



## Wacker Neuson Group – Our way to success

Company Presentation  
March 2024



**Wacker Neuson**  
Group





Who we are



# PURPOSE

**We make a strong contribution to sustainable construction and agriculture.**

Our innovative solutions for the construction and agricultural sectors benefit society and the environment. zero emission is the key driver here.





# We are a one-stop solution provider with an unrivaled offering

## LIGHT EQUIPMENT



€ **526** m  
Revenue<sup>1</sup>

**20%**  
of Group revenue<sup>1</sup>



## COMPACT EQUIPMENT

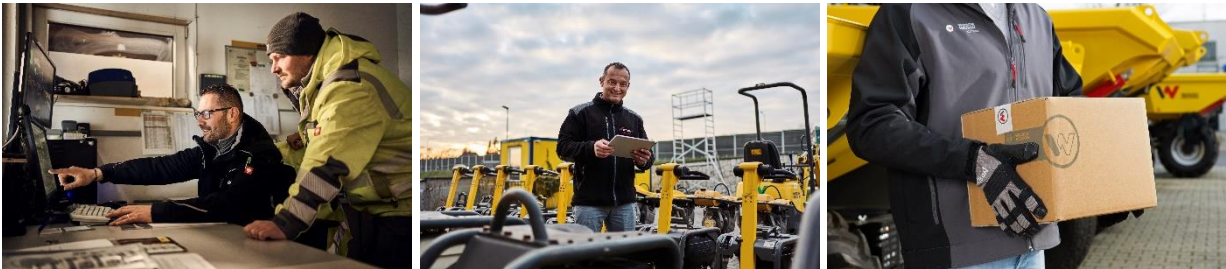
€ **1,653** m  
Revenue<sup>1</sup>



**62%**  
of Group revenue<sup>1</sup>

## SERVICES

€ **495** m  
Revenue<sup>1</sup>



**18%**  
of Group revenue<sup>1</sup>

# We serve our markets with three strong brands



Construction industry, gardening and landscaping firms, municipal bodies, recycling, railroad/track construction, etc.



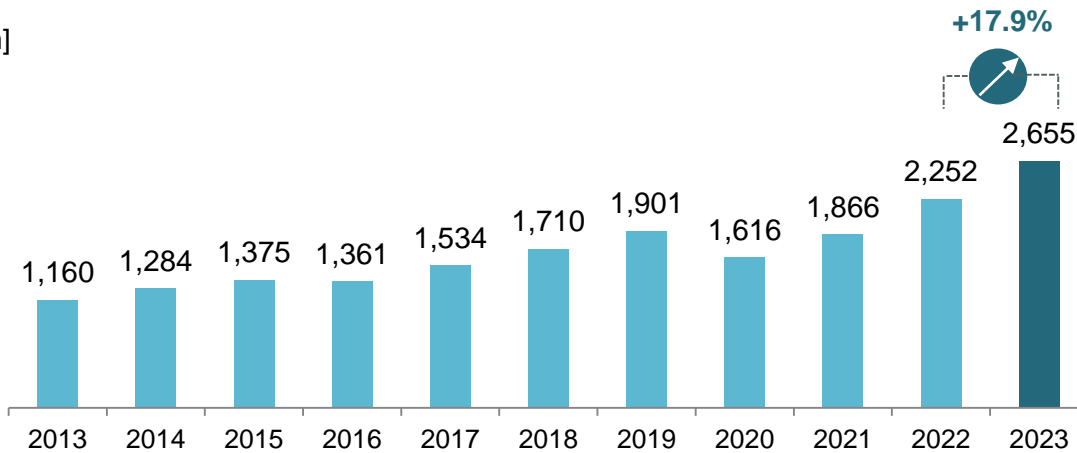
Agriculture, tree nurseries, horse breeders, municipal bodies, etc.

# Double-digit growth again



## Revenue development (2013-2023)

[€ m]



# Overview Q4/23 // Fiscal year 2023<sup>1</sup>

Q4/2023				Full year 2023			
Revenue	EBIT margin	NWC ratio	FCF	Revenue	EBIT margin	NWC ratio	FCF
€ 641.0 m	5.1%	33.9%	€ 16.0 m	€ 2,654.9 m	10.3%	32.8%	€ -24.9 m
(+4.8% yoy)	(py: 9.4%)	(py: 29.4%)	(py: € 19.6 m)	(+17.9% yoy)	(py: 9.0%)	(py: 31.9%)	(py: €-130.8 m) <sup>2</sup>



Revenue up 17.9% yoy,  
driven by the growth trend in  
the first half of 2023 followed  
by economic slowdown



After strong margin  
development  
in the first half of the year  
significant decrease in Q4 2023



Increase in the NWC ratio  
by the end of 2023  
driven through economic  
slowdown



