

11 0

PALFINGER

01

PALFINGER

Continuation of growth

Presentation on the results
for the first half of 2018
Vienna, 30 July 2018



00 10

The future is: thinking in terms of solutions.

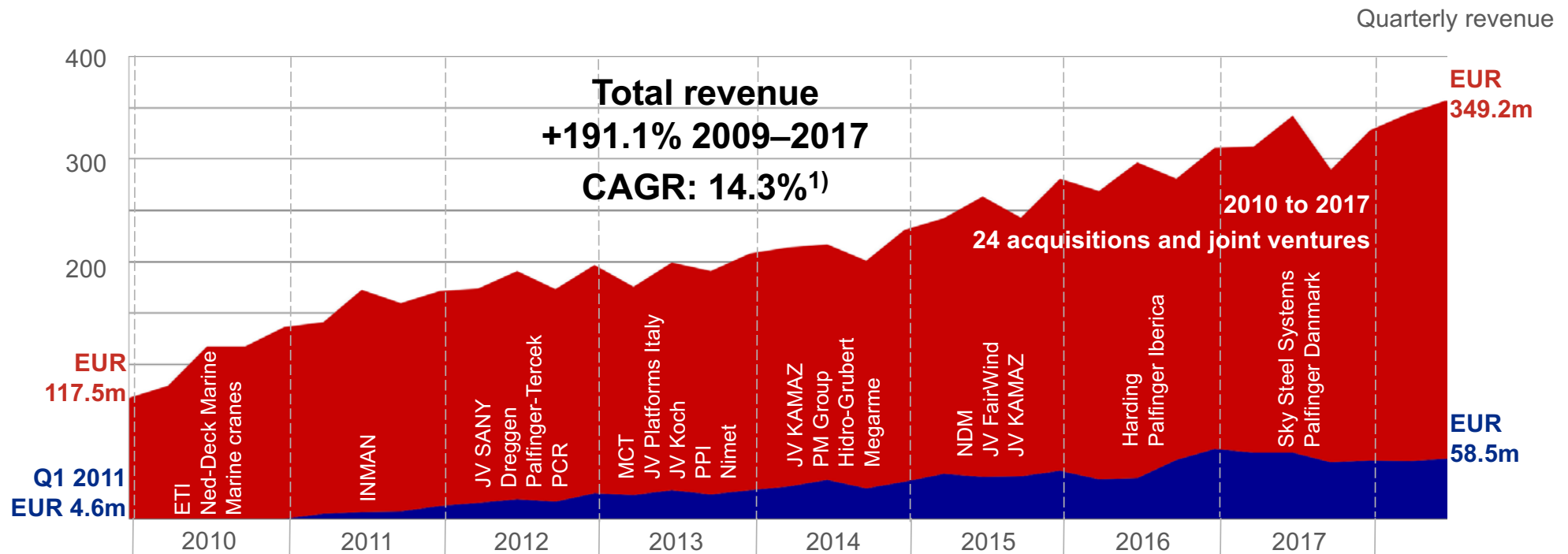
- ➔ **Global market leader**
- ➔ **Revenue: approx. EUR 1.5bn, 10,212 employees (year end 2017)**
 - » 39 production sites
- ➔ **60.9% EMEA – 23.6% Americas – 15.5% Asia and Pacific, CIS**
- ➔ **LAND: approx. EUR 1.2bn**
 - » 8,200 employees
 - » 5,000 service centres worldwide
 - » Global market leader 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
 - » 26 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 Q4 2009 to Q2 2018: +197%
- SEA segment from Q1 2011 to Q2 2018: +1,174%



1) of which 55% organic; 45% inorganic

TOGETHER WE ARE **SHAPING THE FUTURE** OF OUR
CUSTOMERS' LIFTING SOLUTIONS

PALFINGER



- Strategic pillars:
 - » Innovation – internationalization – flexibility – PALFINGER 21st
- Expand relevant market position on the world market
- Completion of product portfolio in all regions
- Growth through market share gains and increase in profitability
- Continuous innovation with focus on development of product features and business models based on digitalization
- Enhanced flexibility of internal processes and synergies through global networking and Process Excellence

