

# **PALFINGER AG**

**Presentation on the first three quarters of 2013**

**November 2013**

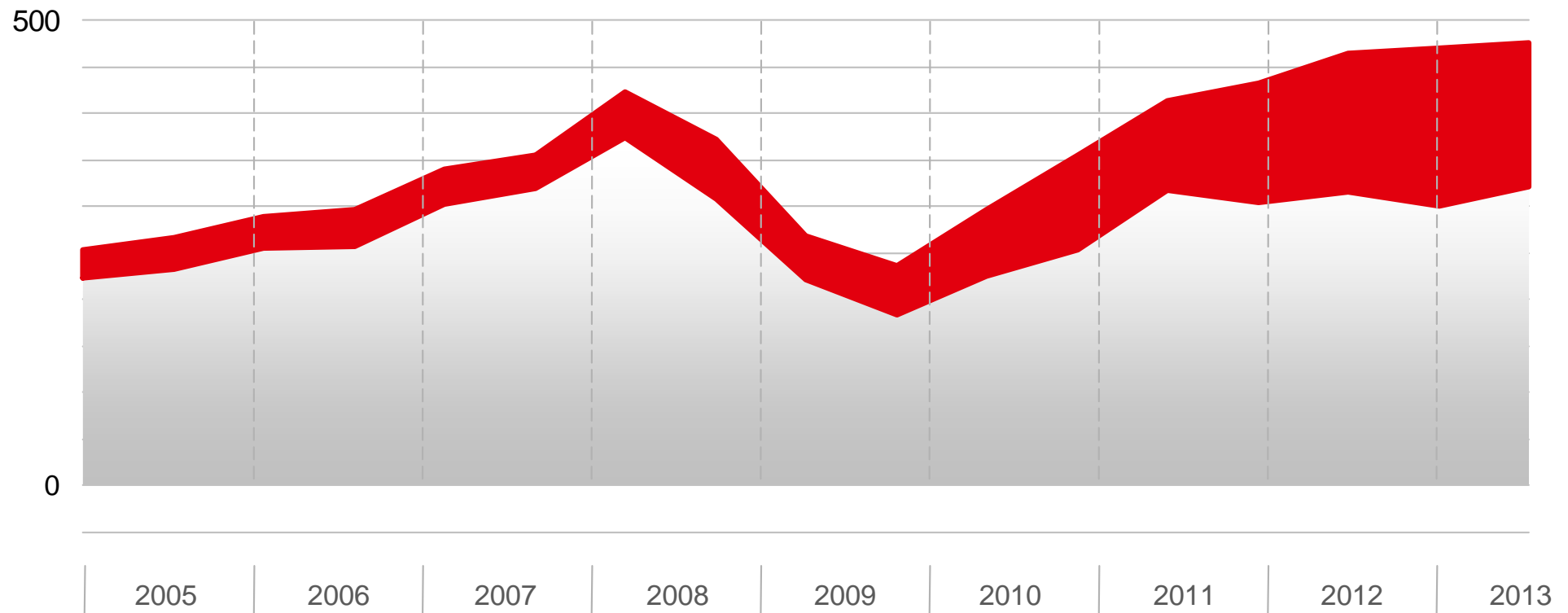
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# ONGOING MARKET VOLATILITY



## REVENUE (HALF YEAR)

- AREA UNITS
- EUROPEAN UNITS



➔ Flexibility and internationality as bases for success

- Growth in spite of difficult economic situation
  - » Positive development outside Europe and in the Marine business area
  - » Internationalization enabled consolidation of leading market position
  - » Moderate upward trend in Europe in Q3
- Revenue increased by 4.0% to EUR 716.1 million
- EBIT raised by 7.8% to EUR 56.0 million
  - » Declines in Europe
  - » Significant increases in the AREA UNITS segment and in the Marine business area

# STRATEGY

- Leading international manufacturer of innovative lifting solutions
  - » World market leader in loader cranes, marine cranes, wind cranes and container handling systems
  - » Leading specialist in timber and recycling cranes, tail lifts, truck mounted forklifts and high-tech railway systems
- Global sales and services network (more than 200 general importers/dealers and 4,500 sales and services centres worldwide)
- Global procurement, production and assembly (30 manufacturing and assembly locations)
- Strategic pillars: innovation – internationalization – flexibility
- **Maintaining and expanding the Group's competitive advantage**

- Growth, primarily in BRIC countries
  - Development of China into second domestic market
  - Global balance of production and proximity to customers
  - Consolidation of leading position in the marine and offshore areas
  - Maintaining innovation leadership worldwide
  - Meeting customers' expectations through customized solutions
  - Adjustment of production sites and technologies in Europe
- 
- ➔ Revenue target 2017: approx. EUR 1.8 billion

## → Joint Ventures with SANY

- » Sany Palfinger: positive sales development in China
- » Palfinger Sany: dealers and first sales in CIS

