

PALFINGER's most interesting stories from the world of lifting solutions and beyond.



MARKET

An Era of Challenges and Opportunities

MARKET

The Best Overall Package Wins

BUSINESS

Future Technology Now!

INTERVIEW

Think Faster, Implement Faster

In Times of Upheaval:
Expect the...

ISSUE #02





Dear &beyond Reader!

When you think back over the past year, what comes to mind?

I asked myself this question and look back on 2022 with mixed feelings. The world is in a phase of global upheaval. Since the Covid-19 pandemic, has followed the next, culminating in the sad news on February 24, 2022, that Russia has invaded Ukraine. The world was in turmoil, and still is. Something we never expected to happen, had happened. Ever since, we have needed to increasingly prepare for the unexpected.

These uncertain and volatile times have also prompted us to change and redefine our ways of thinking and working and to focus on what really matters. Because challenges always come with an opportunity. The opportunity to enable progress as a result of bold decisions and to successfully develop as a company. Our results for the last fiscal year show that we made the right decisions in 2022. PALFINGER recorded a significant revenue record and the second-best operating result, despite massive cost increases.

Over the following pages you can find out how we were able to turn the challenges into opportunities and are rightly the leading provider of innovative crane and lifting solutions.

I wish you exciting as well as unexpected insights and outlooks with this new issue! Let us face the unexpected with courage and determination and continue to turn future challenges into successes together.



Andreas Klauser
CEO PALFINGER AG

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STORY**

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An Era of Challenges and Opportunities

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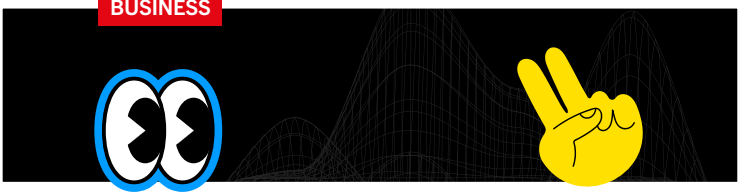
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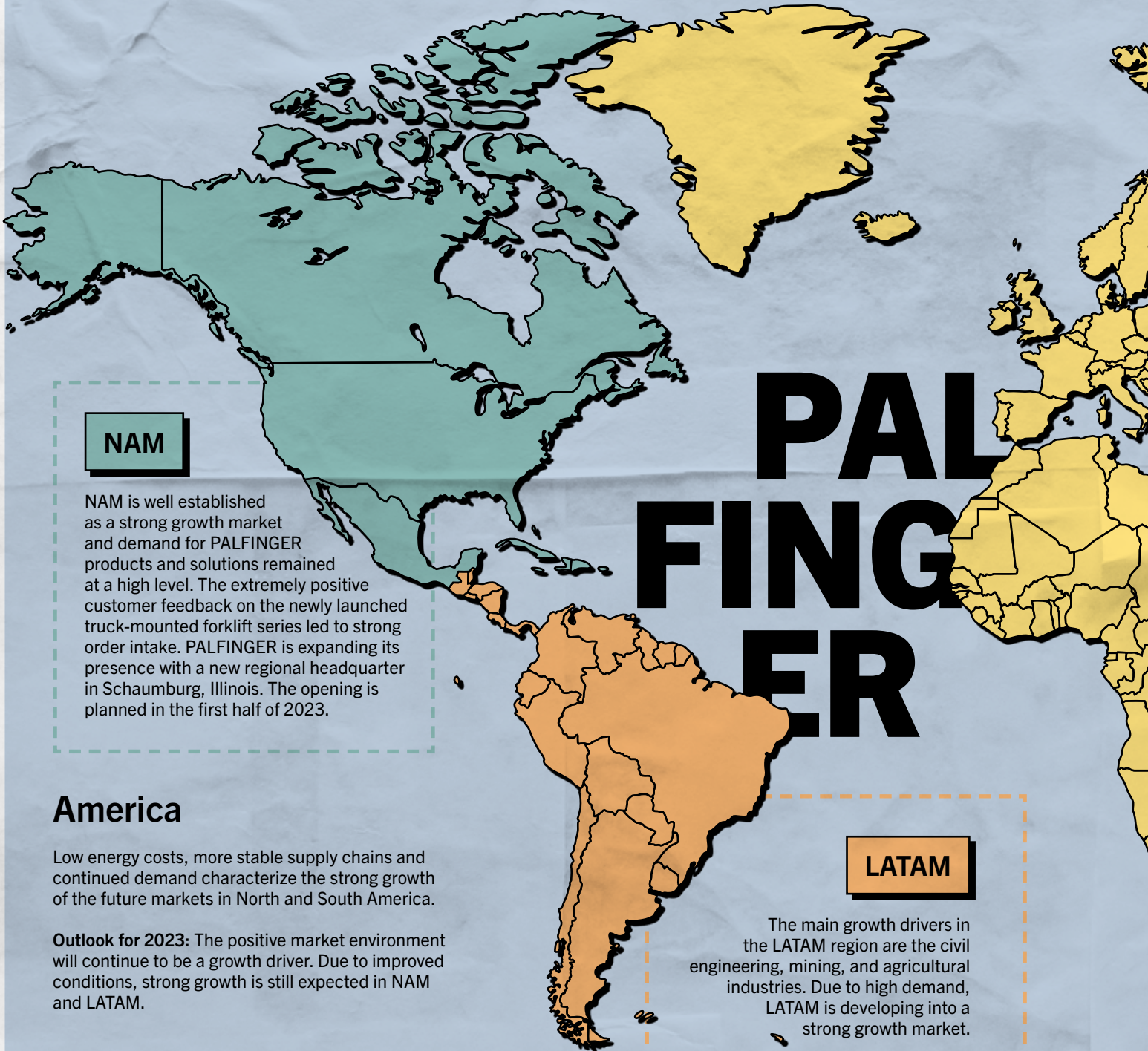


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What

moved



NAM

NAM is well established as a strong growth market and demand for PALFINGER products and solutions remained at a high level. The extremely positive customer feedback on the newly launched truck-mounted forklift series led to strong order intake. PALFINGER is expanding its presence with a new regional headquarter in Schaumburg, Illinois. The opening is planned in the first half of 2023.

PALFINGER

LATAM

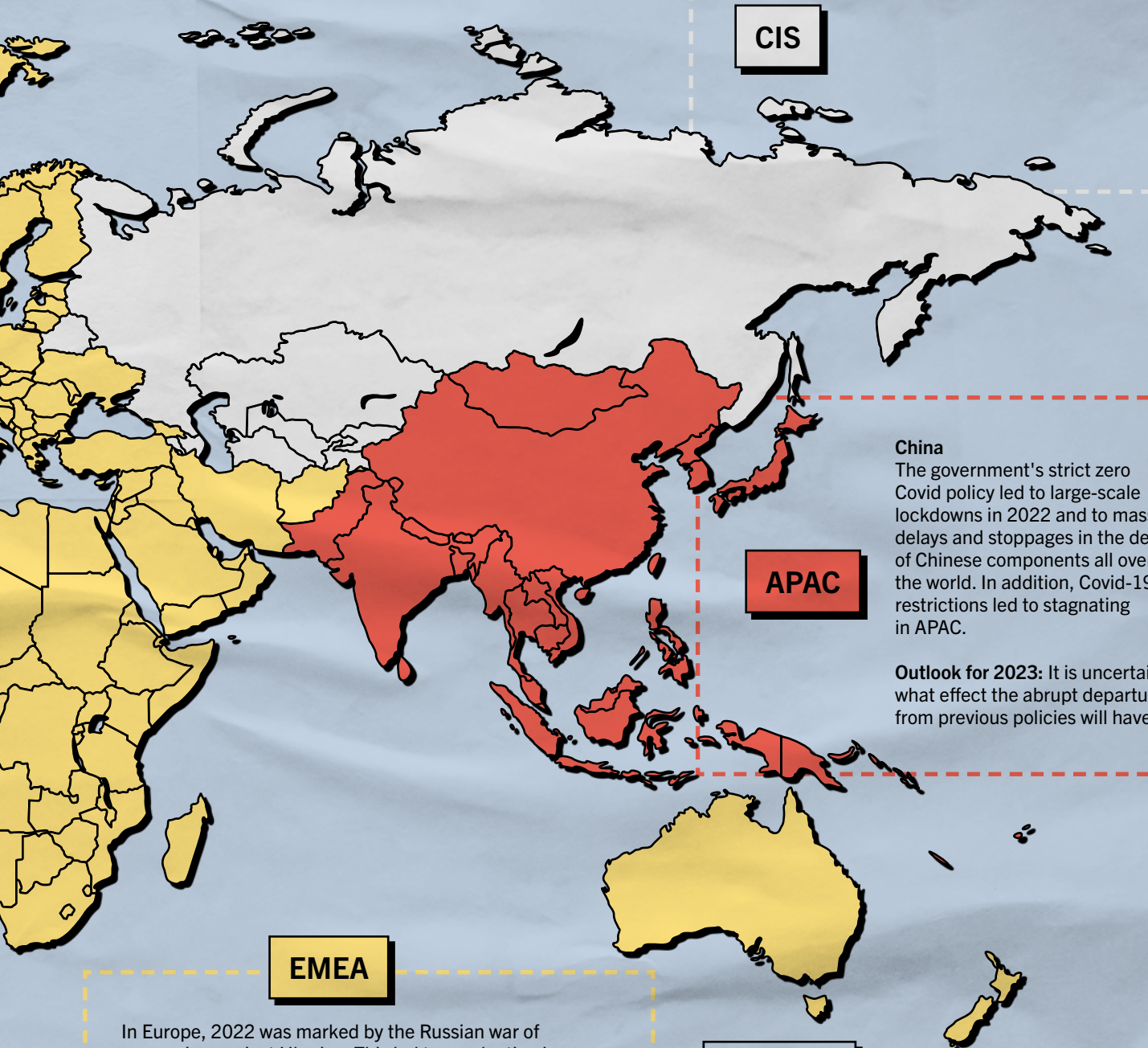
The main growth drivers in the LATAM region are the civil engineering, mining, and agricultural industries. Due to high demand, LATAM is developing into a strong growth market.

America

Low energy costs, more stable supply chains and continued demand characterize the strong growth of the future markets in North and South America.

Outlook for 2023: The positive market environment will continue to be a growth driver. Due to improved conditions, strong growth is still expected in NAM and LATAM.

in 2022



Russia
 PALFINGER operates independently in Russia and outside the GLOBAL PALFINGER ORGANIZATION (GPO). All sanctions against Russia have been complied with and exports and imports to and from Russia have been stopped.

CIS

China
 The government's strict zero Covid policy led to large-scale lockdowns in 2022 and to massive delays and stoppages in the delivery of Chinese components all over the world. In addition, Covid-19 restrictions led to stagnating in APAC.

APAC

Outlook for 2023: It is uncertain what effect the abrupt departure from previous policies will have.

EMEA

In Europe, 2022 was marked by the Russian war of aggression against Ukraine. This led to a reduction in demand and a shortage of important raw materials and steels, which caused a further increase in raw material prices. Supply chain problems continued to be an issue in 2022. The result was high inventory levels for pre-produced stock. In addition, high energy costs drove inflation upwards.

Outlook for 2023: Due to the war in Ukraine, the construction sector is expected to develop more slowly. Infrastructure projects could compensate for this downturn. Prices for raw materials are not expected to fall before the second half of 2023, however, a decline in energy prices is to be expected. The ongoing supply bottlenecks will also remain an issue in the first half of 2023. Both dynamic pricing and previous price increases will take effect at the beginning of 2023.

MARINE

PALFINGER Marine equipped Aker BP's offshore platforms with autonomous cranes in the NOA Fulla oil and gas fields in Norway.

The new PF crane series was presented at WindEnergy 2022. These cranes will play an essential role in the daily supply chain. With more than 250 orders, the industry's response was highly positive.

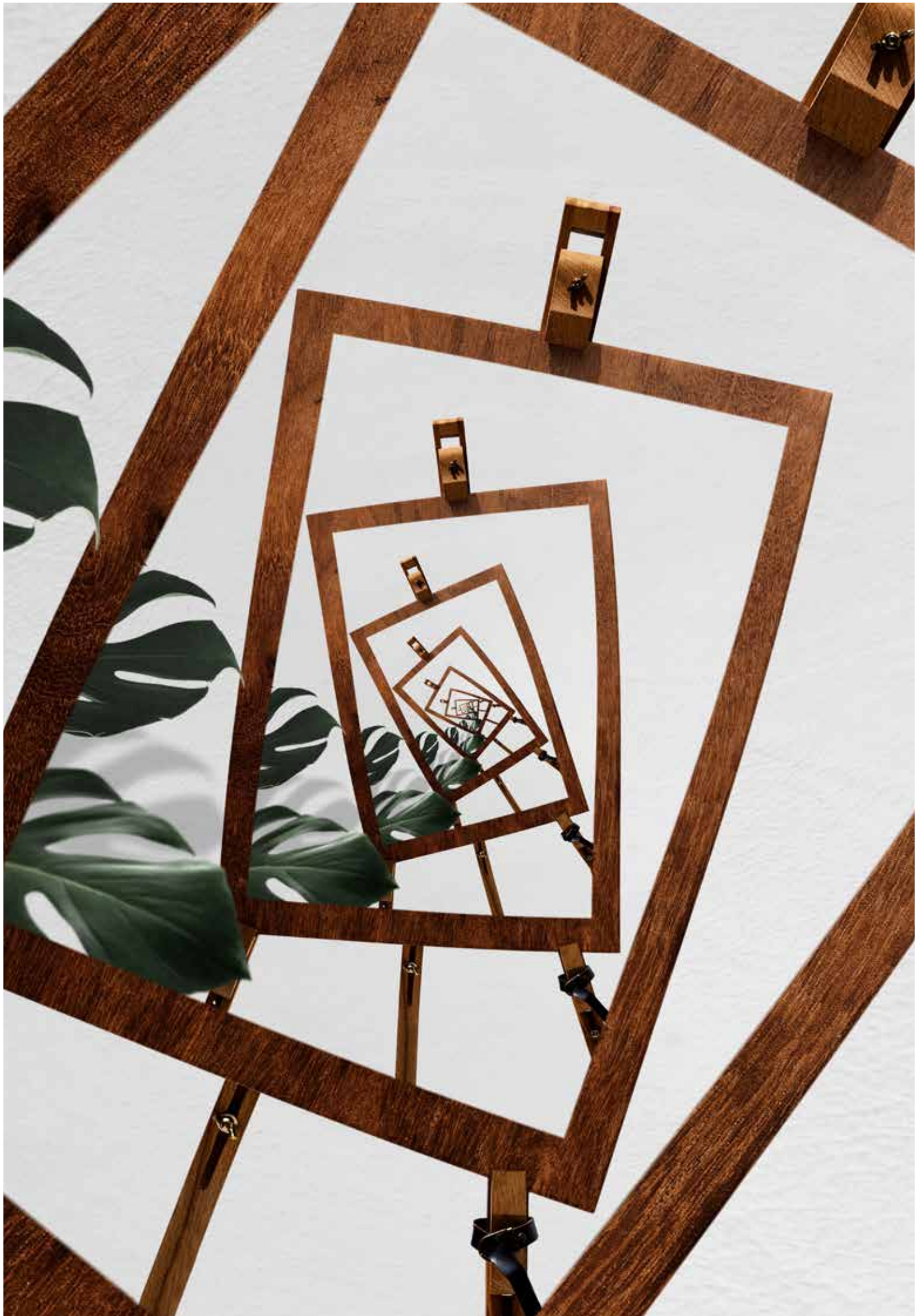
In addition, the new Hiep Tahn and Binh Dai offshore wind farm in Vietnam was equipped with fixed boom cranes. The major order is a successful entry into the future market in Asia.

