

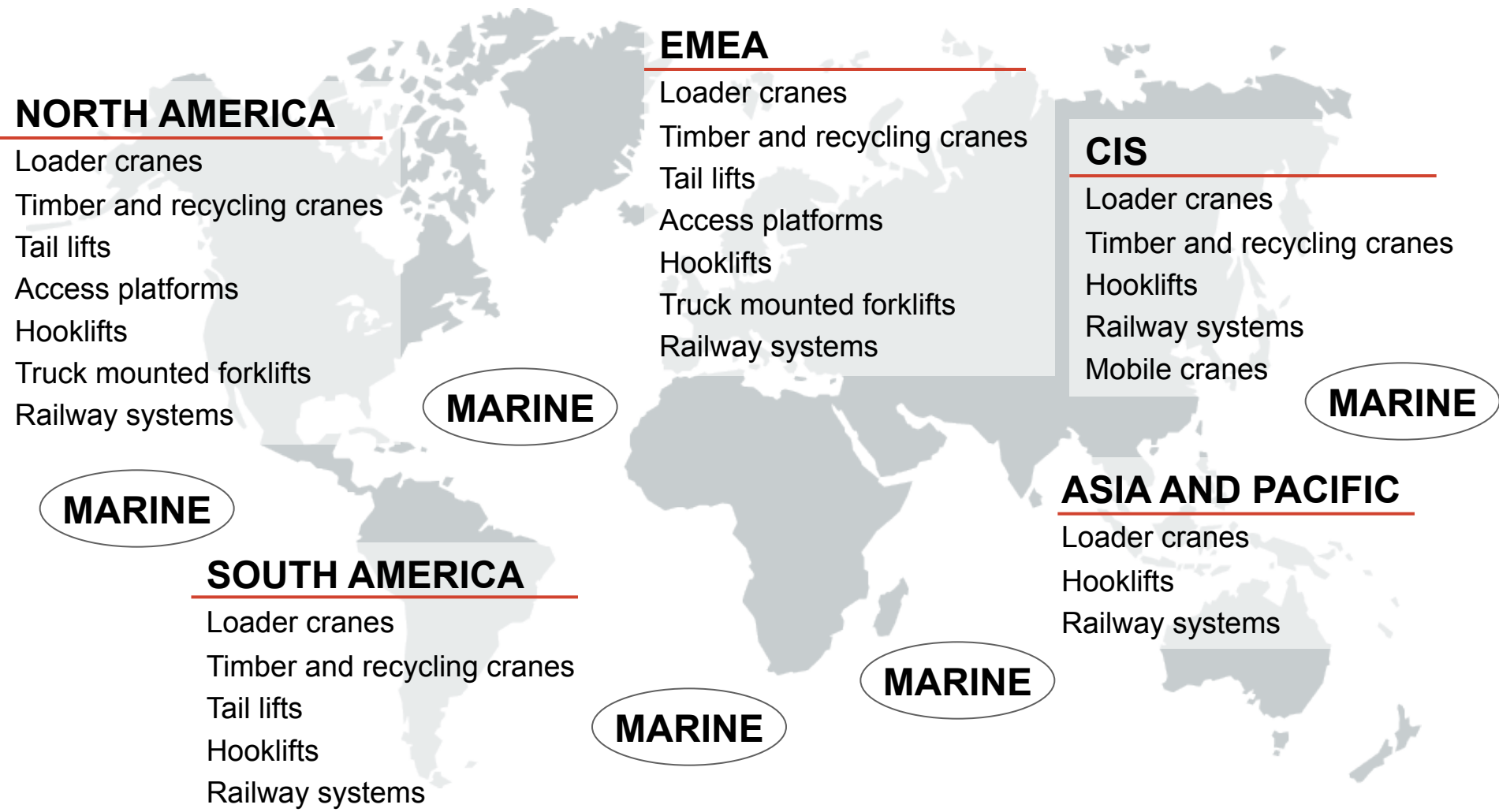
# **PALFINGER AG**

**Presentation on the third quarter of 2014**

**November 2014**

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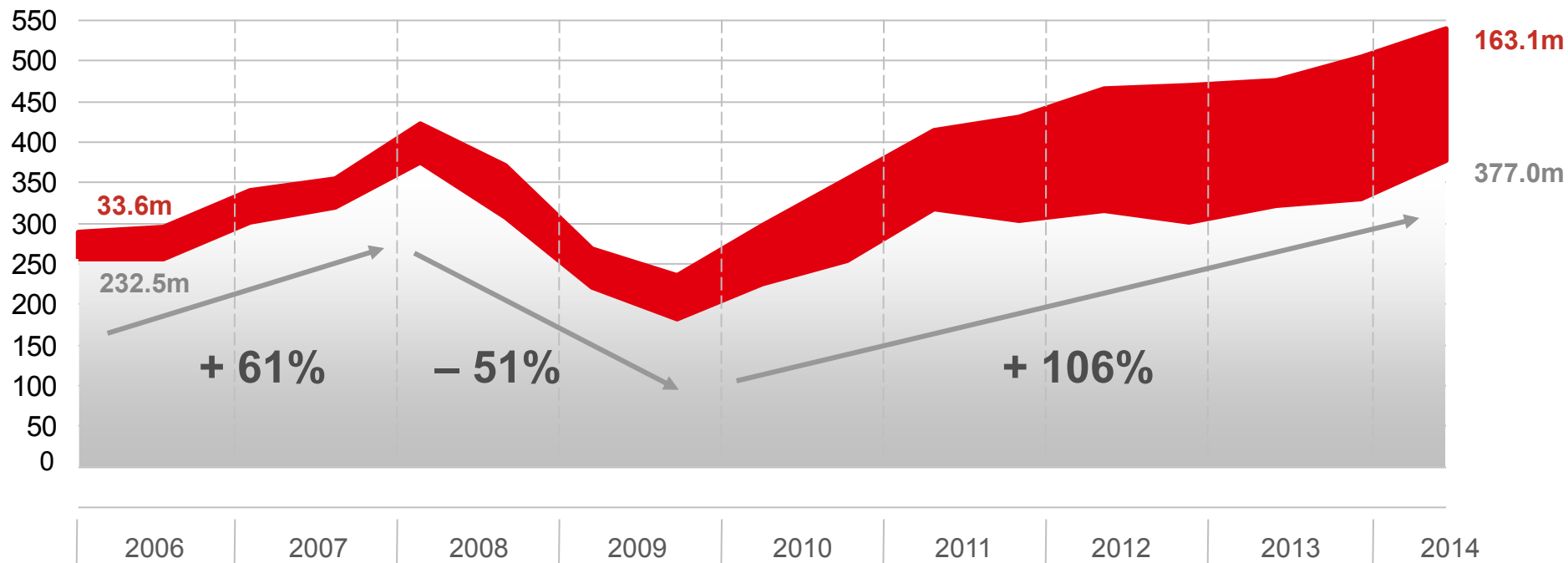
# 5 CONTINENTS – 7 OCEANS



