

PALFINGER AG

Presentation on the first half of 2014

Vienna, 7 August 2014

HERBERT ORTNER, CEO

5 CONTINENTS – 7 OCEANS



NORTH AMERICA

- Loader cranes
- Timber and recycling cranes
- Tail lifts
- Access platforms
- Container handling systems
- Truck mounted forklifts
- Railway systems

MARINE

EMEA

- Loader cranes
- Timber and recycling cranes
- Tail lifts
- Access platforms
- Container handling systems
- Truck mounted forklifts
- Railway systems

CIS

- Loader cranes
- Timber and recycling cranes
- Container handling systems
- Railway systems
- Mobile cranes

MARINE

MARINE

SOUTH AMERICA

- Loader cranes
- Timber and recycling cranes
- Tail lifts
- Container handling systems
- Railway systems

MARINE

MARINE

ASIA & PACIFIC

- Loader cranes
- Container handling systems
- Railway systems

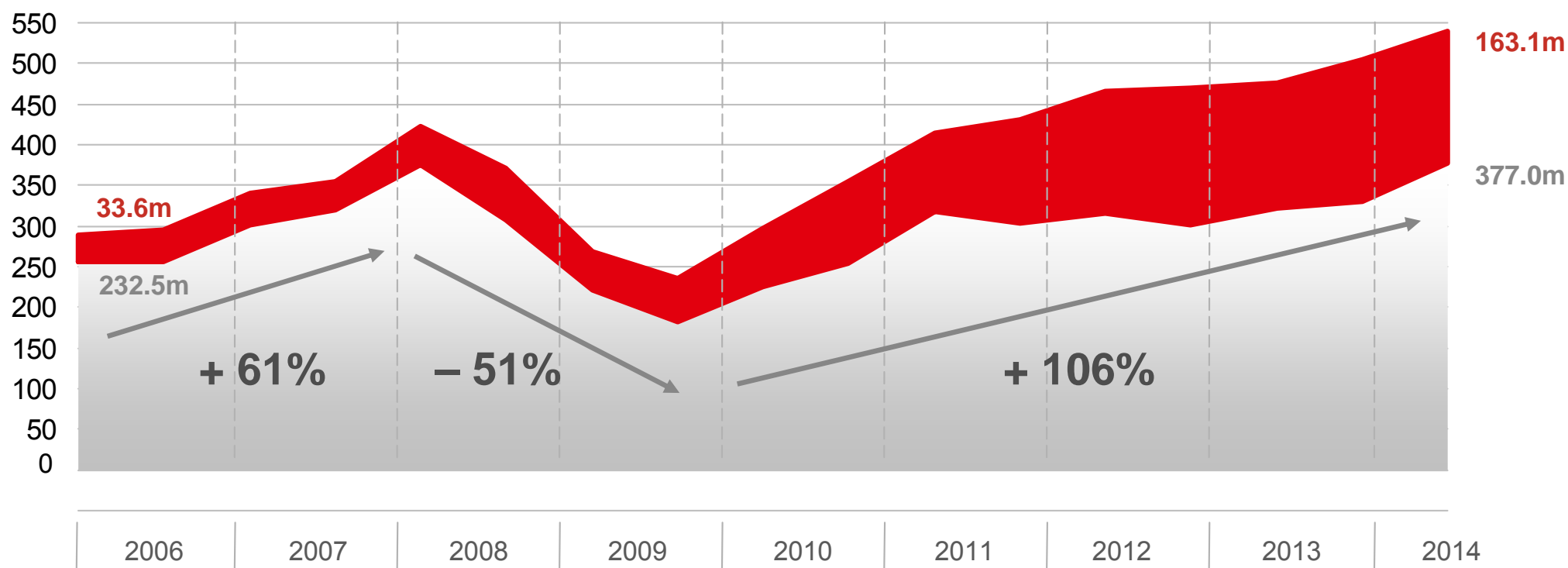
ONGOING MARKET VOLATILITY



REVENUE, GROWTH AND VOLATILITY (HALF YEAR)

■ AREA UNITS from 2006 to 2014: + 385%

■ EUROPEAN UNITS from 2006 to 2014: + 62%



➔ Internationalization as basis for revenue growth
Flexibility as basis for profitability

-
- HY1 satisfactory in light of economic situation
 - » Internationalization proved its worth, growth achieved primarily in Europe
 - » Growth boost in Marine business area
 - » Leading market position expanded further
 - Increase in revenue of 13.7% to EUR 540.1 million
 - EBIT rose by 4.9% to EUR 41.0 million
 - » Increase in sales in Europe, for the first time also in Southern Europe
 - » Increase of approx. 10% in the marine business
 - » AREA UNITS made up for weak first quarter

→ Joint venture in China

- » Sales development highly satisfactory
- » Construction of new production plant near Shanghai about to be completed
- » Start of operations in the fourth quarter of 2014
- » Cross shareholding with SANY completed

