

PALFINGER AG

Continuation of organic growth

Presentation on the results for the first quarter of 2018

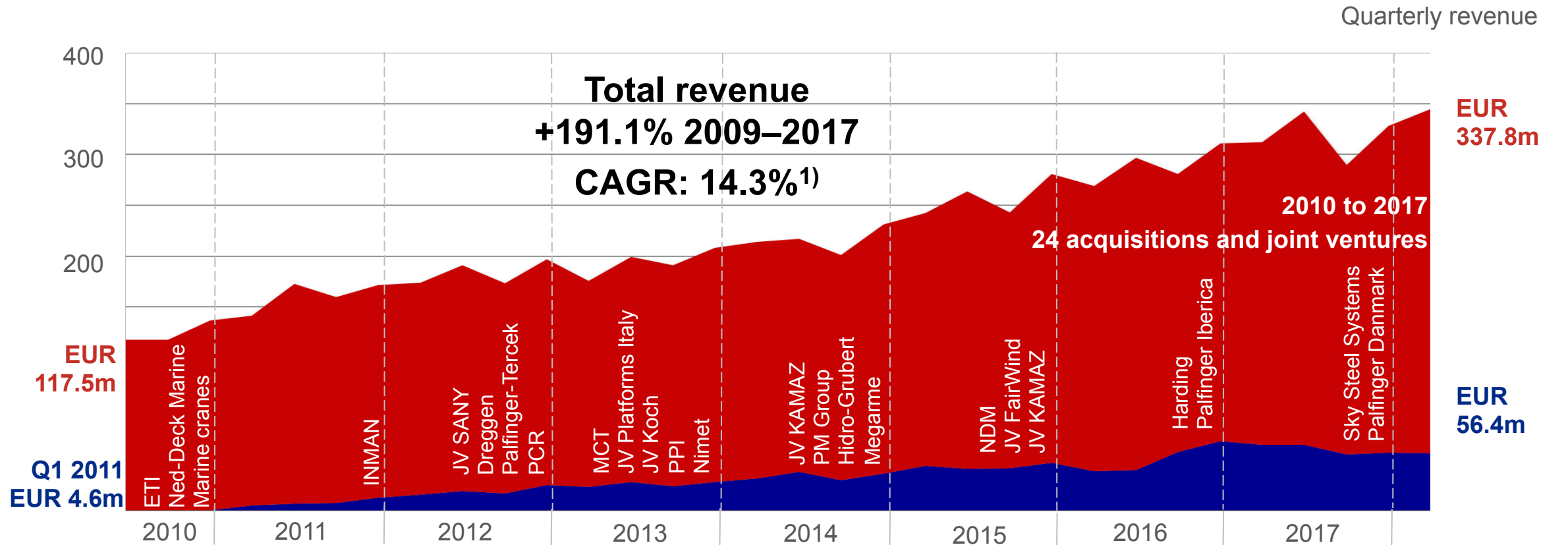
April 2018

- **Global market leader**
- **Revenue: approx. EUR 1.5bn, 10,212 employees (year end 2017)**
 - » 38 production sites
- **60.9% EMEA – 23.6% Americas – 15.5% Asia and Pacific, CIS**
- **LAND: approx. EUR 1.2bn**
 - » 8,200 employees
 - » 5,000 service centres worldwide
 - » Global market leader for loader cranes, hooklifts and skiploaders, timber and recycling cranes, and railway systems
 - » Top 3 worldwide for tail lifts and truck mounted forklifts
- **SEA: approx. EUR 0.2bn**
 - » 1,700 employees
 - » 28 service centres worldwide
 - » Global market leader for lifesaving equipment
 - » Leading position in cranes for ships, offshore installations and offshore wind farms

World's leading supplier of loading, lifting and handling systems

CONSISTENT GROWTH – ORGANIC AND THROUGH ACQUISITIONS

- LAND segment from 2009 to Q1 2018: +188%
- SEA segment from 2011 to Q1 2018: +1,129%

