Manitou: 2019 Half-year results

- **H1 19 net sales of €1163m* up +24% vs. H1 18 and +22% on a comparable basis***
- **Q2 order intake on equipment of €286m vs. €371m in Q2 18**
- **Order book on equipment at the end of Q2 19 of €643m vs. €830m in Q2 18**
- **Recurring operating income at €90m (7.7%) vs. €63m (6.7%) in H1 18**
- **EBITDA[1] €107m** (9.2%) vs. €80m in H1 18**
- **Net income attributable to the equity holders of the Parent of €60m vs. €41m in H1 18**
- **Outlook for a 2019 revenue growth of around 10% compared to 2018**
- **Outlook for an improvement in recurring operating income of around 40 basis points, or around 7.3% of revenue confirmed.**

Ancenis, 30 July 2019 – The board of directors of Manitou BF, meeting on this day, closed the accounts for the first half of 2019.

The group achieved another record semester with revenue growth of 24% compared to H1 2018 and a recurring operating income of 7.7%, up 100 basis points compared to H1 2018.

Michel Denis, Chief Executive Officer, said : *"Over the first half of the year, business was very strong in our three markets of construction, industry and agriculture, as well as in almost all geographical areas. High production levels made it possible to sell the excess order book that the group had accumulated at the end of 2018.*

This performance contrasts with order intake, which is now showing a decline. A difficult-to-quantify part of this decrease is due to the return to normal delivery times, which prevent our customers from having to anticipate their orders well in advance. Another part is due to a significant drop in some markets such as the United Kingdom or South Africa, as well as a more uncertain global economic environment with no visible signs of improvement in the short term.

The group is reducing its production volumes and gradually limiting its structural costs and investments.

Given the historical invoicing level for the first half of the year, our expectations for 2019 of revenue growth of more than 10% compared to 2018 and recurring operating income in the order of 7.3% of revenue, remain confirmed.

All teams are still committed to continuing the group's strengthening and transformation projects."

In millions of €	MHA H1 18	CEP H1 18	S&S H1 18	Total H1 18	MHA H1 19	CEP H1 19	S&S H1 19	Total H1 19	Var.
Net sales	653,4	151,5	136,6	941,5	829,9	178,4	155,2	1 163,5	+24%
Sales margin	96,3	20,0	37,4	153,6	124,1	24,4	43,9	192,4	+25%
Sales margin as a % of sales	14,7%	13,2%	27,4%	16,3%	15,0%	13,7%	28,3%	16,5%	
Recurring Operating Income	**48,2**	**3,6**	**11,2**	**63,0**	**71,6**	**3,9**	**14,6**	**90,1**	**+43%**
Recurring Op. Income as a % of sales	**7,4%**	**2,4%**	**8,2%**	**6,7%**	**8,6%**	**2,2%**	**9,4%**	**7,7%**	
Operating Income	47,2	3,6	11,2	61,9	71,0	3,7	14,4	89,1	+44%
Net income attributable to the group	n/a	n/a	n/a	40,7	n/a	n/a	n/a	59,7	+47%
Net debt excluding IFRS 16				79,8				185,4	+132%
Net debt including IFRS 16				n/a				201,4	
Shareholder's equity				551,6				625,4	+13%
% Gearing[2] excluding IFRS 16				14%				30%	
% Gearing[2] including IFRS 16				n/a				32%	
Working capital				451				596	+32%

First-time application of IFRS 16 standard as from 1 January 2019 (the financial impacts are described in appendix; no restatement for 2018)
Half-year financial statements and Statutory Auditors' review report available online on the company website (in French)
Auditing procedures performed
** at constant exchange rates: application of the exchange rates of the previous year on the aggregates of the current year*
*** at constant accounting standard (IAS17)*
[1] *EBITDA: Earnings before interest, taxes, depreciation, and amortization (on 6 months)*
[2] *Gearing : Financial ratio measuring the net debt divided by shareholders' equity.*

Sales trend

Sales by division

In million of euros	Quarter			Half-year		
	Q2 2018	Q2 2019	%	H1 2018	H1 2019	%
MHA	331	433	31%	653	830	27%
CEP	80	94	17%	151	178	18%
S&S	69	75	9%	137	155	14%
Total	**480**	**602**	**25%**	**941**	**1 163**	**24%**

