

# **PALFINGER AG**

**Presentation on the first half of 2013**

**Vienna, 8 August 2013**

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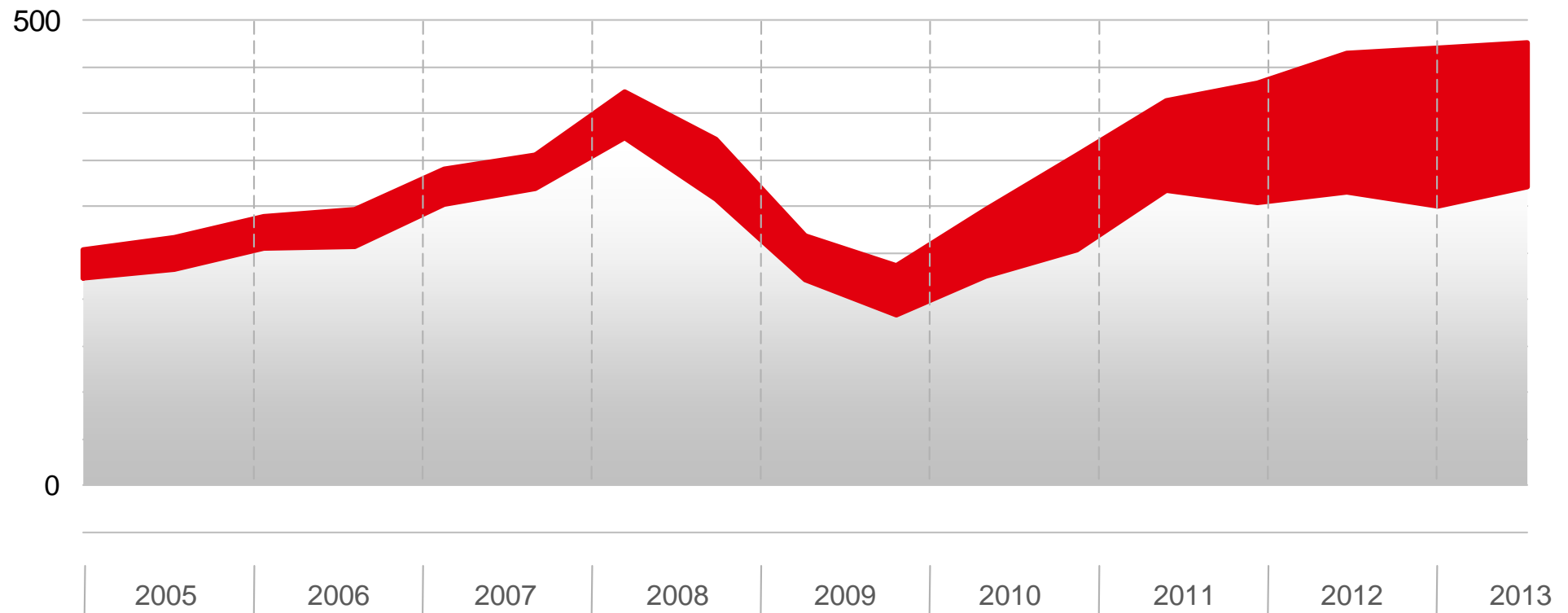
# **HERBERT ORTNER, CEO**

# ONGOING MARKET VOLATILITY



## REVENUE (HALF YEAR)

- AREA UNITS
- EUROPEAN UNITS



➔ Flexibility and internationality as bases for success

- 
- HY1 highly pleasing, given the difficult economic situation
    - » Internationalization has proven successful, growth takes place outside Europe
    - » Growth boost in Marine business area
    - » Leading market position solidified
  - Revenue increased by 2.2% to EUR 475.1 million
  - EBIT raised by 5.2% to EUR 39.1 million
    - » Declines in European core markets
    - » Significant increases in the AREA UNITS segment and the Marine business area
    - » One-time effect from acquisition of larger interest in subsidiary

- 
- Joint venture in China
    - » First orders received after dealer conference
    - » Construction project for production hall to be launched shortly
  - Palfinger Dreggen
    - » Offshore cranes have been expanding portfolio since acquisition in Q4 2012
    - » 2 orders totalling approx. EUR 90 million received
  - Palfinger Platforms Italy
    - » Joint venture opens up large market segment for access platforms (trucks of up to 3.5 tonnes)
  - Flexibility
    - » Measures implemented are proving successful in the current situation
    - » Strategy continued in all areas, including administration
  - Innovations presented at bauma trade fair

