

# **BALANCE SHEET PRESENTATION FOR THE YEAR 2019**

Bergheim, April 1, 2020

# ANDREAS KLAUSER

## CEO

/ PALFINGER Balance sheet presentation 2019

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2019 at a glance

## WE SET NEW RECORDS AND MADE COURSE-SETTING DECISIONS



### Revenue exceeded EUR 1.75 billion

Record consolidated net profit for the period of EUR 80 million – an increase of 38.1 percent



### GPO successfully implemented

Systematic investments in future-proof structures, greater transparency, and increased clout



### Restructuring of the Segment SEA largely completed

second half of 2019 operationally positive

**PALFINGER**





# 2019

## RECORD YEAR

FOR REVENUE, EBIT AND  
CONSOLIDATED NET PROFIT

# OUR EMPLOYEES AND INTERNATIONAL LOCATIONS MAKE OUR POSITION AS THE MARKET LEADER POSSIBLE



	GROUP	LAND	SEA
 <b>REVENUE</b>	EUR 1.75 billion	EUR 1.56 billion	EUR 0.19 billion
 <b>EMPLOYEES</b>	11,126	9,630	1,496
 <b>SITES</b>	33 Production plants	Around 5,000 service centers worldwide	25 Service locations worldwide
 <b>REVENUE DISTRIBUTION</b>	61% EMEA 23% NAM 5% LATAM 11% APAC, CIS		



Operating highlights

## IN 2019, PALFINGER INVESTED IN ITS EMPLOYEES AND NETWORK AND DEVELOPED NEW CUSTOMER SOLUTIONS



**Green light** for the **PALFINGER Campus in Lengau (AT)**, our training and education center

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Further worldwide **expansion** of the **distribution and service network**

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**STRUCINSPECT** – the first **marketable solution** from PALFINGER 21<sup>st</sup>

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General conditions on the market

## WE ARE KEEPING A CLOSE EYE ON THE VARIOUS DEVELOPMENTS IN OUR MARKETS

**Divergent economic environment 2019**

**Economic environment in EMEA** characterized by **sharp price rivalries** and **slight market decline**

The **construction industry** in the **NAM** region recorded **stable growth**, but a greater **risk of recession** is expected for the coming years, **Refocus on LATAM**

**China** and **CIS** **slowdown** of demand

**Recovery of demand** in the Segment **SEA**

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# WE ENSURE THE FUTURE SUCCESS OF THE COMPANY WITH A CLEAR STRATEGIC ORIENTATION



## Vision and strategy

**Together** we are making our customers' lifting solutions fit for the future.



## Brand promise and leadership

**Together** we place the focus on our customers and guarantee a PALFINGER brand promise.



## Corporate culture

**Together** we put respect, learning, and entrepreneurship into practice.



## GPO

**Together** we create added value in our new structure.



The result is the success of our customers

# WE DEVELOP INNOVATIONS FROM THE SYNTHESIS OF UNDERSTANDING OUR CUSTOMERS AND TECHNOLOGY



## AREAS OF INNOVATION



### **AUTONOMOUS SYSTEMS**

Smart Boom Control



### **ECOLOGICAL SYSTEMS**

All-in-one solutions



### **CONNECTED PALFINGER**

PALFINGER Connected,  
Fleet Monitor, STRUCINSPECT



### **ALTERNATIVE HANDLING SOLUTIONS**

Heavy payload drones



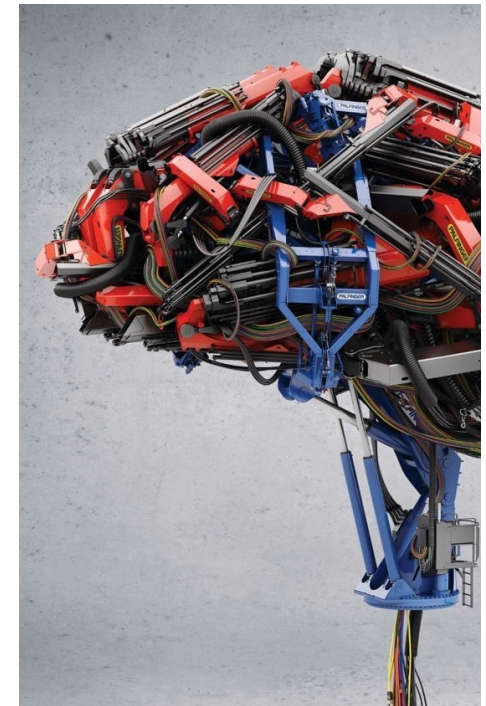
### **E3: ELECTRIFICATION, EMISSION-FREE, EFFICIENCY**

