

# **PALFINGER AG**

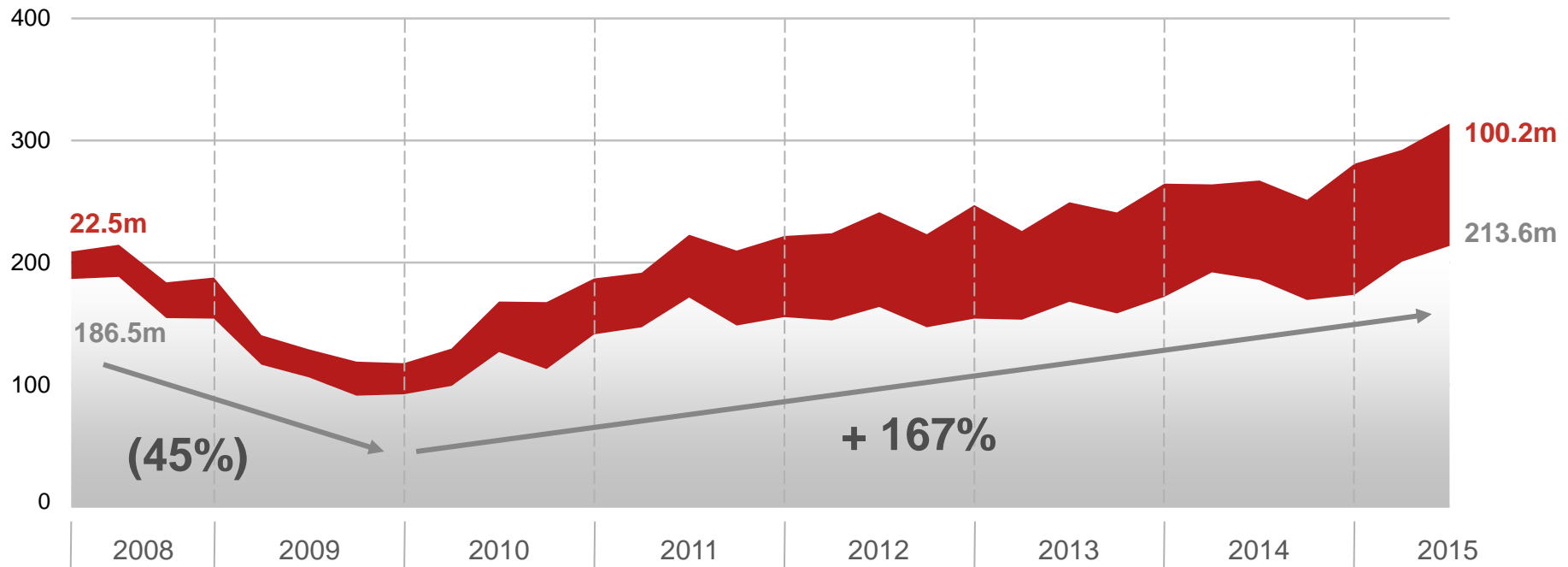
**Presentation on the first half of 2015**

**Vienna, 30 July 2015**

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## REVENUE, GROWTH AND VOLATILITY (QUARTERS)

- AREA UNITS from 2008 to 2015: + 345%
- EUROPEAN UNITS from 2008 to 2014: + 14.5%



➔ Internationalization as basis for revenue growth  
Flexibility as basis for profitability

- 
- HY1 2015 marked by steep growth and strong earnings
    - » Growth achieved in Europe, North America, CIS and China
    - » Demand for loader cranes strong in Europe
    - » Revenue in North America increased by 40%
    - » Local value creation in Russia proved its worth in light of sanctions
    - » Joint venture with SANY in China was successful
    - » Marine business area grew by 16%
    - » Leading market position in important regions further expanded
    - » South America affected by shrinking market volume
  - Revenue rose by 14.1% to EUR 606.2 million
  - EBIT increased by 29.6% to EUR 53.7 million

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- Establishment of local value creation in Russia
    - » Integration of PM-Group Lifting Machines
    - » Start of production at the new INMAN plant
    - » Start of operations of the joint ventures with KAMAZ
    - » Lack of exports to CIS due to sanctions more than compensated
  - Joint venture with Fairwind LLC
    - » Servicing of the American wind energy market (60,000 wind energy plants)
    - » Technological shift to large access platforms
  - Acquisition in marine business
    - » Integration of Norwegian Deck Machineries (NDM)
  - Flexibility enhancement and capital employed management
    - » Implemented measures proved their worth in current situation
    - » Continuation in all areas, including administration

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- Growth, primarily in North America, 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
  - Adjustment of production sites and technologies in Europe