→ HIDRO-GRUBERT

- » Minority shareholding in Argentinian manufacturer of access platforms
- » Option to acquire a majority interest
- » Staff of 200, revenue in 2013: USD 16.1 million

→ Increasing flexibility and capital employed management

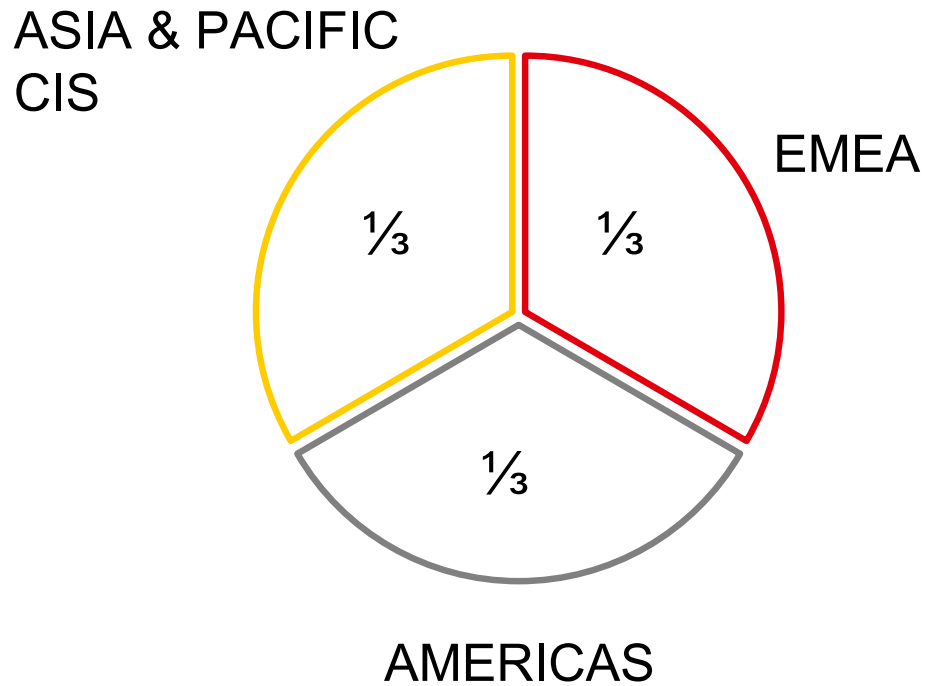
- » Measures implemented proved their worth in the current situation
- » Continuation in all fields, including administration

-
- Growth, primarily in BRIC countries
 - Completion of product portfolio in all regions
 - 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

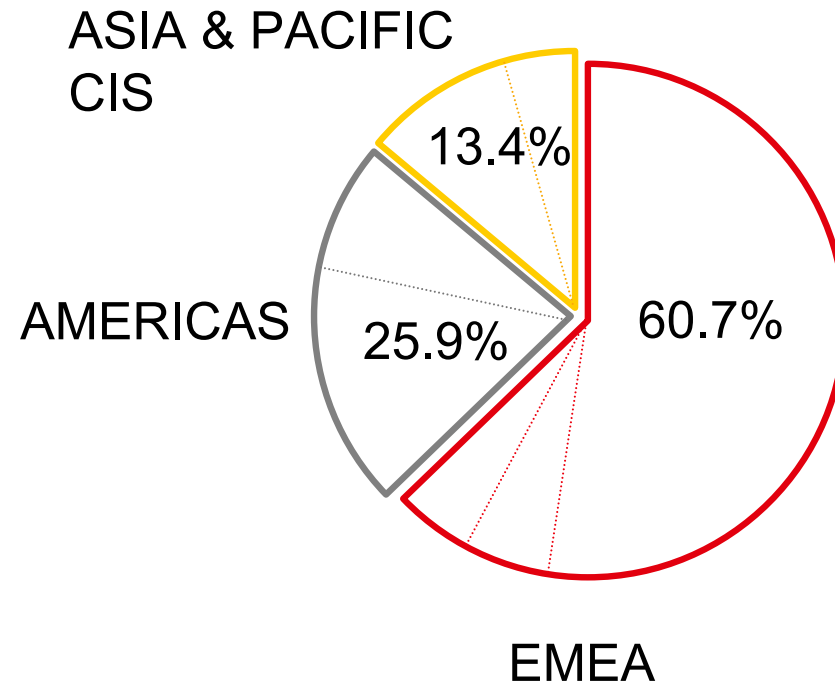
STRATEGY

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- 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**

