



Wacker Neuson Group – Q1/23 Management Call & Webcast

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May 9, 2023



Wacker Neuson
Group

Nobody is perfect, but a team can be!



Overview Q1/23

Q1/23			
Revenue	EBIT margin	NWC ratio	FCF ¹
€ 667 m	13.2%	30.0%	€ -17 m
(+27.9% yoy)	(PY: 7.5%)	(PY: 28.5%)	(PY: € -68 m)



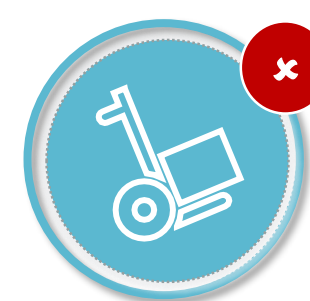
**Revenue up 28% yoy,
high growth in Q1
as customer demand
remains strong**



**Price increases take effect,
positive one-time effect
with significant impact on Q1**



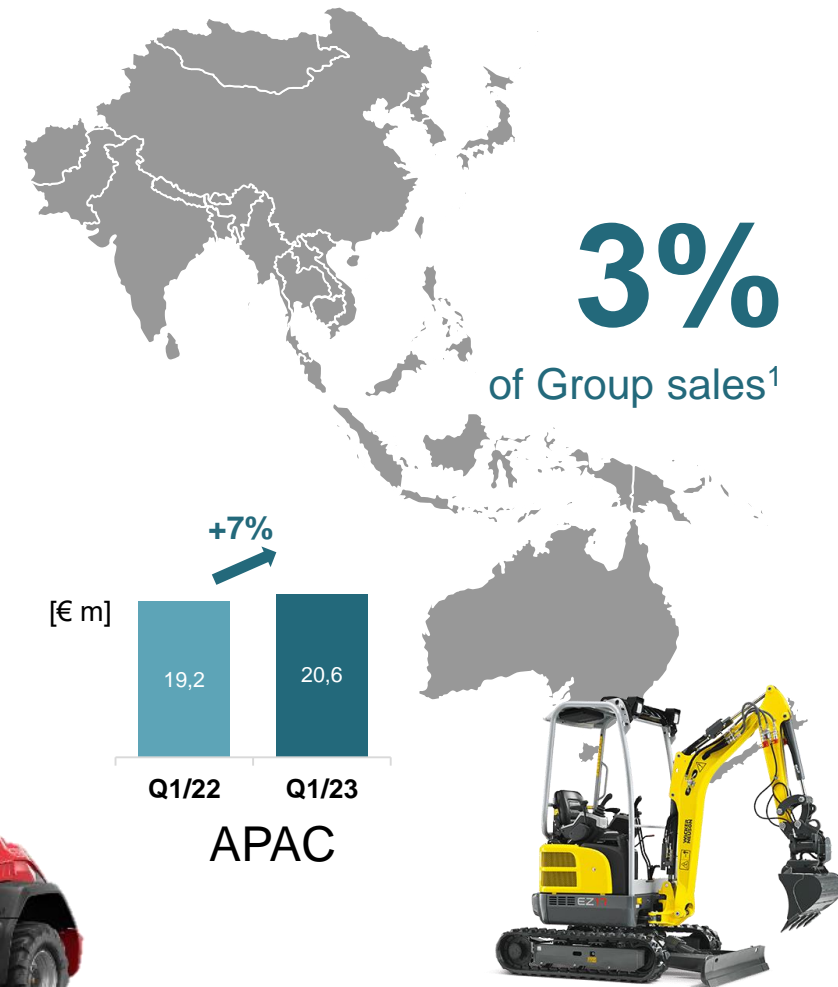
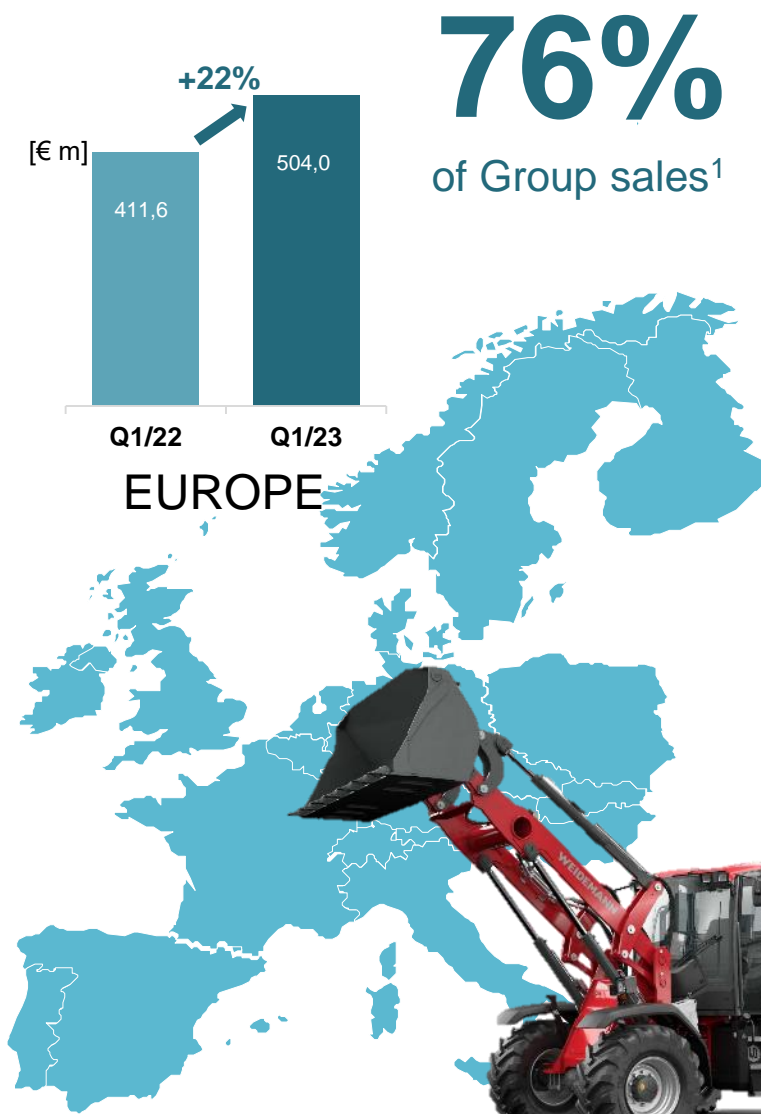
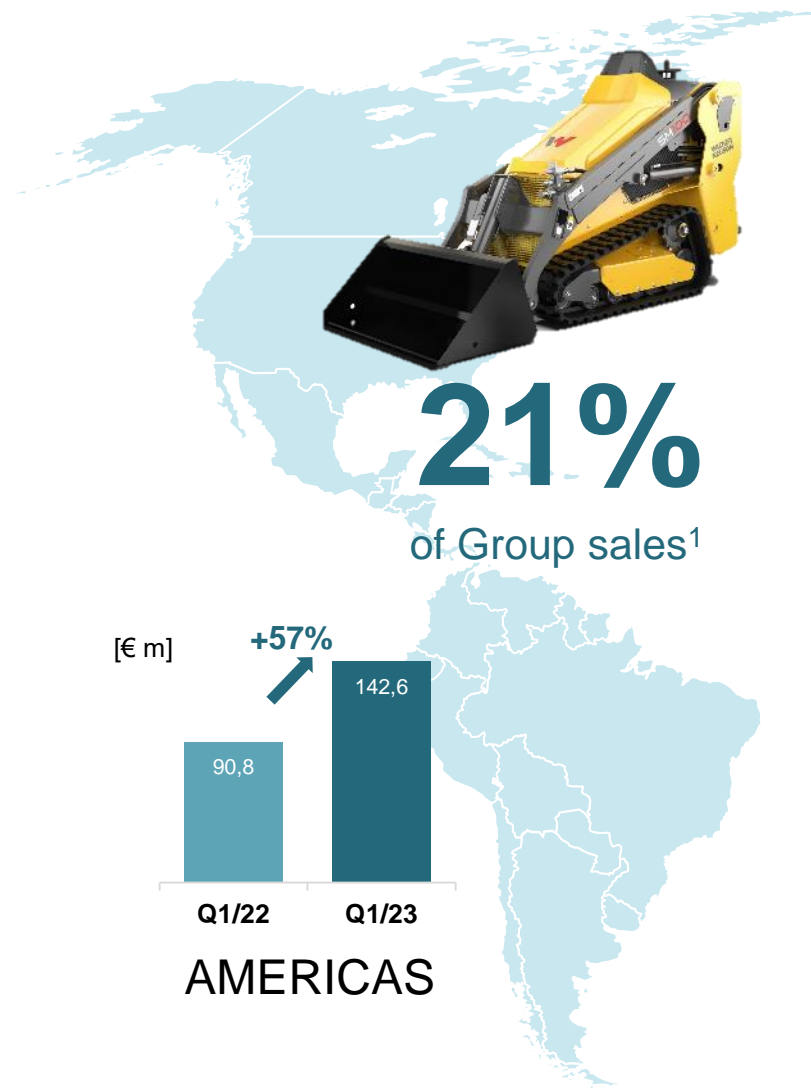
**NWC ratio in Q1 within
strat. target range ($\leq 30\%$),
but inventories still
decisive for high NWC ratio**