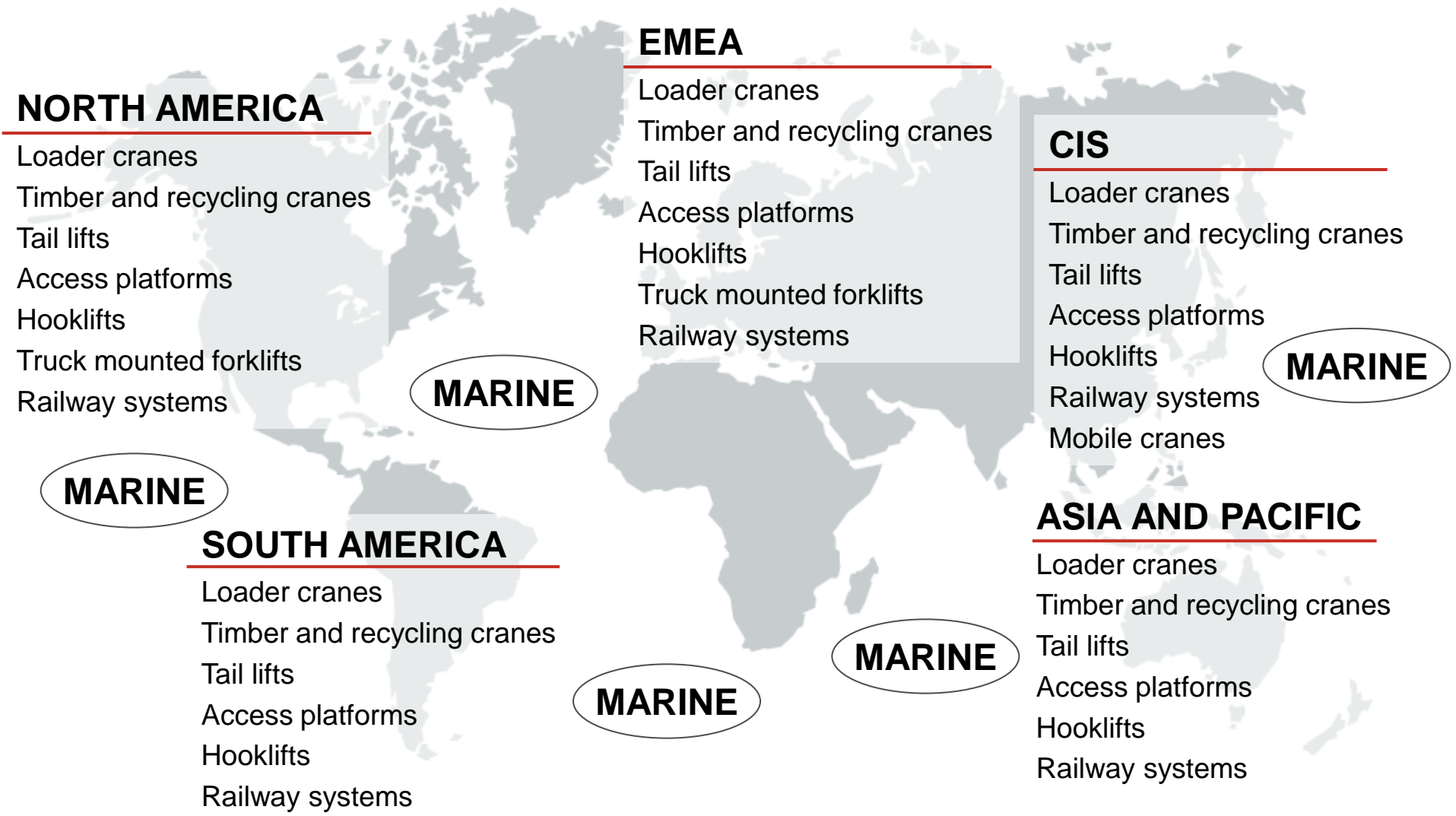
**→ Revenue target 2017: approx. EUR 1.8 billion\***

\*) including the not fully-consolidated joint venture companies

# STRATEGY

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- Leading international manufacturer of innovative lifting solutions
    - » World market leader in loader cranes, marine cranes, wind 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 (more than 200 general importers/dealers and 5,000 sales and services centres worldwide)
  - Global procurement, production and assembly (34 manufacturing and assembly locations)
  - Strategic pillars: innovation – internationalization – flexibility
  