## REVENUE, GROWTH AND VOLATILITY (HALF YEAR)

■ AREA UNITS from 2006 to 2014: + 385%

■ EUROPEAN UNITS from 2006 to 2014: + 62%



➔ Internationalization as basis for revenue growth  
Flexibility as basis for profitability

- 
- Leading international manufacturer of innovative lifting solutions
    - » World market leader in loader cranes, marine cranes, wind cranes and hooklifts
    - » 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 (36 manufacturing and assembly locations)
  - Strategic pillars: innovation – internationalization – flexibility
  
  - **Maintaining and expanding the Group's competitive edge**

- 
- Performance satisfactory in light of economic situation
    - » Internationalization proved its worth
    - » Growth boost in Marine business area
    - » Leading market position expanded further
  - Increase in revenue of 11% to EUR 795.1 million
  - EBIT declined by 0.6% to EUR 55.6 million
    - » Increases in sales in Europe in HY1, for the first time also in Southern Europe
    - » Decline in orders in Europe since the summer will affect EBIT for 2014, dynamic development of non-European markets continued
    - » Increase of approx. 10% in the marine business
    - » AREA UNITS made up for weak Q1

### → Joint venture in China

- » Sales development highly satisfactory
- » Construction of new production plant near Shanghai about to be completed
- » Start of operations in Q4 2014
- » Cross shareholding with SANY completed

### → Expansion in Russia

- » Acquisition of PM-Group concluded
- » 2 joint ventures with KAMAZ

### → HIDRO-GRUBERT

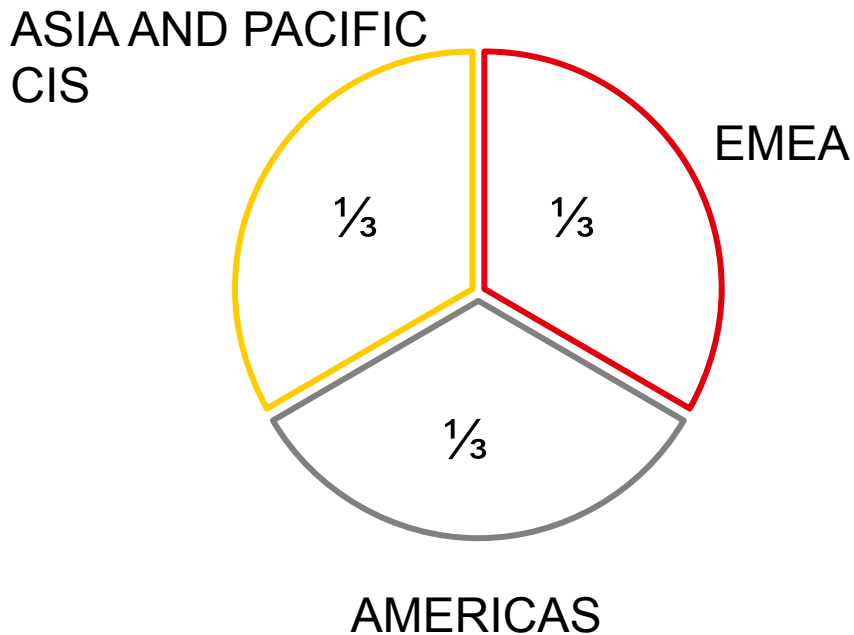
- » Minority shareholding in Argentinian manufacturer of access platforms
- » Staff of 200, revenue in 2013: USD 16.1 million