Expect the

The past few years have shown how well PALFINGER masters even unexpected situations. The focus was not only on innovative lifting solutions, but also on proactively dealing with changes. Continuously developing flexible strategies makes it possible to turn challenges into opportunities. New ways of thinking and working open up completely new areas of creating value and allow PALFINGER to operate profitably in the long term as a global player.



Unexpected



Main Story



An Era of Challenges and



Text:

Monika Köppl-Turyna
Director of the
Eco Austria Institute for
Economic Research



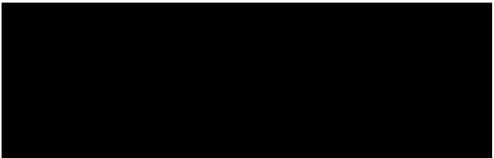
?!

There is much to do.

Let's get on with it.

Monika Köppl-Turyna, Director of the Eco Austria Institute for Economic Research, summarizes the current development trends as well as the options for action and calls for a rethink of Europe as a whole.

Opportunities



As if the economic challenges following the corona crisis with interrupted supply chains, scarcity of resources and rising inflation were not enough, now, triggered by Russia's war of aggression against Ukraine, there is a veritable energy crisis. Economies such as Austria, Germany and Italy in particular are under pressure to diversify their sources of supply as quickly as possible and to drastically reduce their dependence on Russia as their main supplier. That has consequences.

Energy prices in Europe are putting pressure on private households as well as companies, particularly Austrian manufacturing companies. As long as they produce goods that are hardly traded internationally, this can still be managed as long as the cost increases can be passed on to consumers, at least proportionally. For companies that have a high export quota, however, high energy prices mean a significant competitive disadvantage compared to the USA and Asia. Natural gas prices on stock exchanges in Austria amount to just under fifty euros/MWh for 2026, while manufacturing companies in the USA will probably only have to spend ten euros/MWh. The biggest challenge for the coming years will therefore be maintaining the competitiveness of industry – not just in terms of energy, but also because of the profound changes in the labor market.

Electricity ENERGY ?! Gas

Industry is important for the Austrian economy in many ways: Research and development in Austria, which is so important for innovations, takes place primarily in the manufacturing sector, which accounted for 66 percent of the total R&D expenditure of all companies in 2019, and the top ten patent applications filed at the European Patent Office (EPO) are exclusively from manufacturing companies. In addition, there are value-added exports in many energy-intensive industries that bring significant benefits to Austria.

These include construction, paper production, metal and wood processing – nine industries in the top ten belong to the manufacturing sector. Accommodation and gastronomy, on the other hand, are only in twelfth place in Austria, despite their high importance. And as a consequence of climate change, the comparative advantage of winter tourism is also increasingly being lost, meaning that production will become more important for exports.



There is a fine line between being competitive and achieving our environmental goals. Without a rapid expansion of renewable energies, we will falter. However, this requires space and much less bureaucracy; the EU emergency regulation based on paragraph 122 of the Treaty on the Functioning of the European Union is a first step: It is intended to significantly speed up permits for the construction of solar power systems, heat pumps and wind turbines. And in the same way that employees and capital enjoy freedom of movement in Europe, energy also needs to be able to travel freely within the EU. The difference in electricity costs in Germany and Austria, for example, is constantly leading to adjustments in

power generation, which inevitably leads to additional costs. Expanding cross-border power grid capacities could make a fundamental contribution to reducing these costs.

In Europe, it is often the 'banana principle' that applies – build absolutely nothing anywhere near anything. Jobs, innovations and as a result also our prosperity are lost across the board. While the current crisis is hard, at the same time it offers the opportunity to press ahead with the necessary expansion of energy infrastructure and in turn do a valuable service to both our environment and manufacturing companies in Europe.

Labor Shortage Health

Expanding the Provision of Childcare • Reforms on the Labor Market • Expanding the Provision of Childcare • Health Promotion • Reform of Unemployment Benefits • Being Competitive • Labor Shortage • Reforms on the Labor Market • Expanding the Provision of Childcare • Health Promotion • Reform of Unemployment Benefits • Being Competitive

The labor market is the second major challenge: According to the Austrian industry job monitor, there were 240,000 vacancies across Austria in October 2022. 20,000 of them in mechanical engineering, a further 26,000 in the construction industry. The labor shortage harms us all when orders can no longer be processed and revenues are lost as a result. This now applies to more than seven out of ten of all the companies that, in a survey carried out in April 2022, rated the problem as serious or very serious. Demographic developments will further reinforce this trend. A forecast by Statistics Austria shows a decline in the working-age population from the current 5.5 million to 5.2 million in 2040, with a simultaneous increase in the number of people aged 65+ from 1.7 to 2.5 million.

This increases pressure on public finances – and also on taxpayers and the labor market. **It would therefore make absolute sense to carry out the necessary reforms on the labor market and to expand the range of jobs available:** 48.2 percent of Austrian women work part-time, including 25.2 percent of women without children and 72.8 percent of women with children under 15 years of age. In order to increase this workforce potential, massive investments must be made in expanding the provision of childcare; in Salzburg, for example, only three out of ten children are currently taught in schools offering a timetable that is compatible with parents' full-time employment. For the whole of Austria, it is half of all children – with Vienna leading the way on childcare. In addition, the current average retirement age for men in Austria is 60.2 years, significantly below the OECD average of 63.8 years. In Sweden and Switzerland, people work past the age of 65, and in New Zealand even over the age of 68. At 53 percent, the employment rate in the age range of 55 to 64 in Germany is a massive 20 percent below Sweden – that would be the equivalent of around 250,000 people. If we want to keep people on the job market longer, we also need to improve health promotion – especially for physically demanding industrial occupations. And finally, unemployed people in Austria must be better integrated again. Despite a record number of vacancies, 250,000 people were still unemployed in October 2022 – which is not surprising considering that some net wages barely exceed government benefits. A reform of unemployment benefits – with falling renewal rates over time and the abolition of additional income opportunities – as well as tax relief on incomes would have a positive effect – not only on Austria's competitiveness, but also on the social situation of many groups on the labor market, such as parents of school-age children and older employees.

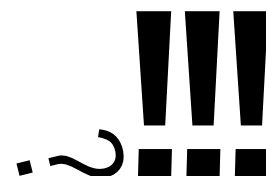
Integration

Expanding the Provision of Childcare • Reforms on the Labor Market • Expanding the Provision of Childcare • Health Promotion • Reform of Unemployment Benefits • Being Competitive • Labor Shortage • Reforms on the Labor Market • Expanding the Provision of Childcare • Health Promotion • Reform of Unemployment Benefits • Being Competitive

A rethink of Europe as a whole is very much needed. At the beginning of this millennium, the share of GDP of all EU countries in the global economy was 25 percent, on par with the USA. It has now fallen to 18 percent, while the US economy remains at 25 percent. At the same time, China's share has grown from three to 17 percent. The EU is therefore falling behind the USA and China is catching up. The situation is even gloomier when it comes to investments: The global share of gross investment in the EU is only 15 percent, in the USA it is 20 percent and in China as much as 29 percent. The share of patents in the EU has also been falling behind for years: it is now just 18 percent compared to 30 percent in 1999. Although the latest developments in Europe have the potential to give the economy a boost in innovation over the medium term — high prices lead to resource-saving and innovative production processes — the path to this end will only be effective if the necessary reforms are also carried out.

European competitiveness is facing a particularly challenging era. We can do this. But it will require a consistent departure from many familiar habits in the EU: In other words, deregulation instead of bureaucracy, integration instead of isolation, relief instead of new taxes. The economy must not be managed centrally if it is to be successful in the long term. We need to be open to technology, trust in the innovative capacity of people and companies, and provide good framework conditions for creating things that are better – and that needs to happen right now:

let's get on
with **it!**



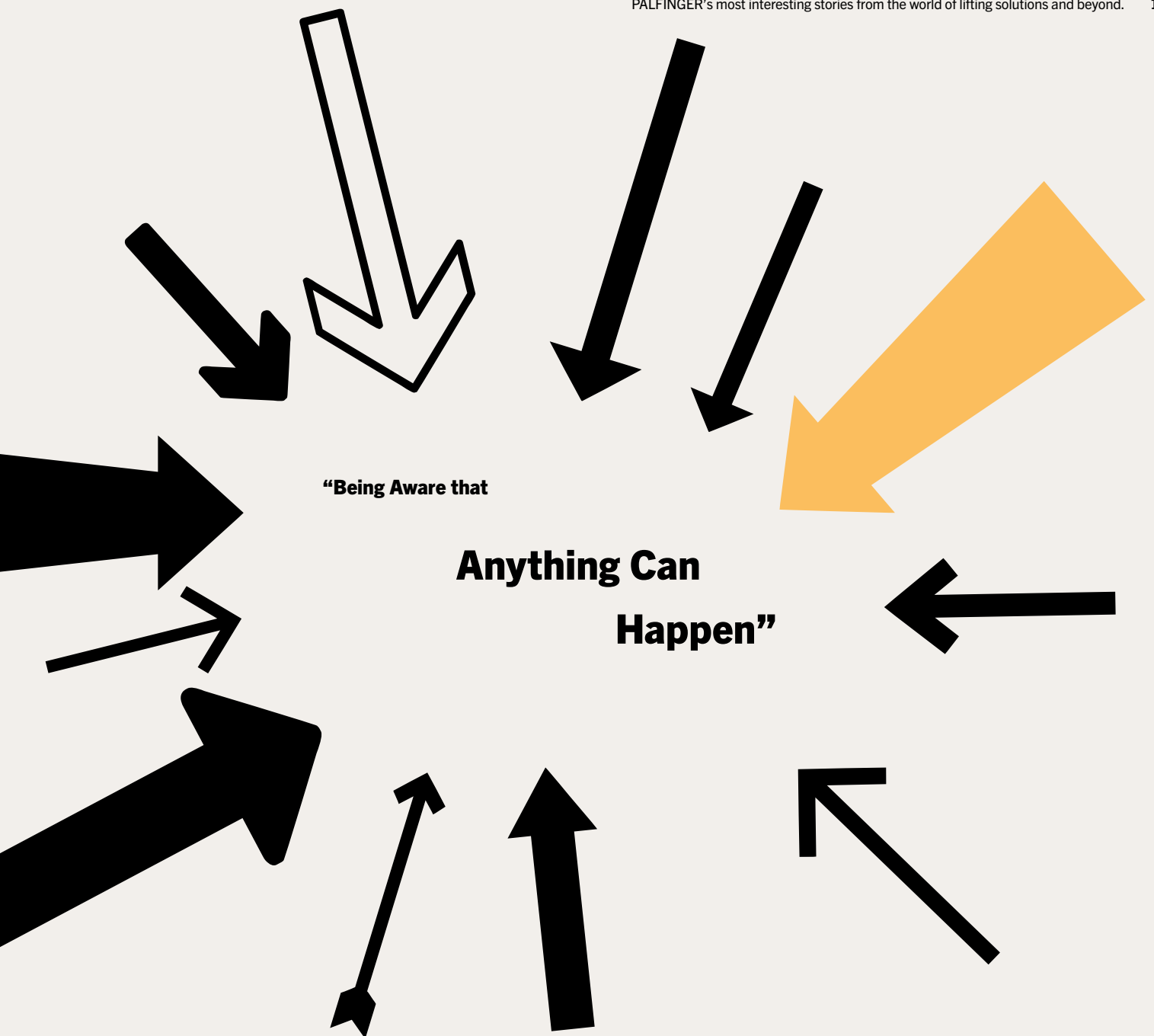
About Monika Köppl-Turyna:

She is one of Austria's most influential economists. Following completion of her doctorate at the University of Vienna, she held an assistant professorship at the Lisbon University Institute from 2011 to 2015, then moved to Agenda Austria as a senior economist and in 2020 became a lecturer at Johannes Kepler University Linz; in the same year she was appointed Director of EcoAustria. She is in 5th place in Austria in the FAZ/NZZ/Die Presse 2021 economist ranking.



General Othmar Commenda
Picture © Thomas Topf





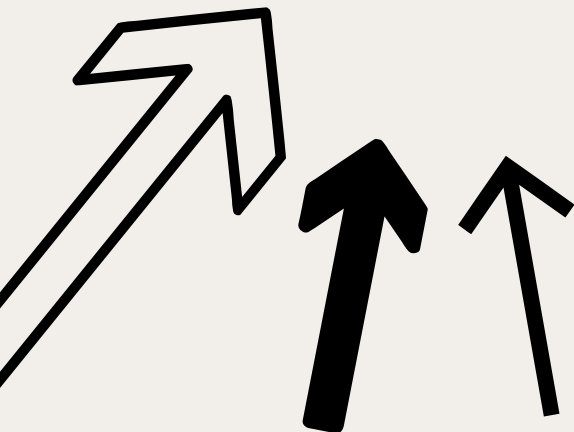
The **pandemic** is followed by the **supply chain crisis**, while **Russia's attack on Ukraine** is followed by the **energy crisis**. And the challenges are not getting any less. Quite the opposite, in fact. **General Othmar Commenda** on **risks** and how **society, governments and industries** can handle them.

Since Othmar Commenda, Chief of Staff of the Austrian Federal Army from 2013 to 2018, retired from active duty, he has avoided making statements in public. “If you’re no longer part of the game, it’s no help commenting on the game from the sidelines”, he says. For PALFINGER, the general makes an exception and shares his thoughts on the current risk factors and what it takes to handle them successfully. He starts by taking stock of the current risk situation: “For Europe, migration is one of the biggest challenges of the future. We have seen the world’s population develop over many years and have to acknowledge that populations are increasing in countries that are becoming poorer and poorer, in places where the basic constructs for living are missing. In Africa alone, millions of people are moving away from many hardships — economic, climatic and political. We are not well prepared for this. We have not learned anything from the refugee crisis in 2015. That is a real challenge. The other thing is that in recent years we have not managed to reduce our dependence on energy and resources that Europe does not have. The Ukraine war has made this unmistakably clear — without it, there would still not have been a single step to reduce these dependencies. And the cyber war, which takes place every day and causes companies and economies billions in losses, is another massive challenge. The current risk situation is very diverse.”