  - ➔ **Maintaining and expanding the Group's competitive edge**

# 5 CONTINENTS – 7 OCEANS

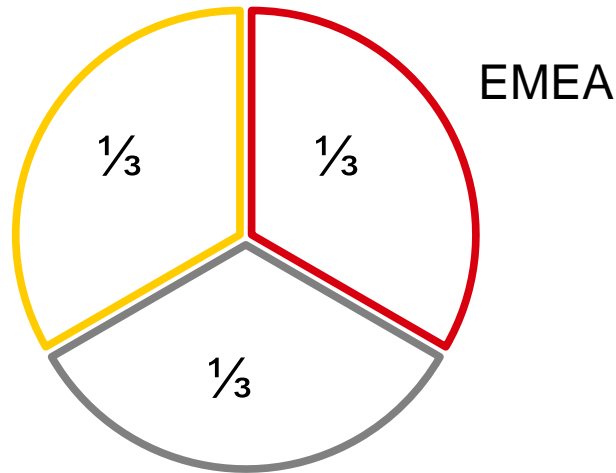




## STRATEGIC TARGET 2017

approx. EUR 1.8bn\*

ASIA AND PACIFIC  
CIS

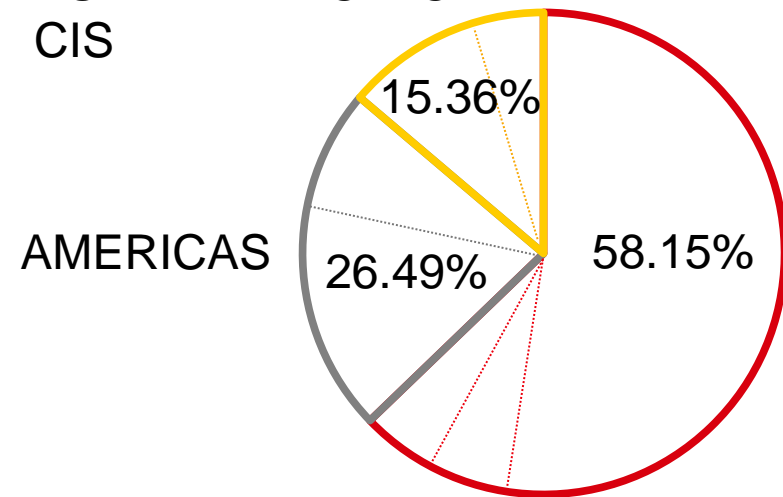


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## REVENUE HY1 2015

EUR 606.2m

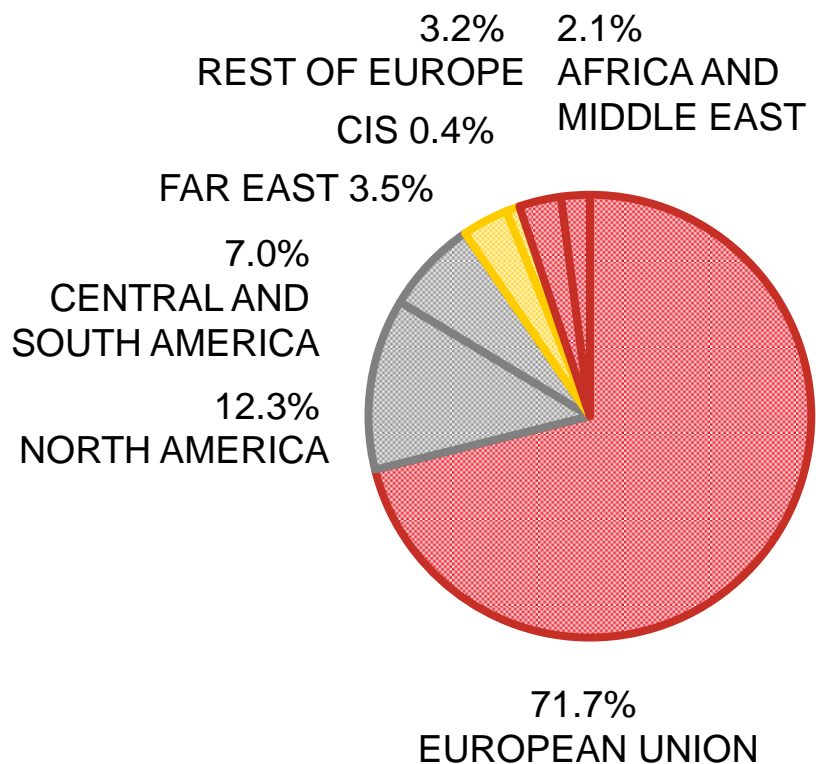
ASIA AND PACIFIC  
CIS



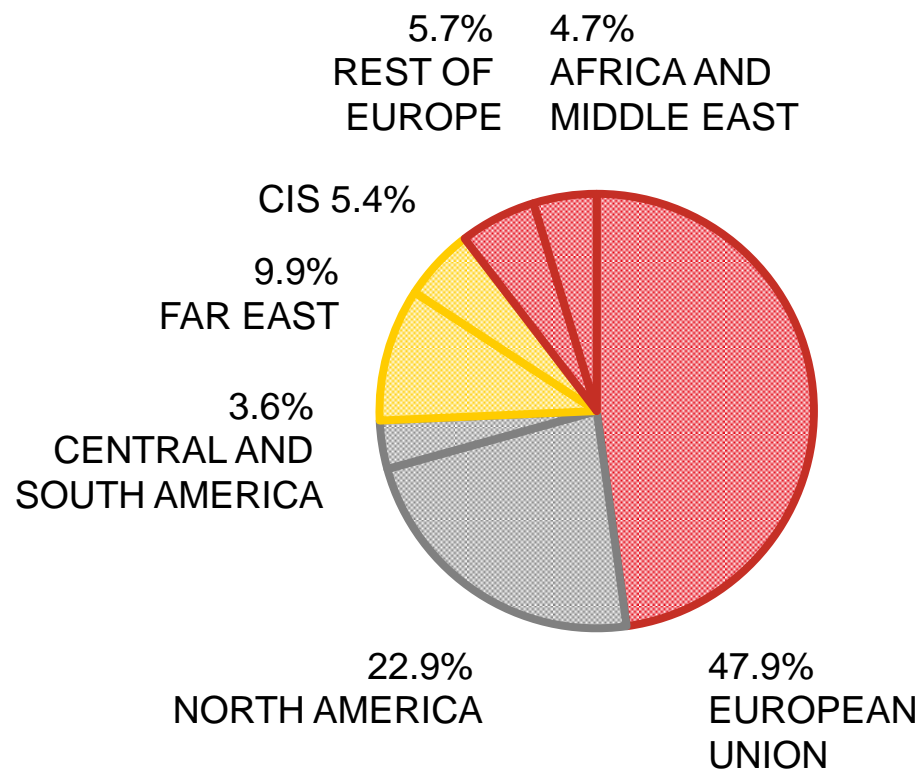
EMEA

\* Including JVs in China and Russia

## REVENUE 2009



## REVENUE HY1 2015



# SEGMENTS

## SEGMENT REVENUE

	HY1 2014*	HY1 2015	%
EUROPEAN UNITS	377.6	414.3	+ 9.7%
AREA UNITS	153.6	191.9	+ 24.9%
VENTURES	–	–	–

## SEGMENT EBIT

	HY1 2014*	HY1 2015	%
EUROPEAN UNITS	46.8	53.1	+ 13.5%
AREA UNITS	3.2	7.9	+ 146.4%
VENTURES	(8.4)	(7.4)	+ 11.9%

\* The figures for the first half of 2014 were adjusted with retrospective effect.

