

PALFINGER

**PUBLICATION OF
RESULTS**

1ST HALF YEAR 2023

Vienna, July 28, 2023



PALFINGER

ANDREAS KLAUSER
CEO

NUMBER 1 IN THE WORLD



Global market leader with revenues of EUR 2.23 billion in 2022



Present in all regions with 31 production sites and around 5,000 service centers



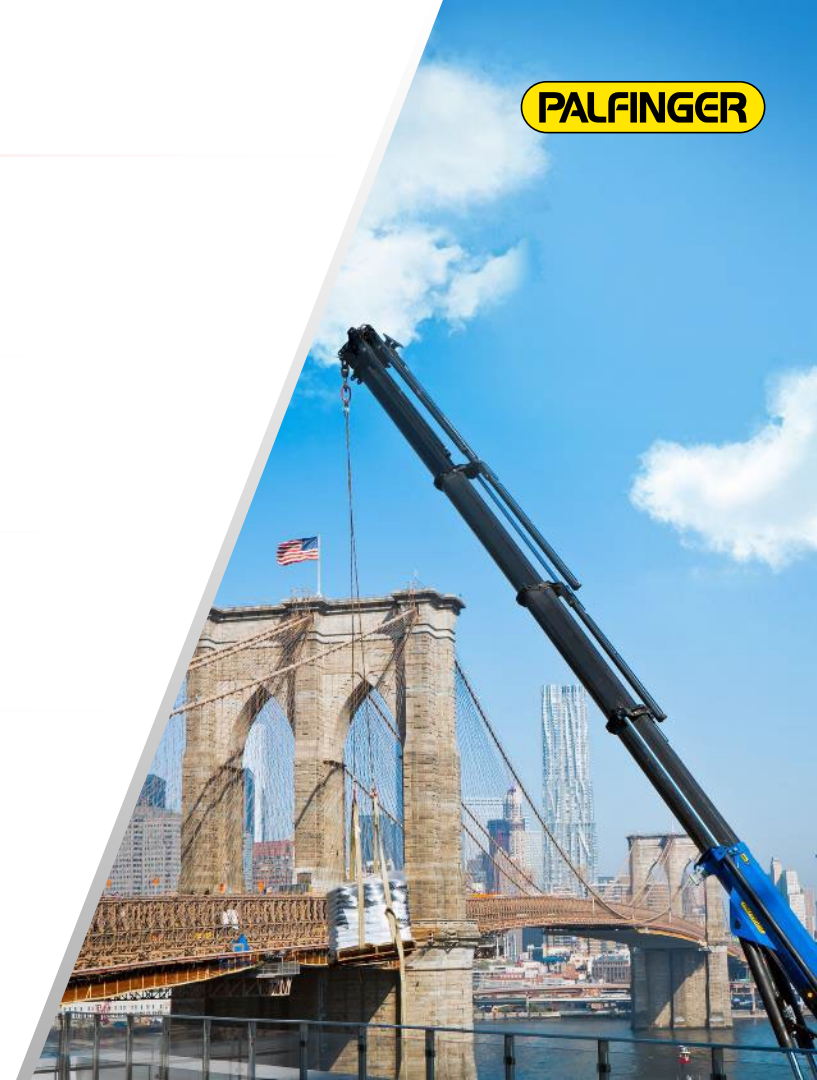
More than 12,500 employees (excluding contract workers) in the 1st HY/2023



Revenue distribution by region 1st HY/2023:

61%	EMEA
24%	NAM
5%	LATAM
5%	CIS*
5%	APAC

* The value of all assets in Russia amounts to approx. EUR 130 million



The right solution for every challenge

RESILIENCE THROUGH INDUSTRY DIVERSITY



> 40% Construction



~ 15% Forestry & Agriculture



> 10% Waste Mgmt & Recycling



> 5% Transport & Logistics



~ 5% Public Sector



~ 5% Rental



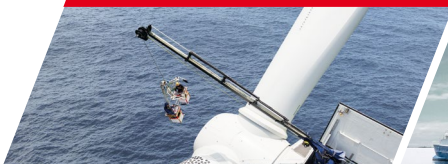
~ 5% Offshore & Oil and Gas



< 5% Railway



< 5% Offshore Wind



< 5% Aquaculture & Fishing



< 5% Passenger Ships



SUSTAINABILITY IS A KEY DRIVER FOR OUR STRATEGY AND OUR DAILY OPERATIONS



FOR THE LIVING PLANET WE ALL DEPEND ON

Fewer emissions



Positive impact on the value chain

Energy consumption according to energy source (Scope 1 and Scope 2)

