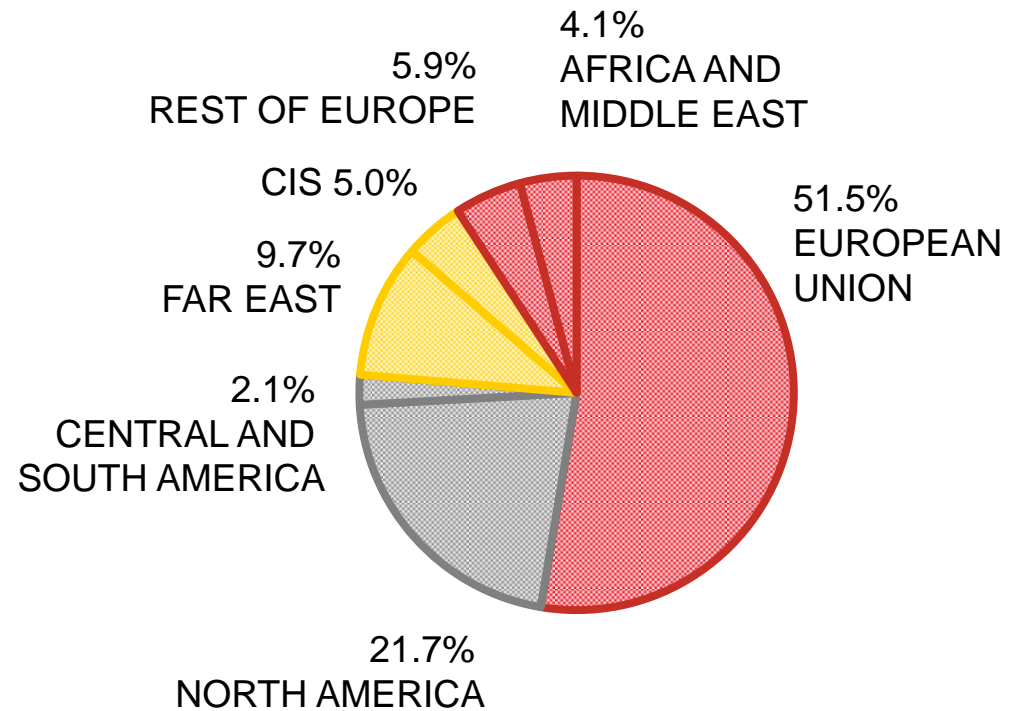
INTERNATIONALIZATION (2)



REVENUE 2009
EUR 505.4m total revenue



REVENUE HY1 2016
EUR 665.6m



* The global marine business is included in the EMEA segment.

SEGMENTS

SEGMENT REVENUE

	HY1 2015*	HY1 2016	%
EUROPEAN UNITS	414.3	469.7	+13.4%
AREA UNITS	191.9	195.9	+2.1%
VENTURES	–	–	–

SEGMENT EBIT

	HY1 2015*	HY1 2016	%
EUROPEAN UNITS	53.1	73.6	+38.5%
AREA UNITS	7.7	0.9	(88.7%)
VENTURES	(7.4)	(9.8)	(32.0%)

* Figures were adjusted with retrospective effect (see Annual Report 2015, pp. 146–149).

- Revenue increased by 13.4% due to good product mix
 - » Good performance in nearly all product areas
 - » High profitability due to good capacity utilization of production units
 - » Significant growth, primarily in Belgium, Germany, Finland, France, Ireland, Italy, the Netherlands, Norway, Austria, Poland, Portugal, Sweden and the Czech Republic
 - » Acquisition of majority interest in Spanish dealer added to growth in revenue
 - » Acquisition of Harding doubles marine business revenue and strengthens market position
 - » Harding fully consolidated from 30 June 2016

- EBIT increased by 38.5% to EUR 73.6 million

- Marine business will form separate segment from Q3 2016

- Revenue increased by 2.1% to EUR 195.9 million
 - » Growth despite difficult market conditions
 - » Positive development in Russia despite weak ruble
 - » Joint ventures with KAMAZ started off as planned
- EBIT fell by 88.7% to EUR 0.9 million
 - » Necessary reorganization in North America affected result
 - » Further market decline in South America
 - » Stable result in CIS

- Preparation of acquisition of Harding and planned takeover of the TTS Group
- Integration of Harding into the PALFINGER Group
- Restructuring of PALFINGER MARINE
- Continuation of cost-related and structural programmes

