
Wacker Neuson Group

Quarterly report Q3 2024

14 November 2024, unaudited

Overview Q3/2024 // 9M/2024¹

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



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



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



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

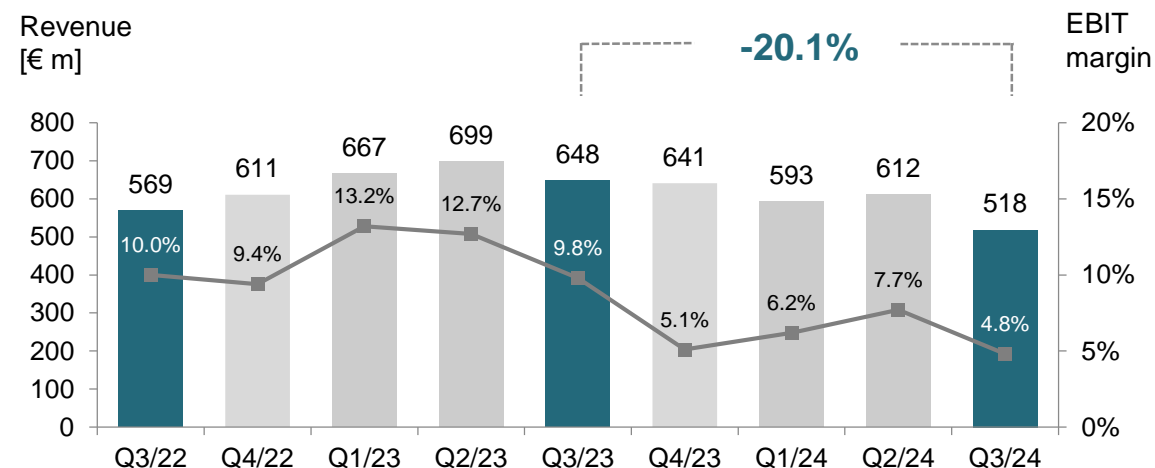


Positive momentum in free cash flow continues due to net working capital reduction

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

Revenue and profitability – Q3/2024

Declining growth and profitability, strained market



Profit and loss statement (excerpt)

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

¹ Including other operating income / other operating expenses.

Comments on Q3/2024

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

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

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

- Cost measures in production cannot fully compensate weak market conditions

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

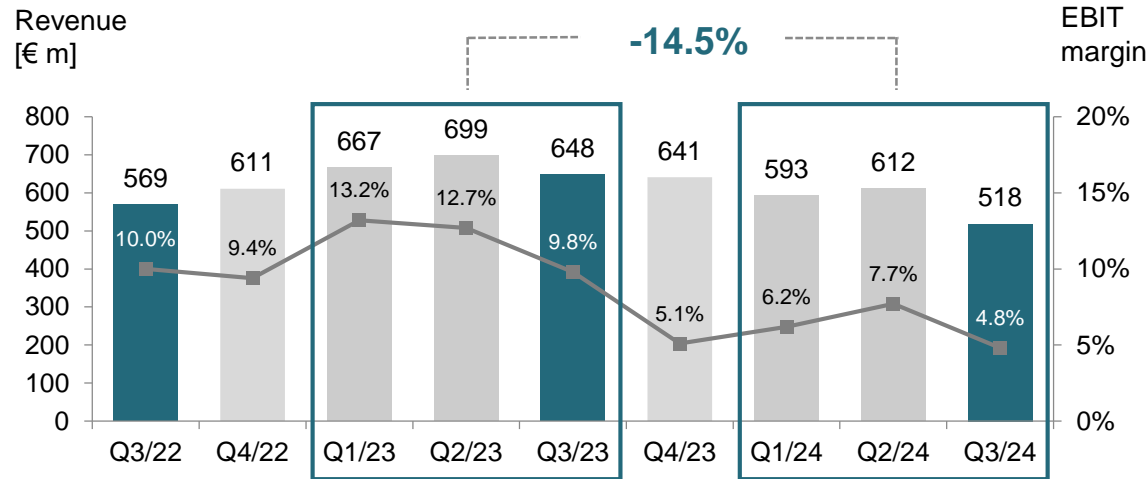
- EBIT margin in Q3/2024 mainly impacted by lower gross profit
- Operating costs -4.5% YoY as a result of cost measures in SG&A

Earnings per share -77.8% YoY

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

Revenue and profitability – 9M/2024

Declining growth and profitability, strained market



Profit and loss statement (excerpt)

