

PALFINGER

90
YEARS
SINCE
1932

**BALANCE SHEET PRESENTATION
FOR THE RECORD YEAR**

2021



Vienna, February 24, 2022

PALFINGER

90
YEARS
SINCE
1932

ANDREAS KLAUSER
CEO

CELEBRATING THE FUTURE SINCE 1932



We started as a small workshop in Austria **90 years ago** and **continued** to develop

For **generations**, we have pushed boundaries and **built a strong company** together

Our **pioneering spirit** and our **values** are the **basis of our success**

And we **keep on reinventing ourselves**, to create our **unparalleled** portfolio



Today, we are a **global company** and set **standards** worldwide **in our industry**

NUMBER 1 IN THE WORLD



1 Global market leader with revenues of EUR 1.84 billion in 2021

 Present in all regions with 34 production sites and around 5,000 service centers


















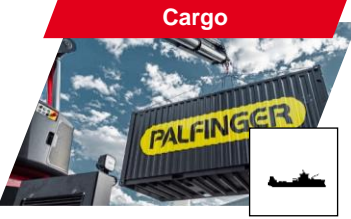







 Around 11,700 employees

Revenue split 2021:

62%	EMEA
20%	NAM
5%	LATAM
6%	APAC
7%	CIS



INDUSTRY DIVERSITY ENSURES SUCCESS

 <p>Construction</p> 	 <p>Industry</p> 	 <p>Railway</p> 	 <p>Offshore Wind</p> 	 <p>Aquaculture & Fishing</p> 
 <p>Forestry & Agriculture</p> 	 <p>Transport & Logistics</p> 	 <p>Waste Mgmt. & Recycling</p> 	 <p>Passenger</p> 	 <p>Cargo</p> 
 <p>Infrastructure</p> 	 <p>Public Sector</p> 	 <p>Offshore Oil & Gas</p> 		

OUR ANSWER TO THE MEGATRENDS OF THE FUTURE



SUSTAINABILITY



DIGITIZATION



SOCIAL CHANGE



VISION & STRATEGY

2030

VISION & STRATEGY 2030

LIFTING VALUE – CREATING MOMENTUM



With **Vision 2030**, PALFINGER actively focuses its corporate strategy on the **future**

As a **leading technology company**, PALFINGER develops solutions with **added value** based on the **challenges** of its customers

PALFINGER uses **digitization** and **new technologies** to customize its solutions to precisely meet the needs of its customers and partners

Together with employees and partners, PALFINGER is driving sustainable change and actively shaping the future.

WE ARE ONE PALFINGER



EMPLOYEES



PARTNERS & CUSTOMERS



GLOBAL PALFINGER ORGANIZATION

KEY PILLARS OF OUR STRATEGY 2030

Go for Solutions

01

Go Digital

02



1010
1010

Based on:



**STRONG
ROOTS**



**STRONG
BRAND**



**COMMITMENT TO
SUSTAINABILITY**

SUSTAINABLE TRANSFORMATION



**SUSTAINABILITY COUNCIL
ENSURES IMPLEMENTATION OF**



STRATEGY

TURNING POINT - OUR SUSTAINABILITY PILLARS

**FOR THE LIVING PLANET WE
ALL DEPEND ON**

**Less emissions
for positive impact**



**Positive impact on
the value chain**

**FOR ALL THE PEOPLE
WE TOUCH**

**Safe & healthy
on every level**



**Qualified & diverse
workforce**

**FOR THE FUTURE-FORWARD
WAY OF DOING BUSINESS**

**Committed to
our values**



**Evolving governance and
transparency**

2021

RECORD YEAR FOR PALFINGER



**RECORD REVENUE AND
EARNINGS DESPITE
STRONG HEADWIND**



**VISIBILITY UNTIL Q3 2022
DUE TO FULL ORDER
BOOK**



**STRESSED SUPPLY CHAINS
AND RECORD LEVEL MATERIAL
COSTS AS LIMITING FACTORS**

A LOT HAPPENED IN 2021

Quick **return to normal operation** after the cyberattack end of January 2021

PALFINGER World Tour, Dealer Conference and Expo Dubai as important **dealer and customer events**

