

PUBLICATION OF RESULTS

Q1-Q3 / 2020

Bergheim, October 30, 2020

ANDREAS KLAUSER

CEO

**MARKET FURTHER STABILIZED SINCE
SUMMER: STILL HIGH VOLATILITY**



Q3 EBIT MARGIN OF 8.5 %



COVID-19 HAS HUGE IMPACT



**THANKS TO FULL ORDER BOOKS
OPTIMISTIC OUTLOOK BEYOND 2021**



2020

Q1 - Q3

**1ST PHASE OF CRISIS:
HANDLED WELL**

PALFINGER: GLOBALLY WELL POSITIONED



		GROUP 2019
	REVENUE	EUR 1.75 billion
	EMPLOYEES	11,126
	SITES	33 production sites & around 5,000 service centers worldwide
	REVENUE SPLIT	61% EMEA 23% NAM 5% LATAM 12% APAC, CIS



Knowing our customers shapes our actions

CRISIS-RESISTANT THANKS TO SECTOR DIVERSITY



Construction



Industry



Railway



Offshore Wind



Aquaculture & Fishing



Forestry & Agriculture



Transport & Logistics



Waste Mgmt. & Recycling



Passenger



Commercial



Infrastructure



Public Sector



Offshore Supply & Oil and Gas



INNOVATIVE AND POWERFUL PRODUCT PORTFOLIO



LOADER
CRANES



TIMBER &
RECYCLING
CRANES



HOOKLIFTS AND
SKIP LOADERS



TAIL
LIFTS



TURNKEY
SOLUTIONS



MARINE
CRANES



OFFSHORE
CRANES



WINCHES



PASSENGER
SYSTEMS



ACCESS
PLATFORMS



TRUCK MOUNTED
FORKLIFTS



BRIDGE
INSPECTION
& MAINTENANCE



RAILWAY
SYSTEMS



WIND
CRANES



DAVITS



BOATS

We are investing in our future, especially during the crisis

P21st CHALLENGE ACCEPTED: WITH OUR CORPORATE INCUBATOR, WE ARE SHAPING THE FUTURE.



STRUCINSPECT
INNOVATED BY PALFINGER VCE ANGST

A REVOLUTION OF
STRUCTURAL INSPECTION

- AI-BASED
- SAFE
- PROVEN
- ECONOMICAL
- DIGITAL

**NATIONAL PRIZE FOR DIGITALIZATION 2020
DIGITAL IMPULS AWARD 2020**

LONG-TERM COMPETITIVENESS THROUGH SUSTAINABLE ACTIONS

- Materiality analysis is being finalized, KPIs and measures in preparation
- New climate strategy in preparation

Responsible Employer



- Focus on HSE
- Start of the PALFINGER Campus

Eco-Efficient Production



- 42% CO₂ reduction compared to 2015 (-16% CO₂ YTD 2020)
- 74% of power from renewable energy sources

Sustainable Products



- Intensification of ACE (autonomous, connected, electrification)

Fair Business



- Deeper integration of sustainability risks in risk management

COVID-19 TASK FORCE REACTED QUICKLY & EXTENSIVELY

FOCUS, COOPERATION AND PROACTIVE MANAGEMENT AS SUCCESSFUL CORE ELEMENTS

01

COVID Task Force implemented at end of February 2020: completed 220 actions in 3 work packages:
1. Health & Safety / HR / Communication, 2. Production & Operations Management, 3. Liquidity Optimization.

02

Scrutinized all projects and implemented **comprehensive program to optimize liquidity and cut costs.**

03

Labor costs cut through implementation of **short-time work models for all Austrian employees.** Various models and **support programs adopted where available for sites abroad.**

04

Actions taken to ensure employee health, safety and well-being.

OPERATIONAL HIGHLIGHTS Q1-Q3/2020

COVID-19 has a huge **impact**.

Visible recovery during summer period in **EUROPE, CIS, CHINA** and **LATAM**, but still **high volatility**.

Order book similar to **end of 2019 level**.

