

Presentation on the first half of 2019

FOCUS ON PROFITABLE GROWTH.

Vienna, 30 July 2019

ANDREAS KLAUSER

CEO

HY1 2019

Revenue and earnings
further increased.

New organizational structure
successfully implemented.

Initial **PALFINGER 21st**
projects up and running.

2019

is expected to be
another record year.



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

2018 – AN OVERVIEW.

	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	25 service centres worldwide
 REVENUE DISTRIBUTION	58% EMEA 24% NAM, LATAM 18% APAC, CIS		

PALFINGER LIFTING SOLUTIONS – SOLUTIONS FOR EVERY CHALLENGE.

SEA



LOADER
CRANES



TIMBER/ RECYCLING



HOOKLIFTS &
SKIPLOADERS



TAIL LIFTS



MARINE
CRANES



OFFSHORE
CRANES



PASSENGER
SYSTEMS



ACCESS
PLATFORMS



TRUCK
MOUNTED
FORKLIFTS



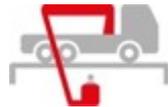
RAILWAY
SYSTEMS



WIND
CRANES



DAVITS



BRIDGE INSPECTION
UNITS



TURNKEY
SOLUTIONS



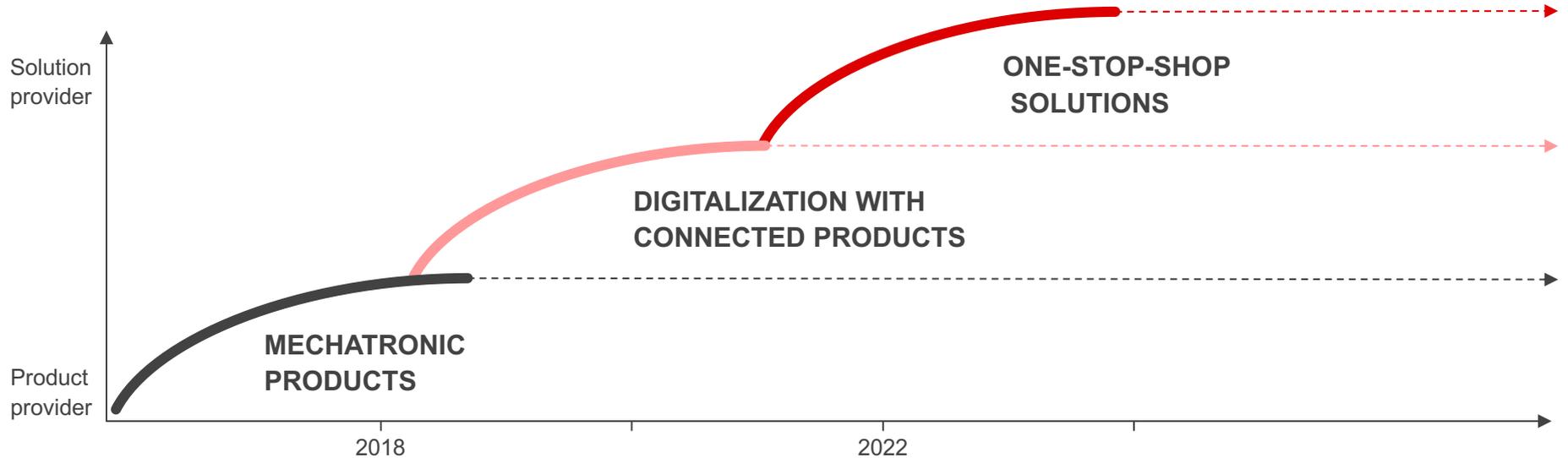
WINCHES



BOATS

LAND

THE PALFINGER GROUP IS DEVELOPING FROM A PROVIDER OF PRODUCTS INTO A ONE-STOP-SHOP PROVIDER OF SOLUTIONS.



