



Wacker Neuson Group – Q1 2024 Management Call & Webcast

Dr. Karl Tragl (CEO), Christoph Burkhard (CFO)
May 7, 2024



**Wacker Neuson
Group**

Nobody is perfect, but a team can be!



Overview Q1 2024¹

| Q1 2024 | | | |
|--------------|--------------------------|------------------------|-----------------|
| Revenue | EBIT margin | NWC ratio ³ | FCF |
| € 593.1 m | 6.2% | 38.7% | € -25.1 m |
| (-11.1% YoY) | (py: 13.2%) ² | (py: 30.0%) | (py: € -17.1 m) |



Revenue down 11.1% compared to Q1 2023, driven by economic slowdown, especially weaker demand in the USA and Canada



EBIT margin increased compared to Q4 2023, continuous improvement over the course of 2024 expected



Increase in the NWC ratio compared to Q4 2023 (33.9%)³, driven through slightly increased trade receivables as well as decreased revenue



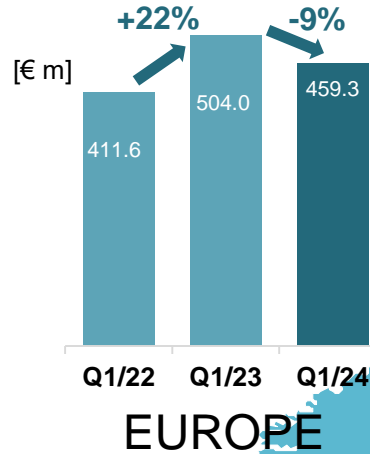
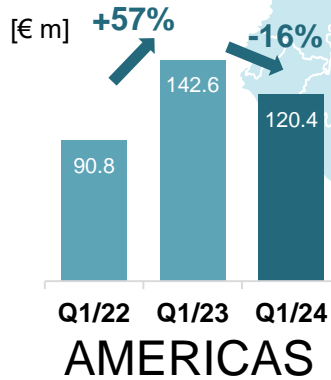
Supply chain significantly more relaxed than in the previous year

¹ Please note the rounding differences in the presentation. ² Previous year's value includes a one-off effect amounting to € 15.5 million (property sale). ³ Net Working Capital in % of the annualized revenue.

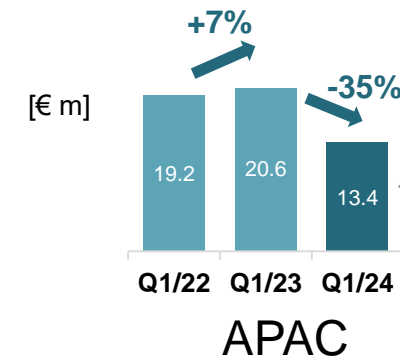
All reporting regions with lower demand



20%
of Group sales¹



77%
of Group sales¹



¹ Q1/23: Americas 21%; Europe 76%; APAC 3%.

Free cash flow remains impacted by elevated net working capital

-25

€ m

Free cash flow



402

€ m

Net financial debt¹



56.7

%

Equity Ratio

1.3

Net financial debt /
EBITDA²

¹ Net financial debt = Non-current financial liabilities + Current liabilities to banks + Current portion of non-current liabilities - Cash and cash equivalents.

² Net financial debt/ annualized EBITDA for the quarter.

OUR VISION

Our innovative solutions drive technological change.

OUR PURPOSE

We make a strong contribution to sustainable construction and agriculture.

OUR MISSION

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

STRATEGIC PERSPECTIVES

> 11 %
EBIT MARGIN






4 billion €
TURNOVER

≤ 30 %
NWC

STRATEGIC LEVERS

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

OUR LEADERSHIP PRINCIPLES

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

OUR VALUES











Reliability Safety Efficiency Sustainability

OUR BUSINESS OBJECTIVE

Machines and solutions for construction and agriculture

Action items per strategic lever ensure strategy execution

Wacker Neuson Group strategic levers 2030

| | | 2023 | 2024 | 2025 | 2026 | ... |
|---|---|--|--|--|--|-----|
| 1) Light Equipment Market Leadership |  | Introduction of new rollers and plates ✓ | Battery One implementation | Reach light equipment market share target, especially for plates & rammers | | |
| 2) zero emission Solutions |  | zero emission telehandler market introduction ✓ | zero emission excavator market introduction North America | Reach € 150 million with zero emission solutions | zero emission portfolio extension in the most promising segments | |
| 3) Time to Market and Innovation |  | Introduction of various test & validating facilitates ✓ | Introduction of innovative & efficient flagship models, e.g. Kramer Premium Wheel Loader & Telehandler | Measures for reduced time to market in pre-development and project management implemented | Continued product initiatives & innovations | |
| 4) Americas Growth Strategy |  | Mini skid steer product range expansion ✓ | Milestones sales channel mix and product cost reductions | Ramp-up John Deere excavator from Linz factory | Ramp-up John Deere excavator from US factory | |
| 5) Asia and Low-regulated Markets Growth |  | Ramp-up mini excavator production for low-regulated export markets and introduction of global Enar products from China ✓ | Introduction Mini Skid Steer Loader for low-regulated export markets | Supply of mini excavator from China for global export markets, including Europe | Further ramp-up of Compact Machinery for export markets | |
| 6) Digitalization and Automation |  | Various new features for ePartner, the digital order platform for dealers introduced and milestones in channel shift reached ✓ | S/4HANA implementation as enabler for digitalization | WNG owned telematic back-end solution launched as a basis for further growth with digital products | | |
| 7) Cost, Operations and Footprint Optimization |  | New Serbia steel plant lays basis for optimal in-house supply of steel components ✓ | Cost down measures to take effect, resulting from structured cost down projects | | Plants to reach optimal capacity level in terms of unit-output and cost position | |
| 8) Aftermarket and Services |  | | Go-live of European aftermarket operations from new hub in Mülheim-Kärlich to increase spare parts turnover | | Extended Americas aftermarket operations implemented to support growth | |
| 9) Sustainability Actions |  | >40% CO2 reduction vs. 2019* and installation of photovoltaic-systems ✓ | CSRD-readiness & definition of further sustainability targets | Reduced CO2 emission by 50% compared to 2019* | | |
| 10) Best Company to work for |  | Signing of collective agreement as well as of the charter of diversity as basis for employer attractiveness ✓ | Execution of HR- and people-strategy, including measures with regards to employer branding, employee benefits, diversity and other measures according to HR Roadmaps | | | |

