



Wacker Neuson Group – 9M/2024 Earnings Call & Webcast

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November 14, 2024



**Wacker Neuson
Group**

Overview Q3/2024 // 9M/2024¹

| Q3/2024 | | | | 9M/2024 | | | |
|--------------|-------------|------------------------|-----------------|--------------|-------------|------------------------|-----------------|
| Revenue | EBIT margin | NWC ratio ² | FCF | Revenue | EBIT margin | NWC ratio ² | FCF |
| € 517.6 m | 4.8% | 39.0% | € 87.0 m | € 1,722.4 m | 6.3% | 39.0% | € 91.5 m |
| (-20.1% YoY) | (py: 9.8%) | (py: 35.5%) | (py: € -10.4 m) | (-14.5% YoY) | (py: 11.9%) | (py: 35.5%) | (py: € -40.9 m) |



Revenue 9M/2024 -14.5% compared to 9M/2023 due to persistently weak markets and high dealer stocks



EBIT margin 9M/2024 at 6.3% after weak Q3/2024



NWC ratio² elevated due to annualized lower revenue base and trade payables



Positive momentum in free cash flow continues due to net working capital reduction

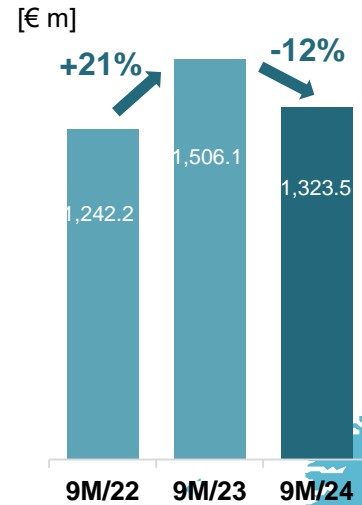
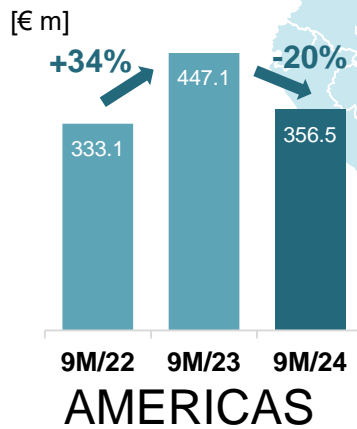
¹ Please note the rounding differences in the presentation. ² Net Working Capital in % of the annualized revenue.

Lower market demand in all regions



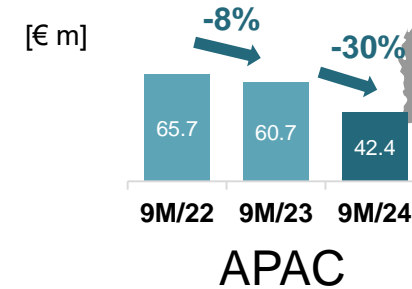
21%

of Group revenue¹



EUROPE

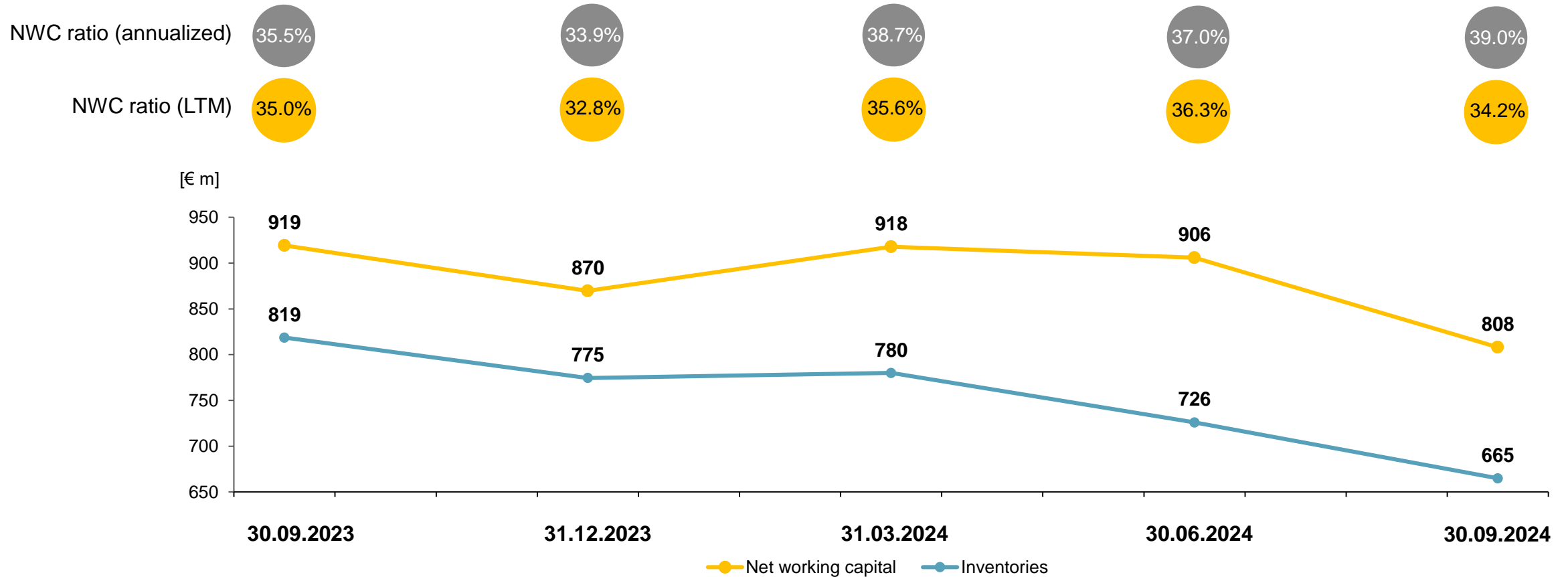
77% of Group revenue¹



¹ 9M/2023: Americas 22%; Europe 75%; APAC 3%.

Net working capital development

As of September 30, 2024



Positive free cash flow momentum

€ **92** million

Free cash flow



€ **390** million

Net financial debt¹





1.5

Net financial debt /
EBITDA²

¹ Net financial debt = Non-current financial liabilities + Current liabilities to banks
+ Current portion of non-current liabilities - Cash and cash equivalents.
² Net financial debt/annualized EBITDA for the quarter.

