
Annual report 2021

LIEBHERR

The Group

Annual report 2021

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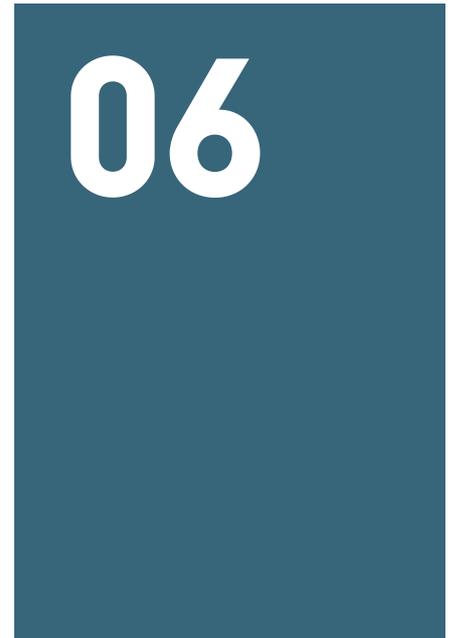
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Foreword from the family shareholders

Business year 2021

Dear readers,

At the beginning of 2022, when we started thinking about how to reflect on the year just past, the world was a very different place. We looked back with pride on a financial year that, despite the ongoing coronavirus pandemic, still resulted in the second-best turnover in our company's history. We talked about major investments and significant technological advances. And our forecast for 2022 looked very optimistic.

But the world has changed overnight. As we write this, a war is raging in Ukraine. Stunned, we are witnessing a situation in Europe that we did not think possible just a short time ago. We are hoping for a de-escalation in the very near future and for negotiations that will end the suffering and restore peace to the region. Our thoughts are with the affected people of Ukraine. We have stepped up as a company and are donating to help the refugees and those in the crisis region.

At times like these, business seems less important. And yet, as we look back on the past year, we would not want to miss the opportunity to express our heartfelt thanks to our customers. They have once again placed enormous trust in us. And we will live up to this trust, even in these difficult times.

The family shareholders active in the Group (from left to right): Jan Liebherr, Stéfanie Wohlfarth, Sophie Albrecht, Philipp Liebherr, Patricia Rűf, Johanna Platt, Isolde Liebherr, Willi Liebherr



In the interview, the Liebherr family shares their thoughts on the year 2021 and the current situation

We also want to thank our employees, who now number nearly 50,000. We are grateful for their commitment to our company and the extraordinary creativity and flexibility they show day after day. Our goal continues to be an employer they can rely on.

The new business year started off with plenty of new orders on our books. At this point in time, however, it is still too soon to predict how the war in Ukraine will impact the Euro-

pean as well as the world economy. This year, as always, we will do our utmost to live up to our reputation as a stable and reliable partner.



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





02



Brief portrait of the Group

Brief portrait

The Liebherr Group

Founded in 1949, the Group today comprises over 140 companies on all continents and employs 49,611 people.

The Liebherr Group is a technology company with a broadly diversified product programme. The company is one of the world's largest manufacturers of construction machines, but also offers high-quality, user-oriented products and services in many other fields. The Group's holding company is Liebherr-International AG, based in Bulle (Switzerland). All its shareholders are members of the Liebherr family. For the family company, long-term success, sustainable development, stability and reliability matter.

Liebherr develops and manufactures an enormous variety of fascinating products. They are renowned on world markets for their high precision, excellent design and particular durability. With its innovations and visionary technologies, the company strives to inspire its customers. In the process, the limits of what was previously possible are constantly being redefined, enabling Liebherr to frequently contribute to technological progress. Working together on these fascinating tasks creates a strong bond that Liebherr's employees can rely on – across national borders and continents.



11,639

€ m turnover



742

€ m investments

49,6

employees



> 40

production companies



> 140

companies

13

product segments



Self-concept

The Liebherr Group was founded in 1949 by Hans Liebherr, a man driven by passion, visionary ideas and with a flair for future-looking technology. To this day, Liebherr has demonstrated stability and reliability, thanks to the personal commitment of its leadership and its tradition as an independent family business, and is known as a pioneer in forward-looking innovations with the highest quality standards. Liebherr is and remains a wholly family-owned business with a high degree of freedom of action and decision-making in all of its activities. Thanks to its high equity ratio and broadly diversified product range, Liebherr has the flexibility to compensate for market-related economic fluctuations. The company's value-driven culture has ensured strong cohesion and trusting relationships with partners and customers over years and decades – characterised by fairness and mutual respect.

Maintaining integrity as a business partner and job security are important corporate directives.

An elementary part of the company is its employees: they all contribute their unique ideas and commitment to creating great things – no matter how demanding the task at hand. Liebherr reacts flexibly to the wishes of its customers and offers custom-built solutions. The close customer relationships and the high value placed on customer benefit build the foundations of the Group's success and form an important part of Liebherr's company culture. As descendants of the company founder, the shareholders are aware of their entrepreneurial responsibility. What matters are long-term success and sustainability as bases for future development and a solid financial standing – profits are reinvested and, by remaining within the company, thus guarantee the future of the Group.

Liebherr-International AG

Company information

Head office	CH-1630 Bulle / FR
Share capital	CHF 100,000,000
Shareholders	Liebherr family (100%)
Administrative board	Dr. h. c. Willi Liebherr, president Dr. h. c. Isolde Liebherr, vice-president Hubert Liebherr Sophie Albrecht Jan Liebherr Patricia Rűf Stéfanie Wohlfarth Johanna Platt Philipp Liebherr
Managing directors	Stephen Albrecht Andreas Böhm Dr. Rolf Geyer Stephan Raemy
Auditors	Ernst & Young AG, Berne

The active shareholders of the Liebherr Group



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



Dr. h. c. Isolde Liebherr
Vice-president 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 Rűf
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

From generation to generation

The Liebherr Group is managed jointly by the second and third generations of the family. This continuity as well as a focus on long-term success, sustainable development, stability and reliability are the fundamental principles that guide all management decisions. The Group's chief decision-making and management body is the Board of Directors, which is also composed exclusively of family members. It decides on all fundamental policies relating to corporate governance, business development, product policy, and

financial and investment policies. In addition to the siblings Dr. h.c. Willi Liebherr and Dr. h.c. Isolde Liebherr, who represent the second generation of the Liebherr family, the Board includes Jan Liebherr, Stéfanie Wohlfarth, Sophie Albrecht, Patricia Rűf, Johanna Platt and Philipp Liebherr, who represent the third generation. They ensure that the Group will continue to be inextricably linked with the Liebherr family and run as an independent family business.

The Group's business model

User value

As a technology company, Liebherr has been synonymous with a wide range of products and services in many areas of technology for over 70 years.

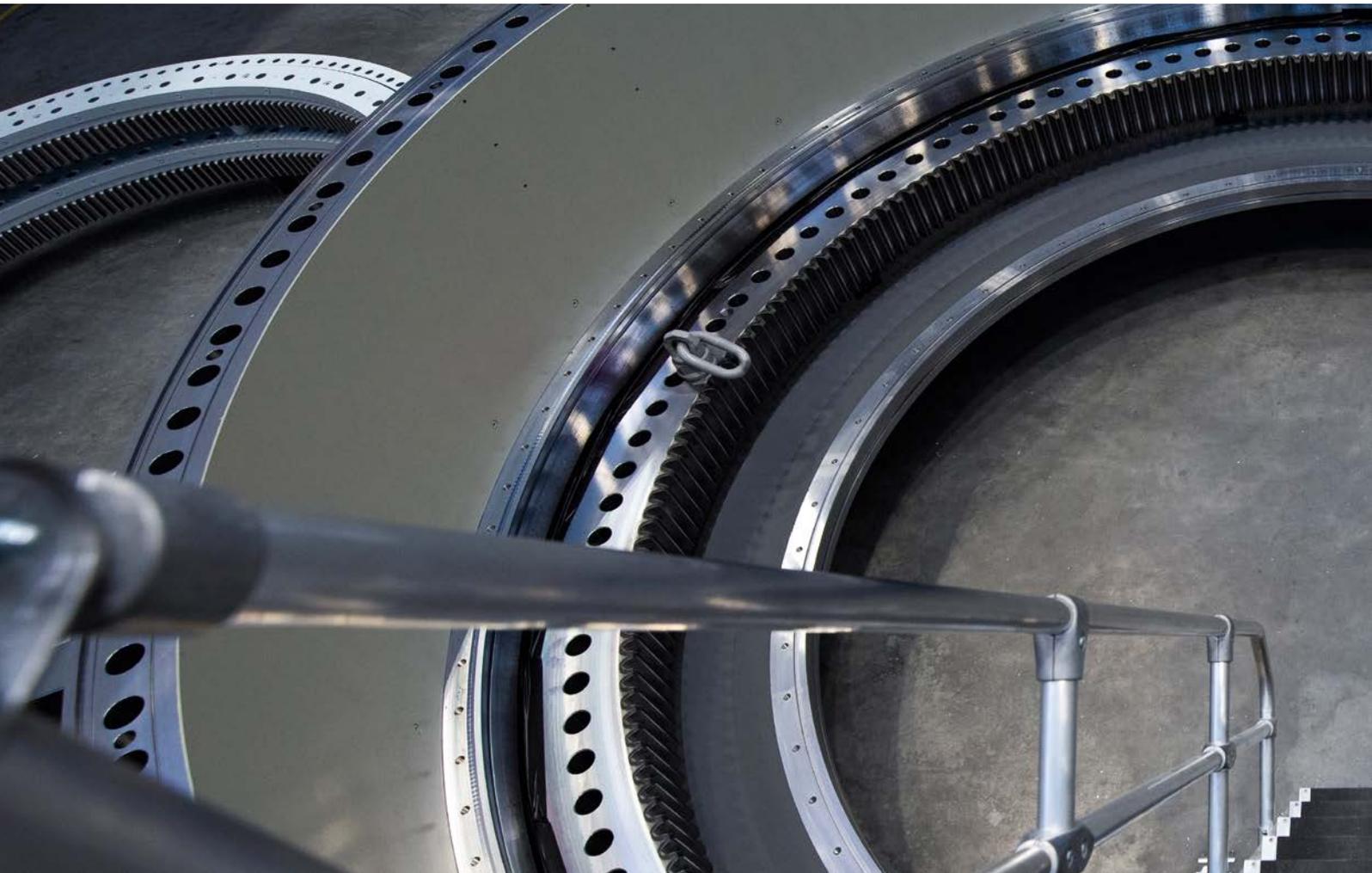
Liebherr provides tailored, technologically advanced and innovative products as well as services with real added value to customers in many different industries all over the world. Thinking ahead with the necessary foresight, the Group is already addressing the challenges that customers around the globe will face tomorrow.

Products and customer segments

The Liebherr Group offers a versatile product programme consisting of 13 product segments that is unique in its breadth and depth and helps shape technological advances across numerous industries.

Within the earthmoving product segment, Liebherr produces and distributes a broad portfolio of hydraulic excavators, crawler tractors and crawler loaders, wheel loaders, telescopic handlers as well as mining trucks. Within the material handling technology product segment, Liebherr specialises in a vast range of custom-built products and technologies capable of handling enormous volumes. The portfolio includes mobile, crawler and electric material handling machines used in numerous applications such as scrap, timber and port handling as well as in recycling and waste management. In addition to these products developed for specialised use cases, Liebherr also offers modified versions of many models of its construction machines series for material handling. With its deep foundation machines, such as piling and drilling rigs and duty cycle

crawler cranes, Liebherr offers a full spectrum of products to meet the modern industry's needs. For the mining industry, the Group's mining product segment includes powerful excavators, mining trucks and crawler excavators that perform under the most extreme conditions. The Group also offers an extensive range of crane models of every system type, lifting capacity and size class, to be used in the various areas of application. From all-terrain mobile cranes and telescopic crawler cranes to fast-erecting cranes, the products from Liebherr's mobile and crawler crane and the tower cranes product segments are used around the world, offering the right solution for any purpose. The Group is also a full-service provider in the concrete technology product segment. Liebherr develops and produces truck mixers, mixing plants and concrete



pumps, rounding out its portfolio with additional products such as mixing and control systems.

With a versatile product range and innovative models, Liebherr also offers efficient material handling solutions for use in harbours and in the maritime and offshore industries. Products from the maritime cranes segment range from port equipment such as mobile harbour cranes or ship to shore container cranes to offshore cranes, ship cranes and floating transfer solutions. In the aerospace and transportation systems product segment, Liebherr offers high-precision components and custom-built system solutions for aircraft, rail vehicles and buses. High-quality gear machines and automation systems as well as precision measuring

equipment and engineering projects include the gear technology and automation systems product segment. Liebherr also produces a vast array of refrigerators and freezers for home and commercial use, which feature innovative technologies and modern designs. In the components segment, the Group specialises in high-performance mechanical, hydraulic and electrical drive and control technology products used in a wide range of industries. Liebherr also operates six luxury hotels in Ireland, Austria and Germany.

Customer relations

The Group has worked closely with customers and business partners for years or even decades, and is continuously expanding its global presence to

remain close to its customers. The Group's products and services are sold through an international network of its own distribution and sales companies as well as partners with whom Liebherr maintains a long-standing and trusted business relationship. Liebherr is highly committed to responding quickly, reliably and flexibly to its customers' wishes. The Group thrives on bundling its vast technical expertise and extensive knowledge from a wide range of fields and its ability to offer customised solutions. Liebherr strives to deliver excellence for its customers, while constantly redefining the limits of what is possible. As a traditional family business, the Group owes its success to close customer relationships and its strong focus on added value.

Change in perspective: Viewing a large-diameter slewing bearing for maritime applications from above emphasises its impressive dimensions



Key activities

The Liebherr Group develops, produces and distributes innovative products as well as services and is the driving force behind many key technologies.

Key resources/added value chain and key partnerships

Liebherr invests heavily in research and development. In this context, the Group also forms partnerships with universities and research institutes worldwide.

Thanks to its network of over 40 state-of-the-art production facilities in 17 countries and long-standing partnerships with suppliers inside and outside of the Group, Liebherr is able to offer the highest-quality innovative products at competitive prices. The business model also includes well-organised replacement part logistics and customer-centric services.

Liebherr is committed to mastering key technologies down to the last detail, which leads to a high degree of independence in technological terms.

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. In certain cases, the Group is also open to appropriate partnerships and joint ventures.

Earnings and cost structure

Liebherr generates revenue through the sale and rental of products as well as the provision of services.

In some product segments, the Liebherr Group benefits from lowering its unit costs by increasing production volumes. In other segments, however, the focus lies on developing custombuilt solutions for individual customers. In those segments, Liebherr focuses on adding value, achieving a premium value proposition and offering highly personalised services to its customers. The Group can create synergies through its broad product range and mastery of key technologies, among other things. Its supply chain spans the entire globe.

With its 13 product segments, the Group pursues a strategy of diversification, which contributes to independence from economical fluctuations in individual industries or markets. The decentralised corporate structure with clearly organised, independently operating business units also positions Liebherr to respond flexibly to market trends in the competitive global economy. Liebherr is dedicated to long-term success, sustainable development, stability and reliability. The Group's core objective is to ensure that profits remain within the company, where they are reinvested.

Organisational structure

The Liebherr Group has a decentralised structure. Its parent company is Liebherr-International AG, which exercises executive, coordinating and controlling functions. Independently operating divisional parent companies are responsible for the operational management of the Group's product segments. This means that research and development, production, marketing and sales for individual product segments are also decentralised. Country-specific activities are often managed within overarching sales and service companies.

This structure offers multiple advantages: on the one hand, it ensures a consistent approach to central corporate issues, while on the other hand, the flat hierarchies within its individual product segments allow Liebherr to respond quickly to the needs of the market, to adapt quickly to changes and swiftly put new ideas into practice.

