



**WACKER  
NEUSON**



## Wacker Neuson SE

Analyst conference – results for Q1 2009

May 14, 2009

Dr.-Ing. Georg Sick, CEO - Mag. Günther Binder, CFO



## Overview

Summary Q1 2009

Financials Q1 2009

Outlook



**WACKER  
NEUSON**



## **Wacker Neuson SE maintained its stable financial position**

- **The Company is financially sound due to**
  - an equity ratio of over of 70 percent
  - a positive operating cash flow
  - a consistently low net financial debt
  - a low gearing of appr. 7 percent.
- **Measures to maintain strong financial position in Q1**
  - Focused on financial solvency
  - Endorsement of existing credit lines
  - Reduction of working capital



- Capitalizing on opportunities



## Three-month 2009 update

- **Construction industry faces further impact on customers order patterns**
- **Economic crisis and harsh winter lead to drop in sales and first-quarter losses**
  - Sales dropped by 39.9 percent to EUR 137.3 million.
  - EBITDA amounted EUR -12.3 million, profit for the period dropped to EUR -16.6 million.
  - Restructuring cost of EUR 5 million impacted profits in Q1.
  - Upturn in sales in China. Stable demand in German speaking countries.
  - Rental business in Central and Eastern Europe up on same period last year.
- **Measures to counteract economic downturn implemented**
  - Cost cutting measures in progress (e.g. short time work and selective lay-offs)
  - Significant reduction of capex
  - Administration cost reduced



## Q1 measures to economic crisis

Adhering to the long term strategy of a family owned company



- Focused on **our core success factors**
  - Best-in-class product and service quality
  - Proximity to customers
  - Flexible production processes
  - Sound financial position
  - Global expansion

- Intensified cost cutting
- Postpone investments where possible
- Capacity adjustments
- Short-time-work since January 2009 in most European production facilities
- Intensified sales & distribution activities

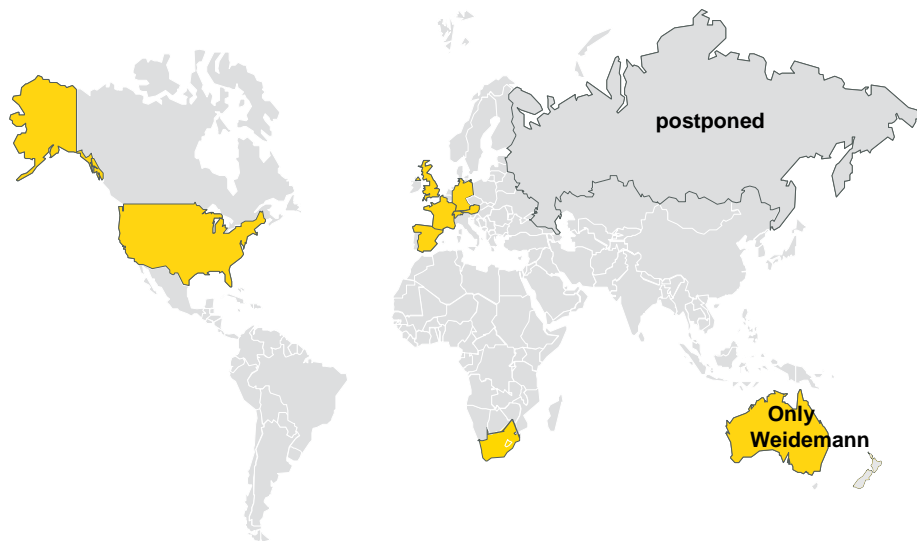


**Restructuring cost impacted profit in Q1**

- **Our goal:**  
strengthen our competitive edge + enhance customer value + gaining market share