Our measures to be Fit for 2025

Actions for earnings improvement and addressing current market dynamics

| | 9M/2024 Measures | Q4/2024 Additional Measures |
|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Costs  | <ul style="list-style-type: none"> • Adjustment of production output • Lower personnel expenses • Further cost savings from other operating expenses | <ul style="list-style-type: none"> • Short-time working extension • Further FTE reduction of production as well as SG&A staff • Reduced marketing, travel and IT cost |
| Sales  | <ul style="list-style-type: none"> • Launch of sales initiatives • Expansion of the Rental business and rental equipment sale • Growth in Spare parts & Services business • Promotion of financing programs for dealers and end customers • Additional revenue potential with new products | <ul style="list-style-type: none"> • Further sales initiatives • Vendor financing |
| Earnings Contribution 2024 | approx. € 33 million (before restructuring costs of approx. € 5 million) | approx. € 22 million (additional) (before restructuring costs of approx. € 2 million) |

Measures taken in 2024 will strengthen profitability in 2025

OUR VISION

Our innovative solutions drive technological change.

OUR PURPOSE

We make a strong contribution to sustainable construction and agriculture.

OUR MISSION

We make our customers more productive than anyone else in the market.

STRATEGIC PERSPECTIVES

> 11 %
EBIT MARGIN






€ 4 billion
REVENUE

≤ 30 %
NWC

STRATEGIC LEVERS

- 1 **Light Equipment**
Market Leadership
- 2 **zero emission**
Solution
- 3 **Time to market**
and innovation
- 4 **Americas Growth**
Strategy
- 5 **Asia and**
Low-regulated Markets
- 6 **Digitalization**
and Automation
- 7 **Cost, Operations**
and Footprint
Optimization
- 8 **Aftermarket** and
Services
- 9 **Sustainability**
Actions
- 10 **Best Company**
to work for

OUR LEADERSHIP PRINCIPLES

-  "We assume responsibility."
-  "We believe in mutual respect."
-  "We continue to develop."
-  "We act as coaches."
-  "We celebrate success."

OUR VALUES

Reliability Safety Efficiency Sustainability

OUR BUSINESS OBJECTIVE

Machines and solutions for construction and agriculture

Milestones in the implementation of the Strategy 2030

Strategic Levers 2030

Time to Market & Innovation

Securing strategic leadership through product innovations:

- **EnergyDecentral Innovation Award** from the DLG¹ for the new telehandler KT316 with a **fully integrated dynamic weighing system**
- **EuroTier Innovation Award** for a new 1190e imp with **function “Follow me”** (incl. external remote control, safe environmental monitoring and driverless driving function)
- **Innov-Agri Fair Innovation Award** for the telehandler T7035 / T7042 Innov-Agri Fair in Ondes in France



KRAMER
on the safe side



M&A

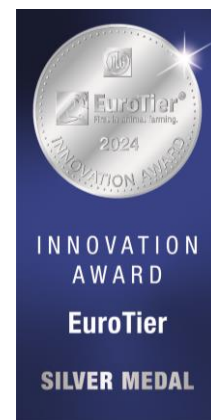
Further core business optimization:

- **Compact Machinery B.V.:** strengthening of sales presence in Belgium
- Additional branch with an extended product portfolio



WEIDEMANN











designed for work



¹ DLG – German Agricultural Society

Action items per strategic lever ensure strategy execution

Wacker Neuson Group Strategic Levers 2030

| | | 2023 | | 2024 | | 2025 | 2026 | ... |
|-------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-----|
| 1) Light Equipment Market Leadership |  | Introduction of new rollers and plates ✓ | | Introduction of new rammers ✓ | | Battery One implementation | Reach light equipment market share target, especially for plates & rammers | |
| 2) zero emission Solutions |  | zero emission telehandler market introduction ✓ | | Ecosystem (incl. Customer days, battery check, Apps, etc.) as sales boost ✓ | | Further expansion in North America | zero emission portfolio extension in the most promising segments | |
| 3) Time to Market and Innovation |  | Introduction of various test & validating facilitates ✓ | | Introduction of innovative & efficient flagship models, e.g. Kramer Premium Wheel Loader & Telehandler ✓ | | Measures for reduced time to market in pre-development and project management implemented | Continued product initiatives & innovations | |
| 4) Americas Growth Strategy |  | Mini skid steer product range expansion ✓ | | Milestones sales channel mix and product cost reductions ✓ | | Ramp-up John Deere excavator from Linz factory | Ramp-up John Deere excavator from US factory | |
| 5) Asia and Low-regulated Markets Growth |  | Ramp-up mini excavator production for low-regulated export markets and introduction of global Enar products from China ✓ | | Introduction Mini Skid Steer Loader for low-regulated export markets (SM50) ✓ | | Supply of mini excavator from China for global export markets, including Europe | Further ramp-up of Compact Machinery for export markets | |
| 6) Digitalization and Automation |  | Various new features for ePartner, the digital order platform for dealers introduced and milestones in channel shift reached ✓ | | S/4HANA implementation as enabler for digitalization ✓ | | WNG owned telematic back-end solution launched as a basis for further growth with digital products | | |
| 7) Cost, Operations and Footprint Optimization |  | New Serbia steel plant lays basis for optimal in-house supply of steel components ✓ | | Cost down measures to take effect, resulting from structured cost down projects ✓ | | Cost down measures to take effect, resulting from structured cost down projects | Plants to reach optimal capacity level in terms of unit-output and cost position | |
| 8) Aftermarket and Services |  | Completion of building & construction of warehouse technology for the new spare parts hub in Mülheim-Kärlich ✓ | | Go-live of European aftermarket operations from new hub in Mülheim-Kärlich to increase spare parts turnover ✓ | | Execution of the attachment Strategy to increase take rate and turnover | Extended Americas aftermarket operations implemented to support growth | |
| 9) Sustainability Actions |  | >40% CO2 reduction vs. 2019* and installation of photovoltaic-systems ✓ | | CSRD-readiness & definition of further sustainability targets ✓ | | Reduced CO2 emission by 50% compared to 2019* | | |
| 10) Best Company to work for |  | Signing of collective agreement as well as of the charter of diversity as basis for employer attractiveness ✓ | | HR Roadmap for all large locations Extended flexible shift models agreed New experts development programme ✓ | | Execution of HR- and people-strategy, including measures with regards to employer branding, employee benefits, diversity and other measures according to HR Roadmaps | | |

Business outlook

Order intake remains low



CECE¹

Business climate index for the European construction equipment foresees no significant improvements in the construction market demand in the upcoming months

Still high dealer stocks



CEMA¹

Business climate index for the European agricultural machinery sector remains negative, further turnover decreases expected

Adjusted guidance for 2024:

- **Revenue** between € 2,200 and € 2,300 million (prev.: between € 2,300 and € 2,400 million)
- **EBIT margin** between 5.5% and 6.5% (prev.: between 6.0% and 7.0%)
- **Investments** around € 100 million²
- **Net working capital ratio** around 34%

¹ As of October 2024.

