

# **PALFINGER AG**

**Presentation on the 2013 financial year**

**February 2014**

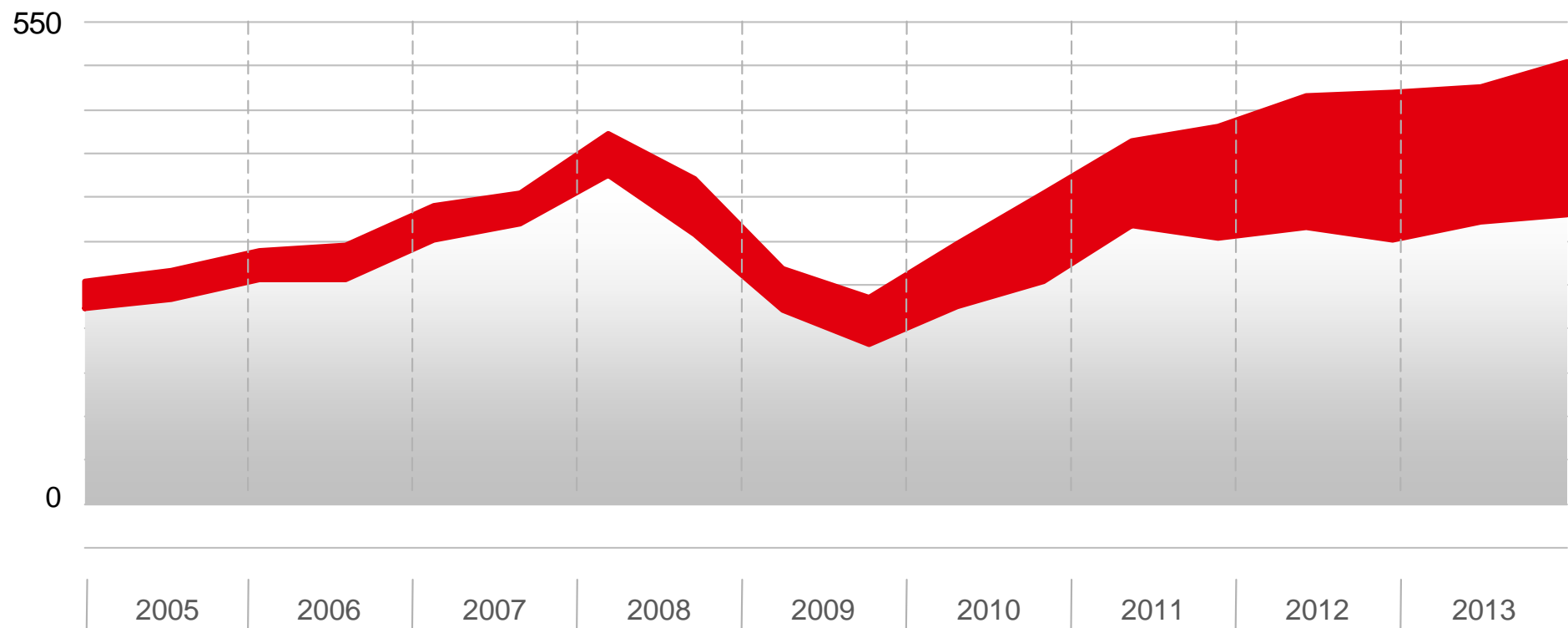
---

# ONGOING MARKET VOLATILITY



## REVENUE (HALF YEAR)

- AREA UNITS
- EUROPEAN UNITS



➔ Flexibility and internationality as bases for success

- 
- Growth in spite of difficult economic situation – another record year
    - » Positive development outside Europe and in the Marine business area
    - » Internationalization enabled consolidation of leading market position
    - » Slight upward trend in Europe in the second half of the year
  - Revenue increased by 4.9% to EUR 980.7 million
  - EBIT rose by 8.3% to EUR 74.1 million
    - » Declines in Europe
    - » Significant increases in the Marine business area
    - » Further increases in the AREA UNITS segment

# 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 (33 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
- Pioneer for sustainable development, environmental protection and social responsibility
  
- ➔ Revenue target 2017: approx. EUR 1.8 billion

## → Joint ventures with SANY

- » Sany Palfinger: Positive sales development in China
- » Palfinger Sany: Dealers and first sales in CIS
- » Expansion of partnership planned

## → Palfinger Platforms Italy

- » Joint venture opens up large market segment for access platforms (trucks of up to 3.5 tonnes)

## → Nimet Srl

- » Interest in [Romanian](#) production company increased to 60%
- » Creates necessary resources for the future

## → PALFINGER DREGGEN

- » Offshore cranes have been expanding portfolio since acquisition in Q4 2012
- » 2 orders totalling approx. EUR 90 million received

### → MCT ENG

- » Takeover of the business of longstanding supplier in Korea
- » Manufacturing capacities and know-how for marine and offshore cranes

### → Palfinger systems GmbH and Megarme Group

- » Majority takeovers
- » Innovative systems for accessing and performing work on ships and oil rigs; service personnel
- » First value-creation structures in the Arab region