**Slight easing of supply chains,
still challenging environment;
increased price sensitivity on
customer side**

¹ Free cash flow before taking into account inflows from fixed-term investments of €30 million in the first quarter of 2022.

Q1/23: Continued growth in all reporting regions



¹ Q1/22: Americas 17%; Europe 79%; APAC 4%.

Wacker Neuson at Conexpo 2023



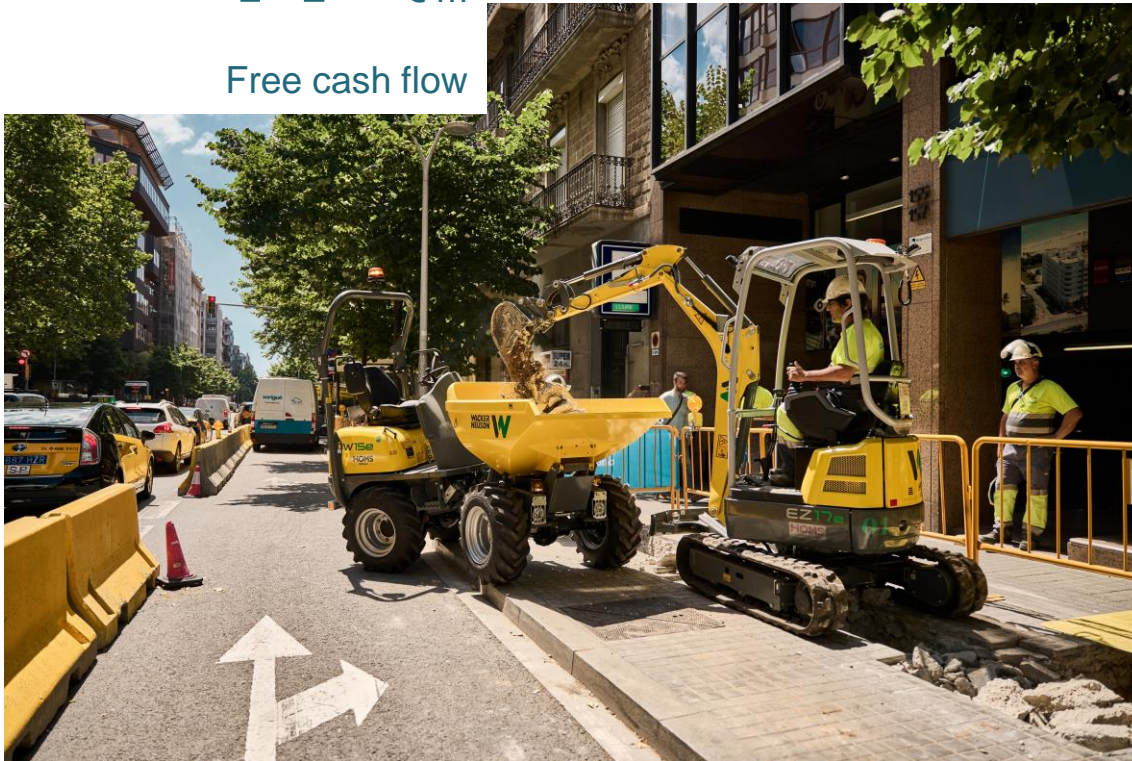
- Largest construction trade show in North America
- 139,000 visitors from 133 countries and 2,400 exhibitors
- High significance for US market, steady increase of visitors
- Zero emission: BatteryOne at the booths of Wacker Neuson, Bomag and Dynapac
- First trade show appearance of Mikasa / MultiQuip with BatteryOne