## Long-term strategy: market introduction of compact class

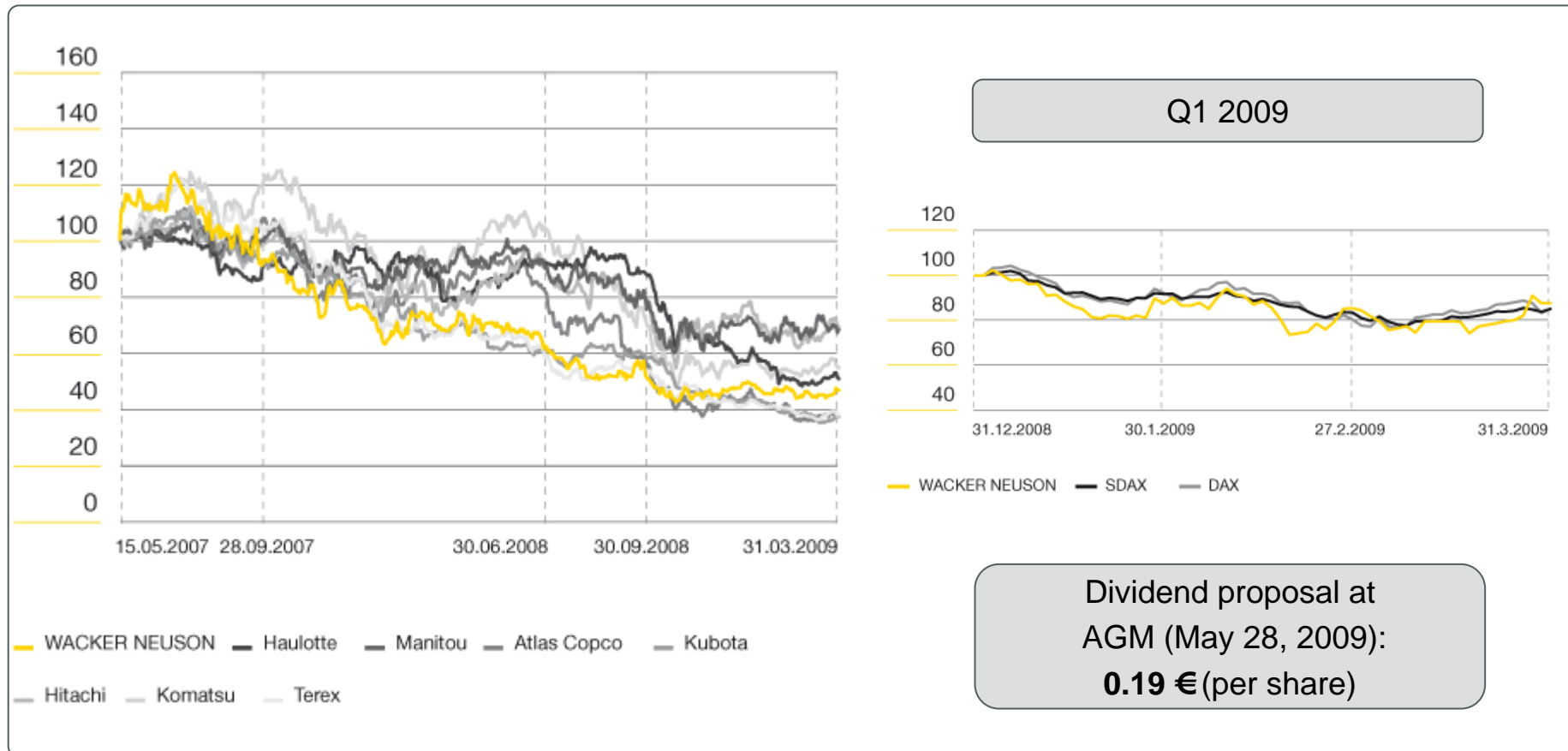


- Introduction of compact class:
  - Leveraging existing sales and service network
  - aiming to enhance market penetration
  - important part of merger strategy -> investments

- Efforts in 2009 introductions:
  - USA and Canada (14 models, high dealer interests)
  - Focus in Europe: France, Spain, Great Britain, Switzerland, Germany and South Africa
  - Russia postponed due to current uncertainties
  - Australia (only Weidemann/agricultural products)



