### Contents

- **Introductory Remarks by the Family Shareholders**  
  Page 6

- **Brief Portrait of the Group**  
  Page 9

- **Progress and Outlook**  
  The Group in 2019  
  Page 18

- **Reports on the Divisions**  
  Earthmoving  
  Page 28  
  Mining  
  Page 30  
  Mobile Cranes  
  Page 32  
  Tower Cranes  
  Page 34  
  Concrete Technology  
  Page 36  
  Maritime Cranes  
  Page 38  
  Aerospace and Transportation Systems  
  Page 40  
  Gear Technology and Automation Systems  
  Page 42  
  Domestic Appliances  
  Page 44  
  Components  
  Page 46

- **Group Companies**  
  Page 49

- **Consolidated Financial Statements**  
  Consolidated Balance Sheet  
  Page 58  
  Consolidated Income Statement  
  Page 59  
  Consolidated Statement of Comprehensive Income  
  Page 60  
  Consolidated Statement of Changes in Equity  
  Page 60  
  Consolidated Cash Flow Statement  
  Page 61  
  Notes to the Consolidated Financial Statements  
  Page 62  
  Report of the Statutory Auditor  
  Page 82  
  Five-Year Summary  
  Page 83
Dear readers,

2019 was another very successful year for the Liebherr Group. Our total revenues exceeded the €11 billion mark, making it the third record-breaking year in a row for our family-owned business. We are pleased to report that all divisions made a positive contribution towards this excellent result. We particularly owe this success to our customers and at this point would like to thank them sincerely for the trust they place in us, and for the many partnerships, many of which have lasted for years. We would not be looking at such successful year-end results if it were not for our more than 48,000 employees across the globe. They work tirelessly every day to further the company’s success. We want to take this opportunity to express our sincere gratitude for their commitment, creativity and loyalty. So how should we interpret these results, which are once again the best in our company’s history? We have been able to draw two main conclusions. Firstly, we believe that our emphasis on long-term thinking and action puts us in a strong position to continually provide our customers with a level of service they can always rely on. We do not envisage that this will change in any way in the future. Secondly, we believe that this year’s record results are rooted in our innovative strength, which we continually drive forward for the benefit of our customers. Our goal is to play a pivotal role in shaping industry trends over the long term and to make things possible for our customers that were previously not considered possible. Things that will make everyday life easier for everyone.
We were certainly able to live up to this commitment during 2019. Each division has brought many new solutions to market which deliver genuine added value. When we develop and manufacture our products, we always focus strongly on efficiency, cost effectiveness, operability, user-friendliness, operational safety, quality and environmental sustainability. We always keep an eye on the technological advancements of the future, which drives forward our work on digital solutions, cutting-edge, alternative drive systems, and new materials and processes. We have also re-invested significantly in our sales and service infrastructure to bring us as close to our customers as possible.

For the fiscal year 2020, a reliable forecast is currently not possible due to the worldwide occurrence of the coronavirus. We know that the year 2020 will be challenging. However, we also know that we will continue to provide reliable support for our customers, partners and employees.

Dr. h. c. Dipl.-Kfm. Isolde Liebherr  Dr. h. c. Dipl.-Ing. (ETH) Willi Liebherr

Presiding Committee of the administrative board of Liebherr-International AG
Brief Portrait of the Group
Today, Liebherr is not only among the world’s largest manufacturers of construction machinery, but is an acknowledged supplier of technically advanced, user-oriented products and services in many other fields of activity as well. The Group’s holding company, Liebherr-International AG, which is based in Bulle (Switzerland), is wholly owned by members of the Liebherr family. The Liebherr Group’s corporate culture has been determined from its earliest days by its family ownership. For more than 70 years, Liebherr has demonstrated what this means in terms of stability and trustworthiness, and has striven for a close long-term relationship with its customers and business associates.

Hans Liebherr established the company that bears his name in 1949. Since then it has grown into a Group of more than 140 companies on all continents, employing 48,049 people at the latest count.

Liebherr shapes technological progress and aims to retain its position at the leading edge of future technology. All its activities have top quality as their central element. This principle is upheld by all the Group’s employees in their day-to-day work. Liebherr’s products are the outcome of its passion and dedication: tailor-made solutions that take the customers’ needs and wishes as their starting point.

48,049 employees
>140 companies
11 divisions
>40 production companies
11,750 € m turnover
756 € m investments

Principal locations of Liebherr companies
The Group’s Divisions

- Earthmoving
- Mining
- Mobile Cranes
- Tower Cranes
- Concrete Technology
- Maritime Cranes
- Aerospace and Transportation Systems
- Gear Technology and Automation Systems
- Domestic Appliances
- Components
- Hotels
The Liebherr Group is wholly owned by members of the Liebherr family, and this situation is not about to change. The Group and the family are inseparable. Value-oriented corporate culture ensures close links among the employees, and inspires confidence among customers and business associates.

Hans Liebherr established the original company, and his ideas and untiring personal effort were the elements that led to its successful growth and sound structural basis. Liebherr has demonstrated its stability and trustworthiness for more than 70 years, and these vital factors derive from the personal efforts of its proprietors and the corporate character of a family-owned business enterprise, the independence of which gives Liebherr ample freedom in all its actions and the decisions it takes. The shareholders in the family-owned group are Hans Liebherr’s children and grandchildren, who play an active part in the management of various Group divisions. They uphold his tradition and ensure security and continuity.

The family, as the Group shareholders, is conscious of its business responsibility and pursues a clear, well-structured path that points the way toward sound ongoing development. Job security for the workforce and consistent integrity in business activity are elements of major importance in corporate management.

Liebherr-International AG: Company Information

<table>
<thead>
<tr>
<th>Head office</th>
<th>CH-1630 Bulle/FR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital</td>
<td>CHF 100,000,000</td>
</tr>
<tr>
<td>Shareholders</td>
<td>Liebherr family (100%)</td>
</tr>
<tr>
<td>Administrative board</td>
<td></td>
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<tr>
<td></td>
<td>Dr. h. c. Willi Liebherr, Chairman</td>
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<tr>
<td></td>
<td>Dr. h. c. Isolde Liebherr, Vice-Chairman</td>
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<tr>
<td></td>
<td>Hubert Liebherr</td>
</tr>
<tr>
<td></td>
<td>Sophie Albrecht</td>
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<tr>
<td></td>
<td>Jan Liebherr</td>
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<tr>
<td></td>
<td>Patricia Ruef</td>
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<td></td>
<td>Stéfanie Wohlfarth</td>
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<tr>
<td></td>
<td>Johanna Platt</td>
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<tr>
<td></td>
<td>Philipp Liebherr</td>
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<td>Managing directors</td>
<td></td>
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<tr>
<td></td>
<td>Andreas Boehm</td>
</tr>
<tr>
<td></td>
<td>Stephan Raemy</td>
</tr>
<tr>
<td></td>
<td>Uwe Rechtsteiner</td>
</tr>
<tr>
<td></td>
<td>Dr. Rolf Geyer</td>
</tr>
<tr>
<td>Auditors</td>
<td>Ernst &amp; Young AG, Berne</td>
</tr>
</tbody>
</table>

From generation to generation

Liebherr is thus an independent family-owned business enterprise that is now managed jointly by members of the second and third generation. This continuity is a characteristic of the Group and a firm foundation for its success.

The highest level of decision-taking and management within the Group is a committee of partners made up entirely of members of the Liebherr family. All fundamental and strategic questions come before this body.

In addition to Dr. h.c. Willi Liebherr and his sister Dr. h.c. Isolde Liebherr, members of this policymaking body are Jan Liebherr, Stéfanie Wohlfarth, Sophie Albrecht, Patricia Ruef, Johanna Platt and Philipp Liebherr, all representing the third Liebherr family generation. The active part played by the children and grandchildren of company founder Dr.-Ing. E.h. Hans Liebherr guarantees management continuity and will ensure that the Group remains insolubly linked with the Liebherr family in the future.
The family shareholders active in the Liebherr Group

Dr. h. c. Willi Liebherr
Chairman of the administrative board of Liebherr-International AG

Dr. h. c. Isolde Liebherr
Vice-Chairman of the administrative board of Liebherr-International AG

Jan Liebherr
Member of the administrative board of Liebherr-International AG

Stéfanie Wohlfarth
Member of the administrative board of Liebherr-International AG

Sophie Albrecht
Member of the administrative board of Liebherr-International AG

Patricia Ruef
Member of the administrative board of Liebherr-International AG

Johanna Platt
Member of the administrative board of Liebherr-International AG

Philipp Liebherr
Member of the administrative board of Liebherr-International AG
The Group’s business model

User value
For more than 70 years, Liebherr, as an independent family-owned group of companies, has stood for a high standard of user-oriented products and services in many technical areas. The Group offers customers all over the world, and in many different business sectors, access to leading-edge, innovative technologies with all the benefits of tailor-made solutions and genuine user benefits in the product and service areas.

Products and customer segments
The Group offers customers from the construction industry a construction machinery range that is unmatched in its breadth and depth. Liebherr develops, produces and distributes an extensive range of large hydraulic excavators and large mining trucks for the extraction industry. The Group also develops, produces and distributes a wide variety of cranes for material handling in the maritime sector. In the machine building and plant construction fields, the Group’s activities extend to machine tools, automation systems and engineering projects. The aerospace and transportation systems segment covers equipment for aircrafts, rail vehicles and buses. In addition, Liebherr produces a wide variety of refrigeration and freezing equipment for domestic and commercial use. In the components field, the Group specialises in mechanical, hydraulic and electrical drive systems and control technology products that are used in a wide range of industries. Liebherr also operates six hotels in Ireland, Germany and Austria.

Distribution channels
Products and services are supplied by way of a wide-spread network of Group-owned sales and service companies, and also through reputable partners with which Liebherr has enjoyed many years of loyal cooperation.

Customer relations
Liebherr aims to build up and maintain close cooperation with its customers and business associates over a period of years or decades. Its aim is to respond quickly, flexibly and reliably to their needs and satisfy them by supplying top-quality technologies. This close relationship with customers and the high value that Liebherr attaches to user benefit are keys to the Liebherr Group’s success and a firm element in its corporate tradition as a family-owned business.

Key activities
The Liebherr Group develops, produces and sells innovative products and services.

Key resources/added value chain and key partnerships
Liebherr invests considerably in research and development. To develop its capabilities, the Group undertakes partnerships with universities of applied science and similar institutions all over the world.

A network of more than 40 ultra-modern production plants in 17 countries and many years of cooperation with suppliers within and outside the Liebherr Group have put it in a position to offer innovative products of impressive quality at competitive prices. Well-planned parts supply logistics and high standards of aftersales service are the final decisive links in the Liebherr business model.

Liebherr dedicates itself to mastery of key technologies down to the smallest detail, and can therefore claim a high degree of independence in technological areas.

Liebherr has a high equity ratio and operates on the principle that the Group’s growth should be predominantly organic, achieved through its own intrinsic strength.
Earnings and cost structure
Liebherr generates its earnings from product sales and rentals and from the supply of services.

Certain divisions within the Liebherr Group profit from economies of scale as their production volume rises. Others are more closely focused on the development of tailor-made solutions for individual customers. In such cases Liebherr concentrates on the creation of additional premium value for its customers and supplies services with a high degree of specific client relevance. The Liebherr Group benefits from synergies that derive from its broad product portfolio, its mastery of key technologies and other factors. The supply chain is global in character.

With its 11 divisions the Group pursues a policy of diversification that makes it independent of economic fluctuations in individual business sectors or markets. The profits earned by the Group are reinvested internally with the aim of achieving long-term success in line with its management perspective.

Organisational structure
The Group’s holding company is Liebherr-International AG with its registered office in Bulle (Switzerland). The corporate structure ensures a unified approach to questions of central importance and permits a rapid response to market requirements at divisional level. The Group’s decentralised structure offers a number of advantages. Besides customer proximity, the ability to adapt quickly to changes is made possible, since a minimum of hierarchical levels encourages the implementation of new ideas with no loss of time. Divisional management companies are responsible for overall operative management in the various product areas.