BATTERYONE

Free cash flow still characterized by high NWC

-17 € m

Free cash flow



-258 € m

Net financial position¹



0.6

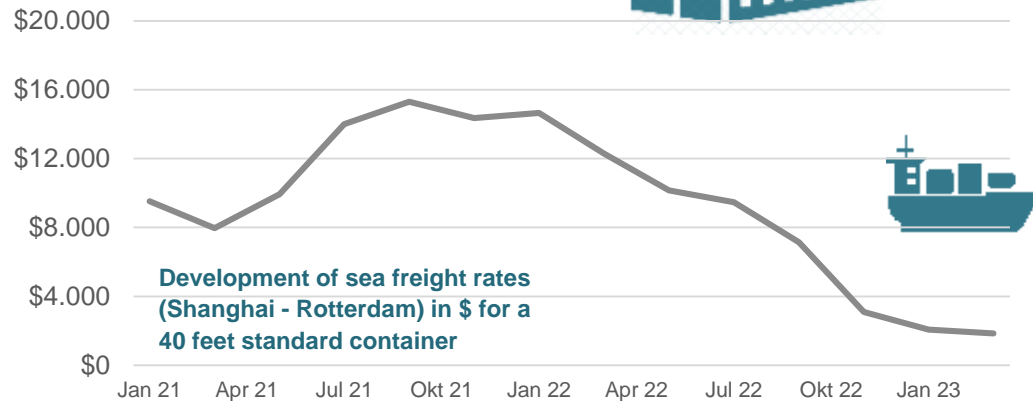
Net debt/
EBITDA²

¹ Net financial position = - Net financial debt = -(Non-current financial liabilities + Current liabilities to banks + Current portion of non-current liabilities - Cash and cash equivalents - Current fixed term deposits)

² Net financial debt/annualized EBITDA for the quarter.

Business Insights Q1/2023

Container rates decreasing only slightly

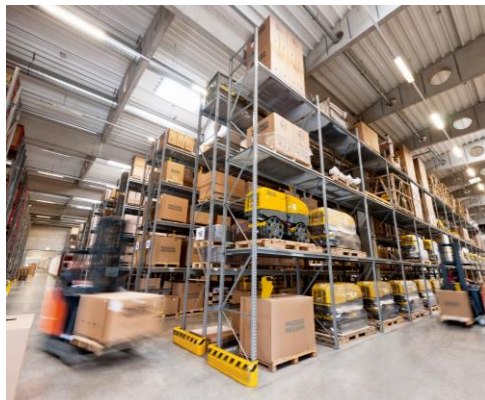
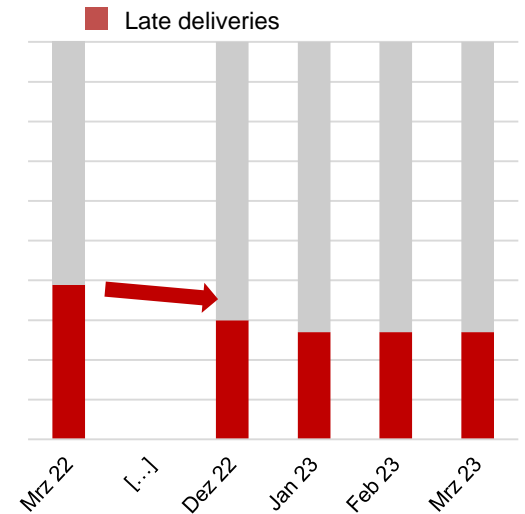


Supply chain situation slightly improved

Improved availability, but logistical processes still faltering

Overall situation still challenging

Ukraine conflict decisive influencing factor



Property sale of former Karlsfeld logistics site

Closing of the transaction in Jan 2023

One-time positive earnings effect of around 15 EUR m



Production expansion Serbia

Expansion on track

Building permit processes completed, ramp-up started

Goal 2025: benchmark plant for steel construction

175 years of Wacker

Innovation is a living tradition at Wacker Neuson Group – it is part of our DNA.

