



## Wacker Neuson Group – Q1/21 Conference Call

Kurt Helletzgruber (CEO & CFO), Alexander Greschner (CSO)  
May 10, 2021



**Overview Q1/21 & News**

**01**

**Outlook**

**02**

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**03**



## Dr. Karl Tragl

(CEO & Chairman of the  
Executive Board)

strategy, M&A, legal & compliance,  
human resources, investor relations,  
corporate communication,  
sustainability and real estate.

## Christoph Burkhard (CFO)

finance, controlling & risk  
management, auditing, IT and  
sales financing



## Changes to the Executive Board as of June 1, 2021

Q1/21		
Revenue	EBIT margin	FCF (before fixed-term inv.) <sup>1</sup>
€ 434 m	10.0%	€ 10 m
(+5.6% yoy)	(PY: 7.0%)	(PY: € 4 m)



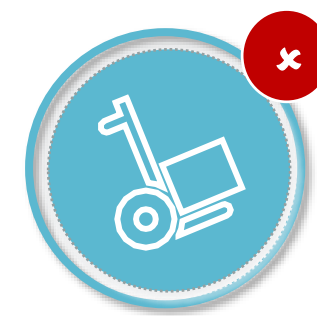
**Back on  
growth path,  
dynamic trends  
in order intake**



**Marked rise in  
profitability thanks to  
reduced cost base  
and increased  
productivity**



**NWC ratio as a  
percentage of revenue  
close to target figure,  
FCF<sup>1</sup> positive**

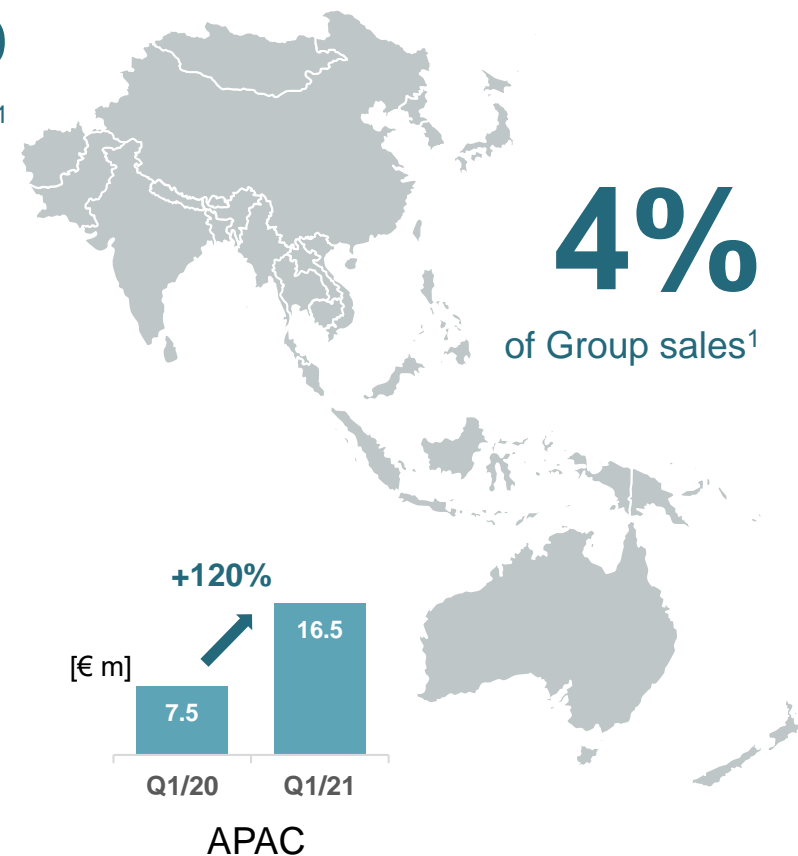
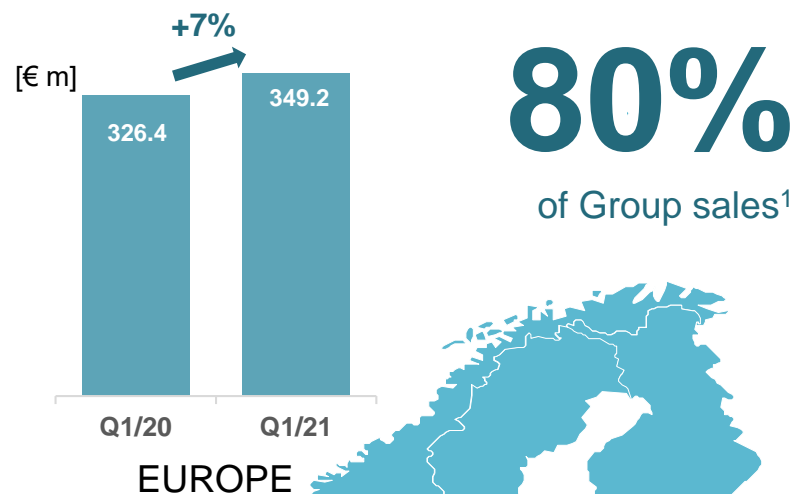
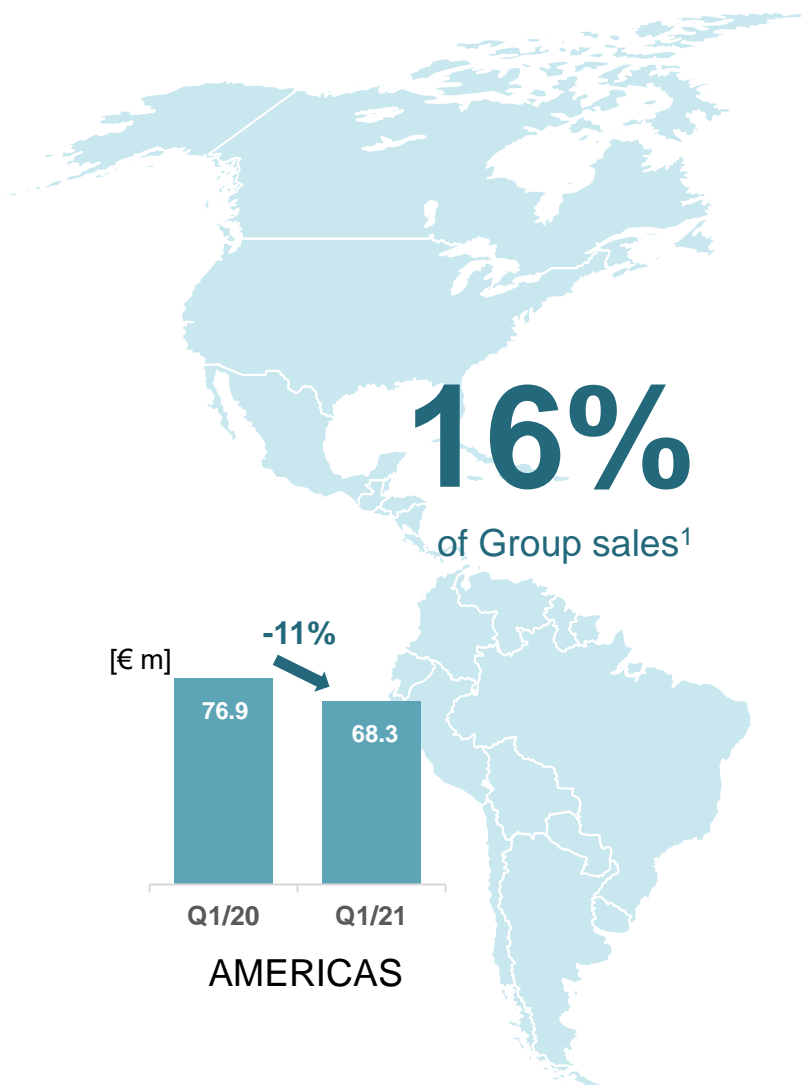