STEP 1

- GPO (product lines, Centers of Excellence)
- Automation of functions and processes

STEP 2

- Development of smart products, processes and applications

STEP 3

- Smart digital networks
- New business models

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



NAM
Production: 5 | R&D: 4

CIS
Production: 5 | R&D: 2

LATAM
Production: 2 | R&D: 2

EMEA
Production: 16 | R&D: 9

APAC
Production: 1 | R&D: 1

SEA
Production: 6 | R&D: 7

📍 Production 📍 R&D

PALFINGER'S PERFORMANCE IN THE FIRST HALF OF 2019 WAS IMPRESSIVE AT ALL LEVELS.

FINANCES

+11.4% in revenue leads to record figure of EUR 893.4 million

9.3% EBIT margin shows improvement in profitability

35.8% equity ratio shows strengthening of balance sheet

ORGANIZATION

GPO
successfully implemented

Restructuring in
marine business
largely completed by end of HY1

2022 targets
set the direction for finances,
environment and staff development

FUTURE TOPICS

PALFINGER 21st
produces specific initiatives, projects
and success

STRUCINSPECT
with first reference projects

Palfinger Neptune
cooperation with Chinese lifeboat
manufacturer already active

OPERATIONAL HIGHLIGHTS.

- 1** Further revenue increase in all regions
- 2** Good order intake and high capacity utilization at production plants
- 3** Limited internal and external capacities
- 4** Partnership with SANY still highly successful
- 5** Marine business: onset of market recovery and strong order intake



SIGNIFICANT PROGRESS OF GROWTH INITIATIVES.

- 6 PALFINGER 21st produces first results
- 7 GLOBAL PALFINGER ORGANIZATION already successful
- 8 Implementation of globally uniform ERP system



FELIX STROHBICHLER

CFO

SEGMENT
SALES & SERVICE LAND



STRONG INCREASE IN REVENUE.

SALES & SERVICE LAND

EUR million	HY1 2018 ¹⁾	HY1 2019	Δ%
External revenue	635.4	733.6	+15.5%
EBITDA	87.6	93.0	+6.1%
EBIT	79.0	82.6	+4.5%
EBIT margin	12.4%	11.3%	–

1) Previous year's figures adjusted to new segment reporting with retrospective effect. Acc. to IFRS, minor rounding differences may occur.