- Visibility remains low in Europe, but nevertheless increase of 9.7% achieved
  - » Business units Loader Cranes, EPSILON, Hooklifts and Truck Mounted Forklifts posted increases in sales
  - » Satisfactory capacity utilization of production units
  - » Growth recorded in Denmark, Sweden, Great Britain, Netherlands, Czech Republic, Austria, Africa and Australia
  - » Revival of markets in South Europe
  - » Declines in revenue in Germany, Belgium, France and export business to Russia
  - » Incoming orders stable in Europe
  - » Marine business grew by 16%
  - » Strong contribution by Norwegian Deck Machineries (NDM)
  - » Major contract for large marine cranes from Norway in the amount of EUR 33 million
- EBIT increased extraordinarily by 13.5% to EUR 53.7 million

- Revenue increased by 24.9% to EUR 191.9 million
  - » North America posted strong growth
  - » Local value creation in Russia fully utilized
  - » Asia recorded considerable increases, good capacity utilization of the new plant in Rudong
  - » South America suffered losses due to exchange rate developments and discontinuation of state funding, but gained market shares
  - » Segment's share in Group revenue rose to 31.7%
- EBIT rose significantly by 146.4% to EUR 7.9 million

- Focus on integration of the acquired companies
  - » Establishment of operations of the two joint ventures with KAMAZ
  - » Acquisition of Norwegian Deck Machinery AS completed
  - » Forward integration through joint venture with Fairwind LLC
- Continuation of cost-related and structural programmes
- Reduction of expenses by 11.9%

# KEY FINANCIALS



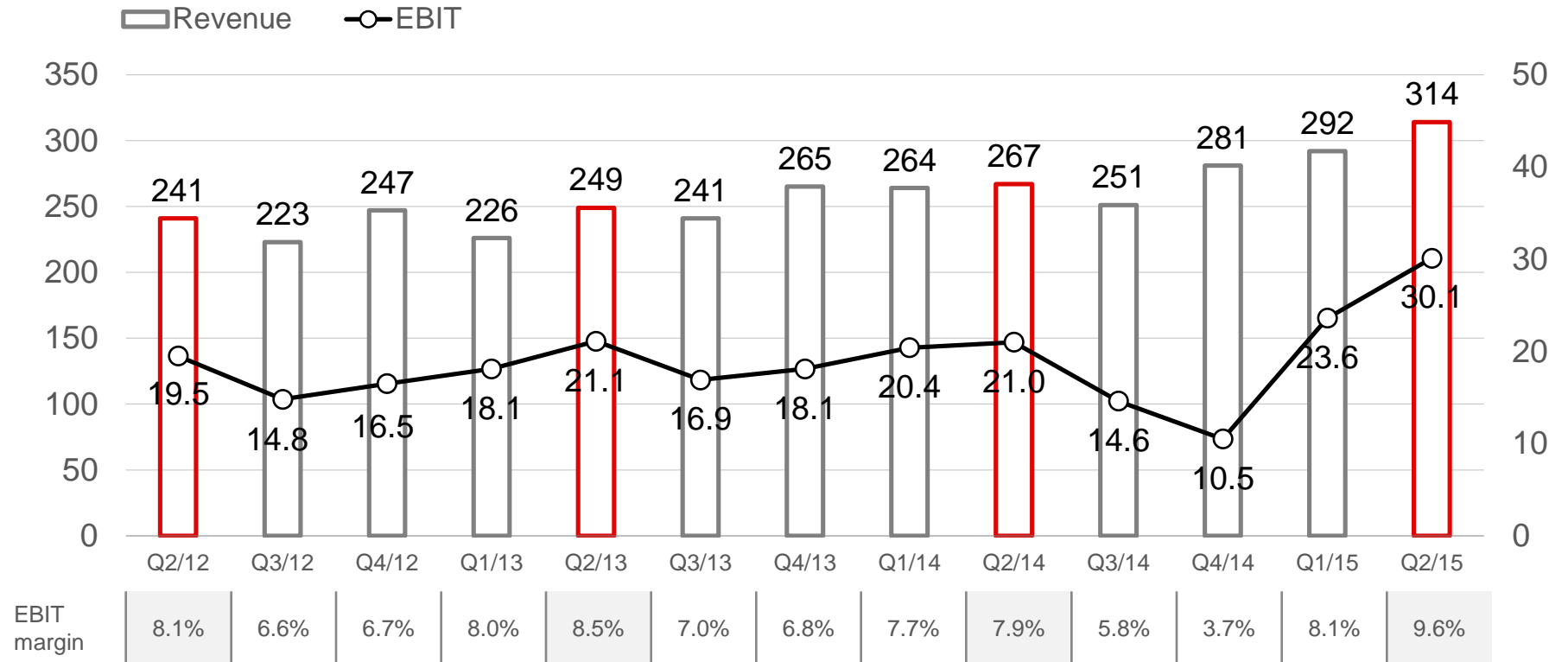
# KEY FINANCIALS



	HY1 2013	HY1 2014*	HY1 2015	%
Revenue	475.1	531.2	606.2	+ 14.1%
EBITDA	54.0	58.5	73.5	+ 25.6%
EBITDA margin	11.4%	11.0%	12.1%	–
EBIT	39.1	41.4	53.7	+ 29.7%
EBIT margin	8.2%	7.8%	8.9%	–
Result before income tax	32.2	35.9	48.9	+ 36.2%
Consolidated net result for the period	24.7	24.6	34.6	+ 40.7%

