

PALFINGER AG

Another record in revenue

Two-digit operating profitability achieved

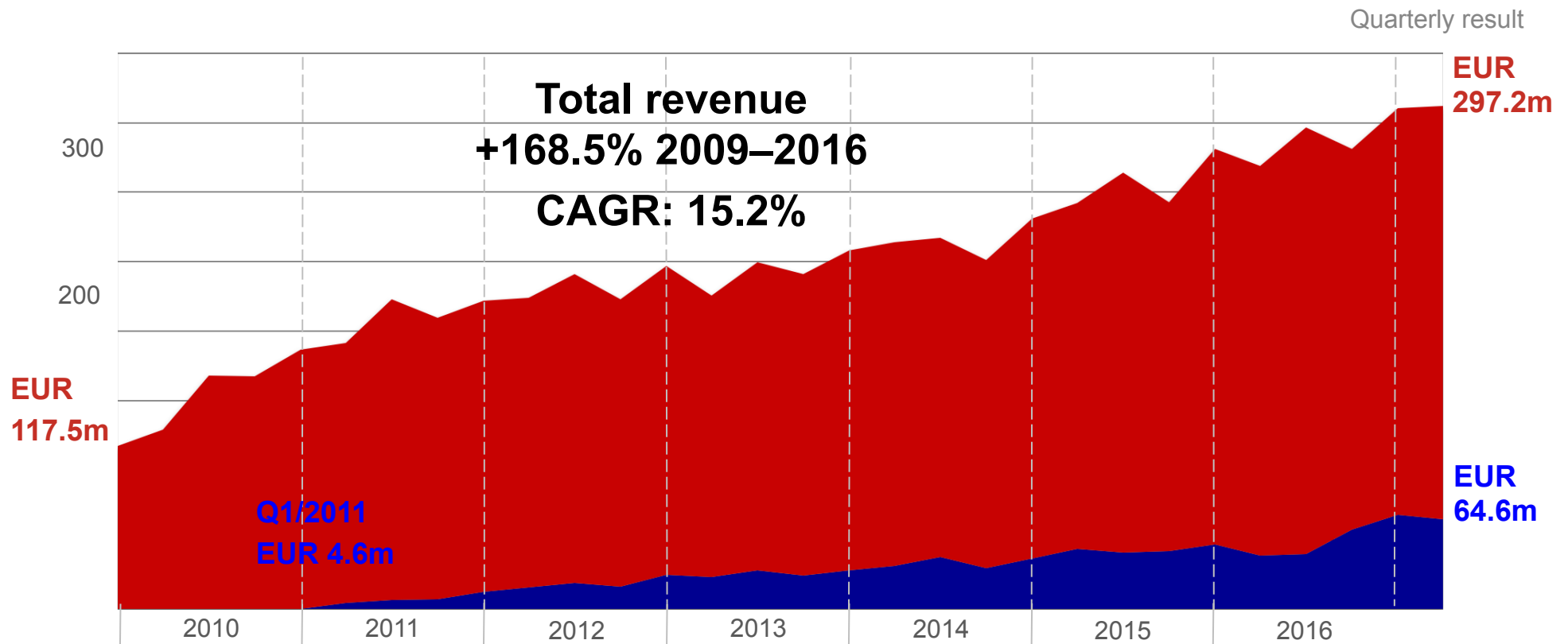
Presentation on the results for the first quarter of 2017
April 2017

GROWTH DESPITE MARKET VOLATILITY

REVENUE, GROWTH AND VOLATILITY (QUARTERS)

■ LAND segment from 2009 to 2016: +153%

■ SEA segment from 2011 to 2016: +1,308%



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- ➔ Continued growth; two-digit EBITn margin
 - » Substantial increase in sales in Europe and CIS
 - » Establishment of PALFINGER Iberica and acquisition of Palfinger Danmark have positive effect
 - » North America and China satisfactory
 - » Service body business sold
 - » Stagnation in South America, but downturn seems to have bottomed out
 - » Increase in revenue in the marine business through acquisition of the Harding Group
 - » Market environment in oil and gas industry still strained, but first signs of stabilization
 - » Consolidation of sites in Korea and the Netherlands in the SEA Segment
 - ➔ Revenue rose by 13.5% to EUR 361.9 million
 - ➔ EBITDAn rose by 18.7% to EUR 50.9 million (EBITDAn margin: 14.1%)
 - ➔ EBITn rose by 14.4% to EUR 36.6 million (EBITn margin: 10.1%)
 - ➔ Restructuring costs: EUR 5.0 million

→ Sky Steel Systems

- » 20% investment in Sky Steel Systems, Dubai, producer of building maintenance tools and facade access equipment

→ Palfinger Danmark

- » Takeover of sales organization from former owner, who will focus on the company's core business

→ Restructuring

- » North America: Sale of service body business, adjustment of product portfolio, increase in productivity
- » Marine business: Integration of Harding, tapping into synergies, consolidation of sites

→ Successful placement of EUR 200 million promissory note loan

STRATEGY

-
- Strategic pillars: Innovation – internationalization – flexibility
 - Expand relevant market position on the world market in both segments
 - Further acquisitions to strengthen marine business
 - Completion of product portfolio in all regions
 - Growth through higher market shares and increased 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
-
- ➔ Long-term, profitable growth through enhanced competitive advantages

→ **Revenue: approx. EUR 1.4bn, approx. 9,970 employees (2016)**

» 36 production sites

→ **LAND: approx. EUR 1.2bn**

» 7,800 employees

» 5,000 service centres worldwide

» Number one worldwide for truck mounted loader cranes and hooklifts, timber and recycling cranes as well as railway systems

» Top 3 worldwide for tail lifts and truck mounted forklifts

→ **SEA: approx. EUR 0.2bn**

» 1,500 employees

» 16 service centres worldwide

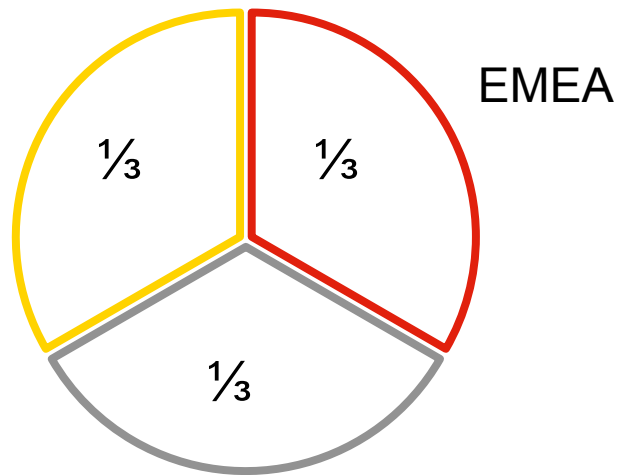
» Number one worldwide for lifesaving systems