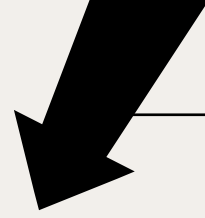


Living at the limit

The General recognizes the problem that there is barely any awareness of the very different types of threat. At the same time he is convinced that they can be dealt with — as long as we are prepared for them: “Let’s take this now somewhat worn-out term ‘blackout’ as an example. I’m a bit tired of this topic, but in the end, it’s a threat that could arise at any minute. A few years ago, the news magazine DER SPIEGEL reported how Europe almost tumbled into a mega blackout had it not been prevented by clever, efficient technicians and engineers. Europe had been lucky. If we imagine what a blackout would be like, there are ways to lessen the impact. By preparing ourselves and facing the fact that we can’t always live at the limit. We need reserves. For example, we can’t lower the capacity of the healthcare system to cover only average daily needs. We need to be able to cover peak demand, and exceptional peak demand at that.”



A concept for crises



What is missing, he states, is the willingness to deal with these issues and all the consequences. Things were different back in the day, and General Commenda sees no reason why they shouldn’t fall back on a successful concept from the 1970s and adapt it to today’s challenges: “There was something Austria had that was brilliant. It was comprehensive national defense. The term may no longer sound attractive today. But there were four pillars, the first being the psychological defense of the country. Being aware that anything can happen. It doesn’t have to be a war; it could be any number of crises. The second is national economic defense, which ensured that vital products and infrastructure are available and secured. The third is national military defense. And the fourth is civil defense, i.e. the protection of the population, which again has nothing to do with armed intervention. In the end, it is these pillars that we are missing today.”

Build up reserves in good time

He believes that it is important to think and plan more long-term in all areas: “The Western world, in particular Europe, is focused on purely economic efficiency. The bottom line is that everything has to be profitable, everything has to be as cheap as possible, everything has to be there as quickly as possible. For too long, nobody has thought about what happens if the supply chain is interrupted. Nothing is kept in stock anymore. In other areas, things are no longer manufactured locally, such as semiconductors or medicines. In addition to critical infrastructure, there are also critical products. Once they have been identified, we have to start making them again. We have to make sure that we have some breathing space here and are not constantly at the limit. This means that it is a matter of creating reserves that help bridge a specific period of time during a crisis. The conclusion is not very attractive: Security is not necessarily profitable.”

Develop an overall strategy



According to the former Chief of Staff, if we want to be able to bridge crisis situations and become resilient, there is no way past setting up reserves and warehouses. And that includes all players: government, society and companies: “For financial experts, it is of course pure madness if five percent of capital is tied up in this way. But if we can face the challenge — and we do know we can do something about it — then we have to be prepared to invest. Money, resources, personnel. We need qualified personnel, we need experts who know what to do in an emergency. And we need to revive our knowledge. After all, there are enough clever people who are able to show us what is needed. Above all, we must honestly address the potential threat scenarios and develop an overall strategy together. It is an investment that definitely pays off.”

How PALFINGER proactively minimizes risks

**Forward planning:
Multiple sourcing,
proactive warehousing and
strategic partnerships
successfully even out
fluctuations in the internal
and external supply chain.**

Strategic partnerships

PALFINGER works in partnership with over 7,000 suppliers, around 700 of which are defined as strategic suppliers. Delivery and quality assurance contracts have been drawn up with them that take into account cost effectiveness, product, the environment, and social aspects. Long-term contracts define prices, make annual purchase quantities variable and ensure continuous supply.

Local for local

PALFINGER generally pursues a double or multiple sourcing strategy for its suppliers. To compensate for specific regional characteristics, there is now more focus on attracting suppliers from different regions. With its "local for local" procurement strategy, PALFINGER is improving its environmental footprint and contributing to local value creation, making itself more independent of global supply chains.

Direct actions

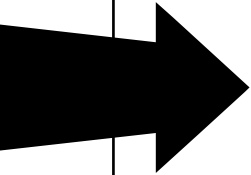
With its task forces, PALFINGER has created a flexible and efficient instrument that ensures ongoing operations during crises and works productively to solve each challenge.

- **Cyberattack Task Force:**
Secures data and ensures communication and as a consequence production, like during the cyberattack on PALFINGER's IT systems in 2021.
- **Covid-19 Task Force:**
Focuses on employee health and safety, ensuring production and liquidity.
- **Supply Chain Management Task Force:**
Ensures the best possible supply to PALFINGER production sites.
- **Gas Emergency Readiness Task Force:**
Continuously monitors the gas and energy situation, preparing purpose-specific emergency plans for blackout scenarios and restricted energy supplies.

About Othmar Commenda:
He began his career in the Austrian Army in 1975; in addition to his general staff training, he completed training at the United States Army War College and at the Bundeswehr Command and Staff College. Active on the staff of the Minister of Defense from 2001, Commenda was appointed Chief of Staff in 2013. In 2018, General Commenda retired from active duty.



Identifying Opportunities



Interview with the Board

One crisis follows the next and the challenges keep on coming. 2022 was not short of surprises. In this extremely tense global environment, PALFINGER is successfully setting trends in the areas of innovation and

winning opportunities

...nd strategy – and once again achieved record revenue and a very good result. In an interview, Executive Board members Andreas Klausner, CEO, Felix Strohbiehler, CFO and Martin Zehner, COO, talk about the company's strengths and their drive to shape change.



Identifying Opportunities and Transforming them into Success

One crisis follows the next and the challenges keep on coming. 2022 was not short of surprises. In this extremely tense global environment, PALFINGER is successfully setting trends in the areas of innovation and strategy – and once again achieved record revenue and a very good result. In an interview, Executive Board members Andreas Klausner, CEO, Felix Strohbiehler, CFO and Martin Zehner, COO, talk about the company's strengths and their drive to shape change.

and

2022 was a challenging and difficult year, but also a special one for PALFINGER. PALFINGER celebrated its 90th anniversary and achieved several successes over the course of the year. Andreas Klauser, what are the positive effects of 2022?

Klauser: It really was a challenging year. But despite the headwind, we were successful. We finally met customers and retailers again at trade fairs such as the IAA and bauma, and we celebrated 90 years of PALFINGER with them in Salzburg. In 2022, we were able to prove once again that PALFINGER not only offers solutions, but is also a very reliable and trustworthy business partner in times of crisis and when faced with major challenges. We have shown that we are proactively driving business forward even in difficult times. This allows us to generate great results in terms of the profitability, revenue and growth of the company.

Felix Strohbichler, as CFO, you were confronted with inflation and staggering costs. What was your positive factor of 2022?

Strohbichler: A positive year is always characterized by a positive financial result. We can be proud that we were able to achieve another record year in terms of revenue in 2022. In terms of the operating result, despite the enormous cost increases following Russia's invasion of Ukraine, we came close to the EBIT of the record year 2021. Although we were faced with the continued instability of global supply chains, we achieved a revenue of significantly more than two billion euros and thus achieved our target for 2022. This growth was supported, among other things, by inflation and exchange rate effects, particularly in the US dollar and the ruble. This development has an impact on our medium-term financial targets: We will achieve our revenue target for 2024 of EUR 2.3 billion as early as 2023.

Zehnder: Thanks to our Supply Chain Task Force, we were able to successfully overcome the many supply chain challenges in 2022 and continue to provide our customers with solutions and products. Dealing with the pandemic, supply chain issues and the effects of the war in Ukraine is teamwork at the highest level. It combines the entire expertise of sales and customer service with that of engineers, production and purchasing. This is what makes PALFINGER stand out. In 2022, the expansion of the Köstendorf site into a global technology center was an important milestone for PALFINGER. As a result, PALFINGER ensures its customers and partners the development of future-focused, sustainable products and integrated complete solutions.

Klauser: We are driving our company and the whole industry forward. That is what is so good about being a premium brand and market leader. We can help shape the industry, open up new markets and define requirements for products and solutions. That is what significantly distinguishes PALFINGER from its competitors.

Which developments in 2022 will also have an impact in 2023 and beyond?

Strohbichler: Even though the supply chain is likely to continue to improve, the problem will remain in 2023. The same goes for inflation, which will decrease but remains a determining factor. That is why we introduced the dynamic pricing model in 2022, which took effect in 2023. If a specific index that reflects our cost development exceeds the level of the price increase we have implemented, we can pass on to our customers the additional costs above the price increase. This ensures maximum transparency in pricing, reflects the market situation, and guarantees the stability of PALFINGER's profitability.

Zehnder: As Felix just mentioned, the supply chain remains a major challenge, even as the situation calms down. I also expect the best-in-class solutions that we presented at the IAA and bauma to have a long-lasting effect. The feedback from our partners, suppliers and customers was extremely positive. This gives us a strong basis for 2023 and beyond. Based on our range of products and solutions, we need to continue working on our supplier network. For many years, we have been producing in the region for the region. This approach will be even more important and consistently developed in the future.

Klauser: What is certain is the effectiveness, including cost effectiveness, with which we will drive business forward ourselves. We have a very comprehensive understanding of the needs of our customers but also of the requirements of our production plants. All of the factors mentioned by Felix and Martin give us the focus to become even more efficient and to work on our values. There are many good developments that we could see in 2022 and that will continue to contribute to PALFINGER's future success.

Vision and Strategy 2030, which you began implementing in 2022, focuses on three megatrends. To what extent are these developments already present and effective in 2022 and 2023?

Klauser: Vision and Strategy 2030 is already anchored in the organization and takes into account the megatrends of digitalization, sustainability and social change. The aspects involving digitalization and sustainability were experienced at the IAA and bauma, among other things, through our products and solutions. The opening of "The Hub Vienna" underlines our approach to finding the right employees in the right place. Many experts and digital natives want to live and work in an urban environment. And that is why we have moved towards them.

Zehnder: Andreas has already mentioned social change; I would like to go into more detail about the megatrend of sustainability. We are taking a holistic approach to reduce PALFINGER's carbon footprint. To start with, we are investing in photovoltaic systems at our plants, purchasing mainly green electricity and upgrading the heating systems in the plants. On the supplier side, we are working with partners in

Transforming Them into

the region to reduce energy consumption during transport. At the same time, we want to persuade them to also take an environmentally friendly approach. Of even greater importance are our future products. At our technology center in Köstendorf, we develop sustainable, future-proof product solutions. An example of this is the way we are working together with truck OEMs to understand what it means to install a PALFINGER product on an electric-powered truck. Sustainability plays a very important role in PALFINGER's future.

What does sustainability mean in financial terms?

Strohlichler: First of all, sustainability is an opportunity for PALFINGER to generate additional business and make a positive contribution. On top of that, we also act sustainably when it comes to our financing. Last year, for the first time in its history, PALFINGER implemented financing linked to sustainability indicators amounting to EUR 280 million. A milestone in terms of our sustainability strategy. Our investment strategy is also sustainable: In Europe, deindustrialization is a frequently mentioned topic. PALFINGER is acting in the opposite direction. We are investing heavily in Europe to further build on our capacities and expand our footprint here.

Andreas Klauser, you talk about shaping change. What is the key to that?

Klauser: We are in the fortunate position that we can proactively shape change and drive our business segment forward. Thanks to our strong market position, our premium brand and our premium solutions, we are able to introduce new software, new products and therefore new services. All of this works together to successfully shape our future.

Strohlichler: It is essential to recognize potentials and use them. In addition, we need to maintain a balance between short, medium and long-term goals and take the right actions to achieve all goals, regardless of whether they are financial or non-financial.

Zehnder: It is absolutely crucial to involve people and get them onboard. In our strategy papers, we describe in detail what is necessary for change. We now need to implement this change together with our team, partners, customers and suppliers. The transformation from a product supplier to a solution provider is a profound change. That is something that we can only achieve together.

How can proactive, future-focused action be successful?

Klauser: We have clearly proven that we can be successful in all situations using our pioneering spirit. That is why it is important to keep this knowledge in mind and to look ahead, identify opportunities, seize them and ensure they are transformed into success: business success, success in working together, success as an organization.

Zehnder: We need to find and retain the best people, work with the best partners, develop future-driven products, and never stop being open to innovation. The success of STRUCINSPECT is the best example of this.

Strohlichler: It is extremely important for PALFINGER to remain focused, set the right priorities and persistently pursue and implement our strategy.

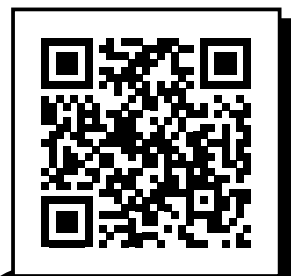
What do you expect for 2023?

Klauser: Even though we must take volatility into account, I think we can be at least as successful in 2023 as we were in 2022 due to our solid order backlog, our market position and the priorities that we have set.

Strohlichler: It is difficult in times like these to promise something for the end of 2023. But based on the order backlog, I expect PALFINGER to achieve a record year in terms of revenue and earnings. We are in the best position to achieve this.

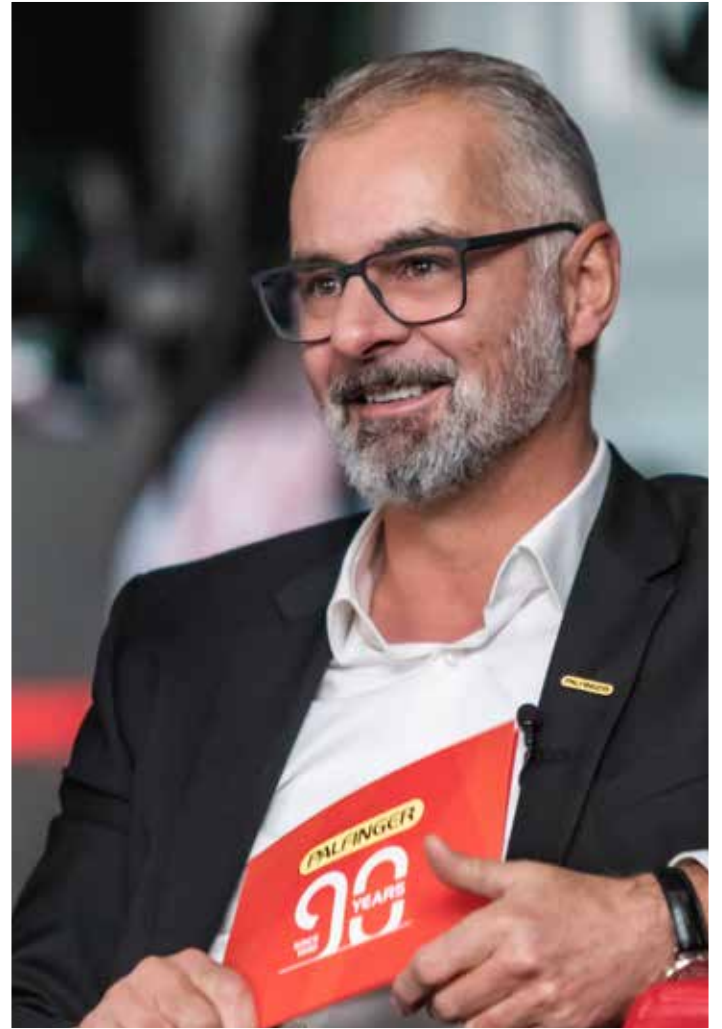
Zehnder: I believe that 2023 will be a more stable year than 2022. This will help us to reduce our inventory levels, increase our delivery performance and improve our cash flow.