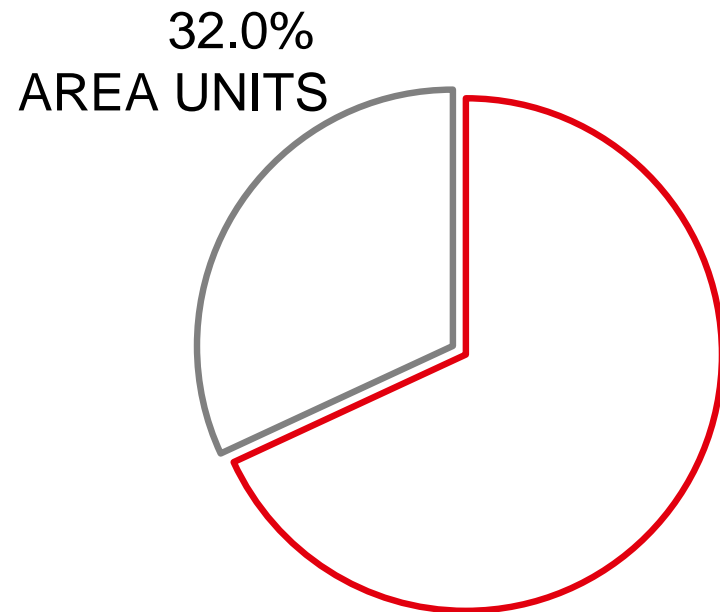
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- Growth, primarily in BRIC countries
  - Development of China into second domestic market
  - Global balance of production and proximity to customers
  - Consolidation of leading position in the marine and offshore areas
  - Maintaining innovation leadership worldwide
  - Meeting customers' expectations through customized solutions
  - Adjustment of production sites and technologies in Europe
- 
- Revenue target 2017: approx. EUR 1.8 billion

# STRATEGY

- 
- 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**

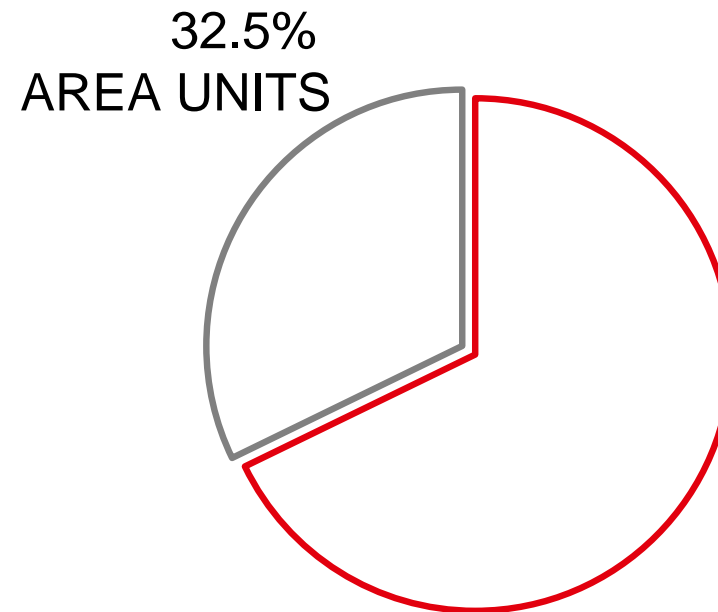


## REVENUE HY1 2012



68.0%  
EUROPEAN UNITS

## REVENUE HY1 2013



67.5%  
EUROPEAN UNITS

# SEGMENTS

# SEGMENT FINANCIALS



## SEGMENT REVENUE

	HY1 2012	HY1 2013	%
EUROPEAN UNITS	316.0	320.9	+ 1.5%
AREA UNITS	149.0	154.2	+ 3.5%
VENTURES	–	–	–

## SEGMENT EBIT

	HY1 2012	HY1 2013	%
EUROPEAN UNITS	43.5	44.7	+ 2.7%
AREA UNITS	3.0	3.8	+ 27.4%
VENTURES	(7.6)	(8.8)	(15.9%)

- Economic environment remains difficult in Europe
  - » Business units Railway Systems and Production posted increases
  - » Other business units recorded declines in revenue
- Global Marine business area compensates declines in Europe
  - » Offshore cranes (Palfinger Dreggen) since December 2012
  - » 2 large-scale orders in Q1
- Almost all business units with positive result despite declining revenue

→ Revenue increased by 3.5%

- » Positive trend in North America continues
- » South America as a growth market; also due to additional product groups
- » Asia recorded substantial increases, still at a low level
- » Weak environment noticeable in India, expansion will be continued
- » Capacity expansion in CIS planned to support further growth

→ EBIT increased by 27.4% to EUR 3.8 million

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- Focus on further internationalization
    - » Development of the regions India, South America, Russia and the Marine business area
    - » Potential acquisitions and partnerships
  - Continuation of cost-related and structural programmes

