

Interim Report of the First Half of 2024

PALFINGER



KEY FIGURES OF THE PALFINGER GROUP

| EUR thousand | HY 2020 | HY 2021 | HY 2022 | HY 2023 | HY 2024 |
|---|-----------|-----------|-----------|-----------|--------------|
| Income statement | | | | | |
| Revenue | 729,846 | 884,124 | 1,038,997 | 1,214,920 | 1,175,436 |
| EBITDA | 84,866 | 133,505 | 119,511 | 157,857 | 156,415 |
| EBITDA margin | 11.6% | 15.1% | 11.5% | 13.0% | 13.3% |
| EBIT (operating result) | 38,742 | 92,134 | 80,244 | 111,263 | 112,161 |
| EBIT margin | 5.3% | 10.4% | 7.7% | 9.2% | 9.5% |
| Earnings before tax | 30,353 | 87,494 | 75,120 | 96,474 | 90,519 |
| Consolidated net result | 15,112 | 56,074 | 39,186 | 63,280 | 68,335 |
| Balance sheet | | | | | |
| Net working capital (average) | 338,612 | 363,221 | 432,289 | 523,557 | 539,044 |
| Capital employed (average) | 1,135,983 | 1,034,428 | 1,189,560 | 1,341,045 | 1,449,871 |
| ROCE | 6.8% | 11.1% | 9.0% | 10.2% | 11.0% |
| Equity | 622,903 | 669,237 | 684,575 | 674,655 | 752,735 |
| Equity ratio | 38.8% | 39.3% | 34.6% | 33.1% | 34.3% |
| Net debt | 494,324 | 386,081 | 604,120 | 722,934 | 763,347 |
| Gearing | 79.4% | 57.7% | 88.3% | 107.2% | 101.4% |
| Cash flows and investments | | | | | |
| Cash flow from operating activities | 66,001 | 81,861 | (9,385) | 29,584 | 48,555 |
| Free cash flow | 42,765 | 41,009 | (48,703) | (46,964) | (22,367) |
| Net investments | 29,992 | 42,999 | 56,321 | 78,791 | 93,813 |
| Depreciation, amortization and impairment | 46,124 | 41,371 | 39,267 | 46,594 | 44,254 |
| Human resources | | | | | |
| Employees ¹⁾ | 11,078 | 11,653 | 12,135 | 12,565 | 12,651 |
| Share | | | | | |
| International Securities Identification Number (ISIN) | | | | | AT0000758305 |
| Market capitalization | 736,828 | 1,328,922 | 757,915 | 1,048,852 | 834,570 |
| Price as at month end (EUR) | 19.60 | 35.35 | 21.80 | 27.90 | 22.20 |
| Earnings per share (EUR) | 0.40 | 1.49 | 1.13 | 1.82 | 1.97 |

1) Reporting date figures of consolidated Group companies without equity investments and without contingent workers.

Dear shareholders,

in the first half of 2024, PALFINGER achieved a strong result despite geopolitical uncertainty and a challenging market environment in European core markets. At EUR 1,175.4 million the half-year turnover was around 3.3 percent beneath the one for the same period of the previous year. EBIT rose by 0.8 percent year-on-year to EUR 112.2 million. This strong performance was driven by significant improvements in profitability in the NAM region and the marine business. Additionally, there was further cost relief in raw materials. However, the persistently high inventory levels negatively impacted cash flow and net financial debt.

We proactively started preparing for significantly more volatile conditions in the long term. Our product mix was crucial, proving to be an important resilience factor in the first half of 2024. Offshore and marine cranes, along with the expansion of nearshore wind farms, are lucrative business areas with great potential worldwide. By focusing on aerial working platforms and the significantly expanded facility in Löbau, Germany, PALFINGER is strategically developing a product line that will complement the crane business as another pillar of the company.

Guided by the theme "Building Our Way Forward," we invited global partners to a forward-looking program in Salzburg in June. The international events included the "Global Sales and Service Conference," attended by over 300 guests from more than 60 countries, as well as "Supplier Day." These gatherings focused on customer engagement, networking, shared brand experiences, and supplier management and development. The program concluded with "Your Future at PALFINGER Day," where over 600 students got to know PALFINGER as an attractive employer.

Similar to the first half of the year, the focus in the second half of 2024 remains on further efficiency improvements and ongoing optimization of structural costs. This approach enables us to partially mitigate the impact of market weakness in European core markets while also laying a solid foundation for the next growth phase. At the start of the year, we took a strategically important step to enhance our position in the job market. By appointing Maria Koller as of January 8th to the new Executive Board position of 'Human Resources and Legal', we are signaling our strong commitment to standing out in the increasingly competitive job market.

For the full year, a slight decline in revenue (revenue in 2023: EUR 2.446 billion) and a reduction in EBIT of up to 20 percent (EBIT in 2023: EUR 210.2 million) are expected compared to the record year of 2023. Looking ahead to 2027, we have set a revenue target of EUR 3.0 billion, aiming for an EBIT margin of 10 percent and a return on capital employed (ROCE) of 12 percent.

We value your trust and want to assure you that we are dedicated to guiding our company successfully into the future.



Ing. Andreas Klauser e.h.
CEO



Mag. Maria Koller e.h.
CHRO



Dr. Felix Strohbichler e.h.
CFO



Dr. Alexander Susaneck e.h.
COO

CONSOLIDATED MANAGEMENT REPORT AS OF JUNE 30, 2024

DEVELOPMENT OF THE PALFINGER GROUP IN THE FIRST HALF OF THE YEAR 2024

- **Record EBIT due to increased profitability in growth regions**
- **Completion of expansion and modernization at the Löbau site in Germany**
- **Expansion of digitalization through PALFINGER CONNECTED plus⁺**

MACROECONOMIC CONDITIONS

The global economic outlook has slightly improved since January 2024. The world economy is now expected to grow by 2.7% in 2024, compared to the previously forecasted 2.4.¹ The adjustment is attributed to better-than-expected performance in the US economy and positive developments in several major emerging markets. However, this development is partially offset by downward-revised growth projections for the European Union, Africa, and West Asia. The outlook remains clouded by high interest rates, ongoing geopolitical tensions, and increasing climate risks.

During the first half of 2024, the US Federal Reserve kept its benchmark interest rate unchanged at 5.1%, while the European Central Bank (ECB) reduced its benchmark rate by 0.25 percentage points to 4.25% in the second quarter of 2024.² Despite the expectations that both central banks will implement interest rate cuts in the second half of the year, the timing and extent of monetary easing remain uncertain due to inflation persistently exceeding the central banks' targets. Against this backdrop, it is expected that most countries will gradually tighten their budgetary expenditures in the years 2024–25.³

The monetary policy of the US Federal Reserve remains one of the key factors influencing the Euro-Dollar exchange rate in 2024. The average EUR/USD exchange rate has remained stable at 1.0813, compared to the previous year's 1.0807.

In recent weeks, there have been significant movements in the prices of certain metals. The price of iron ore declined from USD 137 in the last quarter of 2023 to USD 107 in June 2024, reaching the lowest value of the year. This reflects sufficient supply and weak demand growth in major economies. Metal prices are expected to remain stable in the second half of 2024 and experience a slight increase in 2025.⁴

In the subsequent report, these impacts and the business performance during the first half of 2024 will be detailed.

