



Wacker Neuson Group – Our success story

Company Presentation
June 2024



Wacker Neuson
Group



Who we are



Wacker Neuson
Group

Wacker Neuson Group at a glance

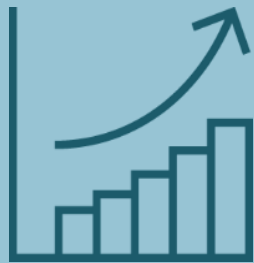
A leading global manufacturer of high-quality light and compact equipment



Machines and solutions for construction and agriculture with > 120 sales branches and >5,200 dealers worldwide



Long track record of more than 175 years (founded in 1848)



c. € 2.7 billion revenue
EBIT margin of 10.3%¹



Innovation as key driver
> 300 patents



Wacker Neuson Group: Investment Highlights



1

Leading manufacturer of construction and compact equipment with a long tradition of more than 175 years (founded 1848)

2

Revenue CAGR 2013-2023 of 8.6% across the market cycle and strategic perspective of EUR 4 billion revenue in 2030

3

Innovator in zero emission solutions and digitalization of construction equipment

4

Worldwide reach with diversified customer base in both agriculture and construction markets

5

Global megatrends like urbanization, infrastructure modernization and decarbonization drive the long-term business outlook

6

Stable financial profile with low financial leverage (equity ratio of 57%, net debt to EBITDA of 1.2)¹

Experienced management team



Dr. Karl Tragl
(CEO, since 06/2021)

more than 15 years of CEO experience with Alcoa/Aronic Inc., Bosch Rexroth AG

Responsible for strategy, M&A, legal matters & compliance, HR, investor relations, corporate communication, real estate, sustainability and business process management



Christoph Burkhard
(CFO, since 06/2021)

more than 10 years of CFO experience with Nordex, Siemens AG

Responsible for finance, controlling & risk management, auditing, IT, sales financing and integrated business planning



Alexander Greschner
(CSO, since 01/2017)

more than 20 years of CSO experience with Amman Group, Rammax Maschinenbau GmbH

Responsible for sales, service, marketing and aftermarket

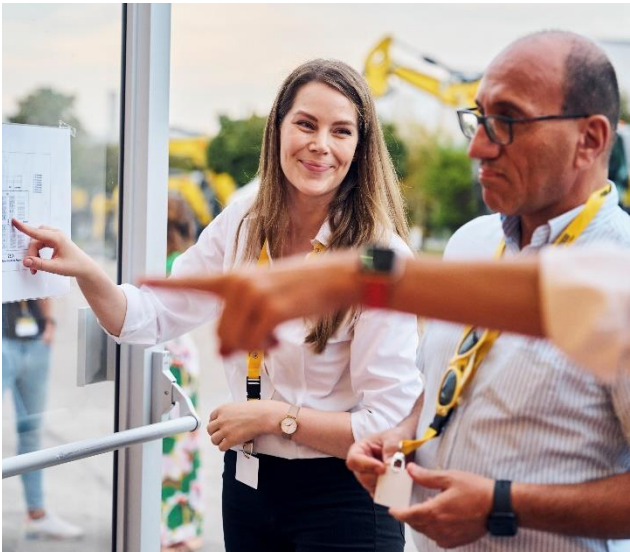


Felix Bietenbeck
(CTO & COO, since 10/2020)

more than 10 years of CTO & COO experience with Continental AG

Responsible for production, quality, supply chain management, procurement and research & development

Nobody is perfect, but a team can be!



We serve our markets with three strong brands

Wacker Neuson Group



Construction, gardening and landscaping, municipal bodies, recycling, railroad/track construction, etc.



Agriculture, stud farms/stables, municipal services, tree nurseries



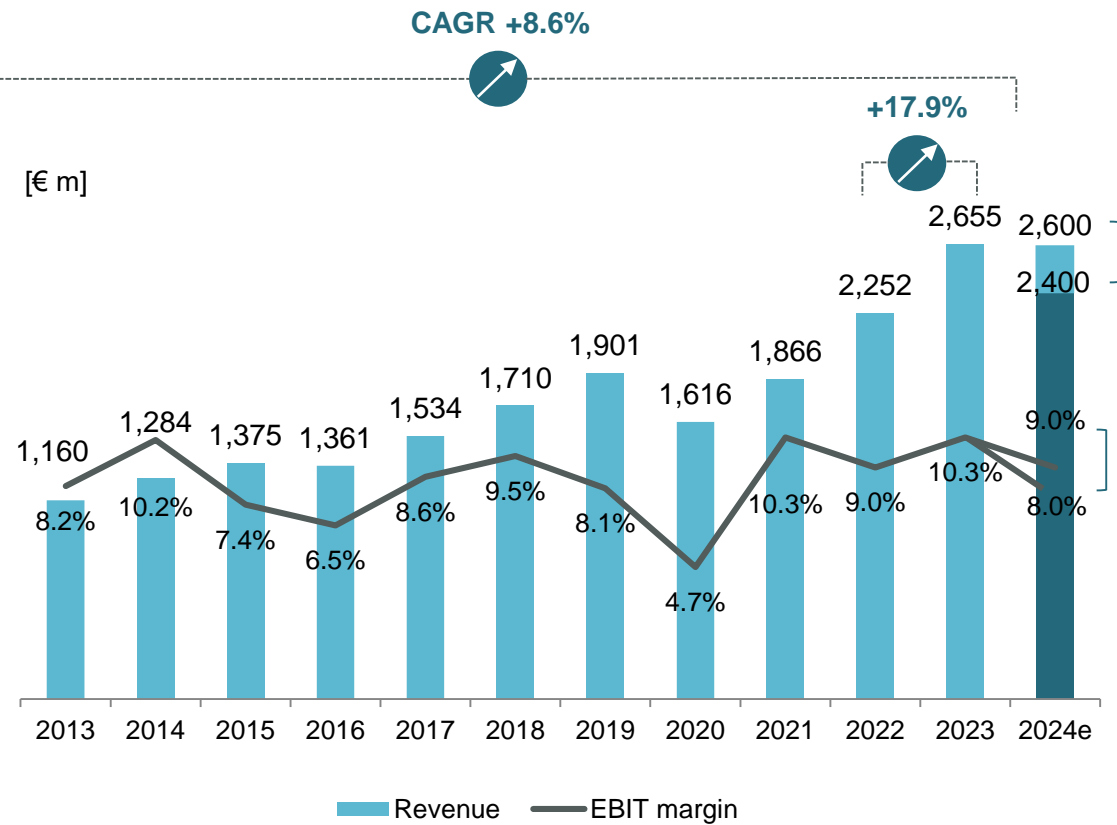
Further brands and participating interests:



Digitalization of construction sites, battery compatibility with a wide range of manufacturers, increased production capacity utilization

Successful long-term growth

Revenue and EBIT margin development (2013-2023)