Acquisition of Equipdraulic in Spain and Hinz in Sweden, as well as TSK Kran und Wechselsysteme GmbH and TSR Lacktechnik GmbH in Germany

Contract signed with SANY Heavy Industries to **reverse cross-holding** in December 2021

Vision & Strategy 2030





PALFINGER

90
YEARS
SINCE
1932

MARTIN ZEHNDER
COO

TARGETED ACTIONS TO SECURE THE SUPPLY CHAIN



CHALLENGE

ACTION

1 Supply bottlenecks

SCM task force implemented

2 Long lead times

S&OP

3 Cost increases

Transparency & price adjustments

4 Approval of new suppliers & components

Additional technical resources; Reinforcement of procurement

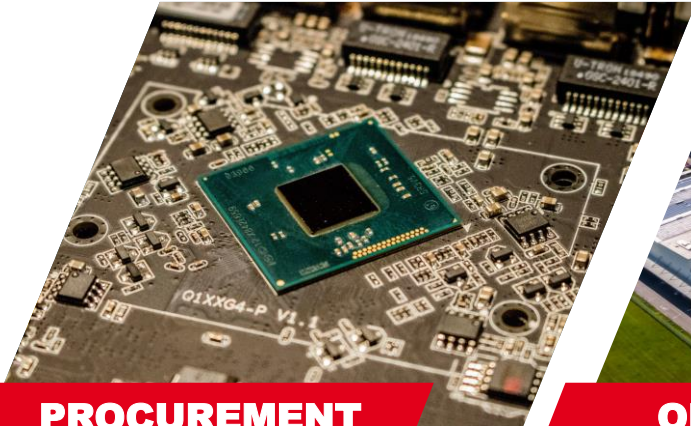
5 Geopolitical challenges

Increasing the flexibility of the production network

6 Availability of skilled workers

Employer branding, PALFINGER campus and apprenticeship programs

SECURING THE SUPPLY CHAIN WITH STRONG PARTNERS



PROCUREMENT

- Strong partnerships in the regions for the regions
- High transparency due to digital networks
- Mechatronics team particularly under pressure



OPERATIONS

- High flexibility in the event of material shortages
- Capacity and resource management
- Strong expansion in manufacturing for third parties



LOGISTICS

- Make or buy as a key competence
- Flexible prioritization in manufacturing
- Daily transport optimization