¹ [World Economic Situation and Prospects: April 2024 Monthly Briefing \(un.org\)](#)

² <https://de.statista.com/statistik/daten/studie/419455/umfrage/leitzins-der-zentralbank-der-usa/>

³ [World Economic Situation and Prospects: April 2024 Monthly Briefing \(un.org\)](#)

⁴ [07 - CMO 2024a Special Focus.pub \(worldbank.org\)](#)

SALES & SERVICE

The Global Function “Sales and Service” at PALFINGER is responsible for sales and service operations and is organized by regions. Each region’s Sales and Service department is led by a Regional Sales and Service Manager.

Significant events in the first half of 2024

The first half of 2024 started with a strong order backlog in a challenging economic environment, providing good visibility for the initial six months. However, order intake in the Europe, Middle East, and Africa (EMEA) region remained at a low level. The economic weakness in the construction industry within core markets such as Germany, France, and Scandinavia significantly contributed to this situation. Notably, the Defense Solutions and the stable aerial working platforms business showed positive developments.

The North America (NAM) region performed solidly due to a high order intake from the previous year, particularly in the field of truck mounted forklifts and service cranes. Similarly, the Asia-Pacific (APAC) region maintained stable development. While there is no noticeable recovery in the Chinese market, the remaining region experienced good growth, especially in the future market of India. Additionally, a positive trend emerged in the wake of Brazil’s recovery in the Latin America (LATAM) region. The marine sector, in the end, delivered a strong performance. Notably, the service business experienced increased demand, and the favorable level of marine, wind, and offshore cranes was maintained.

In Madrid, property was acquired for the new Sales and Service Hub, which will consolidate the activities from four locations in the future. This new hub aims to optimize synergies, achieve cost savings, and ensure service coverage in the Madrid region.

During the PALFINGER Global Sales and Service Conference in June, 300 participants from over 60 countries gathered in Salzburg. The theme of the conference was “Building our way forward,” focusing on future topics such as customer proximity, innovation, technology, and sustainability.

Outlook

The challenges of the first half of the year will continue to dominate the second half. Accordingly, the focus will be on customer order acquisition. Another key area of emphasis is reducing high finished goods inventory levels. The current developments in the European core markets suggest that recovery may not occur until sometime in 2025.

PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

The Global Function “Procurement” comprises categories such as Raw Material, Cylinder, Control Systems & Mechatronic, Hydraulic & Equipment, Drawing & Standard Parts, Chassis, and Indirect Spend & Investment. It is responsible for managing the entire procurement volume at PALFINGER. On the other hand, the Corporate Function “Supply Chain Management” plans, coordinates, and monitors all activities along the supply chain to ensure a smooth production process.

Significant events in the first half of 2024

In global supply chains and material availability, there have been no significant disruptions, except in Brazil. In May, flooding at the Caxias do Sul plant in Brazil led to interrupted transportation routes and delayed deliveries of components.

As raw material prices fell, the cost of materials decreased, positively affecting all areas that use steel. However, in sectors that rely heavily on labor, the wage increases from the previous year were significant enough to counteract the savings from the lower material costs.

The measures implemented in 2023 to reduce inventory levels in the factories have already shown effects during the first half of 2024 and will continue to do so. Inventory levels are continuously evaluated, taking into account market demand and associated production capacity adjustments.

As part of the ongoing optimization of the supplier portfolio, new strategic partners have been acquired in Mexico who will deliver components directly to the production sites in the USA. This will reduce transportation and logistics costs.

Outlook

During the second half of the year, several challenges persist. The focus lies on advancing strategic partnerships and implementing comprehensive measures for inventory optimization.

OPERATIONS

The production at PALFINGER is managed by the Global Function “Operations.” This encompasses all production facilities within the PALFINGER Group and is organized by regions. With over 6,300 employees, about the half of PALFINGER’s total workforce is engaged in production.

Significant events in the first half of 2024

Due to declining order volumes in EMEA, capacity adjustments were made, while NAM remained a stable environment with growth potential. In the first half of the year, process optimizations were carried out at individual production sites. For instance, in Oklahoma City, USA, the production of aerial working platforms shifted to line manufacturing. The LATAM region also demonstrated stability. However, challenges persist due to the political and economic situation in Argentina, as well as component supply issues in Brazil. In APAC, a new production line for larger boats was launched at the Qingdao, China facility.

To tap into efficiency potentials in production early on, the global qualification and optimization process continued across the factories. This included initiatives such as Lean Management, which aims at strengthening the continuous improvement process within the facilities. As part of this effort, numerous executives were trained across all production sites, and multiple optimization projects were started.

In May, the expansion and modernization of the Löbau site in Germany were successfully completed. This site now handles the entire German assembly for all four classes of aerial working platforms. The construction of the new plant in Niš, Serbia proceeded according to plan, with the first production machines installed in May, and preparations initiated for production to begin in the third quarter.

Outlook

In the second half of the year, the focus will remain on ongoing process optimization. Capacity adjustments and simultaneous productivity enhancements across all locations will be pursued.

RESEARCH AND DEVELOPMENT

Research and development play a crucial role in positioning PALFINGER as a globally leading technology company. The global function 'Product Line Management & Engineering' consolidates all research and development activities, employing approximately 700 employees. As an independent, exploratory business unit, the Corporate Incubator P21st complements the company's innovation initiatives.

Significant events in the first half of 2024

A newly developed crane for offshore wind turbines supports the maintenance and upkeep of turbines with a wingspan of over 230 meters. This product is suitable for installation in all offshore wind markets globally and optimizes the use of existing PALFINGER components.

Two new skiploaders provide a higher level of control and safety via remote control. The new design also enhances visibility and accessibility. Adapted to the needs of the EMEA region, they offer a silent mode that reduces noise for nighttime operation in urban areas.

In the first half of the year, PALFINGER CONNECTED plus+ was introduced in the EMEA region. This digital tool allows end users to access real-time data from PALFINGER devices and provides an overview of the fleet at all times. A central data platform ensures even more comprehensive, continuous information flow and enhances collaboration among fleet managers, operators, and sales and service partners. This increases efficiency, extends operational uptime, and provides precise support in case of disruptions.

Outlook

In the second half of the year, a series of new models will be presented in various areas and introduced to the market.

OTHER EVENTS

As of January 8, 2024, Maria Koller joined the PALFINGER AG executive board as the Chief Human Resources Officer (CHRO).

On March 29, 2024, PALFINGER AG released an ad-hoc announcement with result forecasts for the first quarter of 2024 and the full year 2024.

On April 6, 2024, the 36th ordinary general meeting of PALFINGER AG took place in Salzburg, with approximately 150 eligible shareholders in attendance. It was decided to distribute a dividend of EUR 1.05 per share, resulting in a total dividend payout of approximately EUR 36.5 million.

CORPORATE CHANGES

In February 2024, Palfinger Vietnam Co Ltd was newly established as a wholly-owned subsidiary of Singapore-based Palfinger Asia Pacific Pte Ltd.