## → PALFINGER DREGGEN

- » Offshore cranes have been expanding portfolio since acquisition in Q4 2012
- » 2 orders totalling approx. EUR 90 million received

## → MCT ENG

- » Takeover of operations of this longstanding supplier
- » Manufacturing capacities and know-how for marine and offshore cranes

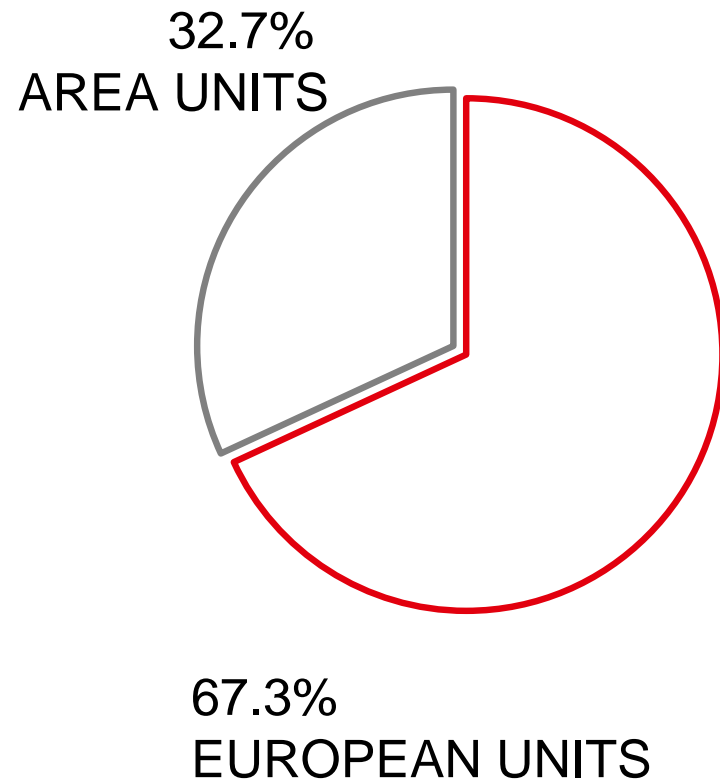
## → Palfinger Platforms Italy

- » Joint venture opens up large market segment for access platforms (trucks of up to 3.5 tonnes)

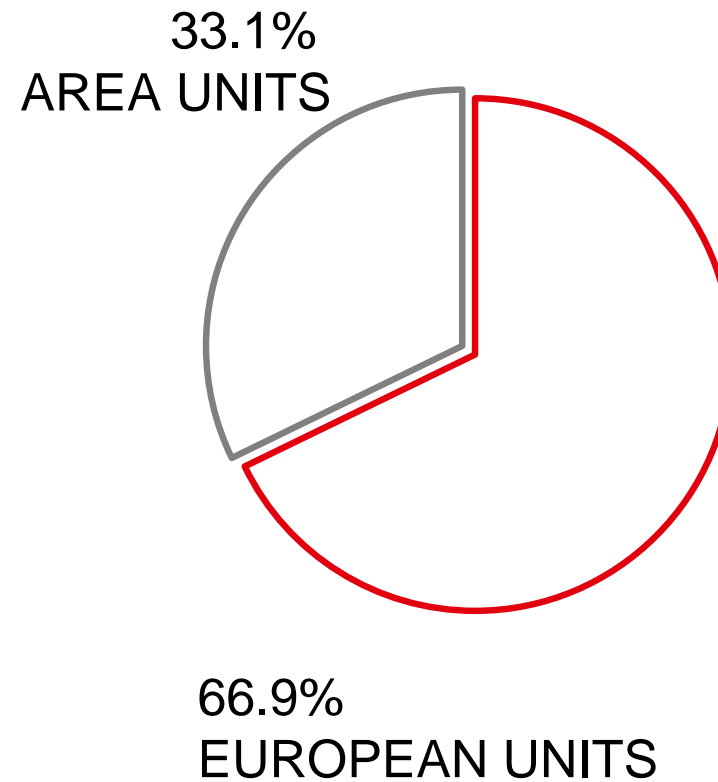
- SANY is the largest heavy equipment manufacturer in China
- 2 joint ventures started operations approx. one year ago
- Expansion of partnership planned through mutual shareholdings
  - » Economic interests of 10% each
  - » PALFINGER AG:
    - One half: new shares (from authorized capital)
    - Other half: existing shares from the Palfinger family
    - Price: EUR 29 per share
  - » Structure planned to be reflected in supervisory bodies
  - » Contract documentation and required approvals still outstanding



## REVENUE Q1–Q3 2012



## REVENUE Q1–Q3 2013



# SEGMENTS

# SEGMENT FINANCIALS



## SEGMENT REVENUE

	Q1–Q3 2012	Q1–Q3 2013	%
EUROPEAN UNITS	463.0	479.2	+ 3.5%
AREA UNITS	225.3	236.9	+ 5.2%
VENTURES	–	–	–

## SEGMENT EBIT

	Q1–Q3 2012	Q1–Q3 2013	%
EUROPEAN UNITS	58.1	62.3	+ 7.1%
AREA UNITS	6.2	7.3	+ 17.6%
VENTURES	(10.8)	(13.2)	(22.8%)

