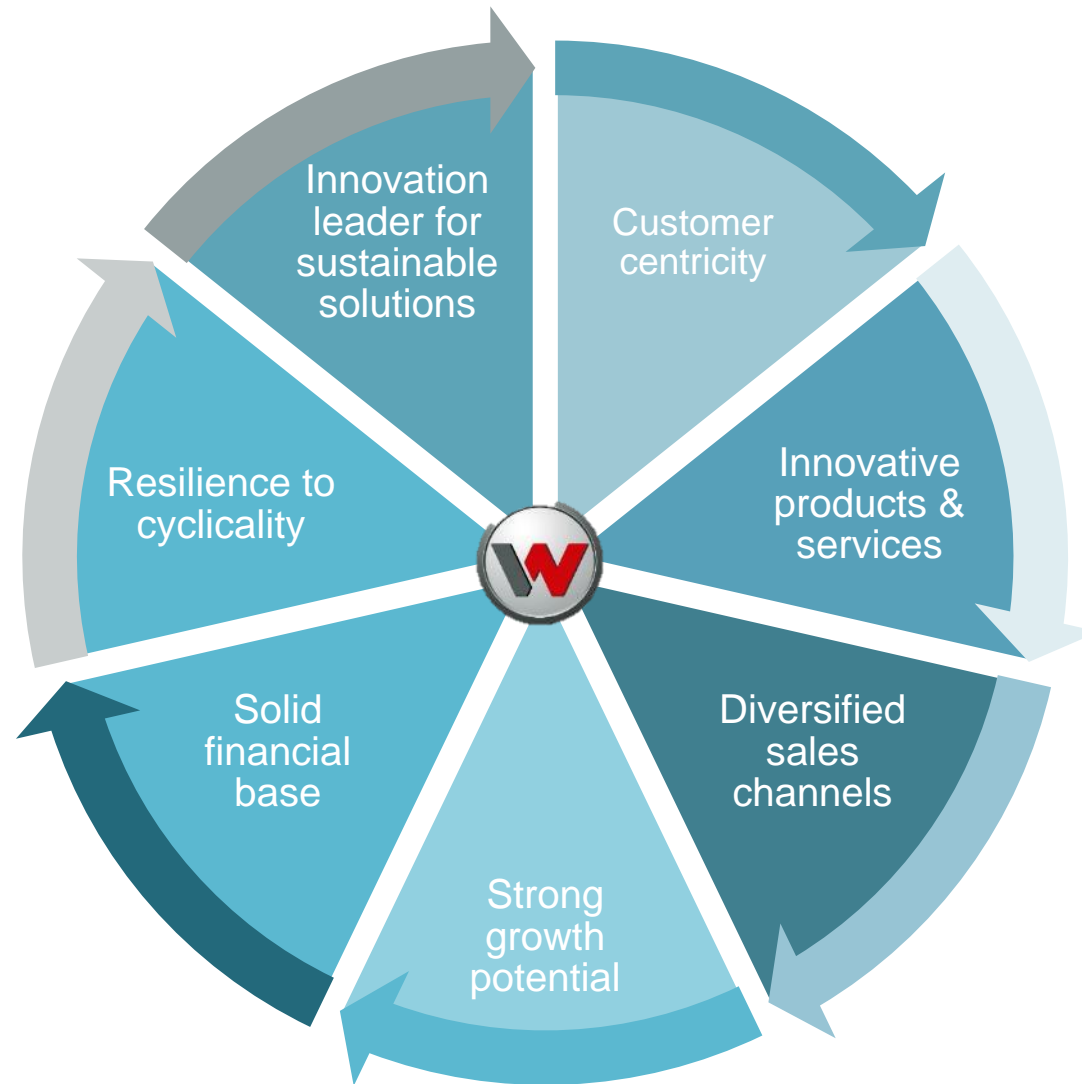




## Wacker Neuson Group – Our way to success

Q1/2021





**Putting the customer first**

**01**

**Who we are**

**02**

**Our way to success in different  
markets**

**03**

**Innovation is part of our DNA**

**04**

**Financials FY/20**

**05**







Putting the customer first



# Empowering our customers benefits our growth



Wacker Neuson  
Group

## CUSTOMER NEEDS

Maximum productivity & machine uptime

Comfortable & intuitive machine handling

Operator health & safety

Service, Partnership, Reliability

Attractive total cost of ownership





# We drive innovation to improve our customers' processes

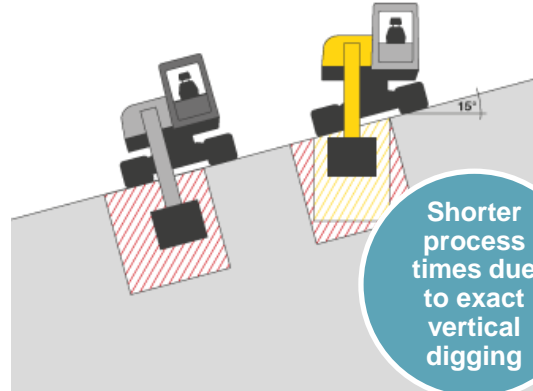


Wacker Neuson  
Group



Cockpit  
rotatable  
by 180°

Dual View Dumper



Vertical Digging System

Wireless  
handling  
with no  
emissions

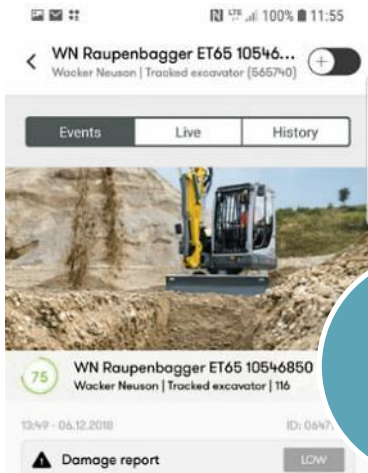


Zero emission

Maximizing  
operator  
comfort

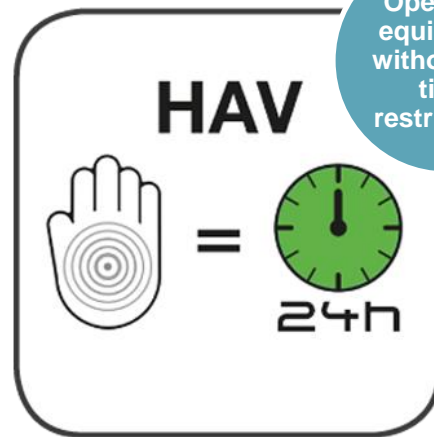


Remote-control steering



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 7  
products



Modular design

# We see our customers as our partners



Wacker Neuson  
Group

## Front-Loading

With our accelerated customer-oriented product development process, we provide our customers with the right features and the best quality at the best price.

Research & Development

Voice  
of Customer



Strong customer involvement in R&D

Technical  
benchmarking



Sophisticated value engineering

Early involvement  
of all functions



Teamwork at every step of the value chain





Who we are



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



Wacker Neuson  
Group

## Light Equipment (LE)

22%

of Group sales<sup>1</sup>



Different product groups



same customers

## Compact Equipment (CE)

54%

of Group sales<sup>1</sup>



## Services

24%

of Group sales<sup>1</sup>



Repair<sup>2</sup> &  
Maintenance<sup>2</sup>



Rental Service<sup>2</sup>



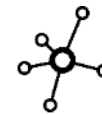
Used Machines<sup>2</sup>



Financial  
Solutions



E-Store<sup>2</sup>



Telematics



Concrete  
solutions



Academy



Genuine Parts

# Customers trust in our longstanding expertise in LE



Wacker Neuson  
Group

## Light Equipment (LE)

### Concrete technology



### Compaction



### Demolition



### Power & Lighting



### Pumps



### Heaters



In 1930, Wacker invented the electric rammer. The term "wacker packer" is still used on construction sites.



# 22%

of Group sales<sup>1</sup>

# € 1,600

Average price of an LE product<sup>1</sup>

### Competitors include

Ammann

Bomag

Husqvarna

Weber MT



# Customers opt for the advantages of compact equipment



Wacker Neuson  
Group

Urbanization,  
limited space and  
mechanization are  
driving demand for  
compact equipment  
in construction and  
agriculture.

## EUR 18 Bn

expected value of global compact  
construction equipment market  
accessible to Wacker Neuson in 2025<sup>1</sup>

## 54%

of Group sales<sup>2</sup>

## € 37,000

Average price of a CE product<sup>2</sup>

### Competitors include

Kubota

Takeuchi

Yanmar

Manitou

JCB

Bobcat (Doosan)

## Compact Equipment (CE)

### Excavators



### Dumpers



### Backhoe loaders



### Skid steers / Compact track loaders



### Telehandlers



### Wheel loaders



# Service is key to our customers' success



Wacker Neuson  
Group

## Customer proximity

24%

of Group sales<sup>1</sup>

Service,  
Partnership,  
Reliability

>550  
service technicians  
in close proximity  
to our customers

## Comprehensive services



Repair<sup>2</sup> &  
Maintenance<sup>2</sup>



Rental Service<sup>2</sup>



Used Machines<sup>2</sup>



Financial  
Solutions



E-Store<sup>2</sup>



Telematics



Concrete Solutions



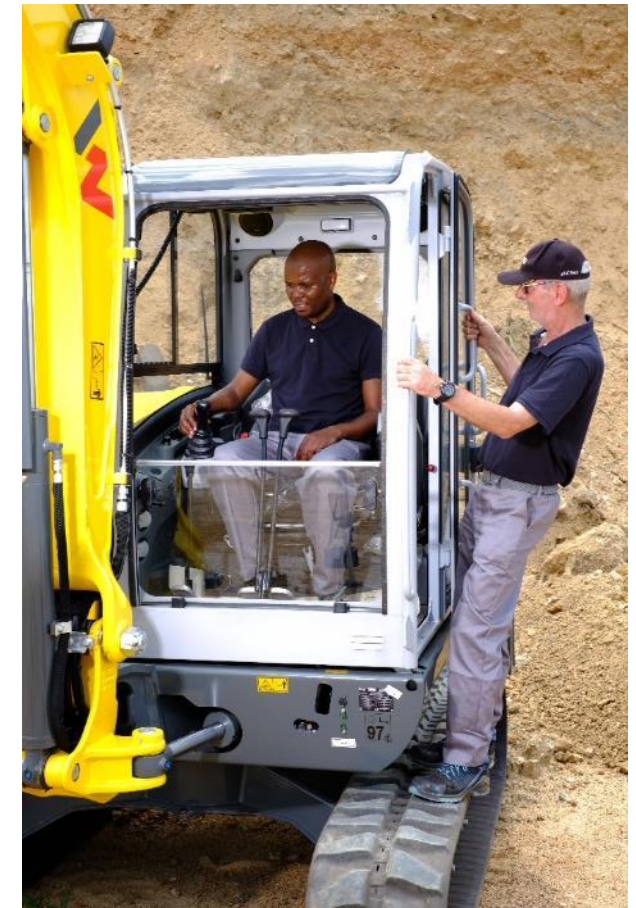
Academy



Genuine Parts

## Collaborative relationship

We are there for our customers, listening, sharing our expertise and working closely with them to find the best solutions.