Thank you very much for the interview.



Success







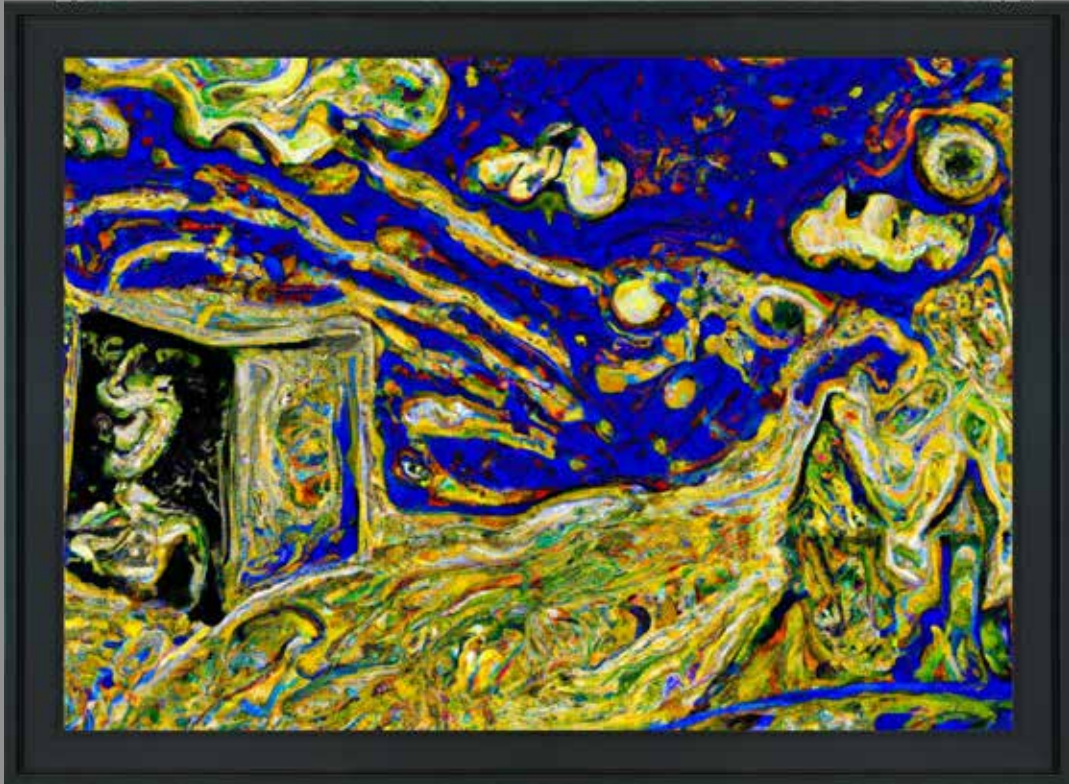
Artificial intelligence is not coming, it is already here.

For all of us, the exploration of artificial intelligence has been one of the most exciting tasks for years. Its constantly expanding areas of application are already changing our society like hardly any other technology before. Various systems already support us in our daily lives, such as in smartphones or in our vehicles. We have interviewed particularly intelligent AI models on the topic of

“Expecting the Unexpected from the Perspective of a Global Technology Company in Crisis Situations”

with unexpectedly surprising results in both image and text.





As a globally operating technology company, we must constantly prepare for the unexpected. Crisis situations such as natural disasters, political instability, or cyber-attacks can occur at any time and force us to react quickly and flexibly. To prepare for this, we have developed emergency plans and procedures to ensure that we remain operational in any situation. This includes regularly reviewing and adjusting these plans to address current threats and risks.

We place great importance on ensuring that our employees are prepared for such situations and can act quickly and effectively. This includes regular communication and training of our employees on emergency management and cybersecurity.

We are also prepared for the unexpected in relation to our customers and business partners. We have taken measures to protect our IT systems and data, allowing us to respond quickly and effectively to failures or attacks.

PEOPLE



PALFINGER's 90-year success story is due to all those who have accompanied and supported PALFINGER on its successful journey. People who have covered new ground and mastered challenges together with PALFINGER. People who believed in PALFINGER's deep-rooted pioneering spirit, drive for innovation and courage. They helped transform a small Austrian workshop into a global player. PALFINGER thanks its partners, customers and employees. But the journey together is far from over. In times of constant change, looking back into an eventful past is the foundation for a successful future. Together, we can #reachanything



Jean-Guy Deom

Owner, DEOM

Around 30 years ago, while Hubert Palfinger Sr. was visiting our company in Belgium, his secretary remarked that they saw more cranes from the competition standing next to Belgian roads. Hubert answered: "That's perfectly normal. Our cranes are working on construction sites right now." Nothing is more satisfying than knowing that PALFINGER products efficiently help professionals in their daily work to reach all their goals.



John Cleyton de Oliveira

Owner, Titã Guindastes

The most remarkable job we performed was with a PK 61502 in an extremely restricted space. We used a fly jib and winch cable to assemble and disassemble two elevators inside the plant. Without this PALFINGER equipment, we would have had to rent a 500-ton crane, remove the tiles and do the job from the outside of the building. The PK 61502 was fundamental for the success of this job.



Natasa & Andrej Rustja

Owners, PK d.o.o.

When we first made an appointment with a customer for whom we mount cranes on fishing boats, we said that we would come “in mid-July to discuss further details”. The fisherman was surprised and suggested we come “at the first full moon in July”. Since then, PK d.o.o. has printed the lunar calendar on all its calendars in order to be a reliable partner for all our customers to help them reach anything.



Romel Person

Driver/Operator, Lummus Supply

**TOGETHER
INTO A
SUCCESSFUL
FUTURE.**

When it comes to unique features, I really appreciate the comfort of the operator cabin and the PALFINGER Ground Control™ makes mounting and dismounting the forklift from a truck or trailer easier than ever. I'm extremely pleased with the reliability, performance and comfort of our new forklift. Whenever I need to reach new heights, I know PALFINGER is there to help me get the job done.

James Liew

Co-Founder and Group CEO, Wong Fong Industries Ltd.

Trusting and stable cooperation is particularly important to me. With PALFINGER, we have had such a close partnership since the 90s.

A special success story in our company history was certainly the listing on the Singapore Stock Exchange in 2016, which we were able to realize with the strong support and stability of PALFINGER.

Working in such a successful partnership helps us reach anything.



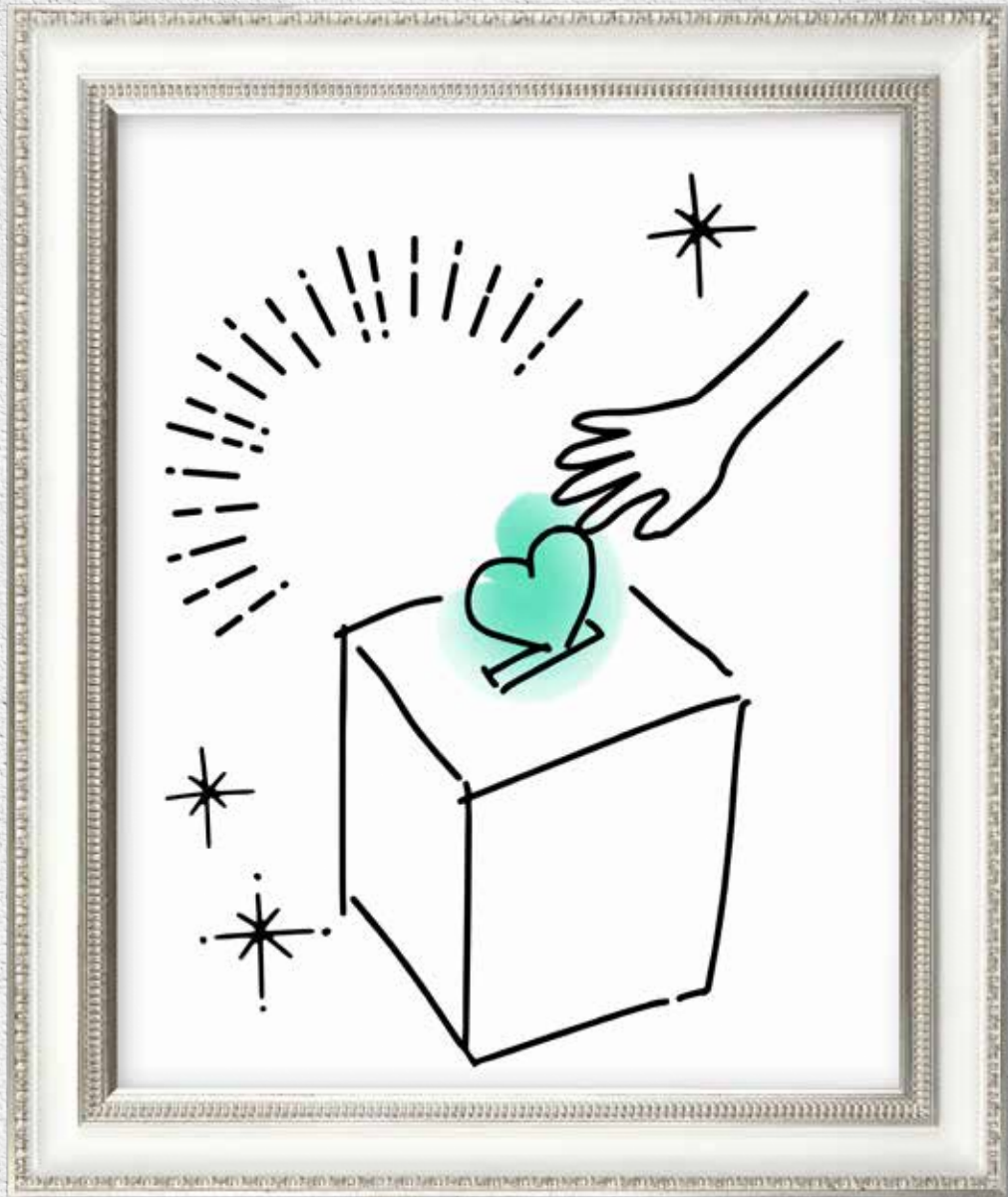
Innovation means making opportunities a reality. With the expansion of the Köstendorf Global Technology Center and the opening of The Hub Vienna, PALFINGER has made important investments for the future. The new locations not only offer space for growth, they also create ideal conditions for innovation and collaboration, and position PALFINGER as a future-focused employer.

Investing

Today

for Success

Tomorrow





For PALFINGER, innovation means identifying and implementing opportunities. This is never an end in itself, but is always based on the question of how our products and solutions can best support our customers and partners, and how PALFINGER can develop long-term by using innovation to ensure a competitive advantage.

The new Köstendorf Technology Center and The Hub Vienna are the latest locations to drive forward the implementation of the PALFINGER Vision & Strategy 2030. "At PALFINGER, we are proactively addressing the major current and future challenges - from digitalization to demographic change and sustainability," says Andreas Hille, Senior Vice President Global Product Line Management & Engineering. By 2030, PALFINGER will develop into a provider of integrated hardware and software solutions from a single source. This development is accompanied by various actions and projects implemented in the areas of innovation and digitalization.

Philipp Smole, Digital Transformation Officer & Vice President Corporate Incubator, adds: "Innovation has always been part of PALFINGER's DNA and is therefore a key driver and at the same time an important pillar for creating value for our customers, partners and for the entire company." Financial, personnel and space resources are basic requirements for success. The mindset is just as crucial. It needs people who want to shape the future together and think beyond familiar processes and approaches. This includes entrepreneurial thinking, perseverance, the willingness to take risks and the ability to learn quickly from mistakes. Philipp Smole also underlines the importance of spaces in which collaboration and shared design are possible. The Hub Vienna and the new technology center in Köstendorf are examples of such places.

Global success, regional roots

Köstendorf is the center of PALFINGER's worldwide R&D activities and is home to the three global Centers of Excellence (CoE). Specifically, the developments of critical core elements such as control systems and drive technology are centrally bundled and efficiently driven forward. These results are finally incorporated into global system development via the product lines, with regional R&D and installation centers integrating application-specific solutions into the vehicles.

"The Köstendorf location enables our customers to get the best competencies across all product lines so we can efficiently develop modern solutions for their needs," says Hille. "Based on this motivation, we are also expanding our cooperation with universities, technical colleges, industrial and development partners," he adds.

The proximity to innovation centers, research institutions and universities is also an important factor in Vienna, because increased networking and cooperation with external partners and their expertise are key drivers for innovation. In addition, The Hub Vienna is also strongly committed to internal exchange. Bringing together different organizational units and disciplines promotes dialog with each other, which creates

new viewpoints and perspectives. The Hub Vienna is designed as a place of work, diversity, inspiration and, above all, cooperation. It is designed to network experiences, try out future technologies and drive innovation. It is therefore no coincidence that part of the corporate incubator P21st is located at Hub Vienna. P21st has the task of driving radical and disruptive innovations that go beyond the company's core business, or are aimed further into the future.

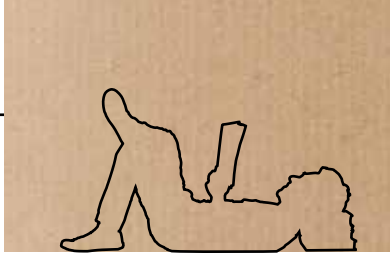
At the hub of the world of work

In Köstendorf, PALFINGER combines innovative development with an attractive working environment to attract talent. The focus is on change according to "Future Way of Work" principles. "Long-term success depends on constantly rethinking our own ways of doing things, including when it comes to our working environment. Our employees therefore benefit from flexible work in terms of time and location, voluntary health benefits and a wide range of training and further education opportunities," says Andreas Hille. In Köstendorf, PALFINGER also offers talent a flexible open-space office concept with various work zones that promote and encourage interdisciplinary exchange. The architectural concept was developed in continuous dialog with the employees. There are many opportunities for inter-departmental work. With its new office concept, PALFINGER has created a space for actively shaping the future.

The concept at The Hub Vienna is similar, because it is also designed for hybrid work. In order to meet the requirements of modern working environments, the location follows an "Activity-Based Working" approach and is divided into "loud" and "quiet" zones. The four main areas are designed for focusing, communication, working together and community and are used by employees depending on their current activities. "As a result, there are no fixed desks; instead, all workstations can be used and booked flexibly. The spatial design also creates opportunities to withdraw and allows for free space to be used, which is important for innovation processes," says Philipp Smole, explaining the office concept at the new PALFINGER location: The Hub Vienna.



