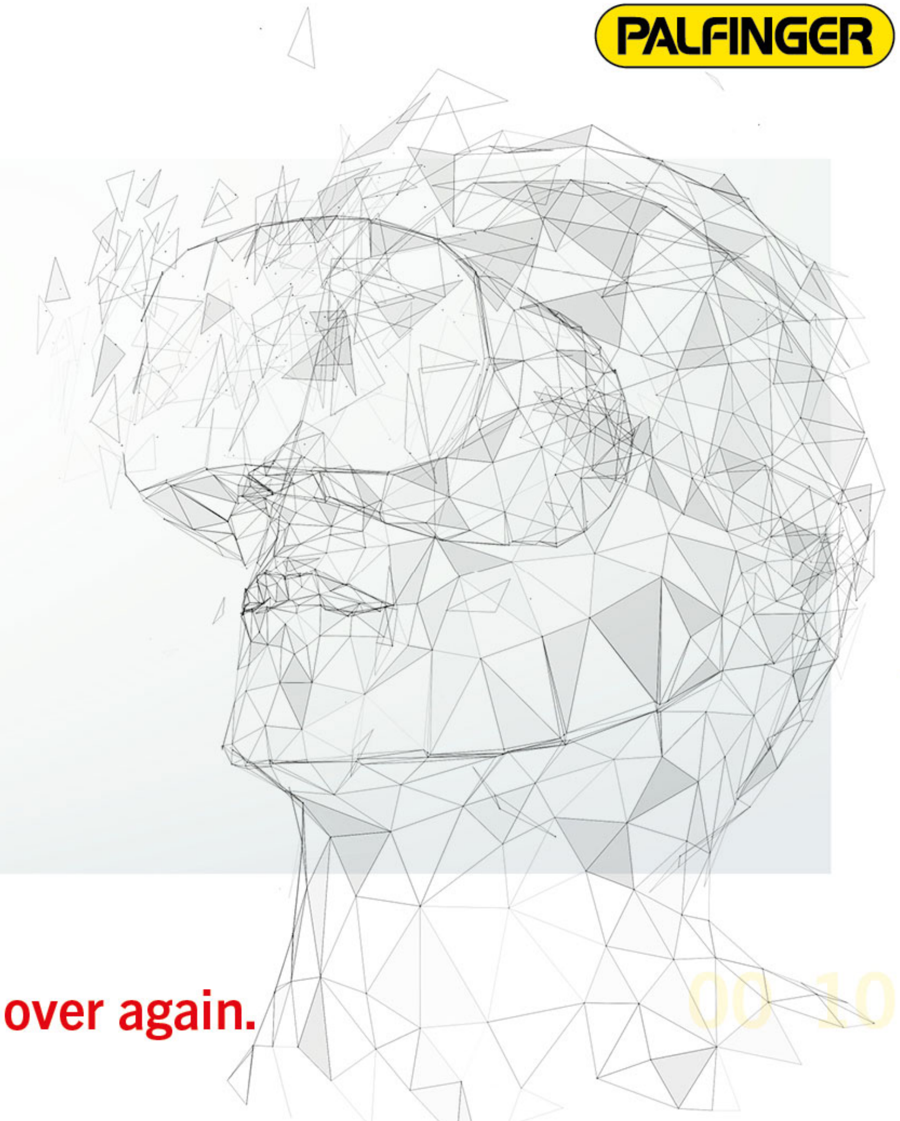
PALFINGER

Unlocking potential

Vienna, 30 October 2018



The future is: reinventing yourself over and over again.

ANDREAS KLAUSER, CEO since 1 June 2018

Global Brand President of CASE IH and Steyr,
COO of CNH Industrial

Responsibility for EUR 25 billion in revenue and approx. 60,000 employees worldwide

Integration of 12 brands and 9 business organizations (including Iveco, New Holland, CASE IH, Steyr)

Ultimate responsibility for mergers and acquisitions, expertise in traditional brands, high awareness of the significance of different products within a company

OUR RECORD – The Company

- My **review** after 100 working days at PALFINGER
  - Inspired team – entrepreneurial spirit
  - High complexity of products and business models
  - Outstanding technical expertise
  - Innovative products and solutions
  - Continuous striving for optimization and enhancement

- High **potential** for PALFINGER
  - Global structures to reduce complexity
  - Clearly defined responsibilities
  - Focus on talent management