19,708 t in CO₂ equivalents

Power from renewable energy sources

75.1 percent*

FOR ALL THE PEOPLE WE TOUCH

Safe & healthy on all levels



Qualified & diverse workforce

Accident rate

TRIR 11.28

International employees at headquarters

23.1 percent

FOR THE FUTURE-FORWARD WAY OF DOING BUSINESS

Our values obliges



Focus on Governance & Transparency

Number of proven cases of corruption

0 cases

*) As of June 2023. Not all data is available at the time of reporting. The figures presented therefore contain estimated values (~ 8% of total energy consumption are estimated).

1st HY/2023 AN OUTSTANDING PERFORMANCE



REVENUE AND EBIT AT RECORD LEVELS



HIGH INTEREST RATES AND INFLATION SLOW DOWN ECONOMIC DEVELOPMENT



POOR DELIVERY RELIABILITY FOR TRUCKS AND CAPACITY BOTTLENECKS FOR BODIES CAUSE HIGH LEVEL OF FINISHED INVENTORY

INVESTMENT IN GROWTH MARKET NAM

- ▣ Opening of the North American headquarters in Schaumburg, Illinois in the presence of local authorities, regional customers, dealers and partners, as well as the global PALFINGER management team.
- ▣ Investments totaling around USD 4 million.
- ▣ State-of-the-art HQ with integrated demonstration and training center.
- ▣ Product operation and hands-on service training area and an indoor vehicle exhibition.

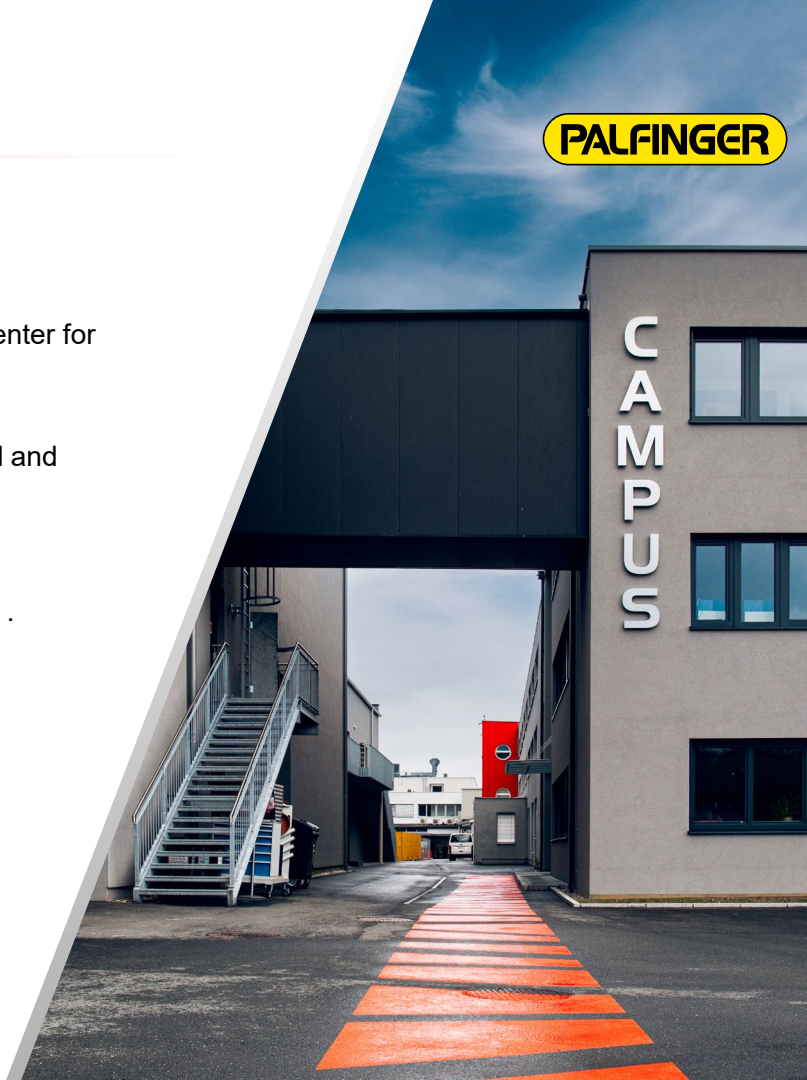
Great market potential and positive trend visible for NAM region.



