

PUBLICATION OF RESULTS 2020

Lengau, February 26, 2021

ANDREAS KLAUSER

CEO

**SOLID PROFITABILITY AND STRENGTHENED
BALANCE SHEET ACHIEVED IN CRISIS YEAR**



**MASSIVE COVID-19 IMPACT IN 1ST HALF OF 2020
SINCE SUMMER 2020, STABILIZATION OF MARKETS**







**COVID-19 TASK FORCE: OVER 220
ACTIONS DEFINED AND CARRIED OUT**



2020
CHALLENGE ACCEPTED

PALFINGER: GLOBALLY WELL POSITIONED



	GROUP 2020
 REVENUE	EUR 1.53 billion
 EMPLOYEES	10,824
 SITES	35 production sites & ca 5,000 worldwide service centers
 REVENUE SPREAD	62% EMEA 21% NAM 3% LATAM 14% APAC, CIS



We are investing in our future, especially during the crisis.

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

PALFINGER

P21st

STRUCINSPECT



**STATE PRIZE DIGITALIZATION 2020
DIGITAL IMPULSE AWARD 2020**

LONG-TERM COMPETITIVENESS THROUGH SUSTAINABLE ACTION

Strategic realignment of sustainability focus & comprehensive climate protection strategy planned for 2021

Responsible Employer



- Focus on HSE & COVID-19 Task Force
- Start PALFINGER Campus

Eco-Efficient Production



- -43% CO₂ compared to 2015 (-16% CO₂ compared to 2019)
- 74% power from renewable energy sources

Sustainable Products



- Intensification of ACE in product development
(AUTONOMOUS, CONNECTED, ELECTRIFICATION)

Fair Business



- Reworking of Code of Conduct
- Online compliance training and self-assessments

COVID-19 TASK FORCE REACTED QUICKLY & EXTENSIVELY

FOCUS, TEAMWORK & PROACTIVE STEERING AS SUCCESSFUL CORE ELEMENTS

01

COVID-19 Task Force implemented at end of February 2020: completed over 220 actions in 3 work packages:
1. Health & Safety / HR / Communication, 2. Production & Operations Management, 3. Liquidity Optimization.

02

Reviewed 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.

2020: A LANDMARK YEAR



COVID-19 Task Force:

COVID-19 crisis managed successfully.

Acquired the 2nd-largest worldwide distribution partner:

Swedish company HINZ Försäljnings AB.

Segment SEA restructuring completed and fully integrated in **GPO.**

PALFINGER World Tour: Launch of **global, digital event series**
under the motto: „Challenge Accepted“, to stay connected with
customers, partners and dealers worldwide even during COVID-19.

MARTIN ZEHNDER

COO

CRISIS-RESISTANT THANKS TO SECTOR DIVERSITY

PALFINGER

Construction



Industry



Railway



Offshore Wind



Aquaculture & Fishing



Forestry & Agriculture



Transport & Logistics



Waste Mgmt. & Recycling



Passenger



Commercial



Infrastructure



Public Sector



Offshore / Oil & Gas



INDUSTRIES REACT DIFFERENTLY TO COVID-19 CRISIS

PALFINGER



INNOVATIVE AND POWERFUL PRODUCT PORTFOLIO



LOADER
CRANES



TIMBER /
RECYCLING



HOOKLIFTS &
SKIPLOADERS



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

INNOVATION LEADERSHIP FURTHER EXPANDED



OVER 20 PRODUCT LAUNCHES

Investment of around EUR 60 million
in Research & Development



**Loader, Marine &
Wind Crane**

PK 58002 TEC 7



**Marine Handling
Solutions**

A-Frame



**Aerial Work
Platforms &
Special Solutions**

ETO 55

TURNKEY SOLUTIONS

- Configured comprehensive solutions
- Production site Solec, Kujawski/Poland:
Complete truck crane bodies and roll-off
tippers on vehicles for