## Wacker Neuson share price in line with peer group



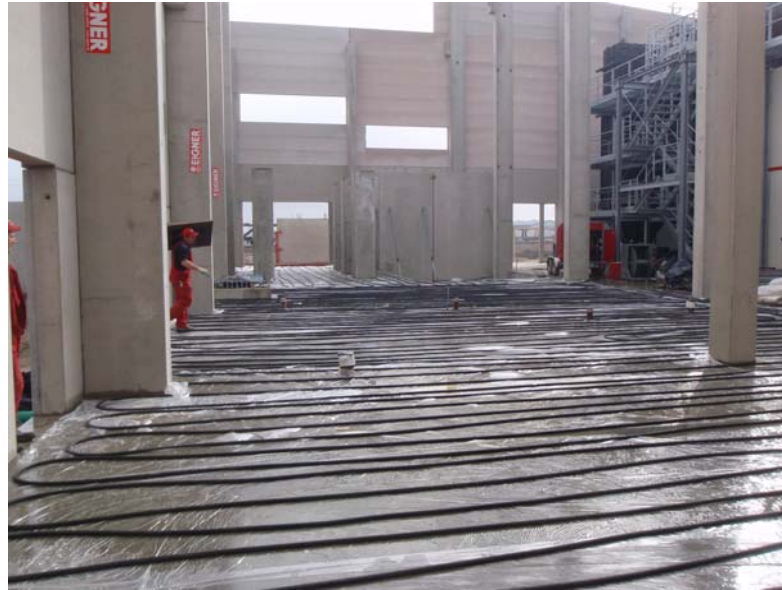


## Overview

Summary Q1 2009

Financials Q1 2009

Outlook



Hydronic heaters enabling groundwork in winter

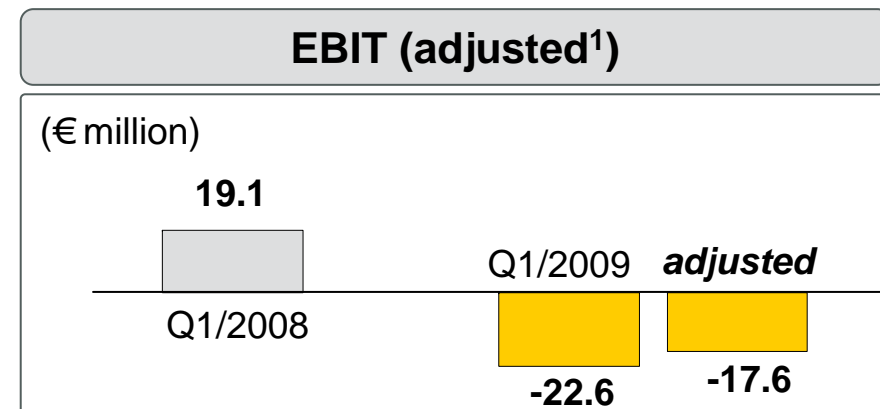
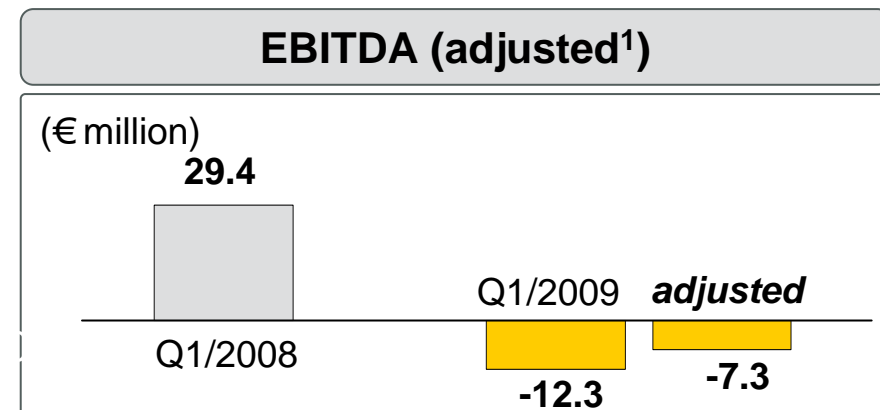
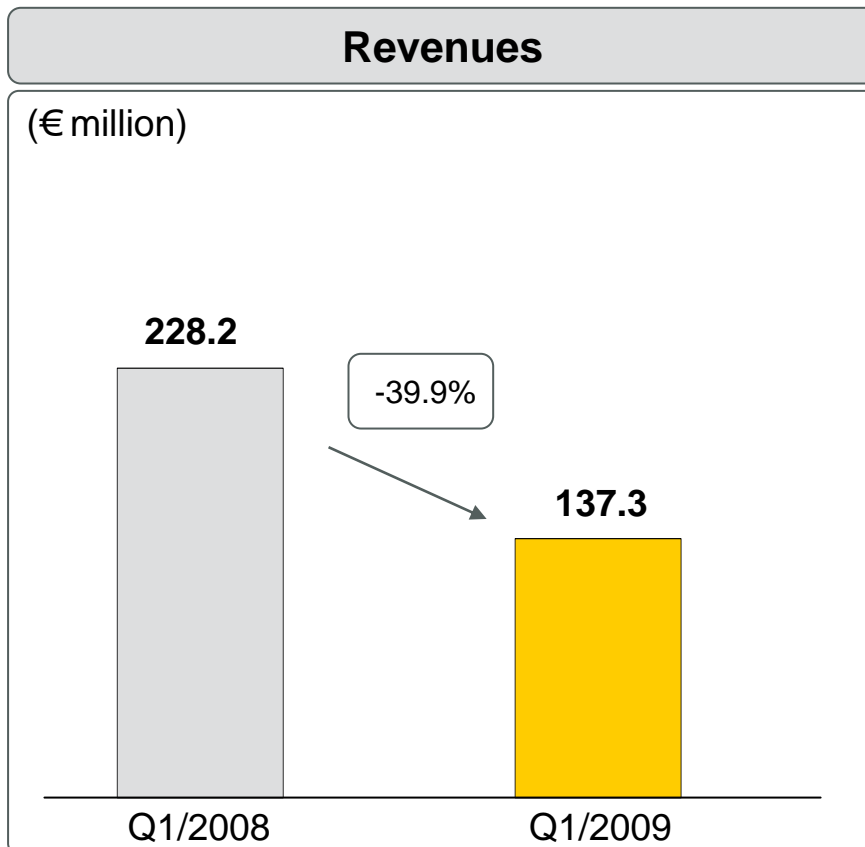


**WACKER  
NEUSON**





## Revenues and earnings



<sup>1</sup>Restructuring cost Q1: EUR 5 million



## Income Statement -> PPA effects (extract)

Income Statement <sup>1,2</sup>				
(€ million)	Q1 2009 excl. PPA	PPA	Q1 2009 incl. PPA	Q1 2008 Incl. PPA
Revenues	137.3	-	137.3	228.2
Gross profit	32.7	(0.9)	31.8	78.4
Gross margin (in %)	23.8	-	23.1	34.4
Sales costs	(37.5)	-	(37.5)	(37.4)
Research and development costs	(5.2)	(0.8)	(6.0)	(6.6)
Administration cost	(13.3)	(0.08)	(13.3)	(16.2)
EBIT	(20.8)	(1.8)	(22.6)	19.1
EBIT margin (in %)	(15.1)	-	(16.4)	8.4
EBT	(21.1)	(1.9)	(23.0)	18.5
Taxes on income	5.9	0.5	6.4	(6.0)
<b>Profit after minority interests</b>	<b>(15.3)</b>	<b>(1.3)</b>	<b>(16.6)</b>	<b>12.3</b>

<sup>1</sup> PPA = Purchase Price Allocation

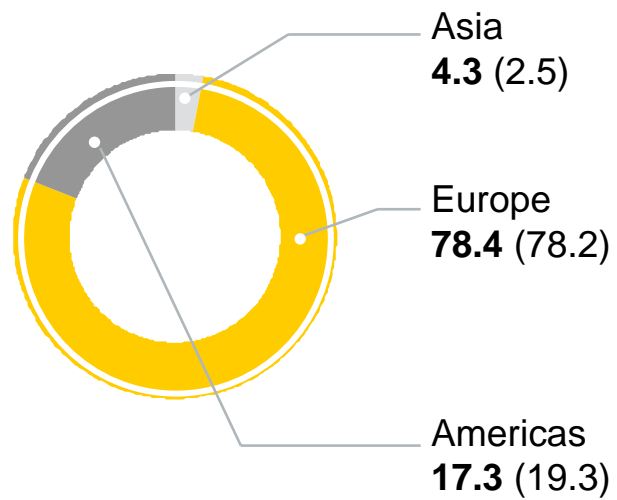
<sup>3</sup> Without Other Income and Other Expense



