

# **PALFINGER AG**

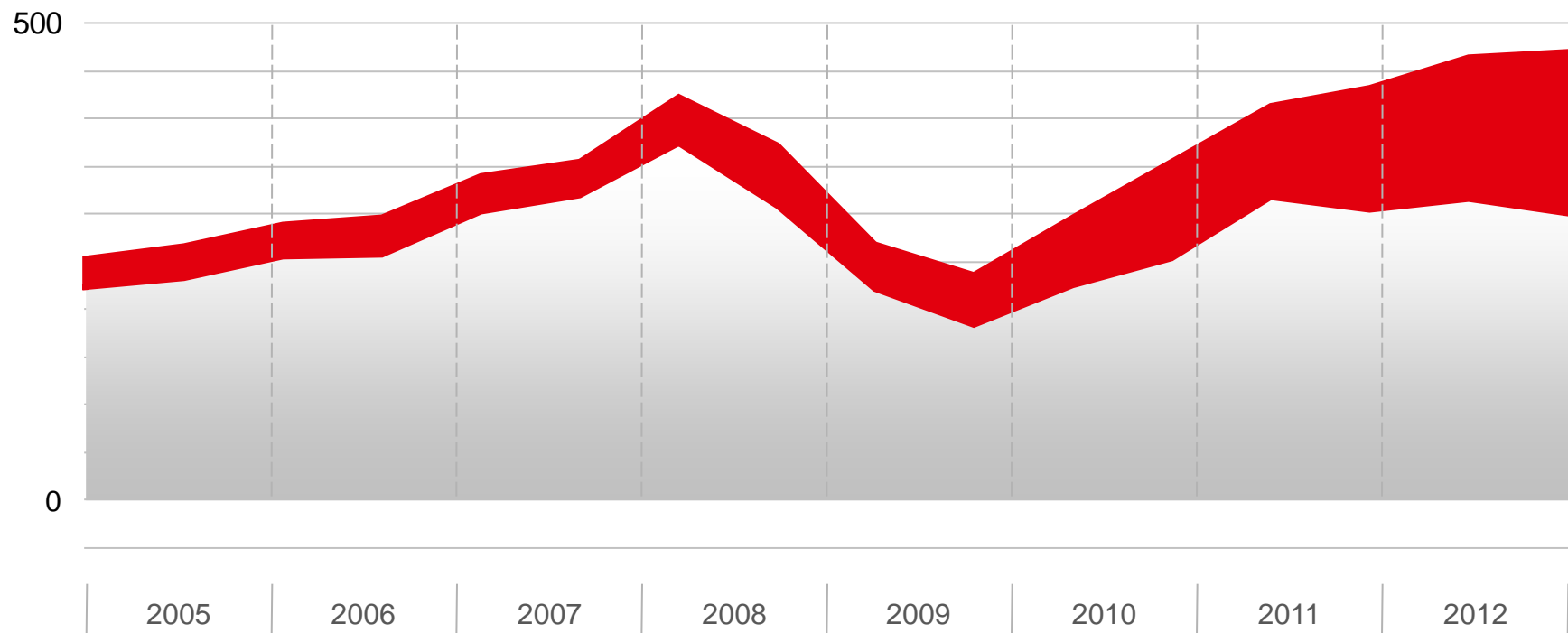
**Presentation on the 2012 financial year**

**February 2013**

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## REVENUE (HALF YEAR)

- AREA UNITS
- EUROPEAN UNITS



➔ Flexibility and internationality as the bases for success

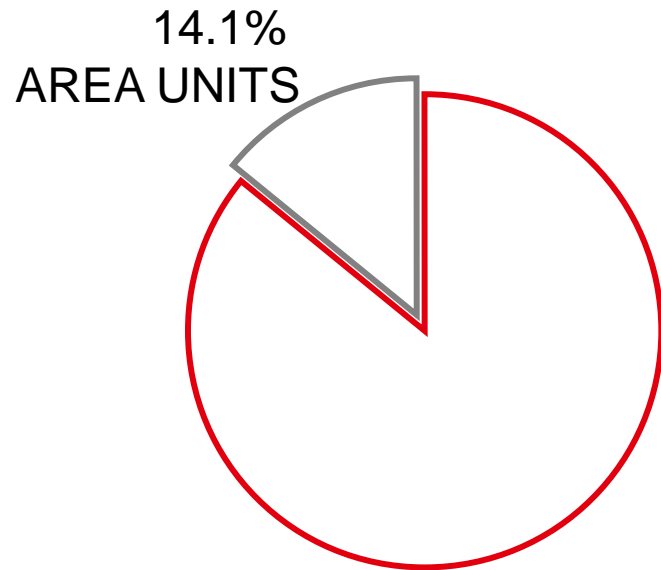
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- Revenue increased by 10.6% to EUR 935.2 million
    - » Growth facilitated by regions outside Europe
    - » Further increases in the marine business
  - At EUR 68.5 million, EBIT remains at a satisfactory level
    - » Stable despite costs for build-up of resources outside Europe
    - » Structural measures continued
    - » AREA UNITS with positive contribution to earnings
  - Internationalization strategy successfully continued
    - » Market entry in China through joint venture
    - » Expansion of globally operating Marine business area
  - Proposed dividend of EUR 0.38 per share