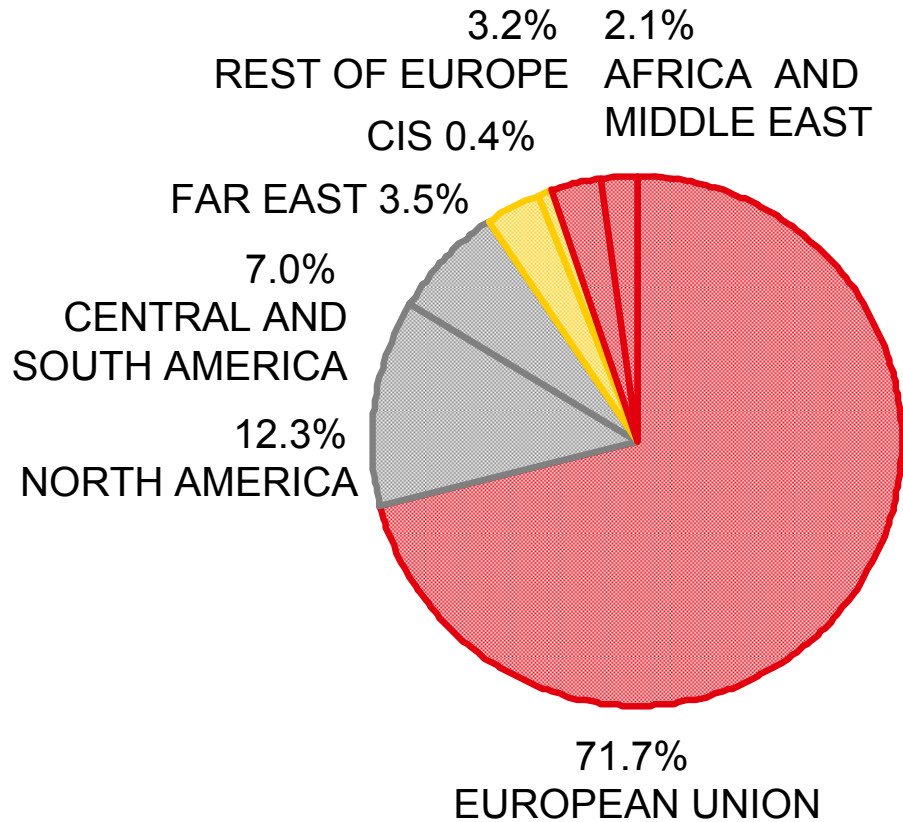
STRATEGIC TARGET



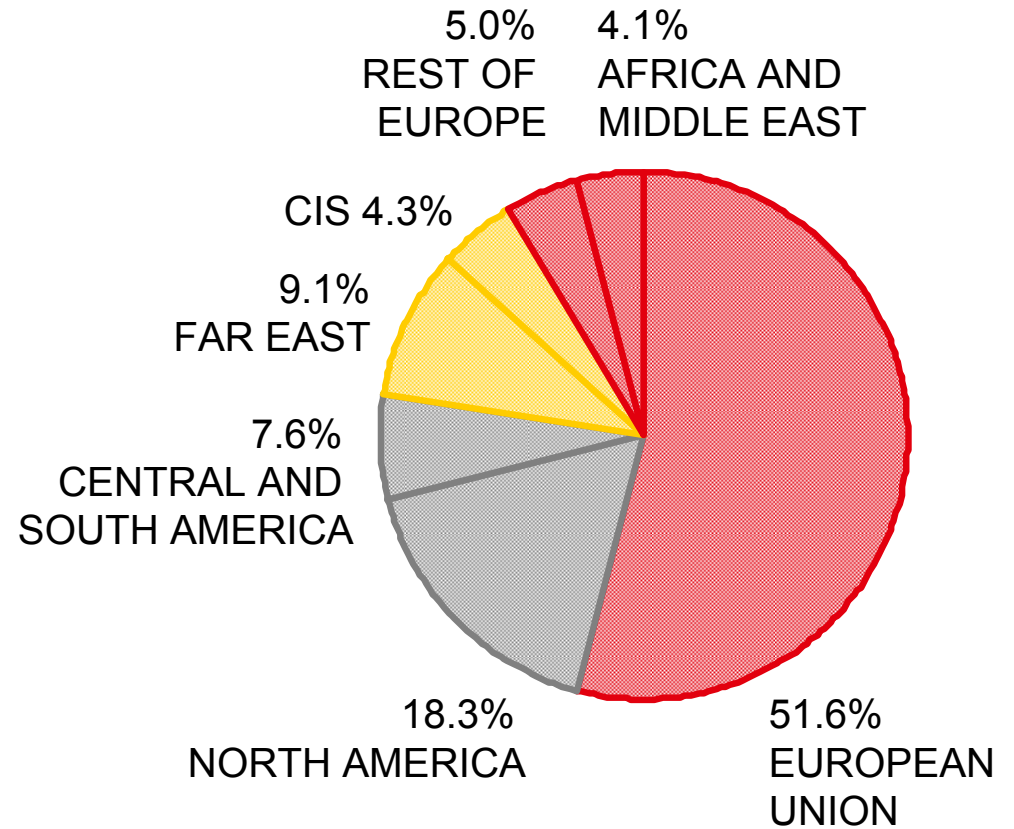
REVENUE HY1 2014



REVENUE 2009



REVENUE HY1 2014



SEGMENTS

SEGMENT FINANCIALS



SEGMENT REVENUE

	HY1 2013	HY1 2014	%
EUROPEAN UNITS	320.9	377.0	+ 17.5%
AREA UNITS	154.2	163.1	+ 5.8%
VENTURES	–	–	–

SEGMENT EBIT

	HY1 2013	HY1 2014	%
EUROPEAN UNITS	44.7	46.8	+ 4.8%
AREA UNITS	3.8	2.8	(27.7%)
VENTURES	(8.8)	(8.4)	+ 3.7%

- ➔ Still a mixed picture in Europe, but strong increase in revenue of 17.5%
 - » Business units Loader Cranes, EPSILON, Railway Systems and Production posted increases
 - » Other business units stagnated or recorded declines in revenue
 - » Germany, Austria, Switzerland and the Netherlands saw growth rates, market in Southern Europe stimulated for the first time in years
 - » Weaker performance in France, Denmark and South Africa
 - » Incoming orders in Europe suggest a slowdown in market dynamics
- ➔ Continuous growth in global Marine business area
 - » New Boats business unit with production facilities in Vietnam
 - » Starting on 1 August, all marine business activities under joint management

→ Revenue increased by 5.8%

- » North America marked by harsh winter, Q2 extremely successful again
- » South America suffered losses caused by exchange rate developments and reduction in public funding
- » Asia reported substantial increases, sales in China above budget
- » New production facilities in CIS planned, construction to start in the first half of 2015

→ Negative EBIT of Q1 compensated, EUR 2.8 million in HY1 2014

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- ➔ Focus on integration of companies acquired in 2013
 - » Cross shareholding with SANY
 - » Interest in HIDRO-GRUBERT
 - » Preparation of integration of PM-Group
 - » Introduction of access platforms in China
 - » Consolidation of Marine and Systems/Megarme
 - » Preparation of further acquisitions for the Marine business area
 - ➔ Continuation of cost-related and structural programmes