» Leading position in cranes for ships, offshore installations and offshore wind farms

→ **World's leading supplier of lifting and handling systems**

STRATEGIC TARGET

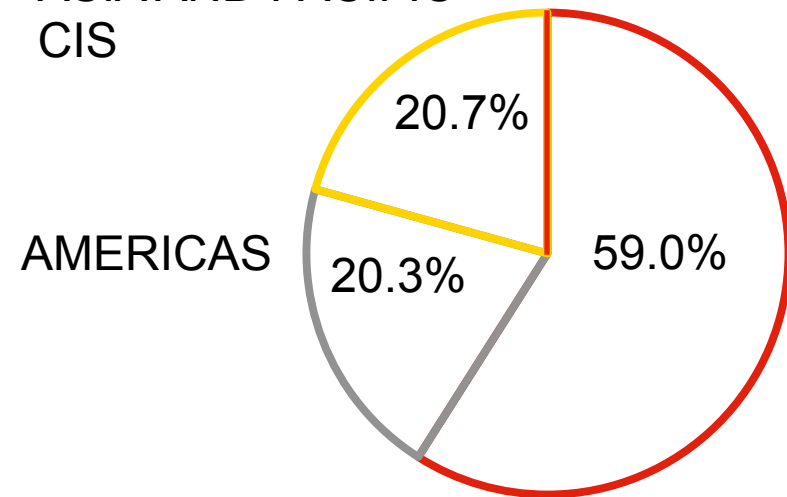
ASIA AND PACIFIC
CIS



AMERICAS

REVENUE Q1 2017¹⁾

ASIA AND PACIFIC
CIS

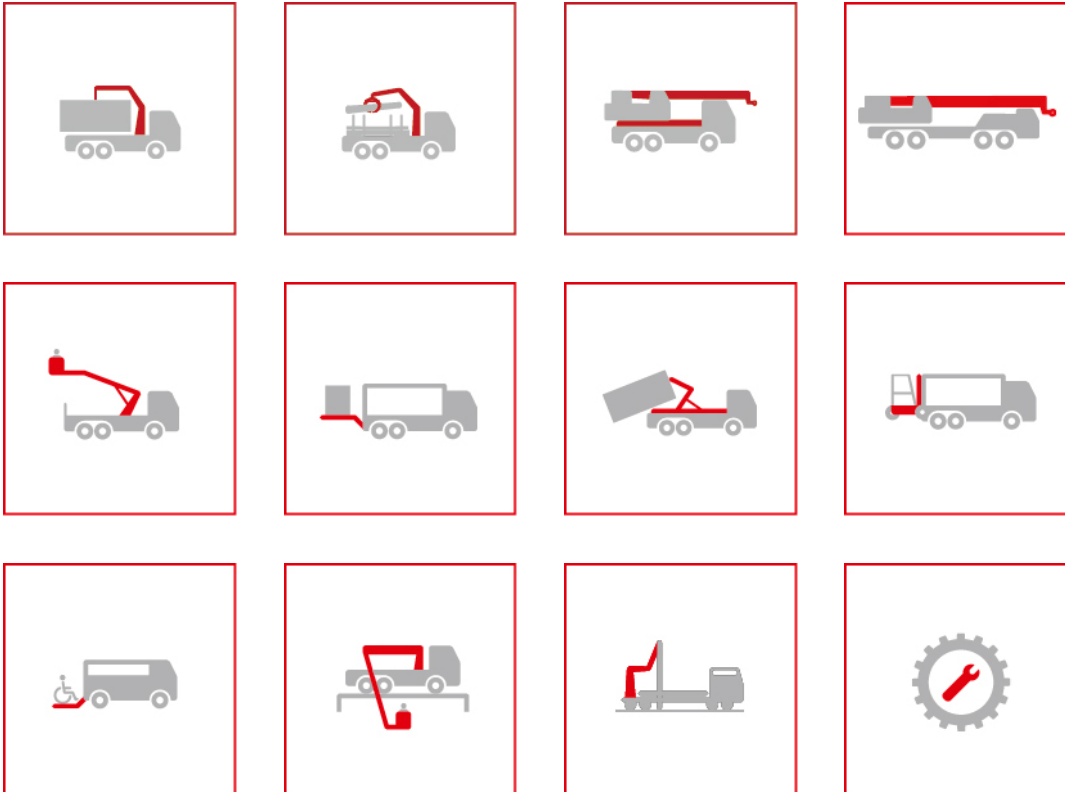


EMEA

¹⁾ Including joint ventures.

