Wacker Neuson Group

H1/2021
Half-year report

Figures at a glance

APRIL 1 THROUGH JUNE 30 AND JANUARY 1 THROUGH JUNE 30

IN € MILLION

	Q2/21	Q2/20	Δ	H1/2021	H1/2020	Δ
Key figures						
Revenue	494.3	385.9	28%	928.3	796.7	17%
by region						
Europe	387.9	305.0	27%	737.1	631.4	17%
Americas	90.1	66.5	35%	158.4	143.4	10%
Asia-Pacific	16.3	14.4	13%	32.8	21.9	50%
by business segment[1]						
Light equipment	106.0	80.0	33%	200.9	176.2	14%
Compact equipment	288.3	212.5	36%	529.9	439.9	20%
Services	103.1	97.0	6%	202.5	187.4	8%
EBITDA	88.9	58.2	53%	159.8	114.3	40%
Depreciation and amortization	32.4	36.7	-12%	59.7	63.9	-7%
EBIT	56.5	21.5	163%	100.1	50.4	99%
EBT	53.3	19.9	168%	97.0	36.6	165%
Profit for the period	40.9	12.3	233%	70.0	22.7	208%
R&D ratio (incl. capitalized expenses) as a %	3.7	3.7	0,0PP	4.1	4.0	0.7PP
Share						
Earnings per share in €	0.59	0.18	228%	1.00	0.32	213%
Dividends per share in €	0.60	–	–	0.60	–	–
Key profit figures						
Gross profit margin as a %	26.8	24.8	2.0PP	27.0	25.7	1.3PP
EBITDA margin as a %	18.0	15.1	2.9PP	17.2	14.3	2.9PP
EBIT margin as a %	11.4	5.6	5.8PP	10.8	6.3	4.5PP
EBT margin as a %	10.8	5.2	5.6PP	10.4	4.6	5.8PP
Cash flow						
Cash flow from operating activities	131.8	102.4	29%	155.3	124.8	24%
Cash flow from investment activities[2]	-8.1	-13.8	-41%	-121.8	-31.9	282%
Investments (property, plant and equipment, intangible assets)	19.2	17.8	8%	34.5	36.1	-4%
Free cash flow	123.7	88.6	40%	33.5	92.9	-64%
Cash flow from financing activities	-69.6	-9.1	665%	-79.3	24.8	–

	June 30, 2021	Dec. 31, 2020	Δ	June 30, 2021	Jun. 30, 2020	Δ
Key figures from the balance sheet						
Equity	1,239.5	1,218.1	2%	1,239.5	1,241.8	0%
Equity ratio as a %	55.5	57.3	-1.8PP	55.5	54.9	0,6PP
Net financial debt	79.4	122.9	-35%	79.4	363.1	-78%
Gearing as a %	6.4	10.1	-3.7PP	6.4	29.2	-22.8PP
Net working capital	528.9	497.5	6%	528.9	743.0	-29%
Net working capital as a % of annualized revenue for the quarter	26.7	29.1	-2.4PP	26.7	48.1	-21.4PP
Number of employees[3]	5,733	5,554	3%	5,733	5,502	4%

[1] Consolidated revenue before cash discounts.
[2] Includes an investment in a fixed-term financial investment in the amount of EUR 100 million with a maturity < 1 year made in the first quarter of 2021.
[3] Including temporary workers.

All consolidated figures prepared according to IFRS. To improve readability, the figures in this report have been rounded to the nearest EUR million. Percentage changes refer to these rounded amounts.

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Accounting methods, key indicators and financial terms are defined in the annual report 2020 on page 150ff. Due to differences attributable to rounding, some of the individual values indicated may not add up precisely to the given total. Similarly, due to the summation of percentages, they may not add up precisely to 100.0%. This may result in slight discrepancies relative to the values provided in the Selected Explanatory Notes.

From left to right
Alexander Greschner
CSO
Responsible for sales, service and marketing.

Dr. Karl Tragl
CEO & Chairman of the Executive Board
Responsible for strategy, M&A, legal matters and compliance, HR, investor relations, corporate communication, real estate and sustainability.

Christoph Burkhard
CFO
Responsible for finance, controlling, risk management, audit, IT and sales financing.

Felix Bietenbeck
CTO & COO
Responsible for production, quality, supply chain management, procurement,
business process consulting and research and development.

Dear Ladies and Gentlemen,

In the second quarter of 2020, we were hit by the full force of the effects of the COVID-19 pandemic and saw our revenue drop by 25 percent. Today, just one year later, we are back on our growth path, reporting increased profitability and strong cash generation. With a clear plus of around 17 percent for the first six months of the year and 28 percent for the second quarter, the first half of the year was a success for us. However, it has also been a challenging period.

Although we are delighted to see such dynamic demand for our products and an above-average order book, our supply chains are also under extreme strain and, in some cases, are actually interrupted, presenting us with major productivity and delivery challenges. During the first half of the year, our employees worked tirelessly to get as many machines as possible onto our production lines and delivered to our customers despite the prevailing difficulties. We would like to thank the entire team for their hard work and exceptional performance here.

The rapid recovery across all our reporting regions is a sign of hope for us. In Europe and Asia-Pacific, we have already exceeded our 2019 revenue levels. In the construction sector, our domestic markets in Germany and Austria proved to be key growth drivers. Business also developed very positively in the UK, where we continue to benefit from high growth rates with our innovative dual view dumper models. In the Americas, we have not yet returned to 2019 levels but are nevertheless seeing a clear rise in demand here. Our business with compact equipment for the agricultural sector also developed extremely positively with a 14-percent rise in revenue for the first half-year. This is particularly noteworthy as the agricultural business proved to be very robust in the first half of 2020, reporting a plus of almost one percent despite the effects of COVID-19.

If we have learnt one thing from this past year living with the coronavirus, it's that things can change very rapidly. As always, we remain committed to our top priorities: securing our business, being there for our customers, and protecting the health of our employees. Under the motto "Let's get the jab done", we launched a campaign in June to offer employees at different sites the opportunity to get vaccinated. This initiative is resonating strongly among our people. We hope it represents another step towards a return to normality for all of us. For example, we would be delighted to be able to meet face to face with colleagues from abroad once again. As you know, our new Executive Board team has been in place since June 1. We have already visited many sites but have been restricted to visits in Central Europe thus far. We value the opportunity to get to know as many colleagues as possible in person and ask them to share their perspectives. Through this kind of personal engagement, we hope to gain a more accurate picture of our highly diverse company and the people who make it what it is.

We will continue to face major challenges over the coming months. We expect that supply chain strains plus the sharp rise in material and shipping costs will have a more pronounced impact on revenue and earnings in the second half of the year. Against this backdrop and taking into consideration the development of business to date, we have confirmed our guidance for the current year and now expect revenue and EBIT to reach the upper half of the ranges given. We would like to thank our shareholders and business partners for the trust they have shown in us. Together, we shall continue to successfully master the obstacles we face.

Best regards,

The Executive Board team of Wacker Neuson SE

Interim Group Management Report for H1 2021

Market and environment

Trends in the global economy
Following last year's coronavirus-triggered collapse, the global economy has been experiencing a strong recovery with more and more restrictions being lifted. The possibility of additional COVID-19 waves, vaccination rollout delays, mounting debt levels and rising inflationary pressures could, however, cause setbacks. At the same time, commodity and shipping prices have risen sharply and increasing numbers of companies have to contend with supply bottlenecks and production cuts due to shortages of premanufactured parts.[1]

The International Monetary Fund (IMF)[2] projects that the global economy will grow by 6.0 percent in 2021, moderating this down to 5.1 percent for advanced economies as a whole. The US economy is the exception here, with economists predicting that it will bounce back to pre-crisis levels as early as the second quarter, followed by stronger growth in the second half of the year for an annual plus of 6.4 percent. Germany's recovery is expected to be relatively moderate at 3.6 percent. However, the German economy experienced a less pronounced decline than other European countries in 2020, contracting by 4.9 percent. The IMF expects emerging market and developing economies to grow by 6.7 percent, fueled by strong growth in China and India. By contrast, the World Bank predicts a much more homogenous pace of development.[3] In its outlook, the global economy is set to grow 5.6 percent. Growth for advanced economies is set at 5.4 percent while emerging market and developing economies are predicted to expand by 6.0 percent.

Both the IMF and the World Bank concur in their assessment that the post-pandemic recovery represents a unique opportunity for countries to build a more sustainable economy. Policy makers should prioritize investments in low-carbon and renewable energy sources as well as in green infrastructures to achieve both climate and development goals as defined. An effective and transparent regulatory environment, including an adequate carbon tax policy, is of paramount importance in their view. They also cite private investment as a key enabler in meeting green investment needs.[4]

Trends in the construction equipment sector
According to the German Engineering Federation (VDMA), the construction equipment sector emerged from the crisis very rapidly to enter a boom phase. Based on the latest available data,[5] all markets reported a sharp uptick in growth in the first quarter of 2021. Southeast Asia was the only exception here, with the region contracting by 3 percent. The most important markets for the Wacker Neuson Group, Europe and North America, both expanded by 11 percent. The market in China grew by an impressive 54 percent, fueled by government-backed economic stimulus programs. Sales of construction equipment also developed positively in the Middle East and Russia, increasing by 38 percent and 35 percent respectively. Among emerging market and developing economies, South America and India experienced a particularly sharp upswing in the first quarter, reporting growth in excess of 50 percent. Africa also reported above-average growth of 27 percent.

For the first time since the start of the COVID-19 pandemic, the European construction equipment sector reported moderate growth in February 2021, accompanied by a slight increase in order intake. By March 2021 already, the rapid upswing across the sector led to very high capacity utilization rates on average in the industry – merely a few months after most companies were forced to drastically cut capacity and implement measures such as short-time work models. At the same time, signs of the first supply bottlenecks started to emerge, placing extreme strain on global supply chains and stretching them to the limit over the following months. Positive trends in order intake gained momentum in the second quarter. Orders from European markets were slightly higher than those from international markets, with France, Germany, Great Britain and Eastern European countries in particular giving manufacturers reason to be optimistic.

During the first quarter of the year, the two largest markets of France and Germany, which together account for almost 40 percent of total European demand, had still stagnated. In contrast, all other European markets, with the exception of Spain, experienced significant growth, the majority reporting gains of over 20 percent. According to the Committee for European Construction Equipment (CECE), potential equipment sales that could not be realized due to excessively long delivery timelines may also have contributed to the relatively moderate growth rate of 11 percent overall. Viewed over a longer timeline, however, revenue for Europe in the first quarter reached its highest level since 2008.[6]

Trends in the agricultural technology sector
The shock of the COVID-19 pandemic caused the business barometer published by the European umbrella association for the agricultural machinery industry (CEMA)[7] to fall to its lowest level since the financial crisis of 2008/09 in April 2020. By October 2020, however, it had already bounced back into positive figures for the first time since mid-2019. This momentum continued into 2021, with the index remaining on a steady, steep trajectory, reaching the highest level since 2011 as early as April. As in the second half of 2020, agricultural equipment manufacturers again had to adapt their future expectations in line with the surprisingly positive trends in current business throughout the first half of 2021. In some markets, dealer inventory fell in some instances below the levels required for optimum delivery capabilities. The high order book pushed delivery times to a new all-time high of more than four months.

Latest developments from the first half of the year

Changes in the composition of the executive bodies
On June 1, 2021, Dr. Karl Tragl took on the role of Chief Executive Officer (CEO) and Chairman of the Executive Board. Also on June 1,

[1] Sources: World Bank, June 2021, Global Economic Prospects; Commerzbank, June 2021, Economic and Market Monitor
[2] Source: IMF, April 2021, World Economic Outlook
[3] Source: World Bank, June 2021, Global Economic Prospects
[4] Sources: World Bank, June 2021, Global Economic Prospects; IMF, April 2021, World Economic Outlook
[5] Source: VDMA, June 2021, Economic Situation, Construction Equipment and Building Material Machinery, Frankfurt
[6] Source: Committee For European Construction Equipment, May 2021, Quarterly Economic Bulletin, Brussels
[7] Source: CEMA, Business Barometer January, February, March, April, May 2021

Christoph Burkhard took on the position of Chief Financial Officer (CFO). Dr. Tragl and Mr. Burkhard took over from Mag. Kurt Helletzgruber, who was appointed to the Executive Board at the end of 2020 by the Supervisory Board in line with Section 105 (2) AktG [German Stock Corporation Act]. Mr. Helletzgruber took on the position of CFO on December 1, 2020 for an interim period and also temporarily assumed the role of CEO and Chairman of the Executive Board on January 1, 2021. With the appointments of Dr. Tragl and Mr. Burkhard, the Executive Board of Wacker Neuson SE again comprises four members. Felix Bietenbeck is Chief Operations Officer (COO) and Chief Technology Officer (CTO) and Alexander Greschner is Chief Sales Officer (CSO). As planned, Mr. Helletzgruber returned to the Supervisory Board once the new members of the Executive Board assumed their positions. Prof. Dr. Matthias Schüppen, who assumed the Chair of the Audit Committee for the duration of Mr. Helletzgruber's secondment, will continue in this role until the annual financial statements for 2021 have been approved.