Strategy 2030 implementation in Q1 2024

Wacker Neuson Group strategic levers 2030

Light Equipment Market Leadership



Product launch to strengthen the strategic position:

- new generation of battery-powered (zero emission) and two-cycle rammers
- Powerful battery-powered plate with unique direct drive DireX



Aftermarket & Services



Time to Market and Innovation



New Dual View Dumper DV125:

- Payload of up to 12,500 kg for applications with high materials handling
- Compact design and the Dual View operating concept with the operating panel that can be rotated by 180 degrees enable unrestricted visibility when driving, maneuvering and when loading and unloading

Cooperation with Open-S Alliance and Clean System for excavator quick coupler systems:

- Participation in the working group for software standards for attachments
- Collaboration with two technology leaders in the field of attachments for simple, efficient and maximum flexibility on construction sites

Business outlook



CECE¹

Sideways movement of the business climate index for the European construction equipment sector in April

Order intake

**on a lower level,
dealer stock still excessive**



Supply chain situation eased

however, increasing transportation costs

CEMA¹

Business climate index for the European agricultural machinery sector remains negative

Guidance for 2024 unchanged

- **Revenue** between € 2,400 and 2,600 million
- **EBIT margin** between 8.0% and 9.0%
- **Investments** around € 120 million²
- **Net working capital ratio** around 30%

¹ As of April 2024.

² Investments in property, plant and equipment and intangible assets. Investments in the Group's own rental portfolio, equity investments and financial assets are not included.

Financial calendar and contact

| | |
|--------------------------|--|
| 15 May 2024 | Annual General Meeting, Munich |
| 16–17 May 2024 | HAIB Stockpicker Summit 2024, Kitzbühel |
| 06 June 2024 | Warburg Highlights Conference, Hamburg |
| 13 August 2024 | Publication of Half-Year Report H1/2024 , Earnings Call |
| 25 September 2024 | Berenberg Goldman Sachs German Corporate Conference, Munich |
| 14 November 2024 | Publication of Nine-month Statement 9M/2024, Earnings call |
| November 2024 | German Equity Forum, Frankfurt |



Disclaimer

This presentation contains forward-looking statements which are based on the current estimates and assumptions by the corporate management of Wacker Neuson SE. Forward-looking statements are characterized by the use of words such as expect, intend, plan, predict, assume, believe, estimate, anticipate and similar formulations. Such statements are not to be understood as in any way guaranteeing that those expectations will turn out to be accurate. Future performance and the results actually achieved by Wacker Neuson SE and its affiliated companies depend on a number of risks, uncertainties and other factors. Many of these factors, including, but not limited to, those described in disclosures, in particular in the risk report of the Company, are outside the Company's control and cannot be accurately estimated in advance, such as the future economic environment, the actions of competitors and others involved in the market-place or the legal and regulatory framework. If these risks or uncertainties materialize, or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. Above and beyond legal requirements, the Company neither plans nor undertakes to update any forward-looking statements.

All rights reserved. As of May 2024. Wacker Neuson SE accepts no liability for the accuracy and completeness of information provided in this presentation. Reprint only with the written approval of Wacker Neuson SE in Munich, Germany.

Contact

Wacker Neuson SE Investor Relations

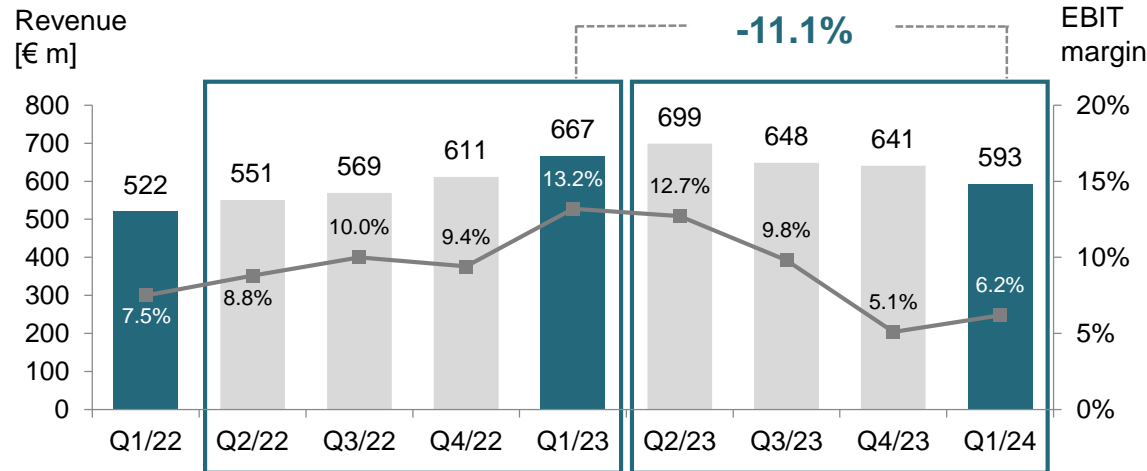
+49 - (0)89 - 354 02 – 1823
ir@wackerneuson.com

