

PALFINGER AG

Strong demand from Europe as a growth engine

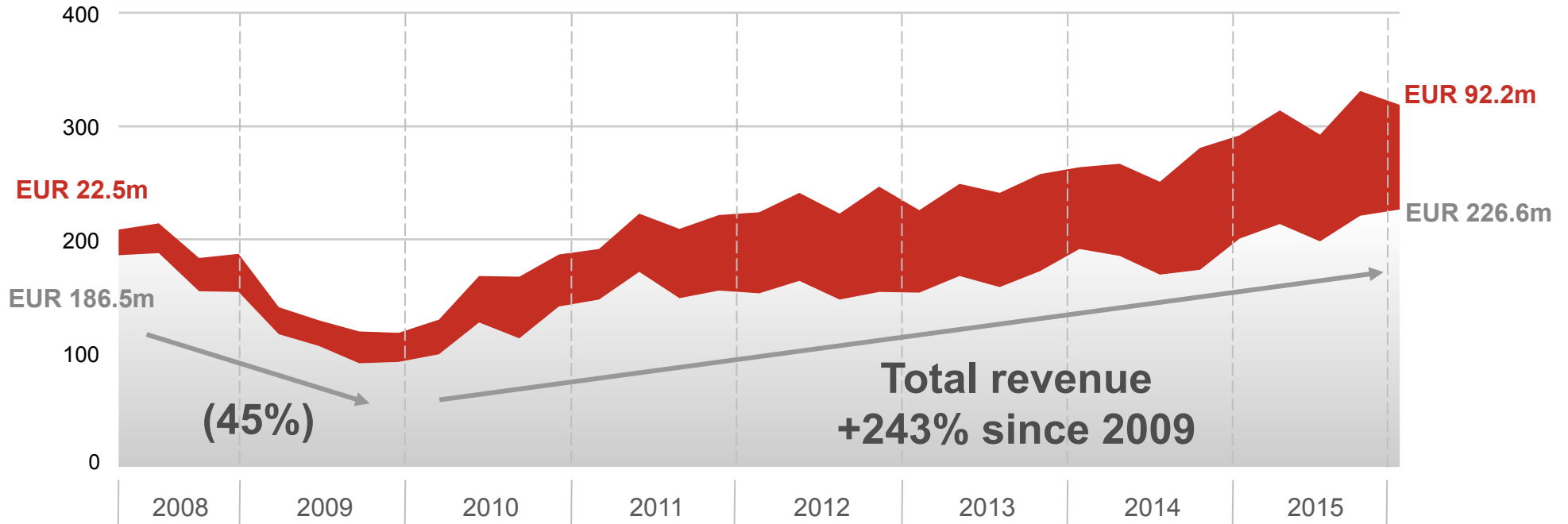
**Presentation on the results for the first quarter of 2016
April 2016**

ONGOING MARKET VOLATILITY

REVENUE, GROWTH AND VOLATILITY (QUARTERS)

■ AREA UNITS from 2008 to 2015: +388%

■ EUROPEAN UNITS from 2008 to 2015: +19%



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

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- Q1 2016 marked by revenue growth and substantial increase in earnings
 - » Growth achieved in Europe and North America
 - » Demand for loader cranes strong in Europe
 - » Local value creation in Russia proved its worth
 - » Joint venture with SANY in China was successful
 - » Marine business affected by oil and gas industry's low propensity to invest
 - » South America affected by shrinking market volume
 - Revenue rose by 9.1% to EUR 318.8 million
 - EBIT increased by 28.6% to EUR 30.2 million

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- Acquisition of distribution partner in Spain and foundation of PALFINGER Ibérica
 - » 75% share held by PALFINGER
 - » Sale of loader cranes, timber and recycling cranes, hooklifts, access platforms and marine products in Spain and Portugal
 - » Market gradually recovering from total collapse in 2009

 - Flexibility enhancement and capital employed management as a continuous process
 - » Implemented measures proved their worth in current situation
 - » Continuation in all areas, including administration
 - » New structure for PALFINGER MARINE
 - » Country-wise grouping of companies

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- Growth, primarily in North America, CIS, China and the marine business
 - Completion of product portfolio in all regions
 - Development of China into second domestic market
 - Global balance of production and proximity to customers
 - Expansion of market 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*

* including the not fully-consolidated joint venture companies

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- 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 5,000 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**

5 CONTINENTS – 7 OCEANS

NORTH AMERICA

- Loader cranes
- Timber and recycling cranes
- Tail lifts
- Access platforms
- Hooklifts
- Truck mounted forklifts
- Railway systems

MARINE

MARINE

SOUTH AMERICA

- Loader cranes
- Timber and recycling cranes
- Tail lifts
- Access platforms
- Hooklifts
- Railway systems

MARINE

EMEA

- Loader cranes
- Timber and recycling cranes
- Tail lifts
- Access platforms
- Hooklifts
- Truck mounted forklifts
- Railway systems

CIS

- Loader cranes
- Timber and recycling cranes
- Tail lifts
- Access platforms
- Hooklifts
- Railway systems
- Mobile cranes

MARINE

ASIA AND PACIFIC

- Loader cranes
- Timber and recycling cranes
- Tail lifts
- Access platforms
- Hooklifts
- Railway systems