UNIQUE EMPLOYEE TRAINING

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- ▣ PALFINGER Campus: Opening of the state-of-the-art training and education center for apprentices and employees.
- ▣ Training of more than 140 apprentices from September in 18 different technical and commercial professions.
- ▣ PALFINGER World: extensive brand and product experience on over 1,600 m².
- ▣ An investment in the future of more than EUR 10 million.



**FELIX
STROHBICHLER
CFO**

CHANGE IN SEGMENT REPORTING

- “**Tail and Passenger Lifts**” was spun off from the global PALFINGER organization (GPO) to be **managed autonomously**.
- The segment “**Other non-reportable** segments” includes **Holding** and **Tail and Passenger Lifts**.
- **The change** in organization and segmentation affects the EMEA business of **Tail and Passenger Lifts** in **2023** and **from 2024** also the **NAM business**.
- **Prior-year figures for the 1st half of 2022** have been **retroactively adjusted** to the new segmentation structure.



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SEGMENT

SALES & SERVICE



POSITIVE DEVELOPMENT THANKS TO STRONG ORDER BOOK BUT DECLINING ORDER INTAKE IN EMEA

- ❑ **NAM:** Remains a **strong growth market** with **high order intake** for **service cranes** and **high demand** for **truck-mounted forklifts**.
- ❑ **APAC:** **High order intake** for **loader cranes**, only **slow recovery** on the **Chinese market**.
- ❑ **MARINE:** **Benefits** significantly from **digitalization projects** involving **offshore cranes**.
- ❑ **EMEA:** **Significant decline** in incoming orders due to general market development — particularly in the construction industry.
- ❑ **Further stabilization of the supply chain:** However, difficult truck availability and limited installation capacities for dealers result in high levels of inventory of finished products.

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OVERPROPORTIONATE INCREASE IN EARNINGS DUE TO THE FULL EFFECTIVENESS OF THE IMPLEMENTED PRICE INCREASES

in EUR million	1st HY/2021	1st HY/2022 ¹⁾	1st HY/2023	Δ%
External revenue	823.9	905.3	1,096.3	+21.1%
EBITDA	99.7	78.1	105.5	+35.1%
EBIT	82.5	65.6	93.9	+43.1%
EBIT margin	10.0%	7.2%	8.6%	–

¹⁾ Prior-year figures for the first half of 2022 were retroactively adjusted to the new segmentation structure.

A close-up, high-angle shot of a robotic arm in a factory setting. The arm is dark and metallic, with a yellow PALFINGER logo on its upper section. It is positioned over a workpiece, and a shower of bright orange sparks is being generated from the point of contact. The background is blurred, showing other industrial equipment and lights, creating a bokeh effect of warm, glowing circles.

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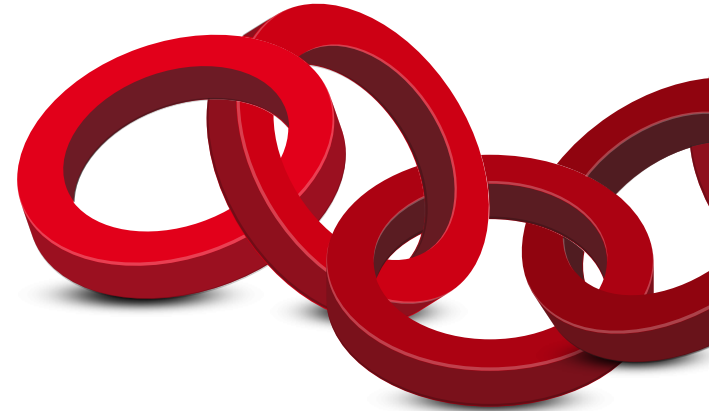
SEGMENT

OPERATIONS

HIGH CAPACITY UTILIZATION IN PRODUCTION PLANTS



- ▣ **Steady output**, particularly in **EMEA production plants**.
- ▣ **Production in the NAM region slowed down** due to chassis availability.
- ▣ **Decrease in costs** for raw materials and freight.
- ▣ **Steyr Automotive** takes over **assembly of North American truck-mounted forklifts** from September 2023. **By 2027, 1,700 truck-mounted forklifts** are to be **manufactured there annually**.
- ▣ **Alexander Susanek** took over the **COO** agendas on July 1, 2023.