Our diversified business dampens cyclical fluctuations

>10

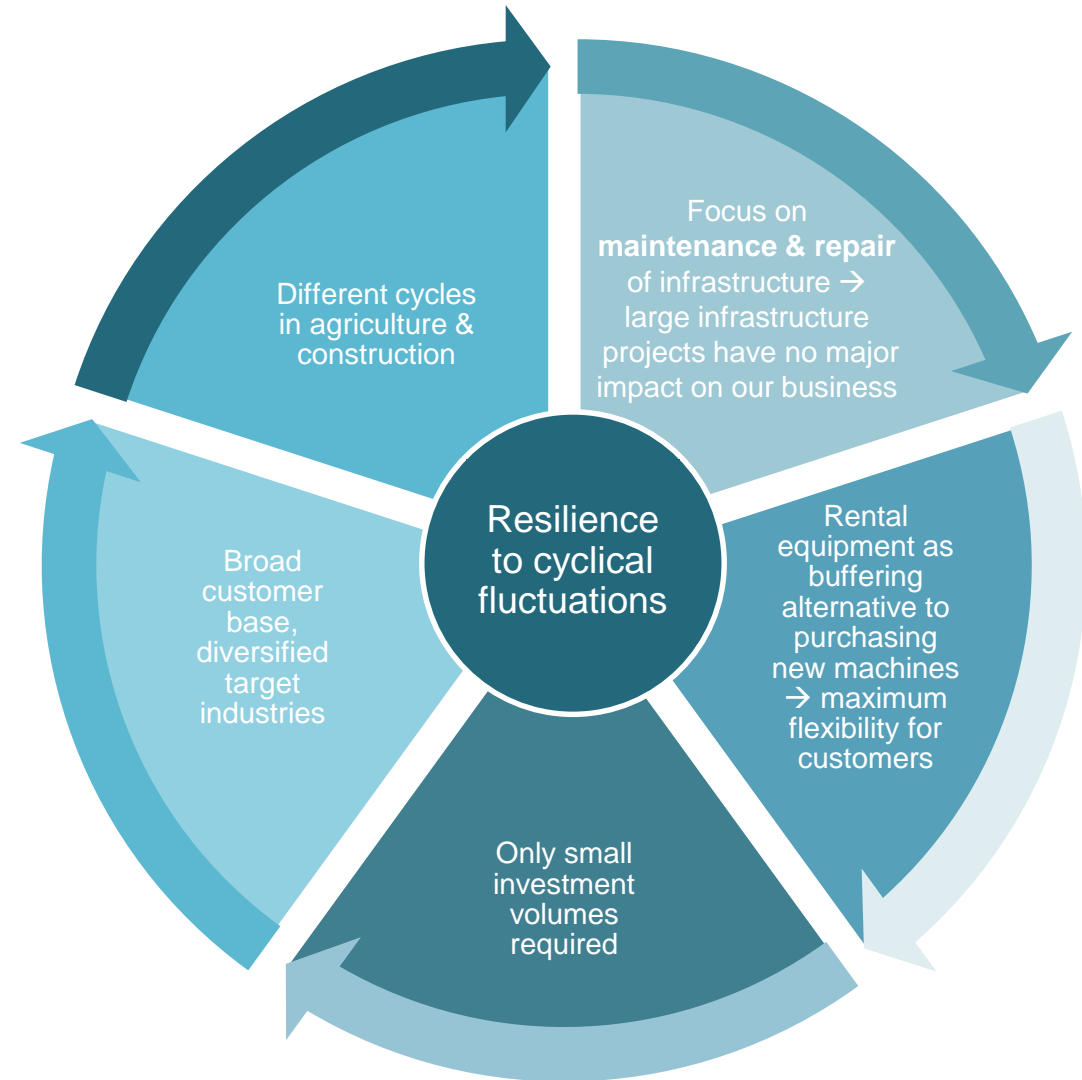
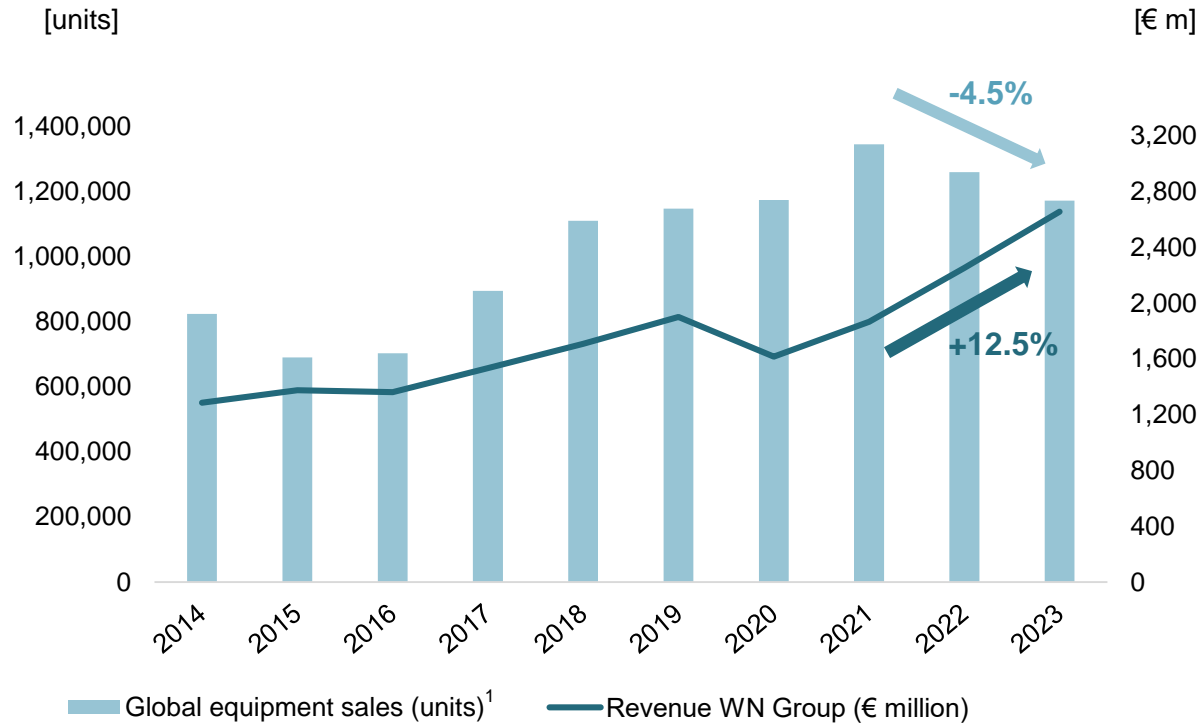
different target industries

25% of

Group revenue from agriculture²

75% of

Group revenue from construction²



¹ Source: Off-Highway Research, August 2019 and April 2024. ² FY 2023

We are growing our business in the agricultural sector

All-wheel steering



+3%

dynamic business development in agricultural sector¹

25%

of Group revenue from agriculture¹

Our customers are mainly dairy and cattle farmers who work in confined spaces such as stables

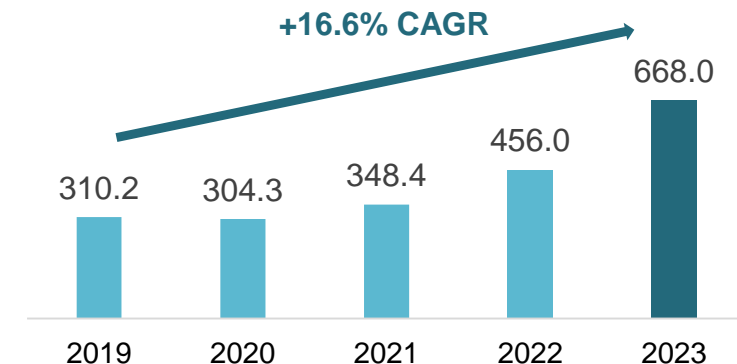
They require small, highly maneuverable machines with a minimal turning radius and outstanding stability

