

# **PALFINGER AND SANY – REVERSAL OF CROSS SHAREHOLDING**

**Investors Conference Call**  
Bergheim, 16/12/2021

# BUSINESS RELATIONSHIP WITH SANY



## CROSS SHAREHOLDING

Cross shareholding since 2014, originally 10%  
now 7.5 %

---

## PSV AT

50/50 joint venture with the aim of selling SANY products in the EMEA region

---

## PSV CIS

50/50 joint venture with the aim of selling SANY products in the CIS region

---

## SPV

50/50 joint venture for development, production, sales and service of knuckle boom & stiff boom cranes for the Chinese market

# HIGHLY SUCCESSFUL JOINT VENTURE IN CHINA SINCE 2014



- Newly developed industrial zone in Rudong (near Shanghai)
- About 400 employees
- Knuckle boom & stiff boom cranes for Chinese market
- Production of over 4000 cranes – local for local
- Turnover EUR 80 million approx.
- Joint Venture has great potential and will be expanded



# REASONS FOR CROSS SHAREHOLDING REVERSAL



1

Reduction of complexity

---

2

Increasing efficiency

---

3

Free up funds for PALFINGER core business

---

4

Focus on PALFINGER core business

# REVERSAL OF CROSS SHAREHOLDING IMPLEMENTED IN LATE 2020

**PALFINGER**

**PALFINGER**

Key words: Joint Ventures/Cooperation/Collaboration

## **PALFINGER AG / PALFINGER and SANY negotiate reversal of cross-holding**

**Bergheim, 4 December 2020**

PALFINGER and SANY HEAVY INDUSTRIES are currently negotiating the reversal of their cross-holding to reduce complexity. The potential transaction involves the sale of the 7.5% share in Sany Automobile Hoisting Machinery indirectly held by PALFINGER to a company within the SANY Group in return for the opportunity of transferring the approximately **7.5% share** held by Sany Germany GmbH to PALFINGER.

An agreement has been reached today that:

- the total capital inflows resulting from the cross-shareholding are to be the same for both sides after its reversal, and
- the transaction is subject to the condition that the price of PALFINGER shares reaches **EUR 31.35** per share (closing price).

This will result in there being no significant change in the valuation of the share holding at PALFINGER.

The **operative joint ventures** between PALFINGER and SANY HEAVY INDUSTRIES are **not impacted by the reversal of the cross-holding** and will continue as before.

The potential transaction still depends, among other things, on negotiating detailed transaction documents and obtaining any official approvals necessary.

A contract will be signed only following the approval of PALFINGER's Supervisory Board as well as the relevant committees at SANY HEAVY INDUSTRIES.

# KEY ELEMENTS OF THE TRANSACTION



## Cross shareholding 1

Change of the **threshold price to EUR 34.68** and **payment in shares** only plus additional cash payment of around EUR 15 million

---

## PSV AT 2

Agreement to **sell the PSV AT shares to SANY** for EUR 3,7 million

---

## PSV CIS 3

**Transfer of 1% of the shares from PALFINGER to SANY** for EUR 0,1 million

---

## SPV 4

**Transfer of 1% of the shares from SANY to PALFINGER** for EUR 1,1 million

# “EQUAL CAPITAL GAIN” FOR BOTH PARTIES

- “Equal capital gain”** 1  
Both parties should have **equal capital gain** out of the cross-holding after reversal
- Target price** 2  
Reversal of the cross-holding once the PALFINGER AG share reaches at least **EUR 34.68**.
- Deadline** 3  
Reversal if this **closing price is reached by 31/12/2023**.
- Exchange of shares** 4  
The shares in **SAHM (7.5%)** and the **PALFINGER shares (7.5%, 2,826,516 shares)** to be exchanged, and PALFINGER to receive an **additional cash payment** of EUR 15 million approx.
- Procedure after 2023** 5  
In the event that the target price is not reached before the deadline, PALFINGER and SANY will draw up a separate agreement by 31/12/2023.

# EFFECTS OF THE TRANSACTION ON THE BALANCE SHEET AND PROFIT & LOSS STATEMENT



## Book value of SAHM

Book value EUR 104.9 million as at 30/09/2021

## Signing of the Agreement

Equity reduction of EUR 98.0 million and entering of a **liability** of this amount, **equity ratio** falls by **6 percentage points** approx.

## Closing

### When target price is reached:

- **Balance sheet contraction** of EUR 98.0 million plus **receipt of EUR 15 million** approx. in cash (depends in particular on further dividend payments).
- **Equity ratio increases** by 3 percentage points approx.
- **Additional EBIT of at least EUR 12 million**, resulting from the difference between the book value and valuation of the shares and the additional payment, plus recycling of the currency reserve (currency fluctuations not previously realized in the profit & loss statement)



# TRANSACTION SUPPORTS FOCUSED GROWTH



1

Reduced complexity and increased efficiency

---

2

Increased headroom for acquisitions and other transactions

---

3

Own shares as acquisition currency

---

4

Increase of free float following use of own shares

---

5

Shares on the company's own books increase dividend for all other shareholders

**STAY HEALTHY!**

# INVESTOR RELATIONS AND PRESS CONTACT



## **ANDREAS KLAUSER**

---

CEO

+43 662 2281-81008  
a.klauser@palfinger.com

## **FELIX STROHBICHLER**

---

CFO

+43 662 2281-81006  
f.strohbichler@palfinger.com

## **HANNES ROITHER**

---

Group Spokesperson

+43 662 2281-81100  
h.roither@palfinger.com