



Corporate News

Wacker Neuson Group: strong revenue and earnings growth in fiscal 2023 – focus on Strategy 2030

- Despite a difficult second half of the year, Group revenue rose again by 17.9 percent to EUR 2,654.9 million
- EBIT increased by 35.4 percent to EUR 273.2 million with EBIT margin at 10.3 percent
- Dividend proposal: EUR 1.15 per eligible share – this represents an attractive dividend yield of 6.3 percent based on the closing price in 2023
- Fiscal 2024 is forecast to be a year of consolidation with lower revenue expected in the EUR 2,400 to 2,600 million range with an EBIT margin between 8.0 and 9.0 percent

Munich, March 26, 2024 – The Wacker Neuson Group again enjoyed strong growth in fiscal 2023, managing to increase profitability simultaneously. Although the economy weakened progressively, with challenges ramping up as the year progressed, the Wacker Neuson Group was still able to achieve profitable growth and reached the targets announced most recently. **Revenue** rose sharply by 17.9 percent to EUR 2,654.9 million (2022: EUR 2,252.4 million). **Earnings before interest and taxes (EBIT)** increased even faster at 35.4 percent and reached EUR 273.2 million (2022: EUR 201.8 million). At 10.3 percent, the **EBIT margin** was higher than the previous year's level (2022: 9.0 percent). This performance puts the Wacker Neuson Group firmly on track to achieve its **Strategy 2030**. Aligned with ten strategic levers, execution of this strategy is expected to deliver a revenue of EUR 4 billion and an EBIT margin of more than 11 percent in the long term.

“Fiscal 2023 began with dynamic growth, which increasingly gave way to downward trends across many sectors of the economy in the second half of the year. Once more, our global teams demonstrated that our experienced and motivated employees are able to achieve extraordinary results for Wacker Neuson Group in challenging times. And all of this against the backdrop of celebrations for our 175th anniversary. This solid foundation will also keep us on course with our Strategy 2030 in the long term. Even though the underlying economic conditions are very uncertain at the start of 2024, we feel well positioned. We will use this year to further improve structures and flexibility, increase efficiency and actively prepare the next stage of growth,” explains Dr. Karl Tragl, Chairman of the Executive Board and CEO of the Wacker Neuson Group.



Corporate News

Dividend proposal to the AGM

The Wacker Neuson Group has adopted an attractive shareholder remuneration policy to ensure that shareholders enjoy a steady and appropriate share of the company's profit. The dividend policy provides for a payout per share amounting to between 40 and 60 percent of earnings per share. At the Annual General Meeting on May 15, 2024, the Executive Board and the Supervisory Board will propose a dividend payout of EUR 1.15 (2022: EUR 1.00) per eligible share. This corresponds to around 42.1 percent (2022: 47.6 percent) of the earnings per share and represents an attractive dividend yield of 6.3 percent based on the closing price in 2023 (2022: 6.1 percent).

Fiscal 2023 results in detail

- **Double-digit growth – breakdown of revenue by region:** Revenue in **Europe** (EMEA) increased by 18.3 percent to EUR 2,022.4 million (2022: EUR 1,709.9 million). Growth in the region was mainly driven by the Group's home market of Germany as well as the sizeable construction equipment markets in France and Switzerland. On the product side, large stretches of the year saw strong demand for Kramer- and Weidemann-branded compact equipment for the agricultural sector – a market that is less sensitive to economic cycles by comparison. The EMEA region's share of total revenue increased slightly to 76.2 percent (2022: 75.9 percent), thus solidifying its position as the Group's biggest sales market. Once again, double-digit growth was recorded in the **Americas** region in the fiscal year under review with a 21.2 percent increase to EUR 556.5 million (2022: EUR 459.1 million). In particular, the individual markets of the USA and Canada were the major growth drivers in the region, with strong demand recorded across all sales channels. The region's share of total revenue increased once more to 21.0 percent (2022: 20.4 percent). At EUR 76.0 million, revenue in **Asia-Pacific** fell by 8.9 percent in fiscal 2023 (2022: EUR 83.4 million). While Australia again powered growth in the region, this was not sufficient to offset the decline in revenue in other markets, particularly China. Overall, the region thus accounted for 2.9 percent of the Group's total revenue (2022: 3.7 percent).
- **Increase in profitability – EBIT rises again:** Following the very strong business development recorded by the Wacker Neuson Group in fiscal 2022, the dynamic pace of growth initially continued into the first half of 2023. Demand for the Group's products remained at a high level in both the construction and agricultural sectors. Against the background of higher material costs, which are mainly the result of rising raw material, energy and logistics costs, the Wacker Neuson Group adjusted its selling prices and introduced flexible pricing models. With an increase of 35.4 percent, EBIT grew at a faster rate than Group revenue to reach EUR 273.2 million (2022: EUR 201.8 million). Therein included are two one-off effects due to the sale of an asset no longer required for future operations in the amount of EUR 15.5 million and the sale of design and technical know-how in the amount of EUR 11.0 million. At 10.3 percent, the EBIT margin in the fiscal year 2023 was also higher than in the previous year (2022: 9.0 percent).