Long-term, profitable growth through expansion of competitive advantages

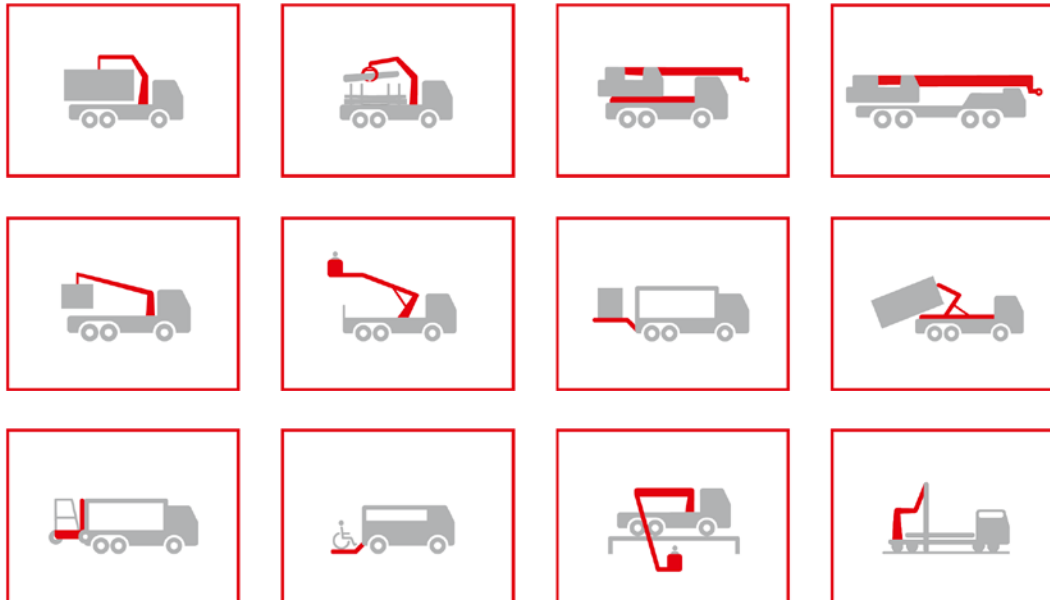
- Revenue of EUR 801.9m (+6.4%) marks new peak, operating profitability (measured by EBITn) in the double-digit range again
- Primarily organic expansion of business, mainly caused by positive development in Europe and CIS
- Marine business still highly challenging
- Restructuring in North America (completed to a major extent) and in the marine business had a negative impact on earnings
- Continuously high order backlog
- Management team complete again since 1 June 2018