PALFINGER INVESTS IN ALL REGIONS



NAM

Automation projects for manufacturing components in our production plants

CIS

Capacity expansion, especially for stiff boom cranes at the Ishimbai site

EMEA

Further investments in welding robots and processing machines

MARINE

Capacity expansion and new production footprint for boat building in Qingdao

LATAM

Complete plant concepts for Caxias do Sul and Rio Tercero

APAC

Record output of cranes at site Rudong above 4,000 units

GO FOR SOLUTIONS - FROM PRODUCT PROVIDER TO SOLUTION PROVIDER

**CLOSER TO THE
CUSTOMER**



ACES



MORE SERVICES

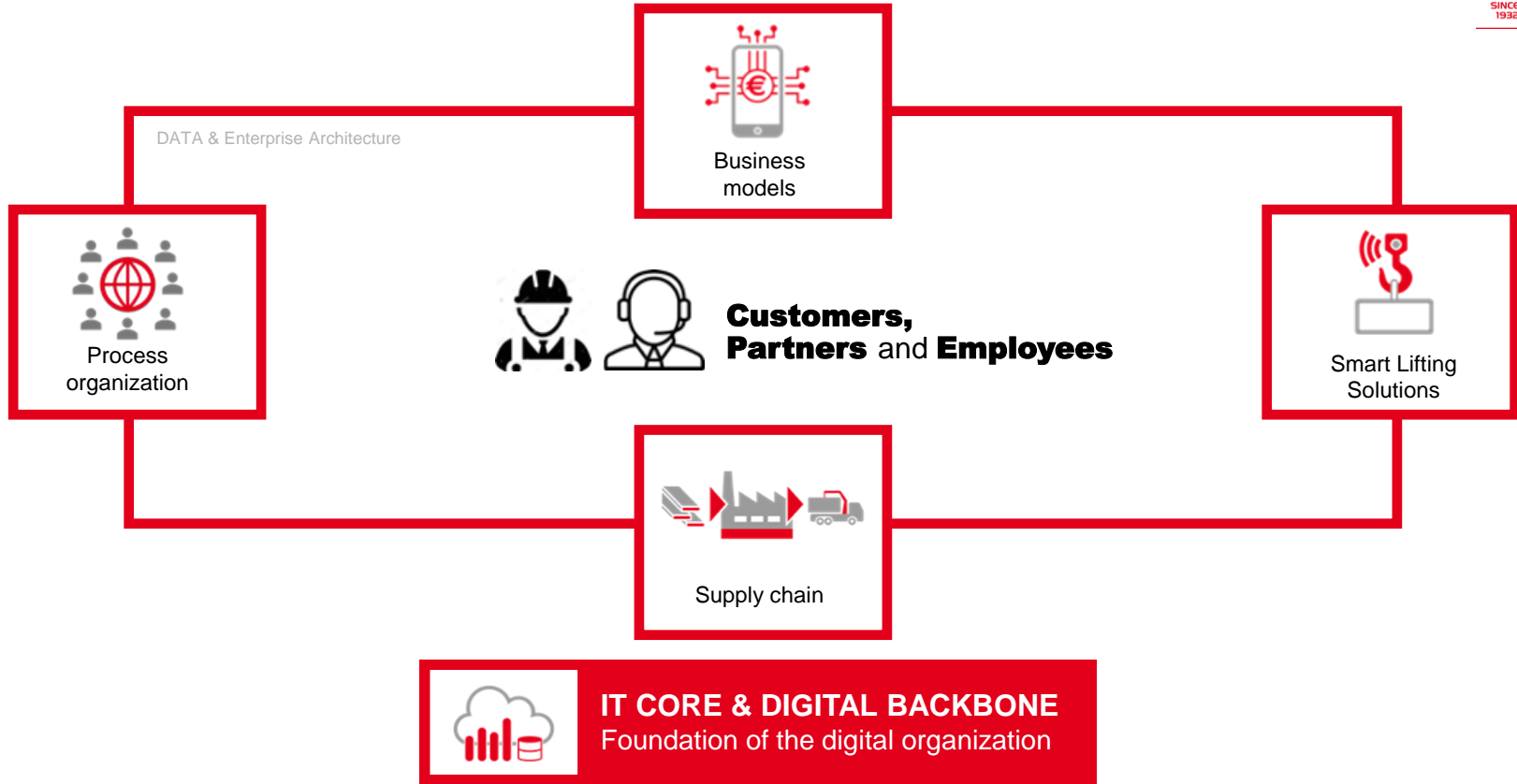


**JOB TO BE
DONE**

**AUTONOM
CONNECTED
ECO EFFICIENT
SOLUTIONS**

**SMART
SOLUTIONS**

WE DRIVE DIGITIZATION HOLISTICALLY



SUCCESS IN PRODUCT MANAGEMENT, ENGINEERING AND SUPPLY CHAIN MEANS...

1

... offering sustainable solutions for our customers.

2

... working with first-class partners and building long-term partnerships.

3

... developing a resilient supply chain.

4

... attracting and retaining qualified employees.

PALFINGER

90
YEARS
SINCE
1932

**FELIX
STROHBICHLER
CFO**

PALFINGER

90
YEARS
SINCE
1932

SEGMENT

SALES & SERVICE



TAILWIND DUE TO HIGH MARKET DEMAND



1 Very good market environment in all global regions, especially LATAM and CIS

2 PALFINGER benefits from the **positive conditions**, especially in the construction industry, forestry and recycling

3 Record order intake and consequent record order backlog

4 Record revenues and record results

5 Price increases have a positive effect in this segment

OUTPERFORMS RECORD YEAR 2019



in EUR million	2019 ¹⁾	2020	2021	Δ%
External revenue	1,641.5	1,443.4	1,705.1	18.1 %
EBITDA	182.6	166.0	205.1	+23.6 %
EBIT	148.4	118.6	166.5	+40.4 %
EBIT margin	9.0 %	8.2 %	9.8 %	–

1) Figures adjusted retroactively to the new segment reporting structure.