# STRATEGY

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- Leading international manufacturer of innovative lifting solutions
    - » World market leader in loader cranes, marine cranes, wind cranes and container handling systems
    - » Leading specialist in timber and recycling cranes, tail lifts, truck mounted forklifts and high-tech railway systems
  - Global sales and services network (more than 200 general importers/dealers and 4,500 sales and services centres worldwide)
  - Global procurement, production and assembly (29 manufacturing and assembly locations)
  - Strategic pillars: Innovation – internationalization – flexibility
  - **Maintaining and expanding the Group's competitive advantage**

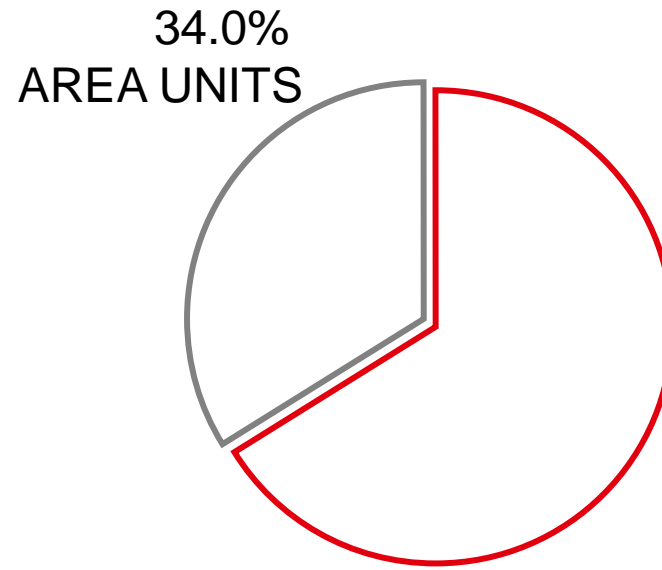
- Growth, primarily in BRIC countries
- Development of China into second domestic market
- Global balance of production and proximity to customers
- Consolidation of leading position in the marine and offshore areas
- Maintaining innovation leadership worldwide
- Meeting customers' expectations through customized solutions
- Adjustment of production sites and technologies in Europe

## REVENUE 2008



85.9%  
EUROPEAN UNITS

## REVENUE 2012



66.0%  
EUROPEAN UNITS

# SUCCESSFUL MARKET ENTRY IN CHINA WITH THE SANY GROUP

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- Sany Palfinger with site in Ningxiang
  - » Production and distribution of PALFINGER products in China
  - » Construction of separate plant planned
  - » Establishment of a sales and services network
- Palfinger Sany with registered seat in Salzburg
  - » Distribution of Sany mobile cranes in Europe and CIS
- Importance of the Chinese market is increasing
  - » Already the world's largest market for trucks and construction machinery
  - » Tremendous growth in truck bodies expected
- Operations successfully launched in Q3, first achievements recorded





# ACQUISITION OF BERGEN GROUP DREGGEN AS (DREGGEN)

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- Takeover agreed upon on 30 Oct 2012
- Tailor-made crane solutions for the shipbuilding, oil and gas industries (expansion of the PALFINGER portfolio)
- Strong position in Norway, renowned international customers
- Revenue 2012: approx. EUR 25 million; 75 employees
- Further growth in the marine and offshore sectors expected