# We serve our markets with three strong brands



Wacker Neuson  
Group



**WACKER  
NEUSON**

*all it takes!*



Construction, gardening/landscaping, maintenance/repairs, etc.



**KRAMER**

*on the safe side*



Agriculture, horse breeders, tree nurseries, etc.



**WEIDEMANN**

*designed for work*



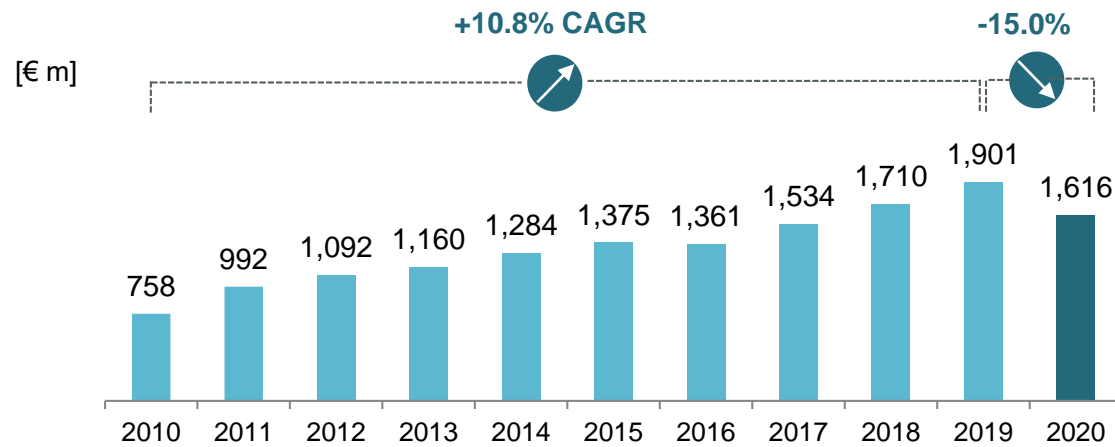
**Wacker Neuson**  
Group

# We strive for long-term stable growth



Wacker Neuson  
Group

## Revenue development (2010-2020)





# 57%

Equity ratio<sup>1</sup>

# 0.7

Net financial debt/  
EBITDA<sup>1</sup>

# Excellent basis

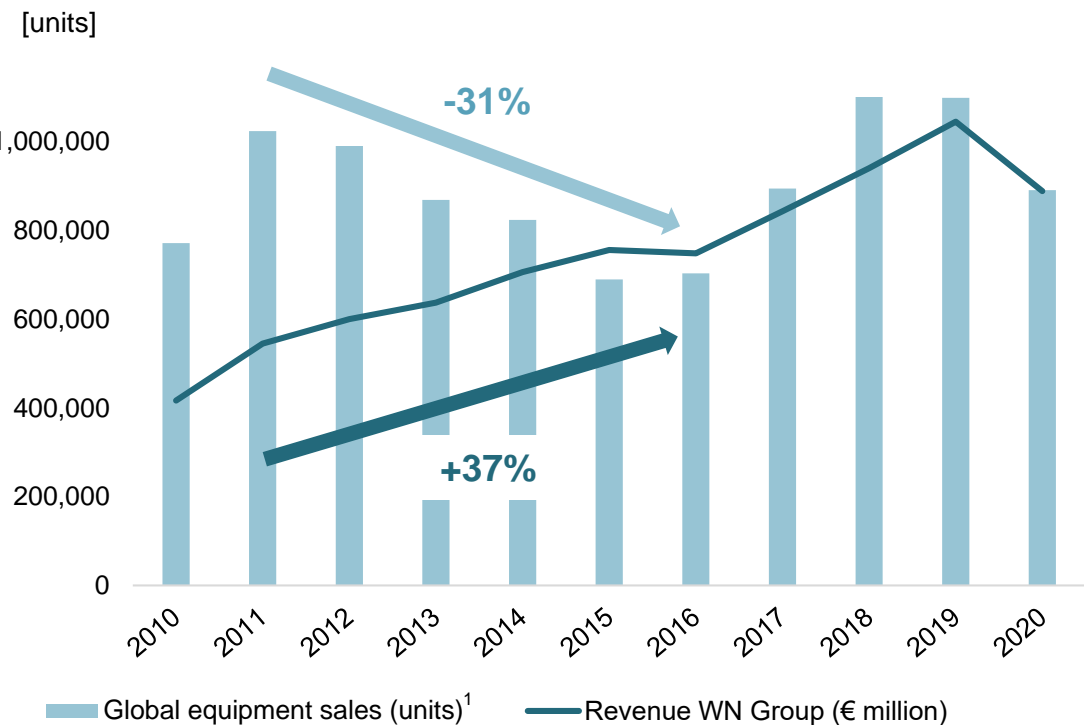
for further profitable growth



# Our diversified business dampens cyclical fluctuations



Wacker Neuson  
Group



19%

of Group sales  
from agriculture<sup>2</sup>

[€ m]

