

PALFINGER AG

Significant growth at record level
Substantial increase in earnings

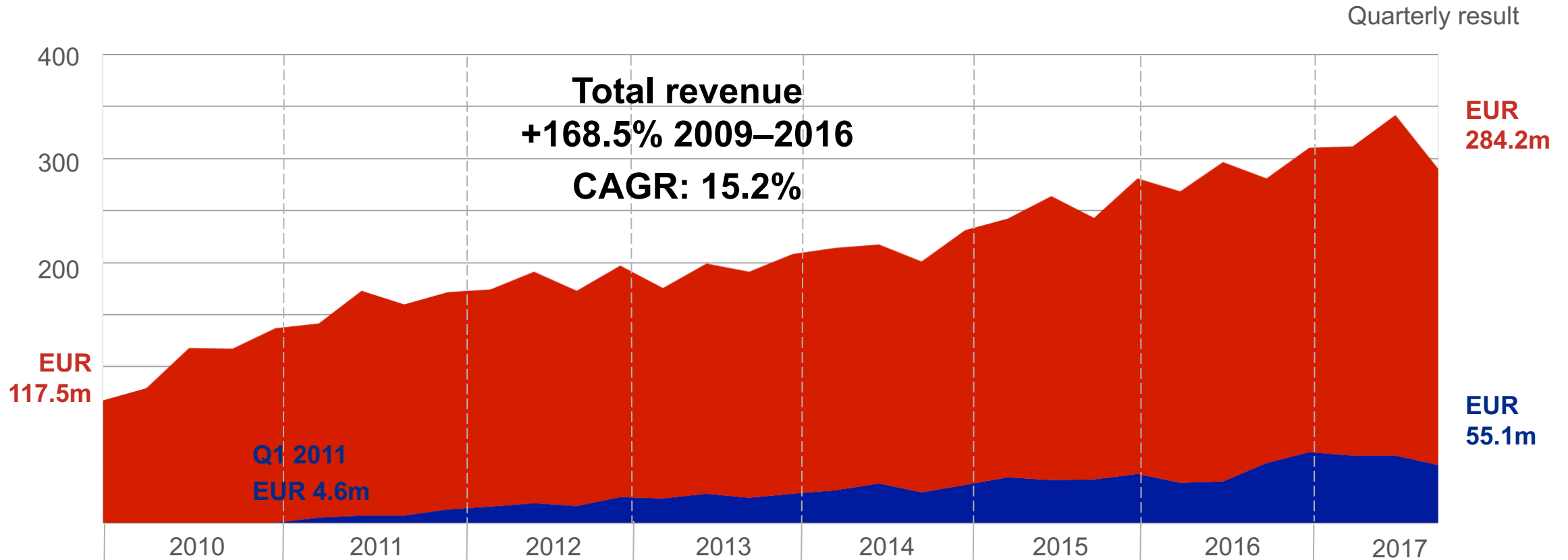
Presentation on the results for the third quarter of 2017
Bergheim, 27 October 2017

GROWTH DESPITE MARKET VOLATILITY

REVENUE, GROWTH AND VOLATILITY (QUARTERS)

■ LAND segment from 2009 to 2017: +142%

■ SEA segment from 2011 to 2017: +1,101%



- Significant expansion of business with substantial increase in earnings
 - » Excellent performance in Europe, Russia and China
 - » Downturn seems to have bottomed out in South America; environment remains difficult
 - » Acquisitions support growth strategy
 - » Marine business remains at a low level
 - » Restructuring costs have a negative effect on earnings
- Revenue rose by 9.7% to EUR 1,093.1 million
- EBITDAn increased by 12.6% to EUR 147.6 million (EBITDAn margin: 13.5%)
- EBITn rose by 8.7% to EUR 105.3 million (EBITn margin: 9.6%)
- Restructuring costs: EUR 13.5 million

- Sky Steel Systems LLC
 - » 20% investment in Sky Steel Systems, Dubai, producer of building maintenance tools and facade access equipment
- Palfinger Danmark AS
 - » Takeover of sales organization from former owner, who will focus on the company's core business
- Restructuring
 - » North America: Sale of service body business, adjustment of product portfolio, increase in productivity
 - » Marine business: Integration of Harding challenging, utilization of synergies, consolidation of sites
- Successful placement of promissory note loan in the amount of EUR 200 million
- Opening of development site in Vienna
- Felix Strohbichler appointed new CFO

STRATEGY

- Strategic pillars: Innovation – internationalization – flexibility
 - Expand relevant market position on the world market in both segments
 - Further acquisitions to strengthen marine business
 - Completion of product portfolio in all regions
 - Growth through higher market shares and increased profitability
 - Continuous innovation with focus on development of product features and business models based on digitalization
 - Enhanced flexibility of internal processes and synergies through global networking
-
- ➔ Long-term, profitable growth through maximization of competitive advantages

➔ **Group: approx. EUR 1.4bn, approx. 9,970 employees (2016)**

- » 38 production sites

➔ **LAND: approx. EUR 1.2bn**

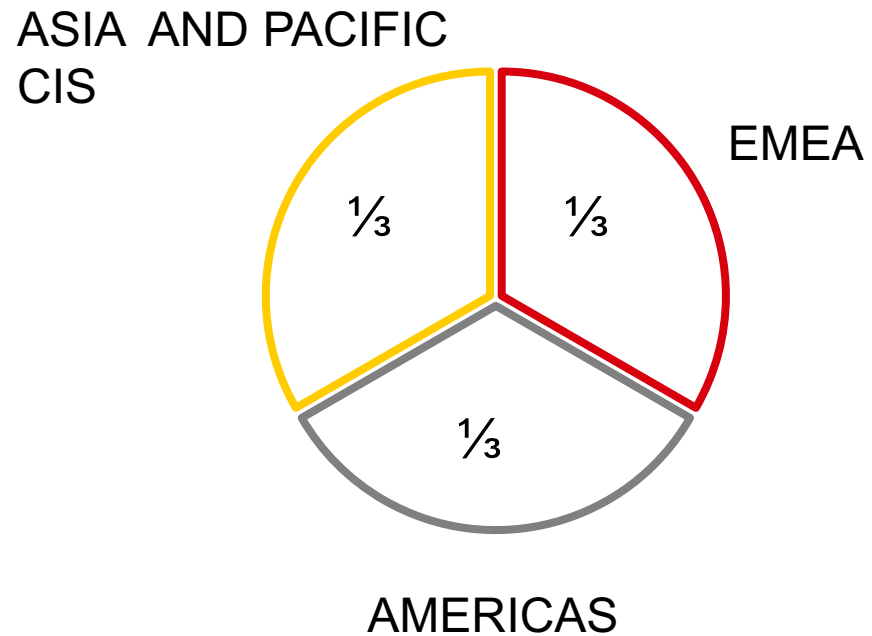
- » 7,800 employees
- » 5,000 service centres worldwide
- » Number one worldwide for loader cranes and hooklifts, timber and recycling cranes as well as railway systems
- » Top 3 worldwide for tail lifts and truck mounted forklifts