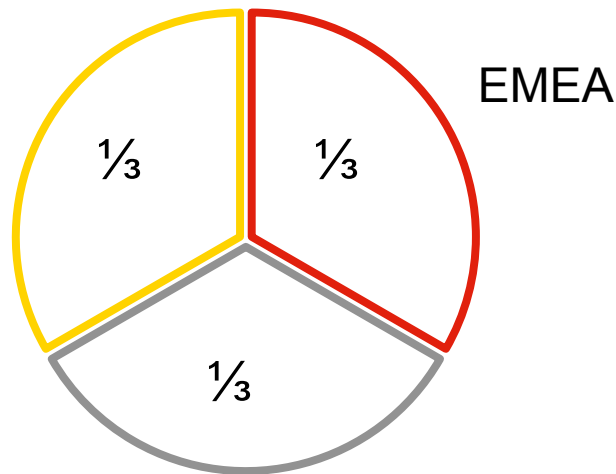
MARINE

STRATEGY

STRATEGIC TARGET 2017

approx. EUR 1.8bn*

ASIA AND PACIFIC
CIS

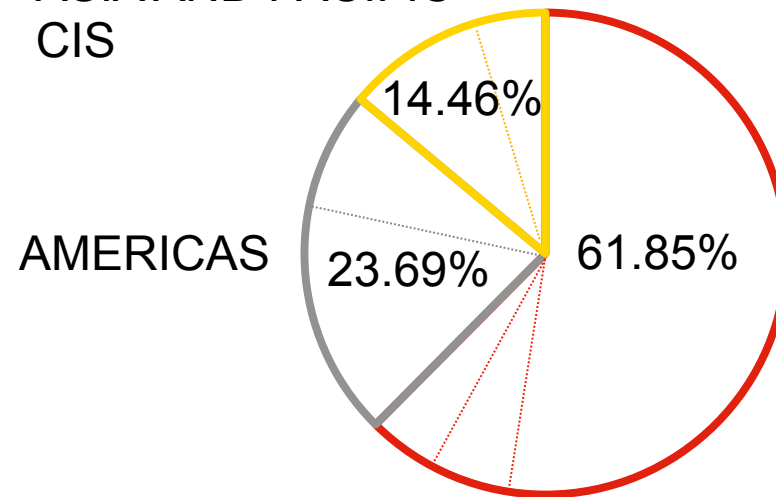


AMERICAS

REVENUE Q1 2016

EUR 318.8m

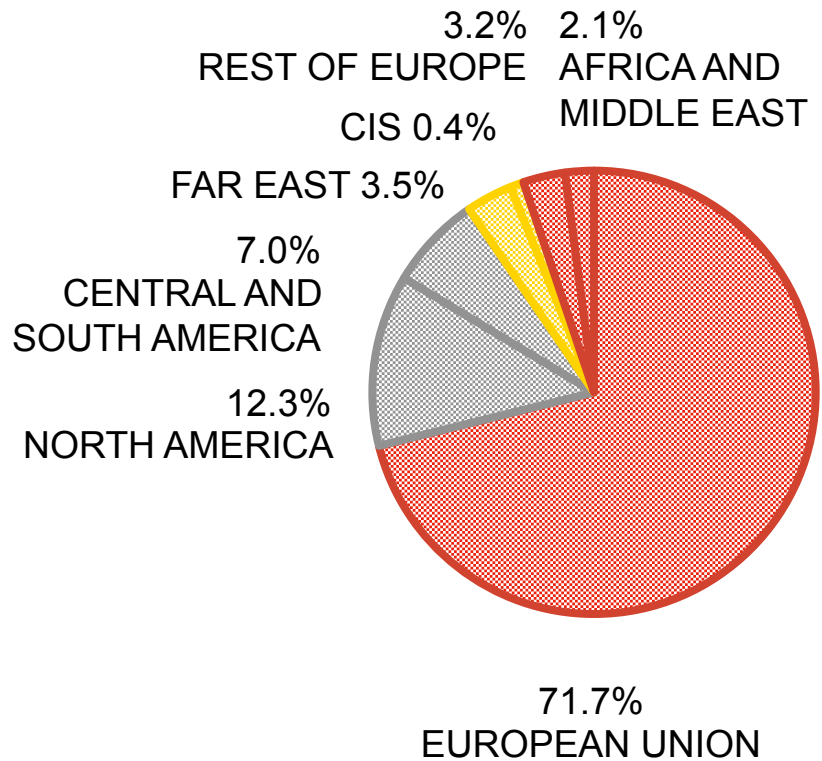
ASIA AND PACIFIC
CIS



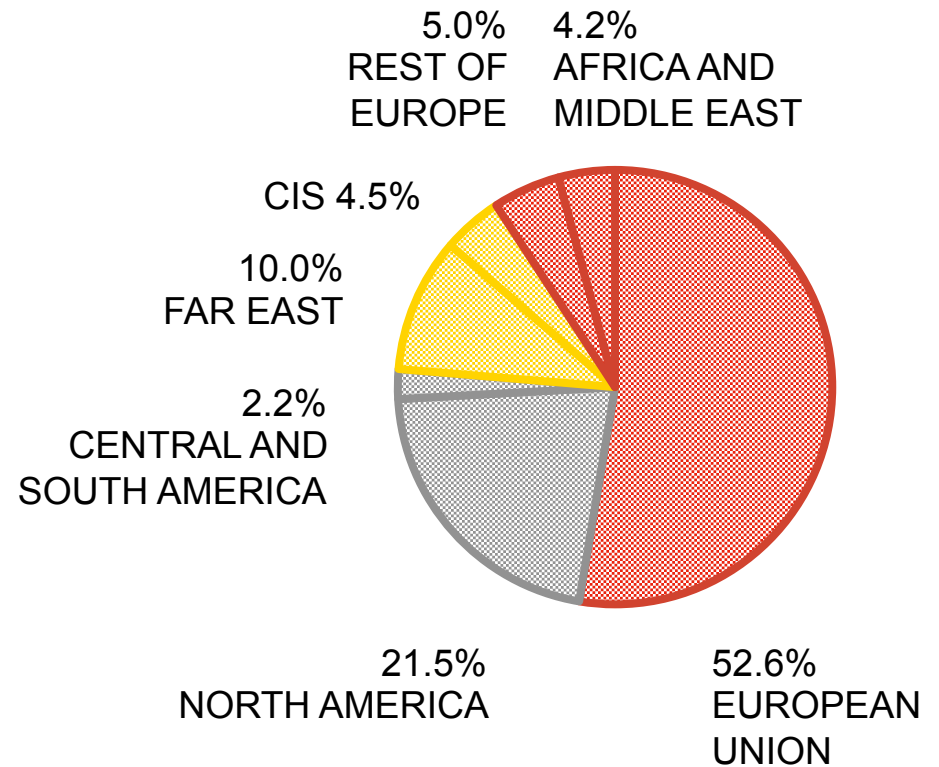
EMEA

* Including JVs in China and Russia

REVENUE 2009



REVENUE Q1 2016



SEGMENTS

SEGMENT REVENUE

	Q1 2015	Q1 2016	%
EUROPEAN UNITS	200.7	226.6	+12.9%
AREA UNITS	91.6	92.2	+0.7%
VENTURES	–	–	–

SEGMENT EBIT

	Q1 2015	Q1 2016	%
EUROPEAN UNITS	26.2	34.0	+29.8%
AREA UNITS	1.4*	0.5	(64.3%)
VENTURES	(3.5)	(4.7)	(34.3%)

* Figures were adjusted with retrospective effect (see Annual Report 2015, pp. 146–149).

- Strong demand for loader cranes resulted in revenue growth of 12.9%
 - » Loader Cranes, Timber and Recycling Cranes, Access Platforms, Railway Systems and Hooklifts posted increases in sales
 - » Increased capacity utilization of production units – also due to production for third parties
 - » Growth recorded in Germany, France, Belgium, Ireland, Sweden, Finland, Poland, Czech Republic, Austria and Australia
 - » Satisfactory increases from a low level in Spain and Italy
 - » Decline in revenue of 13.6% in marine business
- EBIT increased extraordinarily by 29.9% to EUR 34.0 million

- Revenue increased by 0.7% to EUR 92.2 million
 - » 6.4% growth achieved in North America
 - » Structural adjustments in the course of the year will lessen earnings
 - » Local value creation in Russia fully utilized
 - » Asia recorded increases, good capacity utilization of the new plant in Rudong
 - » Business volume in South America contracted by 38.2% due to strong recession
 - » Segment's share in Group revenue decreased to 28.9%
- EBIT rose by 63.3% to EUR 0.5 million

- Focus on potential acquisitions
- Continuation of cost-related and structural programmes