P 370 KSE,  
PK 18502 SH Prototype



### **INDUSTRY 4.0/ ASSISTIVE SYSTEMS**

Pilot project  
"Manual Welding Assistant"



Understanding our customers points the way

# WE UNDERSTAND THE VARIOUS NEEDS AND REQUIREMENTS OF OUR CUSTOMER SEGMENTS



**Construction**



**Industry**



**Railway**



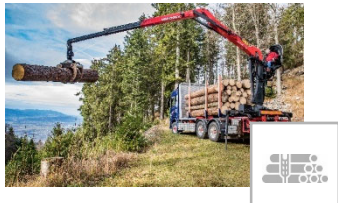
**Offshore Wind**



**Aquaculture & Fishing**



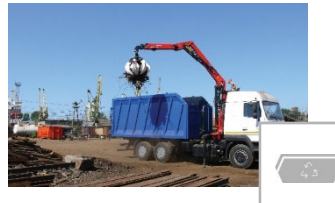
**Forestry & Agriculture**



**Transport & Logistics**



**Waste Mgmt. & Recycling**



**Passenger**



**Commercial**



**Infrastructure**



**Public Sector**



**Offshore Supply & Oil and Gas**



Technology as motor

# PALFINGER OFFERS ITS CUSTOMERS A HIGHLY EFFECTIVE AND INNOVATIVE PORTFOLIO OF LIFTING SOLUTIONS



## SEA



LOADER CRANES



TIMBER/RECYCLING



HOOKLIFTS & SKIPLOADERS



TAIL LIFTS



MARINE CRANES



OFFSHORE CRANES



PASSENGER SYSTEMS



ACCESS PLATFORMS



TRUCK MOUNTED FORKLIFTS



RAILWAY SYSTEMS



WIND CRANES



DAVITS



BRIDGE MAINTENANCE



TURNKEY SOLUTIONS



WINCHES



BOATS

## LAND

Excellent service

# PALFINGER SETS BENCHMARKS IN SERVICE WITH FAST AND EFFECTIVE CUSTOMER SUPPORT



## GLOBAL NETWORK

High standards of quality through training.



## PREVENTATIVE MAINTENANCE

Maintenance and regular service promote the longevity of products and ensure maximum security.

## BEST POSSIBLE AVAILABILITY OF REPLACEMENT PARTS

High level of readiness of replacement parts of the highest standard of quality facilitate a long product life cycle.



## INTELLIGENT INTERCONNECTION

A large selection of software and hardware solutions ensures maximum plant operating time.



# SUSTAINABLE ACTION IS THE CORE DRIVER OF PALFINGER'S LONG-TERM COMPETITIVENESS



## Responsible employer

- New HSEQ structure implemented
- Greater focus on diversity
- With PALFINGER Campus started



## Eco-efficiency in production

- Photovoltaic concept implemented in Köstendorf (AT)
- Share of electricity from renewable sources of energy increased to 68%
- Target for CO2 reduction exceeded



## Sustainable products

- Investments in ecologically-friendly products and R&D processes
- Safety features and concepts for accident avoidance expanded
- Product life cycle (TCO observations) optimized on an ongoing basis



## Fair business

- Global processes and product standards facilitated with GPO
- New Group Policy Systems developed for uniform compliance standards
- Code of Conduct further developed





# 2019

We synchronize and  
focus our energy.

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# 2020

This additional clout  
secures further customer utility.