KEY FINANCIALS

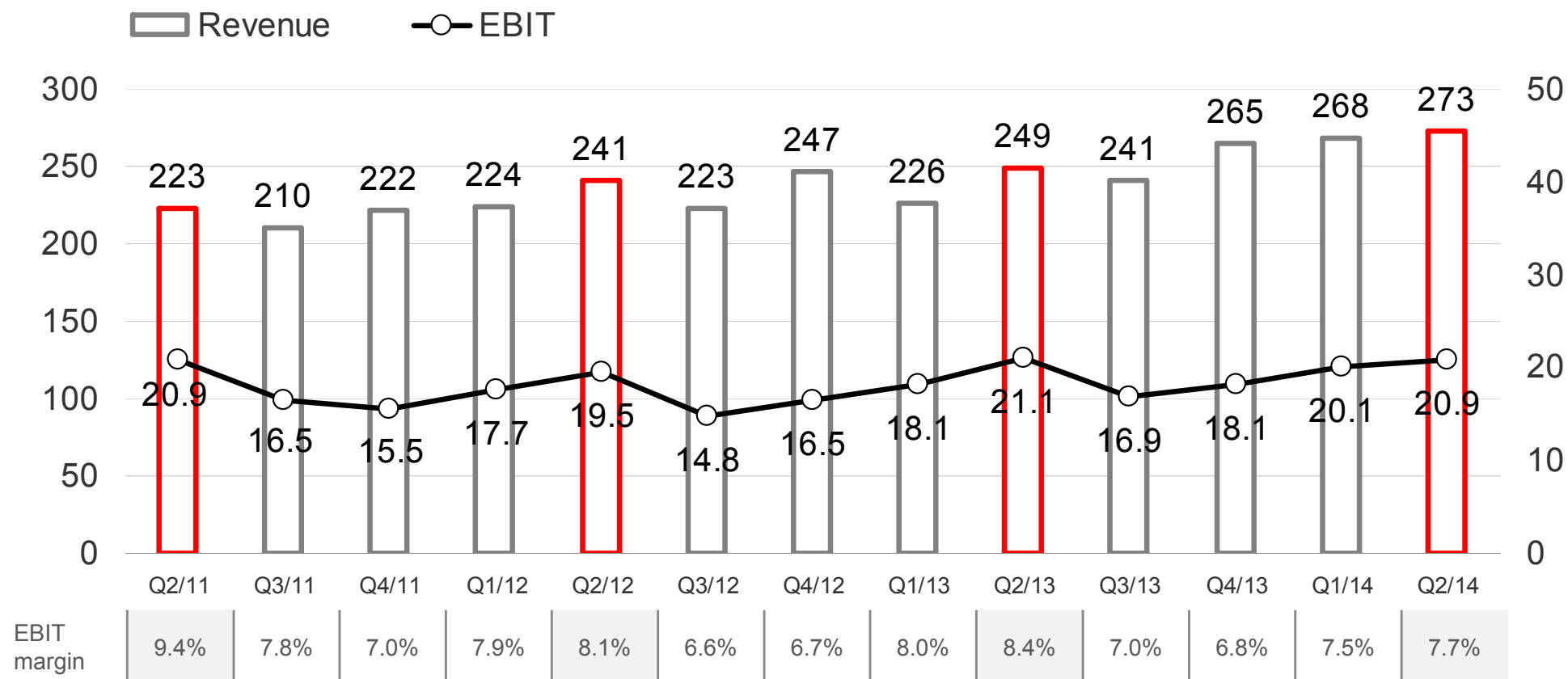
CHRISTOPH KAML, CFO

KEY FIGURES



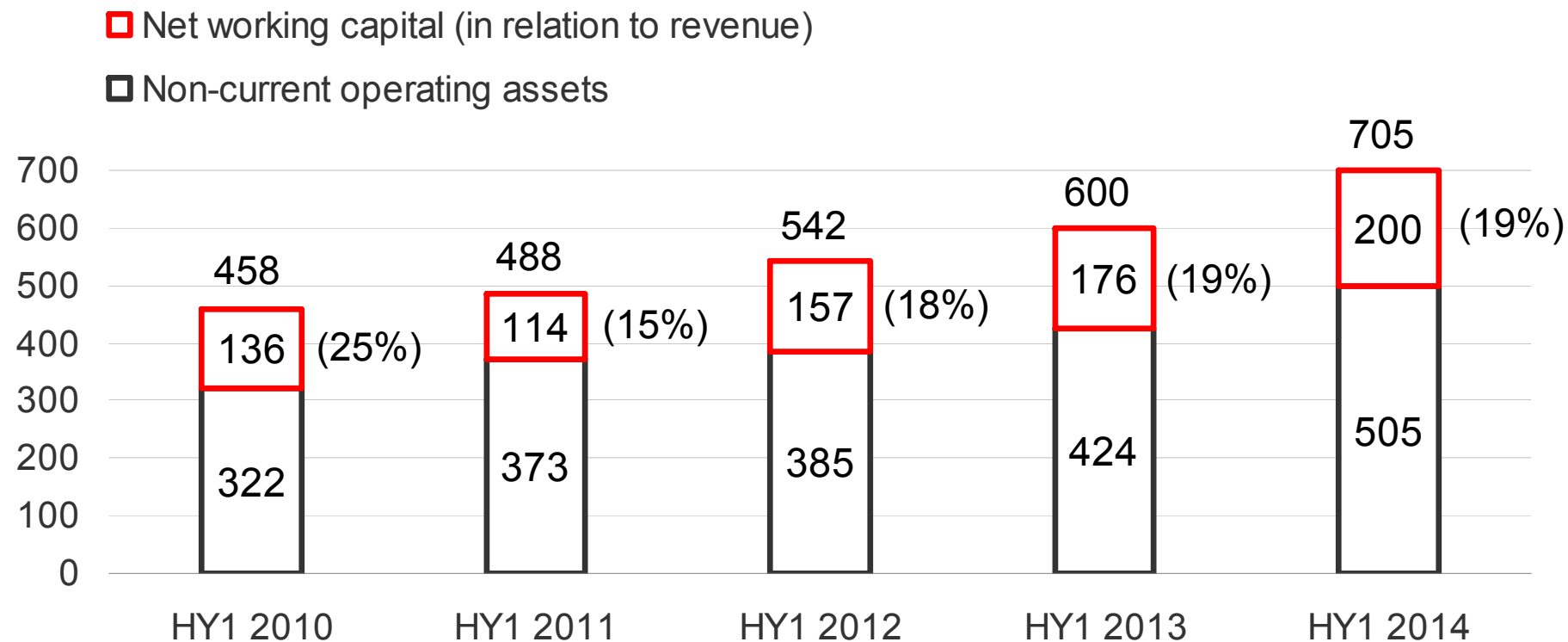
	HY1 2012	HY1 2013	HY1 2014	%
Revenue	465.1	475.1	540.1	+ 13.7%
EBITDA	52.2	54.0	58.1	+ 7.5%
EBITDA margin	11.2%	11.4%	10.8%	–
EBIT	37.2	39.1	41.0	+ 4.9%
EBIT margin	8.0%	8.2%	7.6%	–
Result before income tax	31.8	32.2	35.6	+ 10.5%
Consolidated net result for the period	23.9	24.7	24.6	(0.3%)