## Sales by business segments

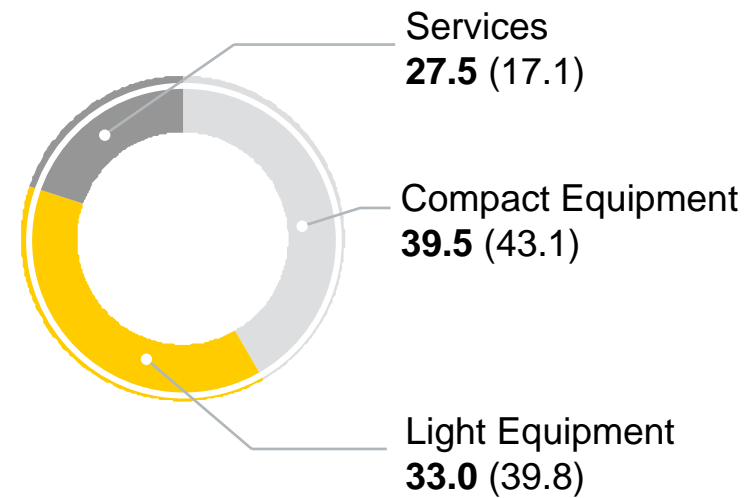
### Regions

(as in %)



### Business segments<sup>1</sup>

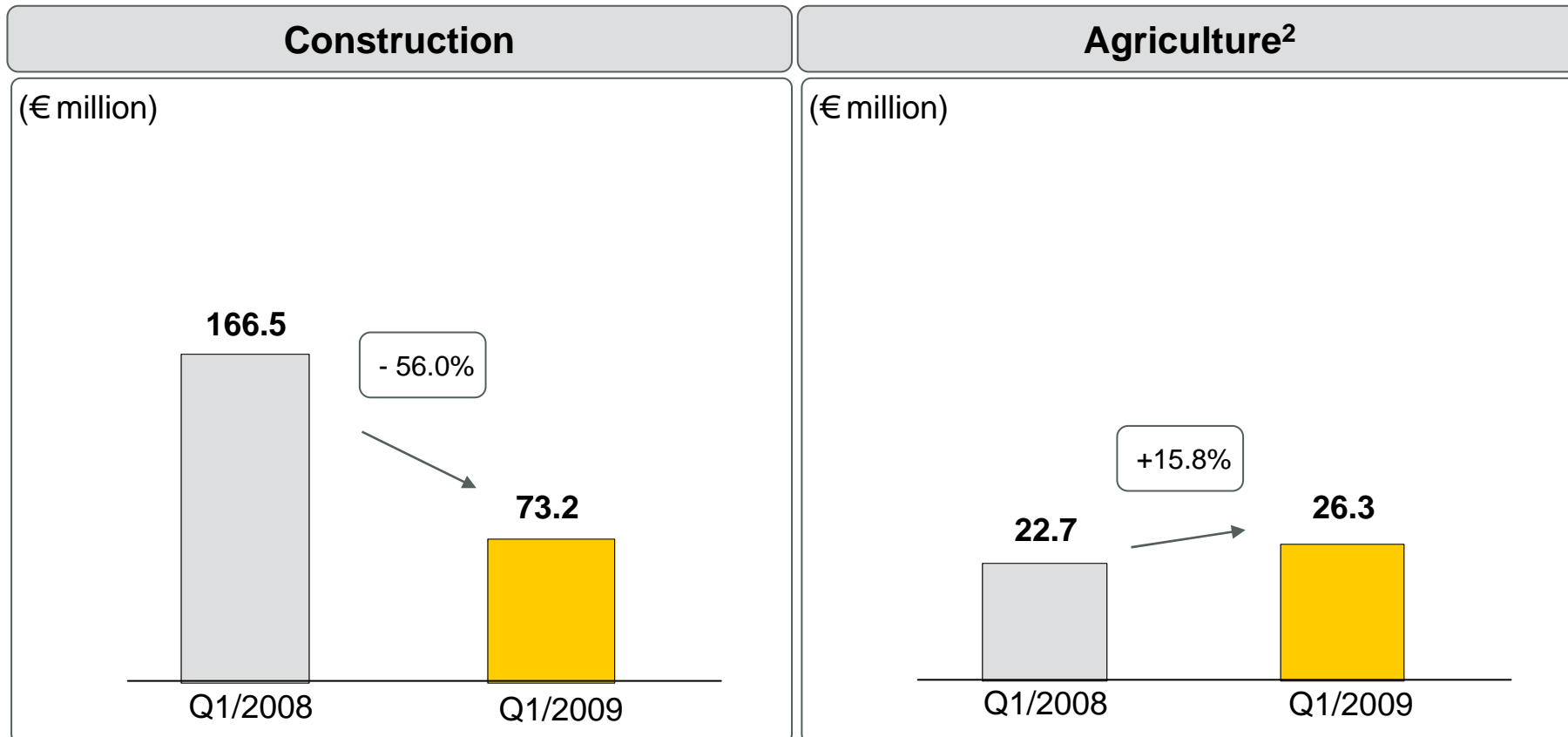
(as in %)



<sup>1</sup> Consolidated sales after discounts.



