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Equity Research Division

Wacker Neuson SE

A European powerhouse in medium-sized construction equipment

Target Price: 22.94 €

Current Price: 17.04 €

Upside Potential: +34.6%

Recommendation: BUY

Investment Horizon: 3 Years

Vienna, 2nd February 2024

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Team Overview

Equity Research



**Emil
Wolner**

**Head of Equity
Research**

- Task Distribution
- Story Guideline




SCHWABE, LEY & GREINER



BSc. (WU) –
5th Sem.



**Bikakhanim
Huseynli**

Associate

- Market analysis
- Financial analysis



MSc. (WU) –
1st Sem.



**Ekaterina
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Associate

- Market analysis
- ESG



MSc. (UNIVIE) –
6th Sem.



**Jan
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**Jonas
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- Valuation
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BSc. (WU) –
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**Laurenz
Stempkowski**

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- Valuation
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BSc. (WU) –
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**Maximilian
Feiel**

Analyst

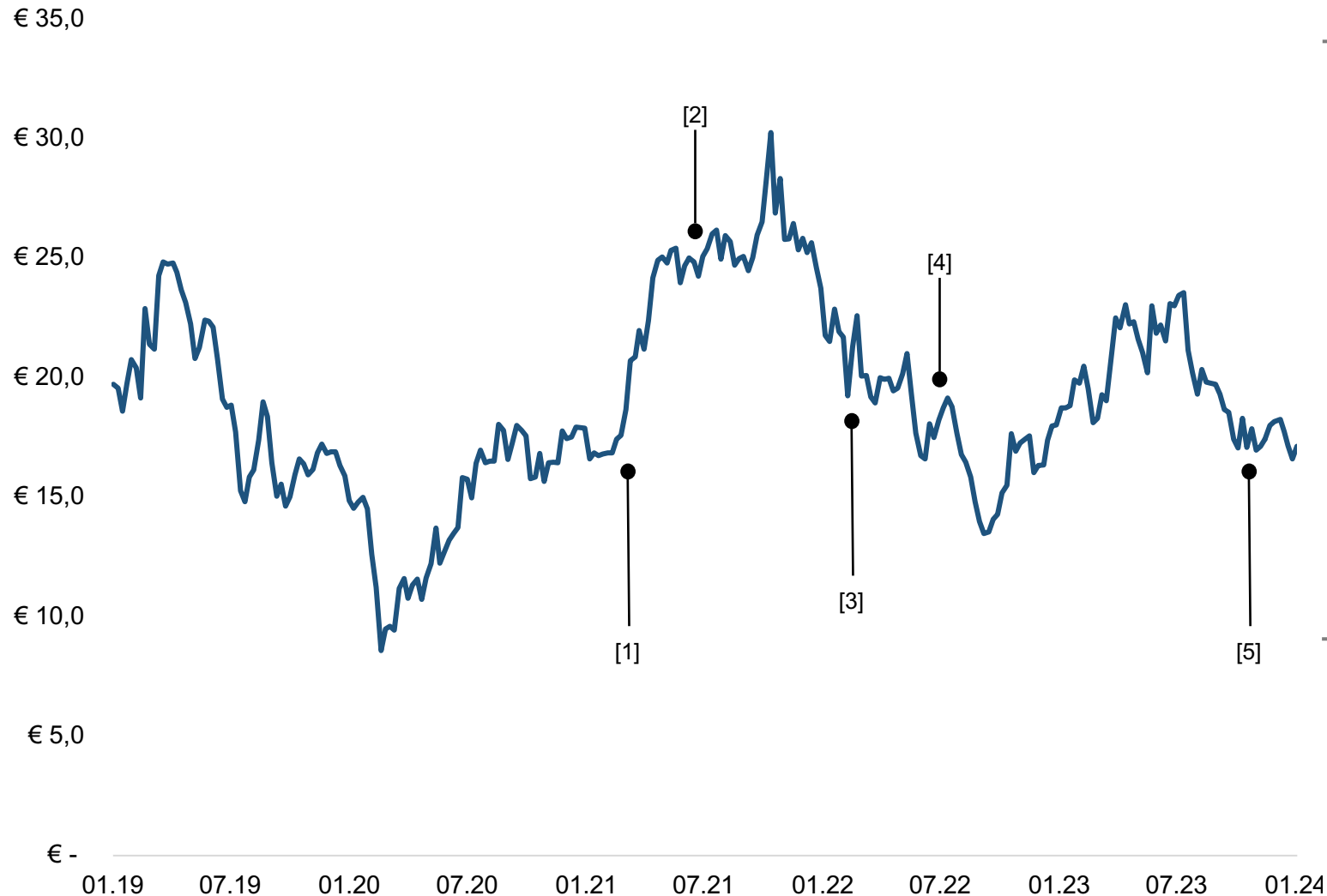
- Business model
- Company overview



BSc. (WU) –
3rd Sem.

Share Price Performance

A volatile share price history driven by macroeconomic uncertainty



Major Events

- [1] March 2021 (+9.38%) – Dr. Karl Tragl appointed new Chairman of the Executive Board and CEO of Wacker Neuson
- [2] August 2021 (+4.45%) – Wacker Neuson reports **high order intake** due to the improving economic situation
- [3] June 2022 (-13.22%) – Invasion of Russia in Ukraine and sanctions create economic setbacks
- [4] June 2022 (+6.99%) – Wacker Neuson strengthens **Americas business** through long-term agreement with John Deere
- [5] September 2023 (+3.95%) – Wacker Neuson rolls out **new products** in the construction segment

Key Statistics

- IPO: 15th May 2007
- Ticker: WAC
- Close (26.01.2024): EUR 17.14
- 52-week range: EUR 15.91 - 24.70
- Market capitalization: EUR 1.21 bn

Investment Thesis

An innovative construction equipment manufacturer boasting an impressive global network

Key investment highlights



- 1** Wacker Neuson has an **impressive track record of fostering innovation** with promising developments in the **sustainable off-road vehicle** space
- 2** The company has **sought strategic alliances** with industry heavyweights that Wacker can leverage to **expand its global footprint**
- 3** Several **EU initiatives** aimed at outing diesel as the predominant fuel for off-road vehicles **play right into Wacker's cards**
- 4** The company's financials warrant a **healthy buy recommendation** with historically **low multiples and intrinsic value**
- 5** **Significant headwinds** in the construction industry **hamper short-term growth** prospects as macroeconomic uncertainties loom
- 6** Due to recent market developments, Wacker faces **operational challenges** in the coming year as its **NWC ratio target of 30%** might come **under pressure**



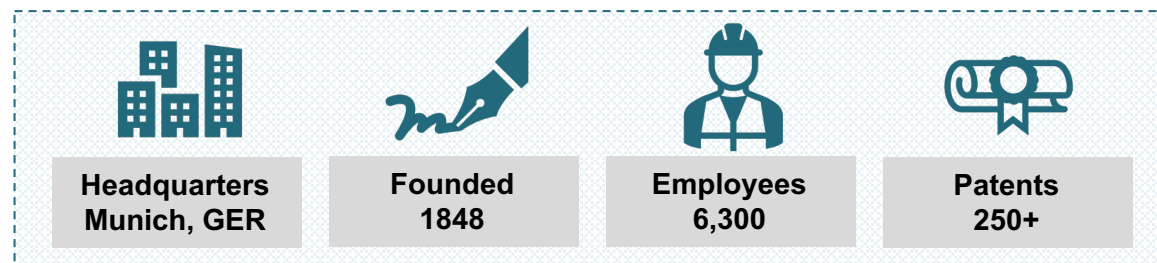
Business Overview

Company Overview

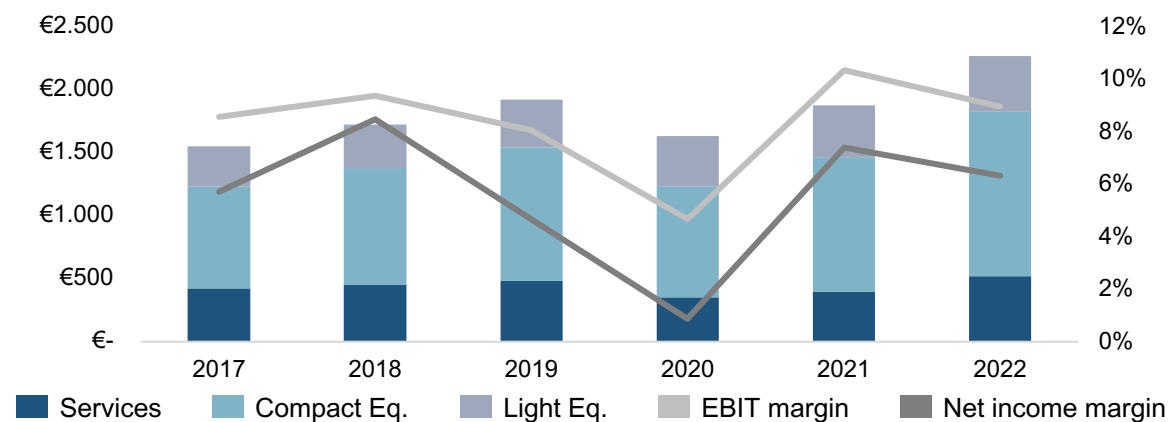
A mid-market player in construction operating in the heart of Europe

Company Description

Wacker Neuson SE is a worldwide manufacturer of construction equipment, known for its diverse range of **light, compact** machinery, and additional **services**. Notably, the company produces **battery powered equipment**, offering eco-friendly solutions.



Financial Performance (in mn.)



Executive Board Team



Dr. Karl Tragl
Chief Executive Officer
Since June 2021



Christoph Burkhard
Chief Financial Officer
Since June 2021

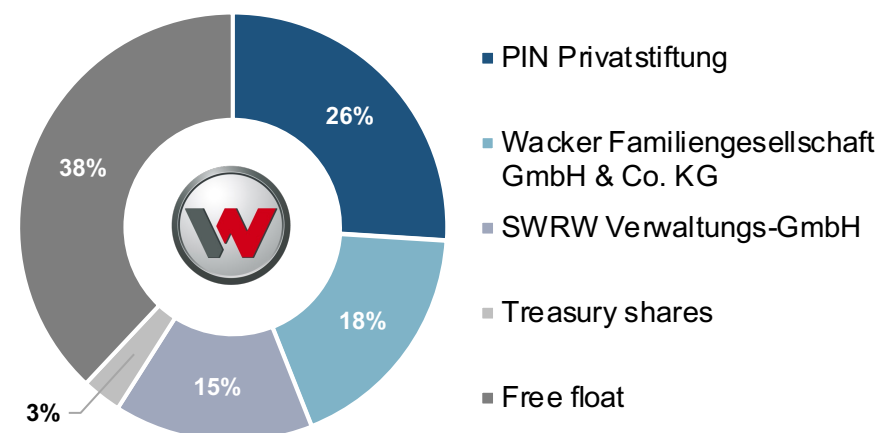


Felix Bietenbeck
Chief Technology Officer
Chief Operations Officer
Since October 2020



Alexander Greschner
Chief Sales Officer
Since January 2017

Shareholder Structure



Various members of the Wacker Family hold separate stocks of the non-free float

Business Model I – Product Portfolio

A diverse product offering with an increasing emphasis on zero emission solutions

Business Segments

Light Equipment



- Demand-driven with typically short delivery times



- Group sells a range of light equipment tailored to local needs



- Supply chain issues, particularly regarding battery components

Compact machines



- Financing programs for customers remain a key success factor

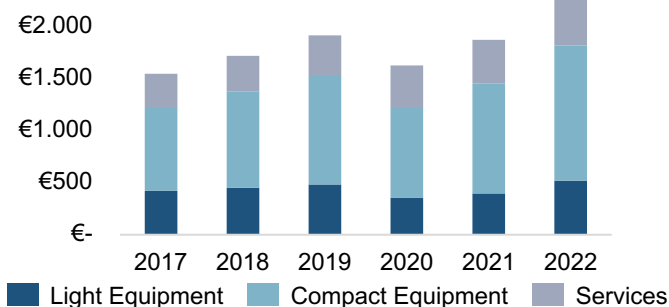


- High demand in the construction and agricultural sectors



- Growth across all major product groups

Segment mix (in mn.)



Light Equipment



Concrete technology



Demolition



Pumps



Compaction



Generators & lighting

Services



Concrete solutions

- Consulting services
- Assembly and installation



EquipCare

- Telematics solution
- Real-time overview of current machinery



Maintenance

- Original spare parts
- Collection and return service



Academy

- Customer education
- Technical training as key component

Compact machines



Excavators



Dumpers

Skid steer loaders



Telehandlers

Wheel loaders

Zero Emission



Excavators

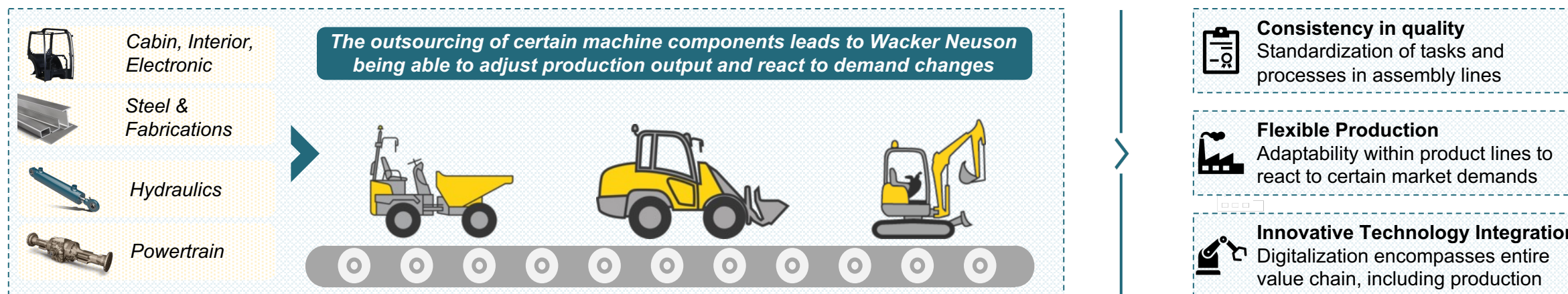
Compact telehandlers

Rollers

Business Model II – Production/Distribution

Wacker remains prepared for demand shifts through agile production processes and a varied array of distribution channels

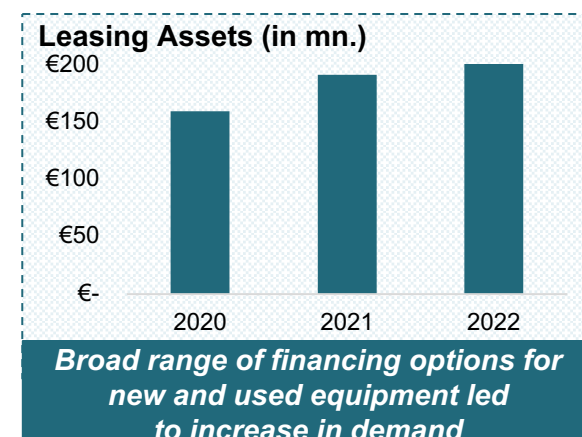
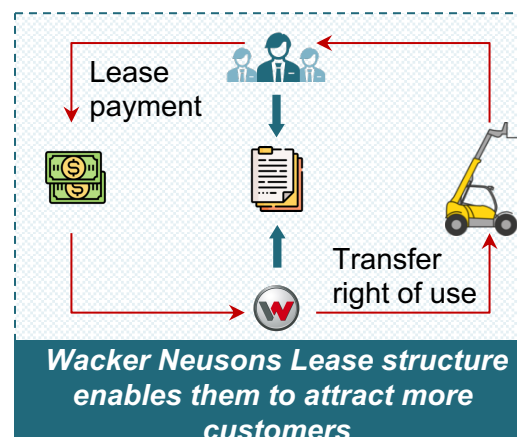
Production



Distribution Channels



Tapping into the Leasing Market



Business Model III - Innovation

Fostering innovation in a mature industry is Wacker's key strength

Battery One

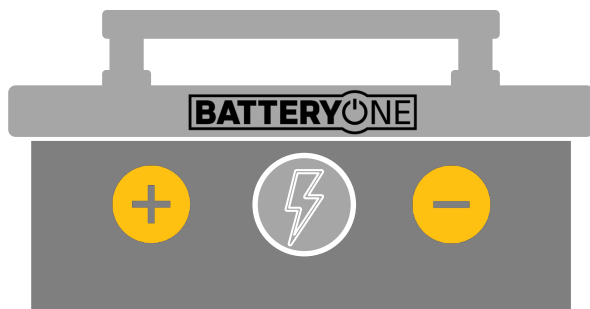
Wacker Neuson has developed a **multi-purpose battery system** for electrically powered light equipment. The system is not only compatible with Wacker's products but also **used by other competitors**.



Protected Intellectual Property



In-house production & value generation



Battery One demonstrates Wacker's ability to innovate

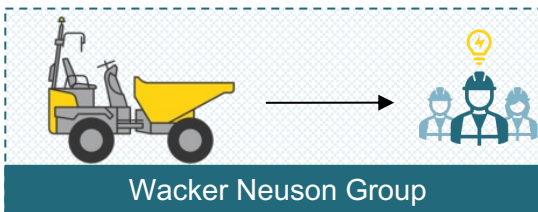
Firms that use Battery One



R&D Approach

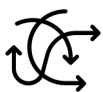


Peer Group



Wacker Neuson Group

Individual company oversees R&D and product innovation



Suffers from lack of diverse perspectives and might lead to potential oversights

Customer centric approach ensuring collaborative innovation



Early involvement of customers and teamwork at every step of the value chain

Selected Portfolio Innovations

 180° rotatable operator's seat provides optimum visibility Dual View Dumper	 Shorter process times due to exact vertical digging Vertical Digging System	 Mixed reality glasses support service technicians on site Smart glasses
 Infrared signal with line-of-sight control maximises efficiency Remote-control steering	 Operating equipment without any time restrictions Hand-arm vibrations	 Quick and uncomplicated change of attachments Smart attach

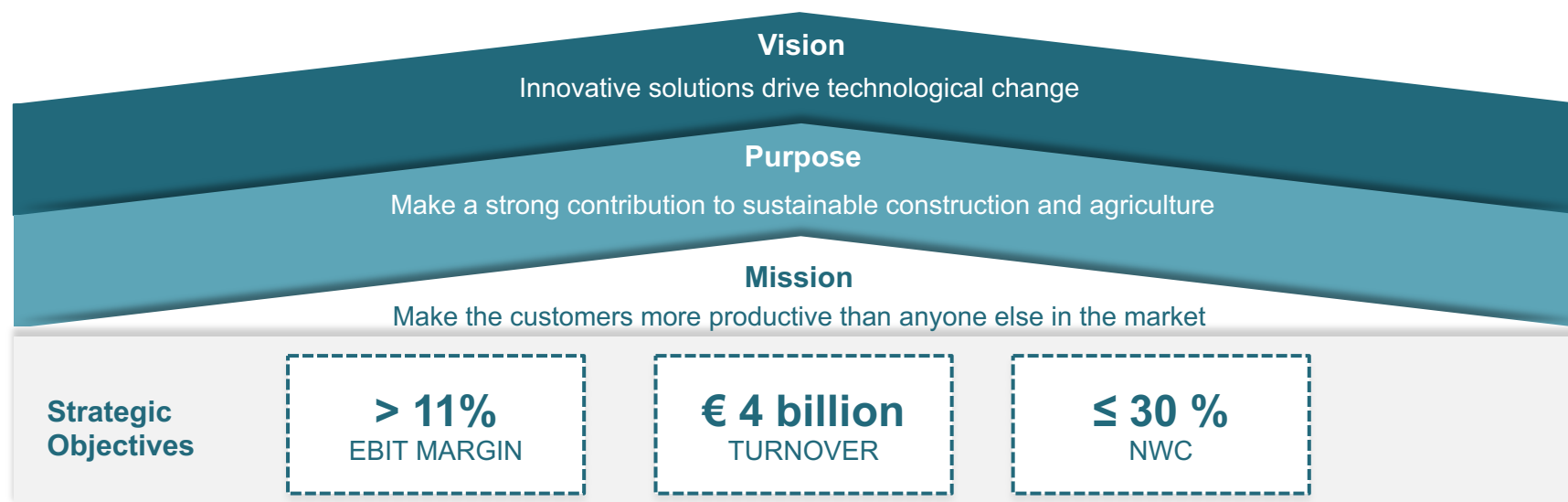


Strategic Perspectives

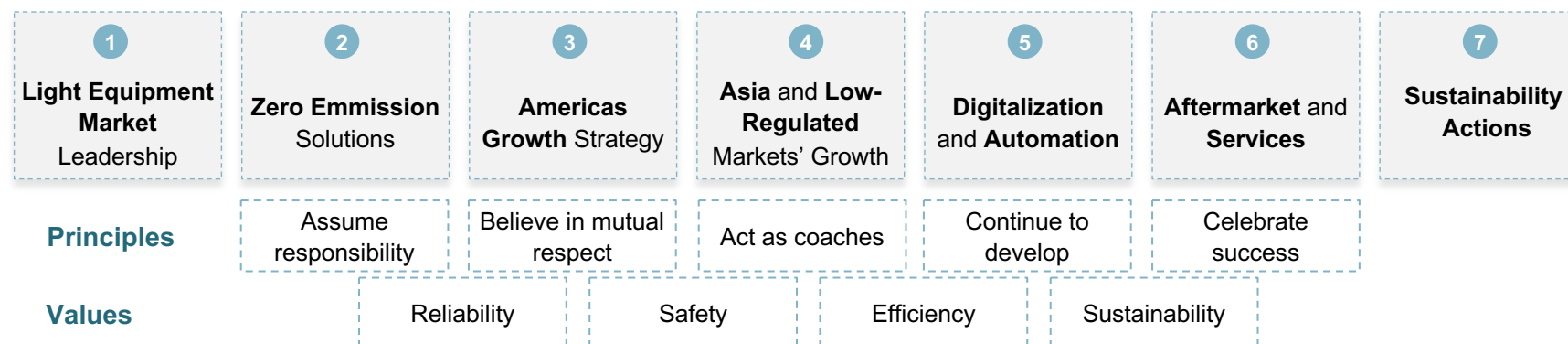
Strategy I – Strategic Roadmap

A strategic roadmap for the future success of Wacker Neuson in all areas of business

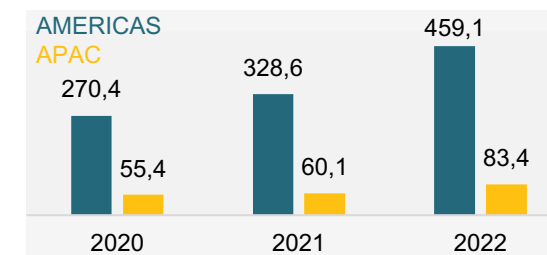
Strategy Map



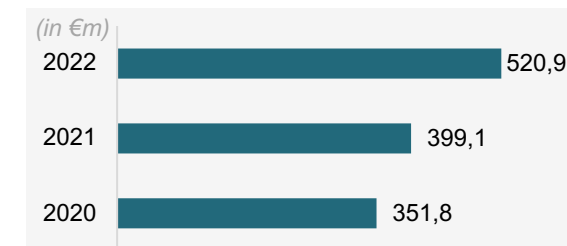
Strategic Levers



Regional Growth (in mn.)



Light Equipment (in mn.)