www.wackerneusongroup.com

Appendix

Revenue and profitability – Q1 2024

Growth and profitability decrease due to economic slowdown



Profit and loss statement (excerpt)

| € m | Q1/24 | Q1/23 | Δ |
|------------------------------------|---------------|---------------|---------------|
| Revenue | 593.1 | 667.2 | -11.1% |
| Gross profit | 138.8 | 167.3 | -17.0% |
| <i>as a % of revenue</i> | <i>23.4%</i> | <i>25.1%</i> | <i>-1.7PP</i> |
| Operating costs¹ | -101.9 | -79.5 | 28.2% |
| <i>as a % of revenue</i> | <i>-17.2%</i> | <i>-11.9%</i> | <i>-5.3PP</i> |
| EBIT | 36.9 | 87.8 | -58.0% |
| <i>as a % of revenue</i> | <i>6.2%</i> | <i>13.2%</i> | <i>-7.0PP</i> |
| Financial result | -4.9 | -2.6 | 88.5% |
| Taxes on income | -8.7 | -22.8 | -61.8% |
| Profit for the period | 23.3 | 62.4 | -62.7% |
| EPS (in €) | 0.34 | 0.92 | -63.0% |

¹ Including other operating income / other operating expenses.

Comments on Q1 2024

Revenue -11.1% YoY (adj. for FX effects : -10.9%)

- Economic slowdown in construction industry still highly noticeable in Q1 2024
- Persistent weakening demand in agriculture

Gross profit -17.0 YoY (gross profit margin -1.7 PP)

- Higher gross profit margin than in Q4 2023 (21.8%) after cost reduction measures in production come into effect
- Lower production output could be compensated through cost decreases only to a certain extent (time lag)

EBIT -58.0% YoY (EBIT margin: -7.0 PP)

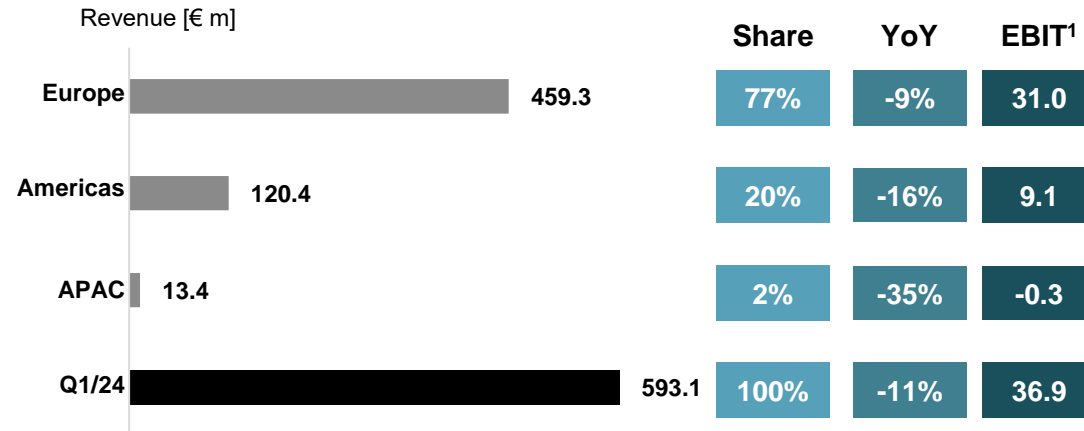
- EBIT margin influenced by a higher operating costs to revenue ratio
- Operating costs in Q1 2023 include a positive one-off effect amounting to € 15.5 million (property sale), excluding this one-off effect the percentage increase in the operating costs amounts to +7.3% compared to Q1 2023