- Economic environment remains difficult in Europe
  - » Business units Access Platforms, Railway Systems and Production posted increases
  - » Strategic measures supported further development
  - » Other business units recorded declines in revenue
- Global Marine business area compensates declines in Europe
  - » Offshore cranes (PALFINGER DREGGEN) since December 2012
  - » 2 large-scale orders in Q1
- Almost all business units with positive result despite declining revenue

→ Revenue increased in all areas

- » Positive trend in North America continues
- » South America as a growth market; also due to additional product groups
- » Asia recorded substantial increases, still at a low level
- » Weak environment noticeable in India
- » Capacity expansion in CIS planned to support further growth

→ EBIT increased by 17.6% to EUR 7.3 million

- Focus on further internationalization
  - » Development of the regions South America and Russia and the Marine business area
  - » Potential acquisitions and partnerships
- Continuation of cost-related and structural programmes

# KEY FINANCIALS

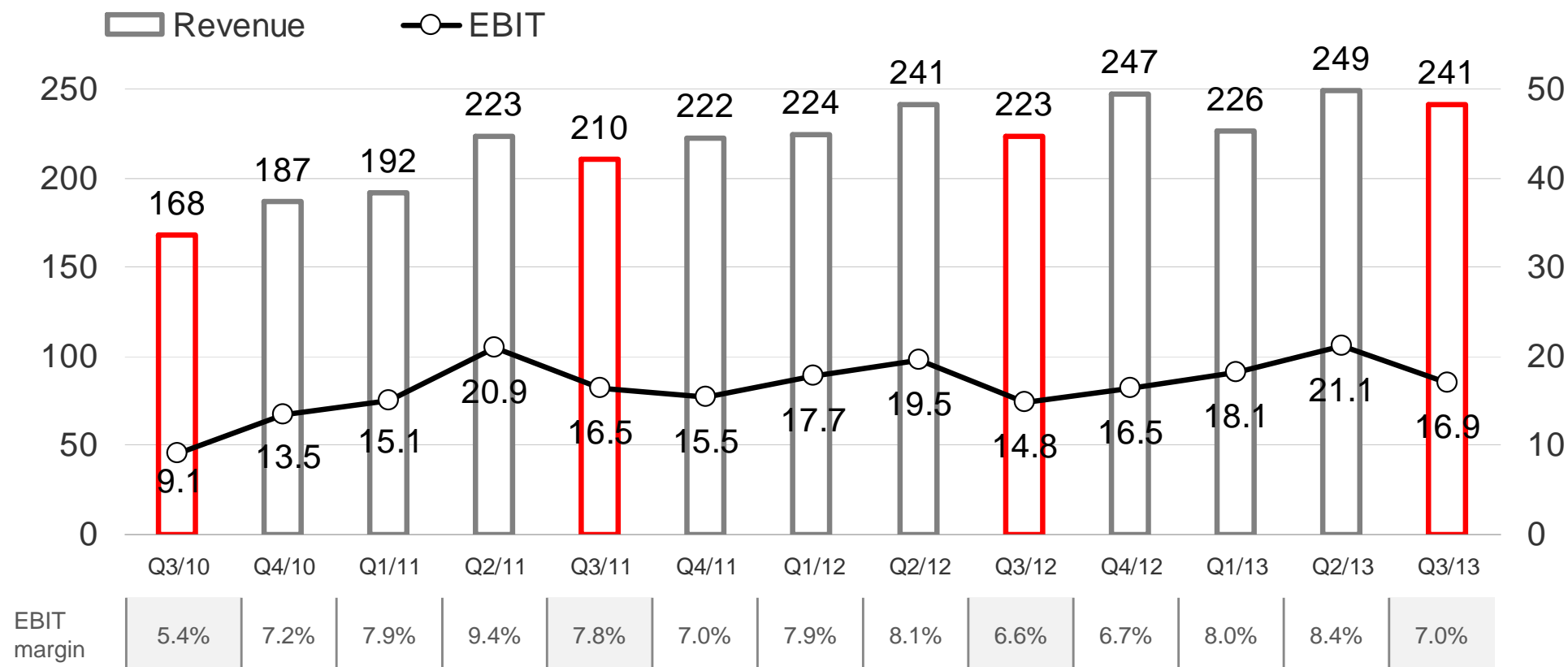
# FINANCIAL HIGHLIGHTS



	Q1–Q3 2011	Q1–Q3 2012	Q1–Q3 2013	%
Revenue	624.0	688.2	716.1	+ 4.0%
EBITDA	73.5	74.4	79.3	+ 6.6%
EBITDA margin	11.8%	10.8%	11.1%	–
EBIT	52.4	52.0	56.0	+ 7.8%
EBIT margin	8.4%	7.5%	7.8%	–
Result before income tax	43.3	43.9	46.3	+ 5.4%
Consolidated net result for the period	32.7	31.7	34.3	+ 8.0%