2,000

1,600

1,200

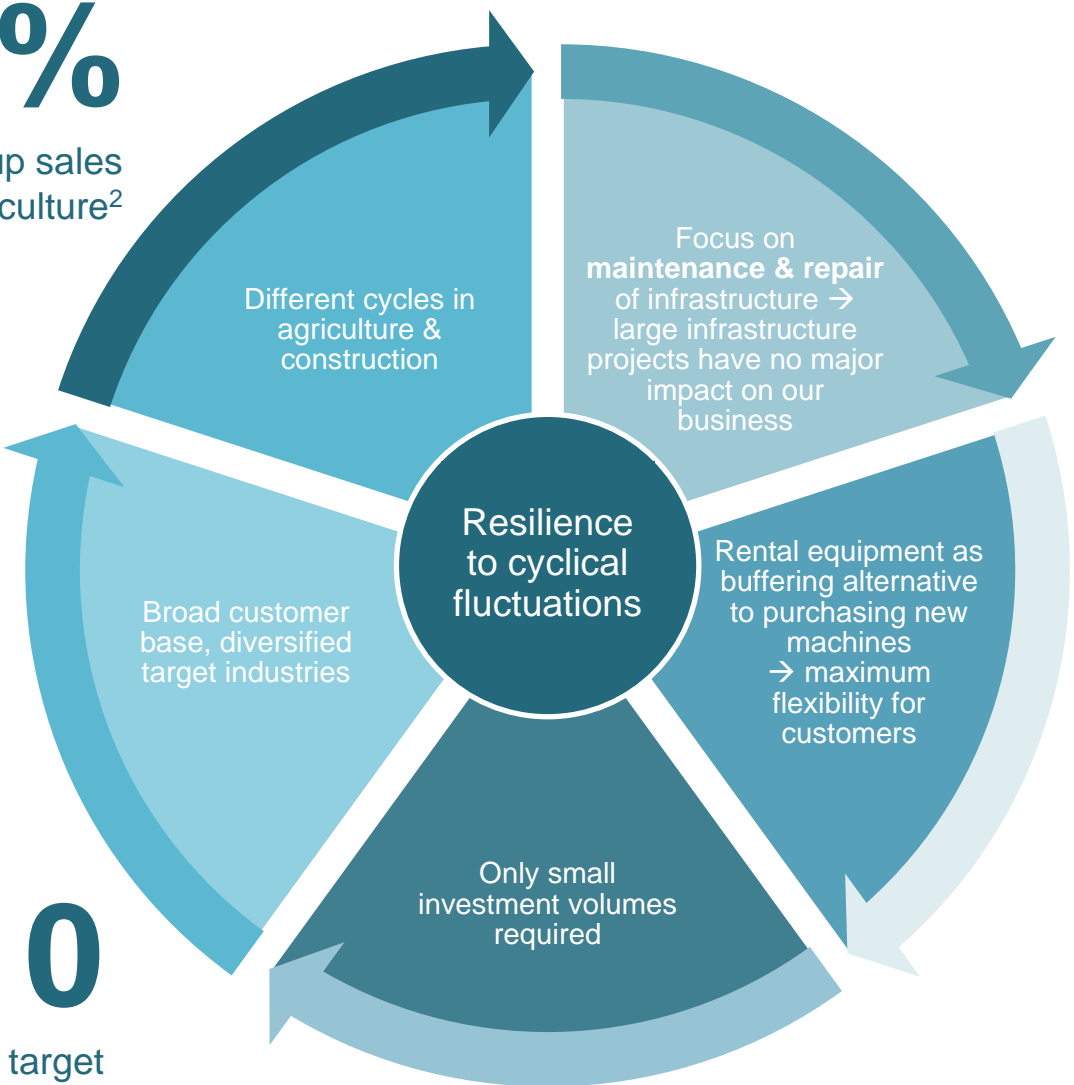
800

400

0

>10

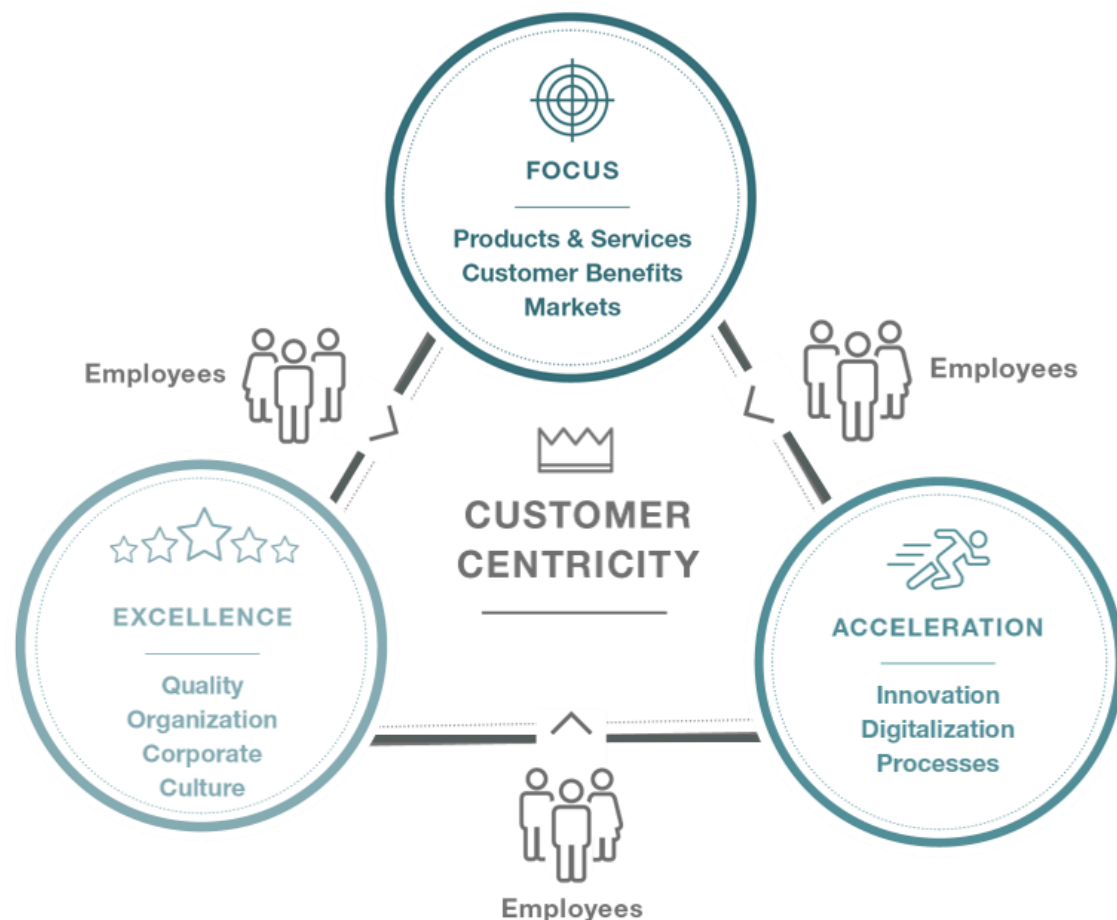
different target  
industries



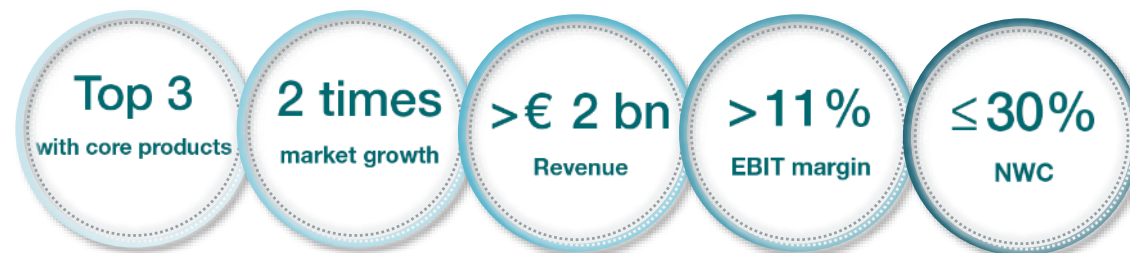
<sup>1</sup> Source: Off-Highway Research, June 2020. <sup>2</sup> FY 2020



# Strategy 2022



## How we measure success



In light of current developments regarding Covid-19, we expect the pandemic to continue to have a major impact into fiscal 2021. Consequently, **we expect to achieve our Strategy 2022 targets one to two years later than planned.**

# Experienced management team

---



Wacker Neuson  
Group



Kurt Helletzgruber, CEO & CFO



Felix Bietenbeck, COO



Alexander Greschner, CSO





**Our way to success in different markets**



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



**Dealers**



**Key accounts  
& rental firms**



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

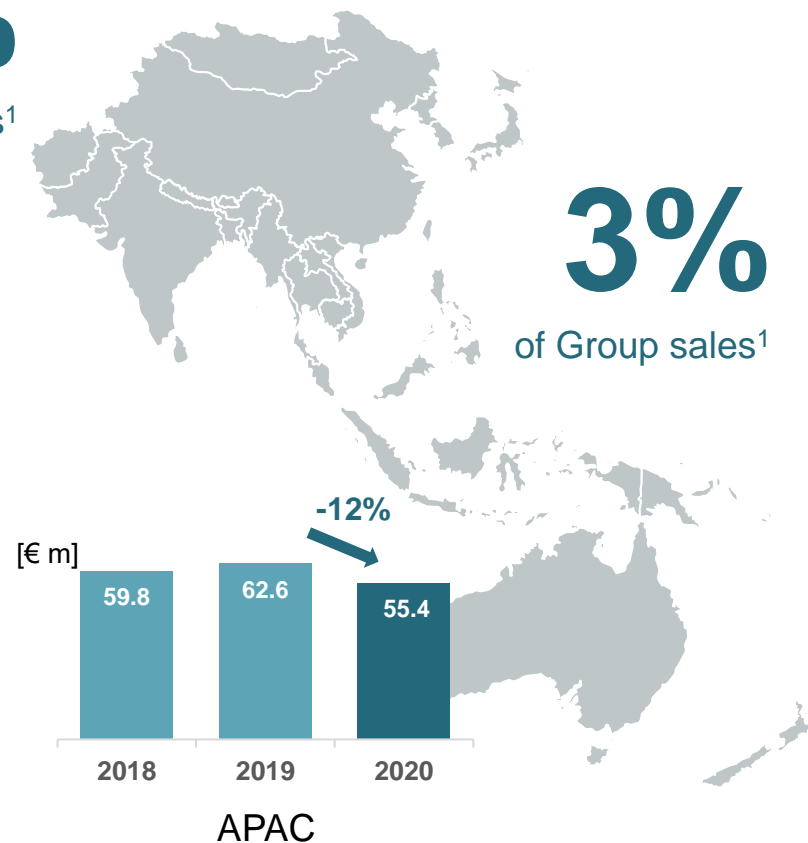
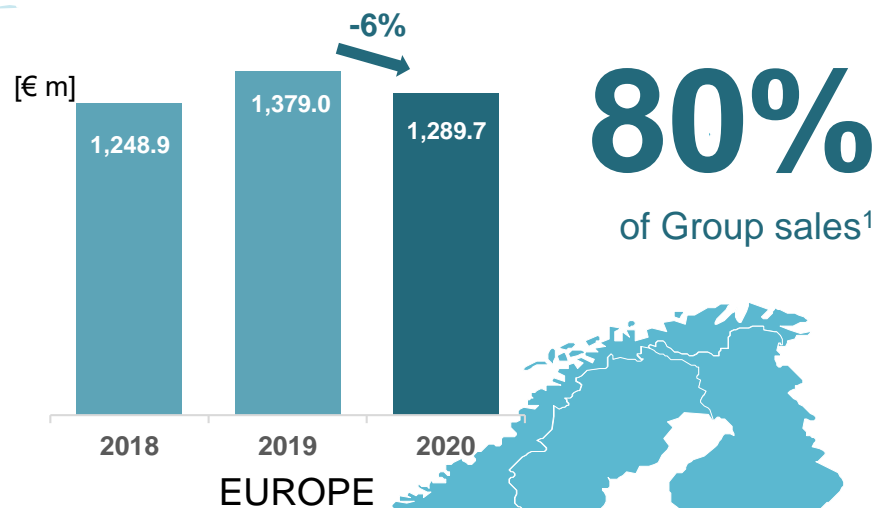
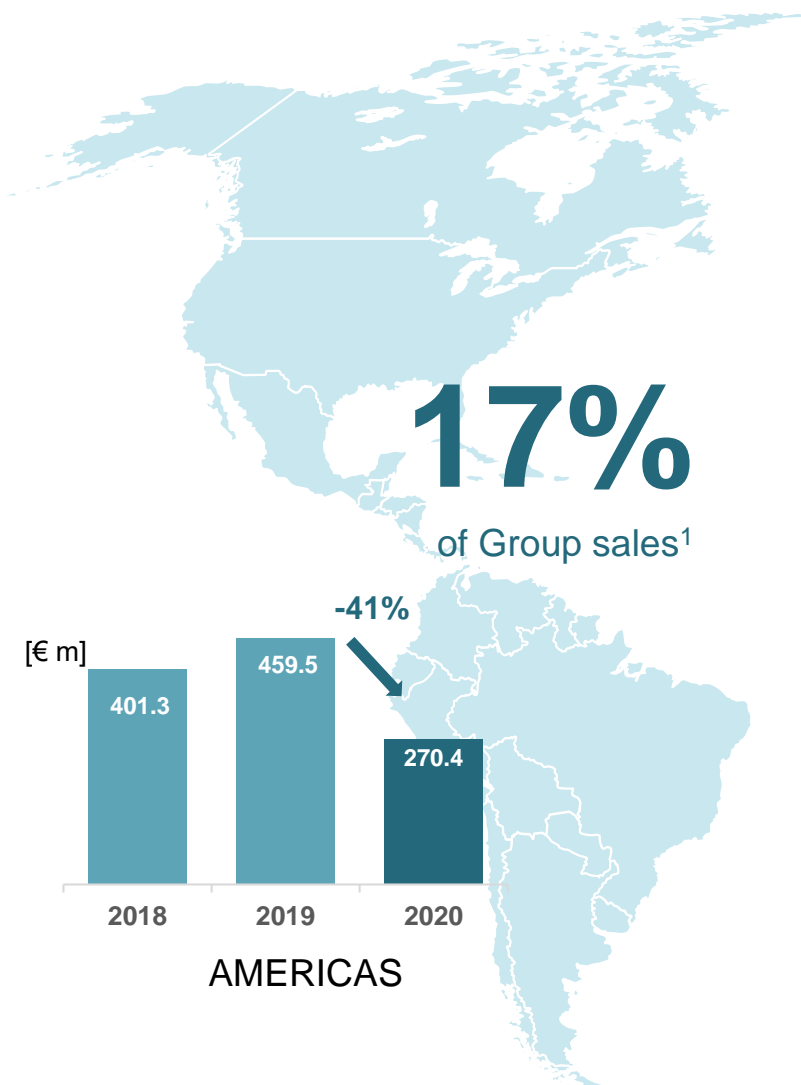
**Country-specific sales with long-standing customer relationships**



