Wacker Neuson Group – Our way to success

Company Presentation
November 2023

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

520€ m

Revenue[1]

23%

of Group revenue[1]

COMPACT EQUIPMENT

1,305€ m

Revenue[1]

57%

of Group revenue[1]

SERVICES

442€ m

Revenue[1]

20%

of Group revenue[1]

[1] FY 2022

We serve our markets with three strong brands

Wacker Neuson Group

Wacker Neuson Group

WACKER NEUSON *all it takes!*

KRAMER *on the safe side*

WEIDEMANN *designed for work*

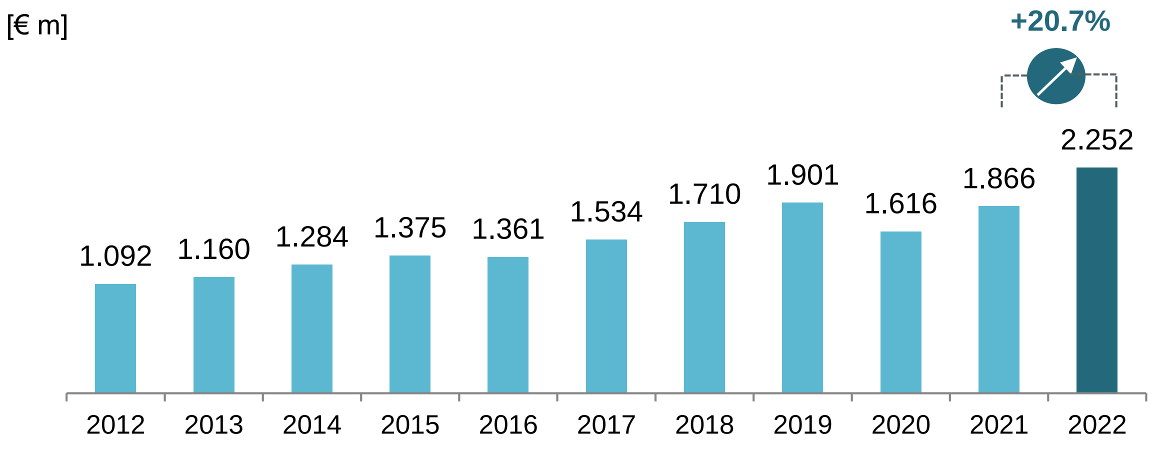
Construction, gardening and landscaping, municipal services, recycling, railroad/track construction, etc.

Agriculture, horse stables, municipal services, tree nurseries

Double-digit growth again

Wacker Neuson Group

Revenue development (2012-2022)



Overview Q4/22 // Fiscal year 2022

Q4/22		
Revenue	**EBIT margin**	**FCF** (pre fixed term deposits)[1]
€ 611 m	**9.4%**	**€ 20 m**
(+28.3% vs. 2021)	(2021: 10.1%)	(2021: € 79 m)

2022		
Revenue	**EBIT margin**	**FCF** (pre fixed term deposits)[1]
€ 2,252 m	**9.0%**	**€ -131 m**
(+20.7% vs 2021)	(2021: 10.3%)	(2021: € 264 m)

Revenue up 21% year-on-year; order backlogs at record levels and high customer demand, supply chain issues dampen growth