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

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

Comments on 9M/2024

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

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

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

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

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

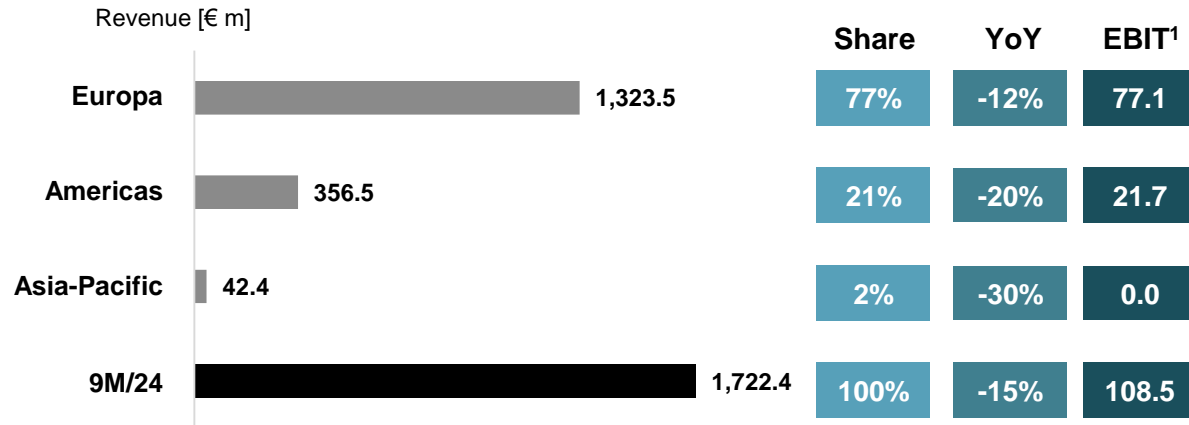
- Other operating income amounting to € 26.5 million from one-offs is included in 9M/2023
- Higher operating costs YoY but improvements throughout the year 2024 as a result of cost measures in SG&A
- EBIT margin in 9M/2024 mainly impacted by lower gross profit margin

Earnings per share -61.7% YoY

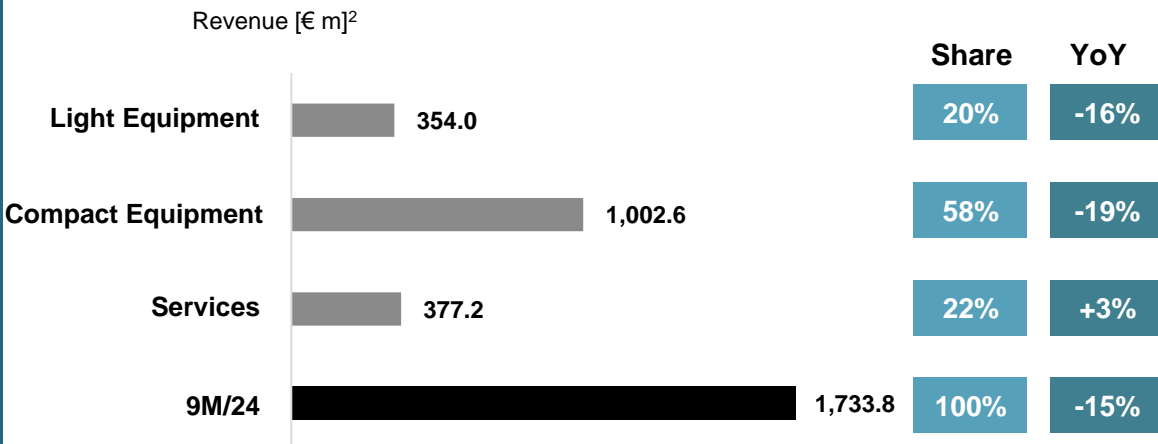
- Financial result driven by interest result of € -15.3 million (9M/2023: € -7.5 million), higher interest expenses due to higher net financial debt
- Tax rate of 29.6% slightly higher than previous year (9M/2023: 27.0%)

Development of regions and business areas

Lower market demand in all regions



Services business segment grows further



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

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

Comments on 9M/2024

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

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

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

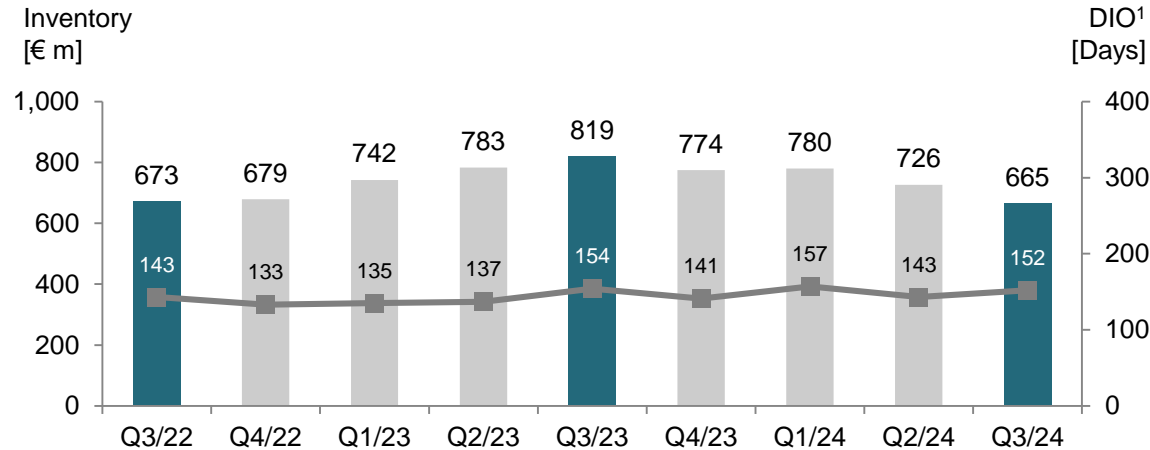
- Negative growth in the USA, Canada as well as Mexico driven through high dealer stocks