LAND SEGMENT

PRODUCT PORTFOLIO LAND SEGMENT

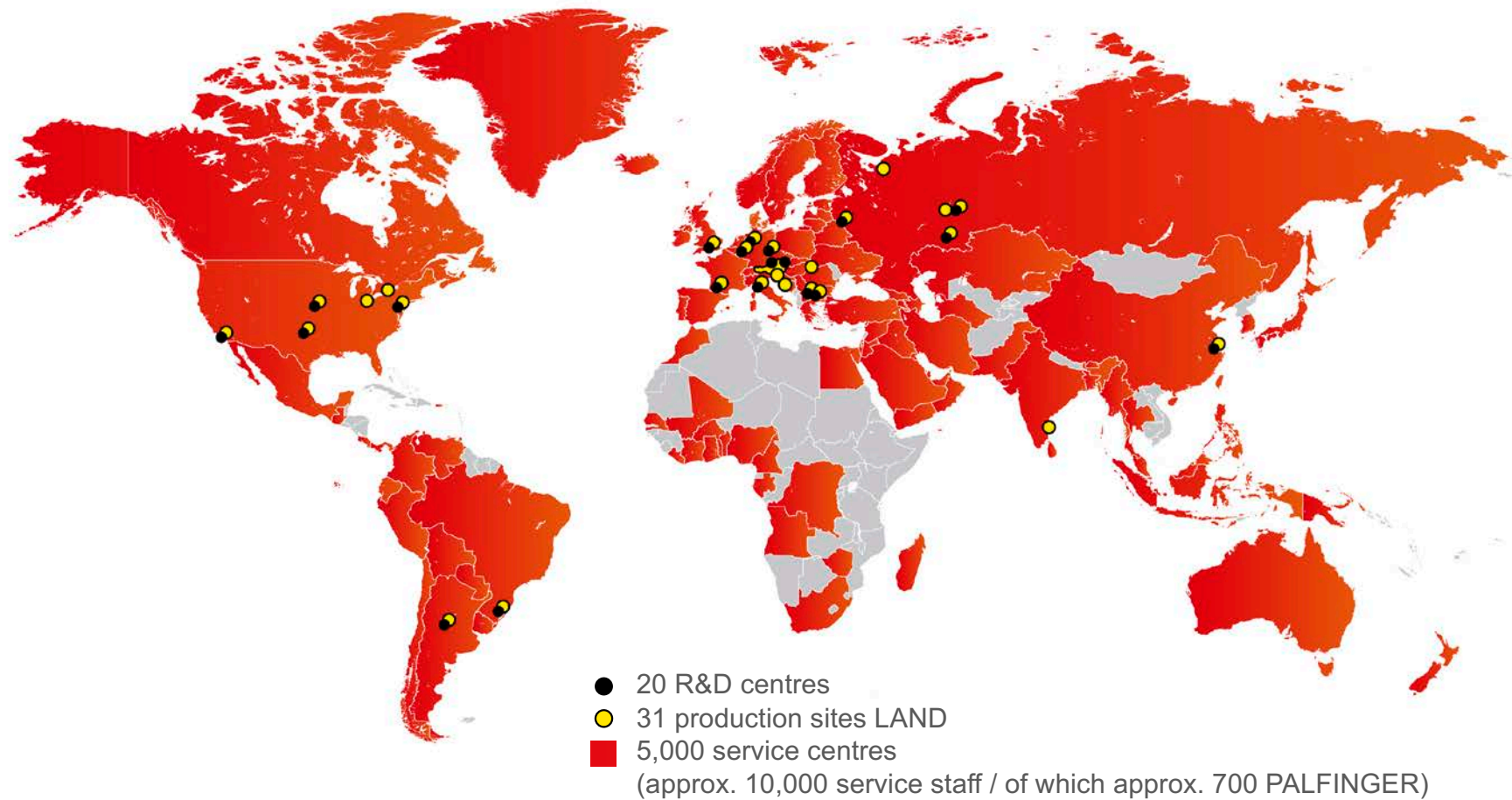


PALFINGER is the leading supplier of loading, lifting and handling systems



- 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



- ➔ Growth based on significant expansion of business in EMEA, revenue increased by 10.0% to EUR 687.0 million
 - » Strong demand in EMEA in particular in construction, infrastructure and forestry
 - » High volume of incoming orders leads to bottlenecks in the supply of externally manufactured components
 - » Restructuring measures in North America completed to a major extent in the first half of 2018
 - » Good partnership with SANY as foundation for growth of the Sany Palfinger joint venture by around 30%
 - » Additional growth despite challenging environment in Russia/CIS
 - » Market environment in South America remains challenging, downturn has bottomed out