# Internationalization – plenty of room to grow



Wacker Neuson  
Group



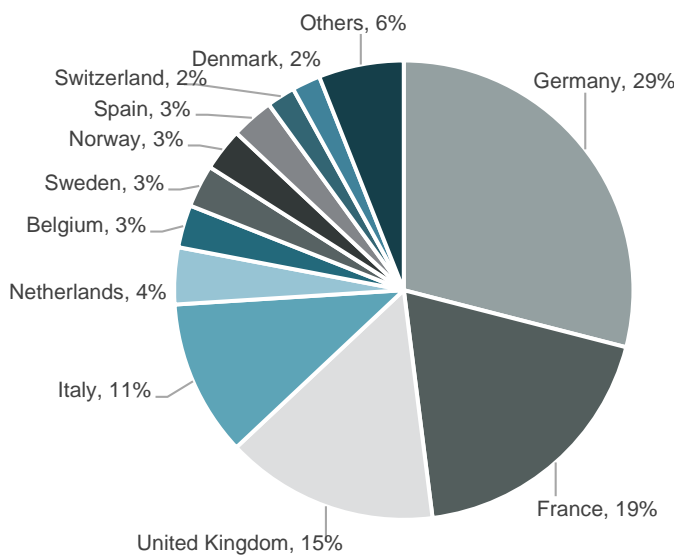
# Europe – We are striving to increase market shares



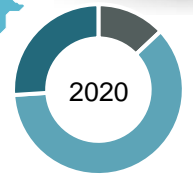
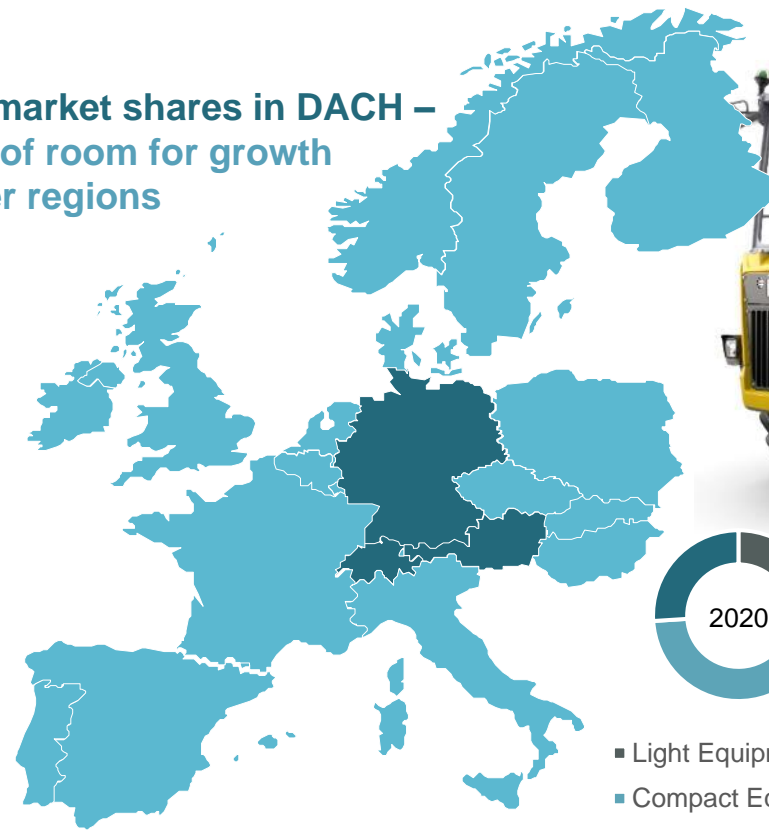
## Game changer

We have redefined safety and accelerated our customers' processes with our Dual View dumpers

**Western Europe:**  
Relative size of equipment markets<sup>1</sup>



**Major market shares in DACH – plenty of room for growth in other regions**



- Light Equipment
- Compact Equipment
- Services

Charles Messenger, Galtec Ltd. "It's a lovely bit of kit, [...] I'm very impressed so far. It's going to be ideal for the winter, no more sitting out in the open exposed to the wind and rain, which will be really nice. Not only that, but they are safe and will save time without a doubt."<sup>2</sup>



# Europe – We are growing our business in the ag sector



Wacker Neuson  
Group

## All-wheel steering



**KRAMER**  
*on the safe side*



**-2%**  
despite COVID-19  
stable development in CE  
for the agricultural sector<sup>1</sup>

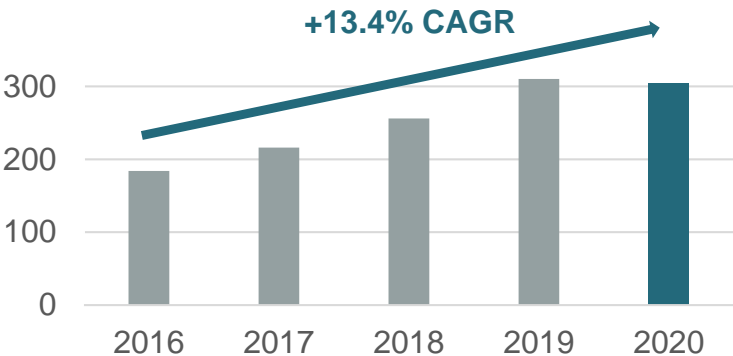
**19%**  
of Group sales  
from agriculture<sup>1</sup>

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 revenues in the ag sector<sup>1</sup>

Revenue in € million



## Articulated steering



**WEIDEMANN**  
*designed for work*

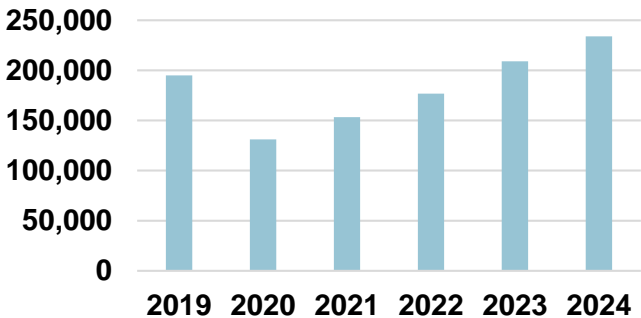


# Americas – A market with huge growth potential

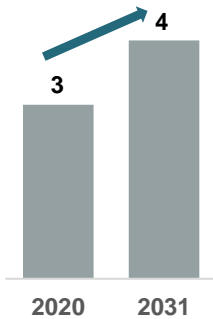
**60 years**

in the US light equipment market with high market shares

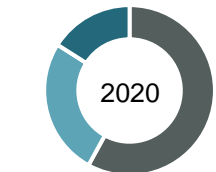
Forecast sales of construction equipment North America (units)<sup>2</sup>



+3% CAGR



Global skid steer market (in USD bn)<sup>1</sup>



- Light Equipment
- Compact Equipment
- Services

Financing programs set up to enable future growth

Extension of dealer network for LE & CE

Skid steers as door opener for compact equipment

Large potential for further market share gains

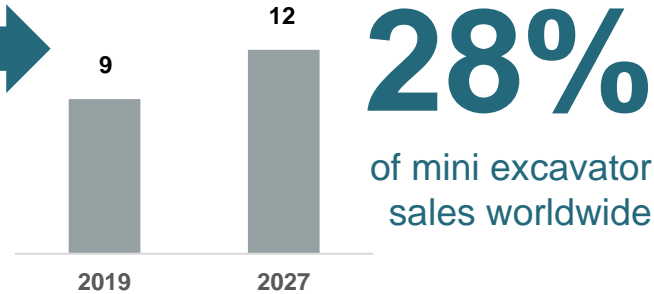
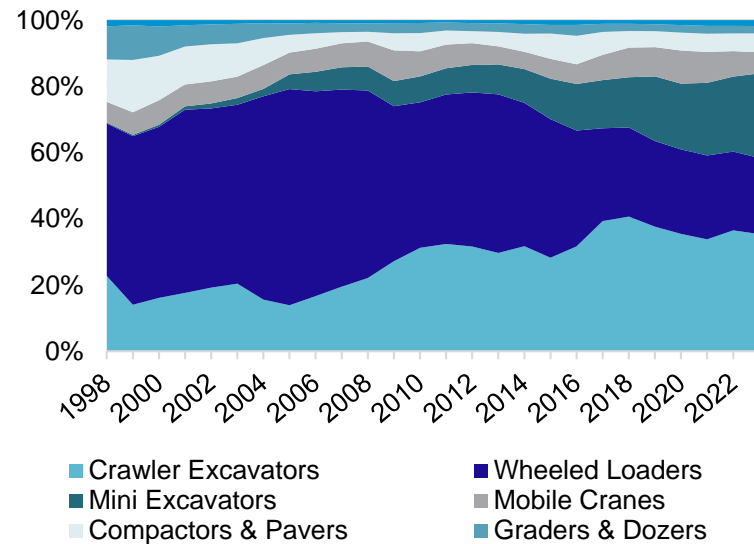