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

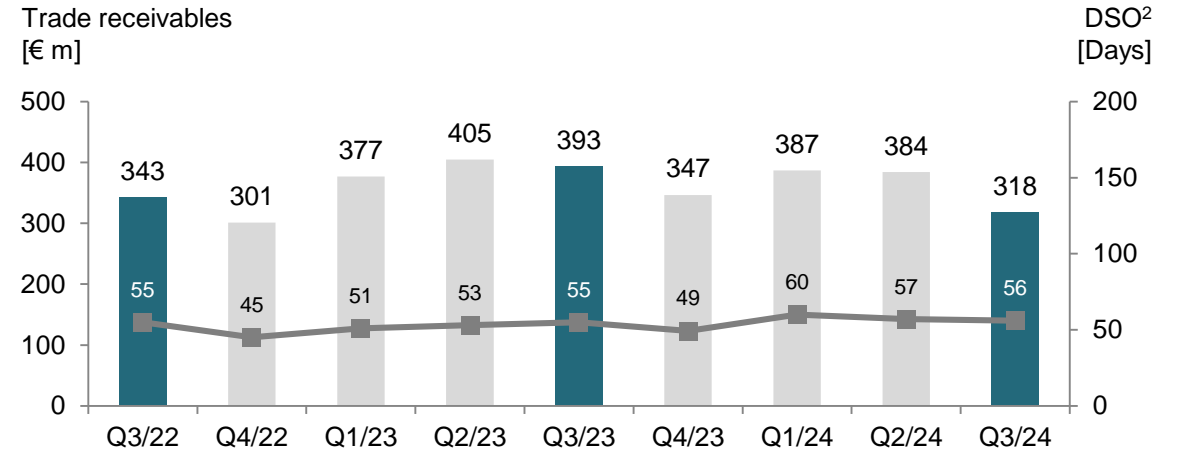
- Industry downturn continues in Asia as well
- Revenue decreases driven by further deteriorating demand in Australia and China