**→ Substantial expansion of global Marine business area**

# SEGMENTS

## SEGMENT REVENUE

	2011	2012	%
EUROPEAN UNITS	621.7	617.0	(0.8%)
AREA UNITS	223.9	318.2	+ 42.1%
VENTURES	–	–	–

## SEGMENT EBIT

	2011	2012	%
EUROPEAN UNITS	80.1	74.2	(7.3%)
AREA UNITS	(1.1)	11.0	–
VENTURES	(10.3)	(15.1)	(46.7%)

- Increasing decline in demand in Europe
- Business units showed heterogeneous development
  - » Access platforms, truck mounted forklifts and railway systems recorded revenue increases
  - » Distinct declines in loader cranes, EPSILON timber and recycling cranes and container handling systems
- Global Marine business area posted excellent growth
- All business units with positive result for the first time in 2012

- Revenue increased by 42.1%, positive EBIT
- Strong growth in North America
- Establishment of new products in South America; further increases expected
- Further development in Asia marked by market entry in China
- First achievements in India; expansion of local value creation
- Tremendous growth in CIS, also due to INMAN

- Implementation of partnership with Chinese Sany Group
  - » Joint ventures approved in Q3, operations started
- Further development of the Indian, South American and Russian regions
  - » Acquisition of Tercek (BR)
- Expansion of Marine business area
  - » Acquisition of Dreggen (NO)
- Continuation of cost-related and structural programmes