2021 Annual General Meeting

The Annual General Meeting (AGM) of Wacker Neuson SE took place on May 26, 2021. Due to the ongoing special circumstances surrounding the COVID-19 pandemic, the meeting was again held virtually without shareholders or their proxy holders being physically present (with the exception of the proxies appointed by the company).

Votes were cast for approximately 79 percent of the company's share capital. The dividend payout proposed by the Executive Board and Supervisory Board of EUR 0.60 per share for the past fiscal year was approved by shareholders. In light of the unpredictability surrounding the ramifications of the COVID-19 pandemic, the Annual General Meeting resolved to suspend the dividend payout in the previous year.

During the course of further resolutions, the Annual General Meeting also approved the new remuneration system for the Executive Board with a large majority, and additionally adopted the remuneration system for the Supervisory Board presented at the meeting. The actions of the Executive Board and the Supervisory Board for fiscal 2020 were officially approved. Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, was again appointed as the official auditor to review the Financial Statements.

2021 share buyback program

On March 18, 2021, the Executive Board of Wacker Neuson SE – with the approval of the Supervisory Board – resolved to utilize the authorization granted by the company's Annual General Meeting on May 30, 2017 to launch a share buyback program ("2021 share buyback program"). Within the framework of the 2021 share buyback program, a total of 2,454,900 treasury shares (corresponding to up to 3.5 percent of the company's share capital) may be bought back for a maximum total purchase price (excluding incidental acquisition costs) of EUR 53 million between the period from April 1, 2021 and April 30, 2022. The treasury shares will be primarily used by way of consideration in connection with the acquisition of companies or to implement participation programs for Group employees and Executive Board members as required. For further information on the 2021 share buyback program, refer to the Notes to this interim report. → page 23

Product highlights

"Zero emission" is framed by Strategy 2022 and also hardwired into the company's technology roadmap for the coming years. Wacker Neuson is one of the first manufacturers worldwide to offer a broad portfolio of electrically powered light and compact equipment. The product portfolio includes battery-powered rammers and vibratory plates for soil compaction, internal vibrators for concrete compaction, track and wheel dumpers, mini excavators, and wheel loaders for the construction and agricultural industries. In the first half of 2021, the company continued to develop its existing portfolio and incorporate new solutions into its offering. Its efforts here included significantly reducing the weight of the battery inverter backpack (ACBe) used to carry the lithium-ion battery for internal vibrators in the concrete compaction segment. The new backpack system was launched in March. It now weighs a total of 13.5 kilograms, approximately nine of which are attributable to the battery, and distributes this more ergonomically over multiple load points. In the soil compaction sector, Wacker Neuson's new ranges of single-direction vibratory plates come with battery-powered motors or gasoline engines, giving customers the freedom to choose the drive system they want. Three models each available with an electric motor or combustion engine have been added to the compaction portfolio.

Wacker Neuson has overhauled its DW60 and DW90 wheel dumpers for material transportation. These models now feature diesel engines that comply with emissions Stage V, making them much better for the environment than predecessor models. The five-ton ET58 excavator is a new addition to the Wacker Neuson portfolio. It comes equipped with the new Active Working Signal (AWS) system, which makes it safer for people working close to the excavator. The ET42 track excavator now offers the Vertical Digging System (VDS) as an option. Wacker Neuson is the only manufacturer in the compact excavator class to offer this system, which allows the operator to dig vertically and more precisely on uneven terrain, on the edge of curbs or on slopes. Equipped with VDS, the excavator delivers time and material savings of up to 25 percent when digging and filling.

Group brand Kramer has been further developing its renowned quick-hitch system. During the first half of the year, the company launched its patented fully hydraulic "Smart Attach" quick-hitch system, which allows hydraulically powered attachments to be connected to machines without the operator having to leave the vehicle. The attachments can be secured with the touch of a button. The two quick-hitch systems have identical dimensions so they can continue to be used with all attachments.

The compact wheel loader models KL12.5 and KL14.5 for the agricultural sector and 5035 and 5040 for the construction sector now allow customers to choose between two cabin heights. The new lower cab makes the vehicle extremely compact and is available as a canopy or cabin variant. The higher cabin provides better all-round visibility and greater comfort levels for operators. In addition to this, the KL14.5 and 5040 models also come with the new 30 km/h option, allowing them to be driven quickly to different sites.

The Weidemann brand, which specializes in equipment for the agricultural sector, relaunched its powerful Hoftrac 1380 in the first half of the year. The company extensively overhauled the model during engine adaptations to meet emissions Stage V requirements. Operators of the new Hoftrac 1390 can flexibly adjust its performance levels to specific tasks in different deployment scenarios. The new electrically powered ecDrive system enables the machine to be used for more use cases.

Profit

Revenue trends

The year got off to a strong start for Wacker Neuson with the Group already returning to 2019 pre-crisis levels in the first quarter. In the second quarter, however, despite strong demand from customers, the Group did not quite manage to match this achievement as a result of the challenging situation in global supply chains. Supply bottlenecks for raw materials and components as well as a sharp reduction in shipping capacities resulted in delays in the production and delivery of products. Due to the low comparative baseline for the second quarter, which was shaped by the COVID-19 pandemic, the Group nonetheless reported an increase of 28.1 percent year-on-year in the second quarter, compared with 5.6 percent in Q1. Revenue for the second quarter amounted to EUR 494.3 million (Q2/2020: EUR 385.9 million). Cumulative revenue for the first half of the year increased 16.5 percent relative to the previous year to reach EUR 928.3 million (H1/2020: EUR 796.7 million). Adjusted for currency effects, this corresponds to a rise of 18.1 percent. Revenue for the first half of 2021 was only 2.6 percent below the pre-crisis figure reported for the same period in 2019 (H1/2019: EUR 952.6 million).

While sales of compact equipment for agriculture were still down in the first quarter of 2021 – albeit against a very strong comparative baseline, business with Kramer- and Weidemann-branded agricultural equipment developed very positively in the second quarter. Group revenue for the first half-year increased by 13.9 percent here (H1/2021: EUR 174.7 million; H1/2020: EUR 153.4 million). This is particularly noteworthy as the agricultural business overall proved to be robust in the first half of 2020, reporting a plus of almost one percent despite the effects of COVID-19.

The Group reported gains across all key product groups in the construction sector. The innovative dual view dumper continued to perform particularly well here, generating further gains for the Group in the first half of the year in the UK in particular.

The spare parts business also developed very positively. Despite the challenging conditions, the Group was able to ensure uninterrupted high levels of availability and provide customers with continued levels of outstanding service. In addition to this, the Group started to see the first positive effects of measures to restructure the spare parts business within the framework of its Xto1 Group project.

Order intake continued to grow at a fast pace in the second quarter independently of revenue development. Orders in Europe and Asia-Pacific almost doubled in the first half of the year compared with the pre-crisis figures for H1/19. Order volumes in North America, however, did not quite return to pre-pandemic levels. Orders in the region fell particularly sharply in 2020 as key accounts and rental chains significantly cut back on investments as a result of the effects of the COVID-19 pandemic.

Profit developments

Cost of sales developed at a slightly slower rate than revenue in the first half of 2021, increasing 14.5 percent to EUR 677.5 million (H1/2020: EUR 591.8 million). Gross profit amounted to EUR 250.8 million (H1/2020: EUR 204.9 million). The gross profit margin settled at 27.0 percent and was thus higher than the previous year (H1/2020: 25.7 percent). The gross profit margin for the second quarter was posted at 26.8 percent (Q2/2020: 24.8 percent).

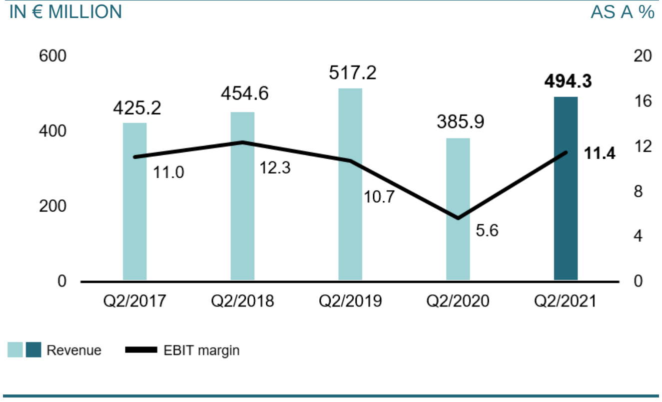
The development of cost of sales was shaped by a sharp rise in volumes and the associated increase in production and logistics costs. In contrast, improved cost recovery at production plants relative to the prior-year period had a positive effect on gross profit, even if this remained below target due to increased input costs and a lack of production output caused by material bottlenecks. In addition to this, rehandling of machines and the rework activities required resulted in additional effort that had a negative impact on productivity at the production plants.

Development of operating costs

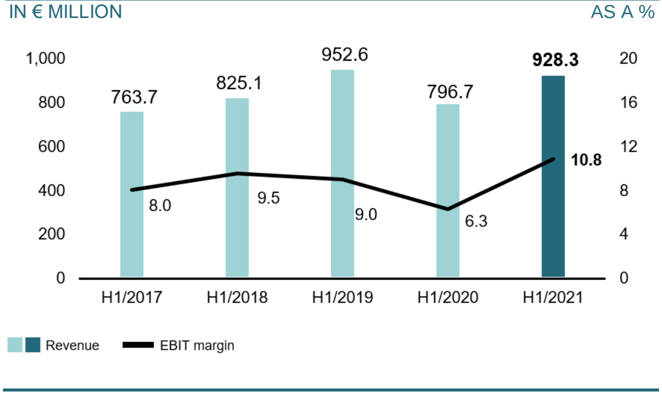
While cost of sales is directly linked to sales volumes reported, operating costs follow a less variable trajectory. Total SG&A and R&D expenses for the first half of the year rose 2.3 percent to EUR 153.8 million (H1/2020: EUR 150.4 million). Their share of revenue improved to 16.6 percent (H1/2020: 18.9 percent).

In the previous year, the Group implemented numerous cost-efficiency measures in response to the rapid spread of the coronavirus, which significantly reduced operating costs. Bringing forward vacation periods and using up hours in flextime accounts as well as introducing a range of short-time working models also had a dampening effect on costs.

DEVELOPMENT OF REVENUE AND EBIT MARGIN Q2 2017–2021



DEVELOPMENT OF REVENUE AND EBIT MARGIN H1 2017–2021



Individual cost items developed as follows in the first half of 2021:

In the first six months of the year, sales and service expenses fell 7.6 percent relative to the previous year to EUR 93.8 million (H1/2020: EUR 101.5 million). The realignment of sales structures in South and North America and Scandinavia had a positive effect here together with the continued squeeze on expenses for trade shows and events and consistently low travel costs. In addition, whereas sales and service expenses in the first half of the previous year were negatively impacted by write-downs on receivables in the amount of EUR -4.3 million, the 2021 figure for the same period benefited from a positive net result in the amount of EUR 1.8 million from value adjustments (for further information on this, refer to the Notes to this interim report → page 26ff). Expressed as a percentage of revenue, sales and service expenses improved to 10.1 percent (H1/2020: 12.7 percent).

Research and development costs amounted to EUR 24.0 million (H1/2020: EUR 16.3 million). The increase relative to the prior year is attributable to higher personnel costs among other things. In addition, individual development projects were written down by an amount of EUR 3.0 million. Capitalized expenses came to EUR 14.1 million (H1/2020: EUR 15.8 million). As a percentage of revenue, research and development costs (including capitalized R&D expenses) were slightly higher than the previous year at 4.1 percent (H1/2020: 4.0 percent).

General administrative costs rose 10.4 percent to EUR 36.0 million due to increased IT, consulting, personnel and building expenses (H1/2020: EUR 32.6 million). Expressed as a relative share of revenue, administrative expenses nevertheless improved to 3.9 percent (H1/2020: 4.1 percent).

The balance from the items “Other income” and “Other expenses” amounted to EUR 3.1 million in the first half of the year and was thus higher than the previous year (H1/2020: EUR -4.1 million). Profit for the previous year was negatively impacted by a write-down on goodwill in the amount of EUR 9.5 million attributable to the US subgroup.