- The roots of the Group go back to a blacksmith shop founded 1848 in Dresden, Germany
- Already in 1957, our US hub was founded as part of an impressive internationalization track record
- We rely on a strong foundation: with innovations that have revolutionized the entire industry and we have reinvented ourselves time and again

175
Est. 1848

Outlook



According to **CECE²**

Business climate index for the **European construction machinery industry remains positive, growth continues** on the European market

Material, energy and transport
cost development

slightly decreasing



Order book
remains on high levels

Supply chain
situation eased, but
still challenging

According to **CEMA²**

Business climate index for the **European agricultural machinery sector tends sideways at a good level**, economic forecasts increasingly slow down growth momentum

Guidance 2023 confirmed

- Revenue EUR 2,300 to 2,500 m
- EBIT margin 9.5% to 10.5%
- Capex around EUR 120 m ¹
- NWC ratio around 30 %

¹ Investments in property, plant and equipment and intangible assets. Investments in the Group's own rental portfolio, shareholdings and financial assets are not included.

² As of 04/23.

Financial calendar and contact

May 9, 2023	Q1 Report 2023
May 26, 2023	Annual General Meeting 2023 (Munich, Germany)
August 8, 2023	H1 Report 2023
November 9, 2023	9M Report 2023

Disclaimer

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Contact

Wacker Neuson SE Investor Relations

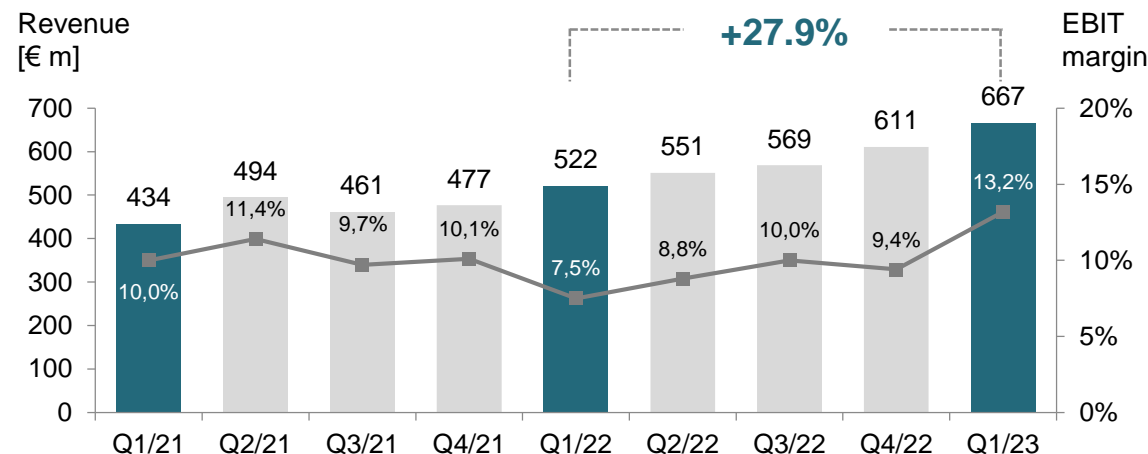
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Appendix

Revenue and earnings Q1/23

Continued high growth, above-average profitability



Profit and loss account (extract)

m €	Q1/23	Q1/22	Δ
Revenue	667.2	521.6	27.9%
Gross profit	167.3	119.8	39.6%
as a % of revenue	25.1%	23.0%	2.1PP
Operating costs	-97.9	-81.9	19.5%
as a % of revenue	-14.7%	-15.7%	1.0PP
EBIT	87.8	39.1	124.6%
as a % of revenue	13.2%	7.5%	5.7PP
Financial result	-2.6	0.0	
Taxes on income	-22.8	-10.5	-117.1%
Profit for the period	62.4	28.6	118.2%
EPS (€)	0.92	0.42	119.0%

Comments

Revenue +27.9% yoy (adj. for currency effects: +27.5%)

- Significant double-digit growth driven by Europe and North America
- Continued stable development in construction and agriculture

Gross profit +39.6% yoy (gross profit margin +2.1 PP)

- Gross margin benefits significantly from effects of price adjustments in 2022, which will be reflected in Q1 2023
- Old orders with lower margins are becoming fewer

EBIT +124.6% yoy (EBIT margin: +5.7 PP)

- Significantly disproportionate growth compared to already strong increase in revenue
- Positive special effect from property sale (+2.3 margin pp)
- Share of operating costs (total sales, R&D and administrative expenses) in revenue further reduced (-1.0 PP yoy)

Earnings per share +119.0% yoy

- Financial result marked by higher interest rates
- Tax rate at 26.8% slightly below previous year (Q1/22: 26.9%)

Development of the regions and business areas

Americas and Europe remain strong revenue drivers

	Revenue [€ m]	Share	yoy	EBIT ¹
Europe	504,0	76%	+22%	85,9
Americas	142,6	21%	+57%	18,3
APAC	20,6	3%	+7%	1,4
Total Q1/23	667,2	100%	+28%	87,8

Compact equipment business segment with biggest growth

	Revenue [€ m] ²	Share	yoy
Light equipment	135,6	20%	+23%
Compact equipment	416,1	62%	+36%
Services	119,7	18%	+10%
Total Q1/23	671,4	100%	+28%

Comments

Revenue Europe (EMEA) +22.4% yoy (adj. for FX effects +22.9%)

- Double-digit growth rates in DACH, the UK, France, Poland and the Czech Republic continue to support growth
- Finland and Italy with doubled revenue
- Continued strong growth in excavators, wheel loaders and dumpers
- Unchanged high growth in agricultural machinery business (+44.3%)

Americas revenue +57.0% yoy (adj. for FX effects +22.9%)

- Another very satisfactory development in the USA and Canada
- Development of the US dollar has a dampening effect
- Continued high demand for construction site equipment, including generators, light towers and pumps, as well as for excavators and compaction equipment
- Continued strong demand from key accounts

Asia-Pacific revenue +7.3% yoy (adj. for FX effects +22.9%)