A strong partner at the customer's side:
A Liebherr service technician in action



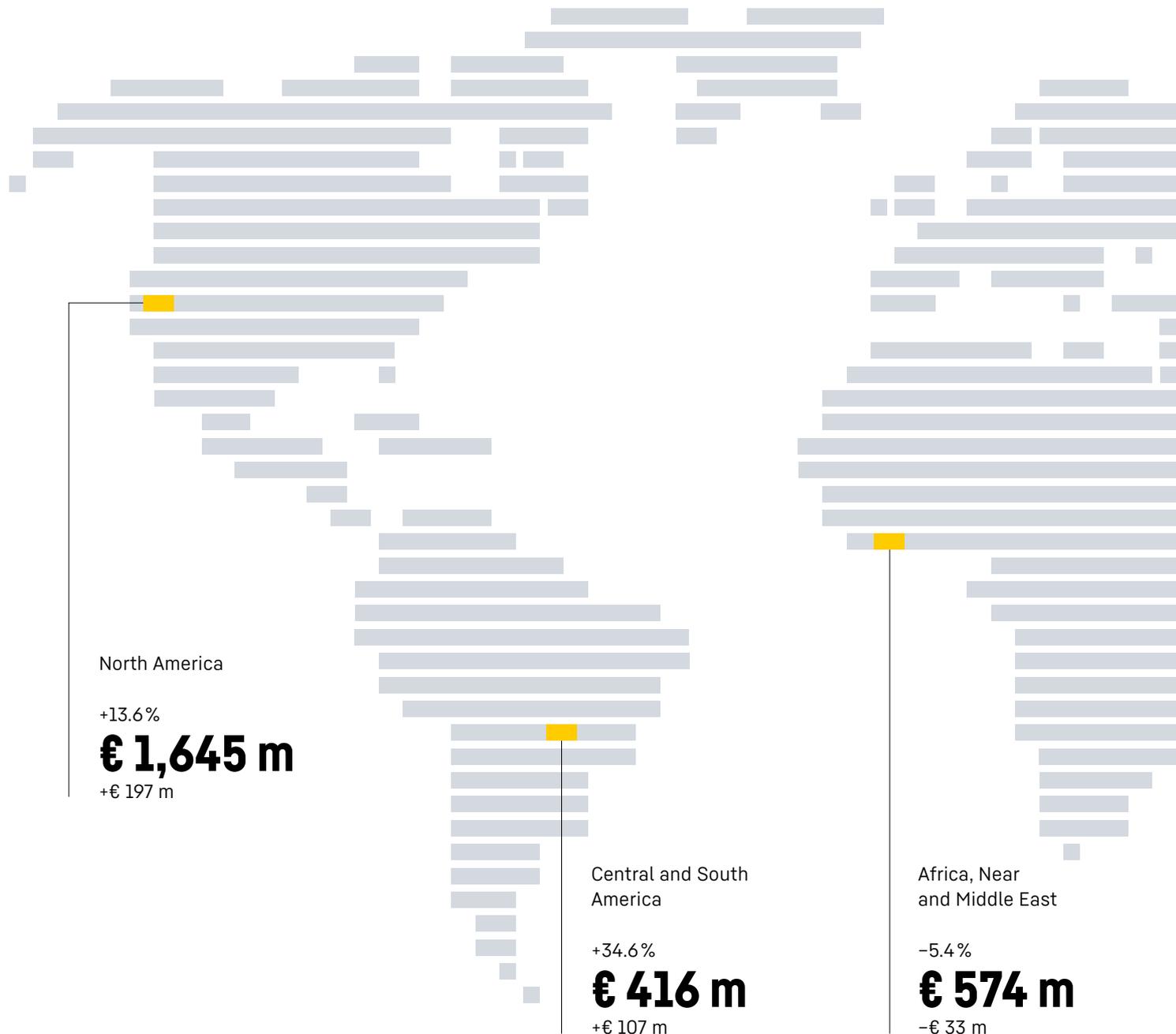
03

Development and outlook

Business performance

The Group in 2021

The Liebherr Group achieved a total turnover of € 11,639 million in 2021. This represents an increase of € 1,298 million or 12.6 %, compared with the previous year.



Europe

+13.5%

€ 7,192 m

+€ 853 m

European Union

+11.2%

€ 5,656 m

+€ 571 m

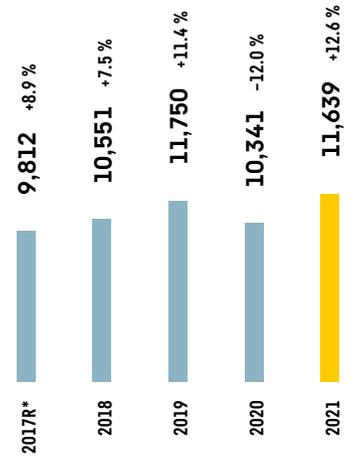
Non-EU countries

+22.5%

€ 1,536 m

+€ 282 m

Turnover worldwide € m



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

Asia and Oceania

+10.6%

€ 1,812 m

+€ 174 m

Discover the Liebherr Group's highlights of 2021

Overall economic performance

According to the International Monetary Fund, the global economy grew by 5.9% in 2021. However, the impact of the coronavirus pandemic continued to be felt in the form of travel restrictions, disruptions in global supply chains and interruptions in manufacturing activities worldwide. Other impacts included price increases in many areas and rapidly rising inflation rates in some countries. Nevertheless, there have been signs of a general upward trend, with growth of 5.0% in industrialised countries and 6.5% in emerging and developing countries. The US economy grew by 5.6% while growth in the Eurozone reached 5.2%. The World Trade Organisation reported a 10.8% increase in international trade volume. However, this strong growth has been unevenly distributed, with some developing countries lagging significantly behind the global average.

Powerful debut: The inaugural use of the new Liebherr LR 1700-1.0 crawler crane for erecting a wind turbine at the Holzhausen wind farm near Paderborn (Germany)





Find out how Liebherr is helping shape the future of the wind industry here

Turnover performance by product segments

With the exception of its gear technology and automation systems as well as maritime cranes, the Liebherr Group achieved significant growth in all product segments in the 2021 business year, almost on a par with the record growth it achieved in 2019. However, with the recovery of the global markets from the second quarter onwards, manufacturing companies have faced difficulties in procuring a wide range of raw materials, components and electronic parts. These shortages have been accompanied by price increases and bottlenecks in the global supply chains and logistics, which have also affected Liebherr's production activities to varying degrees. Further challenges have arisen in the form of regional lockdowns and pandemic-related restrictions, such as travel bans.

Despite the difficult conditions in the global market, the Liebherr Group has performed extremely well. The Group recorded a turnover of € 8,009 million with construction and mining machines, representing a significant increase of 17.0% over the previous year. This includes the product segments earthmoving, material handling technology, deep foundation machines, mining, mobile and crawler cranes, tower cranes and concrete technology. The product segments maritime cranes, aerospace and transportation systems, gear technology and automation systems, refrigerators and freezers, components and hotels achieved a total turnover of € 3,630 million, an increase of 3.9% over the previous year.

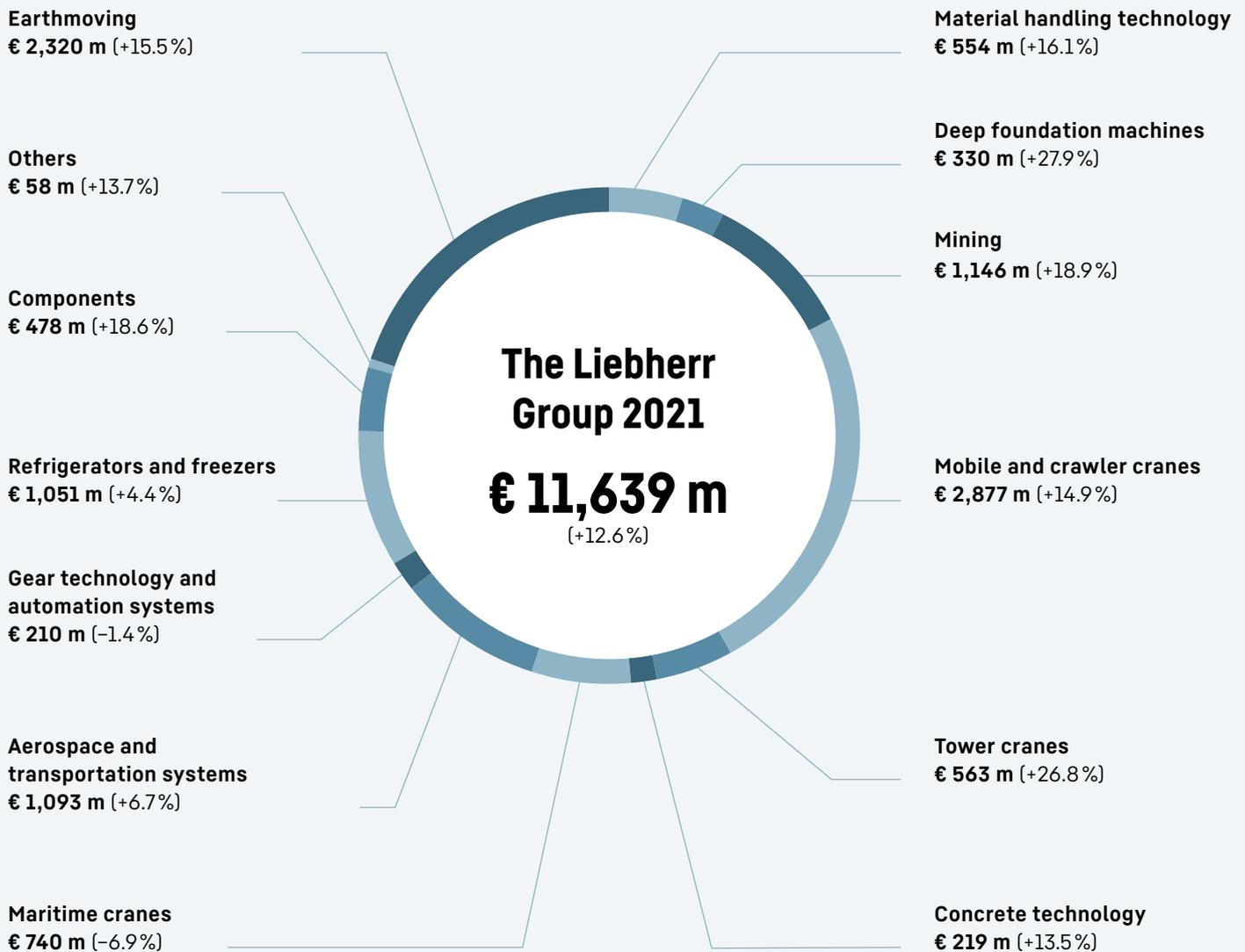
Turnover performance by region

The growth in turnover in the 2021 business year can be attributed to a strong performance in nearly all of Liebherr's sales regions. In the European Union, traditionally Liebherr's strongest market, turnover increased. High growth rates were recorded in almost all EU markets, with France in particular showing above-average development. Russia and the United Kingdom were the main drivers behind the strong growth in the non-EU countries. Positive development was also seen in North America. Growth in Central and South America was particularly strong, driven by a powerful growth impulse especially from Brazil. Only in Africa and the Near and Middle East did Liebherr face declines, while Asia and Oceania posted moderate growth.

Net result for the year

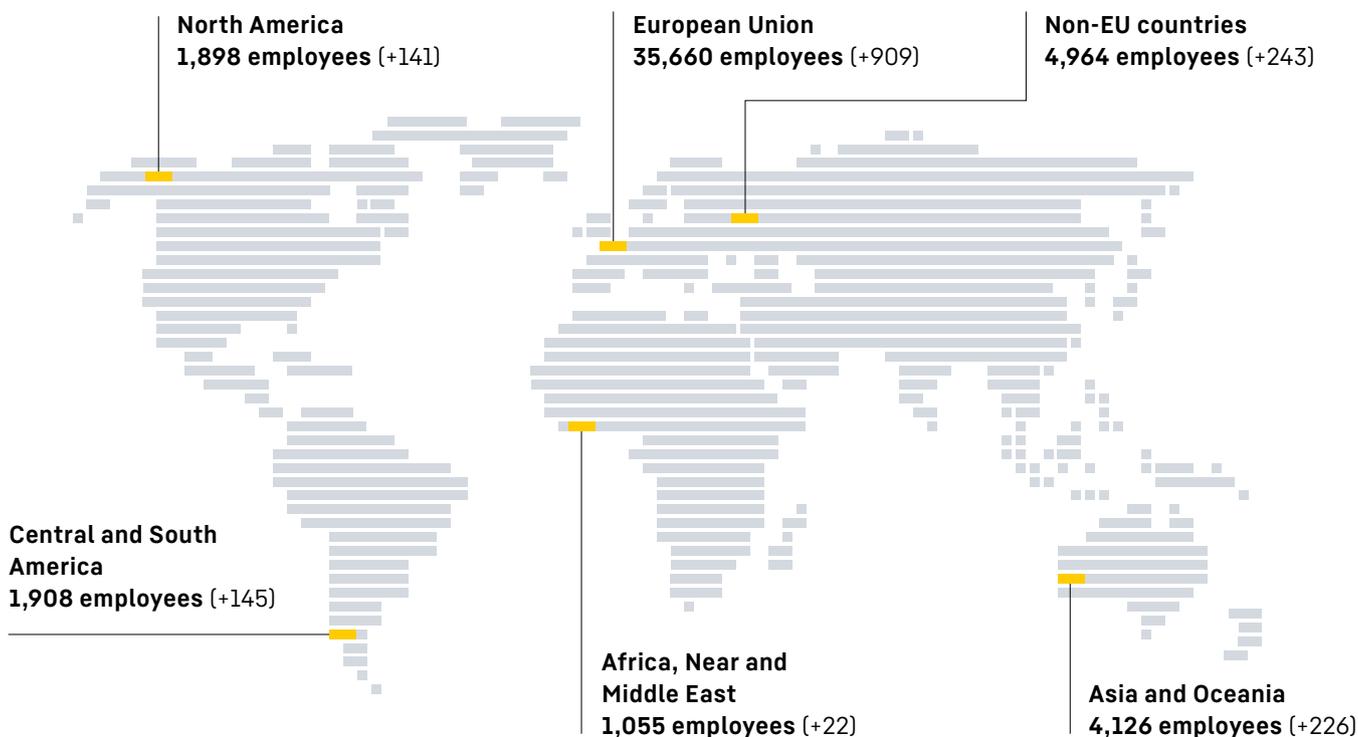
The Liebherr Group achieved a net result of € 545 million in 2021, which is above the pre-pandemic level. The operating result increased strongly compared to 2020 and the financial result also grew significantly.

Turnover by product segments



(variation compared to the previous year in %)

Employees by regions compared to previous year



Employees

The employees are key to the success of the Liebherr Group. With their skills, commitment and passion for technology and fascinating products, they achieve outstanding results for the Group's customers and play a pivotal role in shaping the company. As a family business, Liebherr is an employer with a strong tradition of partnership and teamwork based on reliability, fairness, respect and autonomy.

The Group's workforce has grown over the past business year. At the end of 2021, Liebherr employed 49,611 people worldwide, an increase of 1,686 or 3.5%. The number of employees rose most notably in Europe, followed by Asia and Oceania. However, the Group also saw an increase in their workforce in Cen-

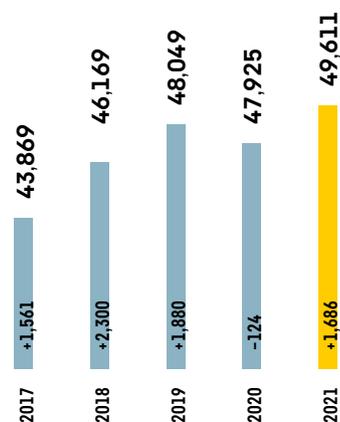
tral, South and North America, as well as in Africa and the Near and Middle East.

The Group continues to live up to its reputation as an attractive and reliable employer. Liebherr welcomed a large number of highly skilled new employees who will join the company on the path of digitalisation and contribute to technological progress. As such, the company is optimally positioned to undertake a wide range of innovative projects to drive forward the digital future in the years ahead.