➔ **SEA: approx. EUR 0.2bn**

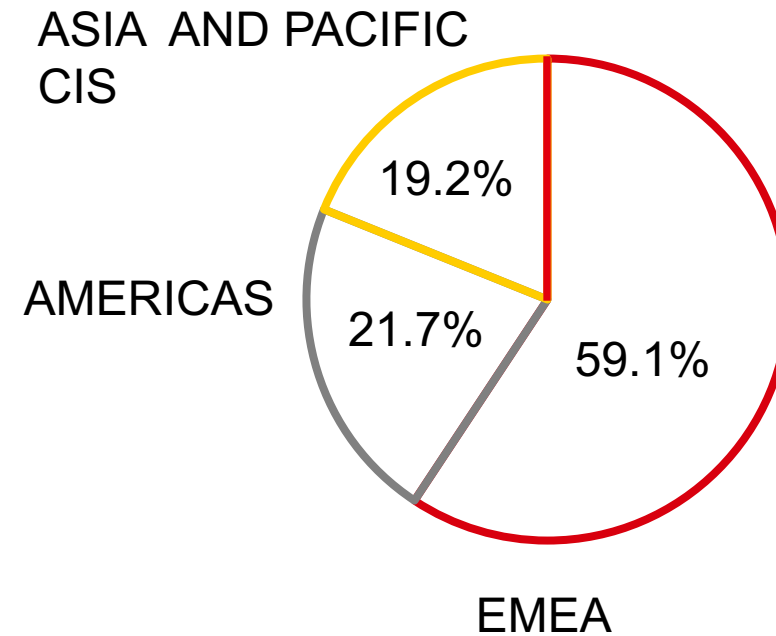
- » 1,500 employees
- » 16 service centres worldwide
- » Number one worldwide for lifesaving systems
- » Leading position in cranes for ships, offshore installations and offshore wind farms

➔ **World's leading supplier of loading, lifting and handling systems**

STRATEGIC TARGET



REVENUE Q1–Q3 2017¹⁾



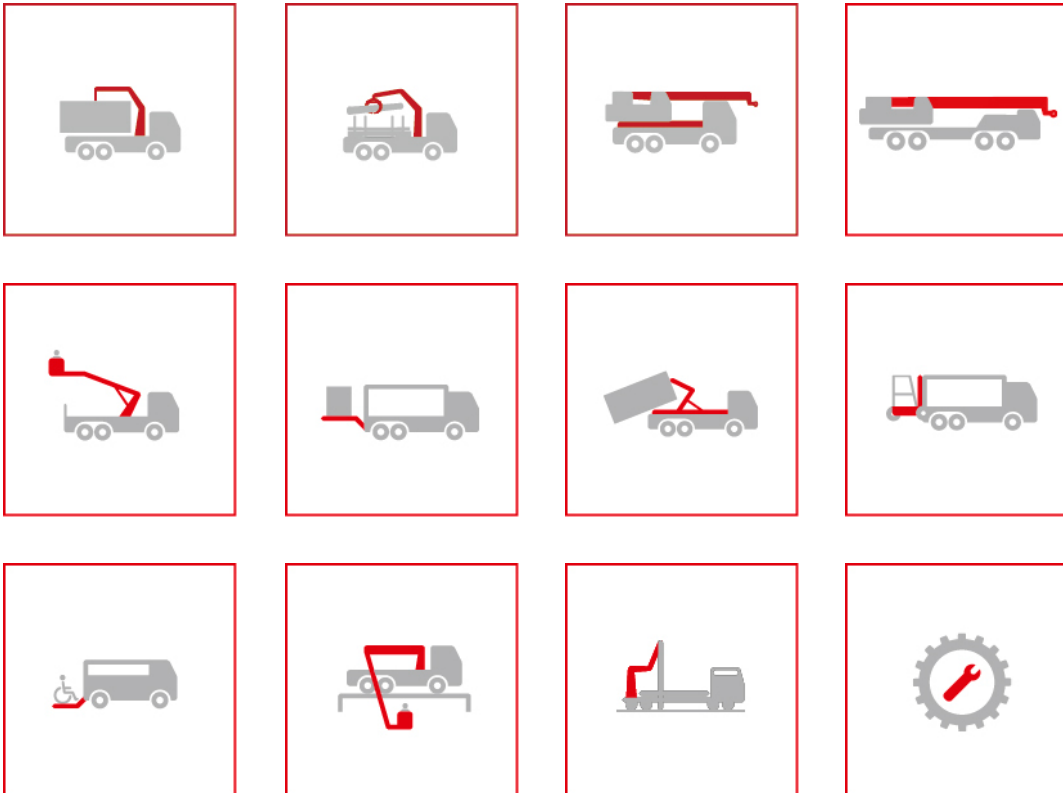
¹⁾ Including joint ventures (100%)

Acc. to IFRS in EUR million.

Minor rounding differences may occur.