# **KEY FINANCIALS**

## **CHRISTOPH KAML, CFO**

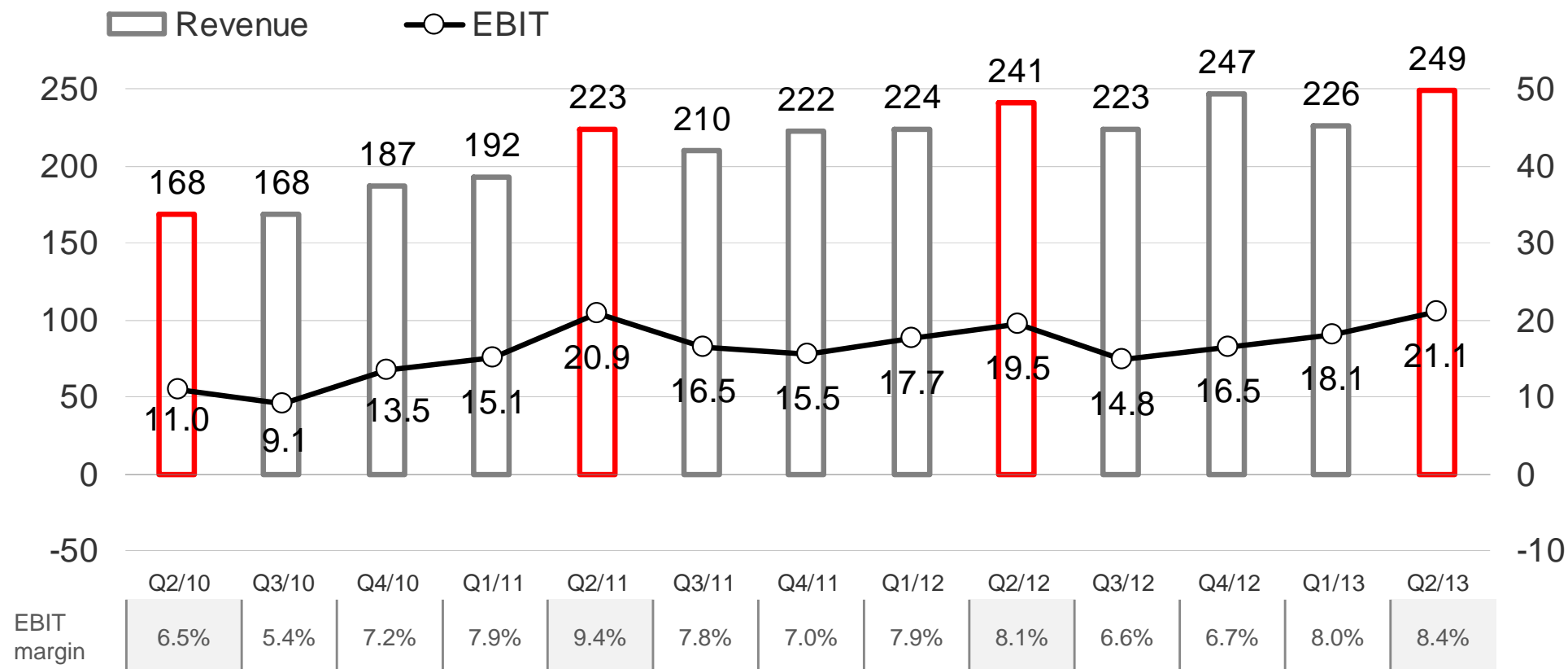
# FINANCIAL HIGHLIGHTS



	HY1 2011	HY1 2012	HY1 2013	%
Revenue	414.3	465.1	475.1	+ 2.2%
EBITDA	50.1	52.2	54.0	+ 3.6%
EBITDA margin	12.1%	11.2%	11.4%	–
EBIT	36.0	37.2	39.1	+ 5.2%
EBIT margin	8.7%	8.0%	8.2%	–
Result before income tax	30.1	31.8	32.2	+ 1.2%
Consolidated net result for the period	22.6	23.9	24.7	+ 3.5%