Inventory reduction continues in Q3/2024

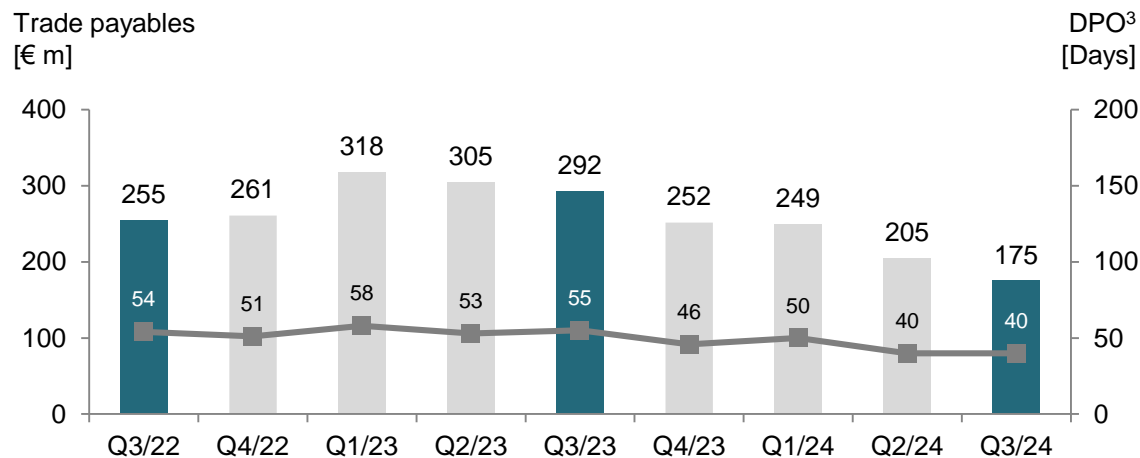
Inventories



Trade receivables



Trade payables



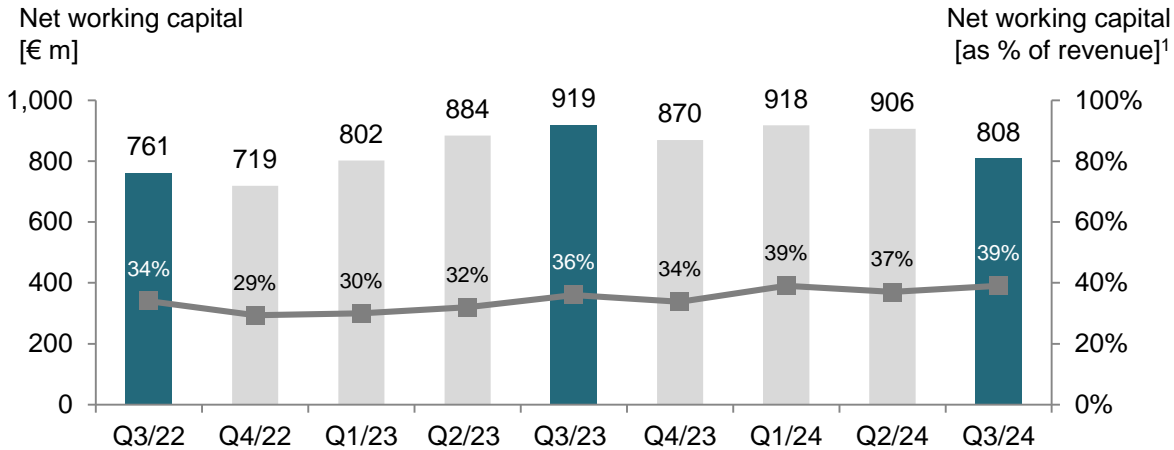
Comments

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

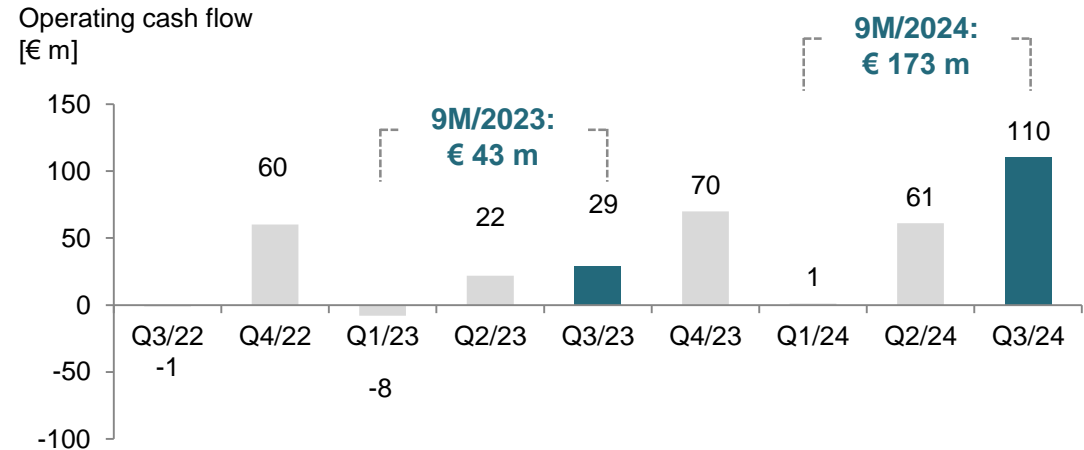
¹ Days inventory outstanding (ann.) = (inventory/(cost of sales*4))*365 days. ² Days sales outstanding (ann.) = (receivables/(revenue*4))*365 days. ³ Days payables outstanding (ann.) = (payables/(cost of sales*4))*365 days.