A customer service on a 630 EC-H tower crane wind turbine in Mallerstetten near Nuremberg (Germany)
Progress and Outlook

The Group in 2019
The Liebherr Group reported record sales in 2019, with revenues of € 11,750 million. This represents an increase of € 1,199 million, or 11.4 %, compared to the previous year.
+11.4%
€ 11,750 m
€ +1,199 m

Turnover worldwide € m

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>% Change</th>
</tr>
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<tbody>
<tr>
<td>2015</td>
<td>9,237</td>
<td>+4.7%</td>
</tr>
<tr>
<td>2016</td>
<td>9,009</td>
<td>-2.5%</td>
</tr>
<tr>
<td>2017R*</td>
<td>9,812</td>
<td>+8.9%</td>
</tr>
<tr>
<td>2018</td>
<td>10,561</td>
<td>+7.5%</td>
</tr>
<tr>
<td>2019</td>
<td>11,750</td>
<td>+11.4%</td>
</tr>
</tbody>
</table>

* Restatement first time adoption of IFRS 9/15/16

Europe
+10.6%
€ 7,186 m
€ +688 m

Asia and Oceania
+11.0%
€ 1,711 m
€ +169 m

Africa / Near and Middle East
+4.1%
€ 685 m
€ +27 m

there of Non-EU countries
+11.1%
€ 1,031 m
€ +103 m
Overall economic performance
According to the International Monetary Fund, global economic growth slowed by 3.0% in 2019, reaching its lowest point since the 2008–2009 financial crisis. Industrial countries experienced 1.7% growth, slightly below the level from the year before. Growth among emerging and developing economies topped out at 3.9% for the year, representing a slight slow-down compared to 2018. The US economy grew by 2.4%, which was also weaker than in the previous year. The downturn extended to the eurozone as well, where growth of 1.2% also fell short of the previous year’s level. The World Trade Organisation also reported a significant decline in international trade. The main causes behind these unfavourable developments have been geopolitical tensions, including the Brexit negotiations and the ongoing trade conflict between the US and China.

Sales performance by product area
Despite political instabilities and the general decline in economic growth, the Liebherr Group managed to break its own sales record for the third year in a row. Growth was evenly distributed among the Construction Machines and Mining divisions, along with the other product areas. The Group’s sales in construction and mining machinery reached € 7,640 million, an € 807 million (11.8%) increase compared to the year before. This included the Earthmoving, Mobile Cranes, Tower Cranes, Concrete Technology and Mining divisions. For the other product areas, including the Maritime Cranes, Aerospace and Transportation Systems, Gear Technology and Automation Systems, Domestic Appliances as well as the Components and Hotels divisions, combined sales reached € 4,110 million, a € 392 million (10.5%) increase over the year before.

At Bauma 2019, the Liebherr exhibition stand was one of the largest trade fair stands worldwide with 14,000 m² and around 100 exhibits.
Progress and Outlook

Sales performance by region
The Group owes its success last year to an increase in sales in almost all regions. Within the European Union, traditionally the Group’s strongest market, sales rose once again. This is especially due to favourable growth in Germany and France, as well as in other countries including Spain and Denmark. There was also a significant increase in sales in other European countries, driven in part by strong growth in Russia and Norway. The most significant gains were in North America, where sales rose in the US as well as Canada. There were similar positive developments in Asia and Oceania. Performance was especially bolstered by strong growth in Australia, China, Singapore and Japan. Although not as strong as in other regions, there was still growth in Africa and the Near and Middle East. This is offset by slight declines in Central and South America.

Net result for the year
For 2019, the Liebherr Group reported a net profit of €429 million, an increase over the year before. The operating result fell slightly compared to 2018. However, financial results for the year were very positive.
Employees

The qualifications, enthusiasm and commitment of the Group's employees make a key contribution to its business success. Liebherr’s long-term commitment to its employees is in keeping with its tradition as a family-owned company.

At the end of 2019, the Group employed 48,049 people worldwide. This represents an increase of 1,880 (4.1 %) compared to the year before. The number of employees significantly increased in Europe and North America. The Group also hired many new employees in Central and South America, Asia and Oceania, and Africa and the Near and Middle East.

To compete for talent, Liebherr took further measures to enhance its employer branding. This was the goal of an image campaign in Austria, which will serve as a template for similar campaigns in other countries with a significant shortage of skilled workers on the job market. Meanwhile, Liebherr also used its social media presence to promote its image as an attractive employer.
Sustainability
The Group aspires to generate sustainable value for its employees, customers and suppliers and for society as a whole. As an independent family company with a long-term focus, Liebherr is aware of its responsibilities and is committed to sustainable development. Its products, processes and infrastructure are geared to the minimum possible consumption of resources. The focus in all areas is on safety, efficiency and environmental sustainability. Last year, a large number of the Group’s companies worked on projects looking at social, environmental and economic aspects of sustainability.

Research and development
As a high-tech company, Liebherr pursues the goal of making a decisive contribution to shaping technological progress in sectors relevant to the Group. Liebherr invested €592 million in research and development last year. The bulk of this was used in the development of new products. A large number of joint research projects with universities, other higher education institutions and research institutes were initiated and continued.

Electrification was an overarching topic in 2019. As part of the EU’s “Clean Sky 2/Horizon 2020” technology initiative, Liebherr conducted research on topics such as electric aircraft propulsion systems, as well as landing gear and air management systems designed to make aviation more efficient and environmentally friendly in the future.

Liebherr also worked intensively on alternative drivetrain technologies for its construction and mining machines. These came to life at the Bauma 2019 trade fair, where the Group introduced new products including the fully electric R 9200 E mining excavator and the diesel-electric T 236 mining truck. Liebherr reached a key milestone on the path towards the emissions-free construction site in 2019 on one of the largest roadworks sites in Western Austria. Here, the LB 16 unplugged made its debut. It is the world’s first battery-powered heavy-duty drilling rig.

Meanwhile, digitalisation, safety and the automation of machines were other important research topics. Amongst others, the Group developed assistance systems that support the safe operation of construction machines. Condition monitoring, which enables oversight of individual components in complex machines and systems, is another example of the efforts to make digital transformation a reality. Liebherr also joined the Hydrogen Council, a global initiative of leading energy, transport and industry companies with a united vision and long-term ambition for hydrogen to foster the energy transition.
Annual Report 2019

Investments
The Group has traditionally emphasised the importance of making regular investments in its production facilities and its global distribution and service networks. Last year, the Group invested € 756 million, a decrease of 8.8 % or € 73 million compared to last year. Offset against this was depreciation of € 541 million.

One focus of investment in the year under review was the expansion and modernization of company locations and the intensification of our global market presence. The Concrete Technology division opened the doors of its new production site in Bulgaria. Meanwhile, the Aerospace and Transportation Systems division invested in new facilities in Friedrichshafen (Germany), Toulouse (France), Singapore and Bulgaria. Extensive investment was channelled towards operations in Germany, including a new sales and service centre at the Port of Hamburg. The Domestic Appliances division opened a new customer centre at its site in Ochsenhausen (Germany). Now, visitors from all over the world can experience the latest ranges of refrigerators and freezers.

Technical refurbishment work was carried out at the Gear Technology and Automation Systems site in Kempten (Germany). The Maritime Cranes division saw the installation of the TCC 78000, one of the world’s most powerful heavy-duty, rail-mounted cranes, at the Port of Rostock (Germany). This crane will assist with the construction of the HLC 295000 offshore crane, the most powerful crane Liebherr has ever built.

There were also numerous investments in the Group’s global market presence. These include the foundation of the new Liebherr Transportation Systems Company in China, the opening of a new Liebherr Gear Technology production site in Yongchuan (China) and a joint venture between the Liebherr Components division and the Shanghai Diesel Engine Co., Ltd., a subsidiary of China’s largest manufacturer of vehicles and components. By taking over all the branches (along with the personnel) of a key dealership in New Zealand and Australia, Liebherr expects to bolster its tower cranes sales in these two countries and improve its customer service there.
Risk management system and internal control system
In order to ensure the sustainable success of the Group, opportunities and risks are identified at an early stage to be evaluated and controlled. The Group has a continually optimised risk management procedure in place, and an internal control system to help it meet operational, market-related and legal requirements. To ensure the integrated recording, analysis and evaluation of risks, all managers responsible for the risk management and internal control systems used in the individual Group companies are involved. Risks are identified and assessed locally in the individual companies, then countermeasures to limit the risks are introduced and the impacts are evaluated. This localised approach also makes it possible to identify and assess areas of opportunity efficiently. The information gained about market-related and technological developments is used in opportunities management to reach decisions about future areas of business and production processes. At the corporate level, the current risk situation is regularly reviewed and the effectiveness of the systems and processes used is assessed. The internal audit department monitors compliance with Group guidelines and the implementation of the risk management and internal control systems.

Outlook
The Group’s order situation at the end of 2019 as well as far into the first quarter of 2020 can be described as very good. The due to the impact of the Corona virus significantly restricted business activities in many markets will obviously influence the turnover in 2020. The extent to which our business will be impacted cannot be forecasted reliably at the time this annual report is compiled. However, the Liebherr Group will ensure that all organizational units have implemented the necessary measures to guarantee that customer demands are met with the usual reliability, also in 2020 and beyond. The financial strength of the Liebherr Group enables a rapid resumption of reduced activities in production, sales and service units.
Reports on the Divisions

<table>
<thead>
<tr>
<th>Division</th>
<th>Page</th>
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<tbody>
<tr>
<td>Earthmoving</td>
<td>28</td>
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<td>Components</td>
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</table>
The Earthmoving division achieved revenues of €3,178 million in 2019. This represents a €406 million, or 14.6%, increase of compared to the year before.

The Earthmoving division benefited from largely positive market growth last year, achieving sales increases in nearly every region. The European Union was once again the most important sales region with significant increases in Germany, France and Spain. Growth was particularly strong in North America, although, business took a slight downturn in Central and South America. In the Asia and Oceania region, there was above-average growth in New Zealand and Australia, but sales in China declined. There was also a rise in sales in Africa and the Near and Middle East, which was due in large part to strong growth in the United Arab Emirates.

At the Bauma 2019 trade fair in Munich (Germany), the division unveiled numerous product innovations, including its 8th generation crawler excavator with its electrically controlled hydraulic system and various intelligent assistance systems. The division also showcased its INTUSI intuitive user interface, an intelligent operating system that combines sophisticated machine-learning technologies.
The division also helped pave the way towards Industry 4.0 with its newly launched “Liebherr AR Experience” app, developed in conjunction with additional applications from the crawler crane industry. This app projects 3D data into the real-life environment, enabling users to experience a virtual construction site. Another highlight was the launch of the LB 16 unplugged, the world’s first battery-powered large drilling rig. The design features an electrohydraulic drive, which offers the benefit of zero local emissions along with high mechanical efficiency.

In the past year, the division’s investment activities focused primarily on strengthening its global market presence.
In 2019, the mining industry remained quite stable, showing a slight downward trend by the end of the year. Given this development, the Mining division could slightly increase its overall revenues and market shares by, amongst others, improved sales with new machines. Growth drivers turned out to be North America with important gains in the USA and in Canada. While sales levels declined in the European Union, the business in Russia could counter this development with very favourable revenues. The division also reported moderate gains in Asia and Oceania with growth impulses generated by Pakistan and China. In Africa, Near and Middle East the division experienced a modest sales downturn.

A real highlight for the division was the delivery of the last 12 of a fleet of 30 T 284 trucks to First Quantum Minerals, Limited (FQML) for the Cobre Panamá mine, the biggest copper mine in the world. Following its aim to conquer new markets, the division accepted a challenging order of 28 R 9100 mining excavators with 100-ton operating weight for the Thar Block coal mine in Pakistan. Furthermore, the division is extremely happy to have concluded two frame contracts with large mining companies that will provide good security for future deliveries and aftersales.
As far as product development is concerned, the division invested mainly in increased safety and performance, as well as fuel efficiency. Special emphasis was put on the “zero-emissions mine” by an improved trolley system that allows all truck sizes to be supplied with energy through an overhead electric line providing electric energy straight into the truck drivetrain. The division made another important step towards the automated mine site by successfully equipping hydraulic excavators with a system that enables operator assistance through digging, which is the first step towards autonomous excavator operation.

### Turnover by sales regions

- **North America**: 6.1%
- **Central and South America**: 14.2%
- **European Union**: 2.1%
- **Africa / Near and Middle East**: 14.2%
- **Non-EU countries**: 8.0%
- **Asia and Oceania**: 55.4%

### Turnover

<table>
<thead>
<tr>
<th>Region</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>1,070</td>
<td>1,071</td>
</tr>
<tr>
<td>Central and South America</td>
<td>43</td>
<td>32</td>
</tr>
<tr>
<td>European Union</td>
<td>3,782</td>
<td>4,005</td>
</tr>
<tr>
<td>Africa / Near and Middle East</td>
<td>-25.6%</td>
<td>+5.9%</td>
</tr>
<tr>
<td>Asia and Oceania</td>
<td>55.4%</td>
<td>55.4%</td>
</tr>
</tbody>
</table>
The global market for mobile cranes continued to grow on a high level during 2019. Demand was particularly high for the Mobile Cranes division’s 3- to 5-axle classes. The market for crawler cranes remained difficult, despite improvements compared to the previous year. This was due in part to the delays in numerous wind energy projects. Furthermore, the regions that offer the most dynamic growth opportunities for crawler cranes are difficult to serve with the existing product range and pricing policies. Nevertheless, sales growth continued positively for this product category.