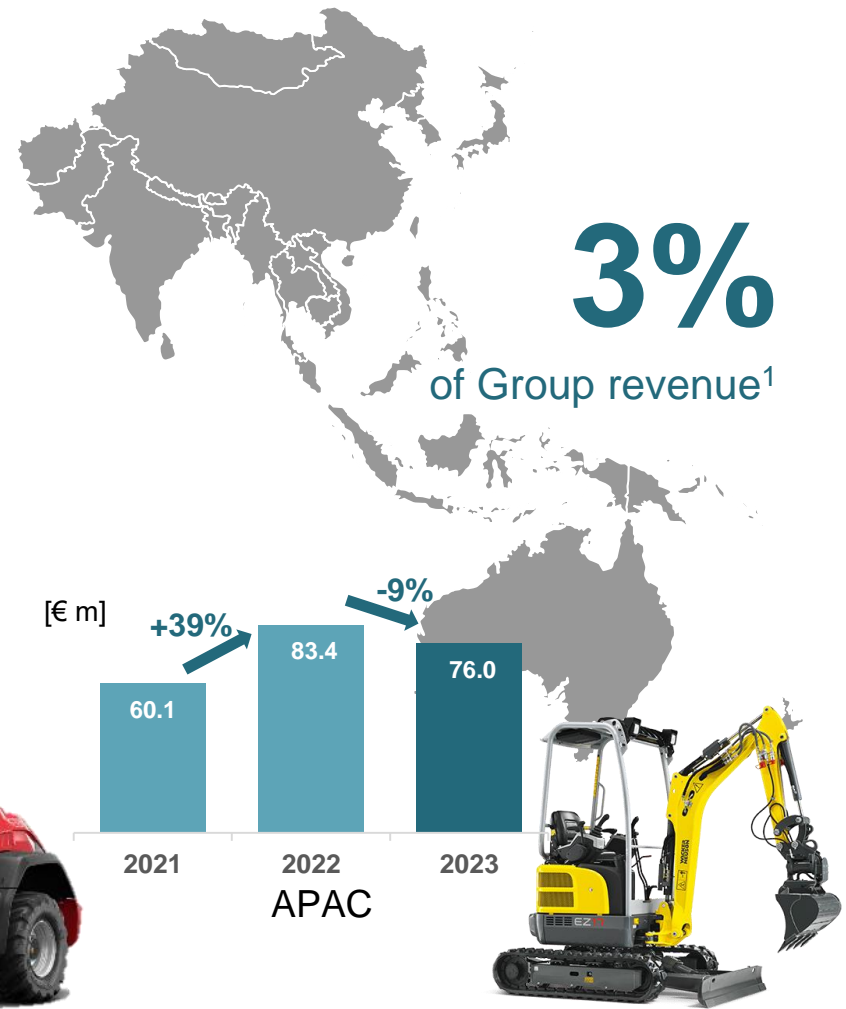
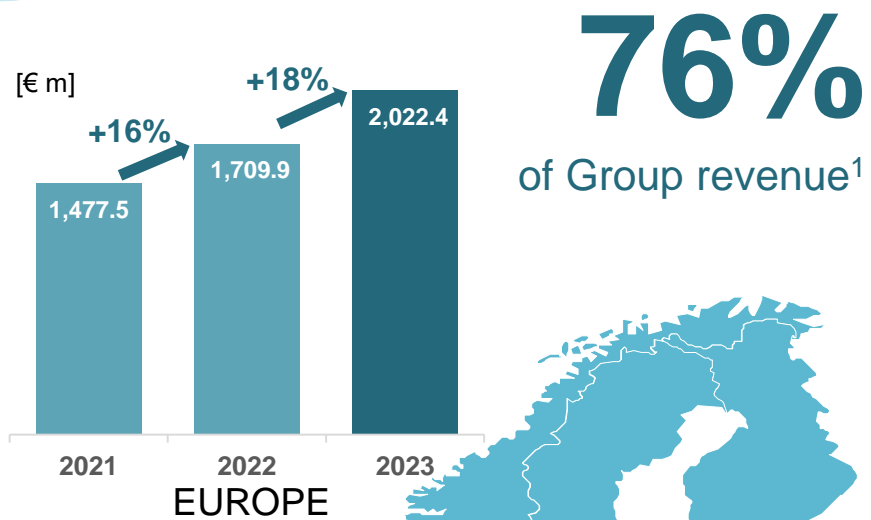
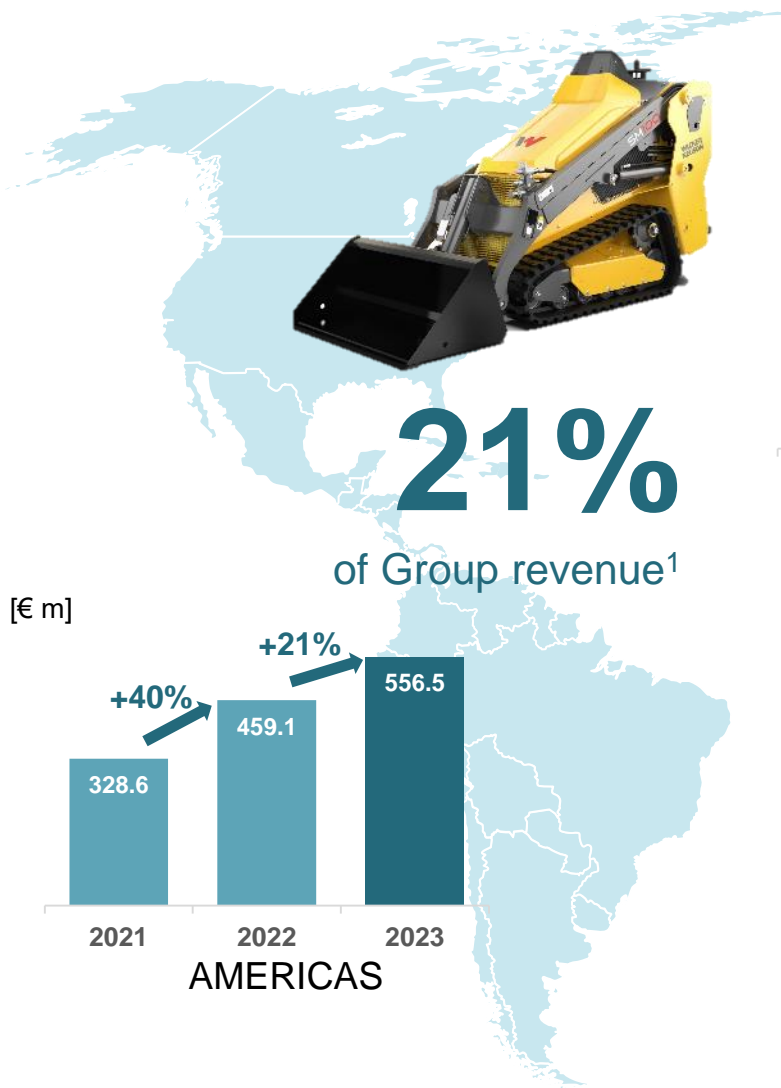
Only sporadically occurring  
supply chain bottlenecks

<sup>1</sup> Please note the rounding differences in the presentation.

<sup>2</sup> Free cash flow in FY 2022 before taking into account a fixed term deposit inflow of € 130 million.



# Full year 2023: Europe and Americas with double-digit growth



¹ FY 2022: Americas 20%; Europe 76%; APAC 4%.



# We are growing our business in the agricultural sector

## All-wheel steering



**+47%**

dynamic business development in agricultural sector<sup>1</sup>

**25%**

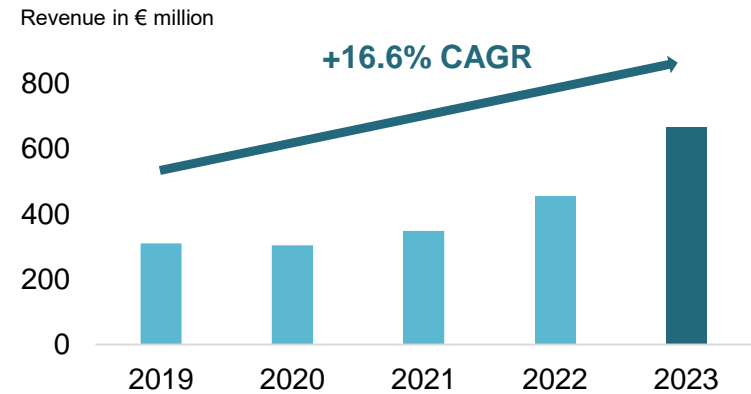
of Group revenue from agriculture<sup>1</sup>

Our customers are mainly dairy and cattle farmers who work in confined spaces such as stables.

They require small, highly maneuverable machines with a minimal turning radius and outstanding stability.



