

Vienna, 19 February 2019

PRESENTATION ON THE 2018 FINANCIAL YEAR

ANDREAS KLAUSER

CEO

2018

The PALFINGER GROUP
posted the **highest**
revenue in its history.

2019

We are stepping up
the pace for more
record years.



**THE PALFINGER GROUP IS THE WORLD'S LEADING
SUPPLIER OF LIFTING SOLUTIONS.**

OUR NUMBERS UNDERSCORE OUR POSITION AS MARKET LEADER.

PALFINGER		GROUP	LAND	SEA
	REVENUE	EUR 1.6 billion	EUR 1.4 billion	EUR 0.2 billion
	EMPLOYEES	10,780	8,899	1,528
	LOCATIONS	35 production sites	5,000 service centres worldwide	35 service centres worldwide
	REVENUE DISTRIBUTION	58% EMEA 24% Americas 18% Asia and Pacific, CIS		

2018 WAS THE HIGHEST REVENUE YEAR IN THE COMPANY'S HISTORY

WE HAVE POSITIONED OURSELVES STRATEGICALLY FOR A SUCCESSFUL FUTURE.

FACTS & FIGURES

Revenue rose by

9.8% to a new peak in
PALFINGER's history: EUR 1.6 billion

EBITDA increased by

15.4%
to EUR 214.6 million

Higher dividend per share of

51 cents

RE-ALIGNMENT

PALFINGER 21st produced first

smart solutions

Restructuring in

North America

largely completed

Intensive restructuring in the

SEA segment

will be continued until the end of 2019

ORGANIZATION

Management team

completed

GPO

successfully implemented

Consolidation and

integration

of the companies

THE MARKETS ARE UNDERGOING CHANGE AND ARE FACED WITH ENORMOUS CHALLENGES

ECONOMIC DOWNTURN
COINCIDES WITH STRONG
INCREASE IN VOLATILITY



COMPETITORS PURSUE
AGGRESSIVE
GROWTH STRATEGIES



INDUSTRY IS UNDER
PRESSURE TO DIGITALIZE



INCREASE IN **SHORTAGE**
OF SKILLED LABOUR



THE NEW GLOBAL PALFINGER ORGANIZATION (GPO) IS OUR RESPONSE TO THESE CHALLENGES.



EFFICIENCY

SYNERGIES

INTEGRATION

GROWTH

CUSTOMER FOCUS

ONE TEAM – ONE CULTURE

IMPLEMENTATION

GPO MEANS REDUCING COSTS AND ENHANCING QUALITY – FOR LONG-TERM CORPORATE SUCCESS.

- 1 Group-wide R&D guarantees **synergies**
- 2 Focus on **local customer requirements**
- 3 Value creation chain in a **global production network**
- 4 **Far-reaching standardization** of all components increases productivity, quality and flexibility
- 5 Full **integration of the acquired companies**

WE WILL UNLOCK OUR POTENTIAL FOR GROWTH AND INCREASE OUR PROFITABILITY.