### → PM-Group Lifting Machine (subject to official approvals)

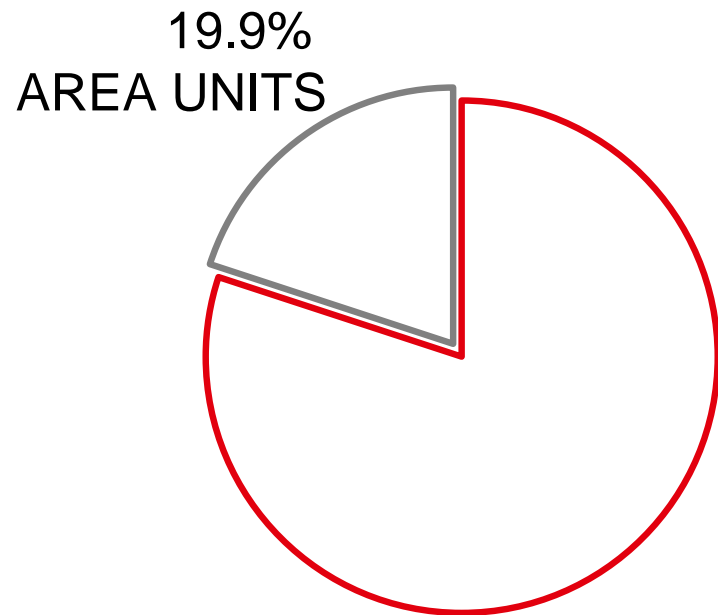
- » Takeover of the important Russian crane producer including its sales network (PALFINGER/Steindl)
- » Timber and recycling cranes for the entry-level segment



- 
- Ground-breaking ceremony for new Group headquarters
  - Increasing value-creation in local markets and plants
  - Numerous process and product innovations increase sustainability
  - Internal reporting expanded to include sustainability indicators
    - » Integrated Annual Report 2013