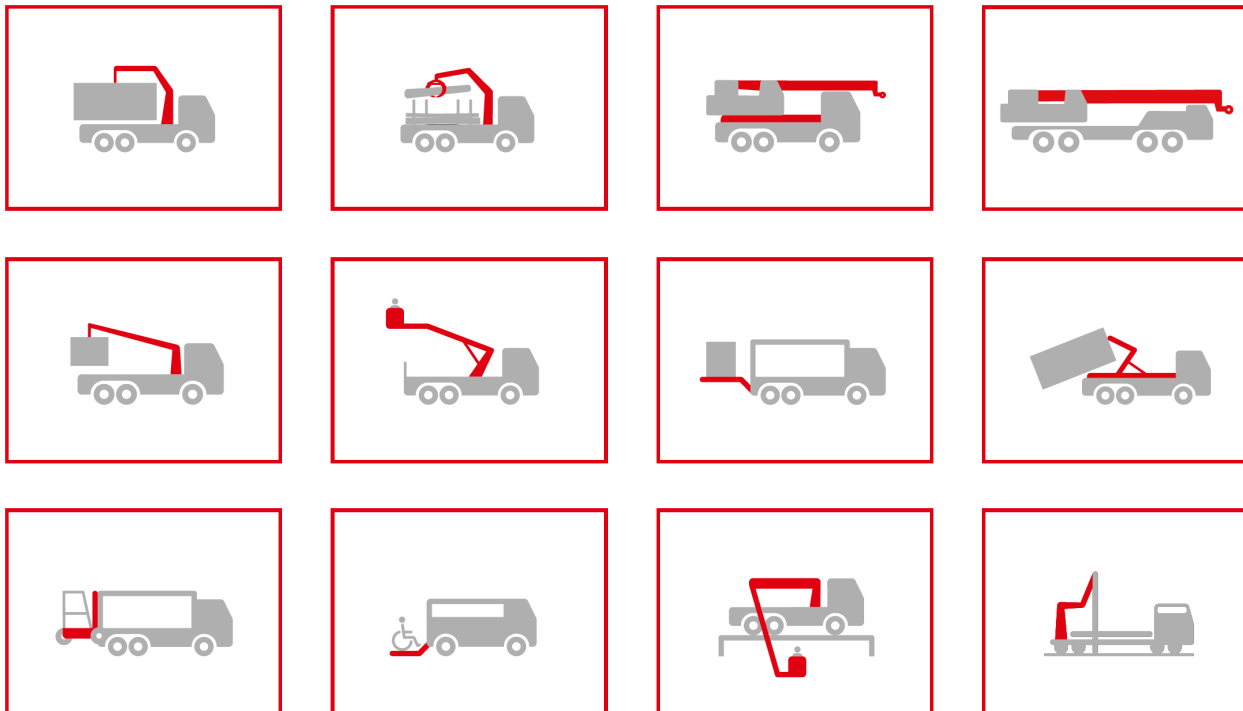


1) Of which 55% organic; 45% inorganic

- Revenue of EUR 394.2 million marks new record, operating profitability in the double-digit range again
- Primarily organic expansion of business, mainly caused by positive development in Europe and North America
- Restructuring in North America and in the marine business had a negative impact on earnings
- Andreas Klauser new CEO as of 1 June 2018