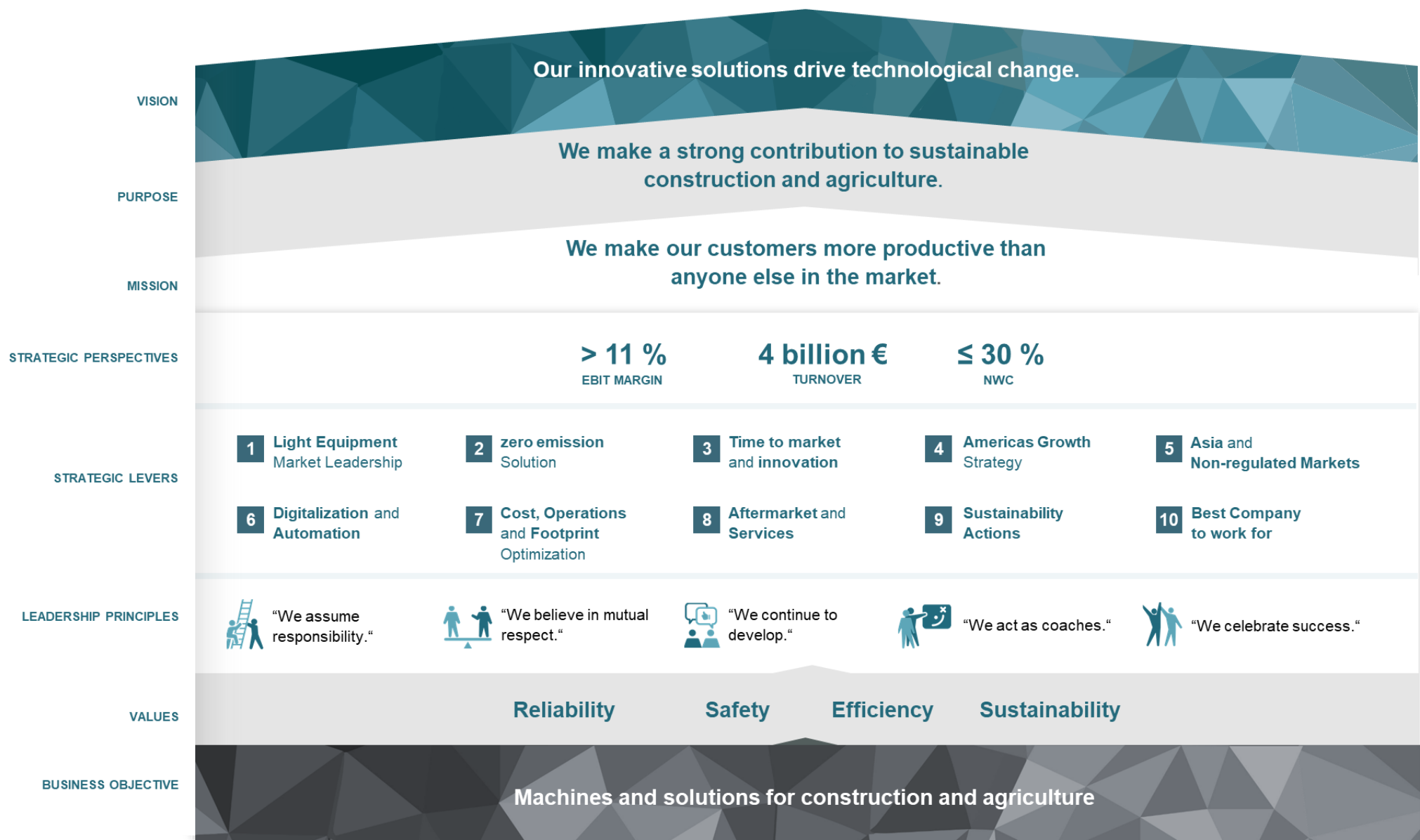
## Development of agriculture revenues



## Articulated steering



# Strategy 2030 Implementation





# VISION

Our innovative solutions  
drive technological change.

We place our customers at the heart of everything we do:  
From our broad and deep application know-how and engineering excellence to our open interfaces and smart business models.



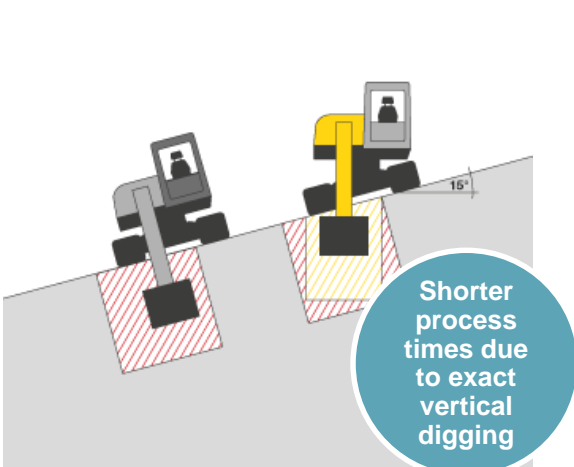


# We drive innovation to improve our customers' processes



Cockpit rotatable by 180°

Dual View Dumper



Shorter process times due to exact vertical digging

Vertical Digging System



Wireless handling with no emissions

Zero emission



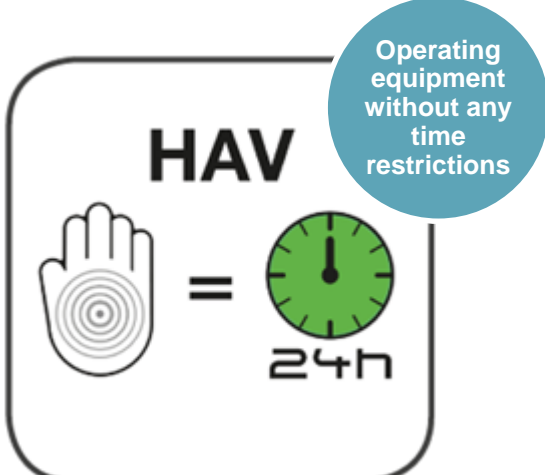
Maximizing operator comfort

Remote-control steering



Give your machines a voice!

Connected products



Operating equipment without any time restrictions

Hand-arm vibrations



Autonomous control and digital performance record

Self-driving equipment



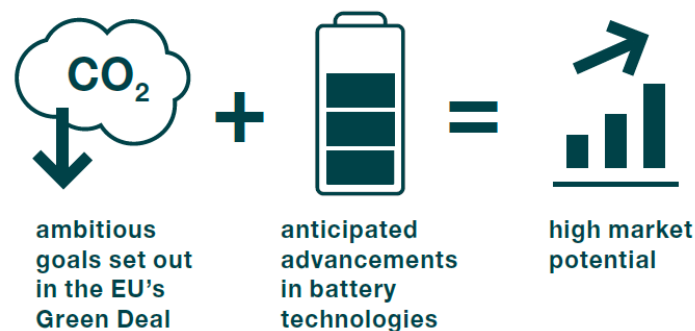
Flexibility with one battery fitting various products

Modular design



# We drive electrification in our industry...

## zero **e**mission



# Change

We are well prepared for the shift to zero emission construction sites



Oslo, Los Angeles, Mexico City and Budapest commit to clean construction.

The cities have pledged to halve emissions from all construction activities by 2030.

“If we learn early enough that ambitious climate demands will be imposed, we can drive innovation forward by demanding zero-emission solutions from machinery manufacturers, equipment suppliers and contractors.”<sup>1</sup>

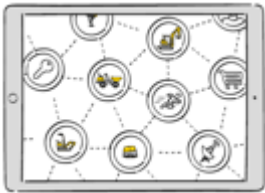
<sup>1</sup> Ole Henrik Ystehede, director of EBA (Contractors Association - Building and Construction) for Oslo/Akershus/Østfold.

# Digitalization creates new opportunities for our business

Give your machines a voice



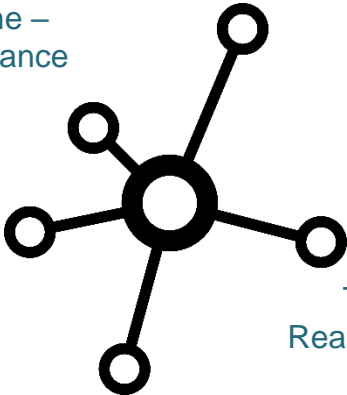
Connected products –  
always a step ahead



Pinpointing location –  
connected jobsites

Increasing runtime –  
predictive maintenance

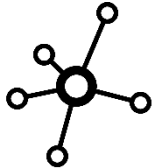
Optimizing utilization



Transparency –  
Real-time data analysis



Increasing efficiency –  
smart products



**EQUIPCARE**



# With the acquisition of Enar, we further strengthen our market position in concrete technology.



By intensifying market penetration with  
**two complementary brands, ...**

... opening up additional **customer segments ...**

... and addressing the market with  
**different sales channels ...**

... we accelerate our business in an attractive **growth market.**

# Our diversified sales organization responds to regional needs



**Direct sales &  
rent to sell<sup>1</sup>**



**Dealers**



**Key accounts  
& rental firms**



**eCommerce<sup>1</sup>**

**Country-specific sales with long-standing customer relationships**

<sup>1</sup> In selected countries.



# Long-term partnership between Wacker Neuson and John Deere

## Kramer<sup>1</sup> distributing through John Deere dealer network (since 2017)

- **Strategic partnership for telescopic handlers and wheel loaders** for the agricultural sector (EMENA, CIS<sup>2</sup>, Australia/New Zealand)



## New long-term agreement for mini and compact excavators: Wacker Neuson manufacturing for Deere construction (since 2022)

- **OEM sales of mini and compact excavators < 5 tons:**  
Global agreement with focus on North America: Wacker Neuson designs and manufactures machines, including battery electric excavators, at its facilities in Menomonee Falls, USA, and Linz, Austria, for the requirements of John Deere.
- Existing cooperation regarding OEM sales of mini and compact excavators for APAC transferred into this new agreement
- **License agreement for excavators > 5 tons:**  
Wacker Neuson sells design and technical IP to John Deere. John Deere will incorporate design and technical IP provided by Wacker Neuson to develop and produce its own models.