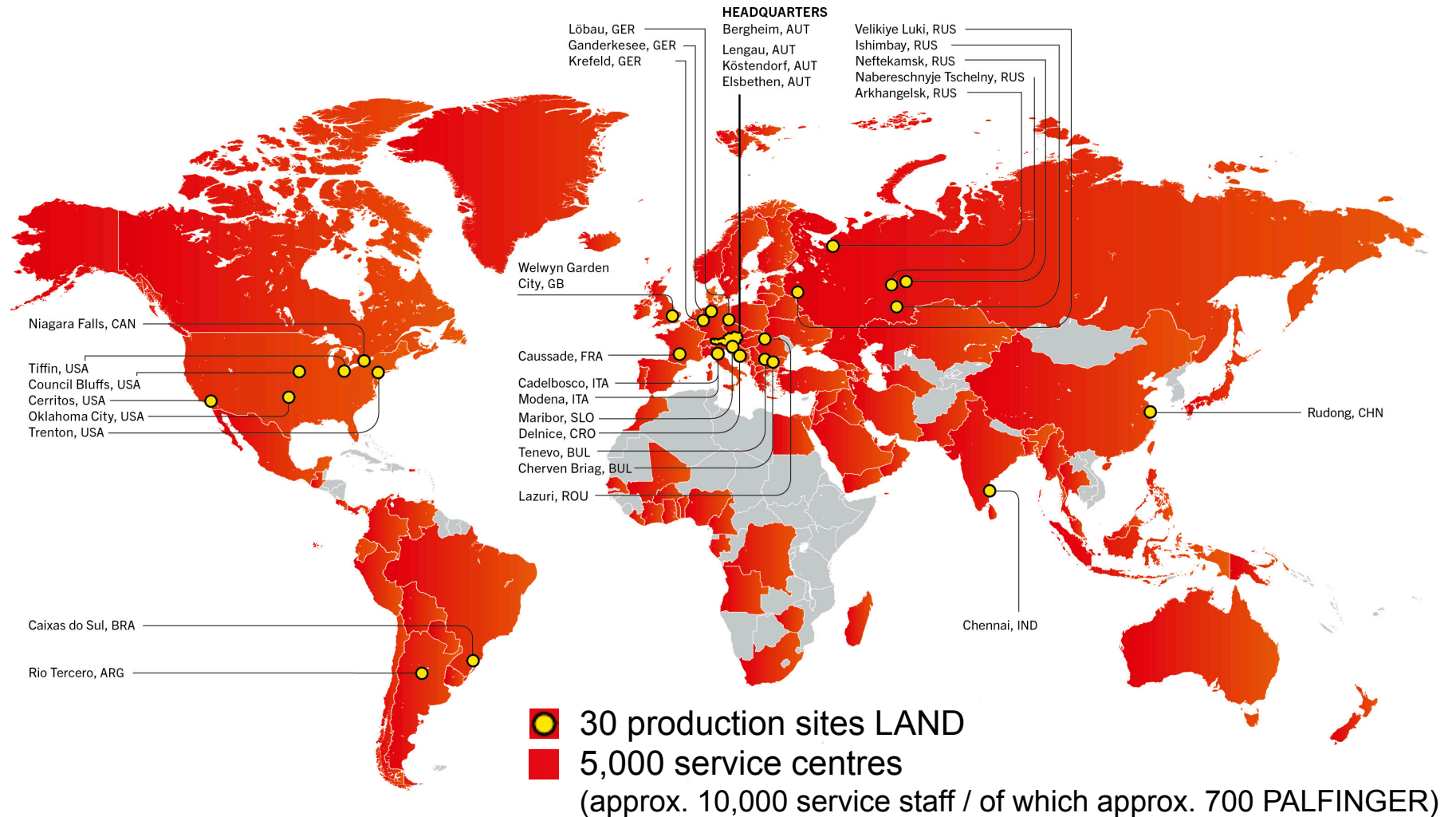
LAND SEGMENT

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



- Loader cranes
- Timber and recycling cranes
- Telescopic cranes
- Mobile cranes
- Access platforms
- Tail lifts
- Hooklifts
- Truck mounted forklifts
- Passenger lifts
- Bridge inspection units
- Railway systems
- After sales and service

GLOBAL FOOTPRINT – LOCAL VALUE CREATION



- ➔ Growth based on expansion of business in EMEA and CIS, increase in revenue by 6.0% to EUR 297.2 million
 - » Significant expansion of business in EMEA and CIS
 - » Positive effect of PALFINGER Iberica and Palfinger Danmark
 - » Substantial success of restructuring in North America
 - » Market environment continues to be strained in South America
 - » SANY as foundation for sound development of business in Asia
- ➔ EBITDAn rose significantly by 17.2% to EUR 51.7 million (EBITDAn margin: 17.4%)
- ➔ EBITn rose by 18.8% to EUR 41.6 million (EBITn margin: 14.0%)
- ➔ Restructuring costs: EUR 3.6 million

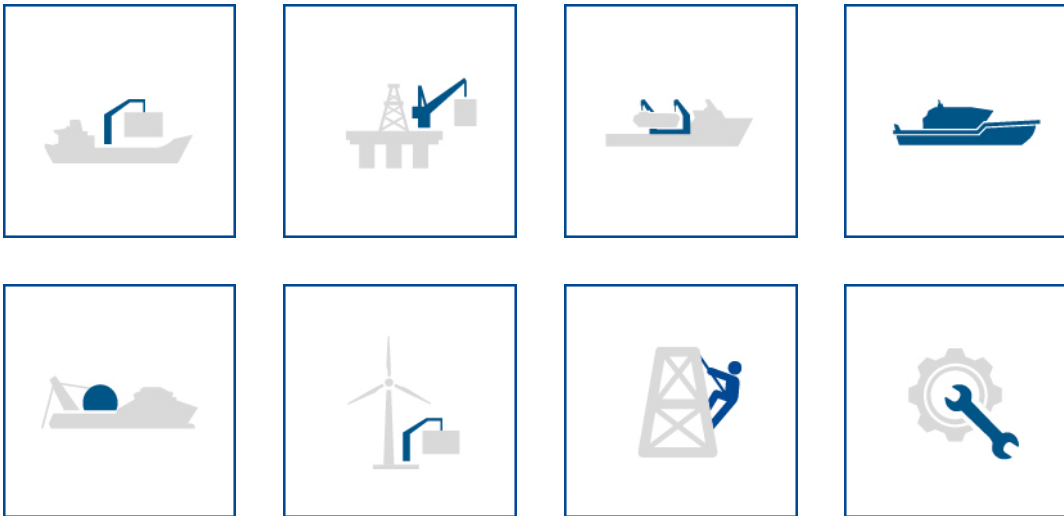
	Q1 2016	Q1 2017	%
Revenue	280.4	297.2	+6.0%
EBITDAn ¹⁾	44.1	51.7	+17.2%
EBITDAn margin ¹⁾	15.7%	17.4%	—
EBITn ¹⁾	35.0	41.6	+18.8%
EBITn margin ¹⁾	12.5%	14.0%	—
Restructuring costs	0.9	3.6	+300.0%

 Increase in incoming orders confirm PALFINGER's strategic positioning

¹⁾ Starting in 2015, these figures were normalized (n) by restructuring costs.