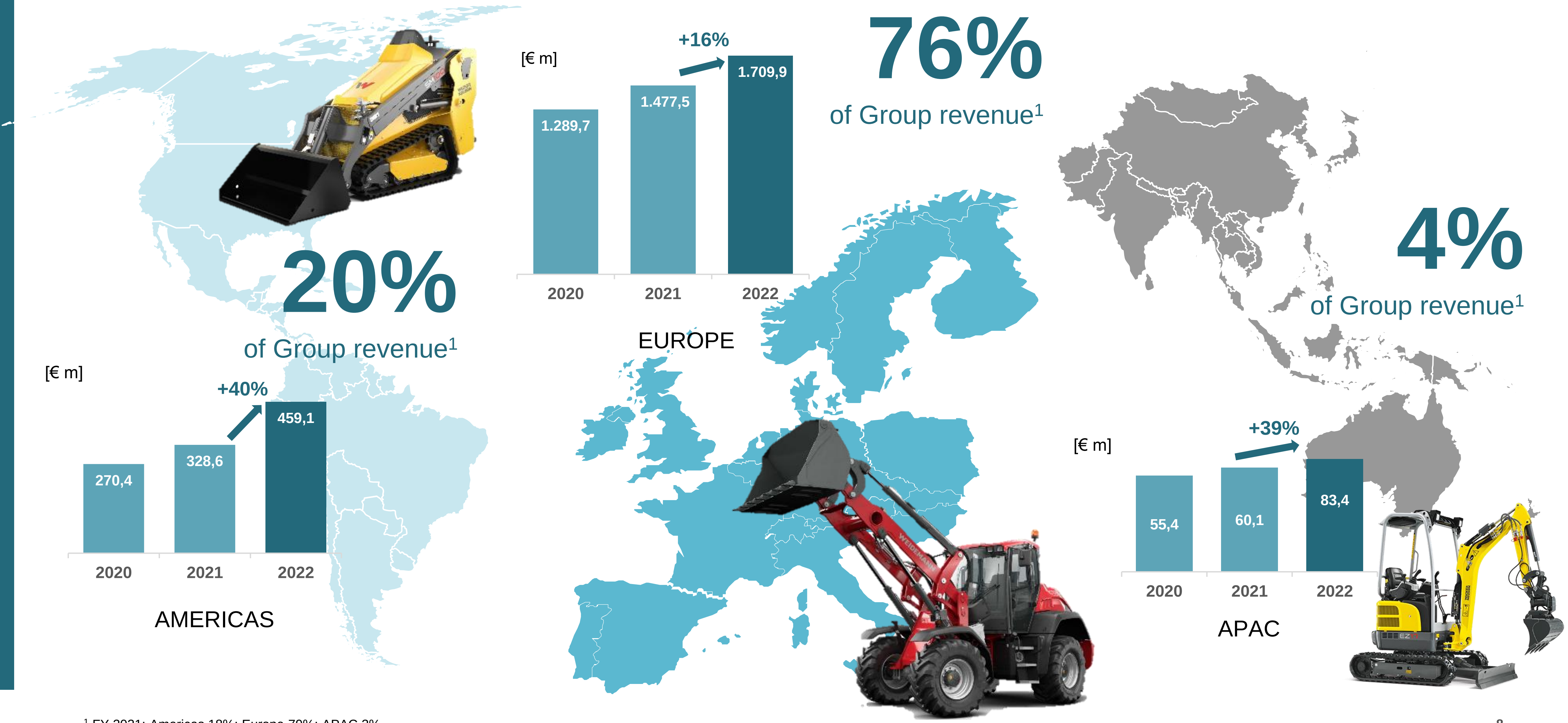
Reworking and inflation weigh on margins, Price increases progressively effective since H2

High inventory levels burden FCF and NWC ratio → slightly above strategic target range of ≤ 30%; net financial position burdened

Supply chains and price dynamics on the procurement market still challenging

[1] Free cash flow before taking into account a fixed term deposit of EUR 130 m in FY 2022 (FY 2021: EUR 115 m, of which EUR 15 m in Q4).

Double-digit revenue growth again in all regions

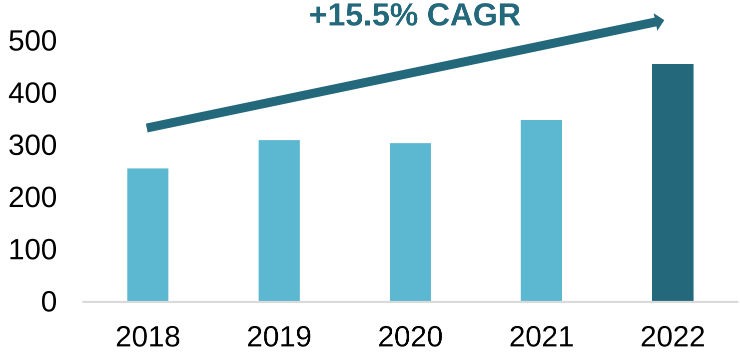


¹ FY 2021: Americas 18%; Europe 79%; APAC 3%.

We are growing our business in the agricultural sector

All-wheel steering

Development of revenues in the ag sector



+31%

dynamic business development in agricultural sector[1]

20%

of Group revenue from agriculture[1]

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.

Articulated steering

Strategy 2030 targets Profitable Growth and Sustainable Businesses

WNG Strategy 2030: Strategic Perspective

Profitable growth and sustainable business

4 billion € turnover	> 11% EBIT margin	≤ 30% NWC

Strategic Perspective 2030

- **Revenues:** Our historic CAGR of ~ 8% is translating into the perspective of 4 billion Euro by 2030. This is based on organic growth including OEM business with John Deere.
- **EBIT margin:** Our profitability target of > 11 % shall be achieved sustainably well before 2030.
- **NWC:** Our target of <=30% NWC is derived from a balance between operational resilience acknowledging imperfect global supply chains and Free Cash Flow generation for sustainable growth.

Strategy 2030 lays the path to achieve the strategic perspective

WNG Strategy 2030: Strategic Levers

1. **Light Equipment** Market Leadership
2. **zero emission** Solutions
3. **Time to Market** and **Innovation**
4. **Americas Growth** Strategy
5. **Asia** and **non-regulated Markets** Growth
6. **Digitalization** and **Automation**
7. **Cost, Operations** and **Footprint** Optimization
8. **Aftermarket** and **Services**
9. **Sustain-ability Actions**
10. **Best Company to work for**

VISION

Our innovative solutions drive technological change.