FINANCIAL TARGETS 2022

EUR 2 billion

revenue through organic growth

10%

EBIT over the economic cycle

10%

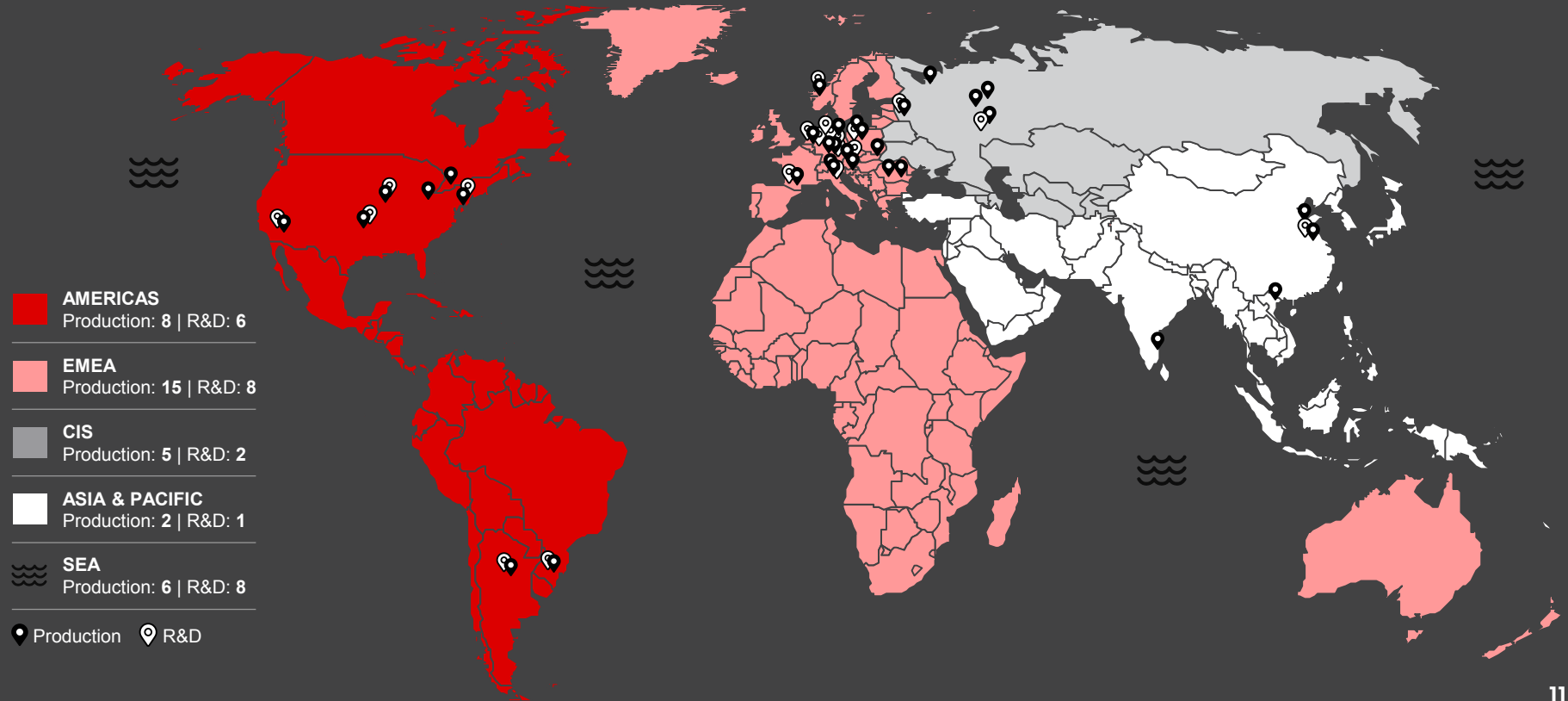
ROCE over the economic cycle

#1



MARKET LEADER IN LIFTING SOLUTIONS

PALFINGER USES GLOBAL STRUCTURES TO LIVE UP TO ITS PROMISE OF PERFORMANCE.



FELIX STROHBICHLER

CFO

SEGMENT REPORTING &
KEY FINANCIALS

LAND

SEGMENT



PALFINGER LIFTING SOLUTIONS – SOLUTIONS FOR EVERY CHALLENGE.



LOADER
CRANES



FORESTRY &
RECYCLING CRANES



STIFF BOOM
CRANES



ACCESS
PLATFORMS



TAIL LIFTS



HOOKLIFTS &
SKIPLOADERS



TRUCK
MOUNTED
FORKLIFTS



PASSENGER
SYSTEMS



BRIDGE INSPECTION
UNITS



RAILWAY
SYSTEMS

LAND

WE ARE LEVELLING UP OUR SUCCESS.

LAND SEGMENT

- 1 Crane business as driver of dynamic growth
- 2 Positive performance of European core markets, upturn in Southern Europe
- 3 Local value creation in Russia facilitates further growth
- 4 Significant expansion of business in China due to Sany Palfinger



STRONG INCREASE IN REVENUE AND EVEN HIGHER INCREASE IN EARNINGS.