Effective with January 2024, the Palfinger Duisburg GmbH was merged into the Palfinger GmbH.

BUSINESS RELATIONSHIPS WITH CLOSELY RELATED PERSONS AND COMPANIES

For information on business relationships with closely related persons and companies, please see the interim consolidated financial statements. For further information on the individual business relationships, please refer to the consolidated financial statements of PALFINGER AG as at December 31, 2023.

ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

ASSETS AND FINANCIAL POSITION

Due to the good earnings situation equity rose in the first half of 2024 to EUR 752.7 million after EUR 674.7 million for the same period in the previous year. Following 33.09 percent in the first half of 2023, the equity ratio amounted 34.32 percent in the first half of 2024.

Working capital increased in the first half of 2024 to EUR 539.0 million due to still high inventory levels and was above the previous year's level (1-6 2023: EUR 523.6 million). Net financial debt increased as a result of the high inventories, high investment activity and dividend payments to EUR -763.3 million in the first half of 2024 after EUR 722.9 million in the first half of 2023. Building on the sustainable financing in the previous years, an ESG KPI-linked promissory note loan totaling EUR 160 million was successfully placed in the first quarter 2024. Despite the increase in net financial debt, the net debt/EBITDA ratio improved to 2.53 due to the rise in rolling EBITDA.

EARNINGS SITUATION

Group sales in the first half of 2024 decreased to EUR 1,175.4 million (1-6 2023: EUR 1,214.9 million). The decline was primarily driven by the EMEA and LATAM regions due to the challenging market conditions. However, the APAC region and the Marine sector achieved revenue growth, partially offsetting the decline in EMEA.

Cost of sales developed in line with the lower sales and amounted in first half of 2024 EUR -859.4 million (1-6 2023: EUR -901.5 million). While the variable personnel costs increased by 3.8 percent to EUR -132.0 million in the first half of the year (1-6 2023: EUR -127.2 million), material costs were reduced significantly due to lower output and falling prices. Inflation was the key driver for the increased variable personnel costs.

The level of profitability, which increased in the course of the previous year, was maintained in the first half of 2024 and led to a slight increase of EBIT to EUR 112.2 million (1-6 2023: EUR 111.3 million). EBITDA decreased slightly to EUR 156.4 million in the first half of 2024 (1-6 2023: EUR 157.9 million).

The financial result for the 1st half of 2024 fell to EUR -21.6 million compared to EUR -14.8 million for the same period in the previous year, primarily due to increased interest expenses. Earnings before taxes decreased in the first half of 2024 to EUR 90.5 million following EUR 96.5 million in the same period in 2023. The consolidated result increased from EUR 63.3 million in the first half of 2023 to EUR 68.3 million in the first half of 2024.

Despite good profitability, the deterioration of working capital and high investment activity resulted in a negative free cash flow of EUR -22,4 million in the first half of 2024 after EUR -47,0 million in the first half of 2023.

DEVELOPMENT OF THE SEGMENTS

The segments at PALFINGER are divided in Sales & Service, Operations and other non-reporting segments.

SALES & SERVICE SEGMENT

Overall, revenue in the first two quarters of 2024 decreased to EUR 1,045.5 million (1-6 2023: EUR 1,096.3 million). Key driver was the low order income level in the EMEA region. The APAC region and marine business recorded the highest growth. EBITDA (1-6 2024: EUR 132.9 million/1-6 2023: EUR 105.5 million), EBIT (1-6 2024: EUR 122.7 million/1-6 2023: EUR 93.9 million) and EBIT margin (1-6 2024: 12.0 percent/1-6 2023: 8.6 percent) increased due to the improved profitability in the NAM region and marine business as well as the implemented price increases last year, which are now fully effective especially in the EMEA region.

OPERATIONS SEGMENT

Due to the lower order backlog, capacity adjustments were made in the EMEA region. The focus lied on reducing inventory levels, variable costs, and structural costs. Additionally, the declining material costs had a positive impact on the segment. External sales in the first half of 2024 fell to EUR 73.2 million EUR 0.0 million compared to EUR 91.4 million for the same period last year. EBITDA decreased to EUR 39.9 million (1-6 2023: EUR 66.8 million), EBIT to EUR 15.8 million (1-6 2023: EUR 45.9 million).

OTHER NON-REPORTING SEGMENTS

External sales increased in the other non-reporting segments due to the incorporation of Tail Lifts NAM. EBITDA was above the figures for the same period in the previous year at EUR -16.4 million (1-6 2023: EUR -14.4 million). EBIT improved at EUR -26.4 million (1-6 2023: EUR -28.5 million) due to the positive earnings contribution of Tail Lifts.

RISK REPORT FOR 2ND HALF-YEAR 2024

RISK MANAGEMENT SYSTEM

- **Negative economic prospects for EMEA continue to shape the risk position**
- **Russian war against Ukraine remains a significant risk**
- **Risk of cybercrime remains high due to increasing digitalization**

The risk position is still influenced by uncertainty regarding economic development in the second half of 2024. The persistently high interest rates in several currency areas, the negative trend in the construction industry, especially in EMEA, and the geopolitical situation continue to result in a lower order intake level. The impact on PALFINGER depends significantly on the extent and duration of the economic downturn. To minimize risks, sales measures are being implemented, and structural costs are being tightly managed.

The ongoing war in Ukraine continues to pose significant challenges for PALFINGER. It remains difficult to assess the Russian government's further behavior towards foreign investors. After sporadic expropriations of foreign investors and forced sales in strategic areas, it is possible that such measures will become more common.

As an internationally operating company, PALFINGER is still a target of cybercrime. Despite implementing additional preventive measures, the risk remains high due to increasing digitalization.

The risks described in the 2023 annual report continue to be of great importance. In the second half of 2024, the risk situation is particularly influenced by the following risks described in detail.

| Risk category | Risk description | Risk minimization measures |
|---|--|---|
| Strategy & Organisation | | |
| Fraud and gaps in the ICS An established internal control system is necessary in order to safeguard PALFINGER's assets and business activities, minimise operational and process risks and strengthen governance. | <ul style="list-style-type: none"> Gaps in the ICS can lead to financial losses. Teleworking and technological advances (artificial intelligence) further increase the risk of fraud (e.g. CEO fraud or manipulation). | <ul style="list-style-type: none"> Evaluation of process-integrated controls in process design and control development. Standardisation of processes and systems is constantly being driven forward, for example through the roll-out of SAP S4/HANA. Ongoing process improvements are driven by the process and data organisation. Internal audits and ad-hoc reviews of incidents address the risk and strengthen governance and process compliance. |
| Sales & Service | | |
| Sales market development Economic and political developments influence the size, stability and growth of markets. | <ul style="list-style-type: none"> The persistently high key interest rates in several currency areas are slowing economic development in certain markets and sectors. The volatile market environment is also characterised by geopolitical and country-specific political influences. | <ul style="list-style-type: none"> Established reporting system and coordination in regular management meetings enable short-term control, for example in the sales and operations planning cycle. Rolling out targeted sales measures. Stringent control of structural costs. |
| Bad debt PALFINGER grants customers payment terms. | <ul style="list-style-type: none"> The negative economic trend results in a higher risk of bad debt losses. | <ul style="list-style-type: none"> Continuation of increased and close monitoring of receivables. Implementation of a uniform process and reporting for the preventive reduction of credit risks through the management of payment terms and defined credit limits. Risk-prioritised use of credit insurance. |
| Production | | |
| Produkt quality and liability PALFINGER sees itself as a premium manufacturer. Product quality plays a correspondingly important role in the entire product development process. | <ul style="list-style-type: none"> Errors caused in the value chain can lead to additional work and therefore additional costs in the manufacturing process. Increased outsourcing increases dependence on external suppliers. There is a risk that the implementation of quality standards and processes at outsourcing partners will be delayed. | <ul style="list-style-type: none"> Implementation of the strategic quality improvement programme 'Lifting Quality'. Consistent focus on prevention and continuous improvement. Group-wide awareness campaign to further strengthen quality awareness across all processes and departments. |
| IT & Data Management | | |
| Cybercrime Companies are targets of cybercrime. | <ul style="list-style-type: none"> Cybercrime and associated targeted attacks on companies' IT systems are increasing massively worldwide. This can result in system failures and temporary restrictions in data availability. | <ul style="list-style-type: none"> Ongoing investments to further improve cyber security. Central center of excellence for data security. Implementation of awareness initiatives such as training courses, newsletters. |