Corporate News

- **Net working capital impacted by weak sales in the second half of the year:** At 32.8 percent, the net working capital ratio was higher than the target of 30.0 percent at the year-end of 2023, but was, however, within the range as most recently forecast. The absolute value for net working capital was EUR 869.5 million, an increase of 20.9 percent relative to the previous year (December 31, 2022: EUR 718.9 million). This was primarily attributable to the increase in inventory levels of machines, raw materials and supplies, which rose by 14.1 percent in the fiscal year under review to EUR 774.4 million (December 31, 2022: EUR 678.9 million). Whereas levels of unfinished machines were still elevated at the close of 2022 due to a strained supply chain situation, the company managed to reduce this elevated inventory over the course of 2023. Against the backdrop of the more subdued economic climate in the second half of the year, however, this resulted in a higher inventory level of finished machines.
- **Cash flow development still impacted by investments and higher net working capital:** Gross cash flow was 14.8 percent higher than in the previous year at EUR 317.3 million (2022: EUR 276.4 million). This increase was primarily attributable to the overall improvement in the Group's operating activities. Following changes to net working capital and taxes paid on income, cash flow from operating activities was higher than in the previous year at EUR 113.2 million (2022: EUR -6.4 million). After deduction of cash flow from investment activities amounting to EUR -138.1 million (2022: EUR 5.6 million), free cash flow amounted to EUR -24.9 million (2022: EUR -0.8 million, including the effect from the discontinuation of a fixed-term investment in the amount of EUR 130.0 million). At December 31, 2023, free cash and cash equivalents amounted to EUR 27.8 million (December 31, 2022: EUR 53.7 million).

Outlook for 2024: a year of consolidation

Based on the volatile political and economic developments at the beginning of 2024, the Group is facing high levels of uncertainty for the current fiscal year. The Executive Board therefore expects to see growth remain flat or fall slightly in fiscal 2024 – not just in its three reporting regions but also across the three business segments (light equipment, compact equipment and services). For fiscal 2024, the Executive Board expects revenue to lie between EUR 2,400 and 2,600 million, with an EBIT margin between 8.0 and 9.0 percent. Group revenue is expected to recover and profitability is forecast to grow slightly in fiscal 2025. Over the longer term, the Wacker Neuson Group believes that global megatrends will continue to provide opportunities for its business model. The Group plans to capitalize on these trends in the future in a number of ways, including by focusing on developing its core markets and offering a portfolio of innovative products and services.



Corporate News

Key indicators for the Wacker Neuson Group

Key figures in € m	2023	2022	Δ
Revenue	2,654.9	2,252.4	18%
EBIT	273.2	201.8	35%
EBIT margin (as a %)	10.3	9.0	1.3 PP
Profit for the period	185.9	142.6	30%
Earnings per share in €	2.73	2.10	30%
Free cash flow ¹	-24.9	-130.8	81%

¹ Before cash inflow in the amount of EUR 130.0 million in fiscal 2022.

Management call and webcast

A management call and webcast for institutional investors, analysts and members of the press is scheduled for March 26, 2024 at 1 p.m. CET to present the 2023 results, followed by a Q&A session.

Registration for the event is possible after contacting ir@wackerneuson.com.

A replay will be available later on the Wacker Neuson Group website.



Corporate News

Contact:

Wacker Neuson SE

Peer Schlinkmann

Investor Relations

Preussenstrasse 41

80809 Munich, Germany

Tel. +49-(0)89-35402-1823

ir@wackerneuson.com

www.wackerneusongroup.com

The Wacker Neuson Group's complete annual report for fiscal 2023 is available at the following link:

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

For press images relating to the Wacker Neuson Group, please see:

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

About the Wacker Neuson Group:

The Wacker Neuson Group is an international network of companies, employing around 6,600 people worldwide. In fiscal 2023, the Group achieved revenue of EUR 2.7 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 are member of the SDAX.