### → Increasing flexibility and capital employed management

# STRATEGY

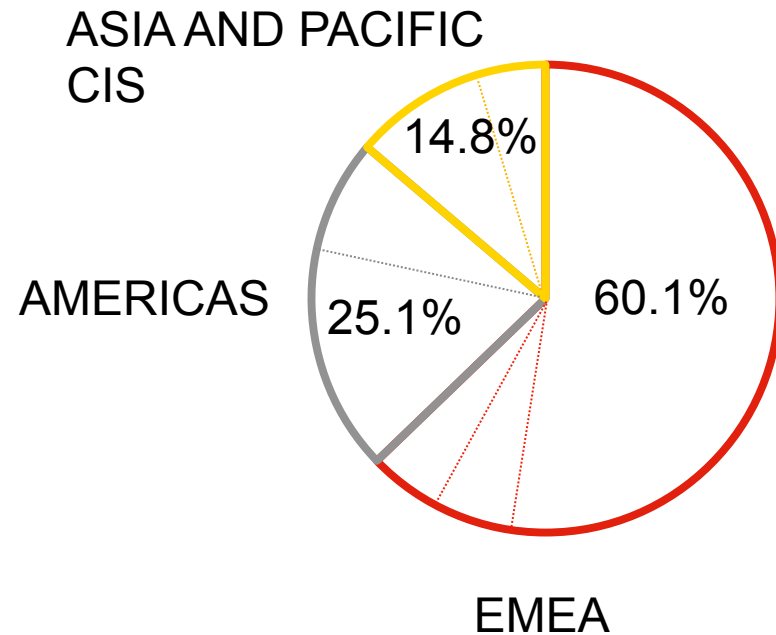
## STRATEGIC TARGET 2017

approx. EUR 1.8 billion



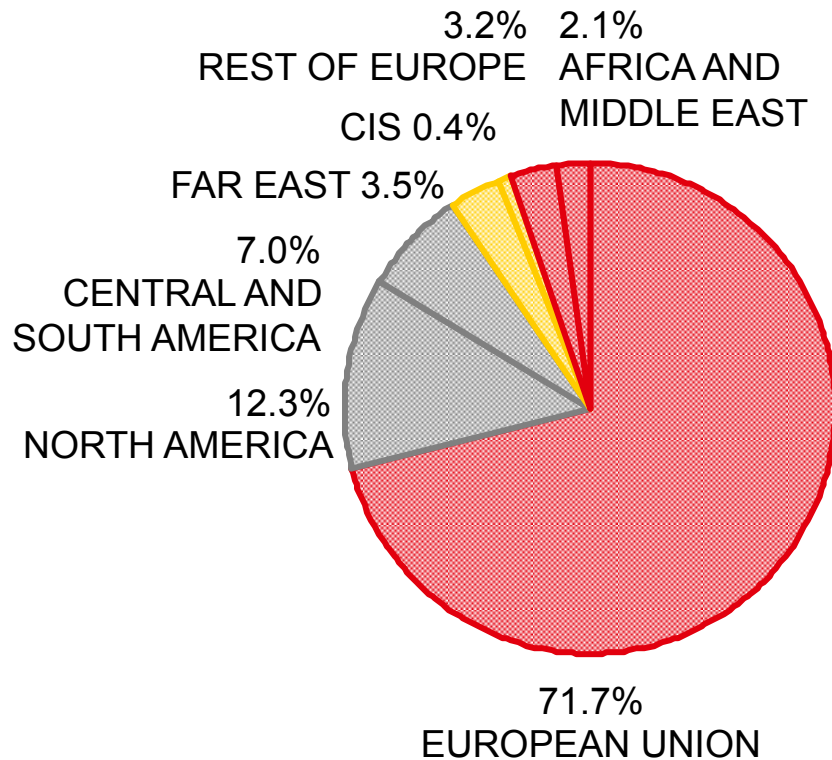
## REVENUE Q1-Q3 2014

EUR 795.1 million

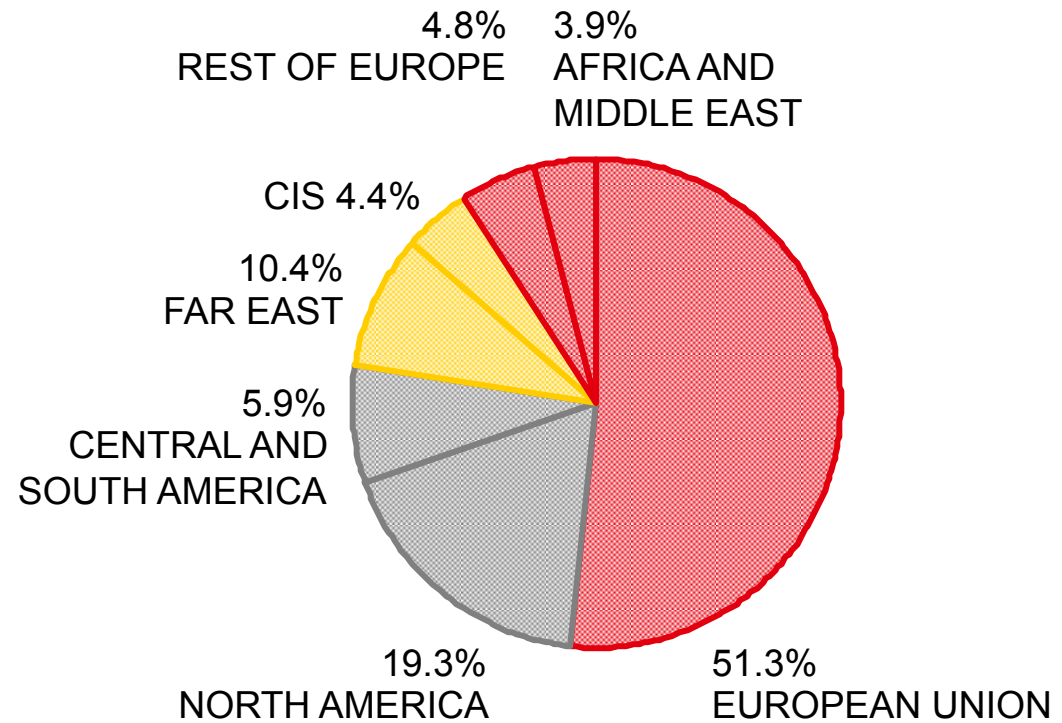




## REVENUE 2009



## REVENUE Q1-Q3 2014



- Growth, primarily in BRIC countries
  - Completion of product portfolio in all regions
  - 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

# SEGMENTS

## SEGMENT REVENUE

	Q1–Q3 2013	Q1–Q3 2014	%
EUROPEAN UNITS	479.2	545.8	+ 13.9%
AREA UNITS	236.9	249.3	+ 5.2%
VENTURES	–	–	–

## SEGMENT EBIT

	Q1–Q3 2013	Q1–Q3 2014	%
EUROPEAN UNITS	62.3	62.2	(0.2%)
AREA UNITS	7.3	6.4	(12.3%)
VENTURES	(13.2)	(12.4)	(6.1%)