Articulated steering

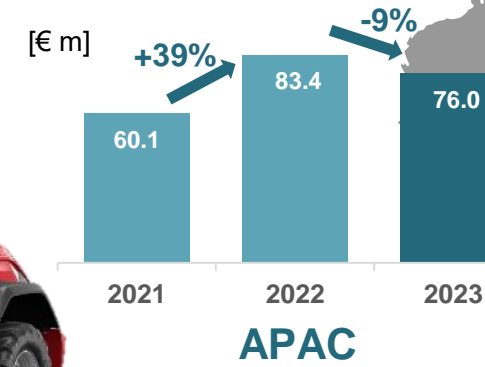
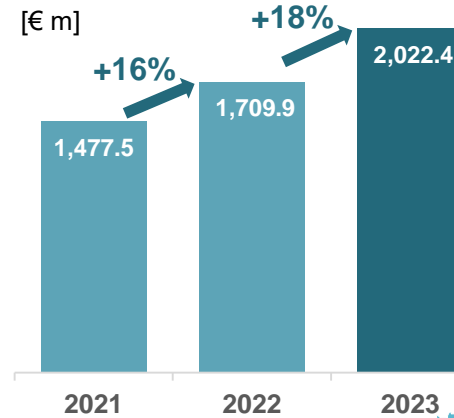
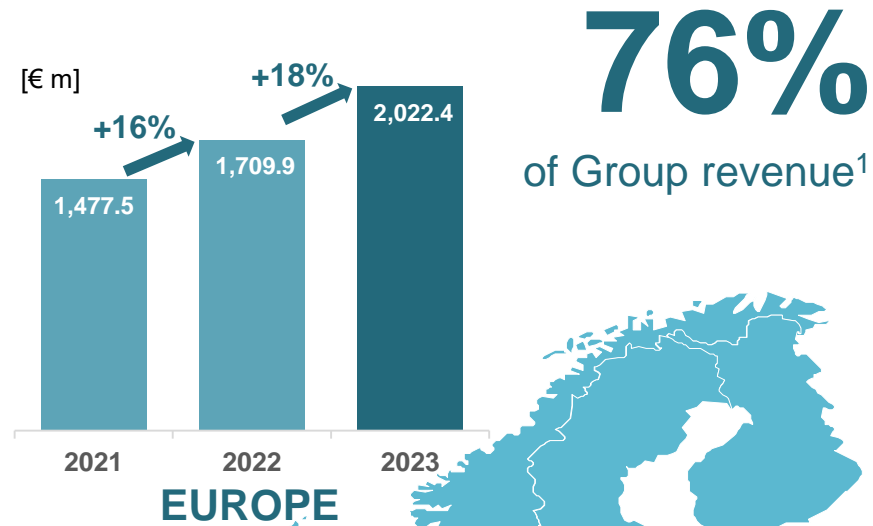
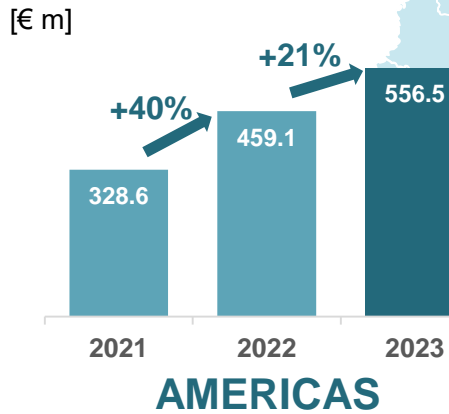


Development of agriculture revenues

Revenue in € million



Europe and Americas with double-digit growth



¹ FY 2023 (FY 2022: Americas 20%; Europe 76%; APAC 4%)

We are a one-stop solution provider with an unrivaled offering



20%
of Group revenue¹
LIGHT EQUIPMENT
€ **525.9** m
Revenue¹



62%
of Group revenue¹
COMPACT EQUIPMENT
€ **1,652.9** m
Revenue¹

18%
of Group revenue¹
SERVICES
€ **494.5** m
Revenue¹



¹ FY 2023 revenue before cash discounts amounting to €18.4 million (FY 2022: 23% Light Equipment / 57% Compact Equipment / 20% Services before cash discounts amounting to € 14.7 million)

OUR VISION

Our innovative solutions drive technological change.

OUR PURPOSE

We make a strong contribution to sustainable construction and agriculture.

OUR MISSION

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

STRATEGIC PERSPECTIVES

> 11 %
EBIT MARGIN






4 billion €
REVENUE

≤ 30 %
NWC

STRATEGIC LEVERS

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

OUR LEADERSHIP PRINCIPLES

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

OUR VALUES











Reliability Safety Efficiency Sustainability

OUR BUSINESS OBJECTIVE

Machines and solutions for construction and agriculture

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		Completion of building & construction of warehouse technology for the new spare parts hub in Mülheim-Kärlich ✓	Go-live of European aftermarket operations from new hub in Mülheim-Kärlich to increase spare parts turnover	Execution of the attachment Strategy to increase take rate and turnover	Extended Americas aftermarket operations implemented to support growth	
9) Sustainability Actions		>40% CO2 reduction vs. 2019 ¹ and installation of photovoltaic-systems ✓	CSRD-readiness & definition of further sustainability targets	Reduced CO2 emission by 50% compared to 2019 ¹		
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			

¹ Scope 1 and Scope 2

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:

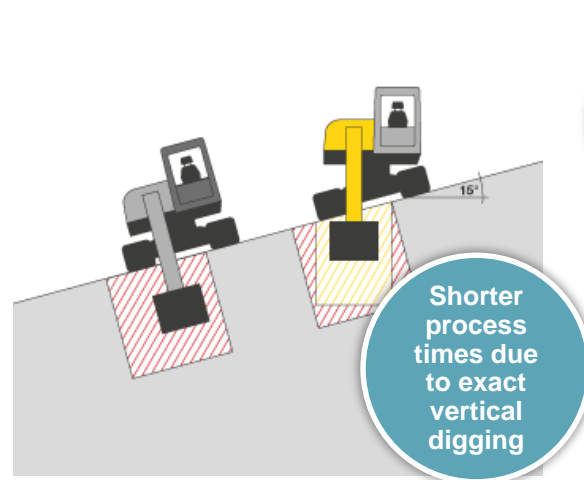
- Participation in the working group for software standards for attachments
- Collaboration with two technology leaders in the field of attachments for simple, efficient and maximum flexibility on construction sites

We drive innovation to improve our customers' processes



Cockpit rotatable by 180°

Dual View Dumper



Shorter process times due to exact vertical digging

Vertical Digging System



Wireless handling with no emissions

Zero emission



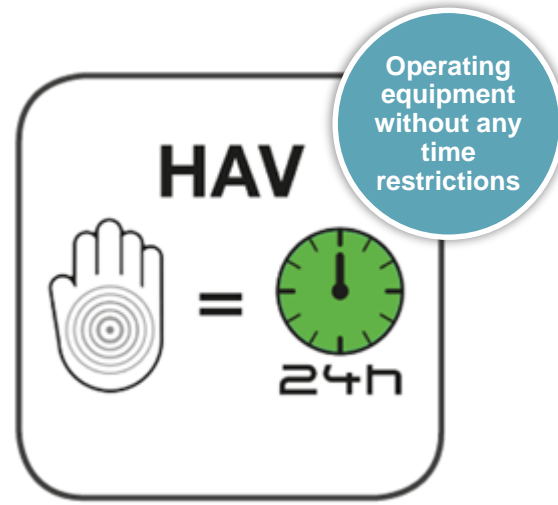
Maximizing operator comfort

Remote-control steering



Give your machines a voice!