<sup>1</sup> Kramer "green line" only. <sup>2</sup> Commonwealth of Independent States.



Financials full year 2023



# Overview Q4/23 // Fiscal year 2023<sup>1</sup>

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Revenue up 17.9% yoy, driven by the growth trend in the first half of 2023 followed by economic slowdown



After strong margin development in the first half of the year significant decrease in Q4 2023



Increase in the NWC ratio by the end of 2023 driven through economic slowdown



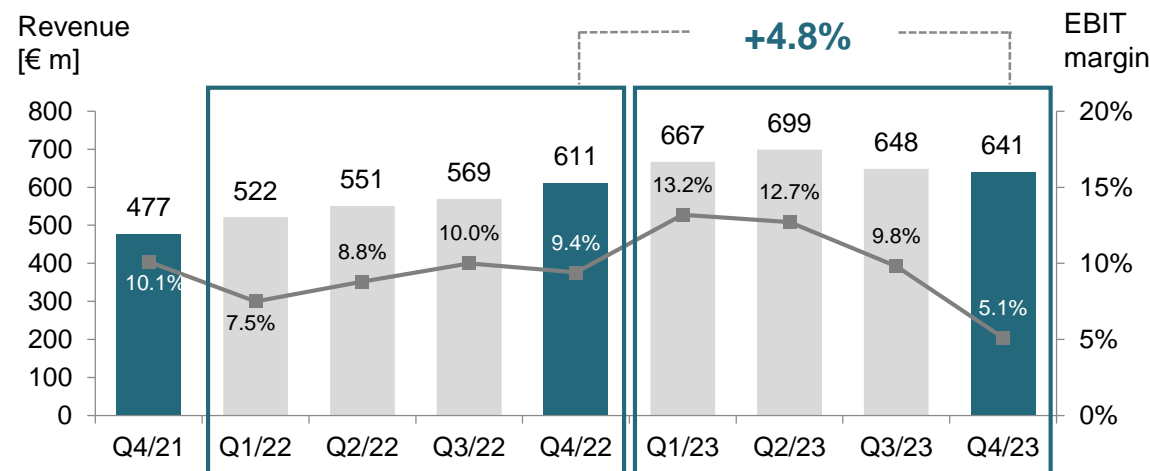
Only sporadically occurring supply chain bottlenecks

<sup>1</sup> Please note the rounding differences in the presentation.

<sup>2</sup> Free cash flow in FY 2022 before taking into account a fixed term deposit inflow of € 130 million.

# Challenging Q4/23 for the Wacker Neuson Group

## Growth and profitability decrease due to economic slowdown



## Profit and loss statement (excerpt)

€ m	Q4/23	Q4/22	Δ
<b>Revenue</b>	641.0	611.4	4.8%
<b>Gross profit</b>	139.8	144.3	-3.1%
<i>as a % of revenue</i>	21.8%	23.6%	-1.8PP
<b>Operating costs<sup>1</sup></b>	-107.0	-87.1	22.7%
<i>as a % of revenue</i>	-16.7%	-14.2%	-2.5PP
<b>EBIT</b>	32.8	57.2	-42.7%
<i>as a % of revenue</i>	5.1%	9.4%	-4.3PP
Financial result	-9.9	-9.2	7.6%
Taxes on income	-6.0	-7.0	-14.2%
<b>Profit for the period</b>	16.9	41.0	-58.8%
<b>EPS (in €)</b>	0.25	0.60	-58.3%

<sup>1</sup> Including other operating income / other operating expenses.

## Comments on Q4/23

### Revenue +4.8% yoy (adj. for FX effects : +5.8%)

- Economic slowdown in construction industry increasingly noticeable in the second half of 2023
- Weakening demand in agriculture is also observed

### Gross profit -3.1% yoy (gross profit margin -1.8 PP)

- Lower production output could be compensated through cost decreases only to a certain extent (time lag)
- Productivity is burdened through sporadically occurring raw material bottlenecks and necessity of reworking of the products

### EBIT -42.7% yoy (EBIT margin: -4.3 PP)

- Smaller margin comparatively to the previous year due to economic slowdown and lower production output

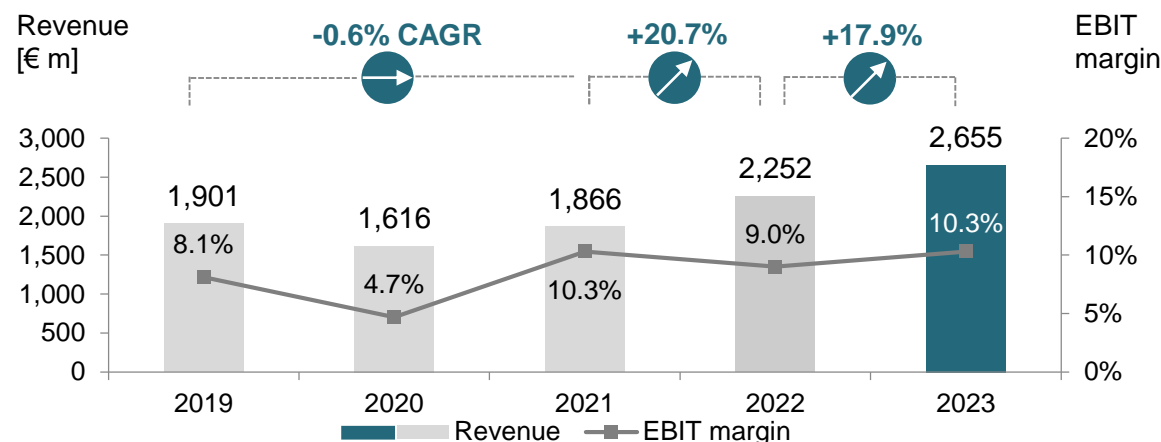
### Earnings per share -58.3% yoy

- Financial result is impacted by higher interest rates and leverage
- Tax rate for Q4/23 at 26.1% comparable to previous quarters



# Another successful year for the Wacker Neuson Group

## Strong revenue growth, increased EBIT margin



## Profit and loss statement (excerpt)

€ m	2023	2022	Δ
<b>Revenue</b>	2,654.9	2,252.4	17.9%
<b>Gross profit</b>	646.5	534.3	21.0%
as a % of revenue	24.4%	23.7%	0.7PP
<b>Operating costs<sup>1</sup></b>	-373.3	-332.5	12.3%
as a % of revenue	-14.1%	-14.8%	-0.7PP
<b>EBIT</b>	273.2	201.8	35.4%
as a % of revenue	10.3%	9.0%	1.3PP
Financial result	-18.5	-9.5	94.7%
Taxes on income	-68.8	-49.7	38.4%
<b>Profit for the period</b>	185.9	142.6	30.4%
<b>EPS (in €)</b>	2.73	2.10	30.0%

<sup>1</sup> Including other operating income / other operating expenses.