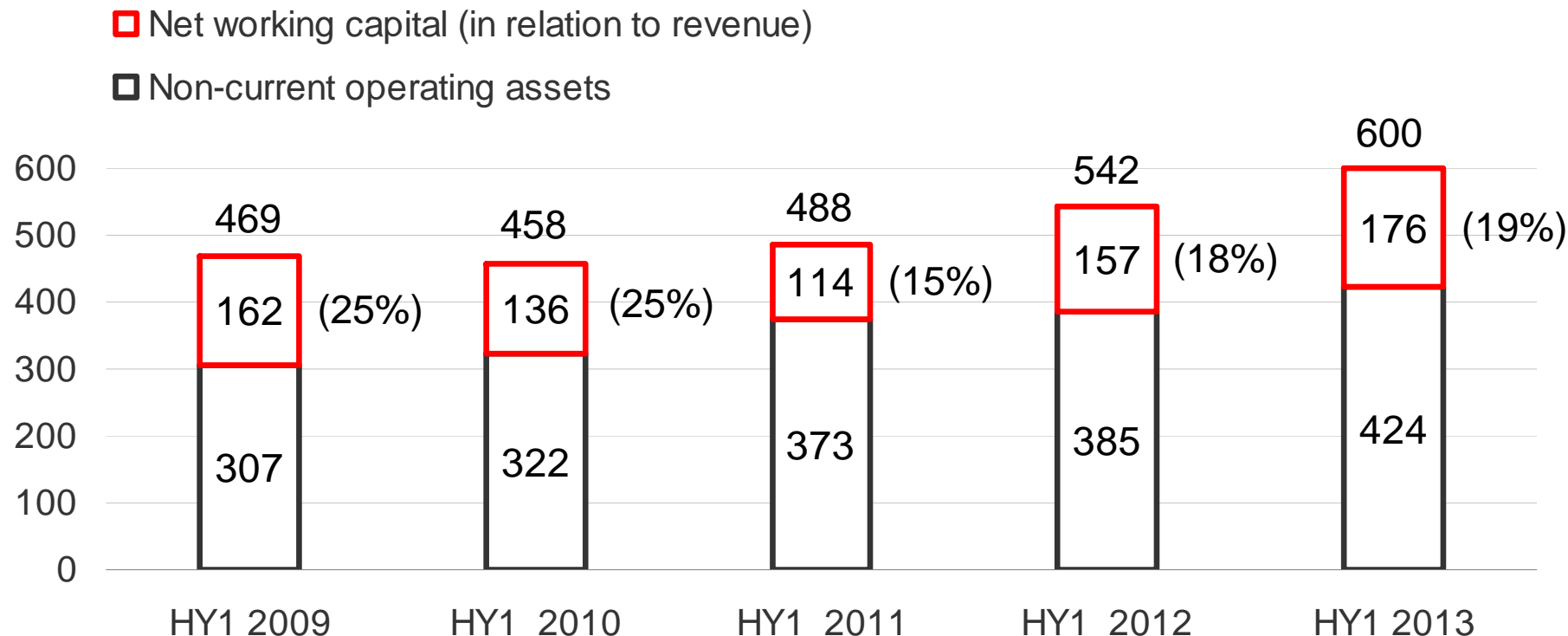


# QUARTERLY FIGURES



**➔ Steady upward trend with record revenue**

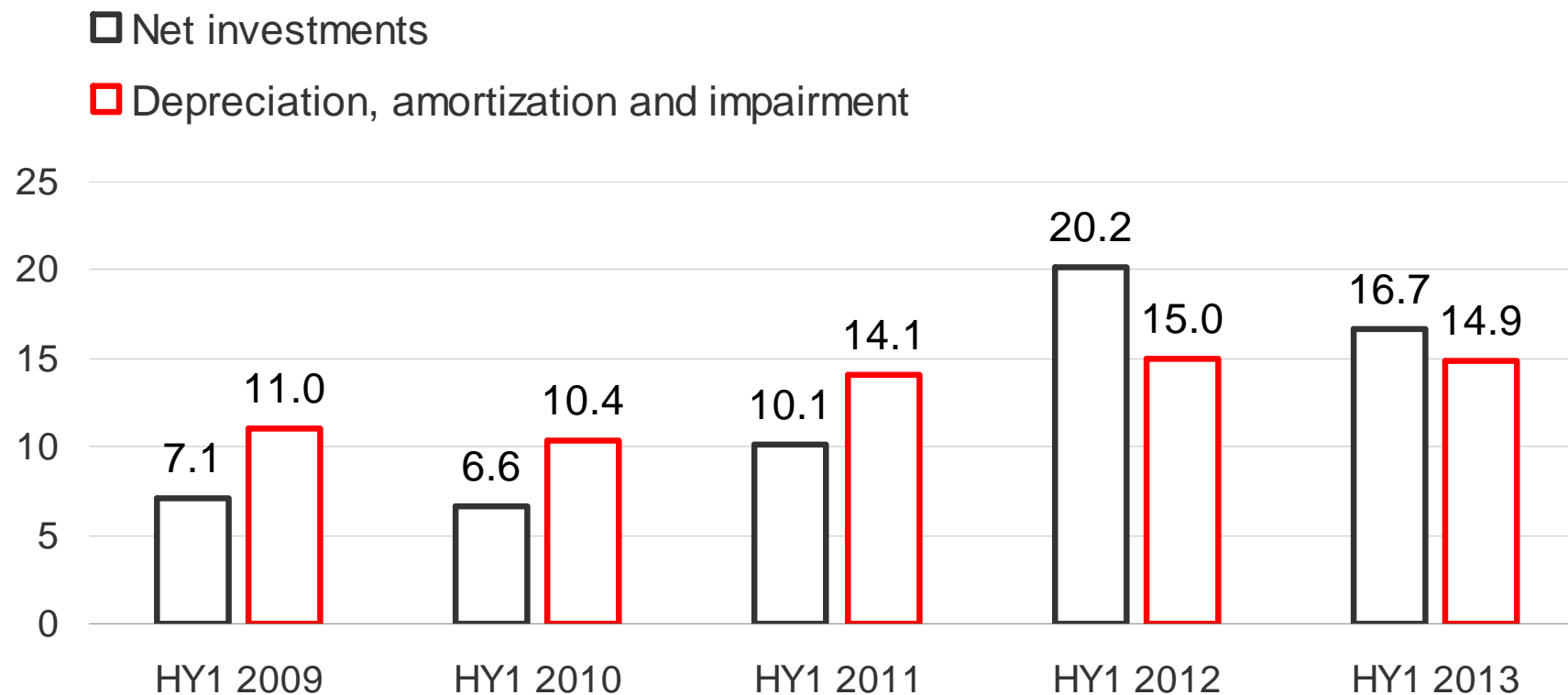