The division reported favourable increases in all sales regions except for Africa, Near and Middle East. Meanwhile, there were significant gains in the division’s core markets of North America and Europe.

During the last financial year, Liebherr unveiled numerous innovations at the Bauma trade fair in Munich (Germany). These included a prototype for the new LTM 1650-8.1 heavy-duty crane. This 8-axle crane is designed for maximum power and will replace the LTM 1500-8.1 which is the best-selling large crane of all time.

Safety is a recurring theme in many of the division’s new product developments. The next-generation LR 1300 SX...
crawler crane, for example, is equipped with innovative operator assistance systems that automatically stop the crane to prevent it from being unintentionally manoeuvred into an unsafe position. The RemoteDrive remote control system enables operators to control some mobile cranes from the outside. This ensures a perfectly clear view of problem areas, especially when working on confined construction sites. The Mobile Cranes division is also working with the Construction Machines segment on new applications to bring digitisation to life with the “Liebherr AR Experience” augmented reality app. The app allows any technology lover to turn their own living room into a construction site.

In terms of investment, the division focused primarily on commercial property as well as business and operational equipment last year. Global customer service was also an investment priority.
High demand in the global construction sector had a positive effect on the Tower Cranes division last year. As a result, the division’s sales increased strongly in 2019. Germany remained the largest European Union market for the division with further increases in sales. Both in Central and South America as well as in Asia and Oceania, revenues increased significantly, spurred in particular by strong growth in Australia. At the same time, sales declined in the Africa, Near and Middle East region as well as in North America. The division’s growth is especially attributed to an increase in the sale of top-slewing cranes.

At the Bauma 2019 trade fair, the Tower Cranes division took the opportunity to unveil no fewer than 13 new products. In the category of top-slewing cranes, the division launched the new EC-B crane. This outstanding model has already been crowned with multiple innovation and design awards. Three models from this product line feature the new soLITE® high-tensile fibre rope. This rope’s lifespan is four times longer than conventional steel rope, along with a significantly higher load capacity. In the category of bottom-slewing cranes, the division rolled out the L1-32 and 125 K models with the new LiTRAX modular high-speed axle system. One outstanding new re-
lease in the mobile construction cranes category was the MK 88-4.1 with various axle load versions.

To further improve the product range for Tower Cranes customers in Australia and New Zealand, the division took over all the Morrow Equipment locations, along with all their employees, in each of these countries at the start of 2019. The year also marked the one-year anniversary of the division’s development partnership with RWTH Aachen University, which is part of the ongoing “Centre Construction Robotics” project.
The global concrete industry experienced stable growth in 2019 having benefited from a drop in procurement costs. This led to significant sales increases for the Concrete Technology division in key regions, especially in the truck mixer, concrete mixing plants and concrete pump categories. A dynamic market in the US, the economic recovery in Brazil as well as a major new order in Colombia resulted in very strong growth throughout the Americas. In the Asia and Oceania region, there was above-average growth in the Chinese market. Mixing plants in particular performed well there. Europe remains the division’s largest market with favourable sales increases, especially in the concrete pumps category. There was a notable boost in sales in Austria and Switzerland. At the same time, increased sales of truck mixers in Saudi Arabia resulted in an increase in business in the Near and Middle East on the whole.

The division unveiled its new ETM truck mixer series with a fully electric drum drive, helping pave the way towards the local emissions-free construction site of the future. The high-capacity batteries can power the machines for a full day of work without the need for recharging in between.
Another outstanding achievement of the past year was the launch of the 42 M5 XXT, a new 42-metre automatic truck-mounted concrete pump, at the Bauma 2019 trade fair. This new model’s pump system features an ultra-high-performance Powerblock drive unit. The machine offers exceptional coverage and a compact design. 2019 also saw the successful relocation of the entire concrete pump production site to Bad Schussenried (Germany). This site will become a centre of excellence for the concrete pump industry. In addition to this, the division is expanding its fleet of rented equipment while also constructing a new production site in Bulgaria.

In 2019, the division also worked on developing numerous innovative technologies such as alternative drive systems.
The global market for maritime material handling equipment was unstable throughout 2019. The division’s sales in each product group were consistent with general trends within the maritime industry. Liebherr maintained its position as the global market leader in mobile harbour cranes. There were also positive developments in the reachstacker, offshore and ship crane categories. The division gained market share in the floating cranes category. The newly constructed CBG 360, which was first used onboard a ship in May 2019, was a major driver for the division’s success.

Growth was far above average for the Africa, Near and Middle East region compared to all of the other regions in the Maritime Cranes Division. There was also positive growth in Europe, especially in Germany, Russia, Ireland as well as in the Netherlands. Meanwhile, the division suffered a significant decline in sales in the Americas. However, this has been somewhat mitigated by two major orders from Central and South America for more than 50 reachstackers. A slight upward trend could be seen in Asia and Oceania.
One top achievement for the Maritime Cranes division was the installation of one of the world’s most powerful rail-mounted portal cranes at the Port of Rostock (Germany). With a hoisting capacity of 1,600 tonnes, the TCC 78000 offers unrivalled flexibility for handling large-dimension goods. The crane’s first task was to hoist a large component belonging to the HLC 295000 offshore crane, the most powerful crane Liebherr has ever built.

The division’s research efforts in 2019 focused on assistance systems in conjunction with (partially) autonomous cranes, which are automated to handle bulky materials and containers.
The international aviation industry continued to grow at a reasonable rate. While demand for commercial aircraft developed positively, other aviation markets were experiencing challenges and stagnated.

The division reported favourable growth in the reporting year, which was partly driven by the increasing build rate of the Airbus A320neo. Additionally, several aircraft programmes with Liebherr systems on board achieved entry into service: Embraer’s C-390 Millennium and E195-E2 as well as Bombardier’s Global 7500. New contracts were awarded as well, such as the supply of pneumatic valves for a new jet engine and the supply of an environmental control system for a new civil helicopter model.

Aerospace research was focused particularly on the next generation of aircraft. The division continued its work on electrical systems and power electronics which will reduce CO₂ emissions and create more efficient aircraft overall. Furthermore, Liebherr was selected by a major automotive manufacturer based in China to develop an electric turbo compressor and its power electronics for fuel-cell-powered cars. Knowledge from decades of research with fuel cell technology in aeronautics will be ap-
plied in this diversification.

The railway market continued on its growth course. Liebherr and a German manufacturer of commercial vehicles jointly developed a new technology for refrigerated transport. CELSINEO is a modular cooling system for trailers, which achieves the highest possible availability while guaranteeing cost-effectiveness and straightforward servicing.

Furthermore, the division used its hydraulics knowledge from flight controls and applied it to rail vehicles. Hydraulic bogie steering devices and bogie coupling systems for trains minimise lateral forces and therefore the wear on tracks and wheels. In 2019, several train manufacturers selected these new systems for their locomotives.

In the year under review, the division invested mainly in new buildings and manufacturing capabilities in Germany, France, Singapore and Bulgaria.
The Association of German Machine Tool Builders (VDW) reported that orders for German machine tools were significantly lower in 2019 than in the previous year. Liebherr’s Gear Technology and Automation Systems division also experienced a decline in new orders in line with the rest of the industry. Nevertheless, the very high order volumes at the beginning of the year resulted in a slight increase in revenues for 2019 on the whole. Sales in Europe and Central and South America increased, while other sales regions reported a dip in sales. The division’s key markets in 2019 were Germany, China and the US.

The Gear Technology and Automation Systems division unveiled numerous new product innovations last year. At the leading trade fair, EMO in Hanover (Germany), the division presented the LC 80 WD worm milling machine with an additional workstation for parallel chamfering. Another innovation was the LK 180/280 DC gear skiving.
machine, designed as a small Skiving³ machine with a tool-changing system to provide additional functionality such as turning, drilling, milling and measuring. The Skiving³ concept includes the machine, the process and the optimised tools.

In the area of automation, the division focused on combining the LRC 20 bin-picking cell with an LPC 3400/3600 palletising cell. The highlight of this product combination is its driverless transport system, which enables it to be connected for efficient intralogistics. The division also continued to successfully develop its pallet-handling systems (PHS) and robot applications (FlexCells) in 2019. The PHS category in particular has performed extremely well.

The division invested in modernising its production site in Kempten (Germany). It also acquired the company Wenzel GearTec, a manufacturer of gear measuring machines. By integrating gear measurement technologies into the Liebherr portfolio, the division can offer an integrated process solution for gears in the future.
The global market for domestic appliances expanded in 2019. The Domestic Appliances division achieved an increase in sales despite a slight decline in orders. Growth was positive on the whole throughout Europe. Significant gains were achieved in Germany, Bulgaria, Russia and Belgium. Sales were also favourable in Asia and Oceania. Growth was also very strong in India, where the division opened a state-of-the-art production plant early in the previous year. Although sales in the North America and Africa, the Near and Middle East regions could be slightly increased, there was a downturn in sales in Central and South America.

The Domestic Appliances division faced the very dynamic, competitive market by focusing consistently on adding value for customers. At the beginning of 2019, all sales operations in Germany were bundled into the newly founded company, Liebherr-Hausgeräte Vertriebs- und Service GmbH. The division also invested in a modern customer service centre at the Ochsenhausen plant (Germany). The centre opened its doors in June 2019 and now welcomes visitors to view the latest range of refrigerators and freezers up close.
In another outstanding moment of the past year, two appliances from the Monolith series were awarded the iF Design Award. These two products have made a lasting impact on the design world by taking luxury built-in kitchen appliances to the next level. Both models feature SmartDevice technology, which enables customers to connect their refrigerators to their smartphones. This gives them access to various services and allows them to change their appliances’ settings from wherever they are.

### Turnover by sales regions

- **European Union**: 75.3%
- **North America**: 3.7%
- **Central and South America**: 0.2%
- **Africa/Near and Middle East**: 1.1%
- **Asia and Oceania**: 7.5%
- **North America**: 3.7%
- **Central and South America**: 0.2%
- **Africa/Near and Middle East**: 1.1%
- **Asia and Oceania**: 7.5%

### Reports on the Divisions

<table>
<thead>
<tr>
<th></th>
<th>Turnover € m</th>
<th>Investments € m</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>945</td>
<td>43</td>
<td>6,208</td>
</tr>
<tr>
<td>2019</td>
<td>983</td>
<td>51</td>
<td>6,190</td>
</tr>
</tbody>
</table>

% change:
- Turnover: +4.0%
- Investments: +18.6%
- Employees: −0.3%
Strong order volumes in the Liebherr Tower Cranes, Maritime Cranes, Aerospace and Transportation Systems and Earthmoving divisions contributed to further growth in the Components division in 2019. Sales revenues from decentralised energy systems industry and the agriculture and forestry sector also increased.

Another key event was the start of batch production for a new engine series for ultra-high-performance agricultural machinery. The division also embarked on new development and supply partnerships for high-performance engines in the off-highway market for its common rail systems products. Furthermore, the division has expanded the service network for its diesel injection systems.

Another significant development was the expansion of production capabilities in Biberach (Germany), with the construction and opening of a new plant facility and machining centre for anti-friction bearings of up to 9.5 m in diameter. This enabled the division to handle orders for large slewing bearings for maritime applications. Another milestone was the signing of a serial delivery contract for main bearings for a leading wind turbine manufacturer.
New products and technologies were released and put into serial production in nearly every product category in 2019. These included products made from carbon-fibre reinforced plastic (CFRP), special gearboxes for slurry wall cutters and tunnelling machines, as well as the 16-cylinder diesel engine with an 82.7-litre displacement. In the control technology and electronics category, the division developed the LES 300 energy storage system, the latest generation of display controllers, along with new features for the MDC3 digital smart camera. During the Bauma 2019 trade fair, the division also unveiled a demo version of an application for monitoring the condition of all kinds of components.