Successful free cash flow generation

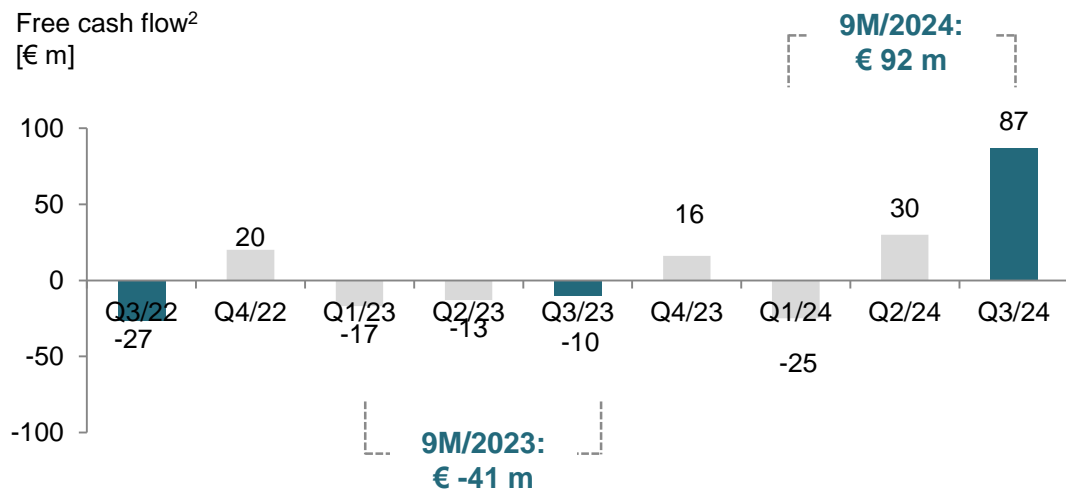
Net Working Capital



Operating cash flow



Free cash flow



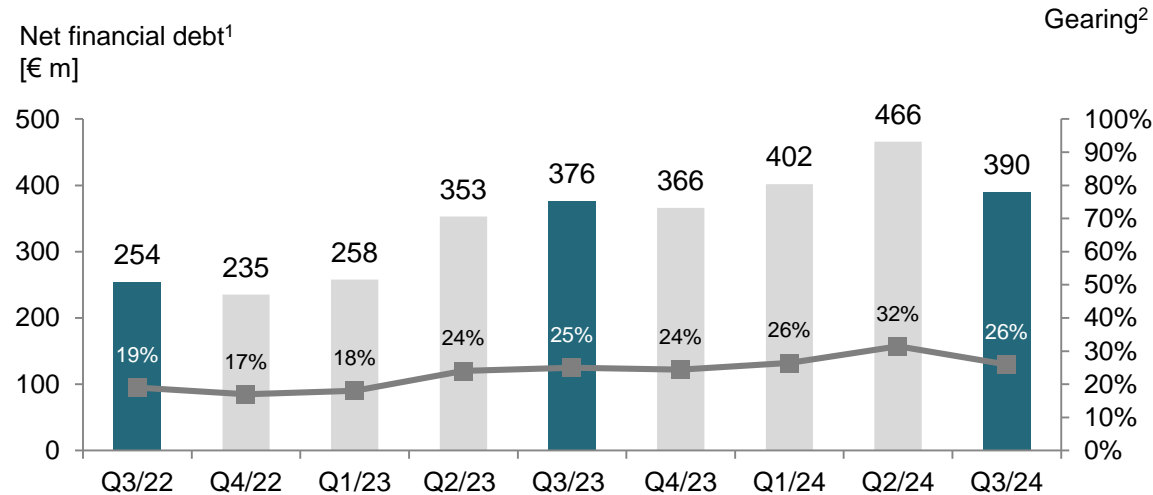
Comments

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

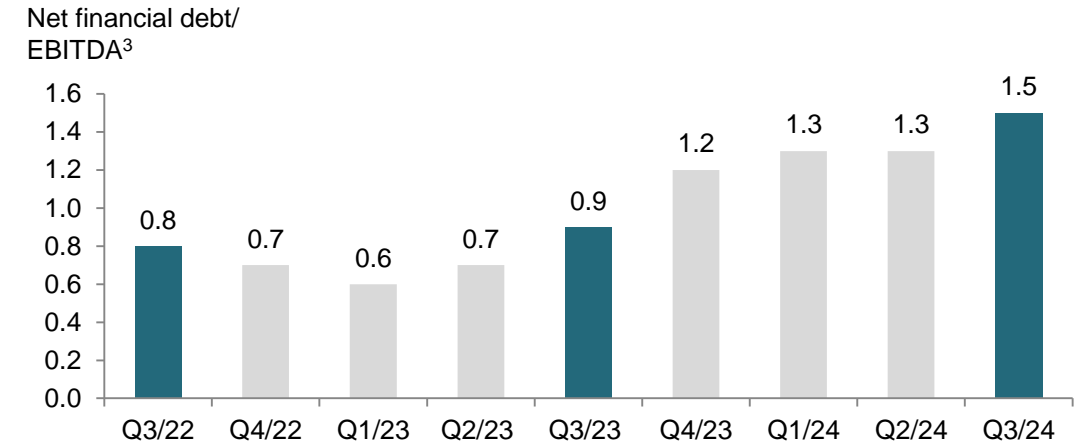
¹ Net working capital as a % of annualized revenue for the quarter. ² Before outflows or inflows from time deposits