Overall, write-downs in the first six months of the year were below the level for 2020. This is primarily attributable to the impairment of goodwill attributed to the US subgroup that was reported in the previous year (H1/2021: EUR 59.7 million; H1/2020: EUR 63.9 million; Q2/2021: EUR 32.4 million; Q2/2020: EUR 36.7 million). Write-downs on property, plant and equipment and intangible assets amounted to EUR 39.6 million in the first half of the year and EUR 22.0 million in the second quarter of the year (H1/2020: EUR 43.6 million; Q2/2020: EUR 26.7 million). Write-downs on the Group’s rental equipment amounted to EUR 20.1 million in the first half of the year and EUR 10.4 million in the second quarter and were thus on a par with the previous year (H1/2020: EUR 20.3 million; Q2/2020: EUR 10.0 million).

Development of EBIT, financial result and profit for the period

Profit before interest and tax (EBIT) for the first half-year increased 98.6 percent to EUR 100.1 million (H1/2020: EUR 50.4 million). The EBIT margin amounted to 10.8 percent (H1/2020: 6.3 percent). Higher sales volumes, improved cost recovery at the production plants relative to the previous year and only a slight rise in operating costs (total SG&A and R&D expenses) all had a positive effect here.

EBIT for the second quarter of 2021 was significantly higher than the prior-year figure (Q2/2021: EUR 56.5 million; Q2/2020: EUR 21.5 million). The EBIT margin amounted to 11.4 percent compared with 5.6 percent in the prior-year quarter.

The financial result for the period under review amounted to EUR -3.1 million (H1/2020: EUR -13.8 million). The financial result in the previous year was significantly affected by negative currency effects related to internal Group liabilities. Interest income included in the financial result amounted to EUR -4.9 million and was thus higher than the previous year (H1/2020: EUR -6.0 million).

Profit before tax (EBT) for the first six months of the year was EUR 97.0 million (H1/2020: EUR 36.6 million). EBT for the second quarter amounted to EUR 53.3 million compared with EUR 19.9 million in the previous year.

Tax expenditure came to EUR 27.0 million in the first half-year and to EUR 12.4 million in the second quarter (H1/2020: EUR 13.9 million; Q2/2020: EUR 7.6 million). This corresponds to a tax rate of 27.8 and 23.3 percent respectively (H1/2020: 38.0 percent; Q2/2020: 38.2 percent). The tax rate in the previous year was higher due to the negative earnings reported by affiliates for which no deferred taxes could be capitalized. At the same time, existing deferred tax assets also had to be partly written down. Furthermore, the negative currency effects related to internal Group liabilities and the goodwill impairment attributed to the US subgroup were not tax-deductible.

Profit for the first half of the year thus amounted to EUR 70.0 million (H1/2020: EUR 22.7 million). This corresponds to earnings per share of EUR 1.00 (H1/2020: EUR 0.32) based on 69,826,300 ordinary shares in H1/21.[1] Profit for the second quarter of 2021 amounted to EUR 40.9 million (Q2/2020: EUR 12.3 million). Earnings per share was posted at EUR 0.59 (Q2/2020: EUR 0.18) based on 69,649,200 ordinary shares in Q2/21.

[1] The Executive Board of Wacker Neuson SE – with the approval of the Supervisory Board – launched a share buyback program (“2021 share buyback program”) on March 18, 2021. Share buyback has an impact on earnings per share. For further information on this, refer to the Notes to this interim report on page 23. Profit for fiscal 2020 is distributed between 70,140,000 ordinary shares.

Assets and financials

Net working capital

The Group's strategic goal is to reduce the net working capital ratio expressed as a percentage of revenue[1] to 30 percent or lower and maintain that level over time. Following significant progress in recent quarters, the net working capital ratio came in at 26.7 percent at the close of the reporting period and thus reached the target range after having just fallen short of it at the close of the first quarter (March 31, 2021: 31.3 percent; December 31, 2020: 29.1 percent; June 30, 2020: 48.1 percent).[2] The absolute value for net working capital amounted to EUR 528.9 million and was thus 28.8 percent lower than the figure for the previous year and only slightly higher than the figure at the start of the fiscal year (June 30, 2020: EUR 743.0 million; December 31, 2020: EUR 497.5 million). The individual components developed as follows:

Inventory levels of machines, raw materials and supplies increased by 3.7 percent in the first half of the year to EUR 427.4 million (December 31, 2020: EUR 412.2 million). This is a marked improvement on the previous year (June 30, 2020: EUR 544.3 million). Inventory levels of finished machines decreased sharply here due to strong demand. Conversely, levels of unfinished machines more than doubled since the start of the year as a result of overstretched and, in some cases, interrupted supply chains. Days inventory outstanding (DIO) at the closing date amounted to only 108 days (June 30, 2020: 171 days).[3]

Trade receivables in the first half of the year rose to EUR 288.8 million as a result of strong revenue growth, but were still below the figure for the previous year (December 31, 2020: EUR 222.4 million; June 30, 2020: EUR 320.3 million). Days sales outstanding fell from 76 days in the previous year to 53 days.[4] The effects of the asset-backed securities program (ABS program) implemented in the third quarter of 2020 to win new dealers and market shares in the key growth market of North America was one of the factors that contributed to this decrease (see also → pages 37 and 134 in the 2020 Annual Report). Existing receivables were transferred to the ABS program, with a small amount of these receivables remaining on the Wacker Neuson Group balance sheet as part of a loss pool agreement. The net result in 2020 amounted to approximately USD 31.0 million and to USD 47.2 million in the first half of 2021.

Trade payables amounted to EUR 187.3 million at the close of the first half of the year and were thus significantly higher than comparable values (December 31, 2020: EUR 137.1 million; June 30, 2020: EUR 121.6 million). This rise was fueled by an increase in production volumes. Days payable outstanding rose from 38 days at the prior-year closing date to 47 days.[5] Trade payables were at a low level in 2020 due to reduced production volumes, which were particularly pronounced in the second and third quarter.

Non-current assets

Total non-current assets amounted to EUR 908.2 million at the closing date and were thus lower than comparable values from the previous year (December 31, 2020: EUR 971.2 million; June 30, 2020: EUR 1,001.8 million). This decrease was primarily attributable to the development of non-current financial assets (June 30, 2021: EUR 53.9 million; December 31, 2020: EUR 109.7 million; June 30, 2020: EUR 125.7 million), which, in turn, was shaped by the sale of receivables in the amount of EUR 28.2 million related to the divestment of a minority shareholding and by effects from the ABS program (refer to Net working capital developments → page 8). Property, plant and equipment also decreased slightly (June 30, 2021: EUR 384.8 million; December 31, 2020: EUR 391.6 million; June 30, 2020: EUR 398.2 million).

Current assets

At the close of the first half-year, current assets amounted to EUR 1,325.8 million (December 31, 2020: EUR 1,155.6 million; June 30, 2020: EUR 1,260.8 million). The sharp rise since the start of the year is primarily attributable to strong cash generation, with liquid funds in the total amount of EUR 100 million being channeled into a fixed-term investment with a term of less than one year. An increase in trade receivables also contributed to the rise in current assets. Furthermore, the Group expanded its own rental equipment in response to strong demand from customers (June 30, 2021: EUR 178.6 million; December 31, 2020: EUR 159.5 million; June 30, 2020: EUR 173.0 million).

Non-current liabilities

Non-current liabilities amounted to EUR 462.7 million at June 30, 2021 and were thus significantly below the figure for the end of 2020 (December 31, 2020: EUR 592.2 million; June 30, 2020: EUR 550.3 million). This is due to the reclassification of a promissory note (Schuldschein) in the amount of EUR 125 million which is due in February 2022. This item is now reported under current liabilities. An additional promissory note (Schuldschein) in the amount of EUR 50 million, which was placed in the third quarter of 2020, also had an impact here relative to June 30 of the previous year.

NET WORKING CAPITAL

IN € MILLION

	June 30, 2021	Dec. 31, 2020	Changes	Jun. 30, 2020	Changes
Inventory	427.4	412.2	4%	544.3	-21%
+ Trade receivables	288.8	222.4	30%	320.3	-10%
- Trade payables	187.3	137.1	37%	121.6	54%
Net working capital	528.9	497.5	6%	743.0	-29%
Net working capital / annualized quarterly revenue	**26.7%**	**29.1%**	**-2,4PP**	**48.1%**	**-21.4PP**

[1] During the year, figure is based on annualized revenue for the preceding quarter.
[2] Respective figures based on annualized revenue for the preceding quarter.
[3] Days inventory outstanding = (inventory at the interim reporting date / annualized cost of sales for the preceding quarter)*365 days.
[4] Days sales outstanding = (trade receivables at the interim reporting date / annualized revenue for the preceding quarter)*365 days.
[5] Days payables outstanding = (trade payables at the interim reporting date / annualized cost of sales for the preceding quarter)*365 days.

Current liabilities

Current liabilities rose to EUR 531.8 million at the end of the period under review (December 31, 2020: EUR 316.5 million; June 30, 2020: EUR 470.5 million). This increase is primarily attributable to the above-mentioned reclassification of a promissory note (Schuldschein) in the amount of EUR 125 million, which is due in February 2022, plus the sharp rise in trade payables (refer to Development of net working capital → page 8).

Other current non-financial liabilities increased slightly relative to the close of 2020 (June 30, 2021: EUR 58.2 million; December 31, 2020: EUR 48.9 million). This was primarily attributable to a rise in accruals for accumulated holiday hours. The figure at the prior-year reporting date was higher due to increased sales tax liabilities and deferred social security contributions (June 30, 2020: EUR 78.2 million). Other current financial liabilities rose during the period under review to EUR 63.6 million (December 31, 2020: EUR 38.5 million; June 30, 2020: EUR 35.6 million) due in part to the ABS program, where the Group acts as a loan servicer.

Balance sheet total and equity

At EUR 2,234.0 million, the balance sheet total at the close of the first half year was slightly below the figure at the interim reporting date in 2020 (June 30, 2020: EUR 2,262.6 million; December 31, 2020: EUR 2,126.8 million).

Group equity amounted to EUR 1,239.5 million at the end of the first half year (December 31, 2020: EUR 1,218.1 million; June 30, 2020: EUR 1,241.8 million). The equity ratio came to 55.5 percent (December 31, 2020: 57.3 percent; June 30, 2020: 54.9 percent). Any shares purchased under the 2021 share buyback program, which was launched in April, are deducted from equity. At June 30, 2021, this figure amounted to EUR -20.0 million (for further details on the 2021 share buyback program, refer to the Notes to this interim report → page 23).

Off-balance-sheet assets and financial instruments

In addition to the assets shown in the consolidated balance sheet, the Group also makes limited use of assets not recognized in the balance sheet. This generally refers to leased assets that are not capitalized in the balance sheet of the lessee due to the short-term nature of the lease or the low carrying amount as per IFRS 16. In connection with factoring, certain receivables are completely derecognized in line with IFRS 9 and only recognized to the extent of the company's continuing involvement in the financial asset.

Net financial debt

Net financial debt[1] decreased to EUR 79.4 million in conjunction with the positive development of cash flow (December 31, 2020: EUR 122.9 million; June 30, 2020: EUR 363.1 million). Gearing[2] fell from 10.1 percent at the start of the year to 6.4 percent at the interim closing date (June 30, 2020: 29.2 percent). Thanks to its comfortable liquidity and financial position, the Group will continue to invest in important growth opportunities and actively shape technology trends in the industry. The Group's strong credit rating was again confirmed by the German Bundesbank, which approved the company's eligibility for credit.

NET FINANCIAL DEBT
IN € MILLION

	June 30, 2021	Dec. 31, 2020	Jun. 30, 2020
Long-term financial borrowings	291.8	411.6	371.1
Short-term borrowings from banks	140.5	9.2	154.6
Current portion of long-term borrowings	0.9	0.2	0.6
Cash and cash equivalents	238.8	283.1	163.2
Fixed-term investments (< 1 year)	115.0	15.0	–
Total net financial position	**79.4**	**122.9**	**363.1**
Gearing as a %	**6.4**	**10.1**	**29.2**

Cash flow from operating activities

At EUR 203.1 million for the first half of 2021 and EUR 141.2 million for Q2, gross cash flow (cash flow from operating activities before investments in net working capital) was clearly higher than the prior-year figures (H1/2020: EUR 73.9 million; Q2/2020: EUR 60.7 million). This was primarily fueled by the marked improvement in profit and a drop in non-current financial assets, which were mainly shaped by the sale of non-current receivables connected to the divestment of a minority shareholding (proceeds in the amount of EUR 49.1 million) (see also Non-current assets → page 8). A change in miscellaneous liabilities also had a positive effect here (refer to Current liabilities → page 9). In contrast, the expansion of the Group's rental fleet had a dampening effect.