Earnings per share -63.0% YoY

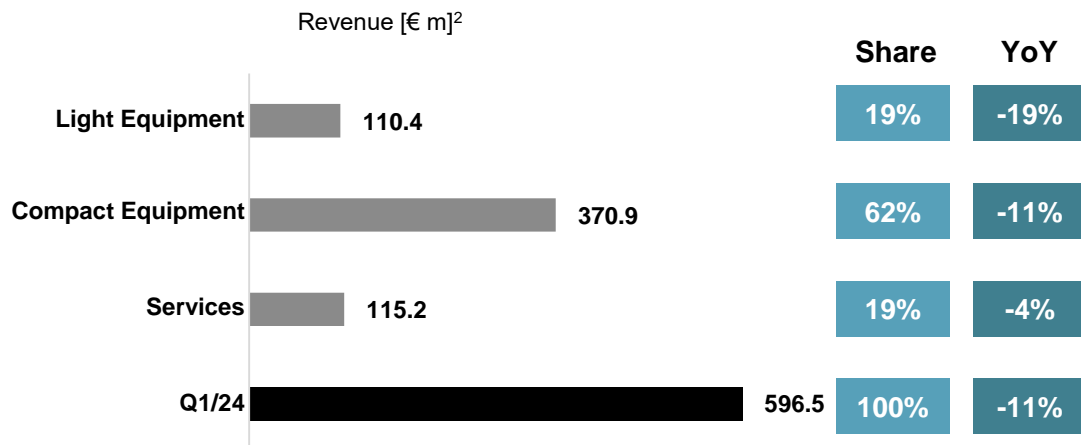
- Financial result impacted by higher interest rates and increased gearing
- Tax rate for Q1 2024 at 27.2% comparable to previous year (27.0%)

Development of regions and business areas

All regions are influenced by economic slowdown



Business area compact equipment with biggest share of revenue



Comments on Q1 2024

Revenue Europe (EMEA) -8.9% YoY (adj. for FX effects -8.9%)

- Light one-digit revenue decrease due to persistent economic slowdown
- Noticeably weaker growth trends in all submarkets, however positive demand developments in some markets (ex. Austria)
- Agricultural business growth rate slows down (+3.3% YoY)

Revenue Americas -15.6% YoY (adj. for FX effects -14.9%)

- Double-digit revenue decrease due to overstocking of the dealers
- EUR/USD exchange rate increases compared to Q1 2023 (average quarter exchange rates)

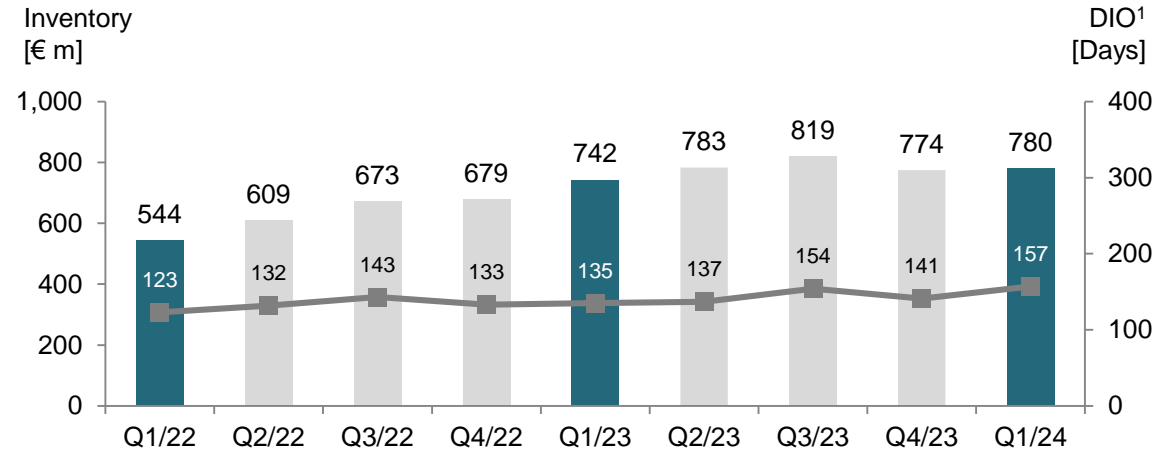
Revenue APAC -35.0% YoY (adj. for FX effects -31.6%)

- Revenue significantly decreases, Australian market also under pressure
- Currency weakness against the euro continues

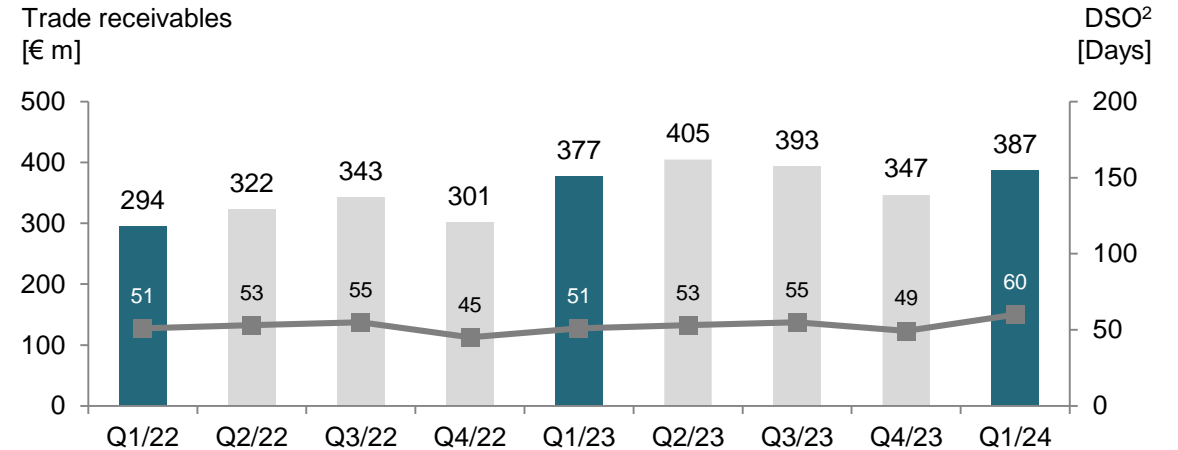
¹ EBIT for regions before consolidation. ² Revenue by business segment including cash discounts amounting to €3.4 million.