# APAC – We benefit from structural market changes in China



Wacker Neuson  
Group

## Changing market structure in China – compact equipment on the rise<sup>1</sup>



Global mini excavator market (in USD bn)<sup>1</sup>

**Asia-Pacific holds a dominant position  
and is expected to grow at a highest  
rate during the forecast period.**



- Light Equipment
- Compact Equipment
- Services

Serving export  
markets from  
plant in Pinghu,  
China

Even small  
market shares  
would leverage  
our sales  
significantly

Introducing new  
excavator models  
to counteract  
price pressure



**Innovation is part of our DNA**



# We drive innovation to improve our customers' processes

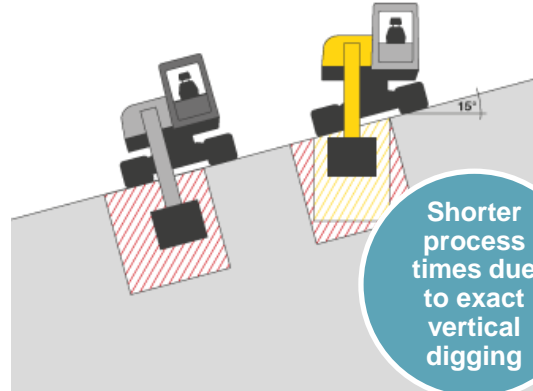


Wacker Neuson  
Group



Cockpit  
rotatable  
by 180°

Dual View Dumper



Vertical Digging System

Wireless  
handling  
with no  
emissions

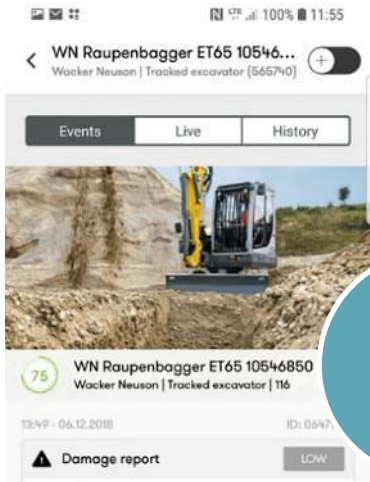


Zero emission

Maximizing  
operator  
comfort

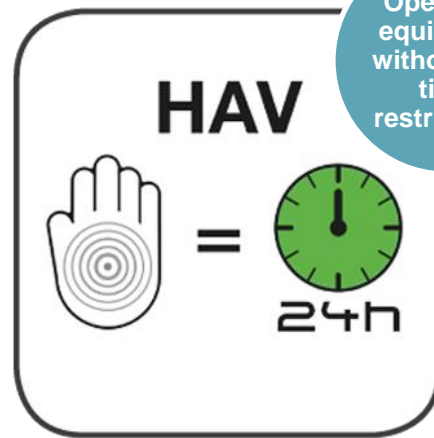


Remote-control steering



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 7  
products



Modular design

# We drive electrification in our industry



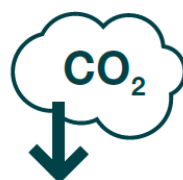
Wacker Neuson  
Group

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>

## zero emission



ambitious  
goals set out  
in the EU's  
Green Deal



anticipated  
advancements  
in battery  
technologies



high market  
potential



1 battery – 7 devices



EZ17e



803 dual power



WL20e



DT10e



DW15e

## Change

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



ACBe



AS30e



AS50e



AS60e



AP1840e



AP1850e



AP2560e



# Digitalization creates new opportunities for our business

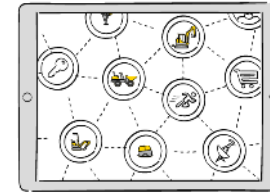


Wacker Neuson  
Group

Give your machines a voice



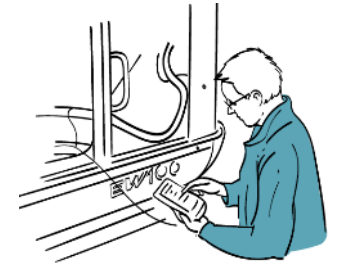
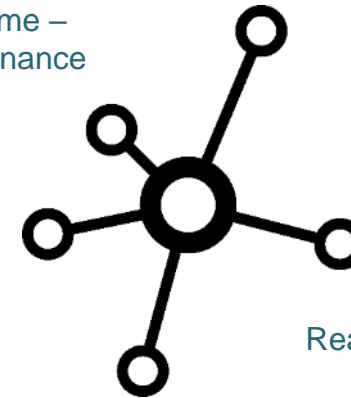
Connected products –  
always a step ahead



Pinpointing location –  
connected jobsites

Increasing runtime –  
predictive maintenance

Optimizing utilization



Transparency –  
Real-time data analysis



Increasing efficiency –  
smart products



## EQUIPCARE

## DIGITALIZATION



- Process optimization
- Telematics
- Smart products
- Building Information Modeling (BIM)

## URBANIZATION



- Maintenance of infrastructure
- Limited space
- Clean air regulations
- Noise pollution
- Growing middle class

## POPULATION GROWTH



- Food
- Mechanization
- Infrastructure
- Housing
- Energy efficiency
- Waste management

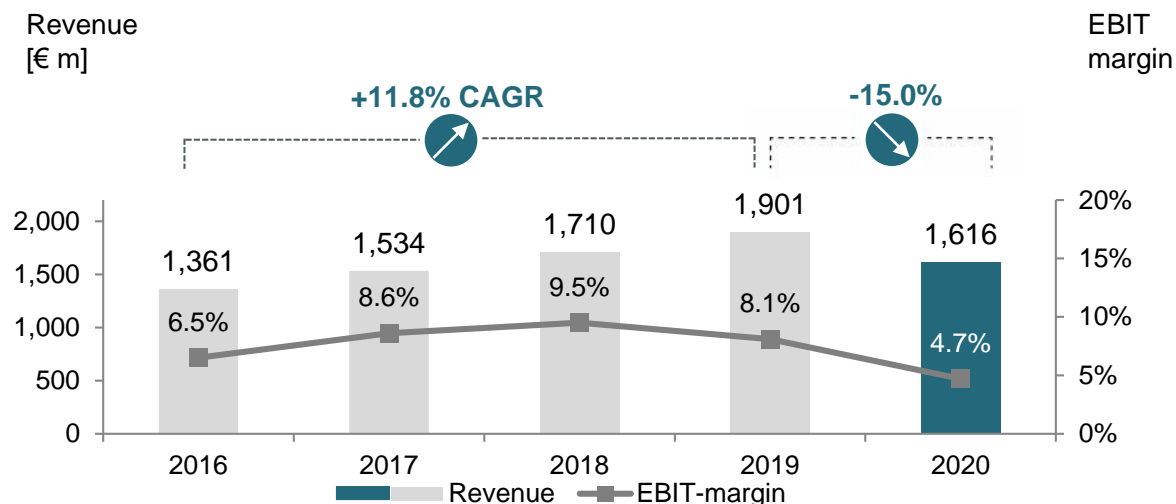




Financial results FY 2020

# Sales and profitability significantly below PY's levels

## COVID-19 interrupts growth trend



## Income statement (condensed)

€ million	Q4/20	Q4/19	2020	2019
<b>Revenue</b>	428.0	480.3	1,615.5	1,901.1
<b>Gross profit</b>	97.4	107.2	400.3	474.9
<i>as a % of revenue</i>	22.8%	22.3%	24.8%	25.0%
<b>Operating costs<sup>1</sup></b>	-104.2	-87.9	-331.6	-337.5
<i>as a % of revenue</i>	-24.3%	-18.3%	-20.5%	-17.8%
<b>EBIT</b>	2.3	25.7	75.5	153.1
<i>as a % of revenue</i>	0.5%	5.4%	4.7%	8.1%
Financial result	-2.3	-4.0	-21.7	-15.6
Taxes on income	-19.7	-13.3	-39.7	-49.0
<b>Profit for the period</b>	-19.7	8.4	14.1	88.5
<b>Earnings per share (€)</b>	-0.28	0.12	0.20	1.26

## Comments on FY 2020

### Revenue -15.0% yoy (adj. for FX effects: -14.2%)

- COVID-19 had a strong impact on revenue; significant revenue losses in the Americas, development in Europe comparatively stable, agricultural business at previous year's levels
- Growth of services segment

### Gross profit -15.7% yoy (gross profit margin -0.2 PP)

- Gross profit moves in parallel to revenue; cut in production programs, extended vacation periods to use up hours in flextime accounts, various short-time working models mitigate negative trend
- Impairment losses on assets
- Favorable product mix thanks to strong services segment

### EBIT -50.7% yoy (EBIT margin: -3.4 PP)

- Negative effects primarily stem from allowances for doubtful receivables of € 33.3m and impairment of US goodwill of € 9.2m
- Restructuring expenses linked to program to reduce costs and increase efficiency amount to € 9.1m
- Operating costs adj. for allowances 11% below prior year<sup>2</sup>

### Earnings per share -84.1% yoy

- Financial result significantly below prior year; negative FX effects (€ -7.2m yoy); less negative interest income (€ +1.6m yoy)
- Group tax rate at 73.8% (2019: 35.6%); negative FX effects and impairment losses are not tax deductible; write-offs or non-capitalization of deferred tax assets