FINANCIAL POSITION
IN € MILLION

	Q2/2021	Q2/2020	H1/2021	H1/2020
Cash flow from operating activities	131.8	102.4	155.3	124.8
Cash flow from investment activities	-8.1	-13.8	-121.8	-31.9
Free cash flow	**123.7**	**88.6**	**33.5**	**92.9**
Cash flow from financial activities	-69.6	-9.1	-79.3	24.8
Effect of exchange rates on cash and cash equivalents	-1.3	-0.3	1.5	-0.8
Change in cash and cash equivalents	**52.8**	**79.2**	**-44.3**	**116.9**
Cash and cash equivalents at beginning of period	186.0	84.0	283.1	46.3
Cash and cash equivalents at end of period	**238.8**	**163.2**	**238.8**	**163.2**

[1] Net financial debt = long- and short-term borrowings + current portion of long-term borrowings – cash and cash equivalents – fixed-term investments with terms of less than one year. The definition of net financial debt as applied by the Wacker Neuson Group does not include lease liabilities in accordance with IFRS 16.
[2] Gearing = net financial debt/equity.

After investments in net working capital, cash flow from operating activities in the first half of the year amounted to EUR 155.3 million and was thus considerably higher than the prior-year figure (H1/2020: EUR 124.8 million). The figure for Q2 was EUR 131.8 million (Q2/2020: EUR 102.4 million). Whereas the reduction in net working capital had a positive effect on the development of cash flow in 2020, a rise in trade payables in the first half of 2021 was more than offset by an accompanying rise in trade receivables and slightly higher inventory levels.

Cash flow from investment activities

Cash flow from investment activities for the first six months of the year amounted to EUR -121.8 million and was clearly below the prior-year figure (H1/2020: EUR -31.9 million). This figure includes net investments in fixed-term investments in the total amount of EUR 100.0 million with terms of between three and twelve months. This was done to optimize the cash position. Discounting this effect, cash flow from investment activities would have been higher than the figure for the previous year. Investment outflows for the second quarter amounted to EUR -8.1 million (Q2/2020: EUR -13.8 million). This includes proceeds from the sale of a minority shareholding (refer to the Notes to this interim report for further details → page 25).

In addition to investing in replacement investments, the Group plans to expand its European production network in fiscal 2021. Delays to individual projects are expected to be delayed as the Group focuses on securing customer deliveries in the face of supply chain strains. The Group made investments in the total amount of EUR 34.5 million in the first six months of 2021, which is a 4.4 percent reduction on the prior-year period (H1/2020: EUR 36.1 million). EUR 15.9 million of this was channeled into property, plant and equipment (H1/2020: EUR 16.2 million). At EUR 18.6 million, investments in intangible assets were also slightly down on the previous year (H1/2020: EUR 19.9 million).

Free cash flow

Free cash flow (cash flow from operating activities less cash flow from investment activities) for the first half of the year amounted to EUR 33.5 million (H1/2020: EUR 92.9 million). Discounting investments in the above-mentioned fixed-term investments in the amount of EUR 100.0 million, free cash flow would have come to EUR 133.5 million. Free cash flow for the second quarter amounted to EUR 123.7 million (Q2/2020: EUR 88.6 million).

Cash flow from financing activities

Cash flow from financing activities for the first half of the year amounted to EUR -79.3 million (H1/2020: EUR 24.8 million). The dividend payout in the amount of EUR -41.7 million had a major impact on this figure (H1/2020: EUR 0.0 million). The dividend payout proposed by the Executive Board and Supervisory Board of EUR 0.60 per share for the past fiscal year was approved by the Annual General Meeting. In light of the unpredictability surrounding the ramifications of the COVID-19 pandemic, shareholders resolved to suspend the dividend payout in the previous year. Further outflows in the amount of EUR -19.2 million were related to the acquisition of treasury shares within the framework of the 2021 share buyback program (refer to 2021 share buyback program → page 23).

Segment reporting

The Wacker Neuson Group supports customers across the globe with its broad product and service portfolio.

Segment reporting provides an overview of business developments according to region (Europe,[1] Americas and Asia-Pacific). The Group also breaks revenue down according to business segment (light equipment, compact equipment and services).

REVENUE BY REGION H1/2021

AS A % (H1/2020)

Results for Europe, the Americas and Asia-Pacific

Europe[1]

Europe is by far the most important market for the Wacker Neuson Group. In the first half of 2021, the region accounted for 79.4 percent of revenue (H1/2020: 79.3 percent). Revenue for the first six months of the year increased 16.7 percent to EUR 737.1 million relative to the previous year (H1/2020: EUR 631.4 million). This is significantly higher than the previous record figure from 2019 (H1/2019: EUR 692.5 million). Group revenue for Europe amounted to EUR 387.9 million in the second quarter of 2021 (Q2/2020: EUR 305.0 million). This represents a 27.2-percent increase on the prior-year quarter which was largely shaped by the coronavirus crisis.

Profit before interest and tax (EBIT)[2] for the first half of the year amounted to EUR 98.8 million, which is an increase of 21.5 percent relative to the previous year (H1/2020: EUR 81.3 million).

In the construction sector, the domestic markets in Germany and Austria once again proved to be key growth drivers, performing robustly even against what was a strong baseline from the previous year despite the coronavirus crisis. Business also developed extremely positively in the UK where the Group continues to benefit from high growth rates with its innovative dumper models. In addition, the Group reported major double-digit gains in most countries in Southern and Eastern Europe. In some cases, however, the baselines for comparison here were weak due to the coronavirus crisis. Business also developed positively in Northern Europe, where the Group adjusted its sales structure in 2020. In Sweden and Denmark, the Group transferred a number of activities to long-term collaboration partners with a view to increasing market penetration further.

Business with Kramer- and Weidemann-branded machines for the agricultural sector developed particularly well. Group revenue for the first half-year increased by 13.9 percent (H1/2021: EUR 174.7 million; H1/2020: EUR 153.4 million); all the more noteworthy given that the agricultural business proved to be extremely robust in the first half of 2020 with a plus of almost one percent despite the effects of COVID-19.

Americas

Revenue in the Americas region recovered from the sharp pandemic-triggered dent in the previous year to climb 10.5 percent over the first half of 2021 and reach EUR 158.4 million (H1/2020: EUR 143.4 million). Adjusted for currency effects, this corresponds to a rise in revenue of 18.1 percent. Customers remained cautious about investments at the start of the year in particular. However, business picked up markedly towards the end of the first quarter, driven in part by a gradual increase in demand from rental companies. Business in Canada developed particularly well, with the Group already exceeding pre-crisis levels in the first half of the year.

Revenue for the second quarter increased 35.5 percent to EUR 90.1 million (Q2/2020: EUR 66.5 million). Adjusted for currency effects, this corresponds to a rise of 43.9 percent.

The region’s share of total revenue in the first half of the year amounted to 17.1 percent (H1/2020: EUR 18.0 percent).

Following extensive restructuring measures and a difficult 2020, the Group managed in H1 to return to a clearly positive EBIT[1] (profit before interest and tax) in the amount of EUR 7.3 million (H1/2020: EUR -21.2 million). This profit includes write-downs on receivables with a positive net result of EUR 2.0 million (H1/2020: EUR -3.1 million). For

REGIONAL DEVELOPMENTS IN REVENUE AND EBIT

IN € MILLION

	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Europe		Americas		Asia-Pacific		Consolidation		Group	
H1										
Revenue	737.1	631.4	158.4	143.4	32.8	21.9			928.3	796.7
EBIT	98.8	81.3	7.3	-21.2	2.2	-2.8	-8.2	-6.9	100.1	50.4
Q2										
Revenue	387.9	305.0	90.1	66.5	16.3	14.4			494.3	385.9
EBIT	52.9	32.2	5.4	-16.0	1.8	-1.4	-3.6	6.7	56.5	21.5

On June 30, 2021, the Group corrected profit reported for each region as a result of a technical error related to the allocation of consolidation effects for the first quarter of 2021. This is a correction within the scope of IAS 8. For further details, refer to the Notes to this interim financial report. → page 24

[1] Including South Africa, Turkey and Russia. The Wacker Neuson Group reports these countries in its Europe segment even though – geographically speaking – they are located outside of the region.

[2] Before consolidation.

further details on this, refer to the Notes to this interim financial report → page 25. Profit for the previous year was negatively impacted by a goodwill impairment in the amount of EUR 9.5 million attributable to the US subgroup. Write-downs on receivables in the amount of EUR 3.1 million and one-off restructuring expenses amounting to EUR 2.1 million were also recognized.

Asia-Pacific

Revenue for the first half of 2021 in Asia-Pacific rose 49.8 percent to EUR 32.8 million and was thus significantly higher than the previous record figure reported in 2019 (H1/2020: EUR 21.9 million; H1/2019: EUR 28.9 million). Adjusted for currency effects, this corresponds to a rise of 44.3 percent. The region's share of total revenue increased to 3.5 percent (H1/2020: 2.7 percent). Revenue for the region in the second quarter increased 13.2 percent to EUR 16.3 million (Q2/2020: EUR 14.4 million). Adjusted for currency effects, this corresponds to a rise of 9.0 percent.

Australia was the main growth driver here, with the Group more than doubling its revenue in the first half of the year and reporting a high double-digit increase relative even to the pre-crisis year of 2019. Wacker Neuson benefitted from the expansion of its dealer network here as well as from an increased focus on independent rental firms and a product portfolio tailored to the needs of the local market. The Group's restructuring efforts in recent years started to bear fruit and Australia made a significant contribution to the positive development of profit in the region. Profit before interest and tax (EBIT)[1] for Asia-Pacific amounted to EUR 2.2 million (H1/2020: EUR -2.8 million). This is also attributable to improved cost recovery for the Chinese production plant. In the previous year, the development of profit was impacted by underutilization at the Chinese plant and impairment losses. In the second quarter of 2021, value adjustments were made for inventory in the amount of EUR +0.9 million.

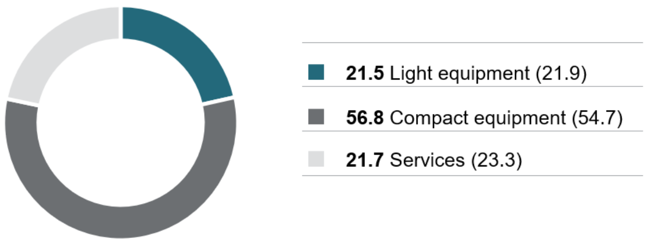
The Group continues to face challenging market conditions in China with strong pressure on prices. In future, the Group plans to distribute machinery produced at the Chinese plant increasingly in export markets like Africa and South America.

Effects of consolidation

In the first half of the year, interim profit in the amount of EUR -8.2 million was eliminated (H1/2020: EUR -6.9 million). This was primarily attributable to the expansion of the Group's own stock of rental equipment.

Results for the light equipment, compact equipment and services segments

REVENUE BY BUSINESS SEGMENT[1] H1/2021
AS A % (H1/2020)



[1] Consolidated revenue before cash discounts.

Light equipment revenue trends

The light equipment business segment covers the Wacker Neuson Group's activities within the strategic business fields of concrete technology, compaction and worksite technology.

Revenue[2] for the first half of the year rose 14.0 percent to EUR 200.9 million. Adjusted for currency effects, this corresponds to a rise of 17.0 percent (H1/2020: EUR 176.2 million). The segment's share of total revenue decreased to 21.5 percent (H1/2020: 21.9 percent).

Revenue for the second quarter rose 32.5 percent to EUR 106.0 million (Q2/2020: EUR 80.0 million). Adjusted for currency effects, this corresponds to an increase of 34.3 percent.

Despite an upturn in the US market as well as the gradual recovery of business with rental companies plus strong growth rates in Asia-Pacific, the Group was unable to compensate for the downturns of the previous year.

Compact equipment revenue trends

The compact equipment business segment covers compact machinery weighing up to 15 tons targeted at the construction and agricultural industries, gardening, landscaping, manufacturing and recycling companies as well as municipal bodies. The portfolio includes excavators, wheel loaders, tele wheel loaders, skid steer loaders and telescopic handlers, as well as wheel and track dumpers and backhoe loaders. Financing options remain an important success factor for customers in the compact equipment segment. The Wacker Neuson Group is continually extending its international reach and collaborates with strong, independent financing partners.

