

CONTINUED PROFITABLE GROWTH

Presentation on the first three quarters of 2019
Bergheim, Oct 29, 2019

OVERVIEW OF THE FIRST THREE QUARTERS

PALFINGER



Revenue and EBIT grow by double digits



**GLOBAL PALFINGER ORGANIZATION –
New organizational structure is taking effect**



Successful turnaround in Segment SEA

2019

is expected to be
another record year





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

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

PALFINGER LIFTING SOLUTIONS – SOLUTIONS FOR EVERY CHALLENGE

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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



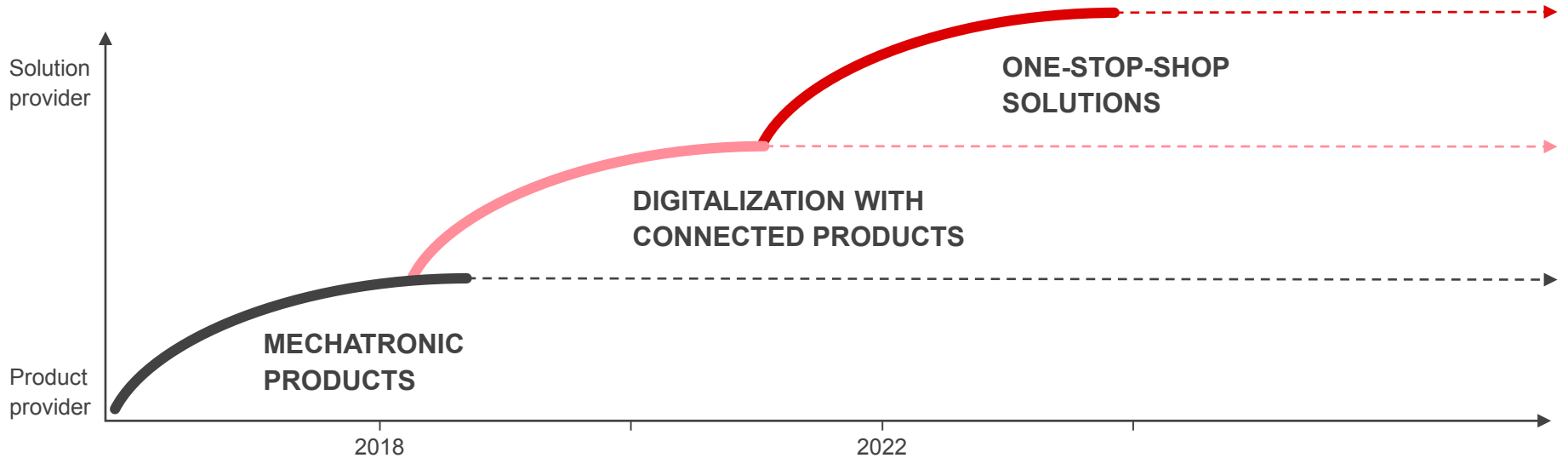
WINCHES



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

EMEA
Production: 16 | R&D: 9

APAC
Production: 1 | R&D: 1

LATAM
Production: 2 | R&D: 2

SEA
Production: 6 | R&D: 7

📍 Production 📍 R&D

HIGHLIGHTS

- 1** Sound order situation in Segment Sales & Service LAND and strong order intake in Segment SEA

- 2** GLOBAL PALFINGER ORGANIZATION – New organizational structure is taking effect

- 3** Restructuring in Segment SEA largely completed – Break-even point reached in 3rd quarter of 2019

- 4** Joint Venture Neptune – Pole position in dynamic Chinese cruise lifesaving equipment market

- 5** STRUCINSPECT – Successful project in PALFINGER 21st

- 6** Partnership with SANY continues to be highly successful

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**SEGMENT
SALES & SERVICE
LAND**

STRONG REVENUE GROWTH

EUR million	Q1-Q3/2018 ¹⁾	Q1-Q3/2019	Δ%
External revenue	934.0	1,068.4	+14.4%
EBITDA	124.7	129.8	+4.1%
EBIT	115.1	116.2	+1.0%
EBIT margin	12.3%	10.9%	–

1) Prior-year figures were retroactively adjusted to the new segment structure. Slight differences due to rounding are possible in accordance with IFRS.