- Still a mixed picture in Europe, weak demand in Q3, increase in revenue of 13.9%
  - » Business units Loader Cranes, EPSILON, Truck Mounted Forklifts and Production posted increases
  - » Other business units stagnated or recorded declines in revenue
  - » Germany, Austria, Switzerland and the Netherlands saw growth rates, market in Southern Europe stimulated for the first time in years
  - » Decline in incoming orders in Europe, primarily in cranes
- Continuous growth in global Marine business area
  - » New Boats business unit with production facilities in Vietnam
  - » Since 1 August, all marine business activities under joint management

- Revenue increased by 5.2%
  - » North America marked by harsh winter, Q2 and Q3 extremely successful again
  - » South America suffered losses caused by exchange rate developments and reduction in public funding
  - » Asia reported substantial increases, sales in China above budget
  - » New production facilities in CIS planned, start of operations in HY1
  - » New production facilities in China to start operations in Q4
- Negative EBIT of Q1 compensated, EUR 6.4 million in Q3

- Focus on integration of companies acquired in 2013
  - » Cross shareholding with SANY
  - » Interest in HIDRO-GRUBERT
  - » Preparation of integration of PM-Group
  - » Introduction of access platforms in China
  - » Consolidation of Marine and Systems/Megarme
  - » Preparation of further acquisitions for the Marine business area
- Continuation of cost-related and structural programmes