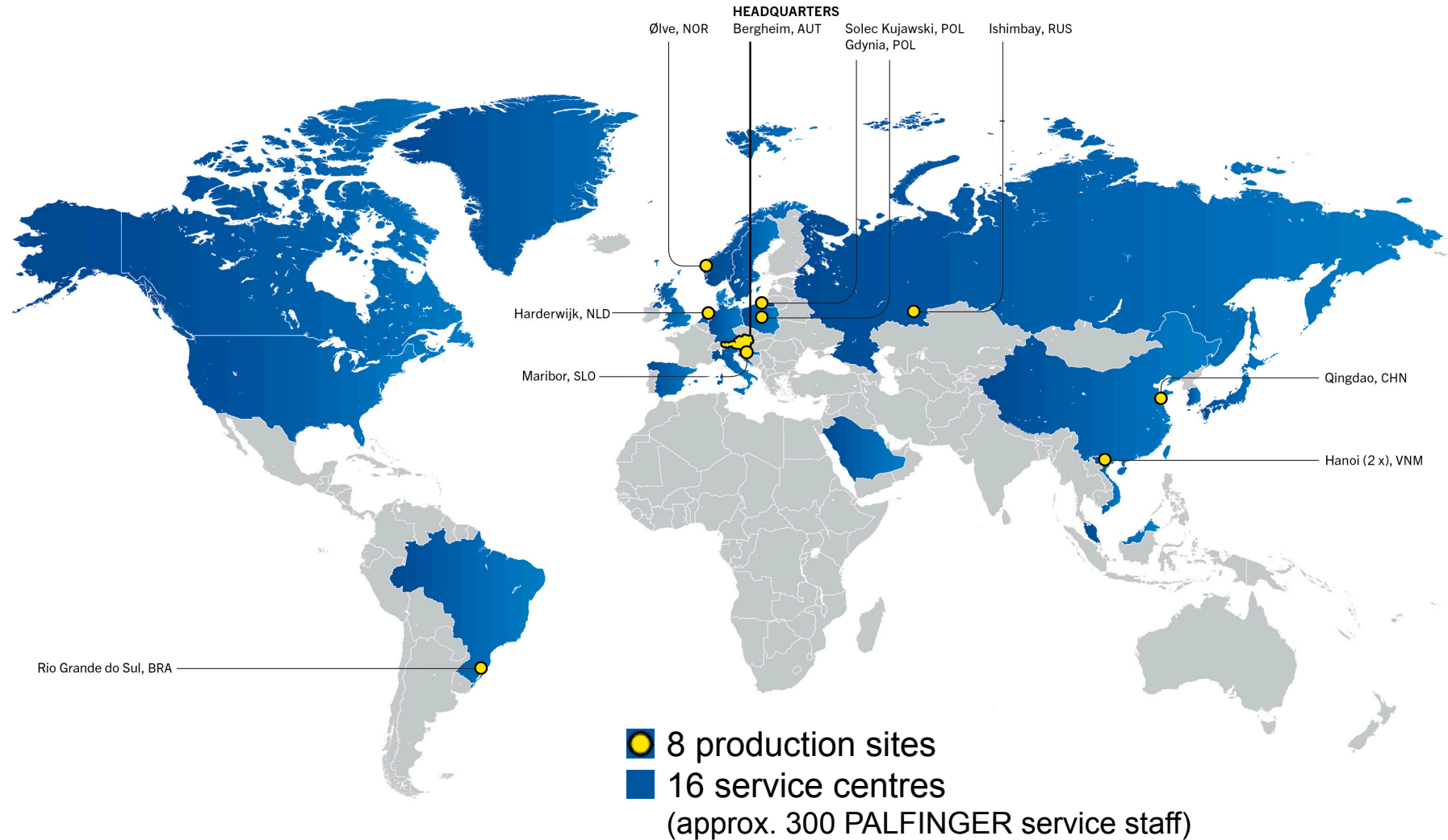
SEA SEGMENT

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



- Marine cranes
- Offshore cranes
- Davit systems
- Boats
- Winches and offshore equipment
- Wind cranes
- Rope access professionals
- After sales and service

GLOBAL FOOTPRINT – ALSO IN SERVICE



- Revenue increased by 68.6% to EUR 64.6 million
 - » Harding contributed EUR 27.6 million to revenue
 - » Revenue, excluding Harding, kept at same level
 - » Share of segment revenue in consolidated revenue rose to 17.9%
 - » Strained situation in the oil and gas industry continues
 - » Increase in incoming orders during the reporting period points to market upturn
 - » Consolidation of sites in Korea and the Netherlands
- EBITDAn decreased by 24.4% to EUR 2.1 million (EBITDAn margin: 3.3%)
- EBITn declined to –EUR 1.3 million (EBITn margin: –1.9%)
- Restructuring costs: EUR 1.2 million

	Q1 2016	Q1 2017	%
Revenue	38.3	64.6	+68.6%
EBITDAn ¹⁾	2.8	2.1	(24.4%)
EBITDAn margin ¹⁾	7.3%	3.3%	—
EBITn ¹⁾	1.8	(1.3)	—
EBITn margin ¹⁾	4.6%	(1.9%)	—
Restructuring costs	0.7	1.2	+71.4%

 First signs of gradual revival of investment activity in some customer industries

¹⁾ Starting in 2015, these figures were normalized (n) by restructuring costs.