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**SEGMENT
OPERATIONS LAND**

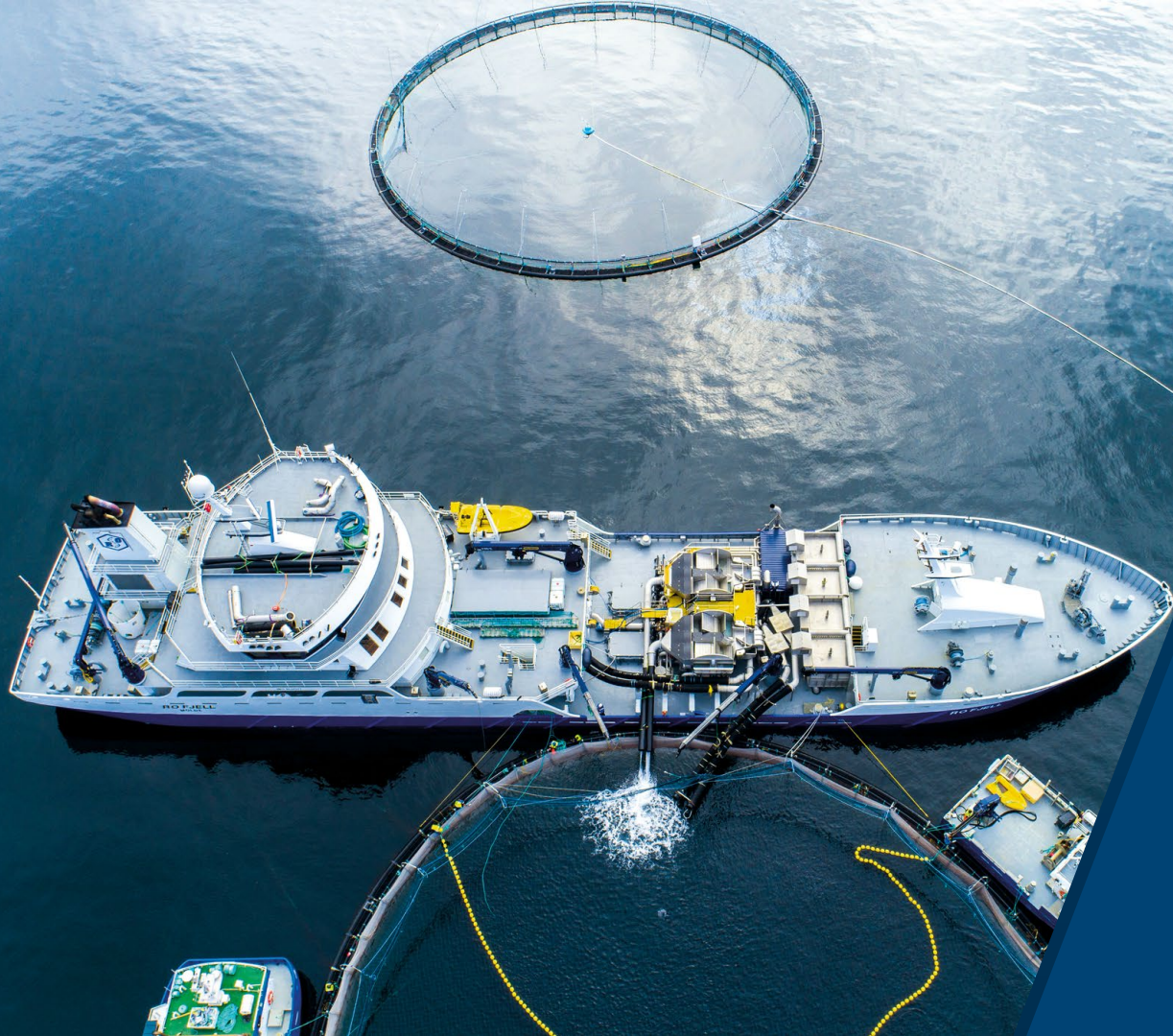
HIGH CAPACITY UTILIZATION BOOSTS PROFITABILITY

EUR million	Q1-Q3/2018 ¹⁾	Q1-Q3/2019	Δ%
External revenue	82.5	90.2	+9.3%
EBITDA	39.3	57.3	+45.6%
EBIT	16.5	30.6	+85.4%

1) Prior-year figures were retroactively adjusted to the new segment structure. Slight differences due to rounding are possible in accordance with IFRS.

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SEGMENT SEA



SIGNIFICANT OPERATIONAL IMPROVEMENT – NEW ORDERS IMPACT REVENUE FROM 2020 ONWARD

EUR million	Q1-Q3/2018 ¹⁾	Q1-Q3/2019	Δ%
External revenue	165.3	142.1	-14.0%
EBITDA	-2.9	3.9	–
EBIT	-14.0	-7.7	+45.2%
EBIT margin	-8.4%	-5.4%	–

1) Prior-year figures were retroactively adjusted to the new segment structure.
Slight differences due to rounding are possible in accordance with IFRS.