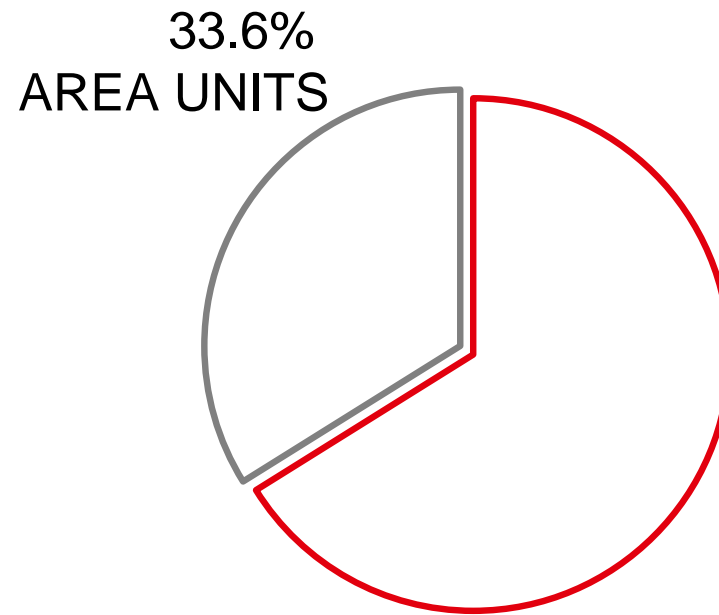
→ 2014 – a year of consolidation

## REVENUE 2009



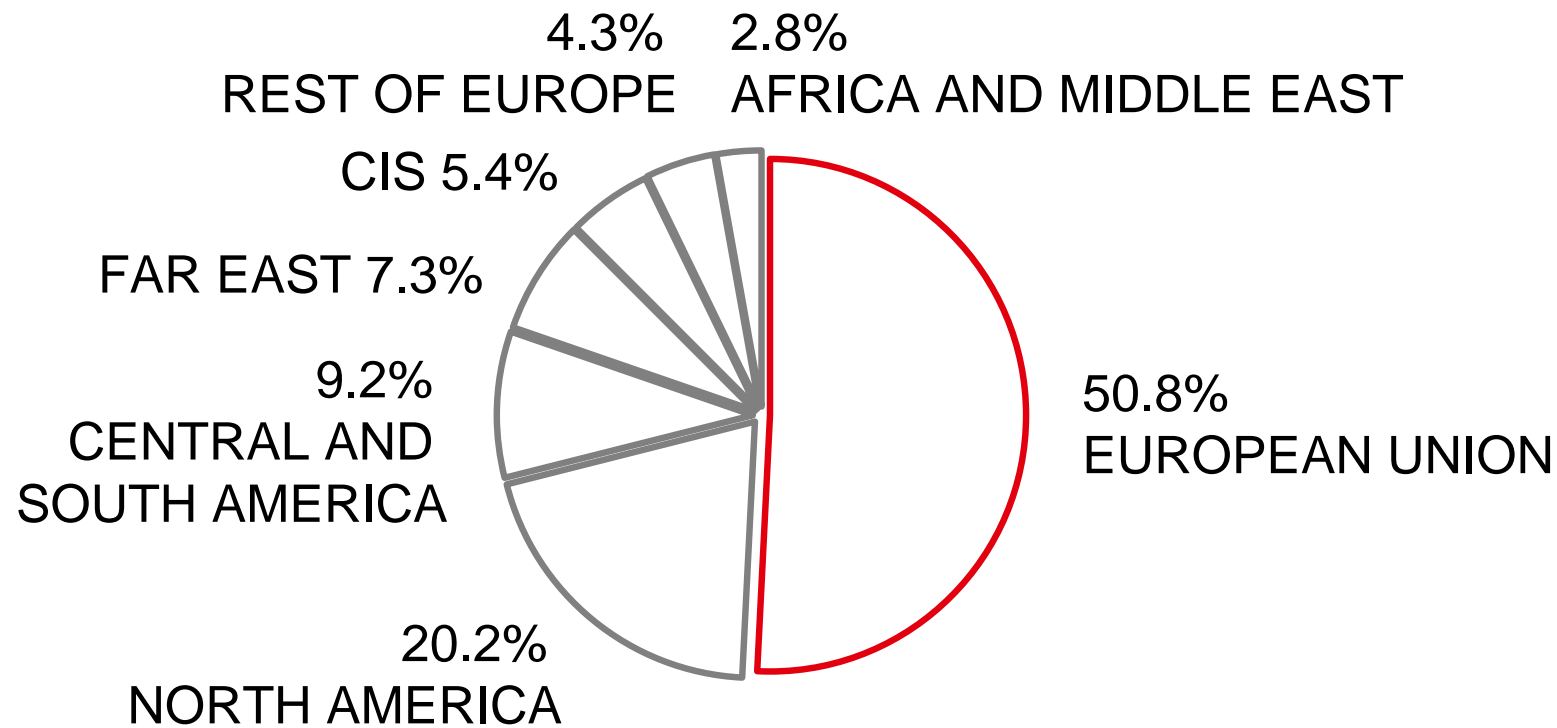
80.1%  
EUROPEAN UNITS

## REVENUE 2013



66.4%  
EUROPEAN UNITS

## REVENUE BY REGION 2013



# 33 PRODUCTION SITES



Lengau/AUT



Köstendorf/AUT



Elsbethen/AUT



Weng/AUT



Löbau/GER



Ganderkeseer/GER



Krefeld/GER



Seifhennersdorf/GER



Barneveld/NED



Bergen/NOR



W. Garden City/GBR



Cadelbosco/ITA



Modena/ITA



Caussade/FRA



Marburg/SLO



Delnice/CRO



Skrtjevo/CRO



Lazuri/ROU



Tenevo/BUL



Cherven Brjag/BUL



Ischimbai/RUS



Niagara Falls/CAN



Tiffin/USA



Council Bluffs/USA



Cerritos/USA



Trenton/USA



Oklahoma City/USA



Caxias do Sul/BRA



Cachoeirinha/BRA



Shenzhen/CHN



Hanoi/VIE



Chennai/IND



Sacheon-si/KOR

# SEGMENTS

# SEGMENT FINANCIALS



## SEGMENT REVENUE

	2012	2013	%
EUROPEAN UNITS	617.0	651.0	+ 5.5%
AREA UNITS	318.2	329.6	+ 3.6%
VENTURES	–	–	–

## SEGMENT EBIT

	2012	2013	%
EUROPEAN UNITS	74.2	83.5	+ 12.5%
AREA UNITS	11.0	11.4	+ 3.9%
VENTURES	(15.1)	(20.3)	(34.1%)

- Situation in Europe remained difficult, slight recovery in the second half
  - » Decline in revenue – except for loader cranes, railway systems, production, distribution company in Germany
  - » Nevertheless, positive results in almost all business units
- Global Marine business area recorded massive growth
  - » Offshore cranes (PALFINGER DREGGEN) since December 2012
  - » Large-scale orders in Q1
- Palfinger systems and Megarme consolidated since January 2014

- Share in revenue came to 33.6%
  - » Positive trend in North America continued, further increases
  - » Expanded product portfolio and higher profitability in South America
  - » Asia recorded substantial increases in revenue, in particular in China
  - » India still marked by difficult environment
  - » CIS on a growth course; capacity expansion started
- EBIT improved further despite start-up work



- 
- Expansion of joint ventures with SANY – market development
  - Mutual shareholdings of PALFINGER and SANY prepared
  - Expansion of Marine business area  
(Korea, Brazil, Singapore, Europe)
  - Further projects: Palfinger systems, Megarme in UAE,  
PM-Group Lifting Machine
  - Roll-out of product groups, primarily in South America, Russia and China
  - Continuation of cost-related and structural programmes