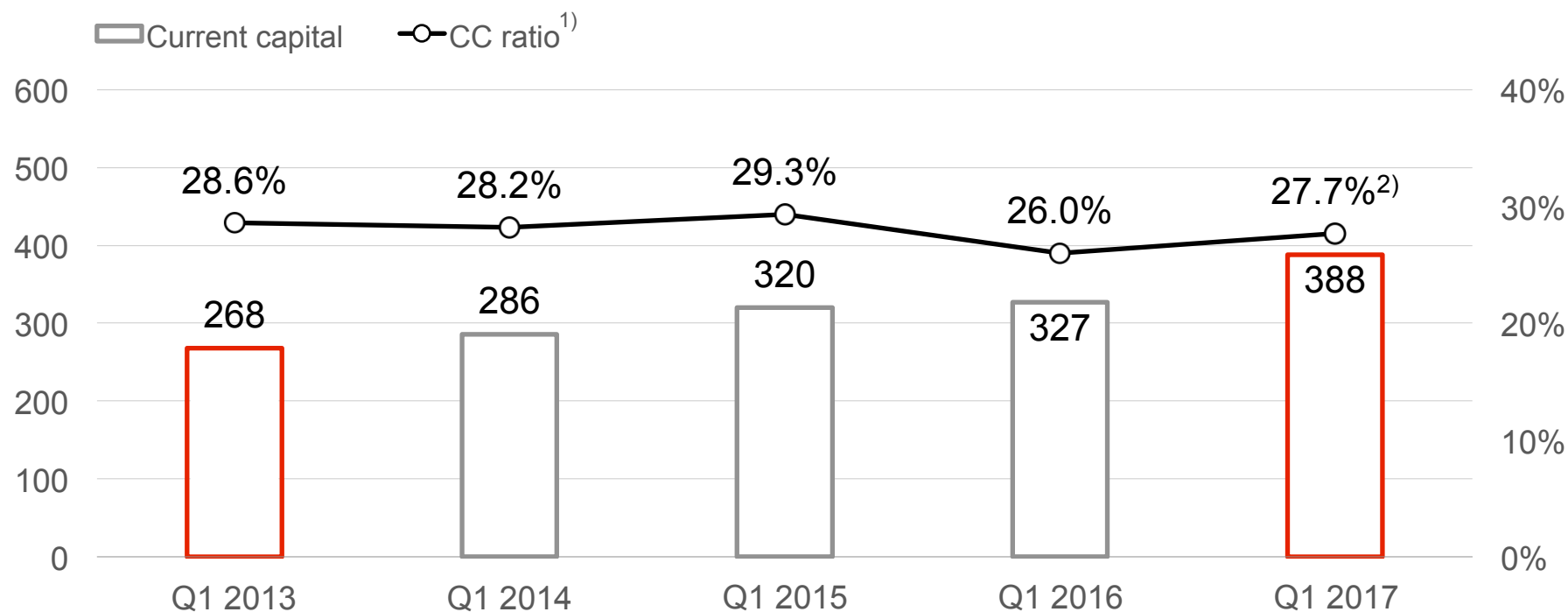
KEY FINANCIALS

KEY FINANCIALS

	Q1 2015	Q1 2016	Q1 2017	%
Revenue	292.3	318.8	361.9	+13.5%
EBITDAn ¹⁾	34.9	42.8	50.9	+18.7%
EBITDAn margin ¹⁾	11.9%	13.4%	14.1%	—
EBITn ¹⁾	25.1	32.0	36.6	+14.4%
EBITn margin ¹⁾	8.6%	10.0%	10.1%	—
Result before income tax	20.9	27.1	29.2	+7.6%
Consolidated net result for the period	14.4	18.6	19.4	4.1%

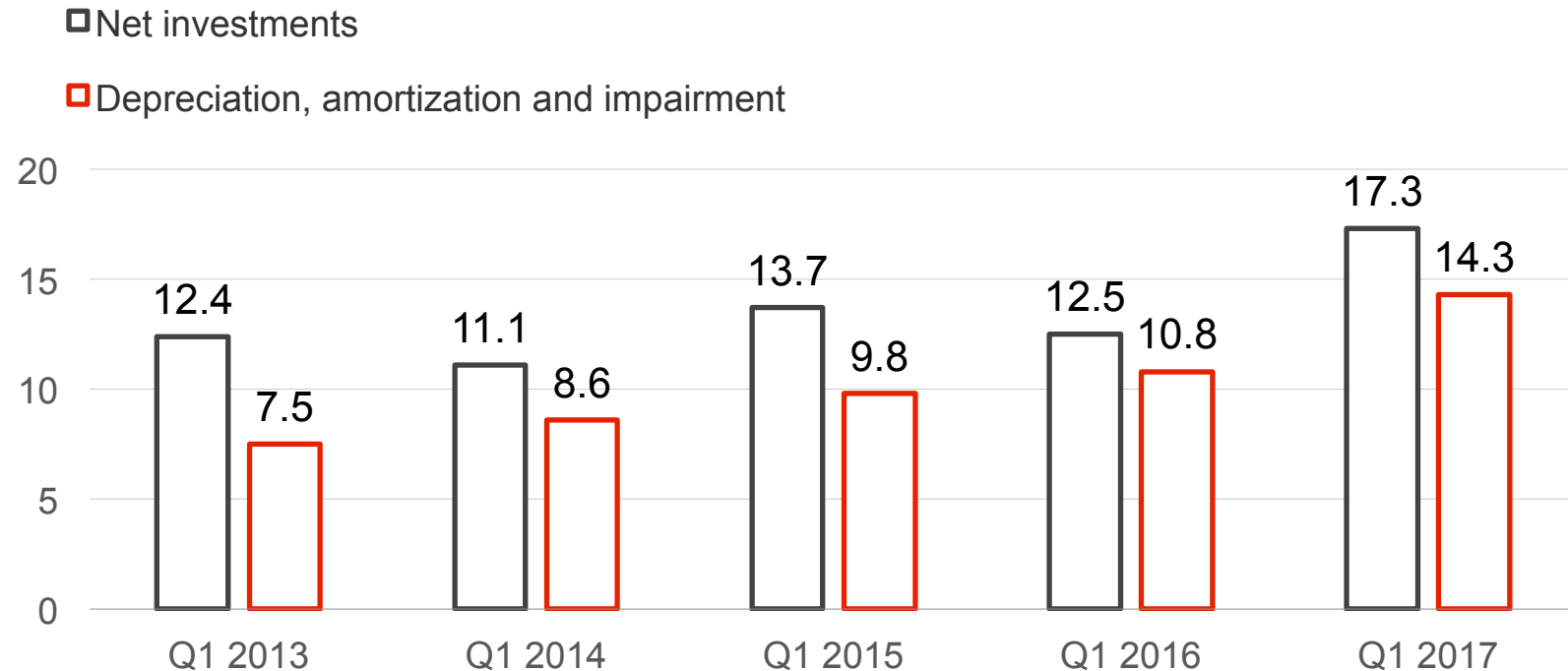
¹⁾ Starting in 2015, these figures were normalized (n) by restructuring costs.