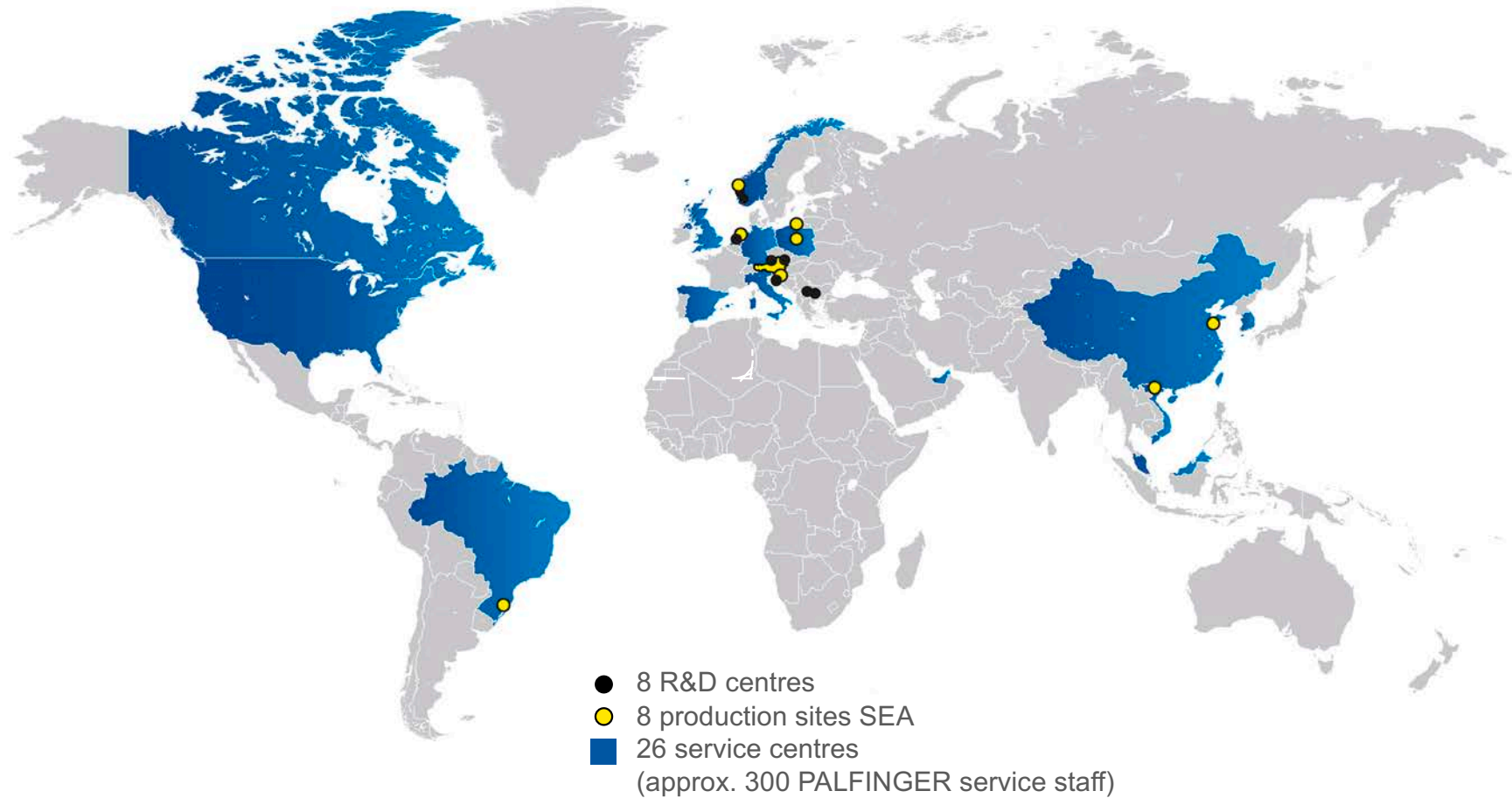
SEA SEGMENT

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



- Marine cranes
- Offshore cranes
- Wind cranes
- Lifesaving equipment
- Winches & handling solutions