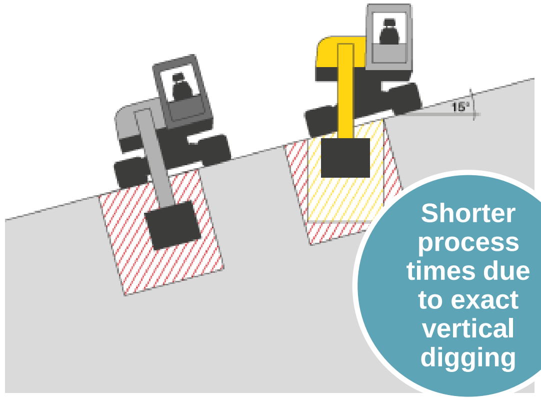
We place our customers at the heart of everything we do:
From our broad and deep application know-how and engineering excellence to our open interfaces and smart business models.

We drive innovation to improve our customers' processes

Wacker Neuson Group

Cockpit rotatable by 180°

Dual View Dumper



Shorter process times due to exact vertical digging

Vertical Digging System

Wireless handling with no emissions

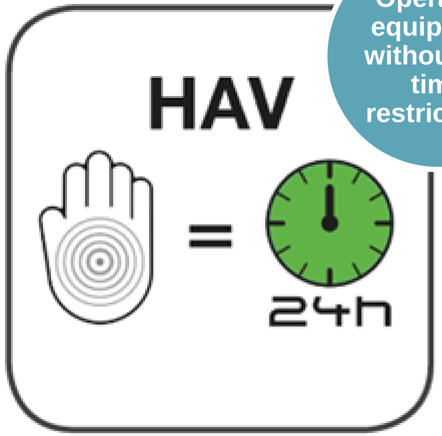
Zero emission

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…

Wacker Neuson Group

zero emission

ambitious goals set out in the EU's Green Deal

anticipated advancements in battery technologies

high market potential

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."[1]

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

Digitalization creates new opportunities for our business

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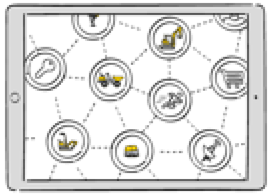
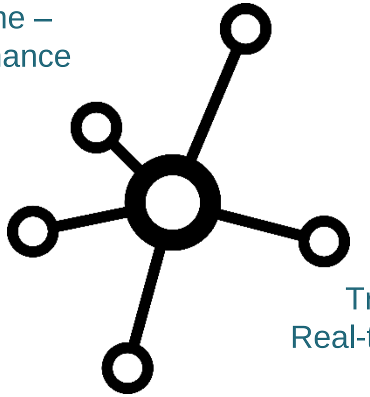
Give your machines a voice