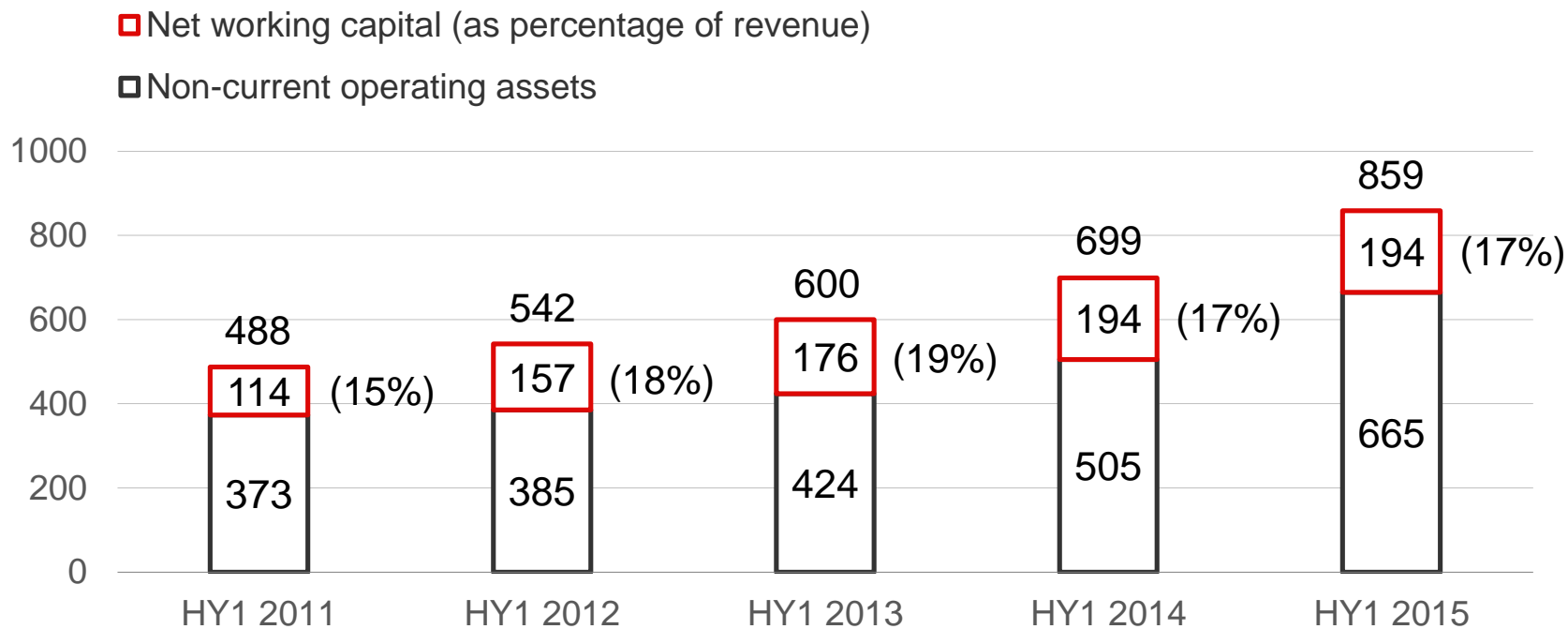
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# QUARTERLY FIGURES