| Risk category | Risk description | Risk minimization measures |
|---|---|--|
| Legal & Compliance | | |
| <p>Compliance</p> <p>As a global company, PALFINGER is subject to a large number of local laws, international standards and legal practices. Significant compliance issues for PALFINGER include:</p> <ul style="list-style-type: none"> • Fraud and corruption • Sanctions and Export control • Antitrust law • Data protection • Issuer Compliance • Human rights • Environmental standards | <ul style="list-style-type: none"> • Violations of laws and international standards can lead to heavy fines as well as significant reputational damage. • Sanctions regimes are becoming increasingly complex globally. This can be seen in the example of the Russian war on Ukraine. PALFINGER consistently complies with all sanction regulations that have been and are being issued against Russia and other countries. • Regulatory requirements for the supply chain are constantly increasing. Shortcomings in the implementation of these requirements can lead to competitive disadvantages and penalties. | <ul style="list-style-type: none"> • Binding Code of Conduct forms the basis for employees and PALFINGER partners. • Group-wide training programme on compliance topics to raise employee awareness. • Group policy for the implementation of compliance-relevant topics, e.g. anti-corruption. • Establishment of an annual comprehensive report on anti-corruption measures to the Executive Board and Supervisory Board. • Implementation and continuous development of a comprehensive export control and sanctions process including business partner and sanctions screening. • Transfer of the operating business of the Russian units to the Russian management while retaining financial reporting. • Establishment and expansion of processes and data pool for the supply chain. Internal audits address compliance risks. |
| <p>Loss of control due to government intervention</p> <p>PALFINGER is exposed to the risk of losing companies through expropriation or government takeovers.</p> | <ul style="list-style-type: none"> • In connection with the current crisis situation in Russia, there is a risk that the Russian companies may be taken over by an external administrator by law. | <ul style="list-style-type: none"> • Ongoing monitoring of current developments in sanctions and counter-sanctions. |
| Finance & Taxes | | |
| <p>Deconsolidation of the Russian bus</p> <p>PALFINGER is exposed to the risk of deconsolidation of the Russian business due to accounting rules.</p> | <ul style="list-style-type: none"> • Due to a possible change in the prevailing opinion on the full consolidation of Russian subsidiaries, there is a risk of deconsolidation. | <ul style="list-style-type: none"> • Monitoring of developments; reaction where necessary. |
| <p>Impairments</p> <p>The valuation of assets and purchase price allocations in the context of company acquisitions are made based on economic assumptions. External developments can therefore affect the intrinsic value of certain assets (in particular goodwill, investments) and purchase price allocations.</p> | <ul style="list-style-type: none"> • If the market situation deteriorates, there is a risk that individual assets will have to be adjusted to a changed valuation or that investments will not amortise as planned. | <ul style="list-style-type: none"> • Monitoring and identifying indications of impairment. |
| Human Resources | | |
| <p>Personnel costs</p> <p>PALFINGER employs people worldwide. Personnel costs represent a significant proportion of total costs.</p> | <ul style="list-style-type: none"> • Collective bargaining or the local need to increase wages and salaries can cause personnel costs to rise more than planned. • There is a risk that structural costs cannot be adjusted to the negative economic trend in the short term. | <ul style="list-style-type: none"> • Ongoing monitoring of personnel costs and the working environment. • Stringent control of structural costs. |

OUTLOOK

The second half of 2024 will also be characterized by macroeconomic and geopolitical uncertainties. The growth outlook in the Eurozone remains moderate. As a result, cautious investment activity is anticipated, continuing to affect PALFINGER with a low order intake from the EMEA region. Against this backdrop, PALFINGER will further adjust capacities and reduce costs targeted in the EMEA region during the second half of 2024.

On the other hand, in NAM and the marine business, strong performance is also expected in the second half of 2024.

PALFINGER continues to optimize its balance sheet structure. By reducing working capital and managing CapEx stringently, the equity ratio is to be strengthened, and free cash flow improved.

Based on the current order backlog, the Executive Board expects a slight decline in revenue for the full year 2024 (2023: EUR 2,446.5 million) and a reduction in EBIT of up to 20 percent (2023: EUR 210.2 million) compared to the record year 2023. For 2027, PALFINGER has set a revenue target of EUR 3.0 billion with an EBIT margin of 10 percent and a return on capital employed (ROCE) of 12 percent.

Bergheim, July 25, 2024

The Executive Board of PALFINGER AG



Ing. Andreas Klauser e.h.
CEO



Mag. Maria Koller e.h.
CHRO



Dr. Felix Strohbiehler e.h.
CFO



Dr. Alexander Susaneck e.h.
COO

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT AS AT JUNE 30, 2024

CONSOLIDATED STATEMENT OF INCOME (CONDENSED)

| EUR thousand | Note | Apr–June 2023 | Apr–June 2024 | Jan–June 2023 | Jan–June 2024 |
|--|------|----------------|----------------|----------------|----------------|
| Revenue | 1 | 623,336 | 596,935 | 1,214,920 | 1,175,436 |
| Cost of sales | | (459,829) | (440,312) | (901,528) | (859,366) |
| Gross profit | | 163,507 | 156,623 | 313,392 | 316,070 |
| Other operating income | 2 | 8,867 | 5,104 | 14,922 | 15,276 |
| Research and development costs | | (18,352) | (17,068) | (34,493) | (34,505) |
| Distribution costs | | (43,348) | (42,895) | (83,811) | (84,840) |
| Administrative expenses | | (44,825) | (46,768) | (88,273) | (96,535) |
| Other operating expenses | 2 | (8,135) | (4,964) | (17,389) | (13,929) |
| Share of profit/loss of companies reported at equity | 4 | 4,616 | 7,441 | 6,914 | 10,625 |
| Earnings before interests and taxes – EBIT | | 62,330 | 57,473 | 111,263 | 112,161 |
| Net financial result | | (9,056) | (11,789) | (14,789) | (21,642) |
| Earnings before income tax | | 53,275 | 45,684 | 96,474 | 90,519 |
| Income tax expense | | (10,924) | (7,679) | (23,372) | (16,931) |
| Result after income tax | | 42,351 | 38,006 | 73,101 | 73,588 |
| thereof shareholders of PALFINGER AG (consolidated net result) | | 37,701 | 35,803 | 63,280 | 68,335 |
| thereof non-controlling interests | | 4,651 | 2,202 | 9,821 | 5,253 |
| EUR | | | | | |
| Earnings per share (undiluted and diluted) | 6 | 1.08 | 1.03 | 1.82 | 1.97 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONDENSED)