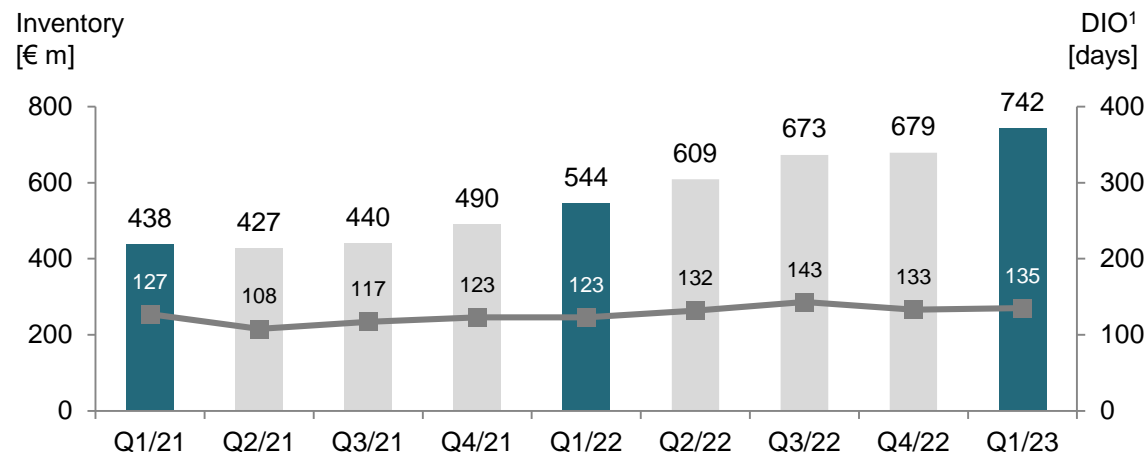
- Australia and also India again with double-digit growth, with strong demand for excavators and dumpers
- Market-related decline in revenue in China dampening overall development of the region

¹ EBIT of the regions before consolidation.

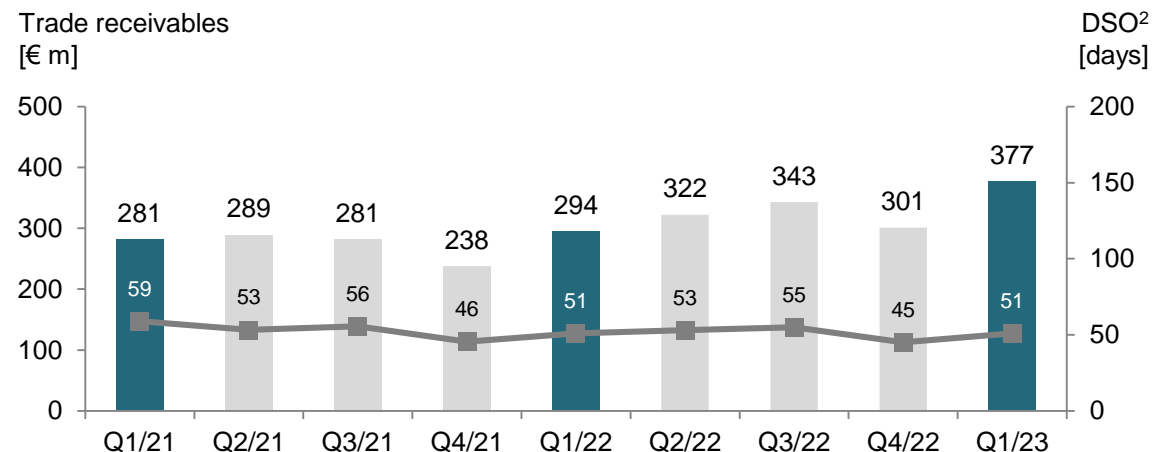
² Revenue per business unit before cash discounts.