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

Employees worldwide



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. The many activities in these areas are to be incorporated into an overall concept for corporate responsibility, which is currently being developed at Group level.

Research and development

As a high-tech company, Liebherr aims to play a major role in advancing technological innovation. Last year, the company invested € 559 million in research and development activities. A large part of this spending was devoted to developing new products, as well as conducting numerous research projects in collaboration with universities, colleges and research institutes. The Group's research activities continued to focus on digitalisation and the development of alternative drive systems. At the same time, Liebherr continued to develop existing technologies and add numerous new machines, components and solutions to its product portfolio.

In 2021, work continued on alternative drive concepts that will help reduce the ecological footprint of Liebherr products even further. Due to its diverse product portfolio with a wide variety of use cases, Liebherr is also pursuing a technology-open approach here. Last year, for example, Liebherr worked on solutions for hydrogen-fuelled internal combustion engines and their injection technologies and adapted various product lines for using Hydrotreated Vegetable Oils (HVO) as fuel. Since September 2021, all mobile and crawler cranes produced at the Liebherr plant in Ehingen (Germany) are supplied by climate-neutral HVO instead of fossil diesel, making Liebherr the first crane manufacturer to take such a step. At the Liebherr plant



Using the tungsten inert gas welding process, an apprentice manufactures an aluminum sheet metal bracket

in Kirchdorf an der Iller (Germany), HVO was phased in as the standard ex-works fuel for Liebherr earthmoving and material handling machines starting in January 2022.

Numerous advances have also been made in the area of electric drive systems. Liebherr expanded its ETM series to include the first two fully electric truck mixers on a 5-axle chassis, and added two new models (the R 976-E and R 980 SME-E) to its range of electric crawler excavators. The company's battery-powered, locally emissions-free crawler crane series was also expanded to include the LR 1160.1 unplugged and LR 1130.1 unplugged models. The first fully electric offshore crane from Liebherr is now also in development, bringing electric drive systems to yet another area of the company's product portfolio.

This opens up new opportunities for gear technology as well: Liebherr has been working on new dry gear skiving technologies to meet the increasing demand for internally toothed gears for the drive systems in electric vehicles. In automation systems, product

development was focused on automating processes for the production of e-vehicle battery systems. In addition to this, Liebherr and Airbus began a partnership to jointly develop the technologies for the fully hydrogen-powered Airbus ZeroE aircraft.

Digitalisation was another major focus of the Group's activities. This included the launch of a new range of fully integrated appliances of refrigerators and freezers with resource-saving freshness technologies and digital networking. Existing technologies for remote control, automation and networking were also optimised in several product segments, and the Liebherr remote service app was expanded. Liebherr's XpertAssist service combines multiple service tools, thus providing additional functionalities, and is available for crawler cranes, deep foundation machines and maritime cranes. In the area of mining trucks, Liebherr developed two new assistance systems which, among other things, include automatic steering support and reduce the workload of the driver as well as increase fuel efficiency.

Investments

The Liebherr Group has traditionally emphasised the importance of continual investments in its production facilities and its global sales and service network. Last year, investments totalled € 742 million, an increase of € 137 million or 22.6 % year-on-year. This was offset by depreciation amounting to € 507 million.

One focus of investment was the expansion and modernisation of company locations and the intensification of the Group's global market presence.

In the concrete technology product segment, a new production plant went into operation: Liebherr-Concrete Technology Marica EOOD in Plovdiv (Bulgaria) supplies Liebherr-Mischtechnik GmbH in Bad Schussenried (Germany) with pre-assemblies and steel constructions for truck mixers. To further expand its presence in the Asian market and meet the high demand from the wind and con-

struction industries, the Group began construction of a new components plant in China: Liebherr Components (Dalian) Co., Ltd. will produce slewing bearings, gearboxes and hydraulic cylinders at the Dalian site, starting at the end of 2022. Last year also saw the construction of a new assembly line for gearboxes in India. In addition, a large-scale expansion was approved for the plant in Ehingen (Germany). Step-by-step investments will be made in the expansion until 2030 in order to significantly increase its production capacity and meet the rising demand for mobile and crawler cranes.

In parallel, the Group continued to expand its sales and service infrastructure. In Austria, new logistics centres were established in Telfs and Bischofshofen, and the building work on a new sales centre for construction machines started in Puch / Urstein. In Dettingen (Germany), Liebherr added a new office and repair facility to expand its sales and service infrastructure for construction machines.

Connecting the crane boom during final assembly at the Liebherr plant in Ehingen (Germany)



In addition, a new head office for Liebherr (China) Co., Ltd. has been established in Shanghai (China) and Liebherr's headquarters in Panama also underwent a major expansion.

Risk management 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.



Supplementary report

Events of particular significance which occur after the reporting date should be recorded here, along with their expected impact on the Group's assets, financial position and earnings. There were no events of special significance within the Liebherr Group after the close of the 2021 business year.

Outlook for 2022

Before war broke out in Ukraine, the International Monetary Fund had forecast global economic growth of 4.4 % and gradually declining inflation if various factors such as the pandemic, supply-chain disruptions, the imbalance between supply and demand, and price and wage pressures were to recede.

Even if the effects of the war cannot yet be concretely assessed, serious economic consequences are already emerging, according to the International Monetary Fund. Rising energy and commodity prices are driving up inflation further, and the sanctions imposed on Russia will also have a significant impact on the global economy and financial markets.

The World Bank also expects the war and sanctions to have a significant economic impact on other countries as well.

According to the Euroconstruct research network, the European construction industry experienced a significant upturn of 5.6 % in 2021. For 2022, the industry was expected to expand by another 3.6 %, but this projection was made before the war in Ukraine began. Other factors, such as commodity prices and skilled labour shortages, could also inhibit growth.

The International Air Transport Association (IATA) expects further recovery in air traffic. In 2022, overall air traveller numbers are expected to be around 80 % of 2019 levels. This growth is expected to continue throughout the coming years. However, this forecast was also made before the start of the Russia-Ukraine conflict. Downward trends are expected in particular in markets that are directly affected by the war.

Liebherr is monitoring and assessing the current situation in Ukraine and Russia on a daily basis. The Liebherr Group is currently in the process of adjusting its Russian activities to the extensive sanctions imposed on the country. The medium-term effects on business activities there are currently difficult to assess – but negative economic consequences are to be expected. The Liebherr Group has started 2022

with a very good order situation and is cautiously optimistic about the rest of the year despite the difficult conditions.

Individual opportunities and risks

To describe individual opportunities and risks, similar types of risks and opportunities have been grouped together.

Overall economic opportunities arise from the expected increase in demand in the various industrial sectors in which the Liebherr Group is active. Order intake is developing extremely positively across all product segments. At the same time, there are uncertainties with regard to how long pandemic-related restrictions will persist, the effects of steep price increases for many goods and services, shortages of certain raw materials and labour, and bottlenecks in various supply chains. It is still unclear how fiscal and monetary policy measures will ultimately affect the Liebherr Group. The war in Ukraine may also have a negative impact on the Group's activities.

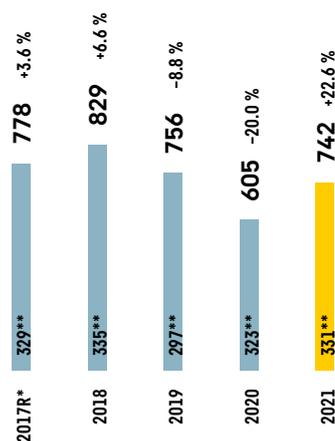
In terms of possible risks, the Group faces changes in costs as a result of these macroeconomic uncertainties, which cannot always be compensated for by price indexation.

The sections on each of the product segments contain detailed reports on the relevant opportunities and risks. Market price risks could arise from the ongoing business operations, in particular from currency and interest rate fluctuations triggered by monetary policy measures.

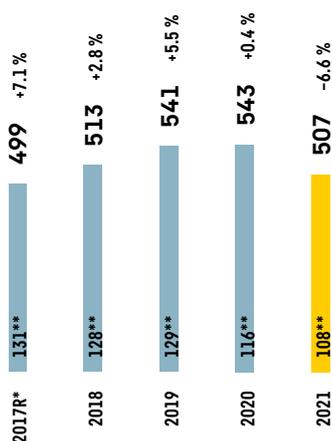
Liebherr monitors these risks continuously and uses appropriate financial instruments to hedge selected transactions. The Group enters into financial transactions only where these are linked to its operational business activity or are for hedging purposes. On principle, Liebherr does not conduct transactions of a speculative nature.

The global nature of the business activities, together with a broadly diversified product base and the risk management system in place in the Group, ensure that the relevant risks are kept under control. Based on the currently available information, there are no further identifiable risks which could have a substantial detrimental effect on Liebherr's assets, financial position and earnings in the 2022 business year and threaten the survival of the Group as a whole.

Investments € m



Depreciation € m



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

** Of which, rental fleet



04



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Earthmoving

In the earthmoving product segment, Liebherr recorded a total turnover of € 2,320 million in 2021, a significant increase of € 312 million or 15.5 %.

Highest turnover in the history of the product segment

The entire earthmoving industry recovered after the pandemic-related downturn in the previous year. In line with the industry trend, the earthmoving product segment grew strongly, achieving record sales in the 2021 business year. The European Union is traditionally the most important market for the segment. Here, sales were up, primarily in Germany, France and Italy. There was also strong growth in North America, especially in Canada and the USA. Sales also increased in Central and South America. In non-EU countries, Liebherr increased sales in Russia and the United Kingdom. The same was true in Asia and Oceania, including the countries Indonesia and Australia. Only Africa and the Near and Middle East saw a decline in sales.

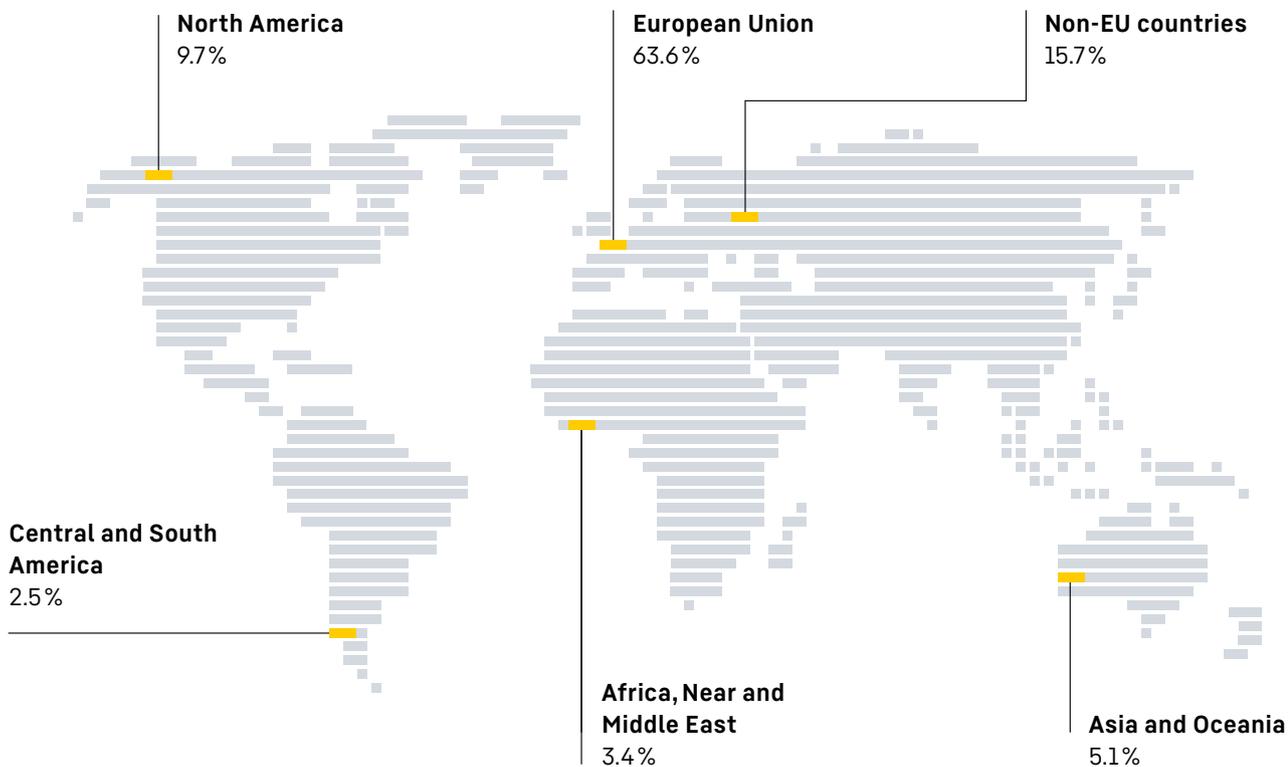
A year of new products and technologies

Liebherr unveiled many new products and technologies in the earthmoving product segment in 2021. In the crawler excavator product area, two new electric machines for mining and quarry applications were introduced: the R 976-E and the R 980 SME-E. Liebherr also delivered its first hydraulic excavator with a factory-installed machine control

system from Leica Geosystems. In the wheel loader product area, the new L 504 Compact was added to the compact loader series. To ensure safe construction site operation, additional functions were also added to the active personnel detection system, an innovative assistance system available for select Liebherr wheel loaders. Following the digital launch of the new TA 230 Litronic articulated dump truck at the end of 2020, sales took off in Europe. Its innovative engineering and design earned it the Red Dot Award and the German Design Award. In the attachments product area, Liebherr released a new product: the Liebherr Tilt Unit “LiTiU”. This innovative attachment increases the tilt angle of mobile and crawler excavators, enabling them to perform even more types of tasks. In addition, the fully automatic quick-change system LIKUFIX® was made compatible with even more wheel loaders.

Research and development over the past year focused on digitalisation and sustainability topics. As part of its digitalisation strategy, the product segment pushed ahead with development projects focusing on intelligently networked machines, as well as digital solutions and business models.

Turnover by sales regions

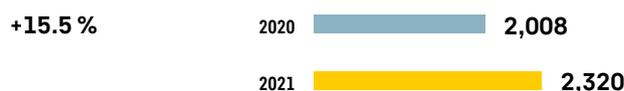


Other projects and measures focused intensively on the goal of achieving carbon neutrality.

Despite the tensions in the procurement market, Liebherr has a positive outlook for the earthmoving product segment in 2022. In addition to causing a devastating humanitarian crisis, the conflict causes grave concerns for the state of the global economy. It is still too soon to tell how the war and the sanctions against Russia will affect the activities of the Liebherr Group directly. Due to these uncertainties, it is impossible to make any reliable forecasts at present.

“Digitalisation and sustainability are crucial topics in the construction industry. That is why Liebherr has launched numerous innovation projects, continually developing its earthmoving range to stay one step ahead of the competition.”

Turnover € m



Investments € m



Employees





Material handling technology

The material handling technology product segment achieved a total turnover of € 554 million in 2021. This represents a € 77 million or 16.1% increase compared with the year before.