Supply chain more relaxed, but increase in trade receivables

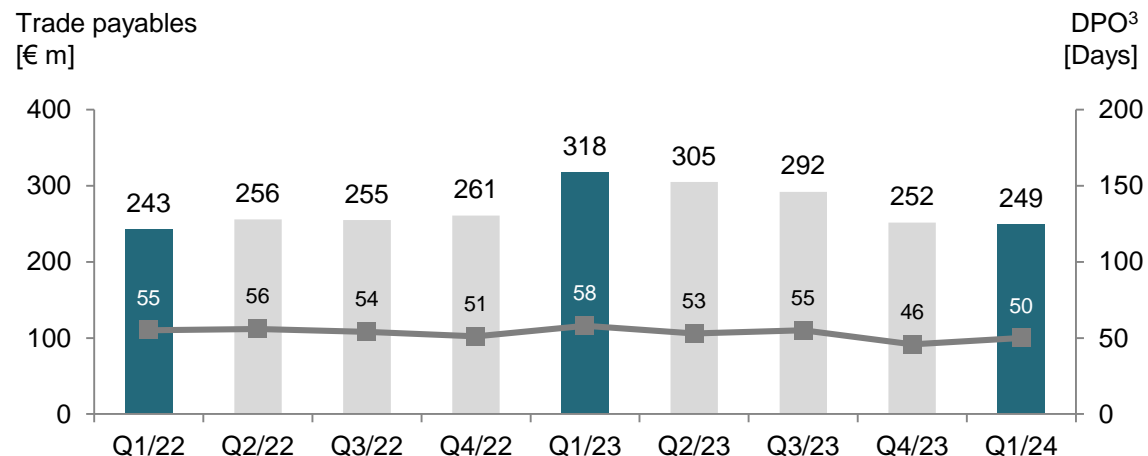
Inventories



Trade receivables



Trade payables



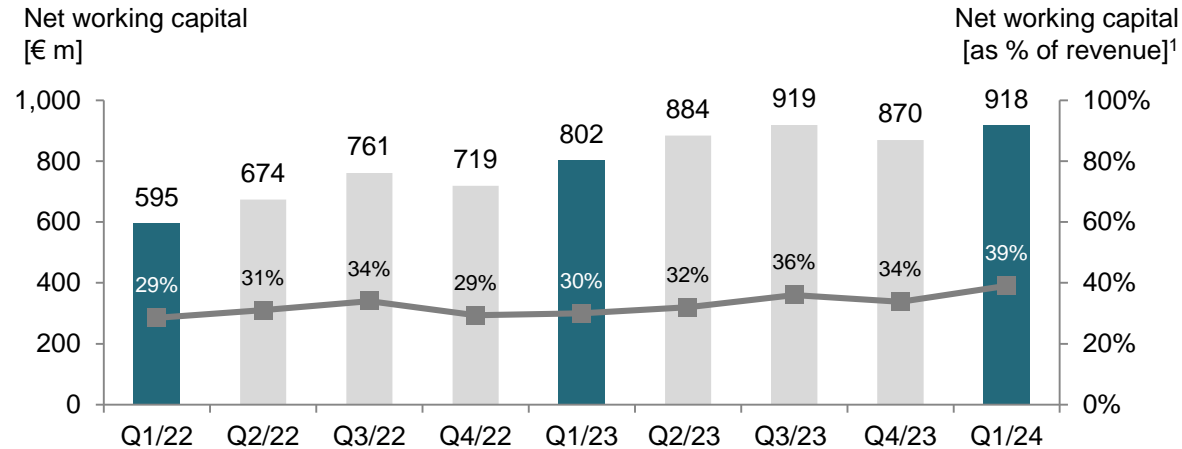
Comments

- Slight increase in **inventories** since the 2023 year-end (+0.7%): increase in work in progress goods (+13.4% compared to year-end 2023) as well as in finished goods (+1.7% compared to year-end 2023)
- **Trade receivables** increase by 11.5% compared to December 31, 2023 due to seasonality
- **Trade payables** at a comparable level to that at the year-end 2023
- **DIO, DSO and DPO** (annualized values) influenced by lower revenue in Q1 2024 compared to previous quarter

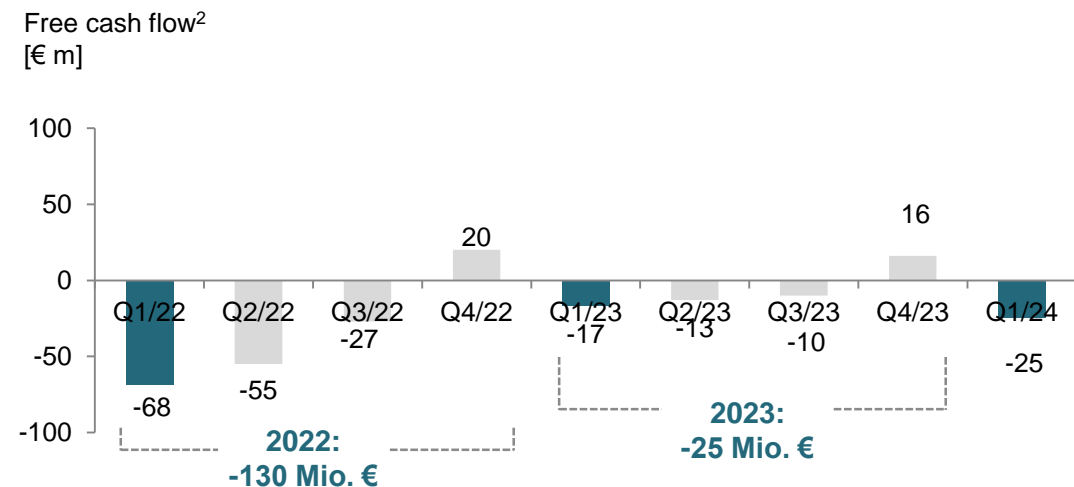
¹ Days inventory outstanding = (inventory/(cost of sales*4))*365 days. ² Days sales outstanding = (receivables/(revenue*4))*365 days. ³ Days payables outstanding = (payables/(cost of sales*4))*365 days.