QUARTERLY FIGURES



➔ Continuation of growth strategy

CAPITAL EMPLOYED*



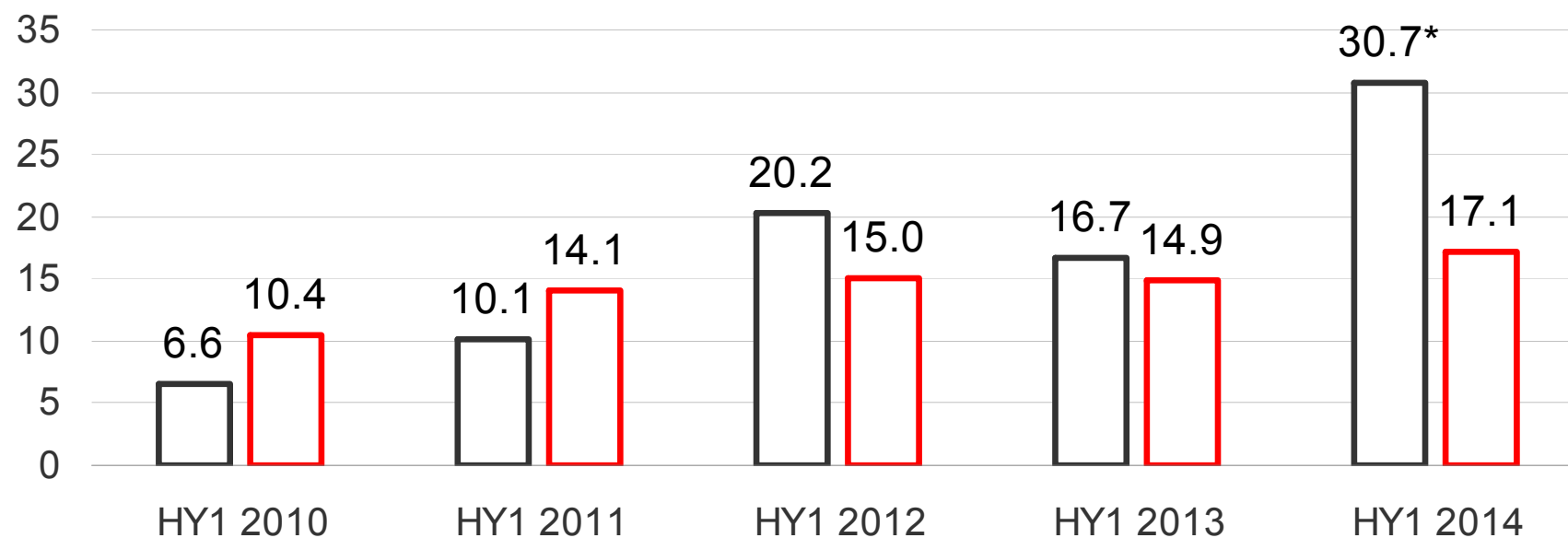
➔ Increase through expansion of business volume, net working capital as percentage of revenue at low level