# FELIX STROHBICHLER

## CFO

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**PALFINGER**

**SEGMENT**

SALES AND SERVICE  
LAND



## INCREASE IN SEGMENT REVENUE OF 12.7 PERCENT

- 1** Increase in revenue driven by the product lines Cranes, Timber, and Recycling as well as Hooklifts

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- 2** Change in the product and regional mix; EBIT margin below prior-year value as a result

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- 3** Market environment in EMEA strong despite the forecasted economic downturn in 2019. However, incoming orders declined beginning with the end of the 2nd quarter of 2019

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## STRONG REVENUE GROWTH, BUT SHIFT IN MIX

EUR million	2018 <sup>1)</sup>	2019	Δ%
External revenue	1,285.6	1,448.4	+12.7%
EBITDA	161.2	175.9	+9.1%
EBIT	145.0	155.0	+6.9%
EBIT margin	11.3%	10.7%	–

1) Prior-year figures were retroactively adjusted to the new segment structure. Slight differences due to rounding are possible in accordance with IFRS.



**PALFINGER**

**SEGMENT**  
OPERATIONS LAND

## PRODUCTION CAPACITY WAS WELL-UTILIZED IN 2019

- 1** Supply situation for the internal assembly plants eased up

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- 2** Production for third parties: Revenue stable despite difficult market environment – margins under pressure

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- 3** First go-live of the global F2F standard process templates in SAP S/4 HANA



Segment Operations LAND

## ECONOMIC ENVIRONMENT LEADS TO DECREASING MARGINS WITH RESPECT TO PRODUCTION FOR THIRD PARTIES

EUR million	2018 <sup>1)</sup>	2019	Δ%
External revenue	113.8	113.0	-0.7%
EBITDA	63.3	64.4	+1.7%
EBIT	32.9	31.7	-3.7%

1) Prior-year figures were retroactively adjusted to the new segment structure. Slight differences due to rounding are possible in accordance with IFRS.





**PALFINGER**

**SEGMENT**  
SEA

## OPERATIONALLY SIGNIFICANT IMPROVEMENT

- 1** Restructuring largely completed –  
Segment operationally positive beginning with  
the 2nd half of 2019

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- 2** Distribution joint venture Neptune puts us in the pole  
position in the dynamic lifesaving equipment market for  
Chinese cruise ships

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- 3** Decrease in revenue due to slow incoming orders in  
2017 and 2018, solid order book from 2019 will first  
affect profit and loss beginning in 2020

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- 4** Positive contribution to comprehensive income  
beginning in 2020

Segment SEA

## SECOND HALF-YEAR OPERATIONALLY POSITIVE DESPITE CLEAR DECLINE IN INCOMING ORDERS

EUR million	2018	2019	Δ%
External revenue	216.3	192.5	-11.0%
EBITDA	-9.3	6.7	+172.0%
EBIT	-29.1	-8.2	+71.8%
EBIT margin	-13.4%	-4.3%	-





**PALFINGER**

**HOLDING**  
UNIT

HOLDING unit

## CREATION OF FUTURE-PROOF STRUCTURES THROUGH SYSTEMATIC INVESTMENTS

- 1** Implementation of the GPO associated with higher structural costs

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- 2** Focus on group-wide initiatives such as PALFINGER Process Excellence and PALFINGER 21st

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- 3** Substantial benefit anticipated in subsequent years

HOLDING unit

## CREATION OF FUTURE-PROOF STRUCTURES ASSOCIATED WITH ADDITIONAL EXPENSES

EUR million	2018 <sup>1)</sup>	2019	Δ%
EBITDA	-18.4	-23.4	-27.2%
EBIT	-21.8	-29.5	-35.3%

1) Prior-year figures were retroactively adjusted to the new segment structure. Slight differences due to rounding are possible in accordance with IFRS.