ESG Strategy

First mover in the space of off-road vehicle **zero emission solutions**

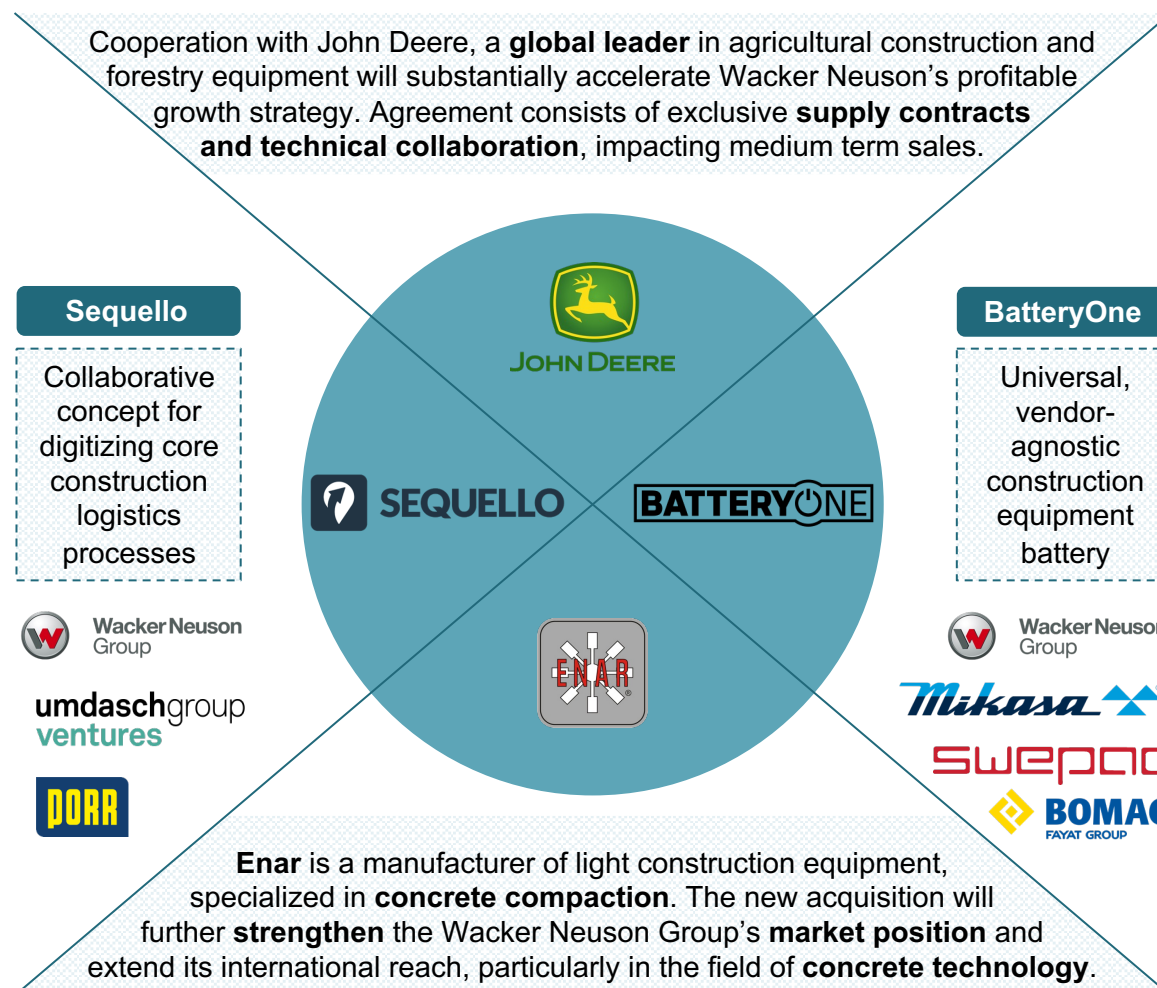
- 19 Battery-powered Products
- Charging Box and Sustainer Boxes



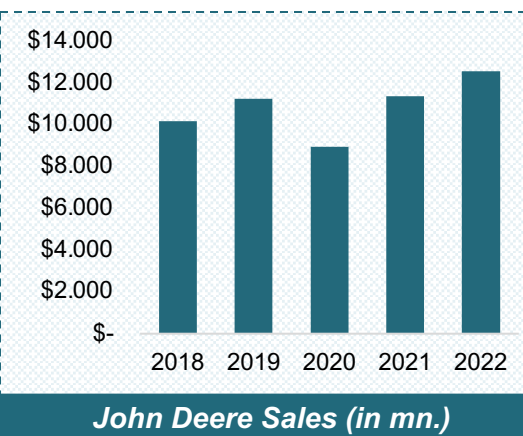
Strategy II – Strategic Alliances

By leveraging strategic alliances and collaborations Wacker Neuson extends its global footprint

Strategic Alliances



John Deere



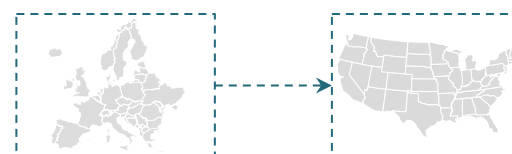
Long term exclusive agreement covers mini and compact excavators including battery solutions. **<5 tons**

OEM Supply Agreement

John Deere will **purchase and incorporate** design and technical IP provided by Wacker Neuson. **5-9 tons**

Technical Collaboration

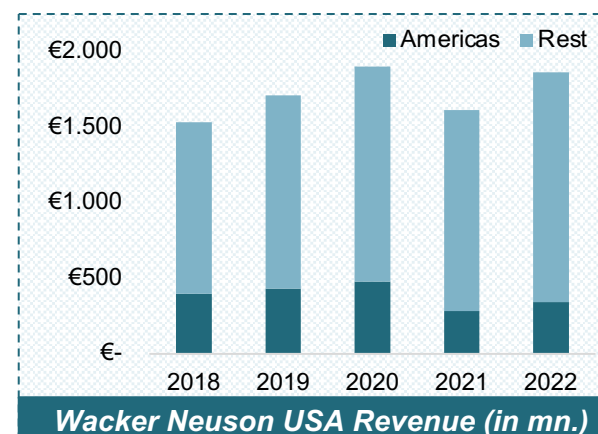
Expansion Strategy – USA



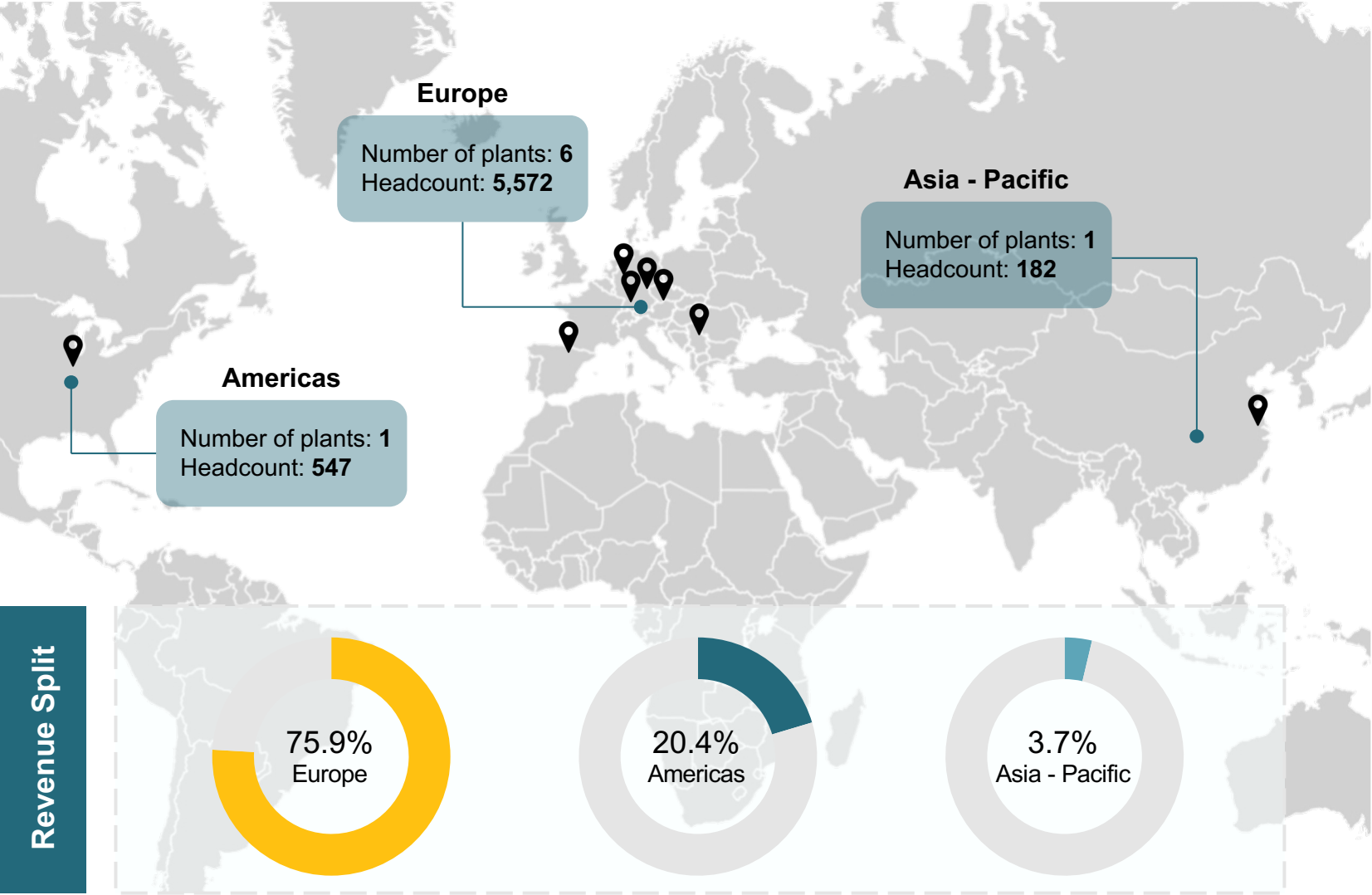
Advantages

Government initiatives
Non-residential buildings in the US

High Demand
Construction, excavator equipment



Wacker Neuson’s European strength drives global reach and strategic alliances for market penetration



Geopolitical advantages



Supply Chain Agility

Wacker Neuson's integration of sales and supply streamlines global delivery and inventory management.



Global Demand Capture

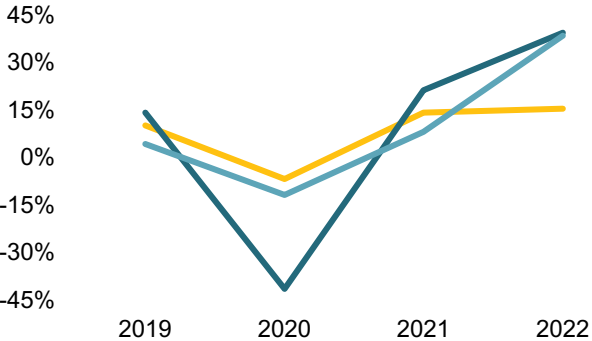
The company capitalizes on demographic and economic trends, boosting demand for its equipment worldwide.



Strategic Alliances

Partnerships with industry leaders like John Deere expand Wacker Neuson’s market reach and customer base.

YoY Revenue growth by region





Market Overview

Market Overview I – Segments

Wacker Neuson's exposure to different end-markets partly mitigates the risk of demand-shocks

Light Equipment

Market Size: USD 207 bn.



**WACKER
NEUSON**

all it takes!



Provide battery-powered light equipment

Revenue: USD 5.2 billion



Focus on concrete solutions in the industry

Revenue: USD 50.5 million



Use reclaimed asphalt to become more eco-friendly

Revenue: USD 814 million (2020)

Compact Equipment

Market Size: USD 220 bn.



**WACKER
NEUSON**

all it takes!



VOLVO

Construction Equipment

Offer battery-powered construction equipment

Revenue: USD 48.6 billion



Specialises in concrete machinery

Revenue: USD 11.36 billion



World's largest manufacturer of construction equipment

Revenue: USD 59.4 billion

Agricultural Equipment

Market Size: USD 107 bn.



KRAMER

on the safe side



WEIDEMANN

designed for work



Focuses on agricultural loaders with attachments

Revenue: USD 97 million (2020)



Serves a wide array of business segments in AM

Revenue: USD 2.1 billion



Offer telescopic loaders similar to Wacker Neuson

Revenue: USD 26 million

Wacker Neuson distinguishes itself from competitors by strategically occupying **three diverse** market segments — construction, light equipment, and agriculture. Consequently, the company is less prone to demand pull-backs from any one end-market.

Market Overview II – Trends and Drivers

An industry marked by macroeconomic and legal uncertainties and challenges

Trends/Drivers

Macroeconomic environment

Industry experiences growth as it recovers from inflation driven by the increase in energy and raw material prices after the Russia-Ukraine war

Legal requirements

Stringent diesel engine emissions regulations and the EU's new transparency requirements of reporting sustainable business activities impact compact equipment sales

Electromobility

Continuous advancements in battery technology and reduced total cost of ownership (TCO) imply a rise in the implementation of battery-electric vehicles

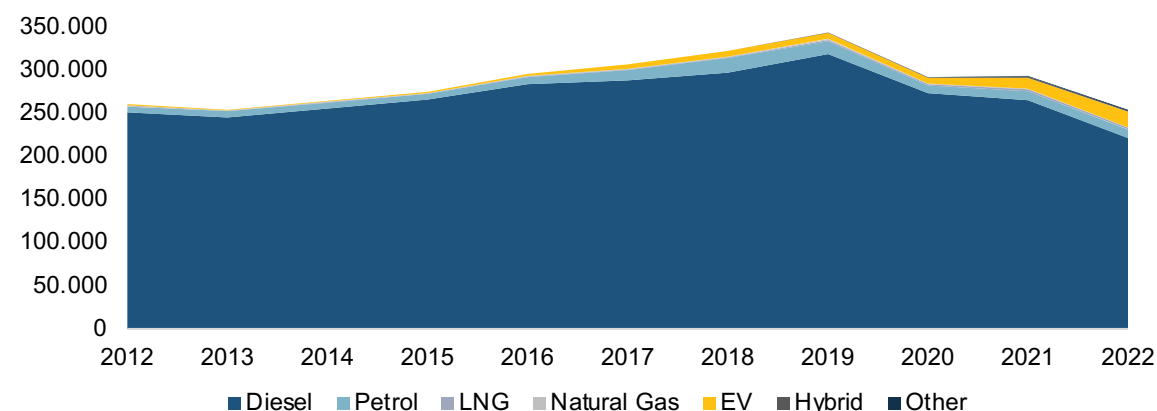
Parent industry developments

Changes in the construction sector, notable shift towards non-residential projects, coupled with demand pushes affect the performance

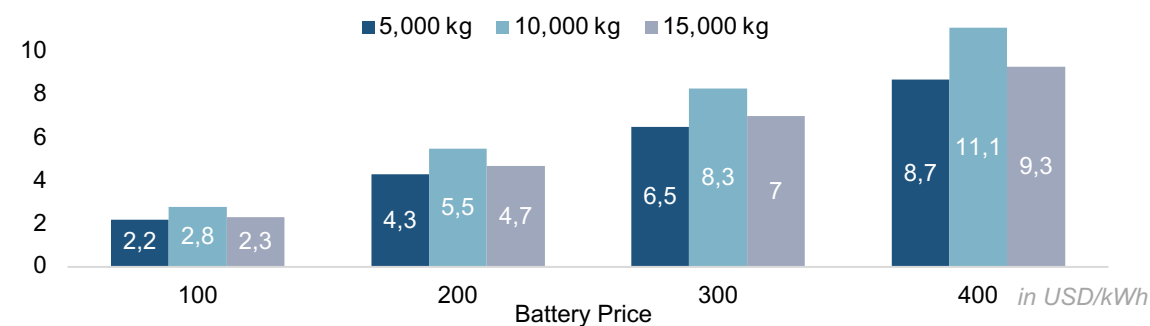
Digitalization and automation

Integration of telematics and autonomous equipment launches, digitalization of production processes, and sales offer growth opportunities

New registrations for heavy vehicles in Germany by engine type



Years until break-even TCO for electric loaders versus diesel equivalent




McKinsey projects a **10% cost premium** for electric machines compared to diesel counterparts over the next five years due to higher **upfront development costs**, but prices are expected to decline due to **production-scale effects** and the **simplicity of electric power trains**


Market Overview III – Legal Environment


Legal incentives for sustainable off-road vehicle solutions favouring Wacker Neuson’s product offering


EU Taxonomy - implications for off-highway vehicle manufacturers


Enforces accurate classification of sustainable activities and quantitative disclosure of these activities as a % of turnover, CapEx, and OpEx


 Utilize advanced engine systems and power management

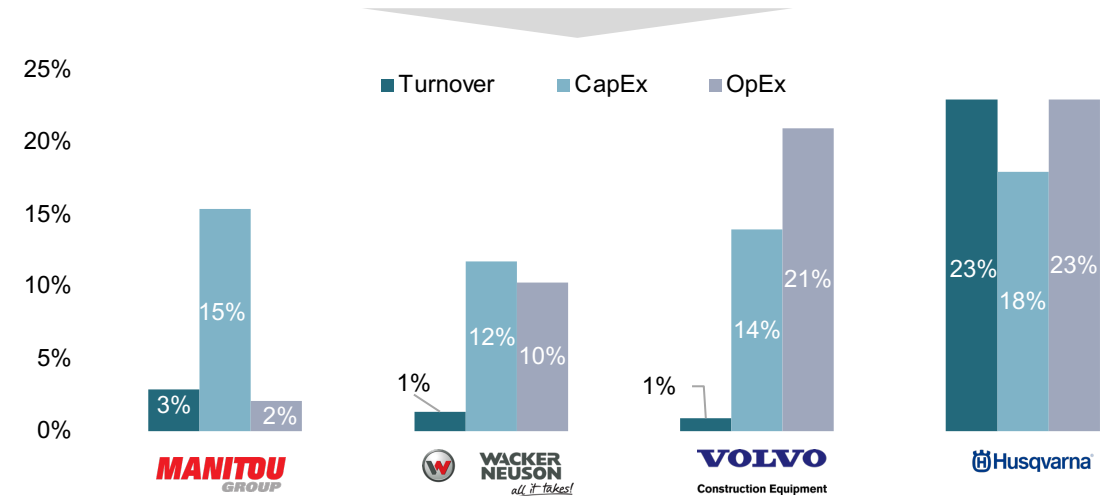
 Integrate technologies to reduce vibration and noise emissions

 Implement alternative fuels, i. e. biodiesel or electric power

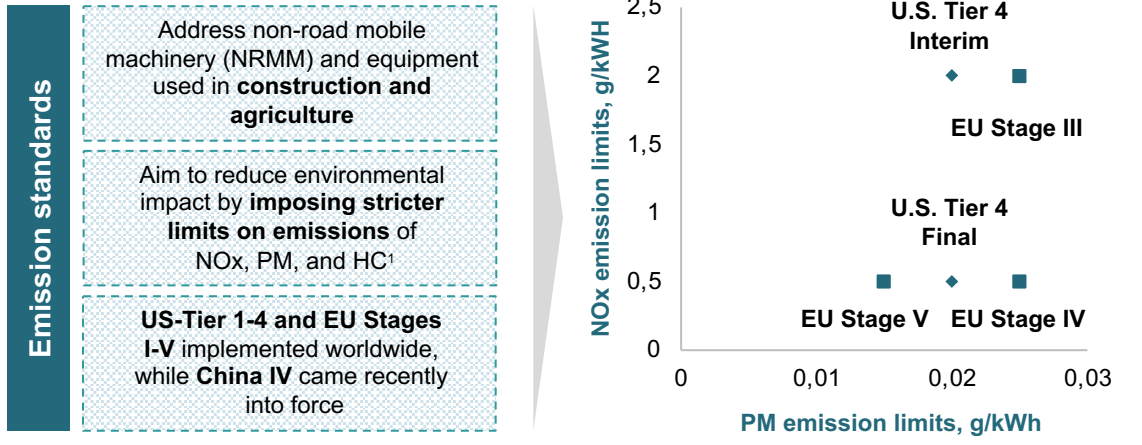
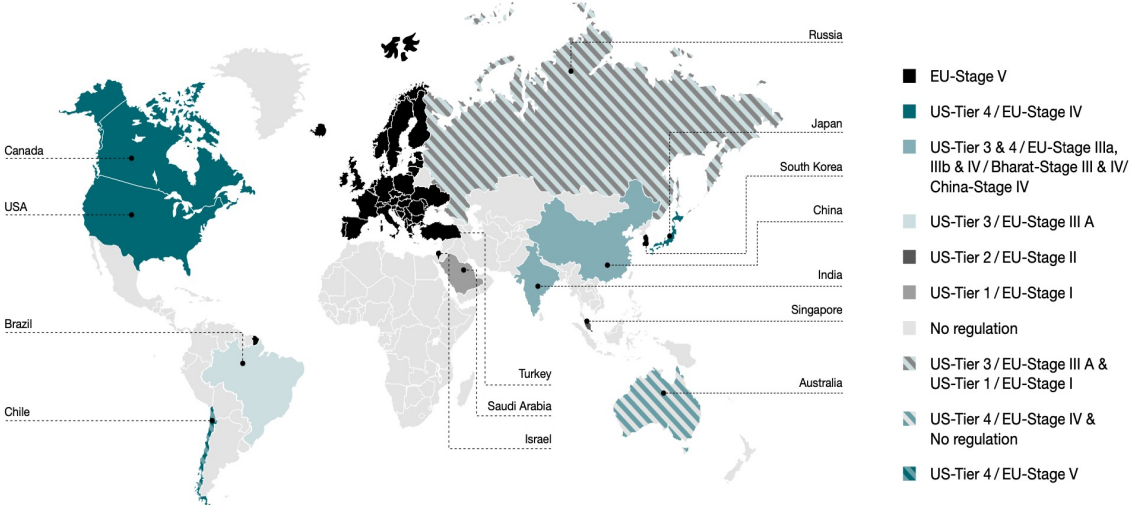
 Utilize GPS systems for resource optimization

 End-of-life processes, including ease of recycling and disposal

 Availability of spare parts to extend equipment’s life span



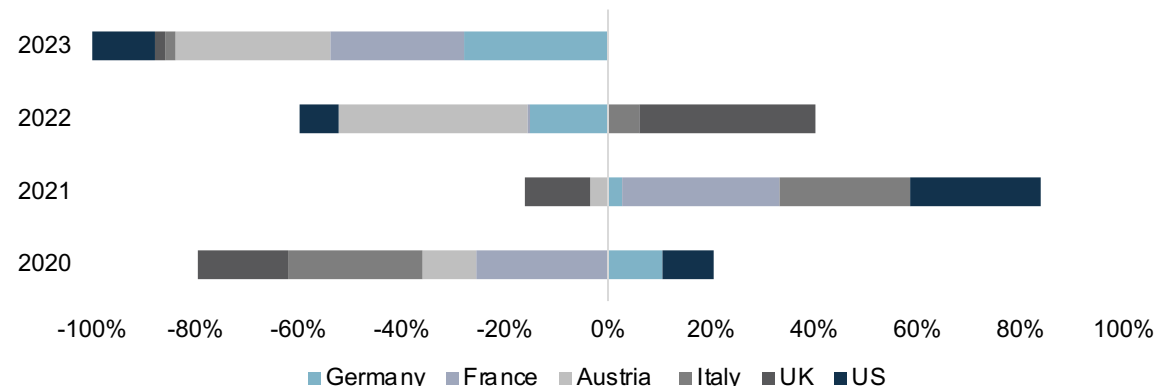
Progressive tightening of exhaust gas legislation for diesel engines



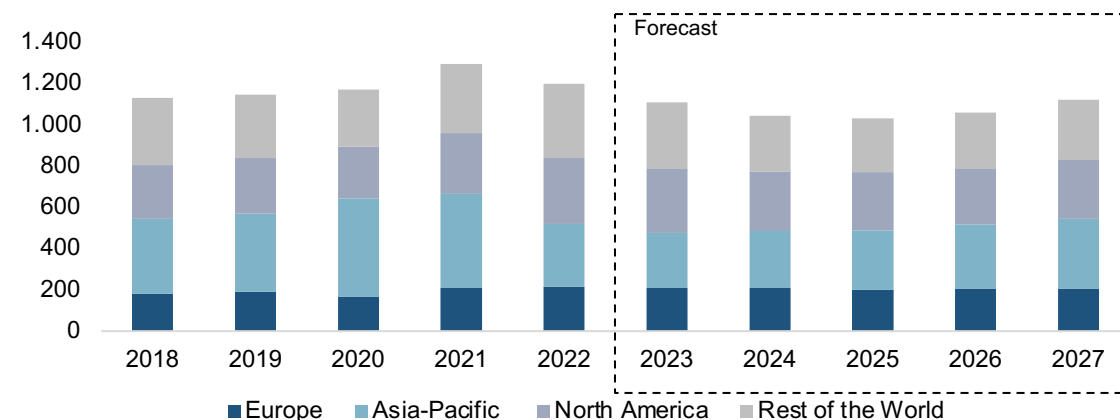
Market Overview IV – Headwinds

Current headwinds put a constraint on short-term growth projections in the construction industry

Change in permits for residential projects in selected countries



Global construction equipment unit sales by region (in tsd.)