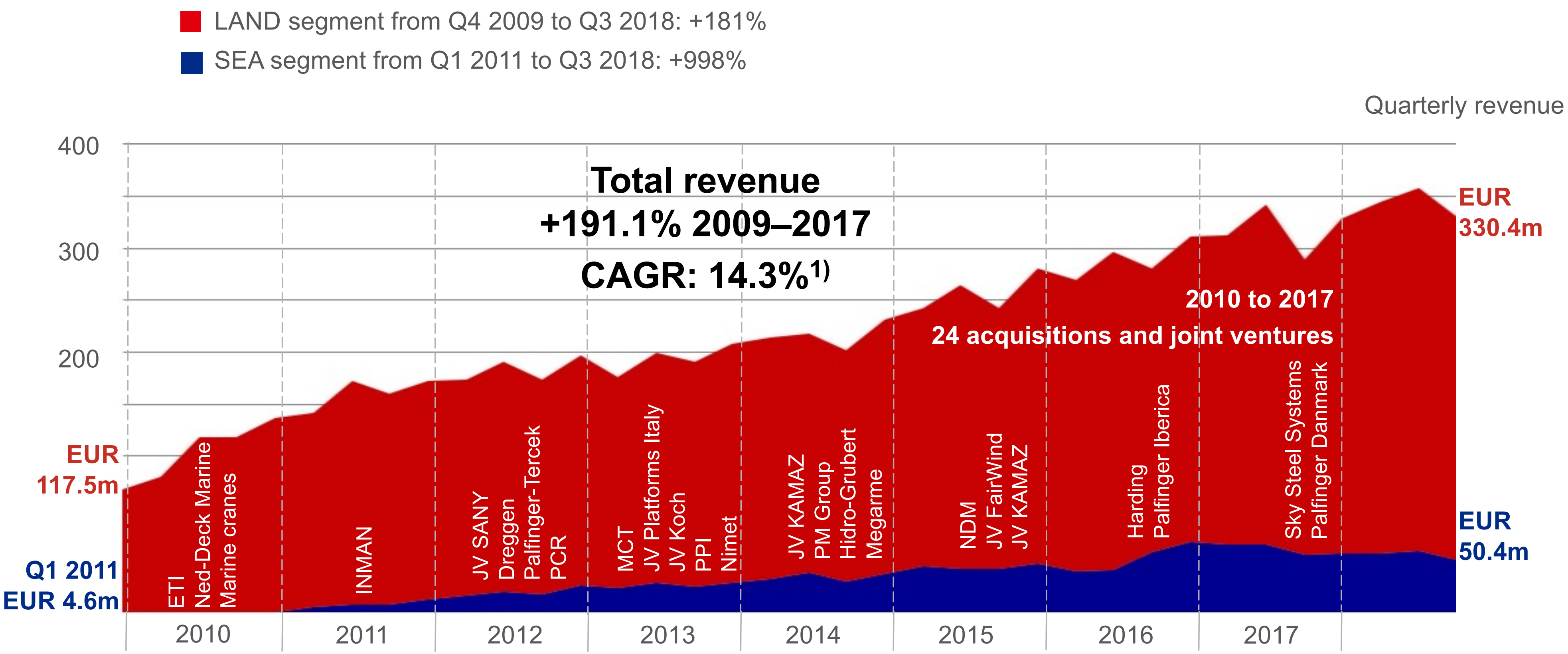
OUR RECORD – The Framework

PALFINGER

- Consolidation of customers – concentration of purchasing power
- Digital transformation of customer industries calls for new solutions
- Aggressive growth strategies of our competitors
- Slowdown of economic stability and higher volatility are probable
- Increasing lack of skilled labour, simultaneous transformation of technologies