The



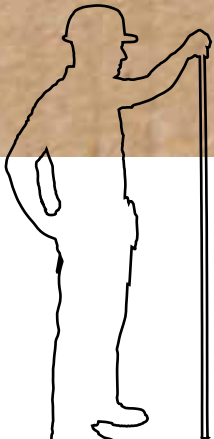
innovative

Best

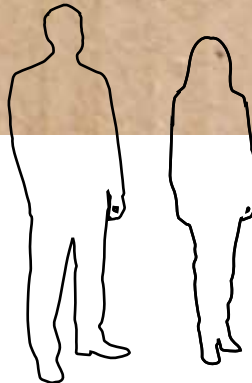


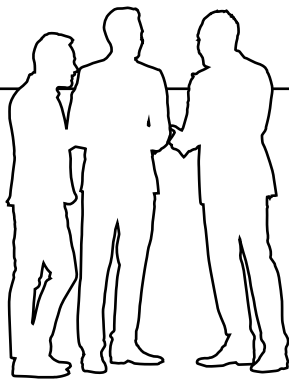
Overall

Package



responsible





The job market is changing:
In the competition for the best talents, PALFINGER is positioning itself as a responsible and innovative employer. PALFINGER's solutions also guarantee the success of its customers and partners.

Wins

Success

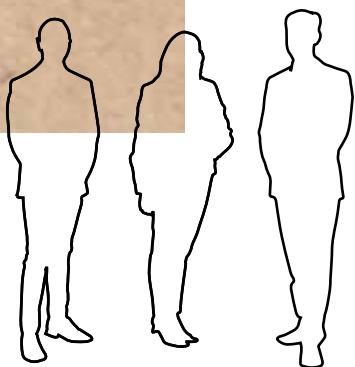


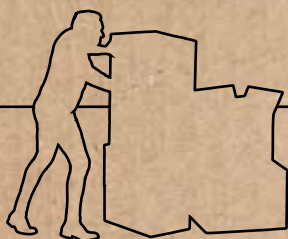
Solutions

In 1998, PALFINGER employed around 1,300 people. 25 years later, the number has grown to around 12,200. Impressive growth that reflects PALFINGER's success. In fiscal years 2021 and 2022, the total number of employees grew by more than 1,400. The global technology company particularly stands out in areas such as engineering and IT, where it is becoming more and more difficult to find sufficiently qualified employees. And this at a time when industry is increasingly suffering from a shortage of skilled workers.



001171





This is not only a key issue in Europe, where the baby boomer generation is retiring from work. It also affects Japan, China and the USA, because the labor market is changing all over the world. The increasingly demanding tasks and activities in industry are handled by fewer and fewer people with professional experience. This is a trend that is also noticeable in other industries, such as construction and logistics. “That is why we use all the options available to us to find the right person for the right job,” says Michael Berger, VP Global Human Resources at PALFINGER.

Three megatrends, one strategy

PALFINGER identified the megatrends of “social change,” “digitalization,” and “sustainability” as the most relevant global developments. These will have the greatest impact on the company and its customers and partners. With its Vision & Strategy 2030, PALFINGER formulates precise answers to these challenges, explains Berger and adds: “All of these megatrends also have a direct impact on the future of work.”

Sustainability, for example, goes hand in hand with new compliance requirements and regulations, but also with a variety of new business opportunities, which PALFINGER is responding to with the strategic pillar “Go for Solutions”. At the same time, sustainability requires new ways of working together and more intensive cooperation, for a strong ecosystem of partners – and for employees who collaboratively create added value based on these requirements.

Digitalization, which PALFINGER is driving forward in all areas of the company with the strategic pillar “Go Digital”, in turn requires both digital natives and production workers with digital skills. The professional profile of welders, to name just one example, has fundamentally expanded over the last 20 years thanks to digital technologies. Berger knows that automation cannot replace these skills. It takes people who can use digitalization to expand their competencies in a purpose-specific way.

Meaningful work

Social change has an impact beyond demographics. With Generation Z increasingly entering the working world, the values and goals of working life are changing. More than ever before, it is about creating or achieving something meaningful. Companies must fulfill these expectations. At the same time, they must do everything they can to provide current and future employees with the best opportunities for further education and training within the organization (see also the PALFINGER initiatives). As an employer, it is important to offer valid prospects.

“This means that we must change and develop as an employer,” is Berger’s initial conclusion. He describes what that looks like: “In line with the credo ‘retain first, hire later’, we do everything we can to keep our employees as long as possible.” This preserves knowledge and skills within the company and makes employees ambassadors for the PALFINGER brand. Berger mentions authenticity as the next point. This includes leadership on equal terms, meaningful work, and clear and attractive job development prospects. “The entire package simply has to be right, including salary and social benefits,” says Berger in summary.

But what if all of this isn't attractive enough to find sufficient employees? Then, says Michael Berger, we need to move closer to them. Literally. In November 2022, PALFINGER opened its new location “The Hub Vienna” at Vienna’s Austria Campus. Thanks to universities, research institutions, start-ups and international companies, Austria’s capital, with around two million inhabitants, is home to more digital natives than anywhere else in the country. In addition, their catchment area extends to the Czech Republic, Hungary and Slovakia. “With its start-up scene and access to future talent, Vienna has always been important for us, and we are now intensifying our commitment with The Hub Vienna,” explains CEO Andreas Klauser. In Löbau, Saxony (Germany), on the other hand, existing assembly skills in access platform production are being expanded, with the industrial surroundings in the region playing a decisive role. There are many ways to move towards future employees, says Berger. “For example, we are setting up networks with schools, technical colleges and universities,” he explains. This allows us to position PALFINGER among young people at an early stage as an interesting, promising, modern and future-focused employer.

Making job placements easier

“All of these aspects also affect our customers,” says Berger. This is where PALFINGER comes into play as a dual solution provider. That is because the products and solutions require specific knowledge: Operators and service technicians must be able to handle innovative mechatronics and intelligent functions as well as provide technical service based on computer-aided diagnostics. The positions offered are becoming more demanding and therefore more attractive because they promote a career as an expert. Preventive and predictive services enable more efficient resource planning and allow remote operation using virtual reality. With these eco-efficient solutions, PALFINGER significantly contributes to making its customers more attractive as employers.

At the same time, PALFINGER’s technological solutions include numerous assistance systems that make many jobs easier and safer. Using these systems, a range of work can also be made available to employees after shorter training periods. “This makes it easier for our customers to fill jobs and shorten the required training time. So that employees are quickly ready to get started,” explains Berger. When developing every solution and every product, we keep the customer, their employees, their needs and goals in mind. “In the end, it is always the people who make up a company, who together overcome the challenges of the era. Today, in ten years, and in 20 to 30 years’ time,” is how Michael Berger summarizes the situation.

Solutions
innovative
responsible
Success





Key future-driven PALFINGER initiatives

PALFINGER Digital Masterclass

PALFINGER combines an internship and work on a project with expert training. The PALFINGER Digital Masterclass takes place over a period of twelve weeks. The pilot project starts in March 2023 with twelve students specializing in web and application development. The aim is to hire 30 percent of the participants after the program. If the masterclass achieves this level of success, it will be further developed in the future and extended to other subject areas.

Expanding training opportunities

PALFINGER is currently training more than 200 apprentices in the DACH region. In addition, dual training courses based on Austrian standards are offered in France, Slovenia and China. The number of apprentices is to double over the next five years. This is to be achieved by expanding the training program content in terms of IT, technology, services and by rolling out apprenticeship programs in other countries.

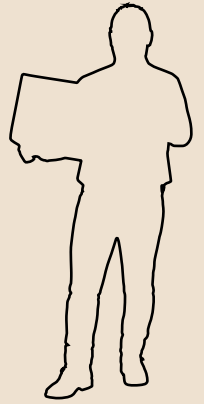
PALFINGER Campus

In the significantly expanded PALFINGER Campus in Lengau, apprenticeships take place in 17 technical and commercial professions. One third of apprentices at PALFINGER complete their apprenticeship with a Matura, the Austrian high school graduation certificate. The "Apprenticeship goes international" program enables apprentices to visit global PALFINGER locations from Spain to China. 95 percent of all apprentices stay with PALFINGER after they have finished their training.

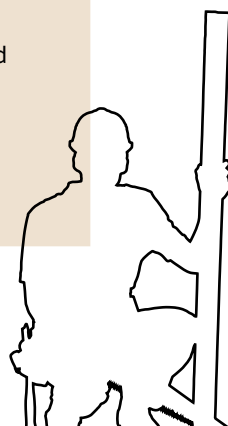
PALfit

For 20 years, the global holistic in-house health management system PALfit has been providing a broad and widely used range of services. These extend from preventive examinations and "Global Active Moments" to further education in self-management and stress management.

PALFINGER employee figures at a glance



EMEA	6,956
CIS	1,534
Marine	1,113
NAM	1,004
LATAM	814
Holding	480
APAC	309



Give &&& Take

Henry Ford once said:

A business

that makes nothing

but money is a

poor business.



A quote that encourages not only discussion but also reflection. What really makes a company stand out? Its profit maximization, its innovative power, or its values and responsibility towards society? How much do companies give back to society?

The debate about corporate social responsibility is not new, but it is evolving. Since the pandemic and the war in Ukraine, company responsibility and corporate social responsibility are becoming increasingly important. Companies are part of society and need to be aware of the impact their actions and decisions have on the environment and on people.

More and more well-known companies are publicly stating their position and their commitment to their values, sometimes at the risk of losing revenue and profit. Yvon Chouinard, founder of outdoor equipment manufacturer Patagonia, discontinued his most successful product – climbing bolts – back in the 1970s because he believed they were destroying the mountains. In 2022, Chouinard and his wife and two children transferred their voting shares to the Patagonia Purpose Trust foundation. All other shares go to the specially founded non-profit organization Holdfast Collective. In doing so, Chouinard wants to make his fortune available for environmental protection. “Earth is now our only shareholder,” writes Chouinard.

The German retail group Rewe ended its sponsorship partnership with the German Football Association (DFB) in November 2022. Rewe had already announced to the DFB in October that it would no longer continue the partnership agreement – regardless of the World Cup. Following statements by FIFA President Gianni Infantino and the FIFA decision to ban “One Love” armbands, the

Group wanted to distance itself from FIFA's actions by immediately waiving advertising rights with the DFB, particularly in connection to the World Cup. “We stand for diversity – and soccer is diversity too,” said Lionel Souque, CEO of the REWE Group.

These are just two companies among many that take their responsibility towards society and the environment seriously and take action – not only within their own organization but also with partners.

How PALFINGER assumes responsibility. Shortly before PALFINGER AG's annual report press conference on February 24, 2022, the news came out that Russia was attacking Ukraine. Since PALFINGER has five sites in Russia, journalists were quick in asking the first questions. The record year 2021 took a back seat. Many companies left the country and stopped operations in Russia. PALFINGER, however, remained in order to meet its responsibilities and obligations towards the approximately 1,400 Russian employees – in compliance with all sanctions imposed against Russia, of course. A short time later, the company found itself on a blacklist published by the Yale School of Management, which created a list of Western companies operating in Russia. In order to support the people who depend on humanitarian aid as a result of the war, PALFINGER has donated to support organizations providing aid in Ukraine, including the Ukraine Center in Salzburg. PALFINGER sees social responsibility not

as a one-way street, but as a moral and ethical obligation to people who are in need of help – regardless of origin, religion, age, gender, or physical disability.

Sustainable and long-term support.

Helping people and giving something back to society – PALFINGER has been committed to these values for quite some time. Since 1992, PALFINGER has supported the non-profit organization AMREF (African Medical and Research Foundation), which provides help to improve the health of disadvantaged people in Africa, combat poverty and sustainably improve the quality of life.

Involved in various projects, PALFINGER has helped provide medical training and further education, holding e-learning and computer courses in Nairobi and throughout Kenya, and providing the necessary computers. PALFINGER also financially supports AMREF in operating remote bush hospitals with the help of the Flying Doctors to provide patients with medical assistance and medication. PALFINGER is also supporting a project in South Sudan that trains clinical officers and medical support staff.

PALFINGER also takes responsibility locally, especially for the youngest members of our society. For almost 20 years, PALFINGER has been supporting Children's Cancer Aid in Salzburg, who strive to improve the situation of children with cancer and their families. In addition to a donation, the company organizes the sports car ride every year. In the

morning, there is a children's party at the company, and in the afternoon, the children are driven in exclusive sports cars through the countryside of the province of Salzburg. This event not only brings joy to children, but also to PALFINGER employees, who volunteer in their free time and give life to the company's values.

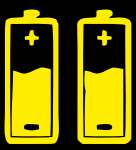
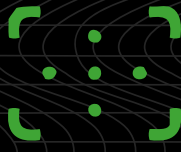
Companies are part of society and have obligations to it. Some put more effort into this than others.

“A business that makes nothing but money is a poor business,” said Henry Ford. That is a statement that resonates with a lot of people.

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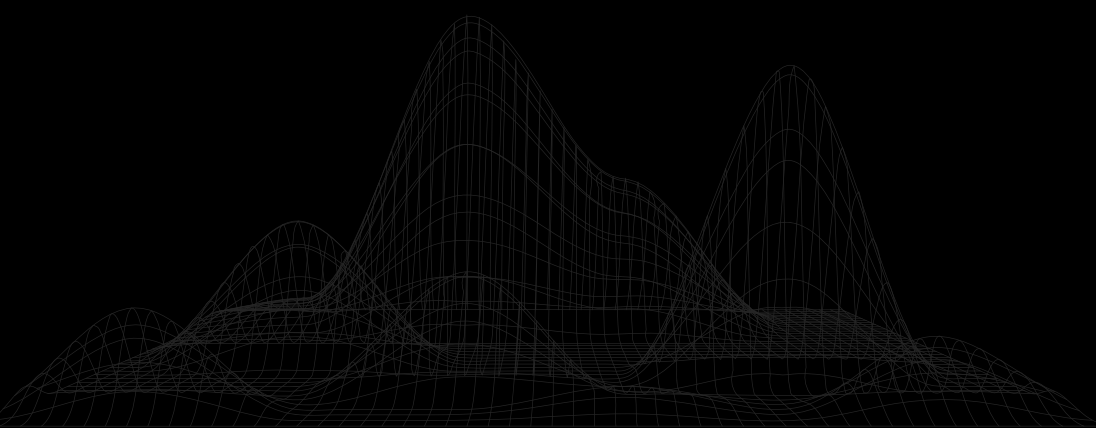


FUTURE



TECHNOLOGY

NOW



ELECTROMOBILITY HAS ARRIVED AND CHANGES EVERYTHING. THIS ALSO APPLIES TO PALFINGER'S PRODUCT RANGE. AFTER ALL, THE ENERGY SOURCE THAT DRIVES A COMMERCIAL VEHICLE ALSO POWERS ITS EQUIPMENT. THIS MEANS THAT THE ELECTRIC TRUCK AND ALL PALFINGER SOLUTIONS NEED TO HARMONIZE WELL AT THE COMMON INTERFACES, AND THEY NEED TO BE SIMPLE, EFFICIENT AND ABLE TO OPERATE ANYWHERE. TO ACHIEVE THIS, AND TO MAKE OPTIMAL USE OF ALL THE BENEFITS OF ELECTRIC DRIVES, PALFINGER IS ENTERING INTO DEVELOPMENT PARTNERSHIPS AND IS WORKING ON EXPANDING ITS PRODUCT PORTFOLIO FOR ALTERNATIVE DRIVES.