KEY FINANCIALS

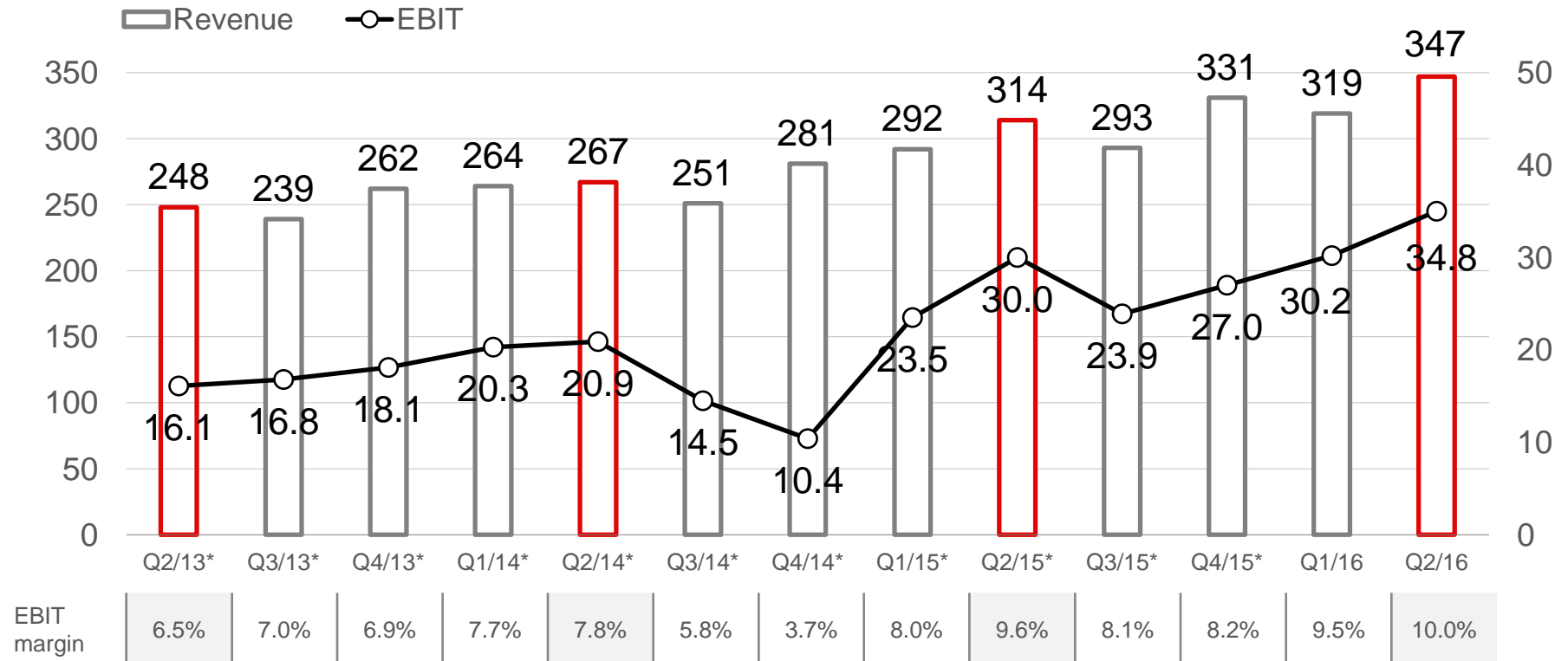
CHRISTOPH KAML, CFO

KEY FINANCIALS

	HY1 2014*	HY1 2015*	HY1 2016	%
Revenue	531.2	606.2	665.6	+9.8%
EBITDA	58.5	73.5	86.7	+18.1%
EBITDA margin	11.0%	12.1%	13.0%	–
EBIT	41.2	53.5	64.9	+21.4%
EBIT margin	7.8%	8.8%	9.8%	–
Result before income tax	35.7	48.6	58.8	+20.9%
Consolidated net result for the period	24.5	34.5	39.7	+15.2%