PALFINGER

90
YEARS
SINCE
1932

SEGMENT

OPERATIONS

FULL CAPACITY UTILIZATION - UNSTABLE SUPPLY CHAIN



1 Go Live **SAP S/4 Hana** with over 1,200 users at 8 locations

2 Good economic environment leads to **record revenue in manufacturing for third parties**

3 Output limited by **material, personnel and capacity bottlenecks**

4 Unstable supply chain leads to **inefficiency and higher stock levels** in production and assembly plants

5 **Cost increases** mainly affect the Operations segment

RECORD REVENUE IN MANUFACTURING FOR THIRD PARTIES



in EUR million	2019 ¹⁾	2020	2021	Δ%
External revenue	112.3	90.5	136.4	+50.7 %
EBITDA	64.8	39.0	56.8	+45.6 %
EBIT	30.0	4.2	20.3	+483.3 %

1) Figures adjusted retroactively to the new segment reporting structure.

PALFINGER

90
YEARS
SINCE
1932

UNIT

HOLDING



PALFINGER INVESTS IN FORWARD-LOOKING PROJECTS



in EUR million	2019	2020	2021	Δ%
EBITDA	-23.8	-16.3	-18.2	+11.7 %
EBIT	-29.4	-22.5	-31.8	+41.3 %