## Comments on full year 2023

### Revenue +17.9% yoy (adj. for FX effects : +19.1%)

- Double-digit growth despite economic slowdown, driven by Europe and North America markets
- Agriculture and construction outlook noticeably more pessimistic at year-end

### Gross profit +21.0% yoy (gross profit margin +0.7 PP)

- Increase in revenue outweighs the increase in cost of sales due to consequent cost management, efficiency improvements in production as well as eased supply chain

### EBIT +35.4% yoy (EBIT margin: +1.3 PP)

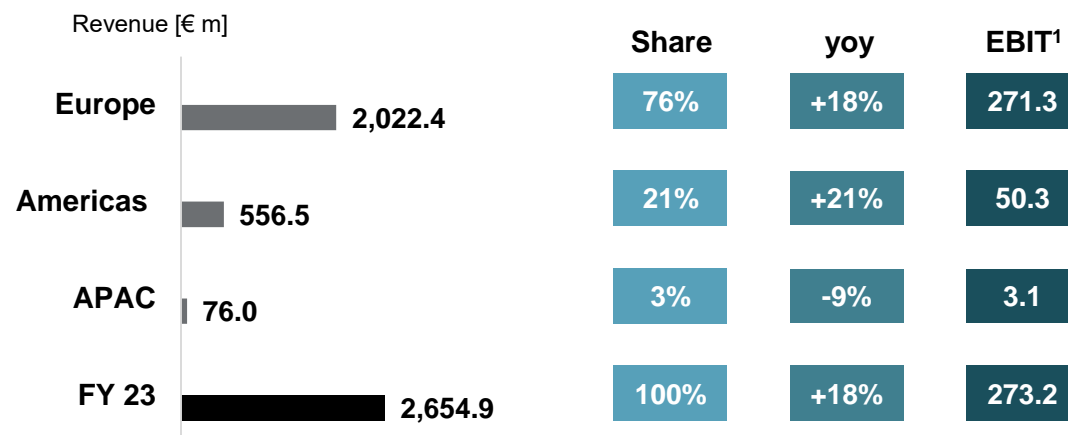
- More dynamic year-over-year growth in comparison to revenue growth
- No one-off effects in the second half of 2023 in comparison to the first half of 2023 (two one-off effects amounting to € 26.5 million)
- Operating costs (sum of the selling, R&D and administrative expenses) as a percentage of revenue decreased by 0.7 PP<sup>1</sup>

### Earnings per share +30.0% yoy

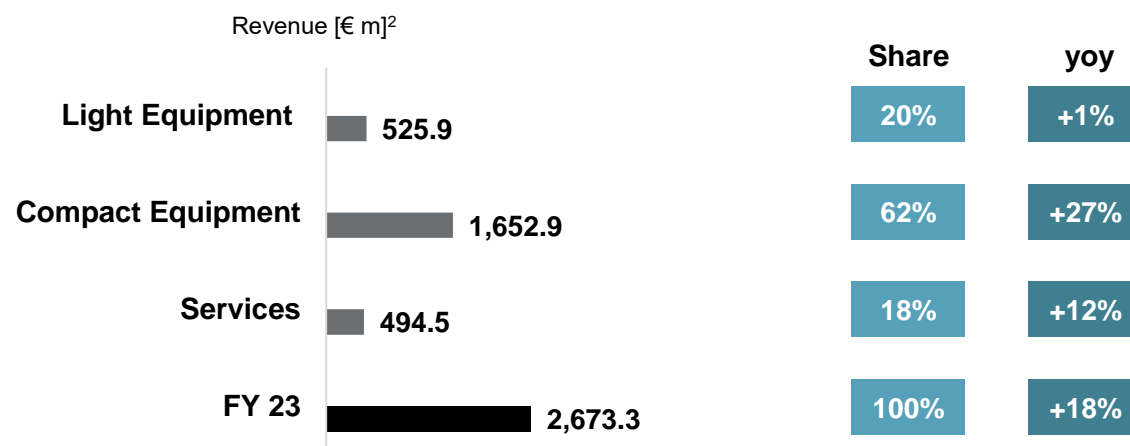
- Financial result is impacted by higher interest rates and leverage
- Tax rate for 2023 at 27.0% slightly above the previous year (2022: 25.8%)

# Regions and business areas revenue and EBIT developments

## Revenue growth driven by Europe and Americas segments



## Business area compact equipment with biggest growth contribution



## Comments on FY 2023

### Revenue Europe (EMEA) +18.3% yoy (adj. for FX effects +18.4%)

- Solid double-digit revenue growth despite economic slowdown in the second half of 2023
- Weaker growth trends in all submarkets by year-end 2023
- Significant increase in incoming orders for excavators and wheel loaders in comparison to 2022
- Agricultural business as one of the strongest growth drivers (+46,5% yoy)

### Revenue Americas +21,2% yoy (adj. for FX effects +25.2%)

- Double-digit growth in 2023, however significant growth slowdown in the second half of 2023
- EUR/USD exchange rate increases from 1.05 in 2022 to 1.08 in 2023 (average exchange rates)

### Revenue APAC -8,9% yoy (adj. for FX effects -2.2%)

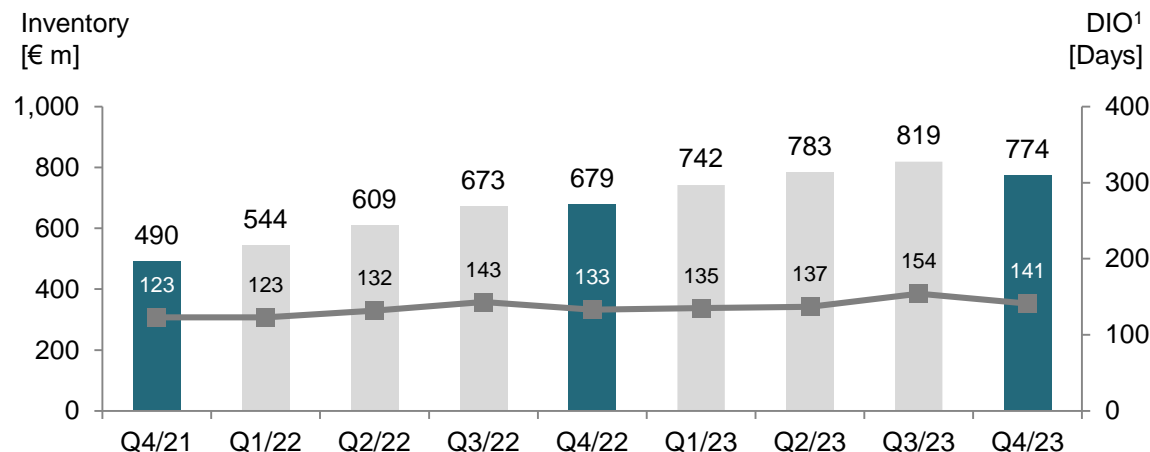
- Revenue significantly decreases, Australia is still the strongest growth driver, however also with a downward trend
- Currency weakness against the euro continues (AUD/EUR, CNY/EUR)

<sup>1</sup> EBIT for regions before consolidation. <sup>2</sup> Revenue by business segment excluding cash discounts amounting to €18.4 million.