Connected products



Operating equipment without any time restrictions

Hand-arm vibrations



Autonomous control and digital performance record

Self-driving equipment



Flexibility with one battery fitting various products

Modular design

zero emission product portfolio of Wacker Neuson Group 2023/24



zero emission

18 CE products, 16 LE products, 3 batteries & charger



NEW
WL28e / 1390e
(WN / Weidemann)



803 dual power
HPU



2024
WL300e / 1290e
(WN / Weidemann)



2024
EZ26e EZ17e



DT05e DT10e



DW15e



APS1030e



APS1135e



APS1340e



APS1550e



APS2050e



AP2560e



WL20e / 1190e
(WN / Weidemann)



NEW
5065e / KL25.5e
(Kramer)



NEW
RD24/28e



NEW
ARS90e



AS30e



AS50e



AS60e

BATTERYONE

DIREX



Charger & Transportbox



NEW
TH412e / T4512e
(WN / Weidemann)



NEW
1445e / KT144e
(Kramer)



ACBe



2024
AWP1550e



APU 3050e



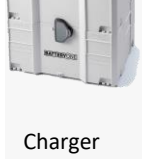
2024
APU2540e



CB250



BOB5
BOB10
BOB14



BATTERYONE | Seven manufacturers offer Battery One

Battery One – cross-brand standard for customers

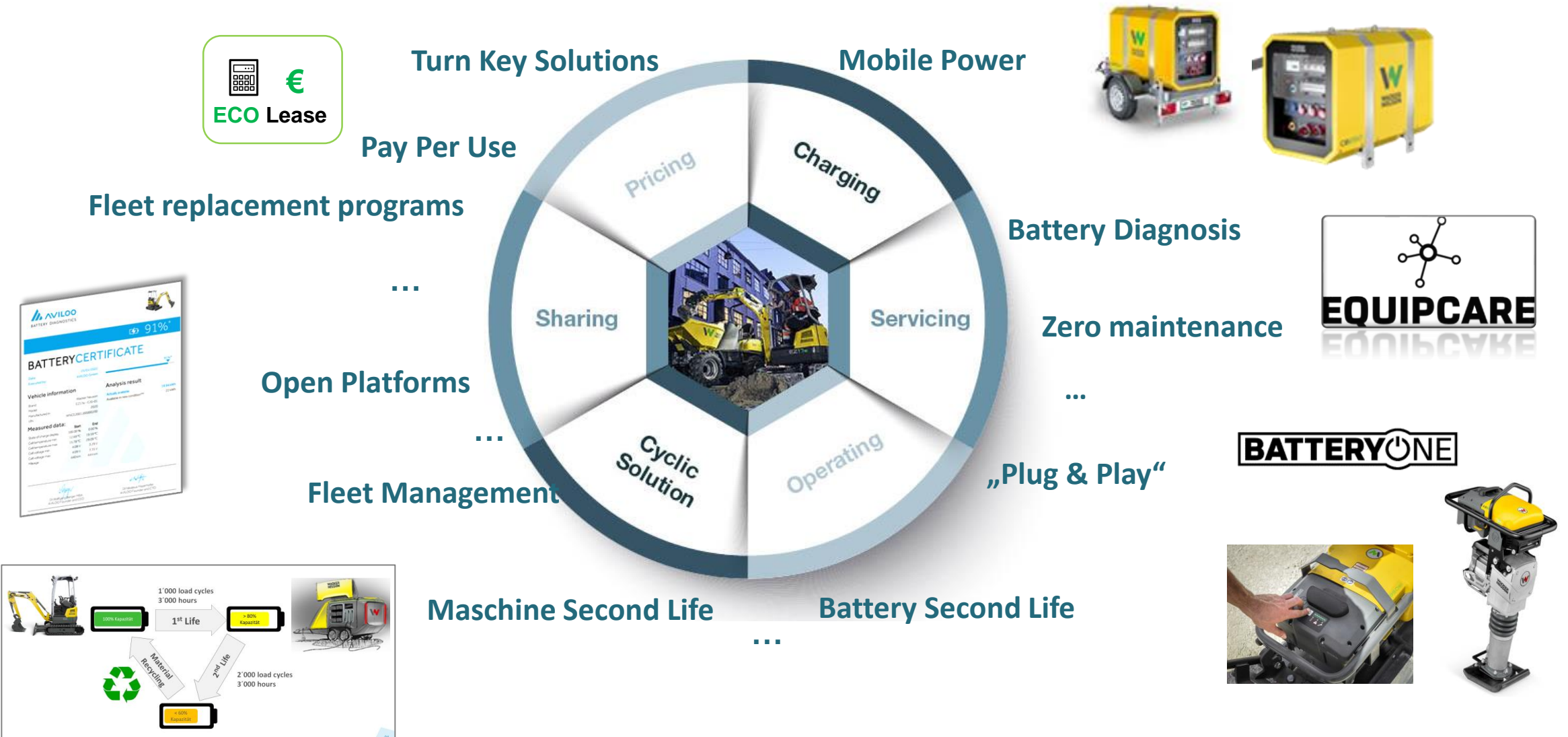


BATTERYONE



zero emission ecosystem

Transformation of the processes in construction and agriculture industries to the 360° ecosystem



Long-term partnership with John Deere

Kramer¹ distributing through John Deere dealer network (since 2017)

- **Strategic partnership for telescopic handlers and wheel loaders** for the agricultural sector (EMEA, CIS², Australia/New Zealand)



New long-term agreement for mini and compact excavators: Wacker Neuson Group manufacturing for Deere construction (since 2022)

- **OEM sales of mini and compact excavators < 5 tons:** Global agreement with focus on North America: Wacker Neuson Group designs and manufactures machines, including battery electric excavators, at its facilities in Menomonee Falls, USA, and Linz, Austria, for the requirements of John Deere.
- Existing cooperation regarding OEM sales of mini and compact excavators for APAC transferred into this new agreement
- **License agreement for excavators > 5 tons:** Wacker Neuson Group sells design and technical IP to John Deere. John Deere will incorporate design and technical IP provided by Wacker Neuson Group to develop and produce its own models.



¹ Kramer "green line" only. ² Commonwealth of Independent States.

Overview Full year 2023 results

Full year 2023			
Revenue	EBIT margin	NWC ratio	FCF
€ 2,654.9 m	10.3%	32.8%	€ -24.9 m
(+17.9% yoy)	(py: 9.0%)	(py: 31.9%)	(py: €-130.8 m) ¹



Revenue up 17.9% yoy, driven by the growth trend in the first half of 2023 followed by economic slowdown



After strong margin development in the first half of the year significant decrease in Q4 2023



Increase in the NWC ratio by the end of 2023 driven through economic slowdown



Only sporadically occurring supply chain bottlenecks

¹ Free cash flow in FY 2022 before taking into account a fixed term deposit inflow of € 130 million.

Q1 2024			
Revenue € 593.1 m (-11.1% YoY)	EBIT margin 6.2% (py: 13.2%) ¹	NWC ratio² 38.7% (py: 30.0%)	FCF € -25.1 m (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%)², driven through slightly increased trade receivables as well as decreased revenue



Supply chain significantly more relaxed than in the previous year

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

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

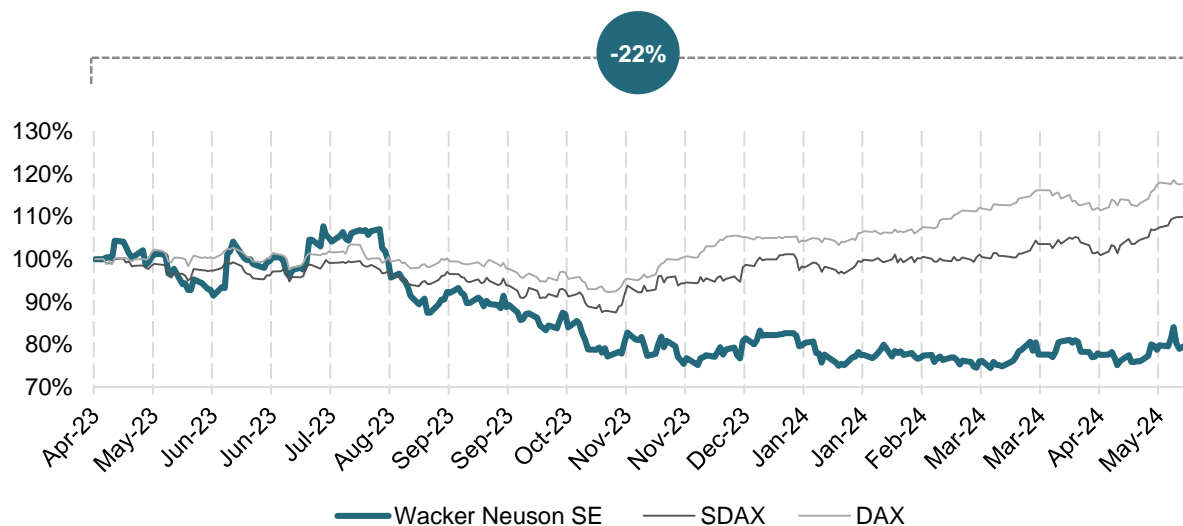
- **Revenue** between € 2,400 and 2,600 million
- **EBIT margin** between 8.0% and 9.0%
- **Investments** around € 120 million²
- **Net working capital ratio** around 30%

¹ As of April 2024.