# CAPITAL EMPLOYED\*



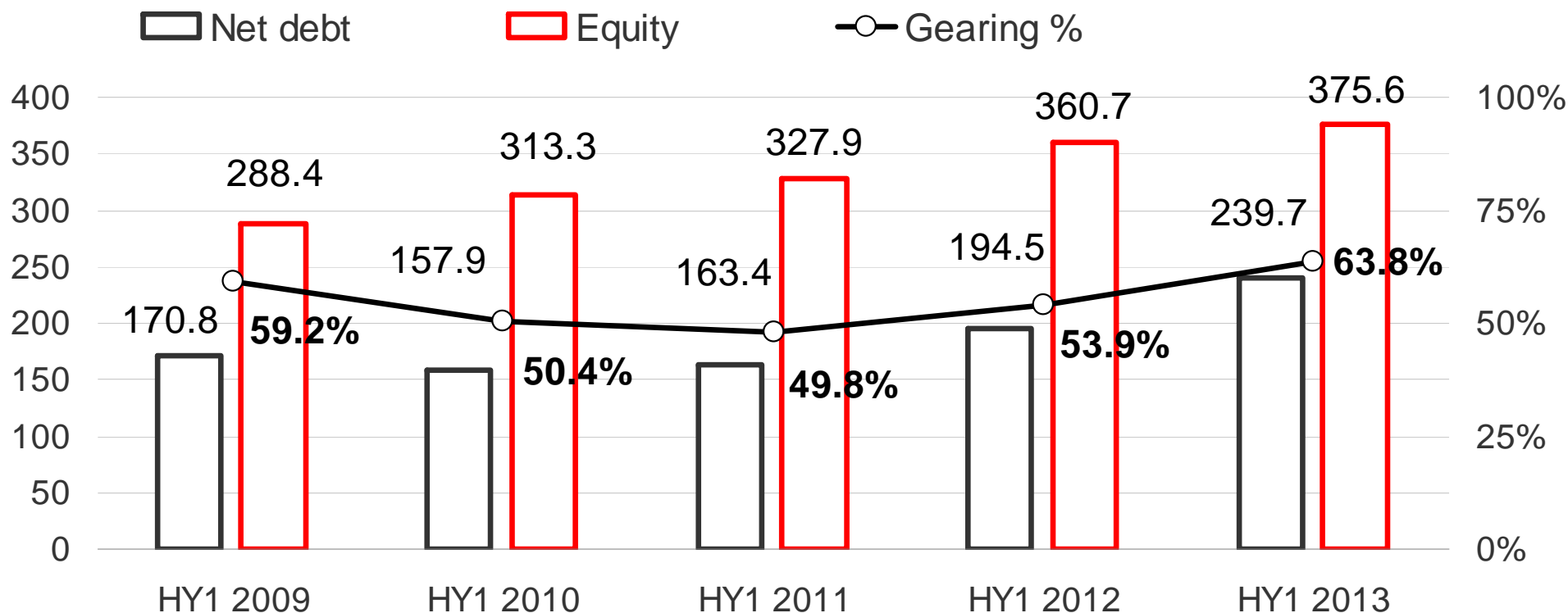
➔ Increase through expansion of business volume, relation to revenue at low level

\* Average.