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**PALFINGER**  
GROUP

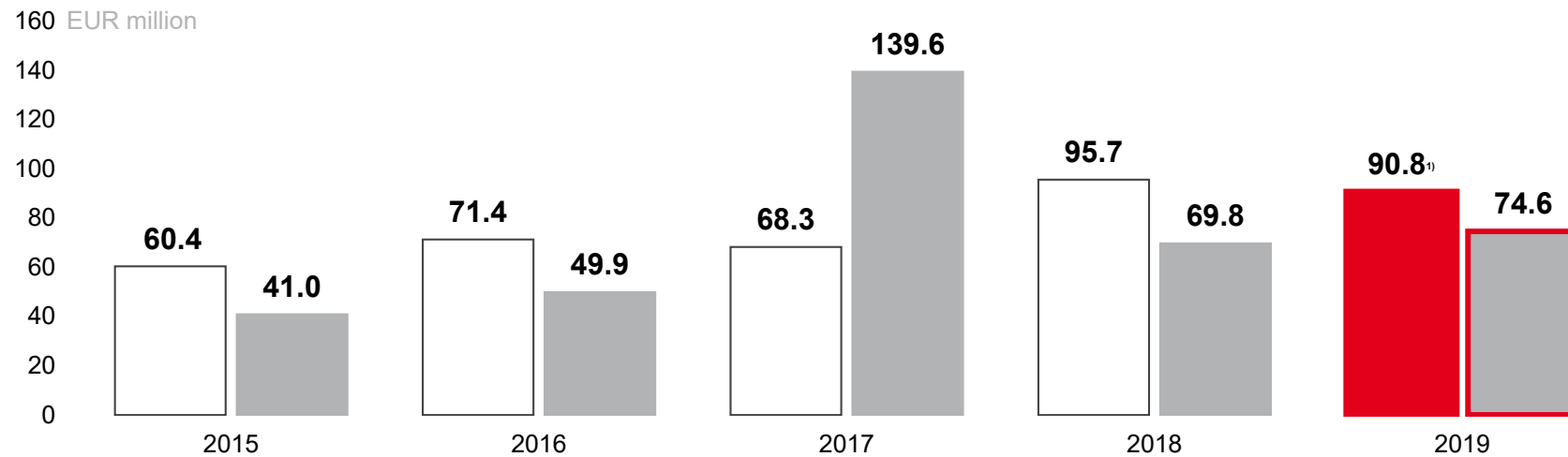
## WE SET NEW RECORDS FOR REVENUE, EBIT AND CONSOLIDATED NET PROFIT IN 2019

EUR million	2018	2019	Δ%
Revenue	1,615.6	1,753.8	+8.6%
EBITDA	196.7	223.6	+13.7%
EBITDA margin	12.2%	12.8%	–
EBIT (operating result)	127.0	149.0	+17.4%
EBIT margin	7.9 %	8.5 %	–
EBT (earnings before tax)	111.0	133.1	+19.9%
Consolidated net profit for the period	58.0	80.0	+38.1%

Slight differences due to rounding are possible in accordance with IFRS.