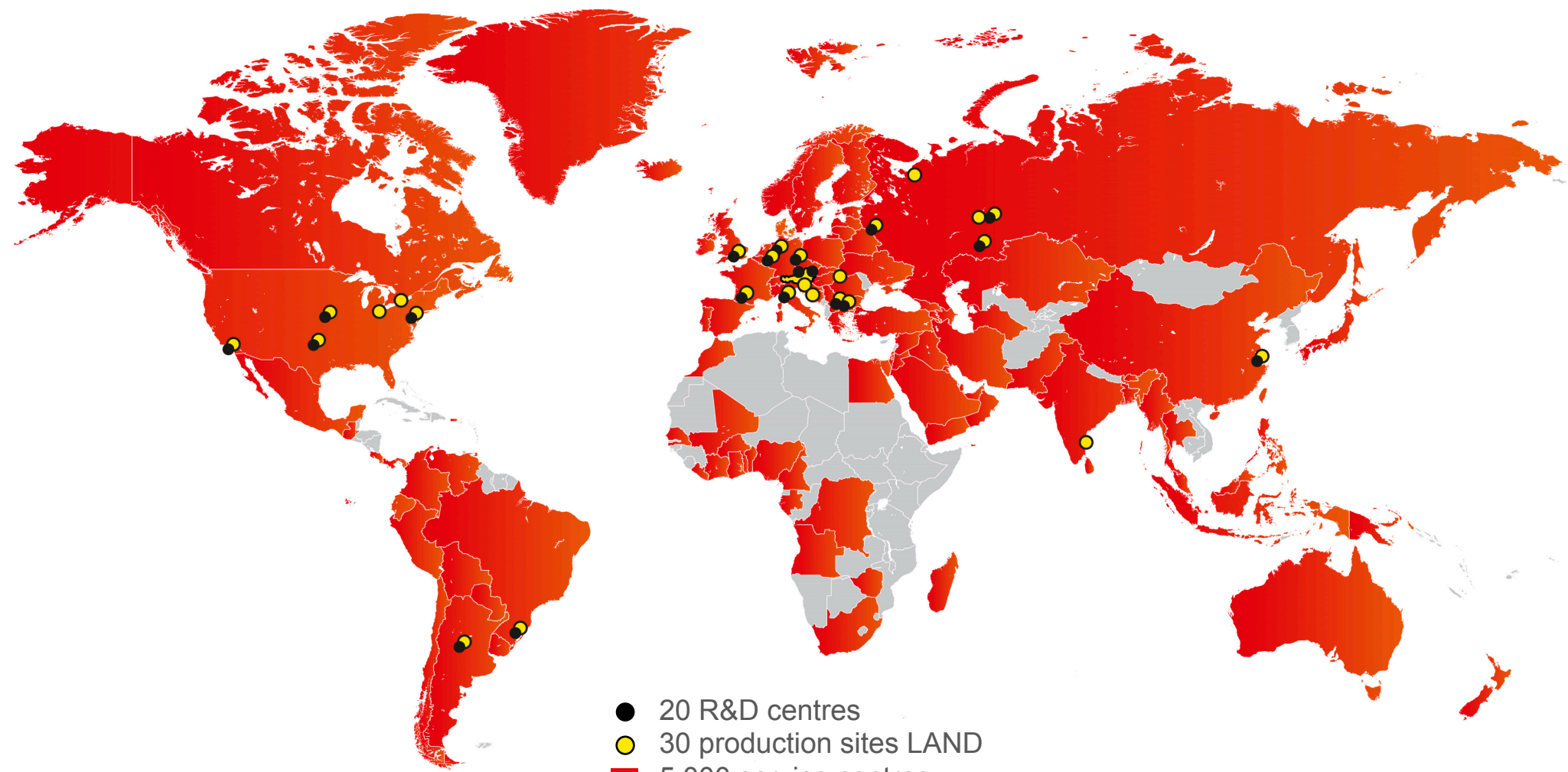
LAND SEGMENT

PALFINGER is the leading supplier of loading, lifting and handling systems



- Loader cranes
- Timber and recycling cranes
- Telescopic cranes
- Mobile cranes
- Stiff boom cranes
- Access platforms
- Tail lifts
- Hooklifts and skiploaders
- Truck mounted forklifts
- Passenger lifts
- Bridge inspection units
- Railway systems

GLOBAL FOOTPRINT – IN SALES, SERVICE, PRODUCT DEVELOPMENT AND VALUE CREATION

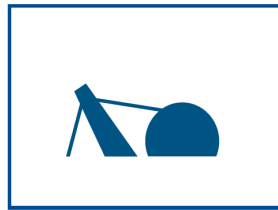
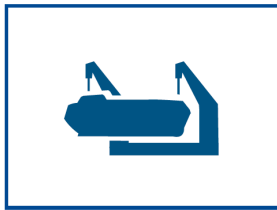
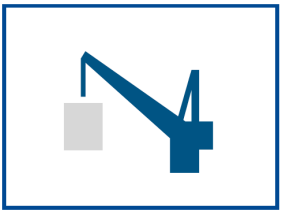


- 20 R&D centres
- 30 production sites LAND
- 5,000 service centres
(approx. 10,000 service staff / of which approx. 700 PALFINGER)

- ➔ Growth based on significant expansion of business in EMEA and Americas, revenue increased by 13.6% to EUR 337.8 million
 - » Acquisition of Palfinger Danmark AS generated positive momentum
 - » Market environment in South America remained challenging, but downturn seems to have bottomed out
 - » Completion of restructuring in North America expected in the first half of 2018
 - » Good partnership with SANY as foundation for continued business expansion
 - » Additional growth despite challenging environment in Russia/CIS