Supply chain situation slightly improved, inventories still increased

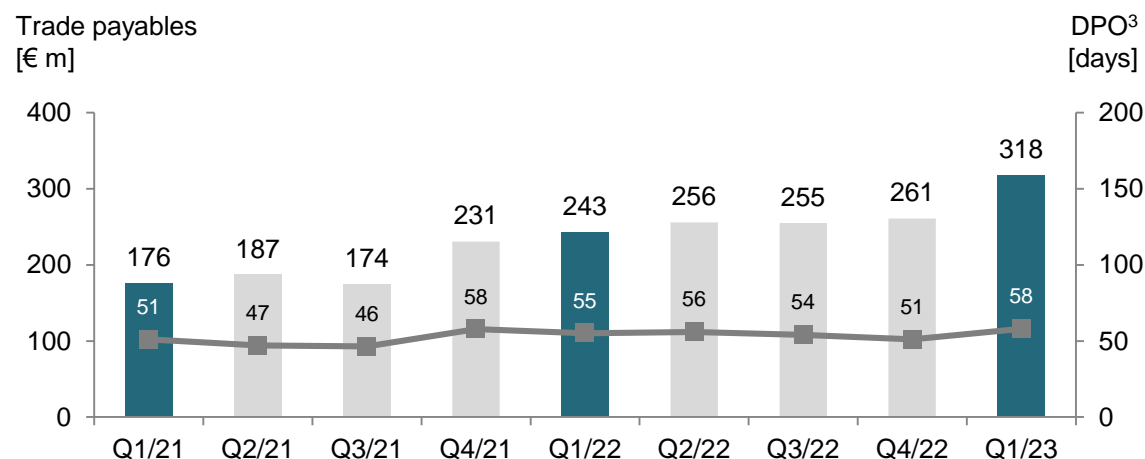
Inventories



Trade receivables



Trade payables



Comments

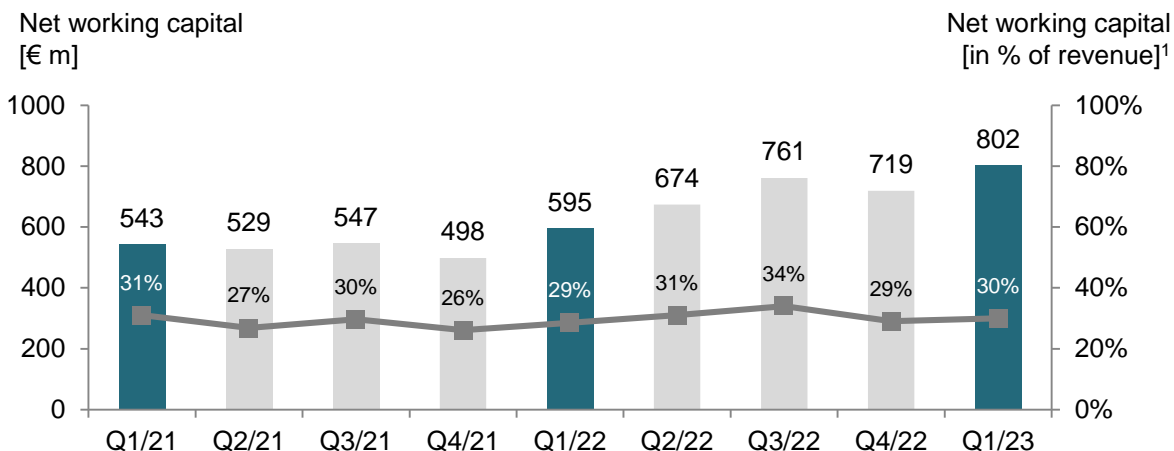
- Supply chain situation slightly improved but still challenging
- Continued increased need for stockpiling to ensure growth
- Unfinished machinery inventory volatile but overall below highs again
- Increase in trade receivables in relation to increase in revenue

¹ Days inventory outstanding = (inventories/(cost of sales*4))*365 days; ² Days sales outstanding = (receivables/(revenue*4))*365 days.
(receivables/(cost of sales*4))*365 days; ³ Days payables outstanding = (payables/(cost of sales*4))*365 days.

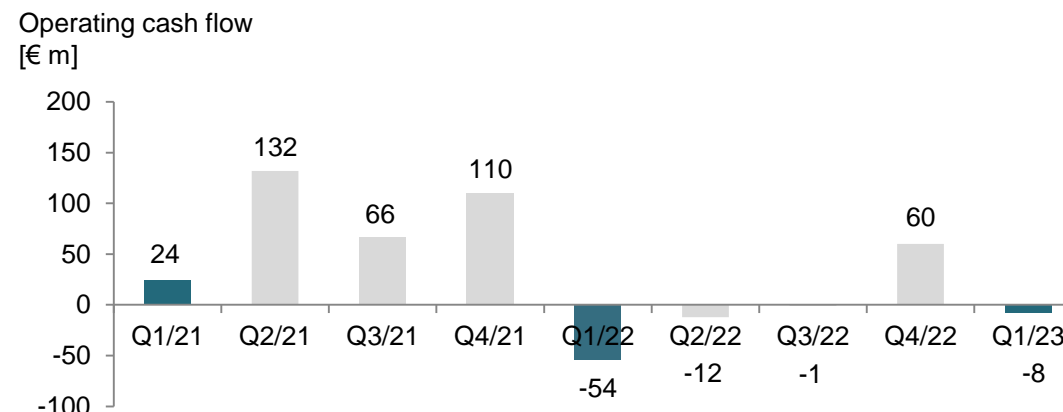
⁴ Net working capital as a % of annualised quarterly revenue.