## Sales by construction and agriculture industry<sup>1</sup>

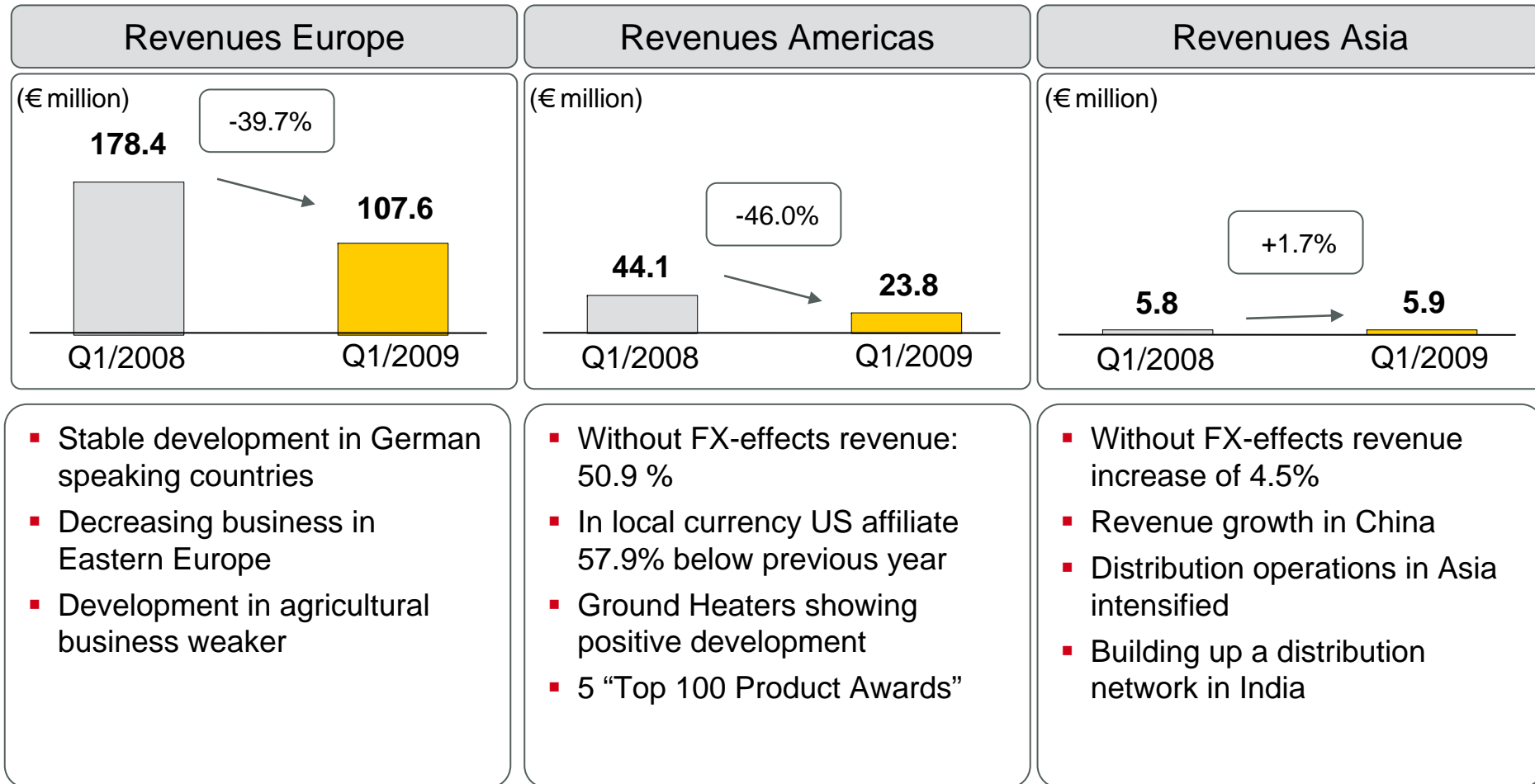


<sup>1</sup> For total Group sales over all, Service has to be considered in addition. We refer to chart 14 "Service".

<sup>2</sup> Incl. Weidemann third parties and Kramer (CLAAS), excl. spare parts (-> Service)