# FY 2020: Development by region and business segment



Wacker Neuson  
Group

## Mixed picture across the regions

	Revenue [€ m]	Share	△	EBIT <sup>1</sup>
Europe	1,289.7	80%	-6%	129.1
Americas	270.4	17%	-41%	-63.7
Asia-Pacific	55.4	3%	-12%	-4.3
FY 2020	1,615.5	100%	-15%	75.5

## Growth in services segment

	Revenue [€ m] <sup>2</sup>	Share	△
Light equipment	351.8	22%	-28%
Compact equipment	878.9	54%	-17%
Services	399.0	24%	+4%
FY 2020	1,629.7	100%	-15%

## Comments on FY 2020

### Revenue Europe -6.5% (adj. for FX effects -6.2%)

- Mixed picture in European market: Growth in DACH-region (Wacker Neuson brand) thanks to particularly dense network of own stores and dealers
- Strong reluctance to invest among rental chains due to continued market uncertainty leads to significant revenue declines in France, Spain and Northern Europe
- Continued market share gains with dumpers in the UK despite weak demand from major rental chains
- Stable business with Kramer and Weidemann brands in the agricultural industry (-1.9% yoy)

### Revenue Americas -41.2% (adj. for FX effects -39.1%)

- Strong reluctance to invest among dealers, key accounts and rental chains due to continued market uncertainty
- Streamlining of sales structures in South America: Sales activities in Brazil, Chile and Peru transferred to long-standing local partners
- Asset-backed securities (ABS) program with total value of USD 150m concluded with external partner in order to win new dealers

### Revenue Asia-Pacific -11.5% (adj. for FX effects -9.3%)

- Rapid improvement of the situation in China and Australia after Q1
- Continued severe impact on revenue in Southeast Asia

<sup>1</sup> EBIT by region before consolidation.

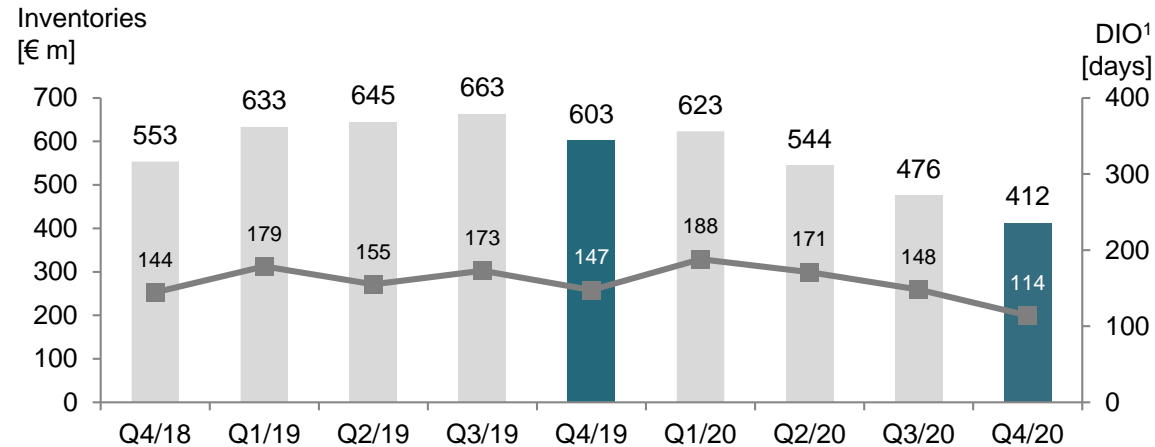
<sup>2</sup> Revenue by segment before cash discounts.

# FY 2020: Significant reduction in net working capital

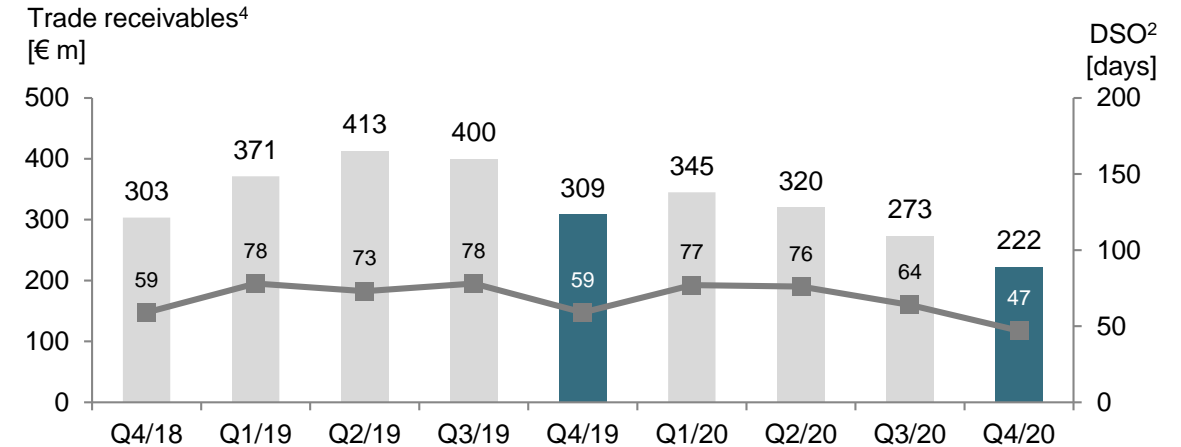


Wacker Neuson  
Group

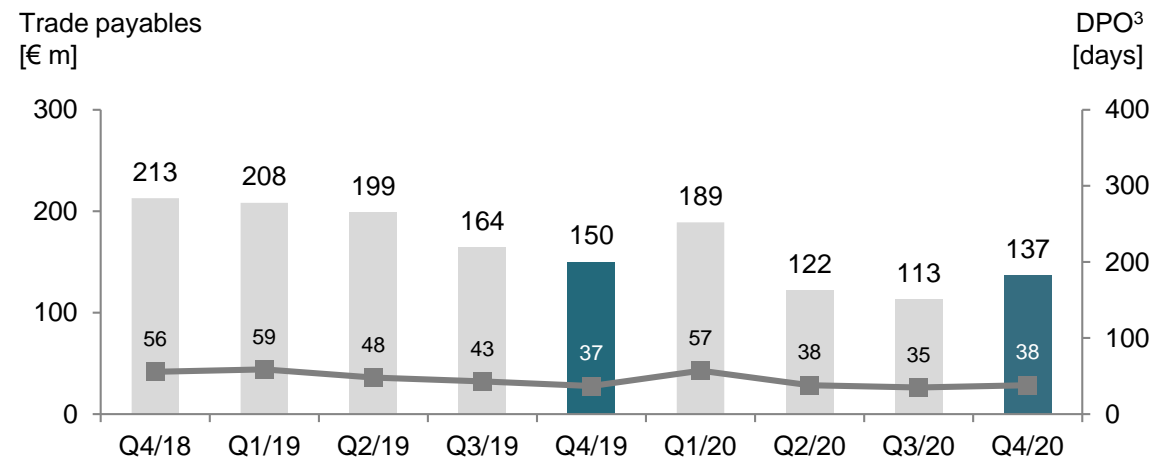
## Inventories



## Trade receivables



## Trade payables



## Comments

- Significant reduction in inventories due to marked cut-backs in production programs
  - Decrease in trade receivables yoy due to decreased business volume and transfer of US receivables into an ABS program (net effect of USD 37m)
  - Trade payables at a low level due to lower production volumes
- ➡ Net working capital significantly reduced (see next slide)

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

<sup>4</sup> Due to a correction in connection with the reporting of (non-)current receivables, balance sheet values for Q4/2019 were adjusted retrospectively.