² 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

| | |
|-----------------------------|-------------------------------------------------------------------------------------------------------|
| November 25-27, 2024 | German Equity Forum 2024, Frankfurt |
| January 22, 2025 | Kepler German Corporate Conference 2025, Frankfurt |
| March 26, 2025 | Publication of Annual Report with Annual/Consolidated Financial Statements 2024, Earnings Call |
| March 27, 2025 | Jefferies 5th Pan-European Mid-Cap Conference, London |
| May 8, 2025 | Publication of Quarterly Statement Q1/2025, Earnings Call |
| May 23, 2025 | Annual General Meeting, Munich |
| August 14, 2025 | Publication of Half-Year Report H1/2025, Earnings Call |
| November 13, 2025 | Publication of Nine-month Statement 9M/2025, Earnings call |



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Contact

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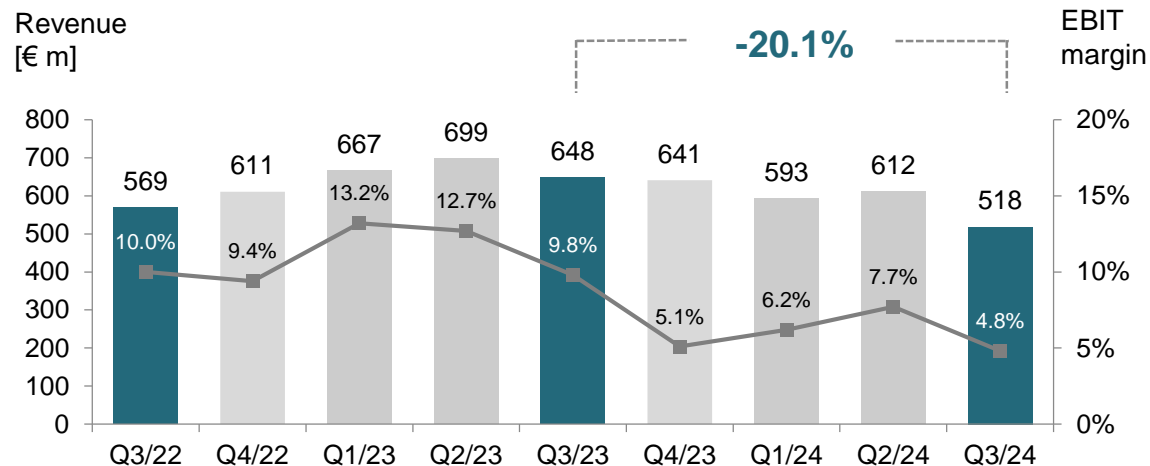
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Appendix

Revenue and profitability – Q3/2024

Declining growth and profitability, strained market



Profit and loss statement (excerpt)

| € m | Q3/24 | Q3/23 | Δ |
|------------------------------------|---------------|---------------|---------------|
| Revenue | 517.6 | 648.0 | -20.1% |
| Gross profit | 118.7 | 162.1 | -26.8% |
| <i>as a % of revenue</i> | <i>22.9%</i> | <i>25.0%</i> | <i>-2.1PP</i> |
| Operating costs¹ | -94.0 | -98.4 | -4.5% |
| <i>as a % of revenue</i> | <i>-18.2%</i> | <i>-15.2%</i> | <i>-3.0PP</i> |
| EBIT | 24.7 | 63.7 | -61.2% |
| <i>as a % of revenue</i> | <i>4.8%</i> | <i>9.8%</i> | <i>-5.0PP</i> |
| Financial result | -8.3 | -4.8 | 72.9% |
| Taxes on income | -6.7 | -15.9 | -57.9% |
| Profit for the period | 9.7 | 43.0 | -77.4% |
| EPS (in €) | 0.14 | 0.63 | -77.8% |

¹ Including other operating income / other operating expenses.

Comments on Q3/2024

Revenue -20.1% YoY (adj. for FX effects -19.9%)

- Weak market environment continues to burden the results
- No sustainable order intake growth, current order book shrinks further, full dealer stocks

Gross profit -26.8% YoY (Gross profit margin -2.1 PP)

- Cost measures in production cannot fully compensate weak market conditions

EBIT -61.2% YoY (EBIT margin: -5.0 PP)

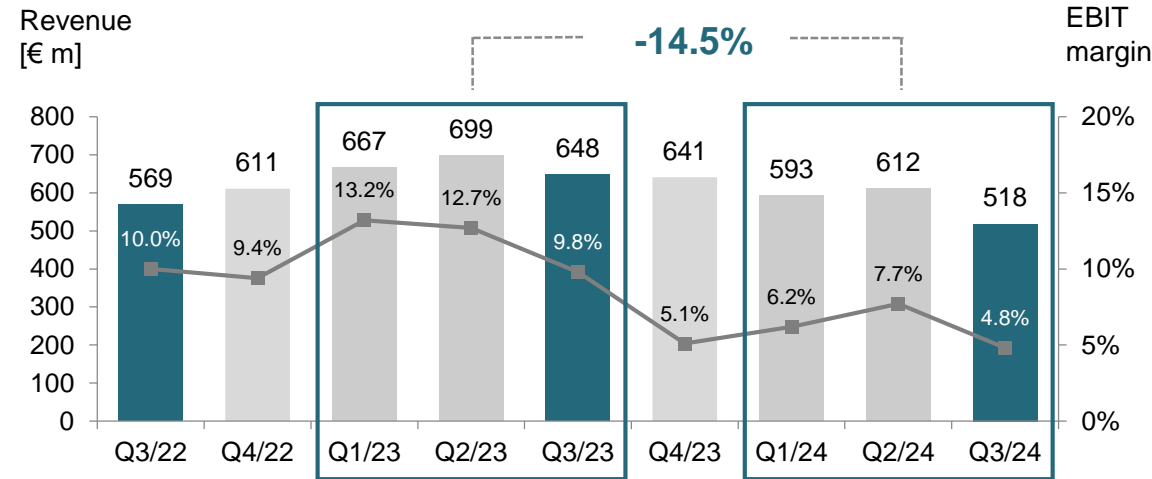
- EBIT margin in Q3/2024 mainly impacted by lower gross profit
- Operating costs -4.5% YoY as a result of cost measures in SG&A