SEGMENT
OPERATIONS LAND

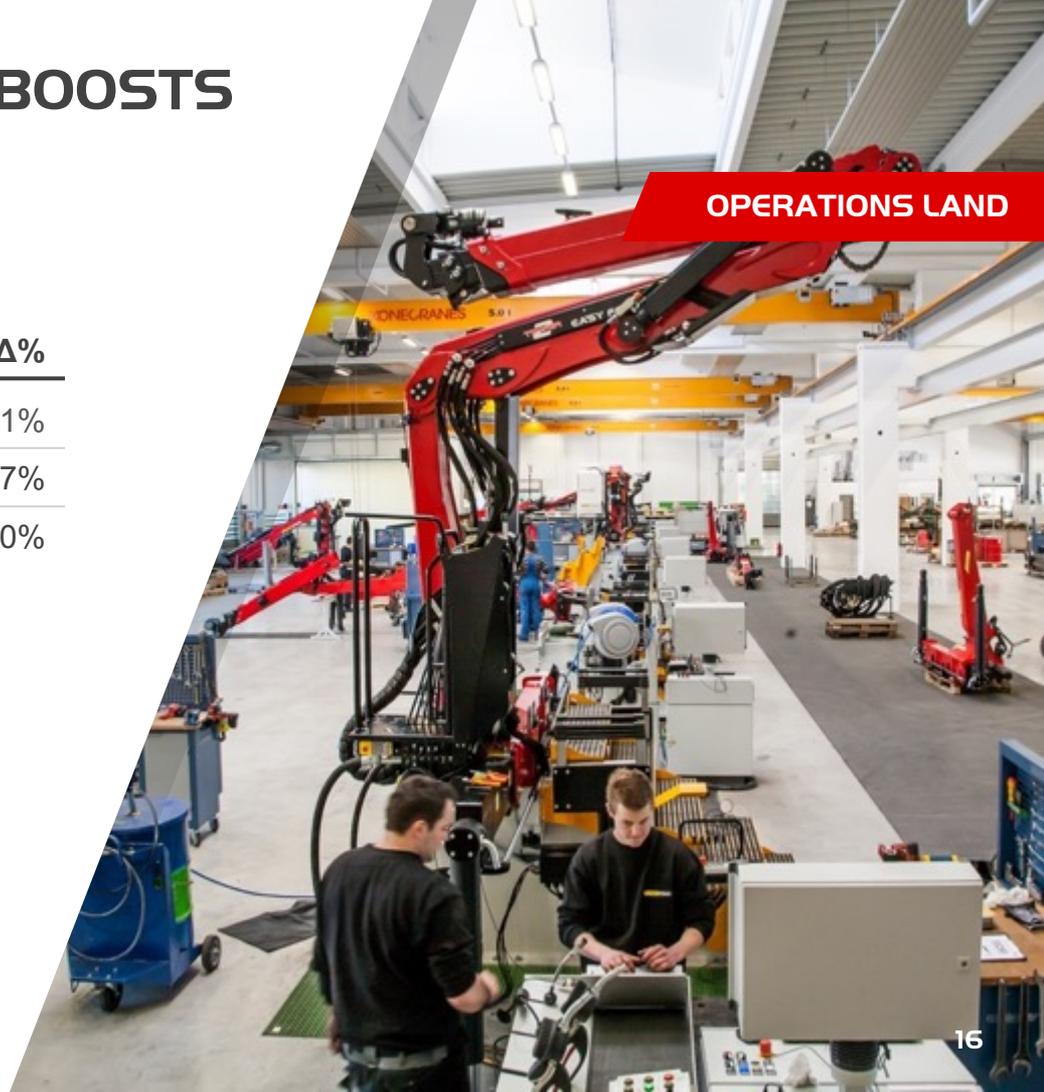


HIGH CAPACITY UTILIZATION BOOSTS PROFITABILITY.

OPERATIONS LAND

EUR million	HY1 2018 ¹⁾	HY1 2019	Δ%
External revenue	51.5	64.5	+25.1%
EBITDA	26.7	38.9	+45.7%
EBIT	13.2	22.9	+74.0%

1) Previous year's figures adjusted to new segment reporting with retrospective effect. Acc. to IFRS, minor rounding differences may occur.



SEGMENT
SEA



SIGNIFICANT OPERATIONAL IMPROVEMENT.

- 1 Good order intake in all areas and start of offshore market recovery
- 2 Restructuring largely completed by end of half-year
- 3 Follow-on and one-time effects, and change in revenue recognition method affect earnings
- 4 Break-even possible in HY2 2019 despite strong decline in revenue
- 5 Cooperation with Neptune

SEGMENT SEA



PALFINGER NEPTUNE.

SEGMENT SEA

- 1** Sales joint venture for maritime lifesaving equipment and services in China agreed