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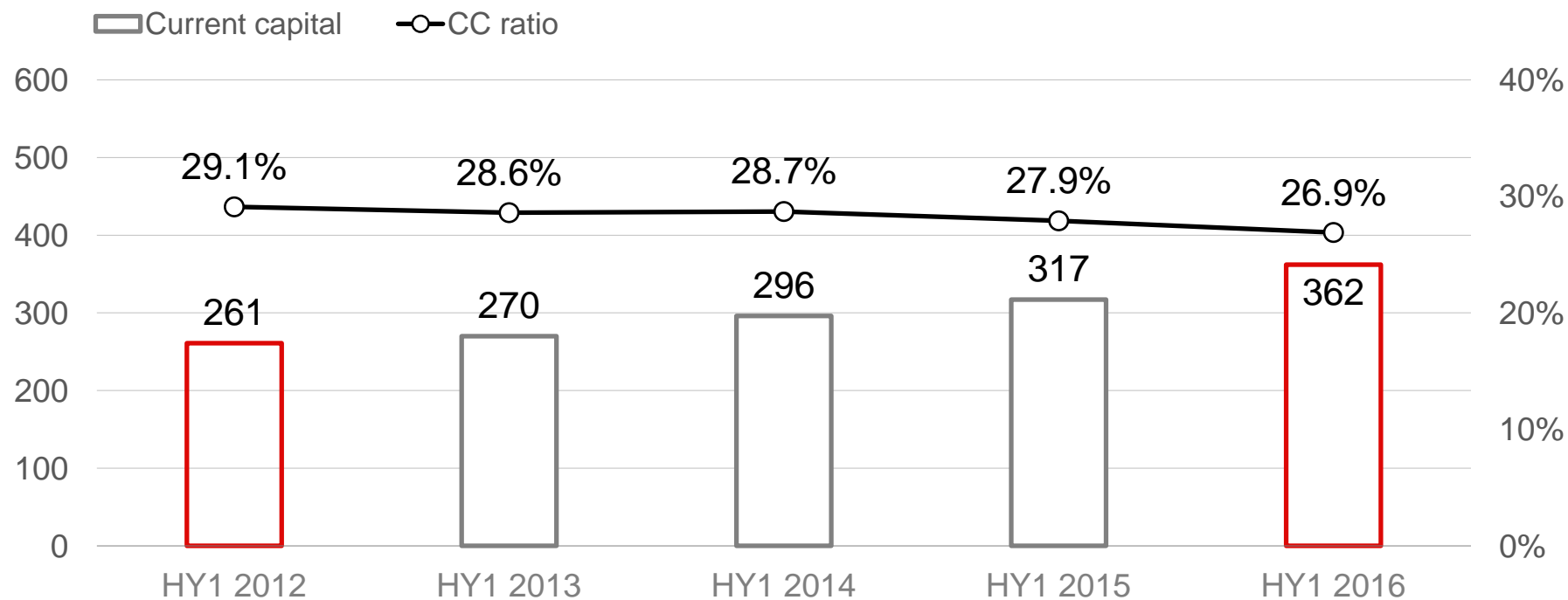
QUARTERLY FIGURES



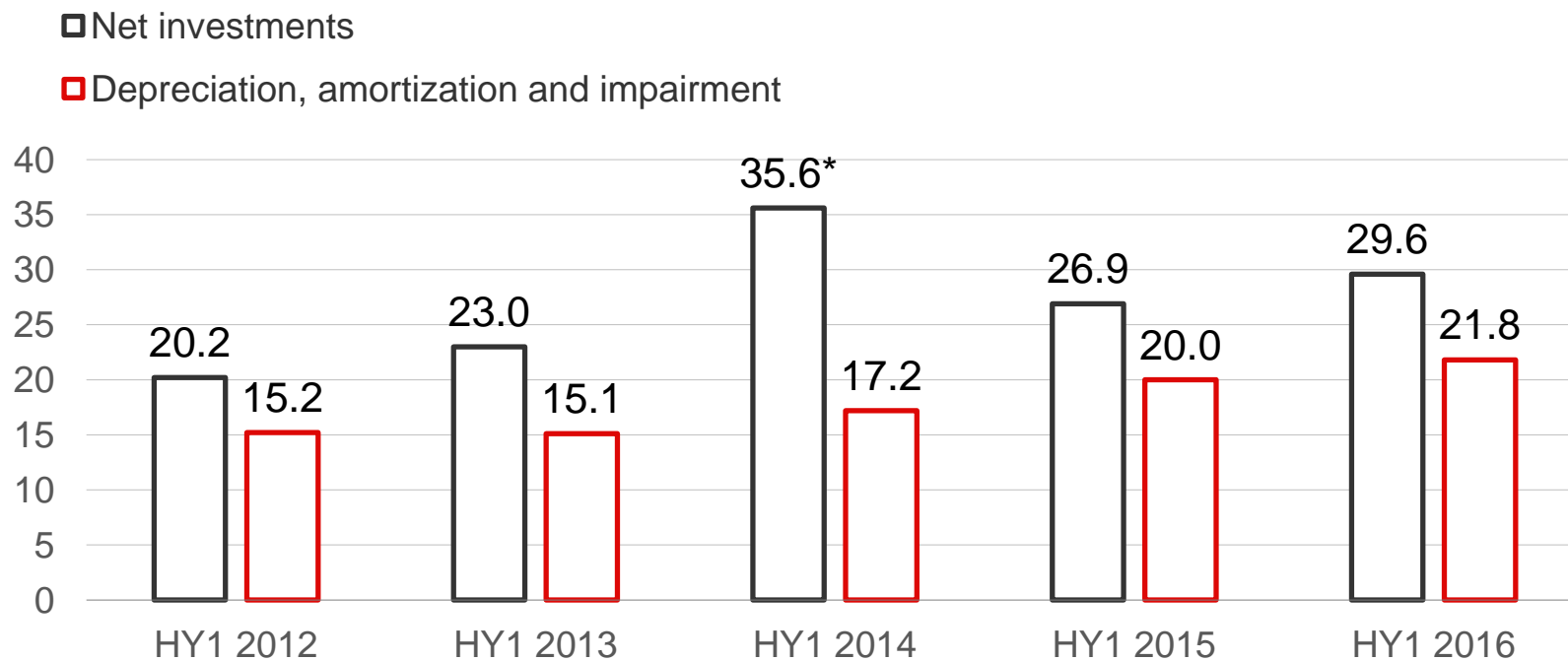
➔ Another record in revenue and earnings