# KEY FINANCIALS

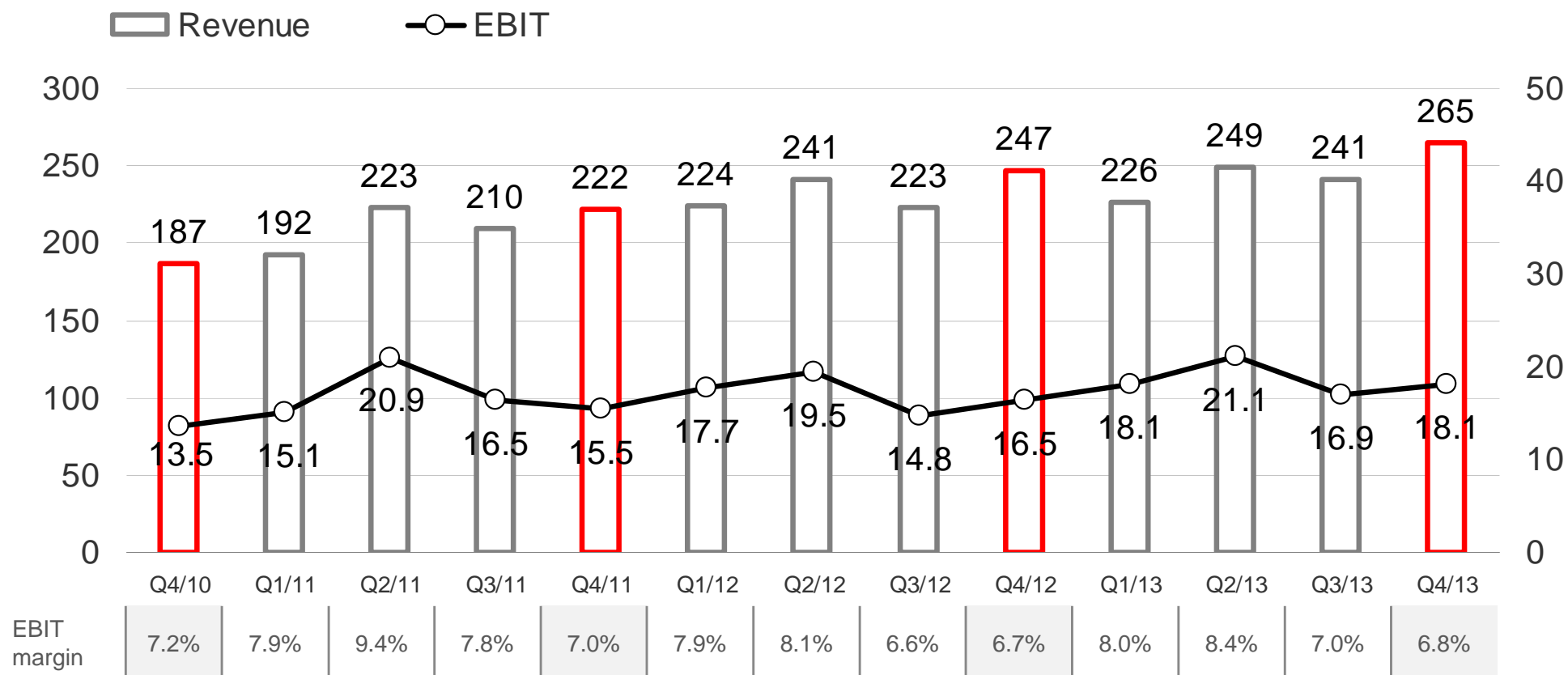
# KEY FIGURES



	2011	2012	2013	%
Revenue	845.7	935.2	980.7	+ 4.9%
EBITDA	96.8	98.0	105.5	+ 7.7%
EBITDA margin	11.4%	10.5%	10.8%	–
EBIT	67.9	68.5	74.1	+ 8.3%
EBIT margin	8.0%	7.3%	7.6%	–
Result before income tax	57.0	53.7	61.1	+ 13.8%
Consolidated net result for the period	42.0	40.4	44.0	+ 9.0%
Dividend per share (EUR)	0.38	0.38	0.41*	+ 7.9%

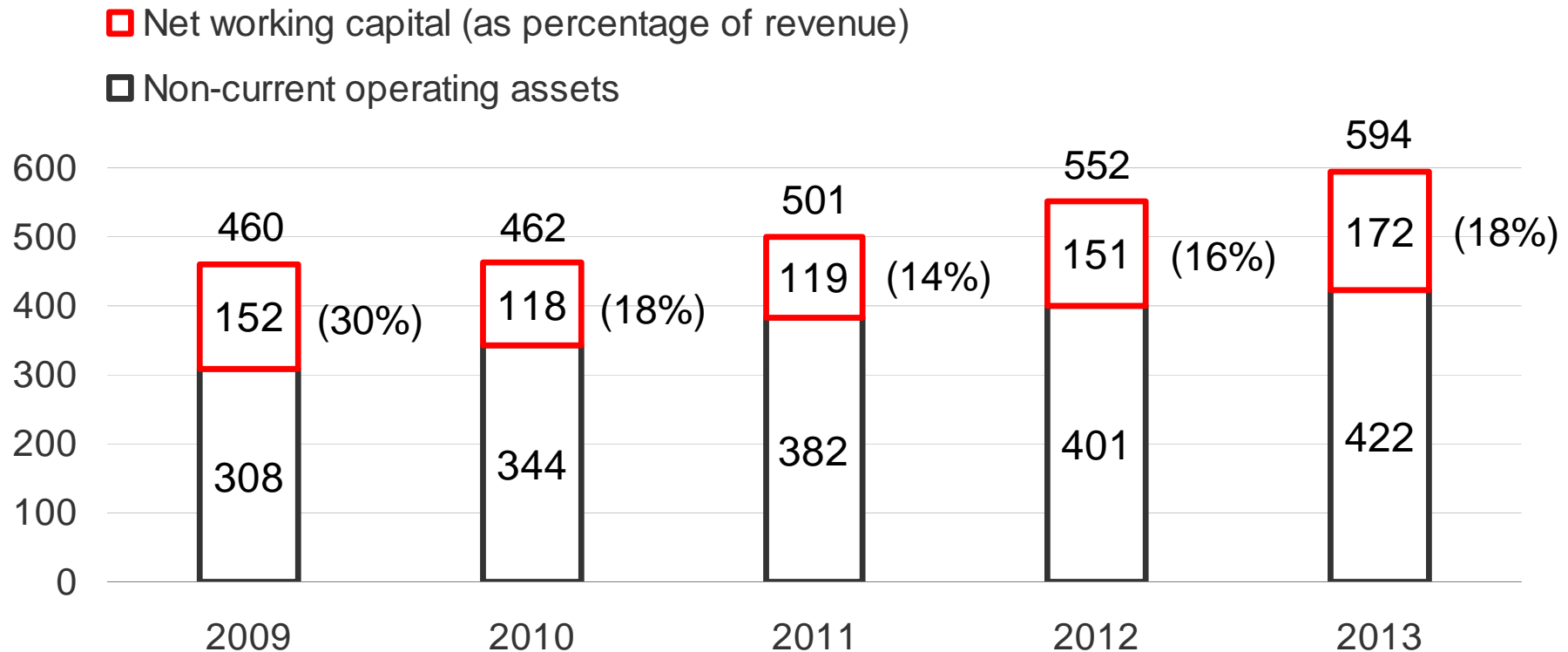
\* Proposal to the Annual General Meeting.