# WE INVESTED EXTENSIVELY IN OUR VIABILITY ALSO IN THE PAST YEAR

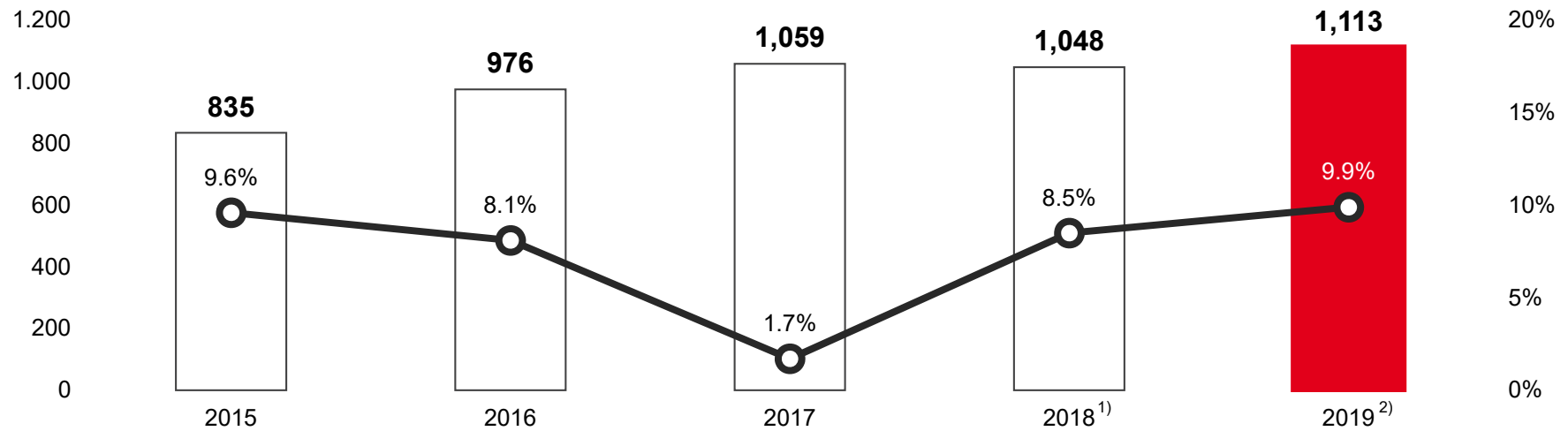


Net investments  

 Depreciation, amortization and impairment

1) Including additions from leasing (IFRS 16); excluding divestment of 2.5% stake in Sany Lifting Solutions (EUR 28.6 million). Slight differences due to rounding are possible in accordance with IFRS.

# WE WERE ABLE TO FURTHER INCREASE ROCE AND WILL SOON ACHIEVE OUR GOAL



Capital employed<sup>3)</sup>  
 Return on capital employed<sup>4)</sup>

- 1) Including 2017 restatement.
- 2) Including additions from leasing (IFRS 16).
- 3) Rolling average of the last 12 months.
- 4) ROCE = ratio of NOPLAT to average capital employed (prior year reporting date to current year reporting date). Slight differences due to rounding are possible in accordance with IFRS.

PALFINGER Group

## STABLE BALANCE SHEET STRUCTURE WITH A POSITIVE TREND

EUR million	12/31/2018	12/31/2019 <sup>1)</sup>
Financial liabilities (FL)	580.4	591.8
Ø interest rate of financial liabilities	1.69%	1.69% <sup>2)</sup>
Ø maturity of financial liabilities	4.21 years	4.51 years
Cash and cash equivalents	34.7	42.0
Net financial debt	515.7	525.6
Equity	555.7	629.1

1) Including EUR 59.7 million lease liabilities in accordance with IFRS 16.

2) Excluding foreign currency hedging costs.

Slight differences due to rounding are possible in accordance with IFRS.



## BALANCE SHEET METRICS IMPROVED DESPITE IFRS 16

	12/31/2018	12/31/2019
Equity ratio	36.4%	38.3%
Gearing ratio	92.8%	83.6%
Net debt/EBITDA	2.62	2.35

Slight differences due to rounding are possible in accordance with IFRS.



## HIGHER FREE CASH FLOW OWING TO IMPROVED EARNINGS SITUATION AND SALE OF INTEREST IN SANY



EUR million	2018	2019
<b>EBTDA</b>	<b>180.8</b>	<b>207.7</b>
+/- Non-cash income from companies accounted for using the equity method	-4.0	-14.0
+/- Change in working capital	-10.9	+5.1
+/- Cash flow from tax payments	-39.4	-42.8
<b>Cash flow from operating activities</b>	<b>126.5</b>	<b>156.0</b>
+/- Cash flow from investing activities	-87.7	-54.0
<b>Cash flow after changes in working capital and capital expenditures</b>	<b>38.8</b>	<b>102.0</b>
+/- Cash flow from interest on borrowings adjusted for tax expense	8.0	10.4
<b>Free cash flow</b>	<b>46.8</b>	<b>112.4</b>

Slight differences due to rounding are possible in accordance with IFRS.