PALFINGER

GROUP



TOP MARKS IN REVENUE, RESULT AND DIVIDEND

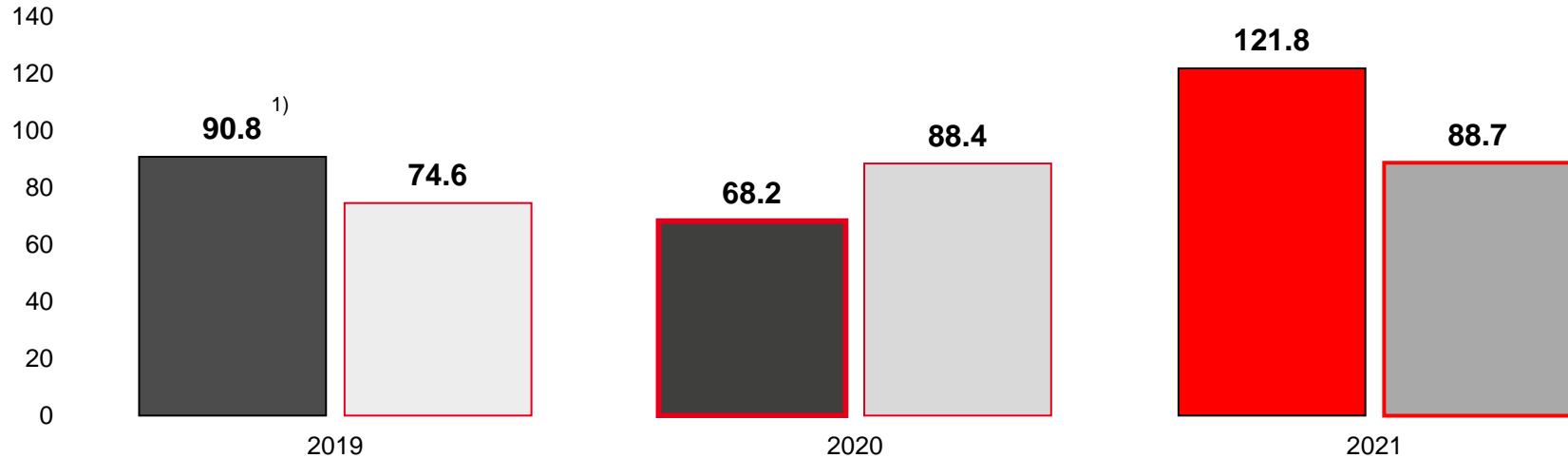


in EUR million	2019	2020	2021	Δ% 2020/21
Revenue	1,753.8	1,533.9	1,841.5	+20.1 %
EBITDA	223.6	188.7	243.7	+29.1 %
EBIT (operating result)	149.0	100.3	155.0	+54.5 %
EBIT margin	8.5 %	6.5 %	8.4 %	-
Consolidated net result	80.0	49.8	86.6	+73.9 %
Dividend/dividend proposal	€ 0.35	€ 0.45	€ 0.77 ¹⁾	

1) Proposal to the Annual General Meeting

In accordance with IFRS, slight rounding differences possible

PLANNED GROWTH REQUIRES MASSIVE INVESTMENT PROGRAM



Net investments
 Depreciation, amortization and impairment

1) Including additions from leasing (IFRS 16); excluding divestment of 2.5% from Sany Lifting Solutions (EUR 28.6 million).
In accordance with IFRS, slight rounding differences possible.

EXCELLENT INTEREST LEVEL — IMPROVING FURTHER DUE TO UPCOMING REFINANCING



in EUR million	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021
Financial liabilities (FV) ¹⁾	591.8	524.8	537.0
Avg. interest debt ²⁾	1.69 %	1.33 %	1.13 %
Avg. remaining term debt	4.51 years	4.01 years	2.43 years
Net debt	525.6	397.1	476.6
Equity	629.1	616.4	613.9

1) Including EUR 40.5 million lease liabilities according to IFRS 16 (12/2020: EUR 57.6 million)

2) Excluding currency hedging costs.

In accordance with IFRS, slight rounding differences possible.

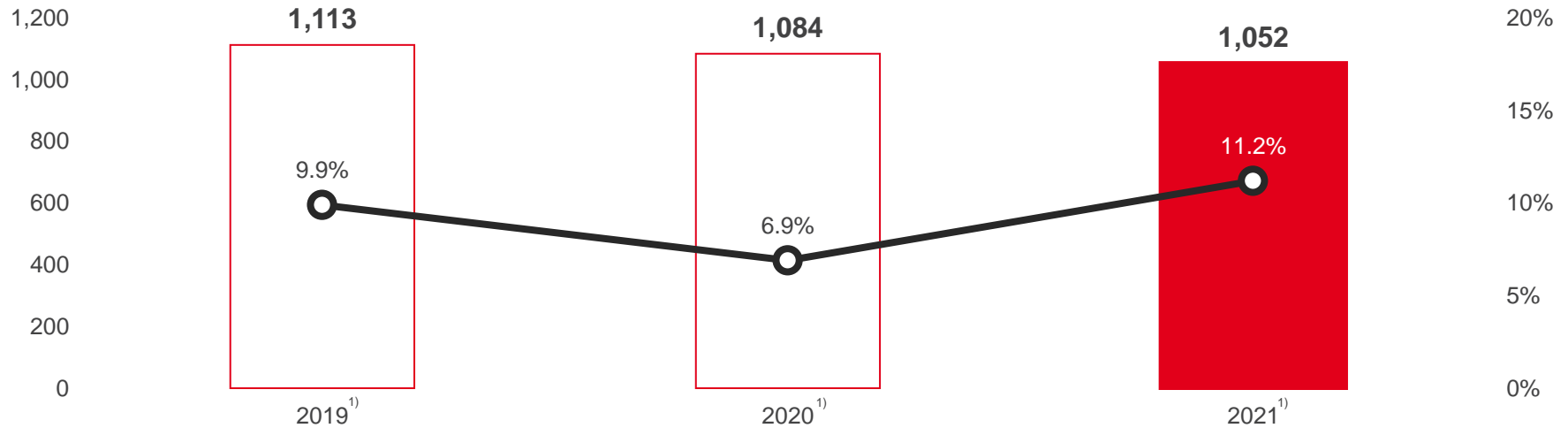
NET DEBT / EBITDA RATIO TARGET REACHED



	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021
Equity ratio	38.3 %	39.6 %	36.3 %
Gearing	83.6 %	64.4 %	77.6 %
Net debt/EBITDA	2.35	2.10	1.96

In accordance with IFRS, slight rounding differences possible.