REVENUE BY BUSINESS SEGMENT
IN € MILLION

	Q2/2021	Q2/2020	Change	H1/2021	H1/2020	Change
Segment revenue from external customers						
Light equipment	106.0	80.0	32.5%	200.9	176.2	14.0%
Compact equipment	288.3	212.5	35.7%	529.9	439.9	20.5%
Services	103.1	97.0	6.3%	202.5	187.4	8.1%
	497.4	**389.5**	**27.7%**	**933.3**	**803.5**	**16.2%**
Less cash discounts	-3.1	-3.6	-13.9%	-5.0	-6.8	-26.5%
Total	**494.3**	**385.9**	**28.1%**	**928.3**	**796.7**	**16.5%**

[1] Before consolidation.

[2] Before cash discounts.

Revenue for the compact equipment segment for the first half of the year grew[1] 20.5 percent to EUR 529.9 million (H1/2020: EUR 439.9 million). The compact equipment segment's share of total revenue[1] rose to 56.8 percent during the period under review (H1/2020: 54.7 percent). Segment revenue[1] for the second quarter of 2021 increased 35.7 percent relative to the previous year to reach EUR 288.3 million (Q2/2020: EUR 212.5 million).

The Group reported gains across all key product groups in the construction sector. The innovative dual view dumper continued to perform particularly well here, generating further gains for the Group in the first half of the year in the UK in particular.

While sales of compact equipment for agriculture were still down in the first quarter of 2021 – albeit against a very strong comparative baseline, business with Kramer- and Weidemann-branded agricultural equipment developed very positively in the second quarter. Group revenue for the first half-year increased by 13.9 percent here (H1/2021: EUR 174.7 million; H1/2020: EUR 153.4 million). This is particularly noteworthy as the agricultural business overall proved to be robust in the first half of 2020, reporting a plus of almost one percent despite the effects of COVID-19. Agricultural equipment's share of total revenue[1] amounted to 18.7 percent (H1/2020: 19.1 percent).

Revenue trends in the services segment

The Wacker Neuson Group attaches great value to being close to its customers, offering customer-centric, committed and personalized service and support. The Group complements new equipment sales with an extensive range of services to support its products. These comprise the business fields of repair, service and spare parts, used equipment, financing, telematics solutions, eBusiness and flexible rental solutions in selected European markets. The services segment also encompasses limited sales of third-party equipment, including for example the resale of trade-ins.

Demand for spare parts in particular increased sharply in the first half of 2021 in Europe and the Americas. Despite the challenging conditions, the Group was able to ensure continuously high levels of availability and provide customers with the same levels of outstanding service. In addition to this, the Group started to see the first positive effects of its measures to restructure the spare parts business as part of the Group-wide "Xto1" project.

The rental business also grew at a rapid pace during the first six months of the year. In contrast, services such as maintenance and repairs slowed relative to the prior-year period, as did sales of the Group's own rental equipment.

Revenue[1] from the services segment in the first half of 2021 rose relative to a strong comparative baseline in the previous year by 8.1 percent to reach EUR 202.5 million (H1/2020: EUR 187.4 million). Adjusted for currency effects, revenue rose 11.5 percent. The services segment's share of total revenue[1] decreased to 21.7 percent due to the strong performance of the compact equipment segment (H1/2020: 23.3 percent).

Segment revenue[1] for the second quarter rose 6.3 percent relative to the previous year to reach EUR 103.1 million (Q2/2020: EUR 97.0 million). Adjusted for currency effects, this is a rise of 11.5 percent.

[1] Before cash discounts.

Other factors that impacted on results

Headcount trends
In the first six months of 2021, headcount increased 3.2 percent relative to the figure at the end of 2020 to reach 5,733 (December 31, 2020: 5,554 employees). Compared with June 30, 2020, headcount increased 4.2 percent (June 30, 2020: 5,502 employees). In particular, the number of employees in production increased sharply at the close of the first half-year relative to the prior-year figure, due to an increase in temporary staff (June 30, 2021: 591; June 30, 2020: 357; December 31, 2020: 353). Temporary staff headcount was reduced in the previous year in conjunction with the effects of the COVID-19 pandemic.[1]

Due to the temporary closure of the US production plant due to the effects of the COVID-19 pandemic, 262 employees at the site were on unpaid leave at the prior-year interim reporting date. This number had fallen to 90 at December 31, 2020. At June 30, 2021, no employees were on unpaid leave.

Changes to the opportunity and risk situation

Compared with the opportunities and risks outlined in the 2020 Annual Report, risk exposure has increased during the period under review. This rise stems primarily from greater risks associated with material availability, material prices and shipping costs. Overall, risk exposure at the interim reporting date was 67 percent higher than the figure at the end of the year. Significant changes have occurred in the following risk categories compared with the situation at the close of 2020:

- Operational risks +97%
- Financial risks +22%
- Personnel risks -56%

Operational risks
The risk associated with materials required for production not arriving or not arriving on time has increased significantly during the period under review. The risk of a sharp rise in material prices has also increased. The risk of increased shipping costs also rose due to shortages in global shipping capacity.

Financial risks
A renewed increase in foreign currency holdings and a rise in procurement volumes have pushed up foreign currency risks. Additionally, the risk of customers in South America potentially defaulting on payment increased during the period under review.

Personnel risks
The potential temporary, short-notice closure of production facilities or sales and service stations due to suspected and/or confirmed cases of employees being infected with the coronavirus is now seen to be less likely.

Risks which have remained largely unchanged during the period under review are described in the 2020 Annual Report on pages 58 to 64. Company management is not currently aware of any other significant risks to the Group. According to the company's calculations, there are no individual risks with a value of anticipated damages in excess of 10 percent of the projected Group EBIT. The risk exposure is therefore classified as "high" according to the definitions of the internal control and risk management system (see page 59 of the 2020 Annual Report).

Business opportunities are described on pages 64 and 72 ff. of the 2020 Annual Report and in the following Outlook section of this interim management report.

Outlook

Rapid recovery in the construction equipment market; growth prospects dampened by overstretched supply chains and, in some cases, disruptions to supply chains
According to the CECE, the European construction equipment market recovered at a surprisingly rapid rate in 2021. The sharp uptick in demand in the first quarter raised hopes that the industry would return to the pre-crisis levels of 2019 as early as 2021. However, the key question remained as to whether the marked bottlenecks emerging in supply chains would compromise manufacturers' ability to meet potential market demand. Despite the sharp drop in machine inventory and longer delivery times caused by component shortages and bottlenecks in container shipping, European construction equipment manufacturers are very optimistic about the market outlook for the second half of the year. The business barometer published by the CECE bottomed out in May 2020. This was followed by a period of sustained improvement through to April and June 2021, when it reached the highest levels ever recorded. Following the double-digit growth reported across all European markets and product segments in the first half of the year (albeit measured against the backdrop of a weak baseline from the previous year), the CECE expects growth to gradually slow in the second half of the year. This is due, on the one hand, to the stronger baseline for comparison in the second half-year and, on the other, to the supply chain situation described above. Looking at markets beyond Europe, the construction equipment manufacturers surveyed by the CECE were most optimistic about the North American market. According to the CECE, this is primarily due to the successes achieved by the US in the fight against COVID-19 and expectations fueled by the infrastructure package.[2]

The VDMA[3] expects the global construction equipment market to grow by 15 percent for the year as a whole. For Europe, the VDMA is predicting growth of 10 percent, with German manufacturers expected to see growth of 5 percent. According to the federation, growth will be fueled by positive prospects for the majority of customer segments and the continued favorable investment climate resulting from low interest rates. Critical factors, according to the VDMA, include severe bottlenecks in supply chains which require more flexibility than ever in production. The federation has also identified signs of markets starting to overheat. This includes China, where the world's largest construction equipment market is being fueled by government-backed stimulus programs in response to the COVID-19 pandemic. As a result, the VDMA expects the pace of growth in the global market to slow in 2022, with revenue contracting by five percent. Revenue in Europe is expected to stagnate.

The Business Climate Index published by the ifo Institute for the construction industry rose in the first half of the year, although expectations remain pessimistic overall due to the current supply shortages.[4]

Positive future prospects in the European agricultural technology sector
The business barometer published by CEMA[5] has remained on a steep upward trajectory in 2021, reaching a record high of +72 points in June. The sentiment among European agricultural construction

[1] Headcount figures do not reflect the actual number of people employed. They are calculated by converting the number of jobs, including temporary positions, within the Group into full-time equivalents.
[2] Source: Committee For European Construction Equipment, May 2021, Quarterly Economic Bulletin, Brussels.
[3] Source: VDMA, June 2020, Economic Situation, Construction Equipment and Building Material Machinery, Frankfurt.
[4] Source: ifo Institute, June 2021, ifo Business Climate Index Germany.
[5] Source: CEMA, Business Barometer January, February, March, April, May, June, July 2021.

equipment manufacturers was bolstered by continued high levels of order intake from Europe and markets beyond Europe as well as by exceptionally positive future expectations for European markets, in particular Austria, France, Italy and Poland. The positive trajectory of this index remained unchanged in the second quarter. Although order volumes are at a record high, the industry is facing extreme price increases and bottlenecks on the supply side. Industry representatives lowered their expectations regarding the ongoing rise in order intake for the first time in June. According to the latest available estimates, manufacturers expect growth to amount to 12 percent for 2021.

According to the German Farmers' Association, the sentiment in the German agricultural sector also improved slightly[1], fueled in particular by rising agricultural prices. The number of agricultural landholders willing to make investments, in particular in environmentally sound and climate-friendly agricultural equipment, increased significantly as a result of the German government's investment program and roadmap for the future of the agricultural sector (IuZ). In contrast, the development of purchase prices for feed, fertilizer and energy had a dampening effect on the mood in the sector.

Guidance for fiscal 2021

The Group reported dynamic developments in order intake across all reporting regions in the first half of the year. The order book is at a very high level. The biggest challenge in the second half of the year will continue to be overstretched supply chains, some of which are currently disrupted. Supply chain strain already had a dampening effect on the development of the Group's business during the first half of the year.

Taking into consideration the development of business to date, the prevailing conditions and the opportunities and risks facing the Wacker Neuson Group, the Executive Board has narrowed its revenue and earnings guidance for 2021 as a whole, placing it within the upper half of the ranges previously given. Revenue is projected in the range between EUR 1,750 and 1,800 million, and the EBIT margin is expected to lie between 8.75 and 9.50 percent (previous guidance for revenue: EUR 1,700 to 1,800 million; previous guidance for the EBIT margin: 8.0 to 9.5 percent). These new figures reflect the assumption that supply chain strains plus the sharp rise in material and shipping costs will probably have a more pronounced impact on the development of revenue and earnings in the second half of the year.

Investments in tangible and intangible assets in fiscal 2021 are still projected to amount to between EUR 100 and 110 million (2020: EUR 86.9 million).[2]

As before, the Executive Board expects the net working capital ratio (net working capital expressed as a percentage of revenue) to be stagnant or to improve slightly relative to December 31, 2020 (December 31, 2020: 30.8 percent).

Outlook for 2022

Taking into consideration the prevailing conditions as well as the opportunities and risks facing the Wacker Neuson Group and assuming that the global economy will continue to develop positively and there will not be any significant setbacks in relation to the COVID-19 pandemic, the Executive Board expects, from its current standpoint, to report a slight rise in revenue together with increased profitability for fiscal 2022.

Munich, August 5, 2021

Wacker Neuson SE, Munich, Germany

The Executive Board

Dr. Karl Tragl Chief Executive Officer (CEO) Chairman of the Executive Board	Felix Bietenbeck Chief Operations Officer (COO) Chief Technology Officer (CTO)
Christoph Burkhard Chief Financial Officer (CFO)	Alexander Greschner Chief Sales Officer (CSO)

[1] Source: German Farmers' Association, business barometer for the agricultural sector, April 2021.

[2] Investments (property, plant and equipment and intangible assets). Investments in the Group's own rental equipment, purchases of investments and investments in financial assets are not included.