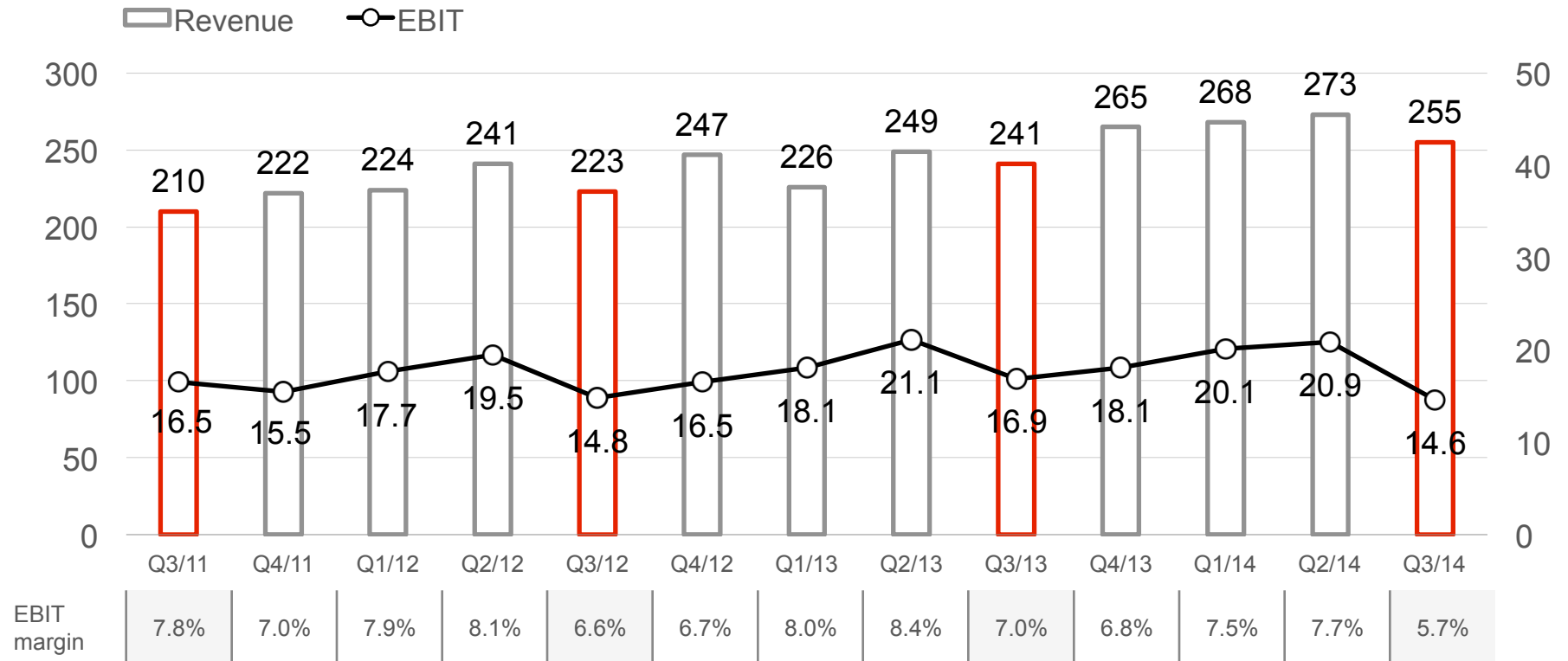
# KEY FINANCIALS



# KEY FIGURES

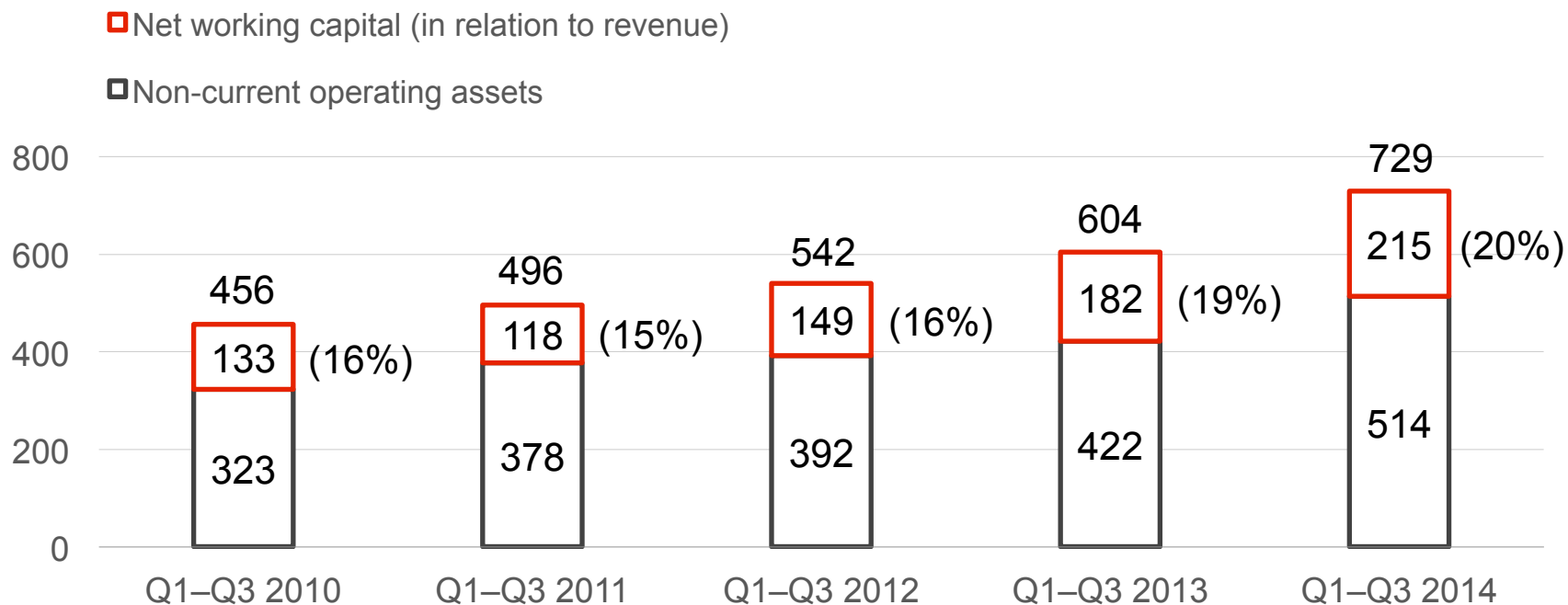
	Q1–Q3 2012	Q1–Q3 2013	Q1–Q3 2014	%
Revenue	688.2	716.1	795.1	+ 11.0%
EBITDA	74.4	79.3	81.7	+ 3.0%
EBITDA margin	10.8%	11.1%	10.3	–
EBIT	52.0	56.0	55.6	(0.7%)
EBIT margin	7.5%	7.8%	7.0%	–
Result before income tax	43.9	46.3	47.9	+ 3.5%
Consolidated net result for the period	31.7	34.3	32.4	(5.5%)