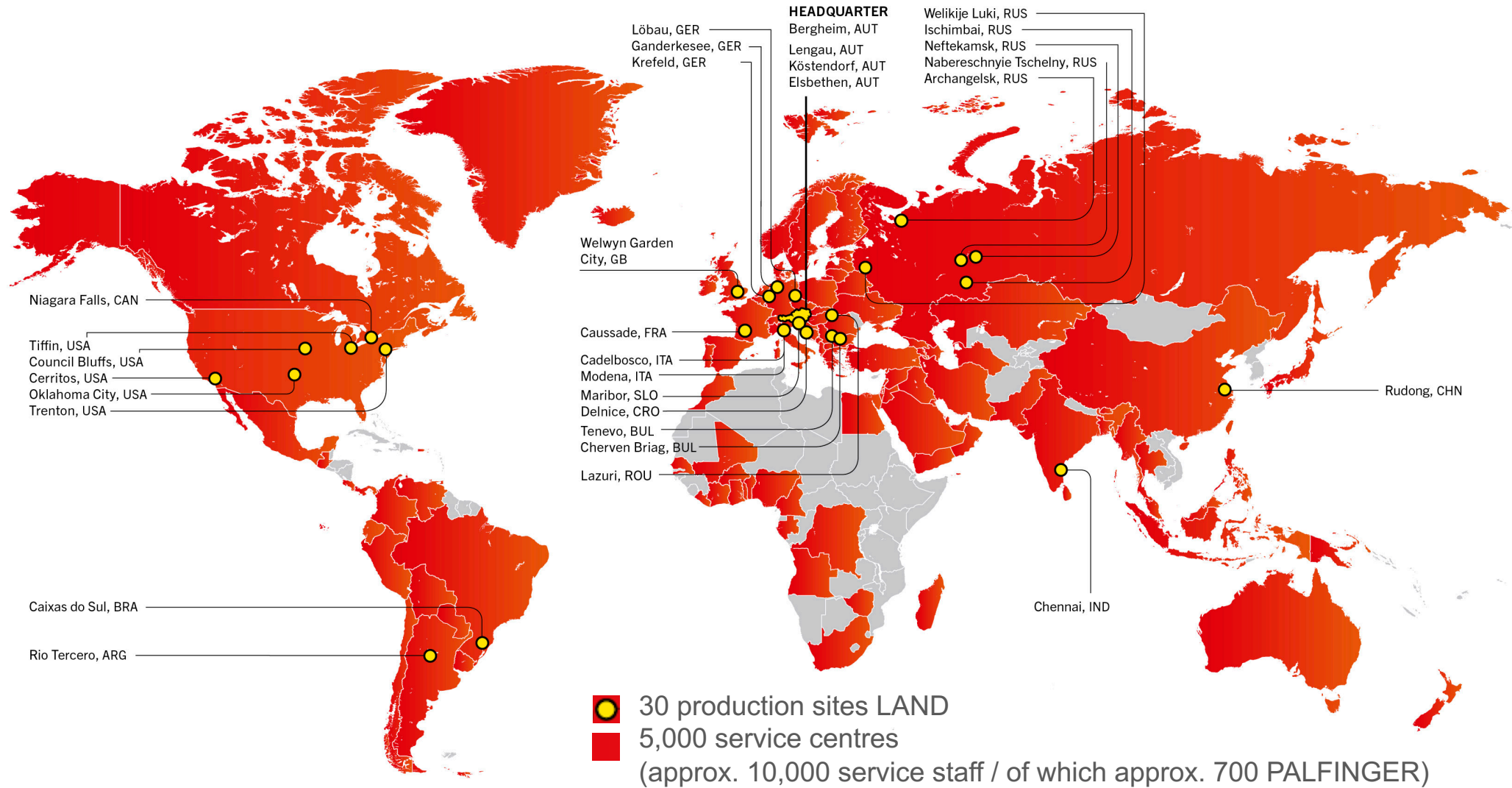
LAND SEGMENT

PALFINGER is the leading supplier of loading, lifting and handling systems



- Loader cranes
- Timber and recycling cranes
- Telescopic cranes
- Mobile cranes
- Access platforms
- Tail lifts
- Hooklifts
- Truck mounted forklifts
- Passenger lifts
- Bridge inspection units
- Railway systems
- After sales and service

GLOBAL FOOTPRINT – LOCAL VALUE CREATION



- Growth based on expansion of business in EMEA and CIS, increase in revenue by 5.5% to EUR 908.8 million
 - » Significant expansion of business in EMEA, CIS and China
 - » Positive effects of Palfinger Danmark
 - » Economic recovery in Europe becoming a steady factor
 - » Restructuring in North America
 - » Market environment in South America still stagnant at low level
 - » Still high level of incoming orders
- EBITDAn rose significantly by 13.9% to EUR 153.8 million (EBITDAn margin: 16.9%)
- EBITn rose by 15.0% to EUR 123.5 million (EBITn margin: 13.6%)
- Restructuring costs: EUR 8.9 million

	Q1–Q3 2016	Q1–Q3 2017	%
Revenue	861.2	908.8	+5.5%
EBITDAn ¹⁾	135.0	153.8	+13.9%
EBITDAn margin ¹⁾	15.7%	16.9%	–
EBITn ¹⁾	107.3	123.5	+15.0%
EBITn margin ¹⁾	12.5%	13.6%	–
Restructuring costs	5.7	8.9	+56.1%

 Substantial growth of operating result

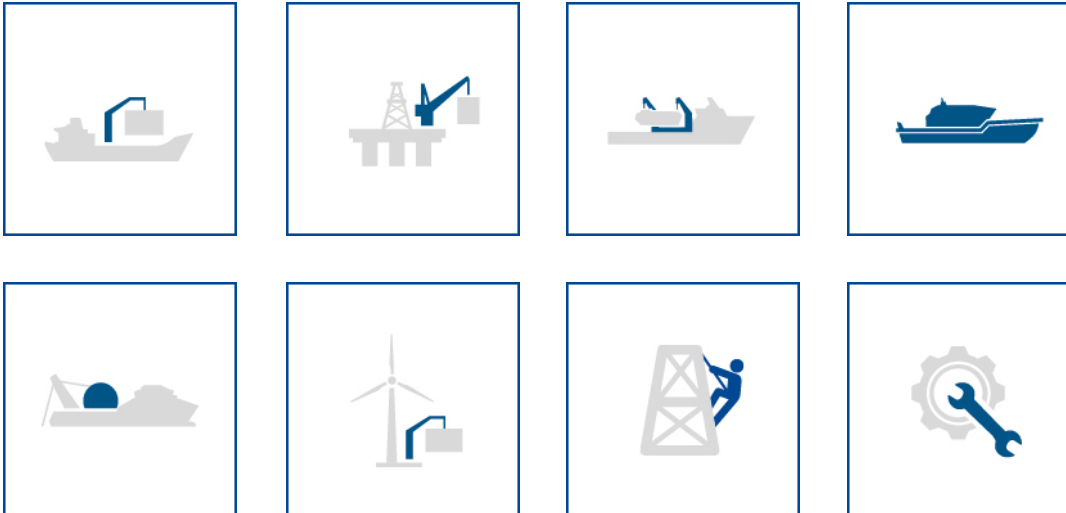
1) Starting in 2015, these figures were normalized (n) by restructuring costs.

Acc. to IFRS in EUR million.

Minor rounding differences may occur.