# KEY FINANCIALS

# FINANCIAL HIGHLIGHTS

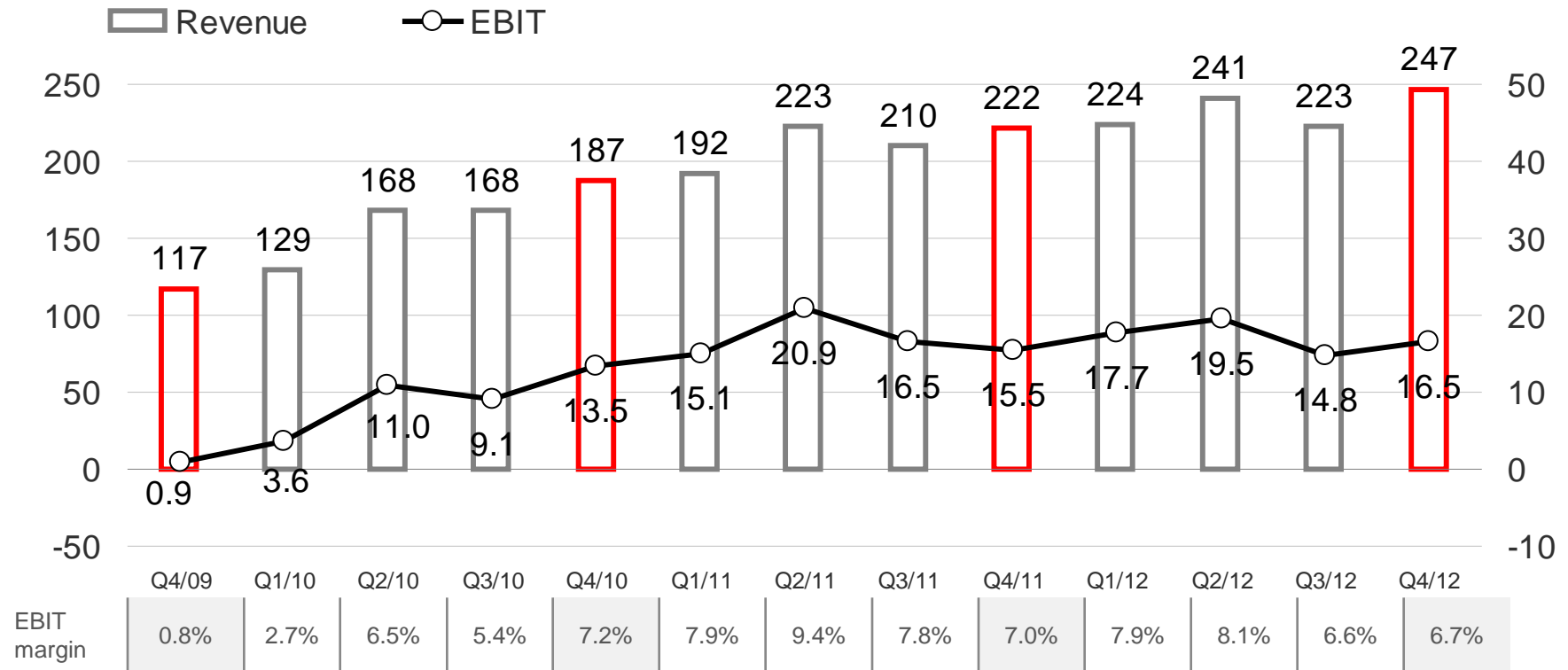


	2010	2011	2012	%
Revenue	651.8	845.7	935.2	+ 10.6%
EBITDA	59.9	96.8	98.0	+ 1.2%
EBITDA margin	9.2%	11.4%	10.5%	–
EBIT	37.1	67.9	68.5	+ 0.8%
EBIT margin	5.7%	8.0%	7.3%	–
Result before income tax	29.8	57.0	53.7	(5.7%)
Consolidated net result for the period	24.2	42.0	40.4	(3.7%)
Dividend per share (EUR)	0.22	0.38	0.38*	0.0%

\* Proposal to the Annual General Meeting.