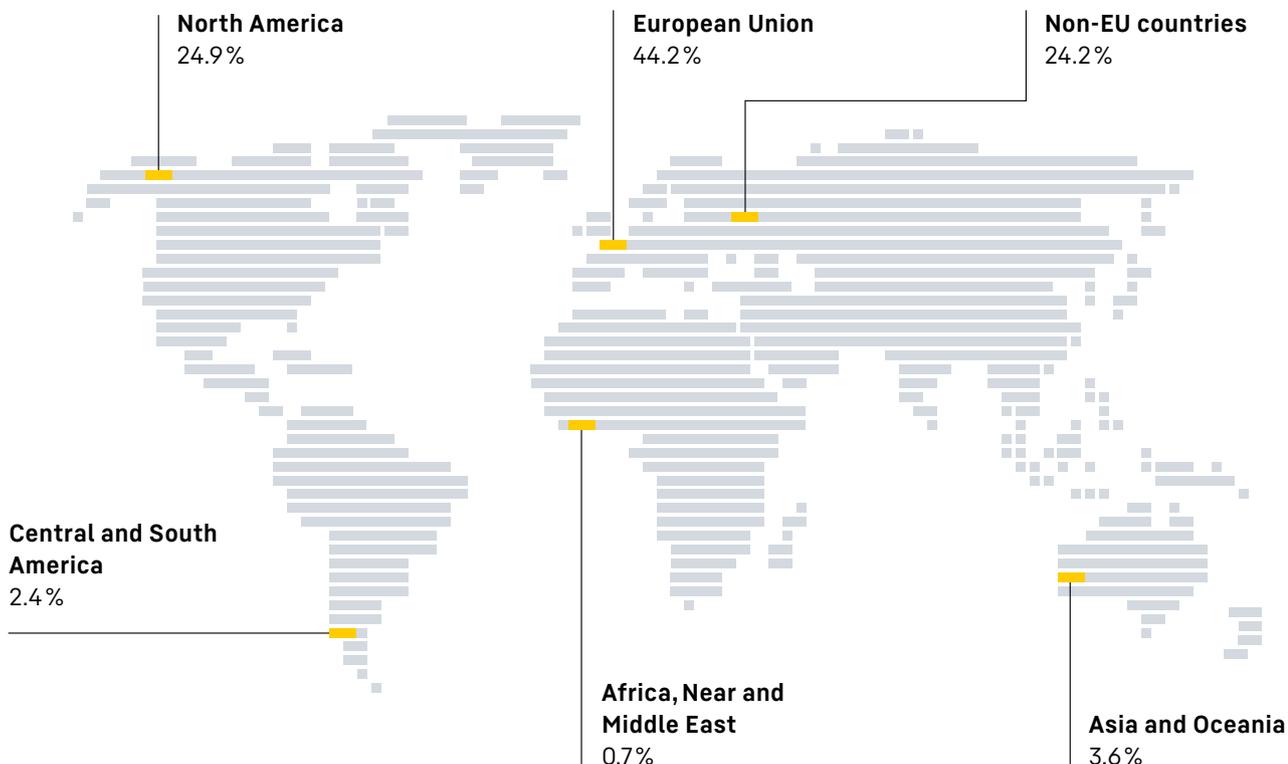
Leading in key markets

The past business year saw a significant recovery in the global material handling technology market. Liebherr performed in line with this trend, achieving an increase in turnover. The company was able to further consolidate its global market shares with its products and services. In most key markets, Liebherr maintained its position as market leader. Sales were particularly strong in North America, especially the USA, followed by the non-EU countries with Norway and the United Kingdom. Sales figures in the European Union also developed favourably, thanks in particular to strong performances in France, Spain, Portugal and Finland. By contrast, a downturn in sales was evident in Asia and Oceania and Central and South America. The sharpest decline in sales was noted in Africa and the Near and Middle East.

Driving forward electrification and digitalisation

Throughout the year, Liebherr expanded and further developed its material handling portfolio. One key example was the LH 26 M Industry Litronic material handler with its specially designed undercarriage, which makes this compact machine ideal for cost-effective, efficient timber handling. The addition of the LH 60 M Port Litronic rounds off the product portfolio in the port handling segment. This new solution means that Liebherr now offers a specialised handling machine for every port application. Liebherr also updated its L 550 and L 556 XPower wheel loader models to optimise the performance of their engines, working hydraulics and lift arms.

Turnover by sales regions



Electrification and digitalisation were both key development priorities for material handling machines over the past year. Liebherr worked intensively on optimising its electric drive concepts to improve mobility. Numerous R&D projects also focused on digital transformation, with a particular focus on innovative remote solutions. In 2021, for example, remote support was used for the first time to assemble and commission two new LH 150 C Electro Gantry Port Litronic electric handling machines in Indonesia.

In light of currently strong order volumes, Liebherr expects significant growth for the material handling technology product segment in 2022. However, the strained procurement market may impose some limitations for growth.

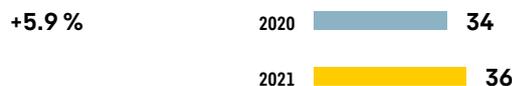
“Electrification and digitalisation are key development priorities for material handling machines. Liebherr is working intensively to optimise electric drive concepts.”

Moreover, it is not yet predictable to what extent the consequences of the war in Ukraine and the sanctions against Russia will have an impact on this forecast.

Turnover € m



Investments € m



Employees





Deep foundation machines

The Liebherr deep foundation machines product segment achieved a turnover of € 330 million in the 2021 financial year, which represents an increase of € 72 million or 27.9% compared to the previous year.

Deep foundation machines industry on course for growth

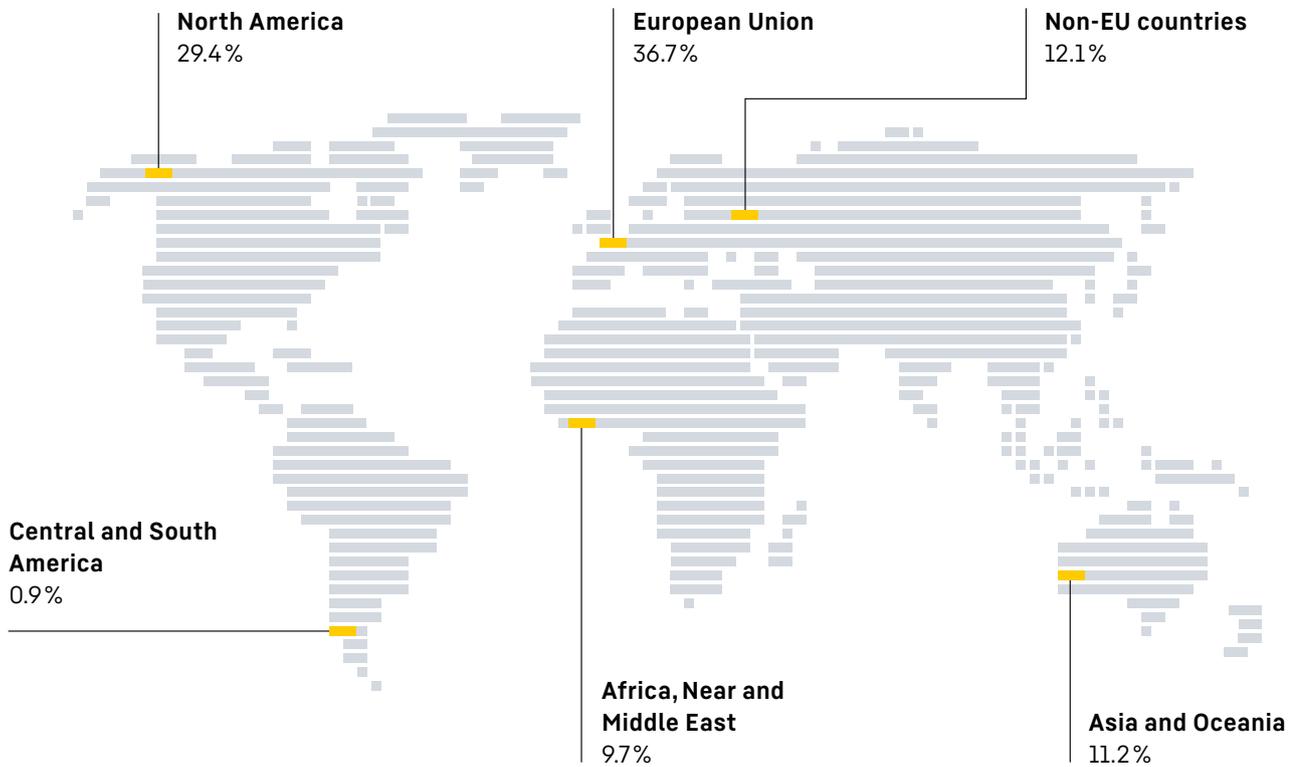
After getting off to a rocky start at the beginning of last year, the global market for deep foundation machines experienced a significant recovery starting in the spring. However, growth in all markets was impacted by shortages of raw materials and components and supply chain bottlenecks.

The Liebherr deep foundation machines product segment performed in line with the industry trend, with increased turnover across all sales regions. In the European Union, the product segment's core market, Liebherr recorded extremely pleasing growth, driven in particular by positive developments in Italy and Germany. While the North America region was significantly influenced by an increase in Canada, the US market showed the potential for further growth in the years ahead. Central and South America also developed dynamically, followed by Africa and the Near and Middle East. Liebherr also made gains in Asia and Oceania as well as in the non-EU countries, especially the United Kingdom and Turkey.

New technologies for better performance and fewer emissions

Liebherr unveiled numerous new products in the duty cycle crawler cranes and deep foundation machines product areas. These included the first HS 8300.2, currently the largest duty cycle crawler crane in the world, with a lifting capacity of 300 tonnes. This second-generation duty cycle crawler crane features two main winches, each with 700 kN of rope pull force, as well as an optimised boom, and can be equipped with the innovative hybrid drive Pactronic® to increase performance. The battery-powered drilling rigs of the unplugged series significantly reduce construction site noise in urban and densely populated areas. Another highlight was an expansion in the range of slurry wall cutters. Liebherr delivered six LSC 8-18 slurry wall cutters over the course of the year for critical infrastructure and energy sector construction projects around the world. For the cutter wheel drives of these machines, Liebherr offered a new, usage-based contract model called 4C-Power, which enables customers to precisely plan maintenance and repair costs.

Turnover by sales regions



Research and development activities focused on expanding electrification throughout the equipment portfolio. With the delivery of the first electrically powered HS 8100.1 E duty cycle crawler crane to the port of Le Havre (France), Liebherr helped reach another milestone on the path towards emissions-free construction machinery.

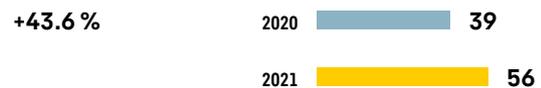
Liebherr expects a slight increase in turnover in the deep foundation machines product segment in 2022. The current geopolitical situation makes it impossible to reliably assess the economic prospects for the year ahead.

“Living up to its promise of shaping long-term industry trends, Liebherr is a driving force behind the electrification and digitalisation of construction machinery.”

Turnover € m



Investments € m



Employees





Mining

In the mining product segment, Liebherr achieved a turnover of € 1,146 million, which means an increase by € 182 million, or 18.9 %, compared to the previous year.

High demand for raw materials marks the year

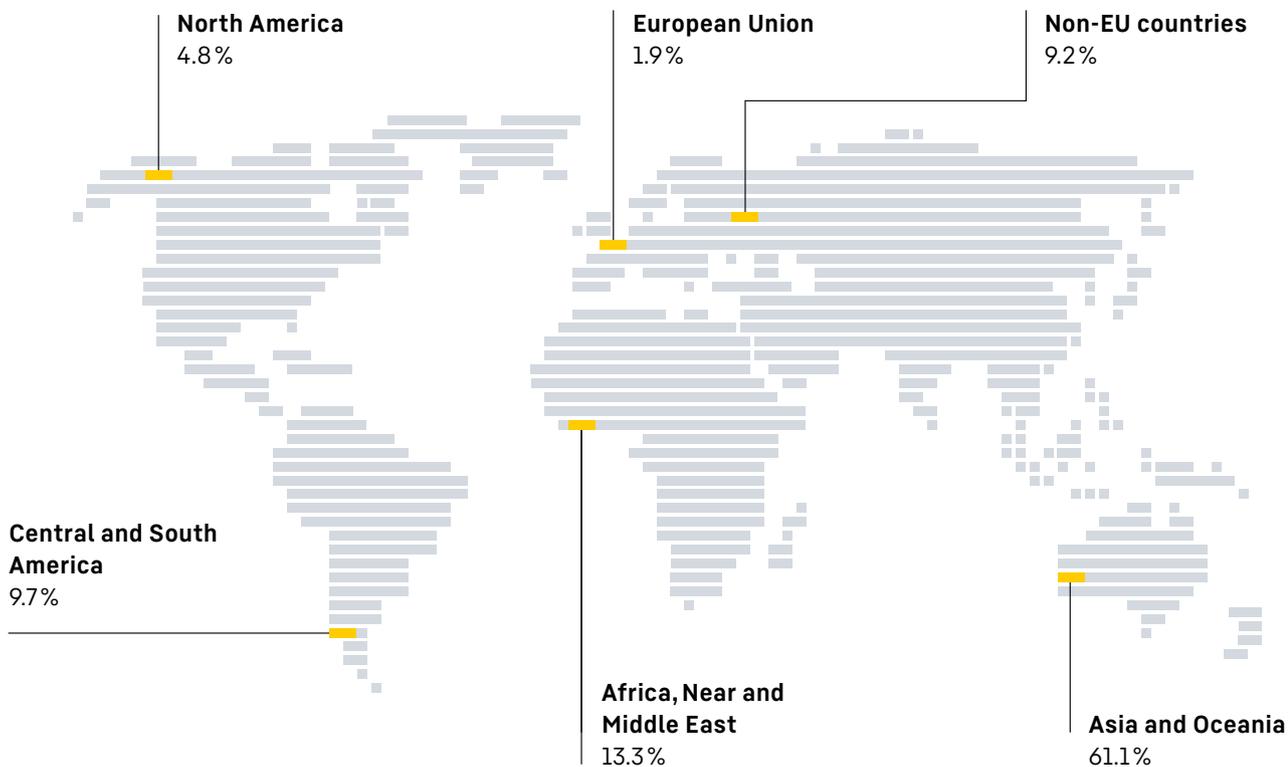
The mining market grew in 2021 supported by the need of higher volumes of raw materials and a backlog of expansion and replacement investments. The combination of these two factors result in a high demand for mining equipment. The current good market situation is mirrored overall in the mining product segment – even if the sales regions developed differently. Asia and Oceania continued to be the most important sales region and grew in the reporting year. Encouraging sales growth was achieved in Australia, India and Indonesia. Both sales in the EU and in non-EU countries, including Russia in particular, recorded growth. In Africa and the Near and Middle East, sales took a downturn. Strong growth was recorded in the Americas. While projects in Brazil and the US market were mainly decisive for the mining excavator product area, Panama was the main growth driver for mining trucks. The strong performance of the T 264 mining truck was confirmed by repeating orders from existing machine owners, showing promising outlook for Liebherr's mining truck business.

Presentation of the next generation of mining equipment at MINExpo

At MINExpo 2021 Liebherr presented its brand new mining technology product portfolio consisting of assistance systems, machine automation, and digital service products. Together, these products will support operator's performance, optimise diagnostic processes and automate machine functions, whilst integrating machine data and OEM expertise within the customer's chosen technology landscapes. During the trade fair Liebherr used the T 274 mining truck as a showcase for its trolley solution, the brand new autonomy technology and the Liebherr D 9816 engine.

A new trolley solution, allowing trolley operations on curves, has been successfully implemented on the T 236 mining truck with a total of three awards received for its innovative concept and the longest trolley line in the world. The integration of the Liebherr D 98 engine into the mining equipment marks an important milestone for both the components and the mining product segment. The Liebherr Group's shared in-house competencies across different product segments further strengthen the company's vertical integration strategy.

Turnover by sales regions



Another important milestone of 2021 has been the launch of the R 9600, the next-generation of hydraulic mining excavators, successor to the thoroughly proven and iconic R 996B with several units already in operation in Australia.

In the year under review, the mining product segment continued to work on expanding its current range to offer solutions with a low proportion of fossil fuels. By 2030, fossil-fuel-free solutions should be available for most applications. In 2021, Liebherr launched strategic partnerships focused on new technologies that support the vision of open and interoperable mine automation and zero-emissions targets.

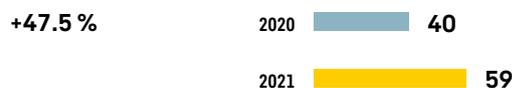
Forecasts for 2022 point to further growth as raw materials prices favour investment activity. On the other hand, there

are uncertainties due to the Russia-Ukraine war, which could have an impact on this development.