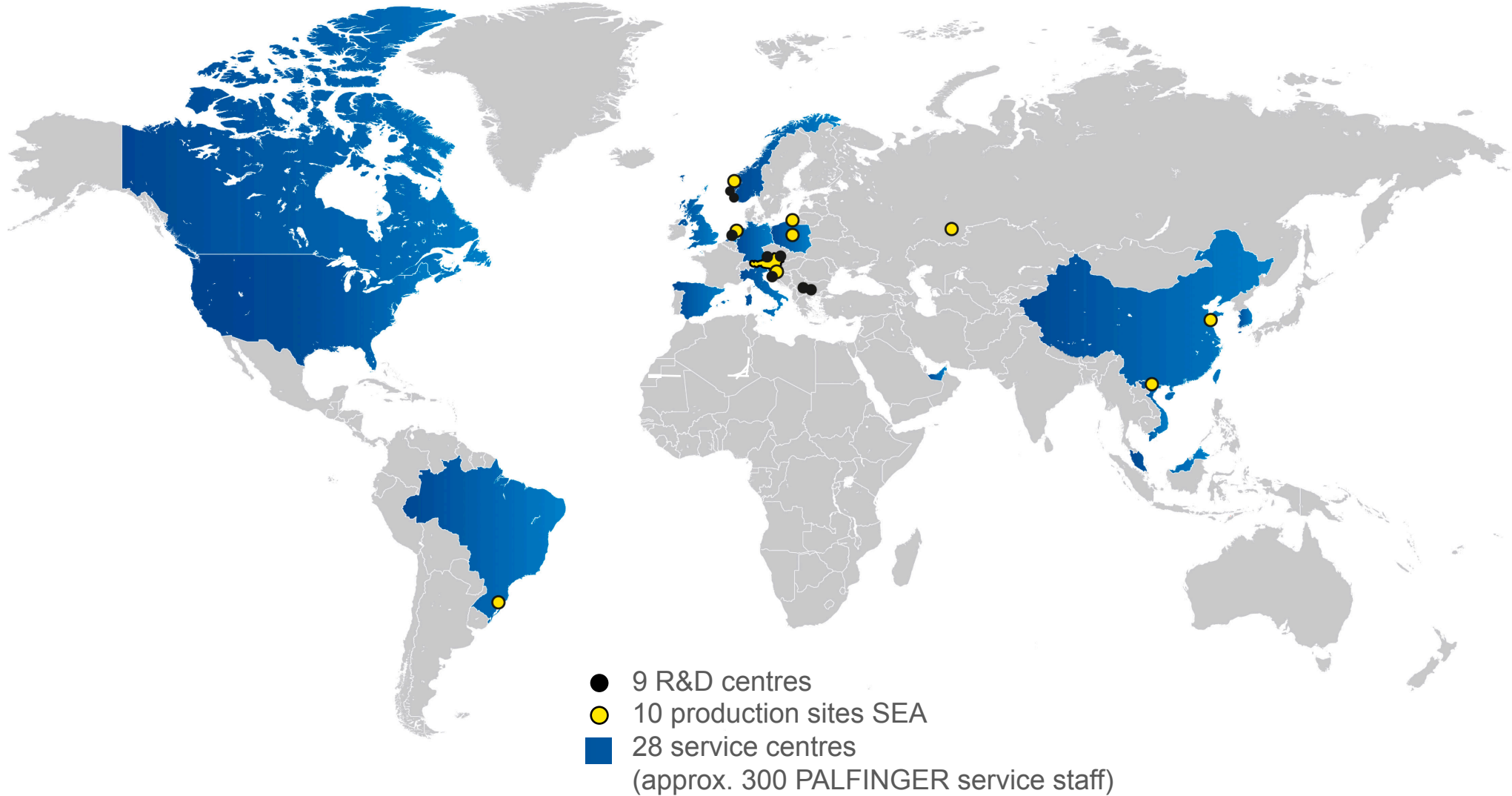
SEA SEGMENT

PALFINGER MARINE is the leading manufacturer of high-end deck equipment in the maritime sector