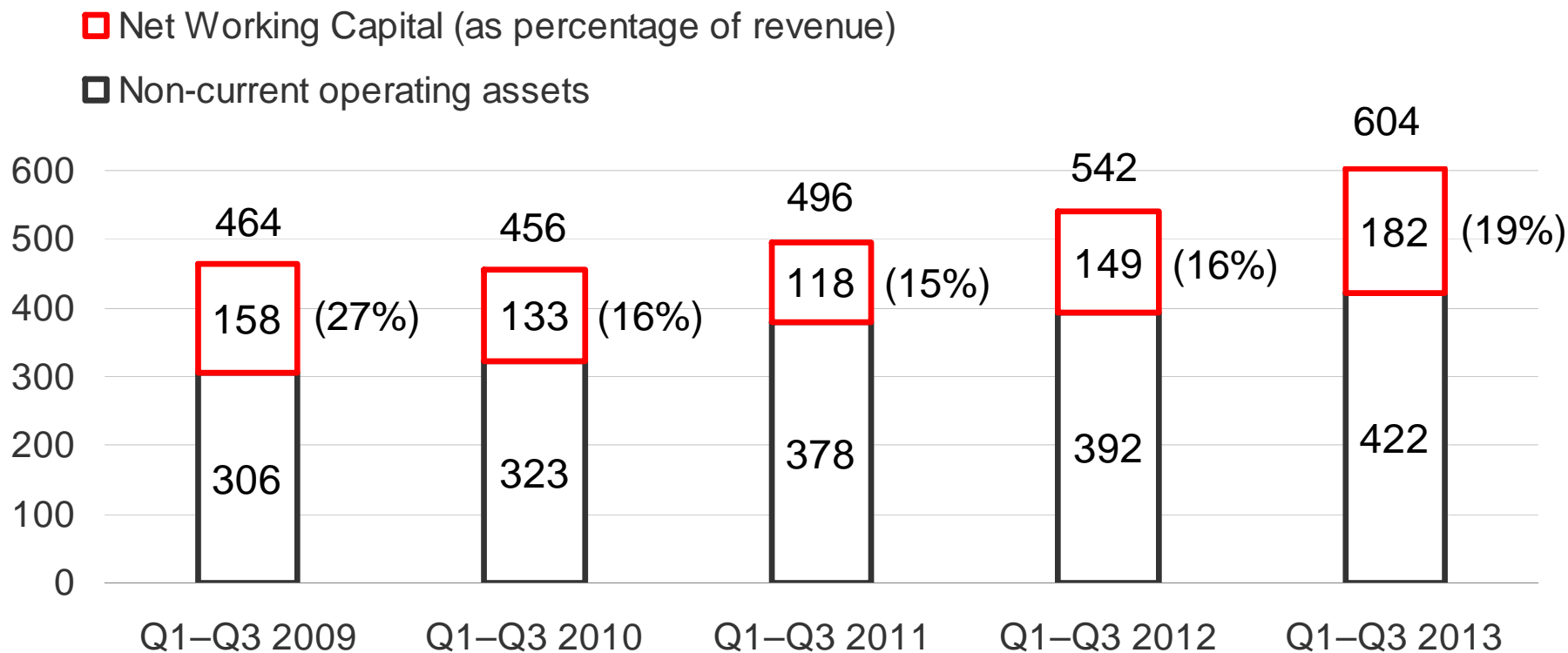


# QUARTERLY FIGURES



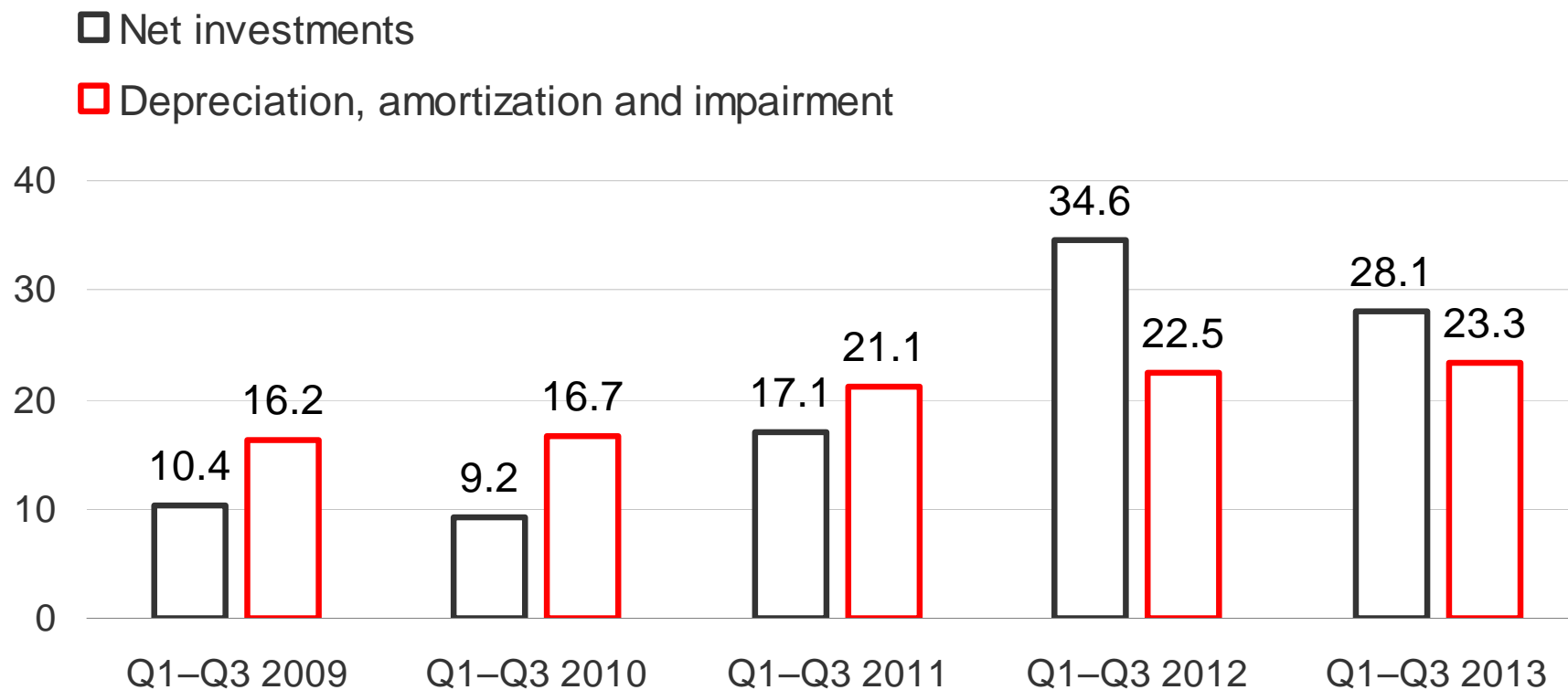
**➔ Steady upward trend with record revenue**

# CAPITAL EMPLOYED\*