KEY FINANCIALS

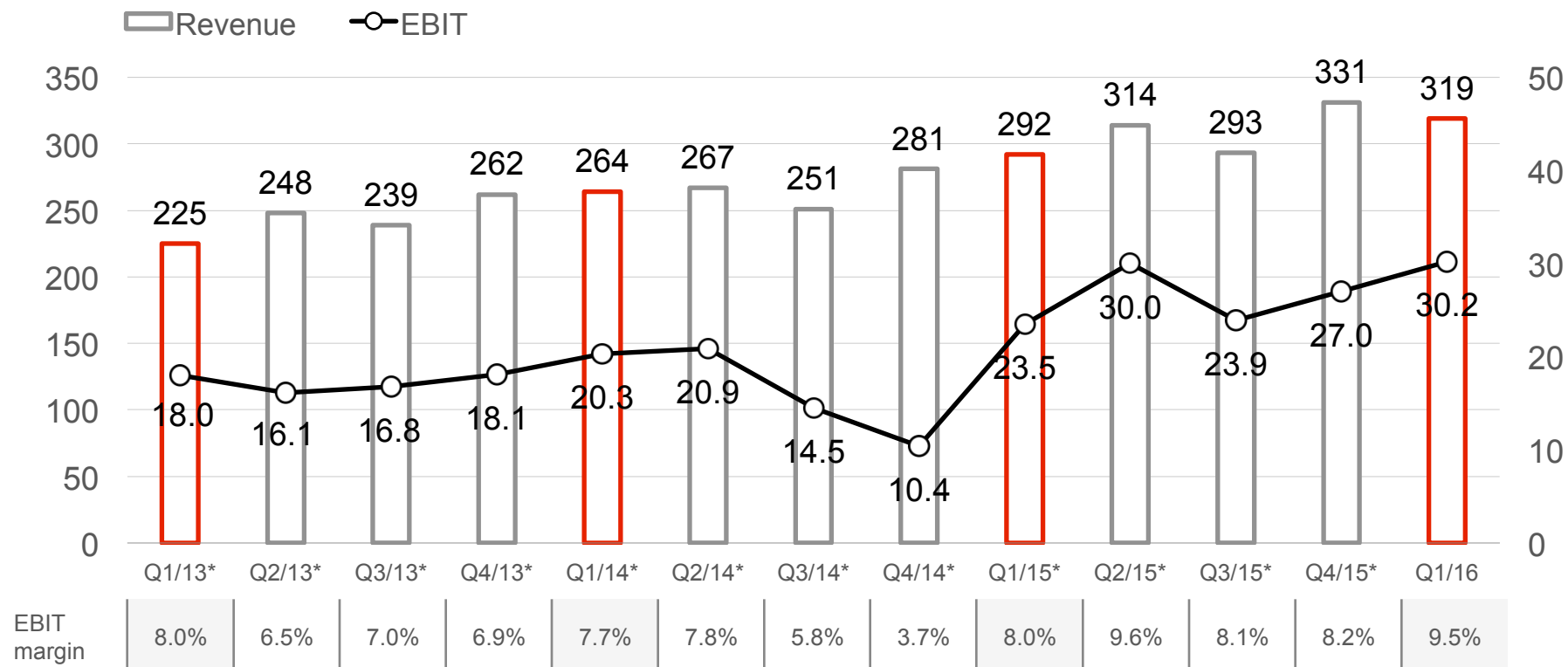
KEY FINANCIALS



	Q1 2014*	Q1 2015*	Q1 2016	%
Revenue	264.0	292.3	318.8	+9.1%
EBITDA	28.9	33.2	41.0	+23.4%
EBITDA margin	11.0%	11.4%	12.9%	–
EBIT	20.3	23.5	30.2	+28.6%
EBIT margin	7.7%	8.0%	9.5%	–
Result before income tax	17.1	20.9	27.1	+29.6%
Consolidated net result for the period	11.9	14.4	18.6	+29.0%

* Figures were adjusted with retrospective effect (see Annual Report 2015, pp. 146–149).