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



➔ Restructuring in full swing

- » Revenue decreased by 11.0% to EUR 114.9 million
- » Share of segment revenue in consolidated revenue thus shrank from 17.1% to 14.3%
- » Business environment still difficult due to strained situation in the oil and gas industry
- » For now, increase in oil price has positive impact on service business only
- » Further evaluation of additional potential for increased earnings

KEY FINANCIALS

FINANCIALS LAND SEGMENT



	HY1 2017	HY1 2018	%
Revenue	624.6	687.0	+10.0%
EBITDAn ¹⁾	106.5	117.7	+10.5%
EBITDAn margin ¹⁾	17.0%	17.1%	–
EBITn ¹⁾	86.1	98.7	+14.7%
EBITn margin ¹⁾	13.8%	14.4%	–
Restructuring costs	7.5	5.8	(21.9%)

Consistently strong growth and good operating profitability

¹⁾ Figures normalized (n) by restructuring costs.

Acc. to IFRS in EUR million.

Minor rounding differences may occur.

FINANCIAL SEA SEGMENT



	HY1 2017	HY1 2018	%
Revenue	129.2	114.9	(11.0%)
EBITDAn ¹⁾	5.9	2.8	(52.5%)
EBITDAn margin ¹⁾	4.6%	2.5%	–
EBITn ¹⁾	(0.5)	(3.1)	–
EBITn margin ¹⁾	(0.4%)	(2.7%)	–
Restructuring costs	2.5	6.3	+152.6%

Significant decline in revenue; intensive restructuring

¹⁾ Figures normalized (n) by restructuring costs.

Acc. to IFRS in EUR million.

Minor rounding differences may occur.

KEY FINANCIALS OF THE PALFINGER GROUP



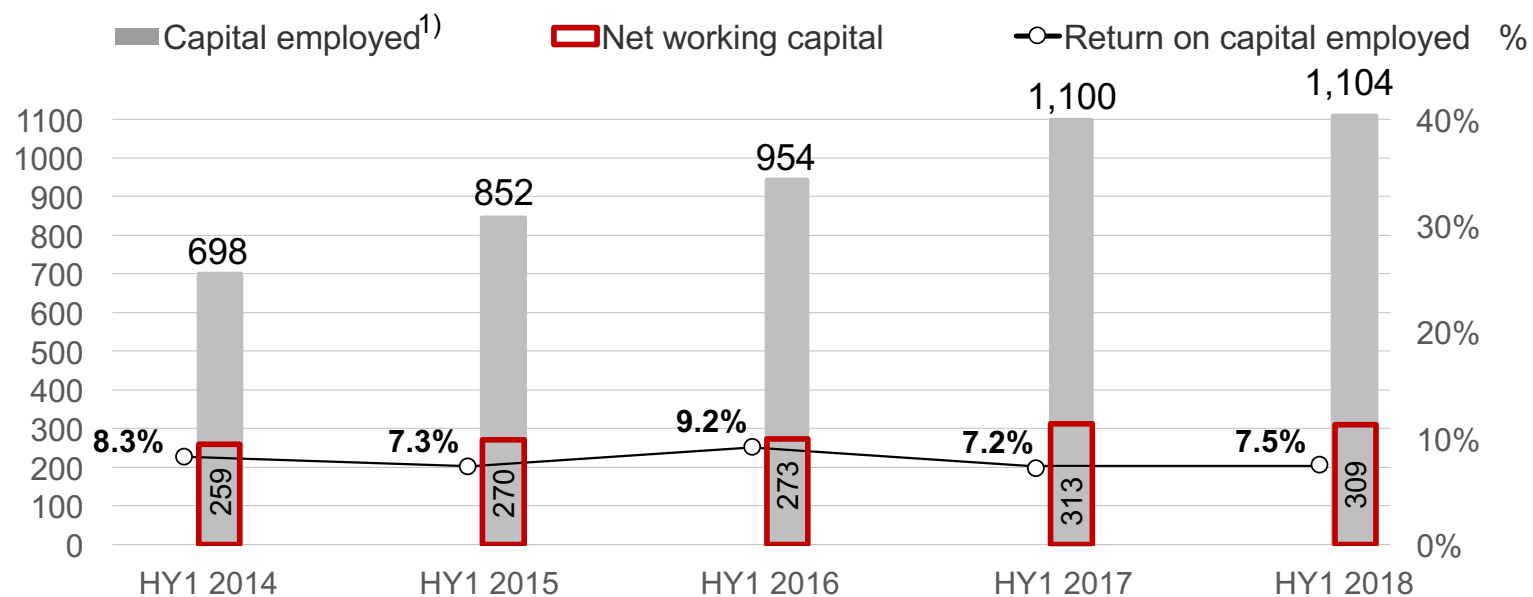
	HY1 2016	HY1 2017	HY1 2018	%
Revenue	665.6	753.8	801.9	+6.4%
EBITDAn ¹⁾	93.2	105.5	110.0	+4.3%
EBITDAn margin ¹⁾	14.0%	14.0%	13.7%	–
EBITn ¹⁾	71.4	77.1	83.5	+8.3%
EBITn margin ¹⁾	10.7%	10.2%	10.4%	–
EBIT	64.9	66.8	71.0	+6.3%
Consolidated net result for the period	39.7	38.6	35.2	(8.8%)