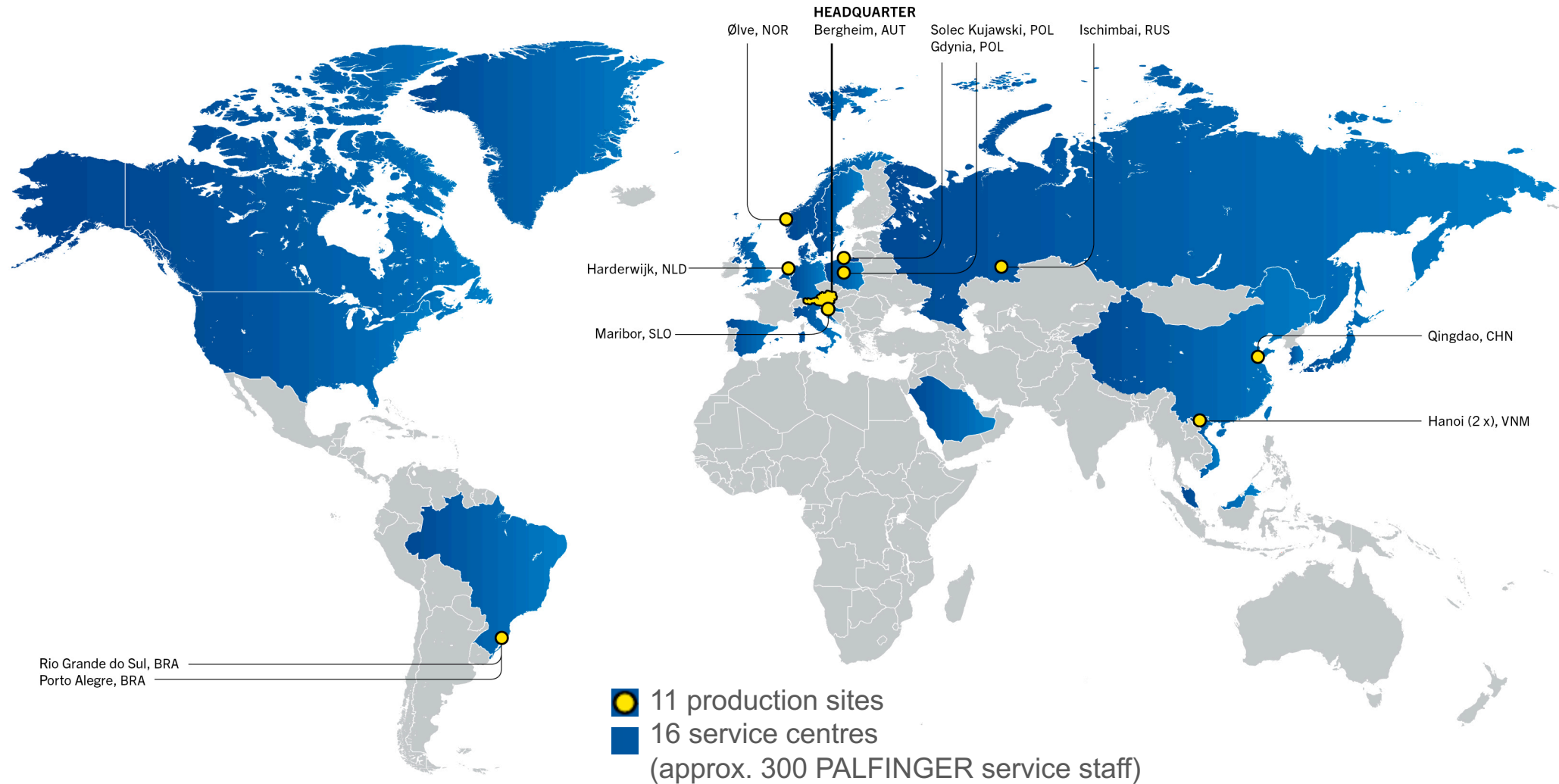
SEA SEGMENT

PALFINGER MARINE is the leading manufacturer of high-end deck equipment in the maritime sector



- Marine Cranes
- Offshore Cranes
- Davits
- Boats
- Winches
- Wind Cranes
- Rope Access
- After Sales and Service

GLOBAL FOOTPRINT – ALSO IN SERVICE



- Revenue increased by 36.1% to EUR 184.3 million
 - » Harding contributed EUR 77.3 million to revenue
 - » Share of segment revenue in consolidated revenue rose to 16.9%
 - » Strained situation in the oil and gas industry continues
 - » Market stabilization at a low level
 - » Consolidation of sites in Korea and the Netherlands
- EBITDAn decreased by 23.9% to EUR 5.8 million (EBITDAn margin: 3.1%)
- EBITn declined to –EUR 3.8 million
- Restructuring costs: EUR 4.1 million

	Q1–Q3 2016	Q1–Q3 2017	%
Revenue	135.4	184.3	+36.1%
EBITDAn ¹⁾	7.6	5.8	(23.9%)
EBITDAn margin ¹⁾	5.6%	3.1%	–
EBITn ¹⁾	3.2	(3.8)	–
EBITn margin ¹⁾	2.4%	(2.0%)	–
Restructuring costs	3.1	4.1	+32.3%

 First signs of revival of investment activity

1) Starting in 2015, these figures were normalized (n) by restructuring costs.