- Cranes
- Lifesaving equipment
- Winches & handling solutions
- Rope access

GLOBAL FOOTPRINT – IN SALES, SERVICE, PRODUCT DEVELOPMENT AND VALUE CREATION



- ➔ Revenue decreased by 12.7% to EUR 56.4 million
 - » Share of segment revenue in consolidated revenue thus shrank from 17.9% to 14.3%
 - » Business environment still difficult due to strained situation in the oil and gas industry
 - » Increase in incoming orders in some product areas points to slight stabilization of market situation
 - » Restructuring measures will be continued intensively in 2018

KEY FINANCIALS

| | Q1 2017 | Q1 2018 | % |
|------------------------------|---------|---------|---------|
| Revenue | 297.2 | 337.8 | +13.6% |
| EBITDAn ¹⁾ | 51.7 | 58.4 | +13.0% |
| EBITDAn margin ¹⁾ | 17.4% | 17.3% | – |
| EBITn ¹⁾ | 41.6 | 48.2 | +15.8% |
| EBITn margin ¹⁾ | 14.0% | 14.3% | – |
| Restructuring costs | 3.6 | 2.5 | (30.2%) |

Consistently strong growth and good operating profitability

1) Figures normalized (n) by restructuring costs.

| | Q1 2017 | Q1 2018 | % |
|------------------------------|---------|---------|---------|
| Revenue | 64.6 | 56.4 | (12.7%) |
| EBITDAn ¹⁾ | 2.1 | 0.9 | (56.9%) |
| EBITDAn margin ¹⁾ | 3.3% | 1.6% | – |
| EBITn ¹⁾ | (1.3) | (2.1) | (63.7%) |
| EBITn margin ¹⁾ | (1.9%) | (3.6%) | – |
| Restructuring costs | 1.2 | 3.7 | +202.9% |

Significant decline in revenue; intensification of restructuring

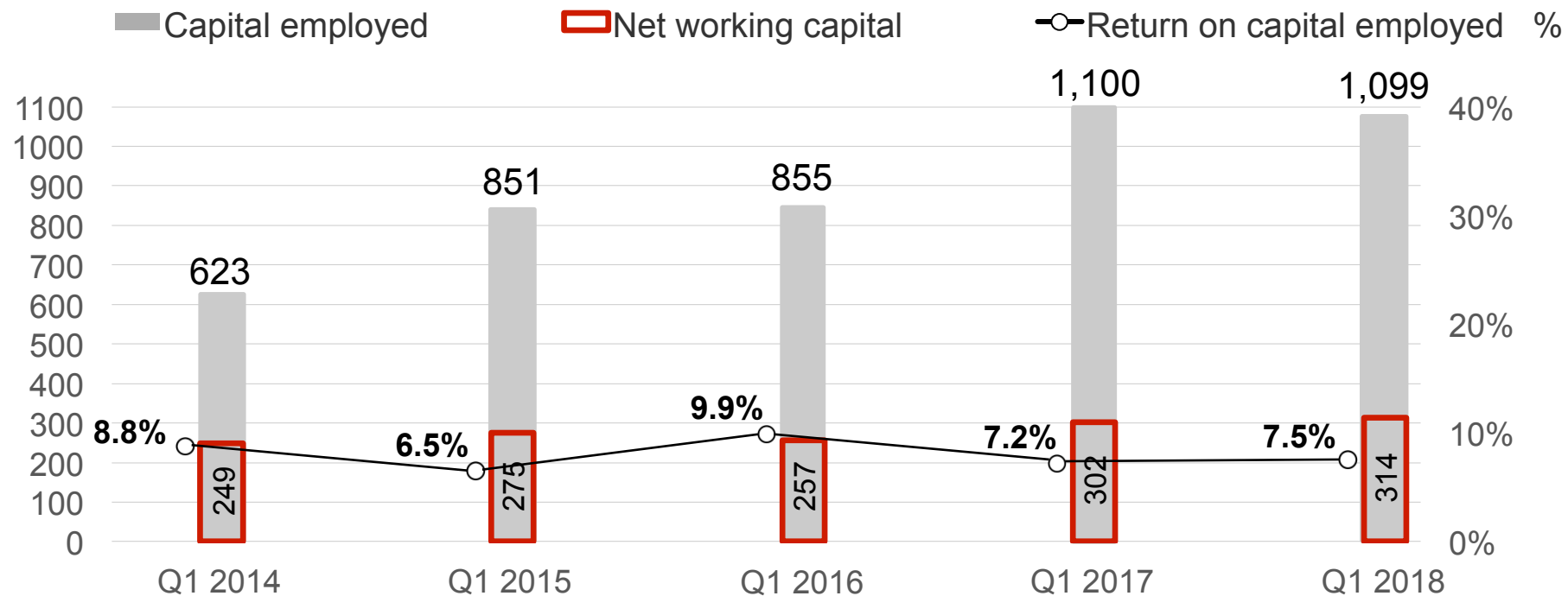
1) Figures normalized (n) by restructuring costs.