Norway,
Sweden,
Finland,
Denmark,
Northern Germany



PALFINGER INVESTS IN DIGITAL TRANSFORMATION

PALFINGER



Smart Lifting Solutions

Autonomous systems,
PALFINGER Connected, E3



IT Digital Backbone

CLOUD first, CYBER
SECURITY, Power BI



Autonomous systems

Smart Control, Intelligent Loading Assist,
Offshore Cyber Crane



Digital E2E Processes

SAP S/4 HANA,
Success Factors



PALFINGER Connected

Operator Monitor, Fleet Monitor and
Service Cockpit



Digital Customer

Smart Services, Product
configurator



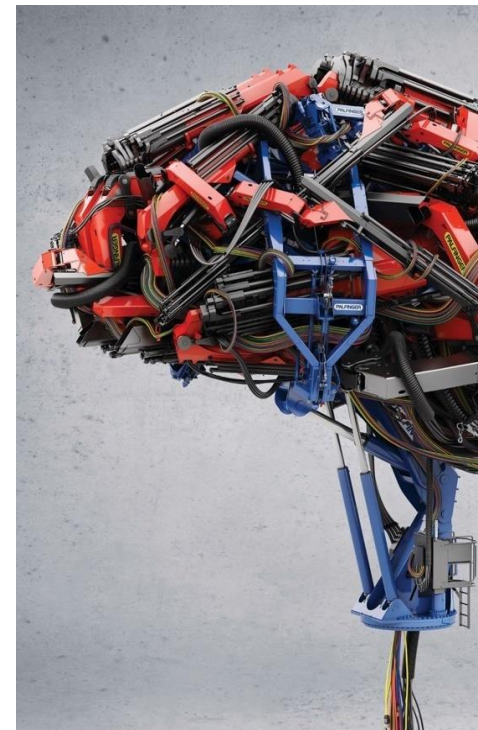
E3 (electrified, emission free, efficient)

eDrive Battery Crane, P 370 KS E

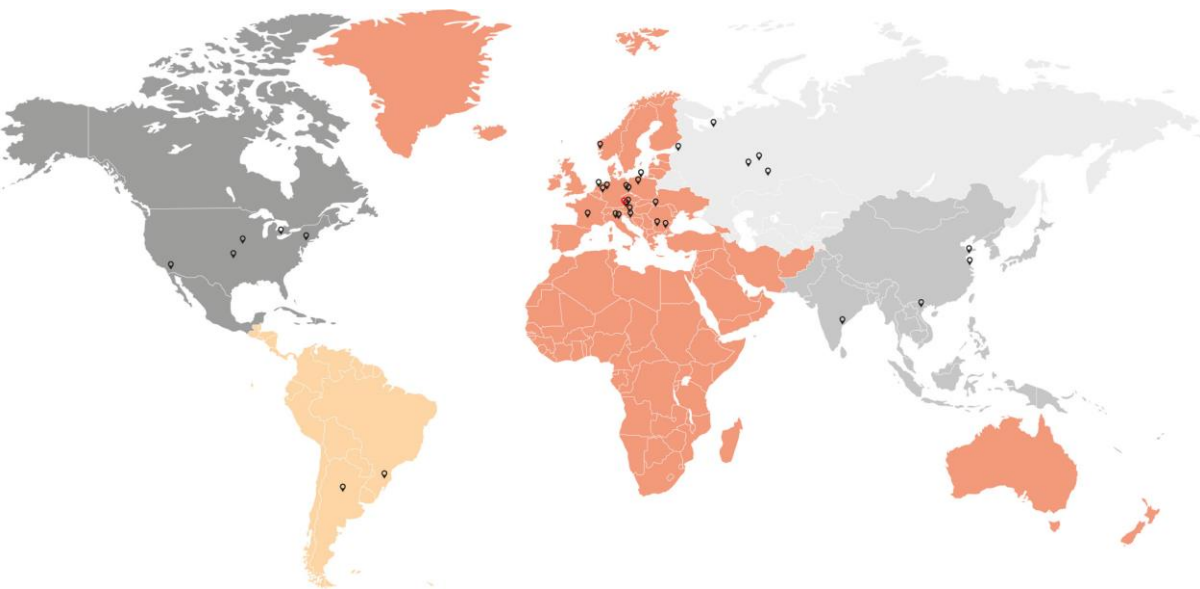


Business with Data

StrucInspect



PRODUCTION AND SUPPLY NETWORK FEATURE HIGH LEVEL OF RESILIENCE



Production Network

Customer Proximity, Flexibility,
CoE



Supply Chain Management

Make or Buy,
Transport Logistics



Suppliers

Partnerships, Procurement
Organization, Synergies



Quality, HSE

Quality Leadership,
Sustainability

FELIX STROHBICHLER

CFO

SEGMENT

SALES & SERVICE

POSITIVE TREND IN 2ND HALF OF 2020



- 01 Effects of **COVID-19 crisis felt across all product lines** in 2020.
- 02 **Drop in earnings reduced** by short-time work and cost-cutting measures.
- 03 **Sales and service activities** of the former segment SEA **included**.
- 04 **Market recovery as at 3rd quarter 2020 visible in sales and in results.**

