

ERSTE BANK CONFERENCE

Bergheim, October 5, 2020

**1ST HY/2020:
REVENUE DOWN BY 18.3% COMPARED TO HY 2019.**



**POSITIVE EBIT EVEN
IN A VERY DIFFICULT SECOND QUARTER**



**COVID-19 TASK FORCE
REACTED WITH COMPREHENSIVE
ACTIONS TO ASSURE OUTPUT, LIQUIDITY
AND STAFF HEALTH.**



2020
First Half Year

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A CHALLENGE
PALFINGER WITH FAST,
ACROSS-THE-BOARD
RESPONSE

GLOBALLY WELL POSITIONED

	GROUP 2019	
€	REVENUE	EUR 1.75 billion
👥	EMPLOYEES	11.126
📍	SITES	36 production sites and some 5,000 service centers worldwide
🌐	REVENUE-SPLIT	61% EMEA 23% NAM 5% LATAM 11% APAC, CIS



CRISIS RESISTANCE DUE TO SECTOR DIVERSITY

PALFINGER

Construction



Industry



Railway



Offshore Wind



Aquaculture & Fishing



Forestry & Agriculture



Transport & Logistics



Waste Mgmt. & Recycling



Passenger



Commercial



Infrastructure



Public Sector



Offshore Supply & Oil and Gas



POWERFUL AND INNOVATIVE PRODUCT PORTFOLIO

PALFINGER



LOADER
CRANES



TIMBER/
RECYCLING



HOOKLIFTS &
SKIPLOADERS



TAIL
LIFTS



TURNKEY
SOLUTIONS



MARINE
CRANES



OFFSHORE
CRANES



WINCHES



PASSENGER
SYSTEMS



ACCESS
PLATFORMS



TRUCK MOUNTED
FORKLIFTS



BRIDGE
MAINTENANCE



RAILWAY
SYSTEMS



WIND
CRANES



DAVITS



BOATS

We are investing in our future – especially during the crisis

P21st CHALLENGE ACCEPTED:

**WE CONTINUE TO DRIVE OUR CORPORATE INCUBATOR AND
SUCCESSFULLY GROW NEW BUSINESS MODELS**

PALFINGER

P21st

STRUCINSPECT



LONG-TERM COMPETITIVENESS THROUGH SUSTAINABLE ACTION

Responsible Employer



- Focus on diversity
- Launch of PALFINGER Campus

Eco-Efficient Production



- Exceeded CO2 reduction target
- 68% of power from renewable energy sources

Sustainable Products



- Intensive R&D
- Optimization of product life cycles

Fair Business



- High compliance standards
- More extensive Code of Conduct

COVID-19 TASK FORCE ACTED QUICKLY AND IMPLEMENTED EXTENSIVE ACTIONS

FOCUS, COOPERATION AND PROACTIVE MANAGEMENT AS SUCCESSFUL CORE ELEMENTS

01

Established COVID Task Force in late February 2020 with **220 actions implemented in 3 work packages** – 1. Health & Safety / HR / Communication, 2. Production & Operations Management, 3. Liquidity Optimization.

02

Examination of all projects and implementation of **comprehensive program to optimize liquidity and cut structural costs.**

03

Labor costs cut with a **short-time work model for blue- and white-collar workers in Austria.**
Various models and **support programs adopted for sites in other countries** as far as possible.

04

Actions taken to **ensure staff health and safety.**

OPERATIONAL HIGHLIGHTS 1ST HALF OF 2020



COVID-19 has huge **impact on markets**.

Order book at similar **level to end of 2019**

Restructuring of SEA segment completed, full **integration into GPO**.

SAP S/4 HANA goes live in **EMEA distribution unit** on April 1, 2020

Large scale orders worth EUR 13 m won **in India and Thailand**.

SEGMENT

SALES & SERVICE



SEGMENT REVENUE FALLS BY 17.7% COMPARED TO HALF-YEAR 2019

- 01** Effects of **COVID-19** crisis felt in every product line.
- 02** **Drop in earnings reduced** by short time work and cost-cutting measures.
- 03** **Sales and Service** activities of former Segment SEA **included**.

EBIT MARGIN FALLS DUE TO LOWER REVENUE

EUR million	HY1 /2019 ¹⁾	HY1/2020	Δ%
External revenue	829,5	683,0	- 17,7 %
EBITDA	93,8	75,1	- 19,9 %
EBIT	76,5	49,9	- 34,7 %
EBIT margin	9,2 %	7,3 %	—

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

SEGMENT OPERATIONS



1ST SIX MONTHS OF 2020 DOMINATED BY COVID-19

- 01 **Lower capacity utilization** due to **lockdowns, market environment** and compliance with **health measures** related to the COVID crisis.
- 02 **Downtime used** to create work environment best suited to **safeguarding health**.
- 03 **COVID-19 Task Force** took **prompt and efficient measures** to maintain internal and external supply chains.
- 04 **COVID-19 negatively impacts** on **manufacturing for third parties**.
- 05 **Operation activities** of former Segment SEA **included**.