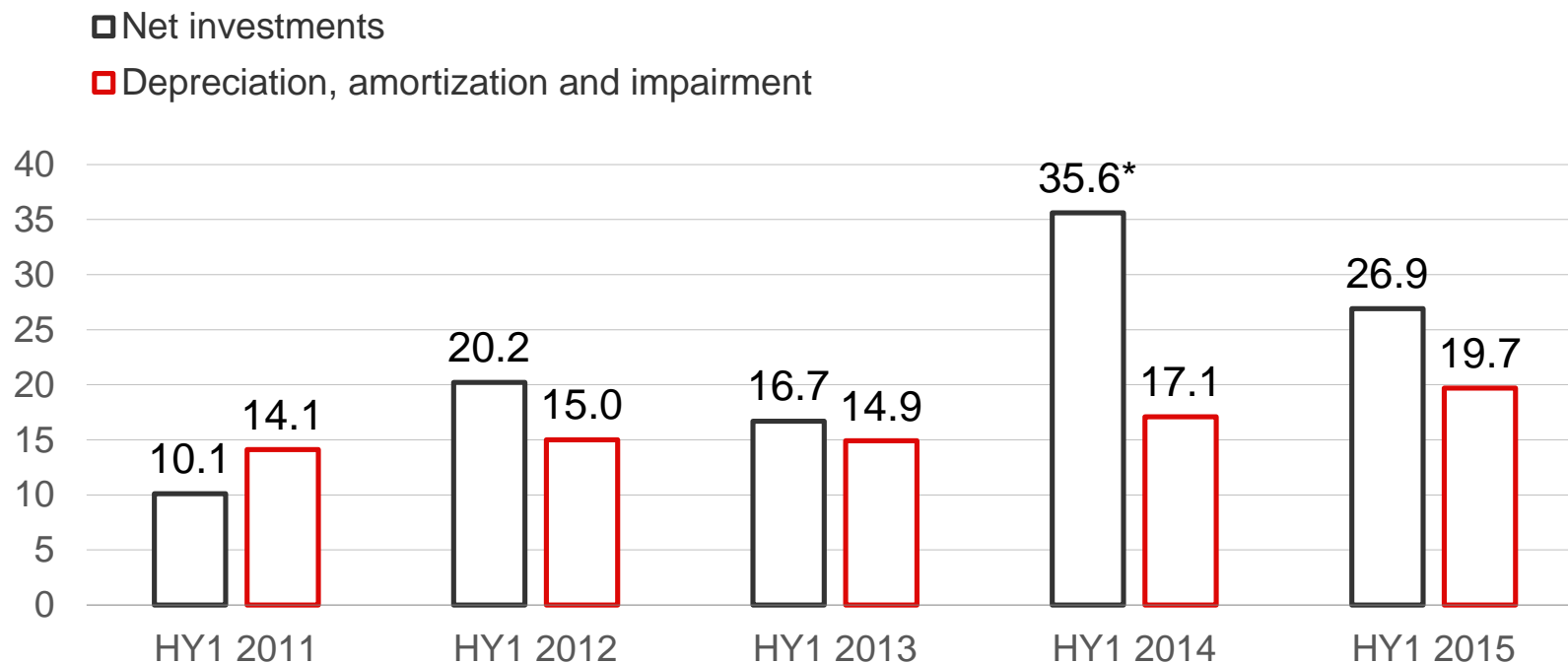
**➔ Continuation of revenue growth**

# CAPITAL EMPLOYED\*



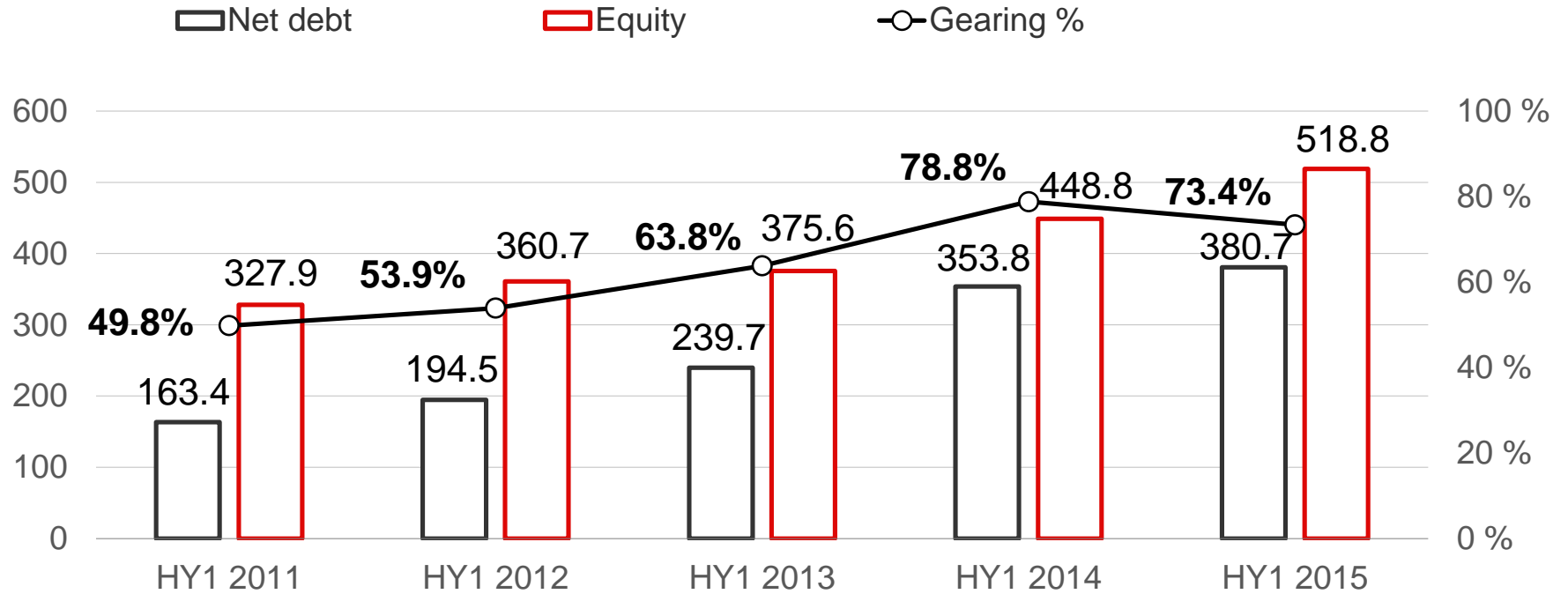
➔ Increase through acquisitions

\* Average.