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**HOLDING
UNIT**



REORGANIZATION INVOLVES HIGHER EXPENDITURES

EUR million	Q1-Q3/2018 ¹⁾	Q1-Q3/2019	Δ%
EBITDA	-13.5	-15.8	-16.7%
EBIT	-16.0	-19.9	-24.6%

1) Prior-year figures were retroactively adjusted to the new segment structure.
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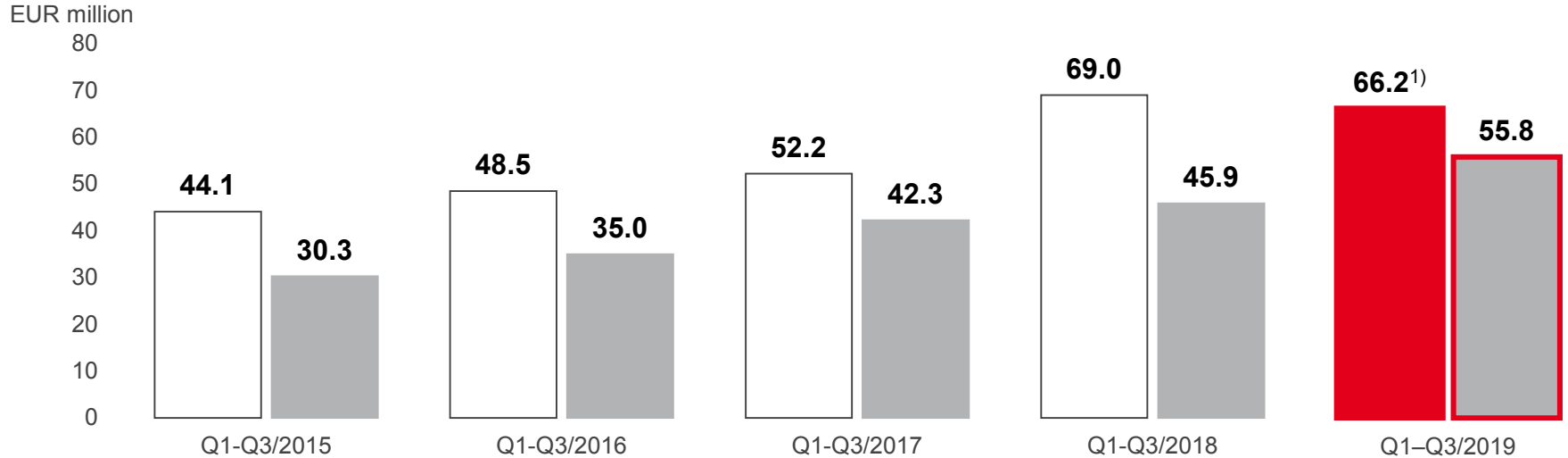
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DOUBLE-DIGIT REVENUE AND EARNINGS GROWTH

EUR million	Q1-Q3/2018	Q1-Q3/2019	Δ%
Revenue	1,182.6	1,300.6	+10.0%
EBITDA	147.6	175.1	+18.7%
EBITDA margin	+12.5%	+13.5%	–
EBIT	101.7	119.3	+17.3%
EBIT margin	+8.6%	+9.2%	–
EBT	88.6	107.1	+20.9%
Consolidated net result for the period	48.3	63.6	+31.6%

Slight differences due to rounding are possible in accordance with IFRS.