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CURRENT CAPITAL*

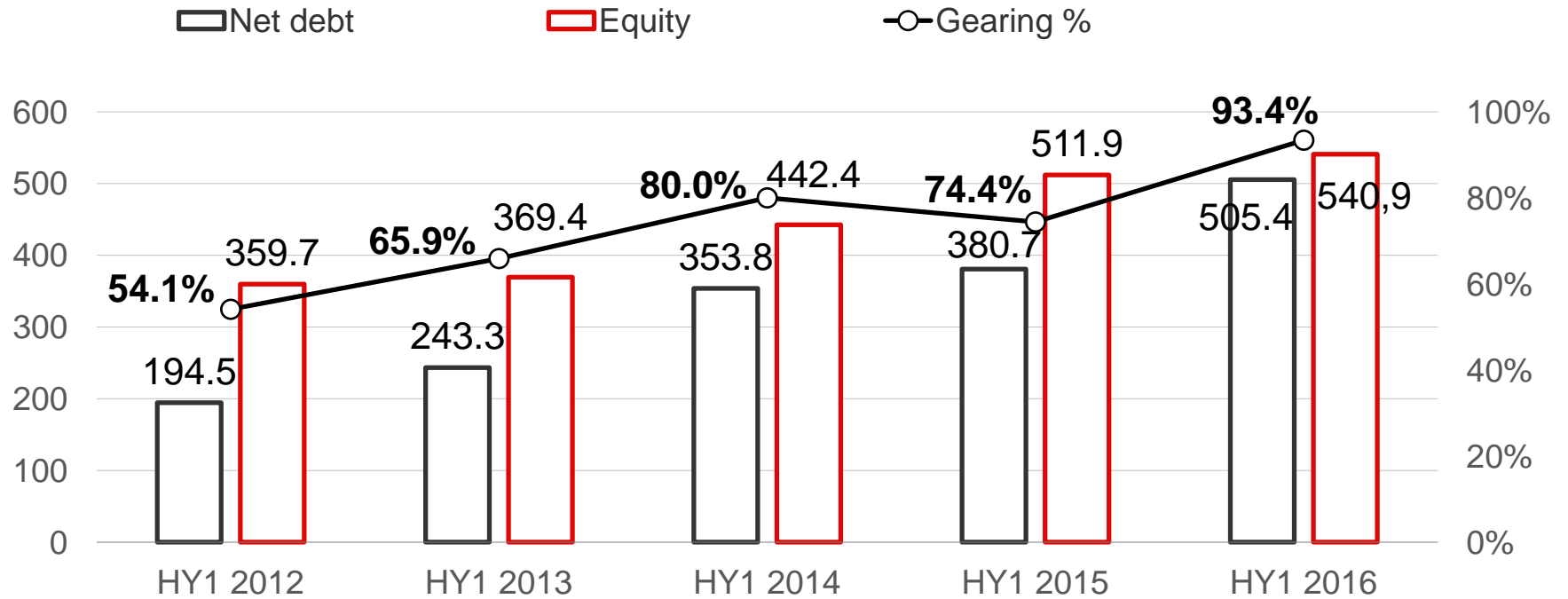


* Average.