**Significant  
uncertainties  
related to  
supply chains**

# Europe and APAC fuel growth



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# Positive free cashflow<sup>1</sup>, net debt at low level



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EUR **10m**

Free cash flow<sup>1</sup>

EUR **144m**

Net financial debt



**0.5**

Net financial  
debt/ EBITDA<sup>2</sup>



# Share buyback program and dividend proposal



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At the AGM on May 26, 2021, the Executive Board and the Supervisory Board will propose a **dividend** of EUR

**0.60**

per share for fiscal 2020.



total purchase price<sup>1</sup> of a maximum of

**EUR 53 m**

up to a total of **2,454,900**

shares (= up to 3.5 percent of the Company's share capital)



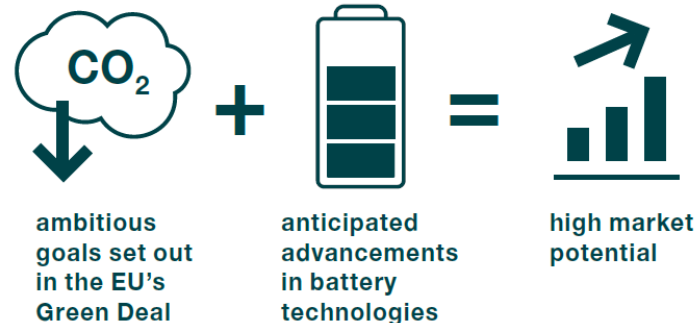


## Our contribution to achieving the Paris climate agreement goals



### Cooperation with Bomag:

Sharing our battery platform: the modular, rechargeable construction equipment battery developed by Wacker Neuson will also be compatible with equipment of our cooperation partner Bomag



Up to **93%**  
of CO<sub>2</sub> emissions can be saved compared to a conventional product of the same class.

### Customer benefits

- potential for synergies and cost savings
  - simplified construction site logistics
- advantages for contractors who promise lower CO<sub>2</sub> emissions in tenders





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## CECE

In April business climate index in the construction sector records its highest value ever since its launch in 2009.

## CEMA

Sentiment in agricultural sector in Europe has risen to its highest level since 2011.