* Average

INVESTMENTS

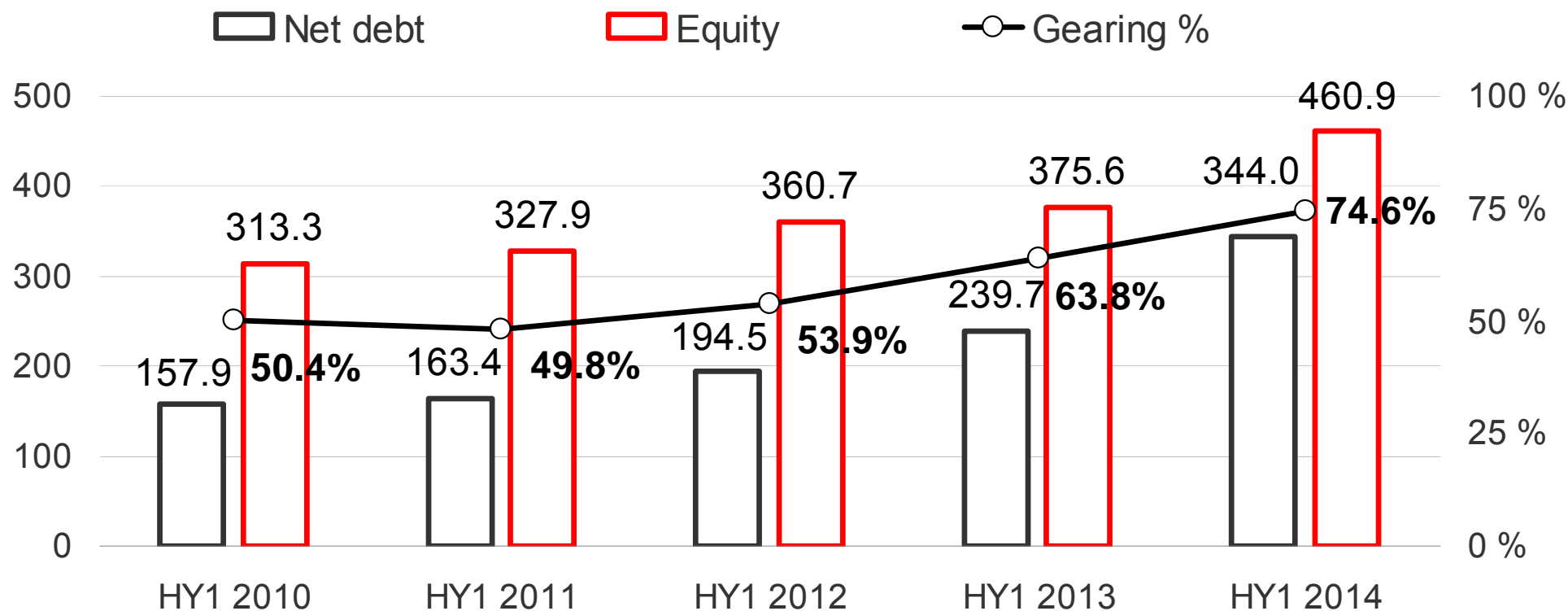


- Net investments
- Depreciation, amortization and impairment



* Adjusted by acquisition of interest in SANY,
total: EUR 140,716 thousand

GEARING RATIO AND EQUITY



➔ Equity increased by 22.7%

FREE CASH FLOWS



	HY1 2012	HY1 2013	HY1 2014
EBTDA	46.8	47.1	52.4
+/- Non-cash result from companies at equity	(1.0)	(5.3)	0.9
+/- Change in working capital	(30.4)	(13.8)	(45.2)
+/- Cash flows from tax payments	(3.6)	(4.2)	(2.9)
Cash flows from operating activities	11.8	23.8	5.2
+/- Cash flows from investing activities	(23.9)	(18.8)	(157.0)
Cash flows after changes in working capital & investments	(12.1)	5.0	(151.8)
+/- Cash flows from interest on borrowings adjusted by tax expense	4.0	4.5	4.4
Free cash flows	(8.1)	9.5	(147.4)
Cash flows from equity/investor capital	(22.2)	(19.3)	39.1
Cash flows from net debt	34.3	14.3	112.7

OUTLOOK

HERBERT ORTNER, CEO

- Internationalization strategy to be continued
 - » Completion of product portfolio
 - » Focus on China and Russia
- Joint management of Marine business area
- Further increase in flexibility
 - » Processes in production and administration, fixed-cost control
 - » Reducing complexity, also in global organizational structure
- Alignment of production structures: global–local requirements

- Economic situation in Europe remains heterogeneous, marked by uncertainty
- Growth expected in regions outside Europe, but political tensions influence customers' investment behaviour

→ Once again, record revenue is planned

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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.