The production capabilities are being expanded at sites including Deggendorf (Germany) and Monterrey (Mexico). A machine whichhardens without slippage has been purchased for the Biberach site (Germany) which will allow main bearings to be processed over the year ahead. The division will focus on digitisation in 2020, especially on promoting its condition monitoring technologies.
Group Companies
# The Group
## Summary of Group Companies

### Europe

**Austria**
- Hotel Löwen Schruns GmbH
  Schruns
- Interalpen-Hotel Tyrol GmbH
  Telfs
- Liebherr-Hausgeräte Lienz GmbH
  Lienz
- Liebherr-International Austria GmbH
  Bischofshofen
- Liebherr-MCCtec GmbH
  Nenzing
- Liebherr-Transportation Systems GmbH
  Korneuburg
- Liebherr-Transportation Systems GmbH & Co KG
  Korneuburg
- Liebherr-Werk Bischofshofen GmbH
  Bischofshofen
- Liebherr-Werk Nenzing GmbH
  Nenzing
- Liebherr-Werk Telfs GmbH
  Telfs

**Azerbaijan**
- Liebherr-Azeri LLC
  Baku

**Bulgaria**
- Liebherr-Hausgeräte Marica EOOD
  Radinovo
- Liebherr-Transportation Systems Marica EOOD
  Radinovo

**Czech Republic**
- Liebherr-Stavební stroje CZ s. r. o.
  Brno

**Denmark**
- Liebherr-Danmark ApS
  Hedensted

**Finland**
- Liebherr-Finland Oy Ab
  Helsinki

**France**
- Liebherr-Aerospace Toulouse SAS
  Toulouse
- Liebherr-Aerospace & Transportation SAS
  Toulouse
- Liebherr-Components Colmar SAS
  Colmar
- Liebherr-France SAS
  Colmar
- Liebherr-Grues à Tour SAS
  Niederhergheim
- Liebherr-Grues Mobiles SAS
  Niederhergheim
- Liebherr-Location France SAS
  Niederhergheim
- Liebherr-Malaxage & Techniques SAS
  Niederhergheim
- Liebherr-Mining Equipment Colmar SAS
  Colmar
- Liebherr-Mining Equipment SAS
  Colmar
- Liebherr-Nenzing Equipements SAS
  Niederhergheim
- Société de l'Aéroport de Colmar SAS
  Colmar

**Germany**
- Hans Liebherr-Hilfe e.V.
  Biberach an der Riss
- Liebherr-Aerospace Lindenberg GmbH
  Lindenberg
- Liebherr-Aviation GmbH
  Biberach an der Riss
- Liebherr-Baumaschinen
  Vertriebs- und Service GmbH
  Kirchdorf an der Iller
- Liebherr-CMCtec GmbH
  Biberach an der Riss
- Liebherr-Components GmbH
  Biberach an der Riss
- Liebherr-Components Biberach GmbH
  Biberach an der Riss
- Liebherr-Components Deggendorf GmbH
  Deggendorf
- Liebherr-Components Kirchdorf GmbH
  Kirchdorf an der Iller
- Liebherr-Elektronik GmbH
  Lindau
- Liebherr-EMtec GmbH
  Kirchdorf an der Iller
Liebherr-Ettlingen GmbH
Ettlingen
Liebherr-Hausgeräte GmbH
Ochsenhausen
Liebherr-Hausgeräte Ochsenhausen GmbH
Ochsenhausen
Liebherr-Hausgeräte Vertriebs- und Service GmbH
Ochsenhausen
Liebherr-Hydraulikbagger GmbH
Kirchdorf an der Iller
Liebherr-International Deutschland GmbH
Biberach an der Riss
Liebherr-IT Services GmbH
Kirchdorf an der Iller
Liebherr-Logistics GmbH
Kirchdorf an der Iller
Liebherr-MCCtec Rostock GmbH
Rostock
Liebherr-MCCtec Vertriebs- und Service GmbH
Hamburg
Liebherr-Mietpartner GmbH
Ludwigshafen am Rhein
Liebherr-Mischtechnik GmbH
Bad Schussenried
Liebherr-Purchasing Services GmbH
Biberach an der Riss
Liebherr-Transportation Systems GmbH
Mannheim
Liebherr-Verzahnungstechnik GmbH
Kempten
Liebherr-Werk Biberach GmbH
Biberach an der Riss
Liebherr-Werk Ehingen GmbH
Ehingen (Donau)
Liebherr-Wohnungsbau GmbH
Kirchdorf an der Iller
Hungary
Liebherr-Építőipari Gépek Magyarország Kft.
Győr
Ireland
Killarney Hotels Ltd.
Killarney
Liebherr-Construction Equipment Ireland Limited
Rathcoole
Liebherr Container Cranes Ltd.
Killarney
Italy
Liebherr-EMtec Italia S.p.A.
Lallio
Liebherr-Italia S.p.A.
Monfalcone
Liebherr-Utensili s.r.l.
Collegno
The Netherlands
Liebherr-Maritime Benelux B.V.
Amersfoort
Liebherr-Nederland B.V.
Amersfoort
Norway
Liebherr-Norge AS
Ingeberg
Poland
Liebherr-Polska sp. z o.o.
Ruda Śląska
Portugal
Liebherr Portugal, Lda.
Venda do Pinheiro
Romania
Liebherr-Romania S.R.L.
Bucharest
Russia
Liebherr-Aerospace Nizhny Novgorod OOO
Nizhny Novgorod (75.1 %)
Liebherr-Aerospace Russland OOO
Moscow
Liebherr Financial Services OOO
Moscow
Liebherr-Nizhny Novgorod OOO
Nizhny Novgorod
Liebherr-Russland OOO
Moscow
Sweden
Liebherr-Sverige AB
Västerås
Africa / 
Near and Middle East

Switzerland
Eglesia AG
Bulle
Liebherr-Baumaschinen AG
Reiden
Liebherr-Components AG
Nussbaumen
Liebherr-Component Technologies AG
Bulle
Liebherr-Export AG
Nussbaumen
Liebherr-Hotels AG
Bulle
Liebherr-Industrieanlagen AG
Bulle
Liebherr-International AG
Bulle
Liebherr-Intertrading AG
Bulle
Liebherr Machines Bulle SA
Bulle
Mariso Bulle S. A.
Bulle
Spain
Liebherr Ibérica, S. L.
Azuqueca de Henares
Liebherr Industrias Metálicas, S.A.
Pamplona
Turkey
Liebherr Makine Ticaret Servis Limited Şirketi
İstanbul
United Kingdom
Liebherr-Great Britain Ltd.
Biggleswade
Liebherr-Rental Ltd.
Biggleswade
Liebherr Sunderland Works Ltd.
Sunderland

Algeria
Liebherr Algérie, EURL
Algiers
Ghana
Liebherr-Ghana Ltd.
Accra
Morocco
Liebherr-Maroc SARL
Casablanca
Mozambique
Liebherr-Mozambique, Lda.
Maputo
Nigeria
Liebherr-Nigeria Ltd.
Abuja (90 %)
Saudi Arabia
Saudi Liebherr Company Ltd.
Jeddah (60 %)
South Africa
Liebherr-Africa (Pty) Ltd
Springs
United Arab Emirates
Liebherr Equipment Services Middle East L.L.C.
Dubai
Liebherr Middle East FZE
Dubai
Zambia
Liebherr Zambia Ltd.
Lusaka
North America

Canada
Liebherr-Canada Ltd.
Burlington, ON

Mexico
Liebherr Mexico, S. de R.L. de C.V.
Mexico City
Liebherr Monterrey, S. de R.L. de C.V.
Monterrey
Liebherr Servicios Monterrey, S. de R.L. de C.V.
Monterrey

USA
HL Farm, LLC
Newport News, VA
Liebherr Aerospace Saline, Inc.
Saline, MI
Liebherr-America, Inc.
Newport News, VA
Liebherr Automation Systems Co.
Saline, MI
Liebherr Gear Technology, Inc.
Saline, MI
Liebherr Mining Equipment Newport News Co.
Newport News, VA
Liebherr USA, Co.
Newport News, VA

Central and South America

Argentina
Liebherr-Argentina S.A.
Buenos Aires

Brazil
Liebherr Aerospace Brasil Eireli
Guaratinguetá
Liebherr Brasil Eireli
Guaratinguetá

Chile
Liebherr Chile SpA
Santiago de Chile

Colombia
Liebherr Colombia SAS
Bogotá D.C.

Panama
Liebherr Panama S.A.
Panama City

Peru
Liebherr Distribuidora Peru S.A.C.
Lima
Asia and Oceania

Australia
  Liebherr-Australia Pty. Ltd.
  Adelaide

India
  Liebherr Appliances India Private Limited
  Mumbai
  Liebherr CMCtec India Private Limited
  Pune
  Liebherr India Private Limited
  Mumbai
  Liebherr Machine Tools India Private Limited
  Bangalore (60%)

Indonesia
  PT. Liebherr Indonesia Perkasa
  Balikpapan

Japan
  Liebherr Japan Co., Ltd.
  Yokohama

Kazakhstan
  Liebherr Kasachstan TOO
  Almaty

Malaysia
  Liebherr Appliances Kluang SDN. BHD.
  Kluang
  Liebherr Sales Kluang SDN. BHD.
  Kluang

New Caledonia
  Liebherr-Nouvelle-Calédonie SAS
  Nouméa

PR China
  Liebherr (China) Co., Ltd.
  Shanghai
  Liebherr (HKG) Limited
  Hong Kong SAR
  Liebherr LAMC Aviation (Changsha) Co., Ltd.
  Changsha (50%)
  Liebherr Machinery (Dalian) Co., Ltd.
  Dalian
  Liebherr Purchasing (Dalian) Co., Ltd.
  Dalian
  Liebherr Transportation Systems (China) Co., Ltd.
  Pinghu
  Xuzhou Liebherr Concrete Machinery Co., Ltd.
  Xuzhou
  Zhejiang Liebherr Zhongche
  Transportation Systems Co., Ltd.
  Zhuji (70%)

Singapore
  Liebherr-Singapore Pte Ltd
  Singapore

South Korea
  Liebherr Machine Tools and Automation Korea Ltd.
  Seoul (70%)
  Liebherr Mobile Cranes Korea Ltd.
  Seoul

Thailand
  Liebherr (Thailand) Co., Ltd.
  Rayong
<table>
<thead>
<tr>
<th>Financial Statement</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated Balance Sheet</td>
<td>58</td>
</tr>
<tr>
<td>Consolidated Income Statement</td>
<td>59</td>
</tr>
<tr>
<td>Consolidated Statement of Comprehensive Income</td>
<td>60</td>
</tr>
<tr>
<td>Consolidated Statement of Changes in Equity</td>
<td>60</td>
</tr>
<tr>
<td>Consolidated Cash Flow Statement</td>
<td>61</td>
</tr>
<tr>
<td>Notes to the Consolidated Financial Statements</td>
<td>62</td>
</tr>
<tr>
<td>Report of the Statutory Auditor</td>
<td>82</td>
</tr>
<tr>
<td>Five-Year Summary</td>
<td>83</td>
</tr>
</tbody>
</table>
## Consolidated Balance Sheet

<table>
<thead>
<tr>
<th>ASSETS in m €</th>
<th>Notes</th>
<th>Dec. 31, 2019</th>
<th>%</th>
<th>Dec. 31, 2018</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>3.1</td>
<td>42</td>
<td>0.3</td>
<td>27</td>
<td>0.2</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>3.2</td>
<td>3,798</td>
<td>26.6</td>
<td>3,855</td>
<td>28.0</td>
</tr>
<tr>
<td>Shares at equity</td>
<td>3.5</td>
<td>13</td>
<td>0.1</td>
<td>13</td>
<td>0.1</td>
</tr>
<tr>
<td>Non-current financial assets</td>
<td>3.6</td>
<td>196</td>
<td>1.4</td>
<td>211</td>
<td>1.5</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>8</td>
<td>323</td>
<td>2.2</td>
<td>327</td>
<td>2.4</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td><strong>4,372</strong></td>
<td><strong>30.6</strong></td>
<td><strong>4,433</strong></td>
<td><strong>32.2</strong></td>
</tr>
<tr>
<td>Inventories</td>
<td>4.1</td>
<td>4,425</td>
<td>31.0</td>
<td>4,489</td>
<td>32.5</td>
</tr>
<tr>
<td>Receivables</td>
<td>4.2/4.3</td>
<td>2,283</td>
<td>16.0</td>
<td>2,297</td>
<td>16.7</td>
</tr>
<tr>
<td>Income tax receivables</td>
<td>8</td>
<td>103</td>
<td>0.7</td>
<td>80</td>
<td>0.6</td>
</tr>
<tr>
<td>Current financial assets</td>
<td>4.5</td>
<td>1,377</td>
<td>9.6</td>
<td>1,247</td>
<td>9.0</td>
</tr>
<tr>
<td>Liquid funds</td>
<td>4.6</td>
<td>1,728</td>
<td>12.1</td>
<td>1,239</td>
<td>9.0</td>
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<td><strong>Current assets</strong></td>
<td></td>
<td><strong>9,916</strong></td>
<td><strong>69.4</strong></td>
<td><strong>9,352</strong></td>
<td><strong>67.8</strong></td>
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<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td><strong>14,288</strong></td>
<td><strong>100.0</strong></td>
<td><strong>13,785</strong></td>
<td><strong>100.0</strong></td>
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<td>Subscribed capital</td>
<td>62</td>
<td>0.4</td>
<td></td>
<td>0.4</td>
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<tr>
<td>Revenue reserves</td>
<td>2.3/5</td>
<td>7,807</td>
<td>54.6</td>
<td>7,491</td>
<td>54.4</td>
</tr>
<tr>
<td><strong>Equity of Liebherr-International AG shareholders</strong></td>
<td></td>
<td><strong>7,869</strong></td>
<td><strong>55.0</strong></td>
<td><strong>7,553</strong></td>
<td><strong>54.8</strong></td>
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<tr>
<td>Non-controlling interests</td>
<td>15</td>
<td>0.1</td>
<td></td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td><strong>7,884</strong></td>
<td><strong>55.1</strong></td>
<td><strong>7,570</strong></td>
<td><strong>54.9</strong></td>
</tr>
<tr>
<td>Non-current financial liabilities</td>
<td>6</td>
<td>1,364</td>
<td>9.6</td>
<td>1,616</td>
<td>11.7</td>
</tr>
<tr>
<td>Post-employment benefits</td>
<td>9</td>
<td>966</td>
<td>6.8</td>
<td>789</td>
<td>5.7</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>8</td>
<td>45</td>
<td>0.3</td>
<td>48</td>
<td>0.3</td>
</tr>
<tr>
<td>Non-current provisions</td>
<td>10</td>
<td>40</td>
<td>0.3</td>
<td>25</td>
<td>0.2</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>7</td>
<td>76</td>
<td>0.5</td>
<td>120</td>
<td>0.9</td>
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<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td><strong>2,491</strong></td>
<td><strong>17.5</strong></td>
<td><strong>2,598</strong></td>
<td><strong>18.8</strong></td>
</tr>
<tr>
<td>Current financial liabilities</td>
<td>6</td>
<td>1,162</td>
<td>8.1</td>
<td>909</td>
<td>6.6</td>
</tr>
<tr>
<td>Payments received in advance</td>
<td>346</td>
<td>2.4</td>
<td></td>
<td>358</td>
<td>2.6</td>
</tr>
<tr>
<td>Income tax liabilities</td>
<td>8</td>
<td>103</td>
<td>0.7</td>
<td>121</td>
<td>0.9</td>
</tr>
<tr>
<td>Current provisions</td>
<td>10</td>
<td>608</td>
<td>4.3</td>
<td>593</td>
<td>4.3</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>7</td>
<td>1,694</td>
<td>11.9</td>
<td>1,636</td>
<td>11.9</td>
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<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td><strong>3,913</strong></td>
<td><strong>27.4</strong></td>
<td><strong>3,617</strong></td>
<td><strong>26.3</strong></td>
</tr>
<tr>
<td><strong>TOTAL EQUITY AND LIABILITIES</strong></td>
<td></td>
<td><strong>14,288</strong></td>
<td><strong>100.0</strong></td>
<td><strong>13,785</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>
## Consolidated Income Statement