NWC ratio remains characterized by high inventories

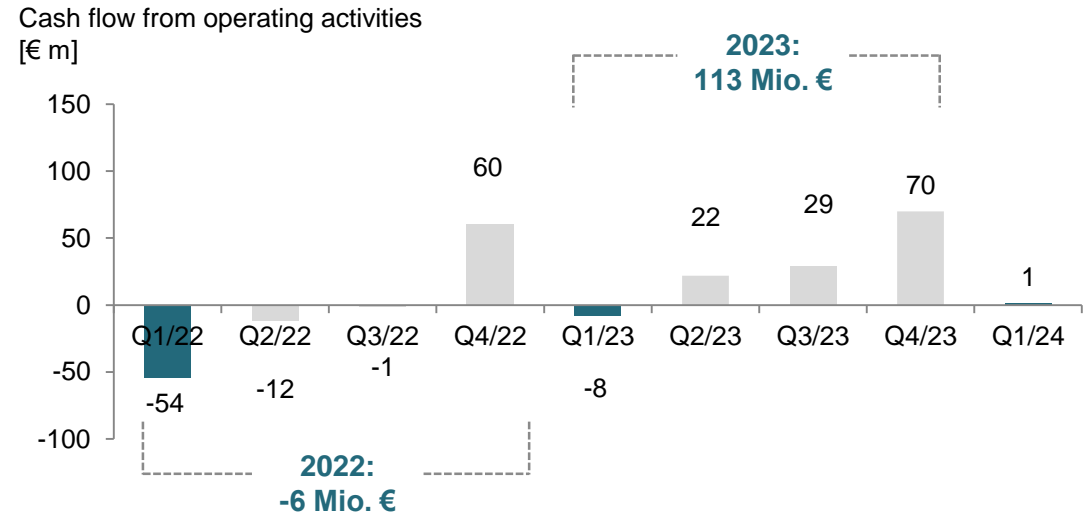
Net working capital



Free cash flow



Operating cash flow



Comments

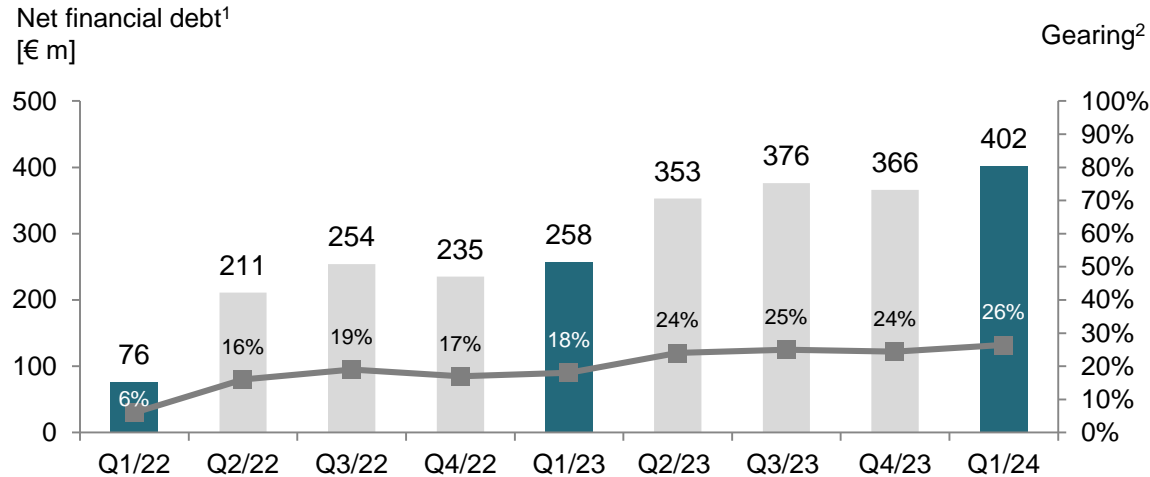
- Increase in the annualized **net working capital ratio** compared to Q4 2023 due to a slight increase in trade receivables as well as inventories and lower revenue (above the strategic benchmark of $\leq 30\%$)
- YoY increase in **operating cash flow** amounting to € +9 million, driven by lower net working capital payouts
- **Investments**³ amounted to € 24.2 million (€ 14.9 million in property, plant and equipment and € 9.3 million in intangible assets)
- **Free cash flow** decrease to € -25.1 million, remains impacted by NWC