## Order backlog

Significantly above prior-year levels

## Uncertainties

related to global supply chains remain high



## Guidance for 2021 unchanged

- Revenue between € 1,700 and 1,800m
- EBIT margin between 8.0 and 9.5%
- Investments of around € 100 to 110m<sup>1</sup>
- Net working capital as a % of revenue to be stagnant or to improve slightly relative to December 31, 2020



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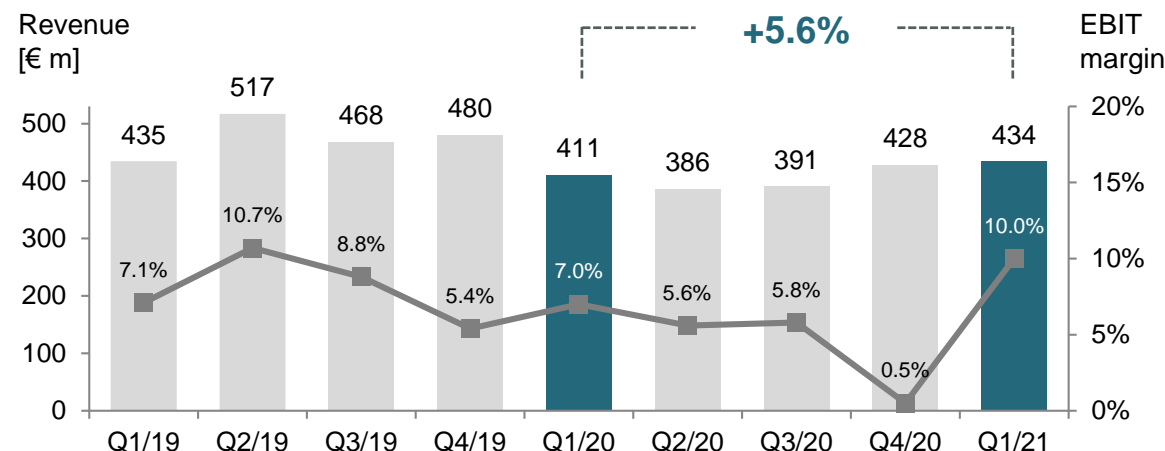
**03**

# Revenue and earnings



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## Q1/21: Marked increase in profitability



## Income statement (excerpt)

€ million	Q1/21	Q1/20	Δ
<b>Revenue</b>	434.0	410.8	5.6%
<b>Gross profit</b>	118.5	109.1	8.6%
<i>as a % of revenue</i>	27.3%	26.6%	+0.7PP
<b>Operating costs</b>	-77.3	-82.6	-6.4%
<i>as a % of revenue</i>	-17.8%	-20.1%	-2.3PP
<b>EBIT</b>	43.6	28.9	50.9%
<i>as a % of revenue</i>	10.0%	7.0%	+3.0PP
Financial result	0.1	-12.2	–
Taxes on income	-14.6	-6.3	>100%
<b>Profit for the period</b>	29.1	10.4	>100%
<b>Earnings per share (€)</b>	0.41	0.15	>100%

## Comments

### Revenue +5.6% yoy (adj. for currency effects: +7.4%)

- Positive development in target markets: Europe reports strong growth; Americas below previous year but business picked up markedly towards the end of the first quarter; revenue in Asia more than doubled following marked slump in previous year
- Services segment grew at above-average rate

### Gross profit +8.6% yoy (gross profit margin +0.7 PP)

- Product mix remains favorable thanks to strong services segment, in particular increased sales from rental fleet
- Improved productivity at production plants

### EBIT +50.9% yoy (EBIT margin: +3.0 PP)

- Operating costs below previous year, reduction in fixed costs (in particular lower personnel costs, travel expenses and marketing costs)
- Profit in previous year negatively affected by restructuring costs

### Earnings per share more than doubled

- Financial result almost balanced out due to positive currency effects (significantly impacted by negative currency effects in prev. year)
- Tax rate at 33.4% (Q1/20: 37.7%): Impacted in previous year by negative currency effects (could not be recognized as operating expenses) and reversal / non-recognition of deferred tax assets



# Business development by region and business segment



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## Growth driven by Europe and Asia-Pacific

	Revenue [€ m]	Share	yoy	EBIT <sup>1</sup>
Europe	349.2	80%	+7%	40.6
Americas	68.3	16%	-11%	6.3
Asia-Pacific	16.5	4%	+120%	1.3
Total Q1/21	434.0	100%	+6%	43.6

## Services segment continues to grow above par

	Revenue [€ m] <sup>2</sup>	Share	yoy
Light Equipment	94.9	22%	-1%
Compact Equipment	241.6	55%	+6%
Services	99.4	23%	+10%
Total Q1/21	435.9	100%	+5%

## Comments

### Revenue Europe +7.0% yoy (adj. for currency effects: +7.8%)

- Dynamic development in DACH, Eastern Europe, UK and Benelux (Wacker Neuson brand); positive development in particular with excavators, dumpers and compaction equipment
- Above-par gains in services business (aftermarket, rental equipment sales)
- Business with compact equipment for the agricultural sector down 9.0% due to pull-forward effects in the previous year related to the transition to the EU Stage V emissions standard

### Revenue Americas -11.2% yoy (adj. for currency effects: -4.3%)

- After a cautious start to the year, business improved markedly towards the end of the first quarter, positive development with compact equipment
- Sharp rise in profitability due – among other things – to a much lower cost base