Consolidated Income Statement

JANUARY 1 THROUGH JUNE 30

IN € MILLION

	Q2/21	Q2/20	H1/21	H1/20
Revenue	494.3	385.9	928.3	796.7
Cost of sales	-362.0	-290.1	-677.5	-591.8
Gross profit	**132.3**	**95.8**	**250.8**	**204.9**
Sales and service expenses	-46.7	-46.1	-93.8	-101.5
Research and development expenses	-11.6	-6.8	-24.0	-16.3
General administrative expenses	-18.2	-14.9	-36.0	-32.6
Other income	3.1	3.7	5.8	6.5
Other expenses	-2.4	-10.2	-2.7	-10.6
Profit before interest and tax (EBIT)	**56.5**	**21.5**	**100.1**	**50.4**
Financial income	-0.7	-0.9	2.0	7.0
Financial expenses	-2.5	-0.7	-5.1	-20.8
Profit before tax (EBT)	**53.3**	**19.9**	**97.0**	**36.6**
Taxes on income	-12.4	-7.6	-27.0	-13.9
Profit for the period	**40.9**	**12.3**	**70.0**	**22.7**
Of which are attributable to:				
Shareholders in the parent company	40.9	12.3	70.0	22.7
Earnings per share in € (diluted and undiluted)[1]	**0.59**	**0.18**	**1.00**	**0.32**

[1] Refer to the information in the selected explanatory notes.

Consolidated Statement of Comprehensive Income

JANUARY 1 THROUGH JUNE 30

IN € MILLION

	Q2/21	Q2/20	H1/21	H1/20
Profit for the period	**40.9**	**12.3**	**70.0**	**22.7**
Other income				
Income to be recognized in the income statement for subsequent periods				
Exchange differences	-1.3	-3.8	5.0	-1.0
Cash flow hedges	0.6	-0.6	0.9	-0.7
Effect of taxes on income	–	0.1	–	0.2
Income to be recognized in the income statement for subsequent periods	**-0.7**	**-4.3**	**5.9**	**-1.5**
Income not to be recognized in the income statement for subsequent periods				
Actuarial gains/losses from pension obligations	1.7	-2.6	3.6	0.2
Effect of taxes on income	-0.5	0.8	-0.9	-0.1
Financial assets measured at fair value through other comprehensive income	4.2	-4.5	4.2	-4.5
Gain from sale of investments	0.3	–	0.3	–
Income not to be recognized in the income statement for subsequent periods	**5.7**	**-6.3**	**7.2**	**-4.4**
Other comprehensive income after tax	**5.0**	**-10.6**	**13.1**	**-5.9**
Total comprehensive income after tax	**45.9**	**1.7**	**83.1**	**16.8**
Of which are attributable to:				
Shareholders in the parent company	45.9	1.7	83.1	16.8

Consolidated Balance Sheet

AS AT JUNE 30

IN € MILLION	June 30, 2021	Dec. 31, 2020	Jun. 30, 2020
Assets			
Property, plant and equipment	384.8	391.6	398.2
Property held as financial investment	25.8	26.2	25.1
Goodwill	228.6	228.6	228.5
Other intangible assets	184.1	178.9	175.9
Investments	2.7	6.8	7.0
Deferred tax assets	28.3	29.4	41.3
Non-current financial assets	53.9	109.7	125.7
Other non-current non-financial assets	–	–	0.1
Total non-current assets	**908.2**	**971.2**	**1,001.8**
Rental equipment	178.6	159.5	173.0
Inventories	427.4	412.2	544.3
Trade receivables	288.8	222.4	320.3
Tax offsets	11.5	12.2	12.4
Other current financial assets	155.0	45.5	25.3
Other current non-financial assets	23.9	16.5	21.9
Cash and cash equivalents	238.8	283.1	163.2
Non-current assets held for sale	1.8	4.2	0.4
Total current assets	**1,325.8**	**1,155.6**	**1,260.8**
Total assets	**2,234.0**	**2,126.8**	**2,262.6**
Equity and liabilities			
Subscribed capital	70.1	70.1	70.1
Other reserves	575.0	562.2	577.3
Net profit/loss	614.4	585.8	594.4
Treasury shares	-20.0	–	–
Equity	**1,239.5**	**1,218.1**	**1,241.8**
Long-term financial borrowings	291.8	411.6	371.1
Long-term lease liabilities	50.6	57.1	64.3
Deferred tax liabilities	45.6	43.9	40.5
Provisions for pensions and similar obligations	58.2	64.8	61.0
Long-term provisions	10.3	9.8	8.6
Long-term contract liabilities	6.2	5.0	4.8
Total non-current liabilities	**462.7**	**592.2**	**550.3**
Trade payables	187.3	137.1	121.6
Short-term liabilities to financial institutions	140.5	9.2	154.6
Current portion of long-term borrowings	0.9	0.2	0.6
Short-term lease liabilities	24.2	25.7	26.1
Short-term provisions	18.7	19.0	16.4
Short-term contract liabilities	4.7	5.1	4.2
Income tax liabilities	33.7	32.8	33.2
Other current financial liabilities	63.6	38.5	35.6
Other current non-financial liabilities	58.2	48.9	78.2
Total current liabilities	**531.8**	**316.5**	**470.5**
Total liabilities	**2,234.0**	**2,126.8**	**2,262.6**

Consolidated Statement of Changes in Equity

AS AT JUNE 30

IN € MILLION

	Subscri-bed capital	Capital reserves	Exchange diffe-rences	Other neutral changes	Net profit/loss	Treasury shares	Equity at-tributable to share-holders in the parent company
Balance at January 1, 2020	**70.1**	**618.7**	**-5.8**	**-29.7**	**571.7**	**–**	**1,225.0**
Profit for the period	–	–	–	–	22.7	–	22.7
Other income	–	–	-1.0	-4.9	–	–	-5.9
Total comprehensive income	**–**	**–**	**-1.0**	**-4.9**	**22.7**	**–**	**16.8**
Dividends	–	–	–	–	–	–	–
Balance at June 30, 2020	**70.1**	**618.7**	**-6.8**	**-34.6**	**594.4**	**–**	**1,241.8**
Balance at January 1, 2021	**70.1**	**618.7**	**-18.9**	**-37.6**	**585.8**	**–**	**1,218.1**
Profit for the period	–	–	–	–	70.0	–	70.0
Other income	–	–	5.0	8.1	–	–	13.1
Reallocation of other income	–	–	–	-0.3	0.3	–	–
Total comprehensive income	**–**	**–**	**5.0**	**7.8**	**70.3**	**–**	**83.1**
Dividends	–	–	–	–	-41.7	–	-41.7
Purchase of treasury shares	–	–	–	–	–	-20.0	-20.0
Balance at June 30, 2021	**70.1**	**618.7**	**-13.9**	**-29.8**	**614.4**	**-20.0**	**1,239.5**

Consolidated Cash Flow Statement

JANUARY 1 THROUGH JUNE 30

IN € MILLION	Q2/21	Q2/20	H1/21	H1/20
EBT	**53.3**	**19.9**	**97.0**	**36.6**
Adjustments to reconcile profit before tax with gross cash flows				
Depreciation, amortization and impairment of non-current assets	22.0	26.7	39.6	43.6
Unrealized foreign exchange gains/losses	3.8	-2.5	-0.7	2.8
Financial result	3.2	1.6	3.1	13.8
Gains from the sale of intangible assets and property, plant and equipment	-0.3	-1.2	-0.9	-1.1
Changes in rental equipment, net	-15.9	-3.2	-19.5	-6.9
Changes in misc. assets	48.1	-2.8	43.5	-36.7
Changes in provisions	-1.5	-0.1	-2.9	-1.1
Changes in misc. liabilities	28.5	22.3	43.9	22.9
Gross cash flow	**141.2**	**60.7**	**203.1**	**73.9**
Changes in inventories	9.1	77.2	-9.8	52.3
Changes in trade receivables	-7.8	23.3	-64.1	34.0
Changes in trade payables	11.5	-66.5	49.5	-28.2
Changes in net working capital	**12.8**	**34.0**	**-24.4**	**58.1**
Cash flow from operating activities before income tax paid	**154.0**	**94.7**	**178.7**	**132.0**
Income tax paid	-22.2	7.7	-23.4	-7.2
Cash flow from operating activities	**131.8**	**102.4**	**155.3**	**124.8**
Purchase of property, plant and equipment	-7.5	-8.5	-15.9	-16.2
Purchase of intangible assets	-11.7	-9.3	-18.6	-19.9
Proceeds of investments	8.6	–	8.6	–
Cash outflow from financial investments	–	–	-100.0	–
Proceeds from the sale of property, plant and equipment, intangible assets and assets held for sale	2.5	4.0	4.1	4.2
Cash flow from investment activities	**-8.1**	**-13.8**	**-121.8**	**-31.9**
Free cash flow	**123.7**	**88.6**	**33.5**	**92.9**
Dividends	-41.7	–	-41.7	–
Cash outflow from share buyback program	-19.2	–	-19.2	–
Cash receipts from short-term borrowings	–	-1.6	–	63.4
Repayments from short-term borrowings	–	1.9	-0.4	-20.1
Repayments from lease liabilities	-6.3	-5.7	-12.3	-11.6
Interest paid	-2.7	-4.0	-6.0	-7.6
Interest received	0.3	0.3	0.3	0.7
Cash flow from financial activities	**-69.6**	**-9.1**	**-79.3**	**24.8**
Change in cash and cash equivalents before effect of exchange rates	**54.1**	**79.5**	**-45.8**	**117.7**
Effect of exchange rates on cash and cash equivalents	-1.3	-0.3	1.5	-0.8
Change in cash and cash equivalents	**52.8**	**79.2**	**-44.3**	**116.9**
Cash and cash equivalents at the beginning of the period	**186.0**	**84.0**	**283.1**	**46.3**
Cash and cash equivalents at the end of period	**238.8**	**163.2**	**238.8**	**163.2**

Consolidated Segmentation

JANUARY 1 THROUGH JUNE 30

Consolidated Segmentation is part of the Notes to the Consolidated Financial Statements.

SEGMENTATION (GEOGRAPHICAL SEGMENTS)

IN € MILLION

	Europe	Americas	Asia-Pacific	Consolida-tion	Group
H1/21					
Segment revenue					
Total revenue	1,184.5	184.8	45.4		1,414.7
Less intrasegment sales	-388.7	-20.1	-8.0		-416.8
	795.8	164.7	37.4		997.9
Intersegment sales	-58.7	-6.3	-4.6		-69.6
Revenue from external customers	**737.1**	**158.4**	**32.8**		**928.3**
EBIT	**98.8**	**7.3**	**2.2**	**-8.2**	**100.1**

	Europe	Americas	Asia-Pacific	Consolida-tion	Group
H1/20					
Segment revenue					
Total revenue	1,025.4	210.0	28.6		1,264.0
Less intrasegment sales	-335.4	-61.1	-3.9		-400.4
	690.0	148.9	24.7		863.6
Intersegment sales	-58.6	-5.5	-2.8		-66.9
Revenue from external customers	**631.4**	**143.4**	**21.9**		**796.7**
EBIT	**81.3**	**-21.2**	**-2.8**	**-6.9**	**50.4**

The consolidation effect reported and not allocated to the segments largely concerns the elimination of interim profit on inventories, as well as rental equipment.

SEGMENTATION (BUSINESS SEGMENTS)

IN € MILLION

	H1/21	H1/20
Segment revenue from external customers		
Light equipment	200.9	176.2
Compact equipment	529.9	439.9
Services	202.5	187.4
	933.3	803.5
Less cash discounts	-5.0	-6.8
Total	**928.3**	**796.7**

Geographical areas

REVENUE ACCORDING TO COMPANY LOCATION

IN € MILLION

	H1/21	H1/20
Germany	437.1	371.4
USA	113.7	102.8
Austria	75.8	51.3
Other	301.7	271.2
Wacker Neuson overall	**928.3**	**796.7**

NON-CURRENT ASSETS ACCORDING TO COMPANY LOCATION

IN € MILLION

	H1/21	H1/20
Germany	363.5	340.5
Austria	362.1	359.8
USA	38.9	53.2
Other	58.8	74.3
Wacker Neuson overall	**823.3**	**827.8**

The non-current assets reported here include property, plant and equipment, investment properties, goodwill, other intangible assets and other non-current assets that are not classified as financial instruments.

Selected Explanatory Notes to the Condensed Interim Financial Statements for H1 2021

Accounting principles

The condensed Wacker Neuson SE consolidated interim financial statements to June 30, 2021, were prepared in accordance with the International Financial Reporting Standards (IFRS) and their interpretations as valid on January 1, 2021, and adopted in the EU. The statements adhere to International Accounting Standard (IAS) 34 for condensed statements.

All interim financial statements of the domestic and foreign companies included in the consolidated statements were prepared according to the standardized Wacker Neuson SE accounting principles and valuation methods.

As an information instrument, this interim report builds on the Consolidated Financial Statements. We therefore refer to the notes to the consolidated statements of December 31, 2020. The comments there also apply to the quarterly and half-year statements for fiscal 2021, unless explicitly stated otherwise.