Sales by region

In million of euros	Quarter			Half-year		
	Q2 2018	Q2 2019	%	H1 2018	H1 2019	%
Southern Europe	144	184	28%	301	398	32%
Northern Europe	195	247	27%	370	454	23%
Americas	92	117	26%	169	209	24%
APAM	49	53	8%	102	103	1%
Total	**480**	**602**	**25%**	**941**	**1 163**	**24%**

Review by division

The **MHA - Material Handling & Access Division** achieved half-year revenue of €830m, an increase of +27% compared to H1 2018, +27% also at constant exchange rates. Growth was very strong in all markets, with significant business with European rental companies.
Faced with the slow-down in demand, all production sites are organizing themselves to adjust their capacities, a situation for which they had made part of their direct and indirect means of production more flexible.
Recurring operating income represented 8.6% of revenue, up 120 basis points compared to H1 2018.

The **CEP - Compact Equipment Products Division** achieved revenue of €178m, a rise of +18% compared to H1 2018, +12% at constant exchange rates.
During the first half of the year, business was buoyant, particularly with North American rental companies. The division continues to be impacted by the evolution of the dollar, which increases the cost of its exports outside the United States. In order to adapt to a less favourable environment, the division has initiated an adjustment of its production capacities on its American sites.
The division's recurring operating income was positive at 2.2% of revenue and 2.9% at constant exchange rates, compared with 2.4% in H1 2018.

With a turnover of 155 M€, the **Services & Solutions Division (S&S)** recorded a +14% increase in its activity, +13% at constant exchange rates boosted by the used equipment sales service activities.
In addition, the division continues to work on strengthening the supply of connected machines and sales financing.
The recurring operating income to revenue ratio was 9.4%, up 120 basis points compared to H1 2018.

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FORTHCOMING EVENTS

October 17, 2019 (after market closing)
Q3 2019 Sales Revenues

The Manitou Group is a global market leader in rough-terrain handling. It designs, manufactures, distributes and services equipment for construction, agriculture and the industry.

The Group's product ranges include all-terrain fixed, rotating and heavy-duty telehandlers, all-terrain, semi-industrial and industrial masted forklifts, wheeled or tracked skid-steer loaders, backhoe loaders, access platforms, truck-mounted forklifts, warehousing equipment and attachments.

Through its iconic brands - Manitou, Gehl, and Mustang - and its network of 1,500 dealers worldwide, the Group offers the best solutions by creating optimum value for its customers.

With its registered office in France, in 2018 the Group recorded a revenue of €1.9 billion in 140 countries, and it employs 4,400 people all committed to delivering customer satisfaction.

Appendix

Impact of the application of IFRS 16 :
IFRS 16 is the new standard for leases, with first application as of 1 January 2019.

The group recognizes a "right of use" and a rental liability at the start date of the lease, respectively booked in the asset and liability sides of its balance sheet.

The group has applied the simplified retrospective method with the calculation of the right of use from the outset for contracts ongoing on January 1, 2019. Therefore, the previous year's figures are not displayed with restated values.

In millions of €	2019 published figures including IFRS 16	IFRS 16 Impact	2019 figures excluding IFRS 16
Income statement			
Operating income	89,1	- 0,5	88,6
Of which EBITDA	*110,4*	*- 3,3*	*107,1*
Of which amortization	*-21,6*	*+ 2,8*	*-18,8*
Financial result	-2,6	+ 0,6	-2,0
Consolidated balance sheet			
Right of use	14,4	- 14,4	0
Net debt	201,4	- 16,1	185,4
Gearing	32,1 %		29,7 %

Definitions :

- **EBITDA restated from the IFRS 16 impact**

EBITDA calculated on the basis of IFRS standards applicable in 2018, i.e. before the application of IFRS 16 (from 1 January 2019)

- **Net debt and Gearing excluding IFRS 16**

Net debt calculated on the basis of IFRS standards applicable in 2018, i.e. before the application of IFRS 16 (from 1 January 2019)