# QUARTERLY FIGURES



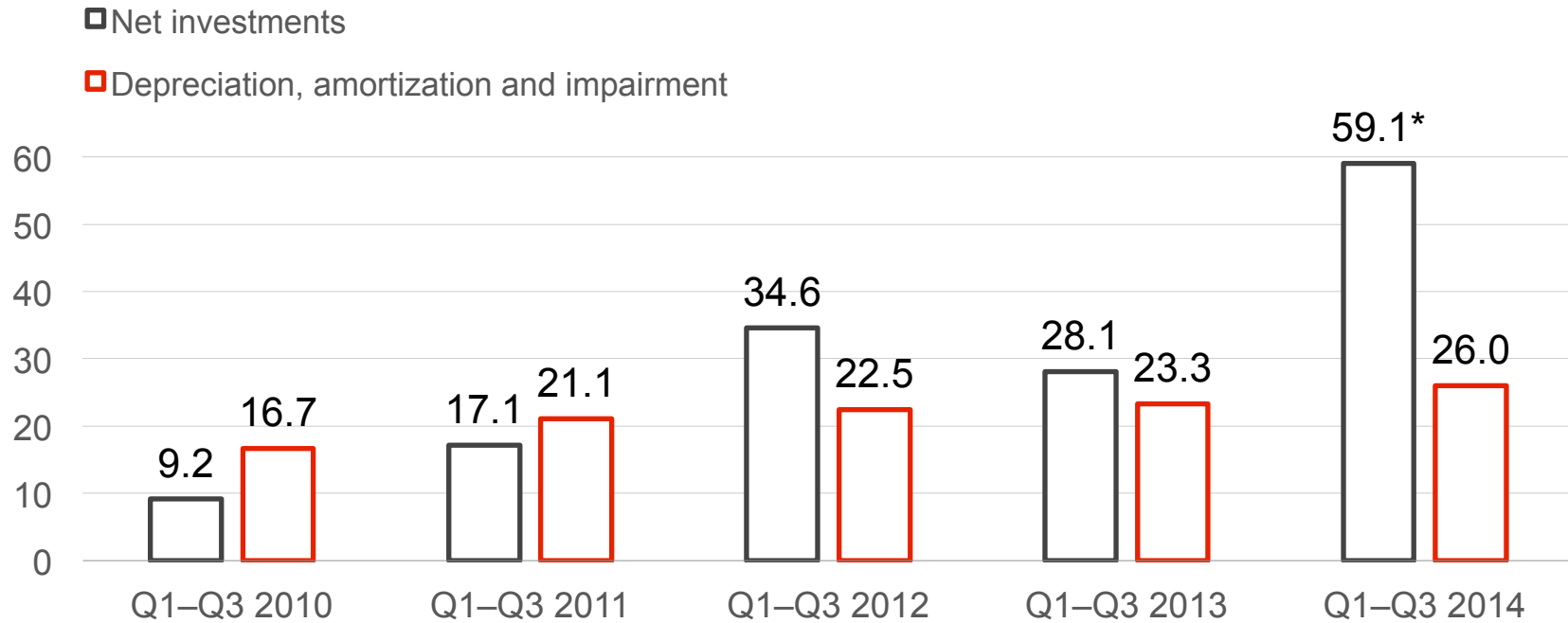
**➔ Continuation of growth in revenue**

# CAPITAL EMPLOYED\*



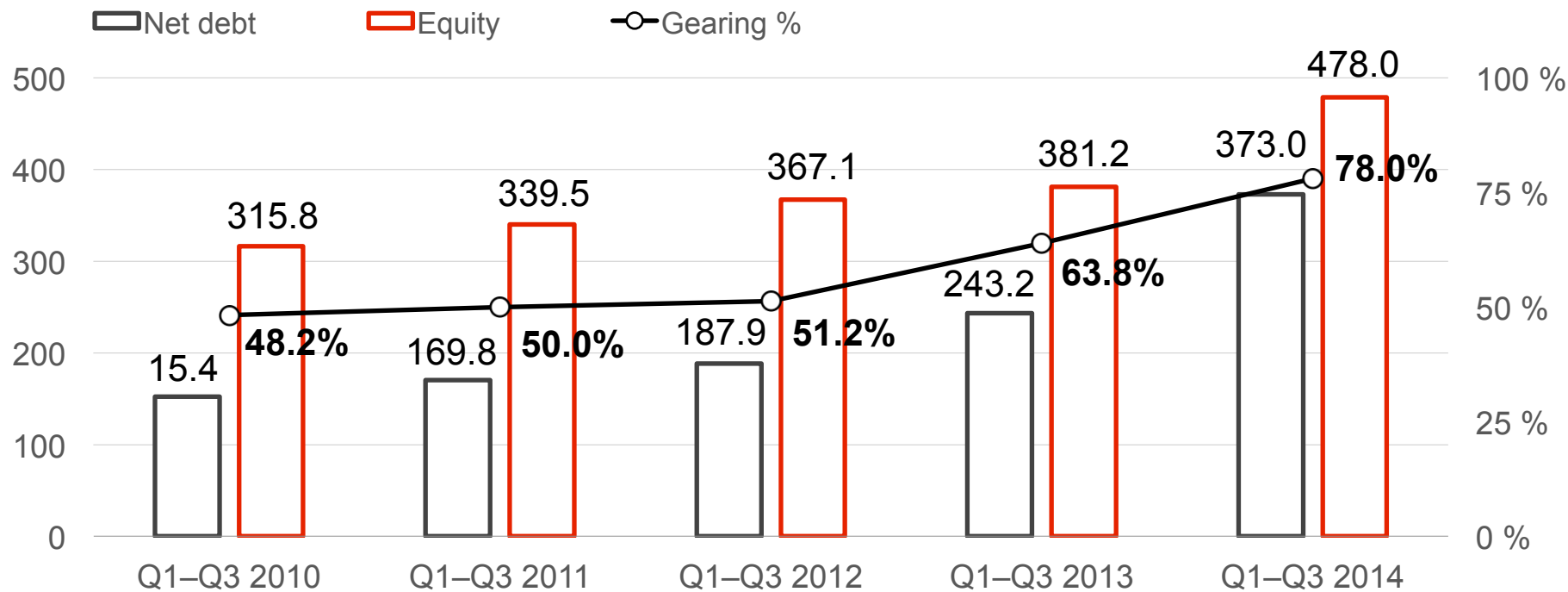
➔ Increase through expansion of business volume, net working capital as percentage of revenue at low level

\* Average.



\* Adjusted by acquisition of interest in SANY,  
total: EUR169,089 thousand

# GEARING RATIO AND EQUITY



➔ Equity increased by EUR 96.8 million

# FREE CASH FLOWS

	Q1–Q3 2012	Q1–Q3 2013	Q1–Q3 2014
<b>EBTDA</b>	<b>66.4</b>	<b>69.6</b>	<b>73.6</b>
+/- Non-cash result from companies at equity	(2.2)	(6.8)	(1.0)
+/- Change in working capital	(23.7)	(28.7)	(64.8)
+/- Cash flows from tax payments	(9.5)	(5.0)	(4.7)
<b>Cash flows from operating activities</b>	<b>31.0</b>	<b>29.1</b>	<b>3.1</b>
+/- Cash flows from investing activities	(36.6)	(28.7)	(175.8)
<b>Cash flows after changes in working capital &amp; investments</b>	<b>(5.6)</b>	<b>0.4</b>	<b>(172.7)</b>
+/- Cash flows from interest on borrowings adjusted by tax expense	5.6	6.6	7.2
<b>Free cash flows</b>	<b>0.0</b>	<b>7.0</b>	<b>(165.5)</b>
Cash flows from equity/investor capital	(22.2)	(19.3)	36.5
Cash flows from net debt	27.8	18.9	136.2

# OUTLOOK

- Internationalization strategy to be continued
  - » Completion of product portfolio in all markets
  - » Focus on China and Russia
- Joint management of Marine business area to ensure high pace of growth
- Further increase in flexibility (lean administration)
  - » Fixed-cost control of processes in production and administration
  - » Reducing complexity, also in global organizational structure
- Alignment of production structures: global benefits – local requirements



- Weak demand in Europe and South America
- Growth expected in other regions, but political tensions influence customers' investment behaviour
  