Earnings per share -77.8% YoY

- Financial result affected by increase of net debt compared to previous year

Revenue and profitability – 9M/2024

Declining growth and profitability, strained market



Profit and loss statement (excerpt)

| € m | 9M/24 | 9M/23 | Δ |
|------------------------------------|----------------|---------------|---------------|
| Revenue | 1,722.4 | 2,013.9 | -14.5% |
| Gross profit | 404.4 | 506.7 | -20.2% |
| <i>as a % of revenue</i> | <i>23.5%</i> | <i>25.2%</i> | <i>-1.7PP</i> |
| Operating costs¹ | -295.9 | -266.3 | 11.1% |
| <i>as a % of revenue</i> | <i>-17.2%</i> | <i>-13.2%</i> | <i>-4.0PP</i> |
| EBIT | 108.5 | 240.4 | -54.9% |
| <i>as a % of revenue</i> | <i>6.3%</i> | <i>11.9%</i> | <i>-5.6PP</i> |
| Financial result | -17.0 | -8.6 | 97.7% |
| Taxes on income | -27.1 | -62.8 | -56.8% |
| Profit for the period | 64.4 | 169.0 | -61.9% |
| EPS (in €) | 0.95 | 2.48 | -61.7% |

¹ Including other operating income (9m/2023: € 26.5 million from one-offs) / other operating expenses.

Comments on 9M/2024

Revenue -14.5% YoY (adj. for FX effects -14.4%)

- Weak market environment continues to burden the results
- Both construction and agriculture industries facing a substantial downturn

Gross profit -20.2% YoY (Gross profit margin -1.7 PP)

- Cost measures in production cannot fully compensate weak market demand also driven through full dealer stocks

EBIT -54.9% YoY (EBIT margin: -5.6 PP)

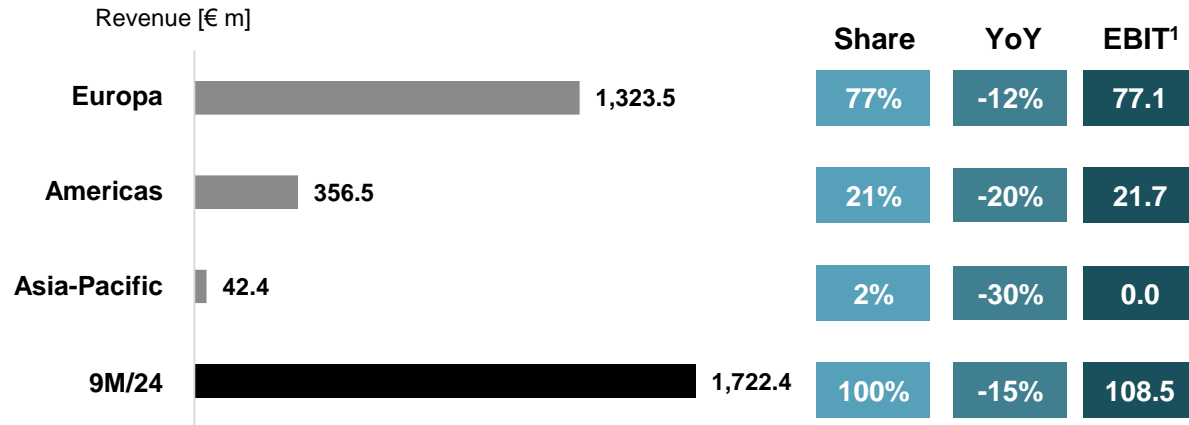
- Other operating income amounting to € 26.5 million from one-offs is included in 9M/2023
- Higher operating costs YoY but improvements throughout the year 2024 as a result of cost measures in SG&A
- EBIT margin in 9M/2024 mainly impacted by lower gross profit margin

Earnings per share -61.7% YoY

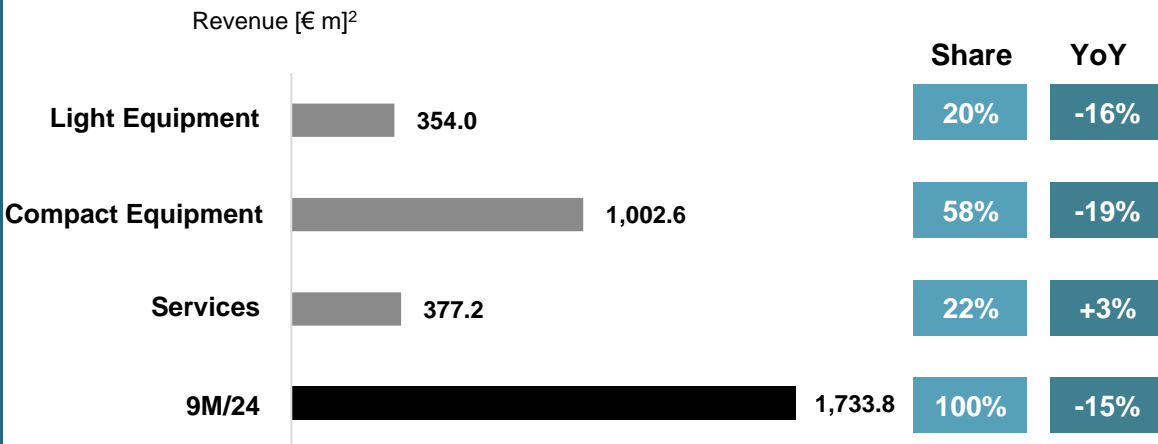
- Financial result driven by interest result of € -15.3 million (9M/2023: € -7.5 million), higher interest expenses due to higher net financial debt
- Tax rate of 29.6% slightly higher than previous year (9M/2023: 27.0%)

Development of regions and business areas

Lower market demand in all regions



Services business segment grows further



¹ EBIT for regions before consolidation amounting to € 9.7 million (9M/2023: € -54.6 million);

² Revenue incl. cash discounts amounting to € 11.4 million (9M/2023: € 13.9 million).