# QUARTERLY FIGURES



**➔ Steady growth with record revenue**

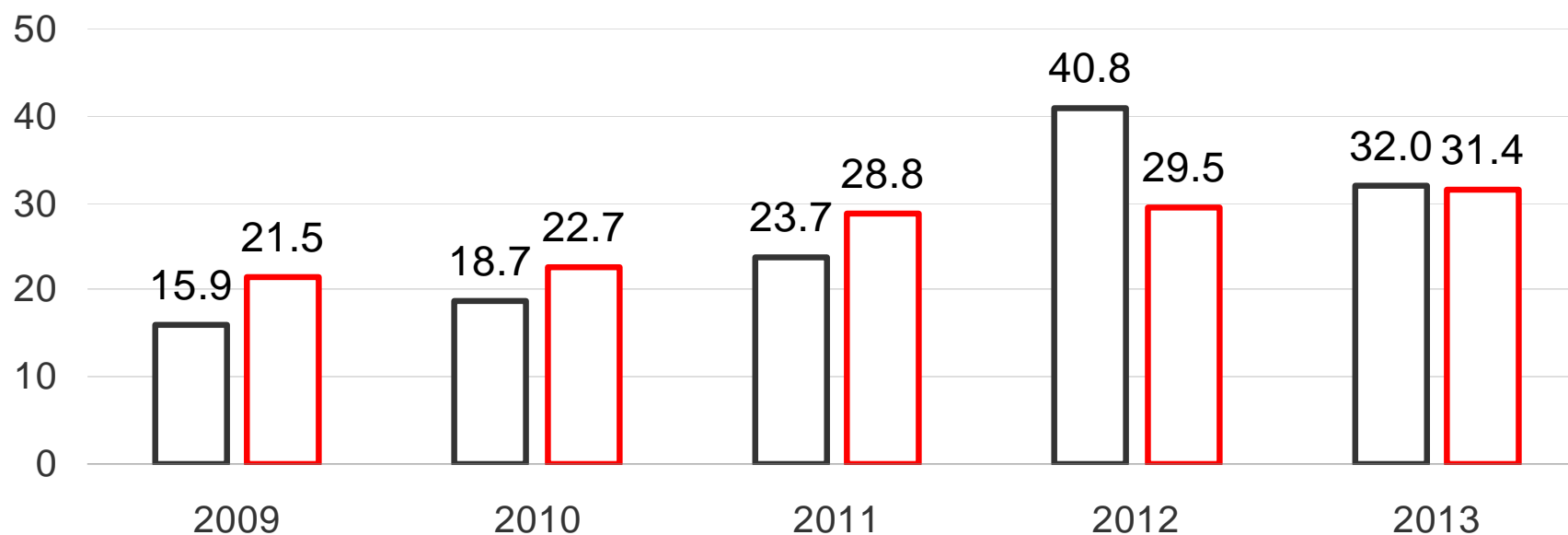
# CAPITAL EMPLOYED\*



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

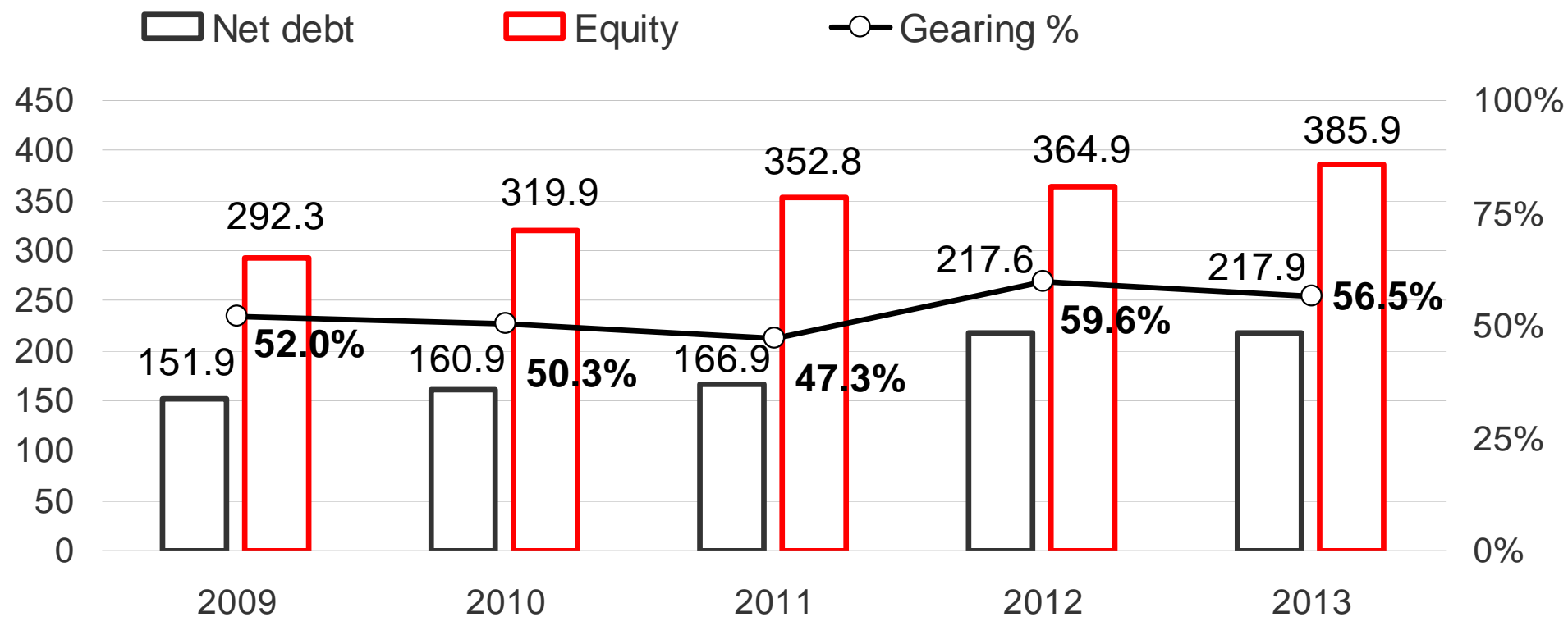
\* Average.