### Revenue Asia-Pacific +120.0% yoy (adj. for currency effects +112.0%)

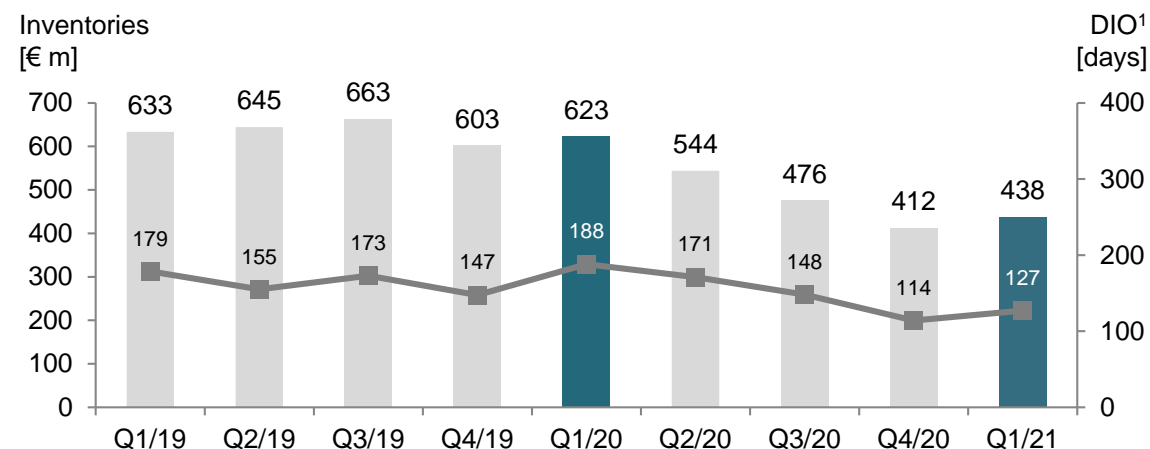
- Exceptionally positive performance in Australia/New Zealand due to expansion of dealer network and a product portfolio tailored to local needs; growth driven by major orders for compaction equipment, excavators and dumpers
- Strong sales of excavators in China, previous year heavily impacted by extensive shutdowns

# Net working capital ratio close to target figure at 31%

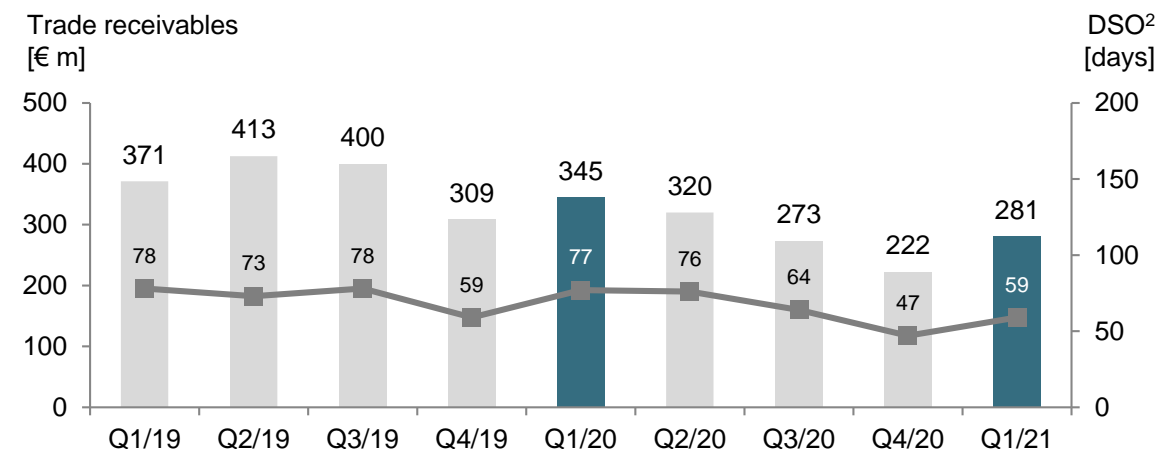


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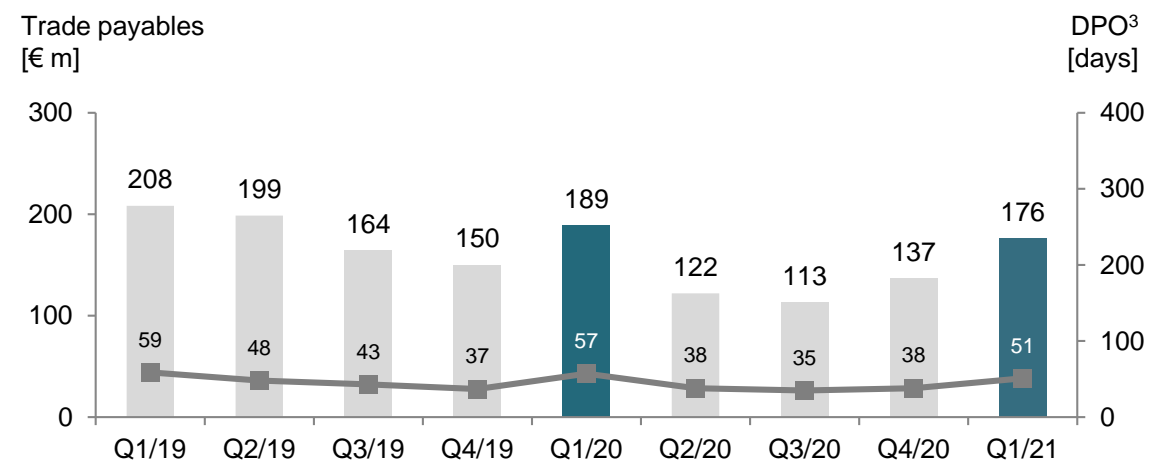
## Inventories