LOWER REVENUE IN MANUFACTURING FOR THIRD PARTIES REFLECTS MORE DIFFICULT MARKET CONDITIONS

in EUR million	1st HY/2021	1st HY/2022 ¹⁾	1st HY/2023	Δ%
External revenue	60.2	107.6	91.4	-15.1%
EBITDA	44.8	48.1	66.8	+38.9%
EBIT	27.6	29.2	45.9	+57.2%

¹⁾ Prior-year figures for the first half of 2022 were retroactively adjusted to the new segmentation structure.

SEGMENT

OTHER NON-REPORTABLE
SEGMENTS



PRODUCT LINE TAIL AND PASSENGER LIFTS WITH NEW STRUCTURE

- ▣ **Tail and Passenger Lifts product line spun-off from the global PALFINGER organization (GPO) due to the very specific market requirements and relatively low synergies** with the other product lines.
- ▣ **New organizational structure creates the necessary flexibility** to be able to **respond faster** to the needs of the market segment.
- ▣ **New set-up** managed by dual global leadership team **based in North America** (Cerritos, CA and Council Bluffs, IA) and **in Europe** (Ganderkesee, DE).



ONE-OFF EFFECT OF RESEGMENTATION, CURRENCY EFFECTS AND HIGHER HOLDING COSTS IMPACT ON EBIT



in EUR million	1st HY/2021	1st HY/2022 ¹⁾	1st HY/2023	Δ%
External revenue	0.0	26.1	27.2	+4.2%
EBITDA	-11.3	-6.7	-14.4	+114.9%
EBIT	-18.0	-14.5	-28.5	+96.6%

¹⁾ Prior-year figures for the first half of 2022 were retroactively adjusted to the new segmentation structure.

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GROUP

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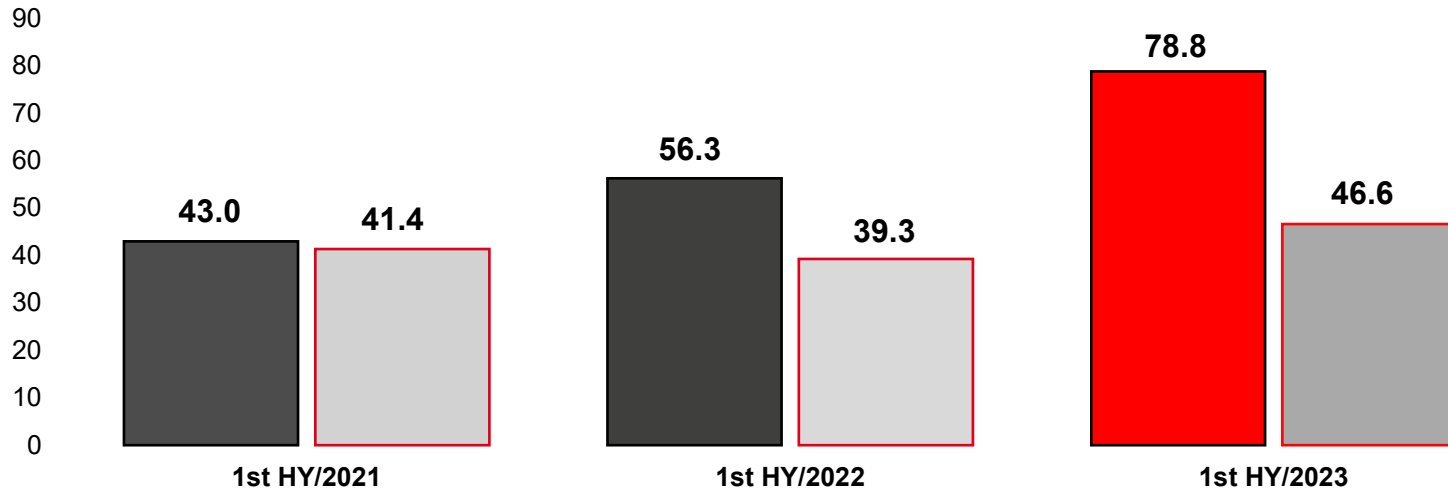


ALL TIME HIGH IN REVENUE, EBIT AND CONSOLIDATED NET RESULT

in EUR million	1st HY/2021	1st HY/2022	1st HY/2023	Δ%
Revenue	884.1	1,039.0	1,214.9	+16.9%
EBITDA	133.5	119.5	157.9	+32.1%
EBIT (operating result)	92.1	80.2	111.3	+38.8%
EBIT margin	10.4%	7.7%	9.2%	–
Consolidated net result	56.1	39.2	63.3	+61.5%

In accordance with IFRS, slight rounding differences possible.