Positioning PALFINGER for profitable, long-term growth

IMPRESSIVE GROWTH OVER TIME



1) Thereof: 55% organic; 45% inorganic

THE PALFINGER GROUP – STATUS QUO

PALFINGER

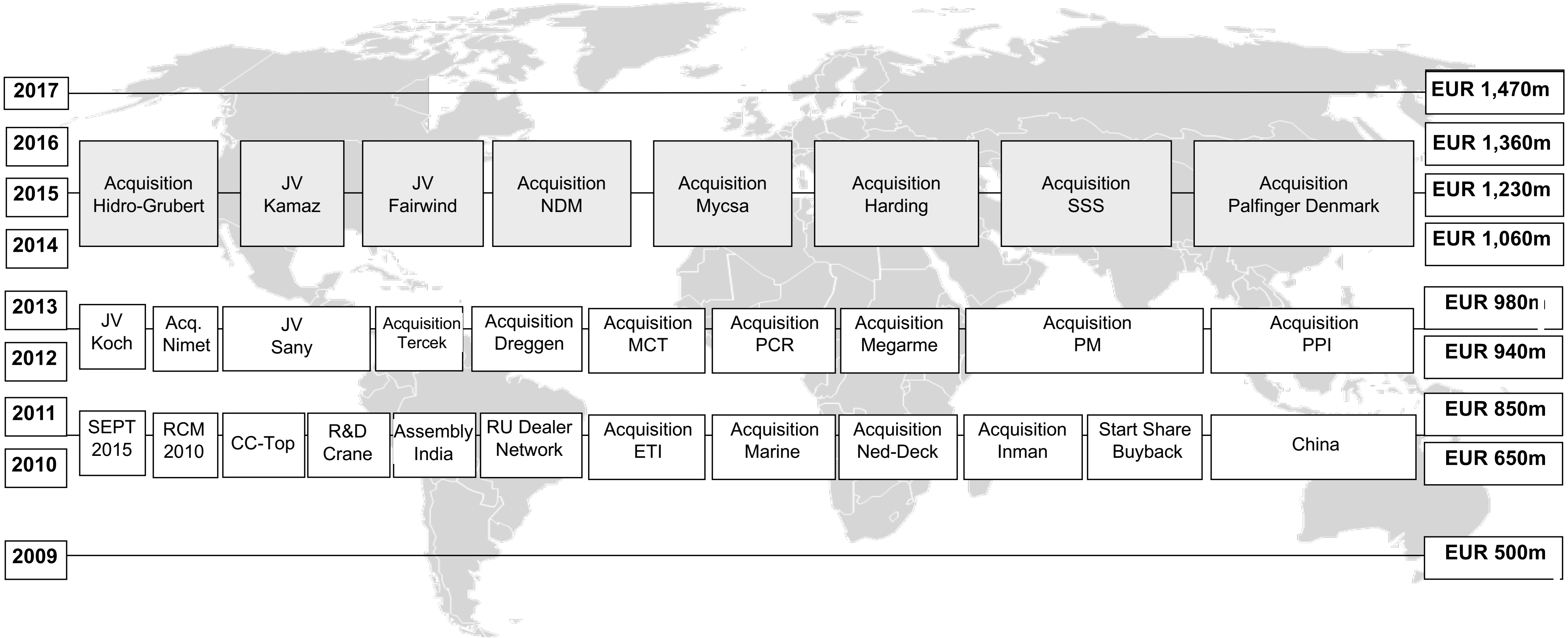
- **Global market leader**
- **Revenue: approx. EUR 1.5bn, 10,212 employees (year end 2017)**
  - **39 production sites**
- **60.9% EMEA – 23.6% Americas – 15.5% Asia and Pacific, CIS**

- LAND: approx. EUR 1.2bn
  - 8,200 employees
  - 5,000 service centres worldwide
  - Global market leader for loader cranes, hooklifts and skiploaders, timber and recycling cranes, and railway systems
  - Top 3 worldwide for tail lifts and truck mounted forklifts

- SEA: approx. EUR 0.2bn
  - 1,700 employees
  - 26 service centres worldwide
  - #2 for lifesaving equipment
  - Leading position in cranes for ships, offshore installations and offshore wind farms