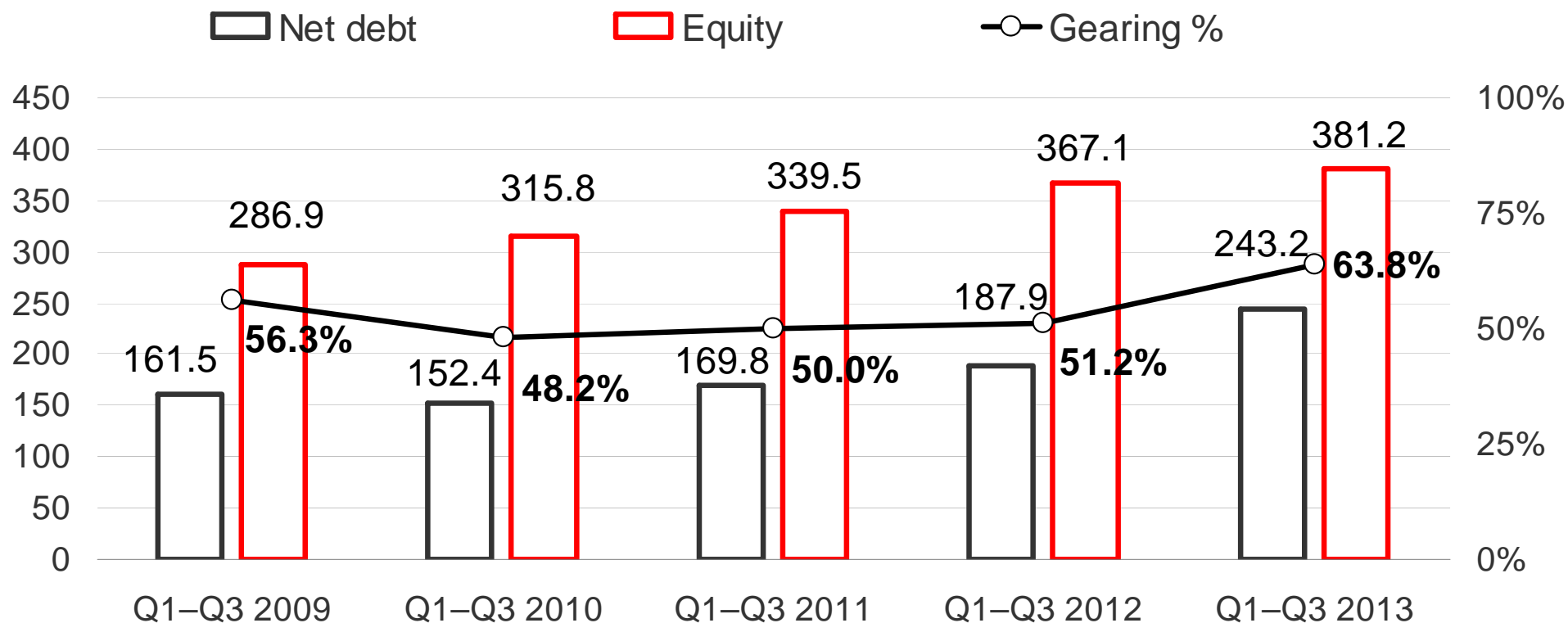


➔ Increase through expansion of business volume,  
net working capital as percentage of revenue at low level

\* Average.