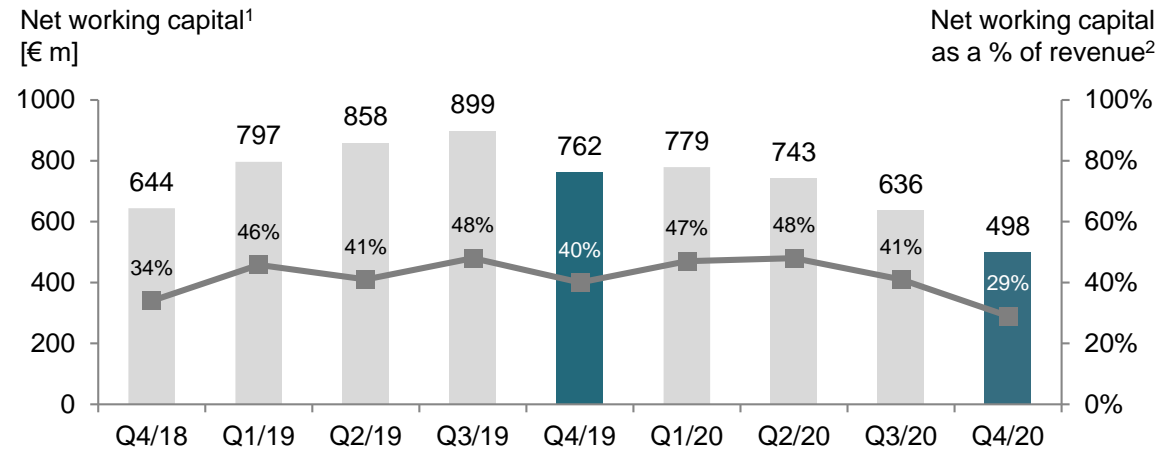


# FY 2020: Free cash flow at record high



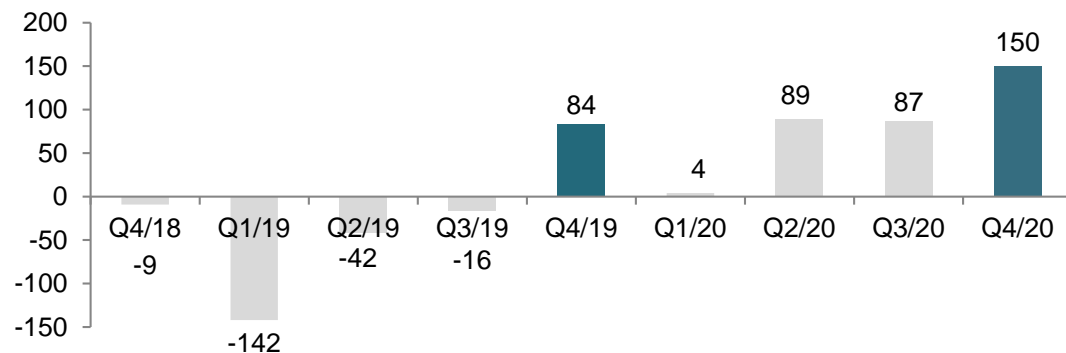
**Wacker Neuson  
Group**

## Net working capital



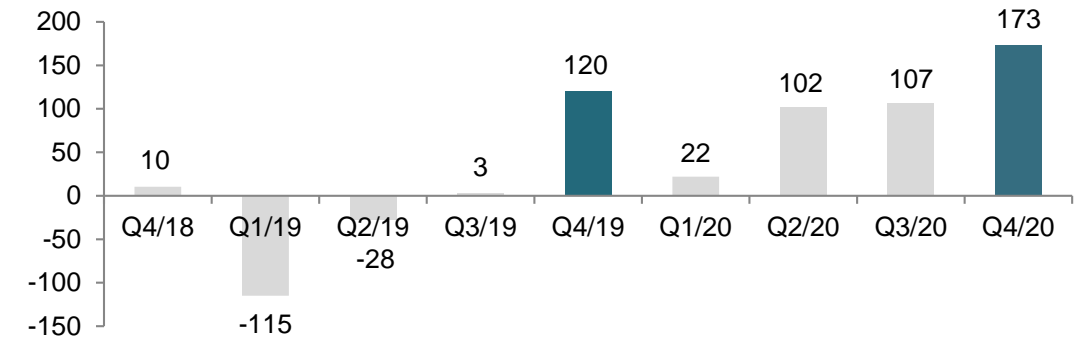
## Free cash flow

Free cash flow  
[€ m]



## Cash flow from operating activities

Cash flow from operating  
activities [€ m]



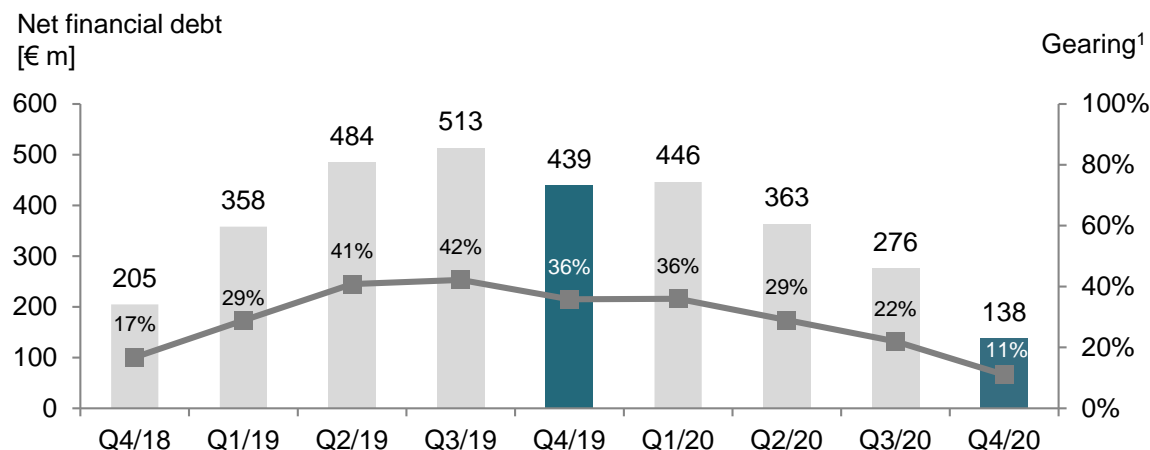
## Comments

- Significant reduction in net working capital yoy due to the sharp drop in inventory and a reduction in trade receivables (see previous slide)
- Free cash flow at record high of € 329.0m (2019: € -115.7m)
- Investments<sup>3</sup> total € 86.9m (2019: € 89.2m) and remain at prior-year level, underscoring the long-term growth strategy. Significant investments in the expansion of production and logistics at the European production sites in Korbach and Pfullendorf.

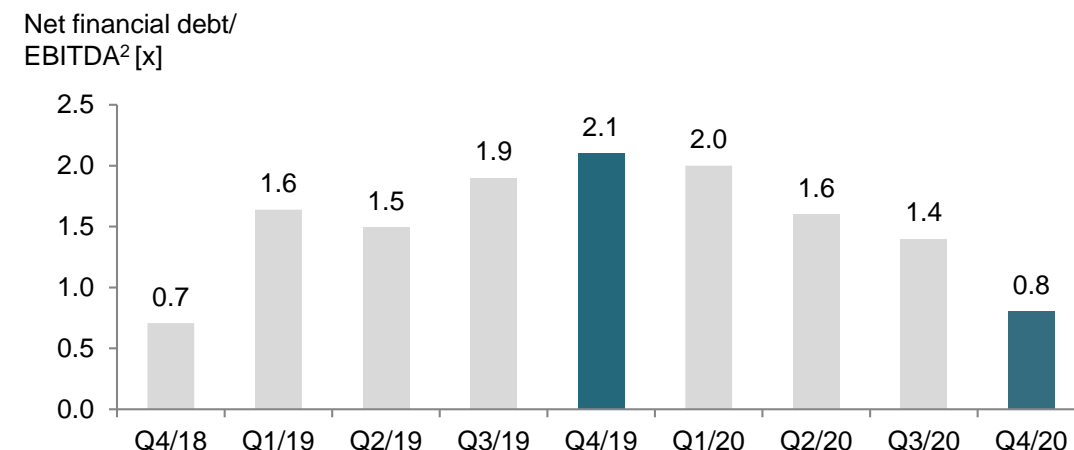
<sup>1</sup> Due to a correction in connection with the reporting of (non-)current receivables, balance sheet values for Q4/2019 were adjusted retrospectively.

<sup>2</sup> Net Working Capital/annualized quarterly revenue. <sup>3</sup> Investments in property, plant and equipment and intangible assets.

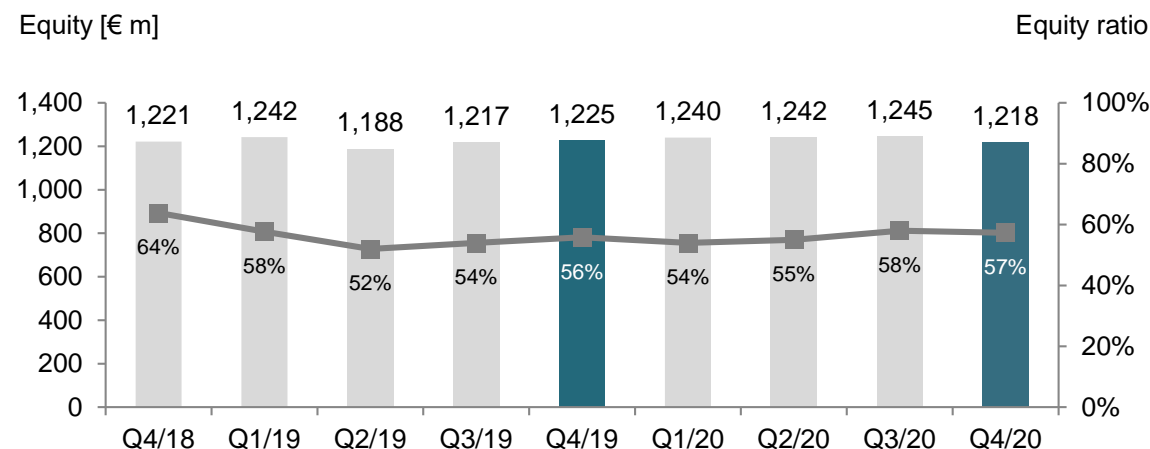
## Net financial debt and gearing<sup>1</sup>



## Net financial debt/EBITDA (annualized)<sup>2</sup>



## Equity and equity ratio



## Comments

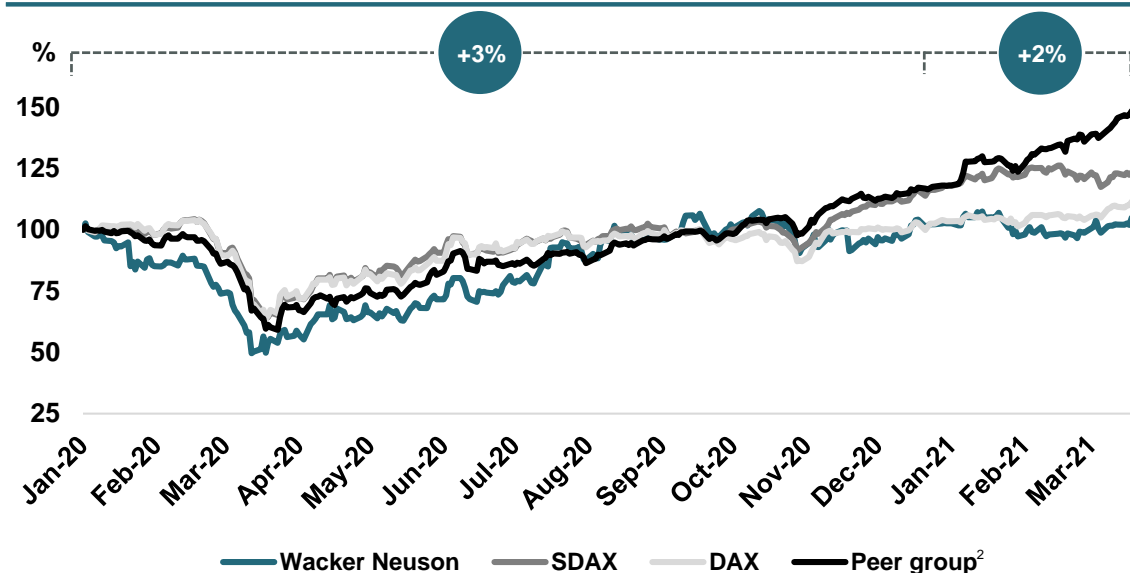
- Net financial debt reaches lowest point in nine years; gearing at 11.3%
- Ratio of net financial debt to EBITDA reaches target level of < 1
- Reduction in total debt; equity ratio increased to 57.3%
- Long-term financing: Promissory note (Schuldschein) of € 50m placed in Q3/20; short-term credit lines replaced
- Cash<sup>3</sup> at end of FY 2020: € 283.1m (2019: € 46.3m)
- Dividend proposal: EUR 0.60 per share
- Share buy-back program for repurchasing up to 3.5% of share capital approved (start: Q2/21)