Comments on 9M/2024

Revenue Europe (EMEA) -12.1% YoY (adj. for FX effects -12.2%)

- Revenue decreases in Germany, France and United Kingdom could not be offset by revenue increases in the Netherlands, Portugal, Spain and Switzerland
- Negative demand trends in Eastern and Northern European markets
- Agricultural business also faces recessional environment (9M/2024: -19.2% YoY)

Revenue Americas -20.3% YoY (adj. for FX effects -19.9%)

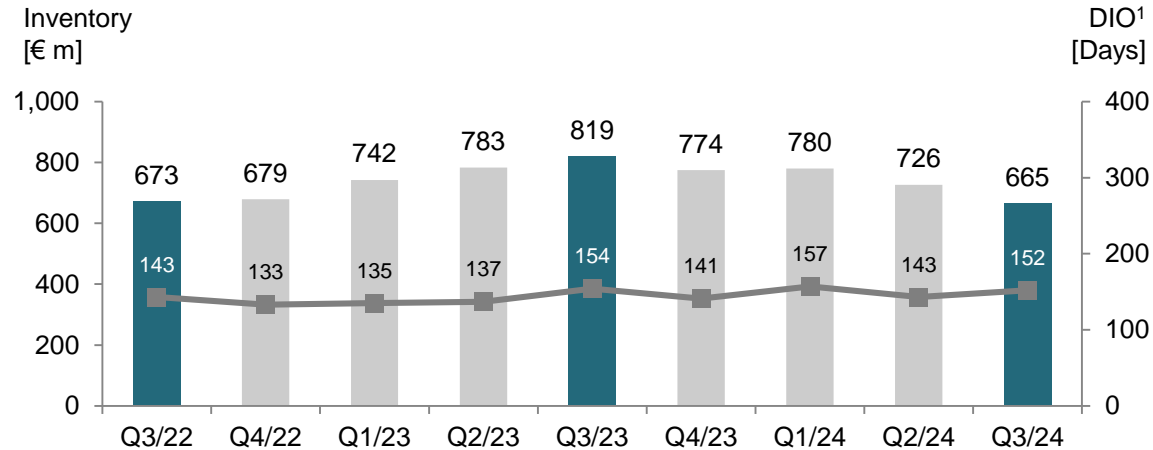
- Negative growth in the USA, Canada as well as Mexico driven through high dealer stocks

Revenue Asia-Pacific -30.1% YoY (adj. for FX effects -29.2%)

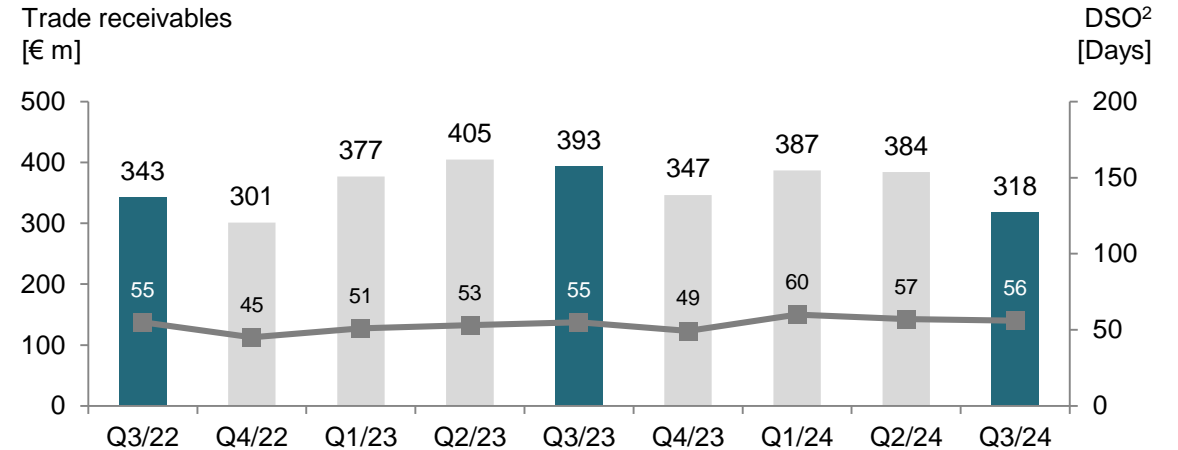
- Industry downturn continues in Asia as well
- Revenue decreases driven by further deteriorating demand in Australia and China

