



Corporate News

Wacker Neuson Group with clear rise in revenue and profitability

- **Group revenue to reach EUR 1,866.2 million (+16 percent); supply chain bottlenecks dampen pace of growth**
- **Clear rise in profitability: EBIT margin at 10.3 percent (+5.6 percentage points) including positive effect on earnings from the reversal of allowances for doubtful receivables**
- **Net working capital at 26.7 percent well in target range of ≤ 30 percent**
- **High free cash flow results in positive net financial position**
- **Guidance for 2022: revenue projected between EUR 1,900 and 2,100 million, EBIT margin to lie between 9.0 and 10.5 percent**
- **Dividend proposal to the AGM: EUR 0.90 per share**
- **Supervisory Board extends contract with CSO Alexander Greschner**

Munich, March 29, 2022 – The Wacker Neuson Group has returned to its growth trajectory. In fiscal 2021, business developments at the Wacker Neuson Group recovered quickly from the 2020 drop in revenue triggered by the COVID-19 pandemic. The Group reported revenue of EUR 1,866.2 million, which is an increase of 15.5 percent relative to the previous year (2020: EUR 1,615.5 million).

“Looking back on 2021, hard work and a concerted effort made this a successful year. We were hampered by overstretched and repeatedly disrupted supply chains. Raw material and component shortages repeatedly led to rework efforts and this, compounded by rising material prices and spiraling shipping costs, had a negative impact on margins. However, our employees worked tirelessly to get as many machines as possible onto our production lines and delivered to our customers despite all the obstacles,” explains Dr. Karl Tragl, CEO of the Wacker Neuson Group.

In Europe, revenue increased to EUR 1,477.5 million, a rise of 14.6 percent (2020: EUR 1,289.7 million). This clearly exceeded the previous record reached in 2019 (2019: EUR 1,379.0 million). Alongside the Group’s domestic markets of Germany and Austria, which again emerged as growth drivers in the construction industry, business also developed very strongly in the UK. In the majority of countries in Southern, Eastern and Northern Europe, the Group was also able to report high double-digit growth, albeit against a lower baseline in some cases due to the impact of the pandemic. Once again, business with customers in the agricultural sector developed particularly positively. Despite the stable development of business in 2020 and the resulting strong baseline for comparison from that year – the fall in revenue amounted to only 1.9 percent – the Group managed to grow revenue in this segment by 14.5 percent to EUR 348.4 million (2020: EUR 304.3 million).

Revenue in the Americas – a region that was particularly hard hit by the COVID-19 pandemic – recovered in fiscal 2021, partly driven by a gradual upturn in demand from rental firms as the year progressed, rising 21.5 percent overall to reach EUR 328.6 million (2020: EUR 270.4 million). Business developed particularly well in Canada, where the Group was already able to exceed pre-crisis revenue levels.

In Asia-Pacific, revenue increased relative to the previous year by 8.5 percent to EUR 60.1 million (2020: EUR 55.4 million). While the Group continued to face a challenging market environment with surplus capacities and significant price pressure in China, business in Australia developed at a dynamic pace.



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The Group significantly increased its revenue in this market and also recorded growth in the double-digit percentage range relative to the pre-crisis year of 2019.

Marked increase in profitability

Group profitability rose significantly in fiscal 2021 – even when compared with the pre-crisis level of 2019. Following the sharp downturn in 2020, earnings before interest and taxes (EBIT) climbed 155.6 percent to EUR 193.0 million – fueled amongst other things by the rise in revenue flanked by stringent cost control measures – and was thus significantly higher than 2019 EBIT (2020: EUR 75.5 million, 2019: EUR 153.1 million). The EBIT margin reached 10.3 percent (2020: 4.7 percent, 2019: 8.1 percent). Earnings included a positive net effect from the reversal of allowances for doubtful receivables in the amount of EUR +13.5 million. In the previous fiscal year, value adjustments in the amount of EUR -33.3 million had a negative effect on earnings.

Net working capital ratio further reduced

Following a significant reduction in the net working capital ratio during the prior fiscal year, it fell lower still in 2021. At 26.7 percent, it reached the strategic target range of 30 percent or less of revenue (2020: 30.8 percent). In absolute terms, net working capital remained at the same level as the previous year.