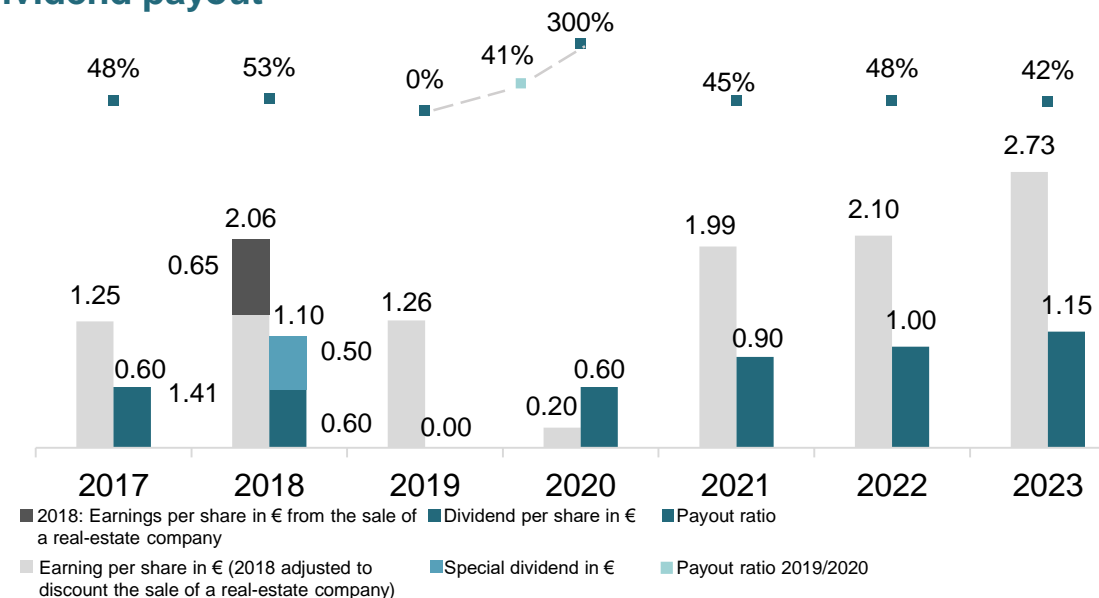
² Investments in property, plant and equipment and intangible assets. Investments in the Group's own rental portfolio, equity investments and financial assets are not included.

The Wacker Neuson SE share

Share price development vs. relevant indices¹



Dividend payout



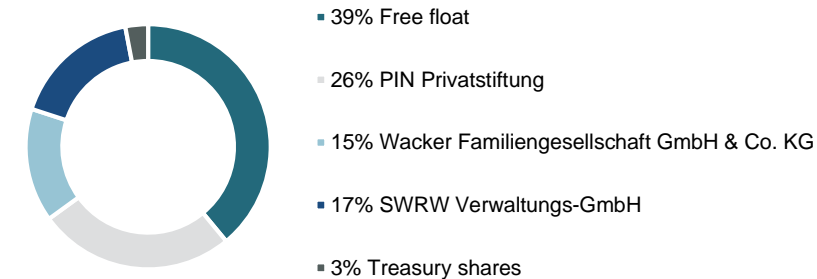
Key figures per share

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

Coverage²

Bank	TP (€)	Recom.	Date
Hauck & Aufhäuser	28.50	Buy	May 8, 2024
Jefferies	19.00	Hold	May 7, 2024
Warburg	21.00	Hold	May 17, 2024
Metzler	19.00	Hold	May 7, 2024
Kepler Cheuvreux	15.00	Sell	May 7, 2024

Shareholder structure



Total shares: 70,140,000

¹ As of May 21, 2024; ² As of May 17, 2024



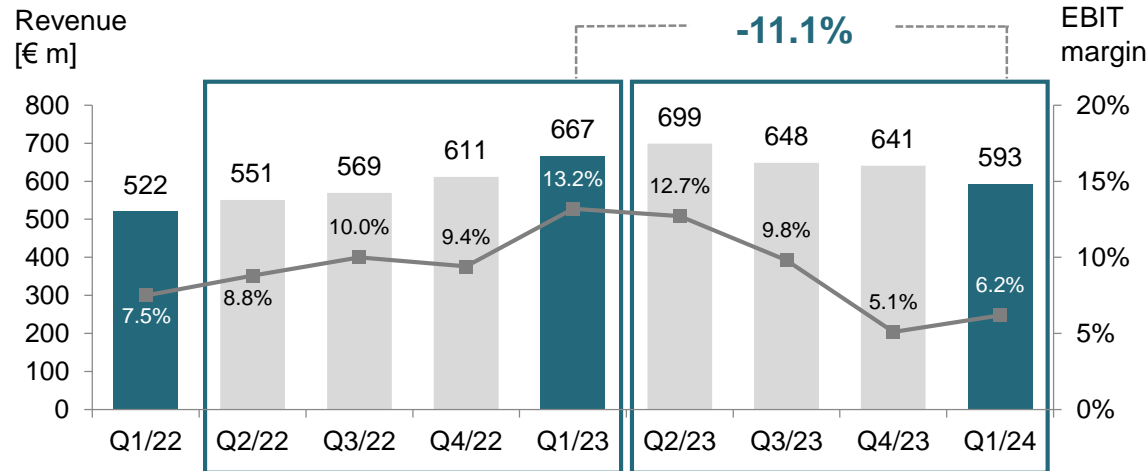
Financials Q1 2024



Wacker Neuson
Group

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>	23.4%	25.1%	-1.7PP
Operating costs¹	-101.9	-79.5	28.2%
<i>as a % of revenue</i>	-17.2%	-11.9%	-5.3PP
EBIT	36.9	87.8	-58.0%
<i>as a % of revenue</i>	6.2%	13.2%	-7.0PP
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)

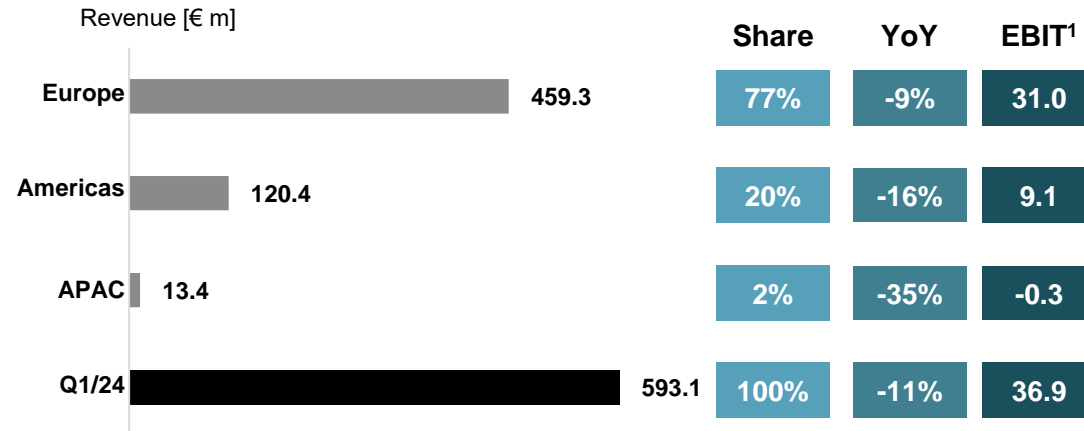
- EBIT margin influenced by a higher operating costs to revenue ratio
- Operating costs in Q1 2023 include a positive one-off effect amounting to € 15.5 million (property sale), excluding this one-off effect the percentage increase in the operating costs amounts to +7.3% compared to Q1 2023