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

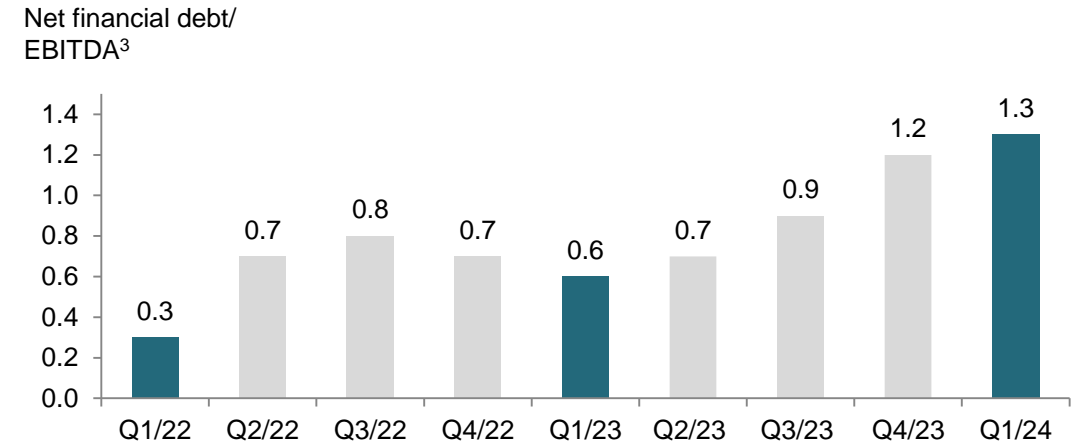
³ Investments in property, plant and equipment and intangible assets.

