



Press release

Record revenue for Wacker Neuson in Q1/18

Munich, May 8, 2018

- **Revenue rises to record high**
- **Significant increase in EBIT**
- **Financing for “Strategy 2022” secured**
- **Guidance for 2018 confirmed**

New record high for revenue in Q1/18

The Wacker Neuson Group started the year strong with revenue for the first quarter of 2018 increasing by more than 9 percent to EUR 371 million (Q1/17: EUR 339 million). All regions and business segments reported a rise in revenue. This growth was primarily driven by continued rising demand in European and North American construction markets as well as strong performance from the Weidemann and Kramer brands in the agricultural sector. When adjusted for currency effects, revenue increased at an even faster pace of 14 percent relative to the previous year. Negative currency developments, in particular the US dollar's weak performance against the euro, resulted in translation effects, which impacted revenue in the amount of EUR -16 million. The current strained situation among some suppliers is proving a challenge for manufacturers of construction and agricultural equipment, with bottlenecks among suppliers delaying deliveries to customers.

Europe is the largest market for the Group, accounting for 72 percent of its business. Revenue for this region rose 8 percent to EUR 268 million in the first quarter of 2018 (Q1/17: EUR 248 million). Revenue for the Americas grew at an even faster pace than in Europe, increasing 13 percent to EUR 92 million (Q1/17: EUR 81 million). Adjusted for currency effects, this corresponds to a rise of 29 percent. “In the US, we benefited from a number of trends including increased investments from rental chains stocking up on worksite technology such as generators and heaters. Our performance was also bolstered by strong sales of our US-produced skid steer loaders,” explains Martin Lehner, CEO of Wacker Neuson SE. Revenue for the Asia-Pacific region rose 16 percent to EUR 11 million (Q1/17: EUR 10 million). Adjusted for currency effects, this corresponds to a rise of 26 percent. Growth was particularly strong in China, where the Group started series production of mini excavators in January 2018.

Earnings significantly higher than previous year

Profit before interest and tax (EBIT) grew markedly by 61 percent to EUR 23 million in the first quarter (Q1/17: EUR 14 million). This corresponds to an EBIT margin of 6.2 percent (Q1/17: 4.2 percent). The rise in revenue and an improved cost structure had a positive impact on



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earnings. However, profit was also dampened by a more unfavorable regional and product mix and production delays.

Price adjustments for light and compact equipment

Increased raw material prices, higher personnel and transport costs as well as new environmental, health and safety regulations for equipment have driven up costs for the Group. The company remains committed providing its renowned product and service quality at fair prices. To maintain its capabilities here, the Group will be increasing sales prices across all product segments and Group brands as of July 1, 2018. Thanks to its ongoing measures to streamline internal processes, the Group is only passing on part of the increase in costs to its customers.

Financing for “Strategy 2022” secured

At the end of March 2018, Wacker Neuson secured its financing for the medium term. “We successfully placed a promissory note in the amount of USD 100 million in the US and agreed on medium-term credit lines totaling EUR 75 million with three banks. This provides us with the funds we need to finance our growth strategy,” explains Wilfried Trepels, CFO.

Guidance for 2018 confirmed

“In April, we presented a host of new products and innovations to our customers and business partners at INTERMAT in Paris, which is this year’s largest construction industry trade show. The mood across the industry is very positive,” says Martin Lehner. Wacker Neuson generated a huge amount of interest with its new electric excavators and vibratory plates, which round off the company’s fully electric offering for urban construction sites. With its zero emission line, Wacker Neuson is the first manufacturer worldwide to deliver an end-to-end product portfolio that supports the entire construction workflow on smaller sites without releasing any emissions while keeping noise levels to an absolute minimum. The company has confirmed its guidance for fiscal 2018 and expects revenue to rise by 8 to 11 percent to between EUR 1.65 and EUR 1.70 billion (2017: EUR 1.53 billion). The target corridor for the EBIT margin remains at 9.0 and 10.0 percent. The situation with suppliers and future exchange rate developments, however, remains uncertain, especially with regard to the US dollar.

The Executive Board and the Supervisory Board will propose a dividend of EUR 0.60 per share at the Annual General Meeting on May 30, 2018. This is an increase of 10 cents compared with the previous year.



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Table: Revenue and earnings

Key figures in € million	Q1/18	Q1/17	Change
Revenue	370.5	338.5	+9.5%
EBIT (adjusted) ¹	23.0 (23.0)	14.3 (16.3)	+60.8% (+41.1%)
EBIT margin (adjusted) ¹	6.2% (6.2%)	4.2% (4.8%)	+2.0PP (+1.4PP)
Profit for the period	14.6	9.3	+57.0%
Earnings per share in €	0.21	0.13	+61.5%

¹ Adjusted in Q1/17 for a negative one-off effect resulting from changes to the Executive Board.

The quarterly report for Q1/18 is available at

<http://wackerneusongroup.com/en/investor-relations/financial-reports-presentations/>.

Your contact partner:

Wacker Neuson SE
Katrin Yvonne Neuffer
Head of Corporate Communication /
Investor Relations
Preussenstrasse 41
80809 Munich, Germany
Tel. +49-(0)89-35402-173
katrin.neuffer@wackerneuson.com
www.wackerneusongroup.com

About Wacker Neuson

The Wacker Neuson Group is an international family of companies and a leading manufacturer of light and compact equipment with over 50 affiliates and 140 sales and service stations. The Group offers its customers a broad portfolio of products, a wide range of services and an efficient spare parts service. The product brands Wacker Neuson, Kramer and Weidemann belong to the Wacker Neuson Group. Wacker Neuson is the partner of choice among professional users in construction, gardening, landscaping and agriculture, as well as among municipal bodies and companies in industries such as recycling, energy and rail transport. In 2017, the Group achieved revenue of EUR 1.53 billion, employing more than 5,500 people worldwide. www.wackerneusongroup.com