## Trade receivables



## Trade payables



## Comments

- Slight seasonal rise in inventory in light of high order book but still well below prior-year figure
- Dynamic business trends towards the end of the first quarter prompt temporary rise in receivables; however, the figure remains significantly lower than the previous year
- Trade payables markedly higher than figure at end of 2020 due to increase in production volumes

➡ NWC ratio close to strategic target at 31% (see next slide)

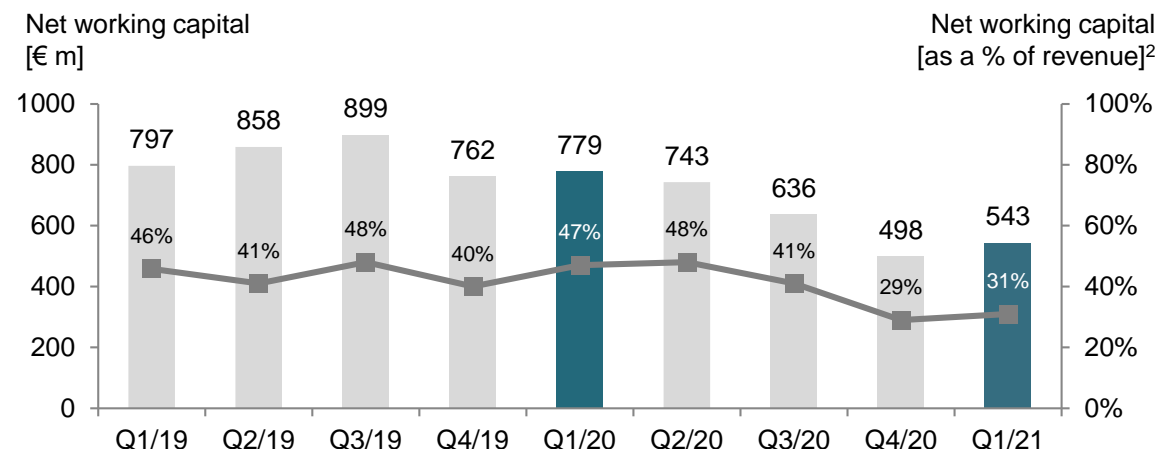


# Free cash flow (before fixed-term investment)<sup>1</sup> positive



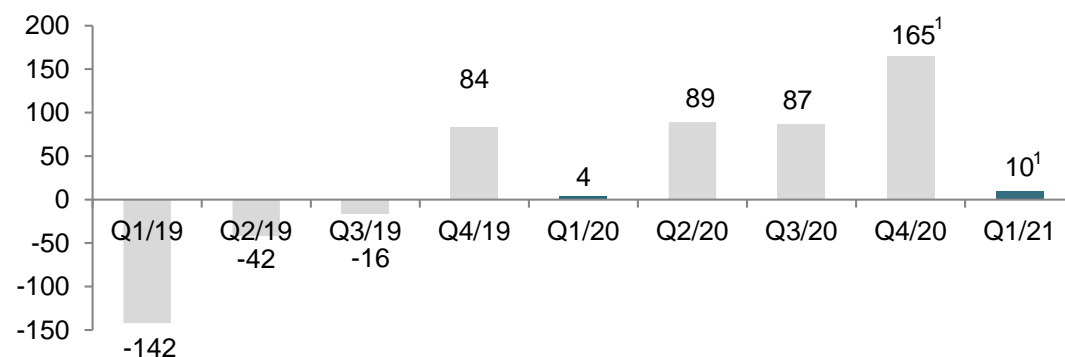
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## Net working capital



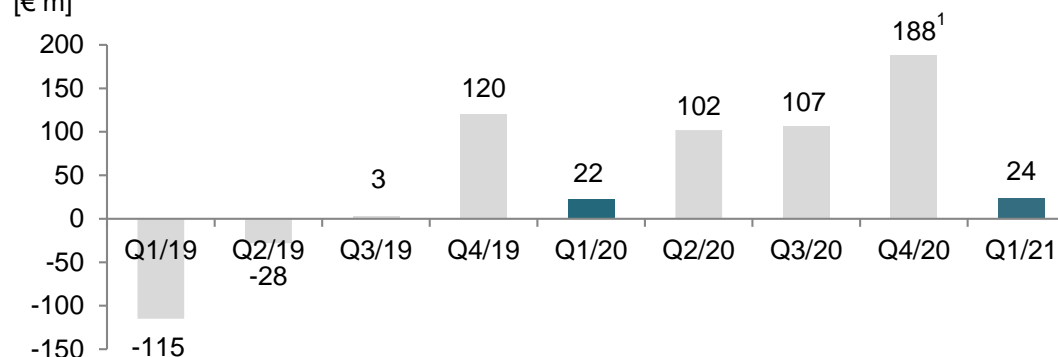
## Free cash flow

Free cash flow<sup>1</sup>  
[€ m]



## Cash flow from operating activities

Cash flow from operating activities  
[€ m]