- Once again, record revenue is expected, but decline in earnings is likely

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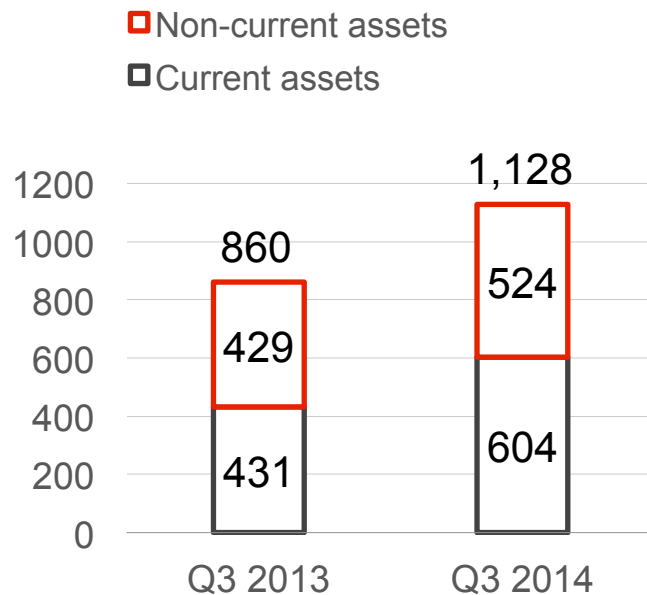
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This presentation contains forward-looking statements made on the basis of all information available at the time of preparation of this presentation. Actual outcomes and results may be different from those predicted.

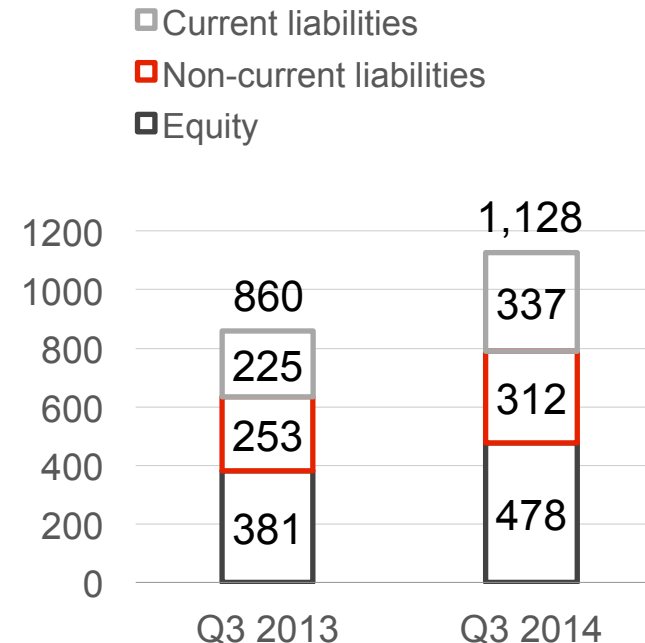
# **BACK UP**

# BALANCE SHEET STRUCTURE

## ASSETS

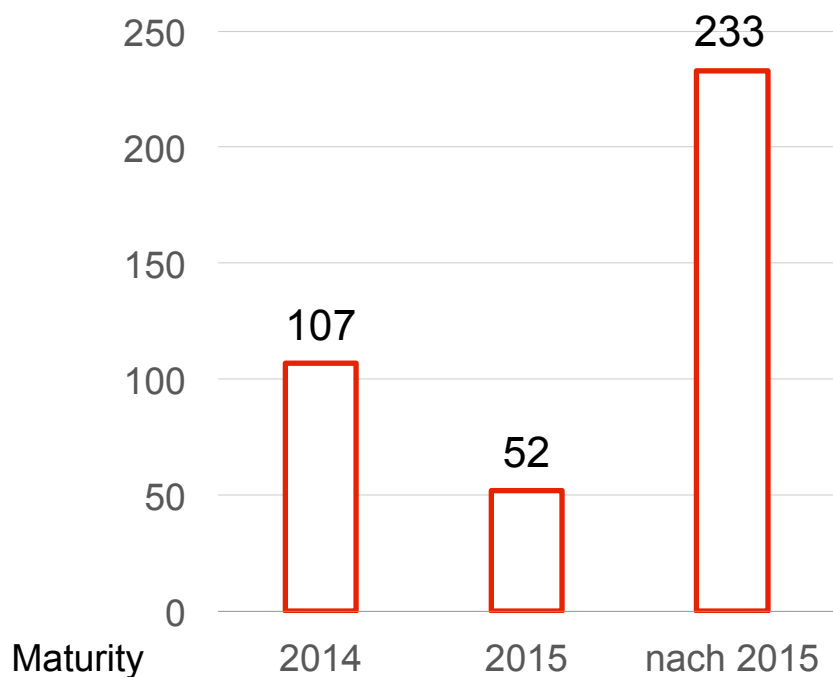


## LIABILITIES



➔ Long-term financial structure;  
loan raised by issuing promissory notes in October

# FINANCING STRUCTURE AS AT 30 SEPT 2014

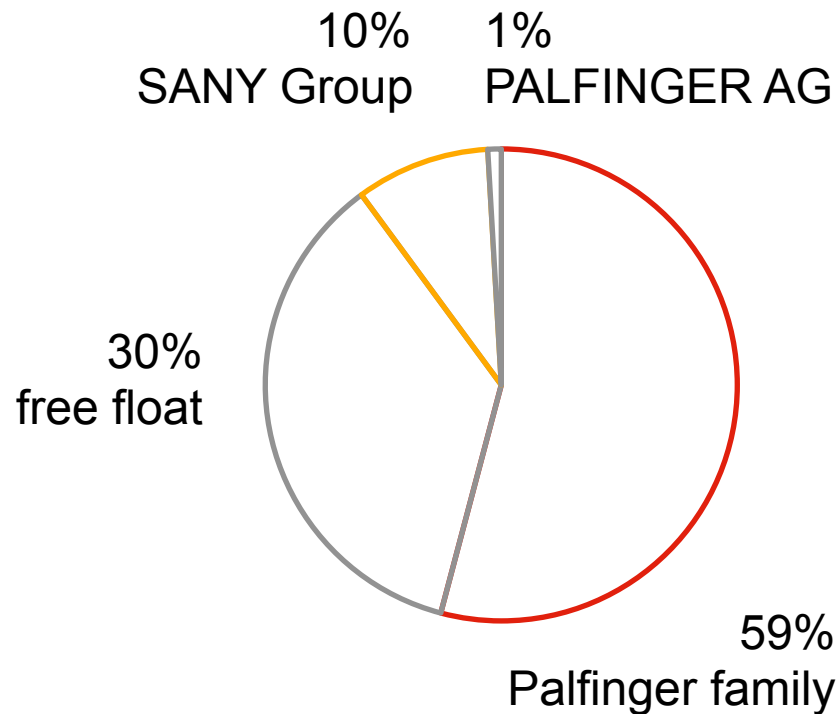


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Ø Interest rate	2.29%
Ø Remaining time to maturity	2.5 years
Financial assets	EUR 22.0m
Equity ratio	42.4%