Factors leading to the contraction in construction industry in 2023



Economic Downturn in Advanced Economies

Underlying geopolitical instability and conflict, rising inflation, and energy crises faced in main markets in Europe caused a slowdown in construction activity



Rising Key Construction Materials' costs and Energy Prices

A trend that has been exacerbated by the impact of the Ukraine war given the importance of commodity supplies from Russia and Ukraine



Labor Shortages

Due to the lack of demand, experienced workers retire at a faster rate than new workers entering the industry. ABC reported 400k unfilled jobs in the sector in July 2023

Planned investments to steer the industry back onto a growth trajectory

EU Transportation Development Declaration

As per declaration in June 2022, the European Union will invest nearly USD 5.4 billion in transport infrastructure development, selecting around 135 projects to disburse the funds

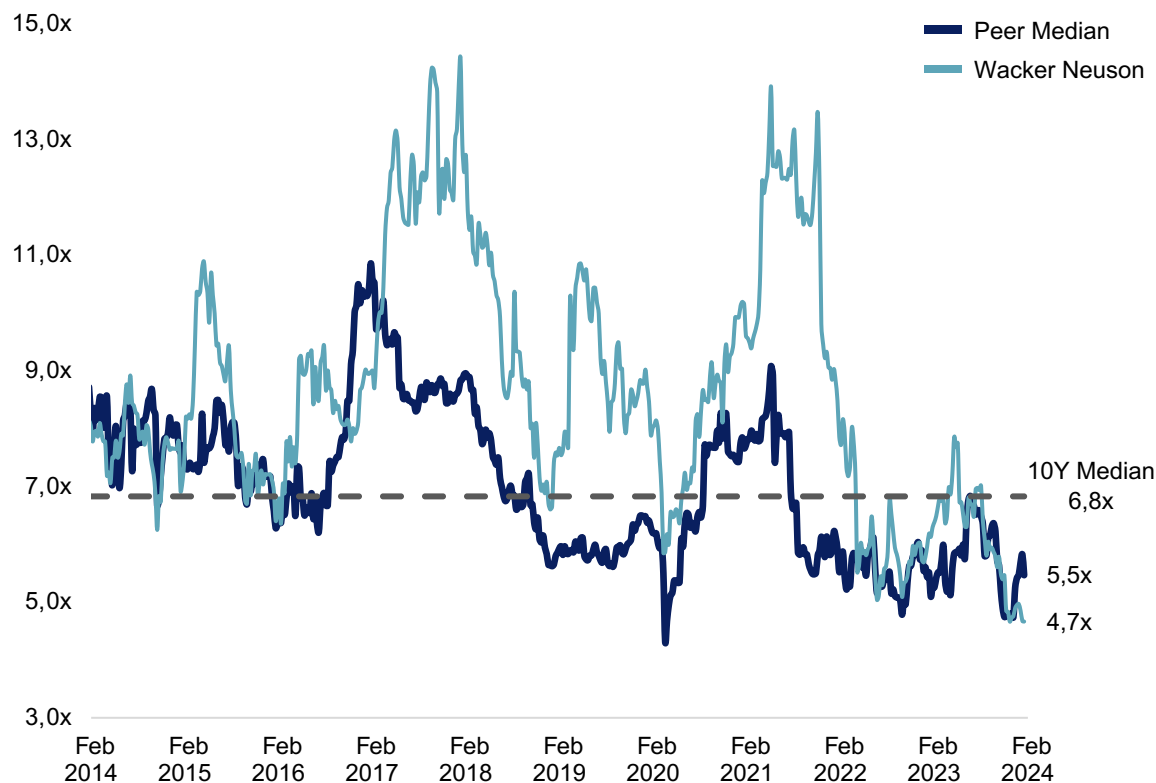


Financial Analysis & Valuation

Reasoning of Investment Timing

Investing in the construction industry currently comes at an attractive price despite recent positive developments

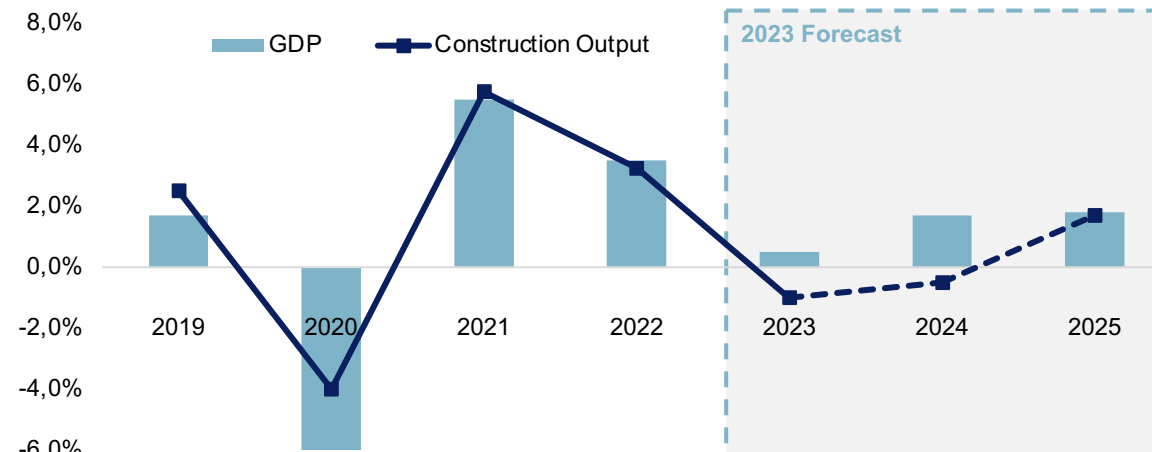
Peer Group EV / EBITDA Development¹



Valuation Peer Group



Eurozone Construction Activity on Comeback



Summary of Investment Timing

Timing:

1. Low Valuations



- Negative market sentiment has valuations dropped to record lows resulting in attractive opportunities for new investors

Industry:

2. Demand for Compact



- Compact equipment is extremely versatile in its application and demand proves less volatile than for heavy industrial equipment

Market:

3. Construction Pick-Up

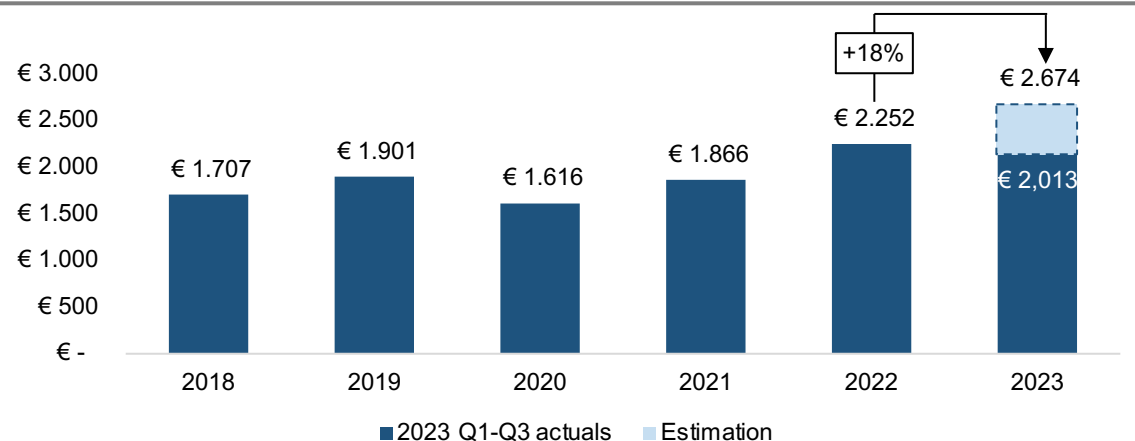


- Large-scale projects are back on the rise, with typically 18-24 months between announcement and construction start

Financial Analysis

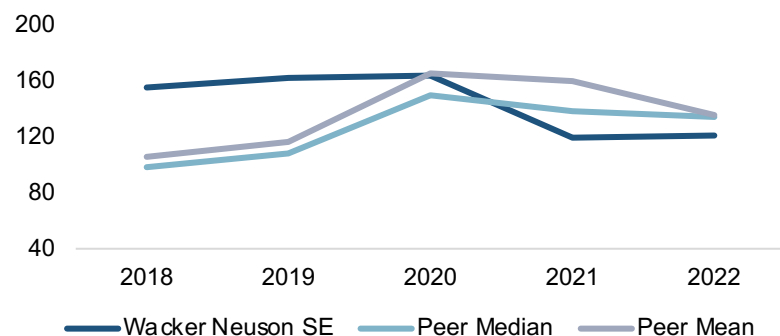
A solid financial foundation provides Wacker with ample room for manoeuvring

Revenue Development (in mn.)



Revenue in the first nine months increased by 22.7 percent year-on-year, while EBIT showed disproportionate growth of 66.3 percent, attributed to adjusted selling prices

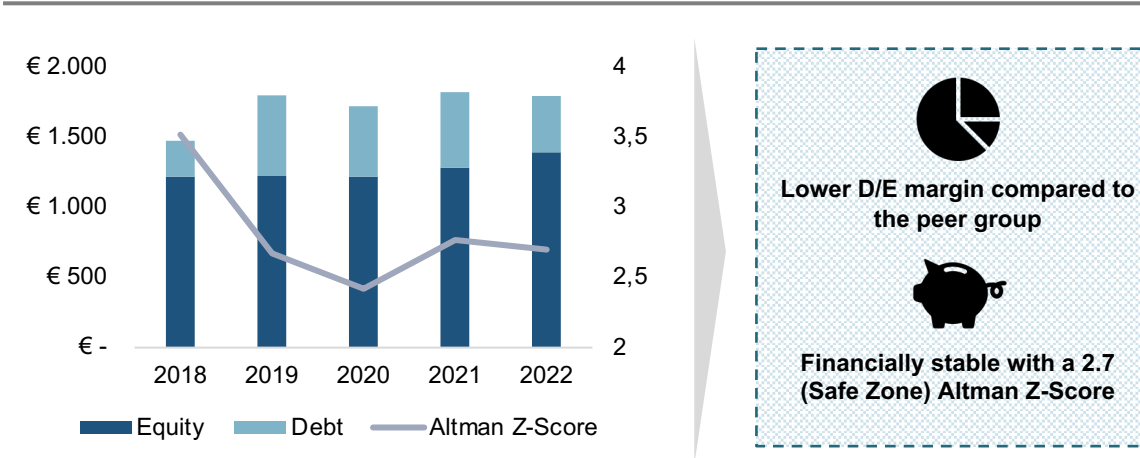
Cash Conversion Cycle in Days



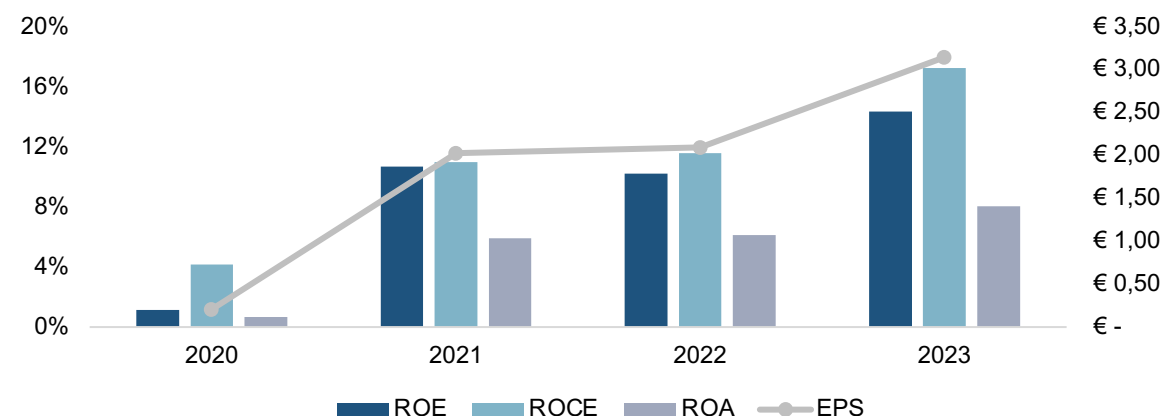
Lower Cash Conversion Cycle than peers

Quicker inventory-to-sales pipeline

Altman Z-Scores, Debt and Equity Levels (in mn.)



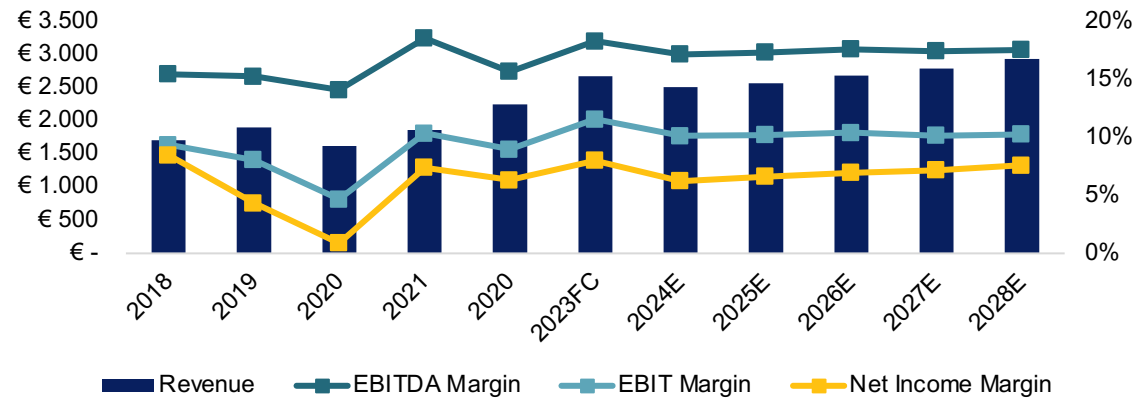
Robust Recovery from the Economic Downturn in 2020



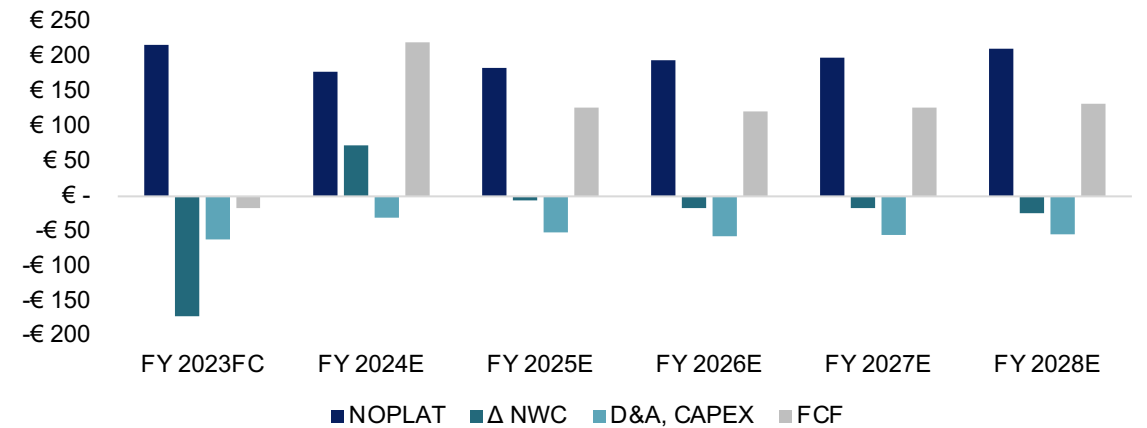
Valuation I - DCF

Premium branding, low CAPEX, and strong NWC allow for steady revenue growth and healthy cash flows

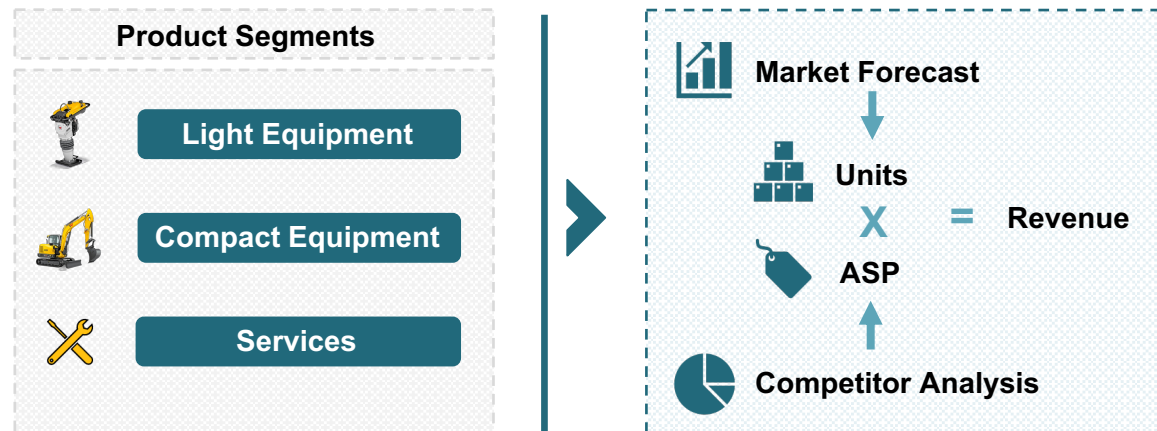
P&L Statement Development (in mn.)



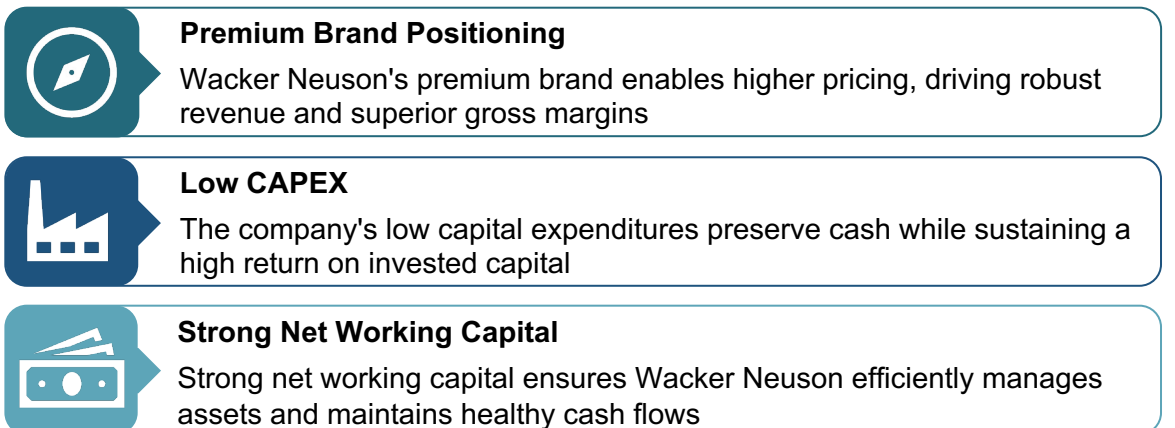
Free Cashflow Composition (in mn.)



Forecasting Methods



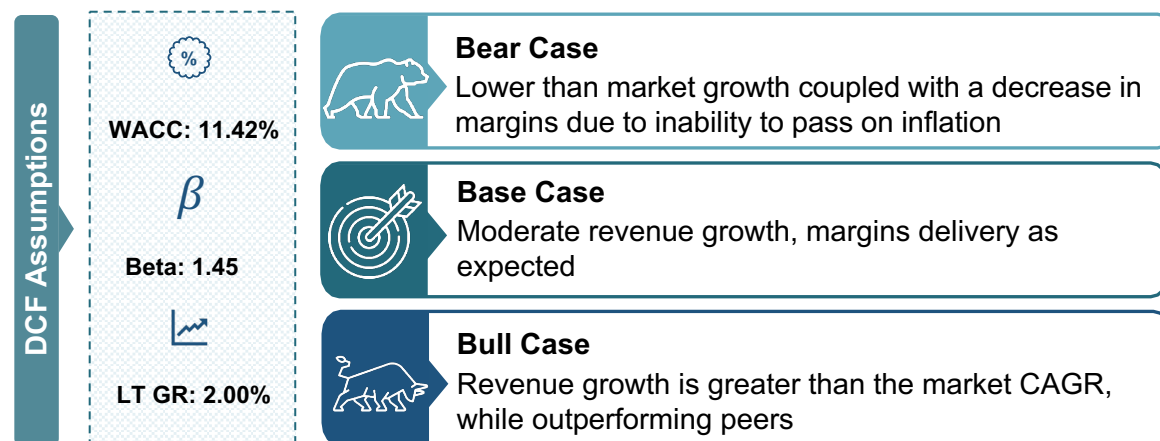
Main Value Drivers



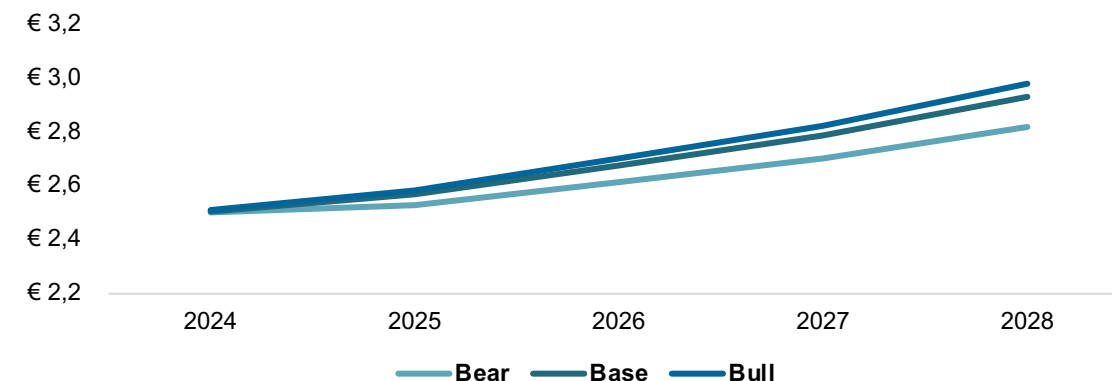
Valuation II - Overview

A conservative valuation approach yields a healthy upside potential

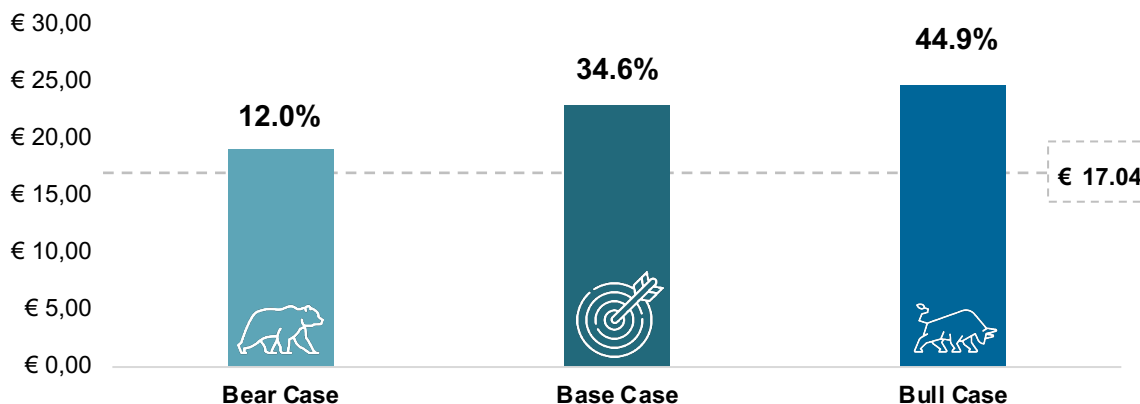
Assumptions & cases



Revenue development (in bn.)