| EUR thousand | Apr–June 2023 | Apr–June 2024 | Jan–June 2023 | Jan–June 2024 |
|---|-----------------|---------------|-----------------|---------------|
| Result after income tax | 42,351 | 38,006 | 73,101 | 73,588 |
| Other comprehensive income that will not be reclassified to profit/loss net of tax | | | | |
| Remeasurement acc. to IAS 19 (after tax) | - | - | - | - |
| Other comprehensive income that may be reclassified to profit/loss net of tax | | | | |
| Unrealized gains (+)/losses (-) from foreign currency translation (after tax) | (17,523) | 11,252 | (33,110) | 11,914 |
| Unrealized gains (+)/losses (-) from cash flow hedge (after tax) | 1,000 | 790 | (144) | 939 |
| Other comprehensive income after income tax | (16,523) | 12,042 | (33,254) | 12,854 |
| Comprehensive income | 25,828 | 50,047 | 39,848 | 86,442 |
| thereof shareholders of PALFINGER AG | 23,365 | 46,724 | 33,937 | 80,124 |
| thereof non-controlling interests | 2,463 | 3,323 | 5,911 | 6,318 |

CONSOLIDATED BALANCE SHEET

| EUR thousand | Note | 30 June 2023 | 31 Dec 2023 | 30 June 2024 |
|--|------|------------------|------------------|------------------|
| Non-current assets | | | | |
| Intangible assets | | 248,676 | 249,570 | 254,122 |
| Property, plant and equipment | 3 | 551,161 | 595,301 | 644,593 |
| Investments accounted for using equity method | 4 | 55,871 | 62,362 | 71,083 |
| Other non-current assets | | 4,617 | 4,639 | 4,437 |
| Deferred tax assets | | 20,631 | 20,030 | 21,871 |
| Non-current financial assets | 8 | 9,579 | 5,304 | 7,305 |
| | | 890,536 | 937,206 | 1,003,411 |
| Current assets | | | | |
| Inventories | 5 | 647,832 | 619,862 | 735,677 |
| Trade receivables | 5 | 341,085 | 318,862 | 288,736 |
| Contract assets | 5 | 12,146 | 17,246 | 22,470 |
| Other current receivables and assets | | 90,355 | 83,797 | 79,434 |
| Income tax assets | | 1,623 | 1,788 | 2,581 |
| Current financial assets | 8 | 4,046 | 5,803 | 1,995 |
| Cash and cash equivalents | | 51,297 | 76,538 | 58,746 |
| | | 1,148,385 | 1,123,896 | 1,189,639 |
| Non-current assets classified as held for sale | | - | - | - |
| | | 1,148,385 | 1,123,896 | 1,189,639 |
| Total assets | | 2,038,920 | 2,061,102 | 2,193,050 |
| Equity | | | | |
| Share capital | | 34,767 | 34,767 | 34,767 |
| Additional paid-in capital | | 86,844 | 86,844 | 86,844 |
| Treasury stock | | (96,667) | -96,667 | (96,667) |
| Retained earnings | | 682,008 | 723,083 | 755,858 |
| Reserve of exchange differences on translation | | (86,151) | -92,583 | (81,734) |
| Total equity of the shareholders of PALFINGER AG | | 620,802 | 655,444 | 699,068 |
| Non-controlling interests | | 53,853 | 60,073 | 53,667 |
| | | 674,655 | 715,517 | 752,735 |
| Non-current liabilities | | | | |
| Liabilities from puttable non-controlling interests | | - | - | - |
| Non-current financial liabilities | 8 | 604,480 | 607,362 | 749,994 |
| Non-current purchase price liabilities from acquisitions | 7.8 | 893 | 938 | 24 |
| Non-current provisions | | 46,330 | 42,384 | 42,836 |
| Deferred tax liabilities | | 5,952 | 6,038 | 5,597 |
| Non-current contract liabilities | | 3,532 | 4,047 | 3,776 |
| Other non-current liabilities | | 494 | 520 | 545 |
| | | 661,682 | 661,289 | 802,772 |
| Current liabilities | | | | |
| Current financial liabilities | 8 | 183,200 | 148,190 | 81,225 |
| Current purchase price liabilities from acquisitions | 7.8 | 180 | 821 | 1,105 |
| Current provisions | | 39,127 | 44,400 | 48,977 |
| Income tax liabilities | | 19,936 | 18,896 | 17,765 |
| Trade payables and other current liabilities | | 408,142 | 405,862 | 419,930 |
| Current contract liabilities | | 51,998 | 66,127 | 68,541 |
| | | 702,583 | 684,296 | 637,543 |
| Total equity and liabilities | | 2,038,920 | 2,061,102 | 2,193,050 |

DEVELOPMENT OF CONSOLIDATED CAPITAL (CONDENSED)

| EUR thousand | Equity attributable to the shareholders of PALFINGER AG | | | | | Non-controlling interests | Equity |
|---|---|----------------------------|-----------------|-------------------|--|---------------------------|-----------------|
| | Share capital | Additional paid-in capital | Treasury Stock | Retained earnings | Reserve of exchange differences on translation | | |
| As at 1 Jan 2023 | 34,767 | 86,844 | (96,667) | 645,645 | (56,951) | 61,235 | 674,873 |
| Total comprehensive income | | | | | | | |
| Result after income tax | - | - | - | 63,280 | - | 9,821 | 73,101 |
| Other comprehensive income after income tax | | | | | | | |
| Remeasurement acc. to IAS 19 | - | - | - | - | - | - | - |
| Unrealized gains (+)/losses (-) from foreign currency translation | - | - | - | - | (29,200) | (3,910) | (33,110) |
| Unrealized gains (+)/losses (-) from cash flow hedge | - | - | - | (144) | - | - | (144) |
| | - | - | - | 63,136 | (29,200) | 5,911 | 39,848 |
| Transactions with shareholders | | | | | | | |
| Dividends | - | - | - | (26,770) | - | (13,248) | (40,018) |
| Addition non-controlling interests | - | - | - | - | - | - | - |
| Disposal non-controlling interests | - | - | - | - | - | (44) | (44) |
| Other changes | - | - | - | (3) | - | (1) | (4) |
| | - | - | - | (26,773) | - | (13,293) | (40,066) |
| As at 30 June 2023 | 34,767 | 86,844 | (96,667) | 682,008 | (86,151) | 53,853 | 674,655 |
| As at 1 Jan 2024 | 34,767 | 86,844 | (96,667) | 723,083 | (92,583) | 60,073 | 715,517 |
| Total comprehensive income | | | | | | | |
| Result after income tax | - | - | - | 68,335 | - | 5,253 | 73,588 |
| Other comprehensive income after income tax | | | | | | | |
| Remeasurement acc. to IAS 19 | - | - | - | - | - | - | - |
| Unrealized gains (+)/losses (-) from foreign currency translation | - | - | - | - | 10,849 | 1,065 | 11,914 |
| Unrealized gains (+)/losses (-) from cash flow hedge | - | - | - | 939 | - | - | 939 |
| | - | - | - | 69,275 | 10,849 | 6,318 | 86,442 |
| Transactions with shareholders | | | | | | | |
| Dividends | - | - | - | (36,505) | - | (12,720) | (49,225) |
| Addition non-controlling interests | - | - | - | - | - | - | - |
| Disposal non-controlling interests | - | - | - | 4 | - | (4) | - |
| Other changes | - | - | - | 1 | - | - | 1 |
| | - | - | - | (36,500) | - | (12,724) | (49,223) |
| As at 30 June 2024 | 34,767 | 86,844 | (96,667) | 755,858 | (81,734) | 53,667 | 752,735 |