KEY FINANCIALS

KEY FINANCIALS



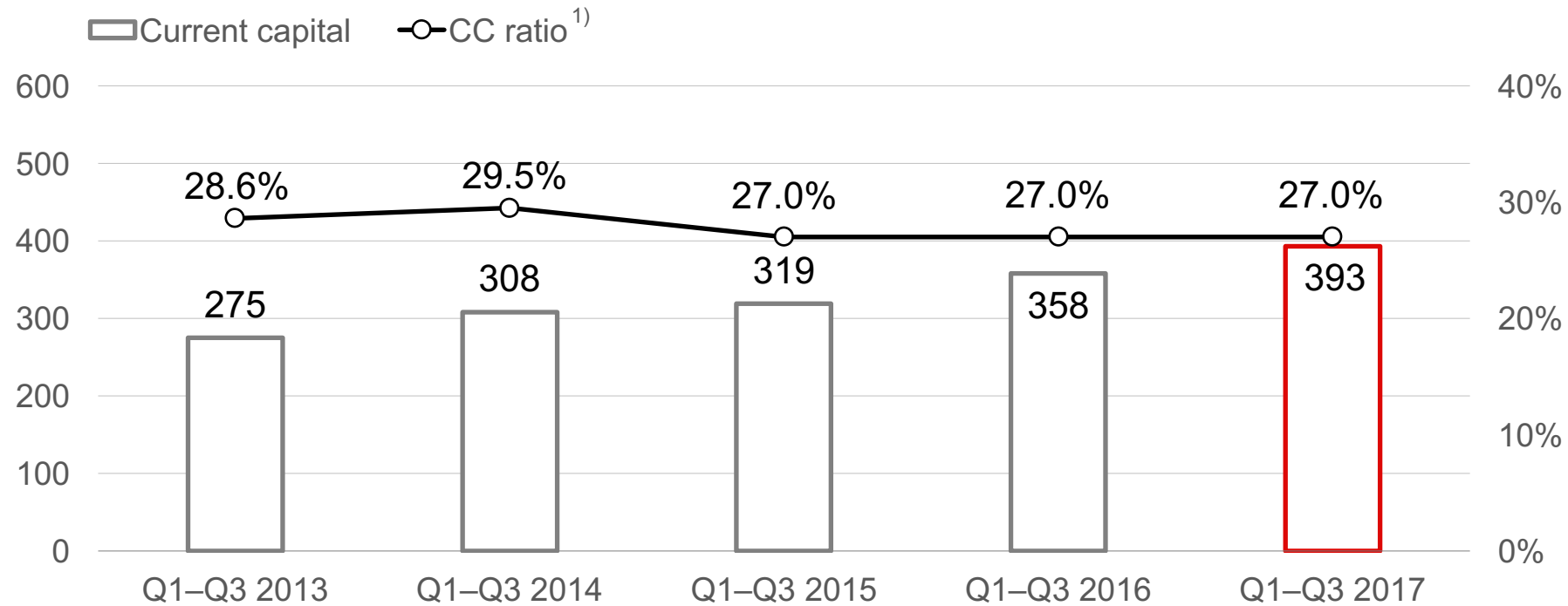
	Q1–Q3 2015	Q1–Q3 2016	Q1–Q3 2017	%
Revenue	898.9	996.6	1,093.1	+9.7%
EBITDAn ¹⁾	114.3	131.1	147.6	+12.6%
EBITDAn margin ¹⁾	12.7%	13.2%	13.5%	–
EBITn ¹⁾	84.0	96.9	105.3	+8.7%
EBITn margin ¹⁾	9.3%	9.7%	9.6%	–
Result before income tax	68.7	76.9	79.6	+3.5%
Consolidated net result for the period	48.1	49.7	50.5	+1.5%

1) Starting in 2015, these figures were normalized (n) by restructuring costs.

Acc. to IFRS in EUR million.

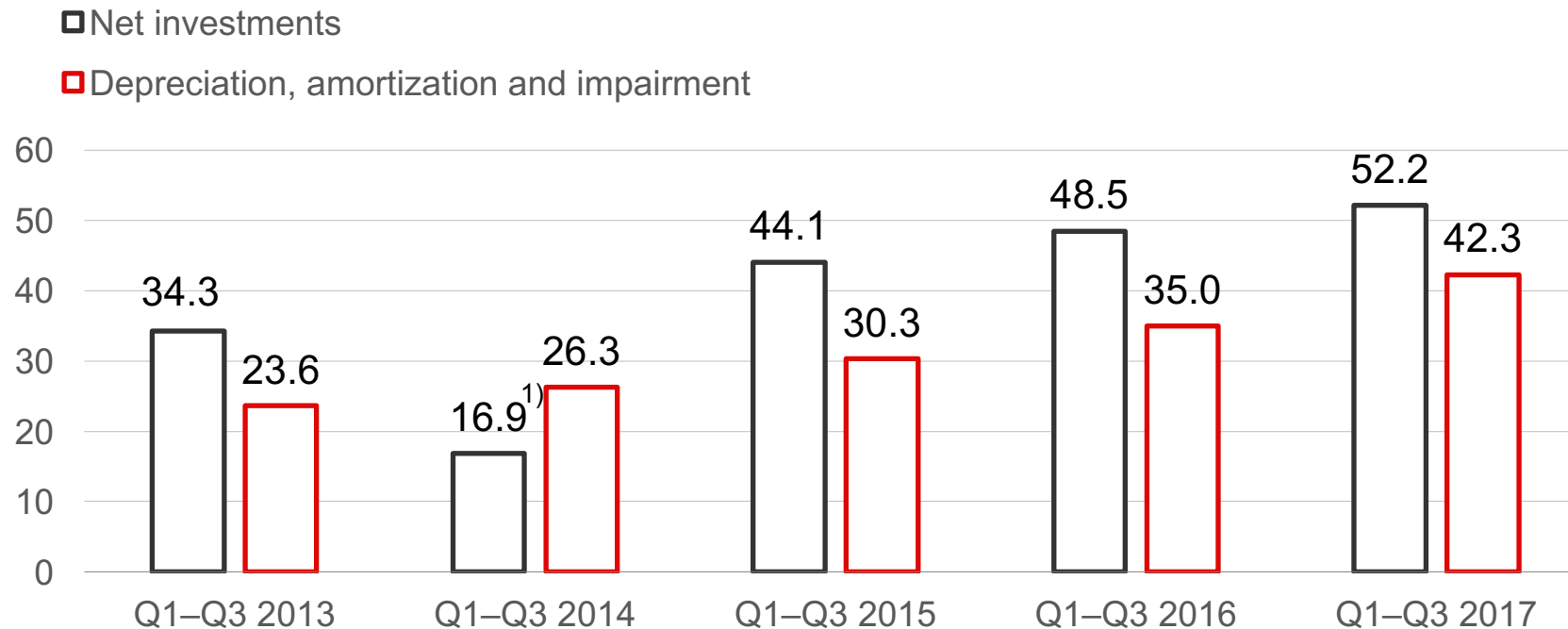
Minor rounding differences may occur.

