



Corporate News

Wacker Neuson Group: As expected, first quarter of 2024 weaker than previous year – full-year revenue and EBIT guidance confirmed

- Group revenue down 11.1 percent year-over-year to EUR 593.1 million in Q1 2024
- EBIT margin at 6.2 percent, an increase of 1.1 PP compared to Q4 2023
- Cost-cutting measures taking effect
- Net working capital remains at an elevated level, focus on reducing inventories
- Guidance for 2024 confirmed unchanged

Munich, May 7, 2024 – As expected, the Wacker Neuson Group got off to a slow start in the fiscal year 2024 due to the ongoing economic slowdown in the construction and agricultural sectors. High dealer inventories are also leading to a weaker order intake and make it more difficult to reduce net working capital. Measures to reduce SG&A as well as direct and indirect production costs have already been taken, but have not yet been able to fully compensate the reduced production output. **Revenue** fell by 11.1 percent year-over-year to EUR 593.1 million (Q1 2023: EUR 667.2 million), while **earnings before interest and taxes (EBIT)** amounted to EUR 36.9 million (Q1 2023: EUR 87.8 million). At 6.2 percent, the EBIT margin was lower than in the previous year (Q1 2023: 13.2 percent), but already higher than in the previous quarter of Q4 2023 (5.1 percent). The Wacker Neuson Group expects market demand and plant capacity utilization to improve over the remainder of the year, accompanied by a reduction in inventories. The full-year guidance for revenue and EBIT remains unchanged. The Group will also continue to focus on the implementation of its **Strategy 2030** along the ten strategic levers. In the long term, the Group is aiming to achieve a revenue of EUR 4 billion, an EBIT margin of over 11 percent and a ratio of net working capital to revenue of less than 30 percent.

“After a very successful previous year, the 2024 financial year has begun with the expected challenges. The cyclical nature of the business is no surprise to us – we have already begun to adapt our structures to the lower market demand. We expect to increase revenue and profitability from quarter to quarter. We pay close attention to our annual targets and confirm them. Strategy 2030 keeps us on course in the long term and secures our track record,” explains Dr. Karl Tragl, Chairman of the Executive Board and CEO of the Wacker Neuson Group.



Corporate News

Q1 2024 results in detail

- **All regions affected by economic slowdown:** revenue in the **Europe region** (EMEA) fell by 8.9 percent to EUR 459.3 million (Q1 2023: EUR 504.0 million). A noticeable slowdown in growth was observed in all submarkets. However, positive demand impulses were observed in some countries (e.g. Austria). Revenue in the **Americas region** fell by 15.6 percent to EUR 120.4 million. The main reason for this was the continued high dealer inventory levels. The **Asia-Pacific region** also declined by 35.0 percent. Revenue there amounted to EUR 13.4 million (EUR 20.6 million). In contrast to these developments, the growth in **agricultural machinery** was slightly positive (+3.3 percent).
- **EBIT increases compared to Q4 2023:** As expected, the EBIT margin improved compared to the previous quarter, reaching 6.2 percent. The margin increase was achieved thanks to the cost-cutting measures launched in 2023. The EBIT margin in Q1 2024 is driven by the low revenue level in relation to operating costs. Compared to the previous year, it should also be noted that Q1 2023 earnings included non-recurring other operating income of EUR 15.5 million (from the sale of real estate). Excluding this one-off effect, the percentage increase in operating costs (including other operating income and expenses) amounted to 7.3% compared to the previous year. The increase is largely due to higher personnel costs, although cost-saving measures are being actively implemented in all areas. In absolute terms, EBIT amounted to EUR 36.9 million (Q1 2023: EUR 87.8 million). An improvement is expected in the course of 2024.
- **Weak demand weighs on net working capital:** In absolute figures, net working capital amounted to EUR 917.5 million on March 31, 2024 and, therefore, was 5.5 percent higher than at the year-end of 2023 (December 31, 2023: EUR 869.5 million). At 38.7 percent the annualized net working capital ratio in the first quarter of 2024 was above the target value of 30.0 percent. The increase in the annualized net working capital ratio compared to Q4 2023 is due to a slight increase in trade receivables and inventories and a lower revenue level. Inventories rose slightly compared to the year-end of 2023 (+0.7%). At the same time unfinished goods increased by 13.4 percent. The increase in finished goods amounted to 1.7 percent compared to the year-end of 2023, while raw materials decreased by 4.8 percent. Trade receivables increased by 11.5 percent compared to December 31, 2023 due to seasonal fluctuations. Trade payables were at a similar level to the year-end of 2023.
- **Cash flow development still characterized by high net working capital:** Operating cash flow increased by EUR 9.0 million compared to Q1 2023, from EUR -7.8 million to EUR 1.2 million. Investments amounted to EUR 24.2 million (Q1 2023: EUR 33.6 million), of which EUR 14.9 million were attributable to property, plant and equipment and EUR 9.3 million to intangible assets (Q1 2023: EUR 25.0 million and EUR 8.6 million). Free cash flow fell accordingly to EUR -25.1 million (Q1 2023: EUR -17.1 million). Cash and cash equivalents amounted to EUR 26.2 million as of March 31, 2024 (March 31, 2023: EUR 35.1 million).



Corporate News

Guidance for 2024 unchanged

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 expects a reduction of dealer stock and an improvement in the overall market environment over the course of the year. The Executive Board therefore expects to see growth remain flat or fall slightly in fiscal 2024 in its three reporting regions Europe, Americas and Asia-Pacific. For the fiscal year 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.

Key indicators for the Wacker Neuson Group

Key figures in € m	Q1/24	Q1/23	Δ
Revenue	593.1	667.2	-11.1%
EBIT ¹	36.9	87.8	-58.0%
EBIT margin (as a %) ¹	6.2	13.2	-7.0PP
Profit for the period ¹	23.3	62.4	-62.7%
Earnings per share in € ¹	0.34	0.92	-63.0%
Free cash flow	-25.1	-17.1	-46.8%

¹ The previous year's figure includes one-off income of EUR 15.5 million (sale of non-current assets no longer necessary for operations).

Management call and webcast

A management call and webcast for institutional investors, analysts and members of the press is scheduled for May 7, 2024 at 11:00 a.m. CEST to present the Q1 2024 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

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The Wacker Neuson Group's complete quarterly report for Q1 2024 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.