



## Press Release

### **Strong start to the year for the Wacker Neuson Group**

**(Munich, May 12, 2015) The Wacker Neuson Group has reported a rise in revenue and profit for the first quarter of 2015. The Munich-based light and compact equipment manufacturer experienced strongest growth in the Americas region. Currency fluctuations had a significant positive impact on growth. The Group has confirmed its forecast for fiscal 2015.**

#### **Revenue 11 percent higher than the previous year**

2015 got off to a good start for the Group with revenue for the first quarter increasing 11 percent relative to the prior-year period to EUR 324.3 million (Q1 2014: EUR 291.6 million). This represents a record high for Q1 revenue for the Group. “We have continued to implement our strategies and they have proved effective even though – from a global perspective – markets are moving in different directions. Our strong market position, above all in Europe and North America, has enabled us to offset negative market developments in South America, Russia and Australia,” explains Cem Peksaglam, CEO of Wacker Neuson SE.

Revenue in Europe rose 7 percent compared with the previous year. This region accounts for 71 percent and thus the lion’s share of Group revenue. The Group saw its strongest revenue growth in the Americas, however, which posted a rise of 24 percent. Currency effects played a major role in this region, with revenue growing 5 percent when adjusted to discount currency fluctuations. Currency developments also impacted the Asia-Pacific region, where Q1 revenue was 20 percent higher than in the prior-year period (6 percent when adjusted for currency effects).

#### **Strategy increasingly paying off**

The compact equipment segment again proved to be a strong revenue driver in the first quarter of 2015. Segment revenue increased 18 percent on the previous year (16 percent when adjusted for currency effects). “Our strategy of harnessing and expanding our global sales network to proactively distribute our excavators, wheel loaders, telescopic handlers, dumpers and skid steer loaders in specific markets is increasingly paying dividends. At the same time, we are also benefiting from our targeted efforts to diversify into different markets. The fact that we were able to increase revenue from machines for the agricultural industry by 15 percent in Q1 despite the weak situation in the agricultural machinery sector clearly confirms the effectiveness of our strategy,” explains Peksaglam. Revenue from light equipment rose 6



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percent and was thus below Group expectations. The late start to the construction season in the northern hemisphere was one of the factors that affected performance here. The Group generates a major part of its light equipment revenue outside of the eurozone. Currency fluctuations therefore had a stronger impact in this segment. When adjusted to discount currency effects, revenue was 5 percent below the previous year's figure. Revenue from the services segment, which includes the repairs and spare parts business, was 5 percent higher than the prior-year quarter. When adjusted to discount currency effects, this figure remained at the same level as the previous year.

The Wacker Neuson Group is committed to strengthening its position as an innovation leader and its products regularly receive awards from independent third parties. "In April, we presented many of our new products and innovations to customers and business partners at Intermat in Paris, this year's largest construction industry trade show. We unveiled our new EW65 mobile excavator and the ET90 track excavator for the first time together with the new zero-emissions DT10e electric track dumper," adds Peksaglam.

### **Clear rise in profit**

At EUR 31.7 million, profit before interest and tax (EBIT) for the first quarter of 2015 was 43 percent higher than the previous year. This is a record high for first-quarter profit for the Group. The EBIT margin increased to 9.8 percent (Q1 2014: EUR 22.1 million; 7.6 percent). Profit for the period amounted to EUR 21.3 million (Q1 2014: EUR 14.3 million). This pushed up earnings per share by 49 percent to EUR 0.30 (Q1 2014: EUR 0.20). This tangible improvement in profit was fueled in no small part by the Group's ongoing commitment to implementing efficiency-boosting measures and leveraging synergies across the entire Group.

### **Increase in inventories for the start of the construction season**

In contrast to the prior-year period, cash flow from operating activities in the first quarter was negative at EUR -20.6 million (Q1 2014: EUR 18.7 million). This decrease stems, among other things, from the Group's targeted efforts to increase inventories for the start of the 2015 construction season in its core markets. Before investments in working capital, cash flow from operating activities amounted to EUR 38.1 million (Q1 2014: EUR 35.0 million). Free cash flow came to EUR -45.9 million (Q1 2014: EUR -8.5 million). The company expects free cash flow be positive for the year as a whole.

### **Growth forecast for 2015 confirmed**

The Group is optimistic about the coming months and the construction season will pick up during this period. "The growth strategies that we have initiated are increasingly taking effect.



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Despite overall economic uncertainties in individual markets and regions, these measures will continue to secure our success for the rest of the year,” confirms Peksaglam. “We stand by our forecast of an overall revenue for the year of between EUR 1.40 and 1.45 billion. This would correspond to growth of between 9 and 13 percent relative to the previous year.” The EBIT margin is expected to come in at between 9.5 and 10.5 percent (2014: 10.6 percent). For fiscal 2015, Wacker Neuson has earmarked around EUR 95 million in total for investments (2014: EUR 90 million).

### 2015 Annual General Meeting

The Group wants its shareholders to participate in its successful performance over the past fiscal year. The Executive Board and Supervisory Board will therefore propose a dividend payout of EUR 0.50 per share (2014: EUR 0.40) at the Annual General Meeting, which will be held in Munich on May 27, 2015. This corresponds to a distribution ratio of around 38 percent of Group profit for 2014 and is thus in line with the Group’s long-term dividend policy.

### Table: Revenue and earnings

Key figures in EUR million	Q1/15	Q1/14	Change
Revenue	324.3	291.6	11.2%
EBITDA	47.4	36.2	30.9%
EBITDA margin as a %	14.6	12.4	2.2 PP
EBIT	31.7	22.1	43.4
EBIT margin as a %	9.8	7.6	2.2 PP

#### Your contact partner:

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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 and deep portfolio of products, a wide range of services and an efficient, global 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 and energy. In 2014, the Group achieved revenue of EUR 1.28 billion, employing around 4,500 people worldwide.