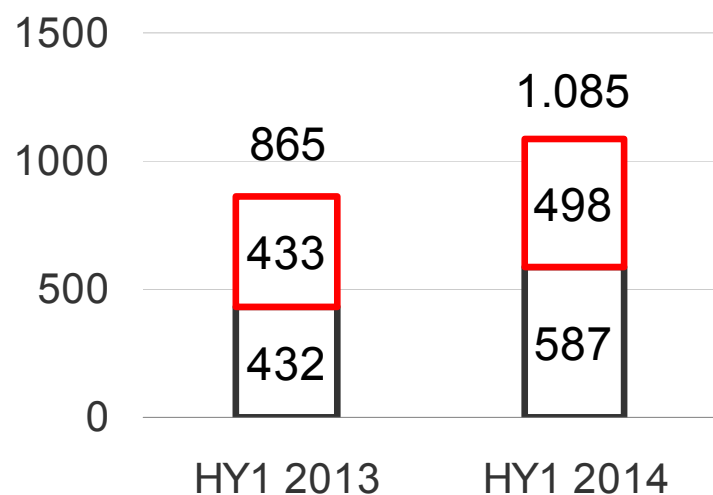
BACK UP

BALANCE SHEET STRUCTURE



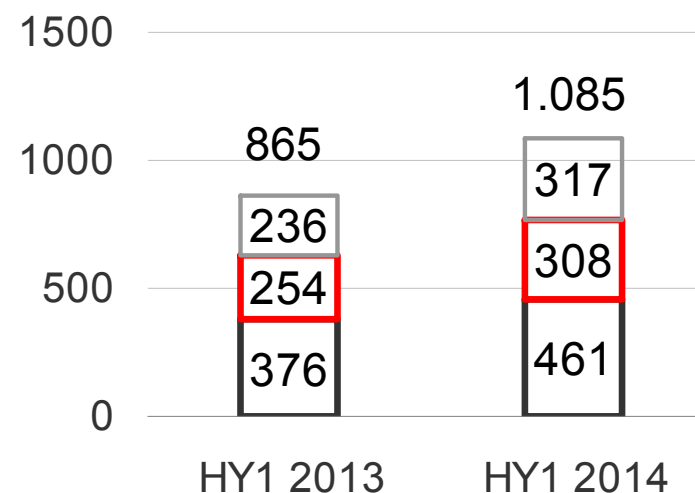
ASSETS

- Non-current assets
- Current assets

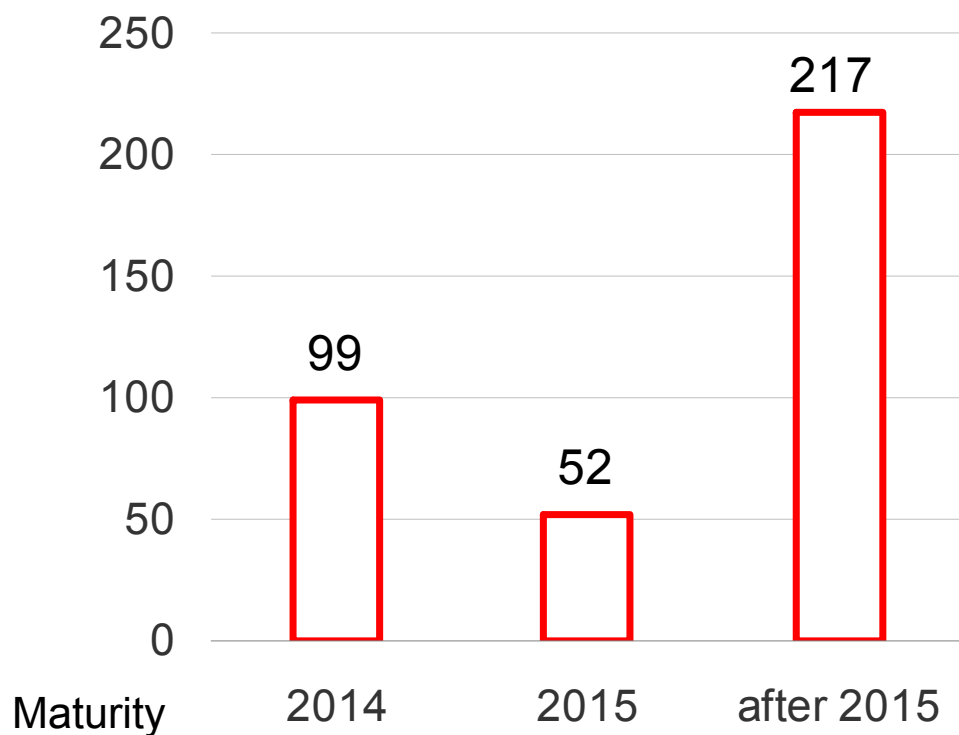


LIABILITIES

- Current liabilities
- Non-current liabilities
- Equity



FINANCING STRUCTURE AS AT 30 JUNE 2014



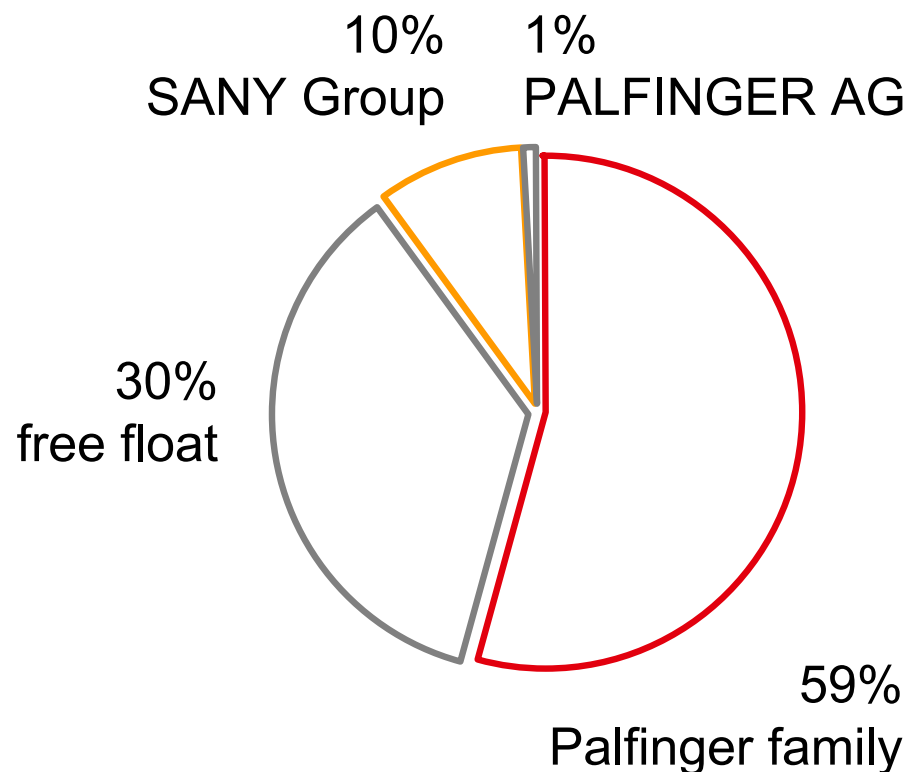
Ø Interest rate	2.48%
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Ø Remaining time to maturity	2.5 years
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Financial assets	EUR 24.0m
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Equity ratio	42.5%
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SHAREHOLDER STRUCTURE



SHAREHOLDER INFORMATION AS AT 30 JUNE 2014

ISIN	AT0000758305
Number of shares thereof own shares	37,593,258 291,968
Share price as at end of period	EUR 26.80
Market capitalization	EUR 1,007.5 m
Earnings per share	EUR 0.69

PERFORMANCE OF PALFINGER SHARES SINCE 2013

