

# Keep on truckin'

C&a

face to face

Cranes & Access talks to Herbert Ortner, the recently appointed CEO of Palfinger about its acquisition of Wumag and its core crane business.

The appointment of Herbert Ortner as the new chief executive of Palfinger is something of a surprise. Not in his choice but the fact that previous CEO Wolfgang Anzenbruber decided to leave so soon after his five year contract was renewed. However with the senior position at Verbund - Austria's biggest energy company - on offer, few questioned the move when the opportunity arose.

€30 million. Palfinger's strategy is to be a top three player in all of its sectors.

Wumag itself had been in Palfinger's sights for several years.

The combination of a family-owned business with no natural successor meant that when it did come up for sale, Palfinger wasted no time in completing the purchase process.

But with a considerable product overlap - is it a good fit?

"Wumag has a good reputation with large platforms and has concentrated its R&D over the

last few years in this area," says Ortner. "Bison's largest platform is 61 metres but we have concentrated our development work on the 3.5 tonne TA platform in recent years. We think that Wumag's machines in this sector - the WT22 for example - is not as competitive."

"With the Wumag and Bison brands so strong, we will of course keep

both but there will obviously be some model rationalisation. The two brands will not be integrated in the short term and will be run as separate business units."

Some business areas, such as sales, will however be merged immediately offering a wider product offering to customers and the company will be looking for synergies such as finance and administration which may be bundled together.

Similar component suppliers will also be rationalised but Ortner says he will not be destroying structures.

"Wumag has 300 employees in three different locations - two of which are within 15 minutes of Bison," said Ortner. "The staff have made Wumag what it is and we intend to retain all of its employees - from the welders to

senior management. They have said that they are all happy to continue working for the new company and we intend to keep all of its facilities - we need the production capacity."

The addition of Wumag means that the expanded access group now has revenues in excess of €75 million and according to Ortner takes between 60-80 percent of the truck mounted market in Germany - its largest. Wumag had revenues of €44 million in 2007.

With the interest in 100 plus metre platforms what are the plans for the large truck mounted platforms?

"We plan to offer machines for customer needs and not necessarily 'the biggest'" says Ortner. "The WT1000 is a specifically designed product for the chassis and therefore the

platform height cannot be easily increased."

Loader cranes have historically been the mainstay of the Palfinger business. However, over the last 10 years, the company has diversified into many different areas so that currently the lorry loader business is just 65 percent of its total revenues.

"Loader cranes are having a lean time in markets such as North America and Spain, however South America is booming and Russia has great potential," he said. Without giving out specific



Herbert Ortner

figures - like many in this sector Palfinger doesn't reveal exact figures - Ortner implied that crane production was in the region of 15,000 units last year, giving it a share of almost 30 percent and making it market leader ahead of Hiab with Fassi coming up fast in third place.

"We have now sorted out our production problems and capacity is now good. We have a comfortable profitability with EBIT margins of 13 to 14 percent, equity is more than 50 percent and gearing is just over 30 percent. Acquisition is always one part of our growth strategy but always profitability before revenues," he said. "And we are always looking at the long term and building successful partnerships."

"The Wumag products complete our product range," he said. "We now have a market share of about 15 percent in Central Europe which makes us market leader in truck mounted access platforms in the region."



The addition of Wumag gives Palfinger a range of platforms from 11-103 metres



A Bison TKA 35KS

Ortner was already the company's chief marketing officer and a member of the advisory board and therefore ideal to take over, particularly as Palfinger has a policy of promoting from within. Like Anzenbruber, he has a five year contract.

Although a sales and marketing background and position, Ortner has also been involved along with the three other board members in corporate strategy and the acquisitions of Bison, MBB and very recently the truck mounted platforms of Wumag GmbH - which has recently been approved by the German and Austrian anti-trust authorities.

In the truck mounted platform sector, Bison was the first acquisition four years ago and the then €10 million company has since been integrated and grown to



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