CONSOLIDATED STATEMENT OF CASH FLOWS (CONDENSED)

| EUR thousand | Jan–June 2023 | Jan–June 2024 |
|--|-----------------|-----------------|
| Cash flow from operating activities | | |
| Result before tax | 96,474 | 90,519 |
| Write-downs (+)/write-ups (–) of non-current assets | 46,593 | 44,254 |
| Gains (–)/losses (+) on the disposal of non-current assets | (30) | (900) |
| Non-cash change in purchase price liability | (510) | (641) |
| Interest income (–)/interest expenses (+) | 13,776 | 20,518 |
| Undistributed profits from companies reported at equity | (6,913) | (10,625) |
| Other non-cash income (–)/expenses (+) | 9,345 | (756) |
| Increase (–)/decrease (+) of assets | (113,808) | (75,590) |
| Increase (+)/decrease (–) of provisions | 7,380 | 3,982 |
| Increase (+)/decrease (–) of liabilities | (10,217) | 14,544 |
| Cash flow in operations | 42,091 | 85,305 |
| Interest received | 1,267 | 1,201 |
| Interest paid | (11,450) | (20,032) |
| Cash payments for the acquisition of subsidiaries in prior years | (1,238) | - |
| Dividends received from companies reported at equity | 4,798 | 4,144 |
| Income taxes paid | (5,883) | (22,063) |
| | 29,585 | 48,555 |
| Cash flows from investing activities | | |
| Cash receipts from the sale of intangible assets and property, plant and equipment | 699 | 1,441 |
| Cash payments for the acquisition of intangible assets and property, plant and equipment | (75,827) | (90,346) |
| Cash payments for the acquisition of subsidiaries in prior years | (11,213) | (60) |
| Cash payments for business operations/subsidiaries | (2,277) | - |
| Cash payments for the acquisition of securities | (667) | (205) |
| Cash receipts from the sale of securities | - | 843 |
| Cash receipts from other assets | 1,825 | 426 |
| | (87,460) | (87,901) |
| Cash flow from financing activities | | |
| Dividends to shareholders of PALFINGER AG | (26,770) | (36,505) |
| Dividends to non-controlling shareholders | (13,248) | (12,720) |
| Repayment of loans for the acquisition of shares | (38,783) | - |
| Raising of long term financing | 154,000 | 160,000 |
| Repayment of maturing/terminated loans | -30,000 | -113,000 |
| Raising of short term financing | 121,570 | 29,332 |
| Repayment of current financing | (100,000) | (32) |
| Cash payments for/cash receipts from other financial liabilities | (12,519) | (7,049) |
| | 54,250 | 20,026 |
| Total cash flow | (3,625) | (19,320) |
| Free cash flow¹⁾ | (46,964) | (22,367) |
| | 2023 | 2024 |
| Cash and cash equivalents as at 1 Jan | 61,120 | 76,538 |
| Effects of exchange rate changes | (6,197) | 1,528 |
| Total cash flows | (3,625) | (19,320) |
| Cash and cash equivalents as at 30 June | 51,298 | 58,746 |

SEGMENT REPORTING

The Sales & Service segment includes the sales and service units. The Operations segment consists of the production sites and the respective production share of a company.

Effective from 1st January 2024, there was a transfer of assets and liabilities related to the product line in North America from Palfinger USA, LLC to Palfinger Interlift, LLC. Palfinger Interlift, LLC is part of the Tail Lift segment and is reported under the other non-reportable segments. A retrospective adjustment of the prior period according to IFRS 8.29 was not made, as the required information is not available and the costs of its preparation would be excessively high..

Jan-June 2023

| EUR thousand | SALES & SERVICE | OPERATIONS | Other segments | Segment consolidation | PALFINGER Group |
|---------------------|-----------------|------------|----------------|-----------------------|-----------------|
| External revenue | 1,096,349 | 91,363 | 27,208 | - | 1,214,920 |
| Intra-group revenue | 26 | 801,441 | 11,217 | 85 | - |
| EBIT | 93,859 | 45,916 | (28,512) | - | 111,263 |

Jan-June 2024

| EUR thousand | SALES & SERVICE | OPERATIONS | Other segments | Segment consolidation | PALFINGER Group |
|---------------------|-----------------|------------|----------------|-----------------------|-----------------|
| External revenue | 1,045,532 | 73,217 | 56,687 | - | 1,175,436 |
| Intra-group revenue | - | 680,835 | 8,956 | (689,791) | - |
| EBIT | 122,721 | 15,820 | (26,380) | - | 112,161 |

NOTES ON THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT

GENERAL

PALFINGER AG is headquartered in Bergheim near Salzburg and is a listed company focusing on the production and sale of innovative crane and lifting solutions for use on commercial vehicles and in the maritime sector.

REPORTING PRINCIPLES

This condensed interim consolidated financial statement of PALFINGER AG and its subsidiaries as at 30 June 2024 was compiled on the basis of IAS 34. The same accounting policies and valuation methods used in the consolidated financial statements for the financial year 2023 have been used. The consolidated financial statement for the year ending December 31, 2023, was prepared in accordance with the International Financial Reporting Standards (IFRS) and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as applicable in the European Union (EU) as of the reporting date. For more information on the reporting and valuation methods applied in each case, please refer to the consolidated financial statement of PALFINGER AG as of December 31, 2023.

This interim consolidated financial statement of PALFINGER AG has been subjected to an external audit.

CHANGES IN REPORTING AND VALUATION METHODS

No changes were made to the accounting and valuation methods in the first half of 2024.

CHANGES TO THE SCOPE OF CONSOLIDATION

Start-ups

Palfinger Vietnam Co Ltd., Vietnam, was founded on February 20, 2024 as a 100 percent subsidiary of Palfinger Asia Pacific Pte. Ltd., Singapur.

The following restructurings had no effect on the scope of consolidation:

Effective January 1, 2024, Palfinger Duisburg GmbH, Germany, was merged into Palfinger GmbH, Germany.