Upside range



Sensitivity WACC vs TV Growth Rate

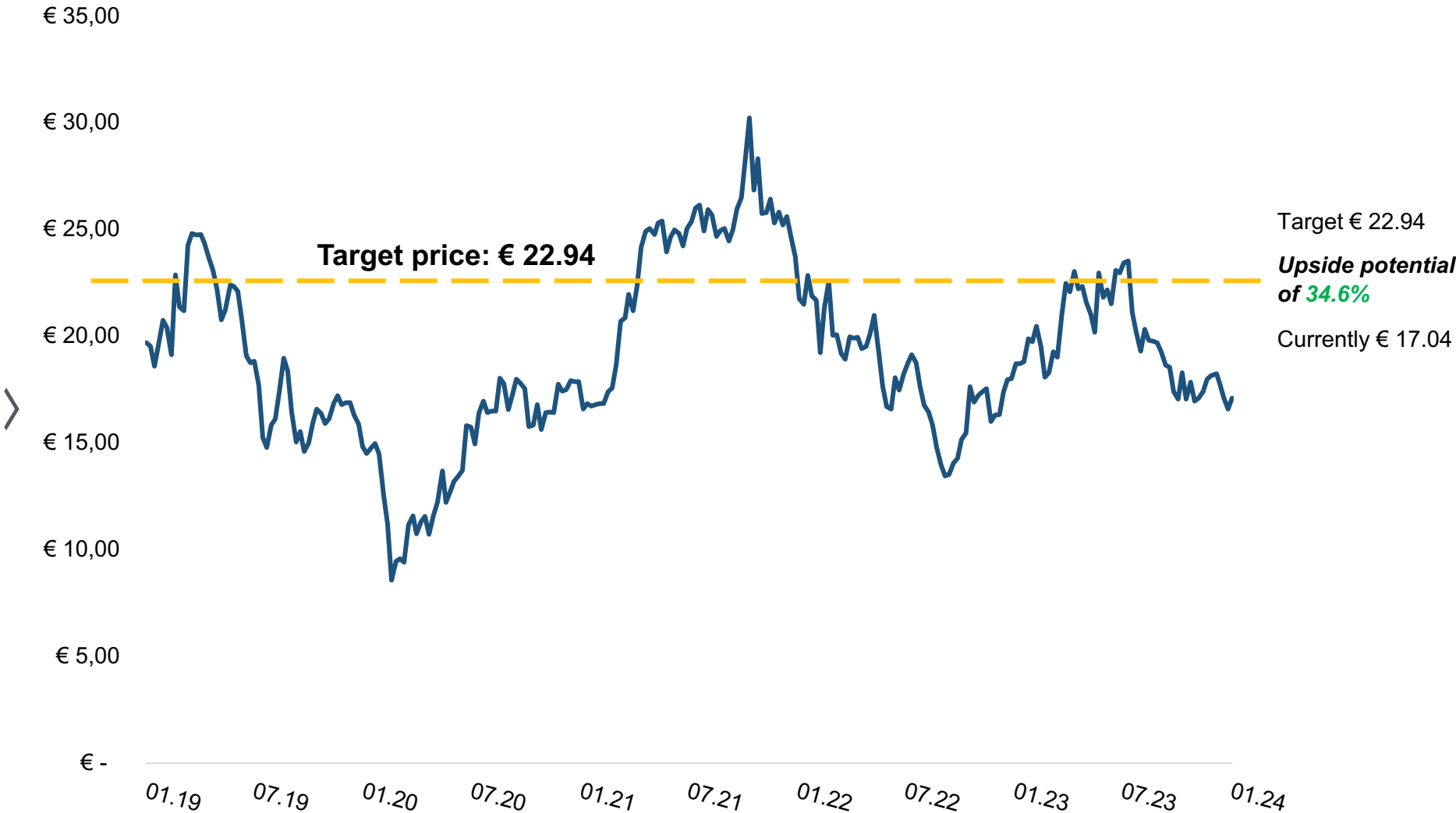
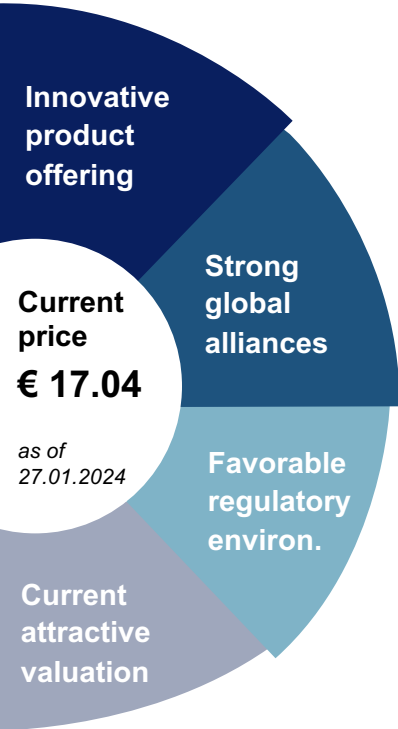
WACC	TV Growth Rate				
	1,5%	1,8%	2,0%	2,3%	2,5%
9,9%	25.48	26.28	27.12	28.02	28.97
10,4%	24.11	24.82	25.57	26.37	27.21
10,9%	22.87	23.51	24.18	24.90	25.66
11,4%	21.75	22.33	22.94	23.58	24.26
11,9%	20.73	21.26	21.81	22.39	23.01
12,4%	19.79	20.28	20.79	21.32	21.88
12,9%	18.94	19.38	19.85	20.33	20.85

Conclusion



Conclusion

Pioneering the construction equipment industry with sustainable and innovative solution using a global network





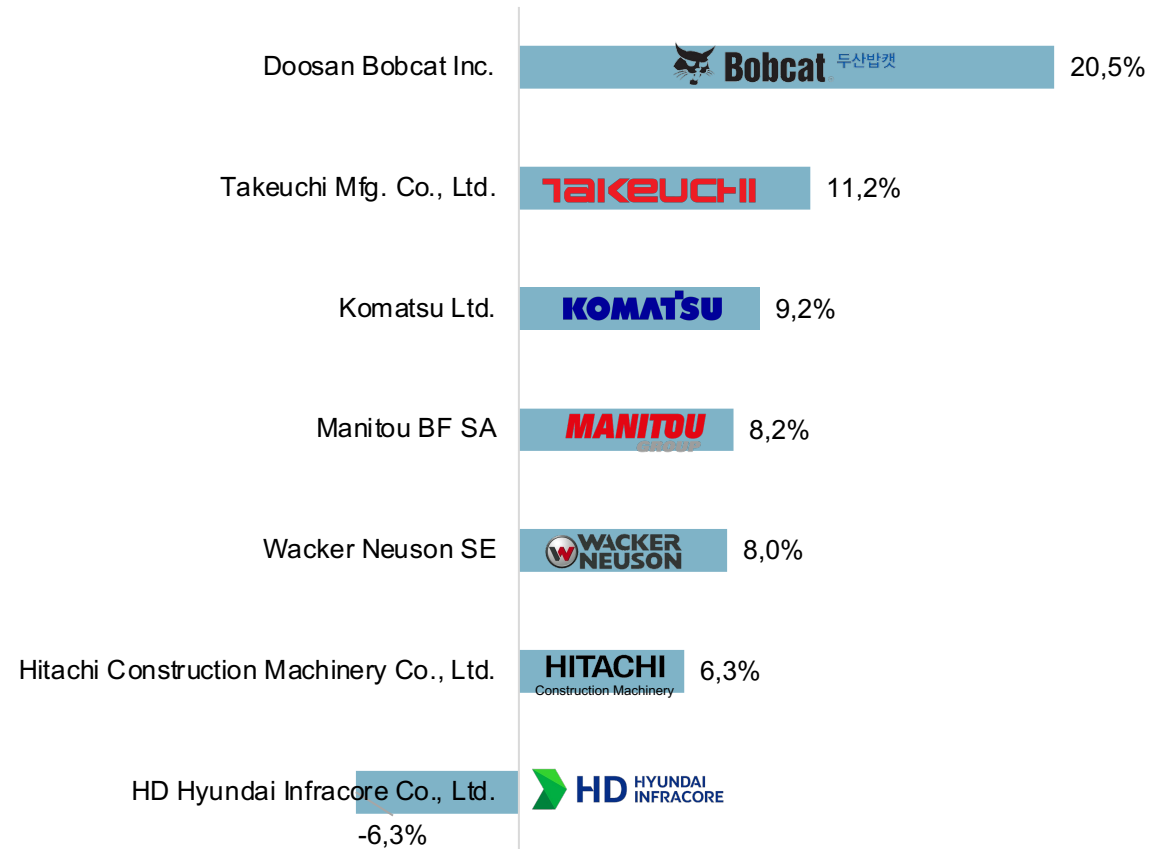
Appendix

Appendix – Financial Analysis

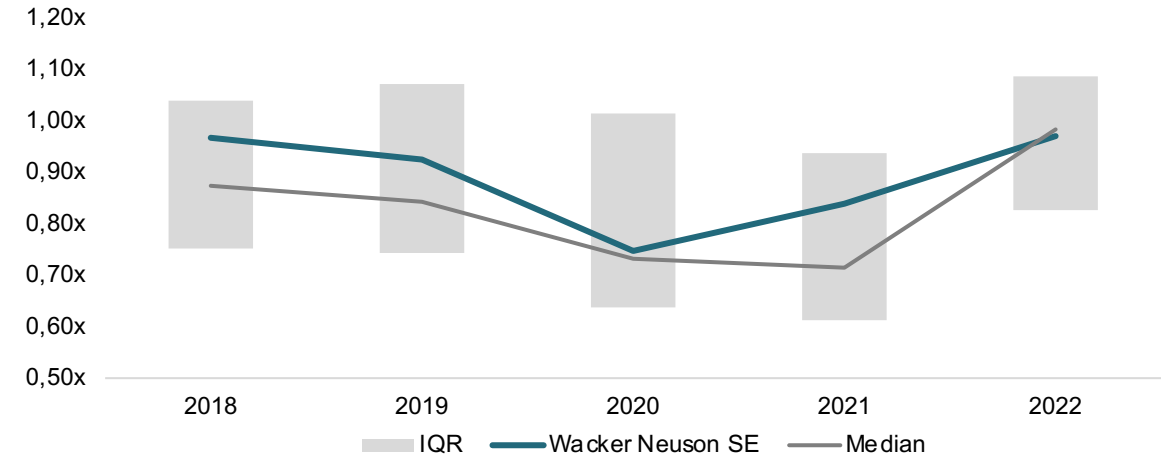
Revenue growth and asset utilization

Revenue CAGR (2017 – 2022)

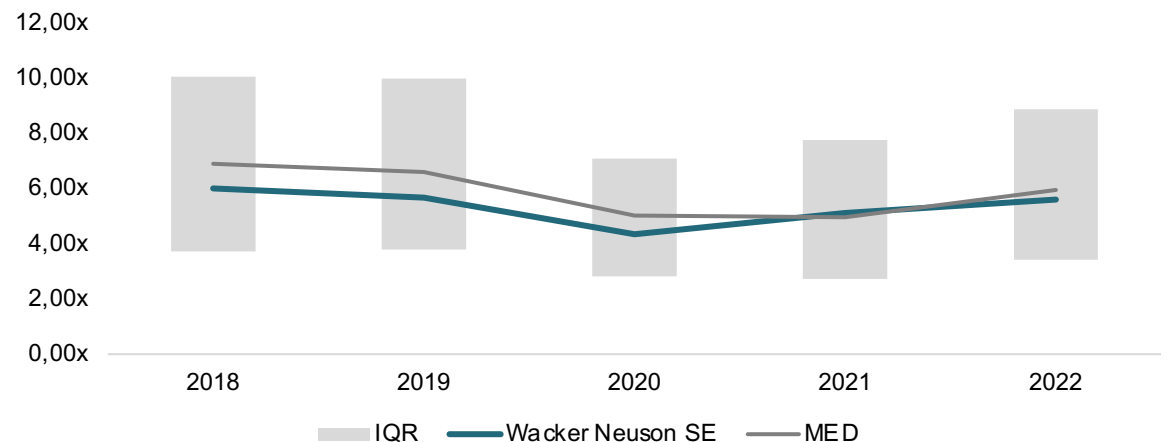
Total Revenue Growth (5Y CAGR)



Total Asset Turnover (x)

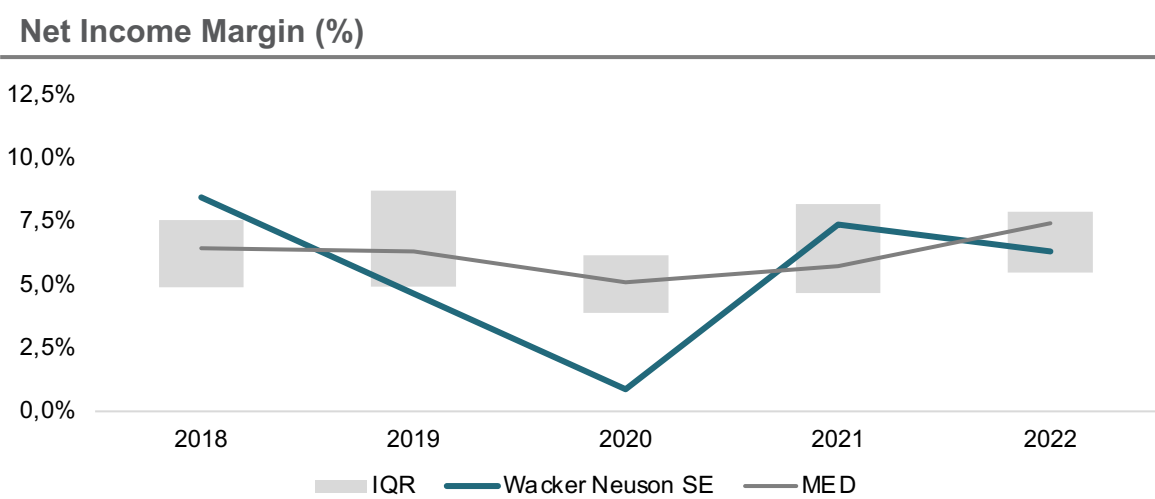
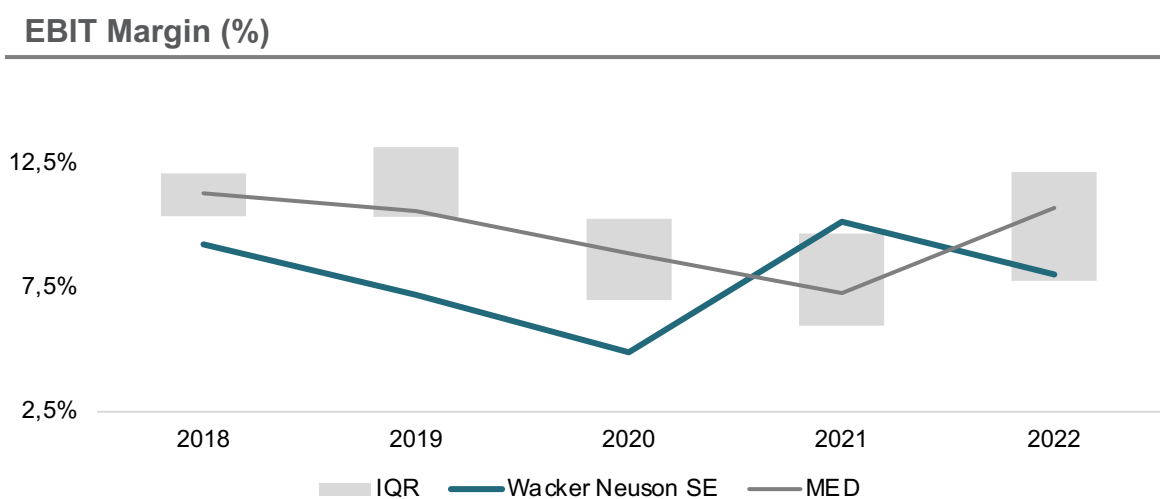
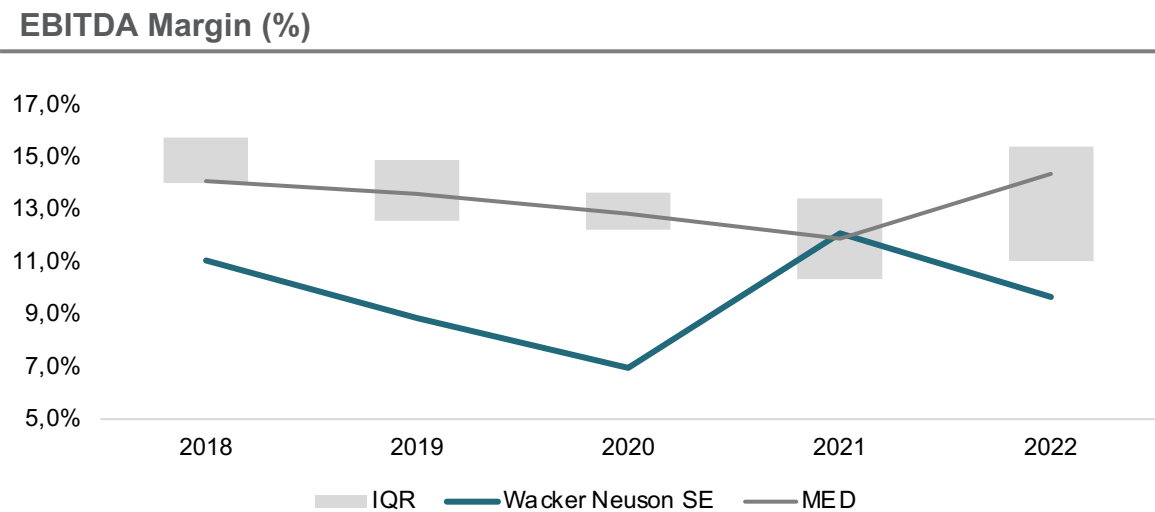
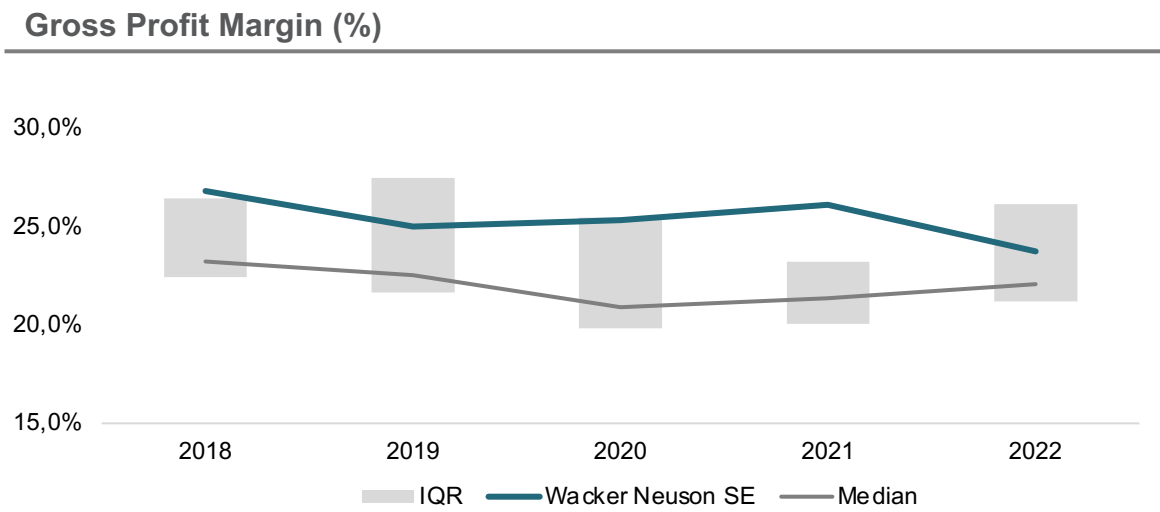


Fixed Asset Turnover (x)



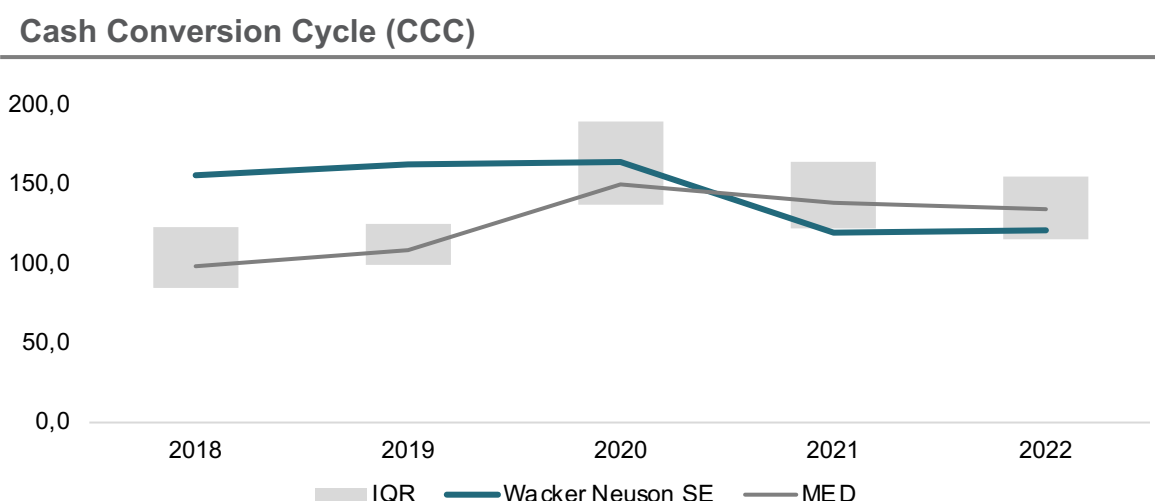
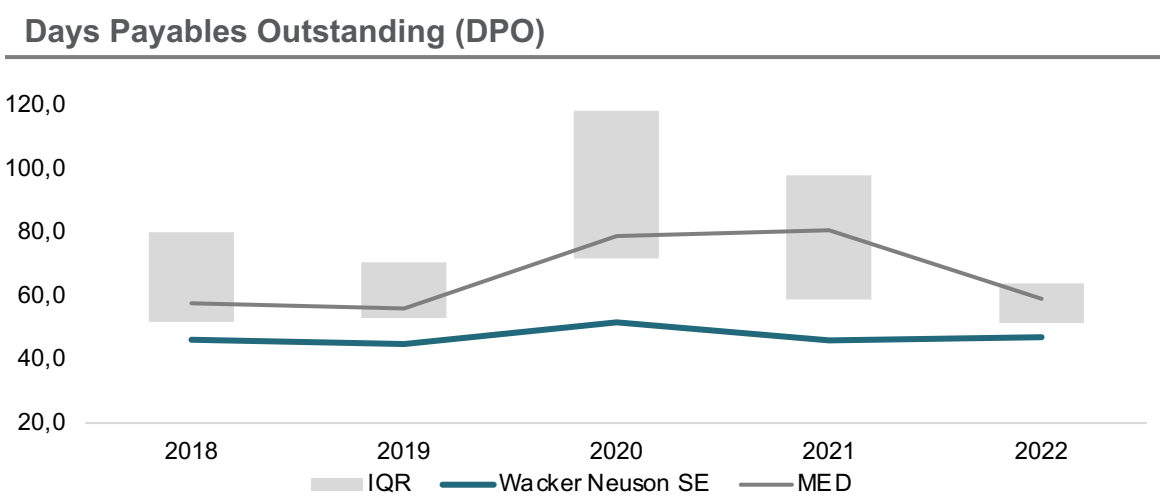
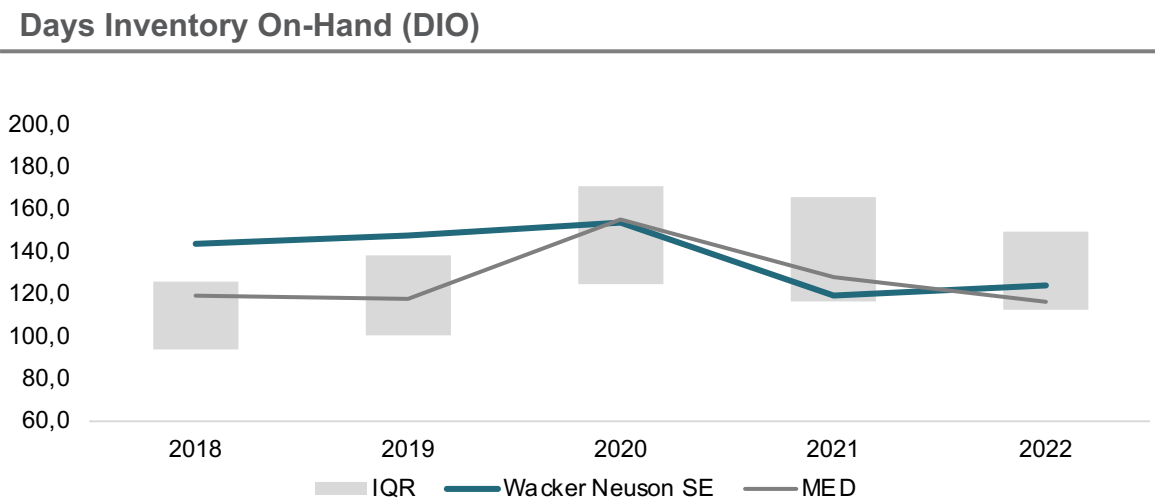
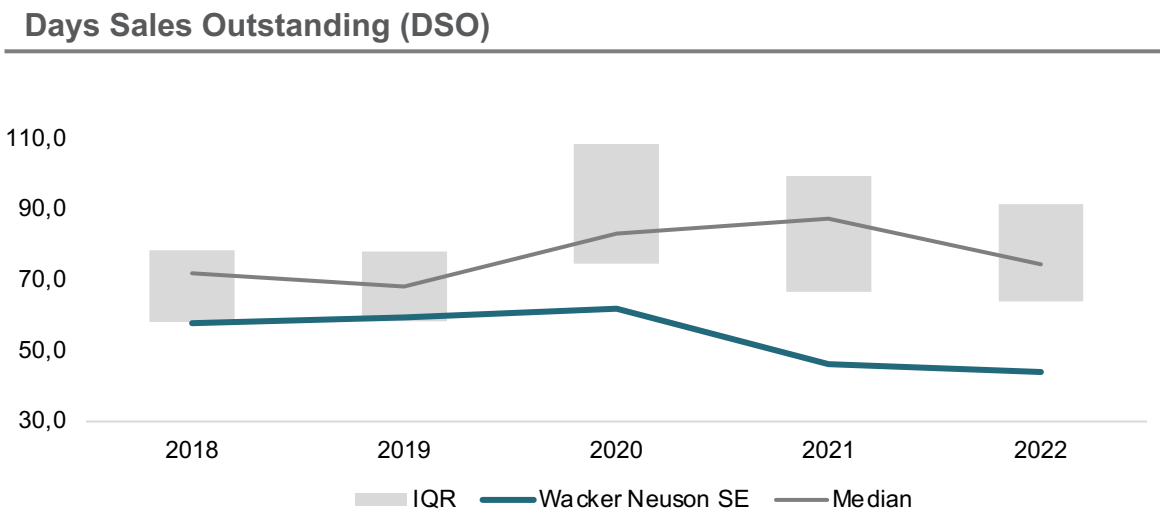
Appendix – Financial Analysis