<table>
<thead>
<tr>
<th>in m €</th>
<th>Notes</th>
<th>Dec. 31, 2019</th>
<th>%</th>
<th>Dec. 31, 2018</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>11</td>
<td>11,750</td>
<td>95.3</td>
<td>10,551</td>
<td>92.0</td>
</tr>
<tr>
<td>Increase or decrease of work in progress and finished goods</td>
<td>7</td>
<td>0.1</td>
<td>342</td>
<td>3.0</td>
<td></td>
</tr>
<tr>
<td>Other own work capitalised</td>
<td></td>
<td>312</td>
<td>2.5</td>
<td>360</td>
<td>3.1</td>
</tr>
<tr>
<td>Other operating income</td>
<td></td>
<td>257</td>
<td>2.1</td>
<td>213</td>
<td>1.9</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td></td>
<td><strong>12,326</strong></td>
<td><strong>100.0</strong></td>
<td><strong>11,466</strong></td>
<td><strong>100.0</strong></td>
</tr>
<tr>
<td>Cost of materials</td>
<td></td>
<td>–6,299</td>
<td>–51.1</td>
<td>–5,724</td>
<td>–49.9</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td></td>
<td>–2,980</td>
<td>–24.2</td>
<td>–2,790</td>
<td>–24.3</td>
</tr>
<tr>
<td>Depreciation on non-current assets</td>
<td>3</td>
<td>–541</td>
<td>–4.4</td>
<td>–513</td>
<td>–4.5</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td></td>
<td>–1,903</td>
<td>–15.4</td>
<td>–1,807</td>
<td>–15.8</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td><strong>–11,723</strong></td>
<td><strong>–95.1</strong></td>
<td><strong>–10,834</strong></td>
<td><strong>–94.5</strong></td>
</tr>
<tr>
<td><strong>Operating result</strong></td>
<td></td>
<td><strong>603</strong></td>
<td><strong>4.9</strong></td>
<td><strong>632</strong></td>
<td><strong>5.5</strong></td>
</tr>
<tr>
<td>Finance income</td>
<td></td>
<td>603</td>
<td>4.9</td>
<td>585</td>
<td>5.1</td>
</tr>
<tr>
<td>Finance cost</td>
<td></td>
<td>–458</td>
<td>–3.7</td>
<td>–704</td>
<td>–6.1</td>
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<tr>
<td>At equity result</td>
<td></td>
<td>0</td>
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<td>1</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Finance result</strong></td>
<td></td>
<td><strong>145</strong></td>
<td><strong>1.2</strong></td>
<td><strong>–118</strong></td>
<td><strong>–1.0</strong></td>
</tr>
<tr>
<td>Result before tax</td>
<td></td>
<td>748</td>
<td>6.1</td>
<td>514</td>
<td>4.5</td>
</tr>
<tr>
<td>Taxes on income</td>
<td>8</td>
<td>–319</td>
<td>–2.6</td>
<td>–193</td>
<td>–1.7</td>
</tr>
<tr>
<td><strong>Result after tax</strong></td>
<td></td>
<td><strong>429</strong></td>
<td><strong>3.5</strong></td>
<td><strong>321</strong></td>
<td><strong>2.8</strong></td>
</tr>
<tr>
<td>of which shareholders of Liebherr-International AG</td>
<td></td>
<td>429</td>
<td>3.5</td>
<td>320</td>
<td>2.8</td>
</tr>
<tr>
<td>of which non-controlling interests</td>
<td></td>
<td>0</td>
<td>0.0</td>
<td>1</td>
<td>0.0</td>
</tr>
</tbody>
</table>
**Consolidated Statement of Comprehensive Income**

<table>
<thead>
<tr>
<th>in m €</th>
<th>Dec. 31, 2019</th>
<th>Dec. 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Result after tax</strong></td>
<td>429</td>
<td>321</td>
</tr>
<tr>
<td><strong>Post-employment benefits</strong></td>
<td>–148</td>
<td>–7</td>
</tr>
<tr>
<td><strong>Deferred tax</strong></td>
<td>31</td>
<td>1</td>
</tr>
<tr>
<td><strong>Items not recycled to profit or loss</strong></td>
<td>–117</td>
<td>–6</td>
</tr>
<tr>
<td>Foreign exchange translation differences</td>
<td>40</td>
<td>–55</td>
</tr>
<tr>
<td>Changes of fair value in cash flow hedges</td>
<td>–21</td>
<td>–52</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>7</td>
<td>16</td>
</tr>
<tr>
<td><strong>Items recycled to profit or loss</strong></td>
<td>26</td>
<td>–91</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td>–91</td>
<td>–97</td>
</tr>
<tr>
<td><strong>Comprehensive income</strong></td>
<td>338</td>
<td>224</td>
</tr>
<tr>
<td>of which shareholders of Liebherr-International AG</td>
<td>338</td>
<td>223</td>
</tr>
<tr>
<td>of which non-controlling interests</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

**Consolidated Statement of Changes in Equity**

<table>
<thead>
<tr>
<th>in m €</th>
<th>Subscribed capital</th>
<th>Value fluctuations on financial instruments</th>
<th>Foreign exchange translation differences</th>
<th>Other revenue reserve</th>
<th>Equity of Liebherr-International AG shareholders</th>
<th>Non-controlling interests</th>
<th>Group equity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dec. 31, 2017R</strong></td>
<td>62</td>
<td>42</td>
<td>55</td>
<td>7,194</td>
<td>7,353</td>
<td>16</td>
<td>7,369</td>
</tr>
<tr>
<td><strong>Result after tax</strong></td>
<td></td>
<td></td>
<td></td>
<td>320</td>
<td>320</td>
<td>1</td>
<td>321</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td>–36</td>
<td>–55</td>
<td>–6</td>
<td>–97</td>
<td>0</td>
<td>–97</td>
<td></td>
</tr>
<tr>
<td><strong>Comprehensive income</strong></td>
<td>–36</td>
<td>–55</td>
<td>314</td>
<td>223</td>
<td>1</td>
<td>224</td>
<td></td>
</tr>
<tr>
<td><strong>Dividends</strong></td>
<td>–21</td>
<td>–21</td>
<td>0</td>
<td>–21</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Changes in shares of non-controlling interests</strong></td>
<td>–2</td>
<td>–2</td>
<td>0</td>
<td>–2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Dec. 31, 2018</strong></td>
<td>62</td>
<td>6</td>
<td>0</td>
<td>7,485</td>
<td>7,553</td>
<td>17</td>
<td>7,570</td>
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<tr>
<td><strong>Result after tax</strong></td>
<td></td>
<td></td>
<td></td>
<td>429</td>
<td>429</td>
<td>0</td>
<td>429</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td>–14</td>
<td>40</td>
<td>–117</td>
<td>–91</td>
<td>0</td>
<td>–91</td>
<td></td>
</tr>
<tr>
<td><strong>Comprehensive income</strong></td>
<td>–14</td>
<td>40</td>
<td>312</td>
<td>338</td>
<td>0</td>
<td>338</td>
<td></td>
</tr>
<tr>
<td><strong>Dividends</strong></td>
<td>–22</td>
<td>–22</td>
<td>0</td>
<td>–24</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Changes in shares of non-controlling interests</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Dec. 31, 2019</strong></td>
<td>62</td>
<td>–8</td>
<td>40</td>
<td>7,775</td>
<td>7,869</td>
<td>15</td>
<td>7,884</td>
</tr>
</tbody>
</table>

*Restatement first time adoption of IFRS 9/15/16*
## Consolidated Cash Flow Statement

<table>
<thead>
<tr>
<th>Description</th>
<th>Dec. 31, 2019</th>
<th>Dec. 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Result after tax</strong></td>
<td>429</td>
<td>321</td>
</tr>
<tr>
<td>Depreciation on non-current assets</td>
<td>541</td>
<td>513</td>
</tr>
<tr>
<td>Value fluctuations marketable securities (current assets)</td>
<td>– 121</td>
<td>74</td>
</tr>
<tr>
<td>Gain/loss on disposal of non-current assets</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Change of provisions and post-employment benefits</td>
<td>55</td>
<td>142</td>
</tr>
<tr>
<td>Other non-liquid expenses/income</td>
<td>– 16</td>
<td>– 100</td>
</tr>
<tr>
<td>Change of stock</td>
<td>110</td>
<td>– 869</td>
</tr>
<tr>
<td>Change of receivables and other current assets</td>
<td>24</td>
<td>– 147</td>
</tr>
<tr>
<td>Change of other liabilities</td>
<td>– 31</td>
<td>271</td>
</tr>
<tr>
<td>Change of rental fleet</td>
<td>– 19</td>
<td>– 176</td>
</tr>
<tr>
<td><strong>Net cash flow from operating activities</strong></td>
<td>973</td>
<td>32</td>
</tr>
<tr>
<td>Payment for investments in intangible assets</td>
<td>– 33</td>
<td>– 12</td>
</tr>
<tr>
<td>Payment for investments in tangible assets</td>
<td>– 402</td>
<td>– 463</td>
</tr>
<tr>
<td>Payment for investments in marketable securities in current assets</td>
<td>– 103</td>
<td>– 177</td>
</tr>
<tr>
<td>Proceeds from sales of intangible assets</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Proceeds from sales of tangible assets</td>
<td>23</td>
<td>13</td>
</tr>
<tr>
<td>Proceeds from sales of financial assets</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Proceeds from sales of marketable securities (current assets)</td>
<td>90</td>
<td>80</td>
</tr>
<tr>
<td><strong>Net cash flow from investing activities</strong></td>
<td>– 424</td>
<td>– 558</td>
</tr>
<tr>
<td>Dividends paid, other distributions and equity capital repaid</td>
<td>– 24</td>
<td>– 22</td>
</tr>
<tr>
<td>Proceeds from current or non-current financial liabilities</td>
<td>400</td>
<td>848</td>
</tr>
<tr>
<td>Repayment of current or non-current financial liabilities</td>
<td>– 442</td>
<td>– 857</td>
</tr>
<tr>
<td>Change non-controlling interests</td>
<td>0</td>
<td>– 2</td>
</tr>
<tr>
<td><strong>Net cash flow from financing activities</strong></td>
<td>– 66</td>
<td>– 33</td>
</tr>
<tr>
<td><strong>Net decrease/increase in liquid funds</strong></td>
<td>483</td>
<td>– 559</td>
</tr>
<tr>
<td>Foreign exchange translation difference on liquid funds at beginning of period and on cash flows</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Liquid funds at beginning of period</td>
<td>1,239</td>
<td>1,796</td>
</tr>
<tr>
<td><strong>Liquid funds at end of period</strong></td>
<td>1,728</td>
<td>1,239</td>
</tr>
<tr>
<td>Income tax paid and reimbursed</td>
<td>– 322</td>
<td>– 258</td>
</tr>
<tr>
<td>Interest paid</td>
<td>38</td>
<td>43</td>
</tr>
<tr>
<td>Interest received</td>
<td>56</td>
<td>54</td>
</tr>
</tbody>
</table>
1 Corporate information and business activity

The company was founded in 1949 by Dr. Hans Liebherr. Currently, the family business has more than 48,000 employees working in more than 140 companies around the world. The share capital of Liebherr-International AG, Bulle (Switzerland), amounting to € 62 million (CHF 100 million) is held exclusively by the Liebherr family.