Inventory reduction continues in Q3 2024

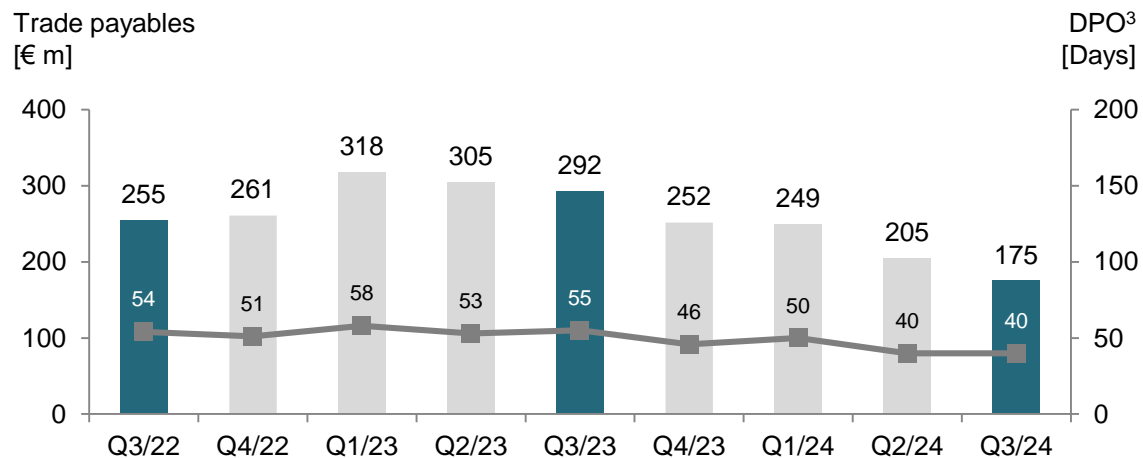
Inventories



Trade receivables



Trade payables



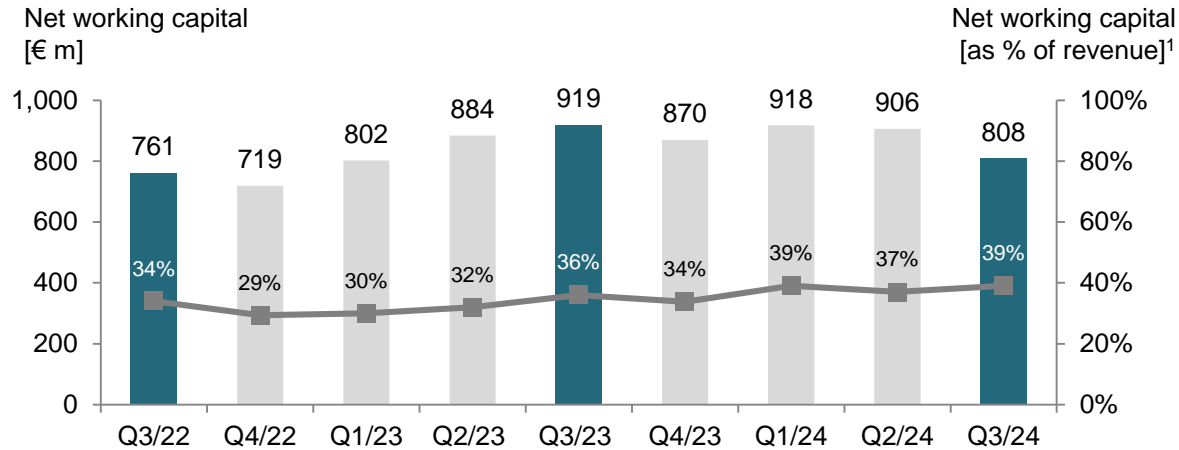
Comments

- **Inventories** reduced by 14.1% since year-end 2023, driven by reduction in raw materials (-22.8%) and finished goods (-11.2%)
- **Trade receivables** reduced by 8.2% compared to December 31, 2023
- **Trade payables** decrease compared to December 31, 2023 due to lower purchasing volume of production plants

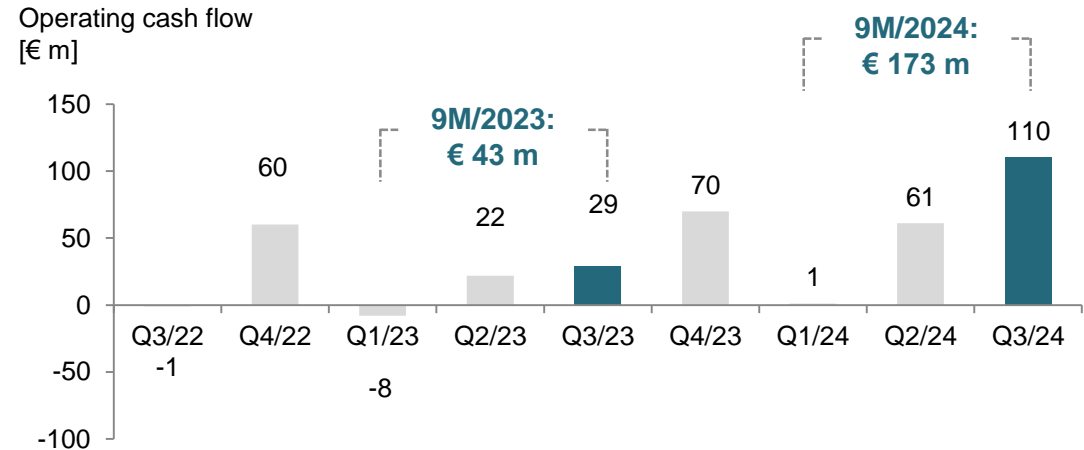
¹ Days inventory outstanding (ann.) = (inventory/(cost of sales*4))*365 days. ² Days sales outstanding (ann.) = (receivables/(revenue*4))*365 days. ³ Days payables outstanding (ann.) = (payables/(cost of sales*4))*365 days.