The general accounting principles, valuation methods and estimates used for the fiscal 2020 consolidated statements have also been applied to these interim financial statements, with the exception of a change in estimates related to the useful life of certain intangible assets as at June 30, 2021.

The condensed consolidated financial statements were approved for publication by way of a resolution passed by the Executive Board on August 5, 2021.

2021 share buyback program

On March 18, 2021, the Executive Board of Wacker Neuson SE – with the approval of the Supervisory Board – resolved to utilize the authorization granted by the company's Annual General Meeting on May 30, 2017, to launch a share buyback program ("2021 share buyback program"). Within the framework of the 2021 share buyback program, a total of 2,454,900 treasury shares (corresponding to up to 3.5 percent of the company's share capital) may be bought back for a maximum total purchase price (excluding incidental acquisition costs) of EUR 53 million between the period from April 1, 2021 and April 30, 2022. These treasury shares will be primarily used by way of consideration in connection with the acquisition of companies or to implement participation programs for Group employees and Executive Board members as required.

As of June 30, 2021, the company had acquired 872,400 treasury shares in total for approximately EUR 20.0 million. These repurchased shares are shown on the balance sheet as a deduction from equity under a separate "Treasury shares" item at acquisition cost including transaction costs and less any tax benefits. As of June 30, 2021, following completion of the buyback transactions, a current financial liability amounting to EUR 0.8 million still exists.

The share buyback program has an impact on earnings per share. The calculation of undiluted earnings per share is based on the weighted average number of shares in circulation during the period. Shares repurchased during the period are only considered to be in circulation up until the point in time when they are bought back and are weighted accordingly. After buyback, treasury shares are not included in the calculation of shares considered to be in circulation. An adjustment of prior-year figures is not planned in this regard. For the period from January 1 through June 30, 2021, earnings per share were calculated on the basis of a weighted average number of shares in circulation in the amount of 69,826,300. For the period from January 1 through June 30, 2020, earnings per share were calculated on the basis of an average number of shares in circulation of 70,140,000.

Executive Board remuneration

All Executive Board members newly appointed since October 1, 2020 are remunerated in accordance with the Executive Board remuneration system approved by the Supervisory Board on March 18, 2021, and approved by the Annual General Meeting on May 26, 2021, in accordance with the law governing implementation of the second shareholders' rights directive (ARUG II). Please refer to the remuneration report in the company's Annual Report for fiscal 2020 for details of remuneration awarded to other Executive Board members.

The remuneration system comprises non-performance-related (fixed) and performance-related (variable) remuneration components, whereby the variable remuneration is split into a one-year short-term incentive (STI) component and a long-term incentive (LTI) component that runs over several years.

The LTI is structured as a virtual performance share plan under which virtual shares (performance shares) in Wacker Neuson SE are conditionally allocated to members of the Executive Board in annual tranches. The performance or observation period for determining target achievement in relation to each annually awarded tranche is four years; this is not designed as a vesting period. At the closing date, an expected obligation in the amount of EUR 0.3 million arising from the long-term component (LTI) was recognized.

In accordance with legal requirements, details of the remuneration system and performance share plan are publicly available on the company website at the following address: https://wackerneusongroup.com/en/investor-relations/corporate-governance/remuneration-system-for-the-members-of-the-executive-board. In addition, the company will publish a detailed account in the remuneration report for fiscal 2021.

The company's obligations arising from the performance share plan have been recognized in accordance with the applicable provisions under IFRS 2. The long-term share-based cash incentive (LTI) is recognized as an expense at the respective present value. The present value was measured using the Black-Scholes model. A revaluation is performed at each reporting date. The corresponding obligations arising from this participation program are reported under long-term provisions.

Standards to be applied for the first time in the fiscal year

The following standards, amendments to standards and interpretations are mandatory as of January 1, 2021:

Name	Description	Mandatory[1]
EU endorsement issued by date of release for publication		
IFRS 4	Amendments to IFRS 4: Insurance contracts – deferral of IFRS 19	Jan. 1, 2021
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: IBOR reform and its effects on financial reporting – Phase 2	Jan. 1, 2021

[1] For fiscal years that start on or after this date. Initial application in line with EU law.

Initial application of the amendments to the IFRS standards above did not have a material impact on the accounting and valuation methods used by the Group.

Standards and interpretations that have been published but not yet applied

The following accounting standards have been published but have not yet come into force, which is why there is no obligation to apply them yet. Should these accounting standards be endorsed by the European Union, it would, at the company's discretion, be generally possible to adopt them at an earlier date. At present, the Group aims to apply these standards as of the date on which they come into force.

Name	Description	Mandatory[1]
EU endorsement still outstanding		
IFRS 17	Insurance contracts	Jan. 1, 2023
IAS 1	Amendments to IAS 1: Classification of liabilities as current or non-current	Jan. 1, 2023
IAS 1	Information on accounting policies	Jan. 1, 2023
IAS 8	Definition of accounting estimates	Jan. 1, 2023
IFRS 16	Extension of COVID-19 expedient beyond June 30, 2021	Apr. 1, 2021
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	Jan. 1, 2023
	Amendments to IFRS 3: Business combinations IAS 16: Property, plant and equipment IAS 37: Provisions, contingent liabilities and contingent assets Annual improvements (2018–2020)	Jan. 1, 2022

[1] For fiscal years that start on or after this date. Initial application in line with EU law provided already endorsed under EU law.

With regard to amendments published in the previous year, we refer to the Notes to the Consolidated Financial Statements of December 31, 2020.

In February 2021, the IASB issued further amendments to IAS 1 and IAS 8. The amendments to IAS 1 clarify that only "material" and company-specific accounting policies are to be presented in the Notes and that standardized information does not have to be provided. The amendment to IAS 8 relates to the definition of accounting estimates and clarifies how entities can better distinguish changes in accounting policies from changes in accounting estimates. Both amendments must be applied for fiscal years beginning on or after January 1, 2023. These amendments could reduce the scope of accounting-related disclosures in the Notes to the consolidated financial statements of the Wacker Neuson Group. Wacker Neuson will engage with these changes in a timely manner.

In response to the ongoing impact of the COVID-19 pandemic, the IASB amended IFRS 16: Leases in March 2021 to provide a one-year extension of the practical expedient to assist lessees in accounting for COVID-19-related lease concessions. The expedient originally only applied until June 30, 2021. These amendments did not have any impact on the Group's consolidated financial statements and are not relevant from a materiality perspective. The Group did not avail of this expedient.

The amendments to IAS 12 of May 2021 are intended to eliminate existing uncertainties in the recognition of deferred tax in connection with leases and disposal or recovery obligations. They clarify which circumstances are excluded from the initial recognition exemption. Wacker Neuson has not yet assessed whether such circumstances are to be recognized for Group entities, but will consider the changes in a timely manner.

Changes to accounting and valuation methods, adjustments to accounting estimates and error corrections

Changes in the useful life of internally produced intangible assets

In the context of current SAP implementation projects, the Group reviewed the useful life of capitalized internally generated software projects (mainly SAP projects). It was determined that the useful life previously disclosed at 8 years did not sufficiently take into account the current faster pace of technological progress and the frequency of significant updates. Accordingly, the useful life was changed to 6 years. Determination of the useful life of intangible assets is a discretionary decision, and this reduction therefore represents a change in estimates in accordance with IAS 8. No historical values need to be adjusted. The change resulted in additional amortization in the first half-year amounting to EUR 1.1 million (H1/2021: EUR 3.1 million), in comparison with the same period the previous year (H1/2020: EUR 1.5 million).

Q1/2021 – Correction of an error in segment reporting

On June 30, 2021, the Group corrected profit reported for each region as a result of a technical error related to the allocation of consolidation effects for the first quarter of 2021. This is a correction within the scope of IAS 8.

CONSOLIDATED SEGMENTATION – AMOUNTS OF THE CORRECTION

IN € MILLION

	Q1/2021 adjusted	Change	Q1/2021
EBIT – Europe	45.9	5.3	40.6
EBIT – Americas	1.9	-4.4	6.3
EBIT – Asia-Pacific	0.4	-0.9	1.3

Material discretionary decisions, estimates and assumptions

In preparing the interim consolidated financial statements, it has been necessary to make estimates and assumptions which may influence the carrying amounts of assets and liabilities, income and expenses as well as contingent liabilities as recognized on the balance sheet. The circumstances giving rise to estimates, discretionary decisions and assumptions remain essentially unchanged from those underlying the consolidated financial statements for fiscal 2020. We therefore refer here to the 2020 Annual Report, page 101 ff. The following provides details of the discretionary decisions, estimates and assumptions where changes were necessary compared with the consolidated financial statements for fiscal 2020:

(a) Material discretionary decisions

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the financial statement cannot be measured based on quoted prices in active markets, they are measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a high degree of judgment on the part of management is required in establishing fair values. Judgments include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

In fiscal 2019, the Group acquired a minority shareholding in a company in North America in the amount of EUR 8.9 million (USD 10.0 million). The purpose of this was to strengthen its US sales network. As of December 31, 2020, this was recognized at a fair value of EUR 4.1 million. During the first half of 2021, this shareholding was sold in view of changes to the Group's strategic focus in the North America region. The sale price of EUR 8.6 million (USD 10.4 million) is in this case the most reliable determination of the fair value of the investment. Prior to the sale, EUR 4.5 million was thus written up to fair value and the item was recognized in other income under "Financial assets measured at fair value through other comprehensive income". This investment was originally allocated to level 3 of the fair value hierarchy. Overall, valuation effects in previous years and in connection with this disposal resulted in a profit of EUR 0.3 million, which has now been reclassified from other neutral changes to retained earnings.

The minority shareholding in Austria in the form of unlisted shares is allocated to level 3 of the fair value hierarchy in the amount of EUR 2.7 million (2020: EUR 2.7 million). The fair values of the unlisted shares were determined using the discounted cash flow method. The valuation requires external portfolio management to make certain assumptions regarding the inputs to the model, including forecast cash flows from shares held within the portfolio, the discount rate, the default risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in external portfolio management's estimate of fair value for these non-listed equity investments.

(b) Estimates and assumptions

Indications for impairment of tangible and intangible assets and development costs (impairment tests specific to events or circumstances)

At each closing date, the Group determines whether there are any grounds to assume that the book value of a tangible asset or an item under other intangible assets has been impaired. In the first half of 2021, the Group identified grounds for a significant impairment of intangible assets.

Reduced demand and increased pressure on prices resulted in the need to recognize impairment losses for development projects for compact equipment, which are reported under other intangible assets. An impairment loss in the amount of EUR 3.0 million was recognized under research and development costs. This is reported under the Europe segment.

Falling real estate prices provided grounds for the identification of an impairment loss on a real-estate holding in Russia. Government support for foreign investors has led to a collapse in real estate prices in the surrounding region. An impairment loss in the amount of EUR 1.7 million was recognized under other operating expenses. This is reported under the Europe segment.

Taxes on income and earnings

At each reporting date, the Group determines whether the probability of future tax benefits is sufficient to justify deferred tax assets. The recognized deferred tax assets may be lower if the estimates regarding scheduled taxable income and the tax benefits realizable through available tax strategies are reduced, or should changes to current tax legislation restrict the timeframe or feasibility of future tax benefits. There were no indications for reassessment of the feasibility of future tax benefits for the recognition of deferred tax assets.

Value of goodwill and assets with an indefinite useful life (at least one impairment test per year)

The Group carries out an impairment test on goodwill and intangible assets of indefinite useful life once a year. No indications of impairment were identified during the year within these intangible assets.

Provisions for ECLs on financial assets

The Group uses a provision matrix to calculate estimated credit losses (ECLs) for selected financial assets. These financial assets mainly comprise:

- Trade receivables
- Receivables (extended payment terms) from dealers
- Receivables from prepaid volume bonuses
- Receivables from finance leases as a lessor

The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. by criteria such as geography, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The provision matrix is based on the Group's historical observed default rates. The Group then calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (such as gross domestic product) are expected to deteriorate over the next year, potentially resulting in an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

In connection with the disposal of the minority shareholding in North America, non-current receivables from that shareholding in the amount of EUR 28.2 million were also transferred to the acquirer at a purchase price of EUR 49.1 million. In addition to non-current receivables with extended payment terms, non-current receivables from prepaid volume bonuses were also sold. Consequently, it was possible to reverse provisions in the amount of EUR 21.1 million recognized on this portfolio. By contrast, further provisions in the amount of EUR 19.2 million were recognized due to increased default risks in the Americas region. Both the reversal and the addition to risk provisions are reported under sales and service expenses.