¹⁾ Figures normalized (n) by restructuring costs.

Acc. to IFRS in EUR million.

Minor rounding differences may occur.

RETURN ON CAPITAL EMPLOYED



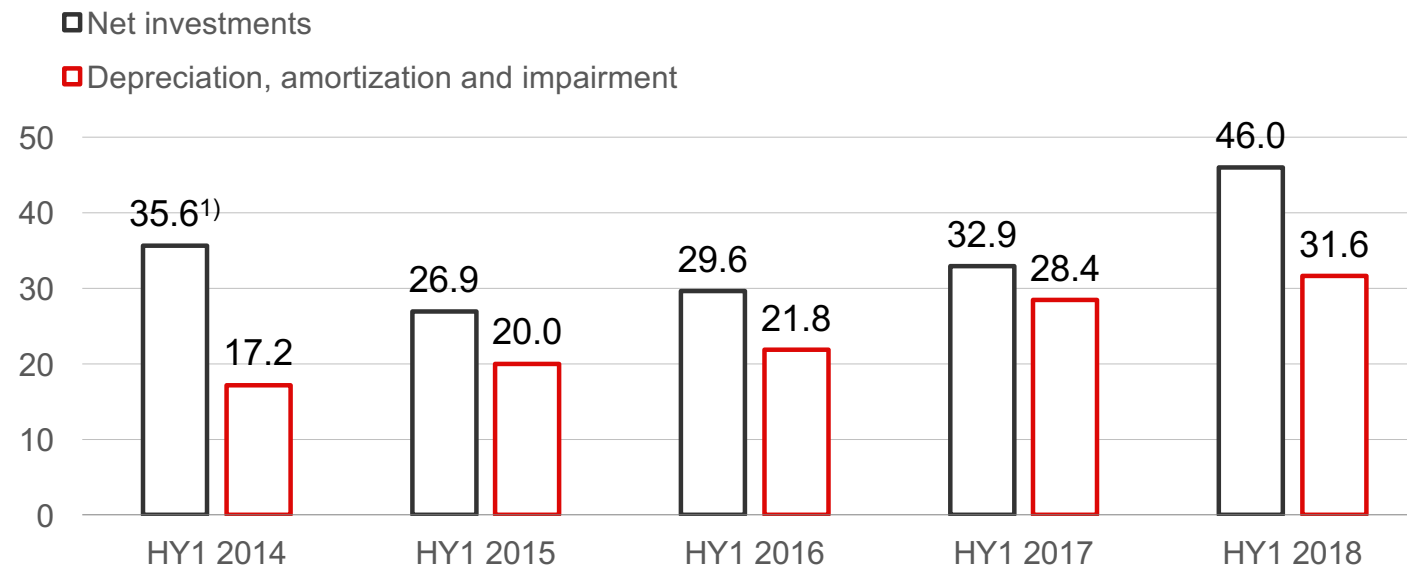
Increase in ROCE due to optimized capital employment

1) Average of the previous 12 months.