CURRENT CAPITAL



➔ Continuous improvement targeted

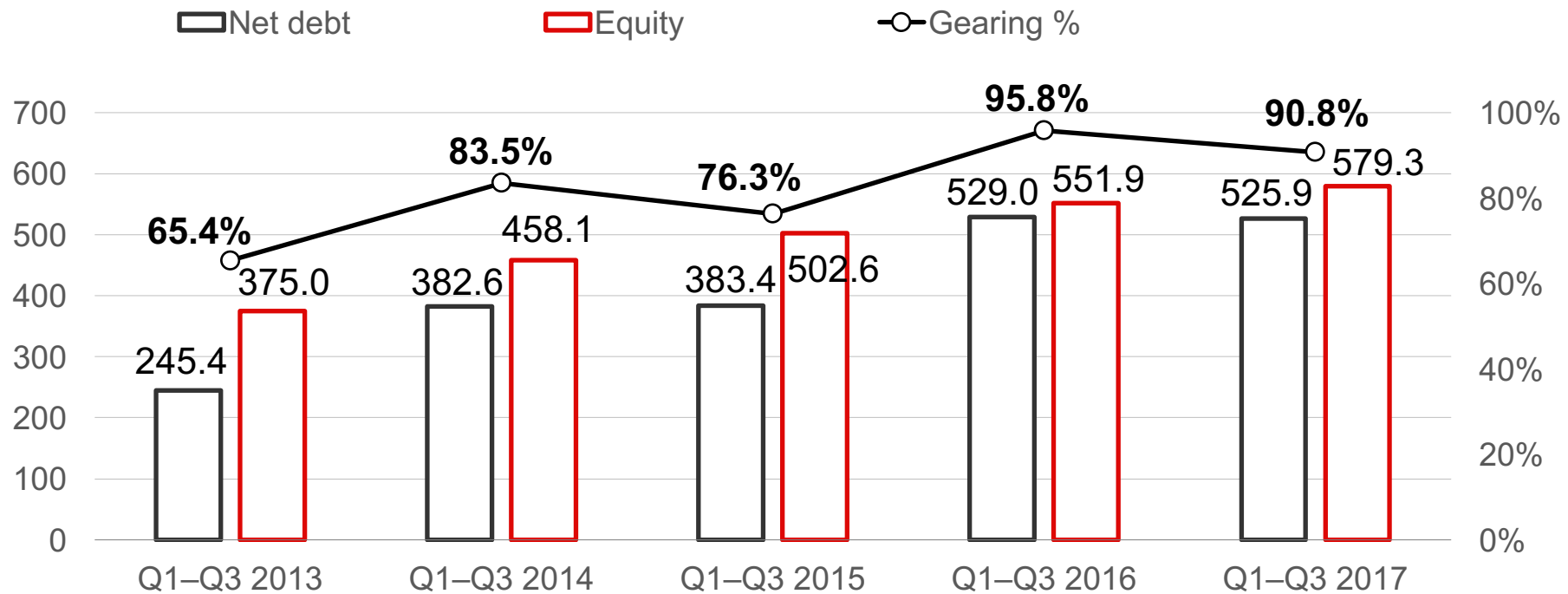
¹⁾ Current capital (average) in proportion to revenue of the previous 12 months.



➔ Enlargement of production capacities and replacement investments

1) Adjusted by acquisition of interest in SANY; total: EUR 162.5 million

GEARING RATIO AND EQUITY



➔ Solid development of equity; start of reduction of gearing

FREE CASH FLOWS

	Q1–Q3 2015	Q1–Q3 2016	Q1–Q3 2017
EBTDA	99.0	112.0	121.9
+/- Non-cash result from companies at equity	(3.7)	(3.4)	(4.4)
+/- Change in working capital	(35.8)	(13.2)	(41.4)
+/- Cash flows from tax payments	(5.8)	(23.9)	(14.7)
Cash flows from operating activities	53.7	71.5	61.4
+/- Cash flows from investing activities	(48.6)	(163.2)	(44.4)
Cash flows after changes in working capital & investments	5.1	(91.7)	17.0
+/- Cash flows from interest on borrowings adjusted by tax expense	6.7	7.0	7.6
Free cash flows	11.8	(84.7)	24.6
Cash flows from equity/investor capital	(29.7)	(17.5)	(40.3)
Cash flows from net debt	24.6	109.2	23.3

OUTLOOK

- Continuing high level of incoming orders gives reason to expect further positive business development
- Restructuring measures in North America and in the marine business impact negatively on earnings
- Integration of the Harding Group proves challenging
- Group-wide initiatives with a focus on customer-orientation, digital transformation and process optimization
- Strategic corporate planning 2017–2022 to be completed

➔ 2017: Again record levels of revenue and earnings probable

Herbert Ortner, CEO
Phone +43 662 2281-81001
h.ortner@palfinger.com

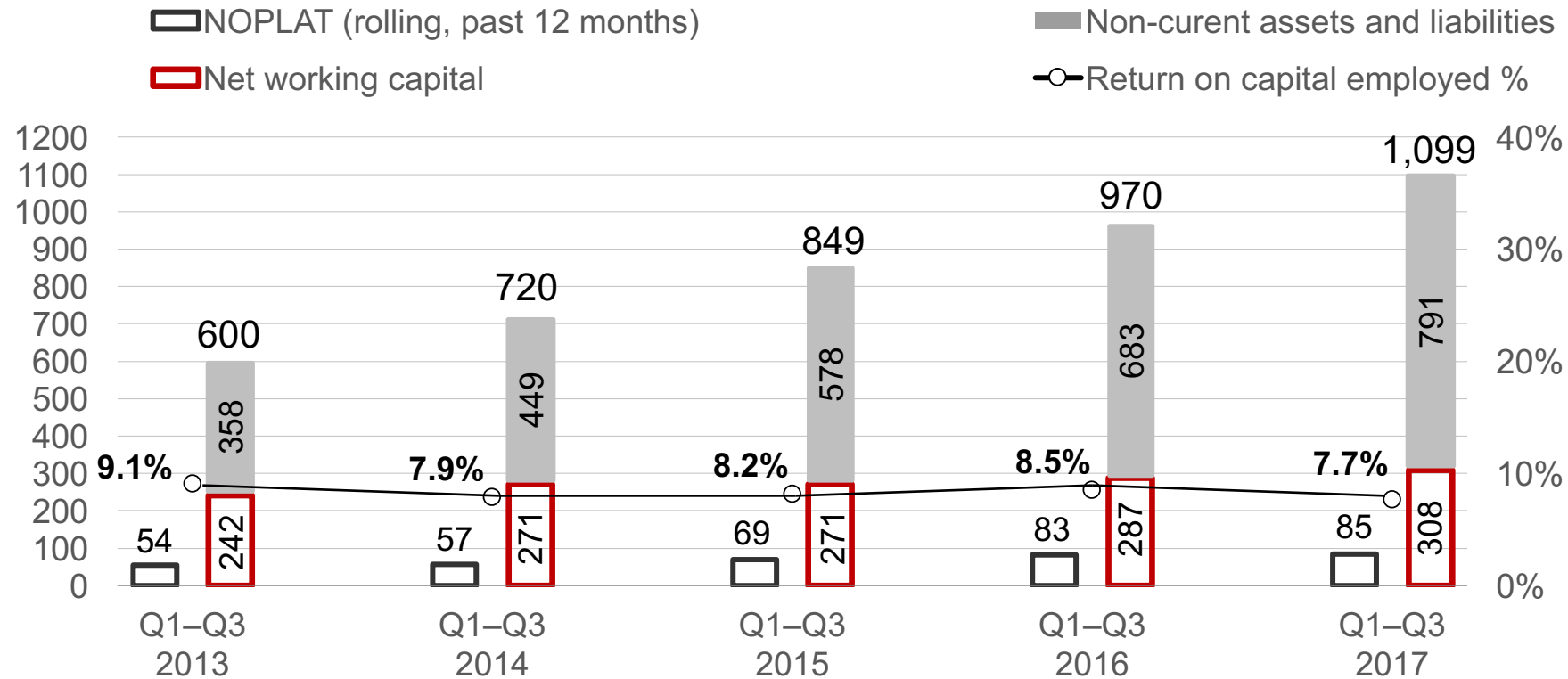
Hannes Roither, Company Spokesperson
Phone +43 662 2281-81100
h.roither@palfinger.com

PALFINGER AG
Lamprechtshausener Bundesstrasse 8
5101 Bergheim
www.palfinger.ag

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.