# GEARING RATIO AND EQUITY



➔ Promissory note loan (Q4 2012) invested into growth

# FREE CASH FLOWS



	Q1–Q3 2011	Q1–Q3 2012	Q1–Q3 2013
<b>EBTDA</b>	<b>64.3</b>	<b>66.4</b>	<b>69.6</b>
+/- Non-cash result from companies at equity	(0.3)	(2.2)	(6.8)
+/- Change in working capital	(24.9)	(23.7)	(28.7)
+/- Cash flows from tax payments	(8.4)	(9.5)	(5.0)
<b>Cash flows from operating activities</b>	<b>30.7</b>	<b>31.0</b>	<b>29.1</b>
+/- Cash flows from investing activities	(33.8)	(36.6)	(28.7)
<b>Cash flows after changes in working capital &amp; investments</b>	<b>(3.1)</b>	<b>(5.6)</b>	<b>0.4</b>
+/- Cash flows from interest on borrowings adjusted by tax expense	6.6	5.6	6.6
<b>Free cash flows</b>	<b>3.5</b>	<b>0.0</b>	<b>7.0</b>
Cash flows from equity/investor capital	(11.6)	(22.2)	(19.3)
Cash flows from net debt	14.7	27.8	18.9

# OUTLOOK

- Internationalization strategy to be continued
  - » Focus on Brazil, Russia, Marine business area
- Further development of the partnership with SANY
- Growth potential in Marine business area
- Further increase in flexibility
  - » Processes in production and administration
  - » Reducing complexity, also in global organizational structure
- Alignment of production structures: global–local
  
- Target: higher contributions to earnings

- Economic situation in Europe remains marked by uncertainty
- Growth expected in regions outside Europe
- Limited visibility, but positive trends noticeable

➔ Slight revenue growth expected for 2013



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This presentation contains forward-looking statements made on the basis of all information available at the time of preparation of this presentation. Actual outcomes and results may be different from those predicted.

