



# Corporate News

## Wacker Neuson Group starts 2023 with significant growth

- **Group revenue up 27.9 percent in first quarter to EUR 667.2 million**
- **EBIT increases disproportionately by 124.6 percent to EUR 87.8 million, also due to a one-time effect from the sale of fixed assets**
- **EBIT margin of 13.2 percent at the beginning of the year still well above the target corridor, as expected**
- **Net working capital ratio of 30.0 percent within strategic target range**

**Munich, 9 May 2023** - The Wacker Neuson Group, a leading manufacturer of light and compact equipment, is continuing its growth trajectory at the start of 2023 with pronounced momentum. Despite a persistently difficult macroeconomic environment, revenue and earnings increased significantly in the first quarter.

Compared to the first quarter of the previous year, Group revenue increased by 27.9 percent to EUR 667.2 million (Q1 2022: EUR 521.6 million). Earnings before interest and taxes (EBIT) rose by a significantly disproportionate 124.6 percent to EUR 87.8 million (Q1 2022: EUR 39.1 million). The increase in profitability compared to the same period of the previous year is attributable on the one hand to the adjustment of selling prices to reflect increases in the cost of materials and to greater flexibility in pricing models. On the other hand, a sale of fixed assets no longer required for operations, which was completed in January, resulted in an extraordinary positive earnings effect of around EUR 15 million. At 13.2 percent, EBIT margin was significantly higher than in the previous year (Q1 2022: 7.5 percent).

"As anticipated in our annual guidance, we have carried the full momentum from previous quarters into the new fiscal year and continued to grow significantly. At the same time, we continue to expect the first quarter to also be the strongest of 2023," reminds Dr. Karl Tragl, Chairman of the Executive Board and CEO of the Wacker Neuson Group.

### All reporting regions continue to show high growth

As in previous quarters, all three reporting regions contributed to growth in the first quarter with high increases. In the Europe (EMEA) region, revenue rose by 22.4 percent to EUR 504.0 million (Q1 2022: EUR 411.6 million). This growth was driven by consistently good demand in all submarkets, with the home market of Germany showing particularly positive growth. On the product side, demand for excavators, wheel loaders and telehandlers in particular increased noticeably. This was also reflected in continued high demand for compact equipment for the agricultural sector under the Kramer and Weidemann brands. Revenue in the Agriculture segment again rose significantly by 44.3 percent to EUR 152.2 million (Q1 2021: EUR 105.5 million).

As in the previous year, the Americas region was characterized by particularly significant growth of 57.0 percent to revenue of EUR 142.6 million (Q1 2022: EUR 90.8 million). The US market in particular saw a sharp year-on-year increase in demand, but demand also developed very positively overall in Canada and the South American markets. Wacker Neuson continues to increase the number of affiliated dealers in North America, thus laying the foundation for further growth in the region.



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The Asia-Pacific region also increased its sales once again. Revenue here increased by 7.3 percent to EUR 20.6 million (Q1 2022: EUR 19.2 million). Growth in the region continued to be driven primarily by the Australian market. Products adapted to the needs of the local market and the focus on independent rental companies continued to generate strong demand. By contrast, the Chinese market continued to prove difficult and declined in the first quarter.

### **Supply chain situation improved, but still clearly strained**

At 30.0 percent, the net working capital ratio was within the strategic target range of  $\leq 30$  percent (Q1 2022: 28.5 percent). Compared with the level at the end of 2022 of 31.9 percent, the ratio thus improved. The background to the overall continued high working capital requirement is still the general supply chain problem, which continues to be challenging but was characterized by a slight easing of the situation in the course of the first quarter. In absolute terms, net working capital amounted to EUR 801.9 million, representing a year-on-year increase of 34.7 percent (Q1 2022: EUR 595.3 million).

"The issue of supply chains continues to shape our day-to-day business. However, against the backdrop of a slight improvement in availability, we were also able to reduce our net working capital ratio," explains Christoph Burkhard, CFO of the Wacker Neuson Group. "However, we are still a long way from a normalization of the situation. However, the continued increase in inventory levels paid off in the first quarter as we systematically exploited our growth opportunities. Nevertheless, it goes without saying that effective working capital management remains at the top of our agenda."

### **Cash flow follows positive trend**

Gross cash flow improved by 51.8 percent year-on-year to EUR 90.9 million (Q1 2022: EUR 59.9 million). In the first quarter of the previous year, inflows from time deposits led to an increase in cash flow of EUR 30 million. In the first quarter of the current financial year, by contrast, the aforementioned sale of non-current assets no longer required for operations resulted in a non-operational increase in cash flow of around EUR 15 million. At EUR 258.0 million, net financial debt increased by 10.0 percent compared with year-end 2022 (31 December 2022: EUR 234.5 million). Cash and cash equivalents amounted to EUR 35.1 million at the reporting date (31 December 2022: EUR 53.7 million).

### **Guidance for full year 2023 confirmed**

Despite the positive start to the year and the fundamentally positive outlook for the company, the Executive Board still sees an increased risk in the second half of the year with regard to significant changes in the economic environment. Accordingly, the Executive Board confirms its guidance for business development in 2023 as a whole published in the Annual Report 2022, which assumes revenue of between EUR 2,300 and 2,500 million and an EBIT margin of between 9.5 and 10.5 percent. This includes the exceptional earnings effect of around EUR 15 million from the sale of non-current assets no longer required for operations, which was completed in January 2023.



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## Key figures for the Wacker Neuson Group

Key figures in € million	Q1 2023	Q1 2022	Delta
Revenue	667.2	521.6	+27.9%
EBIT	87.8	39.1	+124.6%
EBIT margin (in %)	13.2	7.5	+5.7PP
Result for the period	62.4	28.6	+118.2%
Earnings per share in €	0.92	0.42	+119.0%
Free cash flow <sup>1</sup>	-17.1	-68.4	+75.0%

<sup>1</sup> Before taking into account inflows from time deposits of EUR 30 million in the first quarter of 2022.

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The full Wacker Neuson Group quarterly statement is available at the following link:

<https://wackerneusongroup.com/en/investor-relations>

Images of the Wacker Neuson Group are available at:

<https://wackerneusongroup.com/en/group/press-and-news>

### About the Wacker Neuson Group:

The Wacker Neuson Group is an international Group of companies with around 6,300 employees. In fiscal 2022, revenue totaled EUR 2.25 billion. As a leading manufacturer of light and compact equipment, the Group offers its customers around the world a broad product portfolio, comprehensive service offerings and an efficient spare parts supply. The product range is primarily aimed at customers in the main construction, gardening and landscaping, agricultural, municipalities and recycling sectors, as well as rail operators and industrial companies. The Group owns the Wacker Neuson, Kramer and Weidemann product brands as well as Enar. Wacker Neuson SE shares are traded on the regulated market (Prime Standard) of the Frankfurt Stock Exchange (ISIN: DE000WACK012, WKN: WACK01) and are listed on Deutsche Börse's SDAX index.