Earnings per share -63.0% YoY

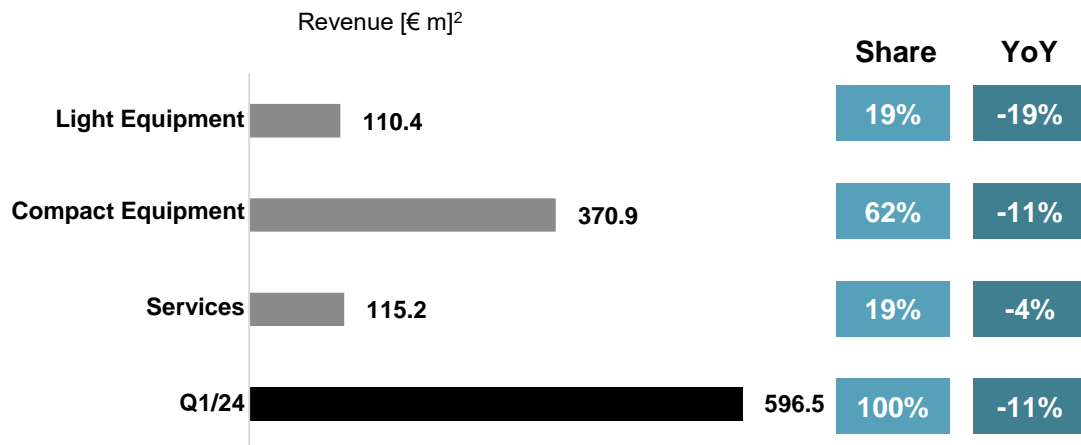
- Financial result impacted by higher interest rates and increased gearing
- Tax rate for Q1 2024 at 27.2% comparable to previous year (27.0%)

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)

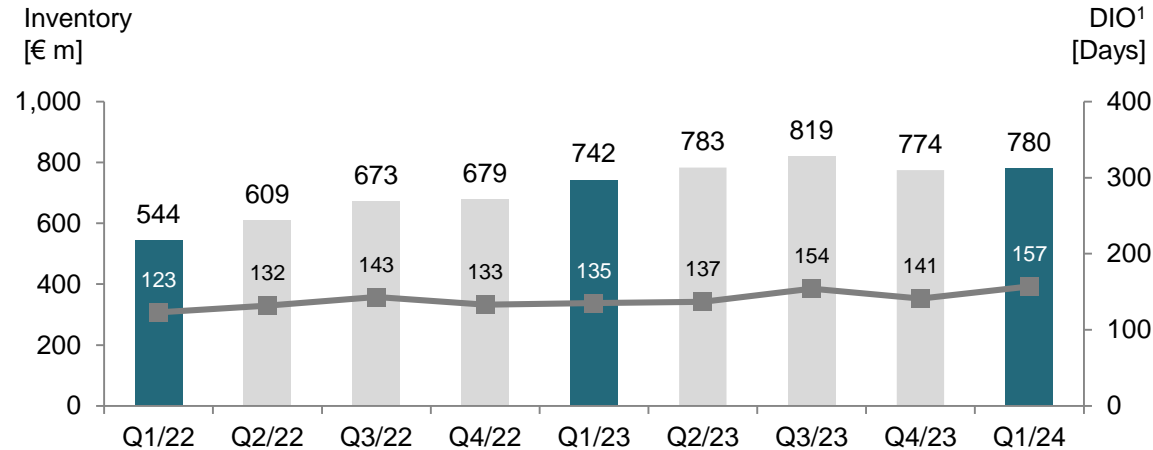
Revenue APAC -35.0% YoY (adj. for FX effects -31.6%)

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

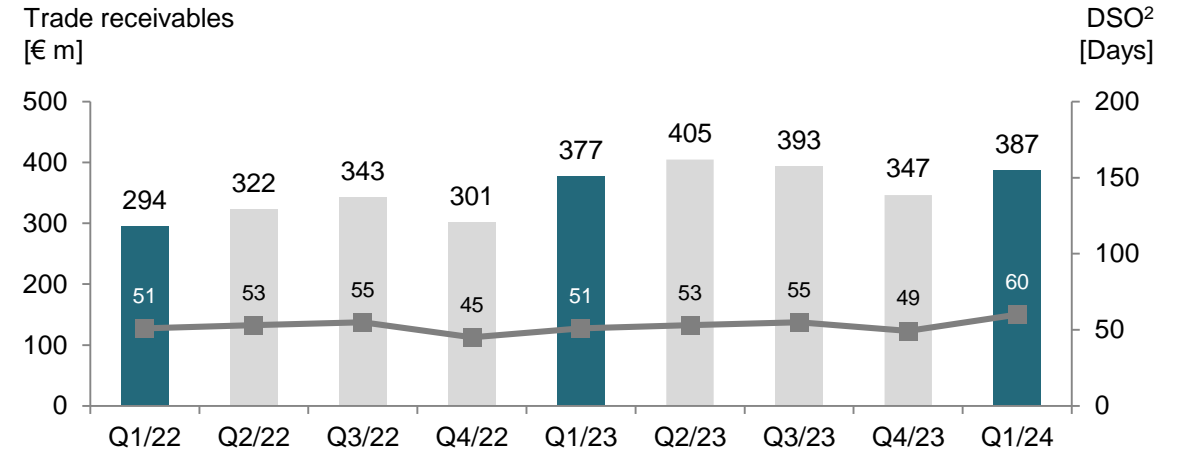
¹ EBIT for regions before consolidation. ² Revenue by business segment before cash discounts amounting to €3.4 million.