CURRENT CAPITAL



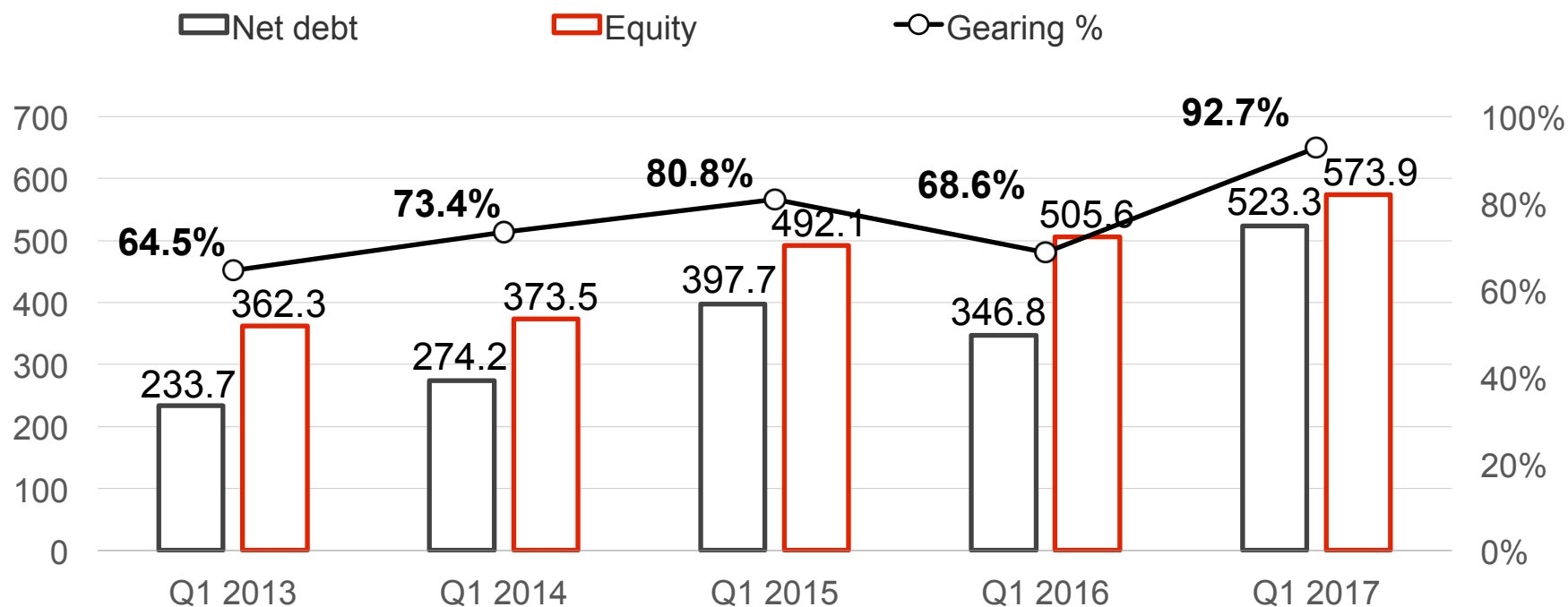
➔ Increase due to the acquisitions made

¹⁾ Current capital (average) in proportion to revenue of the previous 12 months.



➔ Investments to expand production capacities and replacement investments

GEARING RATIO AND EQUITY



➔ Acquisition of Harding increased net debt, but solid development of equity

FREE CASH FLOWS

	Q1 2015	Q1 2016	Q1 2017
EBTDA	30.7	38.0	43.5
+/- Non-cash result from companies at equity	3.3	1.7	(1.4)
+/- Change in working capital	(25.9)	(8.1)	(15.6)
+/- Cash flows from tax payments	(2.1)	(0.5)	(2.7)
Cash flows from operating activities	6.0	31.1	23.8
+/- Cash flows from investing activities	(21.9)	(13.4)	(6.7)
Cash flows after changes in working capital & investments	(15.9)	17.7	17.1
+/- Cash flows from interest on borrowings adjusted by tax expense	2.5	2.2	2.1
Free cash flows	(13.4)	19.9	19.3
Cash flows from equity/investor capital	(17.9)	(20.4)	(38.8)
Cash flows from net debt	33.8	2.7	21.7

¹⁾ The figures for 2014 were adjusted with retrospective effect.

OUTLOOK

- High level of incoming orders and good capacity utilization give reason to expect positive business development
- Most of the restructuring measures in North America and in the marine business to be completed within the coming months
- Group-wide initiatives with a focus on customer-orientation, digital transformation and process optimization

→ 2017: Revenue growth expected;
target for the 2017 financial year: two-digit EBITn margin

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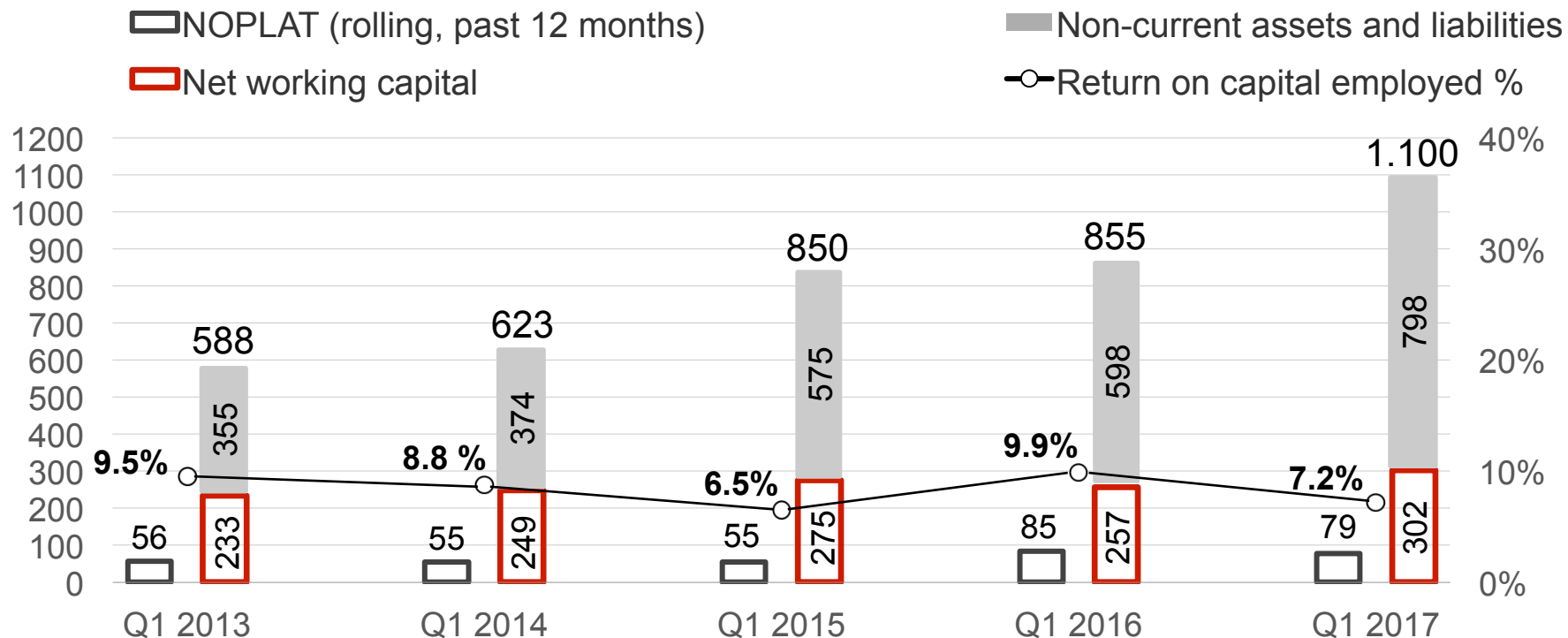
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This presentation contains forward-looking statements made on the basis of all information available at the time of preparation of this presentation. Actual outcomes and results may be different from those predicted.