- 2** Consolidation of PALFINGER's global market position

- 3** Pole position in dynamic Chinese cruise lifesaving equipment market

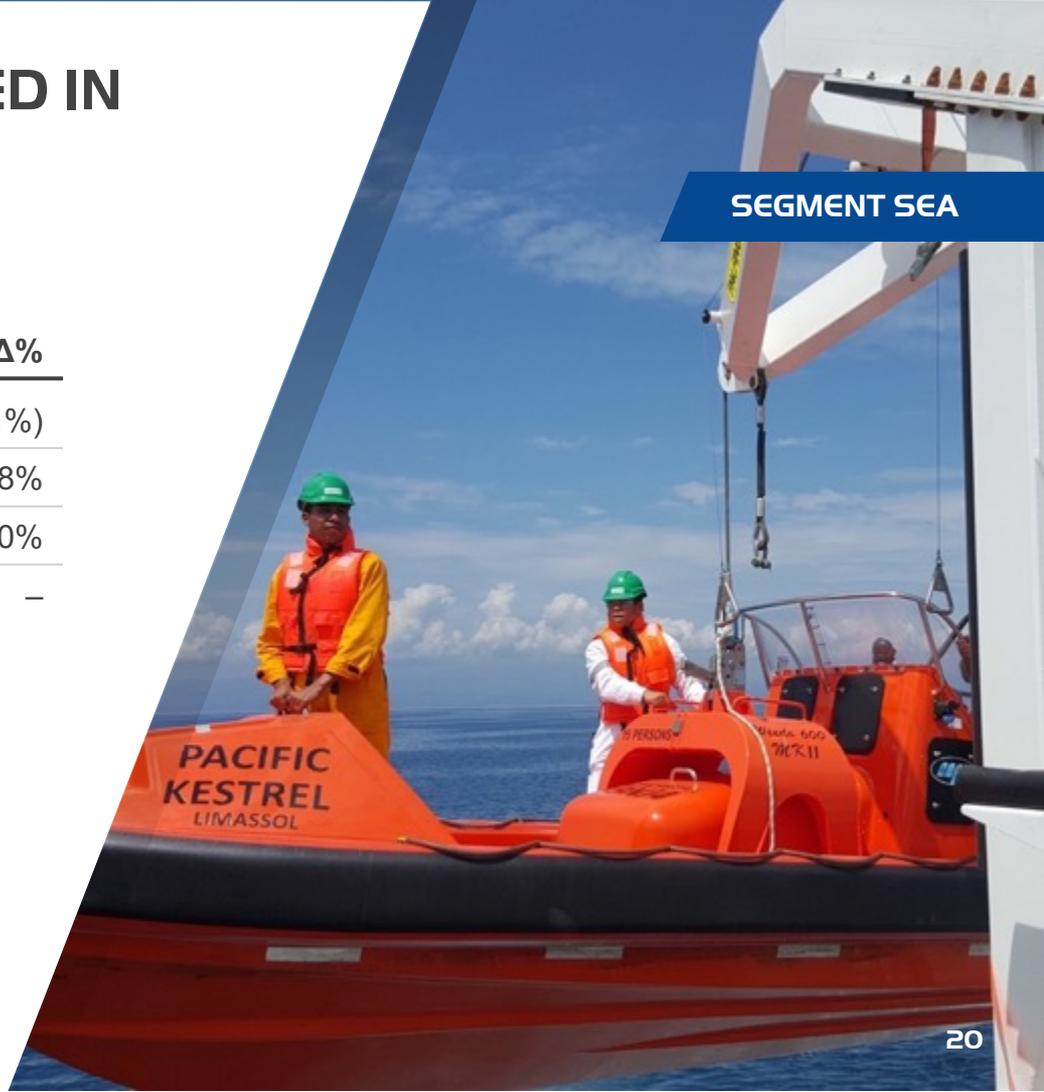


NEW ORDERS NOT REFLECTED IN REVENUE BEFORE 2020.

SEGMENT SEA

EUR million	HY1 2018 ¹⁾	HY1 2019	Δ%
External revenue	114.9	95.3	(17.1%)
EBITDA	(2.1)	(0.1)	+93.8%
EBIT	(9.9)	(7.9)	+20.0%
EBIT margin	(8.6%)	(8.3%)	—

1) Previous year's figures adjusted to new segment reporting with retrospective effect. Acc. to IFRS, minor rounding differences may occur.



UNIT
HOLDING



REORGANIZATION INVOLVES HIGHER EXPENDITURES.

EUR million	HY1 2018 ¹⁾	HY1 2019	Δ%
EBITDA	(9.6)	(11.7)	(21.0%)
EBIT	(11.3)	(14.3)	(26.9%)

1) Previous year's figures adjusted to new segment reporting with retrospective effect. Acc. to IFRS, minor rounding differences may occur.

