



Press release

Dynamic start to 2019 for the Wacker Neuson Group

- **Double-digit rise in revenue to EUR 434.6 million (+17 percent)**
- **Even faster EBIT growth to reach EUR 30.2 million (+31 percent)**
- **EBIT margin improves to 6.9 percent (+0.7 percentage points)**
- **Cash flow impacted in particular by temporary rise in net working capital**
- **Revenue for year as a whole expected to reach upper half of projected range**

Munich, May 7, 2019 – 2019 got off to a successful start for leading light and compact equipment manufacturer the Wacker Neuson Group, with revenue rising 17.3 percent to EUR 434.6 million (Q1/18: EUR 370.5 million). Profitability also improved significantly. Profit before interest and tax (EBIT) rose 31.3 percent to EUR 30.2 million (Q1/18: EUR 23.0 million). The EBIT margin amounted to 6.9 percent, which is a rise of 70 basis points compared with the prior-year quarter (Q1/18: 6.2 percent). “This strong start to the year sees us continue the dynamic pace of growth from the fourth quarter of 2018. Demand for our products and services is high and this has helped us gain market shares in many countries,” explains Martin Lehner, CEO of Wacker Neuson SE. “Throughout the whole of 2018, we had to contend with major bottlenecks in the global supply chain. Although the situation has not been fully resolved, it has improved significantly in 2019,” he adds.

Double-digit growth in all regions

The Group’s rise in revenue was fueled by double-digit growth in all three reporting regions. Revenue for Europe, which accounts for around three quarters of Group revenue, rose 18.3 percent to EUR 316.7 million (Q1/18: EUR 267.8 million). Revenue grew rapidly in a number of countries here, including the UK, where the Group reported particularly strong sales of excavators and dumpers together with an increase in market shares. Business with agricultural machines also grew at an above-average rate. Revenue generated by Weidemann- and Kramer-brand wheel loaders and telescopic handlers was up 42.2 percent to reach EUR 74.1 million (Q1/18: EUR 52.1 million).

In the Americas, revenue rose 14.0 percent to EUR 104.5 million (Q1/18: EUR 91.7 million). Adjusted for currency effects, revenue increased by 6.7 percent. While the Group reported significant gains in the US, demand in Canada was dampened by the tightening of emissions legislation, which came into effect on January 1, 2019. This had resulted in pre-buy effects in the fourth quarter of 2018. The more favorable currency situation had a positive impact on earnings. Restructuring measures at the plant in Wisconsin, USA, are continuing as planned.

Revenue for Asia-Pacific increased by 21.8 percent to EUR 13.4 million (Q1/18: EUR 11.0 million). The Group continued to ramp up production at its plant in Pinghu, China, which it had opened at the start of 2018. The OEM collaboration concluded with John Deere in the



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summer of 2018 covering mini and compact excavators also got off to a good start. The first machines were delivered in the first quarter of 2019. The Group reported major revenue gains in China. However, business in Australia developed slightly below expectations.

Cash flow impacted by a temporary increase in net working capital and the expansion of the dealer network in North America

Due to a marked increase in net working capital and the expansion of the dealer network in North America, cash flow from operating activities in the first quarter of 2019 amounted to EUR -115.6 million (Q1/18: EUR -41.4 million). This was primarily attributable to the seasonal build-up of inventory as well as further deliveries of pre-buy engines and an increase in trade receivables. "Due to the positive market and order situation, we built up more inventory in recent months than in previous years. Stocks will return to normal levels over the course of the fiscal year as revenue increases during the summer months and we gradually start to decrease our stock of pre-buy engines. We also expect receivables to decrease during the course of the year, which will have a positive impact on the development of cash flow," elaborates Martin Lehner.

Guidance confirmed

The leading international trade show Bauma was held in Munich at the start of April. The Group showcased a host of new products here together with innovative solutions from its electrically powered light and compact equipment product line and a range of digital services. "The talks we held at the show once again confirmed that we are on the right track to consolidate and expand the success of the Wacker Neuson Group in the long term," adds Lehner. The Group confirmed its guidance for fiscal 2019, which it issued back in March. Buoyed by the strong start to the year, its well filled order books and the very positive feedback from customers at Bauma, the Executive Board expects revenue to lie in the upper half of its projected range of EUR 1,775 to EUR 1,850 million. The EBIT margin is expected to come in at between 9.5 and 10.2 percent.

Key indicators for the Wacker Neuson Group

in EUR million	Q1/19	Q1/18	Change
Revenue	434.6	370.5	+17 %
EBIT	30.2	23.0	+31 %
EBIT margin as a %	6.9	6.2	+0.7 PP
Profit for the period	20.8	14.6	+42 %
Earnings per share in EUR	0.30	0.21	+43 %



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The Wacker Neuson Group's complete first-quarter report for 2019 is available at the following link:
<https://wackerneusongroup.com/en/investor-relations/financial-reports-presentations/>

For press images relating to the Wacker Neuson Group, please see:
<https://wackerneusongroup.com/en/news-media/photos-videos/press-images-corporate/>

About Wacker Neuson Group

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 2018, the Group achieved revenue of EUR 1.71 billion, employing more than 6,000 people worldwide. Wacker Neuson SE shares are listed on the regulated Prime Standard segment of the Frankfurt Stock Exchange (ISIN: DE000WACK012, WKN: WACK01) and the SDAX index of the German stock exchange. www.wackerneusongroup.com