# INVESTMENTS



# GEARING RATIO AND EQUITY



➔ Promissory note loan (Q4 2012) invested into growth

# FREE CASH FLOWS



	HY1 2011	HY1 2012	HY1 2013
<b>EBTDA</b>	<b>44.2</b>	<b>46.8</b>	<b>47.1</b>
+/- Non-cash result from companies at equity	0.7	(1.0)	(5.3)
+/- Change in working capital	(27.5)	(30.4)	(13.8)
+/- Cash flows from tax payments	(2.3)	(3.6)	(4.2)
<b>Cash flows from operating activities</b>	<b>15.1</b>	<b>11.8</b>	<b>23.8</b>
+/- Cash flows from investing activities	(14.7)	(23.9)	(18.8)
<b>Cash flows after changes in working capital &amp; investments</b>	<b>0.4</b>	<b>(12.1)</b>	<b>5.0</b>
+/- Cash flows from interest on borrowings adjusted by tax expense	4.3	4.0	4.5
<b>Free cash flows</b>	<b>4.7</b>	<b>(8.1)</b>	<b>9.5</b>
Cash flows from equity/investor capital	(11.3)	(22.2)	(19.3)
Cash flows from net debt	10.9	34.3	14.3

# **OUTLOOK**

## **HERBERT ORTNER, CEO**

- Internationalization strategy to be continued
  - » Focus on Brazil, Russia, Marine business area
- Further development of the joint venture in China
- Growth potential in Marine business area
- Further increase in flexibility
  - » Processes in production and administration
  - » Reducing complexity, also in global organizational structure
- Alignment of production structures: global–local
  
- Target: higher contributions to earnings

- Economic situation in Europe remains weak, marked by uncertainty
- Growth expected in regions outside Europe
- Limited visibility, but positive trends noticeable

→ Slight revenue growth still expected for 2013



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**Herbert Ortner, CEO**  
Phone +43 662 46 84-2222  
h.ortner@palfinger.com

**Hannes Roither, Company Spokesperson**  
Phone +43 662 46 84-2260  
h.roither@palfinger.com

**PALFINGER AG**  
Franz-Wolfram-Scherer-Strasse 24  
5020 Salzburg  
[www.palfinger.ag](http://www.palfinger.ag)

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.