UNIT HOLDING



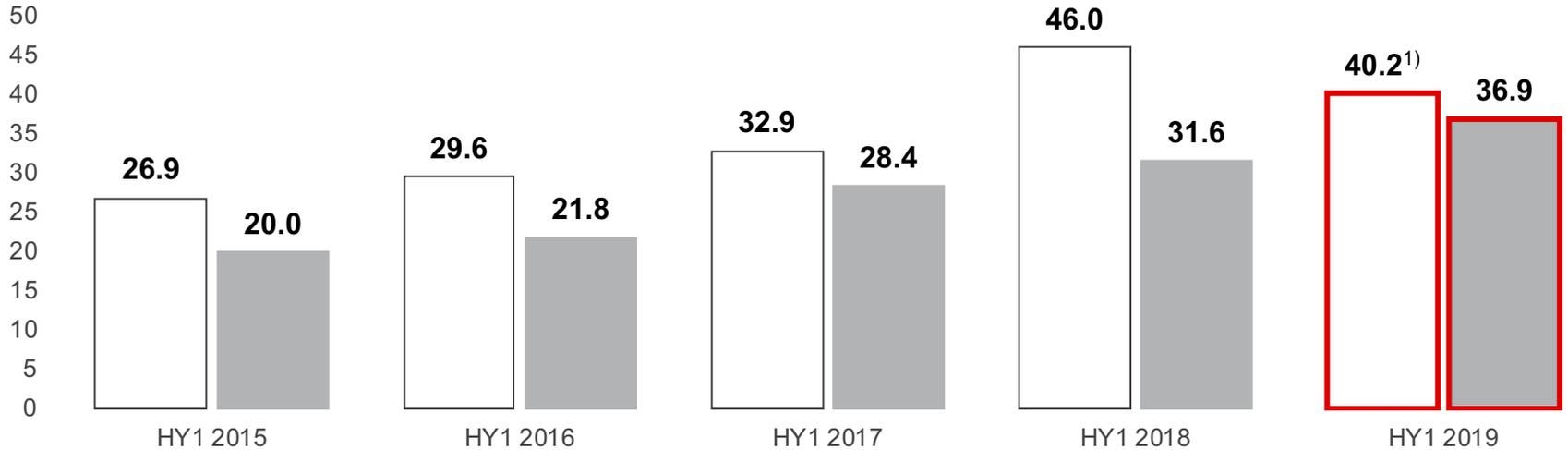
DOUBLE-DIGIT INCREASE IN REVENUE AND EARNINGS.

EUR million	HY1 2018	HY1 2019	Δ%
Revenue	801.9	893.4	+11.4%
EBITDA	102.7	120.1	+17.0%
EBITDA margin	12.8%	13.4%	–
EBIT	71.0	83.3	+17.2%
EBIT margin	8.9%	9.3%	–
EBT	62.2	74.9	+20.5%
Consolidated net result for the period	35.2	43.6	+23.7%

Acc. to IFRS, minor rounding differences may occur.

INVESTMENTS LOWER THAN IN PREVIOUS YEAR, BUT STILL AT HIGH LEVEL.