Acc. to IFRS in EUR million.

Minor rounding differences may occur.

INVESTMENTS



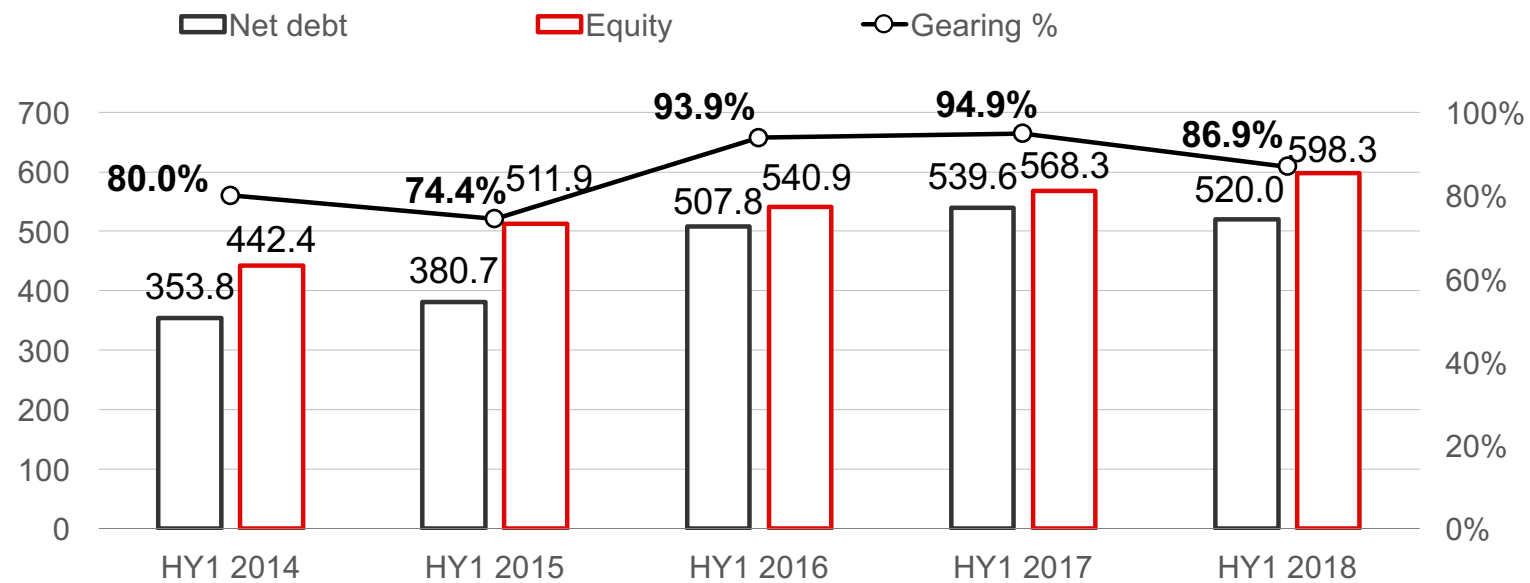
Enlargement of production capacities and replacement investments

1) Adjusted by acquisition of interest in SANY, total: EUR 145.6 million

Acc. to IFRS in EUR million.