Margin analysis



Appendix – Financial Analysis

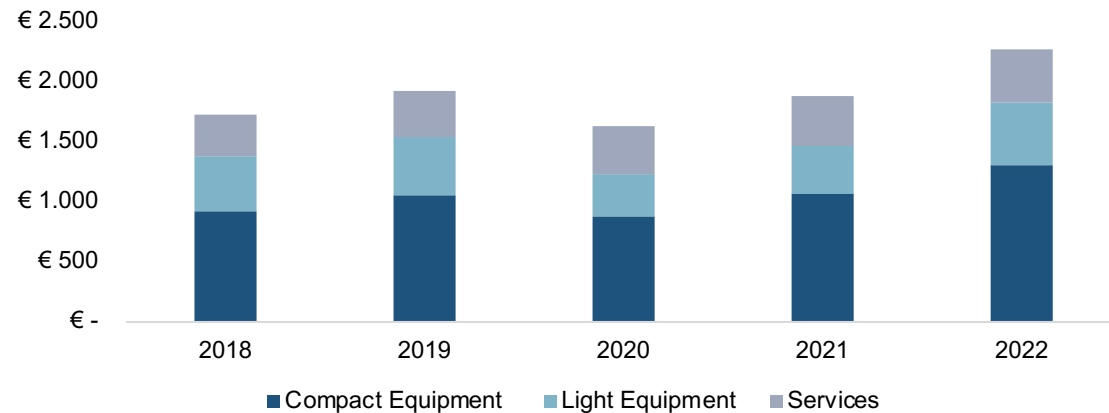
Working capital analysis



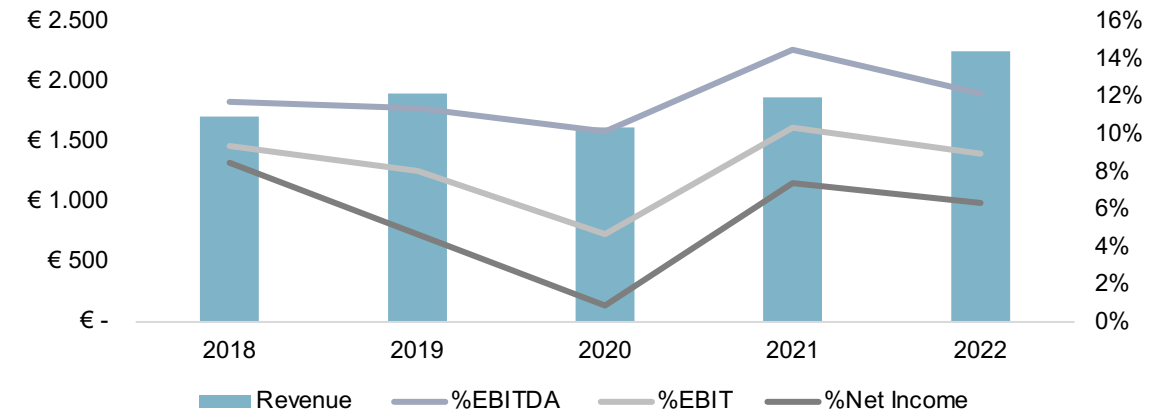
Appendix – Financial Analysis

Revenue, funding, and cash flow performances

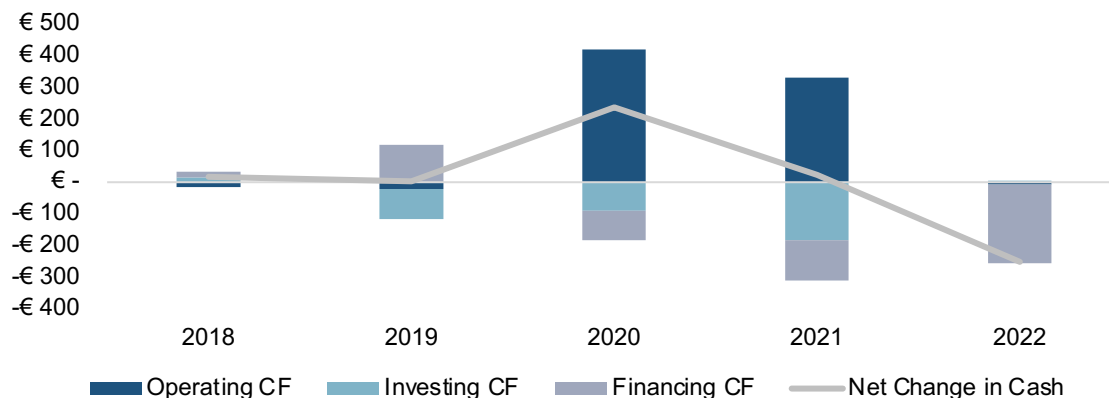
Revenue Breakdown (in mn.)



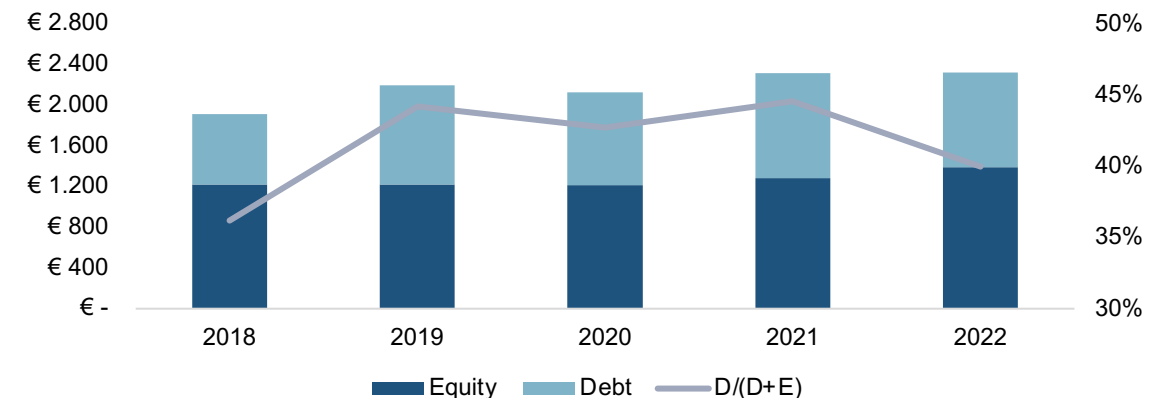
Margin Development (in mn.)



Cash Flow Development (in mn.)

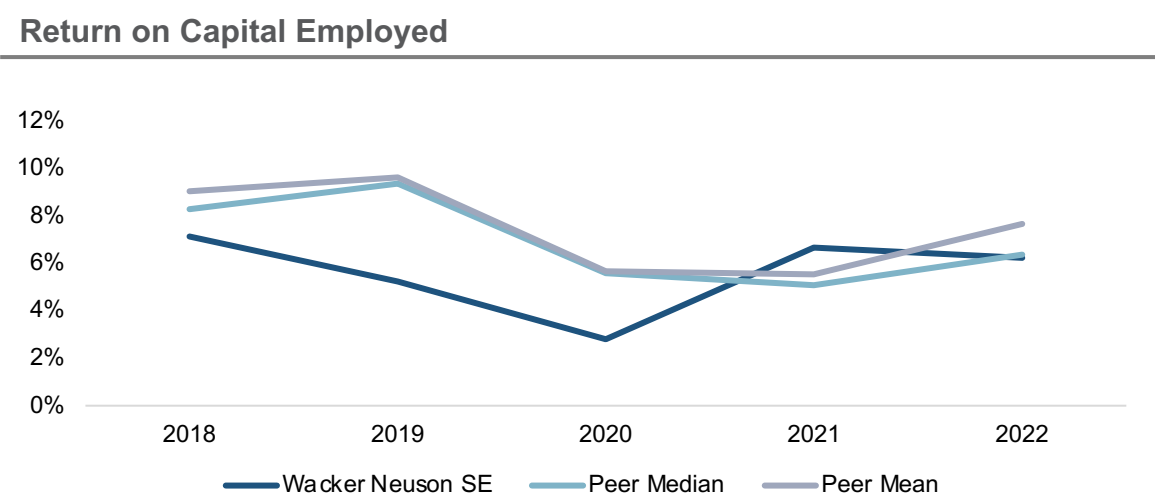
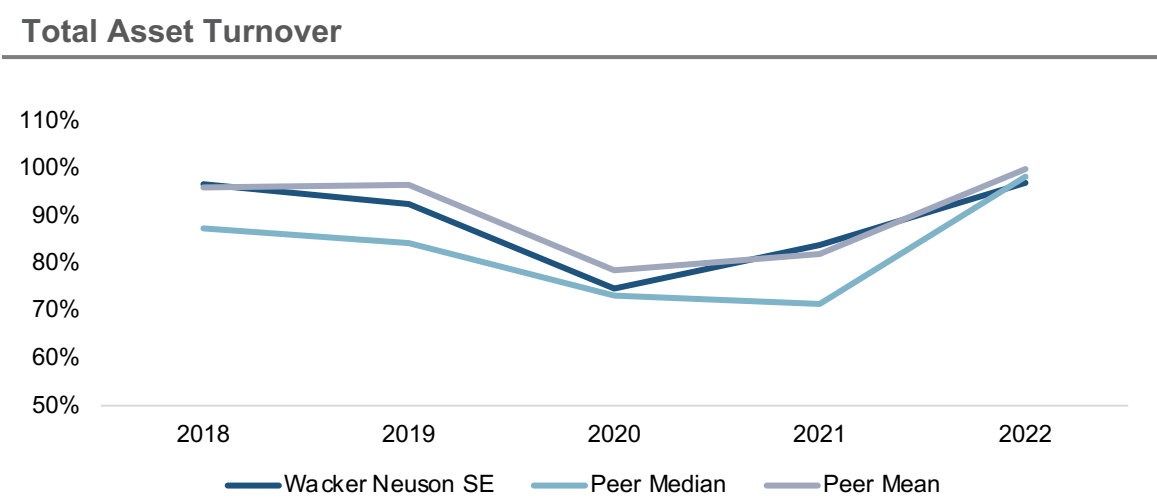
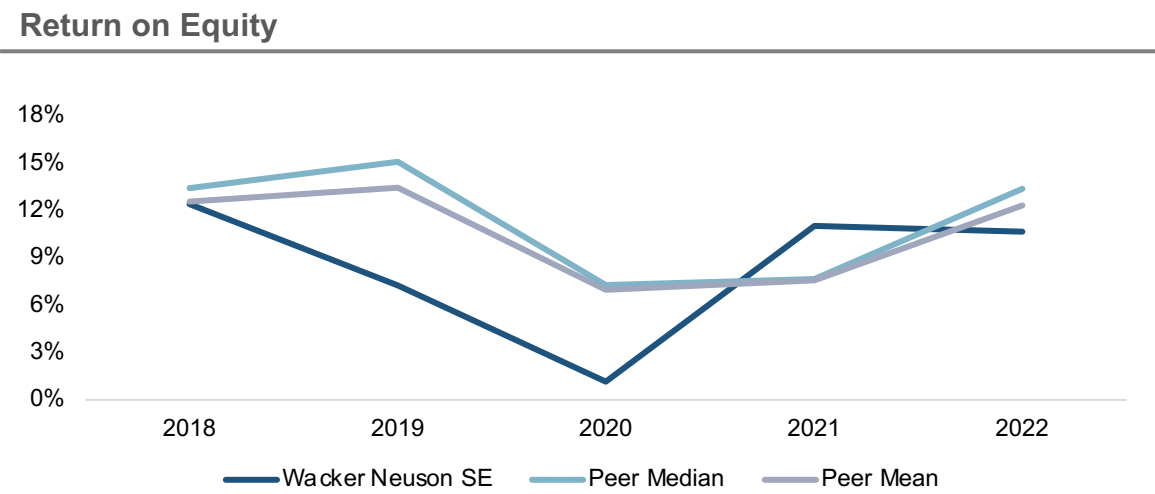
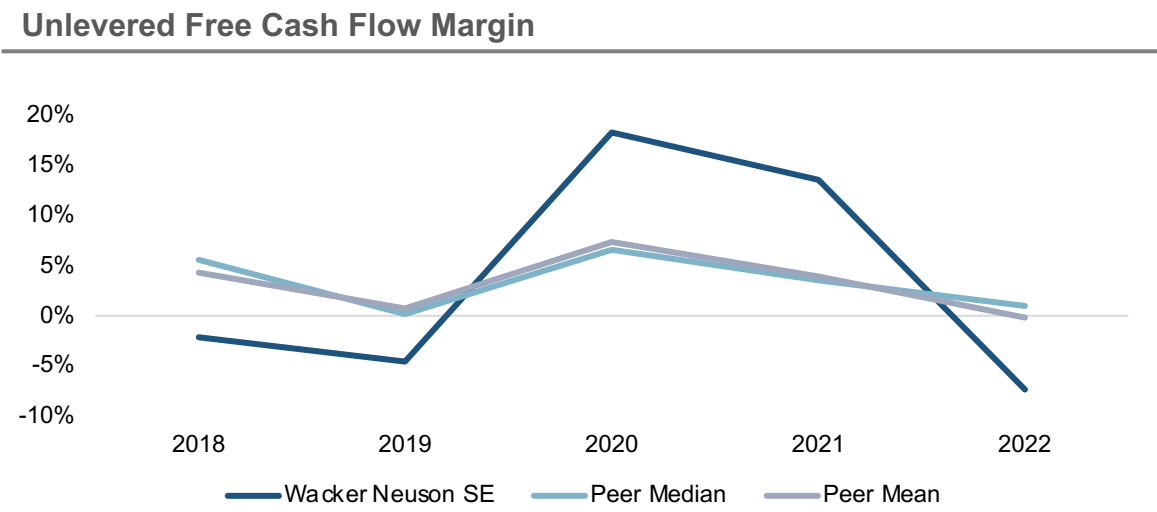


Funding Structure (in mn.)



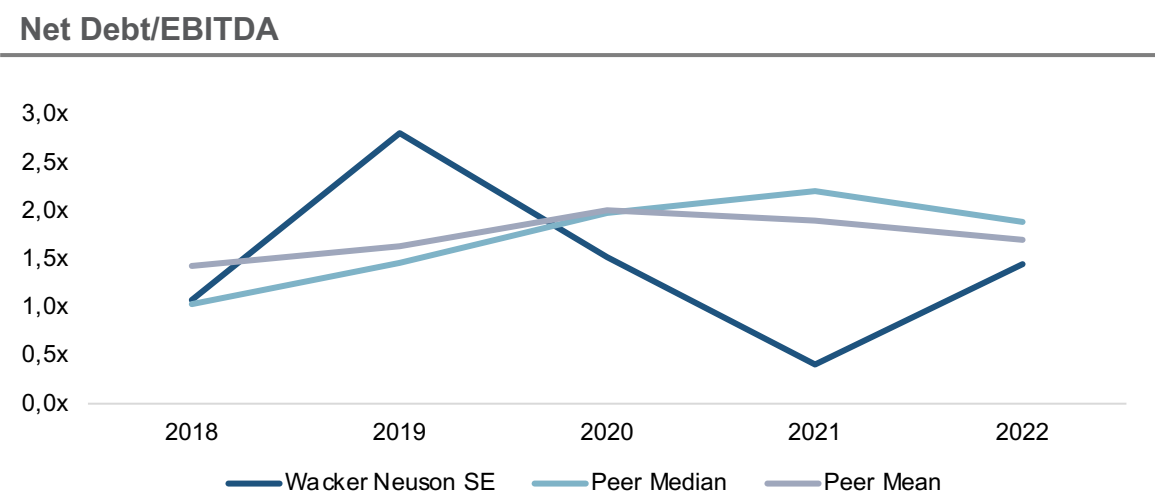
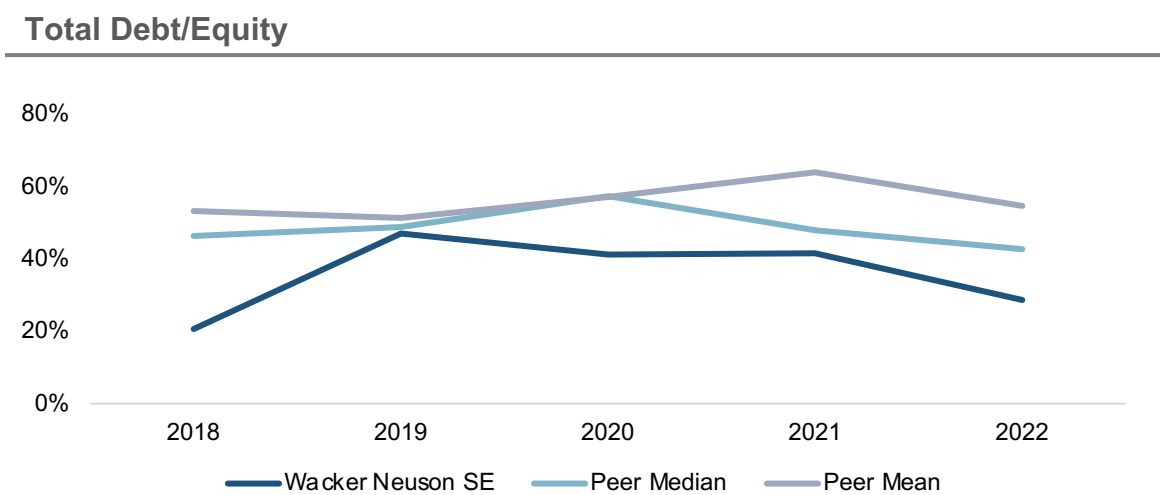
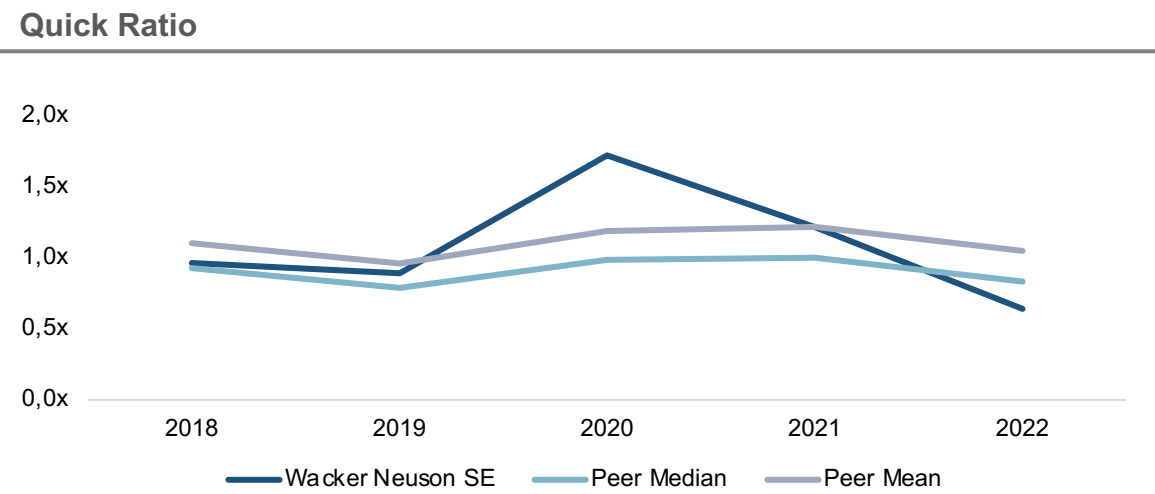
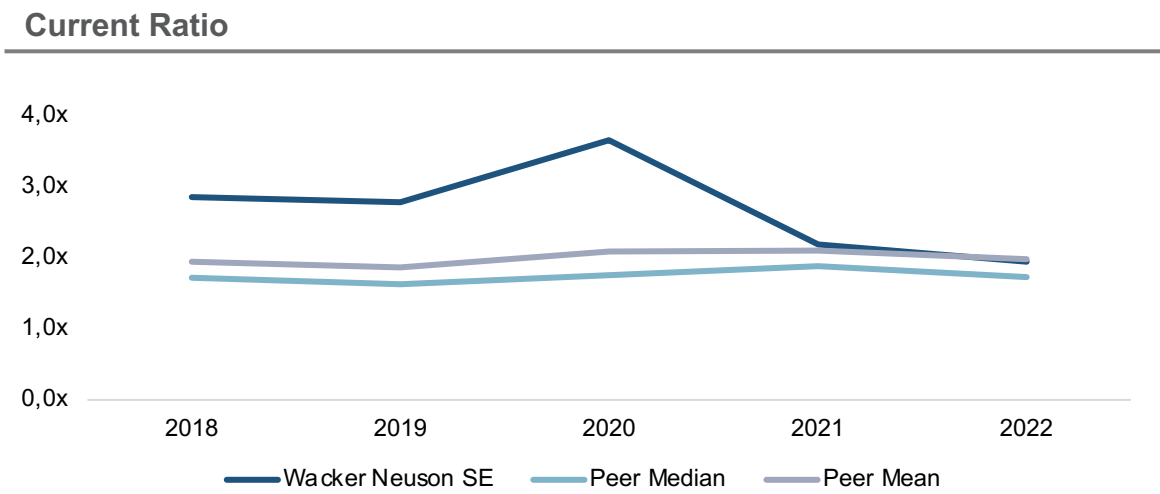
Appendix – Financial Analysis