Still robust financial structure with slightly higher equity ratio

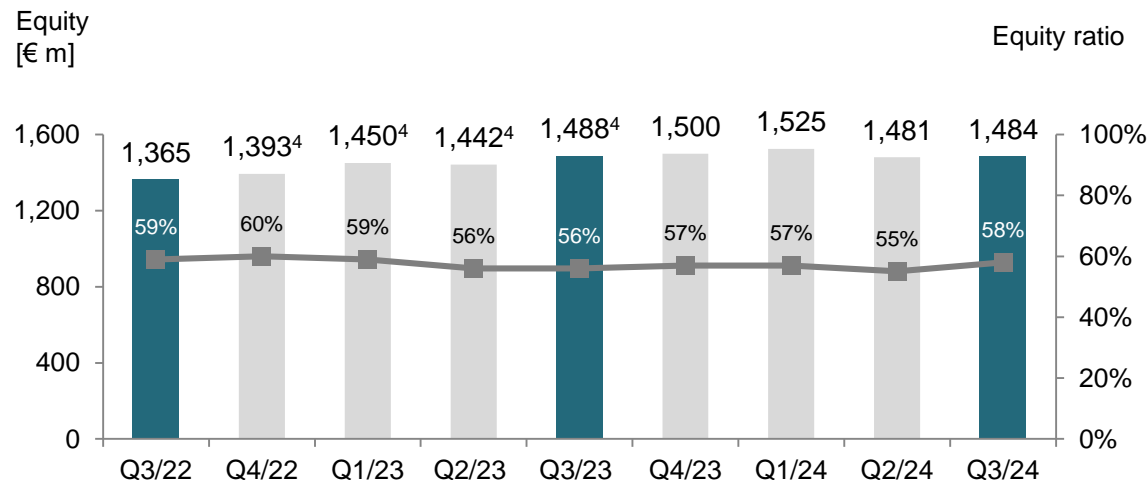
Net financial debt¹ and gearing²



Net financial debt/EBITDA³



Equity and equity ratio



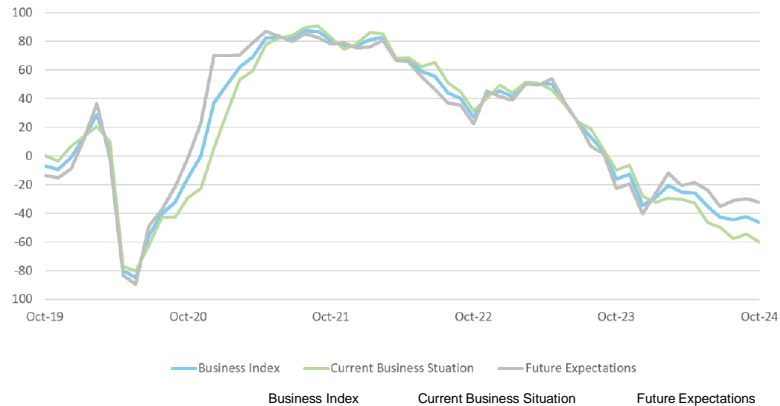
Comments

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

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

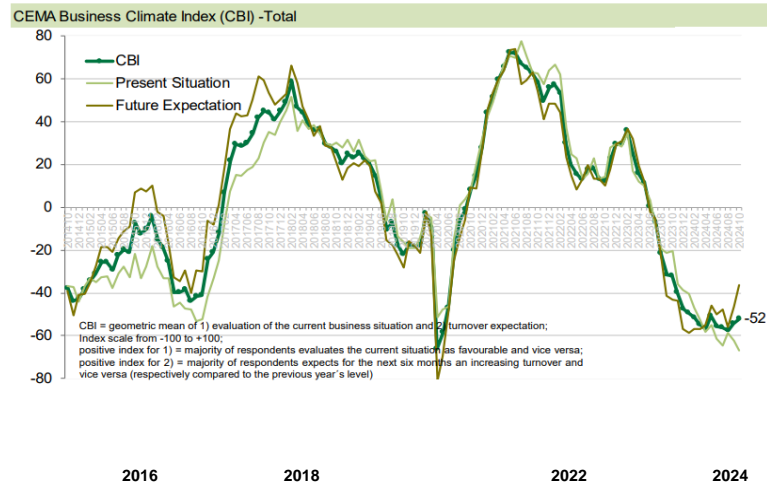
Industry barometers reflect a continuing economic downturn

Construction: CECE business climate index on a downward trend



Source: CECE (Committee for European Construction Equipment), October 2024.

Agriculture: CEMA business climate index still negative



Source: CEMA (European Agricultural Machinery Industry Association), October 2024.