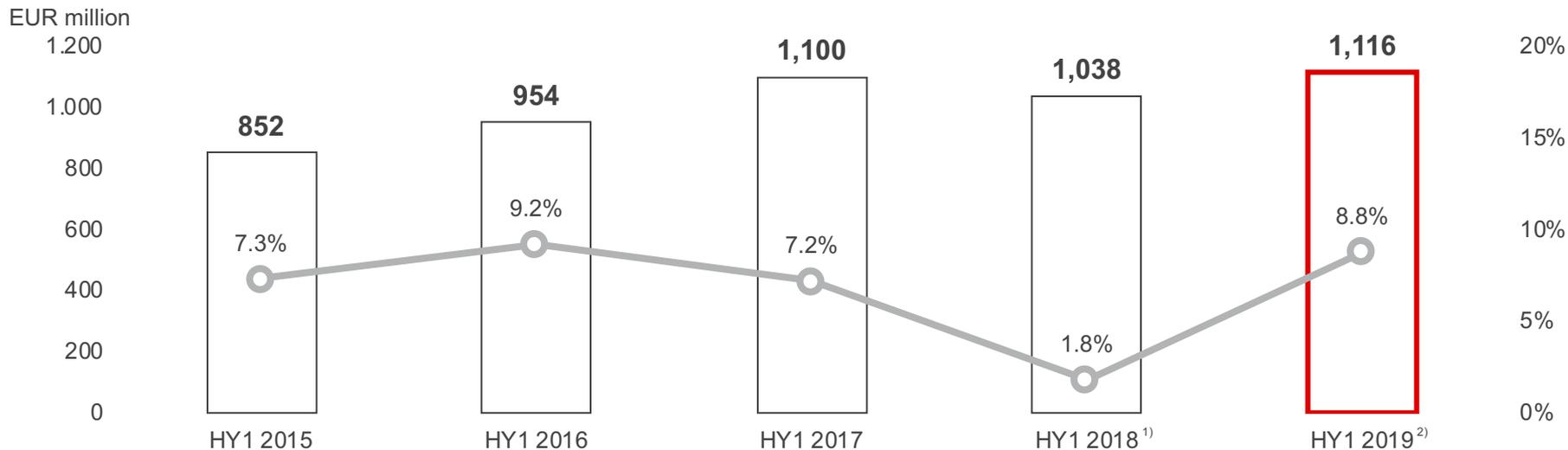
EUR million



1) Including additions from leases (IFRS 16); excluding divestment of 2.5% of Sany Lifting Solutions (EUR 28.6 million).
Acc. to IFRS, minor rounding differences may occur.

□ Net investments
■ Depreciation, amortization and impairment

ROCE IMPROVING TOWARDS TARGET LEVEL.



1) Including 2017 restatement.

2) Including additions from leases (IFRS 16).

3) Average of past 12 months.

4) ROCE = ratio of NOPLAT to average capital employed (from reporting date of previous year to reporting date of current year)

Acc. to IFRS, minor rounding differences may occur.

Capital employed³⁾
 Return on capital employed⁴⁾

STABLE BALANCE-SHEET STRUCTURE WITH POSITIVE TREND.

EUR million	30 June 2018	30 June 2019 ¹⁾
Financial liabilities (FL)	579.8	621.6
Ø Interest rate FL	1.75%	1.65% ²⁾
Ø Remaining time to maturity FL	3.52 years	4.49 years
Cash equivalents	28.4	27.7
Net debt	520.0	570.1
Equity	531.5	589.6

1) Including EUR 61.8 million lease liabilities according to IFRS 16.

2) Excluding foreign exchange hedging costs.

Acc. to IFRS, minor rounding differences may occur.



IMPROVEMENT OF BALANCE-SHEET FIGURES DESPITE IFRS 16.

	30 June 2018	30 June 2019
Equity ratio	34.6%	35.8%
Gearing	97.8%	96.7%
Net debt/EBITDA	2.97	2.66

Acc. to IFRS, minor rounding differences may occur.



SALE OF SANY SHARES LEADS TO HIGH FREE CASH FLOWS.

EUR million	HY1 2018	HY1 2019
EBTDA	93.8	111.8
+/- Non-cash result from companies at equity	0.2	(6.1)
+/- Change in working capital	(7.2)	(28.9)
+/- Cash flows from tax payments	(16.0)	(19.0)
Cash flows from operating activities	70.8	57.8
+/- Cash flows from investing activities	(41.4)	(10.5)
Cash flows after changes in working capital & investments	29.4	47.3
+/- Cash flows from interest on borrowings adjusted by tax expenses	4.3	5.1
Free cash flows	33.7	52.4

Acc. to IFRS, minor rounding differences may occur.

ANDREAS KLAUSER

CEO



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

OUR FUTURE IS
INTEGRATED, CONNECTED
& CUSTOMER-
ORIENTED.



STRUCINSPECT DIGITAL BRIDGE INSPECTION

First marketable
PALFINGER 21st
solution.





Ongoing focus on profitable growth and integration

Full order book and good order intake

Revenue growth to EUR 1.7 billion expected

EBIT margin of 9% targeted

POSITIVE OUTLOOK FOR

2019

AS A WHOLE.

WE ARE UNLOCKING OUR POTENTIAL FOR GROWTH AND INCREASING OUR PROFITABILITY.

FINANCIAL TARGETS 2022

EUR 2 billion

revenue through organic growth

10%

EBIT margin over the economic cycle

10%

ROCE over the economic cycle

#1



MARKET LEADER IN LIFTING SOLUTIONS

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

INVESTOR RELATIONS



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