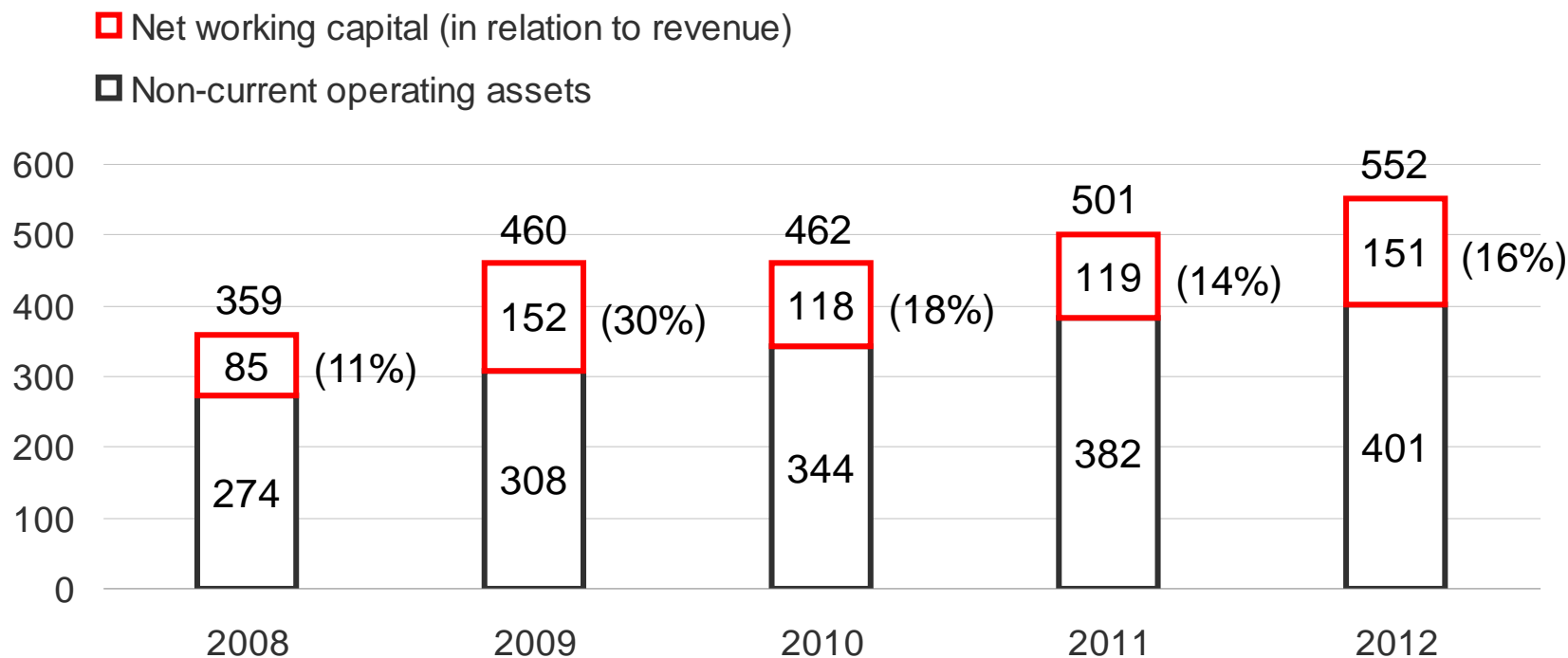


# QUARTERLY FIGURES



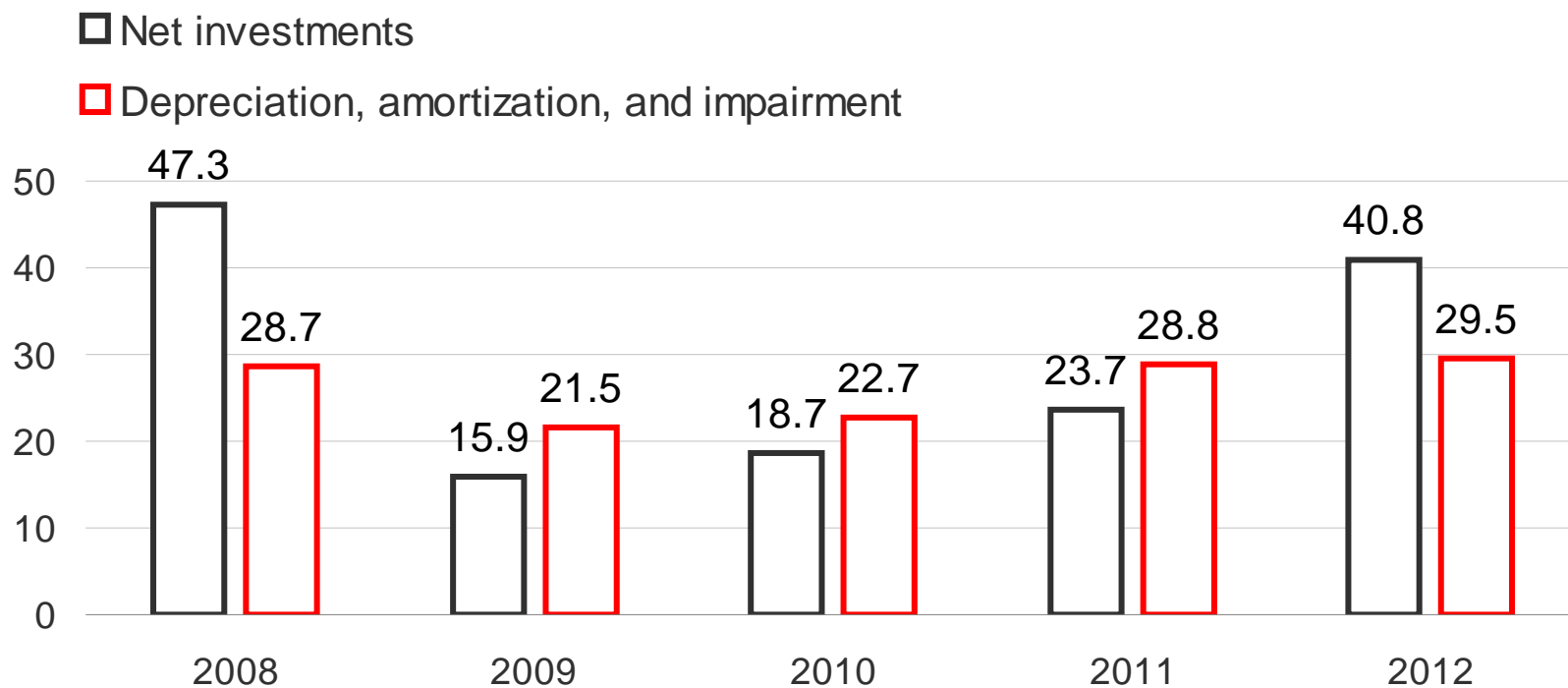
**➔ Steady upward trend with record revenue**