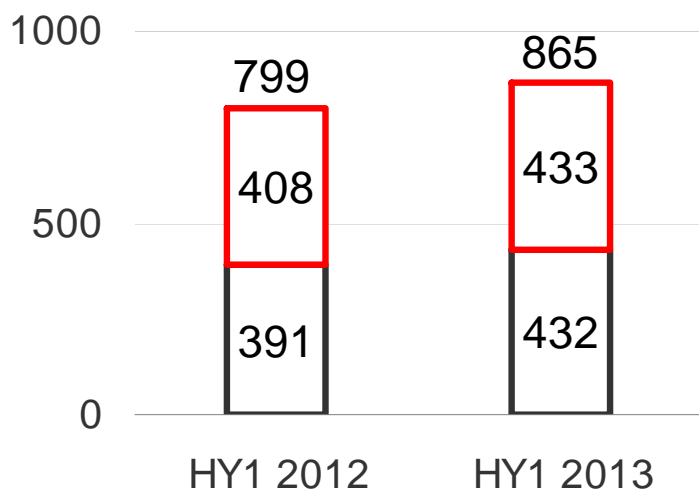
# **BACK UP**

# BALANCE SHEET STRUCTURE



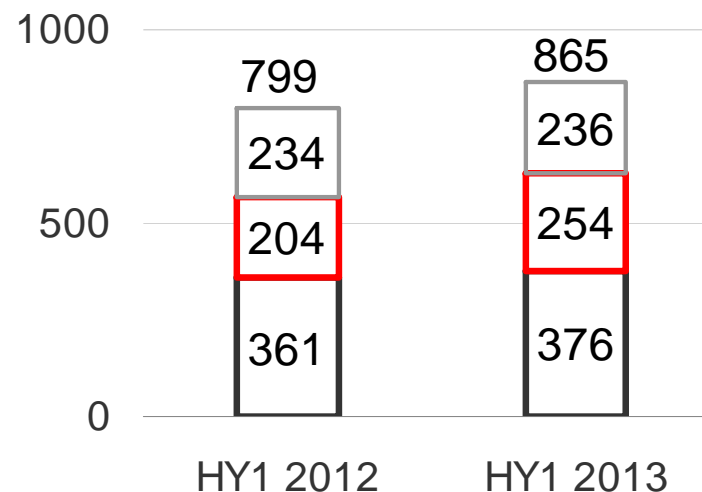
## ASSETS

- Current assets
- Non-current assets



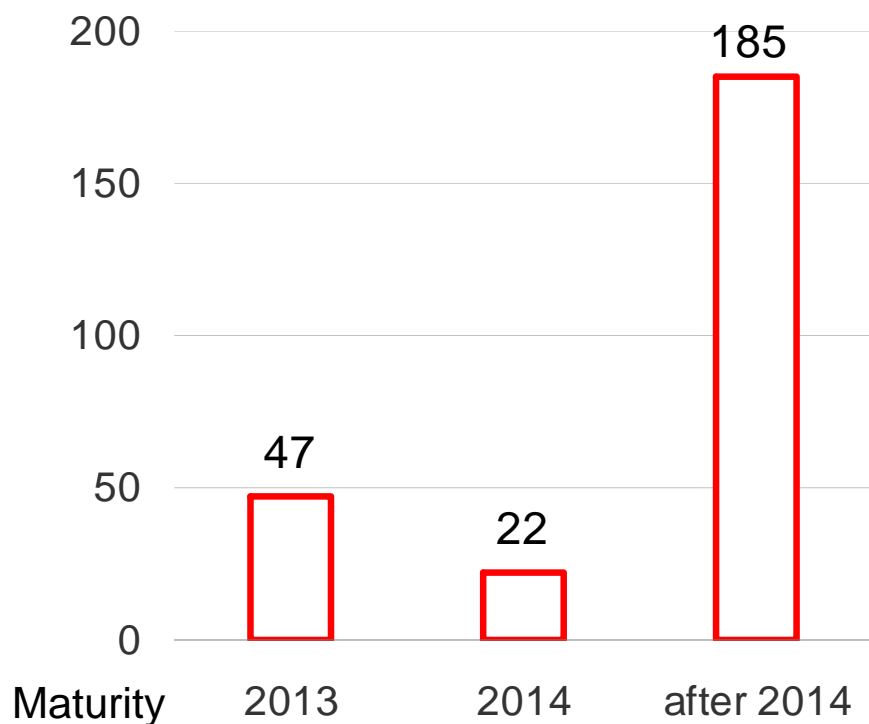
## LIABILITIES

- Current liabilities
- Non-current liabilities
- Equity



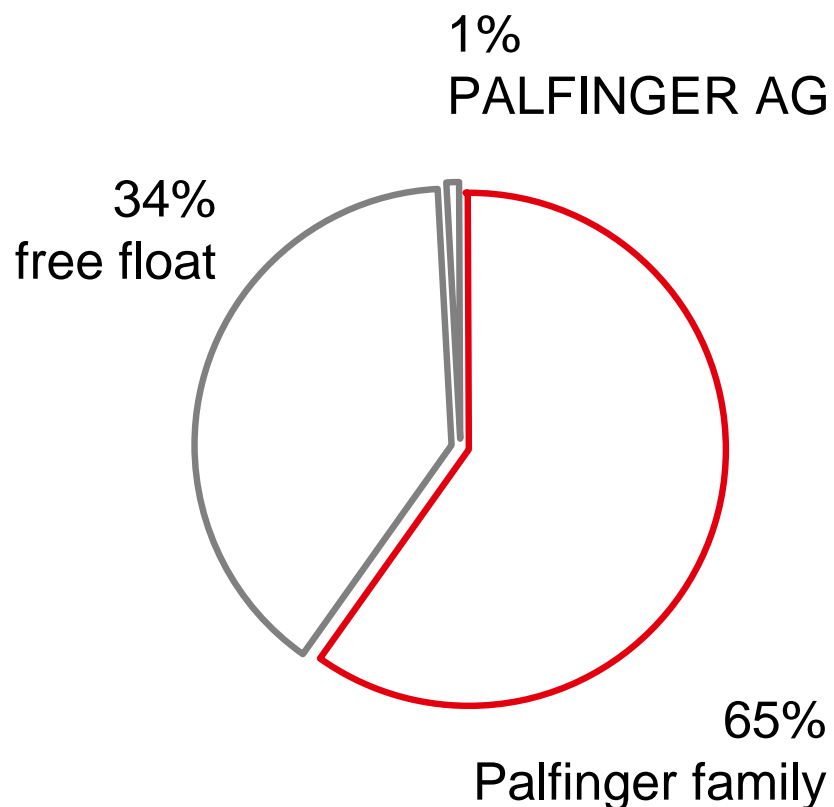
➔ Long-term financial structure,  
promissory note placed in 2012

# FINANCING STRUCTURE AS AT 30 JUNE 2013



Ø Interest rate	3.04%
Ø Remaining time to maturity	2.76 years
Financial assets	EUR 14.6m
Equity ratio	43.4%