For the construction sector and the mining industry, the Group develops, produces and distributes construction cranes, mobile cranes, crawler cranes, hydraulic excavators, material handlers, duty cycle crawler cranes, wheel loaders, crawler loaders and tractors, pipelayers, telescopic handlers, mining trucks as well as concrete mixing plants, concrete pumps and truck mixers worldwide. In addition, Liebherr develops, produces and distributes ship cranes, floating cranes, offshore cranes, container and mobile harbour cranes for the cargo handling industry worldwide. The activities range across machine tools, automation systems and engineering projects in the machine and plant construction industry, and landing gears, flight control and actuation systems as well as air management systems in the aerospace industry. Furthermore, Liebherr manufactures equipment for rail vehicles in the transportation technology area. For household and commercial refrigeration and freezing, Liebherr produces a variety of products with high benefits for the end users. In the component area the Group specialises in the development, design and manufacture of products in the mechanical, hydraulic and electric drive and control categories. Moreover, Liebherr operates six hotels in Ireland, Austria and Germany.

2 Accounting policies

2.1 General principles

The Group’s consolidated financial statements for the year ended December 31, 2019 are prepared following the standards of the International Accounting Standards Board (IASB) in London.

They are in accordance with all International Financial Reporting Standards (IFRS) and interpretations by the International Financial Reporting Interpretations Committee (IFRIC) applicable for annual periods beginning on or after January 1, 2019.

The accounting and reporting principles applied to these consolidated financial statements comply with Swiss Corporation Law as well as with IFRS. The prior year values are prepared in accordance with the same principles, insofar as newly applicable standards also apply to prior periods.

The annual financial statements are prepared according to the historical cost principle with transactions being recognised and reported in the period when they occur. Any divergence from this principle is specifically mentioned. The reporting period of Liebherr-International AG and its subsidiaries ends on December 31. The functional currency is the euro, as it is the predominant currency in the Group.
2.2 Published and newly applied standards, interpretations and amendments
The following new standards, interpretations and amendments were relevant for Liebherr in 2019.

**IFRS 16: Leases**
IFRS 16 applies to annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted if IFRS 15 has also been applied. Accordingly, Liebherr adopted IFRS 16 for periods starting on January 1, 2018 by means of the retrospective method.

**IFRIC 23: Uncertainty over income tax treatments**
IFRIC 23 was published in 2017 and clarifies the accounting for uncertainties in income taxes.

2.3 Basis of consolidation
The consolidated financial statements are prepared based on the individual financial statements of Liebherr-International AG and its subsidiaries, which are audited by independent auditors and prepared using consistent accounting policies. The consolidated financial statements include the annual financial statements of Liebherr-International AG as a parent company and of all subsidiaries in which Liebherr-International AG directly or indirectly holds a majority of voting rights, or otherwise controls according to IFRS 10.

The following company has been established during the financial year 2019:


Acquired companies are fully consolidated from the time when the Group has control according to IFRS 10. They are accounted for using the purchase method under which identifiable assets, liabilities and contingent liabilities are measured at fair value on the date of acquisition. Any remaining residual value is recorded as goodwill in the respective functional currency of the company acquired. Any goodwill is not systematically amortised, but is reviewed for impairment at least on an annual basis.

Sold companies are deconsolidated at the time the Group ceases to have control and any gain or loss is recognised in the income statement.

Investments for which the Group does not exercise control but a significant influence are classified as associates or joint ventures and accounted for using the equity method according to IAS 28 and IFRS 11. The Group’s share of net assets is presented in the balance sheet under shares at equity and the share of profit of joint ventures and associates is shown in the income statement under at equity result.
The consolidated financial statements include investments in joint ventures and associate companies. Material investments are as follows:

- Fors AG, Studen (Switzerland)
- Somatel-Liebherr Spa, Ain Smara (Algeria)
- OEMServices SA, Tremblay-en-France (France)
- Aerospace Transmission Technologies GmbH, Friedrichshafen (Germany)

2.4 Translation of foreign currency

Foreign currency transactions are converted at the spot rate as of the transaction date. Monetary assets and liabilities in foreign currency are translated at the balance sheet date exchange rate. All gains and losses are recognised in the income statement. Assets and liabilities in financial statements of subsidiaries are converted to euros using the balance sheet date exchange rate. For the translation of the income statement and the cash flow statement, the average exchange rate of the annual period is used. Exchange rate differences arising from the conversion of the income statement of affiliated companies are recognised separately in the other comprehensive income until disposal.

For the most significant currencies, the following exchange rates have been applied:

<table>
<thead>
<tr>
<th></th>
<th>2019 Year end in €</th>
<th>2019 Average rate in €</th>
<th>2018 Year end in €</th>
<th>2018 Average rate in €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>1</td>
<td>0.9213</td>
<td>0.8990</td>
<td>0.8874</td>
</tr>
<tr>
<td>USA</td>
<td>1</td>
<td>0.8902</td>
<td>0.8933</td>
<td>0.8734</td>
</tr>
<tr>
<td>Great Britain</td>
<td>1</td>
<td>1.1754</td>
<td>1.1404</td>
<td>1.1179</td>
</tr>
<tr>
<td>Australia</td>
<td>1</td>
<td>0.6252</td>
<td>0.6210</td>
<td>0.6165</td>
</tr>
<tr>
<td>Russia</td>
<td>1</td>
<td>0.0143</td>
<td>0.0138</td>
<td>0.0125</td>
</tr>
</tbody>
</table>
2.5 Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Purchases and sales of financial instruments are recognised using the trading date.

Financial assets and liabilities are recognised when the Liebherr Group becomes a party to the contractual obligations of the instrument. Financial assets are derecognised when the contractual rights to receive cash flows are fully transferred to a third party or they have expired. In cases where the rights to receive cash flows are neither transferred nor retained, a derecognition is only relevant to the extent that control has been transferred. If the Group has retained control, the Group continues to recognise the instrument to the extent of its continuing involvement. A financial liability is not derecognised until the liability is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires.

The adoption of IFRS 9 results in a change with respect to the classification and measurement of financial instruments. The initial and subsequent measurement of the various financial instruments used by the Liebherr Group depends on the business model and the cash flow structure. If the contractual details of the financial instrument give rise to cash flows that are “solely payments of principal and interest” on the principal amount outstanding, Liebherr will classify them as “Amortised Cost”, otherwise as “Fair value through profit or loss”. Thus, Liebherr recognises financial instruments that are recognised and measured differently depending on their allocation to the categories specified in IFRS 9. The classification and measurement of financial liabilities are largely unchanged under IFRS 9.

Financial instruments at fair value through profit or loss (fvtpl)
This category includes financial assets and liabilities classified upon initial recognition at fair value through profit or loss and financial assets, inclusive of derivatives, i.e. derivatives held for trading and not held as a hedging instrument according to IFRS 9. All financial instruments in this category are measured at fair value with gains or losses arising from changes in fair value recognised in the income statement in the relevant period (finance income or finance cost). In general, the fair value of the financial instrument base on market prices (Level 1 Inputs and Level 2 Inputs of the fair value hierarchy). Valuation techniques (Level 3 Inputs) using non-observable input parameters are not applied. There were no financial instruments whose fair values could not be determined with sufficient reliability.
Amortised cost
This category represents loans granted by Liebherr Group and accounts receivable trade. Financial assets within this category are recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset upon initial recognition and subsequently measured at amortised cost. At each balance sheet date or under certain circumstances (e.g. significant financial difficulties of the debtor), the carrying amount of the financial instruments in this category are assessed for any impairment. Any impairment losses, which are determined by comparing the carrying value of the instrument to the fair value, are recognised in the income statement. If there is objective substantial evidence in subsequent periods that the impairment of an asset is no longer applicable, the previously recorded impairment loss is to be reversed. However, the reversal of the impairment loss may not create a carrying value that exceeds what the carrying value would have been if normal amortisation charges had been considered (not considering the impairment).

Other financial liabilities
Other financial liabilities comprise all financial liabilities with the exception of derivatives. Financial liabilities are recognised initially at fair value including transaction costs. They are subsequently measured at amortised cost using the effective interest method. In addition to actual interest payments, finance costs include annual compound interest and pro rata transaction costs.

Financial guarantee contracts
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss. This loss incurs when a specified debtor fails to make payments in accordance with the original or modified terms of a debt instrument. In some cases, the creditworthiness of customers is guaranteed by the Liebherr Group to the financing party, i.e. a financial guarantee contract is issued.

3 Non-current assets

3.1 Intangible assets
Intangible assets acquired separately are measured initially at acquisition costs. Internally generated intangible assets from which the Group expects to receive a future benefit and which can be measured reliably are capitalised at their corresponding production costs. The production costs include all costs directly attributable to the production process and a proportionate share of production-related overheads. Borrowing costs are not capitalised, as by definition intangible assets are not qualifying assets.

Development costs for new products are not capitalised, as the future economic benefit can only be demonstrated after a regulatory approval and a successful launch of the products in the market.

All intangible assets are amortised over the lower of their expected economic useful life or the contractual length using the straight-line method. Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually.
3.2 Tangible assets

Tangible assets are measured at costs less cumulative depreciation and cumulative impairment. As a depreciation method the straight-line method is used with a depreciation period corresponding to the useful life. Land is not depreciated on a systematic basis. Maintenance costs are capitalised when they extend the useful life or the production capacity of the asset. Other maintenance costs and repairs are recognised in the income statement as incurred.

The estimated useful lives of tangible assets are as follows:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>20–40 years</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>5–21 years</td>
</tr>
<tr>
<td>Furniture</td>
<td>13 years</td>
</tr>
<tr>
<td>IT</td>
<td>3–5 years</td>
</tr>
<tr>
<td>Vehicles</td>
<td>5–11 years</td>
</tr>
</tbody>
</table>

Any gain or loss arising from the disposal of an asset is included in other operating income or expenses. The disposal of rental machines is recognised as revenue. The reversal of the related remaining book value from the disposal is treated as cost of materials. Tangible assets are derecognised upon disposal or when no future economic benefit is expected from their use.

Borrowing costs directly attributable to the purchase, construction or manufacturing of a qualified asset are capitalised during the period until the asset is brought into service and afterwards depreciated over the useful life of the asset. Other borrowing costs are treated as expenses.
### Development of tangible assets as at Dec. 31, 2019:

<table>
<thead>
<tr>
<th></th>
<th>Land and buildings</th>
<th>Technical equip. and machinery</th>
<th>Other equip., factory and office equip.</th>
<th>Adv. paym., assets under construction</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition and production cost as at 1/1</td>
<td>3,334</td>
<td>2,696</td>
<td>1,567</td>
<td>252</td>
<td>7,849</td>
</tr>
<tr>
<td>Additions</td>
<td>80</td>
<td>350</td>
<td>115</td>
<td>179</td>
<td>724</td>
</tr>
<tr>
<td>Disposals</td>
<td>−22</td>
<td>−447</td>
<td>−74</td>
<td>−6</td>
<td>−549</td>
</tr>
<tr>
<td>Transfers</td>
<td>92</td>
<td>64</td>
<td>60</td>
<td>−218</td>
<td>−2</td>
</tr>
<tr>
<td>Foreign exchange differences</td>
<td>39</td>
<td>23</td>
<td>16</td>
<td>2</td>
<td>80</td>
</tr>
<tr>
<td><strong>Acquisition and production cost as at 31/12</strong></td>
<td><strong>3,523</strong></td>
<td><strong>2,686</strong></td>
<td><strong>1,684</strong></td>
<td><strong>209</strong></td>
<td><strong>8,102</strong></td>
</tr>
<tr>
<td>Accum. depreciation and impairment as at 1/1</td>
<td>1,287</td>
<td>1,605</td>
<td>1,101</td>
<td>1</td>
<td>3,994</td>
</tr>
<tr>
<td>Depreciation of the year</td>
<td>139</td>
<td>230</td>
<td>151</td>
<td>0</td>
<td>520</td>
</tr>
<tr>
<td>Accum. depreciation on disposals</td>
<td>−15</td>
<td>−169</td>
<td>−65</td>
<td>0</td>
<td>−249</td>
</tr>
<tr>
<td>Impairment</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Transfers</td>
<td>0</td>
<td>−9</td>
<td>9</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Foreign exchange differences</td>
<td>14</td>
<td>12</td>
<td>11</td>
<td>0</td>
<td>37</td>
</tr>
<tr>
<td><strong>Accumulated depreciation as at 31/12</strong></td>
<td><strong>1,425</strong></td>
<td><strong>1,671</strong></td>
<td><strong>1,207</strong></td>
<td><strong>1</strong></td>
<td><strong>4,304</strong></td>
</tr>
<tr>
<td>Net book value 31/12</td>
<td>2,098</td>
<td>1,015</td>
<td>477</td>
<td>208</td>
<td>3,798</td>
</tr>
</tbody>
</table>
Development of tangible assets as at Dec. 31, 2018:

<table>
<thead>
<tr>
<th>in m €</th>
<th>Land and buildings</th>
<th>Technical equip. and machinery</th>
<th>Other equip., factory and office equip.</th>
<th>Adv. paym., assets under construction</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition and production cost as at 1/1</td>
<td>3,191</td>
<td>2,552</td>
<td>1,478</td>
<td>221</td>
<td>7,442</td>
</tr>
<tr>
<td>Additions</td>
<td>91</td>
<td>398</td>
<td>135</td>
<td>193</td>
<td>817</td>
</tr>
<tr>
<td>Transfers</td>
<td>90</td>
<td>46</td>
<td>20</td>
<td>–158</td>
<td>–2</td>
</tr>
<tr>
<td>Foreign exchange differences</td>
<td>–23</td>
<td>–8</td>
<td>–2</td>
<td>–1</td>
<td>–34</td>
</tr>
<tr>
<td>Acquisition and production cost as at 31/12</td>
<td>3,334</td>
<td>2,696</td>
<td>1,567</td>
<td>252</td>
<td>7,849</td>
</tr>
<tr>
<td>Accum. depreciation and impairment as at 1/1</td>
<td>1,174</td>
<td>1,510</td>
<td>1,017</td>
<td>0</td>
<td>3,701</td>
</tr>
<tr>
<td>Depreciation of the year</td>
<td>131</td>
<td>225</td>
<td>141</td>
<td>0</td>
<td>497</td>
</tr>
<tr>
<td>Accum. depreciation on disposals</td>
<td>–10</td>
<td>–133</td>
<td>–57</td>
<td>0</td>
<td>–200</td>
</tr>
<tr>
<td>Impairment</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Transfers</td>
<td>–1</td>
<td>0</td>
<td>–1</td>
<td>0</td>
<td>–2</td>
</tr>
<tr>
<td>Foreign exchange differences</td>
<td>–7</td>
<td>–1</td>
<td>1</td>
<td>0</td>
<td>–7</td>
</tr>
<tr>
<td>Accumulated depreciation as at 31/12</td>
<td>1,287</td>
<td>1,605</td>
<td>1,101</td>
<td>1</td>
<td>3,994</td>
</tr>
<tr>
<td>Net book value 31/12</td>
<td>2,047</td>
<td>1,091</td>
<td>466</td>
<td>251</td>
<td>3,855</td>
</tr>
</tbody>
</table>

Other equipment, factory and office equipment include mainly computer equipment, furniture, vehicles, transportation equipment, tools and fixtures.

The net book value of € 3,798 million (2018: € 3,855 million) corresponds to 46.9% (2018: 49.1%) of the historical cost. The recognised impairment loss relates to the rental equipment.

The carrying amount of land and buildings contains the capitalised borrowing costs amounting to € 5 million (2018: € 6 million).
3.3 Leases
Liebherr acts mainly as a lessor and only in cases a purchase is legally or economically not efficient, Liebherr Group is a (long-term) lessee. The adoption of IFRS 16 implies that Liebherr has to recognise both a right-of-use asset and a lease liability. The majority of cases in this context concern land and buildings, but also machinery. The lease liability is measured at the beginning of the lease term at the present value of the unpaid lease payments and discounting is based on the marginal borrowing costs.

The practical expedients given in IFRS 16 with respect to small ticket leases and short term leases, implying that a recognition of a right-of-use asset and a lease liability is avoided, are interpreted and applied correspondingly at Liebherr. A short-term lease is defined as a lease that, at the commencement date, has a lease term of 12 months or less, does not include an option to purchase the underlying asset and refers mainly to warehouses at short notice and flats. Small ticket leases refer to leases for which the underlying asset is of low value, i.e. a low present value of the lease payments, and subsumes assets such as printers or other office equipment. Intangible assets are not within the scope of IFRS 16. In determining the lease liability both variable lease payments that depend on an index or a rate and amounts expected to be payable by the lessee under residual value guarantees are included.

The initial measurement of the right-of-use asset is based on the value of the initial measurement of the lease liability. Scheduled depreciation is carried out over the economic useful life if the asset is transferred to the lessee at the end of the term, or the lessee will exercise an existing purchase option with sufficient certainty. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, Liebherr depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, depreciation is based the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset is regularly tested for impairment.

Liebherr Group is a lessor of self-made machines. IFRS 16, Leases, contains also provisions according to which a decision has to be made whether substantially all the risks and rewards incidental to ownership of an asset is transferred to the lessee. Depending on the extent of the transfer of risk and rewards, the lease is classified as finance lease or as operating lease. Self-constructed assets capitalised under tangible assets but leased out under an operating lease are recognised at production costs. All other leased-out equipment is recognised at acquisition costs. All rental equipment is depreciated using the straight-line method according to the asset’s useful life reflecting the lower of the market value or the calculated residual value of the asset. Lease income from operating leases is recognised in the income statement on a straight-line basis. With respect to financial leases, a receivable is recognised at an amount equal to the net investment in the lease. Lease payments are divided into interest and principal payments.
For sale and leaseback transactions, established at fair value, any profit or loss is recognised immediately.

Generally, a multistage lease contains a head lease and a sublease. In multistage leases, Liebherr Group is both lessor and lessee. Accounting for the head lease implies a recognition of a right-of-use asset and a corresponding lease liability. In subleases, Liebherr Group decides on the basis of the corresponding criteria for lessors in IFRS 16 and on the basis of the right-of-use asset of the head lease whether the sublease should be classified as a finance lease or as an operating lease.

3.4 Impairment of non-current assets
Impairment losses on intangible and tangible assets will be recognised at each reporting date if there are indications that, following an event or due to changing circumstances, the book value is overvalued. If the carrying amount of an asset exceeds the recoverable amount (value in use or fair value less costs to sell) the asset will be written down to this lower amount. If necessary, intangible and tangible assets are combined to cash-generating units.

3.5 Joint ventures and associated companies
Shares in joint ventures and associated companies are accounted for using the equity method of accounting.

3.6 Non-current financial assets
Non-current financial assets comprise non-current leasing receivables, loans and non-current marketable securities. Loans are classified as “Amortised Cost”. Marketable securities are measured at fair value through profit or loss. Management of these financial assets is in accordance with a documented investment strategy and their performance is assessed based on the change in fair value.
4 Current assets

4.1 Inventories
Inventories are recognised at acquisition or production costs. Production costs includes costs directly related to the units of production and a systematic allocation of fixed and variable production overheads. The allocation of fixed production overheads is mostly based on the normal capacity of the production facilities; otherwise it is based on the actual level of production. Selling costs, administrative overheads and borrowing costs are not capitalised. Raw materials and merchandise are generally measured at acquisition costs. For raw materials, the acquisition cost reflects the lower of the last purchase price and the weighted average price. Sufficient allowances are recorded for risks with regard to obsolescence and surplus stock as well as for losses of pending transactions by depreciation or writing down to the net realisable value.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw materials and supplies</td>
<td>1,702</td>
<td>1,750</td>
</tr>
<tr>
<td>Work in progress</td>
<td>933</td>
<td>1,051</td>
</tr>
<tr>
<td>Finished goods and merchandise</td>
<td>1,782</td>
<td>1,677</td>
</tr>
<tr>
<td>Payments made in advance for inventories</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,425</strong></td>
<td><strong>4,489</strong></td>
</tr>
</tbody>
</table>

4.2 Construction and service contracts
For specific construction and service contracts, revenue is, more often than not, recognised over time. The dominating input-based approach to determine the stage of completion at Liebherr Group is the cost-to-cost method. The cost-to-cost method determines the stage of completion according to the ratio of the contract costs incurred up to the balance sheet date to the estimated total contract costs with the corresponding sales per period to be recorded. However, output methods can also be based on physical partial services or contractually defined milestones. Both the cost-to-cost method and the output-based method are established and applied at Liebherr resulting in an appropriate disclosure of the control transfer of services and products over time.

4.3 Accounts receivable
Accounts receivable are classified as "Amortised Cost". The IFRS 9 impairment approach for financial instruments is based on a three-step procedure. But regarding the impairment of accounts receivable without an underlying financing component, representing the vast majority of the cases at Liebherr, this three-step procedure may be avoided and instead, a simplified approach may be employed in order to calculate the lifetime expected loss. Furthermore, dependent on the different residual terms a provision matrix as a practical expedient for determining the expected loss on accounts receivables in the sense of stage allowances is calculated. The mentioned provision matrix specifies fixed provision rates depending on the number of days that a trade receivable is past due. It is assumed that these provision rates approximate the default probability of trade receivables in the sense of the lifetime expected loss approach. A single allowance for doubtful accounts is recognised when there is objective evidence that such receivables are not recoverable (e.g. due to bankruptcy, payment default or other financial difficulties of the debtor). The amount of the loss is
measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows. The allowance is based on internal group guidelines, according to which individual allowances must be deducted first. The payment terms and outstanding receivables are regularly monitored locally by all subsidiaries. Furthermore, safeguards in the form of prepayments and down payments are established.

4.4 Derivative financial instruments
Within the Liebherr Group, this position predominantly includes forward currency contracts, currency options, currency swaps, interest rate swaps and interest rate currency swaps to hedge its foreign exchange and interest rate risks. All derivatives, if they do not qualify for hedge accounting in accordance with IFRS 9, are classified as financial instruments at fair value through profit or loss.

To hedge the interest and foreign currency risks resulting from its operational activities, financial transactions and investments, the Liebherr Group makes use of derivative financial instruments. The goal is to reduce volatility in the income statement. A hedging relationship must fulfil various criteria relating to the documentation, the probability of occurrence, the effectiveness of the hedging instrument and the reliability of the measurement in order to qualify for hedge accounting in accordance with IFRS 9.

Under certain circumstances, a derivative financial instrument designated as a hedging instrument can be used to hedge the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable future transaction or the foreign currency risk in an unrecognised firm commitment. Exclusively in the aerospace division, Liebherr Group uses hedging instruments in cash flow hedges. Thereby the exposure to variability of future cash flows in foreign currencies which could have an effect on profit and loss is hedged. The effective portion of the gain or loss of the hedging instrument is recognised in other comprehensive income when the criteria for hedge accounting are fulfilled. These other comprehensive income amounts reflecting the cumulated value changes of the hedging instruments are, simultaneously, transferred to the income statement when the hedged transaction affects profit or loss or upon initial recognition of an asset or a liability. If the forecasted transaction is no longer expected to occur, the hedge is no longer effective and the amounts previously recognised in other comprehensive income are transferred to the income statement. The ineffective portion of the gain or loss of the hedging instrument is recognised directly in the finance result.
4.5 Current financial assets
The financial assets in these categories are classified, based on an internal risk management and investment strategy, as financial assets at fair value through profit or loss. The management of these assets is based on a written investment strategy and performance is measured on fair value.

<table>
<thead>
<tr>
<th>in m €</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td>418</td>
<td>334</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>114</td>
<td>97</td>
</tr>
<tr>
<td>Fixed income securities</td>
<td>836</td>
<td>807</td>
</tr>
<tr>
<td>Other securities</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total securities and other financial assets at fair value</strong></td>
<td><strong>1,371</strong></td>
<td><strong>1,240</strong></td>
</tr>
<tr>
<td>Fixed deposits with a residual term more than three months</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,377</strong></td>
<td><strong>1,247</strong></td>
</tr>
</tbody>
</table>

4.6 Liquid funds
In addition to cash on hand and cash in banks, short-term deposits with an original maturity of three months or less are considered as liquid funds.
5 Equity

The share capital of Liebherr-International AG is divided into registered shares. The revenue reserve contains the legal reserve of Liebherr-International AG as well as the retained earnings of the other subsidiaries. Additionally, the balance includes the free reserves of Liebherr-International AG as well as reserves and profits from previous years of the consolidated companies.