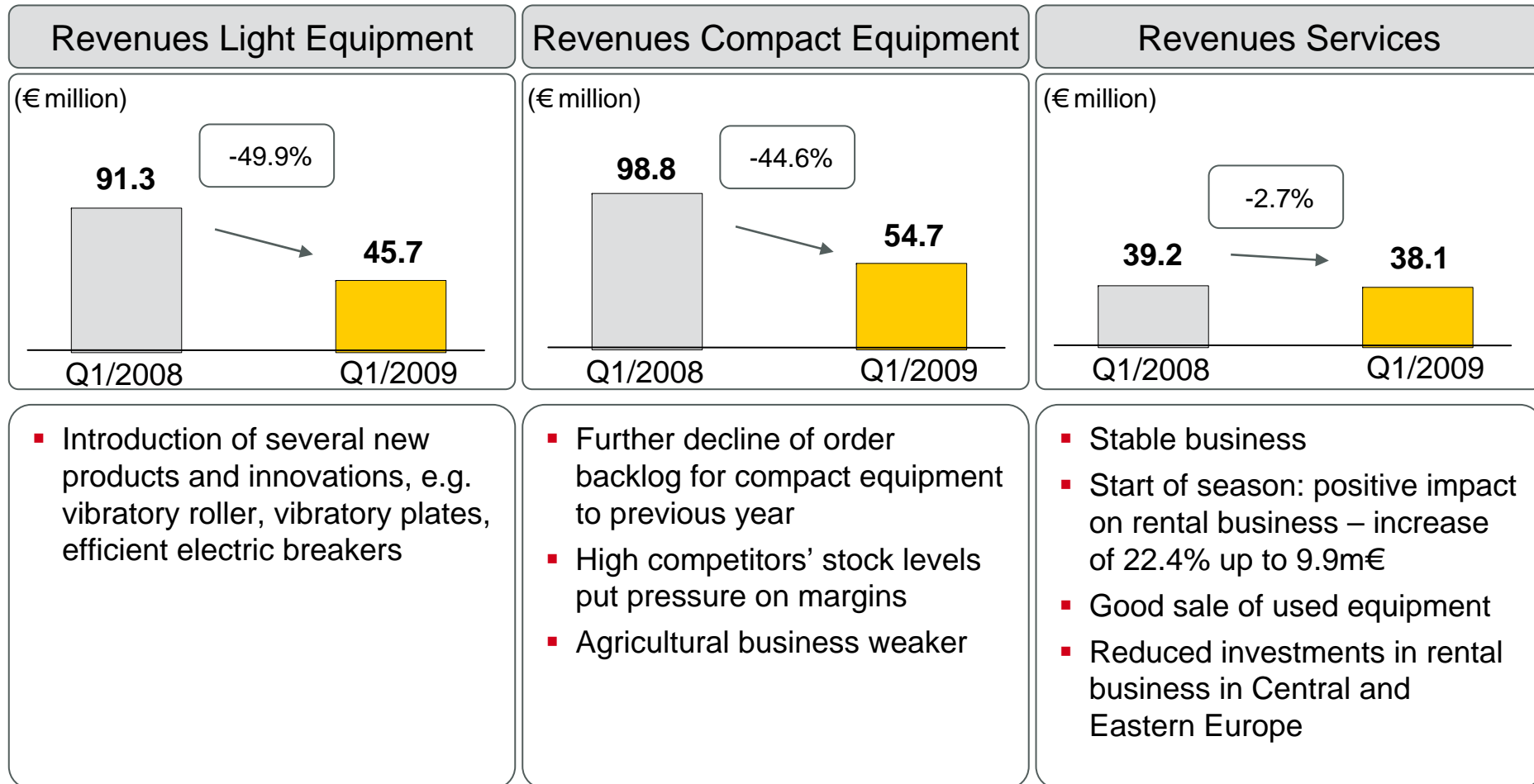


## Regions in Europe and Americas affected by crisis and harsh winter





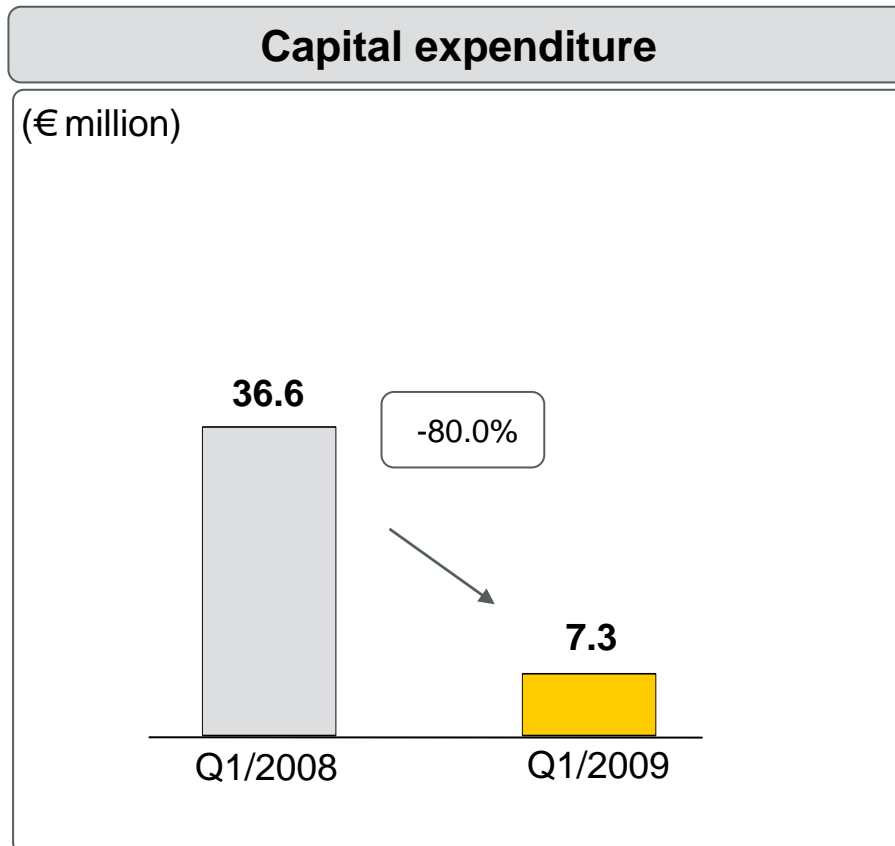
## Light and compact equipment sales decreased



Figures before discount



## Significant cut of investments in Q1



- R&D center and Headquarter in Munich (under construction)

- Expansion of sales and service stations

- Less expansion in rental investments in Central and Eastern Europe (where not in competition with clients)

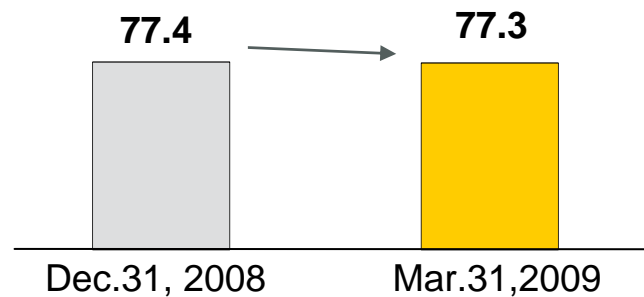
- Introduction of compact class worldwide