* Adjusted by acquisition of interest in SANY, total: EUR 109,978 thousand

GEARING RATIO AND EQUITY



➔ Equity ratio at a high level

FREE CASH FLOWS

	HY1 2014*	HY1 2015	HY1 2016
EBTDA	52.7	68.6	80.6
+/- Non-cash result from companies at equity	1.1	(1.1)	(0.9)
+/- Change in working capital	(41.2)	(26.1)	(11.2)
+/- Cash flows from tax payments	(2.9)	(3.8)	(3.9)
Cash flows from operating activities	9.7	37.6	64.6
+/- Cash flows from investing activities	(163.4)	(35.0)	(138.7)
Cash flows after changes in working capital & investments	(153.7)	2.6	(74.1)
+/- Cash flows from interest on borrowings adjusted by tax expense	4.4	4.4	4.3
Free cash flows	(149.3)	7.0	(69.8)
Cash flows from equity/investor capital	33.7	(29.5)	(12.8)
Cash flows from net debt	120.0	26.9	86.9

OUTLOOK

HERBERT ORTNER, CEO

- Internationalization strategy to be continued
 - » Completion of product portfolio in all regions in the medium term
 - » Focus on sustainable market development in China and Russia
- Quick completion of planned takeover of the TTS Group
- Sustainable integration of Harding and TTS
- Restructuring of PALFINGER MARINE
- Further increase in flexibility (lean administration)
 - » Site-related optimization programmes, savings potentials, primarily in administrative processes
 - » Reducing complexity in global organizational structure
- Alignment of production structures: global benefits – local requirements
- Sustainability management at all sites

- Visibility remains limited in Europe, but has stabilized
- Growth achieved in non-European regions; satisfactory demand in CIS in spite of difficult conditions; South America affected by shrinking market
- Process adjustments in North America might limit growth in earnings

→ Continuation of growth, including organic growth

- Reporting acc. to IFRS in the segments “Land” and “Sea”
 - » The Group’s “Holding” will be presented as a cost centre
- Reporting in the “Land” segment will continue to be made by geographical market regions at revenue level
- At Group level, EBITDA and EBIT will be presented adjusted for restructuring costs from Q3 2016
- Changed responsibilities of Management Board members

- **Transparent segmentation by customer groups**

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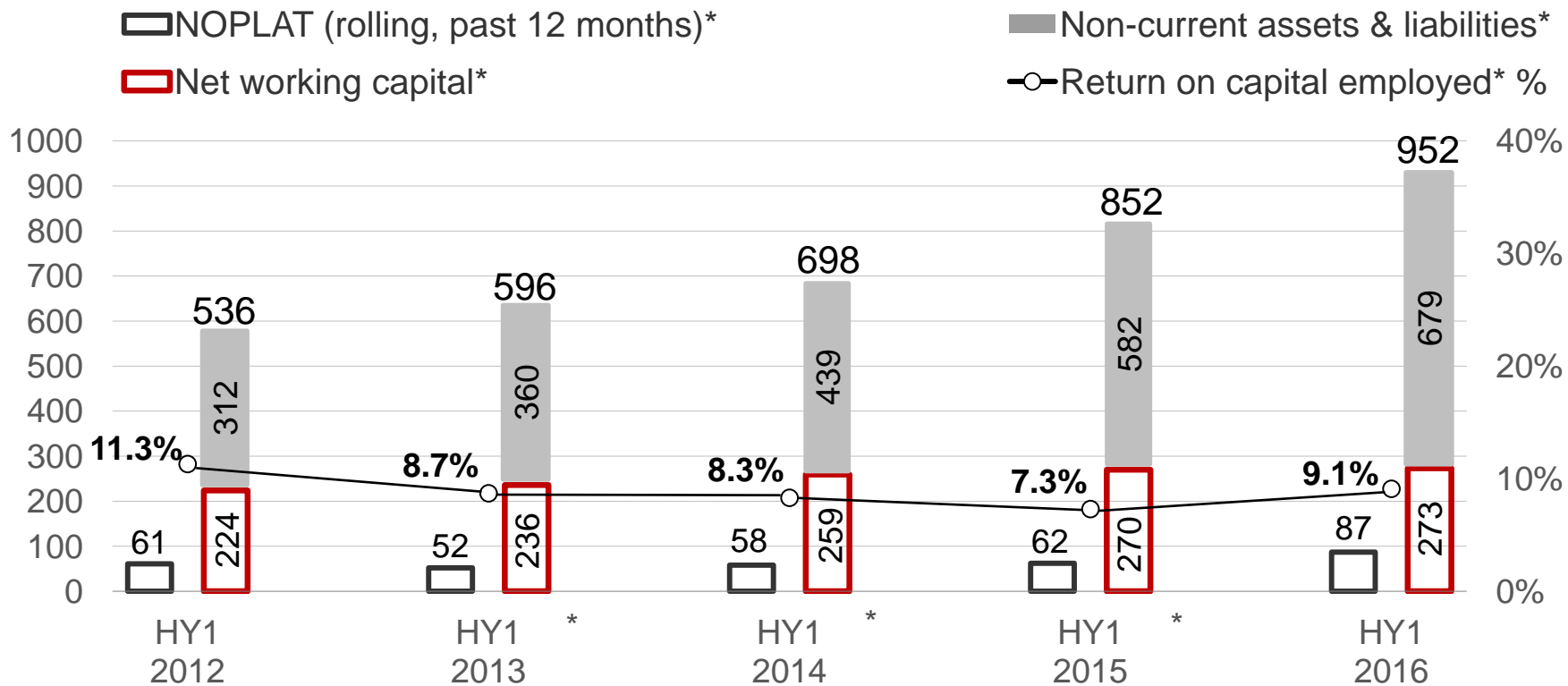
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This presentation contains forward-looking statements made on the basis of all information available at the time of preparation of this presentation. Actual outcomes and results may be different from those predicted.