NWC ratio in the strategic target range

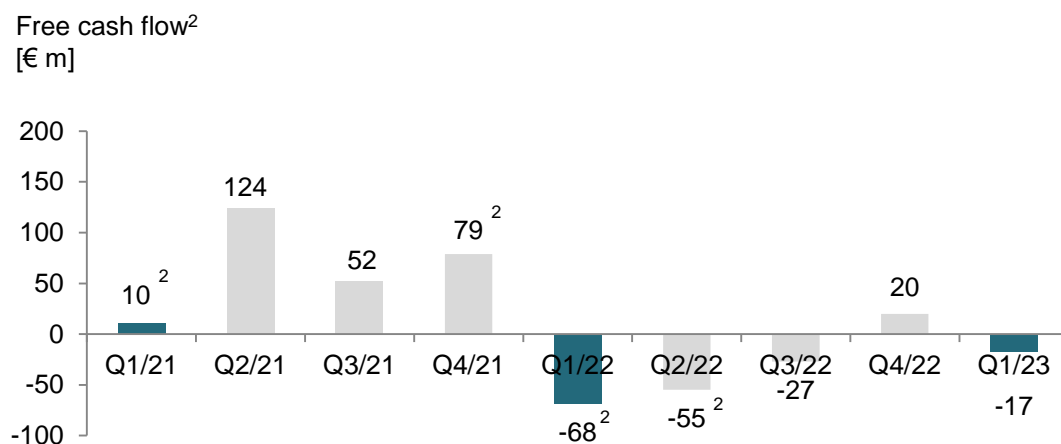
Net working capital



Operating cash flow



Free cash flow



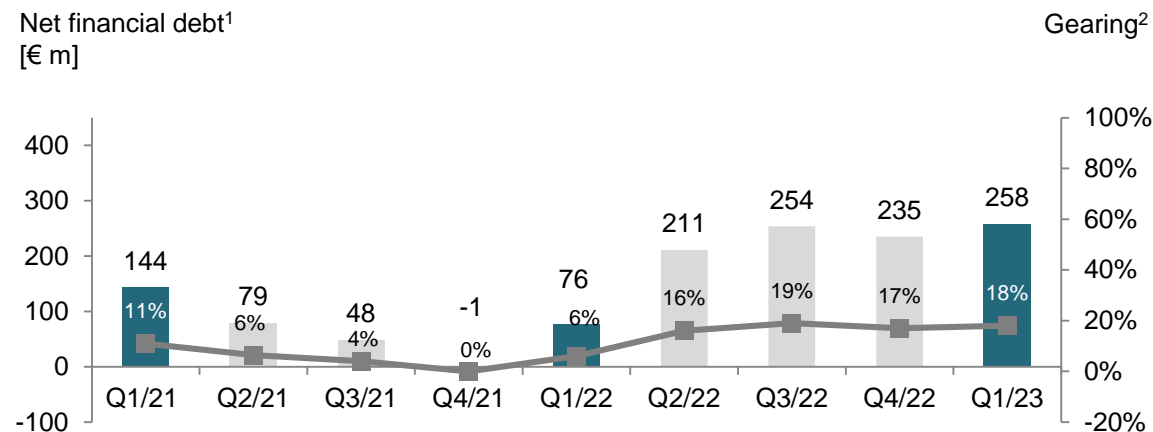
Comments

- Net working capital ratio within strategic target range of $\leq 30\%$.
- Capital expenditure of EUR 33.6 million at the end of Q1 on target
- Operating cash flow of -7.8 million euros noticeably improved compared to Q1 2022, driven in particular by profitability improvement
- Free cash flow (adjusted for release of fixed-term deposits in Q1 2022) also noticeably improved at EUR -17.1 million

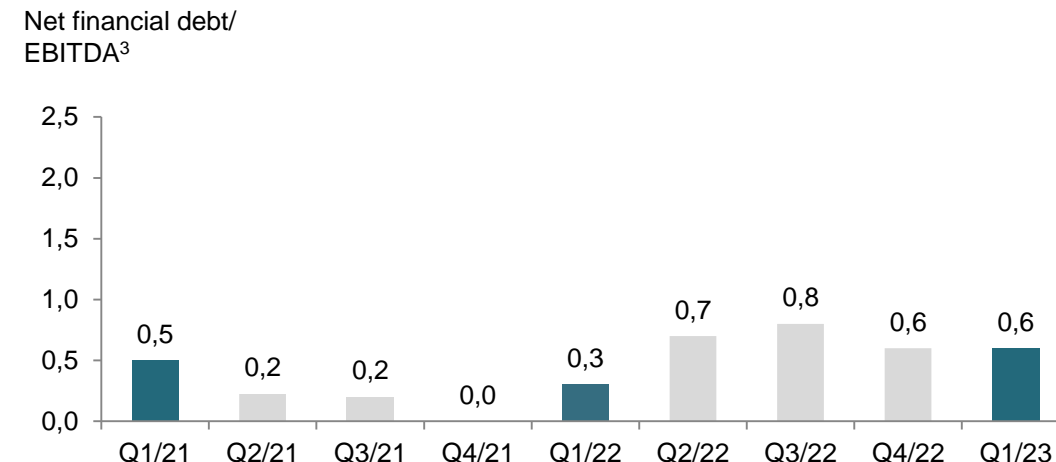
¹ Net working capital as a % of annualized quarterly revenue. ² Before taking into account outflows in fixed-term investments of €100m in Q1/21, €15m in Q4/21 and inflows of €30m in Q1/22.