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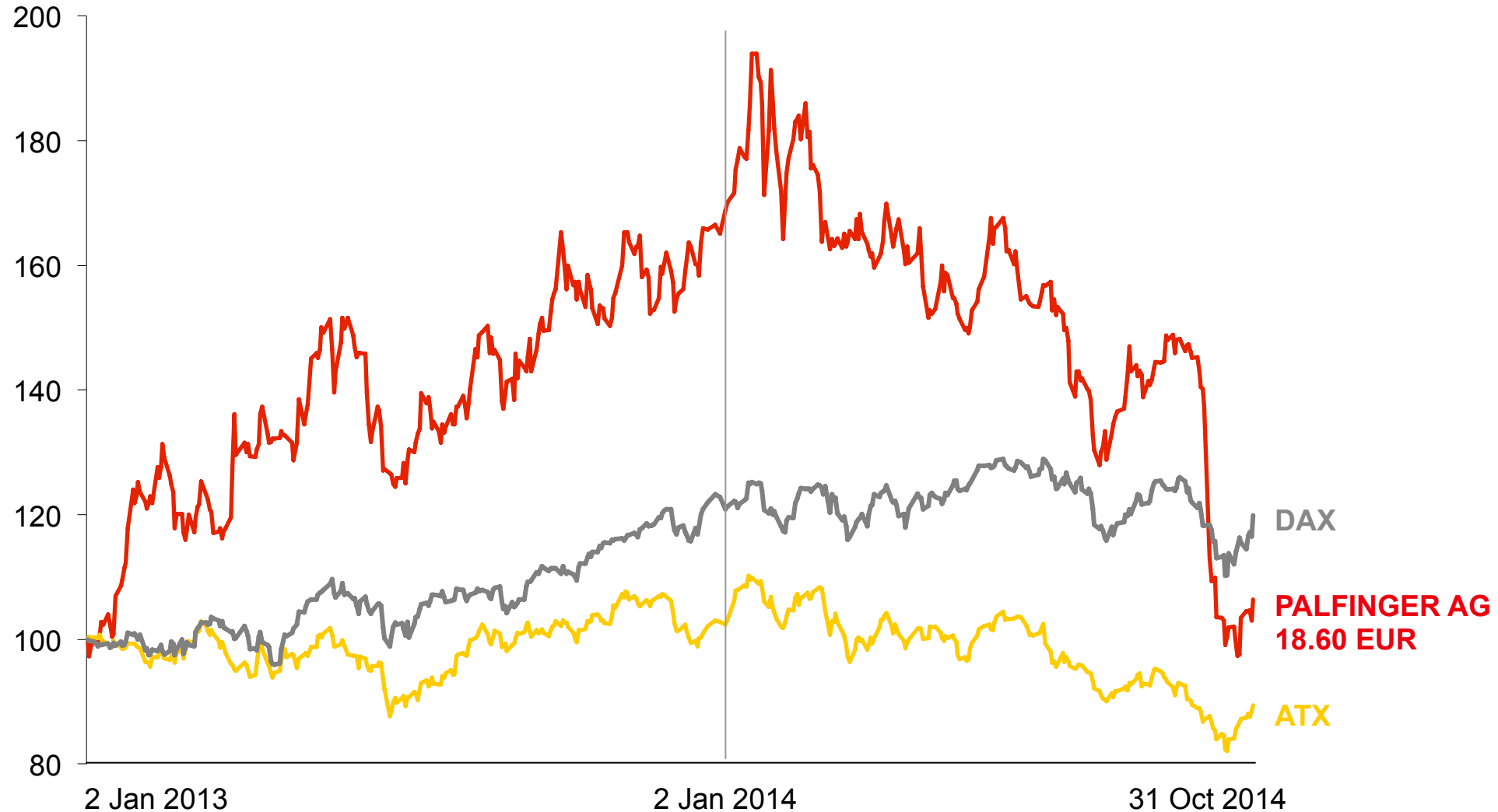
## SHAREHOLDER STRUCTURE



## SHAREHOLDER INFORMATION AS AT 30 SEPT 2014

ISIN	AT0000758305
Number of shares thereof own shares	37,593,258 291,968
Share price as at end of period	EUR 25.00
Market capitalization	EUR 939.8m
Earnings per share	EUR 0.89

# PERFORMANCE OF PALFINGER SHARES SINCE 2013



Berenberg Bank

HSBC

Deutsche Bank

Kepler Cheuvreux

Erste Group

RCB

Goldman Sachs

UBS

Hauck & Aufhäuser

Earnings Estimates – Consensus (in Mio EUR)	2014e	2015e
Umsatz	1,025.3	1,082.5
EBIT	67.2	84.3
Ergebnis je Aktie (in EUR)	1.03	1.34



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6 February 2015	Balance sheet press conference
11 March 2015	Annual General Meeting
13 March 2015	Ex-dividend day
17 March 2015	Dividend payment day
30 April 2015	Publication of the results for the first quarter of 2015
30 July 2015	Publication of the results for the first half of 2015
30 October 2015	Publication of the results for the first three quarters of 2015

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