LAND SEGMENT

EUR million	2017	2018	%
Revenue	1,230.2	1,399.4	+13.8%
EBITDAn ¹⁾	201.4	232.8	+15.6%
EBITDAn margin ¹⁾	16.4%	16.6%	—
EBITn ¹⁾	160.8	191.4	+19.0%
EBITn margin ¹⁾	13.1%	13.7%	—
Restructuring costs	13.3	11.0	(17.8%)

1) Figures normalized (n) by restructuring costs.
Acc. to IFRS, minor rounding differences may occur.





PALFINGER LIFTING SOLUTIONS – SOLUTIONS FOR EVERY CHALLENGE.



MARINE
CRANES



WIND
CRANES



LIFE & RESCUE
BOATS



WINCHES &
HANDLING EQUIPMENT



OFFSHORE
CRANES



DAVITS



SPECIAL BOATS



ROPE
ACCESS

SEA

INITIAL SUCCESSES IN A DEMANDING MARKET ENVIRONMENT.

SEA SEGMENT

- 1 EBITDA margin slightly positive at 1.4 per cent
- 2 Moderate increase in service business (investment propensity of customers curbed by oil price)
- 3 Growth recorded in the fisheries, fish farming, cruise and coast guard sectors
- 4 Synergies from the consolidation of units and sites
- 5 Restructuring of the SEA segment will be completed at the end of 2019



POSITIVE SIGNS DESPITE DECLINE IN REVENUE.

SEA SEGMENT

EUR million	2017 ²⁾	2018	%
Revenue	240.9	216.3	(10.2%)
EBITDAn ¹⁾	3.2	3.1	(4.6%)
EBITDAn margin ¹⁾	1.3%	1.4%	—
EBITn ¹⁾	(9.4)	(8.7)	+7.5%
EBITn margin ¹⁾	(3.9%)	(4.0%)	—
Restructuring costs	87.9	19.7	(77.6%)

1) Figures normalized (n) by restructuring costs.

2) Figures adjusted with retrospective effect (see Integrated Annual Report page 144).

Acc. to IFRS, minor rounding differences may occur.



ADJUSTMENT OF GOODWILL WITH RETROSPECTIVE EFFECT IN THE 2017 FINANCIAL STATEMENTS.

SEA SEGMENT

- 1 Impairment loss of **EUR 82.4 million** on goodwill in the SEA segment
- 2 Adjustment had **zero impact** on 2018 earnings or dividends
- 3 Adjustment will lead to **positive tax effects** in the years to come





EXCELLENT INCREASE IN OPERATING PROFITABILITY.

EUR million	2017 ²⁾	2018	%
Revenue	1,471.1	1,615.6	+9.8%
EBITDAn ¹⁾	186.0	214.6	+15.4%
EBITDAn margin ¹⁾	12.6%	13.3%	—
EBITn ¹⁾	129.7	158.2	+22.0%
EBITn margin ¹⁾	8.8%	9.8%	—
EBIT	27.8	127.0	—
Consolidated net result for the period	(11.4)	58.0	—
Dividend per share (EUR)	0.47	0.51 ³⁾	+8.5%

1) Figures normalized (n) by restructuring costs.