# CAPITAL EMPLOYED\*



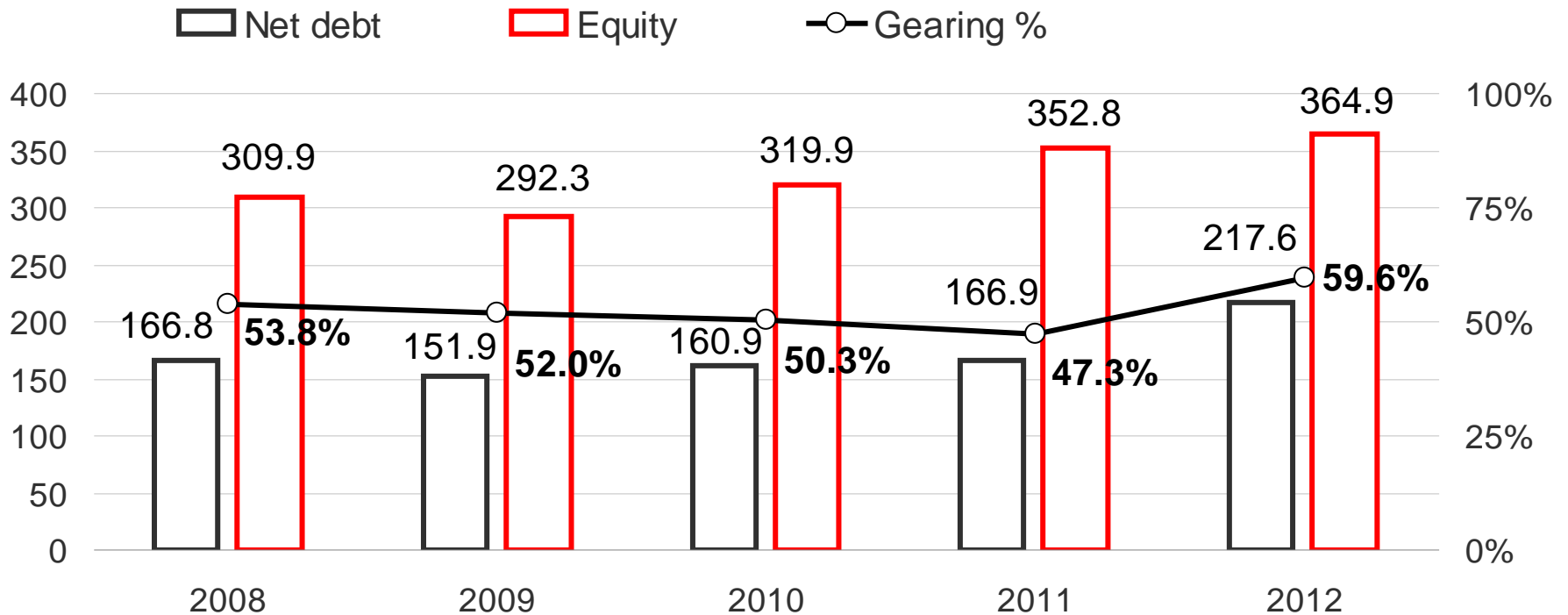
➔ Increase through expansion of business volume, relation to revenue at a low level

\* Average.



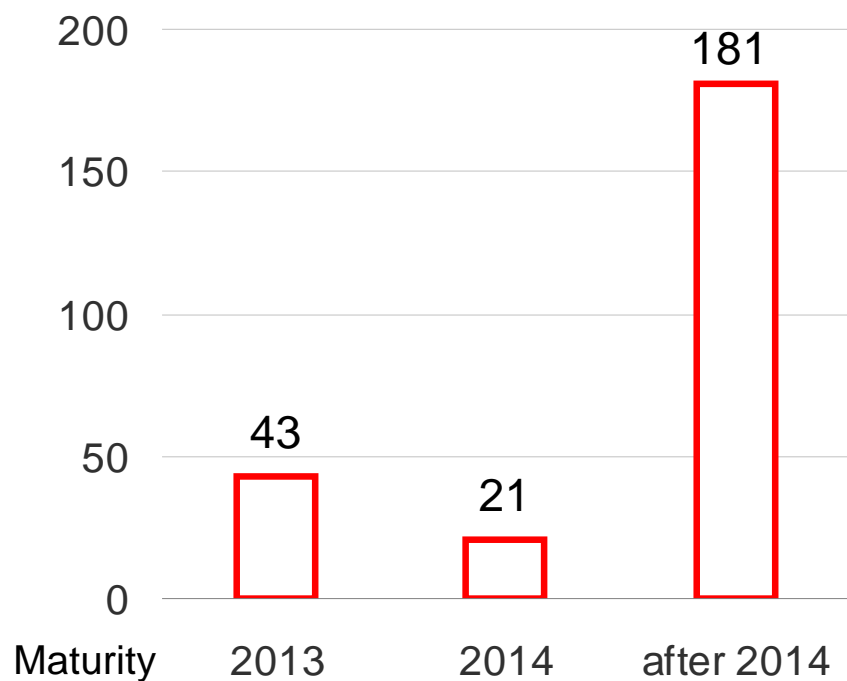
➔ Investments to support further development of the areas