Outlook

- **CECE business climate index decreases further**, sales on the European market decline significantly
- **CEMA business climate index increases slightly** and reaches -52 points solely due to marginally less negative turnover expectations, nevertheless revenue decreases are still expected for the most part
- **Business cycle risks for H2 2024 remain:**
 - High dealer stocks
 - Persistently weak market demand
 - Challenging economic and geopolitical environment
- **Adjusted revenue and earnings forecast for 2024:**
 - **Revenue** between € 2,200 and € 2,300 million (prev.: between € 2,300 and € 2,400 million)
 - **EBIT margin** between 5.5% and 6.5% (prev.: between 6.0% and 7.0%)
 - **Investments** of around € 100 million¹
 - **Net working capital as a percentage of turnover** around 34%

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

Consolidated Financial Statements

(unaudited)

Consolidated income statement

IN € MILLION	Q3/24	Q3/23	9M/24	9M/23
Revenue	517.6	648.0	1,722.4	2,013.9
Cost of sales	-398.9	-485.9	-1,318.0	-1,507.2
Gross profit	118.7	162.1	404.4	506.7
Sales and service expenses	-59.5	-61.0	-189.3	-182.6
Research and development expenses	-12.3	-16.1	-43.3	-47.7
General administrative expenses	-24.0	-24.2	-70.4	-70.7
Other income	3.3	4.1	10.2	37.1
Other expenses	-1.5	-1.2	-3.1	-2.4
Earnings before interest and tax (EBIT)	24.7	63.7	108.5	240.4
Result from investments accounted for using the equity method*	-0.4	-0.5	-0.5	-0.5
Financial income	3.3	6.6	23.2	25.4
Financial expenses	-11.2	-10.9	-39.7	-33.5
Earnings before tax (EBT)	16.4	58.9	91.5	231.8
Taxes on income	-6.7	-15.9	-27.1	-62.8
Profit for the period	9.7	43.0	64.4	169.0
Earnings per share in € (diluted and undiluted)	0.14	0.63	0.95	2.48

* As a result of changes in reporting due to a new Consolidated Income Statement item "Result from investments accounted for using the equity method", the Consolidated Income Statement has been adjusted compared to the previous year. Refer to "Changes in accounting under IFRS" of the Annual Report 2023 for more information.

Consolidated balance sheet

IN € MILLION

	Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
Assets			
Property, plant and equipment	608.3	581.8	531.2
Property held as financial investment	27.3	27.8	29.5
Goodwill	238.9	232.5	232.5
Other intangible assets	224.0	219.1	213.8
Investments accounted for using the equity method*	4.6	0.0	0.3
Other Investments	4.0	4.0	3.9
Deferred tax assets	57.2	54.9	33.1
Non-current financial assets	31.9	24.3	20.5
Rental equipment	278.3	260.9	254.0
Total non-current assets	1,474.5	1,405.3	1,318.8
Inventories	665.0	774.4	818.6
Trade receivables	318.3	346.6	392.6
Tax assets	7.5	9.8	15.3
Other current financial assets	40.8	44.2	43.0
Other current non-financial assets	31.5	36.8	42.1
Cash and cash equivalents	26.8	27.8	28.4
Total current assets	1,089.9	1,239.6	1,340.0
Total assets	2,564.4	2,644.9	2,658.8

IN € MILLION

	Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
Equity and liabilities			
Subscribed capital	70.1	70.1	70.1
Other reserves	601.5	603.2	608.0
Net profit/loss*	865.7	879.4	862.4
Treasury shares	-53.0	-53.0	-53.0
Equity	1,484.3	1,499.7	1,487.5
Non-current financial borrowings	192.9	97.3	104.3
Non-current lease liabilities	104.7	88.4	75.3
Deferred tax liabilities	62.9	63.2	61.7
Provisions for pensions and similar obligations	37.1	40.0	35.8
Non-current provisions	14.2	14.0	10.1
Non-current contract liabilities*	17.8	16.1	17.0
Total non-current liabilities	429.6	319.0	304.2
Trade payables	175.0	251.5	292.0
Current liabilities to financial institutions	221.9	296.1	299.7
Current portion of non-current borrowings	1.7	0.2	0.2
Current lease liabilities	29.6	29.7	26.5
Current provisions	26.3	26.2	23.8
Current contract liabilities*	12.8	10.0	7.9
Income tax liabilities	23.1	33.9	27.8
Other current financial liabilities	97.9	106.9	112.4
Other current non-financial liabilities	62.2	71.7	76.8
Total current liabilities	650.5	826.2	867.1
Total liabilities	2,564.4	2,644.9	2,658.8

* As a result of changes in reporting due to a new Consolidated Balance Sheet item for Investments accounted for using the equity method as well as an error correction in connection with the revenue recognition of extended warranty obligations, the Consolidated Balance Sheet has been adjusted compared to the previous year. Refer to "Changes in accounting under IFRS" of the Annual Report 2023 for more information.