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

DEVELOPING THE ORGANIZATION THROUGH ACQUISITIONS



ADJUSTING THE ORGANIZATION TO THE VISION

NEW ORGANIZATION FOR 2022 TARGETS

Requirements to be met by the organization

Efficiency
Profitability

Implementation strength

Synergies

Integration: A fully unified group

One team, one culture

Customer orientation

Growth orientation

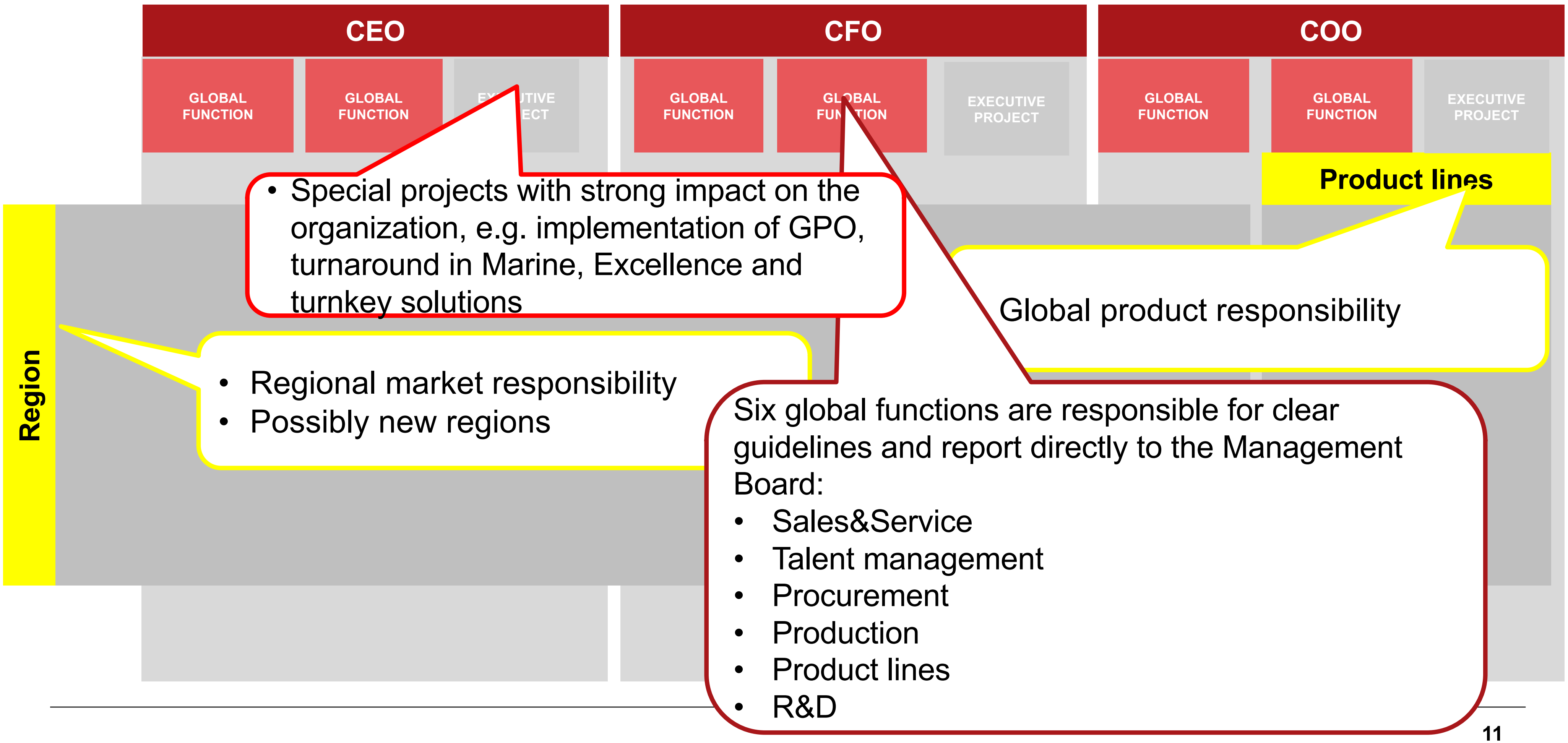
Targets to be met by 2022

1. Worldwide #1 for lifting solutions
2. Financial targets for 2022
   - Increase organic growth to EUR 2bn
   - @ 10% EBIT “over the cycle”
   - @ 10% ROCE “over the cycle”
3. Increase value added on a daily basis

UNLOCKING POTENTIAL

Market:	• Expected organic growth of around 5 per cent in the years to come, with continuing growth in EMEA, CIS and China, and in the future once again in North and South America as well as India and Asia, but also through new products and services
Internal integration:	• Value-creation-oriented process chain • Consolidation of sites (cranes - Marine/Ratcliff) • Reduction of complexity through new organization • Creation of synergies between business units in R&D, procurement and production • Uniform systems, methods and KPIs for the entire Group
Balance sheet structure:	• Reduction of capital employed and debt • Stabilization of operating profitability at a higher level • Strengthening of balance sheet structure for economic downturn and/or further growth