BACK UP

RETURN ON CAPITAL EMPLOYED

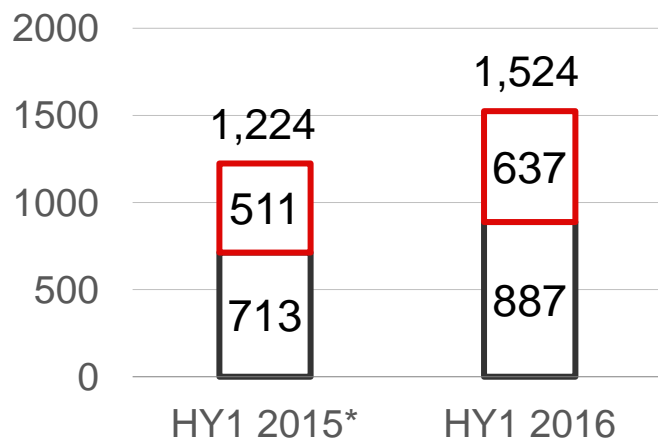


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BALANCE SHEET STRUCTURE

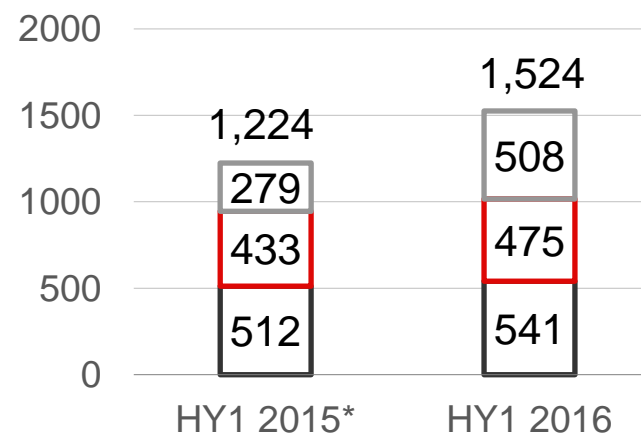
ASSETS

■ Non-current assets ■ Current assets



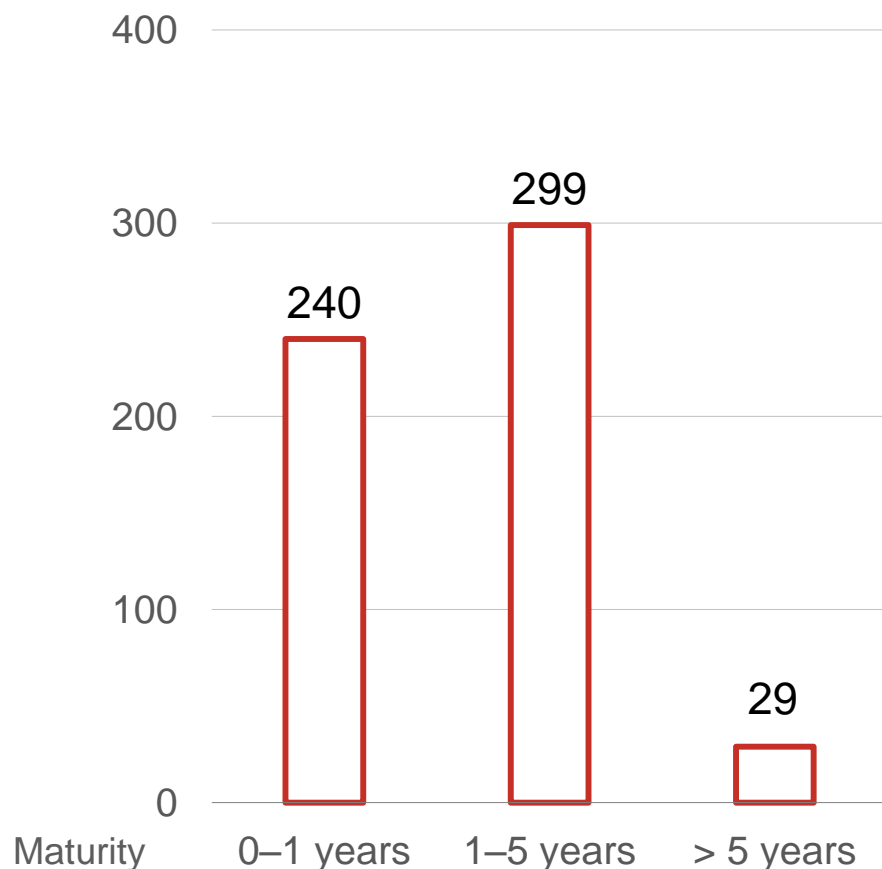
LIABILITIES

■ Equity
■ Non-current liabilities
■ Current liabilities