Supply chain more relaxed, but increase in trade receivables

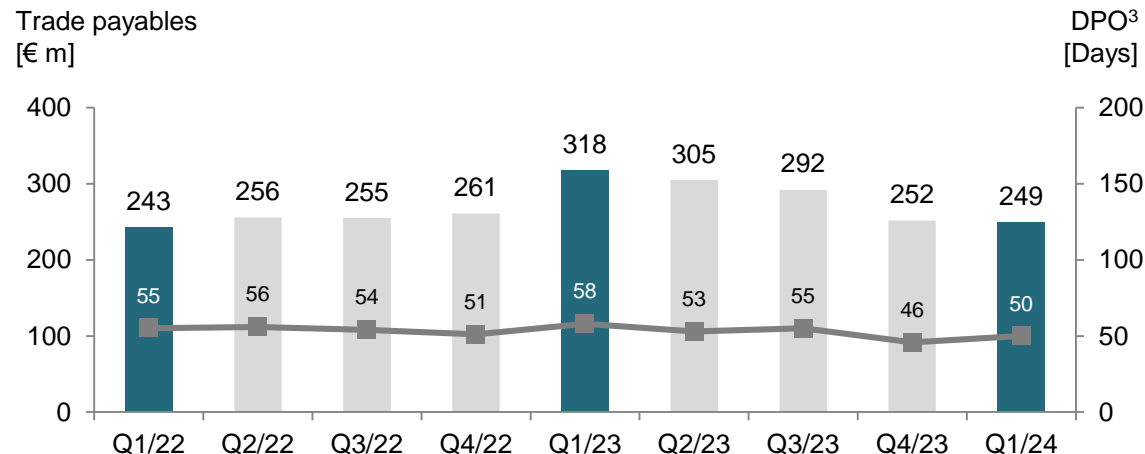
Inventories



Trade receivables



Trade payables



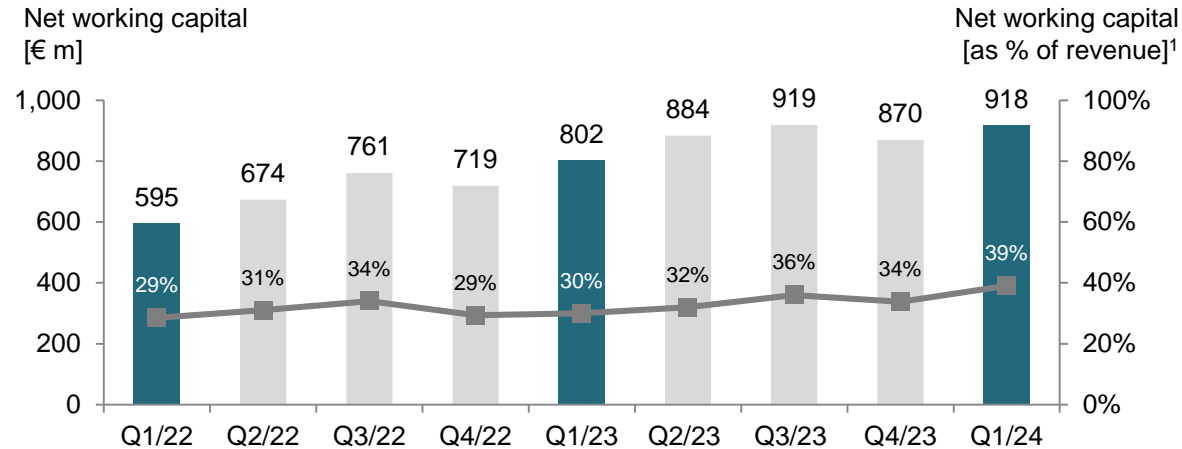
Comments

- 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

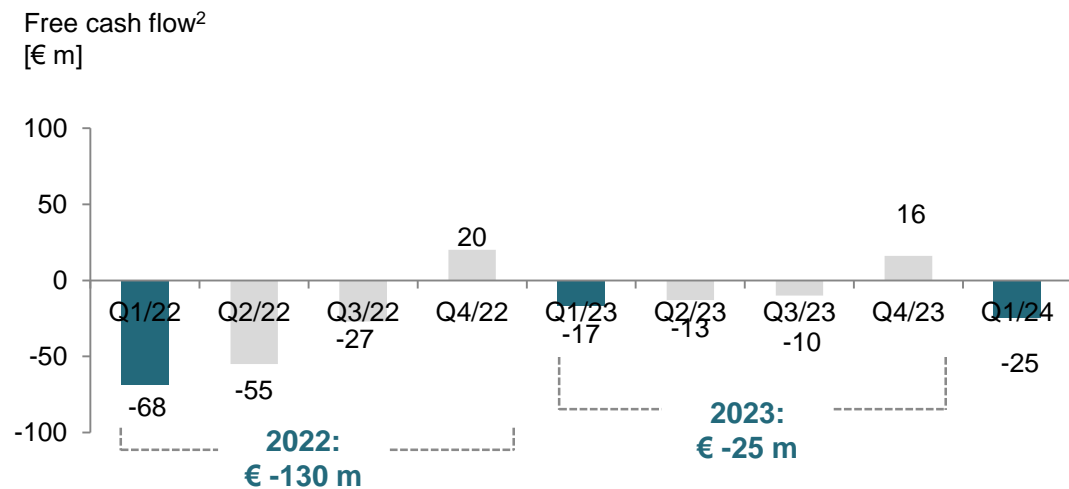
¹ Days inventory outstanding = (inventory/(cost of sales*4))*365 days. ² Days sales outstanding = (receivables/(revenue*4))*365 days. ³ Days payables outstanding = (payables/(cost of sales*4))*365 days.

NWC ratio remains characterized by high inventories

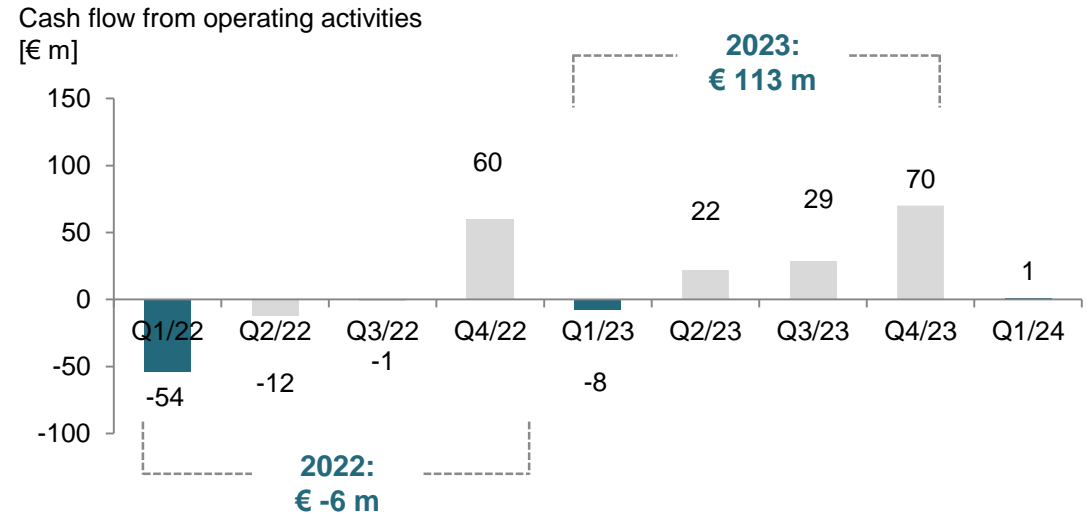
Net working capital



Free cash flow



Operating cash flow



Comments

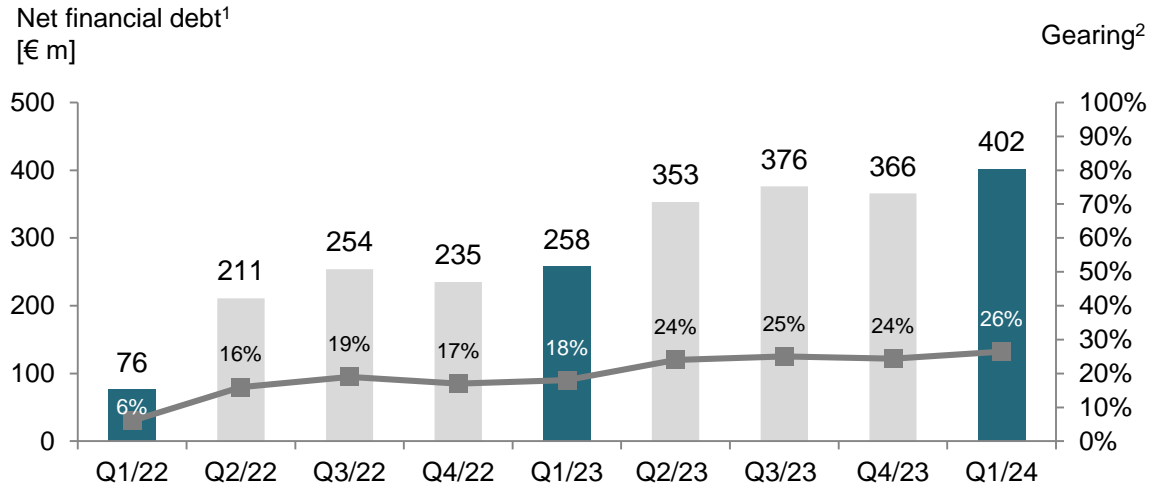
- Increase in the annualized **net working capital ratio** compared to Q4 2023 due to a slight increase in trade receivables as well as inventories and lower revenue (above the strategic benchmark of $\leq 30\%$)
- YoY increase in **operating cash flow** amounting to € +9 million
- **Investments**³ amounted 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