# GEARING RATIO AND EQUITY



➔ Debt financed for the long term and still at a moderate level

# FINANCING STRUCTURE AS AT 31 DECEMBER 2012



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Ø Interest rate	3.08%
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Ø Remaining time to maturity	3.26 years
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Financial assets	EUR 24.5m
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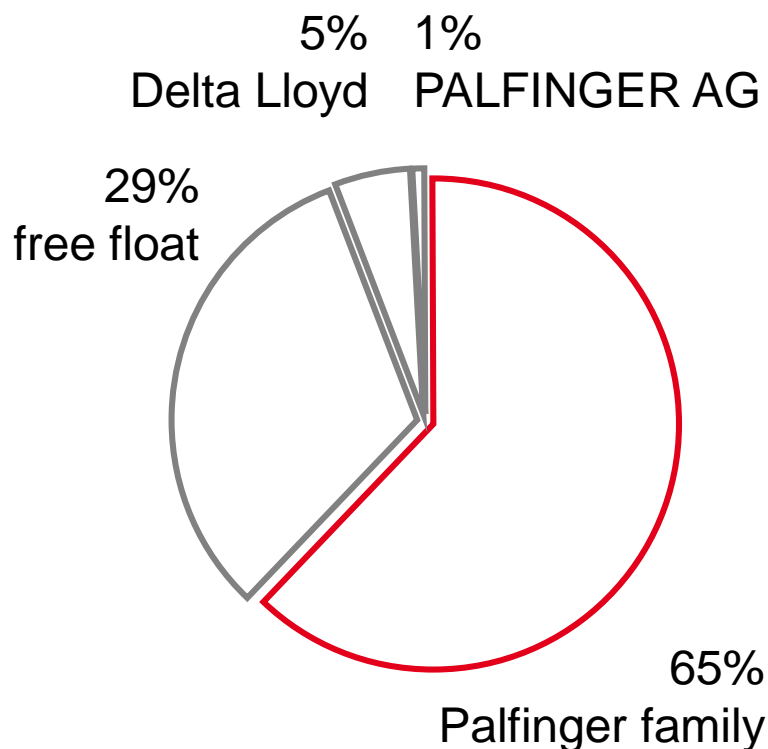
Equity ratio	44.8%
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# FREE CASH FLOWS

	2010	2011	2012
<b>EBTDA</b>	<b>52.6</b>	<b>85.6</b>	<b>82.8</b>
+/- Non-cash result from companies at equity	1.5	(7.9)	(1.9)
+/- Change in working capital	(1.2)	(28.7)	(12.8)
+/- Cash flows from tax payments	(3.8)	(11.3)	(12.7)
<b>Cash flows from operating activities</b>	<b>49.1</b>	<b>37.7</b>	<b>55.4</b>
+/- Cash flows from investing activities	(54.1)	(34.6)	(70.6)
<b>Cash flows after changes in working capital &amp; investments</b>	<b>(5.0)</b>	<b>3.1</b>	<b>(15.2)</b>
+/- Cash flows from interest on borrowings adjusted by tax expense	9.1	8.6	12.1
<b>Free cash flows</b>	<b>4.2</b>	<b>11.7</b>	<b>(3.1)</b>
Cash flows from equity/investor capital	(1.1)	(12.1)	(22.4)
Cash flows from net debt	6.1	9.0	37.6

## SHAREHOLDER STRUCTURE



## SHAREHOLDER INFORMATION AS AT 28 DECEMBER 2012

ISIN	AT0000758305
Number of shares	35,730,000
thereof own shares	340,590
Share price as at end of period	EUR 16.44
Market capitalization	EUR 587.4m
Earnings per share	EUR 1.14

# OUTLOOK



- Internationalization strategy to be continued
  - » Focus on BRIC countries, expansion of product portfolio in the areas
- Expansion of the China joint ventures
- Growth boost in the Marine business area
- Further increase in flexibility
- Research, development and innovation
  - » Regional product adjustments; further development of new crane series; mechatronics
- Strengthening the PALFINGER brand
- Alignment of production structures: global–local

- Weak economic development in Europe
  - Market growth in non-European regions expected, primarily in BRIC countries
  - Persistent volatility in demand noticeable
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- Slight revenue growth expected for 2013

Berenberg Bank

Hauck & Aufhäuser

Cheuvreux

HSBC

Deutsche Bank

Kepler

Erste Group

RCB

Goldman Sachs

UBS

Earnings estimates – consensus (EUR million)	2013e	2014e
Revenue	982.4	1,058.8
EBIT	79.0	93.7
Earnings per share (EUR)	1.34	1.63

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