Profitability metrics



Appendix – Financial Analysis

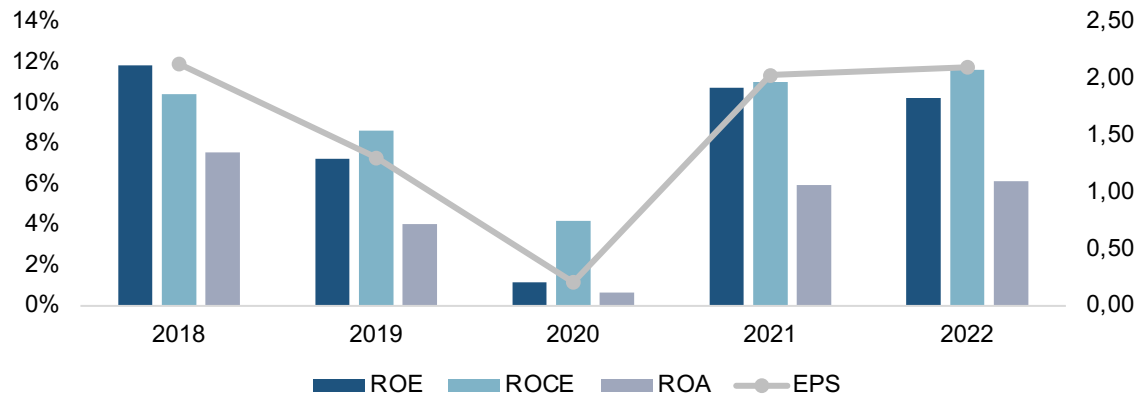
Liquidity and solvency



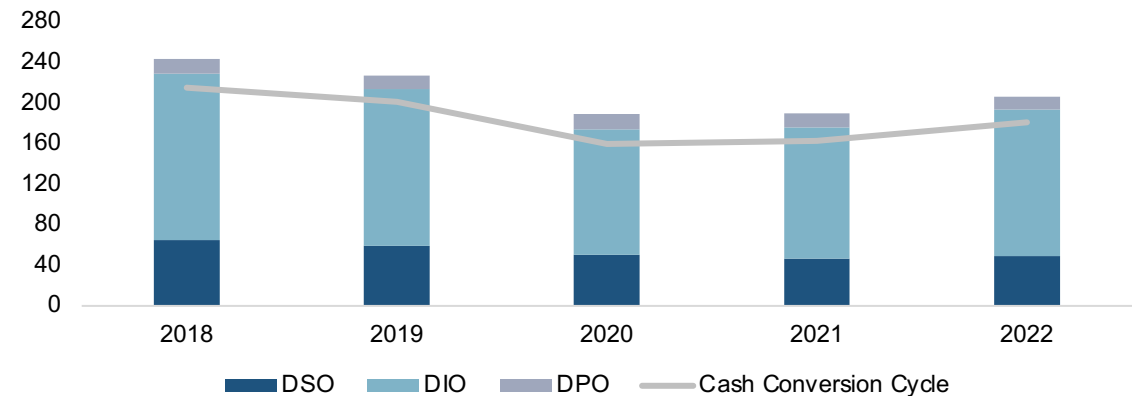
Appendix – Financial Analysis

Profitability, working capital, and liquidity

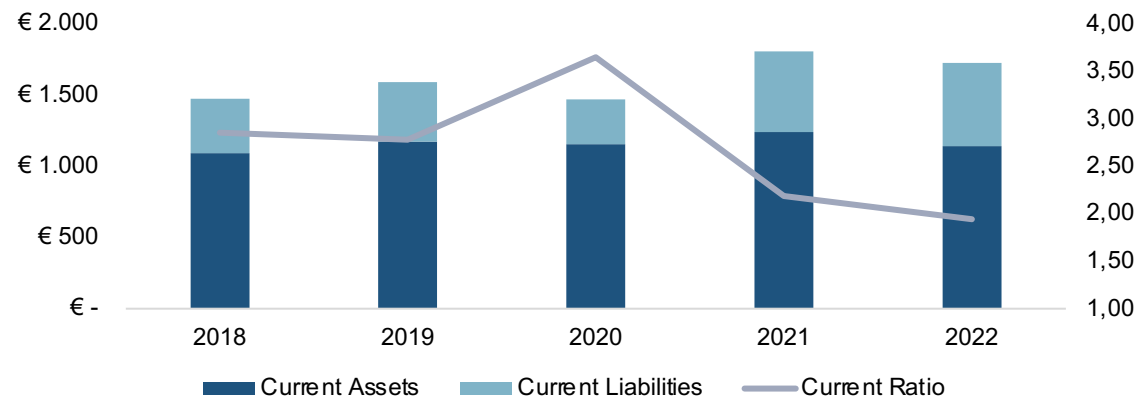
Profitability Ratios



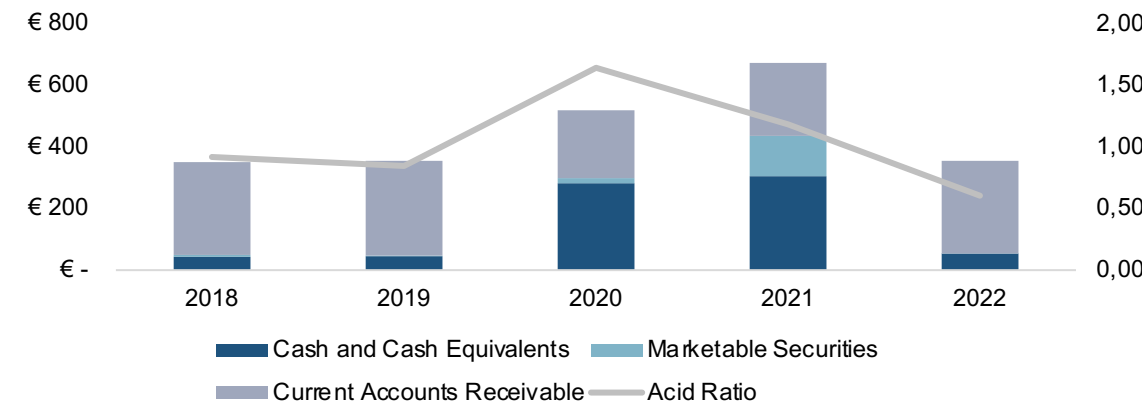
Working Capital Schedule (Days)



Current Ratio (in mn.)



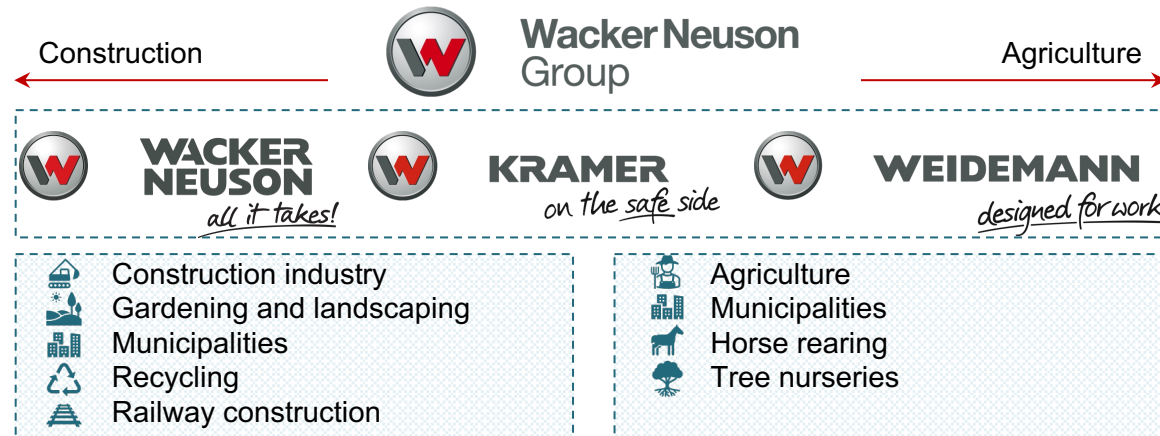
Acid Ratio (in mn.)



Appendix – Business Model

Brand & value chain overview

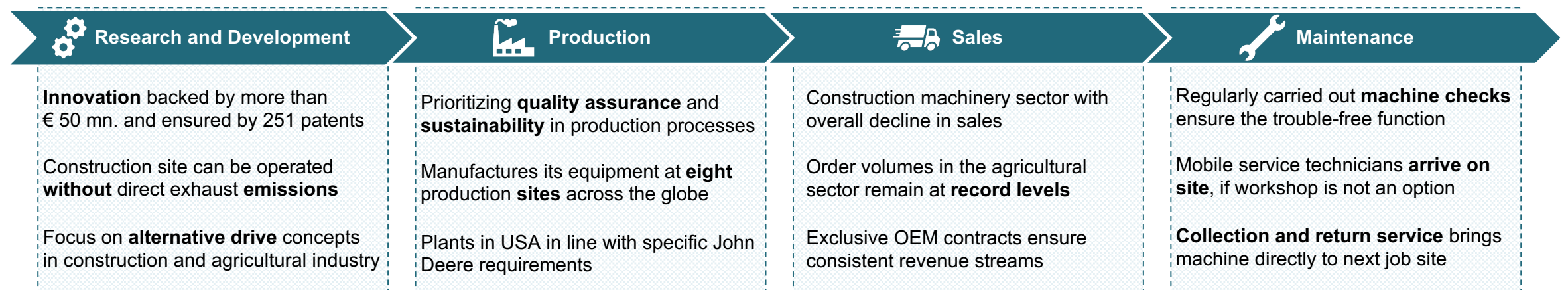
Brand Groups



Joint Ventures

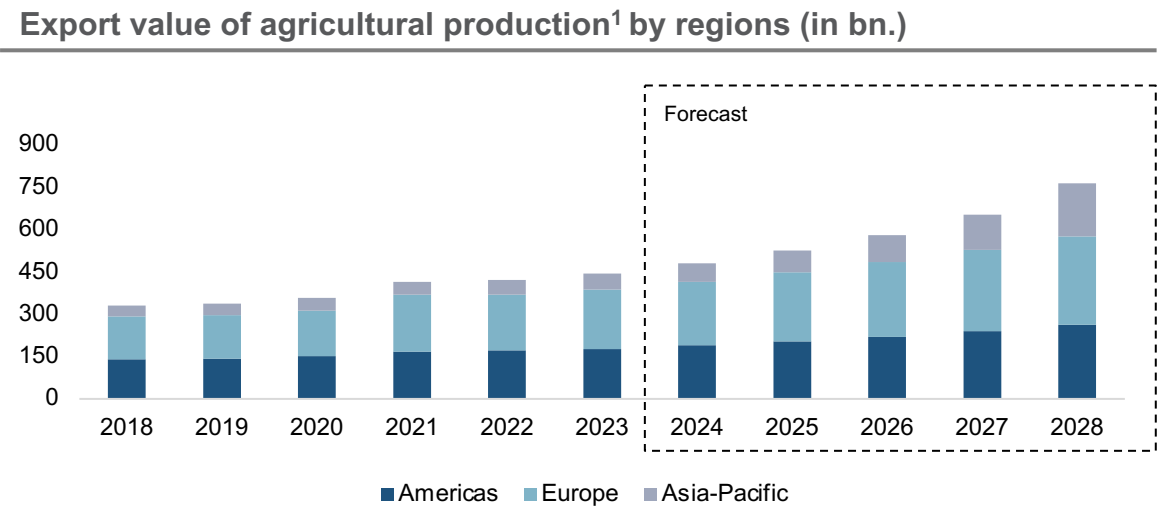
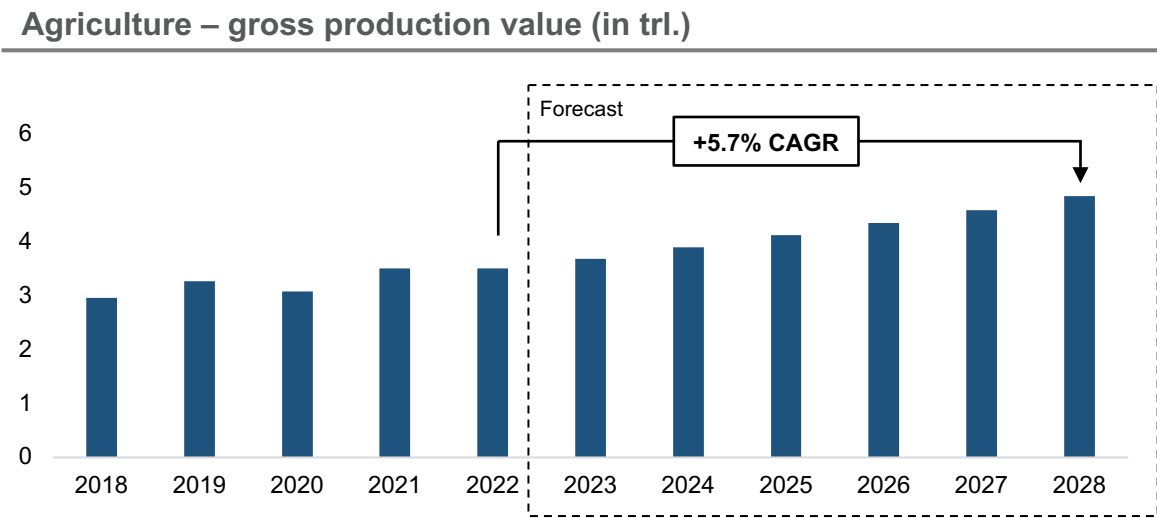


Value Chain



Appendix – Market Overview

Agricultural market



Agricultural equipment producers

JOHN DEERE

AGCO
Your Agriculture Company

CNH INDUSTRIAL

JCB

Kubota

WACKER NEUSON
all it takes!

MANITOU

JLG

DIECI

GIANT
BY TERRASSO

Schäffer

Agricultural equipment

Loading and handling equipment

Wacker Neuson has established a strong presence in the loading and handling equipment niche, effectively bridging the gap between this specialized sector and the broader agricultural equipment industry

Loading and handling equipment market (in bn.)

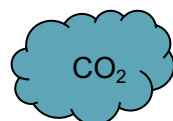
Equipment Type	Market Size 2022 (bn.)
Telehandler	~5
Loader	~32

Growing interest in solutions that incorporate GPS technology, telematics, IoT, and automation to enhance efficiency

Compact equipment segment is anticipated to experience the most rapid growth, due to its versatility and lower cost of electrification

Providing personalized solutions will draw in a wider customer audience, thereby enhancing the rental services market

Zero Emission



Ambitious goals set out in the EU's Green Deal

+



Anticipated advancements in battery technologies

=



High market potential



Battery One is a **standardized**, user-friendly battery system for **CO₂-free and sustainable** operation of construction equipment. **Compatible** with battery-electric equipment from various manufacturers, it **simplifies** construction site logistics by requiring only one type of battery and charging system.

#switchto...



...**green**

100% CO₂-free construction sites: contribution to climate protection



...**silence**

Reduced noise, up to 20 decibels quieter than traditional machines



...**zero**

Electric drive systems in construction reduce fuel and maintenance costs



...**easy**

Push-button start, full-day performance without recharge, and compatibility with standard sockets.



...**economical**

Greater efficiency, lower maintenance, wider application, and financial benefits from CO₂ reduction amid rising taxes.

EU Green Deal - Regulations

EU Green deal - Key figures



Europe - the first climate-neutral continent by **2050**

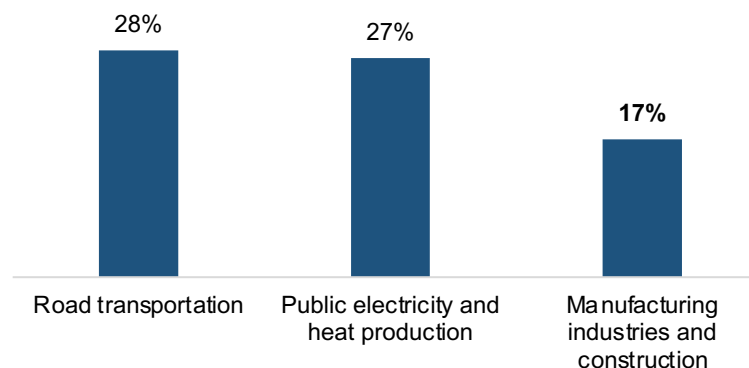


At least 55% less net greenhouse gas emissions by **2030**, compared to 1990 levels



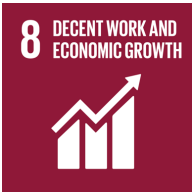
3 billion additional trees to be planted in the EU by 2030

Top 3 key sources of CO₂ emissions in the EU, 2021



- Rising demand for **transparency** and **real action on emission** reductions and climate goals
- Anticipated increase in **demand for compact electric equipment**, spurred by **global initiatives and investments** in e-mobility infrastructure, such as Germany's significant funding of EURO 2.5 billion including 1 million charging points by 2030, and construction work to be carried out on public roads for this purpose
- **Environmental** and **sustainability** focus is increasingly **vital** in the economy, with neo-ecology driving business towards sustainable and socially responsible practices

UN SDGs

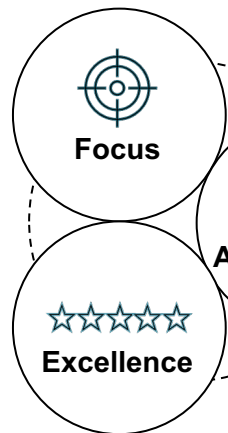


As a **machine builder** Wacker Neuson identifies these 6 **UN Sustainable Development Goals** as ones by addressing which the company has the greatest potential to directly or indirectly **impact the economic, environmental and social goals**

The framework for the **sustainability strategy** of the company is based on the UN SDGs



Strategy



The **focus** on neo-ecology includes offering zero-emission products in response to environmental concerns

Acceleration involves responding to changing customer needs driven by trends like connectivity

Employee training and development play a crucial role in achieving operational **excellence**

Blue Competence



"Blue Competence" advocates for **sustainable technology and innovation** in mechanical and plant engineering, focusing on **efficient resource use** and **environmental responsibility** to address **global challenges**, while also emphasizing the **economic benefits of sustainability**.



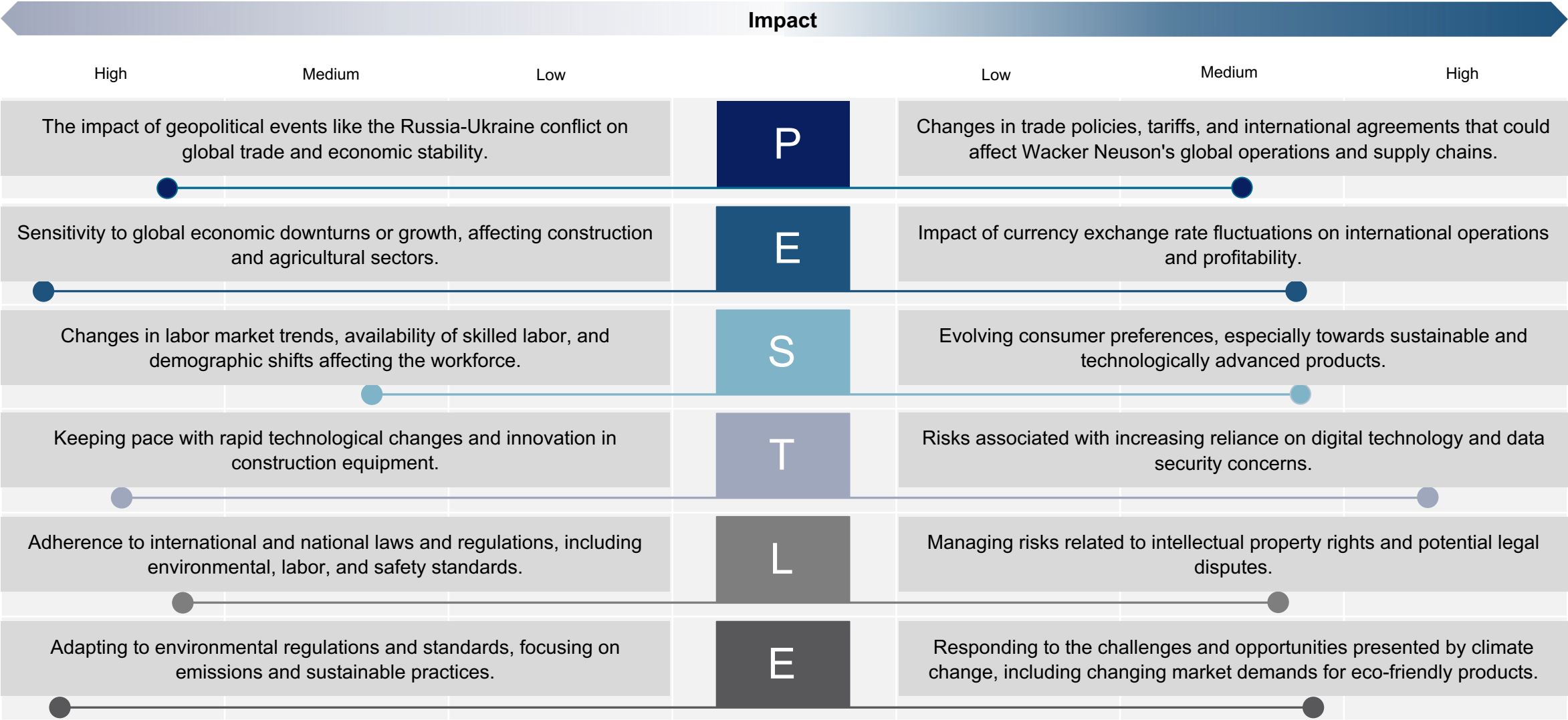
Wacker Neuson signing the initiative committed to uphold its **12 guidelines** in strategic, operative, cultural, and communicative areas.

Summary

- Wacker Neuson takes responsibility for its products' ecological impact by **addressing the environmental effects** of raw material import and processing and holds **certifications** in environmental and energy management standards.
- The company is actively **developing a sustainability strategy** based on the United Nations Sustainable Development Goals, with a focus on environmental and climate protection, aiming for **continuous improvement** in energy and environmental efficiency.
- Wacker Neuson has implemented a range of measures, including **green electricity** adoption and photovoltaic projects, to reduce its environmental footprint and enhance sustainability at various locations.