Turnover € m



Investments € m



Employees



“The development of ‘zero-emissions’ power trains will be a priority in the mining industry for years to come.”



Mobile and crawler cranes

In the mobile and crawler cranes product segment, Liebherr achieved a turnover of € 2,877 million in the 2021 financial year. This represents a € 373 million or 14.9% increase compared with the year before.

New turnover record achieved

The global mobile and crawler cranes market has experienced stable growth since autumn 2020. In the mobile crane industry, Liebherr maintained its position as market leader in its established core markets and was among the top three manufacturers in the crawler crane sector. Demand was particularly strong for all-terrain cranes with more than 450 tonnes lifting capacity, crawler cranes with more than 300 tonnes lifting capacity and battery-powered unplugged crawler cranes.

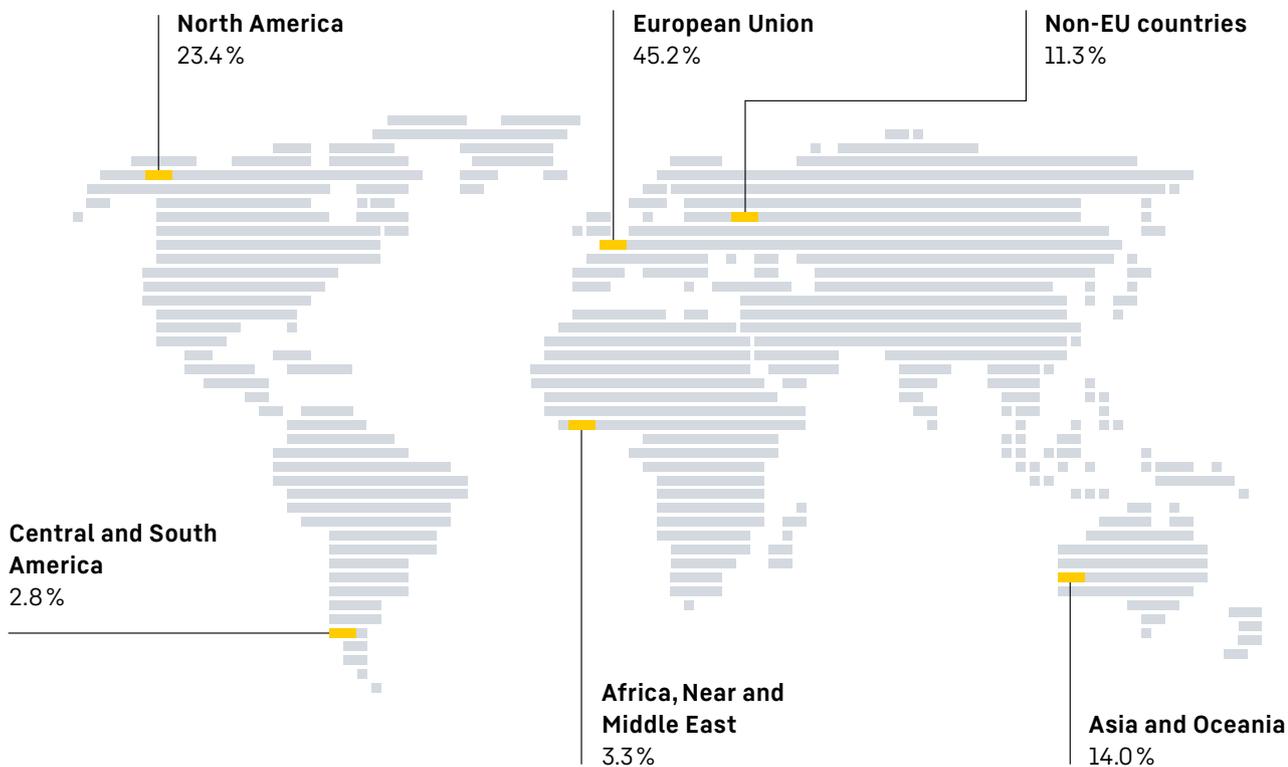
In line with the industry trend, the mobile and crawler cranes product segment also performed well. Turnover increases were recorded in the key regions EU and North America, with Spain, the Netherlands and the USA driving growth in particular. Business in the non-EU countries developed very encouragingly, with strong growth primarily in Russia and the United Kingdom. There was also growth in Asia and Oceania, with notably strong demand in Australia. In Central and South America, Liebherr performed very well, whereas a significant decline in turnover was recorded in Africa and the Near and Middle East due to a downturn in Saudi Arabia and the United Arab Emirates.

Focus on maximum customer benefit and sustainability

Liebherr unveiled several new products in the 2021 business year. These included the rope pull technology version of the LTC 1050-3.1 compact crane, as well as the LTM 1110-5.2. This all-terrain crane has been equipped with the new LICCON3 control system, combining existing technologies with future-oriented innovations to improve safety and comfort. Liebherr also launched the LR 1700-1.0 for wind power and industrial applications. This crawler crane meets all the requirements of the wind power industry, with capacity to handle turbines with a hub height of over 160 metres and a weight of more than 100 tonnes. Another new crawler crane model, the LR 1400 SX, was also released last year. It has a lifting capacity of 400 tonnes and impressive new safety features such as a ground pressure visualisation and automatic centre-of-gravity calculation while in motion.

Sustainability was also a key focus in the mobile and crawler cranes product segment. Since September 2021, for example, Liebherr has been supplying all cranes from the Ehingen (Germany) plant with HVO (Hydrotreated Vegetable Oils) instead of fossil diesel. This makes them nearly CO₂-neutral. Liebherr is the first crane manufacturer to

Turnover by sales regions

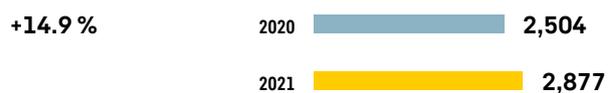


promote the use of this environmentally friendly fuel. The Liebherr range of zero-emissions products was further expanded to include two new unplugged crawler cranes: the LR 1160.1 and LR 1130.1. These models are fully CO₂-neutral when powered by electricity from renewable sources.

Order volumes are currently high and Liebherr expects a slight increase in turnover for 2022 in the mobile and crawler cranes product segment. The war in Ukraine and the sanctions against Russia have caused many uncertainties that will continue to shape the global economy in the year ahead.

“By converting its mobile and crawler cranes to HVO Liebherr is the first crane manufacturer to promote the use of this environmentally friendly fuel.”

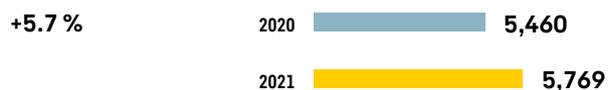
Turnover € m



Investments € m



Employees





Tower cranes

In the tower cranes product segment, the Group achieved a turnover of € 563 million in 2021. This represents a € 119 million or 26.8 % increase compared with the year before.

The EU is the most important sales region

The construction industry achieved worldwide growth over the past business year. The tower crane product segment clearly reflects the broader market trend, with the EU proving to be the most important sales region. The segment saw significant growth in Germany, France and Hungary in particular. Among non-EU countries, sales were very strong in Norway and Russia. In contrast, there were significant declines in North America, Africa and the Near and Middle East. Sales in Asia and Oceania recorded a slight increase. Net growth in Central and South America was fuelled in particular by significant gains in Chile.

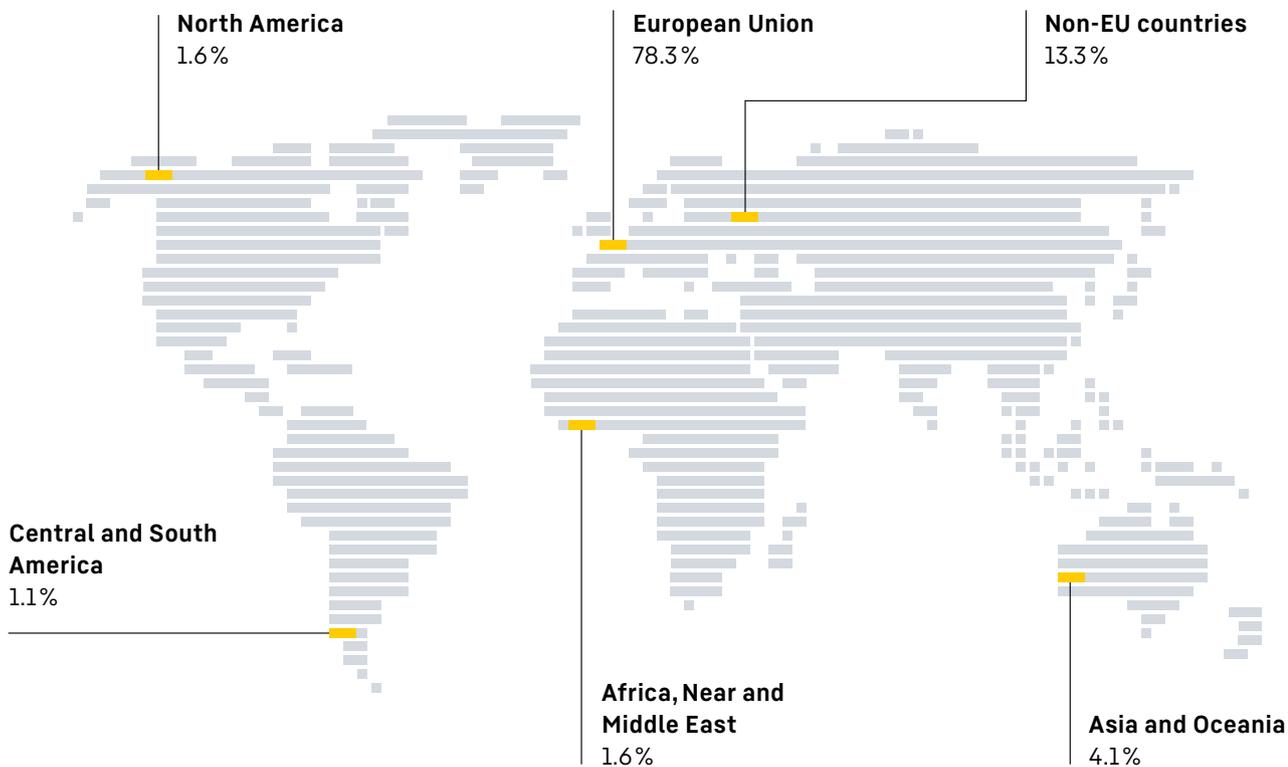
25 tower cranes for the HafenCity urban development project in Hamburg

In the past business year, Liebherr unveiled the new 205 EC-B flat-top crane, which expands the company's EC-B series into the 200 mt class. The new MK 73-3.1 mobile construction crane also made its world début. This most recent addition to the Liebherr mobile construction crane

family features a compact design and is extremely fast and flexible for working in urban settings. An exceptional project is under way in the Überseequartier District in Hafen City, Hamburg (Germany). As many as 25 tower cranes are simultaneously in use at the site, making the project a logistical and planning challenge. The Liebherr Tower Crane Solutions Project Team is providing support throughout the entire construction process.

Liebherr's tower cranes strategy is based on a continual drive for innovation. This is why the company is involved in numerous research projects in this product segment to identify fledgling technologies and integrate them into the product range. By partnering with research institutes in particular, Liebherr facilitates an intensive exchange of ideas that help to shape the innovations of tomorrow. In addition to the company's cooperation with RWTH Aachen (Germany) University and the University of Stuttgart (Germany), Liebherr is a member of the VDMA's Machines in Construction MiC 4.0 working group. This working group develops

Turnover by sales regions

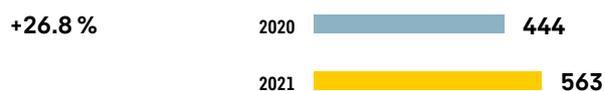


solutions for standardised, manufacturer-independent and machine-independent digital communication in all areas of the construction process.

Although the pandemic continues to cause uncertainties and an ongoing shortage of materials, Liebherr expects 2022 to be a strong business year for its tower crane product segment. However, the dynamic situation in Ukraine as well as in Russia create potential risks that do not currently allow for a valid assessment of the economic outlook.

“Liebherr’s tower cranes strategy is based on the company’s continual drive for innovation.”

Turnover € m



Investments € m



Employees





Concrete technology

In the concrete technology product segment, Liebherr achieved turnover of € 219 million in the 2021 business year. This represents an increase of € 26 million or 13.5 % year-on-year.

Concrete industry back on track

After a sharp downturn in 2020, the concrete industry began growing again in 2021. In line with the industry trend, Liebherr achieved increases in turnover in the concrete technology product segment in all regions.

In the European Union, increases in Belgium and Austria compensated for a decline in turnover in Germany. Strong growth impetus in non-EU countries was generated in Russia, Norway and the United Kingdom. In North, Central and South America, the upward trend was mainly driven by significant growth in the USA, Brazil and Chile. Liebherr also achieved slight growth in Africa and the Near and Middle East. In Asia and Oceania, the decline in turnover in China was offset by growth in Thailand and Bangladesh. All product areas (truck mixers, mixing plants and concrete pumps), contributed to the positive development, with sales of crawler concrete pumps being particularly noteworthy.

Focus on workplace safety and carbon reduction

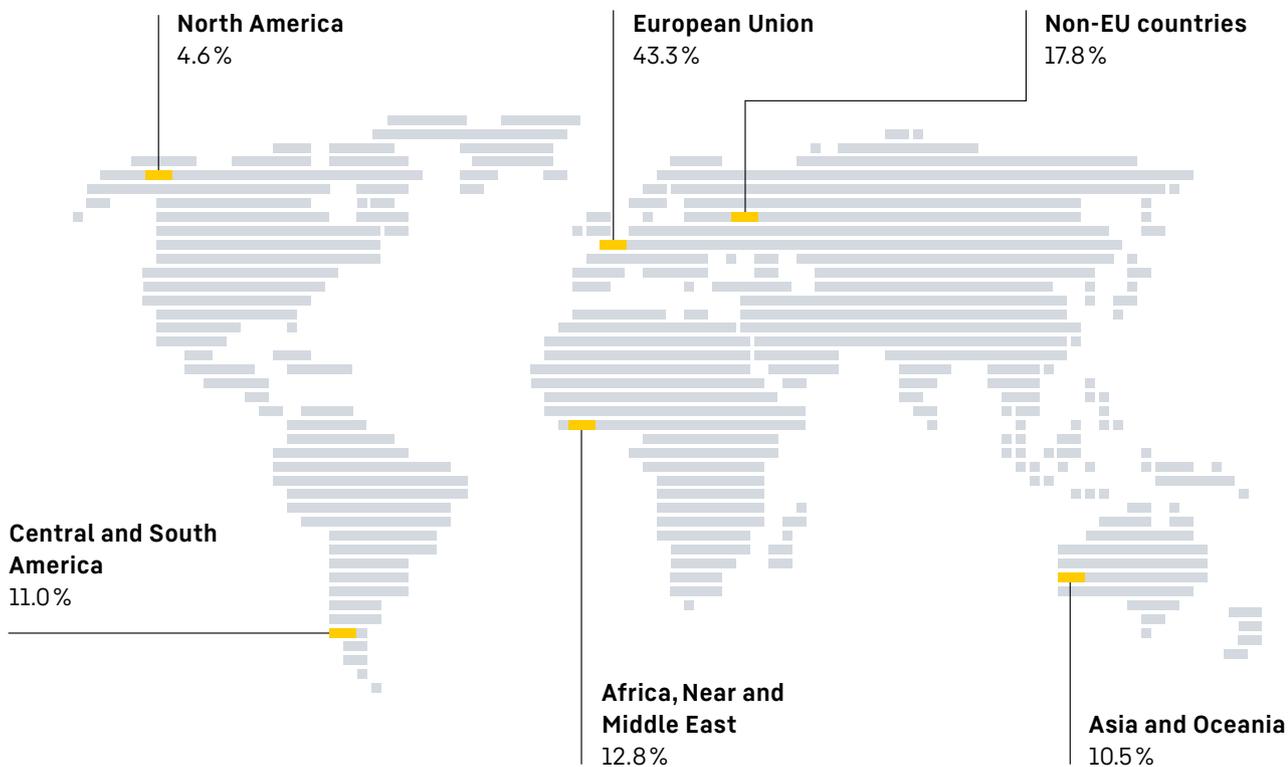
The concrete technology product segment reached an important milestone last year with the launch of the 36 XXT

truck-mounted concrete pump. The truck is mounted on a 3-axle chassis, making it exceptionally manoeuvrable. The distribution boom is flush with the hopper, which shortens the machine and thus improves manoeuvrability on narrow construction sites and in road traffic.