NOTES ON THE CONSOLIDATED INCOME STATEMENT

(1) REVENUE

Jan–June 2023

| EUR thousand | SALES & SERVICE | OPERATIONS | Other Segments | PALFINGER Group |
|--|--------------------|---------------|----------------|--------------------|
| EMEA | 648,905 | 69,110 | 27,052 | 745,067 |
| NAM | 282,232 | 7,748 | - | 289,979 |
| LATAM | 57,702 | 3,959 | 110 | 61,771 |
| CIS | 50,626 | 7,027 | 15 | 57,669 |
| APAC | 54,588 | 3,520 | 31 | 58,138 |
| Revenue from customer contracts (IFRS 15) | 1,094,053 | 91,364 | 27,208 | 1,212,624 |
| Other revenue | 2,295 | - | - | 2,295 |
| Total revenue | 1,096,349 | 91,364 | 27,208 | 1,214,920 |

Jan–June 2024

| EUR thousand | SALES & SERVICE | OPERATIONS | Other Segments | PALFINGER Group |
|--|--------------------|---------------|-------------------|--------------------|
| EMEA | 613,778 | 55,856 | 25,425 | 695,059 |
| NAM | 273,319 | 7,396 | 30,056 | 310,771 |
| LATAM | 47,930 | 3,059 | 96 | 51,085 |
| CIS | 55,664 | 4,587 | - | 60,251 |
| APAC | 52,584 | 2,319 | 1,110 | 56,013 |
| Revenue from customer contracts (IFRS 15) | 1,043,275 | 73,217 | 56,687 | 1,173,179 |
| Other revenue | 2,257 | - | - | 2,257 |
| Total revenue | 1,045,532 | 73,217 | 56,687 | 1,175,436 |

The breakdown by geographical area is based on the location of customers' registered offices. Other revenue primarily consists of income from renting and leasing.

(2) CURRENCY DIFFERENCES

The other operating income and expenditure primarily consists of currency differences.

| EUR thousand | Jan–June 2023 | Jan–June 2024 |
|---|----------------|---------------|
| Exchange rate differences income | 7,686 | 5,181 |
| Exchange rate differences expenses | (10,065) | (5,316) |
| Exchange rate differences in at equity result | (5,451) | 1,189 |
| Earnings before interest and taxes – EBIT | (7,830) | 1,054 |
| Exchange rate differences of the net financial result | (1,021) | (1,184) |
| Result from exchange rate differences | (8,851) | (131) |

NOTE ON THE CONSOLIDATED BALANCE SHEET

(3) PROPERTY, PLANT AND EQUIPMENT

Compared to December 31, 2023, property, plant and equipment increased by an amount of EUR 7,907 thousand (1-6 2023: EUR 19,830 thousand) in technical equipment, machinery and tools by EUR 8,412 thousand (1-6 2023: EUR 7,603 thousand) and in operating and office equipment by EUR 9,280 thousand (1-6 2023: EUR 4,941 thousand). Advance payments and assets under construction increased by EUR 49,871 thousand (1-6 2023: EUR 28,308 thousand) due to additions. Leased assets increased by additions of EUR 5,877 thousand (1-6 2023: EUR 7,551 thousand).

(4) INVESTMENTS IN COMPANIES REPORTED AT EQUITY

The development of investments in companies reported at equity is shown below:

| EUR thousand | 2023 | 2024 |
|--|---------------|---------------|
| As at 1 Jan | 57,768 | 62,362 |
| Share in the net result for the period | 6,914 | 10,625 |
| Addition | - | 25 |
| Dividends | (4,798) | (4,144) |
| Foreign currency translation | (4,013) | 2,215 |
| As at 31 Dec/30 June | 55,872 | 71,083 |

(5) INVENTORIES AND TRADE RECEIVABLES

Inventories increased by EUR 115,815 thousand compared to December 31, 2023, mainly due to an inventory build-up of finished devices in the NAM and EMEA regions. The decline in trade accounts receivables of EUR -30,126 thousand is due to the bottleneck in build-up and thus the acceptance capacity in the dealer network. Finished appliances are not invoiced later than planned and therefore remain in inventories for longer. This applies in particular to the EMEA region. In connection with the existing factoring contract, as of the June 30, 2023 balance sheet date receivables to the amount of EUR 89,855 thousand (December 31, 2023: EUR 103,987 thousand) were sold. The receivables were not derecognized in full, as all opportunities and risks associated with the receivables sold were neither transferred nor retained.

Receivables from construction contracts and service transactions are shown in the balance sheet under the item "Contract assets from customer contracts".

(6) EQUITY

At the Annual General Meeting on March 30, 2024, dividend payments from 2023 earnings of EUR -36,505 thousand were approved. This corresponds to a dividend of EUR 1.05 per share (previous year EUR 0.77 per share).

Based on the result after income tax of EUR 68,335 thousand (1–6 2023: EUR 63,280 thousand), undiluted earnings per share amount to EUR 1.97 (1–6 2021: EUR 1.82). The diluted earnings per share are the same as the undiluted earnings per share.

(7) PURCHASE PRICE LIABILITIES FROM ACQUISITIONS

| EUR thousand | 2023 | 2024 |
|-----------------------------|--------------|--------------|
| As at 1 Jan | 14,238 | 1,759 |
| Addition | 641 | - |
| Allocation | - | - |
| Interest cost | 280 | 71 |
| Use | (12,451) | (60) |
| Reversal | (511) | (641) |
| Disposal | (438) | - |
| As at 31 Dec/30 June | 1,759 | 1,129 |

The purchase price liabilities from acquisitions include purchase price components from the acquisition of subsidiaries. There is contingent consideration from the acquisition of the minority interests in Palfinger comércio e aluguer de máquinas, SA, which depend on the future earnings before interest and taxes of the unit and are due in 2025.

(8) FINANCIAL INSTRUMENTS

The book amounts of financial instruments not measured at fair value do not differ significantly from their fair value and therefore represent a realistic approximate value. At June 30, 2024, the Group held the following classes of financial instruments measured at fair value:

| EUR thousand | Fair value | | Level 1 fair value | | Level 2 fair value | | Level 3 fair value | |
|--|-------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|
| | 31 Dec 2023 | 30 June 2024 | 31 Dec 2023 | 30 June 2024 | 31 Dec 2023 | 30 June 2024 | 31 Dec 2023 | 30 June 2024 |
| Assets | | | | | | | | |
| Non-current financial assets | 3,038 | 4,582 | 2,329 | 1,731 | 709 | 2,850 | - | - |
| Trade receivables | 184,645 | 155,453 | - | - | - | - | 184,645 | 155,453 |
| Current financial assets | 5,718 | 1,883 | 1 | 2 | 5,717 | 1,881 | - | - |
| Liabilities | | | | | | | | |
| Non-current financial liabilities | - | - | - | - | - | - | - | - |
| Non-current purchase price liabilities from acquisitions | 914 | - | - | - | - | - | 914 | - |
| Current financial liabilities | 642 | 968 | - | - | - | 968 | 642 | - |
| Current purchase price liabilities from acquisitions | - | 986 | - | - | - | - | - | 986 |

To refinance maturing loans and finance the increased working capital requirements, a promissory note was issued amounting EUR 154 million. The tranches with an average term of 3, 5 and 7 years are subject to two sustainability KPIs (KPI 1: reduction of CO2 greenhouse gas emissions in relation to sales, KPI 2: reduction of annual accident rate measured as the total recordable injury rate). Target values were defined for both KPIs, with underachievement or overachievement resulting in a condition adjustment of +/- 0.025 percent when measuring target achievement on an annual basis. In March 2024, PALFINGER AG placed sustainable promissory note loan amounting EUR 160 million with international investors. The tranches have terms of 5 and 7 years and are subject to similar sustainability KPIs as the promissory note loans taken out in 2023.