STRATEGY 2030 REQUIRES HIGH LEVEL OF INVESTMENTS



Net Investments
 Depreciation, amortization and impairment

PEAK IN INVENTORY AND THUS IN NET DEBT, INVENTORY REDUCTION MEASURES HAVE ONLY A DELAYED EFFECT

in EUR million	06/30/2021	06/30/2022	06/30/2023
Financial liabilities (FV) ¹⁾	491.2	686.6	787.7
Avg. interest debt ²⁾	1.35 %	1.25 %	3.50%
Avg. remaining term debt	3.55 years	3.02 years	3.40 years
Net debt	386.1	604.1	722.9

1) Including EUR 46.2 million leasing liabilities according to IFRS 16 (06/2022: EUR 43.2 million)

2) Excluding currency hedging costs.

In accordance with IFRS, slight rounding differences possible.

ESG-LINKED PROMISSORY NOTE OF AROUND EUR 155 MILLION SUCCESSFULLY ISSUED

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- ▣ **Significant oversubscription** due to high investor demand.
- ▣ The promissory note transaction comprises **five tranches with terms of three, five and seven years**, the majority with variable interest rates.
- ▣ **Linked to carbon emissions and accident rate as sustainability KPIs.**
- ▣ **PALFINGER uses this to** refinance maturing loans **and** finances investments planned for 2023.



BALANCE SHEET FIGURES REFLECT HIGH NET DEBT



in EUR million

	06/30/2021	06/30/2022	06/30/2023
Equity	669.2	684.6	674.7
Equity ratio	39.3 %	34.6 %	33.1%
Gearing	57.7 %	+88.2 %	107.2%
Net debt/EBITDA	1.63	2.63	2.70
ROCE*	11.1 %	9.0 %	10.2%

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

In accordance with IFRS, slight rounding differences possible.

FREE CASH FLOW NEGATIVE DUE TO FURTHER INVENTORY BUILD-UP AND HIGH INVESTMENT LEVELS

in EUR million	1st HY/2021	1st HY/2022	1st HY/2023
EBTDA	129.0	114.3	143.1
+/- non-cash income from at-equity companies	-4.5	9.9	-2.1
+/- change in working capital	-28.9	-110.5	-105.5
+/- cash flow from tax payments	-13.7	-23.2	-5.9
Cash flow from operating activities	81.9	-9.4	29.6
+/- cash flow from investing activities	-45.1	-42.8	-87.5
Cash flow after changes in working capital and investments	36.8	-52.2	-57.9
+/- cash flow from interest on borrowings adjusted for tax expenditure	4.2	3.5	10.9
Free cash flow	41.0	-48.7	-47.0

In accordance with IFRS, slight rounding differences possible.

OUTLOOK 2023

ON TRACK FOR RECORD REVENUE AND EBIT

- **Geopolitical developments and the macroeconomic situation remain factors of uncertainty** — the effects of the war in Ukraine remain difficult to assess.
- **Construction industry in EMEA declining** under the pressure of rising interest rates and higher costs, with **significantly lower order intake** compared to previous year.
- **Very good market development in North America** regarding TMF, Service Cranes and Platform.
- **Goal: Reduce inventories and increase productivity** across all sites.
- **Order backlog gives visibility** until the end of 2023.
- **Guidance for the full year 2023: Revenue target EUR 2.4 billion and EBIT target of EUR 200 million.**

PALFINGER



WE REMAIN COMMITTED TO OUR AMBITIOUS FINANCIAL TARGETS FOR 2027



#1

Market leader for crane and lifting solutions

EUR 3.0 billion*

Revenue from organic growth

10%

EBIT margin

12%

ROCE

2027

**Target for 2027 independent of business development in Russia*

Q&A

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