The delivery of the first two all-electric truck mixers on 5-axle chassis marked another highlight in this product segment. These two mixers from the ETM series, with 10 and 12 m³ drums, each save 30 to 40 tonnes of CO₂ annually – a powerful contribution to reducing emissions. Thanks to their large battery capacity, an overnight charge is easily sufficient for a full day of operation. Liebherr also focused on optimising worksite safety with its truck mixer range. In the future, all truck mixers in Europe will be equipped with rear area monitoring, working headlights for the rear area and a fall arrest system.

Various R&D projects were conducted, including in the area of sensor technologies. One example is the modular WMS II sensor series for measuring water content, pressure and temperature (e.g. in oils and break bulk). The new sensors

Turnover by sales regions



also feature an innovative technology for measuring pressure. Investment activities in 2021 were dominated by the founding of a new production site in Plovdiv (Bulgaria). The new site will supply production in Bad Schussenried (Germany) with pre-assemblies for truck mixers.

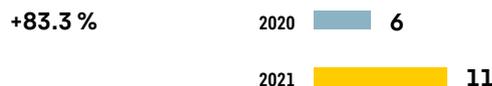
With order volumes already high for the year ahead, Liebherr expects further growth in the concrete technology product segment. This prospect could, however, be affected by the war in Ukraine and the associated fallout.

“The ETM series makes the dream of quiet, zero-emissions concrete transport a reality.”

Turnover € m



Investments € m



Employees





Maritime cranes

Total turnover in the maritime cranes product segment amounted to € 740 million in 2021, representing a € 55 million or 6.9% decrease year-on-year.

Challenging market for maritime goods handling

In 2021, the coronavirus pandemic continued to influence the development of the maritime goods handling market and caused economic uncertainties worldwide. This resulted in strained supply chains, high raw materials prices, shortages in components and logistics bottlenecks, which affected all of Liebherr's product segments.

The individual product areas in the maritime cranes product segment developed quite differently. In the area of mobile harbour cranes, Liebherr expanded its market share as world market leader and increased turnover compared to the previous year. There was also moderate growth recorded in the ship cranes product area. The consequences of the pandemic and difficult market conditions impacted container handling turnover in 2021, but a return to normality and increased sales have improved the outlook going forward.

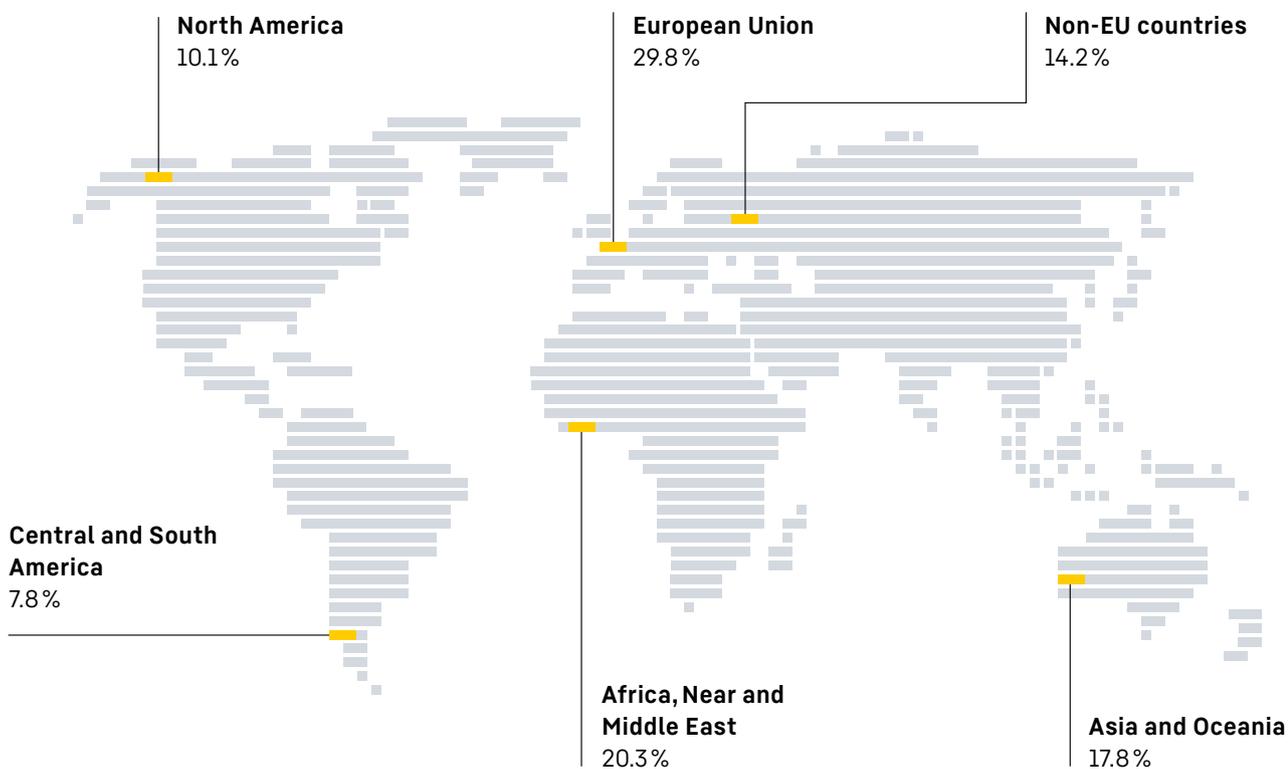
Overall, business development in the maritime cranes product segment was unable to match the level of the previous year. Nevertheless, turnover increased in Central and South America, and Africa and the Near and Middle East, driven particularly by pleasing results in Brazil, Oman and the Ivory

Coast. In the EU, the strongest sales market for the product segment, declines were recorded in Germany, among others. Increases in Slovenia, Spain and Sweden could not compensate for this. In the non-EU countries, Liebherr experienced the most notable sales decline in Russia. Despite growth impulses from individual markets in Asia and Oceania, the declines in China, Australia and New Zealand could not be compensated.

Focus on alternative drives and digitalisation

One of the focal points in the reporting period was the development of products with alternative drives. A highlight was the LHM 420, the first mobile harbour crane which is operated with fossil-free diesel made from 100% renewable raw materials (HVO100 diesel) and thus enables efficient and locally emissions-free goods handling. In the area of general purpose offshore cranes, the delivery of several cranes from the ram luffing knuckle boom crane series marked another milestone. One of the cranes, an RL 2600-35 Litronic, is being used for supply and maintenance tasks on an unmanned offshore platform in the DolWin 5 wind farm in the North Sea.

Turnover by sales regions



In the reporting period, the product segment also focused on the further implementation of technologies in the areas of predictive maintenance and machine health. In view of the travel restrictions, the technologies for remote access and commissioning have been developed even faster and more specifically.

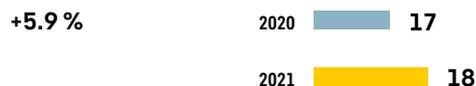
Despite a difficult market environment, Liebherr expects the maritime cranes product segment to grow in 2022. Any economic forecast for the year ahead must be treated with due caution, considering the war in Ukraine.

“The use of the latest technologies for remote control and automation along with Liduro drives increases safety, consistency of operation and productivity at customers’ terminals worldwide.”

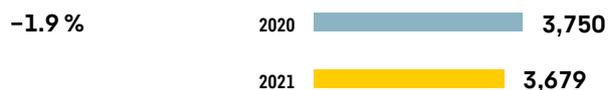
Turnover € m



Investments € m



Employees





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Aerospace and transportation systems

In its aerospace and transportation systems product segment, Liebherr achieved a turnover of € 1,093 million, which represents an increase of € 69 million or 6.7% compared to the previous year.

Slow but steady recovery of the global market

Since the coronavirus pandemic led to significant losses in air traffic globally and, to a lesser extent in railway traffic, a slow but progressive upward trend has emerged in 2021. Both industries have already started to recover. Turnover within the product segment developed differently depending on the region. In the EU, Liebherr was able to achieve growth in both product areas. In the non-EU countries, this only applied to aerospace, while a decline was recorded in transportation systems. In the North America sales region, both product areas achieved slight growth. In Central and South America, business only in aerospace was up, while in Africa and the Near and Middle East, turnover fell in both areas. Turnover in Asia and Oceania developed very positively for transportation systems, but declined slightly in the aerospace product area.

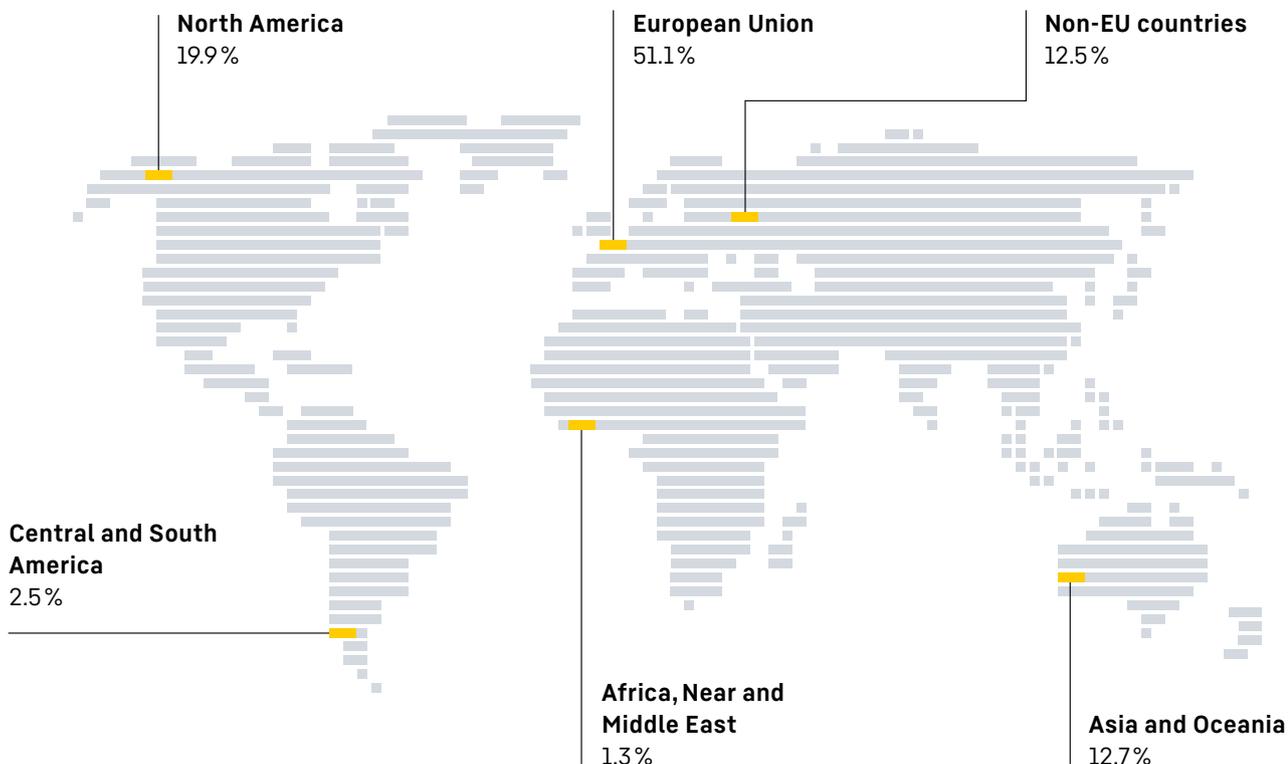
Technologies for the vehicles of today and tomorrow

Liebherr supplied the integrated air management system as well as the cabin air humidification system for Dassault

Aviation's new-generation ultra widebody business jet, the Falcon 6X, which made its maiden flight in 2021. Furthermore, Liebherr has been selected by Airbus to supply the cockpit static inverter for the Airbus A320 and A330 families. The agreement marks a historic milestone: it is the first contract in the segment of aircraft systems ATA Chapter 24 – Electrical Systems – in which the latest stand-alone power electronics technologies are used.

On the railway market, Liebherr successfully obtained several orders, amongst others, to deliver, for example, air conditioning units for trams in Australia, for trains in France, Slovakia and Hungary as well as for suburban railway vehicles in Germany. In addition, Liebherr was selected to supply on-board, ultra-light air-conditioning systems for a new maglev train project in China. Another successful step was the agreement by General Motors and Liebherr to collaborate on the development of a HYDROTEC hydrogen fuel cell technology-based electrical power generation system for aircraft applications.

Turnover by sales regions



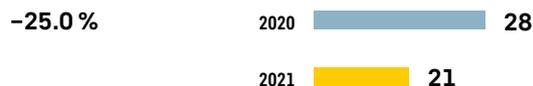
Based on the market development in the aviation industry observed in the reporting year, Liebherr expects a turnover in the aerospace product area to reach the pre-pandemic level by 2025. For transportation systems, the forecasts vary depending on the sector and region, but in general Liebherr expects steady growth in this area in the coming years. For the 2022 business year, Liebherr is planning investments to expand the technology and product portfolio within the aerospace and transportation systems segment. On the other hand, the consequences of the war in Ukraine must also be taken into account, which are difficult to assess at this point in time.

“Whether in the air, on the road, on the tracks, on the water, or even in space: Liebherr is developing the technologies to create the vehicles of the future that are even more efficient, reliable and respectful of the environment.”

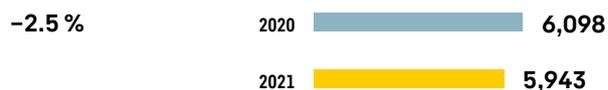
Turnover € m



Investments € m



Employees





Gear technology and automation systems

Turnover in the gear technology and automation systems product segment amounted to € 210 million in 2021, representing a € 3 million or 1.4 % decrease compared to the previous year.

Strong growth in the Americas

Compared to the previous year, there was a slight increase in order intake and sales across the German machine tool industry. According to the German Machine Tool Builders' Association (VDW), however, turnover was still well below pre-crisis levels. The Liebherr gear technology and automation systems product segment performed below the trend, with turnover slightly below the previous year's level.

The product segment experienced uneven performance across the various regions. In the European Union, turnover dropped due to losses in Germany and France. The non-EU countries grew due to increases in Turkey and Russia. Performance was particularly strong throughout the Americas, with heavy growth in the USA, Brazil and Mexico. Turnover in Asia and Oceania fell due to a strong downturn in China.