Unchanged solid financial structure, equity ratio remains high

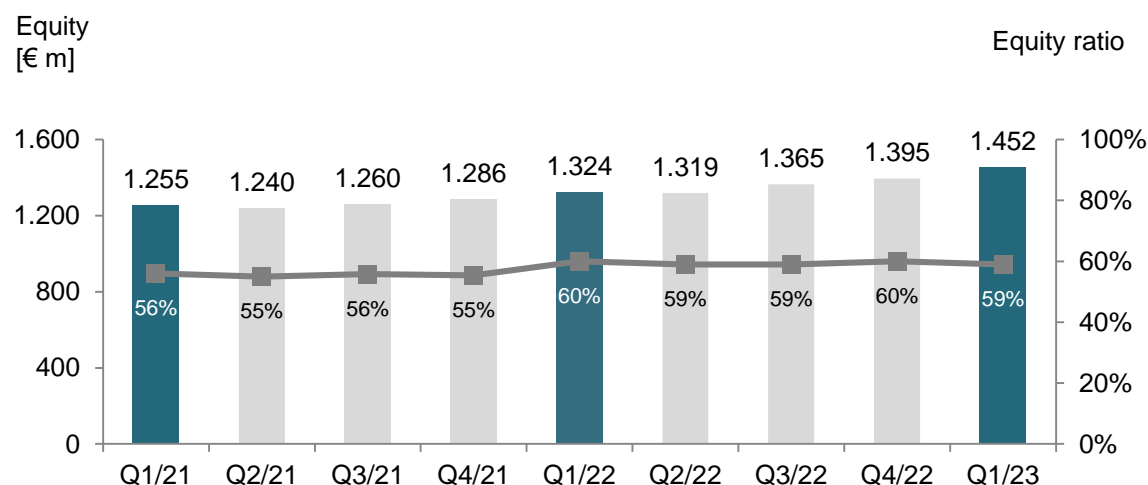
Net financial debt and gearing



Net financial debt/EBITDA³



Equity and equity ratio

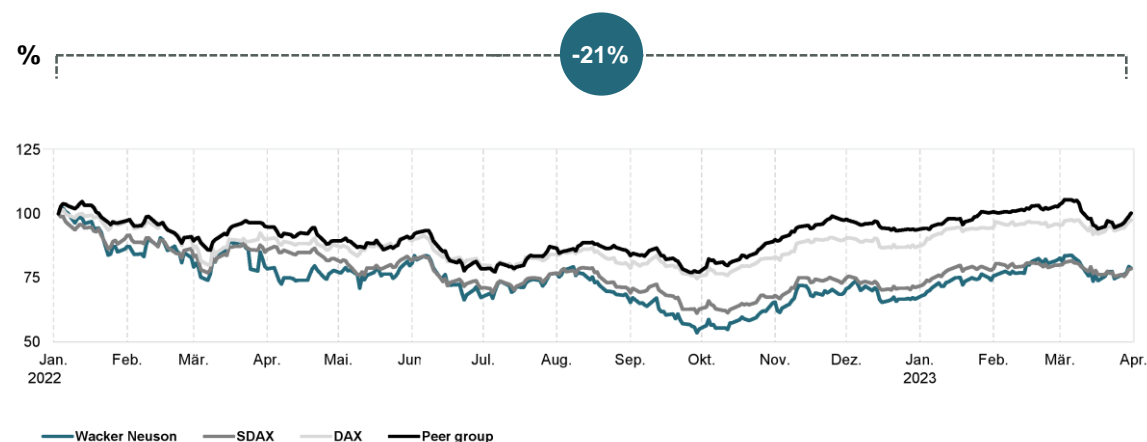


Comments

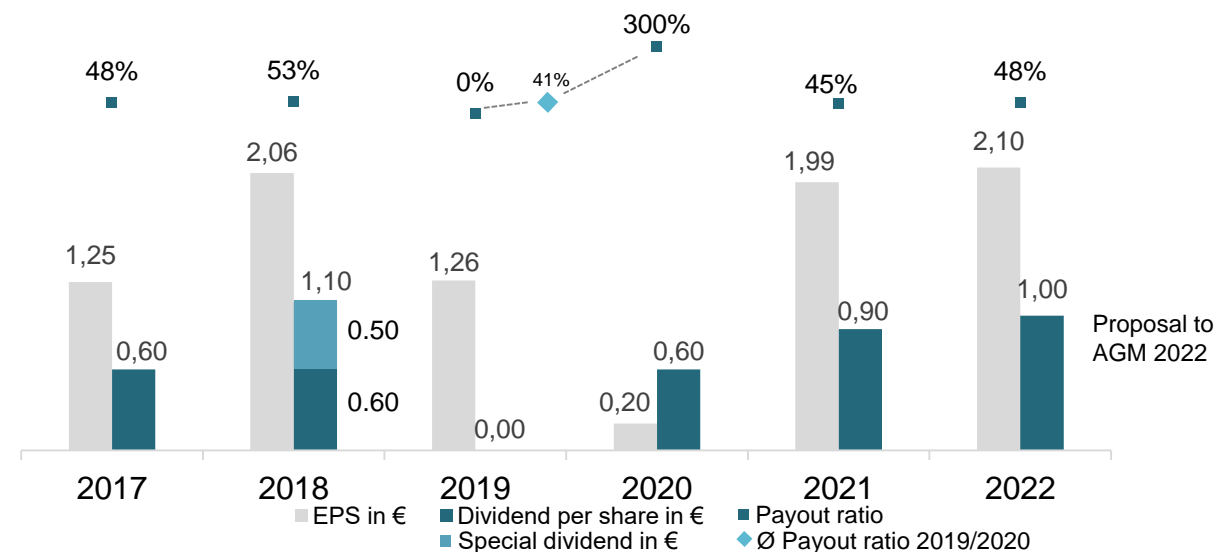
- Net financial debt¹ still characterized by high inventory levels
- Gearing² at solid level of 17.8%
- Net financial debt to EBITDA to be classified as conservative at 0.6
- Equity ratio almost unchanged at 58.9% high
- Dividend proposal to the Annual General Meeting on May 26, 2023: EUR 1.00 per share (PY: EUR 0.90 per share)

Share price development and dividend

The share in 2022/23^{1,2}



Dividend payout



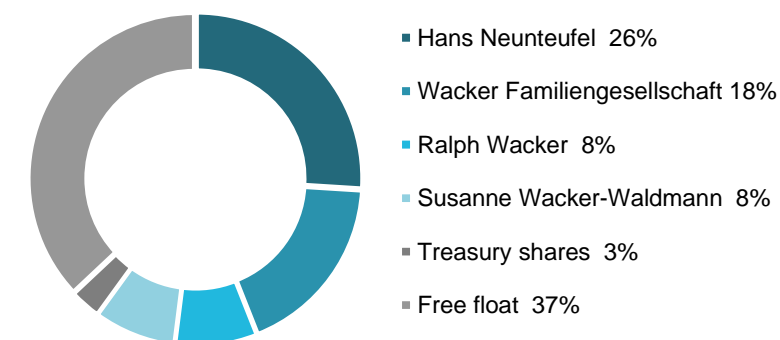
Key figures per share

in €	Q1/23	Q1/22
Earnings per share	0.92	0.42
Book value per share	20.69	18.88
Share price at end of period	19.29	20.32
Market capitalization (€ m)	1,353.0	1,425.2

Coverage³

Bank	TP (€)	Recom.	Date
Hauck & Aufhäuser	30.00	Buy	Mar. 29, 2023
Berenberg	27.00	Buy	Mar. 31, 2023
Jefferies	26.00	Buy	Apr. 03, 2023
Warburg	25.00	Buy	Mar. 28, 2023
Metzler	25.00	Buy	Mar. 30, 2023
Kepler Cheuvreux	16.00	Reduce	Feb. 16, 2023

Shareholder structure



(Total shares: 70,140,000)

¹ As at Mar. 31, 2023 ² Peer group: Agco, Ashtead, Atlas Copco, Bauer, Caterpillar, CNH Industrial, Deutz, DoosanBobcat, Hitachi, Husqvarna, John Deere, Komatsu, Kubota, Manitou, Sany, Takeuchi, United Rentals, Volvo. ³ As at April 15, 2023.