PRINCIPLES OF THE NEW ORGANIZATION



UNLOCKING POTENTIAL

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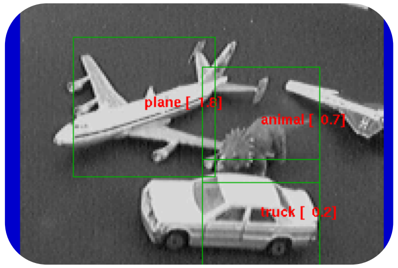
UNLOCKING POTENTIAL

NEW TECHNOLOGIES, NEW SOLUTIONS

Connectivity/IoT

Augmented & virtual reality

Object recognition + machine learning



Commercial UAVs

ChatBots for Sales & Service

KEY FINANCIALS
as at 30 October 2018

FINANCIALS LAND SEGMENT

	Q1–Q3 2017	Q1–Q3 2018	%
Revenue	908.8	1,017.3	+11.9%
EBITDAn[1)]	153.8	168.6	+9.6%
EBITDAn margin[1)]	16.9%	16.6%	–
EBITn[1)]	123.5	139.2	+12.7%
EBITn margin[1)]	13.6%	13.7%	–
Restructuring costs	8.9	6.0	(32.4%)

Continued increase in incoming orders

1) Figures normalized (n) by restructuring costs.

Acc. to IFRS in EUR million. Minor rounding differences may occur.

FINANCIALS SEA SEGMENT

	Q1–Q3 2017	Q1–Q3 2018	%
Revenue	184.3	165.3	(10.3%)
EBITDAn[1)]	5.8	4.0	(31.2%)
EBITDAn margin[1)]	3.1%	2.4%	–
EBITn[1)]	(3.8)	(4.9)	–
EBITn margin[1)]	(2.0%)	(2.9%)	–
Restructuring costs	4.1	8.5	+107.6%

Significant decline in revenue; intensive restructuring until 2019; consolidation of competitive environment

1) Figures normalized (n) by restructuring costs.

Acc. to IFRS in EUR million. Minor rounding differences may occur.

IMPAIRMENT OF GOODWILL OF BUSINESS AREA MARINE CASH-GENERATING UNIT (CGU)

➔ On the basis of an AFREP review, there is material need for impairment of the goodwill of the business area Marine cash-generating unit as at the end of 2017

- » Management Board estimates that potential restatement may amount to approximately half of the goodwill recorded (EUR 156.5 million)
- » Adjustments of the 2017 financial statements will not have any effect on the 2018 results, but will reduce the Group's equity and equity ratio accordingly
- » Additionally, the impairment will lead to a retrospective reduction of the 2017 results
- » Prior to the adjustment, the Group's equity as at 31 December 2017 was EUR 575.7 million, the equity ratio was 37.3 per cent
- » Once the final review report is available, the necessary corrections will be published