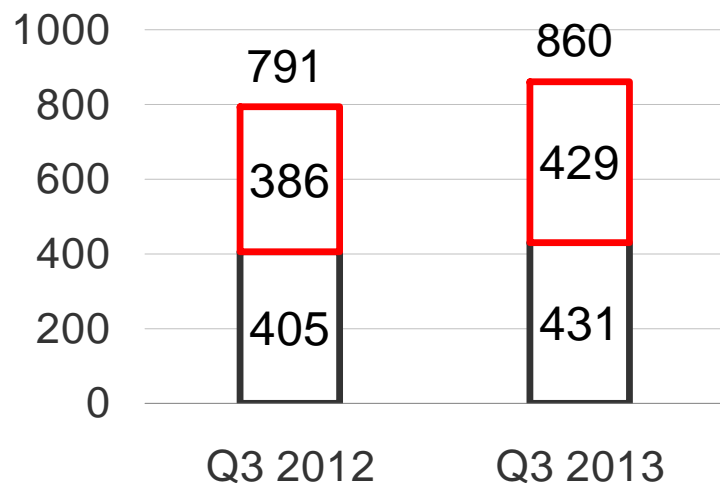
# **BACK UP**

# BALANCE SHEET STRUCTURE



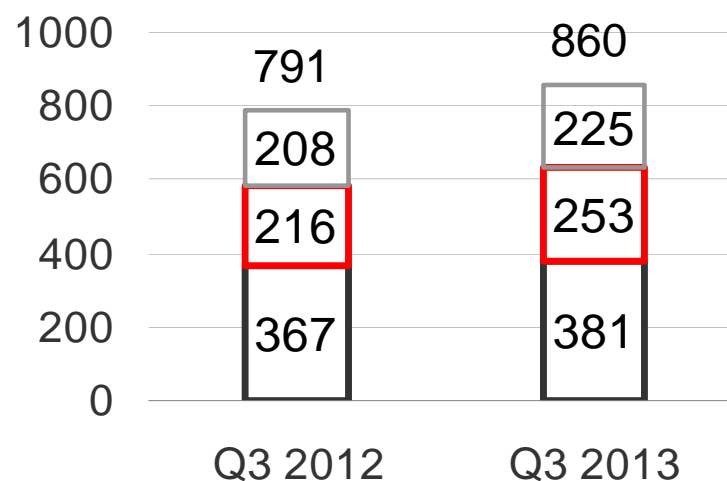
## ASSETS

- Current Assets
- Non-current Assets



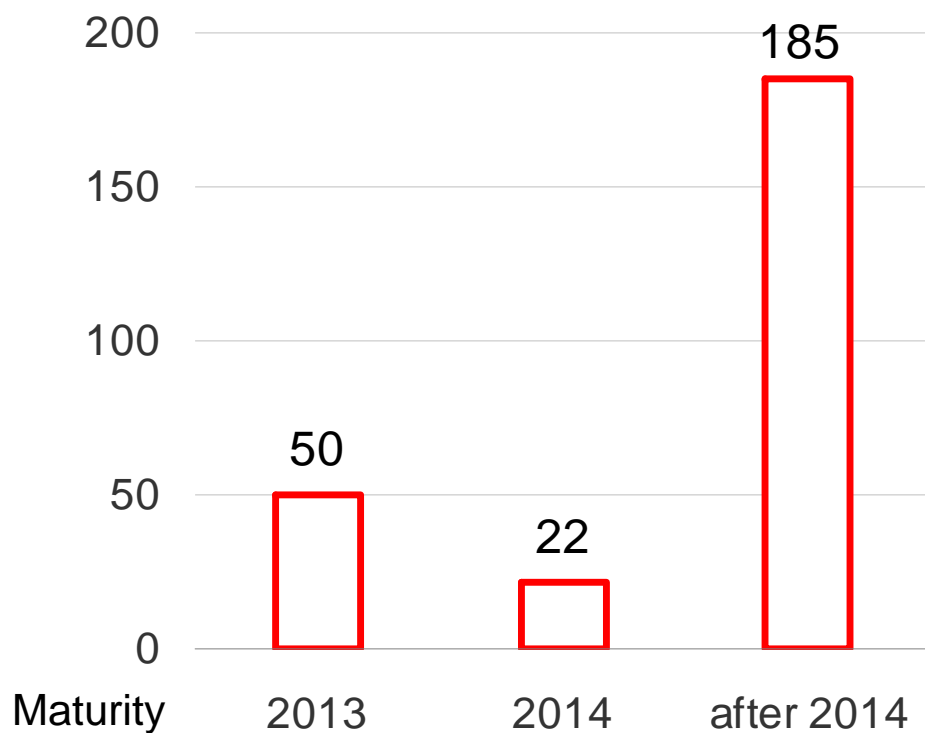
## LIABILITIES

- Current liabilities
- Non-current liabilities
- Equity



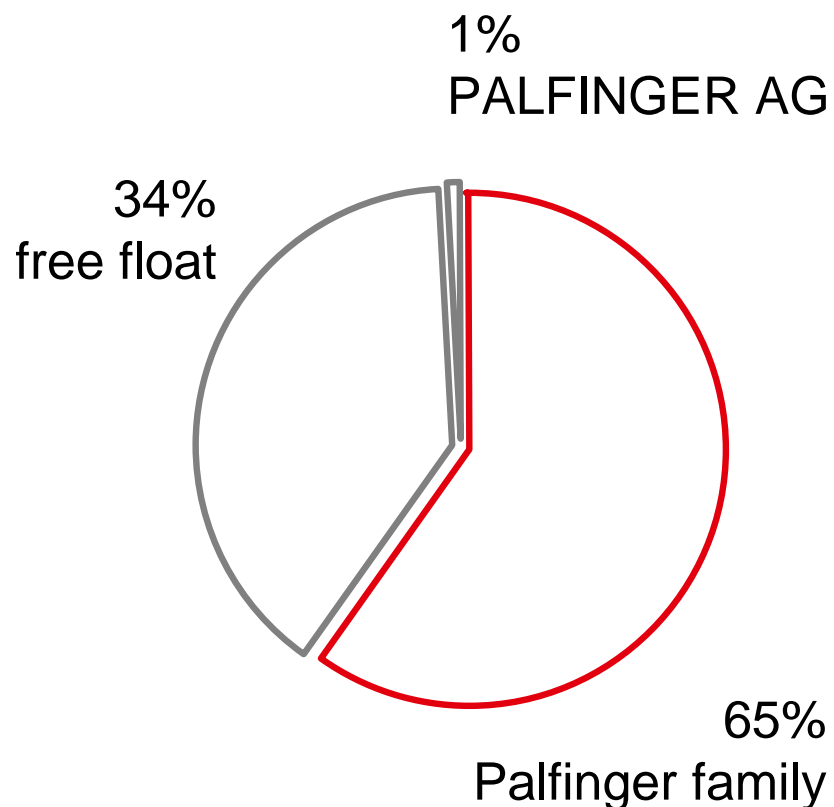
➔ Long-term financial structure,  
2012 promissory note loan issued

# FINANCING STRUCTURE AS AT 30 SEPTEMBER 2013



Ø Interest rate	3.04%
Ø Remaining time to maturity	2.52 years
Financial assets	EUR 13.4m
Equity ratio	44.4%