- Net investments
- Depreciation, amortization and impairment



➔ Investments to support further development of the areas

# GEARING RATIO AND EQUITY



➔ Debt financed for the long term

# FREE CASH FLOWS



	2011	2012	2013
<b>EBTDA</b>	<b>85.6</b>	<b>82.8</b>	<b>92.5</b>
+/- Non-cash result from companies at equity	(7.9)	(1.9)	(6.1)
+/- Change in working capital	(28.7)	(12.8)	(18.1)
+/- Cash flows from tax payments	(11.3)	(12.7)	(5.8)
<b>Cash flows from operating activities</b>	<b>37.7</b>	<b>55.4</b>	<b>62.5</b>
+/- Cash flows from investing activities	(34.6)	(70.6)	(39.7)
<b>Cash flows after changes in working capital &amp; investments</b>	<b>3.1</b>	<b>(15.2)</b>	<b>22.8</b>
+/- Cash flows from interest on borrowings adjusted by tax expense	8.6	12.1	8.8
<b>Free cash flows</b>	<b>11.7</b>	<b>(3.1)</b>	<b>31.6</b>
Cash flows from equity/investor capital	(12.1)	(22.4)	(17.6)
Cash flows from net debt	9.0	37.6	(5.2)



# OUTLOOK

- Mutual participations of 10 per cent each planned
- Contracts signed at the end of 2013,  
transaction carried out after authorizations have been obtained
- PALFINGER AG: half of stake existing shares from the Palfinger family  
half of stake new shares (authorized capital)  
Price: EUR 29 per share
- Interlinking presumably reflected in the supervisory boards

- Consolidation following rapid expansion in 2013
- Focus on further steps in South America and the Marine business area
- Introduction of additional product groups in BRIC markets, primarily China
- Further increase in flexibility
- Establishment of a plant in China

- Improvement of economic situation in Europe noticeable
- Further growth outside Europe
- Massive potential of Marine business area
- Organic and inorganic growth in revenue expected

➔ Objective: another record revenue year

---

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

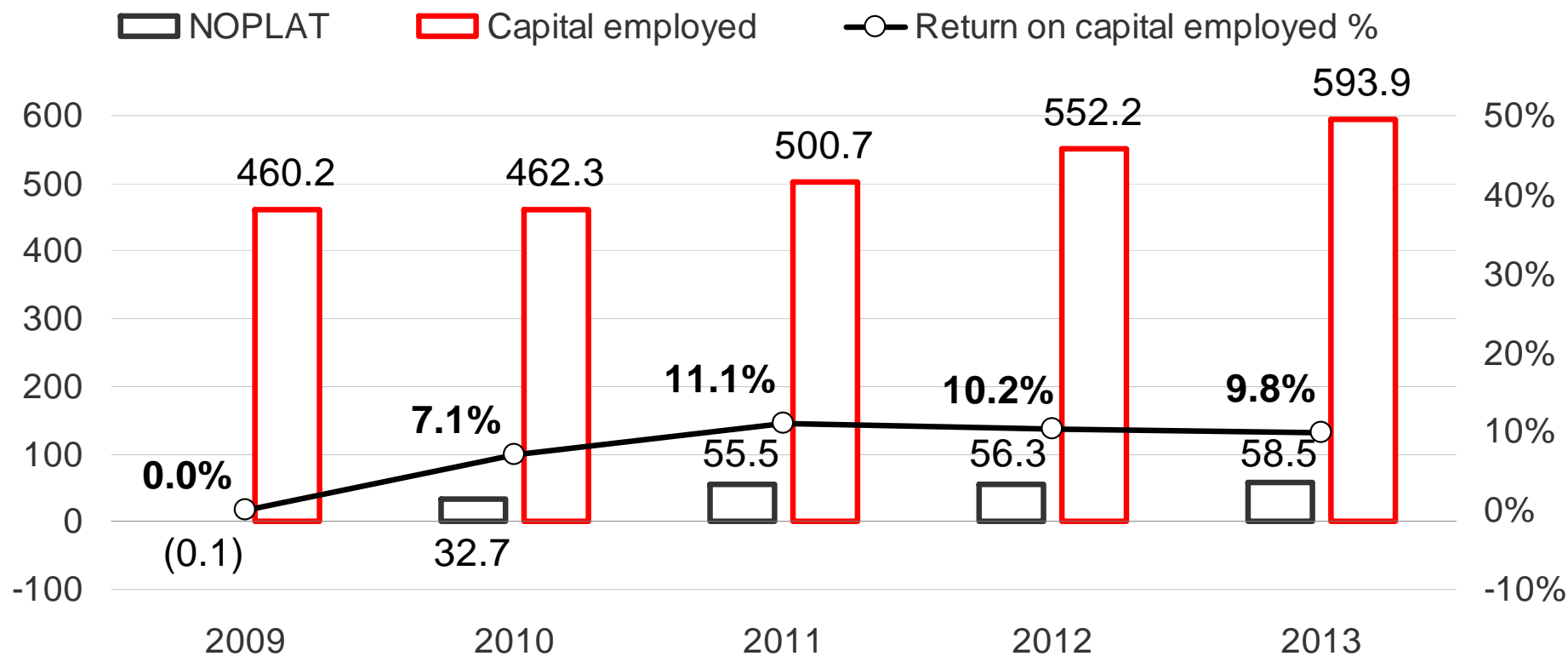
**Hannes Roither, Company Spokesperson**  
Phone +43 662 46 84-2260  
h.roither@palfinger.com