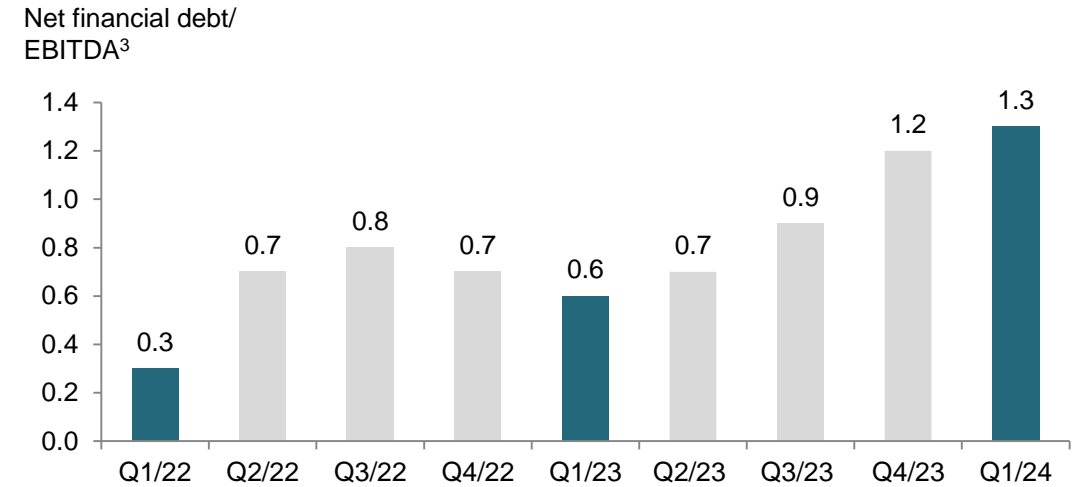
³ Investments in property, plant and equipment and intangible assets.

Still robust financial structure with substantial equity ratio

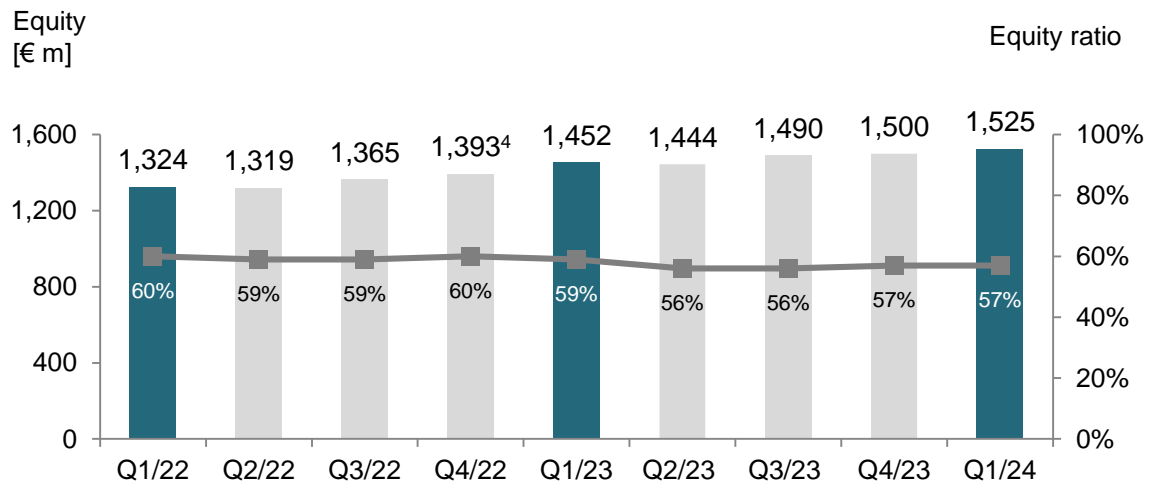
Net financial debt¹ and gearing²



Net financial debt/EBITDA³



Equity and equity ratio



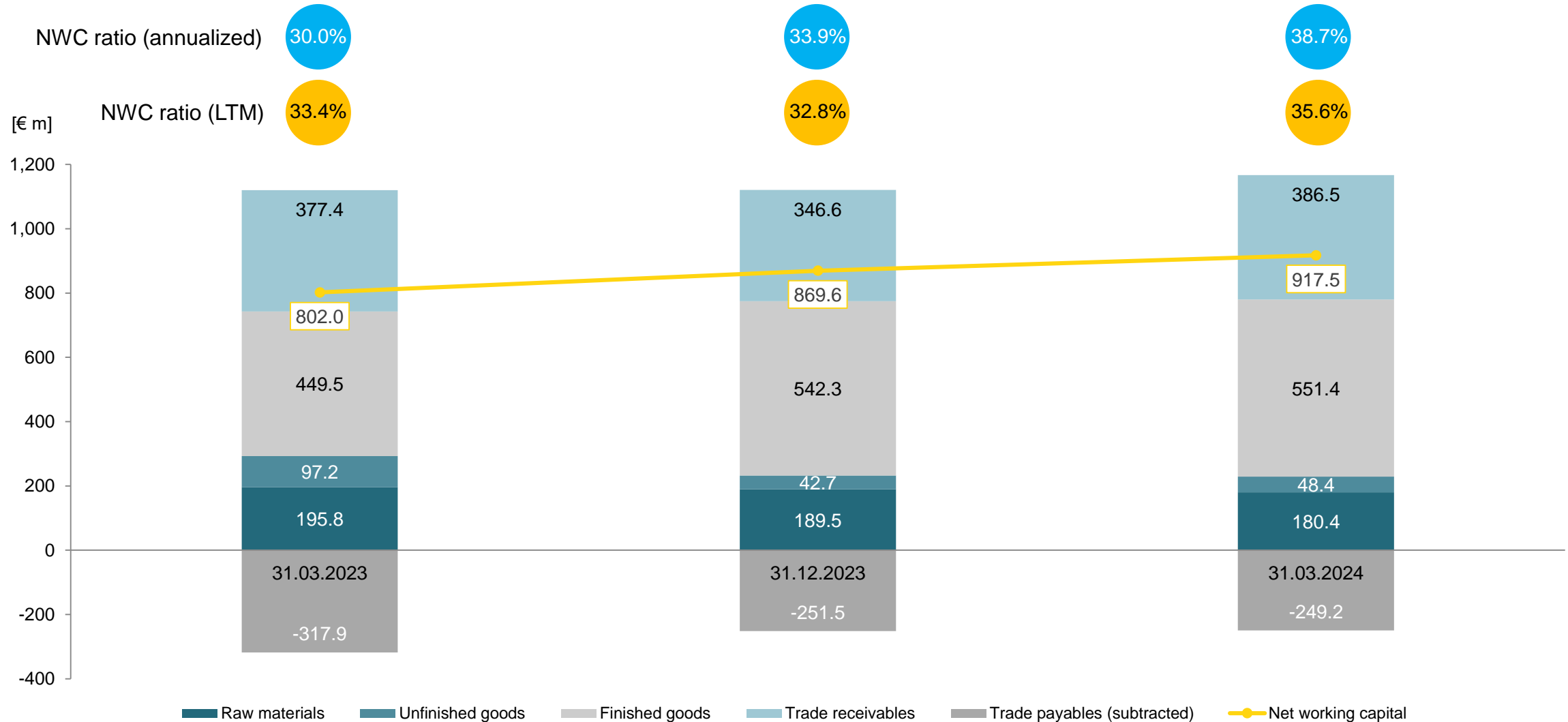
Comments

- 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 payout of € 1.15 per share** (PY: € 1.00 per share) after Annual General Meeting on May 15, 2024

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.

Net working capital and its components

As of March 31, 2024



Financial calendar and contact

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



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