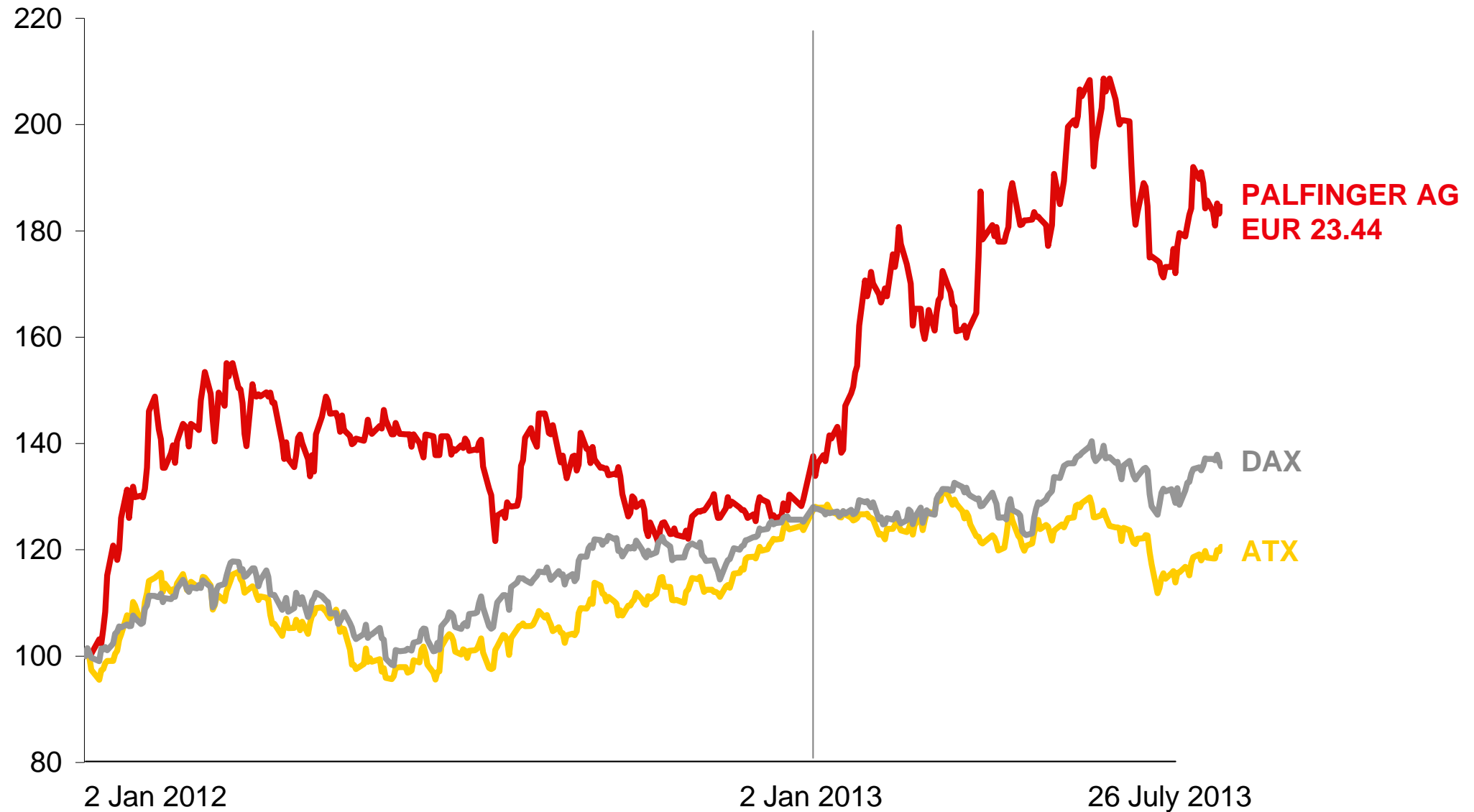
## SHAREHOLDER STRUCTURE



## SHAREHOLDER INFORMATION AS AT 30 JUNE 2013

ISIN	AT0000758305
Number of shares	35,730,000
thereof own shares	328,090
Share price as at end of period	EUR 22.00
Market capitalization	EUR 786.1m
Earnings per share	EUR 0.70

# PERFORMANCE OF PALFINGER SHARES SINCE 2012



Berenberg Bank

HSBC

Deutsche Bank

Kepler Cheuvreux

Erste Group

RCB

Goldman Sachs

UBS

Hauck & Aufhäuser

Earnings Estimates – consensus (EUR million)	2013e	2014e
Revenue	1,011.0	1,102.4
EBIT	87.4	107.1
Earnings per share (EUR)	1.48	1.82

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8 November 2013	Publication of results for the first three quarters of 2013
17 February 2014	Balance sheet press conference
12 March 2014	Annual General Meeting
14 March 2014	Ex-dividend day
18 March 2014	Dividend payment day
7 May 2014	Publication of results for the first quarter of 2014
7 August 2014	Publication of results for the first half of 2014
7 November 2014	Publication of results for the first three quarters of 2014

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