KEY FINANCIALS OF THE PALFINGER GROUP

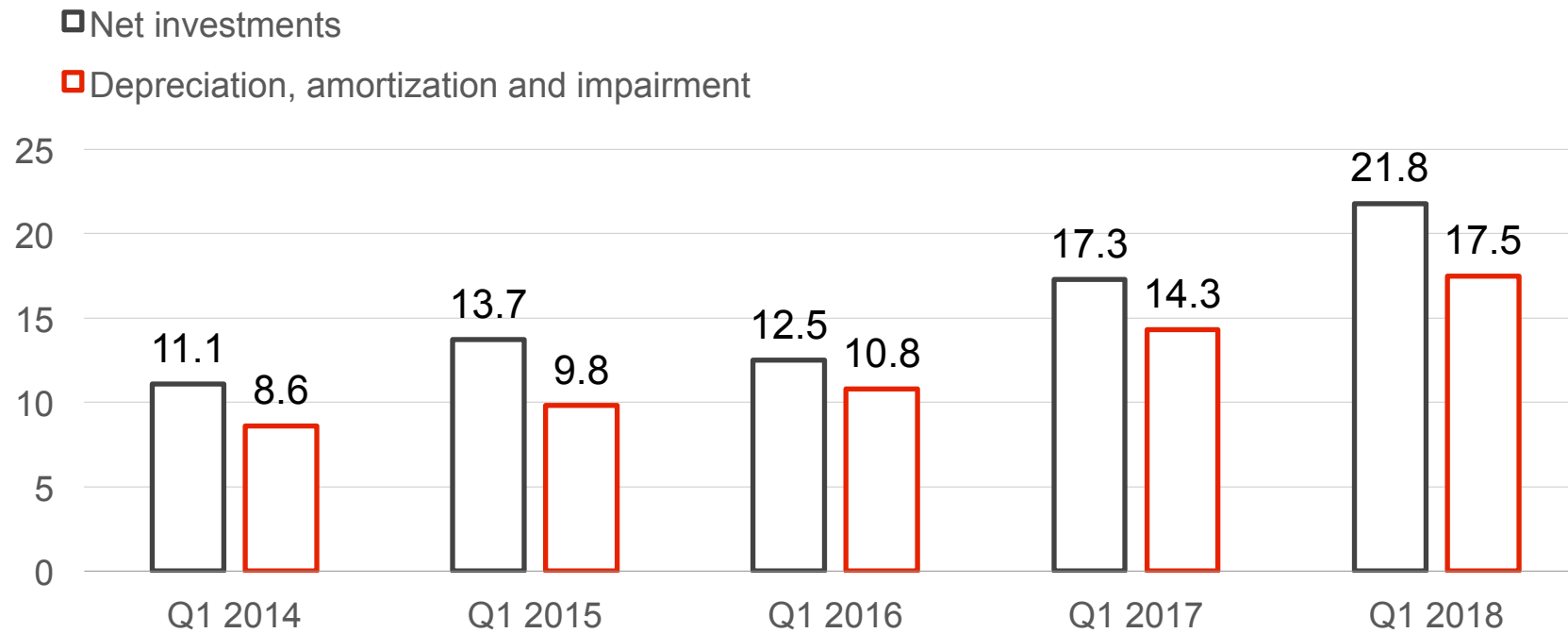
| | Q1 2016 | Q1 2017 | Q1 2018 | % |
|--|---------|---------|---------|--------|
| Revenue | 318.8 | 361.9 | 394.2 | +8.9% |
| EBITDAn ¹⁾ | 42.8 | 50.9 | 54.0 | +6.2% |
| EBITDAn margin ¹⁾ | 13.4% | 14.1% | 13.7% | – |
| EBITn ¹⁾ | 32.0 | 36.6 | 39.9 | +9.1% |
| EBITn margin ¹⁾ | 10.0% | 10.1% | 10.1% | – |
| EBIT | 30.2 | 31.6 | 33.6 | +6.2% |
| Consolidated net result for the period | 18.6 | 19.4 | 17.9 | (7.7%) |

1) Figures normalized (n) by restructuring costs.