Under this position, the effective portion of the gain or loss of the hedging instrument in a cash flow hedge is recognised in accordance to IFRS 9 in other comprehensive income (OCI) without being recorded in the income statement.

In equity, exchange differences arising from the translation of assets and liabilities from the individual closings of foreign subsidiaries into the presentation currency are included.

6 Financial liabilities

The following table gives an overview of the financial liabilities:

<table>
<thead>
<tr>
<th>in m €</th>
<th>Current</th>
<th>Non-current</th>
<th>Total 2019</th>
<th>Current</th>
<th>Non-current</th>
<th>Total 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank liabilities</td>
<td>1,129</td>
<td>1,199</td>
<td>2,328</td>
<td>880</td>
<td>1,423</td>
<td>2,303</td>
</tr>
<tr>
<td>Liabilities from leases</td>
<td>33</td>
<td>165</td>
<td>198</td>
<td>28</td>
<td>193</td>
<td>221</td>
</tr>
<tr>
<td>Accounts payable from non-genuine factoring</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Bank liabilities from discounted bills</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>1,162</td>
<td>1,364</td>
<td>2,526</td>
<td>909</td>
<td>1,616</td>
<td>2,525</td>
</tr>
</tbody>
</table>
7 Other liabilities

The following table gives an overview of the other liabilities:

<table>
<thead>
<tr>
<th>in m €</th>
<th>Current</th>
<th>Non-current</th>
<th>Total 2019</th>
<th>Current</th>
<th>Non-current</th>
<th>Total 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities from repurchase obligations</td>
<td>50</td>
<td>37</td>
<td>87</td>
<td>27</td>
<td>82</td>
<td>109</td>
</tr>
<tr>
<td>Accounts payable trade</td>
<td>795</td>
<td>0</td>
<td>795</td>
<td>857</td>
<td>0</td>
<td>857</td>
</tr>
<tr>
<td>Liabilities from personnel expenses and social security</td>
<td>346</td>
<td>0</td>
<td>346</td>
<td>334</td>
<td>0</td>
<td>334</td>
</tr>
<tr>
<td>Tax liabilities and customs</td>
<td>143</td>
<td>0</td>
<td>143</td>
<td>103</td>
<td>0</td>
<td>103</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>54</td>
<td>0</td>
<td>54</td>
<td>38</td>
<td>0</td>
<td>38</td>
</tr>
<tr>
<td>Contract Liabilities</td>
<td>170</td>
<td>0</td>
<td>170</td>
<td>155</td>
<td>0</td>
<td>155</td>
</tr>
<tr>
<td>Deferred income</td>
<td>11</td>
<td>0</td>
<td>11</td>
<td>16</td>
<td>0</td>
<td>16</td>
</tr>
<tr>
<td>Further liabilities</td>
<td>125</td>
<td>39</td>
<td>164</td>
<td>106</td>
<td>38</td>
<td>144</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,694</strong></td>
<td><strong>76</strong></td>
<td><strong>1,770</strong></td>
<td><strong>1,636</strong></td>
<td><strong>120</strong></td>
<td><strong>1,756</strong></td>
</tr>
</tbody>
</table>

8 Taxes

Taxes include both current and deferred taxes. Current income taxes (income or corporation tax, business tax and corresponding foreign taxes) are the amounts resulting from taxable income or loss to be paid to or recovered from the relevant tax authority.

Current income taxes for the actual period and prior periods are recognised as a liability to the extent that they have not yet been paid. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset. The benefit relating to a tax loss that can be carried back to recover current tax of a previous period is recognised as an asset.

Current tax liabilities (tax assets) for the actual and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted at the reporting date or that will be enacted in the near future. Current income taxes are recognised in the income statement, except current income taxes relating to items previously recognised in other comprehensive income.

Deferred tax assets and liabilities are recognised in accordance with IAS 12 for temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The deferred tax assets also include future tax reductions from the expected use of losses brought forward. Deferred tax assets are only recognised if there is sufficient probability that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets
and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. The announcements of new tax rates (and new tax laws) by the government have been considered for the measurement of deferred tax assets and liabilities. The formal enactment is not relevant unless the temporary differences balance themselves under the old tax law.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be recovered. Conversely, a previously unrecognised deferred tax asset is recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred taxes are charged or credited directly to other comprehensive income if the taxes relate to items that are credited or charged directly to other comprehensive income in the same or a different period.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same tax authority.

9 Employee benefits

Employee benefits consist of pension obligations, commitments related to anniversary bonuses and partial retirement agreements. There are various employee benefit plans in the Group, which are individually aligned with local conditions in their respective countries. They are financed either by means of contributions to legally independent pension/insurance funds, or by recognition as employee benefit liabilities in the balance sheet of the respective subsidiaries.

The net periodic costs with regards to defined contribution plans to be recognised in the income statement are the agreed contributions of the employer. In case of defined benefit plans, the period costs are determined by means of actuarial valuations by external experts using the projected unit credit method which are prepared on a regular basis.

The calculation of net periodic costs and employee benefit liabilities implies that statistical methods and variables are employed. These variables include, for example, estimations and assumptions concerning the discount rate. Furthermore, actuaries use a wide range of statistical information for actuarial calculation of employee benefit liabilities which can deviate significantly from actual results due to changes in market conditions, the economic situation as well as fluctuating rates of withdrawal and shorter or longer life expectancy of benefit plan participants.
10 Provisions

Provisions are only recognised in the balance sheet if the Liebherr Group has an obligation to a third party that resulted from a past event, and if a reliable estimate of the obligation can be made. Possible losses from future events are not recognised in the balance sheet. Restructuring provisions will only be recognised if the respective costs can be determined reliably by reference to a plan and if there is a corresponding obligation resulting from a contract or notification.

<table>
<thead>
<tr>
<th>Provisions 2019 in m €</th>
<th>Warranty obligation</th>
<th>Compensation and product liability</th>
<th>Expected loss from pending transactions</th>
<th>Other provisions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current provisions</td>
<td>448</td>
<td>8</td>
<td>68</td>
<td>84</td>
<td>608</td>
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<tr>
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<td>13</td>
<td>26</td>
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<td><strong>Total provisions</strong></td>
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<td><strong>9</strong></td>
<td><strong>81</strong></td>
<td><strong>110</strong></td>
<td><strong>648</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Reconciliation</th>
<th>Warranty obligation</th>
<th>Compensation and product liability</th>
<th>Expected loss from pending transactions</th>
<th>Other provisions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec. 31, 2018</td>
<td>418</td>
<td>10</td>
<td>93</td>
<td>97</td>
<td>618</td>
</tr>
<tr>
<td>Increase</td>
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<td>2</td>
<td>41</td>
<td>49</td>
<td>274</td>
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<tr>
<td>Usage</td>
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<td>−1</td>
<td>−39</td>
<td>−12</td>
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<td>1</td>
<td>4</td>
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<td><strong>Dec. 31, 2019</strong></td>
<td><strong>448</strong></td>
<td><strong>9</strong></td>
<td><strong>81</strong></td>
<td><strong>110</strong></td>
<td><strong>648</strong></td>
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</tbody>
</table>
## Consolidated Financial Statements

<table>
<thead>
<tr>
<th>Provisions 2018 in m €</th>
<th>Warranty obligation</th>
<th>Compensation and product liability</th>
<th>Expected loss from pending transactions</th>
<th>Other provisions</th>
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<td>593</td>
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<tr>
<td><strong>Total provisions</strong></td>
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<td>97</td>
<td>618</td>
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</table>

### Reconciliation

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<tr>
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<th>Increase</th>
<th>Usage</th>
<th>Transfers</th>
<th>Reversal</th>
<th>Discounting</th>
<th>Foreign exchange differences</th>
<th>Dec. 31, 2018</th>
</tr>
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<td>–2</td>
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<td>Expected loss from pending transactions</td>
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<td>–6</td>
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<td>1</td>
<td>93</td>
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<tr>
<td>Other provisions</td>
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<td>49</td>
<td>–11</td>
<td>1</td>
<td>–11</td>
<td>0</td>
<td>–2</td>
<td>97</td>
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<tr>
<td><strong>Total</strong></td>
<td>548</td>
<td>258</td>
<td>–144</td>
<td>0</td>
<td>–44</td>
<td>0</td>
<td>0</td>
<td>618</td>
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</tbody>
</table>
11 Revenue recognition and profit realisation

Liebherr has adopted IFRS 15. The core principle of IFRS 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework helping to calculate the amount and to determine whether the revenue is to be recognised at a point in time or over a period of time. The five-step model requires the identification of the contract with a customer, the identification of the performance obligations, the determination of the transaction price, the allocation of the transaction price to the corresponding performance obligations and the recognition of revenue when the entity satisfies a performance obligation.

If partial invoices are created during the contractual term, revenue can be recognised during the contract period on the basis of the right-to-invoice approach, i.e. revenue is recognised in the amount of the invoiced amount.

Revenue recognition over time should reflect the transfer of control over the service to the customer according to the progress in fulfilling the underlying performance obligation. The dominating input-based approach to determine the stage of completion at Liebherr Group is the cost-to-cost method. The cost-to-cost method determines the stage of completion according to the ratio of the contract costs incurred up to the balance sheet date to the estimated total contract costs with the corresponding sales per period to be recorded.

If Liebherr has determined that the performance obligation is not fulfilled over time, revenue recognition in reference to a specific point in time is assumed. Revenue recognition in reference to a specific point in time is, more often than not, the rule.

Revenue from operating leases is recognised on a straight line basis over the lease term, unless another systematic basis is more representative of the time pattern in which the user benefit derived from the leased asset is diminished. As such, income from lease payments is recognised proportionally. The difference between payments received and income recognised is deferred.

Sales proceeds from rental equipment disclosed under non-current assets are not recognised until actual transfer of risks and rewards related to the assets occurs.
12 Events after balance sheet date

The measures taken by individual governments and local authorities in Europe since the beginning of March 2020 in connection with the spread of the corona virus will have a massive impact on the Liebherr Group's business activities in 2020. At the time of writing this report, it is difficult to make a precise forecast of the impact that the restrictions on passenger and freight traffic will have on the Liebherr Group's turnover, cost structure, result and also cash flow. However, the Liebherr Group’s very good equity base, the availability of appropriate credit lines and, last but not least, the high level of cash and financial assets even in the event of an escalation of the situation (slump in demand, supply chain difficulties leading to production stoppages, etc.) should enable the Liebherr Group to cope with a crisis situation for months to come.
Report of the Statutory Auditor

To the Board of Directors of
Liebherr-International AG, Bulle
Berne, April 3, 2020

Report of the independent auditor on the summary consolidated financial statements
The accompanying summary consolidated financial statements of Liebherr-International AG which comprise the consolidated balance sheet as of December 31, 2019, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and related summary notes to the consolidated financial statements, are derived from the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and audited in accordance with International Standards on Auditing (ISA). We expressed an unmodified audit opinion on those consolidated financial statements in our report dated April 3, 2020.

The summary consolidated financial statements do not contain all the disclosures required by IFRS. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Liebherr-International AG.

Board of Directors’ responsibility
The Board of Directors’ is responsible for the preparation of a summary of the audited consolidated financial statements on the basis described in the notes to the summary consolidated financial statements.

Auditor’s responsibility
Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, “Engagements to Report on Summary Financial Statements”.

Opinion
In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of Liebherr-International AG for the year ended December 31, 2019 are consistent, in all material respects, with those consolidated financial statements, on the basis described in the notes.

Ernst & Young Ltd
Roland Ruprecht
Licensed audit expert
(Auditor in charge)
Salome Amherd
Licensed audit expert
Five-Year Summary

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017R*</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
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<td>9,009</td>
<td>9,812</td>
<td>10,551</td>
<td>11,750</td>
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<td>751</td>
<td>778</td>
<td>829</td>
<td>756</td>
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<tr>
<td>Depreciation</td>
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<td>466</td>
<td>499</td>
<td>513</td>
<td>541</td>
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<td>Non-current assets</td>
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<td>4,089</td>
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<td>4,372</td>
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<td>8,572</td>
<td>9,012</td>
<td>9,352</td>
<td>9,916</td>
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<tr>
<td>Equity</td>
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<td>7,061</td>
<td>7,369</td>
<td>7,570</td>
<td>7,884</td>
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<tr>
<td>Liabilities</td>
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<td>5,610</td>
<td>5,833</td>
<td>6,215</td>
<td>6,404</td>
</tr>
<tr>
<td>Result after tax</td>
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<td>298</td>
<td>319</td>
<td>321</td>
<td>429</td>
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<tr>
<td>Personnel expenses</td>
<td>2,331</td>
<td>2,413</td>
<td>2,538</td>
<td>2,790</td>
<td>2,980</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>41,545</td>
<td>42,308</td>
<td>43,869</td>
<td>46,169</td>
<td>48,049</td>
</tr>
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</table>

* Restatement first time adoption of IFRS 9/15/16