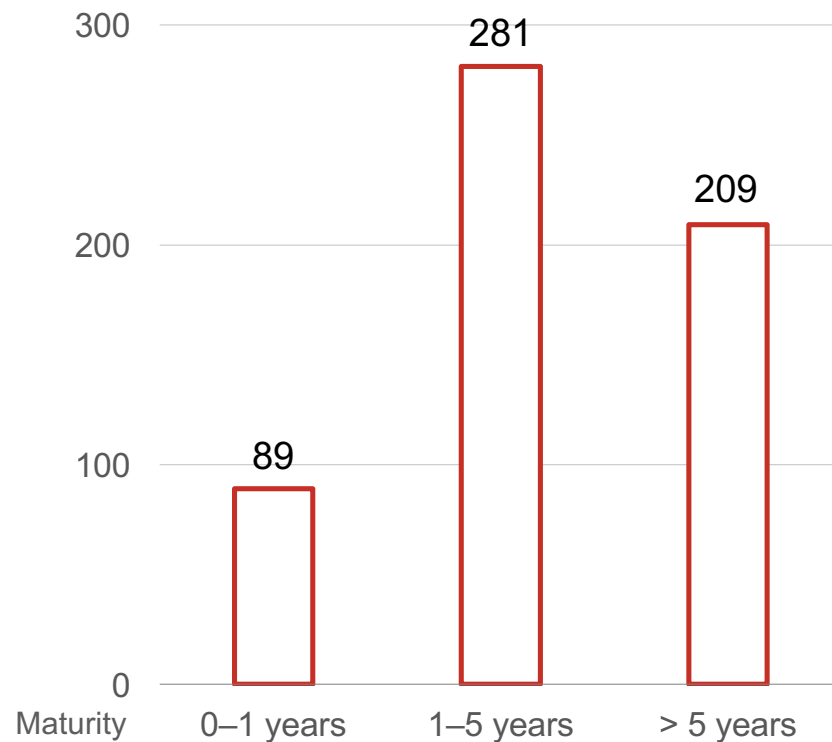
Minor rounding differences may occur.

GEARING RATIO AND EQUITY



Substantial improvement of balance sheet structure

FINANCING STRUCTURE AS AT 30 JUNE 2018



Financial liabilities (FL)	EUR 579.8m
Ø Interest rate FL	1.75%
Ø Remaining time to maturity FL	3.52 years
Cash equivalents	EUR 28.4m
Net debt	EUR 520.0m
Equity ratio	37.2%
Gearing	86.9%
Net debt/EBITDA	2.97

Acc. to IFRS in EUR million.

Minor rounding differences may occur.

FREE CASH FLOWS



	HY1 2016	HY1 2017	HY1 2018
EBTDA	80.6	87.9	93.8
+/- Non-cash result from companies at equity	(0.9)	(0.5)	0.2
+/- Change in working capital	(11.2)	(49.5)	(7.2)
+/- Cash flows from tax payments	(3.9)	(7.1)	(16.0)
Cash flows from operating activities	64.6	30.8	70.8
+/- Cash flows from investing activities	(138.7)	(23.1)	(41.4)
Cash flows after changes in working capital & investments	(74.1)	7.7	29.4
+/- Cash flows from interest on borrowings adjusted by tax expense	4.3	4.8	4.3
Free cash flows	(69.8)	12.5	33.7
Cash flows from equity/investor capital	(12.8)	(40.1)	(30.8)
Cash flows from net debt	86.9	32.4	1.4

OUTLOOK

- Continued increase in incoming orders gives reason to expect further positive business development and operating profitability
- Restructuring measures in the marine business will affect earnings in 2018 and 2019
- Group-wide initiatives with a focus on internal synergies, process optimization, organizational streamlining and digital transformation (PALFINGER 21st, Process Excellence)
- Integration of all acquired companies
- Incorporation of vision and strategy throughout the Group

2018: Increases in revenue and operating profitability expected

INVESTOR RELATIONS



Andreas Klauser, CEO
Phone +43 662 2281-81001
a.klauser@palfinger.com

Hannes Roither, Company Spokesperson
Phone +43 662 2281-81100
h.roither@palfinger.com

PALFINGER AG
Lamprechtshausener Bundesstrasse 8
5101 Bergheim
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.