eWorX powers everything

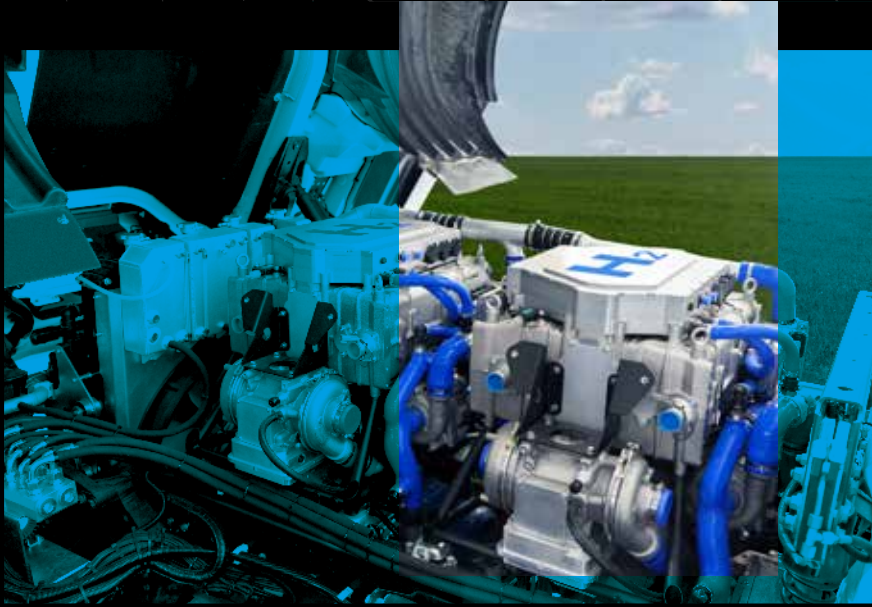


Together with ZF Friedrichshafen AG and Mercedes-Benz Trucks, PALFINGER has developed a module that makes it possible to install and operate any PALFINGER product on an electric-powered truck. The starting point for this partnership is the fact that the majority of truck manufacturers rely on high voltages between 400V and 800V, which can also be used to power the mounted equipment. The innovative eWorX solution is easy to install, safe to operate, and combines all the advantages of electrification. This not only includes eliminating all CO₂ emissions, but also means operating without any noise. Where noise pollution from conventional combustion engines previously caused a problem in inner cities, the ZF eWorX enables work to be carried out at any time, even in densely inhabited areas. If need be, even at night.



FUTU

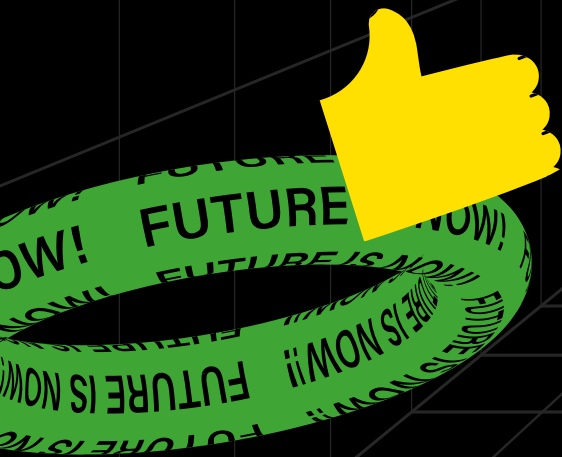
Development partnership for hydrogen drives



To be able to offer its customers the best solution for every drive, technological openness is a must for PALFINGER. Together with the Paul Group, PALFINGER has developed a pre-production PH2P truck with hydrogen fuel cell technology featuring an integrated electric operated PALFINGER hooklift. The PH2P® truck is the first series-ready, funding-eligible, medium-weight hydrogen fuel cell truck from Germany with a total weight of 16 tons and a range of around 450 kilometers. The first 25 vehicles from series production by the Paul Group were delivered to customers at the end of 2022.



FUTURE IS NOW! TECHNICAL PARTNERSHIP



URE 3:3 TECHNOLOGY NOW



Access platforms show the strength of electrification

Access platforms are versatile. They enable safe, fast and flexible work at all levels. By applying PALFINGER's worldwide calculation and development expertise and using high-quality and sophisticated steel and aluminum components, access platforms achieve higher reaches, larger payloads, increased safety and a longer service life. The electric drive significantly reduces carbon and noise emissions. As a result, access platforms can also be used in emission-sensitive areas as well as during quiet periods and can be matched to the increasing range of electric-powered trucks available. The digital systems contribute to ensuring precision supports as well as to calculating reaches and load limits with centimeter accuracy. They directly increase the safety of each application, enable intuitive work, and create the conditions for Predictive Maintenance as well as for optimized fleet management and, as a result, for significantly reduced downtimes for maintenance.



Smart Solutions – solutions for the future

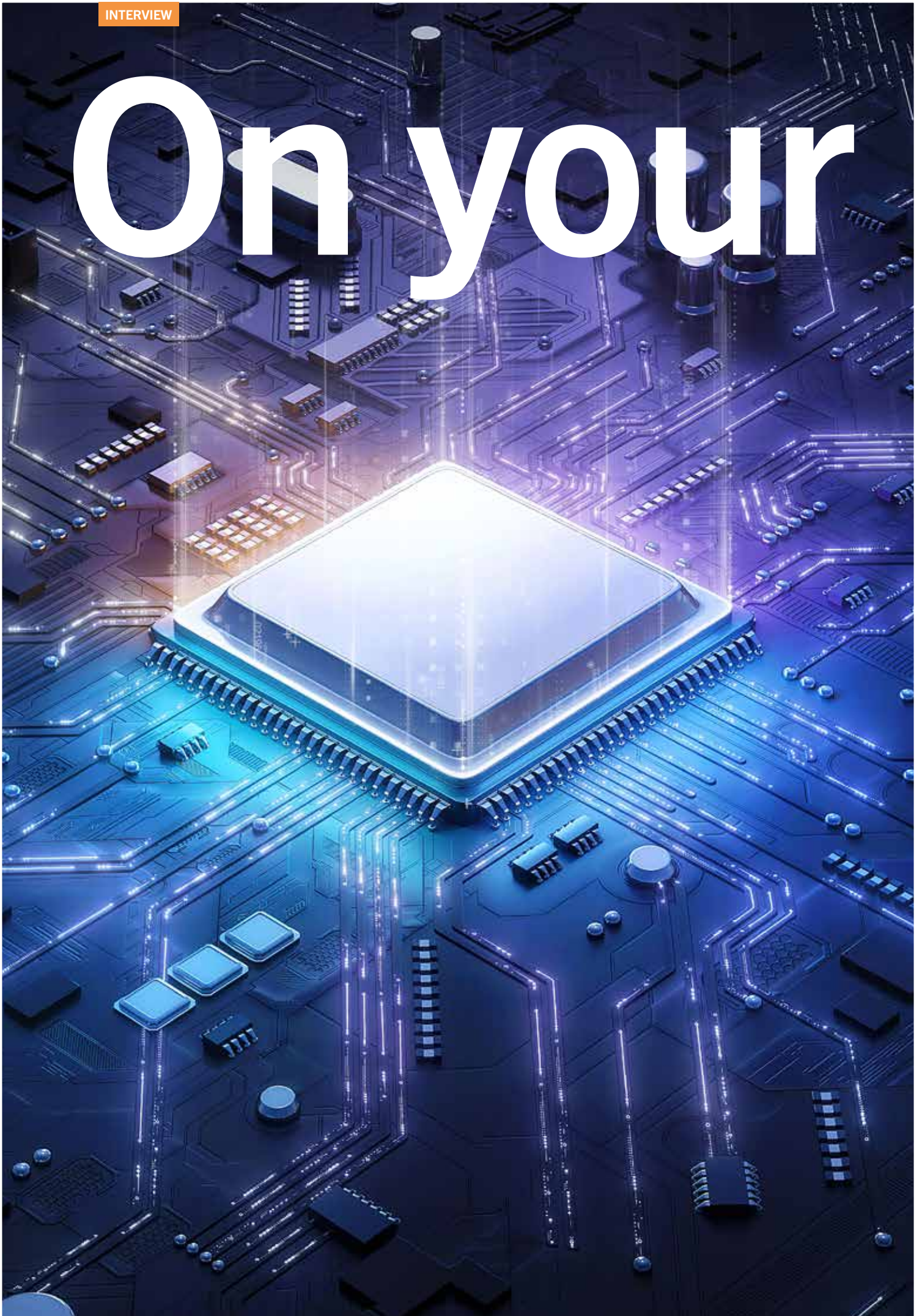
Based on its Vision & Strategy 2030, PALFINGER is using the potential of digitalization along the entire customer journey for the benefit of its customers. Starting at the quotation phase with the PALFINGER Product Configurator to digital service processes such as Smart Inspection and the eCommerce Shop for spare parts. The features available during operation, such as the new IMPACT service app for tail lifts, have become essential tools. These ensure smooth communication between truck drivers, service partners and fleet managers. Thanks to the Bluetooth connection between the MBB control on the tail lift and a mobile device, all important information is available in real time and can quickly eliminate faults. PALFINGER Connected combines the Fleet Monitor, Operator Monitor and Service Cockpit functions and guarantees a constant flow of accurate information for scheduling upcoming tasks and maintenance jobs. Using these Smart Solutions therefore reduces downtime, optimizes services, ensures the most efficient use of resources, and increases performance over the entire operating time.



VISION 2030 TECHNOLOGY NOW

INTERVIEW

On your



mark, get set, chip!

The global chip shortage has also affected electronics specialist Becom Group. With strategic partnerships and purchasing groups, PALFINGER's business partner has coped well with the turbulent market. According to managing director Johann Bock, it is now time to prepare ourselves, and Europe, for the future.



Suddenly, everything changed, recalls Johann Bock. “There used to be plenty of chips. Suddenly they were no longer available,” says the managing director of the Austrian Becom Group, looking back over the past few years. The lockdowns in the wake of the corona pandemic revealed weaknesses in production and distribution for the first time, according to Bock, whose company produces electronic parts for industry, including for PALFINGER. “All of a sudden, it was a challenge to get semiconductors. For us, and for our partners and customers. Production was shut down for the first time during the pandemic. And then came 5G as a new technology, along with new products in the automotive industry and new battery technologies, which boosted market demand even further,” says Bock.

Following the rapid economic upswing in 2021, competition on the world market intensified. What started out as good news has become a challenge, says Bock. This is because producers began to look for the most lucrative customers among their customers and let companies like Becom know that delivery times will be extended. “We asked our customers early on to provide us with a preview of their needs. Preferably over a period of at least 15 months, or even better over 24 months. This helps us plan and place our orders well in advance.” A request that some customers were unable to comply with, or only up to a maximum of six months.

Strategic partnerships

During the chip shortage, Becom has been intensifying strategic cooperation with its OEMs. “Joining forces with them put us in a stronger position with regard to manufacturers. We were able to highlight important applications such as supply systems for power plants and medical technology which made it easier to ensure our supplies,” says Bock.

At the same time, Becom is working with brokers on the free market (a process that PALFINGER also uses as part of its purchasing strategy) and offering alternative suggestions to customers. “We put a lot of thought into this and, based on our experience, were able to recommend suitable alternative components to get round the shortage without compromising the quality of the product,” says Bock. Sometimes you need to be flexible.

Since then, Johann Bock has seen the situation relax a little. Around the turn of the year 2023/24, the supply situation and the market should have calmed down again. “What we need to learn from this is to think and plan for the long term,” is his first conclusion. It is important to be prepared to handle future bottlenecks better.

Lessons learned from the shortage

Is this a call to stock up on chips, of all things? This idea is not so absurd, says Bock: “Like our customers, we are active in more conservative industry segments. This involves products that have a long lifespan and for this reason alone are not necessarily fixated on the newest and latest generation of semiconductors. In this respect, a certain level of stock would not be a bad idea.” As one strategy among several.

But the most important thing is to think about the production sites, says Bock: “We’ve known since 2020 and 2021 that we have too little production capacity here in Europe. That has to change. And quickly.”

The managing director of the Becom Group is not alone here. In fact, things are starting to change within the European Union. Intel is planning to set up a new semiconductor production plant in Magdeburg, Germany, and Wolfspeed wants to produce silicon carbide chips in Saarland. And the EU is providing 32 billion euros in subsidies to promote this industry.

Investments in the future

That is a lot of money by European standards. Johann Bock, however, is familiar with the sums that are being made available elsewhere: “Let’s take America, where 122 billion US dollars is available for this alone, Taiwan – where most chips are already produced in the world today – provides an estimated 102 billion US dollars in funding. Japan at 18 billion, South Korea 13 billion, and China at 3.2 billion cannot compete with that. But we must keep the American sum in mind. The USA has recognized the importance of this technology and is doing everything it can to regain its claim to leadership in production.”

The government in Washington isn’t just investing in semiconductor technology. With its Inflation Reduction Act, the Biden administration is launching a 370 billion US dollar funding program, including for climate-friendly technologies. For years, China has consistently invested in future industries that are unthinkable without chips — such as artificial intelligence, robotics and electric mobility. This is what is commonly referred to as industrial policy. A term that, like geopolitics, has been out of fashion in Europe for some time. But now it is back with a vengeance.

Using Europe's strengths

“We need to invest more,” says Bock. “We need to spend more money, we need to use our European strengths to our advantage.” And Europe has many strengths on its side. Bock refers to expertise in mechanical engineering, for example. The world’s largest manufacturer of the highest-performance production equipment for latest-generation chips is a Dutch company. Then, there is expertise in research and development. “Ground-breaking research on chips is largely carried out at European universities. We must make use of these strengths. Otherwise, we will be faced with the same problem here as with the pharmaceutical industry. We need to convert research into production. And we need to do that much faster. That is where investment is needed.”

The shortage of semiconductors, says Johann Bock, is a wake-up call for Europe as an industrial location. If the wake-up call is taken seriously, then the current chip shortage will have had a positive effect in the long term.

We need to convert research into production.



That is where investment is needed.

About Johann Bock:
He has been the CEO of BECOM Group since 2007. The family-owned business, which has its roots in Burgenland, Austria, was founded in 1984 and operates in the automotive, industrial electronics, and medical industries, with locations in Europe, the USA, and China.