Connected products – always a step ahead

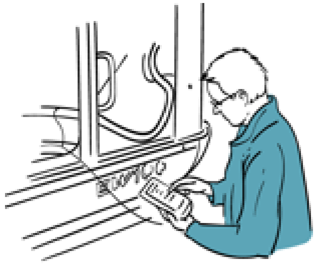


Pinpointing location – connected jobsites

Increasing runtime – predictive maintenance



Optimizing utilization

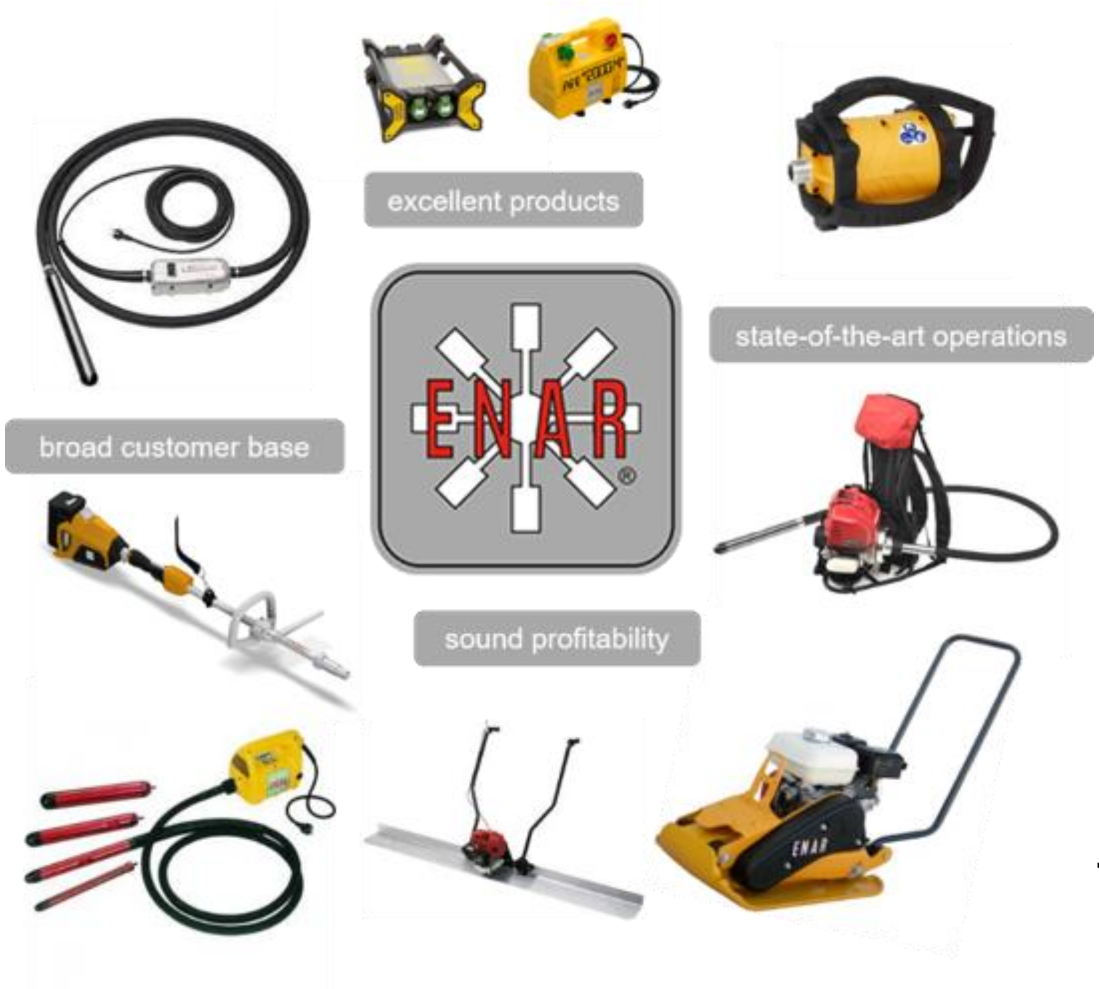


Transparency – Real-time data analysis

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[1]

Dealers

Key accounts & rental firms

eCommerce[1]

Country-specific sales with long-standing customer relationships

[1] In selected countries.

Long-term partnership between Wacker Neuson and John Deere

Kramer[1] distributing through John Deere dealer network (since 2017)

– **Strategic partnership for telescopic handlers and wheel loaders** for the agricultural sector (EMENA, CIS[2], 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.

[1] Kramer “green line“ only. [2] Commonwealth of Independent States.

Financials 9M 2023

Overview 9M/2023 // Q3/2023

Wacker Neuson Group

9M/2023				Q3/2023			
Revenue	EBIT margin	NWC ratio	FCF	Revenue	EBIT margin	NWC ratio	FCF
EUR 2,014 m	11.9%	35.5%	EUR -41 m	EUR 648 m	9.8%	35.5 %	EUR -10 m
(+22.7% yoy)	(py: 8.8%)	(py: 33.5%)	(py: EUR-150 m)	(+14.0% yoy)	(py: 10.0%)	(py: 33.5%)	(py: EUR -27 m)

Revenue still significantly above previous year; FY 2023 well covered by order backlog

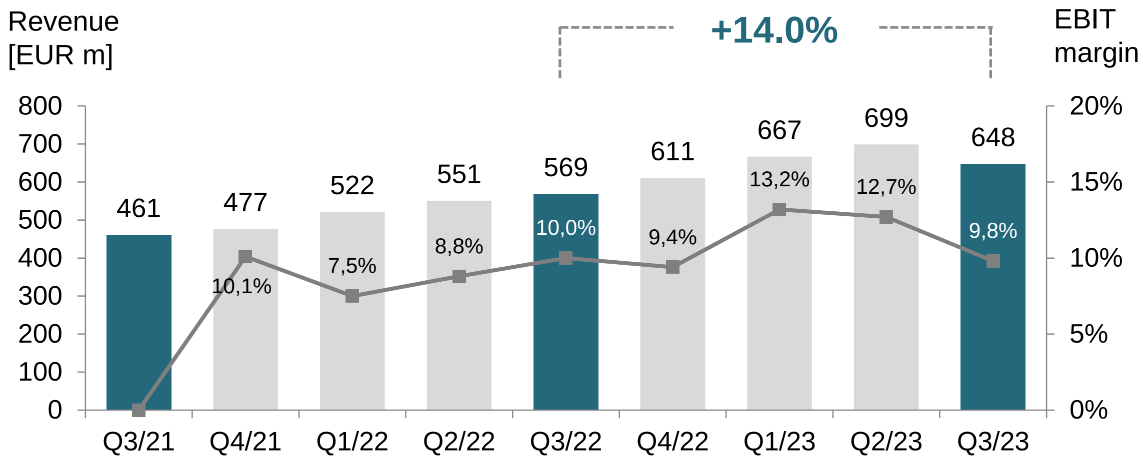
Margin remains strong, decline in Q3 in line with economic expectations

NWC ratio, characterized by economic slowdown, above strategic target range (≤ 30%)

Supply chain situation significantly improved compared to 2022, but still challenging in some areas

Revenue and earnings

Growth and profitability weakened due to economic conditions



Income statement (excerpt)

EUR m	Q3/23	Q3/22	Δ
Revenue	648.0	568.5	14.0%
Gross profit	162.1	139.4	16.3%
in % of revenue	*25.0%*	*24.5%*	*0.5PP*
Operating costs	-101.3	-84.9	19.3%
in % of revenue	*-15.6%*	*-14.9%*	*-0.7PP*
EBIT	63.7	57.1	11.6%
in % of revenue	*9.8%*	*10.0%*	*-0.2PP*
Financial result	-4.8	-3.0	60.0%
Income taxes	-15.9	-18.6	-14.5%
Result for the period	43.0	35.5	21.1%
Earnings per share (€)	0.63	0.52	21.2%