BACKUP

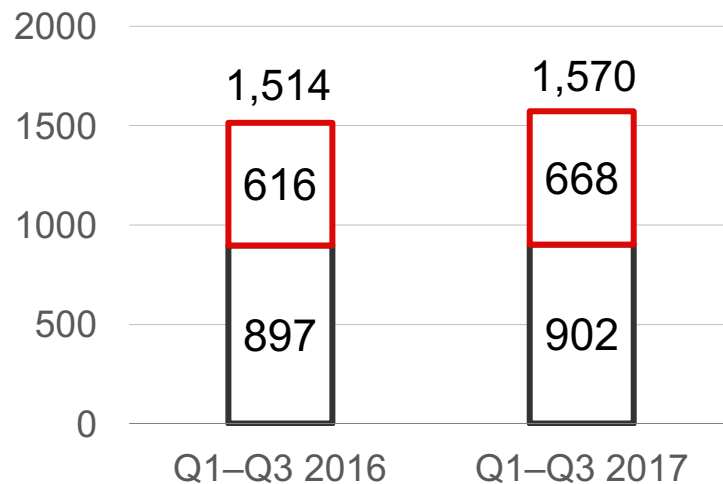
RETURN ON CAPITAL EMPLOYED



BALANCE SHEET STRUCTURE

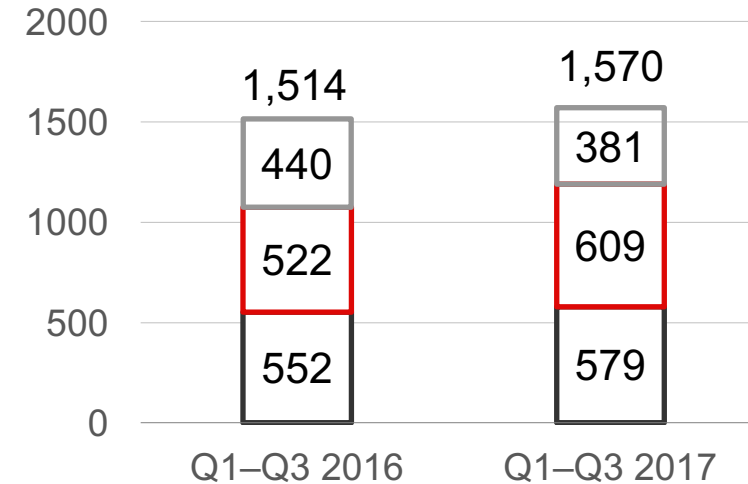
ASSETS

■ Non-current assets ■ Current assets

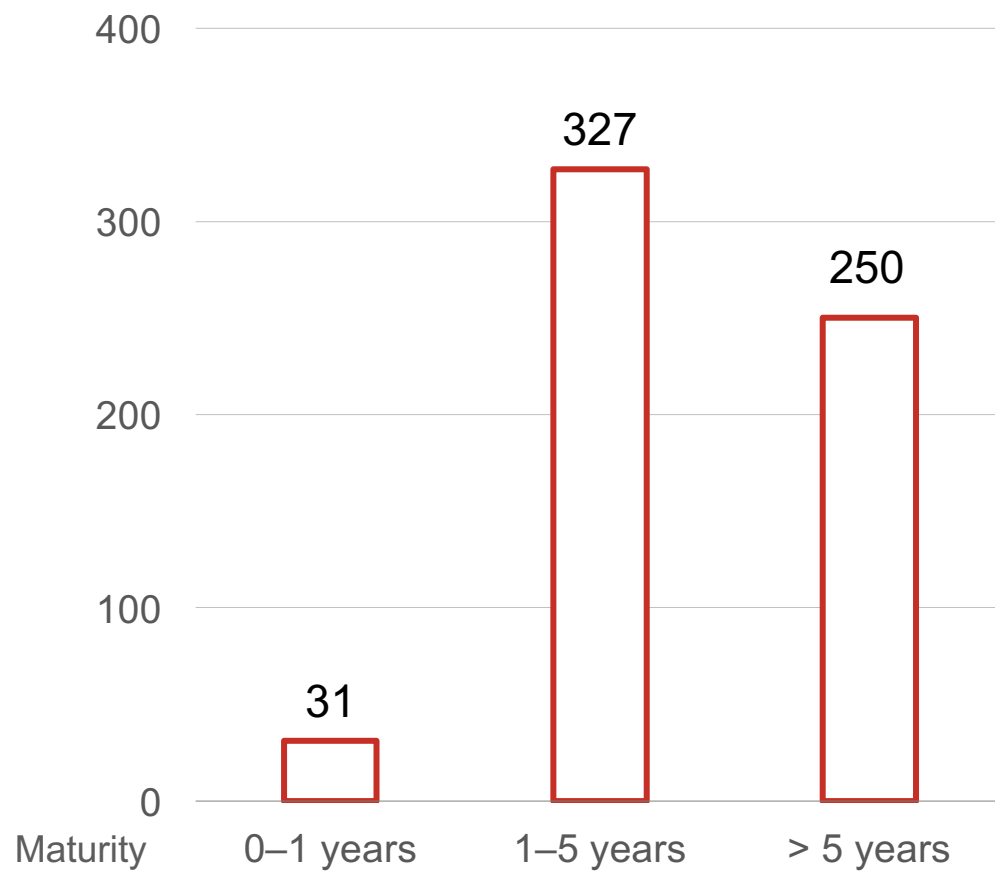


LIABILITIES

■ Equity
■ Non-current liabilities
■ Current liabilities

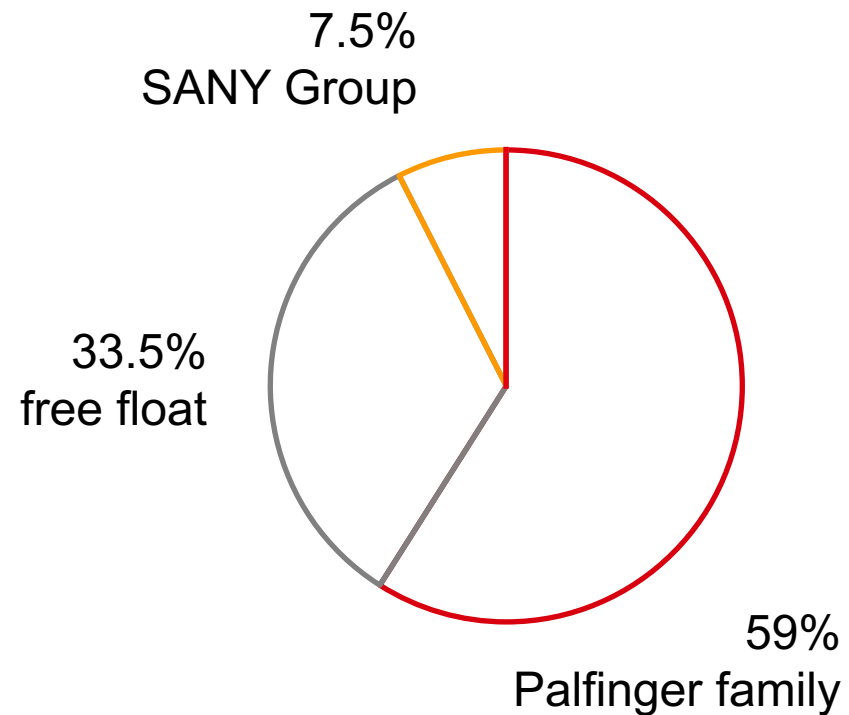


FINANCING STRUCTURE AS AT 30 SEPT 2017



Financial liabilities (FL)	EUR 607.5m
Ø Interest rate FL	1.81%
Ø Remaining time to maturity FL	3.88 years
Cash equivalents	EUR 40.8m
Net debt	EUR 525.9m
Equity ratio	36.9%