EBIT FALLS DUE TO LOWER CAPACITY UTILIZATION AND IMPACTED MANUFACTURING FOR THIRD PARTIES

EUR million	HY1/2019 ¹⁾	HY1/2020	Δ%
External revenue	63,8	46,8	- 26,7 %
EBITDA	38,0	20,0	- 47,5 %
EBIT	21,2	2,2	- 89,6 %

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

UNIT HOLDING



SHORT TIME WORK AND PROJECT STOPS LOWER COSTS IN HOLDING

EUR million	HY1/2019	HY1/2020	Δ%
EBITDA	- 11,7	- 10,2	12,6%
EBIT	- 14,4	- 13,4	6,7%

PALFINGER GROUP



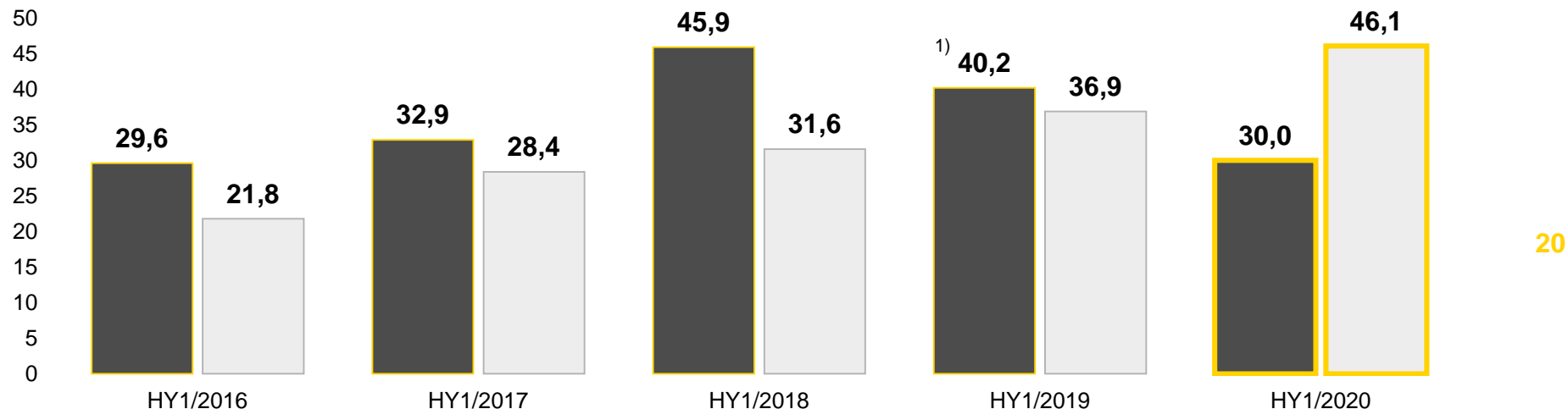
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RESULTS REFLECT LOWER REVENUE

EUR million	HY1/2019	HY1/2020	Δ%
Revenue	893,4	729,8	- 18,3 %
EBITDA	120,1	84,9	- 29,3 %
EBITDA margin	13,4 %	11,6 %	–
EBIT (operating income)	83,3	38,7	- 53,5 %
EBIT margin	9,3 %	5,3 %	–
EBT (result before income tax)	74,9	30,4	- 59,4 %
Consolidated net result	43,6	15,1	- 65,4 %

Slight rounding differences possible in accordance with IFRS.

LOWER NET INVESTMENT DURING CRISIS



■ Net investments
■ Depreciation, amortization and impairment

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

STABLE BALANCE SHEET STRUCTURE – LIQUIDITY RESERVES SIGNIFICANTLY INCREASED

EUR million	06/30/2019	06/30/2020
Financial liabilities ¹⁾	621,6	572,0
Ø interest on financial liabilities	1,65 %	1,49 % ²⁾
Ø maturity of financial liabilities	4,49 years	4,43 years
Cash equivalents	27,7	54,7
Net debt	570,1	494,3
Equity	589,6	622,9

1) Including leasing liabilities acc. to IFRS 16 of EUR 55.6 m (Q2/2019: EUR 61.8 m).

2) Excluding foreign currency hedging costs.

Slight rounding differences possible in accordance with IFRS.

BALANCE SHEET KPIs CONTINUE TO IMPROVE

	06/30/2019	06/30/2020
Equity ratio	35,8 %	38,8 %
Gearing	96,7 %	79,4 %
Net debt/EBITDA	2,66	2,62

Slight rounding differences possible in accordance with IFRS.

HIGH FREE CASHFLOW DESPITE DECLINE IN EARNINGS

EUR million	HY1/2019	HY1/2020
EBTDA	111,8	76,5
+/- non-cash income from at-equity companies	- 6,1	- 1,5
+/- change in working capital	- 28,9	- 6,3
+/- cash flow from tax payments	- 19,0	- 2,7
Cash flow from operating activities	57,8	66,0
+/- cash flow from investing activities	- 10,5	- 27,9
Cash flow after changes in working capital and investments	47,3	38,1
+/- cash flow from interest on borrowings adjusted for tax expenditure	5,1	4,7
Free cash flow	52,4	42,8

Slight rounding differences possible in accordance with IFRS.

Markets far below last year's volumes,
but **slowly stabilizing**, especially in Europe.

Revenue target for 2020: over **EUR 1.5 bn.**,
EBIT margin of approx. **6 percent**

Risks from COVID-19 hard to predict –
depends heavily on how infection curves develop.

No. 1 priority:
- **Health and safety** of workforce
- Keeping our **operations up and running**

FINANCIAL TARGETS UNCHANGED, BUT PUT BACK TWO YEARS

PALFINGER

FINANCIAL TARGETS 2024

#1

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MARKET LEADER FOR CRANE AND LIFTING SOLUTIONS

EUR 2 bn

revenue from
organic growth

10%

average EBIT margin
over the economic cycle

10%

average ROCE
over the economic cycle

STAY HEALTHY!

INVESTOR RELATIONS AND PRESS CONTACT



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