## Comments

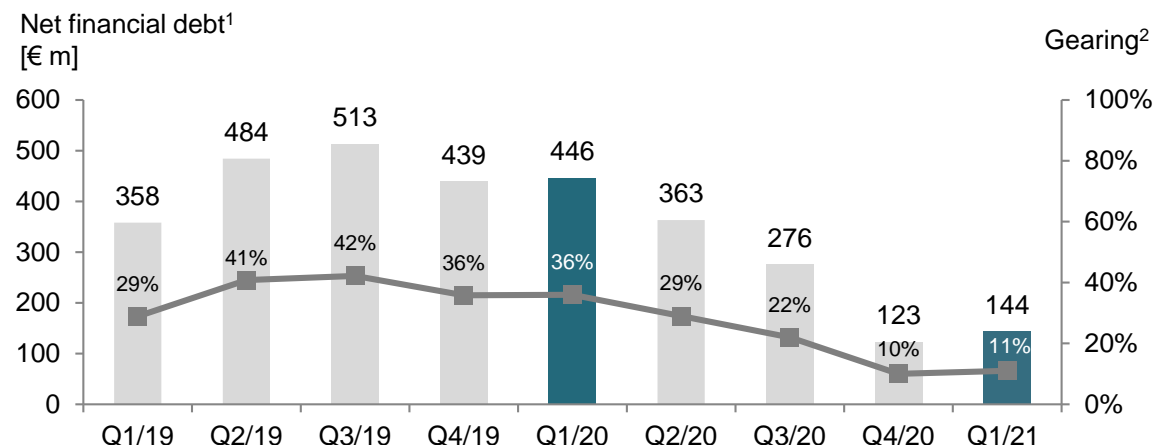
- At 31%, the net working capital ratio<sup>2</sup> is significantly lower than the prior-year level and within reach of the strategic target set at ≤ 30%
- Cash flow from operating activities positively affected by increase in profitability; in contrast, (absolute) net working capital rose slightly relative to the end of 2020
- Investments in Q1 below plan; cash flow from investment activities impacted by fixed-term financial investment of EUR 100 m
- Free cash flow before the above-mentioned fixed-term investment amounts to EUR 9.8 m; free cash flow (reported) at EUR -90.2 m (Q1/20: EUR 4.3 m)

# Strong financial structure

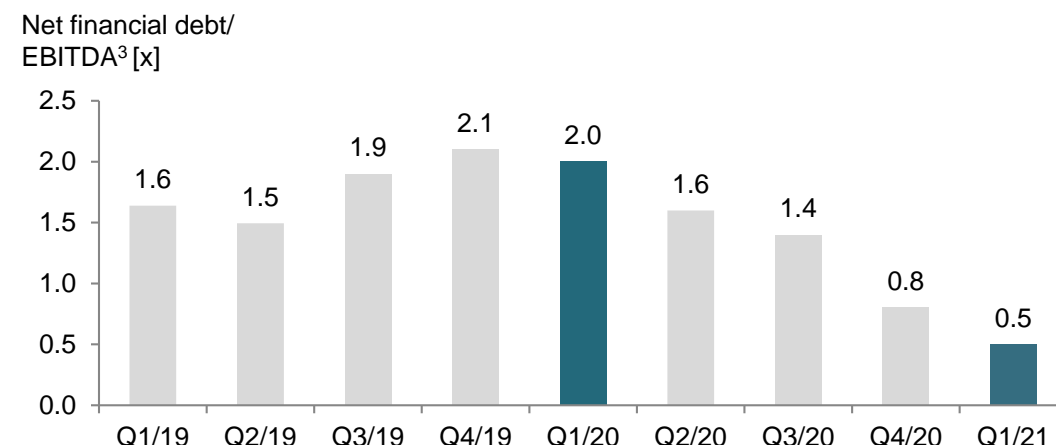


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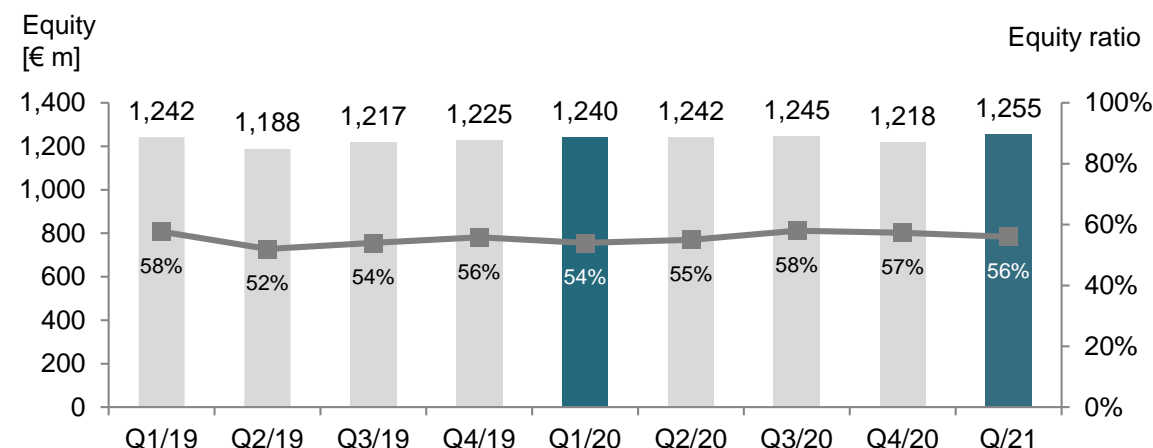
## Net financial debt and gearing