ROCE INCREASES TOWARDS TARGET OF 12 PERCENT



1) Including additions from leases (IFRS 16).

2) Average of the last 12 months.

3) ROCE = Ratio of NOPLAT and average capital employed (reporting date of previous year to reporting date of this year)

Capital Employed²⁾
 Return on Capital Employed³⁾

INVENTORY BUILD-UP AND HIGH INVESTMENTS LEAD TO NEGATIVE FREE CASH FLOW

in EUR million

	2019	2020	2021
EBTDA	207.7	173.5	233.5
+/- non-cash income from at-equity companies	-14.0	-4.0	-23.9
+/- change in working capital	+5.1	+71.0	-90.
+/- cash flow from tax payments	-42.8	-15.8	-31.6
Cash flow from operating activities	156.0	224.7	87.4
+/- cash flow from investing activities	-54.0 ¹⁾	-60.5	-137.4
Cash flow after changes in working capital and investments	102.0	164.2	-50.0
+/- cash flow from interest on borrowings adjusted for tax expenditure	10.4	9.1	7.9
Free cash flow	112.4	173.3	-42.1

¹⁾Including divestment of 2.5% from Sany Lifting Solutions (EUR 28.6 million)

In accordance with IFRS, slight rounding differences possible.

REVERSAL OF CROSS-HOLDING INCREASES ROOM FOR MANEUVER



1

Successful cooperation in the **future market of China will be continued** - 4,000 cranes were sold in **China** and **revenue of around EUR 80 million** was achieved in 2021

2

Reducing **complexity, focusing on core business** and increase the scope for acquisitions and investments

3

The shares in **SAHM (7.5%)** and **PALFINGER shares (7.5%)** will be exchanged, and PALFINGER will receive an additional **cash payment of approx. EUR 15 million**

4

PALFINGER plans to use **shares as acquisition currency** and to increase free float

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE



Profit warning on January 20, 2022

Massive cost increases and unstable supply chain mean that in the first two quarters of 2022 EBIT is expected to be significantly below the value of the same periods in the previous year. Price increases should offset the decline in earnings in the second half of 2022.

Contract extended Felix Strohbichler

On January 27, 2022, the Supervisory Board unanimously resolved to **reappoint Felix Strohbichler** as CFO until the end of 2027.



PALFINGER



90
YEARS
SINCE
1932



OUTLOOK 2022

ANDREAS KLAUSER
CEO

EUR 2.0 BILLION REVENUE TARGET FOR 2022



Positive market environment and full order books create **good visibility up to Q3 2022**

Material costs at a **historic peak** in the first half of 2022

Tense situation regarding the availability of **materials, components** and **vehicle chassis**

Growth targets require **continued high investments**

2022



FINANCIAL TARGETS 2024

PALFINGER

90
YEARS
SINCE
1932

#1

Market Leader for Crane and Lifting Solutions

**EUR 2.3
billion**

Revenue from
organic growth

10%

EBIT margin

12%

ROCE

2024

AMBITIOUS REVENUE TARGET FOR 2030

#1

Market Leader for Crane and Lifting Solutions

EUR 3.0 billion

Revenue from organic
growth

EUR 3.0 billion

Market capitalization

2030



PALFINGER

90
YEARS
SINCE
1932

**STAY
HEALTHY!**

INVESTOR RELATIONS AND PRESS CONTACT



ANDREAS KLAUSER

CEO

+43 662 2281-81008
a.klauser@palfinger.com

FELIX STROHBICHLER

CFO

+43 662 2281-81006
f.strohbichler@palfinger.com

HANNES ROITHER

GROUP SPOKESPERSON

+43 662 2281-81100
h.roither@palfinger.com