EBIT MARGIN AT STABLE LEVEL DESPITE SALES DECLINE

in EUR million	2019 ¹⁾	2020	Δ%
External revenue	1,641.5	1,443.4	-12.1%
EBITDA	182.6	166.0	-9.1%
EBIT	148.4	118.6	-20.1%
EBIT margin	9.0%	8.2%	—

1) Figures adjusted retroactively to new segment reporting structure.

SEGMENT OPERATIONS



PALFINGER

2020 SHAPED BY COVID-19



01

Lockdown in Q1 2020 used to create work environments best suited to **safeguarding health, safety and well-being**.

02

Lower capacity utilization in Q2 2020 due to **lockdowns, market environment** and COVID-19 crisis health-measure compliance.

03

Introduction of **SAP S/4 HANA** in 8 EMEA operations plants **1,200 users** is important milestone: **largest system implementation project of company to date**.

04

Increasing utilization in manufacturing plants due to high order levels in 2nd half of 2020.

LOWER UTILIZATION UND LAGGING MANUFACTURING FOR 3RD PARTIES

in EUR million	2019 ¹⁾	2020	Δ%
External revenue	112.3	90.5	-19.4%
EBITDA	64.8	39.0	-39.8%
EBIT	30.0	4.2	-86.0%

1) Figures adjusted retroactively to new segment reporting structure

HOLDING UNIT



SHORT-TERM WORK AND PROJECT PRIORITIZATION REDUCE HOLDING COSTS

in EUR million	2019	2020	Δ%
EBITDA	-23.8	-16.3	31.5%
EBIT	-29.4	-22.5	23.3%

PALFINGER GROUP

PALFINGER

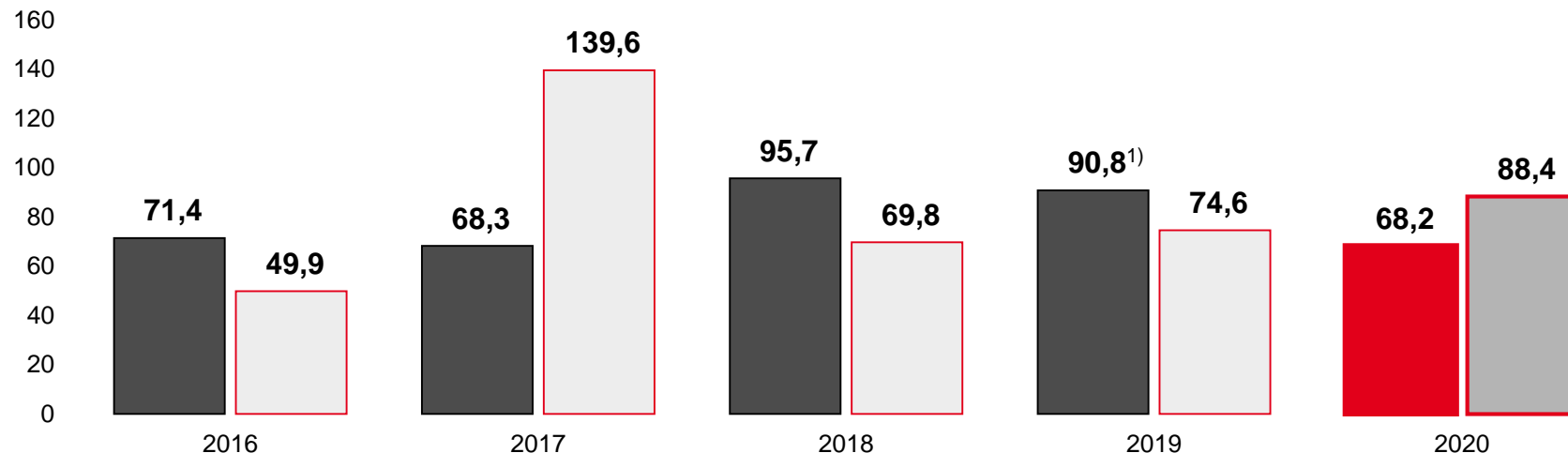






COMPREHENSIVE ACTIONS SECURE GOOD PROFITABILITY IN CRISIS YEAR

in EUR million	2019	2020	Δ%
Revenue	1,753.8	1,533.9	-12.5%
EBITDA	223.6	188.7	-15.6%
EBITDA margin	12.8%	12.3%	-
EBIT (operating income)	149.0	100.3	-32.7%
EBIT margin	8.5%	6.5%	-
EBT (result before income tax)	133.1	85.1	-36.1%
Consolidated net result	80.0	49.8	-37.8%

Slight rounding differences possible in accordance with IFRS.

INTENTIONAL REDUCTION OF INVESTMENT VOLUME



  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). According to IFRS, slight rounding up differences are possible.

LOWEST NET DEBT SINCE 2013, TAKING IFRS 16 INTO ACCOUNT

in EUR million	31/12/2019	31/12/2020
Financial liabilities ¹⁾	591.8	524.8
Ø Interest on financial liabilities ²⁾	1.69%	1.33%
Ø Maturity on financial liabilities	4.51 years	4,01 years
Cash equivalents	42.0	104.2
Net debt	525.6	397.1
Equity	629.1	616.4

1) Including EUR 57.6 million leasing liabilities according to IFRS 16 (12/2019: EUR 59.7 million)

2) Excluding foreign currency hedging costs.