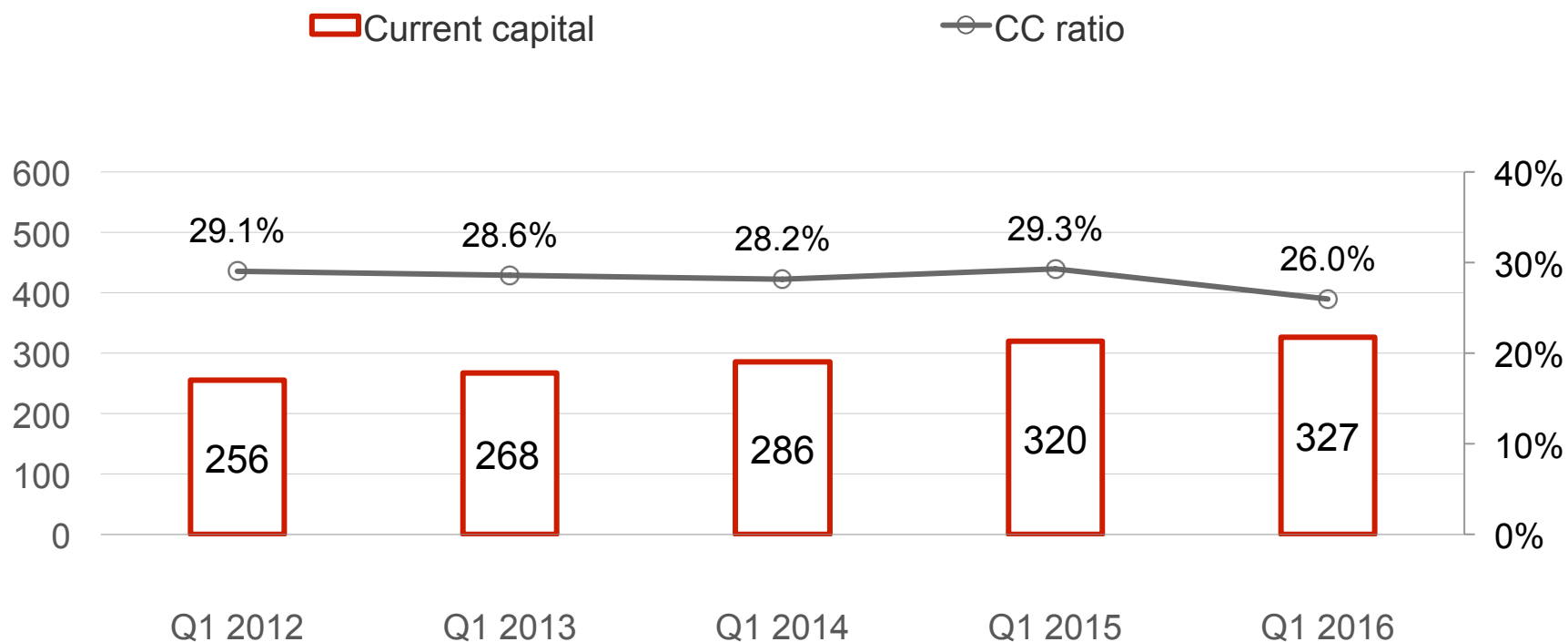
QUARTERLY FIGURES



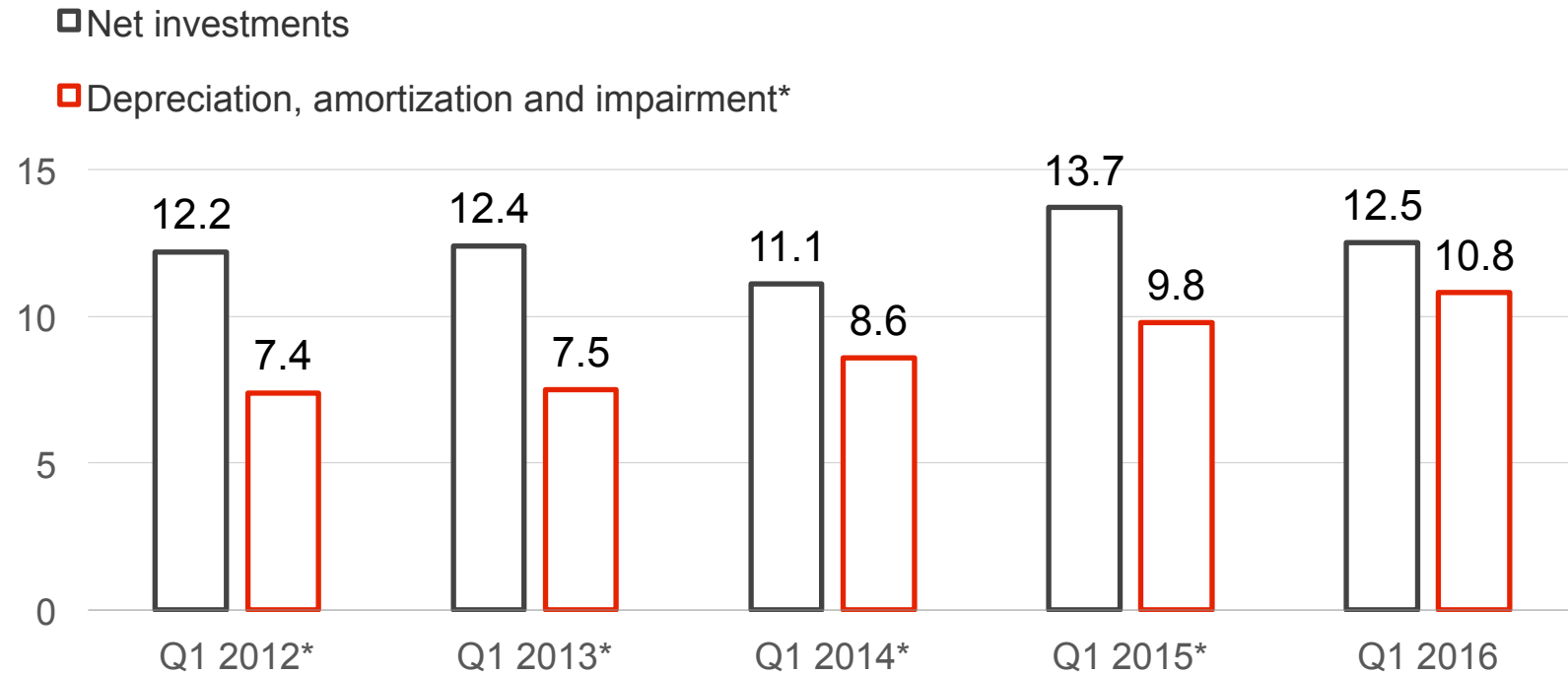
➔ Again a record level of revenue and earnings

* Figures were adjusted with retrospective effect (see