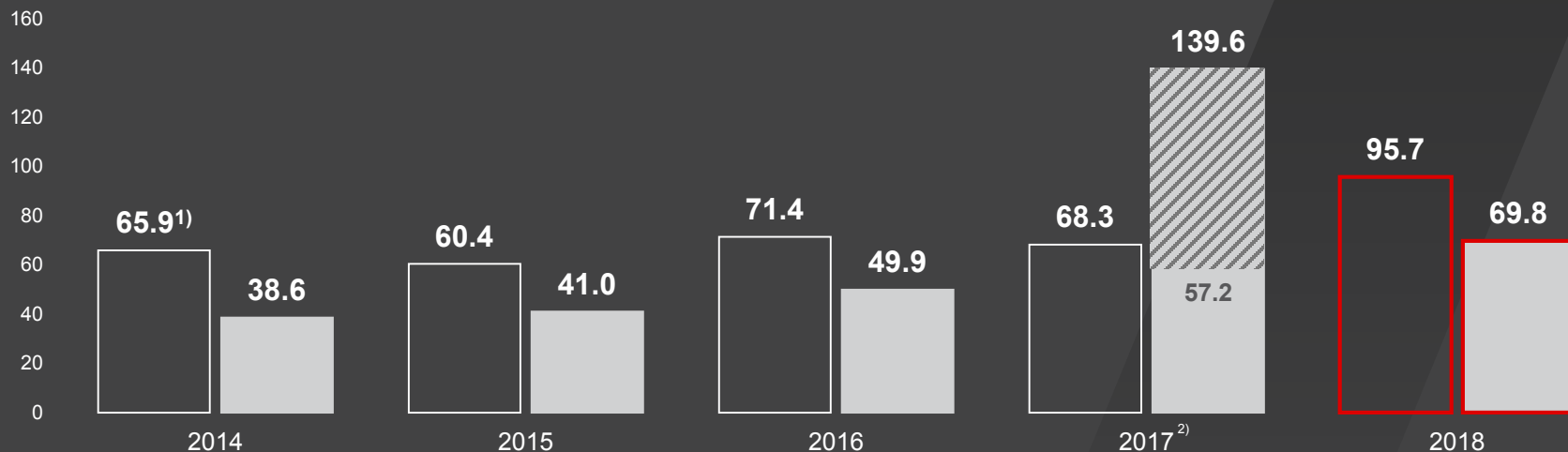
2) Figures adjusted with retrospective effect (see Integrated Annual Report page 144).

3) Proposal to the Annual General Meeting.

Acc. to IFRS, minor rounding differences may occur.

WE ARE INVESTING IN CAPACITIES AND NEW BUSINESS MODELS.

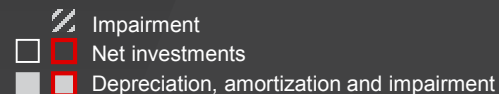
EUR million



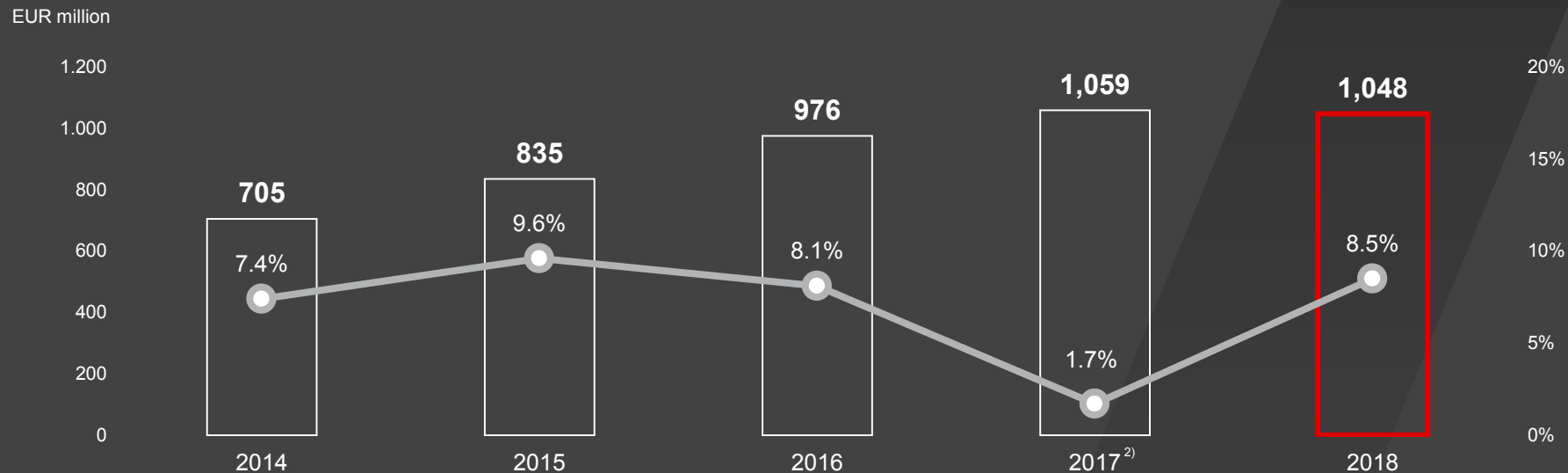
1) Adjusted by acquisition of interest in SANY, total: EUR 175.9 million.