## Net financial debt/EBITDA<sup>3</sup>



## Equity and equity ratio



## Comments

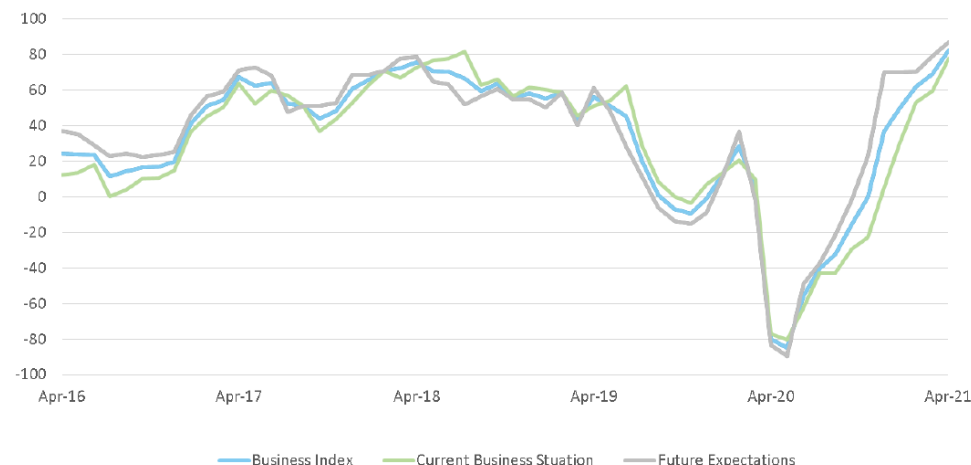
- Net financial debt<sup>1</sup> remains at low level; gearing<sup>2</sup> at 11%
- At 0.5, net financial debt/EBITDA<sup>3</sup> is at a very low level
- Dividend proposal for the AGM on May 26, 2021: EUR 0.60 per share (previous year: Dividend suspended)
- Share buyback program: Within the framework of the share buyback program initiated in April 2021, up to 2,454,900 treasury shares (3.5 percent of share capital) may be repurchased for a maximum total purchase price of EUR 53 m.

# Guidance unchanged



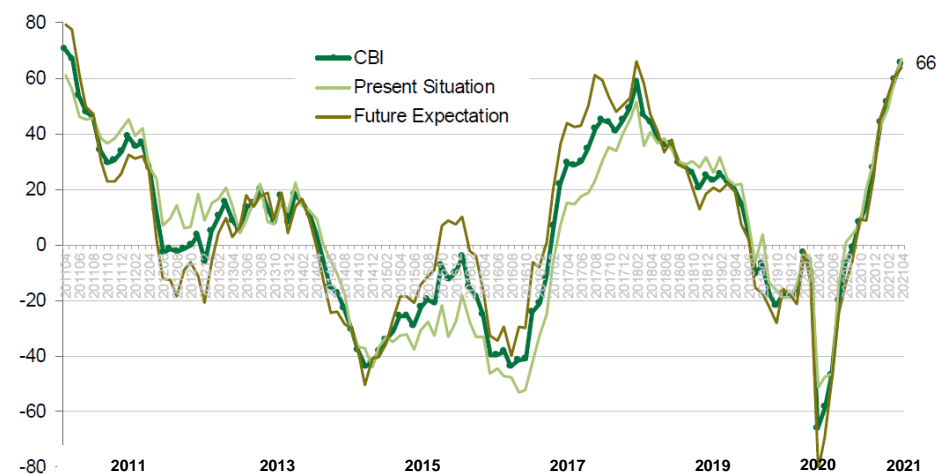
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## Construction industry: CECE business barometer at all-time high



Source: CECE (Committee for European Construction Equipment), April 2021.

## Agricultural industry: Upturn continues according to CEMA



Source: CEMA (European Agricultural Machinery Industry Association), April 2021.

## Outlook

- **CECE business barometer** for the European construction sector reaches new all-time high
- **Rapid upturn in CEMA business index** for the European agricultural sector continues
- **Mood in key target markets** for the Wacker Neuson Group currently very positive
- Dynamic development of **order intake, order backlog** at a high level
- **Significant uncertainties related to global supply chains**; German Mechanical and Plant Engineering Association (VDMA) describes the supply chain situation as “problematic”
- **Guidance for fiscal 2021 unchanged**
  - Revenue between EUR 1,700 m and EUR 1,800 m
  - EBIT margin between 8.0% and 9.5%
  - Investments between EUR 100 m and EUR 110 m<sup>1</sup>
  - Net working capital as a percentage of revenue stagnating / slightly lower than previous year (baseline for comparison: year-end 2020)