Restructuring of SEA segment completed, full **integration into GPO**.

SAP S/4 HANA go live in **EMEA distribution center** on April 01, 2020.

FELIX STROHBICHLER

CFO

SEGMENT

SALES & SERVICE



POSITIVE TREND IN Q3



- 01 Effects of **COVID-19 crisis felt across all product lines.**
- 02 **Drop in earnings reduced** by short-time work and cost-cutting measures.
- 03 **Sales and service activities** of the former SEA segment **included.**
- 04 **Market recovery** (EUROPE, CIS, CHINA, LATAM) **visible in Q3 results.**

EBIT MARGIN REDUCED DUE TO LOWER REVENUE

EUR million	Q1-Q3/2019 ¹⁾	Q1-Q3/2020	Δ%
External revenue	1,211.1	1,033.8	-14.6%
EBITDA	134.6	118.9	-11.7%
EBIT	110.9	80.0	-27.9%
EBIT margin	9.2%	7.7%	-

1) Figures adjusted retroactively to the new segment reporting structure.

SEGMENT OPERATIONS



Q1-Q3/2020 HEAVILY IMPACTED BY COVID-19



01

Lower capacity utilization in Q2 due to **lockdowns, market environment** and COVID crisis health-measure compliance.

02

Lockdown used to create work environments best suited to **safeguarding health, safety and well-being**.

03

COVID-19 Task Force took **prompt and efficient actions** to maintain internal and external supply chains.

04

COVID-19 **negatively impacts on 3rd-party manufacturing**.

05

Increasing utilization in manufacturing plants due to high order levels in Q3.

LOWER CAPACITY UTILIZATION AND LESS MANUFACTURING FOR THIRD PARTIES

EUR million	Q1-Q3/2019 ¹⁾	Q1-Q3/2020	Δ%
External revenue	89.6	68.7	-23.3%
EBITDA	56.5	34.8	-38.4%
EBIT	28.5	8.9	-68.8%

1) Figures adjusted retroactively to the new segment reporting structure.

HOLDING UNIT



SHORT-TIME WORK AND PROJECT PRIORITISATION REDUCE HOLDING COSTS



EUR million	Q1-Q3/2019	Q1-Q3/2020	Δ%
EBITDA	-16.0	-13.4	16.2%
EBIT	-20.1	-18.3	9.2%