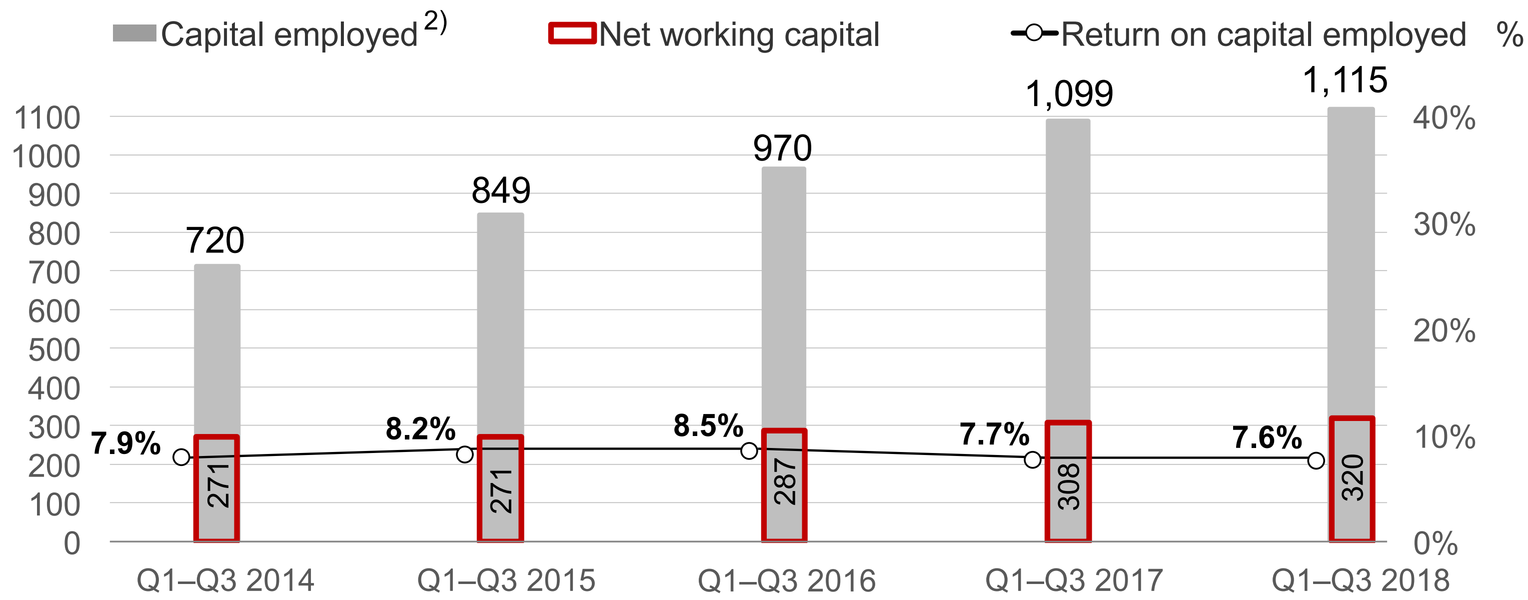
KEY FINANCIALS OF THE PALFINGER GROUP

	Q1–Q3 2016	Q1–Q3 2017	Q1–Q3 2018	%
Revenue	996.6	1,093.1	1,182.6	+8.2%
EBITDAn[1)]	131.1	147.6	157.1	+6.5%
EBITDAn margin[1)]	13.2%	13.5%	13.3%	–
EBITn[1)]	96.9	105.3	116.4	+10.5%
EBITn margin[1)]	9.7%	9.6%	9.8%	–
EBIT	86.4	91.9	101.7	+10.7%
Consolidated net result for the period	49.7	50.5	48.3	(4.4%)

1) Figures normalized (n) by restructuring costs.

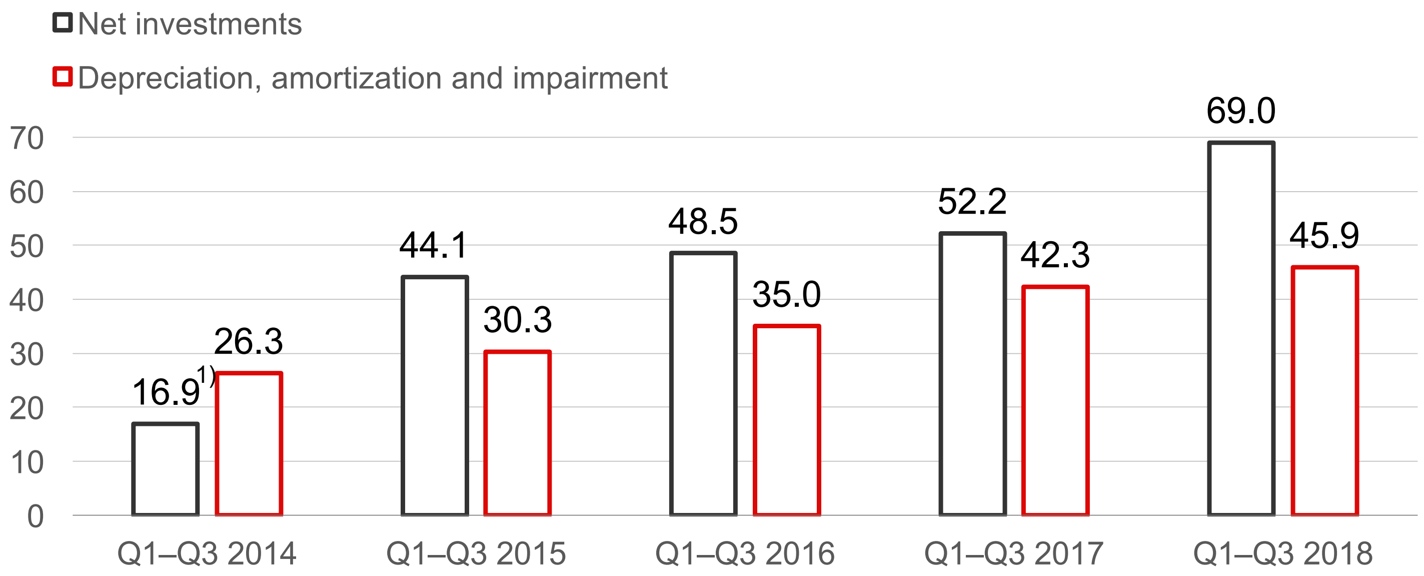
Acc. to IFRS in EUR million. Minor rounding differences may occur.