Comment Q3/2023

Revenue +14.0% yoy (adjusted for foreign exchange: +16.9%)

- Growth still in double digits despite economic slowdown, driven by Europe and North America
- Sentiment in construction and agriculture noticeably dampened

Gross profit +16.3% yoy (gross profit margin +0.5 PP)

- Slightly disproportionately lower increase in cost of sales against the backdrop of consistent cost management
- In addition, price adjustments compared with previous year still effective

EBIT +11.6% yoy (EBIT margin: -0.2 PP)

- Also double-digit growth, but slightly less than proportionate compared to revenue
- No one-off effects in contrast to H1
- Share of operating costs (sum of selling, R&D and administrative costs) slightly increasing (-0.7 PP yoy)

Earnings per share +21.2% yoy

- Financial result still impacted by higher interest rates
- Tax rate of 27.0% significantly below previous year (Q3/22: 34.4%)

Development of the regions and business areas

Wacker Neuson Group

Americas and Europe remain strong sales drivers

Revenue [EUR m]		Share	z. Vj.	EBIT[1]
Europe	482,6	74%	+16%	72.5
Americas	146,4	23%	+12%	10.6
Asia-Pacific	19,0	3%	-15%	0.9
Total Q3/23	648,0	100%	+14%	63.7

Compact Equipment Business Area with Largest Growth

Revenue [EUR m][2]		Share	z. Vj.
Light Equipment	133,6	20%	-7%
Compact Equipment	391,4	60%	+23%
Services	127,9	20%	+15%
Total Q3/23	652,9	100%	+14%

[1] EBIT of the regions before consolidation.
[2] Sales per business area incl. cash discounts.

Comment Q3/2023

Revenue Europe (EMEA) +16.0% yoy (+16.6% adjusted for foreign exchange)

- Overall still good double-digit revenue growth
- At the same time, noticeably weaker growth momentum in all submarkets of the region
- Wheel loaders and telehandlers remain the most sought-after products
- Agricultural machinery business remains significant growth driver (+51.4%)

Revenue Americas +12.4% yoy (+21.6% adjusted for foreign exchange)

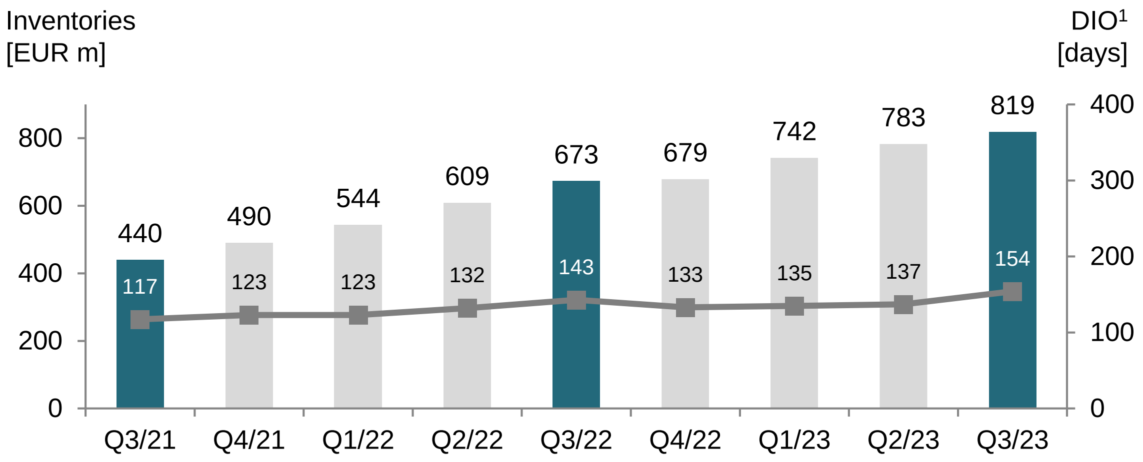
- Growth still in double digits, but weaker compared to previous quarters
- US dollar weakening against the euro
- Construction site equipment and excavators still in high demand

Revenue Asia-Pacific -14.8% yoy (-3.6% adjusted for foreign exchange)