Appendix – Supplementing Materials

Pestle analysis



Risks

- O1

Increased threat of cyberattacks affecting data security and system integrity.
- O2

Shortages and supply chain disruptions affecting production timelines and costs.
- F1

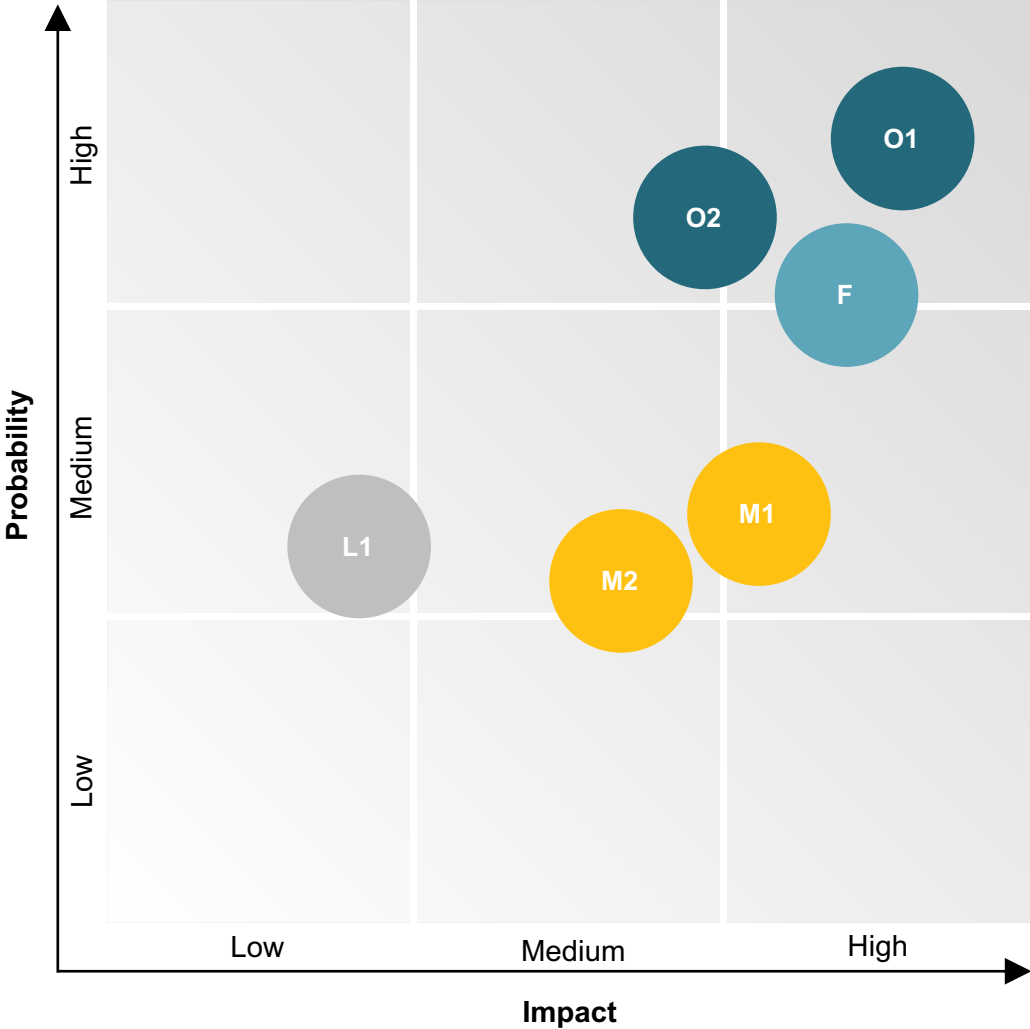
Rising costs for raw materials impacting manufacturing expenses.
- M1

Economic downturns, interest rate changes, and geopolitical issues affecting demand.
- M2

Intense competition and changing market dynamics potentially leading to lost market share.
- L1

Challenges in adhering to diverse international regulations and standards.

Operations (O) – Market (M) – Financial (F) – Legislation (L) – Workforce (W)



Appendix – Supplementing Materials

SWOT analysis

STRENGTHS

- Wacker Neuson has built a strong market position in the construction and agricultural machinery industry. This is likely due to their long-standing history, reputation for quality, and broad distribution network, which provide them with a competitive edge in the market.
- The company offers a wide array of products and services, including construction equipment, compact equipment, and services related to these products. This diversity allows them to cater to a variety of customer needs.

OPPORTUNITIES

- Forming partnerships with local firms could help Wacker Neuson expand its global footprint, leverage local expertise, and navigate regulatory landscapes more effectively.
- The shift in customer preferences towards technologically advanced products presents an opportunity for Wacker Neuson to innovate and introduce new products that align with these changing demands.



- The risk that competitors could imitate Wacker Neuson's business model and products implies that the company might need to continually innovate to stay ahead. This vulnerability can be a significant challenge in a technology-driven industry.
- Wacker Neuson faces a critical weakness in the form of escalating manufacturing expenses, primarily due to the surging prices of raw materials and transportation. This situation is further complicated by the company's limited ability to transfer these additional costs to customers through price hikes.

WEAKNESSES

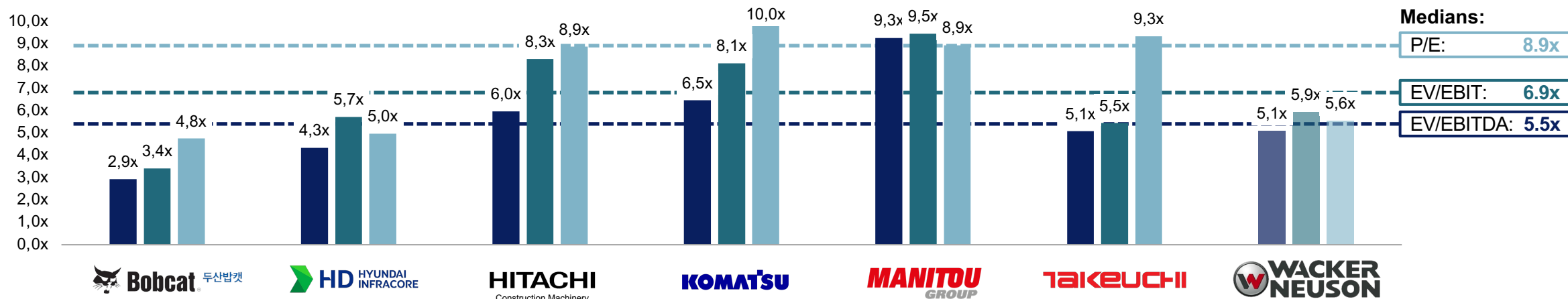
THREATS

- The rapid pace of product development in the industry puts pressure on Wacker Neuson to continuously innovate and adapt to stay competitive.
- Persistent disruptions in the supply chain and ongoing shortages in procurement markets pose a considerable threat. These issues can trigger operational delays, inflate operational costs, and potentially disrupt Wacker Neuson's ability to meet market demands efficiently.

Appendix – Valuation

Comparable companies analysis (CCA)

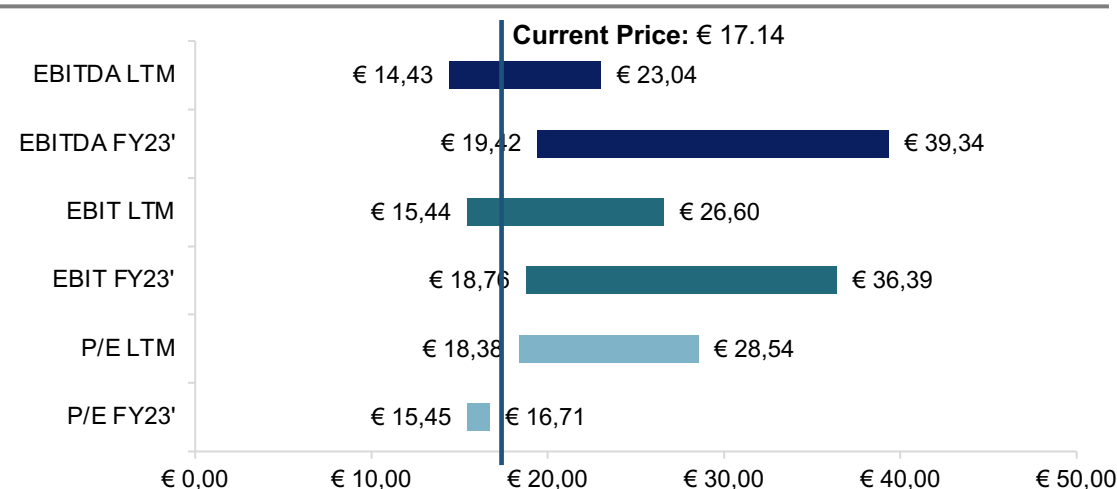
LTM Trading Multiples Overview



Peer group companies







































#	Company	Country	Revenue ¹	EBITDA ¹	Market Cap ¹
1	Doosan Bobcat Inc.		€ 7,004	€ 1,146	€ 3,248
2	HD Hyundai Infracore Co., Ltd.		€ 3,503	€ 445	€ 1,056
3	Hitachi Construction Mach. Ltd.		€ 9,214	€ 1,574	€ 5,422
4	Komatsu Ltd.		€ 25,323	€ 4,957	€ 22,981
5	Manitou BF SA		€ 2,706	€ 158	€ 788
6	Takeuchi Mfg. Co., Ltd.		€ 1,362	€ 234	€ 1,396
#	Wacker Neuson SE		€ 2,625	€ 325	€ 1,166

Implied share price ranges



Appendix – Valuation

Valuation peer group - overview

Company	 Bobcat	 HD HYUNDAI INFRACORE	 HITACHI Construction Machinery	 KOMATSU	 MANITOU GROUP	 TAKEUCHI	 WACKER NEUSON
Country	South Korea 	South Korea 	Japan 	Japan 	France 	Japan 	Germany 
Revenue (LTM)	€ 7,004 m	€ 3,503 m	€ 9,288 m	€ 25,323 m	€ 2,706 m	€ 1,362 m	€ 2,625 m
EBITDA (LTM)	€ 1,146 m	€ 445 m	€ 1,568 m	€ 4,957 m	€ 158 m	€ 234 m	€ 325 m
Margin in %	16.4 %	12.7 %	16.9 %	19.6 %	5.8 %	17.2 %	12.4 %
Product Offering	Compact ▾ 	Compact ▾ 	Compact ▾ 	Compact ▾ 	Compact ▾ 	Compact ▾ 	Compact ▾ 
	Light Equip. ▾ 	Light Equip. ▾ 	Light Equip. ▾ 	Light Equip. ▾ 	Light Equip. ▾ 	Light Equip. ▾ 	Light Equip. ▾ 
	Heavy & Other ▾ 	Heavy & Other ▾ 	Heavy & Other ▾ 	Heavy & Other ▾ 	Heavy & Other ▾ 	Heavy & Other ▾ 	Heavy & Other ▾ 
Industry Applications	<input checked="" type="checkbox"/> Construction	<input checked="" type="checkbox"/> Construction	<input checked="" type="checkbox"/> Construction	<input checked="" type="checkbox"/> Construction	<input checked="" type="checkbox"/> Construction	<input checked="" type="checkbox"/> Construction	<input checked="" type="checkbox"/> Construction
	<input type="checkbox"/> Agriculture	<input type="checkbox"/> Agriculture	<input type="checkbox"/> Agriculture	<input checked="" type="checkbox"/> Agriculture	<input checked="" type="checkbox"/> Agriculture	<input type="checkbox"/> Agriculture	<input checked="" type="checkbox"/> Agriculture
	<input checked="" type="checkbox"/> Warehouse	<input type="checkbox"/> Warehouse	<input type="checkbox"/> Warehouse	<input checked="" type="checkbox"/> Warehouse	<input checked="" type="checkbox"/> Warehouse	<input type="checkbox"/> Warehouse	<input type="checkbox"/> Warehouse
	<input type="checkbox"/> Mining	<input type="checkbox"/> Mining	<input checked="" type="checkbox"/> Mining	<input checked="" type="checkbox"/> Mining	<input type="checkbox"/> Mining	<input type="checkbox"/> Mining	<input type="checkbox"/> Mining
(Sub-) Brands	/	/	/	/	 GEHL  LOCL SPECIFIC MATERIAL HANDLING	/	 KRAMER  WEIDEMANN

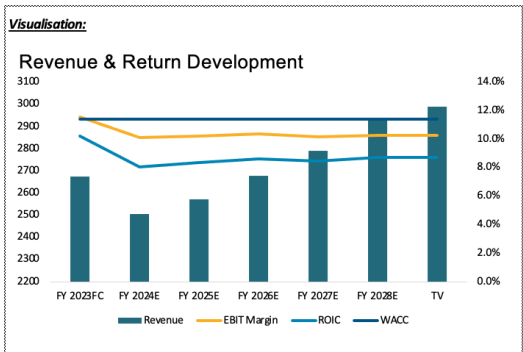
Appendix – Valuation

Valuation overview

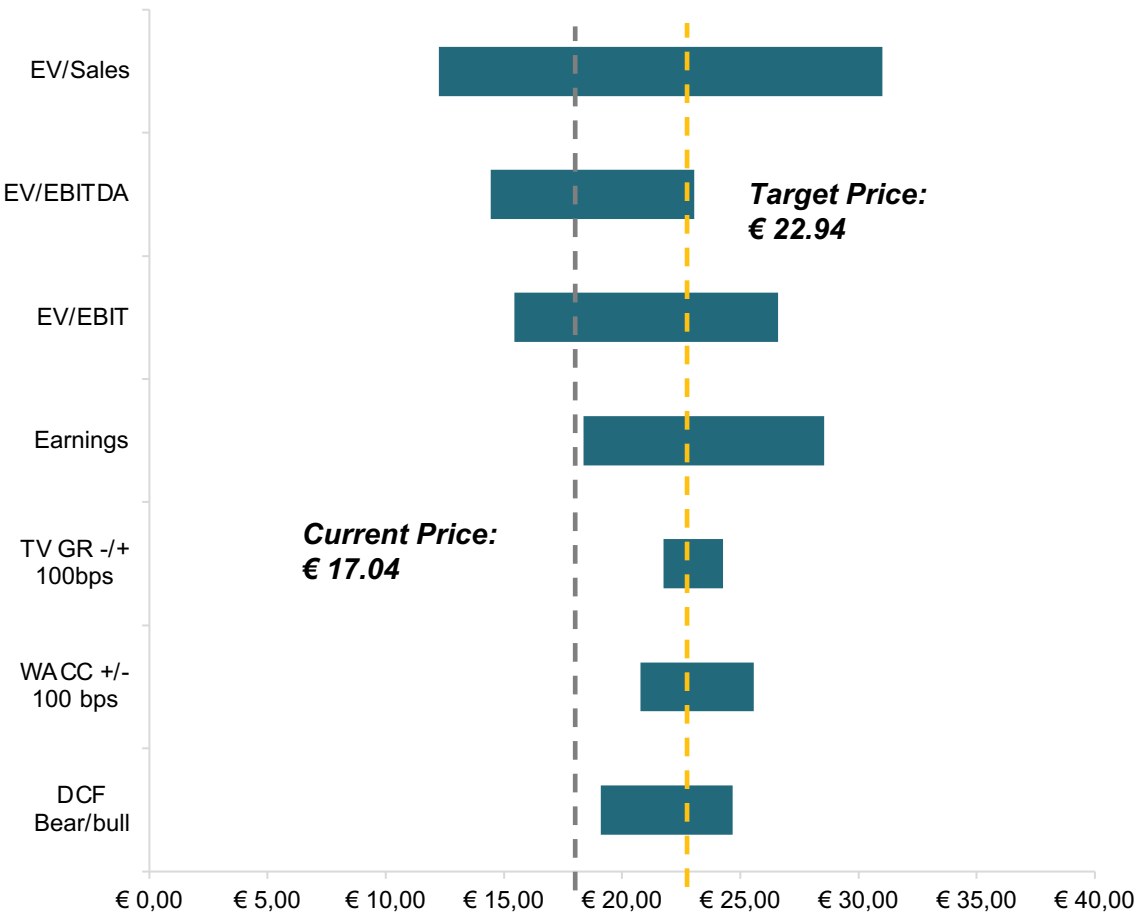
DCF

Discounted Cash Flows							
Base Case							
Currency: min EUR							
	Forecasting Period						
t	FY 2023FC	FY 2024E	FY 2025E	FY 2026E	FY 2027E	FY 2028E	TV
	0	1	2	3	4	5	5
Revenue	2674	2506	2570	2678	2789	2932	2991
EBIT	309	254	262	278	283	301	307
Tax	93	76	79	84	85	90	92
NOPLAT	217	178	184	195	198	211	215
+/- Delta NWC	-172	73	-5	-17	-16	-24	-24
+D&A	180	176	183	193	203	214	214
-CAPEX	-241	-207	-234	-249	-258	-268	-268
FCF	-17	220	127	122	127	132	136
WACC		11.42%	11.42%	11.42%	11.42%	11.42%	11.42%
Discount		0.90	0.81	0.72	0.65	0.58	0.62
DCF		198	102	88	82	77	1446
as % of EV		9.9%	5.1%	4.4%	4.1%	3.9%	72.6%

Enterprise Value Bridge:	
Implied Entity Value	1993.24
-Gross Debt	477.12
+ Cash & Cash Equivalents	66.75
+/- other items	26.00
Implied Equity Value	1608.87
Current Equity Value	1195.1856
Current Shareprice	17.04
Upside	34.61%
Implied Shareprice	22.94



Valuation Results




Appendix – Valuation

Valuation overview

WUTIS Final Pitch - February 2024 - Wacker Neuson

Company Overview

Company	
Name	Wacker Neuson SE (XFRAWAC)
Industry	Machinery, Equipment & Components
HQ	Preussenstrasse 41, MUENCHEN, BAYERN, 80809 DE
Employees	6.608
Close Price (27/01/2024)	€ 17.04
Shares Outstanding (in m)	70.140.000,00
Marketcap (in EUR)	€ 1.195.185.600,0
Ticker	WAC
Stock Exchange	Deutsche Boerse AG
IPO	2007
Valuation Date	27.01.24

Equity Research Team

Equity Research Team	Position
Emil Wolner	Head of ER
Bilakhanim Huseynli	Associate
Ekaterina Kamensova	Associate
Jan Niziolek	Associate
Jonas Sprenger	Associate
Laurenz Stempkowski	Associate
Maximilian Feiel	Analyst

Formatting

Numbers given in (Unless stated otherwise)	EUR 000.000
Hard-copied input	Blue
Formulas and links	Black
Historic	Lightgrey
Average/CAGR column	Lightgrey
Percentages %	Italics & grey

Business Description

Wacker Neuson SE manufactures and distributes light and compact equipment under the Wacker Neuson, Kramer, Weidemann, and Enar brand names in Europe, the Americas, and the Asia-Pacific. It operates through three segments: Light Equipment, Compact Equipment, and Services. The company offers internal and external vibrators for concrete compaction; rammers, vibratory plates, and rollers for soil compaction; demolition products; light towers; generators; pumps; and heaters. In addition, it offers compact equipment, including excavators, wheel loaders, telescopic wheel loaders, skid steer loaders, telehandlers, wheel and track dumpers, and backhoe loaders. The company also provides repair, maintenance, and spare parts; and used equipment as well as rental, leasing, financing, training, telematics, and e-business services. It serves construction, gardening and landscaping, rental, recycling, railroad, and industrial companies, as well as agricultural businesses and municipalities. The company was founded in 1848 and is headquartered in Munich, Germany.

Model Control Center

Select a scenario from the drop-down menu on the righthand side and the figures in the operating model, the DCF valuation and the target price will change accordingly. --->

Key Valuation Assumptions

Terminal growth rate	2,00%
WACC	11,42%
Unlevered Peer Group Beta	1,10
Tax Rate	30,00%

DCF Implied Share Price

	Upside %
Base Case	34,6%
Bull Case	44,9%
Bear Case	12,0%

DCF Implied Price € 22,94

Select Scenario

Base_Case

Scenario Valuation Summary

	Weight	Implied Price
DCF Implied Share Price	100%	€ 22,94
CCA (Trading Multiples)	0%	€ 22,61

Weighted Target Share Price € 22,94

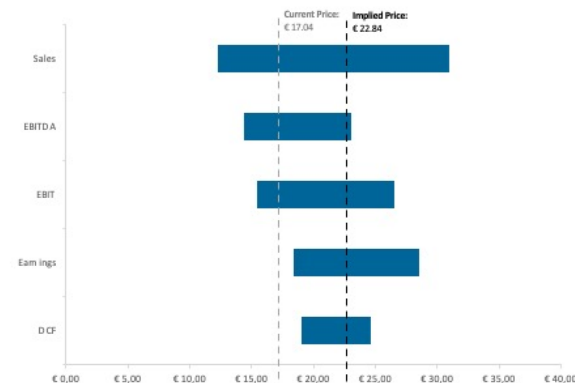
Upside/downside potential % 34,6%

Financials	2021A	2022A	2023FC	2024E	2025E	2026E	2027E	2028E
Light equipment (LE)	399	521	556	512	515	540	579	619
Compact equipment (CE)	1.063	1.305	1.649	1.574	1.582	1.638	1.695	1.755
Services	415	442	485	435	437	447	460	472
Total Revenue	1.877	2.267	2.693	2.522	2.534	2.625	2.734	2.846
YoY Growth in %	15,5%	20,7%	18,7%	-6,3%	2,6%	4,2%	4,2%	5,1%
Gross Profit	484	534	665	618	627	653	681	716
in % of Revenue	25,9%	23,7%	24,9%	24,7%	24,4%	24,4%	24,4%	24,4%
EBIT	193	202	309	254	262	278	283	301
in % of Revenue	10,3%	10,3%	9,0%	11,6%	10,1%	10,2%	10,4%	10,2%
Net Income	138	143	214	155	169	185	199	222
CAPEX	214,7	224,8	241,0	206,8	234,0	249,5	258,3	267,8
in % of Revenue	11,5%	10,0%	9,0%	8,3%	9,1%	9,3%	9,3%	9,1%
Free Cash Flow	n.a.	n.a.	(17)	220	127	122	127	132
D&A in % of CAPEX	71,3%	67,2%	74,5%	85,1%	78,0%	77,3%	78,7%	79,8%

Table of Contents

Sheet	Comment
1. Valuation	
Target Price	Calculation of Target Share Price by weighting the DCF- and CCA-implied share price
DCF	Calculation of Free Cash Flows, Enterprise and Equity Value, and Share Price
CCA	Comparable Company Analysis using Trading Multiples based on the selected Peer Group
Operating Model	Integrated planning model for the forecasting periods of 2023 to 2028
2. Cases	
Base Case Scenario	Assumptions driving the base case in the model and a live assumptions output at the top
Bull Case Scenario	Assumptions driving the bull case in the model and a live assumptions output at the top
Bear Case Scenario	Assumptions driving the bear case in the model and a live assumptions output at the top
3. Supporting Schedules	
Supporting Schedules	Calculation of Working Capital, PP&E and D&A, Leasing Assets, Interest and Debt Balance
4. WACC	
WACC Output	Calculation and Summary of WACC Components
CRP	Country Risk Premia weighted by segments
Rating	Peer Credit Rating and Synthetic Credit Rating
Credit Spread	Credit Spread Method based on Peer Group Credit Ratings
Risk Free Rate	Calculation of the Risk Free Rate using the Svensson-Yield-Curve
Beta Output	Output of the Beta Monthly 5y calculations
Peer Info	Information and financials of the peer group used in the model
5. Input	
Market Data	Market Data used for Valuation and Revenue Forecast
Historical Data	As-Reported financial statements from Wacker Neuson's annual reports

Valuation Summary



Appendix – Valuation

Operating model – P&L Statement

Base Case (In mn EUR, except per share items)	Historical Period						Forecasting Period					
	FY2017A	FY2018A	FY2019A	FY2020A	FY2021A	FY2022	FY2023FC	FY2024E	FY2025E	FY2026E	FY2027E	FY2028E
Income Statement												
Segments												
Light Equipment (LE)	423	456	485	352	399	521	558	512	515	540	579	619
Growth in %	n.a.	7,8%	6,5%	-27,5%	13,4%	30,5%	7,1%	-8,2%	0,6%	4,7%	7,3%	6,9%
Compact Equipment (CE)	809	921	1.053	879	1.063	1.305	1.649	1.574	1.582	1.638	1.695	1.755
Growth in %	n.a.	13,9%	14,3%	-16,5%	20,9%	22,7%	26,4%	-4,6%	0,5%	3,5%	3,5%	3,5%
Services	320	348	383	399	415	442	485	435	437	447	460	472
Growth in %	n.a.	8,6%	9,9%	4,3%	4,1%	6,4%	9,9%	-10,3%	0,3%	2,4%	2,8%	2,8%
Accretive Revenue Zero Emission Solutions	-	-	-	-	-	-	-	6	59	77	80	112
Growth in %	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	962,7%	30,4%	4,2%	39,8%
Cash discounts	(18)	(18)	(20)	(14)	(11)	(15)	(18)	(22)	(22)	(23)	(24)	(25)
in % of Revenues	1,1%	1,1%	1,0%	0,9%	0,6%	0,6%	0,7%	-0,9%	-0,9%	-0,9%	-0,9%	-0,9%
Total revenue	1.534	1.707	1.901	1.616	1.866	2.252	2.674	2.506	2.570	2.678	2.789	2.932
Total Revenue Growth in %	n.a.	11,3%	11,4%	-15,0%	15,5%	20,7%	18,7%	-6,3%	2,6%	4,2%	4,2%	5,1%
Cost of Sales:												
Costs of Goods Sold	(1.097)	(1.233)	(1.426)	(1.215)	(1.383)	(1.718)	(2.010)	(1.887)	(1.943)	(2.025)	(2.109)	(2.217)
Cost of Revenues	(1.097)	(1.233)	(1.426)	(1.215)	(1.383)	(1.718)	(2.010)	(1.887)	(1.943)	(2.025)	(2.109)	(2.217)
Gross Profit	437	474	475	400	484	534	665	618	627	653	681	716
in % of Sales	28,5%	27,8%	25,0%	24,8%	25,9%	23,7%	24,9%	24,7%	24,4%	24,4%	24,4%	24,4%
Selling Expenses	(199)	(220)	(225)	(228)	(179)	(222)	(243)	(238)	(244)	(251)	(264)	(277)
Research & Development Expenses	(36)	(36)	(37)	(33)	(46)	(50)	(64)	(59)	(60)	(63)	(65)	(68)
General Administrative Expenses	(77)	(73)	(76)	(71)	(74)	(81)	(94)	(92)	(92)	(96)	(101)	(106)
Other operating income	11	15	18	19	13	24	49	30	35	39	38	41
Other operating expenses	(5)	(1)	(2)	(12)	(4)	(4)	(3)	(5)	(4)	(4)	(5)	(5)
EBIT	131	160	153	76	193	202	309	254	262	278	283	301
in % of Sales	8,6%	9,4%	8,1%	4,7%	10,3%	9,0%	11,6%	10,1%	10,2%	10,4%	10,2%	10,3%
YoY Growth in %	n.a.	21,5%	-4,1%	-50,7%	155,6%	4,6%	53,4%	-17,9%	3,3%	6,1%	1,7%	6,1%
Finance income	8	63	9	9	33	36	34	6	15	20	23	27
Finance costs	(14)	(20)	(31)	(31)	(39)	(46)	(45)	(49)	(47)	(45)	(34)	(24)
Earnings before Tax	125	203	131	54	187	192	298	211,4	230,4	252,9	272,0	303,7
Income tax expense	(38)	(58)	(49)	(40)	(50)	(50)	(84)	(57)	(62)	(68)	(73)	(81)
Effective Tax Rate	30,2%	28,8%	37,3%	73,8%	26,4%	25,8%	28,1%	26,8%	26,8%	26,8%	26,8%	26,8%
Net Income for the Period	87,5	144,6	82,4	14,1	137,9	142,6	214,3	154,8	168,7	185,2	199,1	222,3