Consolidated cash flow statement (1)

IN € MILLION

	Q3/24	Q3/23	9M/24	9M/23
EBT	16.4	58.9	91.5	231.8
Depreciation, amortization, impairment and reversal of impairment of non-current assets	23.7	22.9	70.8	63.6
Unrealized foreign exchange gains/losses	-0.8	-2.1	0.4	-4.0
Financial result	8.3	4.8	17.0	8.6
Gains from the sale of intangible assets and property, plant and equipment	0.3	0.1	0.5	-15.6
Changes in rental equipment, net	-3.6	-19.3	-14.3	-46.8
Changes in misc. assets	-1.4	1.0	0.5	-22.2
Changes in provisions	1.2	0.7	-0.8	2.4
Changes in misc. liabilities	-12.7	8.8	-14.2	58.2
Gross cash flow	31.4	75.8	151.4	276.0
Changes in inventories	52.3	-30.3	107.9	-138.9
Changes in trade receivables	64.3	13.7	28.7	-91.1
Changes in trade payables	-28.8	-14.2	-77.0	30.6
Changes in net working capital	87.8	-30.8	59.6	-199.4
Cash flow from operating activities before income tax paid	119.2	45.0	211.0	76.6
Income tax paid	-9.4	-16.5	-38.5	-33.5
Cash flow from operating activities	109.8	28.5	172.5	43.1

Consolidated cash flow statement (2)

IN € MILLION

	Q3/24	Q3/23	9M/24	9M/23
Cash flow from operating activities	109.8	28.5	172.5	43.1
Purchase of property, plant and equipment	-12.9	-31.4	-40.4	-85.7
Purchase of intangible assets	-7.0	-7.0	-27.8	-21.9
Cash outflows for investments accounted for using the equity method and other investments	-0.8	-0.1	-3.3	-0.6
Cash outflows for additions to the consolidation structure	-2.8	0.0	-11.0	0.0
Cash outflows for loans to investments accounted for using the equity method	0.0	-0.5	0.0	-1.1
Proceeds from the sale of property, plant and equipment, intangible assets and assets held for sale	0.7	0.1	1.5	25.3
Cash flow from investment activities	-22.8	-38.9	-81.0	-84.0
Free cash flow	87.0	-10.4	91.5	-40.9
Dividends	0.0	0.0	-78.2	-68.0
Cash receipts from current borrowings	-77.8	65.6	117.2	205.2
Repayments from current borrowings	0.0	-50.0	-195.0	-98.9
Cash receipts from non-current borrowings	0.0	0.0	100.0	0.0
Repayments from non-current borrowings	-0.2	0.0	-0.7	0.0
Repayments from lease liabilities	-7.9	-6.5	-20.1	-16.6
Interest paid	-5.5	-4.6	-18.1	-11.3
Interest received	1.0	1.4	2.6	3.1
Cash flow from financial activities	-90.4	5.9	-92.3	13.5
Change in cash and cash equivalents before effect of exchange rates and changes in consolidation group	-3.4	-4.5	-0.8	-27.4
Effect of exchange rates on cash and cash equivalents	0.2	-0.8	-0.7	2.1
Change in consolidation group	0.1	0.0	0.5	0.0
Change in cash and cash equivalents	-3.1	-5.3	-1.0	-25.3
Cash and cash equivalents at the beginning of the period	29.9	33.7	27.8	53.7
Cash and cash equivalents at the end of period	26.8	28.4	26.8	28.4

Group segment reporting

Geographical segments

IN € MILLION

	Europe		Americas		Asia-Pacific		Consolidation		Group	
	Q3/24	Q3/23	Q3/24	Q3/23	Q3/24	Q3/23	Q3/24	Q3/23	Q3/24	Q3/23
Total revenue	603.4	805.0	114.9	171.4	21.2	26.2	0.0	0.0	739.5	1,002.6
Revenue from external customers	397.9	482.6	105.9	146.4	13.8	19.0	0.0	0.0	517.6	648.0
EBIT ¹	14.2	72.5	3.3	10.6	0.5	0.9	6.7	-20.3	24.7	63.7

IN € MILLION

9M	Europe		Americas		Asia-Pacific		Consolidation		Group	
	9M/24	9M/23	9M/24	9M/23	9M/24	9M/23	9M/24	9M/23	9M/24	9M/23
Total revenue	2,034.9	2,514.5	394.0	525.5	61.6	90.2			2,490.5	3,130.2
Revenue from external customers	1,323.5	1,506.1	356.5	447.1	42.4	60.7			1,722.4	2,013.9
EBIT ¹	77.1	244.4	21.7	47.1	0.0	3.5	9.7	-54.6	108.5	240.4

¹ EBIT of regions before consolidation

Business areas

IN € MILLION

	Q3/24	Q3/23	9M/24	9M/23
Segment revenue from external customers				
Light equipment	113.2	133.6	354.0	420.1
Compact equipment	276.4	391.4	1,002.6	1,242.2
Services	131.5	127.9	377.2	365.5
	521.1	652.9	1,733.8	2,027.8
Less cash discounts	-3.5	-4.9	-11.4	-13.9
Total	517.6	648.0	1,722.4	2,013.9

Financial calendar and contact

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



Disclaimer

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