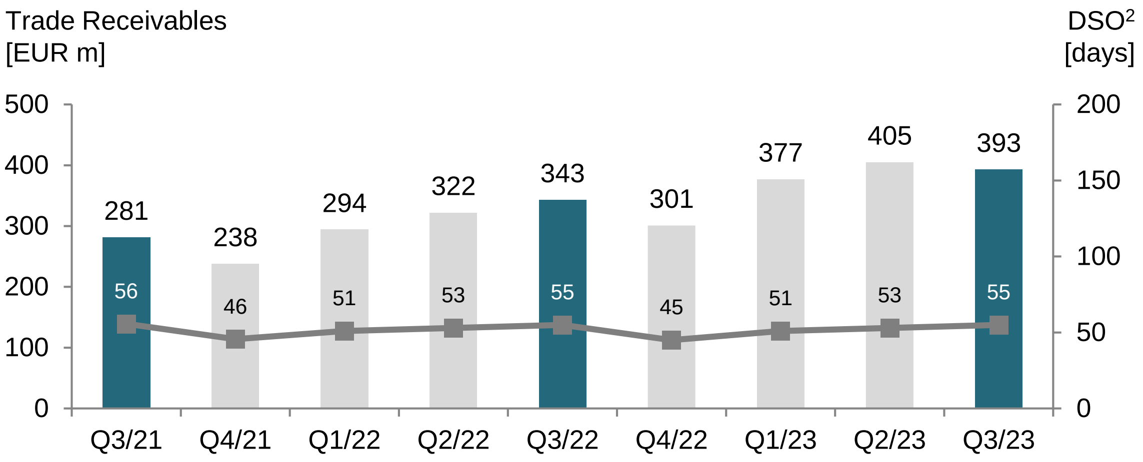
- Significant decline in revenue, Australia still most dynamic but also with downward trend
- Excavators and dumpers with most demand overall
- Continued currency weakness against the euro

Supply chain situation significantly improved, inventories increased

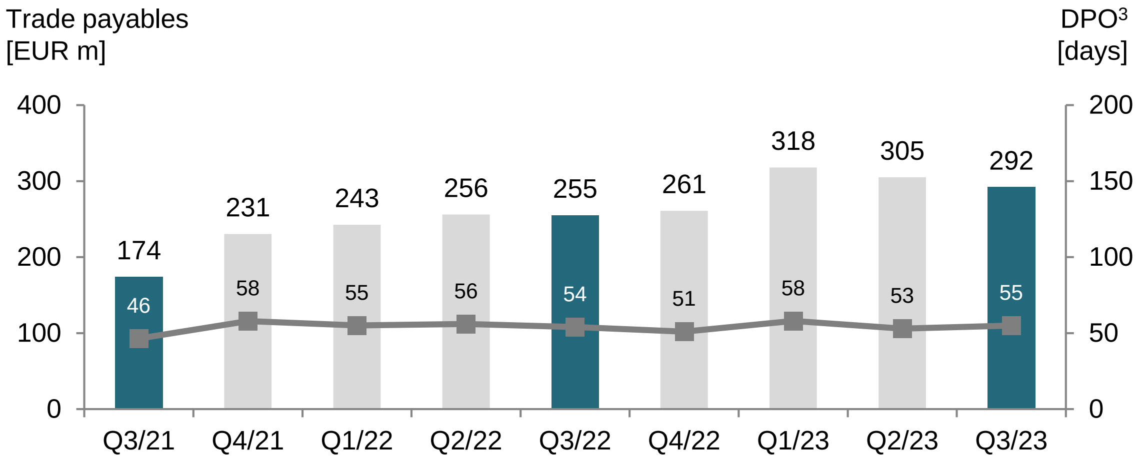
Inventories



Trade receivables



Trade payables



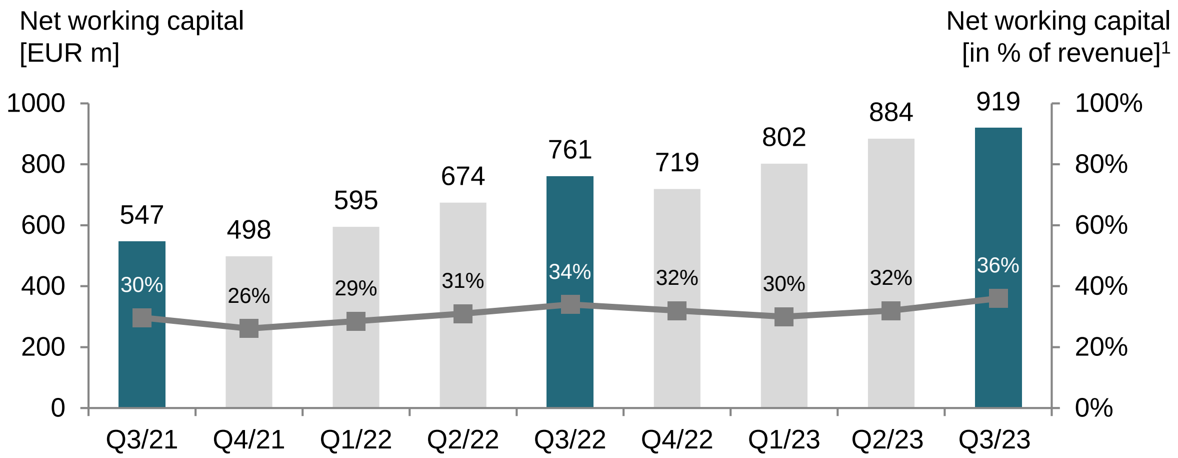
Comment

- Supply chain situation significantly improved compared to 2022, but still challenging in some areas
- Inventories impacted by economic slowdown
- Work in progress at end of Q3 down significantly compared with end of Q2, but increase in finished goods
- Trade accounts receivable and payable slightly reduced