BACK UP

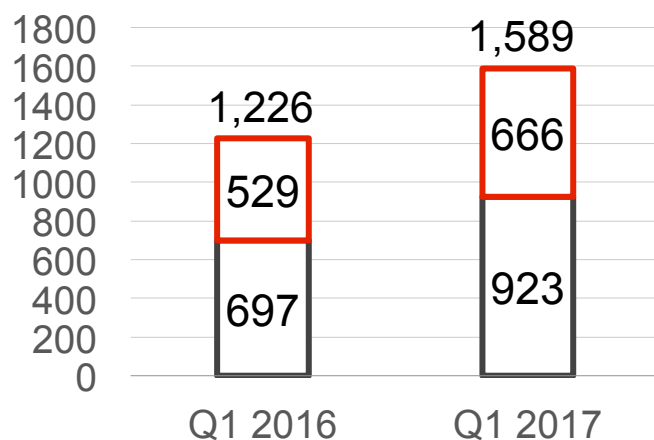
RETURN ON CAPITAL EMPLOYED



BALANCE SHEET STRUCTURE

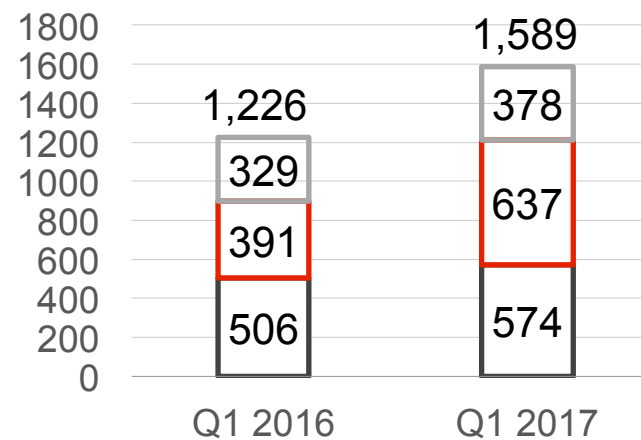
ASSETS

■ Non-current assets ■ Current assets

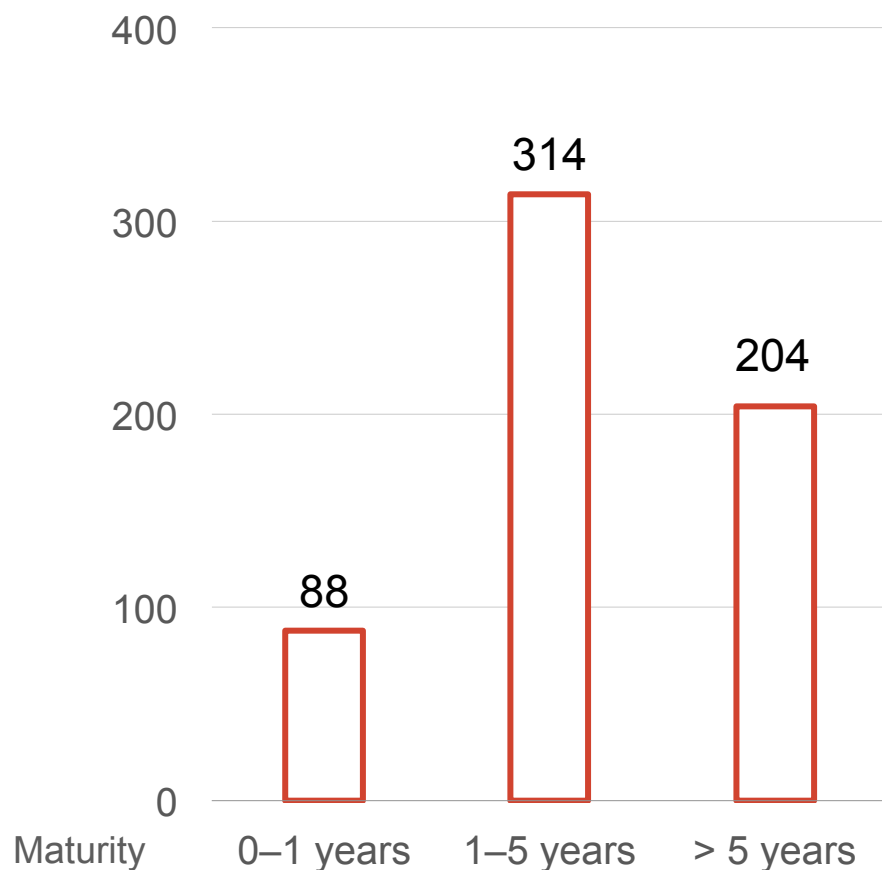


LIABILITIES

■ Equity
■ Non-current liabilities
■ Current liabilities

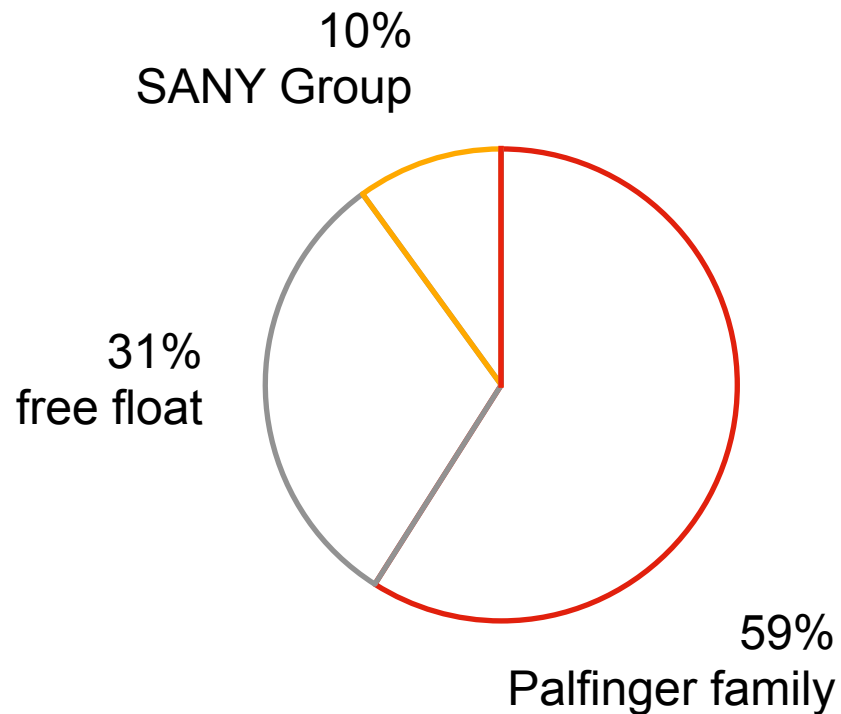


FINANCING STRUCTURE AS AT 31 MARCH 2017



Financial liabilities (FL)	EUR 605.5m
Ø Interest rate FL	2.02%
Ø Remaining time to maturity FL	3.94 years
Cash equivalents	EUR 35.9m
Net debt	EUR 532.3m
Equity ratio	36.1%