**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**

# RETURN ON CAPITAL EMPLOYED

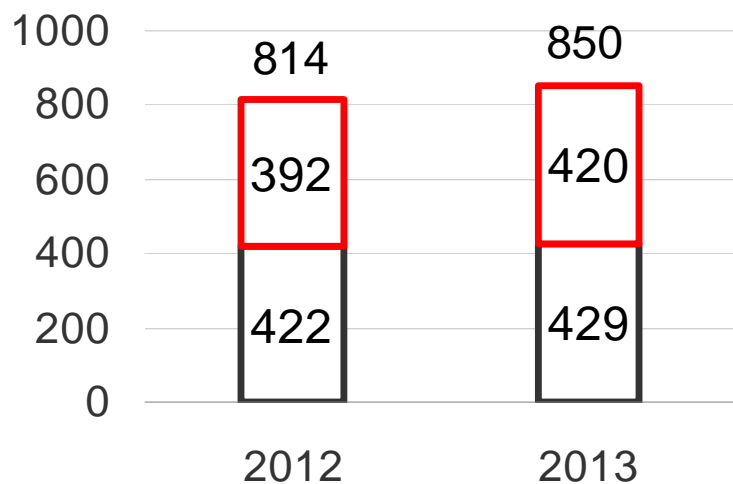


# BALANCE SHEET STRUCTURE



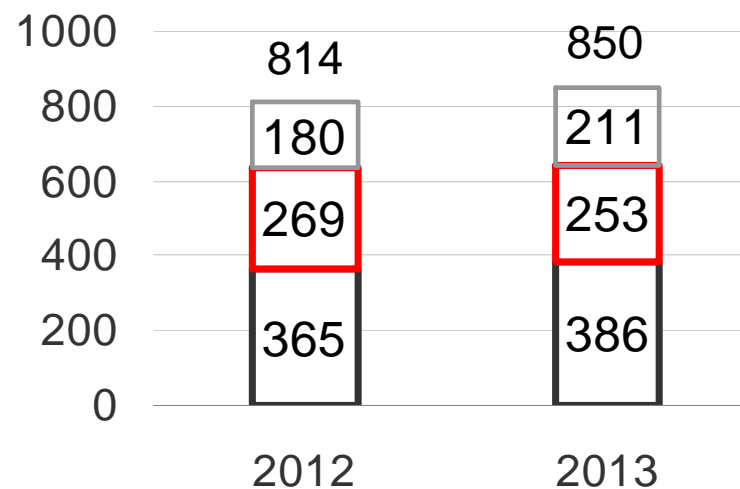
## ASSETS

- Current assets
- Non-current assets



## LIABILITIES

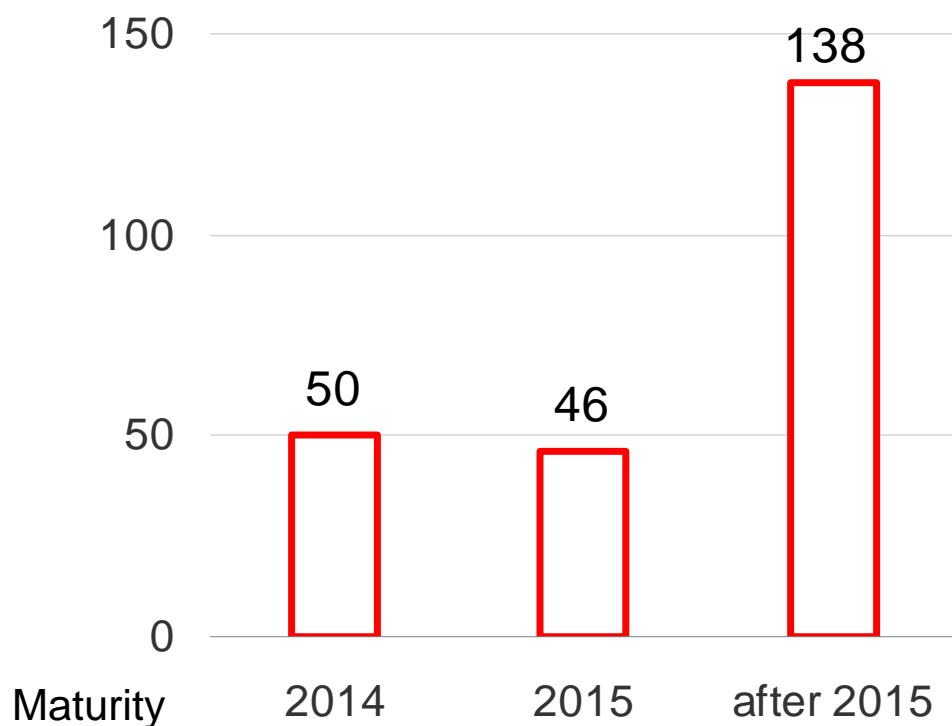
- Current liabilities
- Non-current liabilities
- Equity