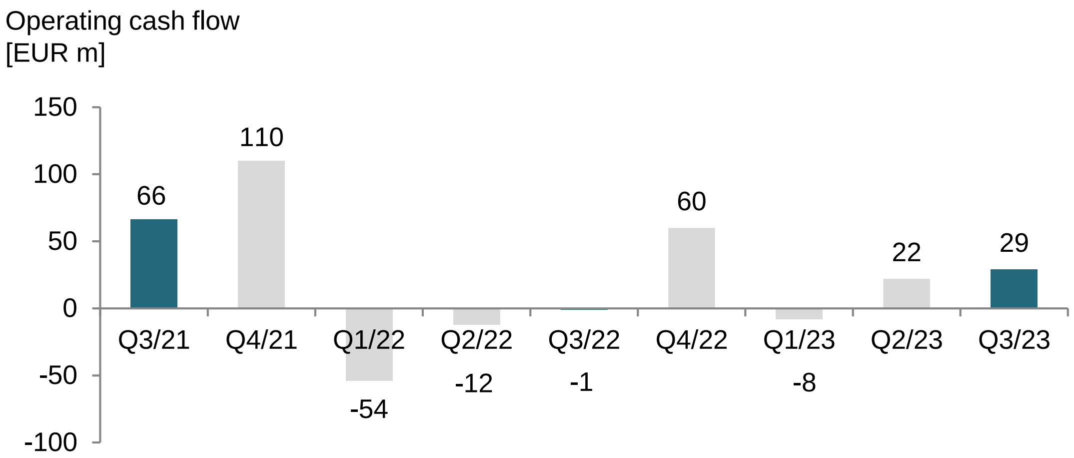
[1] Days inventory outstanding = (inventories/(cost of sales*4))*365 days; [3] Days payables outstanding = (payables/(cost of sales*4))*365 days.
[2] Days sales outstanding = (receivables/(sales*4))*365 days;

NWC ratio impacted by economic slowdown

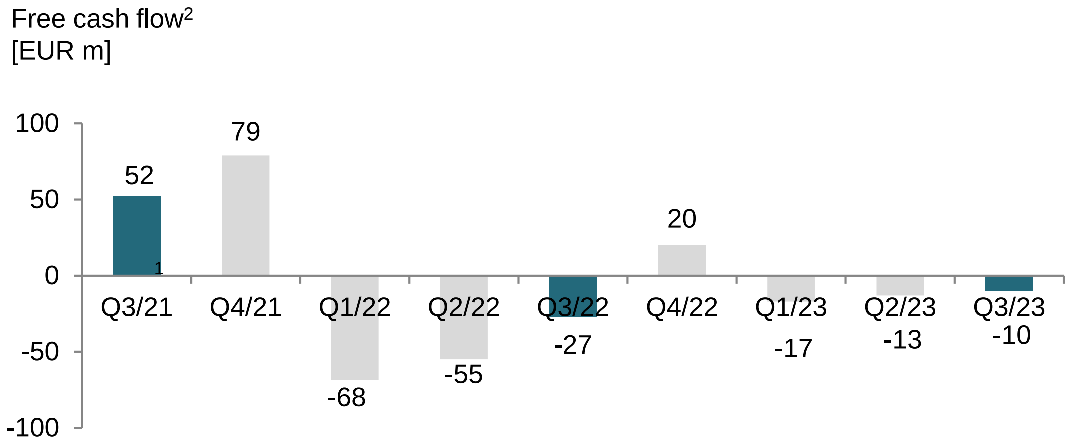
Net working capital



Operating cash flow



Free cash flow



Comment

- Net working capital ratio characterized by economic slowdown above strategic target range of ≤ 30%.
- Capital expenditures of EUR 38.4 million in Q3 / EUR 107.6 million in 9M in line with forecast
- At EUR 28.5 million, operating cash flow continues to follow a positive positive trend over the course of the year
- Free cash flow also on upward trend at EUR -10.4 million, although noticeably impacted by NWC increase

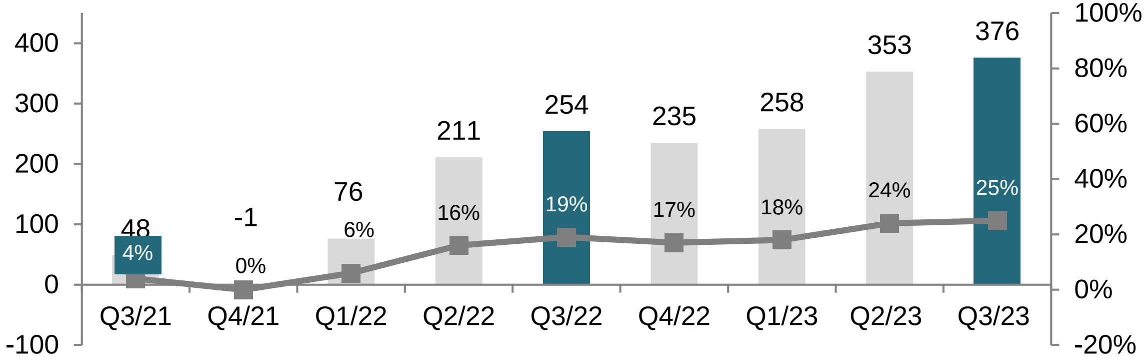
[1] Net working capital as a % of annualized quarterly revenue.
[2] Before taking into account outflows in or inflows from time deposits.

