

## STRATEGIC OBJECTIVES

Owing to the global health and economic crisis caused by COVID-19, the current strategic objectives refer to the year 2024. The steps taken to achieve these objectives will be implemented with all due care and attention in consideration of current risks.

### Global number one for innovative crane and lifting solutions

The global number one ranking for innovative crane and lifting solutions is safeguarded by the focus on the company's own strengths and the honing of synergies. The market position in growth products and regions is being reinforced. To achieve the maximum synergy potential taking account of universal standards and the highest quality standards, improvements will be pursued with a global approach in all product areas.

### Financial targets

#### ORGANIC GROWTH

PALFINGER strives to achieve continuous organic growth. Revenue growth to EUR 2.0 billion is targeted through 2024. PALFINGER expects above-average growth in the North America (NAM), Latin America (LATAM), Asia and Pacific (APAC) regions, and for marine products (MARINE).

#### 10 % EBIT MARGIN

An average 10-percent EBIT margin is targeted throughout an entire economic cycle. Through the GPO, additional synergies will be exploited, for example in global procurement, the further development of shared service centers, and the optimization of the functional areas, which are now organized globally. Professionalizing processes and activities by pooling competencies will safeguard the company's position as a leading supplier in the global context.

#### 10 % ROCE

The optimal use of current and non-current assets will ensure that an average return on capital employed of 10 percent can be achieved throughout the economic cycle. To this end, the PALFINGER Group is focusing on strict current capital management and CAPEX optimization.

### Non-financial targets

The four quantitative targets with regard to human resources that concern the three topics turnover, absenteeism, and diversity remain in place, as do the four long-term environmental targets, namely climate protection, energy efficiency, renewable energy, and waste reduction.

 [Sustainability management, p. 43](#)

### Creating added value every day

PALFINGER has committed itself to creating added value for its customers every day. To this end, employees in all product lines are making the customer the focus of their day-to-day activities. This forms the foundation for achieving all of the other strategic objectives.

The following table presents an overview of the priorities, the progress made in 2020, and the objectives for the period through 2024.

	IMPLEMENTATION IN 2020	OBJECTIVES THROUGH 2024
<b>PALFINGER Group</b>	<ul style="list-style-type: none"> <li>Optimize the GPO structure to increase efficiency and crisis-resilience</li> <li>Promote cooperation between the global core functions</li> <li>Successfully completed restructuring and integration of segment SEA into the GPO and realization of synergies</li> </ul>	<ul style="list-style-type: none"> <li>Organic growth to EUR 2.0 billion through 2024</li> <li>10-percent average EBIT margin over the economic cycle</li> <li>10-percent average ROCE over the economic cycle</li> </ul>
<b>Turnkey solutions</b>	<ul style="list-style-type: none"> <li>Intensify PALFINGER's focus on turnkey solutions in Sales &amp; Service</li> <li>Ongoing development of solutions offered and roadmap at Group level</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of turnkey solutions offered based on a strategy defined across the Group</li> </ul>
<b>Further growth with focus on BRIC countries</b>	<ul style="list-style-type: none"> <li>Increase activities in the Asian market with the Sany Palfinger joint venture</li> <li>Continue revenue and earnings growth in cooperation with SANY (APAC region)</li> <li>Successful integration of Hidro-Grubert and visible revenue increases for the Group</li> </ul>	<ul style="list-style-type: none"> <li>Increase market share and achieve further revenue growth in the APAC region</li> <li>Establish and improve range of products in the LATAM region</li> <li>Further optimization of production plants in the CIS region to safeguard revenue growth</li> </ul>
<b>Global use of production facilities</b>	<ul style="list-style-type: none"> <li>Fine-tune capacity management using the established Sales &amp; Operations Planning (S&amp;OP) and by means of fast reaction times, e.g. during the COVID-19 crisis.</li> </ul>	<ul style="list-style-type: none"> <li>Global use of production capacities</li> <li>Optimize capacity utilization of plants globally and the supplier network</li> </ul>
<b>Maintain technology leadership in the field of innovation</b>	<ul style="list-style-type: none"> <li>Further development of R&amp;D organization toward customer orientation and realize synergy potential</li> <li>Merge P21st with the established product development</li> <li>Marketability of the start-up STRUCINSPECT which again won an award</li> </ul>	<ul style="list-style-type: none"> <li>Technology leader for innovative crane and lifting solutions</li> <li>Continue to implement international projects</li> <li>Important revenue contribution from disruptive solutions</li> <li>Utilize centers of excellence to expand core competencies for all product lines</li> </ul>
<b>Customer focus</b>	<ul style="list-style-type: none"> <li>Strengthen customer focus in the various strategies, structures, processes, and among employees</li> <li>Expand the global sales network to guarantee customer proximity</li> <li>Hold the 2020 PALFINGER World Tour as an entirely digital event</li> </ul>	<ul style="list-style-type: none"> <li>Develop fully integrated and networked solutions for customers</li> <li>Additional focus on turnkey solutions</li> <li>Brand core revised and new direction with strong customer focus</li> </ul>
<b>Ensure viability through social and environmental responsibility</b>	<ul style="list-style-type: none"> <li>Exceed the CO<sub>2</sub> target</li> <li>74-percent share of renewable energy already attained</li> <li>Establish an HSE function</li> <li>Run diversity awareness campaigns</li> <li>Revise existing Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>Establish a global climate protection strategy</li> <li>Conduct a materiality analysis in 2021</li> <li>Achieve long-term sustainability targets with regard to HR and the environment</li> <li>Focus on global management systems</li> <li>Establish an employer branding strategy</li> <li>Reinforce and use employees' diversity and meet diversity targets</li> </ul>