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

# GEARING RATIO AND EQUITY



➔ Equity ratio at a high level

# OUTLOOK

- 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
- Continue pushing growth in marine business
- 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

- Heterogeneous situation in Europe, no pronounced growth dynamics
- Growth achieved in non-European regions, particularly in North America and Asia. Satisfactory demand in CIS in spite of difficult conditions. South America affected by shrinking market.
- Political tensions and low oil prices influence customers' investment behaviour

**→ Increase in revenue on the horizon**



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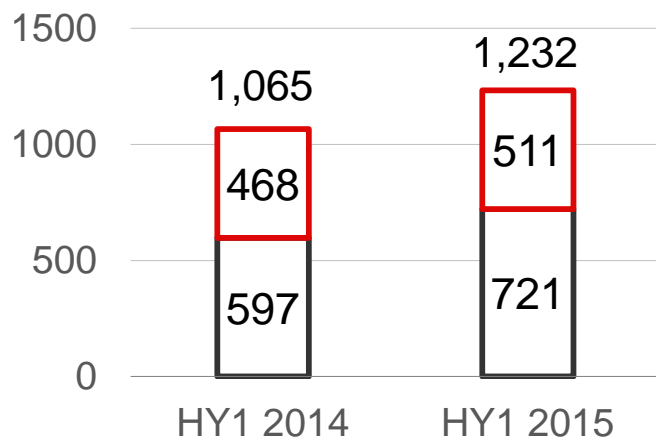
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This presentation contains forward-looking statements made on the basis of all information available at the time of preparation of this presentation. Actual outcomes and results may be different from those predicted.

# **BACK UP**

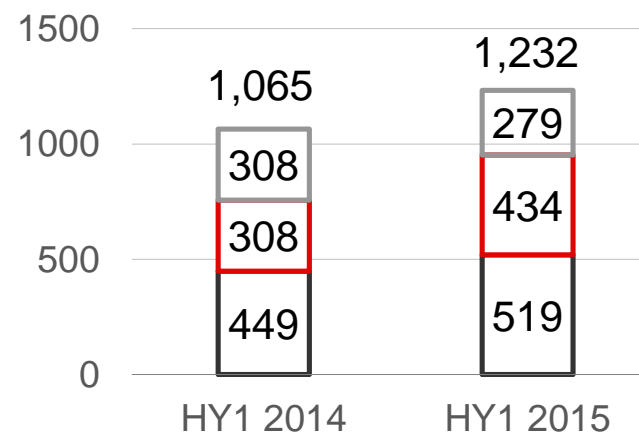
## ASSETS

- Non-current assets
- Current assets

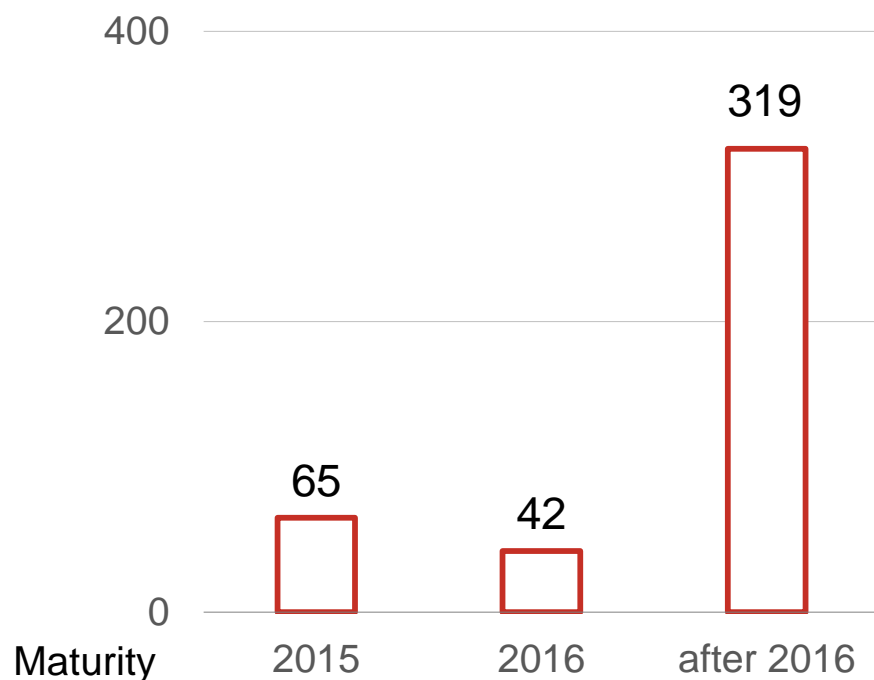


## LIABILITIES

- Equity
- Non-current liabilities
- Current liabilities



# FINANCING STRUCTURE AS AT 30 JUNE 2015



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Ø Interest rate 2.02%

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Ø Remaining time to maturity 2.4 years

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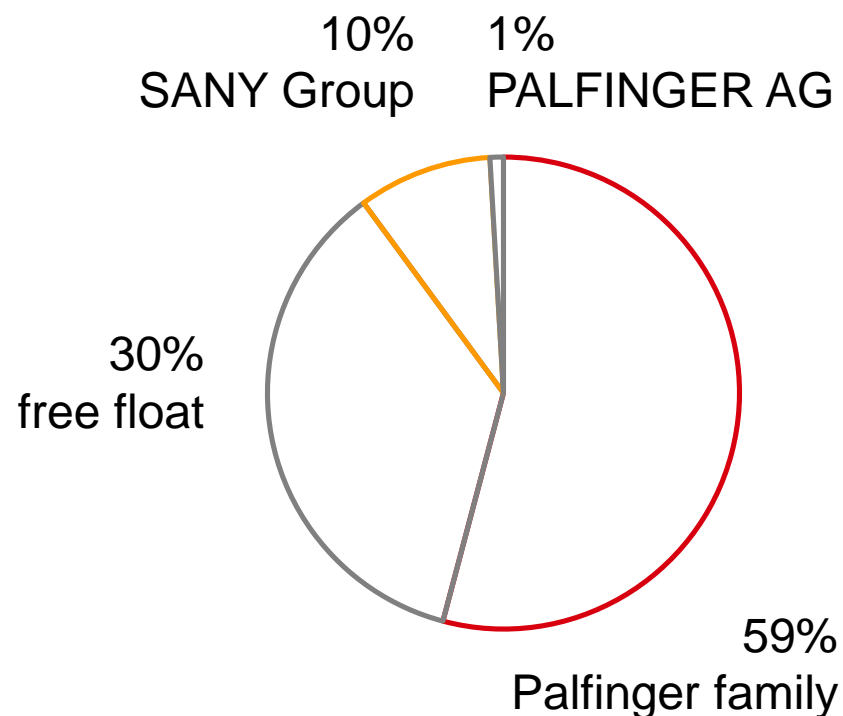
Financial assets EUR 21.1m