## Keeping a strong balance sheet

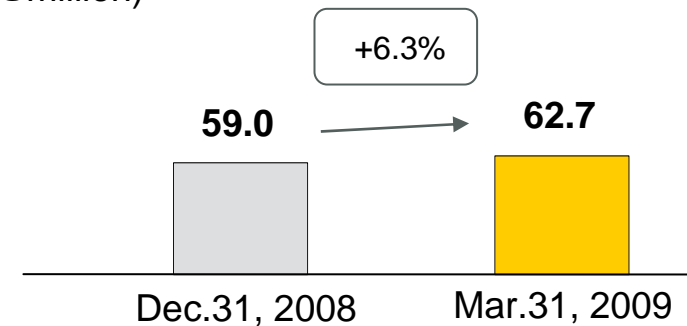
### Equity ratio – equity to total assets

(as in %)



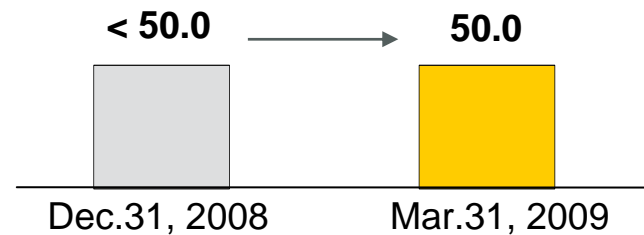
### Net debt

(€ million)

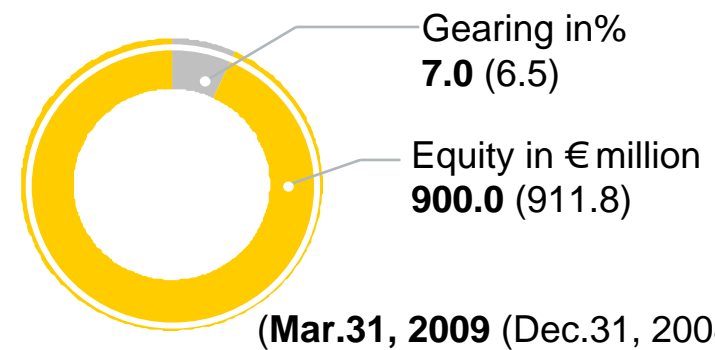


### Rate of utilization of credit lines

(as in %)



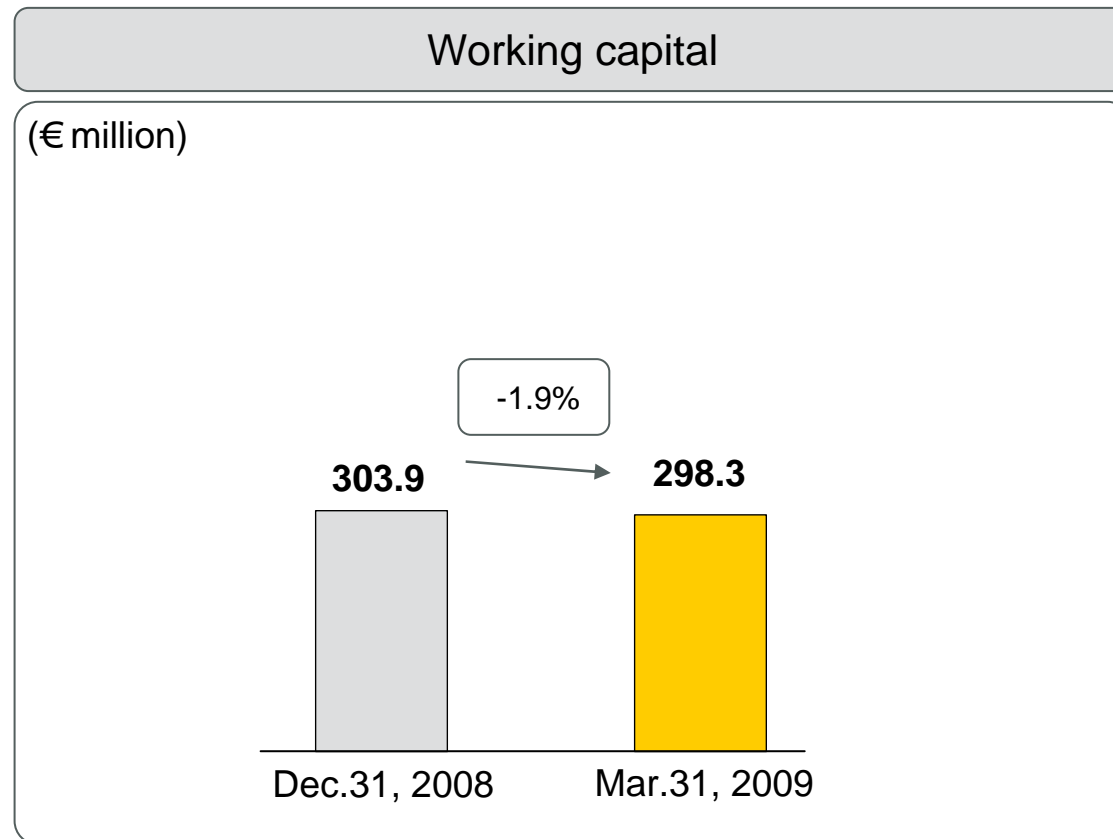
### Gearing (Net debt/equity)