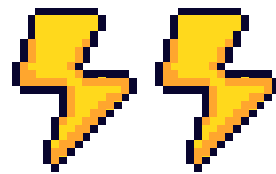
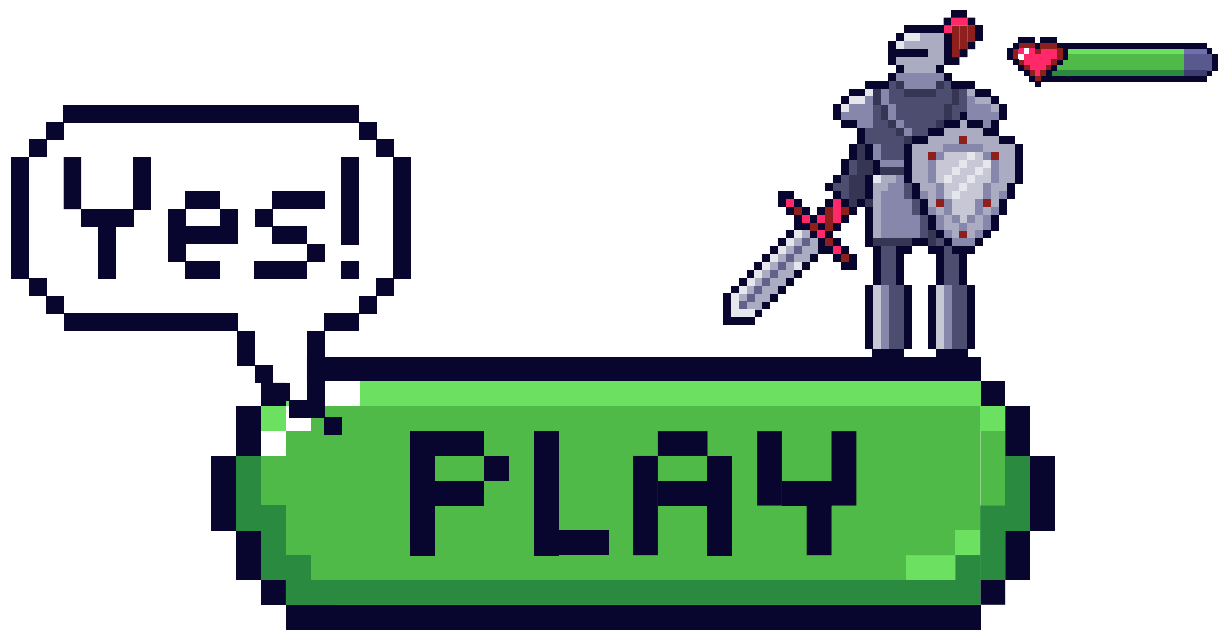




Breathe.

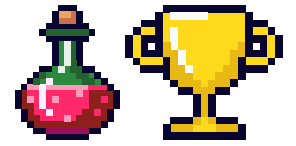


THINK FASTER



IMPLEMENT FASTER

If you want to generate added value from data, you have to share it, says Viktor Mayer-Schönberger. In our interview he outlines the opportunities offered by the active use of information and why this requires a new mindset in many companies.



Mr. Mayer-Schönberger, is data the crude oil of the 21st century?

No. That is nonsense. Many large companies have seen this cover of The Economist and believe the most important thing is to equip all their machines with sensors to record as much data as possible. The problem is that the data is then not used. A study has shown that 85 percent of the data collected by companies in Europe is never used once.

So it's lying around on some servers?

That is correct. In contrast to the physical resource oil, the added value of information-based goods such as data is only created through their repeated use. For example, if you type a search query into Google, you get a search result. This is the first use. But Google also uses search queries to train the Google spellchecker. As a result, Google has developed the best spelling checker in the world. This is how data can be reused, and Google does it all the time. Here's another example: While Google's autonomous vehicles are driving around, they collect roughly one billion data points per car, per second — including data about WiFi networks that they drive past. This creates a large database of WiFi networks worldwide. If you use an Android phone, it not only uses the GPS signal, but also detects open WiFi networks in the area and triangulates your exact position from these and the database. Here again, the data is used multiple times.

That's all very well for Google, but how can comparatively small European companies keep up?

They can. The most important thing is that they change their mindset. They need to understand that they need data to make better decisions. They have to collect data and use it. That means they have to encourage people, especially within the company, to use the data in different ways for different topics. Here's an example: Lufthansa aircraft fly on autopilot most of the time. To do this, weather data is continuously collected and passed on to the autopilot. A few years ago,

Lufthansa began reporting all of this meteorological data to the German Weather Service. This improved the German weather forecast by seven percent in one go. Lufthansa also benefited from sharing the data, because with more accurate weather forecasts, they can plan flights better. This is how you gain value from data.

This means that using data is successful if you share it.

That is correct. In companies, it is important to know what data is available, to make it accessible and to share it - across all silos. In addition, even very innovative companies do not generate all their good ideas within their organization. Sometimes they are discovered outside, at a start-up. Therefore one should consider how to enable data usage beyond one's own organization. Companies like PALFINGER have an unbelievable amount of data that they could make available. Since this is usually sensor data, it does not relate to particular persons, so there are no data protection issues.

How do you handle the worry that this data could end up with the competition?

Quite simply with innovation. By making sure that everyone else with their reverse engineering is lagging behind the new products and services. Chinese companies are excellent at this, but Intel - for example - largely doesn't care because Intel makes 90 percent of its profit from chips that came onto the market in the last six months. That means by the time the others have implemented that, the real innovator has already moved on again. This also means that companies like PALFINGER must think faster and turn ideas into products more quickly.



So this data is the oil, because it drives innovation. Does it also drive value creation, cooperation and collaboration?

That's right. Basically, data only has the function of helping us make better decisions. It's about asking the right questions and not just collecting information to clarify existing questions. Big data, machine learning and artificial intelligence help us do this because these tools do nothing but draw our attention to specific patterns in the data from large amounts of data. This enables us to generate better questions, as demonstrated by Canadian researcher Carolyn McGregor. She focuses on premature babies, a disproportionate number of whom died from infectious diseases that were identified too late. The pattern she found in the data was surprising: If the vital signs become stable from one second to the next, there is a high risk 24 hours later. If it were not for her work, we would never have asked the question: "What does it mean if the vital signs suddenly become stable?" These are precisely the questions that we don't generate often enough on our own. Big data and artificial intelligence help us to become aware of these surprising patterns and to generate better questions from them.

You mentioned mindset before, the internal sharing of data, you also mentioned data protection – how much of a hindrance is it?

It is not as legally restrictive as we assume it is. According to the General Data Protection Regulation (GDPR), if you have collected personal data, you may only use it for a specific purpose. But there are exceptions to this. For example, data that has been legally collected for a specific purpose may also be used for statistical evaluation for other purposes. The GDPR makes it easy for large companies that collect a lot of data during normal operations to use it for other purposes. This not only helps the Googles of this world, but also companies like PALFINGER. In other words, everyone who has a lot of customer relationships because they have lots of devices with lots of sensors that collect a lot of data. The GDPR makes it difficult for very small start-ups that do not have large amounts of data.

This means that it could be a business model for large companies to provide start-ups with anonymized data.

That is correct. You can join forces with start-ups in a data pool and offer data for a monthly fee. Or you make the raw data you've collected available free of charge, and work out together how to gain valuable insights from it. This value-adding process is worth paying for. Information-based goods work differently and require different mechanisms to physical goods. The latter requires ownership, purchase, and all the classic transactions that we have developed for physical goods. However, it no longer works that way with information goods. Just think of ownership: If you read a book, which I then read too, I'm not taking anything away from you. There is no point in having an absolute exclusive right to read the book.

This means that through the purpose-specific and shared use of data, we are opening up a whole new world and myriad opportunities.

And that can be surprisingly easy, as long as the focus is on what comes next. There is a Swedish start-up that builds trucks that drive autonomously on the highway. This is technologically feasible, and they drive in a convoy without any problems. As soon as they leave the highway, a driver who is located at the company's headquarters and is connected to the truck via 5G takes over and steers the last few kilometers to the warehouse or to the customer. As a result, the truck drives completely autonomously 85 percent of the time. This also means that the logistics company can get by with significantly fewer truck drivers. Because the driver is only needed for the first and last five to fifteen minutes of the journey. This means that one truck driver can operate several trucks. This is technology that works today, so there is no need for complete autonomy, it is just about making the most of the opportunities that the data opens up.

Thank you very much for the interview.



With its leadership in innovation, PALFINGER significantly shapes the development of the industry and its quality standards. Changes are always seen as opportunities. Therefore, PALFINGER offers its customers and partners the best products and solutions precisely tailored to their requirements.



Smart Solutions

A central goal of PALFINGER's Strategy 2030 is to offer customers and partners hardware and software from a single source. With smart solutions such as Smart Control and the Memory Position assistance system and Leveling Assist, the company offers solutions that turn hard work into smart work.

Smart Control



Assistance system Memory Position



Smart Services

Using Smart Services, customers can optimally plan deployment to upcoming jobs and schedule downtime in advance. PALFINGER Connected, consisting of Fleet Monitor, Operator Monitor and Service Cockpit, ensures a continuous flow of information between fleet managers, company owners, service partners and the people operating PALFINGER lifting solutions. This reduces downtime, optimizes services and guarantees the most efficient use of all resources.



STRUCINSPECT

operates the world's first Infrastructure lifecycle hub for digital building inspections and life cycle management. Founded in 2019 as a joint venture between PALFINGER, VCE and ANGST Group, STRUCINSPECT uses drones to survey buildings multi-spectrally and uses this data in the form of a digital twin using artificial intelligence for Building Information Modelling (BIM). STRUCINSPECT won a prestigious contract in the USA in December.



About Viktor Mayer-Schönberger:

He is Professor of Internet Governance and Regulation at Oxford. His research focuses on the role of information in a networked economy. He is the author of eleven books, including the international bestseller *Big Data* together with Kenneth Cukier



EVERY DAY,

more than 12,200 employees invest their competence, passion, energy and joy in making PALFINGER what PALFINGER represents.

For more than 90 years PALFINGER has stood for innovative solutions that enable exceptional performance.

And it is the employees who are responsible for PALFINGER's success because they create value for partners and customers with their creativity and commitment. They are the pulse and driving force at PALFINGER. That's why we would like to introduce you to some of our employees. Two employees from each region report on their daily work. They describe their greatest successes as well as the challenges of the past year.



First Name, Last Name:

Gigi Pieterelle

Function & Job Description:

HR Business Partner. My main task is to be the contact person for managers, to provide them with support and training.

I've been with PALFINGER since...

...2021

I came to PALFINGER through...

(family, friends, acquaintances, job ad, etc.)
a job advertisement

What is special about your work or your project at PALFINGER?

The people, the employees. They are so motivated and hard-working. For me, the special thing is that we are a strong team.

Which challenges and successes have you experienced over the past 12 months at PALFINGER?

There have been many changes, for example in the company or legal changes, which involve a lot of work. We had to adapt and figure out what worked best.

What makes PALFINGER stand out as an employer?

PALFINGER is future-driven and has no problems adapting to new circumstances.

First Name, Last Name:
Cesar Pandolfi

Function & Job Description:
Production Coordinator for Cutting, Bending, Machining and Welding

I've been with PALFINGER since...
...1991

I came to PALFINGER through...
(family, friends, acquaintances, job ad, etc.)
...through my father, who began his career at MADAL and stayed there for 46 years and always dreamed of his son pursuing the same career.



What makes PALFINGER stand out as an employer?
PALFINGER is a company with high ethical standards. I am very lucky to work for a company that aims to have a positive influence on the environment and looks after the health and well-being of its employees. I am very happy to know that we deliver the best products to our customers and feel that our work is appreciated.

What is special about your work or your project at PALFINGER?
The special thing about my work is that I am challenged every day and my value can be seen within the value chain. In particular, my team and I can act independently, which opens up more development opportunities for all of us.

Which challenges and successes have you experienced over the past 12 months at PALFINGER?
My biggest challenge and therefore also my biggest success at PALFINGER in 2022 was training talented young people. For me, successfully imparting knowledge and skills to them, preparing them for future tasks and challenges, and participating in connecting them to PALFINGER in the medium and long term is the greatest success.

Which PALFINGER product do you find the most exciting or which product does your heart beat for?
I am most impressed by the PK 165.002 TEC loader crane. This product is characterized by robustness, the latest technology, a wonderful design and the highest level of safety. But my dream is to experience the PK 200002 L SH HIGH PERFORMANCE in action one day.

For me, PALFINGER is...
...a big family, where I have learned something every day for more than 30 years. I am happy to be part of this company that always values and takes care of all its employees. I am proud to be part of the PALFINGER story and would like to thank PALFINGER for giving me the opportunity to achieve my personal goals.

Which PALFINGER product do you find the most exciting or which product does your heart beat for?
The most exciting product for me is the rescue boat FRSQ 1000. But I am particularly proud of the excellent service we offer our employees and customers.

For me, PALFINGER is...
...a Team.

First Name, Last Name:

Gustavo Kurz

Function & Job Description:

Sales Representative. My job is to help PALFINGER customers find the right crane for their work. My daily routine includes acquiring new customers, preparing offers, visiting customers and completing orders.

I've been with PALFINGER since...

...2016

I came to PALFINGER through...

(family, friends, acquaintances, job ad, etc.)

I came to PALFINGER through a former colleague's Facebook post. She was responsible for the HR team and posted the vacancy on her personal page. I found it by chance. That is how it should be.



LATAM

What makes PALFINGER stand out as an employer?

Knowing that you work for a global and well-established company with solid principles. It is satisfying to work with a premium brand and premium products that set the standard for the entire industry, supported by an excellent team in Distribution and Service, especially from the point of view of a Sales employee.

Which PALFINGER product do you find the most exciting or which product does your heart beat for?

I particularly admire our PK61502 E-HPLS loader crane with the fly-jib because it offers the perfect combination of high load capacity, long reach and advanced technology for Brazilian conditions. But I also love the Epsilon models because they deliver remarkable performance and quality.

For me, PALFINGER is...

...synonymous with a strong brand, a sustainable company and a truly reliable partner.

What is special about your work or your project at PALFINGER?

The opportunity to network with other people from different industries on the Brazilian market and to learn from them. From crane rental to scrap recycling, from the construction industry, forestry and agriculture to mining and the public sector — the needs of customers are completely different. As a result, the equipment specifications are also different, which can also be quite a challenge.

Which challenges and successes have you experienced over the past 12 months at PALFINGER?

Working in a "post-pandemic" scenario, with supply chains disrupted and the presidential elections in Brazil, was a real challenge for all of us. However, 2022 was a special year for me. I had the privilege of selling the first MD480 loader crane for the Brazilian market. This model was presented at the sales and service conference in Rio de Janeiro and was eagerly awaited by our entire sales team.

NAM



First Name, Last Name:

Eric Schnoor

Function & Job Description:

Service technician for the following areas in NAM: Supporting Eastern Washington, Northern Idaho, Western Montana. I am responsible for visiting customers to service and repair loader cranes and truck-mounted forklifts on site.

I've been with PALFINGER since...

...2019

First Name, Last Name:
Sheena Ang

Function & Job Description:
Regional Finance Business Partner for PALFINGER Marine. Together with my colleagues from the financial sector, I am responsible for financial management and financial reporting for PALFINGER Marine in Singapore and Taiwan. This includes accounting, cash flow management, budget planning and advising local management on the evaluation of financial data.