For receivables (extended payment terms) from dealers, historical default rates are applied as the first step. In the second step, this empirical risk provision is adjusted for specific forward-looking factors such as country risk, bulk risk and collateral provided. For this purpose, the Group uses probabilities of default available on the market for companies in specific industries and compares these with the historical analyses. If there are significant changes over time, the historical analyses are adjusted to reflect this forward-looking information. As compared with December 31, 2020, it was necessary to adjust the parameters used. The analyses revealed and confirmed that the historical default rates need to be adjusted due to increased current default rates. The increased risk for receivables (extended payment terms) is based on a drop in individual liquidity holdings and the ongoing uncertainty surrounding investments. As a result, an additional risk provision of EUR 10.6 million was recognized in the income statement under sales and service expenses for the H1/2021 reporting period. This risk provision was allocated to the Americas segment.

Volume bonuses are paid in advance to selected US dealers to assist them with market penetration and development. The non-current portion is included under the item “Other non-current financial assets”. Here, too, the Group already includes the variable price components when recognizing revenues from the sale of products if it is likely that the customer will meet the agreed targets during the term of the agreement, and reduces the receivable from the prepaid bonus to the customer in the same amount. Due to the uncertain investment climate mentioned above, revenues from individual US dealers have been strongly impacted in this regard since the outbreak of the COVID-19 pandemic. Taking into account the past months and the current outlook, the Group has recognized significant impairments for prepaid volume bonuses here. An additional risk provision of EUR 6.8 million was recognized in the income statement under sales and service expenses for the H1/2021 reporting period. This risk provision was allocated to the Americas segment.

In South America, the COVID-19 pandemic has further exacerbated what was already a challenging market given the local political dynamics. Compared with the previous year, the default risk has increased due to the ongoing uncertainty. An additional risk provision of EUR 1.8 million was thus recognized in the income statement under sales and service expenses for the H1/2021 reporting period. This risk provision was allocated to the Americas segment.

Legal changes to company structure

No changes were made to the consolidation structure in the first half of 2021.

Seasonal fluctuations

Revenue in the construction and agricultural industries is dependent on many seasonal factors. The annual analysis of the seasonal distribution of consolidated revenue over the year clearly shows that seasonal fluctuations can have an impact on Group business.

Viewed as a percentage, the quarterly distribution of consolidated revenue from fiscal 2018 through 2020 was as follows:

AS A %

	2020	2019	2018
Q1	25	23	22
Q2	24	27	27
Q3	24	25	24
Q4	27	25	27

Earnings per share

In accordance with IAS 33, earnings per share are calculated by dividing the consolidated earnings by the average number of shares. There was no share dilution effect in the period under review. The beginning of the share buyback program has changed the weighted number of shares outstanding during the period, as treasury shares are no longer considered outstanding from the buyback date. Diluted earnings do not need to be determined as a result of the 2021 share buyback program, as there is no legal obligation for the planned buybacks and the Group can terminate the program at any time.

IN € MILLION

	2021	2020
Q2		
Quarterly earnings attributable to shareholders in € million	40.9	12.3
Weighted average number of ordinary shares in circulation during the period in thousands	69,649	70,140
Earnings per share in €	0.59	0.18
H1		
Quarterly earnings attributable to shareholders in € million	70.0	22.7
Weighted average number of ordinary shares in circulation during the period in thousands	69,826	70,140
Earnings per share in €	1.00	0.32

Information on financial instruments

The book values and fair values of financial assets and liabilities are presented in the following table:

IN € MILLION	June 30, 2021 Fair value	June 30, 2021 Book value
Assets		
Investments	2.7	2.7
Non-current financial assets	53.4	53.9
Trade receivables	288.8	288.8
Other current financial assets	155.0	155.0
Cash and cash equivalents	238.8	238.8
Liabilities		
Long-term financial borrowings	298.7	291.8
Trade payables	187.3	187.3
Short-term liabilities to financial institutions	140.5	140.5
Current portion of long-term borrowings	0.9	0.9
Other short-term financial liabilities	63.6	63.6

Upon initial recognition, the Group can elect to irrevocably classify equity investments it holds in other companies as shareholdings "measured at fair value not recognized in the income statement" and reported under financial assets (equity instrument) if they meet the definition of equity under IAS 32, Financial Instruments: Presentation, and are not held for trading. The Group holds the following financial assets and liabilities that are measured at fair value not recognized in the income statement:

- Investments in pension funds: The Group holds investments in pension funds in the amount of EUR 1.6 million (December 31, 2020: EUR 1.6 million) to secure the pension entitlements of former Executive Board members. These are not defined as plan assets in accordance with IAS 19 and are not netted against provisions for pensions. The pension fund investments are reported under "Other non-current financial assets". Their fair value is calculated using prices listed on active markets for identical financial assets (level 1 evaluation).

- Minority shareholding in Austria: The Group holds shares in an unlisted company in the amount of EUR 2.7 million (December 31, 2020: EUR 2.7 million), which invests specifically in innovative start-ups. The aim of this investment is to give the company access to new technologies. The minority shareholding in Austria is recognized under the "Investments" item.

Information about revenue

The following table shows revenue generated by the company from contracts with customers and other revenue sources according to product group and site:

IN € MILLION	2021	2020
Geographical segments		
Europe	737.1	631.4
Americas	158.4	143.4
Asia-Pacific	32.8	21.9
Total revenue	**928.3**	**796.7**
Business segments		
Light equipment	200.9	176.2
Compact equipment	529.9	439.9
Services	202.5	187.4
Less cash discounts	-5.0	-6.8
Total revenue	**928.3**	**796.7**
Source of revenue:		
Revenue generated from contracts with customers	837.6	710.7
Other revenue	90.7	86.0
Total revenue	**928.3**	**796.7**

Other revenue mainly includes revenue from flexible rental solutions for equipment and accessories in accordance with IFRS 16 as well as revenue from dealer and customer financing in accordance with IFRS 9. Revenue in the Services segment includes revenue from flexible rental solutions for equipment and accessories in the amount of EUR 87.5 million (H1/2020: EUR 83.3 million). The rental period is generally short term, averaging approximately 15 days. Approximately EUR 3.2 million from dealer and customer financing was recognized for the first half of 2021 (H1/2020: EUR 2.7 million).

Related party disclosures

For the Group, “related parties” within the meaning of IAS 24: Related Party Disclosures generally refers to shareholders, entities over which shareholders have control or significant influence (sister companies), non-consolidated companies, members of the Executive Board, members of the Supervisory Board and a pension fund. The type and scope of transactions conducted with related parties are comparable to the previous year. Please refer to the 2021 Annual Report for more information. For details of changes to Executive Board remuneration, please refer to the relevant section above.

Important events

In addition to the previously described transactions in the USA and the share buyback program, the main important events that occurred during the period under review are as follows:

- The Annual General Meeting (AGM) of Wacker Neuson SE took place on May 26, 2021. Once again, the meeting was held virtually without shareholders or their proxy holders being physically present (with the exception of the proxies appointed by the company).
- The dividend proposed by the Executive Board and Supervisory Board in the amount of EUR 0.60 per share for fiscal 2020 was approved by shareholders. EUR 41.7 million was thus distributed to the shareholders.
- Dr. Karl Tragl was appointed by the Supervisory Board as the new Chairman of the Executive Board and CEO with effect from June 1, 2021.
- Mr. Christoph Burkhard was appointed by the Supervisory Board as the new CFO with effect from June 1, 2021.
- Mag. Kurt Helletzgruber transferred back from the Executive Board to the Supervisory Board as planned with effect from June 1, 2021.
- The 2021 share buyback program was successfully launched. Since the program began, 872,400 shares have been repurchased at a purchase price of EUR 20.0 million.
- At the close of the first half-year, other current financial assets amounted to EUR 155.0 million (December 31, 2020: EUR 45.5 million). The significant increase since the beginning of the year primarily resulted from fixed-term investments totaling EUR 100.0 million. Here the investment term spans more than three months, but a maximum of twelve months.
- At the close of the first half-year, other non-current financial assets amounted to EUR 53.9 million (December 31, 2020: EUR 109.7 million). The disposal of the minority shareholding in North America also gave rise to the sale of non-current receivables from that shareholding in the amount of EUR 28.2 million. Additionally, EUR 19.2 million was added to risk provisions due to increased default risks in the Americas segment.
- Provisions for pensions and similar obligations fell to EUR 58.2 million as at June 30, 2021 (December 31, 2020: EUR 64.8 million). This reduction is mainly due to the increase in interest rates, which led to a valuation effect of approximately EUR 3.6 million in other income (refer to the consolidated statement of comprehensive income). In addition, there was an effect on income of approximately EUR 0.9 million due to the reduced past service cost of the Swiss pension plans.
- As of December 31, 2020, the Group recognized a promissory note (Schuldschein) with a carrying amount of EUR 124.9 million under non-current financial liabilities. Due to its term (maturing in February 2022), this promissory note was reclassified on the balance sheet under "Short-term liabilities to financial institutions" as of June 30, 2021.
- In fiscal 2020, the Group concluded an agreement with a German financial institution for the bundled sale of receivables to a maximum volume of USD 150 million. For more detailed information, please refer to the 2020 Annual Report. In the first half of 2021, receivables amounting to around EUR 47.5 million were additionally transferred (December 31, 2020: EUR 34.3 million). Of this amount, approximately EUR 6.1 million was transferred from non-current financial assets in H1/2021. In addition, trade receivables amounting to EUR 41.4 million were sold to the asset-backed securities (ABS) program. Consequently, book values in the amount of EUR 81.8 million had been transferred as of June 30, 2021 (December 31, 2020: EUR 34.3 million). The continuing involvement as of June 30, 2021, amounted to EUR 17.3 million (December 31, 2020: EUR 6.3 million).

Please refer to page 6 ff. in the Interim Group Management Report of June 30, 2021 for further information and explanatory comments on events that could have a substantial impact on profit, financials and assets.

Events since the interim statements

There have been no further events since the end of the reporting period that could have a significant impact on the future business development of the Wacker Neuson Group.

Munich, August 5, 2021

Wacker Neuson SE, Munich, Germany

The Executive Board

Dr. Karl Tragl Chief Executive Officer (CEO) Chairman of the Executive Board	Felix Bietenbeck Chief Operations Officer (COO) Chief Technology Officer (CTO)
Christoph Burkhard Chief Financial Officer (CFO)	Alexander Greschner Chief Sales Officer (CSO)

Responsibility Statement by the Management

"To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management review of the Group gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year."

Munich, August 5, 2021

Wacker Neuson SE, Munich

The Executive Board

Dr. Karl Tragl Chief Executive Officer (CEO) Chairman of the Executive Board	Felix Bietenbeck Chief Operations Officer (COO) Chief Technology Officer (CTO)
Christoph Burkhard Chief Financial Officer (CFO)	Alexander Greschner Chief Sales Officer (CSO)

Independent Auditor's Report

To Wacker Neuson SE, Munich, Germany

We have reviewed the interim condensed consolidated financial statements, comprising the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and selected explanatory notes, and the interim group management report of Wacker Neuson SE, Munich, for the period from January 1, 2021, to June 30, 2021, which are part of the six-monthly financial report pursuant to Section 115 WpHG ("Wertpapierhandelsgesetz"; German Securities Trading Act). The preparation of the interim condensed consolidated financial statements in accordance with IFRSs on interim financial reporting as adopted by the EU and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the Company's management. Our responsibility is to issue a report on the interim condensed consolidated financial statements and the interim group management report based on our review.

We conducted our review of the interim condensed consolidated financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the interim condensed consolidated financial statements have not been prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports. Our review is limited primarily to making inquiries of company personnel and applying analytical evaluations and thus does not provide the assurance that we would obtain from an audit of financial statements. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS for interim reporting such as are to be applied in the EU nor that the interim management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Munich, August 5, 2021

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft

von Wachter	Strobl
Wirtschaftsprüfer (Public Auditor)	Wirtschaftsprüfer (Public Auditor)

Publishing Details/Financial Calendar

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Financial Calendar 2021

August 9	**Publication of half-year report 2021**
September 21	Berenberg/Goldman Sachs German Corporate Conference (virtual)
November 10	**Publication of nine-month report 2021**

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, uncertainties and other factors. Many of the factors described in publications, in particular, but not limited to, the Company's risk report, are outside the Company's control and cannot be forecast with a high degree of reliability. These include the future economic environment, the actions of competitors and market players, as well as future legal or regulatory frameworks. Should these risks or uncertainties be realized or if the assumptions made based on these statements turn out to be inaccurate, actual results may differ significantly from the results explicitly or implicitly provided in these statements. The company neither plans nor undertakes to update any forward-looking statements beyond legal requirements.

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