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Equity ratio 42.1%

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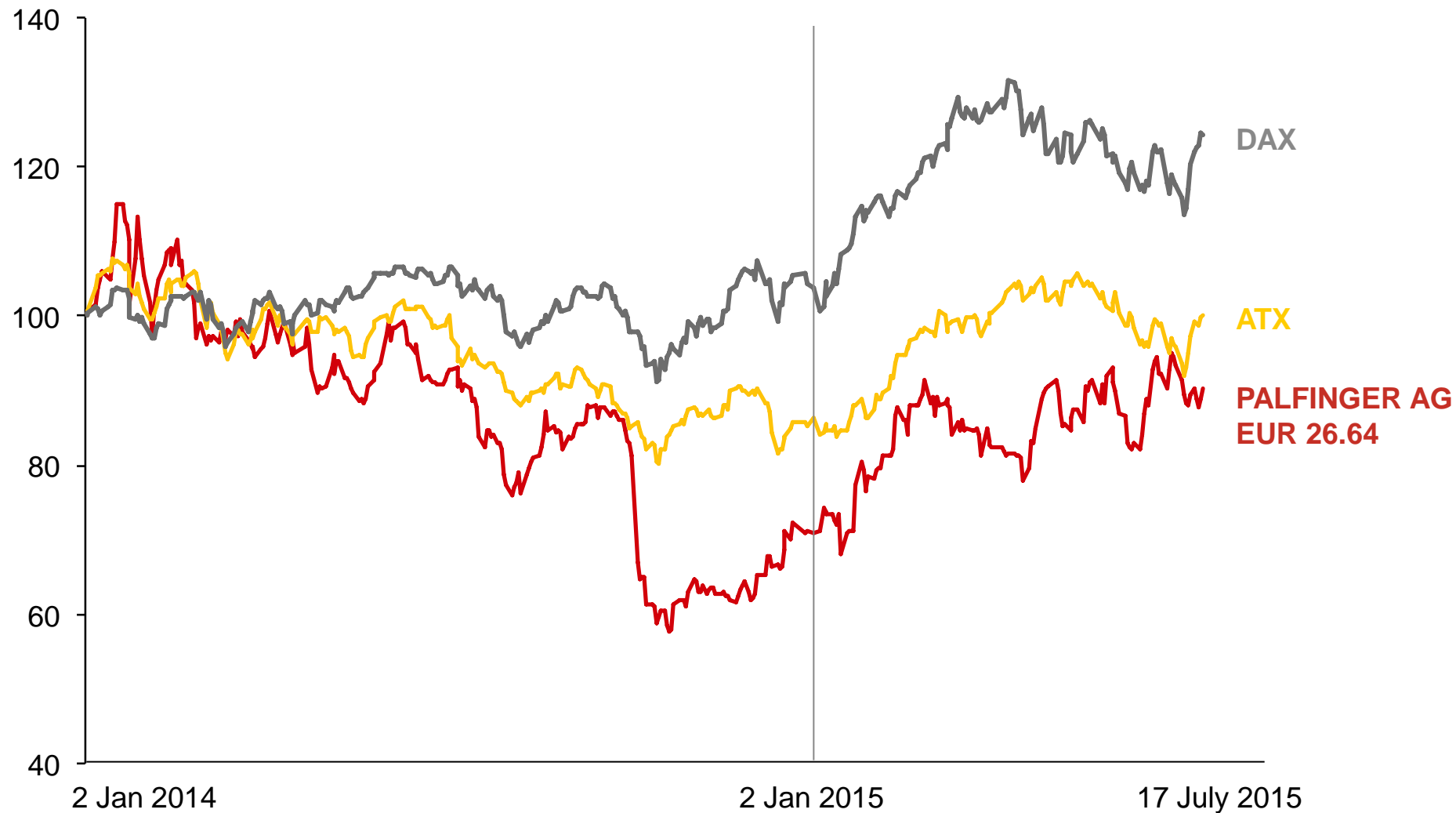
## SHAREHOLDER STRUCTURE



## SHAREHOLDER INFORMATION AS AT 30 JUNE 2015

ISIN	AT0000758305
Number of shares	37,593,258
thereof own shares	283,562
Share price as at end of period	EUR 27.40
Market capitalization	EUR 1,030.1m
Earnings per share	EUR 0.93

# PERFORMANCE OF PALFINGER SHARES SINCE 2014



Berenberg Bank

HSBC

Deutsche Bank

Kepler Cheuvreux

Erste Group

RCB

Goldman Sachs

UBS

Hauck & Aufhäuser

Earnings Estimates – consensus (EUR million)	2015e	2016e
Revenue	1,169.8	1,230.1
EBIT	86.5	97.8
Earnings per share (EUR)	1.45	1.70