Annual Report 2015, pp. 146–149).

CURRENT CAPITAL¹⁾

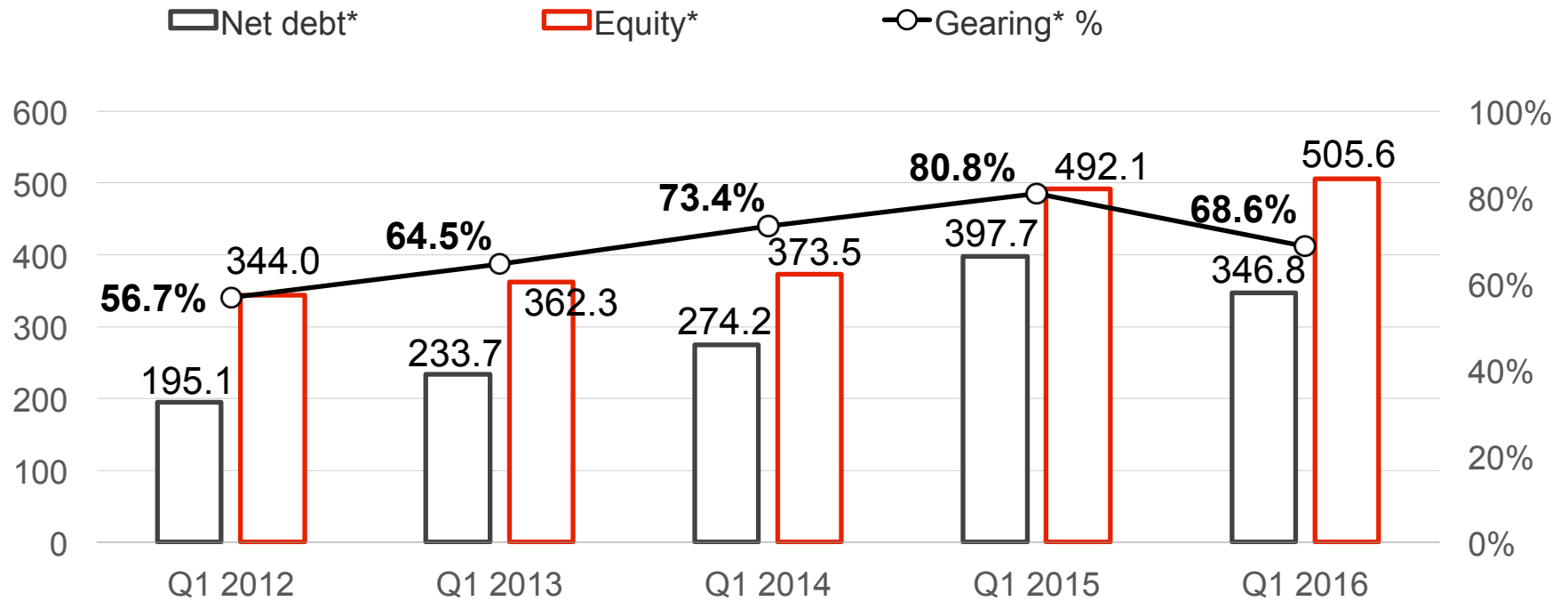


1) Average.



* Figures were adjusted with retrospective effect (see Annual Report 2015, pp. 146–149).