Successful free cash flow generation

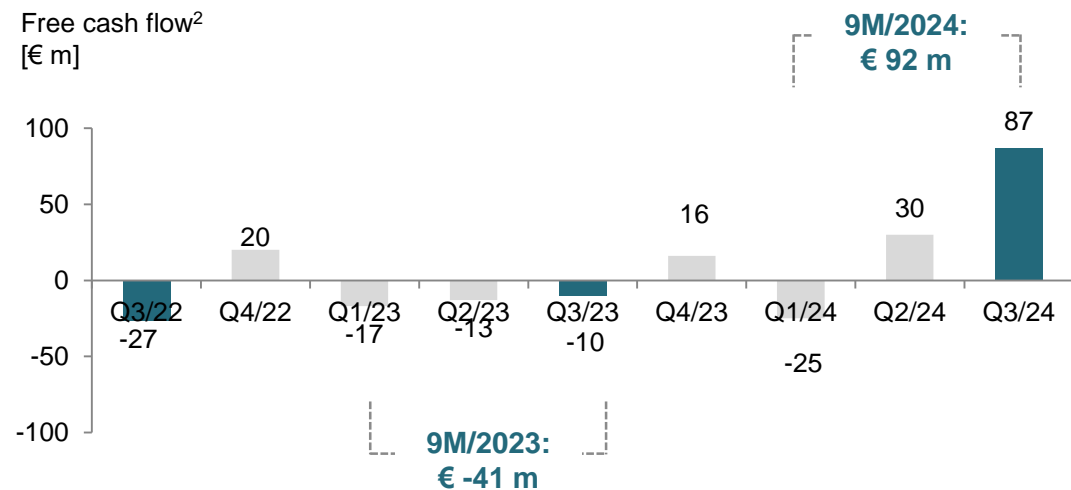
Net Working Capital



Operating cash flow



Free cash flow



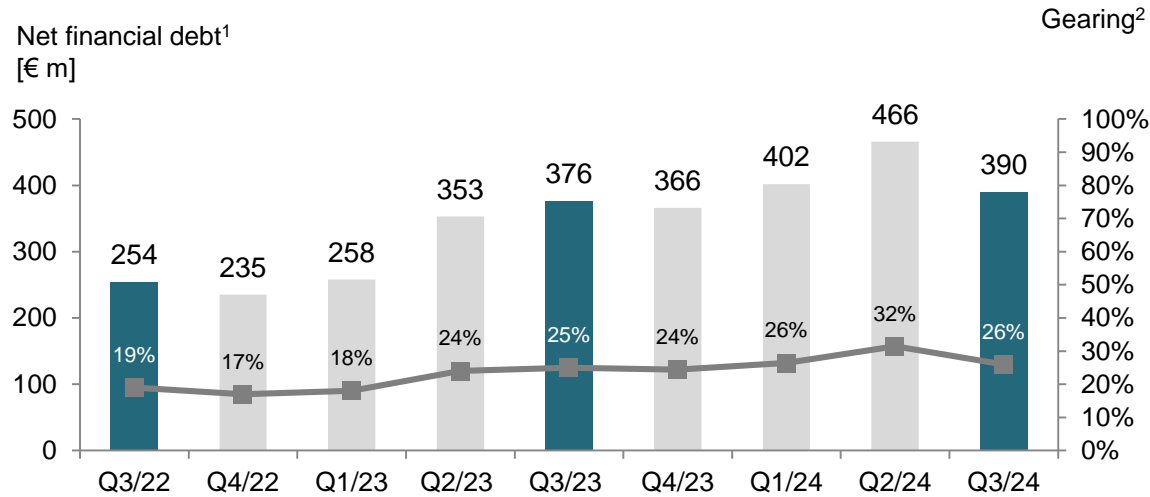
Comments

- Annualized **net working capital ratio** of 39.0% still elevated, mainly due to low revenue in Q3/2024
- Operating cash flow** continues to grow and reaches € 109.8 million in Q3/2024, driven by inventory reduction
- Investments** amounting to € 68.2 million in 9M/2024 (-36.6% YoY), thereof € 40.4 million in property, plant and equipment and € 27.8 million in intangible assets
- Free cash flow** positive in 9M/2024 and above the previous year, as a result of the higher operative cash flow

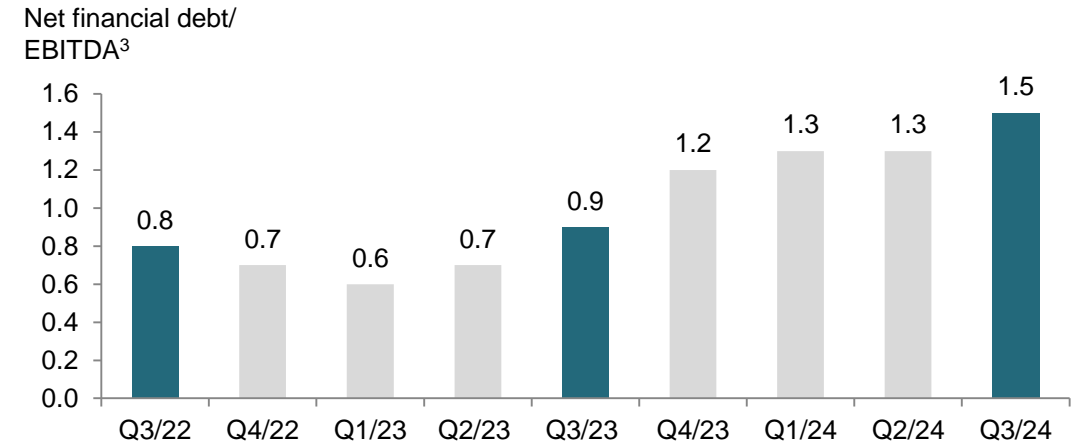
¹ Net working capital as a % of annualized revenue for the quarter. ² Before outflows or inflows from time deposits