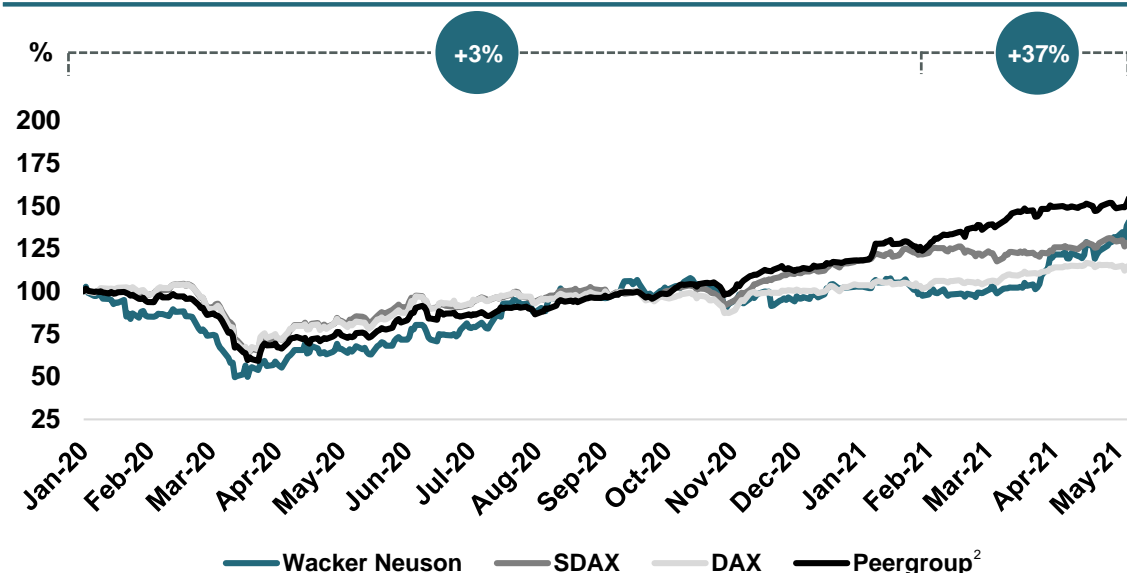


# Share development

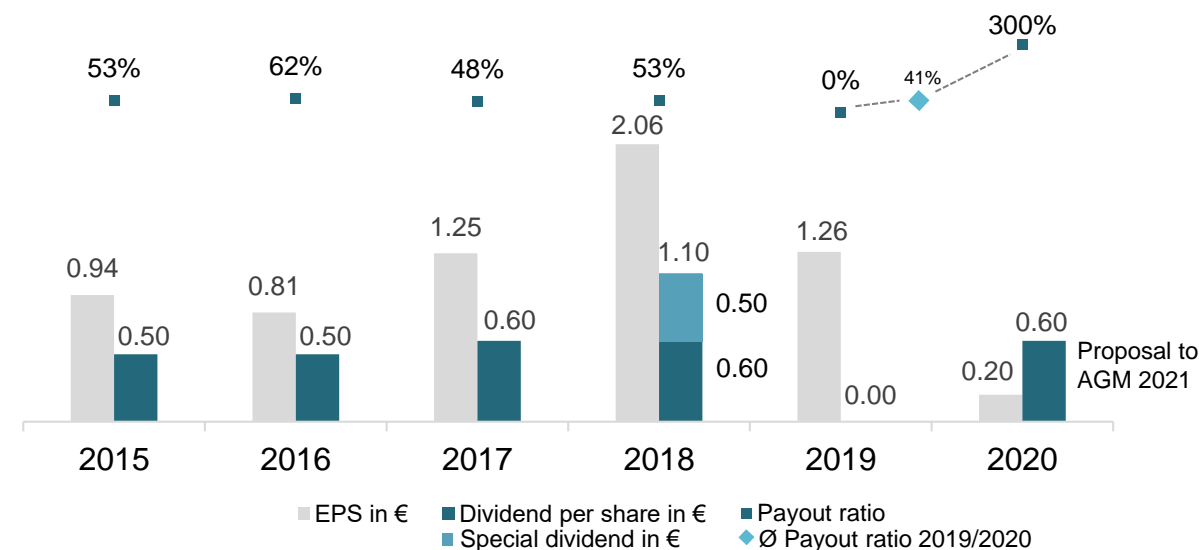


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## The share in 2020/2021<sup>1</sup>



## Dividend payout



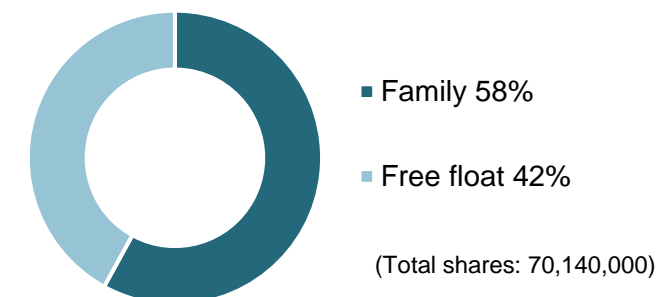
## Key figures per share

in €	Q1/21	Q1/20
Earnings per share	0.41	0.15
Book value per share	17.90	17.68
Share price at end of period	20.40	10.04
Market capitalization (€ m)	1,430.9	704.2

## Coverage<sup>3</sup>

Bank	TP (€)	Recom.	Date
Commerzbank	32.00	Buy	May 05, 2021
Metzler	27.50	Buy	May 07, 2021
Warburg	26.00	Buy	Apr 20, 2021
Berenberg	24.00	Buy	April 21, 2021
Hauck & Aufhäuser	23.50	Buy	Mar 26, 2021
Montega	19.80	Hold	Apr 15, 2021
Jefferies	19.50	Buy	Mar 25, 2021
Kepler Cheuvreux	15.50	Reduce	Apr 19, 2021

## Shareholder structure





<b>May 10, 2021</b>	<b>Publication of Q1 report 2021, analysts' &amp; investors' conference call</b>
<b>May 26, 2021</b>	<b>Virtual Annual General Meeting, Munich</b>
<b>August 09, 2021</b>	<b>Publication of half-year report 2021, analysts' &amp; investors' conference call</b>
<b>November 10, 2021</b>	<b>Publication of Q3 report 2021, analysts' &amp; investors' conference call</b>

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