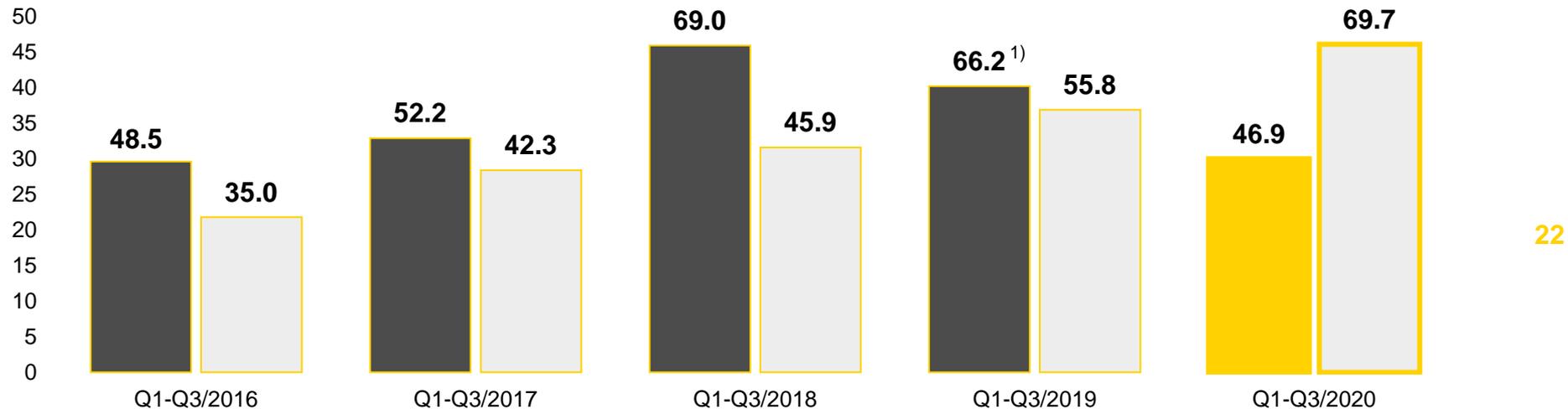
PALFINGER GROUP



PROFITABILITY IN Q3 ON HIGH LEVEL: EBIT OF EUR 31.8 MILLION

EUR million	Q1-Q3/2019	Q1-Q3/2020	Δ%
Revenue	1,300.6	1,102.4	-15.2%
EBITDA	175.1	140.3	-19.9%
EBITDA margin	13.5%	12.7%	-
EBIT (operating income)	119.3	70.6	-40.8%
EBIT margin	9.2%	6.4%	-
EBT (result before income tax)	107.1	58.5	-45.4%
Net income	63.6	31.8	-50.0%

LOWER NET INVESTMENT DURING CRISIS



Net investment
 Depreciation, amortization and impairment

1) Includes additions from leases (IFRS 16); excluding divestment of 2.5% of Sany Lifting Solutions (EUR 28.6 million). In accordance with IFRS, minor rounding differences are possible.

LIQUIDITY RESERVES SUBSTANTIALLY INCREASED – LOWEST NET FINANCIAL DEBT (NFD) SINCE Q1/2016

EUR million	Sept 30, 2019	Sept 30, 2020
Financial liabilities ¹⁾	633.1	546.1
Ø interest on financial liabilities	1.62%	1.38%
Ø maturity of financial liabilities	4.40 years	4.06 years
Cash equivalents	33.2	62.2
Net debt	576.9	459.0
Equity	618.9	606.7

1) Including EUR 54.7 million leasing liabilities according to IFRS 16 (09/2019: EUR 59.7 million)

2) Excluding foreign currency hedging costs.

In accordance with IFRS, minor rounding differences are possible.

STRENGTHENED BALANCE SHEET DESPITE CRISIS

	Sept 30, 2019	Sept 30, 2020
Equity ratio	37.1%	39.0%
Gearing	93.2%	75.6%
Net debt/EBITDA	2.57	2.43

In accordance with IFRS, minor rounding differences are possible.

HIGH FREE CASH FLOW - OPTIMIZED INVENTORY AND RECEIVABLES

EUR million	Q1-Q3/2019	Q1-Q3/2020
EBTDA	163.0	128.2
+/- non-cash income from at-equity companies	-11.9	-4.7
+/- change in working capital	-37.1	16.1
+/- cash flow from tax payments	-32.5	-6.8
Cash flow from operating activities	81.5	132.8
+/- cash flow from investing activities	-33.2	-42.9
Cash flow after changes in working capital and investments	48.3	89.9
+/- cash flow from interest on borrowings adjusted for tax expenditure	7.8	6.4
Free cash flow	56.1	96.3

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In accordance with IFRS, minor rounding differences are possible.

ANDREAS KLAUSER

CEO

Noticeable **stabilisation of markets**, **US market slowing down** but still above average volume while **CIS & China trending positively**

Revenue target for 2020 above **EUR 1.5 billion**
EBIT target for 2020 **EUR 100 million**

Risks from COVID-19 hard to predict –
depends greatly on infection curve development

Key focus:

- Maintaining the **health, safety and well-being** of employees
 - Keeping our operations up and running
-

FINANCIAL TARGETS REMAINING THE SAME, BUT POSTPONED 2 YEARS

PALFINGER

FINANCIAL TARGETS 2024

#1

28

MARKET LEADER IN CRANE AND LIFTING SOLUTIONS

EUR 2 billion

revenue from organic growth

10%

average EBIT margin over the
economic cycle

10%

average ROCE over the
economic cycle

STAY HEALTHY!

INVESTOR RELATIONS AND PRESS CONTACT



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