2) Figures adjusted with retrospective effect (see Integrated Annual Report page 144).

Acc. to IFRS, minor rounding differences may occur.



ROCE INCREASED TO 8.5%.



1) Average of past 12 months.

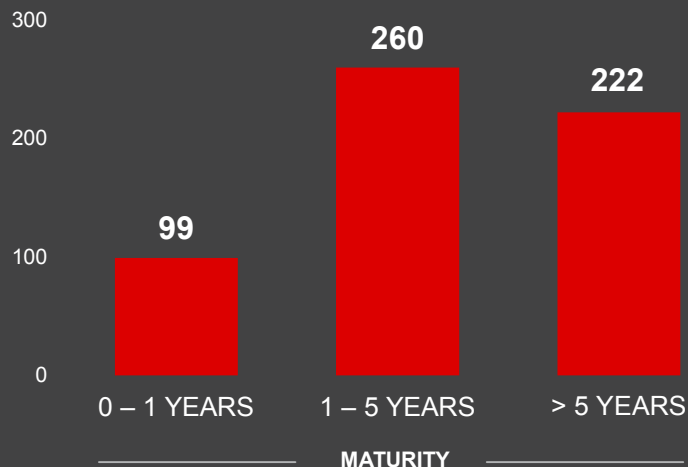
2) Figures adjusted with retrospective effect (see Integrated Annual Report page 144).

Acc. to IFRS, minor rounding differences may occur.

□ Capital employed¹⁾
—● Return on capital employed¹⁾

SOLID BALANCE SHEET STRUCTURE WITH AN UPWARD TREND.

EUR million



	31 Dec 2017	31 Dec 2018
Financial liabilities (FL)	EUR 592.2m	EUR 580.4m
Ø Interest rate FL	1.78% ¹⁾	1.69% ¹⁾
Ø Remaining time to maturity FL	3.73 years	4.21 years
Cash equivalents	39.8	34.7
Net debt	EUR 513.3m	EUR 515.7m
Equity	EUR 511.8m	EUR 555.7m

1) Exclusive of foreign exchange hedging costs.
Acc. to IFRS, minor rounding differences may occur.

ENSURING FUTURE VIABILITY THROUGH IMPROVED EQUITY RATIO AND SOUND BALANCE SHEET.

	31 Dec 2017	31 Dec 2018
Equity ratio	34.6%	36.4%
Gearing	100.3%	92.8%
Net debt/EBITDA	3.07	2.62

Acc. to IFRS, minor rounding differences may occur.

INCREASE IN FREE CASH FLOWS DESPITE SUBSTANTIALLY HIGHER INVESTMENTS.

EUR million	2017	2018
EBTDA	145.7	180.8
+/- Non-cash result from companies at equity	(6.5)	(4.0)
+/- Change in working capital	(27.2)	(10.9)
+/- Cash flows from tax payments	(20.0)	(39.4)
Cash flows from operating activities	92.0	126.5
+/- Cash flows from investing activities	(58.7)	(87.7)
Cash flows after changes in working capital & investments	33.3	38.8
+/- Cash flows from interest on borrowings adjusted by tax expense	9.7	8.0
Free cash flows	43.1	46.8

Acc. to IFRS, minor rounding differences may occur.

ANDREAS KLAUSER

CEO

CONCLUSIONS

2018

WAS A RECORD YEAR IN
OUR COMPANY'S
HISTORY.





ADDED VALUE
DUE TO RE-POSITIONING
(GPO) – IN EXCELLENT
SHAPE FOR THE FUTURE.

OUR FUTURE IS
INTEGRATED, CONNECTED
& CUSTOMER-
ORIENTED.





Re-focussing on the **core business**

More **transparency** and faster responses

Intensifying **synergies** and increasing **profitability**

Fully utilizing **potential for organic growth**

Full **digital transformation**

SUCCESSFUL START

TO **2019.**

**TOGETHER WE ARE SHAPING
THE FUTURE OF OUR CUSTOMERS'
LIFTING SOLUTIONS.**

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