Still robust financial structure with substantial equity ratio

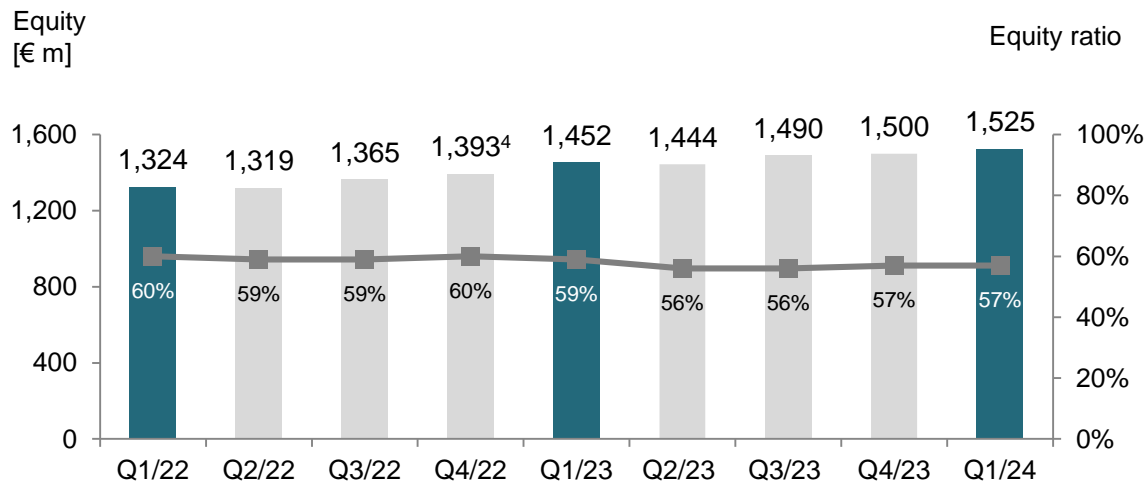
Net financial debt¹ and gearing²



Net financial debt/EBITDA³



Equity and equity ratio



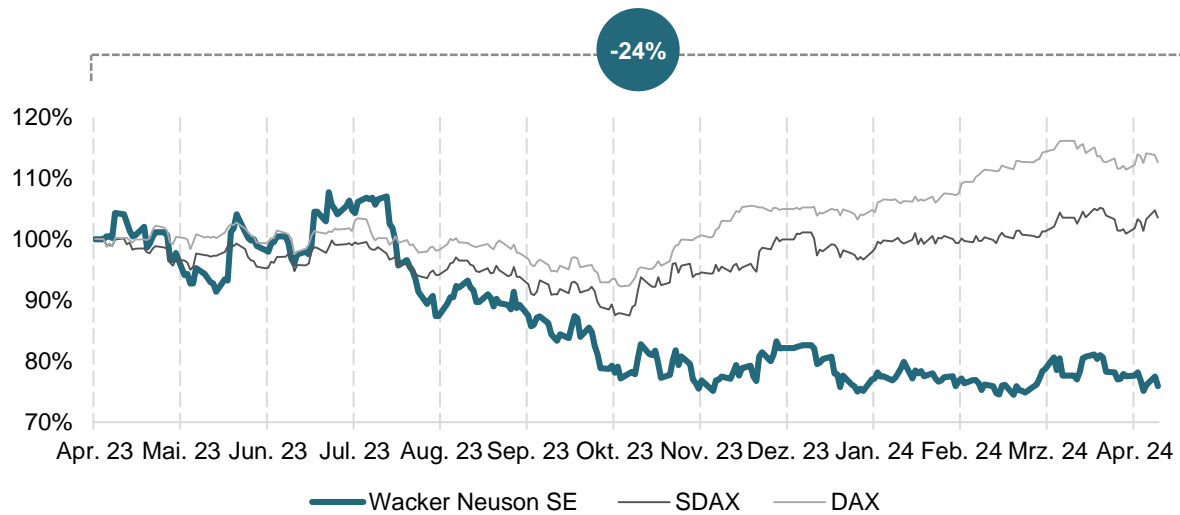
Comments

- Increased **net financial debt**¹ (+9.8%) compared to year-end 2023 reflects further use of the credit lines in Q1 2024 (net effect from repayments and cash inflows amounting to € +36 million) and slightly declining cash and cash equivalents
- Slight increase in **equity** compared to year-end 2023 (+1.7%), but also increase in **gearing**² amounting to 2 PP due to increased net financial debt
- Equity ratio** nearly unchanged compared to year-end 2023
- Dividend proposal** to the Annual General Meeting on May 15, 2024: € 1.15 per share (PY: € 1.00 per share)

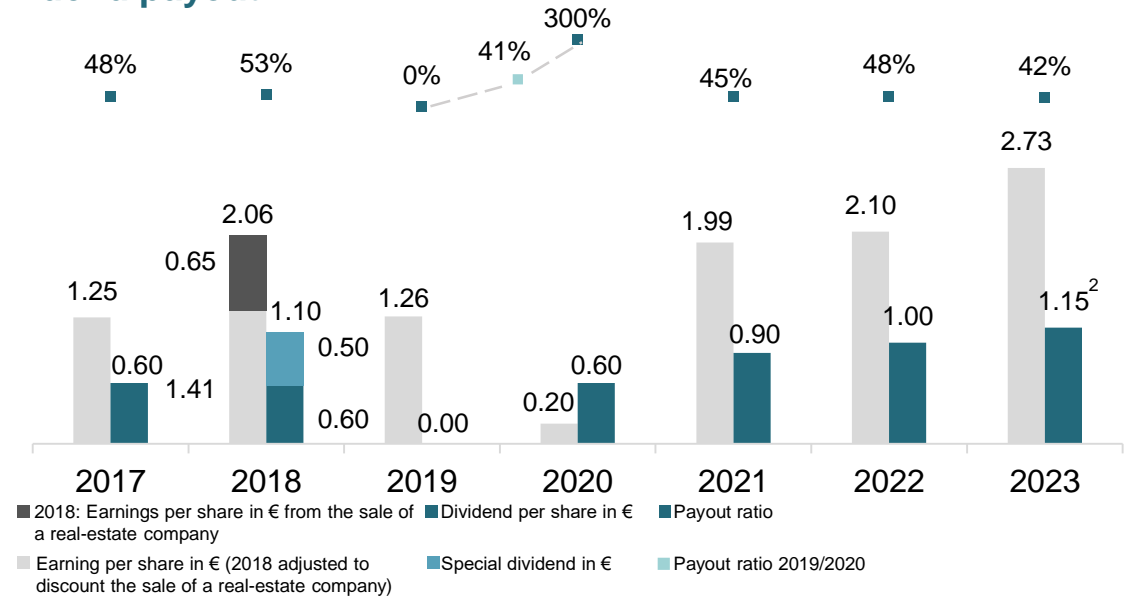
¹ Net financial debt = Non-current financial liabilities + Current liabilities to banks + Current portion of non-current liabilities - Cash and cash equivalents. ² Net financial debt/equity. ³ Net financial debt/annualized EBITDA for the quarter. ⁴ Correction of the previous year's value amounting to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

The Wacker Neuson SE share

Share price development vs. relevant indices¹



Dividend payout



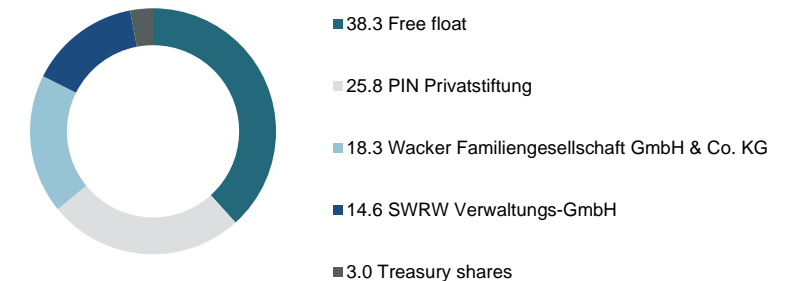
Key figures per share

| in € | 2023 | 2022 |
|------------------------------|---------|---------|
| Earnings per share | 2.73 | 2.10 |
| Book value per share | 21.38 | 19.81 |
| Share price at end of period | 18.26 | 16.34 |
| Market capitalization (€ m) | 1,280.8 | 1,146.1 |

Coverage³

| Bank | TP (€) | Recom. | Date |
|-------------------|--------|--------|---------------|
| Hauck & Aufhäuser | 28.50 | Buy | Apr. 17, 2024 |
| Jefferies | 19.00 | Hold | Apr. 24, 2024 |
| Warburg | 20.00 | Hold | Apr. 22, 2024 |
| Metzler | 19.00 | Buy | Apr. 16, 2024 |
| Kepler Cheuvreux | 15.00 | Sell | Apr. 16, 2024 |

Shareholder structure



Total shares: 70,140,000

¹ As of May 2, 2024; ² Proposal to Annual General Meeting 2024; ³ As of April 25, 2024.