I've been with PALFINGER since...
...2016

I came to PALFINGER through...
(family, friends, acquaintances, job ad, etc.)
I came to PALFINGER via a headhunter.



What is special about your work or your project at PALFINGER?
My tasks include obtaining detailed knowledge of current and upcoming market trends, the respective legal regulations and tax laws, and the accounting standards of the countries in our region in which we currently operate and in which we want to develop further.

What makes PALFINGER stand out as an employer?
PALFINGER has given me many opportunities to develop and expand my skills by allowing me to put theories and accounting concepts into practice. I was also given the freedom to turn ideas into reality, e.g. to create reports and to continuously improve them in order to meet the company's constantly changing information needs.

Which challenges and successes have you experienced over the past 12 months at PALFINGER?
One of the biggest challenges was learning how to create and present a business plan for market expansion in target markets with great potential. Many factors had to be considered and evaluated for the business plan, such as legal requirements, local industry requirements, market potential, market entry methods, required capital, etc. Although this is currently still an ongoing project, we have made significant progress in recent months and are determined to complete this and other development projects.

Which PALFINGER product do you find the most exciting or which product does your heart beat for?
For me, all PALFINGER Marine products are very exciting! The marine units in Singapore and Taiwan deal with a portfolio mix of different products in different market segments — marine and wind crane equipment, life-saving appliances and all related services for these products. What makes me happy is that the wind business in APAC is growing and significantly expanding our area of activity.

For me, PALFINGER is...
...an important part of my life, in which I have already achieved many personal and professional milestones and many more will follow.

I came to PALFINGER through...
(family, friends, acquaintances, job ad, etc.)
...a former manager and employee of PALFINGER, Mike Holt.

What makes PALFINGER stand out as an employer?
I am proud to work for PALFINGER, a leading company in the industry and with the best products.

What is special about your work or your project at PALFINGER?
The flexibility of my schedule is unique. I adjust my schedule to meet each customer's needs because they are important to me. I also have multiple roles in my job that allow me to do more than just the technical aspect of my job.

Which challenges and successes have you experienced over the past 12 months at PALFINGER?
A big challenge was the changes in the team due to employees retiring. Our team is close-knit and it's tough to see my team members leaving the company. One success is that I've learned how to work with new products.

Which PALFINGER product do you find the most exciting or which product does your heart beat for?
It was exciting to work with new PALFINGER products, in particular with the truck-mounted forklifts.

For me, PALFINGER is...
...like a family, and I am looking forward to working for PALFINGER for the rest of my career.

APAC



First Name, Last Name:
Haigang Tian

Function & Job Description:
I am a Steel Construction Foreman at SPV Operations. Among other things, I am responsible for production management and ensuring that the production of products is completed on time. I also organize HSE training for team members to ensure safe production. In addition, I support process management to improve product quality and work closely with other departments to solve challenges in production issues.

I've been with PALFINGER since...
...2014

I came to PALFINGER...
(family, friends, acquaintances, job advert, etc.)
...as a result of an internal transfer from the SANY Group.

Which challenges and successes have you experienced over the past 12 months at PALFINGER?

In the past 12 months, I have actively participated in a wide variety of trainings organized by the company to gain new knowledge and set myself new goals. I'm happy to see how my team continue to expand and deepen their expertise, improve their professional skills, proactively help optimize processes, and improve production efficiency and quality.

What makes PALFINGER stand out as an employer?
What makes PALFINGER special for me is the feeling of security, belonging and reliability. The colleagues are team players who work together for the same goal in order to achieve a win-win situation.

Which PALFINGER product do you find the most exciting or which product does your heart beat for?
The most exciting product for me is the SPK56002 loader crane.

For me, PALFINGER is...
...a company that is constantly evolving. Where there is a will, there is a way. PALFINGER attaches great importance to the development of young people and promotes their creativity. The company gives everyone the opportunity to demonstrate their skills and helps employees find their strengths.

What is special about your work or your project at PALFINGER?
At PALFINGER, I can communicate openly and on equal terms, which significantly improves coordination and communication flow between teams.

NAM



First Name, Last Name:
Salvador Martin

Function & Job Description:
Assembly Lead, provide functional direction to the production and assembly employees who work on Tail lifts at Cerritos, California.

I've been with PALFINGER since...
...1996

I came to PALFINGER through...
(family, friends, acquaintances, job advert, etc.)
...a friend.

What makes PALFINGER stand out as an employer?
I had the chance to start out in fabrication and welding then move to other areas of the shop.

First Name, Last Name:
Hawzhin Rezaei

Function & Job Description:
I work as a Plant PPS (PALFINGER Product System) Expert Manager in Köstendorf, Austria. I manage a team of employees and am responsible for the continuously improving and increasing the efficiency of products, systems, procedures and processes.

I've been with PALFINGER since...
...2021



What is special about your work or your project at PALFINGER?
All colleagues communicate well and work well together. I'm happy that I get along well with my colleagues. What I appreciate about my boss is that he is very friendly, encourages me and always supports me in improving my job and increasing my self-confidence.

I came to PALFINGER through...
(family, friends, acquaintances, job advert, etc.)
...a job posting. However, I already knew about PALFINGER. Since I had completed my bachelor's degree in industrial engineering in Iran and my master's degree in logistics and supply chain management, the job posting (trainee Plant PPS) was perfect for me. This trainee program gave me the opportunity to put the knowledge I had learned into practice.

What makes PALFINGER stand out as an employer?
That all employees I've met are friendly and it feels like being part of a family. And that PALFINGER team building, motivation and employee health are important.

Which challenges and successes have you experienced over the past 12 months at PALFINGER?
My biggest challenge, and also my biggest sense of achievement, was completing the PPS Connected Program and receiving the Black Belt certificate. During this training, I worked on two projects for two plants (Garderkesees Germany and Köstendorf, Austria). I am convinced that I, and other colleagues working as project managers, have achieved good results for both plants.

Which PALFINGER product do you find the most exciting or which product does your heart beat for?
I think I like all PALFINGER products. That's why I'm also very happy that I'm working in Köstendorf. This is because at the plant four product lines are managed. These include the largest loader cranes, the truck-mounted forklifts (TMF), special solutions for railroads and the crawler crane, which is the most exciting product for me. It was a great pleasure for me to work with the employees in the assembly area on a crawler crane during onboarding.

For me, PALFINGER is...
...the best company for me. I am so happy to be part of the PALFINGER family, as it has made my dreams come true. Since I was a child, I always wanted to be an engineer. My motto is: No matter how hard it is, never give up and follow your dream.

What is special about your work or your project at PALFINGER?
The opportunity to learn something new is something I look forward to every day. I am given the opportunity to keep growing within my job.

Which challenges and successes have you experienced over the past 12 months at PALFINGER?
I enjoy learning to work on new company products. The company continues to be competitive in the tail lifts business. One of the challenges I experienced is having to perform new work and learn about the end-to-end process quickly. I learned fabrication to assembly and inventory. I was motivated to grow my career.

Which PALFINGER product do you find the most exciting or which product does your heart beat for?
The tail lifts under slider (ILFP, ILUK und ILU) and side loader (ILSL) are the most exciting products because they have multiple functionalities.

For me, PALFINGER is...
...a big part of my life. I have been with the company for 26 years and I have been able to grow and establish a career here.

North America is an important region for PALFINGER. In 2022 it proved to

The

be the strongest growing market. And there is more to come.

Trillion

Leandro Lecheta, CNH Head of Construction Equipment for North America,

Dollar

talks about the effects of the US government's stimuli programs

Stimulus

and how European companies can become part of the American project.

The Biden administration is launching a billion-dollar funding scheme to rebuild the US economy. What will be the effects? ?

Lecheta: We have some really big things moving. Yet it will take some time to see results. Just as an example, residential is about half of the US construction business. Due to the current high interest rates and high inflation, people are reluctant to buy new houses. Given these circumstances we expect growth in the construction business to be around two to maximum five percent – which is considerably lower than the 8.5 percent in 2021. Also, office buildings are not an exciting market in the US right now. Due to the pandemic companies have switched to offer working-at-home to their employees. Looking at Dallas, which used to be the number one growth region in the States, customers are renegotiating their leases on office space right now because there is no need for big spaces anymore. But we believe that the infrastructure stimulus will offset these negative effects.

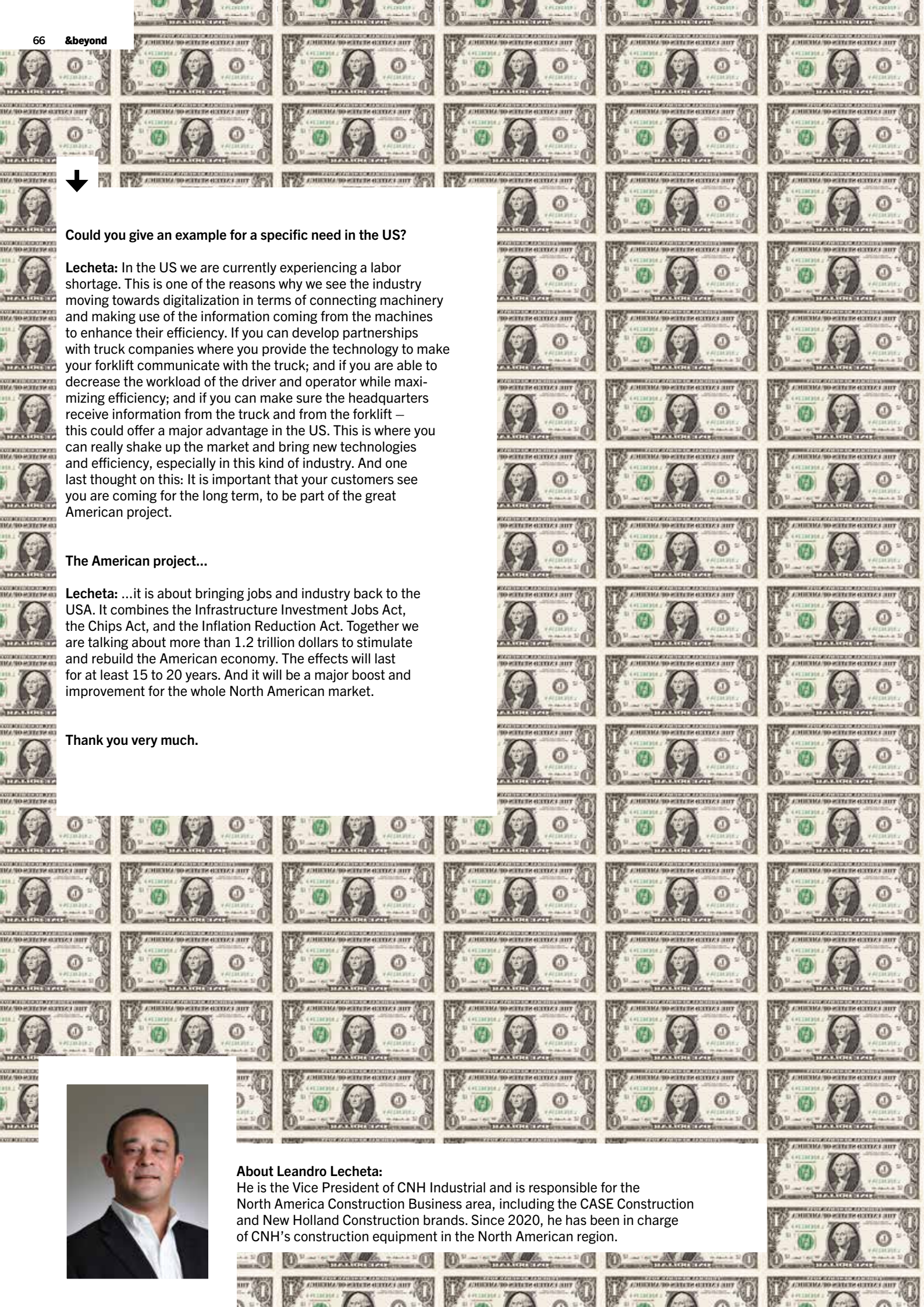
One positive effect generates another?

Lecheta: Exactly. Just look at the scale of the infrastructure stimulus, we are talking about a 550-billion-dollar program. The government announced it to be a five-year project. We believe it is going to last eight to ten years. The reason is, the infrastructure in the US needs to be renewed. The last major investments were back in the 80's. US infrastructure is getting older and older. We expect this stimulus to gain track in about two years' time. By 2025, 2026, we are also positive that residential construction will recover and that we are going to see substantial growth.

The US administration focuses on strengthening the American economy, American companies, American technology. How can a European company fit into this whole concept?

Lecheta: It is pretty easy to enter in the North America market. But it is really difficult to perform successfully because of the specifics of the US market. The construction business is quite conservative, and people expect products, made in USA, to be used in construction projects. So, first of all it is important to clarify that the company is here to stay, to understand the customers' needs, to bring solutions to solve these specific needs. And never ever try to force your European model onto the American market, because you will most likely fail.

You need a clear message, and you must be ready to invest in the US. Make sure that your engineers and product development people understand the market. Establish a headquarter, maybe a parts depot or even some final assembly, local operations like these, where you can really say "Hey, maybe it's not an American product, but it is developed specifically for the North American segment.



Could you give an example for a specific need in the US?

Lecheta: In the US we are currently experiencing a labor shortage. This is one of the reasons why we see the industry moving towards digitalization in terms of connecting machinery and making use of the information coming from the machines to enhance their efficiency. If you can develop partnerships with truck companies where you provide the technology to make your forklift communicate with the truck; and if you are able to decrease the workload of the driver and operator while maximizing efficiency; and if you can make sure the headquarters receive information from the truck and from the forklift – this could offer a major advantage in the US. This is where you can really shake up the market and bring new technologies and efficiency, especially in this kind of industry. And one last thought on this: It is important that your customers see you are coming for the long term, to be part of the great American project.

The American project...

Lecheta: ...it is about bringing jobs and industry back to the USA. It combines the Infrastructure Investment Jobs Act, the Chips Act, and the Inflation Reduction Act. Together we are talking about more than 1.2 trillion dollars to stimulate and rebuild the American economy. The effects will last for at least 15 to 20 years. And it will be a major boost and improvement for the whole North American market.

Thank you very much.



About Leandro Lecheta:
He is the Vice President of CNH Industrial and is responsible for the North America Construction Business area, including the CASE Construction and New Holland Construction brands. Since 2020, he has been in charge of CNH’s construction equipment in the North American region.

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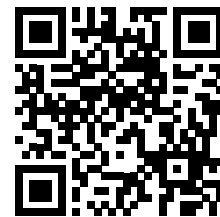
Facts & Figures 2022

Revenue (EUR million)	2,226.2
EBIT (EUR million)	150.4
Consolidated net income (EUR million)	71.4
Employees	12,210*

Financial Target 2027	EUR 3.0 billion Revenue
EBIT margin	10%
Roce	12%

Annual Report 2022

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