RETURN ON CAPITAL EMPLOYED

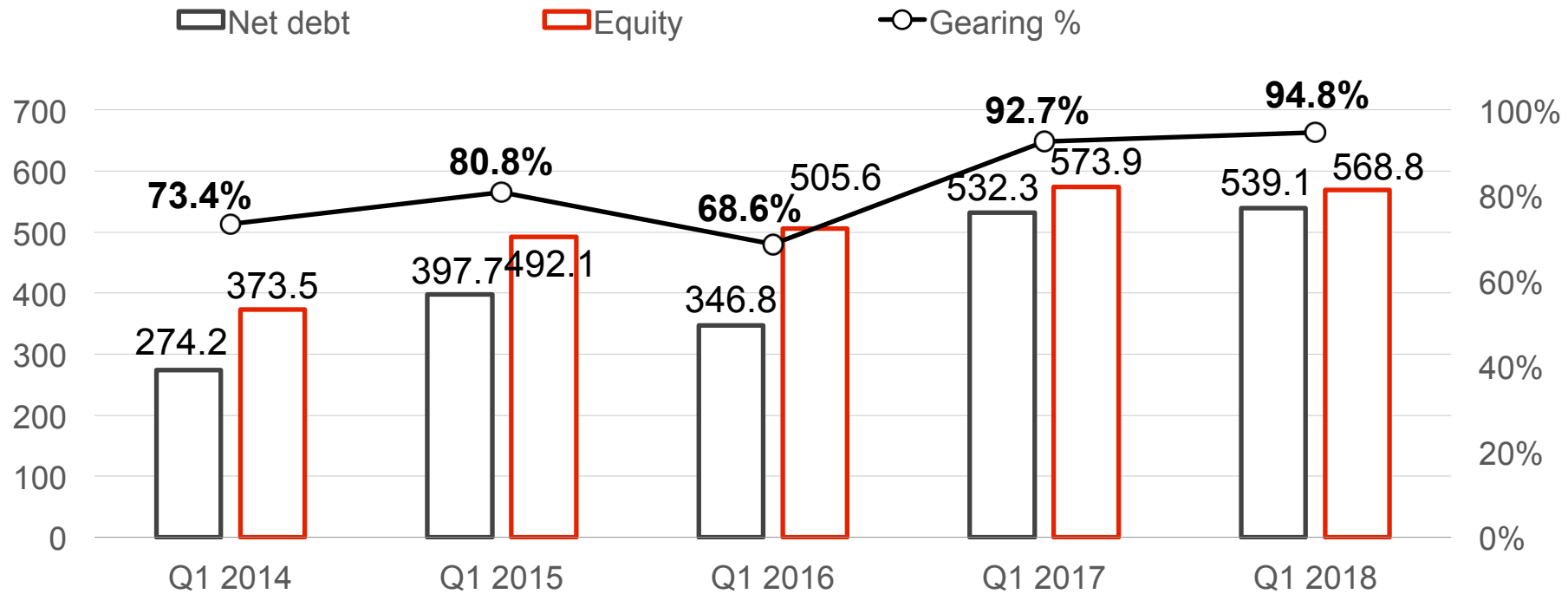


Increase in ROCE due to optimized capital employment



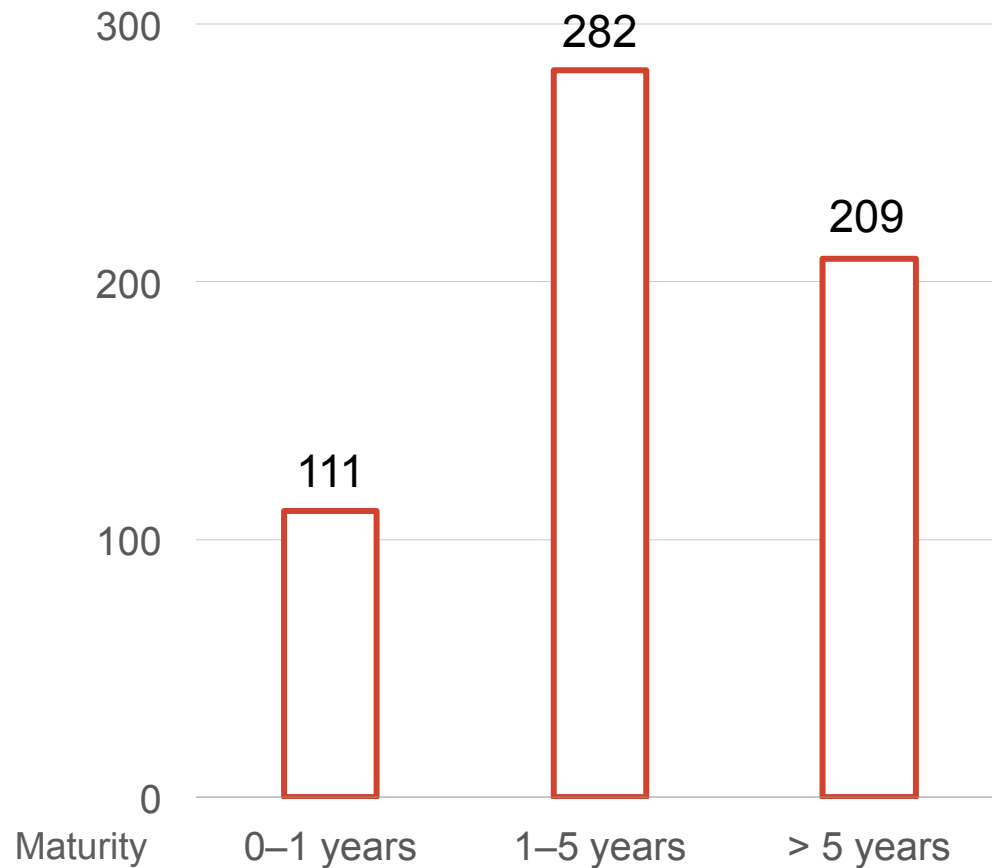
Enlargement of production capacities and replacement investments

GEARING RATIO AND EQUITY



Translation effects lead to higher gearing

FINANCING STRUCTURE AS AT 31 MARCH 2018



| | |
|---------------------------------|------------|
| Financial liabilities (FL) | EUR 602.0m |
| Ø Interest rate FL | 1.75% |
| Ø Remaining time to maturity FL | 3.69 years |
| Cash equivalents | EUR 27.1m |
| Net debt | EUR 539.1m |
| Equity ratio | 36.1% |
| Gearing | 94.8% |
| Net debt/EBITDA | 3.13 |

FREE CASH FLOWS

| | Q1 2016 | Q1 2017 | Q1 2018 |
|--|-------------|-------------|-------------|
| EBTDA | 38.0 | 43.5 | 47.3 |
| +/- Non-cash result from companies at equity | 1.7 | (1.4) | (0.3) |
| +/- Change in working capital | (8.1) | (15.6) | (20.4) |
| +/- Cash flows from tax payments | (0.5) | (2.7) | (6.9) |
| Cash flows from operating activities | 31.1 | 23.8 | 19.7 |
| +/- Cash flows from investing activities | (13.4) | (6.7) | (17.9) |
| Cash flows after changes in working capital & investments | 17.7 | 17.1 | 1.8 |
| +/- Cash flows from interest on borrowings adjusted by tax expense | 2.2 | 2.1 | 2.2 |
| Free cash flows | 19.9 | 19.3 | 4.0 |
| Cash flows from equity/investor capital | (20.4) | (38.8) | (24.3) |
| Cash flows from net debt | 2.7 | 21.7 | 22.5 |

OUTLOOK

- Further increase in incoming orders gives reason to expect continuation of positive performance and operating profitability
- Restructuring measures
 - » Completion in North America in the first half of 2018
 - » Additional measures in the marine business will impact earnings in 2018 and possibly also in 2019
- Group-wide initiatives with a focus on digital transformation and process optimization (PALFINGER 21st, Process Excellence)
- Incorporation of the new vision and strategy throughout the Group

2018: Record revenue and record operating profitability expected;
net consolidated result expected to continue the success of 2015 and 2016

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