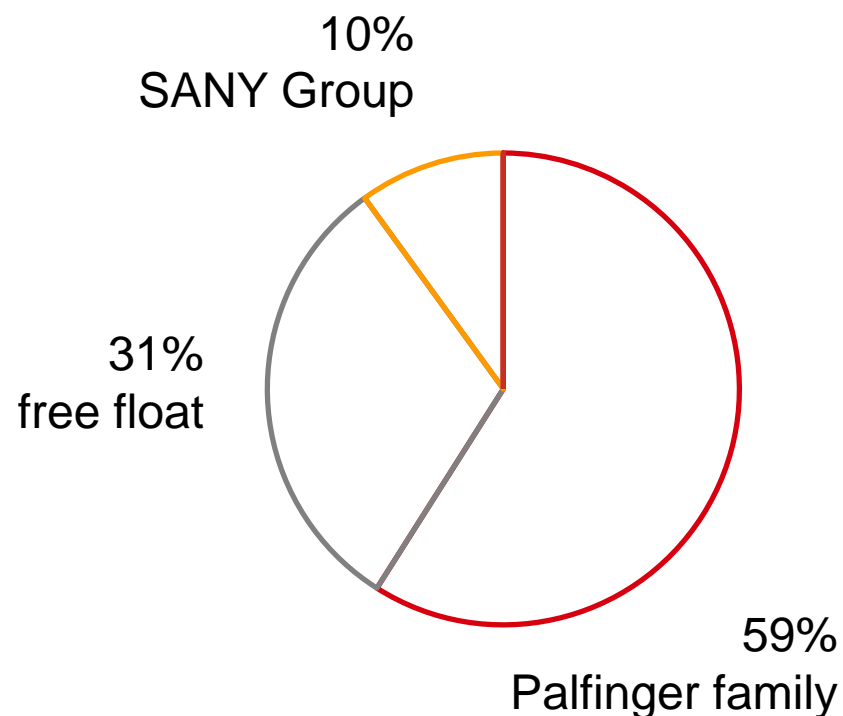
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FINANCING STRUCTURE AS AT 30 JUNE 2016



Financial liabilities (FL)	EUR 568.6m
Ø Interest rate FL	2.26%
Ø Remaining time to maturity FL	2.00 years
Cash equivalents	EUR 28.3m
Net debt	EUR 505.4m
Equity ratio	35.5%
Gearing	93.4%
Net debt/EBITDA	3.19