RETURN ON CAPITAL EMPLOYED[1)]



1) Figures before adjustment based on AFREP review.
2) Average of past 12 months.

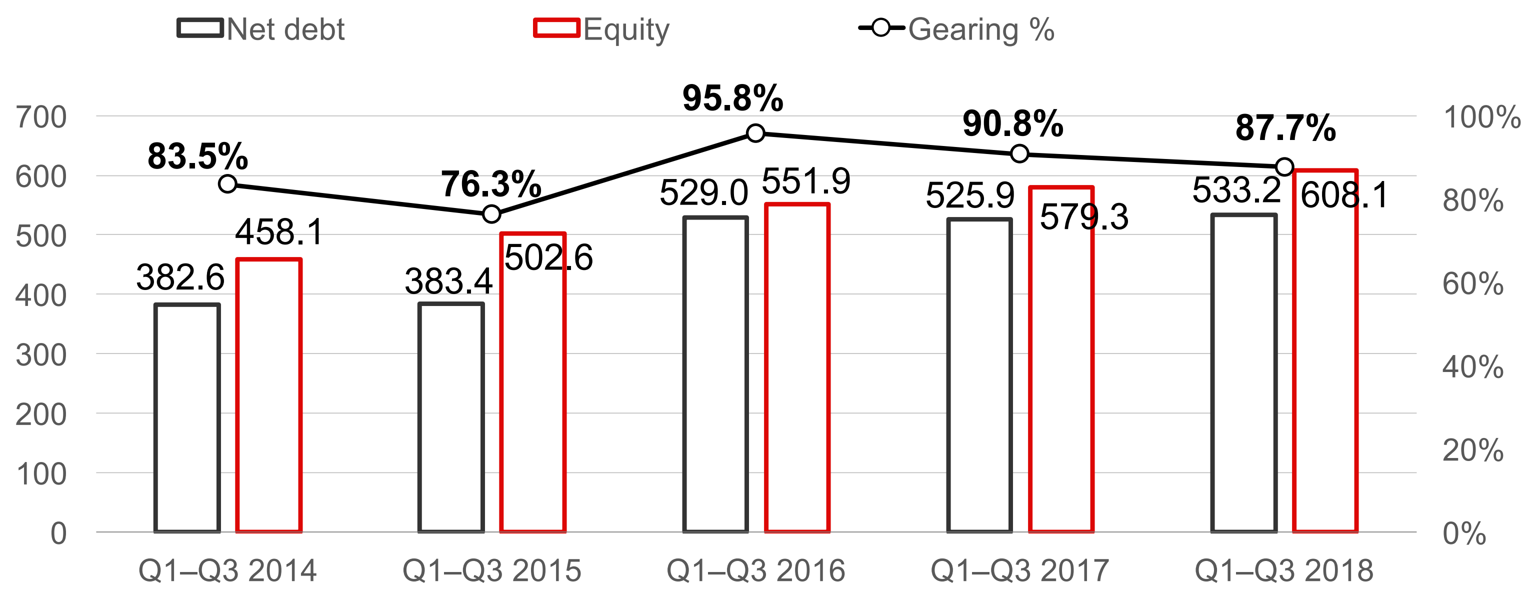
INVESTMENTS



Continued enlargement of production capacities and replacement investments

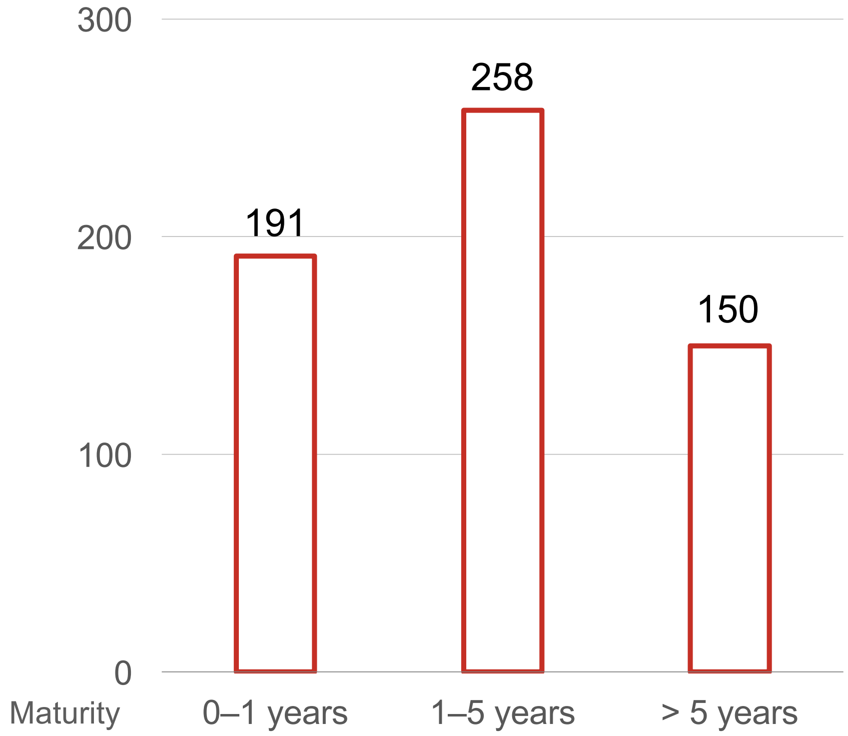
1) Adjusted by acquisition of interest in SANY, total: EUR 162.5 million.

GEARING RATIO AND EQUITY[1)]



1) Figures before adjustment based on AFREP review.

FINANCING STRUCTURE AS AT 30 SEPT 2018



Financial liabilities (FL)	EUR 598.6m
Ø Interest rate FL	1.66%
Ø Remaining time to maturity FL	3.25 years
Cash equivalents	EUR 34.3m
Net debt	EUR 533.2m
Equity ratio	38.0%
Gearing	87.7%
Net debt/EBITDA	2.95

1) Figures before adjustment based on AFREP review.

Acc. to IFRS in EUR million. Minor rounding differences may occur.

FREE CASH FLOWS

	Q1–Q3 2016	Q1–Q3 2017	Q1–Q3 2018
EBTDA	**112.0**	**121.9**	**134.5**
+/– Non-cash result from companies at equity	(3.4)	(4.4)	(2.3)
+/– Change in working capital	(13.2)	(41.4)	(17.3)
+/– Cash flows from tax payments	(23.9)	(14.7)	(31.6)
Cash flows from operating activities	**71.5**	**61.4**	**83.3**
+/– Cash flows from investing activities	(163.2)	(44.4)	(63.2)
Cash flows after changes in working capital & investments	**(91.7)**	**17.0**	**20.1**
+/– Cash flows from interest on borrowings adjusted by tax expense	7.0	7.6	6.3
Free cash flows	**(84.7)**	**24.6**	**26.4**
Cash flows from equity/investor capital	(17.5)	(40.3)	(31.9)
Cash flows from net debt	109.2	23.3	11.8

Acc. to IFRS in EUR million. Minor rounding differences may occur.

OUTLOOK

OUTLOOK AND OBJECTIVES

- → Continued increase in incoming orders gives reason to expect further positive business development and operating profitability
- → SANY repurchases 2.5% of its shares: Funds inflow of EUR 28.6 million
- → Restructuring measures in the marine business will continue to depress earnings in Q4 and in the first half of 2019
- → Group-wide initiatives with a focus on internal synergies, process optimization, organizational streamlining and digital transformation (PALFINGER 21st, Process Excellence)
- → Full integration of the numerous companies acquired
- → GLOBAL PALFINGER ORGANIZATION

2018: Increase in revenue and operating profitability expected

INVESTOR RELATIONS

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