In accordance with IFRS, minor rounding differences are possible.

DESPITE CHALLENGING SITUATION, BALANCE SHEET KEY FIGURES SIGNIFICANTLY BETTER

	31/12/2019	31/12/2020
Equity ratio	38.3%	39.6%
Gearing	83.6%	64.4%
Net debt/EBITDA	2.35	2.10

According to IFRS 16, slight rounding differences are possible..

HISTORICALLY-HIGH CASHFLOW THROUGH COMPREHENSIVE LIQUIDITY OPTIMIZATION PROGRAM

in EUR million	2019	2020
EBTDA	207.7	173,5
+/- non-cash income from at-equity companies	-14.0	-4,0
+/- change in working capital	+5.1	71,0
+/- cashflow from tax payments	-42.8	-15,8
Cashflow from operating activities	156.0	224,7
+/- cashflow from investment activities	-54.0	-60,5
Cashflow after changes in working capital & investment activities	102.0	164,2
+/- cashflow from interest on borrowings adjusted for tax expenditure	10.4	9,1
Free cashflow	112.4	173,3

In accordance with IFRS, minor rounding differences are possible.

SIGNIFICANT EVENT AFTER YEAR END - CYBERATTACK



On January 25th, 2021 PALFINGER was **target of a global cyberattack** that **affected IT infractructure of almost all sites worldwide**.

Promptly, **all systems were systematically shut down** and a **Task Force set up**.

PALFINGER was already **within 2 weeks able to gradually ramp up all production and assembly plants again**.

Q1 2021 prognosis, taking into account one-off effects in connection with the cyber attack: **higher revenue** than in Q1 2020 (**EUR 393.2 million**), **EBIT margin** below that of Q1 2020 (**8 percent**).

OUTLOOK FOR 2021

ANDREAS KLAUSER

REVENUE TARGET 2021: CLOSE TO 2019'S RECORD



A positive market environment and full order books secure good visibility for the **1st half of 2021**; high market risk remains due to COVID-19.

2021 target: revenue of over **EUR 1.7 billion**
8 percent EBIT margin

Planned **reversal of cross-holding** with **SANY**
broadens financial scope for investments and strategic acquisition.

Record investment volume of over **EUR 100 million** planned.

Leveraging **additional synergy potential** through **integration, system standardization and digitization**.

Dividend proposal to the Annual General Meeting of **EUR 0.45 per share**.

CLEAR STRATEGY TO ACHIEVE FINANCIAL TARGETS

PALFINGER

FINANCIAL TARGETS 2024

#1

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 UND PRESS CONTACT



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