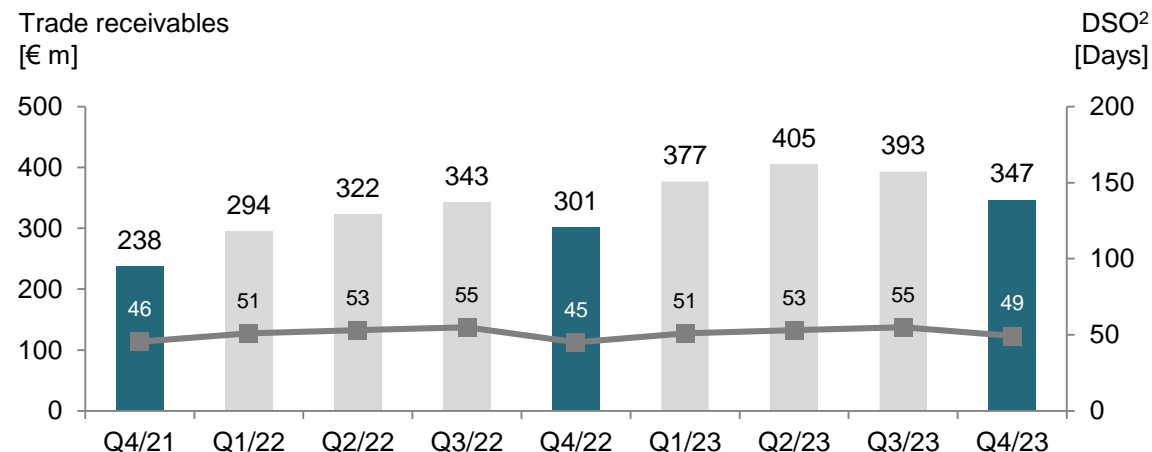


# Sporadic supply chain bottlenecks driving inventories

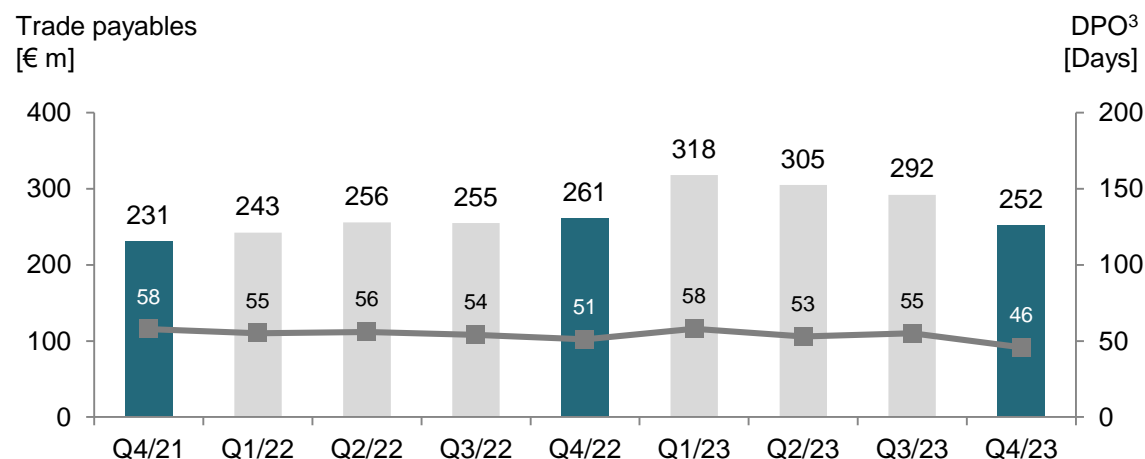
## Inventories



## Trade receivables



## Trade payables



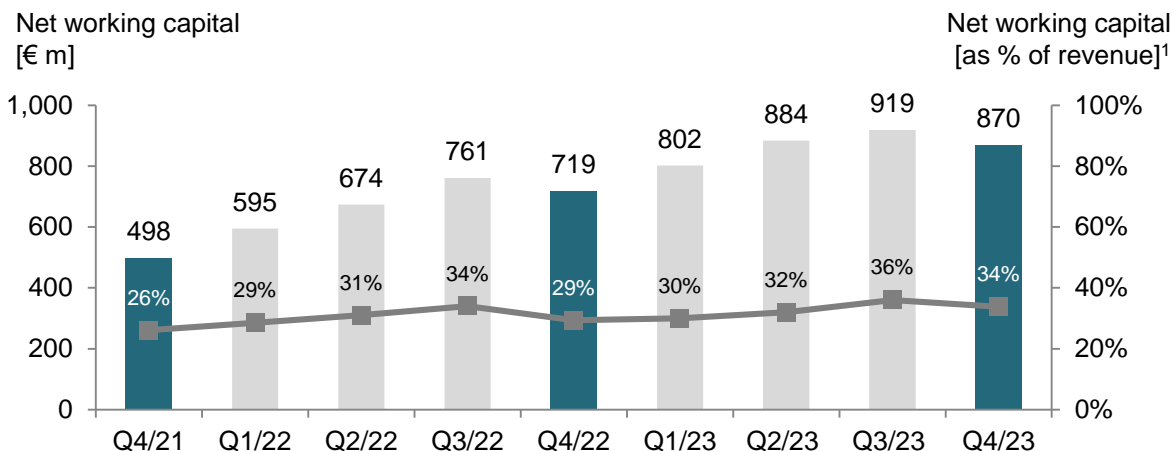
## Comments

- Supply chains eased significantly comparatively to 2022, supply chain bottlenecks occur sporadically nevertheless
- Inventories continue to be impacted by economic slowdown (+14.1% yoy)
- Significant decrease in unfinished goods as per year-end (-55.7% yoy), but an increase in finished goods (+38.6% yoy)
- Trade payables decrease slightly (-3.8% yoy) due to lower purchasing volume of production plants
- Trade receivables increase in line with business expansion (+15.0% yoy)

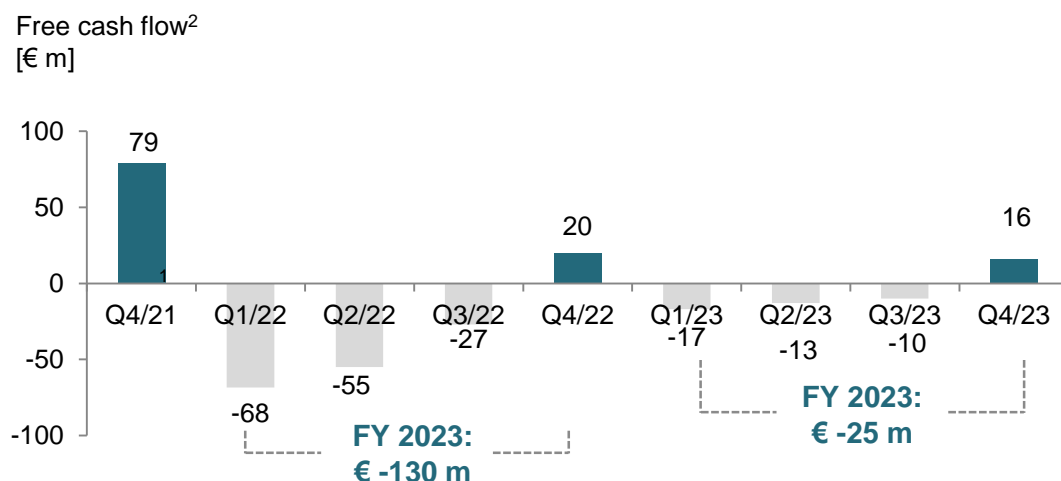
<sup>1</sup> Days inventory outstanding = (inventory/(cost of sales\*4))\*365 days. <sup>2</sup> Days sales outstanding = (receivables/(revenue\*4))\*365 days. <sup>3</sup> Days payables outstanding = (payables/(cost of sales\*4))\*365 days.