Gearing	90.8%
Net debt/EBITDA	3.12

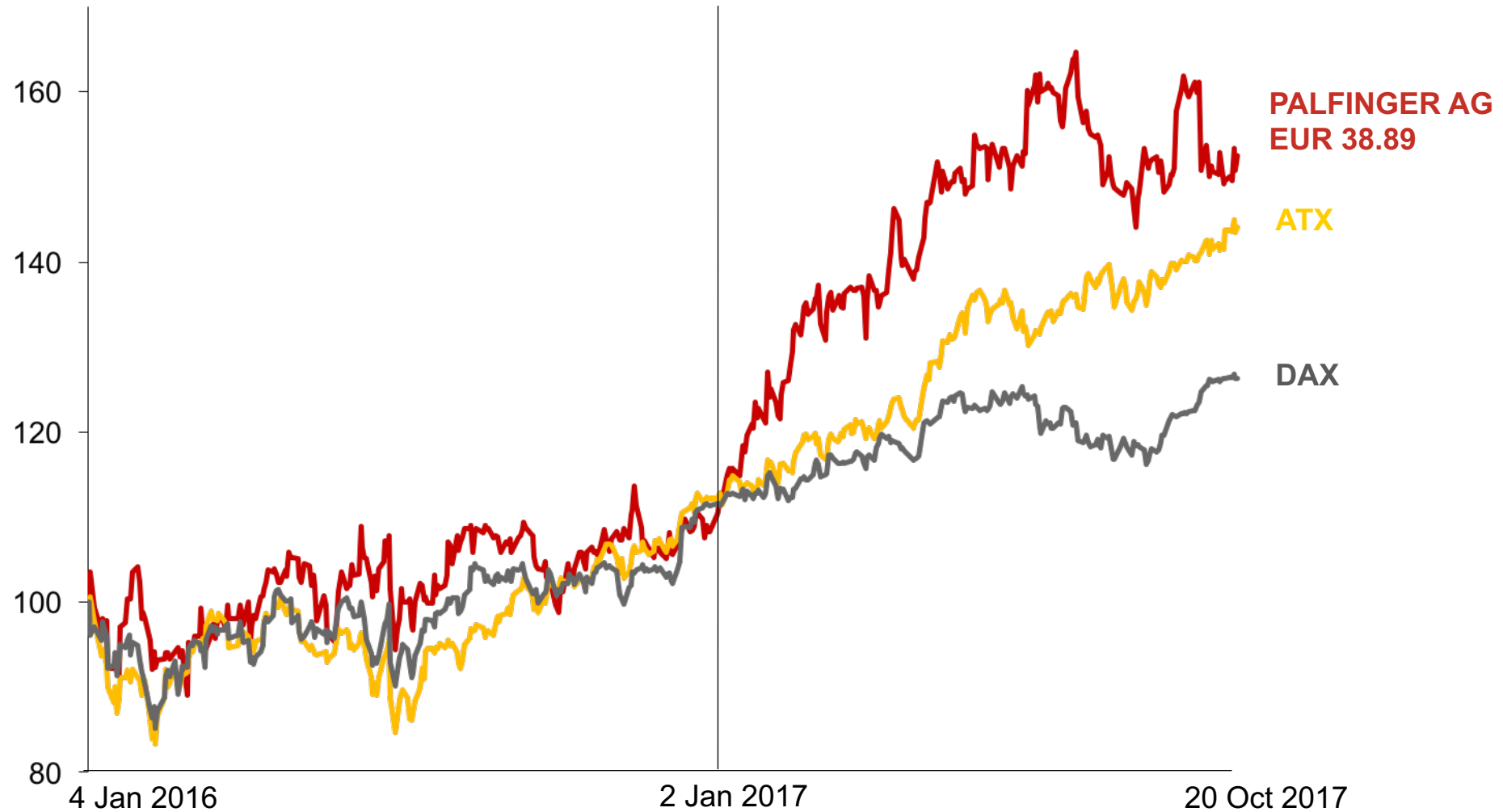
SHAREHOLDER STRUCTURE



SHAREHOLDER INFORMATION AS AT 30 SEPT 2017

ISIN	AT0000758305
Number of shares	37,593,258
Share price as at end of period	EUR 38.44
Market capitalization	EUR 1.4bn
Earnings per share	EUR 1.34

PERFORMANCE OF PALFINGER SHARES SINCE 2016



Deutsche Bank	HSBC
Erste Group	Kepler Cheuvreux
Hauck & Aufhäuser	RCB
Berenberg Bank	UBS

Earnings estimates – consensus (EUR million)	2017e	2018e
Revenue	1,471.0	1,540.2
EBITn	147.3	165.6
Earnings per share (in EUR)	2.16	2.73