GEARING RATIO AND EQUITY



➔ Lower net debt and gearing

FREE CASH FLOWS

	Q1 2014*	Q1 2015*	Q1 2016
EBTDA	25.7	30.7	38.0
+/- Non-cash result from companies at equity	2.0	3.3	1.7
+/- Change in working capital	(21.0)	(25.9)	(8.1)
+/- Cash flows from tax payments	0.0	(2.1)	(0.5)
Cash flows from operating activities	6.7	6.0	31.1
+/- Cash flows from investing activities	(28.7)	(21.9)	(13.4)
Cash flows after changes in working capital & investments	(22.0)	(15.9)	17.7
+/- Cash flows from interest on borrowings adjusted by tax expense	2.1	2.5	2.2
Free cash flows	(19.9)	(13.4)	19.9
Cash flows from equity/investor capital	(19.1)	(17.9)	(20.4)
Cash flows from net debt	41.1	33.8	2.7

* Figures were adjusted with retrospective effect (see Annual Report 2015, pp. 146–149).

OUTLOOK

- Internationalization strategy to be continued
 - » Completion of product portfolio in all regions in the medium term
 - » Focus on sustainable market development in China and Russia
- Continue pushing growth in marine business in spite of declining investments by oil and gas industry
- Further increase in flexibility (lean administration)
 - » Site-related optimization programmes, savings potentials, primarily in administrative processes
 - » Reducing complexity in global organizational structure
- Alignment of production structures: global benefits – local requirements
- Sustainability management at all sites

- Visibility remains limited in Europe, but has stabilized
 - Growth achieved in non-European regions, particularly in North America; Satisfactory demand in CIS in spite of difficult conditions; South America affected by shrinking market
 - Structural adjustments in North America might limit growth in earnings
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- Continuation of revenue growth expected

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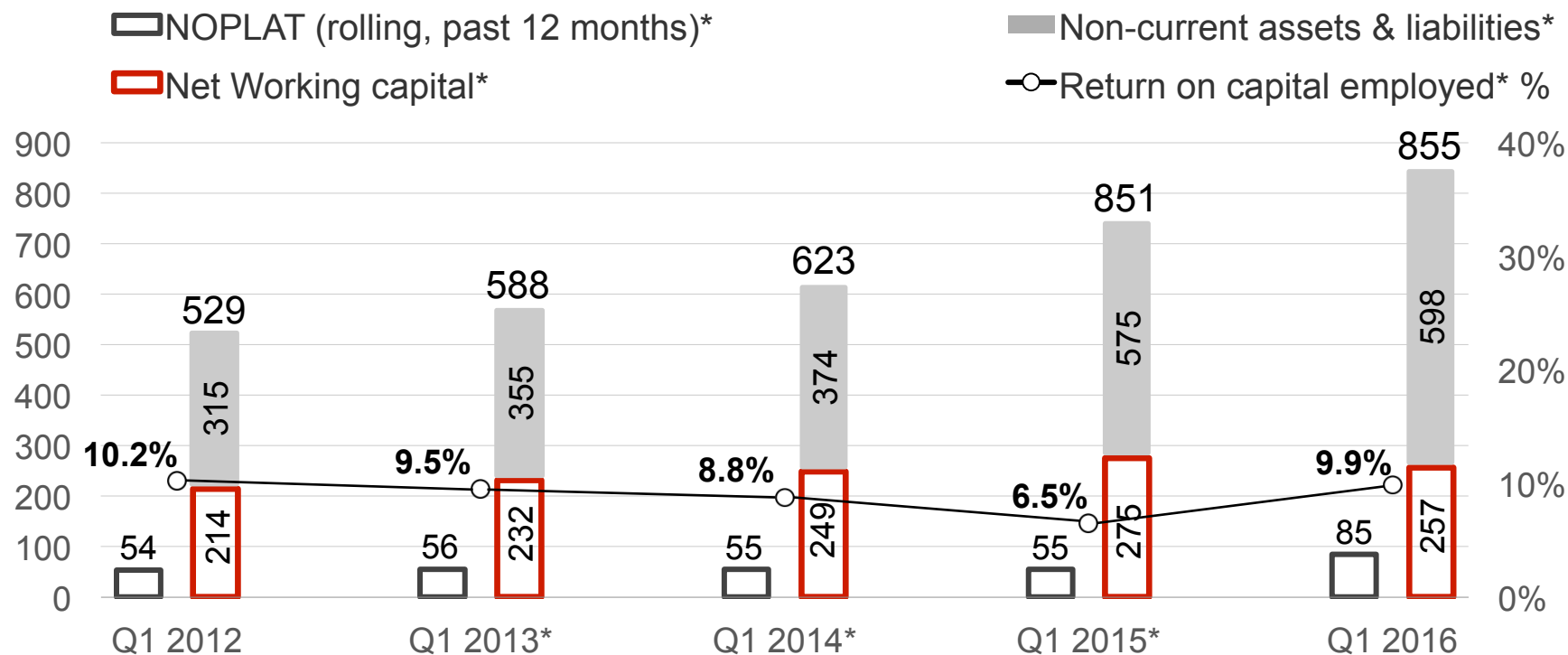
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This presentation contains forward-looking statements made on the basis of all information available at the time of preparation of this presentation. Actual outcomes and results may be different from those predicted.