# NWC ratio impacted by economic slowdown

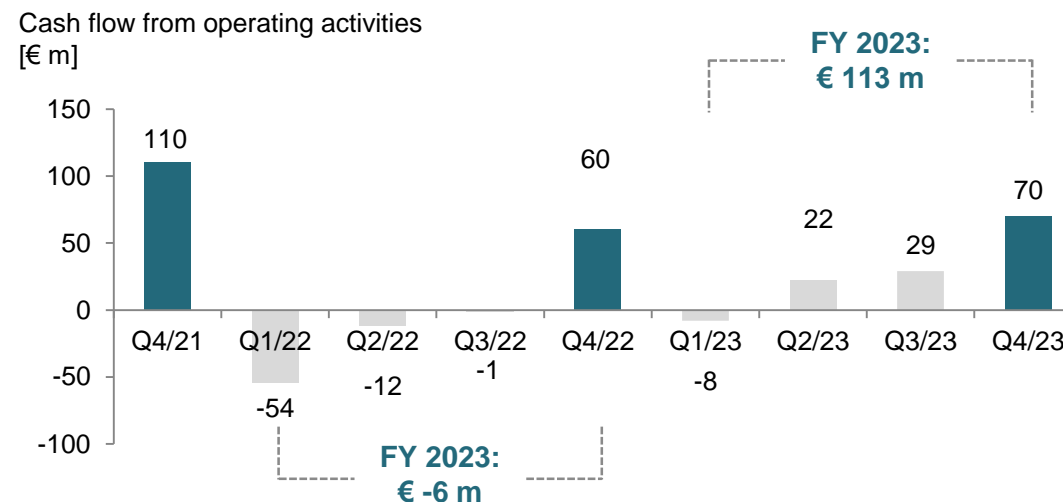
## Net working capital



## Free cash flow



## Operating cash flow



## Comments

- Net working capital ratio above the strategic benchmark of  $\leq 30\%$ , influenced by economic slowdown
- 2023 investments<sup>3</sup> amounted to € 163.5 million, in line with forecast
- Operating cash flow improved yoy and increased from € -6,4 million in 2022 to € 113,2 million in 2023
- Free cash flow is at € -24.9 million in 2023, impacted by the build-up of net working capital (2022: € -130.8 million before taking into account a fixed term deposit inflow of € 130 million)

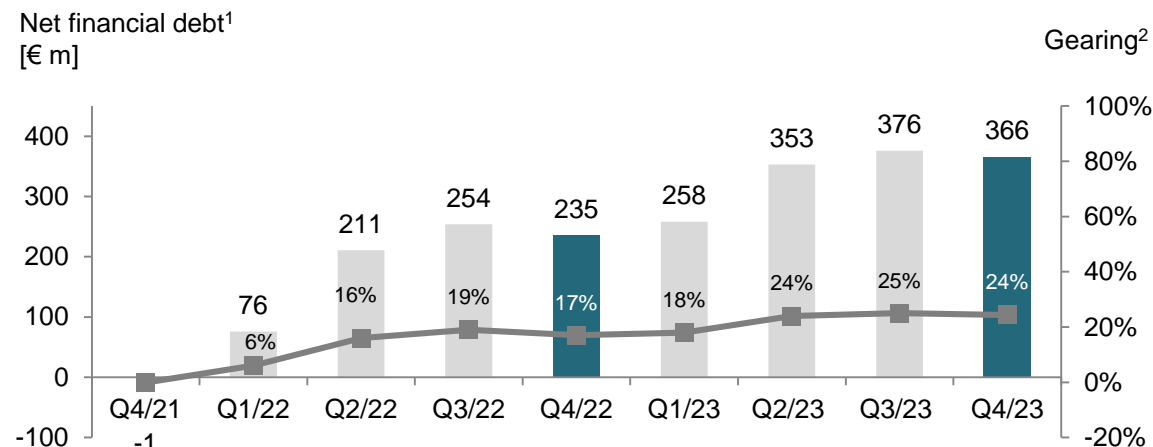
<sup>1</sup> Net working capital as a % of annualized revenue for the quarter. <sup>2</sup> Before outflows or inflows from time deposits

<sup>3</sup> Investments in property, plant and equipment and intangible assets.

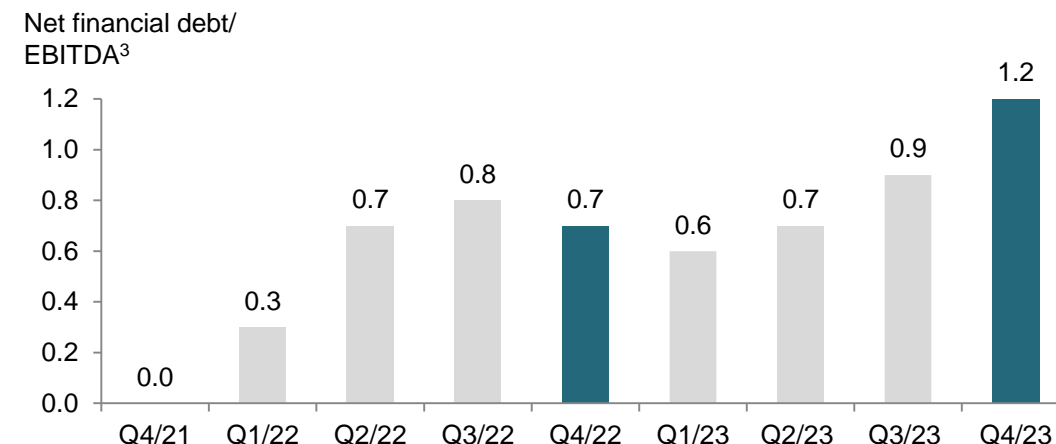


# Robust financial structure with substantial equity ratio

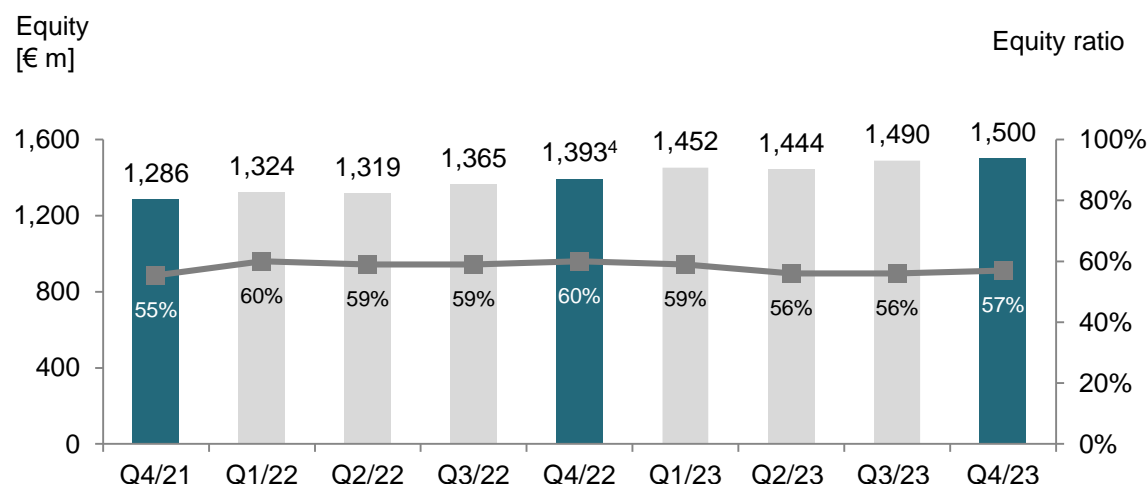
## Net financial debt<sup>1</sup> and gearing<sup>2</sup>



## Net financial debt/EBITDA<sup>3</sup>



## Equity and equity ratio



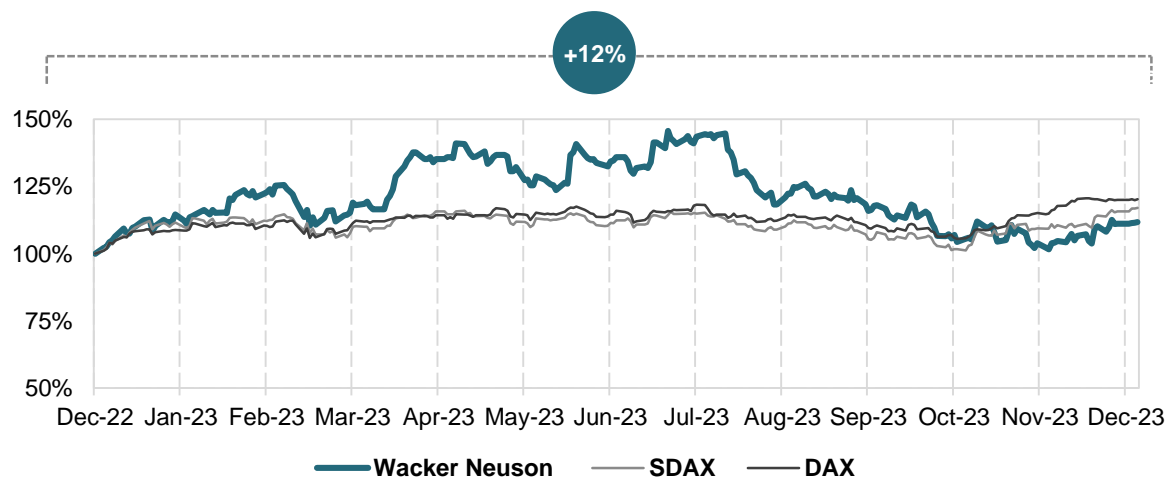
## Comment

- Net financial debt<sup>1</sup> impacted by the build-up of net working capital
- Increase in borrowings from banks amounting to € 207.4 million (December 31, 2022: € 5.0 million) and promissory note loan reduction to € 157.6 million (December 31, 2022: € 257.2 million)
- Gearing<sup>2</sup> increased to 24.4% in comparison to year-end 2022
- Equity ratio decreased slightly to 56.7% in comparison to year-end 2022