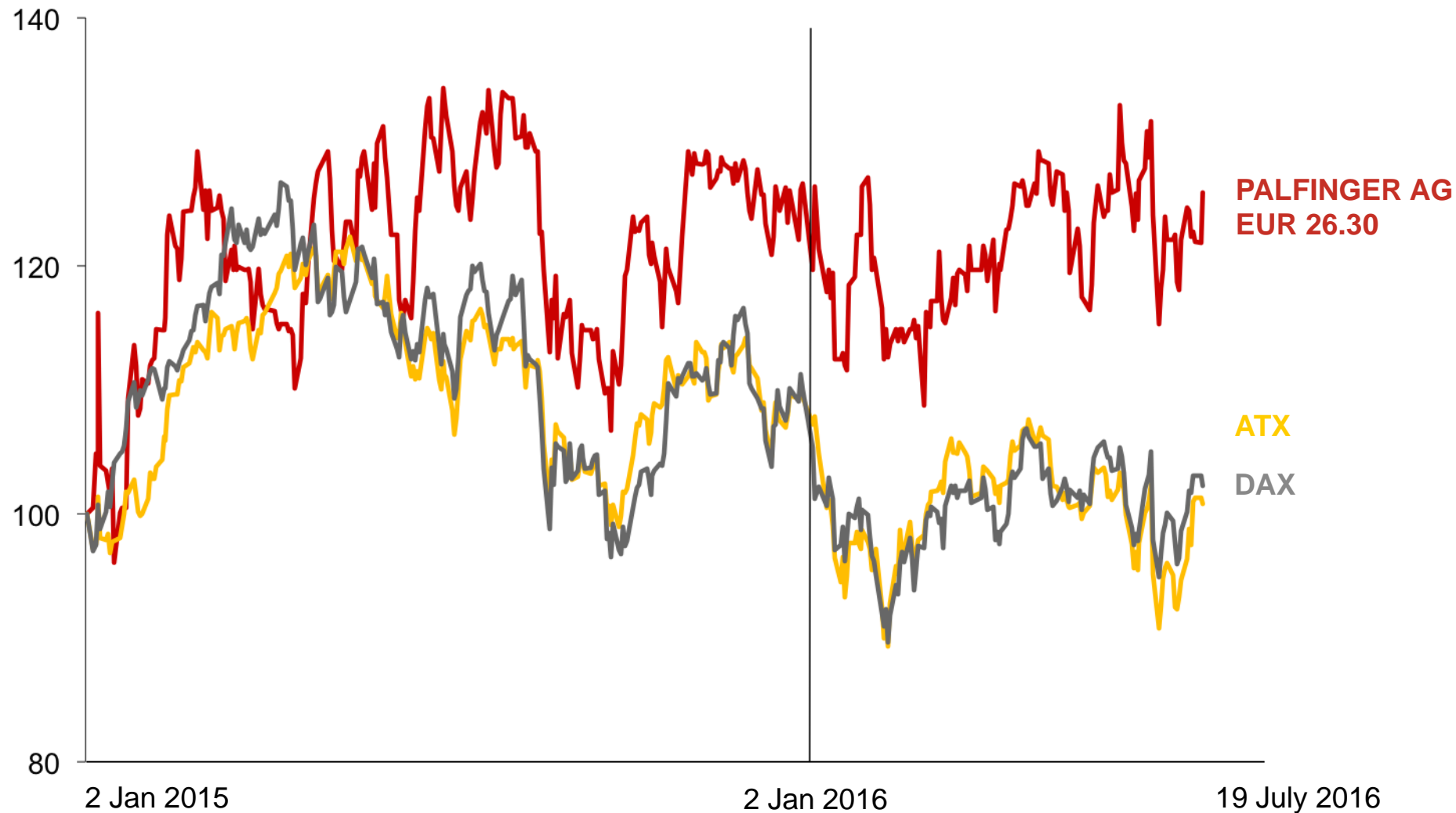
SHAREHOLDER STRUCTURE



SHAREHOLDER INFORMATION AS AT 30 JUNE 2016

ISIN	AT0000758305
Number of shares	37,593,258
Share price as at end of period	EUR 25.90
Market capitalization	EUR 973.7m
Earnings per share	EUR 1.06

PERFORMANCE OF PALFINGER SHARES SINCE 2015



Deutsche Bank

HSBC

Erste Group

Kepler Cheuvreux

Hauck & Aufhäuser

RCB

Berenberg Bank

Earnings estimates – consensus (EUR million)	2016e	2017e
Revenue	1,320.6	1,393.8
EBIT	118.2	129.8
Earnings per share (EUR)	1.98	2.20

-
- Started in 2010 with acquisition of Ned Deck and revenue of EUR 20 million
 - » 2010: Acquisition of product areas of palfinger systems (EUR 30 million)
 - » 2012: Acquisition of Dreggen; revenue of EUR 30 million
 - » 2013: Acquisition of MCT; cooperation with Koch
 - » 2013: Acquisition of Megarme; revenue of EUR 15 million
 - » 2015: Acquisition of Norwegian Deck Machinery
 - » 2016: Acquisition of Harding; revenue of EUR 130 million
 - » 2016: Planned acquisition of the TTS Group; revenue of approx. EUR 340 million
 - PALFINGER MARINE: revenue of approx. EUR 300 million
 - Target: Market position among the three globally leading suppliers of quality products in the field of deck and lifesaving equipment and handling solutions for transport and supply ships and offshore facilities
 - Strategy: One-stop shop for all maritime customer industries (products and services), targeted acquisitions, innovation leadership