Still robust financial structure with slightly higher equity ratio

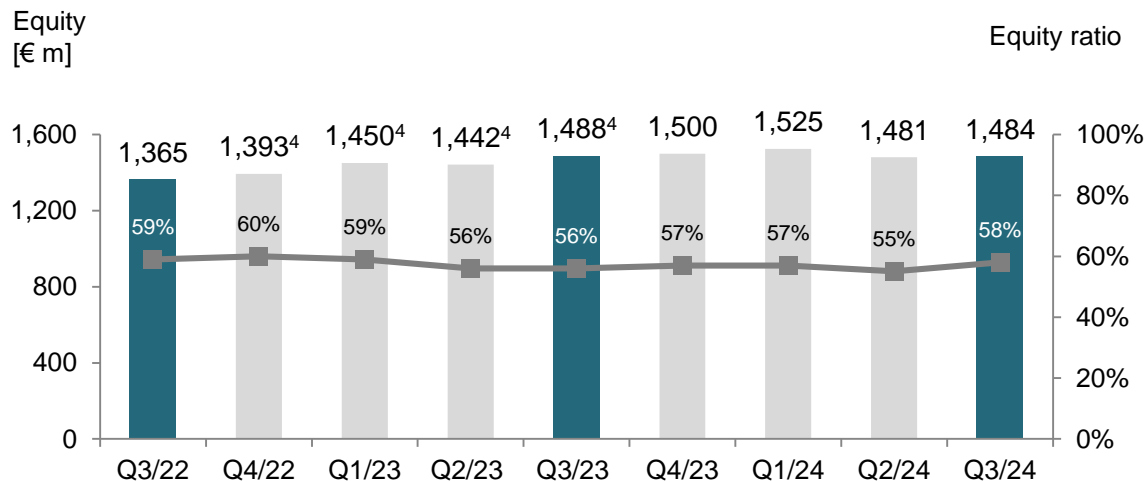
Net financial debt¹ and gearing²



Net financial debt/EBITDA³



Equity and equity ratio



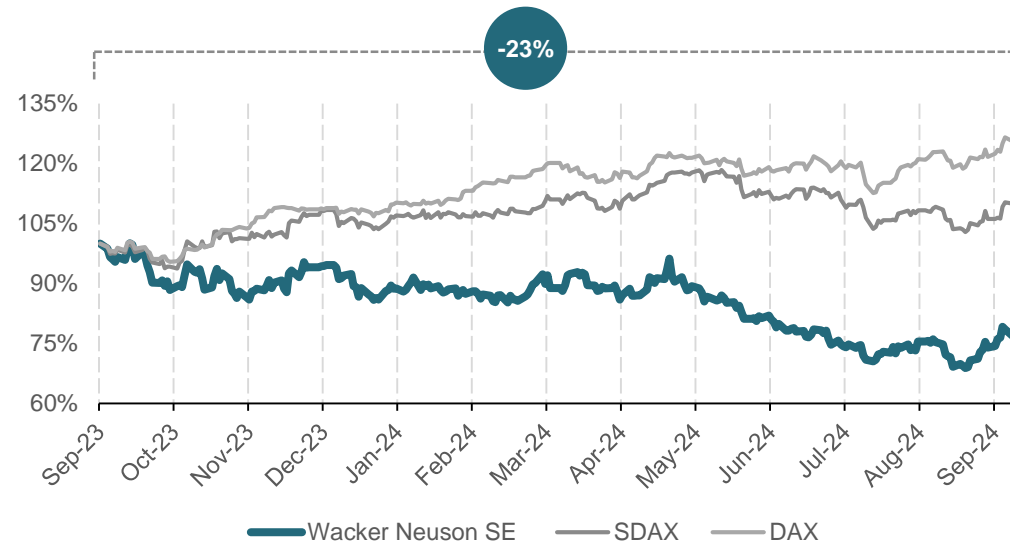
Comments

- **Net financial debt¹** on September 30, 2024 still slightly higher than on December 31, 2023, nevertheless significantly declined by € 76 million since June 30, 2024 mainly due to repayment of short-term debt
- **Equity** slightly decreased since year-end 2023 (-1.0%) due to dividend payout and partially offsetting net income, **equity ratio** slightly higher by the end of Q3/2024 due to lower liabilities
- **Gearing²** decreases since June 30, 2024 due to lower net financial debt

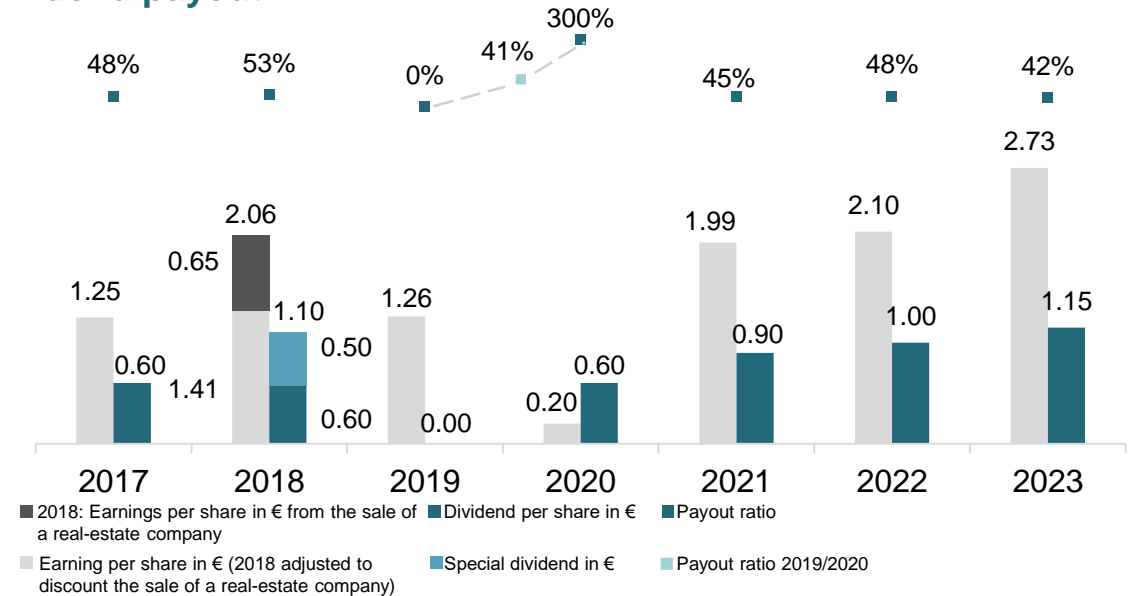
¹ Net financial debt = Non-current financial liabilities + Current liabilities to banks + Current portion of non-current liabilities - Cash and cash equivalents. ² Net financial debt/equity. ³ Net financial debt/annualized EBITDA for the quarter. ⁴ Correction amounting to c. € -2 million.

The Wacker Neuson SE share

Share price development vs. relevant indices¹



Dividend payout



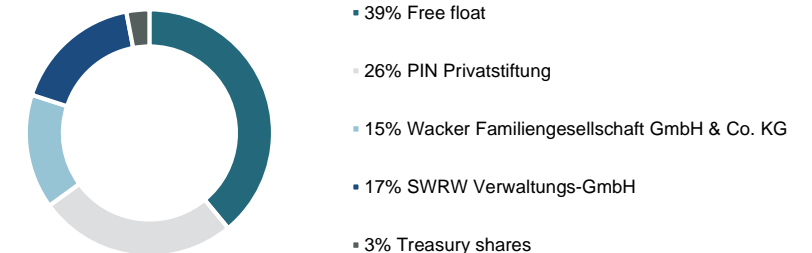
Key figures per share

| in € | 31.12.23 | 31.12.22 |
|------------------------------|----------|----------|
| Earnings per share | 2.73 | 2.10 |
| Book value per share | 21.38 | 19.85 |
| Share price at end of period | 18.26 | 16.34 |
| Market capitalization (€ m) | 1,280.8 | 1,146.1 |

Coverage²

| Bank | TP (€) | Recom. | Date |
|-------------------|--------|--------|---------------|
| Hauck & Aufhäuser | 20.00 | Buy | Oct. 11, 2024 |
| Jefferies | 16.00 | Hold | Sep. 3, 2024 |
| Warburg | 17.00 | Hold | Oct. 16, 2024 |
| Metzler | 14.50 | Hold | Oct. 17, 2024 |
| Kepler Cheuvreux | 12.00 | Reduce | Oct. 11, 2024 |

Shareholder structure²



Total shares: 70,140,000

¹ As of October 1, 2024; ² As of October 21, 2024.