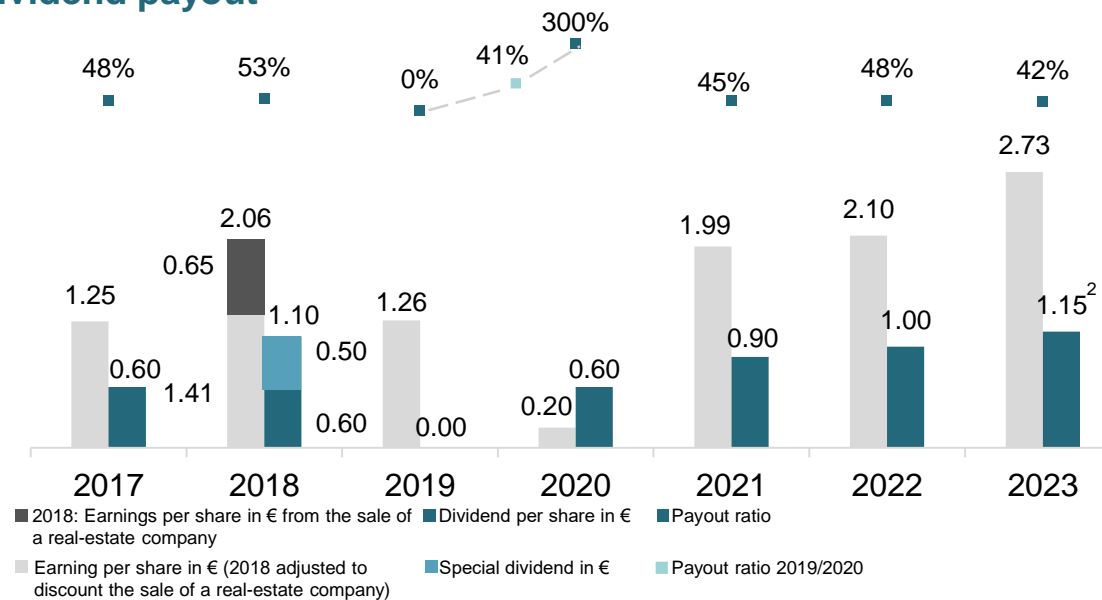
<sup>1</sup> Net financial debt = Non-current financial liabilities + Current liabilities to banks + Current portion of non-current liabilities - Cash and cash equivalents. <sup>2</sup> Net financial debt/equity. <sup>3</sup> Net financial debt/annualized EBITDA for the quarter. <sup>4</sup> Correction of the previous year's value amounting to c. € -2 million.

# The Wacker Neuson Share

## Share price development vs. relevant indices<sup>1</sup>



## Dividend payout



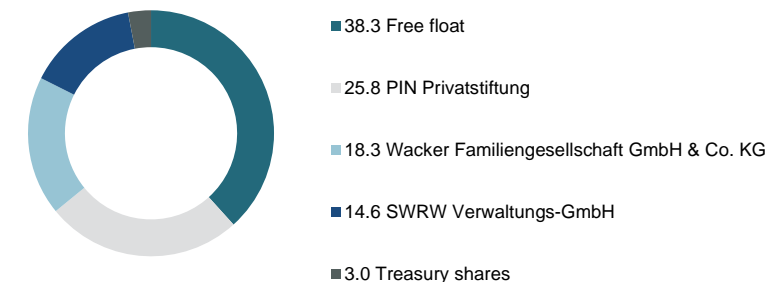
## Key figures per share

in €	2023	2022
Earnings per share	2.73	2.10
Book value per share	21.38	19.81
Share price at end of period	18.26	16.34
Market capitalization (€ m)	1,280,8	1,146.1

## Coverage<sup>3</sup>

Bank	TP (€)	Recom.	Date
Hauck & Aufhäuser	28.50	Buy	Nov. 13, 2023
Berenberg	29.00	Buy	Nov. 17, 2023
Jefferies	19.00	Hold	Jan. 9, 2024
Warburg	20.00	Hold	Nov. 21, 2023
Metzler	19.00	Hold	Mar. 11, 2024
Kepler Cheuvreux	17.00	Sell	Nov. 9, 2023

## Shareholder structure



Total shares: 70,140,000

<sup>1</sup> As of December 29, 2023; <sup>2</sup> Proposal to AGM 2023; <sup>3</sup> As of March 11, 2024.



# Business Outlook

Transportation costs  
**pick up again**

**CEMA<sup>1</sup>**

Business climate index for the European agricultural machinery sector remained **negative**, economic forecasts burden the developments



**Order backlog**  
decreases due to economic  
downturn

**Supply chain situation**  
**eased**

## Guidance for 2024

- **Revenue** between € 2,400 and 2,600 million
- **EBIT margin** between 8.0% and 9.0%
- **Investments** around € 120 million<sup>2</sup>
- **Net working capital ratio** around 30%



**CECE<sup>1</sup>**

Business climate index for the European construction equipment sector **went down at the turn of the year 2023**

<sup>1</sup> As of February 2024.

<sup>2</sup> Investments in property, plant and equipment and intangible assets. Investments in the Group's own rental portfolio, equity investments and financial assets are not included.



# Nobody is perfect, but a team can be!





# Financial calendar and contact

07 May 2024	Publication of Quarterly Statement Q1/2024, Earnings Call
13 May 2024	Berenberg Virtual Fireside Chat
15 May 2024	Annual General Meeting, Munich
16–17 May 2024	HAIB Stockpicker Summit 2024, Kitzbühel
06 June 2024	Warburg Highlights Conference, Hamburg
13 August 2024	Publication of Half-Year Report H1/2024 , Earnings Call
25 September 2024	Berenberg Goldman Sachs German Corporate Conference, Munich
14 November 2024	Publication of Nine-month Statement 9M/2024, Earnings call
November 2024	German Equity Forum, Frankfurt



## Disclaimer

This presentation contains forward-looking statements which are based on the current estimates and assumptions by the corporate management of Wacker Neuson SE. Forward-looking statements are characterized by the use of words such as expect, intend, plan, predict, assume, believe, estimate, anticipate and similar formulations. Such statements are not to be understood as in any way guaranteeing that those expectations will turn out to be accurate. Future performance and the results actually achieved by Wacker Neuson SE and its affiliated companies depend on a number of risks, uncertainties and other factors. Many of these factors, including, but not limited to, those described in disclosures, in particular in the risk report of the Company, are outside the Company's control and cannot be accurately estimated in advance, such as the future economic environment, the actions of competitors and others involved in the market-place or the legal and regulatory framework. If these risks or uncertainties materialize, or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. Above and beyond legal requirements, the Company neither plans nor undertakes to update any forward-looking statements.

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## Contact

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