In terms of the individual product areas, turnover was up in gear cutting machines, tools and contract manufacturing,

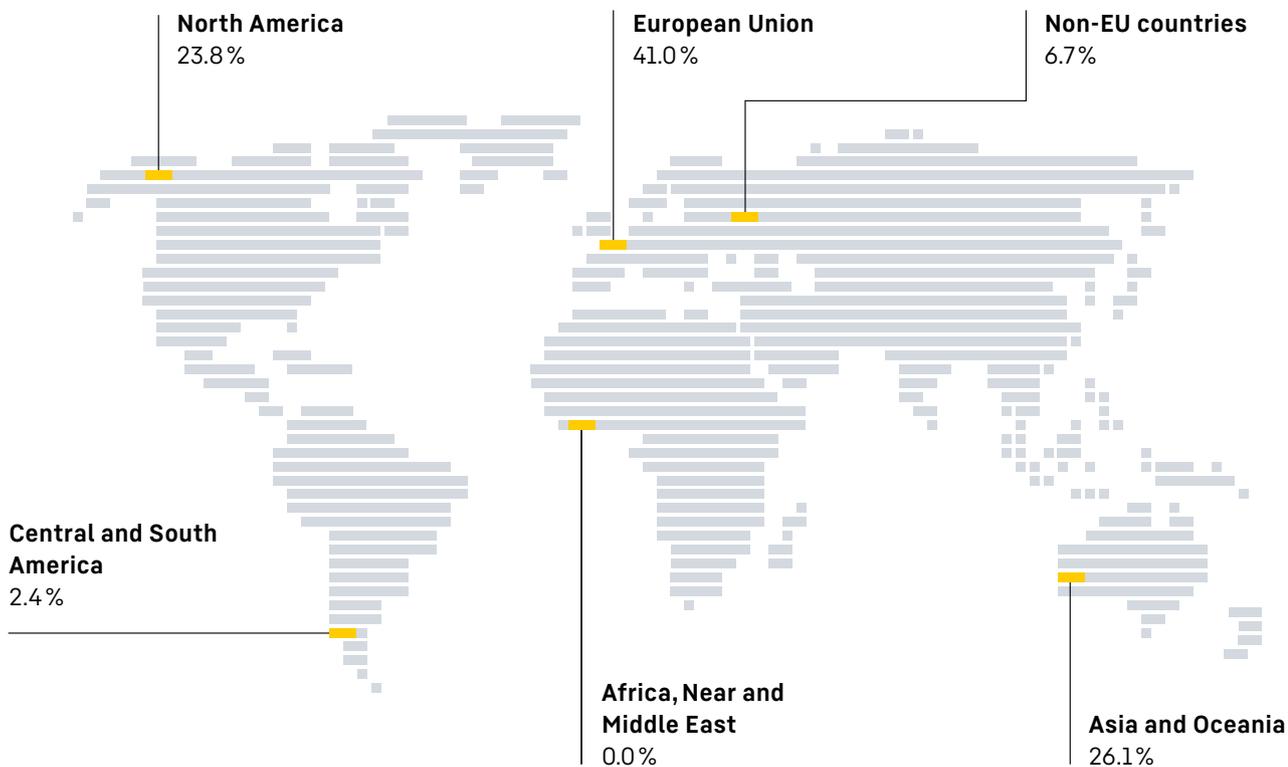
whereas automation systems saw a decline, due mainly to sluggish spending throughout the automotive industry.

A changing mobility market offers potential for the future

Liebherr unveiled a number of gear technology and automation systems innovations in 2021. Mobility was a major focus. Electromobility in particular offers great potential for gearing technologies, due to its heavy reliance on internal gears, which places high demands on machining quality. To cater to those demands, Liebherr developed and released a number of e-gear solutions last year. In the generating grinding product area, Liebherr unveiled innovative new CBN profile grinding wheels in the small diameter range, which offer customers many advantages. The new products offer high process reliability, making them attractive for many new applications, including in the aviation industry.

There were also breakthroughs in the development of solutions for battery pack assembly in the automation product area. Liebherr is now in a position to offer the essential

Turnover by sales regions



processes for battery pack assembly. There are plans for further expansion in this area, as well as optimisations in the automated installation of long cables.

Another milestone was the opening of the new Tech Centre in Kempten (Germany), which allows for processes to be tested under real conditions. The new facility offers partial assembly lines with technology modules for the automatic production of battery packs (including screwing, plugging, gripping and positioning).

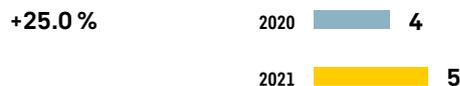
For 2022, Liebherr expects an increase in sales in the gear technology and automation systems product segment.

The consequences of the war in Ukraine must also be taken into account, however, which are difficult to assess at the present time.

Turnover € m



Investments € m



Employees



“Liebherr is a technology partner with expertise across the entire range of manufacturing processes. This allows us to develop solutions for special challenges.”



Refrigerators and freezers

Liebherr's refrigerators and freezers product segment posted turnover of € 1,051 million in the 2021 business year. This represents an increase of € 44 million or 4.4 % year-on-year.

Strong growth in the USA and in Canada

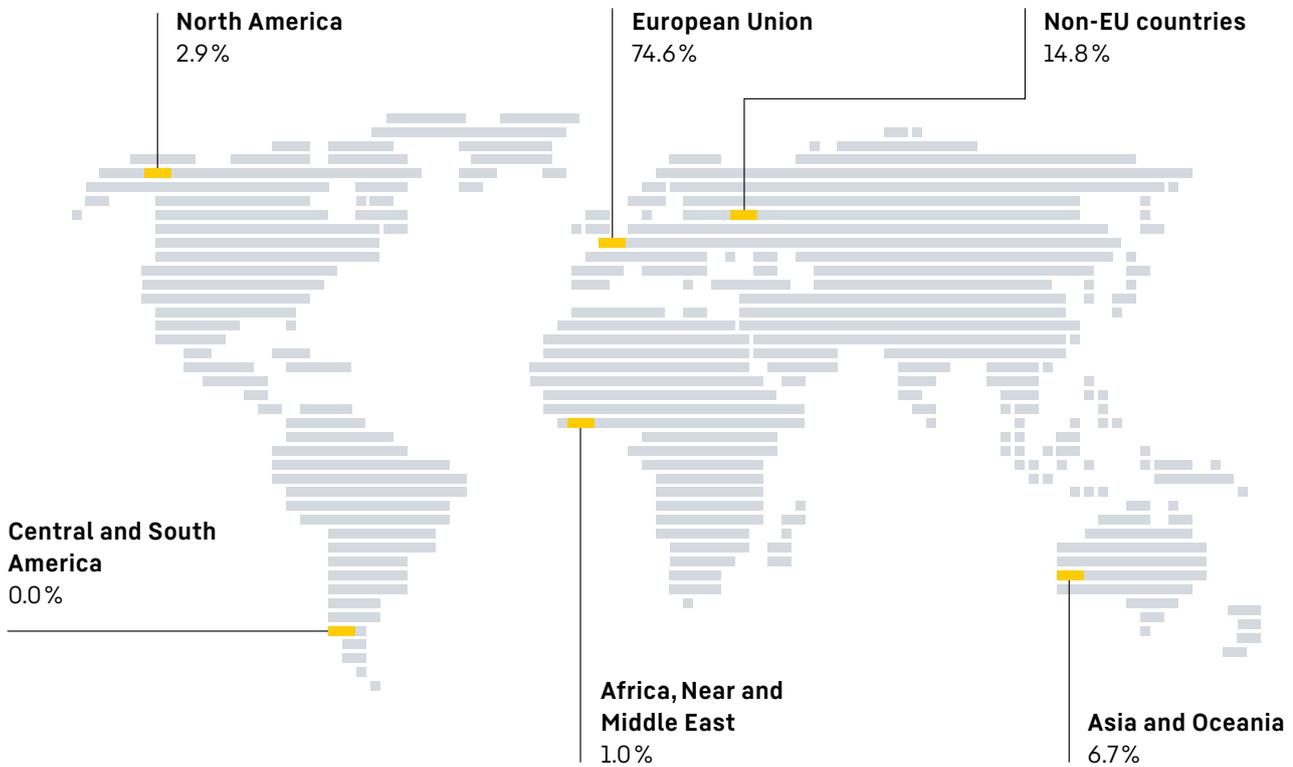
The global market for large home appliances experienced modest growth last year. This was mainly due to growth in refrigeration appliances, which offset declining sales of freezers. In general, the Liebherr refrigerators and freezers product segment performed in line with the industry trend.

Although Germany, the most important market in this segment, saw a decline, turnover increased slightly in the rest of Europe. This can be attributed mainly to the growth in Bulgaria, France and Spain. There was also growth in non-EU countries, driven in particular by an increased turnover in Switzerland, Turkey and the United Kingdom. Despite strong growth in North America in the USA and in Canada, turnover in Central and South America was down for the second year in a row. Liebherr achieved significant growth in the Africa, Near and Middle East region, driven in particular by a notable increase in Israel, Saudi Arabia and South Africa. In Asia and Oceania, a decline in Japan and Indonesia was offset by growth in India, Taiwan and Vietnam.

A new built-in appliance range with pioneering features

Liebherr's refrigerators and freezers product segment launched a series of innovative new products in 2021. One milestone was the launch of a new built-in appliances range, which won the Red Dot Award in the "Best of the Best" category. The range offers appliances from the high-quality entry-level to the luxury segment, combining resource-saving freshness technologies with superior design. All models are Internet-connected and feature innovative DuoCooling and NoFrost technologies. Premium technologies, such as the new BioFresh "HydroBreeze" feature that envelops fresh food in a cold mist, are also available. Liebherr also released the Monolith Bottom Freezer, a new appliance in the high-end segment. For commercial use, Liebherr presented a new range of beverage coolers with vertical LED lighting and permanent digital temperature display for a smart product presentation in the catering trade or at the point of sale.

Turnover by sales regions



New regulations for energy efficiency labelling of electrical appliances came into force last year. It enables more accurate classifications, as electrical appliances can now be rated across the entire efficiency scale from A to G. Even with the new regulation in effect, Liebherr refrigerators and freezers still top the efficiency rankings.

For the year ahead, Liebherr expects once again to see significant growth in the refrigerators and freezers product segment. In light of the unfolding situation in Ukraine, it is impossible to reach a definitive assessment of the prospects for the year ahead.

“These appliances are more than a new generation of built-in refrigerators, freezers and wine cabinets. They are a statement.”

Turnover € m



Investments € m



Employees





Components

In business year 2021, the components product segment achieved turnover of € 478 million, representing an increase of € 75 million or 18.6% year-on-year.

Continuing on a growth course in Asia

In the 2021 business year, Liebherr was able to resume its growth course in the components product segment. Turnover increased above all in the wind industry, decentralised power generation, agriculture and forestry, and maritime segments. The increase in the wind and mining aftermarket is particularly noteworthy. The product segment experienced uneven growth across the various regions. In Europe, growth was particularly strong in Germany and Scandinavia. Asia and Oceania also followed the positive trend, driven primarily by growth in China, India and Australia. In South and Central America, Liebherr recorded significant increases, mainly due to the good development in Brazil. In North America, on the other hand, there was a slight decline compared with the previous year.

Focus on future-oriented technologies and solutions

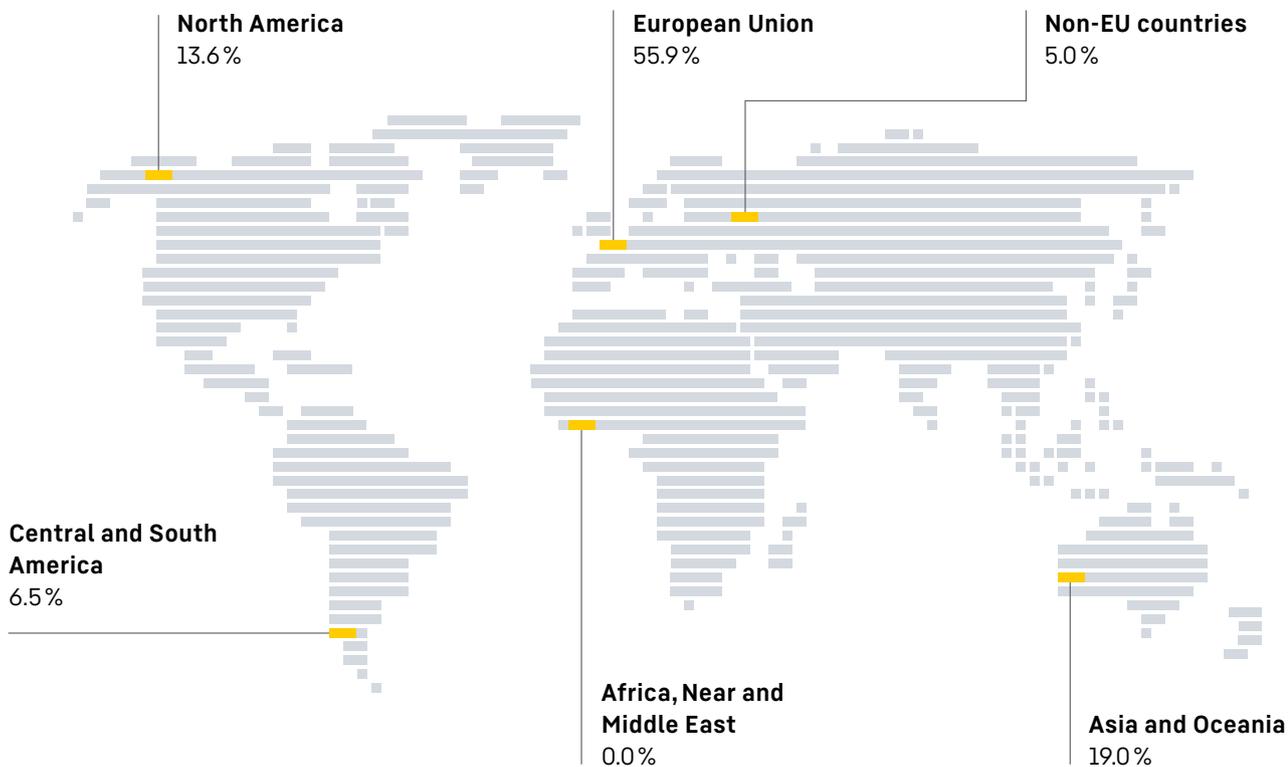
Over the past year, Liebherr continued to promote global decarbonisation efforts with solutions for hydrogen combustion engines. Liebherr also unveiled a new solution for H₂ direct injection and test benches for H₂ engines.

The use of new manufacturing technologies also enabled the delivery of the first series main bearings for 8 MW off-shore wind turbines. The optimised blade bearings in 3-row roller bearing design also opens up new possibilities for retrofitting and maintaining existing wind turbines.

In the drive technologies product area, Liebherr's new LPI gearbox series reduces weight and fuel consumption and allows for the electrification of crawlers and other mobile solutions. Weight reduction was also emphasised in the development of hybrid hydraulic cylinders featuring carbon-fibre-reinforced plastic (CFRP). In addition, Liebherr added a new piston accumulator series to its portfolio.

In terms of investment, the components product segment focused once again in 2021 on establishing new locations, including a new assembly line in India. Another milestone was the start of construction of a component plant in China to meet the high demand from the wind and construction industries. The new plant will be used to produce slewing bearings, gearboxes and hydraulic cylinders.

Turnover by sales regions



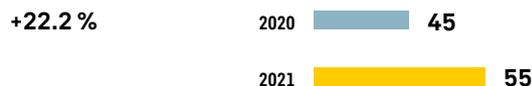
Liebherr expects turnover in the components segment to increase in 2022, thanks in part to high order volumes in the drive technology product area. Upcoming orders for slewing bearings in the maritime and industrial sectors will help to further bolster turnover. Liebherr also plans to continue investing in the development of future-oriented technologies such as 5G and engines suitable for Hydrotreated Vegetable Oils (HVO). Because of the Russia-Ukraine war, it is impossible to make a meaningful assessment of the economic prospects for the components product segment at this time.

“With new products and solutions, Liebherr is at the forefront of current megatrends that will shape the future of technology.”

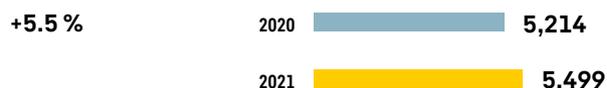
Turnover € m



Investments € m



Employees





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 Österreich Vertriebs- und Service GmbH
Bischofshofen
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-Concrete Technology Marica EOOD
Radinovo
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 Distribution et Services France SAS
Niederhergheim
Liebherr-France SAS
Colmar
Liebherr-Grues à Tour SAS
Colmar
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
Dettingen 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-Digital Development Center GmbH
Ulm
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
Ulm
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 Mannheim GmbH
Mannheim
Liebherr-Verzahntechnik 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

Europe

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

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

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 Iberica, S.L.

Azuqueca de Henares

Liebherr Industrias Metálicas, S.A.