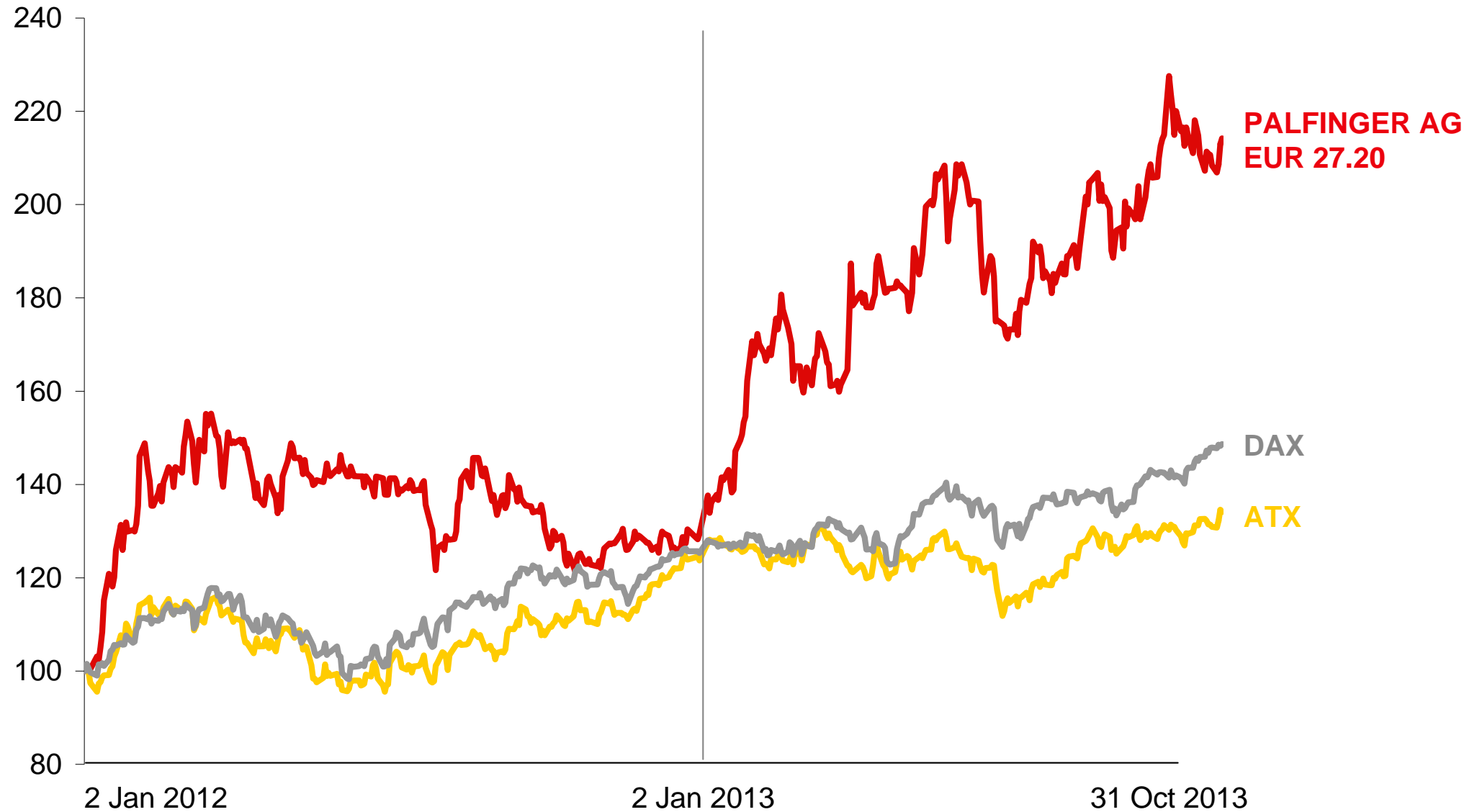
## SHAREHOLDER STRUCTURE



## SHAREHOLDER INFORMATION AS AT 30 SEPTEMBER 2013

ISIN	AT0000758305
Number of shares	35,730,000
thereof own shares	328,090
Share price as at end of period	EUR 28.90
Market capitalization	EUR 1,032.6m
Earnings per share	EUR 0.97

# PERFORMANCE OF PALFINGER SHARES SINCE 2012



Berenberg Bank

HSBC

Deutsche Bank

Kepler Cheuvreux

Erste Group

RCB

Goldman Sachs

UBS

Hauck & Aufhäuser

Earnings Estimates – consensus (EUR million)	2013e	2014e
Revenue	992.6	1,091.3
EBIT	76.1	98.6
Earnings per share (EUR)	1.35	1.73

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17 February 2014	Balance sheet press conference
12 March 2014	Annual General Meeting
14 March 2014	Ex-dividend day
18 March 2014	Dividend payment day
7 May 2014	Publication of results for the first quarter of 2014
7 August 2014	Publication of results for the first half of 2014
7 November 2014	Publication of results for the first three quarters of 2014

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