## Option for securing liquidity: reduction of working capital





## Positive cash flow from operating activities

Cash flow statement (extract)		
(€ million)	Q1/2009	Q1/2008
EBT	(22,973)	18,542
Cash flow from operating activities	2,914	(12,748)
Cash flow from investing activities	(7,446)	(5,386)
Cash flow from financing activities	14,041	25,161
Change in cash and cash equivalents	10,236	6,244
Cash and cash equivalents at the beginning of period	37,339	38,792
Cash and cash equivalents at the end of period	47,575	45,036
<b>Free Cash flow</b>	<b>(4,532)</b>	<b>(18,197)</b>

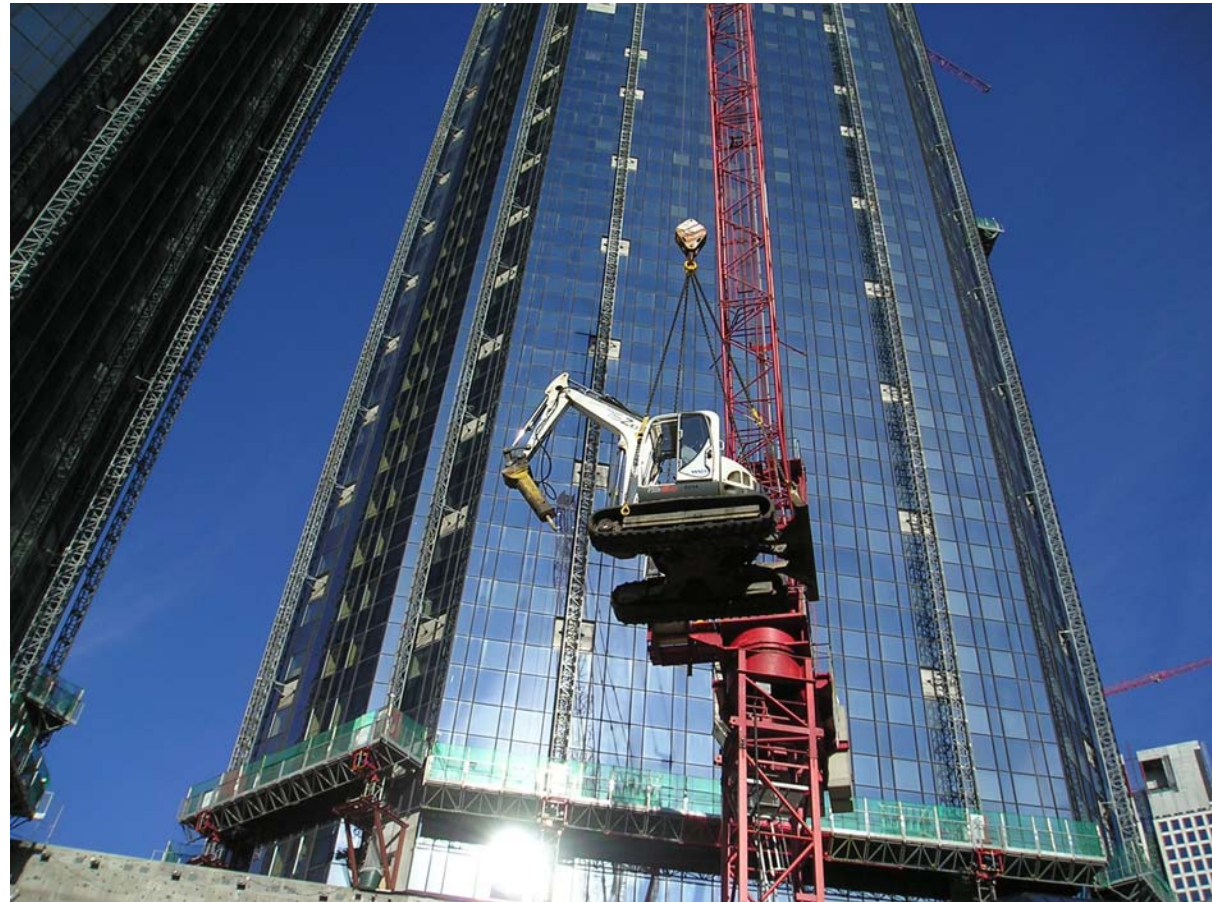


## Overview

Summary Q1 2009

Financials Q1 2009

Outlook



Application of Wacker Neuson rental equipment in Frankfurt in 2/2009



## Outlook



- Measures will enhance cost structure
- Further negative impact on sales and profit possible
- Investments 2009 reduced by 40% to 60m Euro, further cost cutting measures planned
- Focus on financial solvency, reduction of working capital, maintaining strong equity position
- Using financial strength to capitalize on opportunities
- Flatter expansion of rental business in areas without conflict with customers to Central and Eastern Europe and introduction of compact class worldwide (demo fleets, consignments, trainings) according to long-term strategy
- Worldwide need of infrastructure improvements, upswing in business expected no earlier than 2010



## Financial Calendar 2009 and IR Contact

### Financial Calendar 2009

<b>May 28, 2009</b>	AGM, Munich
<b>May 29, 2009</b>	Dividend payout
<b>August 13, 2009</b>	Publication of half-year report 2009
<b>November 11, 2009</b>	Publication of nine-month 2009

### IR Contact

#### Investor Relations Department

Preussenstrasse 41, 80809 Munich, Germany

Phone: +49 – (0)89 – 35402 – 173

Fax: +49 – (0)89 – 35402 – 203

[ir@wackerneuson.com](mailto:ir@wackerneuson.com)



## **Disclaimer**

**This presentation contains facts and forecasts that relate to the future development of the Wacker Neuson Group and its companies. The forecasts are estimates that we have made on the basis of all information available to us at this moment in time. Should the assumptions underlying these forecasts prove not to be correct, actual events may deviate from expectations as set forth at the present time.**