Gearing	92.7%
Net debt/EBITDA	3.31

SHAREHOLDER STRUCTURE

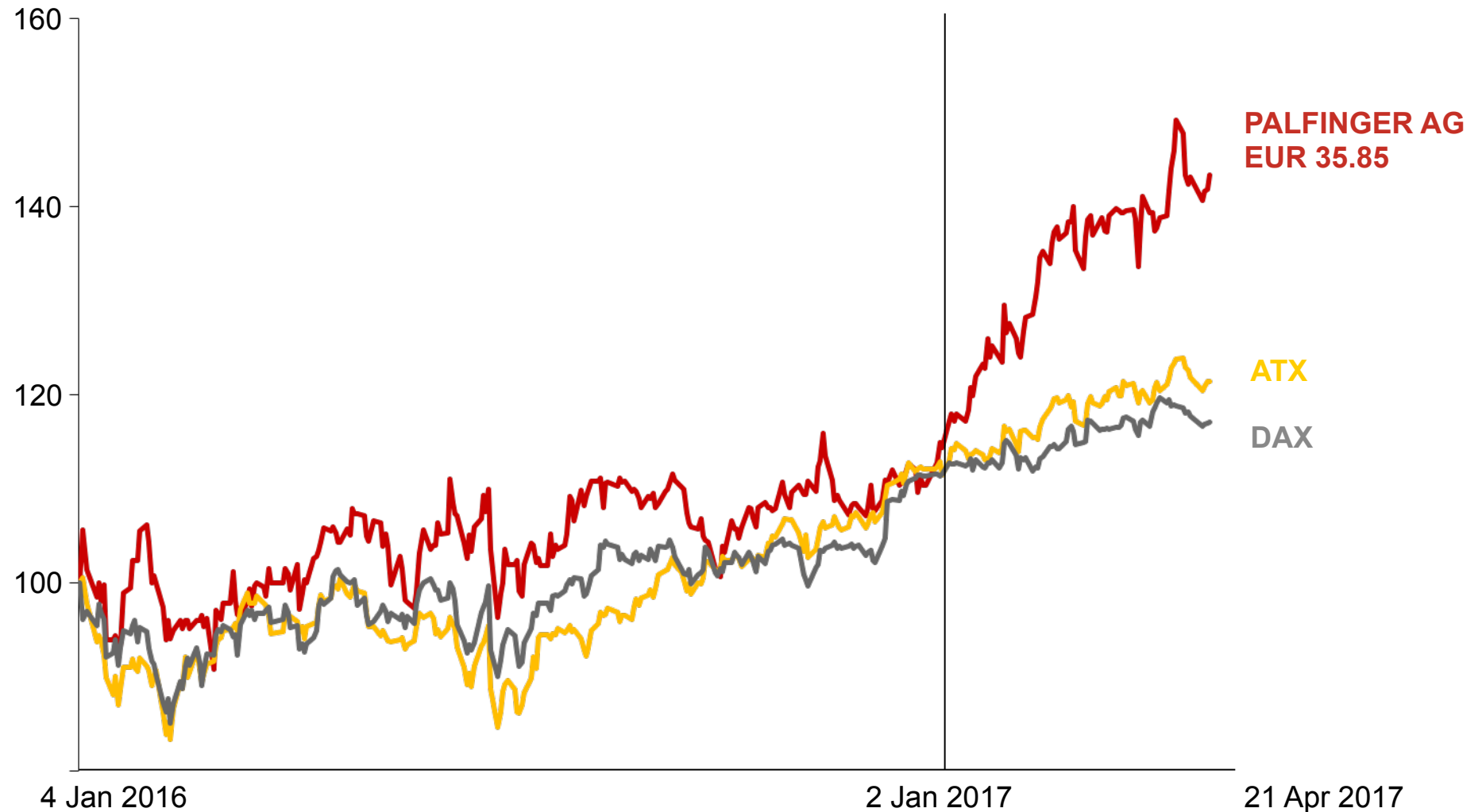


SHAREHOLDER INFORMATION AS AT 31 MARCH 2017

ISIN	AT0000758305
Number of shares	37,593,258
Share price as at end of period	EUR 34.70
Market capitalization	EUR 1.3bn
Earnings per share	EUR 0.52

PERFORMANCE OF PALFINGER SHARES SINCE 2016

PALFINGER



Deutsche Bank

HSBC

Erste Group

Kepler Cheuvreux

Hauck & Aufhäuser

RCB

Berenberg Bank

Earnings estimates – consensus (EUR million)	2017e	2018e
Revenue	1,456.4	1,534.3
EBIT	133.9	161.2
Earnings per share (EUR)	2.14	2.62