BACK UP

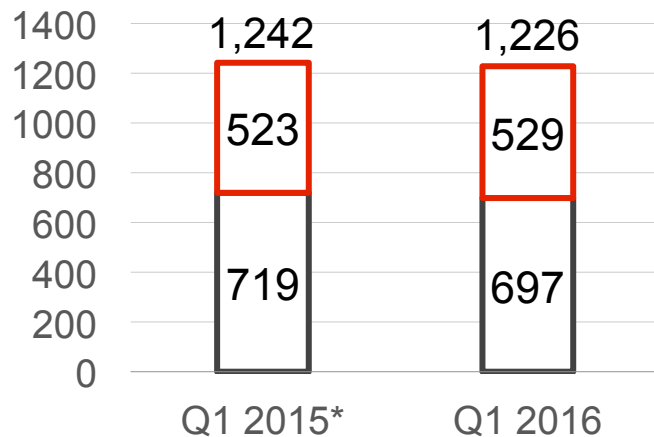
RETURN ON CAPITAL EMPLOYED



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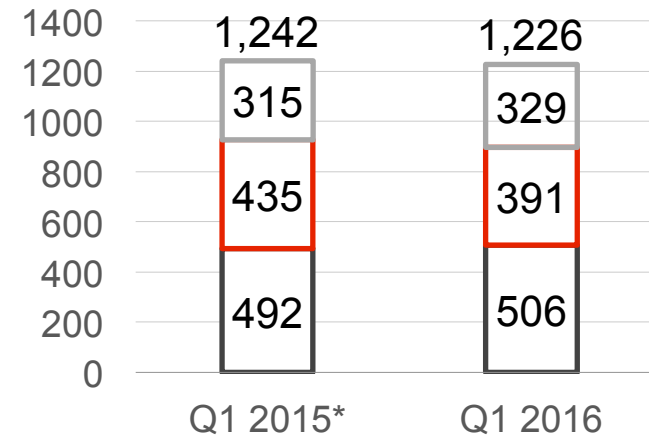
ASSETS