➔ Long-term financial structure

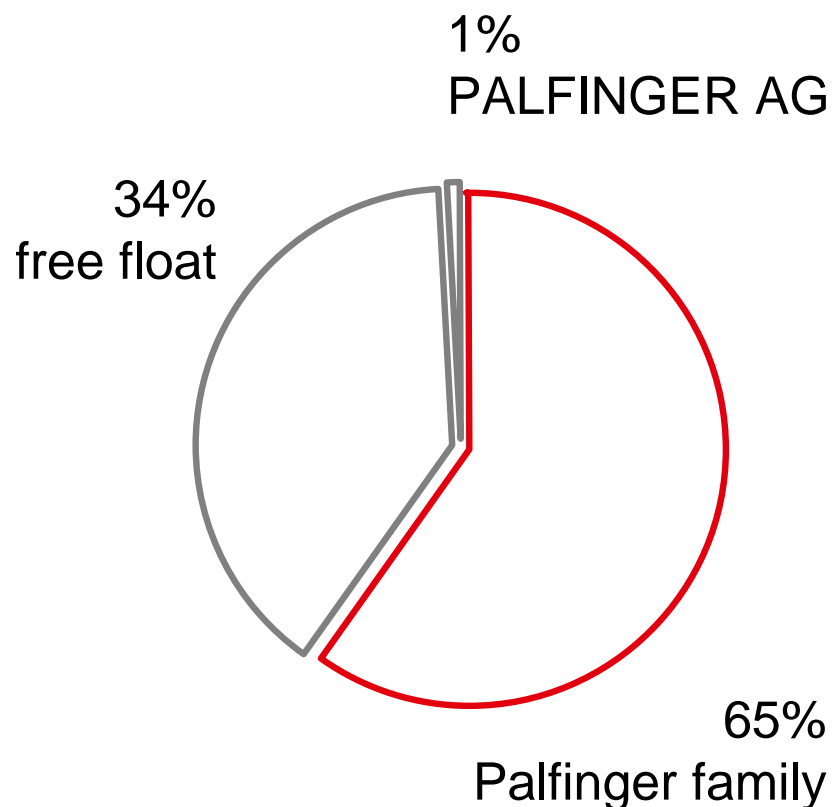


# FINANCING STRUCTURE AS AT 31 DECEMBER 2013



Ø Interest rate	3.15%
Ø Remaining time to maturity	2.5 years
Financial assets	EUR 16.0m
Equity ratio	45.4%

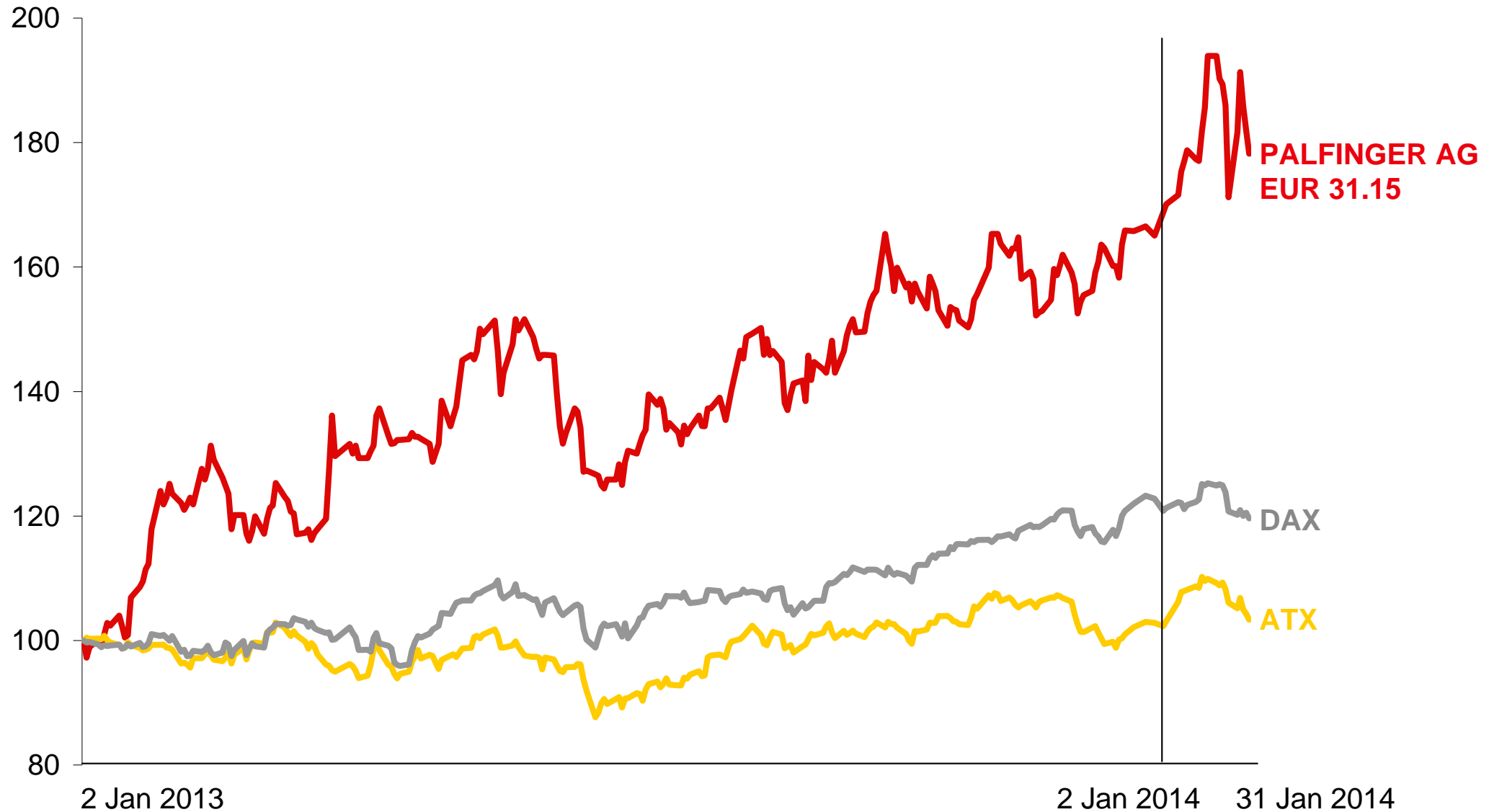
## SHAREHOLDER STRUCTURE



## SHAREHOLDER INFORMATION AS AT 31 DECEMBER 2013

ISIN	AT0000758305
Number of shares	35,730,000
thereof own shares	328,090
Share price as at end of period	EUR 28.85
Market capitalization	EUR 1,030.8m
Earnings per share	EUR 1.24

# PERFORMANCE OF PALFINGER SHARES SINCE 2013



---

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

---