Appendix – Valuation

Operating model – Balance Sheet

Base Case	Historical Period							Forecasting Period				
(In mn EUR, except per share items)	FY2017A	FY2018A	FY2019A	FY2020A	FY2021A	FY2022	FY2023FC	FY2024E	FY2025E	FY2026E	FY2027E	FY2028E
Balance Sheet												
Current Assets												
Cash and Cash Equivalents	27	44	46	283	306	54	67	249	339	408	481	568
Other Current Financial Assets	11	16	24	46	158	41	41	41	41	41	41	41
Trade Receivables	235	303	309	222	238	301	398	366	368	376	384	396
Inventories	434	553	603	412	490	679	789	735	752	778	804	844
Long-term Assets Held for Sale	14	3	1	4	11	9	-	-	-	-	-	-
Tax Offsets	7	0	4	12	15	26	26	26	26	26	26	26
Other Current Non Financial Assets	14	23	20	17	24	31	31	29	30	31	32	34
Total Current Assets	743.0	942.4	1,006.6	996.1	1,241.7	1,141.2	1,351.2	1,446.7	1,556.1	1,659.8	1,769.0	1,905.0
Non Current Assets												
Property, Plant and Equipment	292	295	400	392	394	453	485	502	520	539	559	581
Non-current Financial Assets	-	-	145	110	19	14	14	14	14	14	14	14
Investments	-	3	12	7	4	5	-	-	-	-	-	-
Other Non-current Financial Assets	36	76	-	-	-	-	-	-	-	-	-	-
Deferred Tax Assets	42	40	38	29	29	36	36	36	36	36	36	36
Goodwill	237	238	238	229	229	233	233	233	233	233	233	233
Other Intangible Assets	126	144	166	179	189	211	234	253	265	272	275	273
Rental Equipment	120	149	166	160	192	206	209	187	192	206	221	236
Property Held as Financial Investments	27	26	25	26	24	26	26	26	26	26	26	26
Other Long-term Non-financial Assets	0	2	0	-	-	-	-	-	-	-	-	-
Total Assets	1,621.7	1,914.2	2,196.6	2,126.8	2,320.8	2,323.9	2,586.4	2,696.7	2,841.18	2,984.5	3,131.0	3,302.5
Current Liabilities												
Trade Payables	134	213	150	137	231	261	306	292	306	325	344	368
Short-term Liabilities to Financial Institutions	20	34	112	9	139	118	56	80	1	95	56	(189)
Current Portion of Long-term Borrowings	1	-	1	0	1	1	0	1	0	1	0	(1)
Short-term Leasing Liabilities	-	1	25	26	22	23	14	12	26	33	33	34
Current Tax Payable	1	29	19	33	23	12	12	12	12	12	12	12
Short-term Contract Liabilities	-	7	6	5	6	7	7	7	7	7	8	8
Short-term Provisions	17	16	18	19	21	21	21	21	21	21	21	21
Other Short-term Financial Liabilities	27	36	42	39	75	85	39	56	1	66	39	(132)
Other Short-term Non-financial Liabilities	61	47	50	49	52	59	79	74	76	80	83	87
Total Current Liabilities	260.3	382.7	421.9	316.5	567.9	587.2	534.4	555.7	450.4	638.6	595.6	207.6
Non Current Liabilities												
Long Term Financial Borrowings	156	215	372	412	295	170	295	269	408	248	315	738
Long-term Leasing Liabilities	-	3	67	57	50	55	73	95	103	105	107	109
Long-term Contracts Liabilities	-	-	4	5	7	10	10	10	10	10	10	10
Provision for Pensions and Similar Obligations	-	52	62	65	55	38	38	38	38	38	38	38
Deferred Tax Liabilities	33	35	37	44	50	62	62	62	62	62	62	62
Long-term Provisions	59	6	8	10	10	9	9	9	9	9	9	9
Shareholders' Equity												
Common Stock - Par Value	70	70	70	70	70	70	70	70	70	70	70	70
Treasury Stock - Common	-	-	-	-	(53)	(53)	(53)	(53)	(53)	(53)	(53)	(53)
Net Profit/loss	461	564	572	586	682	763	935	1,029	1,131	1,243	1,364	1,499
Other Reserves	582	588	583	562	587	614	614	614	614	614	614	614
Total Shareholders Equity	1,113.7	1,221.4	1,225.0	1,218.1	1,286.2	1,394.5	1,565.9	1,660	1,762	1,874	1,995	2,130
Total Liabilities & Shareholders Equity	1,621.7	1,914.2	2,196.6	2,126.8	2,320.8	2,323.9	2,586.4	2,696.7	2,841.18	2,984.5	3,131.0	3,302.5

Appendix – Valuation

Operating model – CF Statement

Base Case	Historical Period							Forecasting Period				
(In mn EUR, except per share items)	FY2017A	FY2018A	FY2019A	FY2020A	FY2021A	FY2022	FY2023FC	FY2024E	FY2025E	FY2026E	FY2027E	FY2028E
Cash Flow Statement												
Operating Activities												
Result before Tax	125	203	138	54	187	192	298	211	230	253	272	304
Depreciation, Amortization and Impairment of Non-current	43	41	63	88	77	72	65	82	87	90	93	96
Gains/losses from Sale of Intangible Assets and Property	(1)	(4)	(1)	(4)	(0)	0	19	16	16	17	18	19
Income from the Sale of a Real Estate Company	-	(55)	-	-	-	-	-	-	-	-	-	-
Unrealized Foreign Exchange Gains/losses	14	(6)	(10)	11	(2)	0	-	-	-	-	-	-
Tax Received/(Paid)	(26)	(35)	(53)	(17)	(57)	(74)	(84)	(57)	(62)	(68)	(73)	(81)
Changes in Other Assets	(24)	(53)	(49)	18	92	(10)	0	2	(1)	(1)	(1)	(2)
Changes in Other Liabilities	14	18	13	2	49	28	20	(5)	2	3	4	5
Financial Results	6	14	16	22	6	10	11	43	32	26	11	(3)
Changes in Rental Equipment, Net	(15)	(28)	(15)	5	(30)	(13)	(2)	21	(5)	(13)	(15)	(16)
Change in Trade Receivables	(33)	(66)	(19)	79	(12)	(57)	(97)	32	(2)	(8)	(8)	(12)
Changes in Inventories	(12)	(116)	(43)	172	(66)	(178)	(110)	53	(16)	(26)	(27)	(35)
Change in Trade Payables	43	78	(64)	(12)	91	26	44	(13)	14	18	19	24
Changes in Provisions	4	(4)	2	3	(4)	(4)	-	-	-	-	-	-
Cash Flow from Operating Activities	138	(16)	(21)	420	332	(6)	166	385	295	291	293	298
Investing Activities												
Purchase of Property Plant, and Equipment	(30)	(37)	(51)	(48)	(46)	(71)	(89)	(88)	(90)	(94)	(98)	(103)
Proceeds from Sale of Intangible Assets and Property, P	8	29	4	10	7	1	9	-	-	-	-	-
Cash Outflows for Additions to the Consolidation Structur	-	-	-	2	-	(22)	-	-	-	-	-	-
Proceeds from Disposals from the Consolidation Group	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from the Sale of a Real Estate Company	-	60	-	-	-	-	-	-	-	-	-	-
Investments in Intangible Assets	(18)	(36)	(39)	(39)	(36)	(33)	(50)	(47)	(43)	(39)	(35)	(31)
Purchase of Investments	-	-	(9)	(1)	(1)	(1)	-	-	-	-	-	-
Proceeds of Investments	-	-	-	-	9	2	5	-	-	-	-	-
Cash Inflow from Financial Investments	-	-	-	-	-	130	-	-	-	-	-	-
Cash Outflow from Financial Investments	-	-	-	(15)	(115)	-	-	-	-	-	-	-
Cash Flow from Investing Activities	(39)	15	(95)	(91)	(183)	6	(125)	(135)	(133)	(133)	(133)	(134)
Financing Activities												
Interest Paid	(9)	(7)	(14)	(13)	(11)	(11)	(45)	(49)	(47)	(45)	(34)	(24)
Interest Received	3	1	2	2	1	1	34	6	15	20	23	27
Repayment of long-term loans	-	-	-	-	-	(36)	-	-	-	-	-	-
Inflows from long-term loans	125	81	150	50	-	-	111	(306)	(76)	-	(3)	(106)
Repayment of short-term loans	(229)	(16)	(95)	(137)	(2)	(126)	(95)	322	80	-	3	111
Cash Inflow/(outflow) from short-term loans	57	-	172	30	-	3	33	33	34	35	35	36
Repayment from Lease Liabilities	-	-	(20)	(23)	(22)	(21)	(23)	(14)	(12)	(26)	(33)	(33)
Cash Outflow from Share Buyback Program	-	-	-	-	(53)	-	-	-	-	-	-	-
Dividends Paid	(35)	(42)	(77)	-	(42)	(61)	(43)	(61)	(66)	(73)	(78)	(87)
Cash Flow from Financing Activities	(88)	17	118	(92)	(129)	(251)	(28)	(68)	(72)	(89)	(87)	(76)
Other Adjustments												
Foreign Exchange Rate Effect on Cash and Cash Equival	(1)	(1)	0	1	4	(1)	-	-	-	-	-	-
Changes in Consolidation Group	-	-	-	(1)	-	1	-	-	-	-	-	-
Change in Disposal Group	-	-	-	-	(1)	-	-	-	-	-	-	-
Cash Flow Net Changes in Cash	10	17	3	237	22	(252)	13.05	183	90	68	73	88

Appendix – Valuation

WACC output and sensitivity tables

WACC Output

	2023	2024	2025	2026	2027	2028
Risk Free Rate	2,22%	2,22%	2,22%	2,22%	2,22%	2,22%
Unlevered Beta	1,10	1,10	1,10	1,10	1,10	1,10
Relevered Beta	1,45	1,45	1,45	1,45	1,45	1,45
MRP	8,00%	8,00%	8,00%	8,00%	8,00%	8,00%
CRP Equity	0,28%	0,28%	0,28%	0,28%	0,28%	0,28%
Cost of Equity	14,14%	14,14%	14,14%	14,14%	14,14%	14,14%
Risk Free Rate	2,22%	2,22%	2,22%	2,22%	2,22%	2,22%
Credit Spread	2,05%	2,05%	2,05%	2,05%	2,05%	2,05%
CRP Debt	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
Cost of Debt	4,27%	4,27%	4,27%	4,27%	4,27%	4,27%
Tax Rate	30,00%	30,00%	30,00%	30,00%	30,00%	30,00%
Cost of Debt after tax	2,99%	2,99%	2,99%	2,99%	2,99%	2,99%
D/E Ratio	32,32%	32,32%	32,32%	32,32%	32,32%	32,32%
Equity Ratio	75,57%	75,57%	75,57%	75,57%	75,57%	75,57%
Debt Ratio	24,43%	24,43%	24,43%	24,43%	24,43%	24,43%
WACC	11,42%	11,42%	11,42%	11,42%	11,42%	11,42%

Comments:	
Svensson Method. German 30yr treasury	
Peer Median	
Without taxshield	
Damodaran. Inkl. Volatility Adjustment. Net of Europe (implied in MRP)	
Svensson Method. German 30yr treasury	
Capital IQ z-spreads. 30yr BBB Materials curve	
Debt CRP is assumed to be 0 as financing takes place via german holding	
Tax Rate Germany	
Equity Value/Net Debt	

Sensitivities

WACC & TV						
WACC		TV Growth Rate				
		1,5%	1,8%	2,0%	2,3%	2,5%
	9,9%	25,48	26,28	27,12	28,02	28,97
	10,4%	24,11	24,82	25,57	26,37	27,21
	10,9%	22,87	23,51	24,18	24,90	25,66
	11,4%	21,75	22,33	22,94	23,58	24,26
	11,9%	20,73	21,26	21,81	22,39	23,01
	12,4%	19,79	20,28	20,79	21,32	21,88
	12,9%	18,94	19,38	19,85	20,33	20,85

WACC & TV EBIT Margin						
WACC		TV EBIT Margin				
		9,8%	10,0%	10,3%	10,5%	10,8%
	9,9%	25,23	26,17	27,12	28,06	29,00
	10,4%	23,79	24,68	25,57	26,45	27,34
	10,9%	22,51	23,35	24,18	25,02	25,86
	11,4%	21,35	22,15	22,94	23,73	24,52
	11,9%	20,31	21,06	21,81	22,56	23,32
	12,4%	19,35	20,07	20,79	21,50	22,22
	12,9%	18,48	19,16	19,85	20,53	21,21

TV Growth Rate & TV EBIT Margin						
TV Growth Rate		TV EBIT Margin				
		9,8%	10,0%	10,3%	10,5%	10,8%
	0,5%	18,35	19,02	19,69	20,37	21,04
	1,0%	19,25	19,96	20,67	21,38	22,09
	1,5%	20,25	21,00	21,75	22,50	23,24
	2,0%	21,35	22,15	22,94	23,73	24,52
	2,5%	22,58	23,42	24,26	25,10	25,94
	3,0%	23,95	24,85	25,74	26,64	27,54
	3,5%	25,50	26,46	27,41	28,37	29,33

Appendix – Valuation

CCA overview and EV calculation

Comparable Company Analysis

Overview in € - Forward Year 2024				Market Cap (m€, current)	Sales	EBITDA	EBIT	Net Income	EV/Sales	EV/EBITDA	EV/EBIT	P / E
				SP_MARKETCAP	SP_TOTAL_REV	SP_EBITDA	SP_EBIT	SP_NET_INC				
1.	Doosan Bobcat Inc.	South Korea	KOSE:A241560	3,247.8	7,004.3	1,146.0	986.8	704.6	0.5x	2.9x	3.4x	5.3x
2.	HD Hyundai Infracore Co., Ltd.	South Korea	KOSE:A042670	1,056.0	3,503.0	444.7	336.9	219.0	0.6x	4.6x	6.1x	5.1x
3.	Hitachi Construction Machinery Co., Ltd.	Japan	TSE:6305	5,422.0	9,213.7	1,574.2	1,132.3	719.3	1.2x	8.0x	11.5x	n.a.
4.	Komatsu Ltd.	Japan	TSE:6301	22,981.1	25,323.1	4,956.8	3,944.3	2,651.6	1.4x	8.1x	10.5x	n.a.
5.	Manitou BF SA	France	ENXTPA:MTU	788.2	2,706.4	157.5	127.0	88.4	0.4x	4.6x	6.0x	5.9x
6.	Takeuchi Mfg. Co., Ltd.	Japan	TSE:6432	1,395.6	1,361.9	234.5	218.7	159.5	1.0x	8.2x	9.2x	n.a.
#	Wacker Neuson SE	Germany	XTRA:WAC	1,165.8	2,625.3	324.7	276.5	210.0	0.6x	4.2x	5.6x	5.7x

FQ0													
Enterprise Value Calculation				Market Capitalization				Net Debt				EV	
#	Peer Company	Country	Ticker	Currency	Share Price	Shares Out (m)	Market Cap (m)	Total Debt	CCE & ST Inves	Minority Inter	Preferred share	EV (CIQ)	Enterprise Value
					SP_PRICE_CLOSE	SP_LATEST_SHARES_OUT		IQ_TOTAL_DEBT	IQ_CASH_ST_INVEST	IQ_MINORITY_INTER	IQ_TOTAL_PREF_EQL	IQ_TEV	
1.	Doosan Bobcat Inc.	South Korea	KOSE:A241560	KRW	47,000.00	100.2	4,707,175.8	1,458,074.1	1,428,437.3	n.a.	n.a.	4,736,812.6	4,736,812.6
2.	HD Hyundai Infracore Co., Ltd.	South Korea	KOSE:A042670	KRW	7,670.00	199.5	1,530,461.2	1,543,548.8	361,184.9	-1,912.1	n.a.	2,710,913.1	2,710,913.1
3.	Hitachi Construction Machinery	Japan	TSE:6305	JPY	4,097.00	212.7	871,323.9	663,552.0	153,165.0	45,930.0	n.a.	1,427,640.9	1,427,640.9
4.	Komatsu Ltd.	Japan	TSE:6301	JPY	3,904.00	946.0	3,693,079.9	1,225,198.0	322,296.0	151,560.0	n.a.	4,747,541.9	4,747,541.9
5.	Manitou BF SA	France	ENXTPA:MTU	EUR	20.60	38.3	788.2	439.0	26.3	0.6	n.a.	1,201.5	1,201.5
6.	Takeuchi Mfg. Co., Ltd.	Japan	TSE:6432	JPY	4,705.00	47.7	224,275.0	0.0	44,820.0	n.a.	n.a.	179,455.0	179,455.0
#	Wacker Neuson SE	Germany	XTRA:WAC	EUR	17.14	68.0	1,165.8	506.0	28.4	n.a.	n.a.	1,643.4	1,643.4

Appendix – Valuation

Trading multiples

					Revenue			EBITDA					EBIT			Net Income		
Peer Group Financials					--> Sum of last 4 quart.	Consensus		Historic			Consensus		Actual	Consensus		Actual	Consensus	
#	Peer Company	Country	Ticker	Currency	LTM	FY2023	FY2024	LTM	LTM	LTM (calc)	FY2023	FY2024	LTM	FY2023	FY2024	LTM	FY2023	FY2024
						SP_REV_EST	SP_REV_EST_LTBIDTA_REPORTED	IQ_EBITDA			SP_EBITDA_EST	SP_EBITDA_EST	IQ_EBIT	SP_EBIT_EST	SP_EBIT_EST_LQ_NET_INC_PARENT	SP_NI_EST	SP_NI_EST	
1.	Doosan Bobcat Inc.	South Korea	KOSE:A241560	KRW	9,827,131.2	9,852,463.0	9,873,460.3	n.a.	1,607,826.8	1,607,826.8	1,629,131.3	1,469,951.9	1,384,455.0	1,389,217.4	1,210,141.9	988,604.7	894,725.0	810,804.3
2.	HD Hyundai Infracore Co., Ltd.	South Korea	KOSE:A042670	KRW	4,914,777.8	4,752,050.0	5,006,040.0	n.a.	623,929.6	623,929.6	586,750.0	579,250.0	472,657.6	444,025.0	469,140.0	307,423.5	301,980.0	317,400.0
3.	Hitachi Construction Machinery	Japan	TSE:6305	JPY	1,397,089.0	1,229,604.9	1,373,161.4	n.a.	238,704.0	238,704.0	179,276.0	228,997.1	171,697.0	123,608.5	170,702.4	98,194.0	n.a.	n.a.
4.	Komatsu Ltd.	Japan	TSE:6301	JPY	3,747,734.0	3,458,799.0	3,741,685.1	n.a.	733,589.0	733,589.0	585,992.2	724,014.4	583,742.0	453,314.3	573,102.8	369,378.0	n.a.	n.a.
5.	Manitou BF SA	France	ENXTPA:MTU	EUR	2,706.4	2,861.1	2,934.4	129.7	157.5	129.7	261.5	262.1	127.0	200.4	193.4	88.2	133.4	133.3
6.	Takeuchi Mfg. Co., Ltd.	Japan	TSE:6432	JPY	204,871.0	176,802.9	205,378.6	n.a.	35,269.8	35,269.8	21,816.8	34,200.0	32,891.0	19,611.4	33,029.2	23,996.0	n.a.	n.a.
#	Wacker Neuson SE	Germany	XTRA:WAC	EUR	2,625.3	2,674.2	2,502.6	322.0	324.7	322.0	390.9	312.4	276.5	291.2	209.9	210.0	203.5	143.2

					Revenue			EV/EBITDA			EV/EBIT			Price/Earnings		
Trading Multiples					Actual	Consensus		Actual	Consensus		Actual	Consensus		Actual	Consensus	
#	Peer Company	Country	Ticker	Currency	LTM	FY 2023E	FY 2024E	LTM	FY 2023E	FY 2024E	LTM	FY 2023E	FY 2024E	LTM	FY 2023E	FY 2024E
1.	Doosan Bobcat Inc.	South Korea	KOSE:A241560	KRW	0.5x	0.5x	0.5x	2.9x	2.9x	3.2x	3.4x	3.4x	3.9x	4.8x	5.3x	5.8x
2.	HD Hyundai Infracore Co., Ltd.	South Korea	KOSE:A042670	KRW	0.6x	0.6x	0.5x	4.3x	4.6x	4.7x	5.7x	6.1x	5.8x	5.0x	5.1x	4.8x
3.	Hitachi Construction Machinery	Japan	TSE:6305	JPY	1.0x	1.2x	1.0x	6.0x	8.0x	6.2x	8.3x	11.5x	8.4x	8.9x	n.a.	n.a.
4.	Komatsu Ltd.	Japan	TSE:6301	JPY	1.3x	1.4x	1.3x	6.5x	8.1x	6.6x	8.1x	10.5x	8.3x	10.0x	n.a.	n.a.
5.	Manitou BF SA	France	ENXTPA:MTU	EUR	0.4x	0.4x	0.4x	9.3x	4.6x	4.6x	9.5x	6.0x	6.2x	8.9x	5.9x	5.9x
6.	Takeuchi Mfg. Co., Ltd.	Japan	TSE:6432	JPY	0.9x	1.0x	0.9x	5.1x	8.2x	5.2x	5.5x	9.2x	5.4x	9.3x	n.a.	n.a.
#	Wacker Neuson SE	Germany	XTRA:WAC	EUR	0.6x	0.6x	0.7x	5.1x	4.2x	5.3x	5.9x	5.6x	7.8x	5.6x	5.7x	8.1x
Q1					0.5x	0.5x	0.5x	4.5x	4.6x	4.6x	5.5x	6.0x	5.5x	6.0x	5.2x	5.3x
Median					0.7x	0.8x	0.7x	5.5x	6.3x	5.0x	6.9x	7.6x	6.0x	8.9x	5.3x	5.8x
Average					0.8x	0.8x	0.8x	5.7x	6.1x	5.1x	6.8x	7.8x	6.3x	7.8x	5.4x	5.5x
Q3					1.0x	1.1x	1.0x	6.3x	8.1x	6.0x	8.3x	10.1x	7.8x	9.2x	5.6x	5.9x

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