# Share development

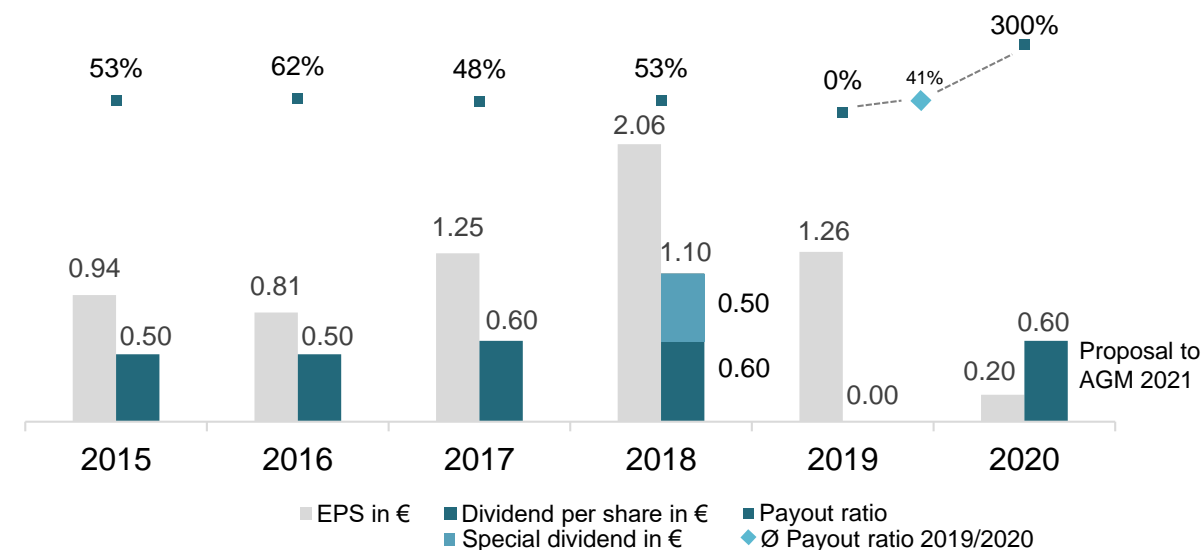


**Wacker Neuson  
Group**

## The share in 2020/2021<sup>1</sup>



## Dividend payout



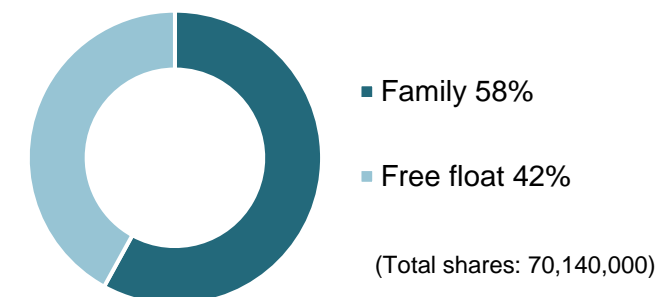
## Key figures per share

in €	2020	2019
Earnings per share	0.20	1.26
Book value per share	17.37	17.47
Share price at end of period	17.51	17.05
Market capitalization (€ m)	1,228.2	1,195.9

## Coverage<sup>3</sup>

Bank	TP (€)	Recom.	Date
Hauck & Aufhäuser	23.50	Buy	Nov 20, 2020
Metzler	22.50	Buy	Oct 14, 2020
Warburg	21.00	Buy	Jan 21, 2021
Jefferies	19.50	Buy	Nov 18, 2020
Berenberg	19.00	Buy	Nov 19, 2020
Montega	18.50	Hold	Feb 04, 2021
Bankhaus Lampe	18.00	Buy	Nov 19, 2020
Commerzbank	15.00	Hold	Nov 05, 2020
Kepler Cheuvreux	14.00	Reduce	Feb 23, 2021

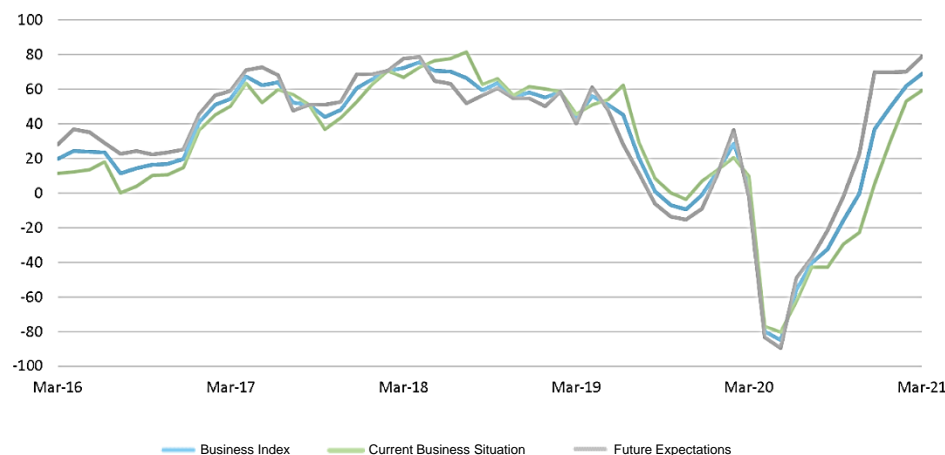
## Shareholder structure



<sup>1</sup> As at Mar. 18, 2021 <sup>2</sup> Peer group: Agco, Ashtead, Atlas Copco, Bauer, Caterpillar, CNH Industrial, Deutz, DoosanBobcat, Hitachi, Husqvarna, John Deere, Komatsu, Kubota, Manitou, Takeuchi, United Rentals, Volvo. <sup>3</sup> As at Mar. 10, 2021.

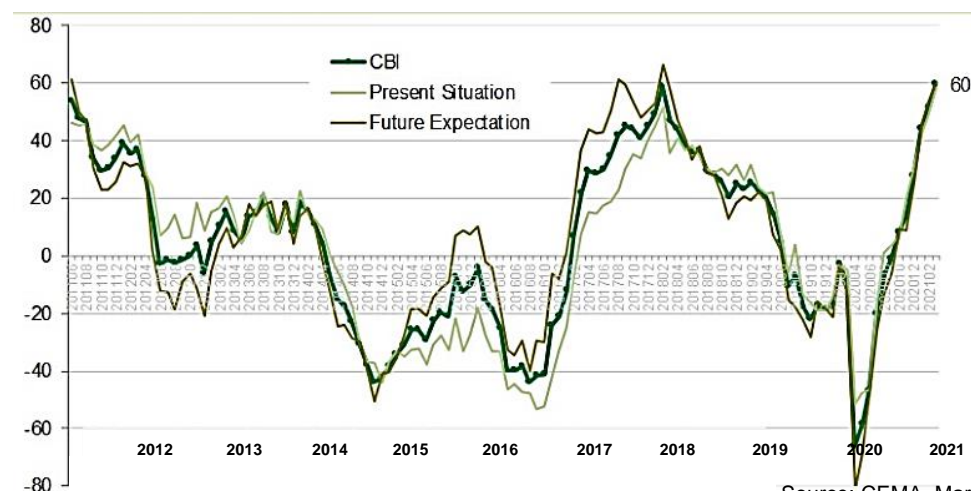


## Construction: Continued upturn according to CECE



Source: CECE, March 2021.

## Agriculture: CEMA business barometer back to highs of 2017/18



Source: CEMA, March 2021.

## Guidance for 2021

- According to CECE, the business climate **in the construction sector continued to improve.**
- **Sentiment in the agricultural sector** in Europe has risen to high levels after turning positive in October for the first time since mid-2019.
- **Wacker Neuson Group's order backlog is significantly above last year's levels**
- **However, uncertainties** regarding the COVID-19 pandemic remain
  - Ramifications of COVID-19 on further customer demand
  - Increased risk of supply chain disruptions
  - Significantly increased commodity prices (e.g. steel), as demand has picked up
  - Limited container capacity and sharp increase in freight rates
- **Guidance for 2021**
  - Revenue between € 1,700 and 1,800m
  - EBIT margin between 8.0 and 9.5%
  - Investments of around € 100 to 110m<sup>1</sup>
  - Net working capital as a % of revenue to be stagnant or to improve slightly relative to December 31, 2020

<sup>1</sup> Investments in property, plant and equipment and intangible assets.  
Does not include the Group's own rental equipment or purchases of investments.



<b>March 25, 2021</b>	<b>Publication of the 2020 Annual report, analysts' &amp; investors' conference call</b>
May 10, 2021	Publication of Q1 report 2021, analysts' & investors' conference call
May 26, 2021	Virtual Annual General Meeting, Munich
August 09, 2021	Publication of half-year report 2021, analysts' & investors' conference call
November 10, 2021	Publication of Q3 report 2021, analysts' & investors' conference call

## Disclaimer

This report contains forward-looking statements which are based on current estimates and assumptions made by corporate management at 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 and uncertainties and may therefore differ materially from forward-looking statements. Many of these factors are outside the Company's control and cannot be accurately estimated in advance, such as the future economic environment and the actions of competitors and market players. The Company neither plans nor undertakes to update any forward-looking statements.

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