# ANDREAS KLAUSER

## CEO

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Systematic **investments** in **future-proof structures** and **products**

Consistent **utilization** of new **market entries**  
in the Segment SEA

**Slightly positive incoming orders trend** with the earliest **effective delivery** in the **second quarter of 2020**

**Unique understanding of our customers** in order to **maximize the success of our customers** and thereby the **success of our business**

**Exploitation of market opportunities** and **focus on potential growth regions** such as LATAM and NAM

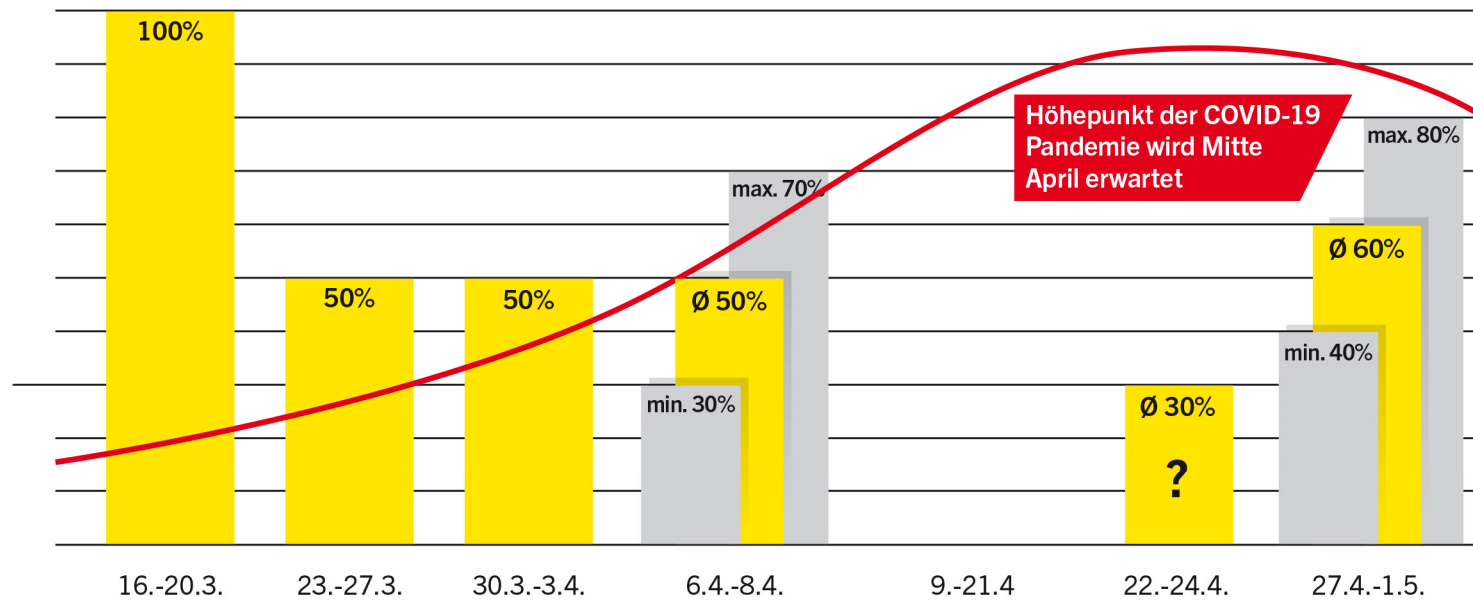
**OUTLOOK**

**2020**

# SEVEN WEEKS PLAN - AVERAGE PLANT UTILIZATION



Durchschnittliche Werksauslastung in %





2022 financial targets

**WE CAME CLOSER TO ACHIEVING OUR AMBITIOUS GOALS AND  
CONTINUE TO WORK CONSISTENTLY ON REACHING THEM**

**PALFINGER**

#1

## **2022** FINANCIAL TARGETS

**MARKET LEADER FOR LIFTING SOLUTIONS**

**EUR 2 billion**

Revenue as a result of  
organic growth

**10%** Average EBIT margin  
over the economic cycle

**10%** Average ROCE  
over the economic cycle

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

# INVESTOR RELATIONS AND PRESS CONTACT

**PALFINGER**

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