High free cash flow results in positive net financial position

Buoyed by the significant increase in earnings and a reduction in non-current financial assets, gross cash flow at EUR 375.2 million almost doubled compared with the previous year (2020: EUR 197.9 million). Cash flow from operating activities (after investments in net working capital) amounted to EUR 331.7 million and was thus lower than the high prior-year figure (2020: EUR 420.0 million). 2020 saw a significant reduction in net working capital. Free cash flow before fixed-term investments in the amount of EUR 115.0 million amounted to EUR 264.1 million (2020: EUR 344.0 million). The high cash value pushed net financial debt¹ in fiscal 2021 into the negative range at EUR -0.8 million (December 31, 2020: EUR 122.9 million).

Guidance for 2022: Revenue projected between EUR 1,900 and 2,100 million, EBIT margin to lie between 9.0 and 10.5 percent

The Executive Board expects revenue to pan out between EUR 1,900 and 2,100 million in fiscal 2022. The EBIT margin is projected in the 9.0 to 10.5 percent corridor. In view of the staff shortages caused by the Omicron variant – both on the supply side and within the Wacker Neuson Group's production and logistics networks – the Executive Board expects tight supply constraints to continue with limited visibility into future developments. It is unlikely that the Group will be able to fully compensate for the resulting inefficiencies and the significantly higher input, shipping and energy costs compared with the previous year.

This forecast does not factor in the currently unpredictable impact of the war in Ukraine on macroeconomic developments and global supply chains.

¹ Net financial debt = long- and short-term borrowings + current portion of long-term borrowings – cash and cash equivalents – fixed-term investments with terms of less than 1 year. The definition of net financial debt as applied by the Wacker Neuson Group does not include lease liabilities in accordance with IFRS 16.



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Dividend proposal at the AGM

Wacker Neuson SE has adopted an attractive shareholder remuneration policy to ensure that shareholders enjoy a steady and appropriate share of the company's profit. The Wacker Neuson SE dividend policy provides for a payout per share of 40 to 60 percent of Group earnings per share. At the AGM on June 3, 2022, the Executive Board and the Supervisory Board will propose a dividend payout of EUR 0.90 per eligible share.

Supervisory Board extends contract with CSO Alexander Greschner

The Supervisory Board has extended the contract of Chief Sales Officer Alexander Greschner for a further five years. Mr. Greschner has held the position of CSO at the Wacker Neuson Group since 2017, also holding responsibility for aftermarket and marketing. The Supervisory Board looks forward to continuing this trusted and successful relationship with Mr. Greschner.

Key indicators for the Wacker Neuson Group

Key figures in € million	2021	2020	Delta
Revenue	1,866.2	1,615.5	+16%
EBIT	193.0	75.5	+156%
EBIT margin (as a %)	10.3	4.7	+5.6 PP
Total profit/loss for the period	137.9	14.1	+878%
Earnings per share in €	1.99	0.20	+895%
Free cash flow ¹	264.1	344.0	-23%

¹ Before fixed-term financial investments in the amount of EUR 15.0 million for FY 2020 and EUR 115.0 million for FY 2021.

Contact:

Wacker Neuson SE

Christopher Helmreich
Head of Investor Relations & Corporate Communications
Preussenstrasse 41
80809 Munich, Germany
Tel.: +49 - (0)89 - 354 02 - 427
christopher.helmreich@wackerneuson.com
www.wackerneusongroup.com

The Wacker Neuson Group's full annual report for fiscal 2021 is available at the following link: www.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/press-images>



Wacker Neuson
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About the Wacker Neuson Group:

The Wacker Neuson Group is an international network of companies, employing around 6,000 people worldwide. In fiscal 2021, the Group achieved revenue of EUR 1.87 billion. As a leading manufacturer of light and compact equipment, the Group offers its customers a broad portfolio of products, a wide range of services and an efficient spare parts service. Wacker Neuson Group 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 and rail transport. The product brands Wacker Neuson, Kramer and Weidemann belong to the Group. 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.