■ Non-current assets ■ Current assets



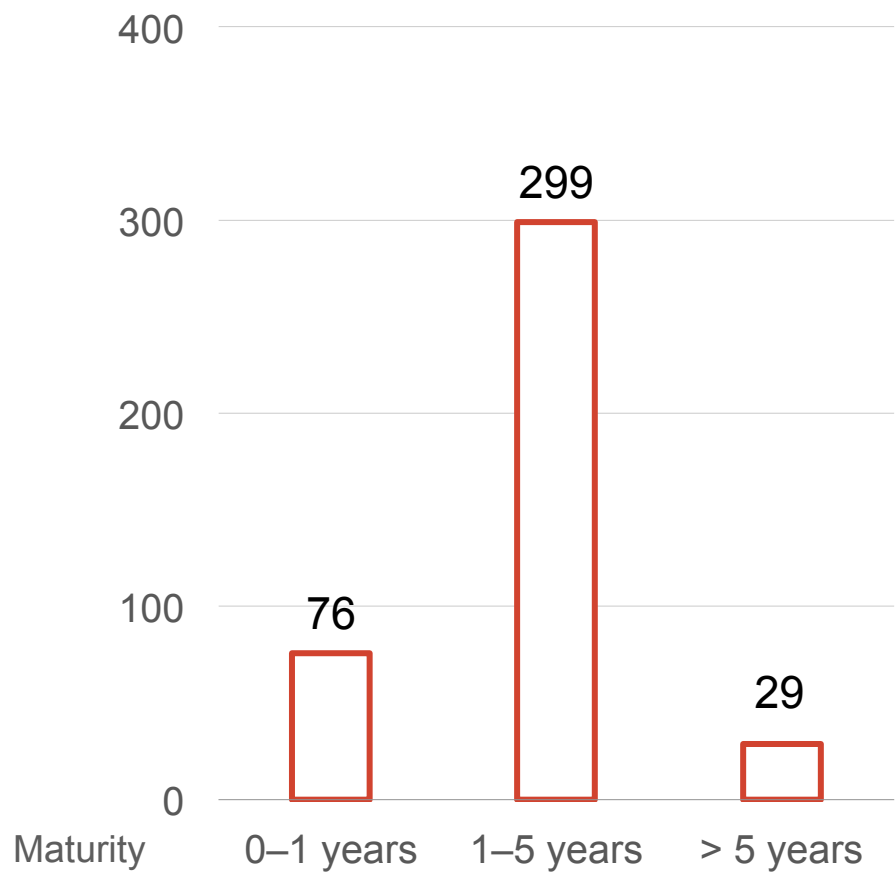
LIABILITIES

■ Equity
 ■ Non-current liabilities
 ■ Current liabilities



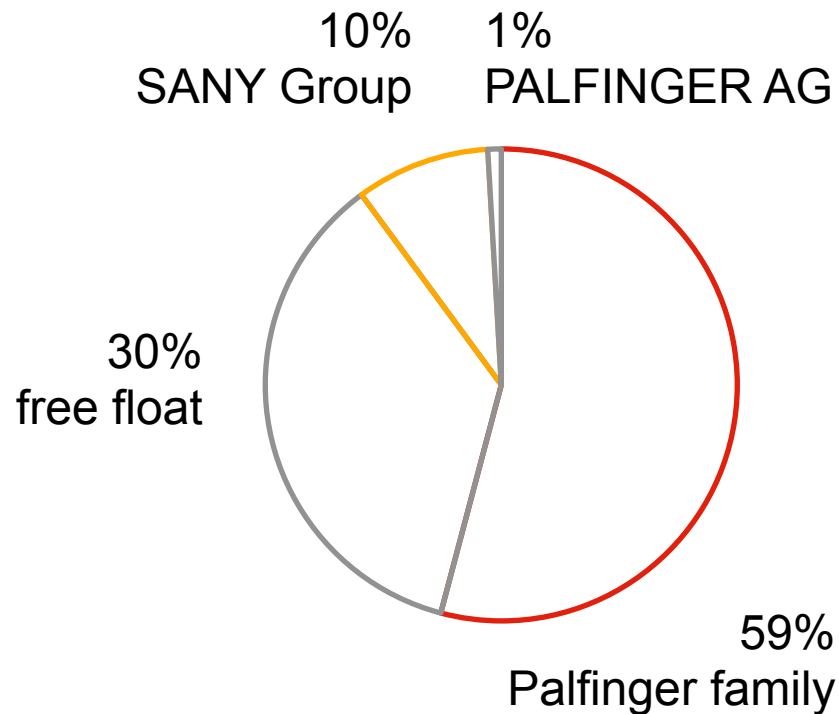
➔ Long-term solid financial structure

FINANCING STRUCTURE AS AT 31 MARCH 2016



Financial liabilities (FL)	EUR 404.5m
Ø Interest rate FL	2.09%
Ø Remaining time to maturity FL	2.84 years
Cash equivalents	EUR 21.9m
Net debt	EUR 346.8m
Equity ratio	41.2%
Gearing	68.6%
Net debt/EBITDA	2.27

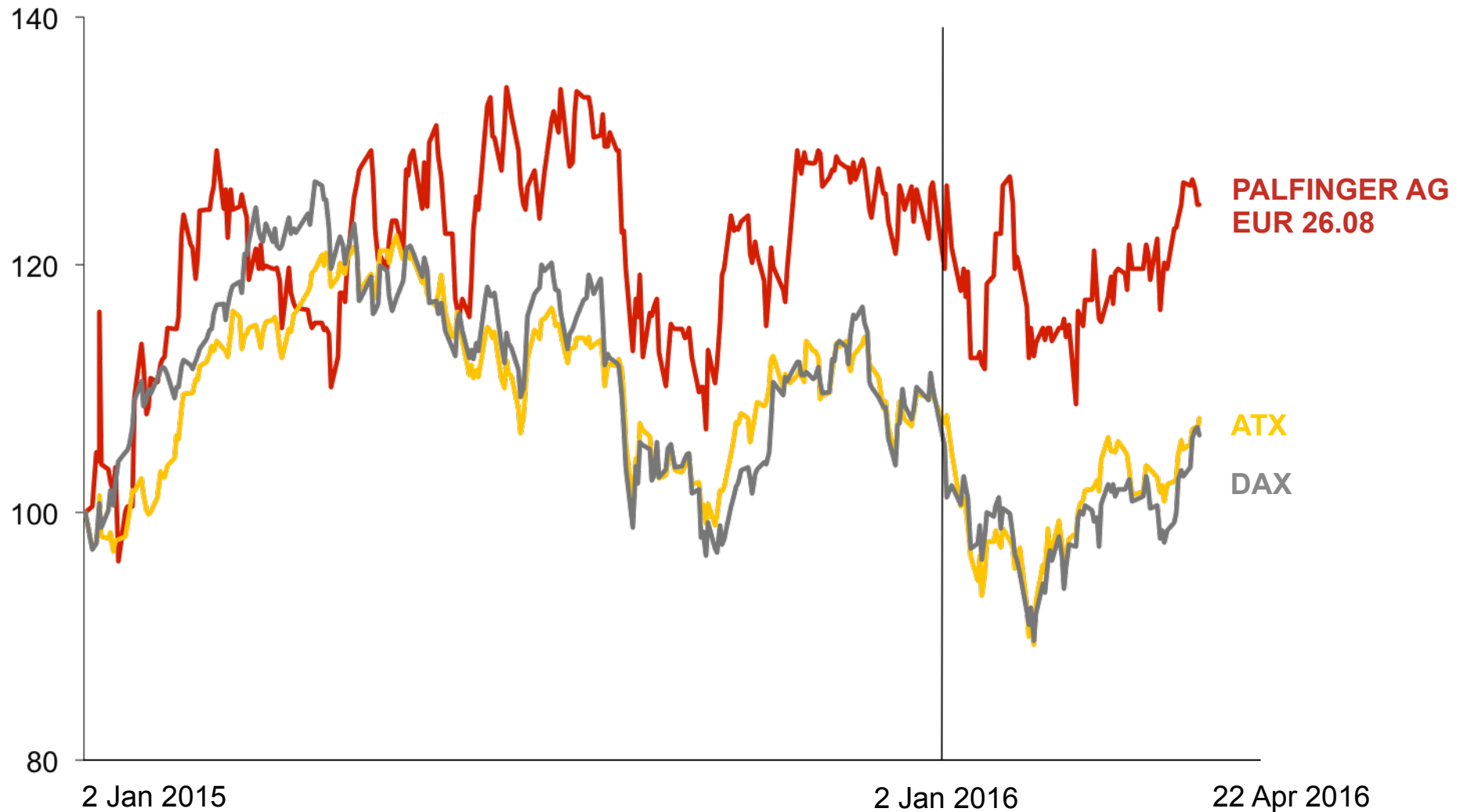
SHAREHOLDER STRUCTURE



SHAREHOLDER INFORMATION AS AT 31 MARCH 2016

ISIN	AT0000758305
Number of shares	37.593.258
thereof own shares	282.756
Share price as at end of period	EUR 25.25
Market capitalization	EUR 949.2m
Earnings per share	EUR 0.50

PERFORMANCE OF PALFINGER SHARES SINCE 2015



Deutsche Bank

HSBC

Erste Group

Kepler Cheuvreux

Hauck & Aufhäuser

RCB

Earnings estimates – consensus (EUR million)	2016e	2017e
Revenue	1,295.2	1,351.3
EBIT	118.1	126.9
Earnings per share (EUR)	2.02	2.21