Continued solid financial structure with high equity ratio

Net financial debt and gearing

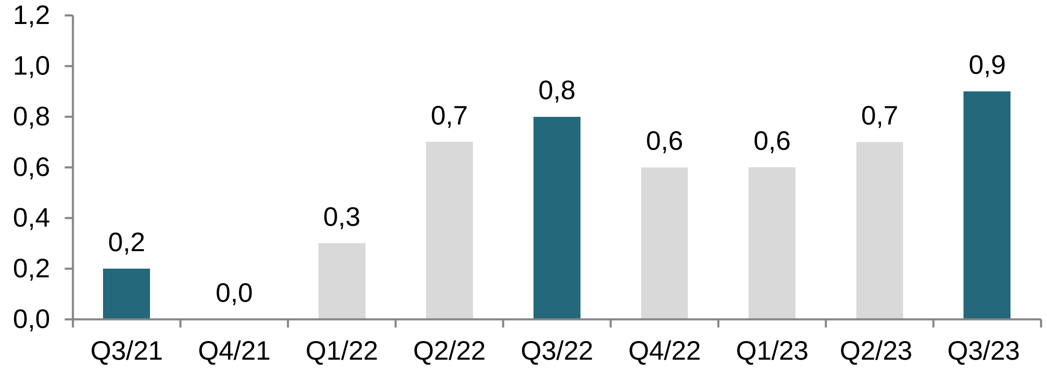
Net financial debt[1]
[EUR m]

Gearing[2]



Net financial debt/EBITDA[3]

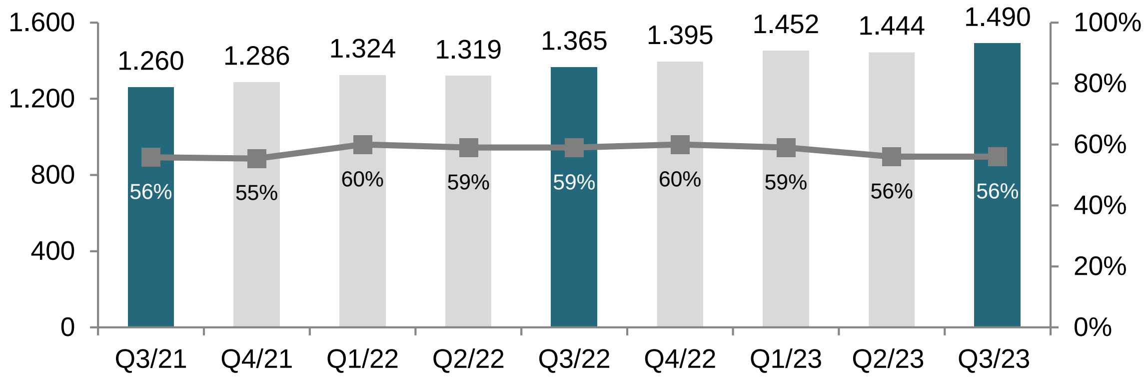
Net financial debt/
EBITDA[3]



Equity and equity ratio

Equity
[EUR m]

Equity ratio



Comment

- Net financial debt[1] influenced by increased inventories (especially finished goods with reduction in work in progress)
- Increase in long-term credit lines to EUR 450 million as of 10/2023
- Gearing[2] slightly increased to 25%
- Net financial debt to EBITDA at 0.9 despite increase to be assessed as conservative
- Equity ratio slightly down at 56%

[1] Non-current financial liabilities + current liabilities to banks + current portion of current liabilities - cash and cash equivalents - current time deposits.
[2] Net financial debt/equity. [3] Net financial debt/annualized EBITDA for the quarter.

Outlook

Material, energy and transportation cost trends
pick up again

CEMA[2]

Business climate index for the European agricultural machinery sector **negative after further decline,** significant excess inventories meet recessionary trends

CECE[3]

Business climate index for the European construction equipment sector **continues to decline significantly**; **negative expectations in Europe** offset by **positive sentiment in North America**

Order backlog

continues to provide tailwind for full-year target achievement

Supply chain situation eased, **but still challenging in some areas**

Guidance for 2023

- **Revenue** between EUR 2,500 and 2,700 m
- **EBIT margin** between 10.0% and 11.0%
- **Investments** around EUR 140 m[1]
- **Net working capital ratio** around 32 percent

[1] 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.
[2] As of September 2023
[3] As of September 2023

Nobody is perfect, but a team can be!

Financial calendar and contact

26 March 2024	**Publication of Annual Report with Annual/Consolidated Financial Statements 2023, Earnings Call**
07 May 2024	**Publication of Quarterly Statement Q1/2024, Earnings Call**
15 May 2024	**Annual General Meeting, Munich**
13 August 2024	**Publication of Half-Year Report H1/2024 , Earnings Call**
14 November 2024	**Publication of Nine-month Statement 9M/2024, earnings call**

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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