The reconciliation of the book amounts evaluated in accordance with Level 3 is shown below:

| EUR thousand | 2023 | 2024 |
|----------------------------------|------------|------------|
| As at 1 Jan | 13,236 | 915 |
| Interest cost | 280 | 71 |
| Redemption | (12,091) | - |
| Decrease through profit and loss | (511) | - |
| As at 31 Dec/30 June | 915 | 986 |

In the income statement, the accrued interest was recorded under interest expenses and the increase under other operating expenditure. Level 2 fair values are determined using observable market data. The fair value of financial instruments is determined internally using discounted cash flow calculations based on observable currency and interest rate data. Level 3 fair values are determined internally using recognized calculation models based on the equivalent market interest rates and implied volatilities. The calculation is made using a discounted cash flow calculation based on strategic planning.

CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets as of June 30, 2024. There is an obligation to cover the losses of JETFLY Airline GmbH to the extend of the 33.33 percent shareholding. The proportionate obligation amounts to EUR 242.2 thousand as of the reporting date.

RELATIONS WITH RELATED COMPANIES AND PERSONS

For further information on the individual business relationships, please refer to the consolidated financial statements of PALFINGER AG as at 31 December, 2023.

SIGNIFICANT EVENTS AFTER THE END OF THE INTERIM REPORTING PERIOD

Effective July 15, 2024, Equipdraulic, S.L. (Spain) was merged into Palfinger Ibérica Maquinaria, S.L. (Spain).

No further significant reportable events occurred after the end of the interim reporting period.

Bergheim, July 25, 2024

Executive Board of Palfinger AG



Ing. Andreas Klauser e.h.
CEO



Mag. Maria Koller e.h.
CHRO



Dr. Felix Strohbichler e.h.
CFO



Dr. Alexander Susaneck e.h.
COO

STATEMENT OF ALL LEGAL REPRESENTATIVES IN ACCORDANCE WITH SECTION 125 PARA. 1 OF THE AUSTRIAN STOCK EXCHANGE ACT

We confirm to the best of our knowledge that the condensed interim consolidated financial statement gives a true and fair view of the assets, financial position and earnings of the group as required by the applicable accounting standards and that the interim group management report gives a true and fair view of the assets, financial position and earnings of the group in relation to the important events that have occurred during the first six months of the financial year. We declare that their impact on the condensed interim consolidated financial statement and the principal risks and uncertainties for the remaining six months of the financial year and of significant transactions concerning related parties have been disclosed.

Bergheim, July 25, 2024
Executive Board of Palfinger AG



Ing. Andreas Klauser e.h.
CEO



Mag. Maria Koller e.h.
CHRO



Dr. Felix Strohbichler e.h.
CFO



Dr. Alexander Susaneck e.h.
COO

REPORT ON THE AUDITOR'S REVIEW

We draw attention to the fact that the English translation of this auditor's report according to Section 274 of the Austrian Commercial Code (UGB) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

INTRODUCTION

We have reviewed the accompanying condensed consolidated interim financial statements of PALFINGER AG, Bergheim bei Salzburg, as at June 30, 2024. The condensed consolidated interim financial statements comprise the consolidated statement of income (condensed), the statement of comprehensive income (condensed), the consolidated balance sheet as at June 30, 2024, the consolidated statement of changes in equity (condensed) for the period from January 1 to June 30, 2024 and the consolidated statement of cash flows (condensed), as well as the notes to the condensed consolidated interim financial statements that summarize the significant accounting and valuation methods and include other disclosures.

The Company's management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with IFRSs as adopted by the EU on "Interim Financial Reporting".

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

As provided under section 275 para. 2 UGB, our responsibility and liability for proven damages due to gross negligence is limited to EUR 2 million. Our liability for slight negligence is excluded in accordance with the General Conditions of Contract for the Public Accounting Professions ("AAB") issued by the Austrian Chamber of Tax Advisers and Auditors on April 18, 2018, underlying this engagement. The limitation of our liability agreed with the client and published here also applies to any third parties acting upon or refraining from acting upon information contained in our review report.

SCOPE OF REVIEW

We conducted our review in accordance with the legal provisions applicable in Austria and the relevant expert opinions and standards, in particular Expert Opinion KFS/PG 11 "Guidelines for the review of financial statements". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope and involves less evidence than an audit, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at June 30, 2023 were not prepared, in all material respects, in accordance with IFRSs as adopted by the EU on "Interim Financial Reporting".

Statement on the half-year consolidated management report and on the statement by management pursuant to section 125 Austrian Stock Exchange Act 2018 (BörseG 2018)

We have read the half-year consolidated management report and evaluated as to whether it does not contain any apparent inconsistencies with the condensed consolidated interim financial statements.

Based on our evaluation, the half-year consolidated management report does not contain any apparent inconsistencies with the condensed interim consolidated financial statements.

The interim financial information contains the statement by management as set forth under section 125 para. 1 subsec. 3 BörseG 2018.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the half-year report 2023, but does not include the condensed consolidated interim financial statements, the half-year consolidated management report and the review report.

Our opinion on the condensed consolidated interim financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our review, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the condensed consolidated interim financial statements or our knowledge obtained in the review, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Vienna,
July 24, 2024

PwC Wirtschaftsprüfung GmbH

Peter Pessenlehner
Austrian Certified Public Accountant

Disclosure, publication and duplication together with the review report according to Section 281 (2) UGB in a form not in accordance with statutory requirements and differing from the version reviewed by us is not permitted. Reference to our review may not be made without prior written permission from us.

FINANCIAL CALENDAR

| | |
|------------------|--|
| October 28, 2024 | Publication 1st–3rd quarter 2024 |
| March 05, 2025 | Publication of annual report 2024 |
| March 06, 2025 | Financial Statment Press Conference 2024 |
| April 03, 2025 | Annual General Meeting |
| April 07, 2025 | Ex-dividend date |
| April 08, 2025 | Dividend record date |
| April 10, 2025 | Dividend payment date |
| April 25, 2025 | Publication of results Q1/2025 |
| July 25, 2025 | Publication of results HY/2025 |
| October 27, 2025 | Publication 1st–3rd quarter 2025 |

Additional dates such as trade fairs or roadshows will be announced in the financial calendar on the website.

INVESTOR RELATIONS

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The rounding of individual items and percentages in this report can lead to minor differences in calculated amounts.

This report contains forward-looking statements based on all currently available information. Forward-looking statements are usually identifiable by the use of terms such as “expect”, “plan”, “estimate” etc. Actual developments may differ from the expectations presented here.

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