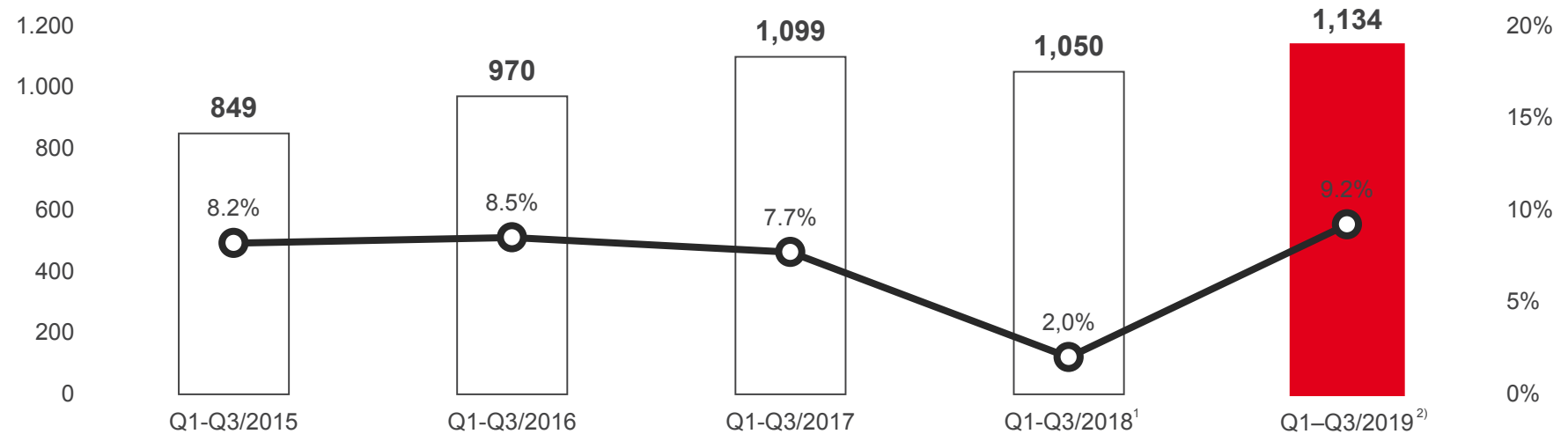
INVESTMENTS REMAIN AT A HIGH LEVEL



1) Including additions from leases (IFRS 16); excluding divestment of 2.5% of Sany Lifting Solutions (EUR 28.6 million)
Slight differences due to rounding are possible in accordance with IFRS.

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 the last 12 months.

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

Slight differences due to rounding are possible in accordance with IFRS.

Capital employed³⁾
 Return on capital employed⁴⁾

STABLE BALANCE SHEET STRUCTURE WITH POSITIVE TREND

EUR million	30 Sept 2018	30 Sept 2019 ¹⁾
Financial liabilities (FL)	598.6	633.1
Ø interest rate of FL	1.66%	1.62% ²⁾
Ø maturity of FL	3.25 years	4.40 years
Cash equivalents	34.3	33.2
Net debt	533.2	576.9
Equity	540.9	618.9

1) Including EUR 59.7 million lease liabilities in accordance with IFRS 16.

2) Excluding foreign currency hedging costs.

Slight differences due to rounding are possible in accordance with IFRS.



SIGNIFICANT IMPROVEMENT OF BALANCE SHEET PERFORMANCE INDICATORS DESPITE IFRS 16

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	30 Sept 2018	30 Sept 2019
Equity ratio	35.4%	37.1%
Gearing	98.6%	93.2%
Net debt/EBITDA	2.95	2.57

Slight differences due to rounding are possible in accordance with IFRS.



FREE CASH FLOW IMPACTED BY SALE OF SANY SHARES AND HIGH LEVEL OF INVENTORIES

EUR million	Q1-Q3/2018	Q1-Q3/2019
EBITDA	134.5	163.0
+/- non-cash income from at-equity companies	-2.3	-11.9
+/- change in working capital	-17.3	-37.1
+/- Cash flow from tax payments	-31.6	-32.5
Cash flow from operating activities	83.3	81.5
+/- Cash flow from investing activities	-63.2	-33.2
Cash flow after changes in working capital & investments	20.1	48.3
+/- Cash flow from interest on borrowings adjusted for tax expense	6.3	7.8
Free cash flow	26.4	56.1

Slight differences due to rounding are possible in accordance with IFRS.

A man with brown hair and a beard, wearing a red work jacket, is shown in profile wearing a black augmented reality headset. The headset has a wide strap across the top of his head and a visor-like structure in front of his eyes. The background is a blurred industrial or workshop environment. On the right side of the image, there is a large red graphic element consisting of overlapping triangles.

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**Our future is
integrated, connected
and CUSTOMER-
ORIENTED.**



PALFINGER

**STRUCINSPECT –
DIGITAL BRIDGE
INSPECTION**

**First marketable
PALFINGER 21st
solution.**

POSITIVE OUTLOOK FOR 2019 AS A WHOLE

PALFINGER



Ongoing focus on profitable growth and integration



Full order book and strong order intake



Revenue growth to EUR 1.7 billion expected



EBIT margin of 9% targeted for full year

WE ARE UNLOCKING OUR POTENTIAL FOR GROWTH AND INCREASING OUR PROFITABILITY

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Financial targets 2022

EUR 2 billion

revenue from organic growth

10%

EBIT margin over the economic cycle

10%

ROCE over the economic cycle

#1



MARKET LEADER FOR LIFTING SOLUTIONS

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

INVESTOR RELATIONS

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This presentation contains forward-looking statements based on all currently available information. Actual developments may differ from the expectations presented here.

THANK YOU FOR YOUR ATTENTION!