Pamplona

Turkey

Liebherr Makine Ticaret Servis Limited Şirketi

Istanbul

Africa, Near and Middle East

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

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 and Automation Technologies, 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 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
Jakarta

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 Components (Dalian) Co., Ltd.
Dalian

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 Mobile Cranes Korea Ltd.
Seoul

Thailand

Liebherr (Thailand) Co., Ltd.
Rayong



06



Consolidated financial statements

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Consolidated balance sheet

Assets in € m	Notes	31/12/2021	%	31/12/2020	%
Intangible assets	3.1	29	0.2	37	0.3
Tangible assets	3.2	3,629	24.9	3,567	25.9
Shares at equity	3.5	7	0.0	12	0.1
Non current financial assets	3.6	208	1.4	159	1.2
Deferred tax assets	8	256	1.8	236	1.7
Non current assets		4,129	28.3	4,011	29.2
Inventories	4.1	4,447	30.6	4,099	29.8
Receivables	4.2 / 4.3	2,180	15.0	2,086	15.2
Income tax receivables	8	82	0.6	77	0.6
Current financial assets	4.5	1,565	10.8	1,424	10.4
Liquid funds	4.6	2,145	14.7	2,036	14.8
Current assets		10,419	71.7	9,722	70.8
Total assets		14,548	100.0	13,733	100.0
Equity and liabilities in € m					
Subscribed capital		62	0.4	62	0.5
Revenue reserves	2.3 / 5	8,290	57.0	7,706	56.1
Equity of Liebherr-International AG shareholders		8,352	57.4	7,768	56.6
Non controlling interests		19	0.1	16	0.1
Equity		8,371	57.5	7,784	56.7
Non current financial liabilities	6	1,213	8.3	1,376	10.0
Post employment benefits	9	996	6.9	1,013	7.4
Deferred tax liabilities	8	63	0.4	60	0.4
Non current provisions	10	42	0.3	46	0.3
Other non current liabilities	7	70	0.5	82	0.6
Non current liabilities		2,384	16.4	2,577	18.7
Current financial liabilities	6	823	5.7	921	6.7
Payments received in advance		427	2.9	283	2.1
Income tax liabilities	8	111	0.8	112	0.8
Current provisions	10	656	4.5	643	4.7
Other current liabilities	7	1,776	12.2	1,413	10.3
Current liabilities		3,793	26.1	3,372	24.6
Total equity and liabilities		14,548	100.0	13,733	100.0

Consolidated income statement

in € m	Notes	31/12/2021	%	31/12/2020	%
Turnover	11	11,639	95.4	10,341	95.2
Increase or decrease of work in progress and finished goods		-24	-0.2	-155	-1.4
Other own work capitalised		333	2.7	329	3.0
Other operating income		261	2.1	344	3.2
Operating income		12,209	100.0	10,859	100.0
Cost of materials		-6,505	-53.3	-5,452	-50.2
Personnel expenses		-3,072	-25.2	-2,847	-26.2
Depreciation on non current assets	3	-507	-4.2	-543	-5.0
Other operating expenses		-1,413	-11.6	-1,601	-14.7
Operating expenses		-11,497	-94.3	-10,443	-96.1
Operating result		712	5.7	416	3.9
Finance income		593	4.9	617	5.7
Finance cost		-493	-4.0	-755	-7.0
At equity result		0	0.0	0	0.0
Finance result		100	0.9	-138	-1.3
Result before tax		812	6.6	278	2.6
Taxes on income	8	-267	-2.2	-271	-2.5
Result after tax		545	4.4	7	0.1
of which shareholders of Liebherr-International AG		544	4.4	7	0.1
of which non controlling interests		1	0.0	0	0.0

Consolidated statement of comprehensive income

in € m	31/12/2021	31/12/2020
Result after tax	545	7
Post employment benefits	54	- 6
Deferred tax	- 10	- 34
Items not recycled to profit or loss	44	- 40
Foreign exchange translation differences	82	- 104
Changes of fair value in cash flow hedges	- 74	74
Deferred tax	13	- 13
Items recycled to profit or loss	21	- 43
Other comprehensive income	65	- 83
Comprehensive income	610	- 76
of which shareholders of Liebherr-International AG	607	- 76
of which non controlling interests	3	0

Consolidated statement of changes in equity

in € m	Subscribed capital	Value fluctuations on financial instruments	Foreign exchange translation differences	Other revenue reserve	Equity of Liebherr-International AG shareholders	Non controlling interests	Group equity
31/12/2019	62	- 8	40	7,775	7,869	15	7,884
Result after tax				7	7	0	7
Other comprehensive income		61	- 104	- 40	- 83	0	- 83
Comprehensive income		61	- 104	- 33	- 76	0	- 76
Dividends				- 24	- 24	0	- 24
Changes in shares of non controlling interests				- 1	- 1	1	0
31/12/2020	62	53	- 64	7,717	7,768	16	7,784
Result after tax				544	544	1	545
Other comprehensive income		- 61	80	44	63	2	65
Comprehensive income		- 61	80	588	607	3	610
Dividends				- 23	- 23	0	- 23
Changes in shares of non controlling interests				0	0	0	0
31/12/2021	62	- 8	16	8,282	8,352	19	8,371

Consolidated cash flow statement

in € m	31/12/2021	31/12/2020
Result after tax	545	7
Depreciation on non-current assets	507	543
Value fluctuations marketable securities (current assets)	-81	7
Gain / Loss on disposal of non-current assets	4	2
Change of provisions and post-employment benefits	41	88
Other non liquid expenses / income	-69	190
Change of stock	-278	195
Change of receivables and other current assets	-181	227
Change of other liabilities	468	-289
Change of rental fleet	-118	-122
Net cash flow from operating activities	838	848
Payment for investments in intangible assets	-9	-10
Payment for investments in tangible assets	-357	-250
Payment for investments in marketable securities in current assets	-236	-112
Proceeds from sales of tangible assets	14	14
Proceeds from sales of marketable securities (current assets)	178	58
Other proceeds from investing activities	11	15
Net cash flow from investing activities	-399	-285
Dividends paid, other distributions and equity capital repaid	-23	-24
Proceeds from current or non-current financial liabilities	281	438
Repayment of current or non-current financial liabilities	-598	-643
Change non-controlling interest	0	1
Net cash flow from financing activities	-340	-228
Net decrease / increase in liquid funds	99	335
Foreign exchange translation difference on liquid funds at beginning of period and on cash flows	10	-27
Liquid funds at beginning of period	2,036	1,728
Liquid funds at end of period	2,145	2,036
Income tax paid and reimbursed	-288	-184
Interest paid	-28	-32
Interest received	38	27

Notes to the consolidated financial statements

1 Corporate information and business activity

The company was founded in 1949 by Dr. Hans Liebherr. Currently, the family business has nearly 50,000 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 31 December 2021 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 1 January 2021.

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 31 December. The functional currency is the euro, as it is the predominant currency in the Group.

In order to increase comprehensibility and relevance, some detailed disclosures required by IFRS are not published in these condensed consolidated financial statements. These disclosures are correctly disclosed in the audited consolidated financial statements according to IFRS.

2.2 Published and newly applied standards, interpretations and amendments

The following new standards, interpretations and amendments were relevant for Liebherr in 2021.

IFRS 7 and IFRS 9

In implementing the final phase of the IBOR reform, the IASB has clarified the disclosures to be made and the requirements for hedge accounting. In particular, the amendments to certain hedge accounting requirements are affected. These amendments are applied under the assumption that the reference interest rate on which the hedged cash flows and the cash flows from the hedging instrument are based is not changed by the reform of the reference interest rate. Liebherr has applied the amendments as of 1 January 2021.

IFRS 16 and Covid 19

The IASB has taken measures around IFRS 16 to make it easier for lessees to account for leases during the Corona pandemic. Accordingly, the lessee is granted the right to choose whether to continue to revalue the contract or to apply simplification. Under simplification, for example, the lessee no longer has to assess whether a change related to the Corona pandemic also constitutes a modification of the lease, provided that certain criteria are met in the contract modifications. In 2021, the period for applying the practical expedient was extended. The practical expedient may now be claimed for lease payments that were due on or before 30 June 2022 (previously 30 June 2021). However, the Group does not exercise this option.

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 2021:

- Liebherr Components (Dalian) Co. Ltd.,
Dalian (China)
- Liebherr-Concrete Technology Marica EOOD,
Marica (Bulgaria)
- Liebherr-Digital Development Center GmbH,
Ulm (Germany)
- Liebherr Distribution et Services France SAS,
Colmar (France)

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)
- 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:

			2021		2020	
			Year end rate in €	Average rate in €	Year end rate in €	Average rate in €
Switzerland	CHF	1	0.9680	0.9249	0.9258	0.9344
USA	USD	1	0.8829	0.8454	0.8149	0.8775
Great Britain	GBP	1	1.1901	1.1631	1.1123	1.1254
Australia	AUD	1	0.6404	0.6352	0.6291	0.6047
Russia	RUB	1	0.0117	0.0115	0.0109	0.0122

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 resulted 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.

Financial instruments at fair value through profit or loss (fvtp)

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 based 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.

The estimated useful lives of the major classes of intangible assets are as follows:

Concessions	3 years
Industrial property rights and similar rights	3 years
Licences	3 years
Software	3 – 5 years

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.

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.

The estimated useful lives of tangible assets are as follows:

Buildings	20 – 40 years
Machinery and equipment	5 – 21 years
Furniture	13 years
IT	3 – 5 years
Vehicles	5 – 11 years

Development of tangible assets as at 31/12/2021:

in € m	Land and buildings	Technical equip. and machinery	Other equip., factory and office equip.	Adv. paym., assets under construction	Total
Acquisition and production cost as at 1/1	3,545	2,722	1,700	153	8,120
Additions	93	367	122	152	734
Disposals	-18	-373	-95	-4	-490
Transfers	43	43	26	-113	-1
Foreign exchange differences	51	29	26	1	107
Acquisition and production cost as at 31/12	3,714	2,788	1,779	189	8,470
Accum. depreciation and impairment as at 1/1	1,538	1,738	1,277	0	4,553
Depreciation of the year	145	201	137	0	483
Accum. depreciation on disposals	-14	-158	-89	0	-261
Impairment	5	2	1	0	8
Transfers	0	0	0	0	0
Foreign exchange differences	20	18	20	0	58
Accumulated depreciation as at 31/12	1,694	1,801	1,346	0	4,841
Net book value 31/12	2,020	987	433	189	3,629

Development of tangible assets as at 31/12/2020:

in € m	Land and buildings	Technical equip. and machinery	Other equip., factory and office equip.	Adv. paym., assets under construction	Total
Acquisition and production cost as at 1/1	3,523	2,686	1,684	209	8,102
Additions	45	361	90	99	595
Disposals	-21	-328	-61	-3	-413
Transfers	82	44	20	-148	-2
Foreign exchange differences	-84	-41	-33	-4	-162
Acquisition and production cost as at 31/12	3,545	2,722	1,700	153	8,120
Accum. depreciation and impairment as at 1/1	1,425	1,671	1,207	1	4,304
Depreciation of the year	144	215	143	0	502
Accum. depreciation on disposals	-17	-129	-53	0	-199
Impairment	16	5	3	0	24
Transfers	0	1	-1	0	0
Foreign exchange differences	-30	-25	-22	-1	-78
Accumulated depreciation as at 31/12	1,538	1,738	1,277	0	4,553
Net book value 31/12	2,007	984	423	153	3,567

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

The net book value of € 3,629 million (2020: € 3,567 million) corresponds to 42.9% (2020: 43.9%) 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 € 3 million (2020: € 4 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 operate lease. Self constructed assets capitalised under tangible assets but leased out under an operate 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, the corresponding profit or loss is recognised.

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 operate 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 reflect 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.

in € m	2021	2020
Raw materials and supplies	1,883	1,542
Work in progress	984	818
Finished goods and merchandise	1,569	1,729
Payments made in advance for inventories	11	10
Total	4,447	4,099

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

Receivables are initially recognised at the transaction price. 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.

in € m	2021	2020
Shares	488	391
Mutual funds	108	136
Fixed income securities	902	851
Other securities	65	40
Total securities and other financial assets at fair value	1,563	1,418
Fixed deposits with a residual term more than three months	2	6
Total	1,565	1,424

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:

in € m	Current	Non current	Total 2021	Current	Non current	Total 2020
Bank liabilities	790	1,070	1,860	887	1,233	2,120
Liabilities from leases	32	143	175	33	143	176
Bank liabilities from discounted bills	1	0	1	1	0	1
Total	823	1,213	2,036	921	1,376	2,297

7 Other liabilities

The following table gives an overview of the other liabilities:

in € m	Current	Non current	Total 2021	Current	Non current	Total 2020
Liabilities from repurchase obligations	20	33	53	19	43	62
Accounts payable trade	861	0	861	655	0	655
Liabilities from personnel expenses and social security	358	0	358	313	0	313
Tax liabilities and customs	149	0	149	108	0	108
Derivative financial instruments	73	0	73	8	0	8
Contract Liabilities	167	0	167	169	0	169
Deferred income	16	0	16	10	0	10
Further liabilities	132	37	169	131	39	170
Total	1,776	70	1,846	1,413	82	1,495

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.

Provisions 2021 in € m	Warranty obligation	Compensation and product liability	Expected loss from pending transactions	Other provisions	Total
Current provisions	430	9	92	125	656
Non-current provisions	0	0	17	25	42
Total provisions	430	9	109	150	698
Reconciliation					
31/12/2020	414	11	130	134	689
Increase	151	4	57	58	270
Usage	-105	-2	-73	-19	-199
Transfers	0	0	0	0	0
Reversal	-34	-3	-5	-24	-66
Discounting	0	0	0	0	0
Foreign exchange differences	4	-1	0	1	4
31/12/2021	430	9	109	150	698
Provisions 2020 in € m					
	Warranty obligation	Compensation and product liability	Expected loss from pending transactions	Other provisions	Total
Current provisions	414	11	116	102	643
Non-current provisions	0	0	14	32	46
Total provisions	414	11	130	134	689
Reconciliation					
31/12/2019	448	9	81	110	648
Increase	172	5	90	55	322
Usage	-157	-1	-29	-16	-203
Transfers	0	0	0	0	0
Reversal	-45	-2	-12	-13	-72
Discounting	0	0	0	0	0
Foreign exchange differences	-4	0	0	-2	-6
31/12/2020	414	11	130	134	689

11 Revenue recognition and profit realisation

Liebherr adopts 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

Liebherr is monitoring and assessing the current situation in Ukraine and Russia on a daily basis. The Liebherr Group is currently in the process of adjusting its Russian activities to the extensive sanctions imposed on the country. The medium-term effects on business activities there are currently difficult to assess - but negative economic consequences are to be expected. From today's perspective, the companies in Russia are able to continue as going concerns. The Liebherr Group has started 2022 with a very good order situation and is cautiously optimistic about the rest of the year despite the difficult conditions.

Report of the statutory auditor

*To the Board of Directors of
Liebherr-International AG, Bulle
Berne, April 1, 2022*

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, 2021, 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 1 April 2022.

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, 2021 are consistent, in all material respects, with those consolidated financial statements, on the basis described in the notes.

Ernst & Young AG

Christoph Michel
Licensed audit expert
(Auditor in charge)

Stefan Pieren
Licensed audit expert

Five-year summary

in € m	2017R*	2018	2019	2020	2021
Turnover	9,812	10,551	11,750	10,341	11,639
Investments	778	829	756	605	742
Depreciation	499	513	541	543	507
Non-current assets	4,190	4,433	4,372	4,011	4,129
Current assets	9,012	9,352	9,916	9,722	10,419
Equity	7,369	7,570	7,884	7,784	8,371
Liabilities	5,833	6,215	6,404	5,949	6,177
Result after tax	319	321	429	7	545
Personnel expenses	2,538	2,790	2,980	2,847	3,072
	2017	2018	2019	2020	2021
Employees	43,869	46,169	48,049	47,925	49,611

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

LIEBHERR

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