



## Manitou: 2018 Half-year results

- H1'18 net sales of €941m\* up +17% vs. H1'17 and +18% on a comparable basis\*\*
- Q2 machine order intake of €371m vs. €408m in Q2'17
- H1 machine order intake of €926m vs. €842m in H1'17
- Q2 end book of €830m vs. €506m in Q2'17
- Current operating income at €63m (6.7%) vs. €48m (6.0%) in H1'17
- EBITDA<sup>1</sup> €80m (8.5%) vs. €62m in H1'17
- Net income attributable to the equity holders of the Parent of €41m vs. €30m in H1'17
- Confirmation of 2018 sales growth outlook of more than 15% compared to 2017
- Confirmation of a 80 basis points increase in recurring operating income as a percentage of revenue compared to 2017

**Ancenis, 30 July 2018** – The board of directors of Manitou BF, meeting on this day, closed the accounts for the first half of 2018. Michel Denis, President and Chief Executive Officer, stated: *“The Group achieved another record quarter and revenue growth of 17% compared to H1 2017. Business was buoyant in all geographies and in our three markets of construction, agriculture and industries. Order intake for the second quarter was sustained and increased compared to Q2 2017 if we exclude the exceptional effects generated in France by the end of the tax law on equipment over-amortization in April 2017. In this very favourable environment, the Manitou group continued to expand its products range, gain market shares and increase its production rate. Growth made great demands on the operational chain, which remained tense but under control. The increase in production rates enabled us to accelerate the reduction of the depth of the order book, something we want to continue, in order to be more responsive to our customers.*

*All these factors led to close the semester with a current operating income of 6.7% of sales revenue, an increase of 70 basis points. At constant scope and exchange rate, current operating income was 7.0% of sales revenue.*

*Business prospects remain positive, with markets that we still see well oriented in all regions. At this stage, the impact of changes in import duties in certain countries resulted in an increase in production costs in the United States which, like all American manufacturers, we pass on to our customers.*

*The performance achieved in the first half-year, the favourable economic context and the size of our order book allow us to confirm our expectations of sales revenue growth of more than 15% for the financial year, and a growth in current operating income of around 80 basis points compared to 2017, or around 6.8%.”*

<i>In millions of €</i>	MHA H1'17	CEP H1'17	S&S H1'17	Total H1'17	MHA H1'18	CEP H1'18	S&S H1'18	Total H1'18	Var.
Net sales	563,0	117,1	124,9	805,0	653,4	151,5	136,6	941,5	+17%
Gross profit	82,6	12,3	32,9	127,7	96,3	20,0	37,4	153,6	+20%
Gross profit as a % of sales	14.7%	10.5%	26.3%	15.9%	14.7%	13.2%	27.4%	16.3%	
<b>Recurring Operating Profit</b>	<b>39,4</b>	<b>-2,2</b>	<b>10,7</b>	<b>47,9</b>	<b>48,2</b>	<b>3,6</b>	<b>11,2</b>	<b>63,0</b>	<b>+32%</b>
<b>Recurring OP as a % of sales</b>	<b>7.0%</b>	<b>-1.9%</b>	<b>8.6%</b>	<b>6.0%</b>	<b>7.4%</b>	<b>2.4%</b>	<b>8.2%</b>	<b>6.7%</b>	
Operating profit	38,2	-2,8	10,3	45,8	47,2	3,6	11,2	61,9	+35%
Net income attributable to the group	n/a	n/a	n/a	29,7	n/a	n/a	n/a	40,7	+37%
Net debt				95,7				79,8	-17%
Shareholder's equity				511,5				551,6	+8%
% Gearing <sup>2</sup>				19%				14%	
Working capital				441				451	+2%

Half-year financial statements and Statutory Auditors' report available online on the company website (in French)

Auditing procedures performed

\*IFRS 15 applied from January 1st, 2018, without 2017 restatement (prospective method)

\*\* at constant scope and exchange rate

<sup>1</sup> EBITDA: Earnings before interest, taxes, depreciation, and amortization (on 6 months)

<sup>2</sup> Gearing : Financial ratio measuring the net debt divided by shareholders' equity.

## Sales trend

### Sales by division


<i>In million of euros</i>	Quarter			Half-year		
	Q2 2017	Q2 2018	%	H1 2017	H1 2018	%
MHA	303	331	9%	563	653	16%
CEP	60	80	33%	117	151	29%
S&S	62	69	12%	125	137	9%
<b>Total</b>	<b>425</b>	<b>480</b>	<b>13%</b>	<b>805</b>	<b>941</b>	<b>17%</b>

### Sales by region

<i>In million of euros</i>	Quarter			Half-year		
	Q2 2017	Q2 2018	%	H1 2017	H1 2018	%
Southern Europe	144	144	-1%	292	301	3%
Northern Europe	158	195	23%	286	370	30%
Americas	75	92	24%	146	169	15%
APAM	48	49	4%	81	102	25%
<b>Total</b>	<b>425</b>	<b>480</b>	<b>13%</b>	<b>805</b>	<b>941</b>	<b>17%</b>

## Review by division

The **MHA - Material Handling & Access Division** achieved half-year revenue of €653m, an increase of +16% compared to H1 2017, +18% at constant exchange rates and scope. Growth was particularly strong in construction and agriculture. Excluding the impact of the €55m increase in orders received in Q2 2017 to be delivered from 2018 as a result of the ending of the tax law on depreciation in France, order intake has increased compared to Q2 2017.



---

The operational teams continued to increase production speeds against a backdrop of tension in the operational chain, helped by the successful migration of their main ERP.

The sales price increases implemented since 2017, the effects of which were delayed by the depth of the order book, allowed a more consistent alignment of sales prices with purchase prices. In addition, the volume growth effect offset the negative exchange rate effects as well as the additional costs required by growth. Profit from recurring operations was 7.4% of sales, up by 40 basis points compared to H1 2017.

The **CEP - Compact Equipment Products Division** achieved revenue of €151m, a rise of +29% compared to H1 2017, +30% at constant exchange rates and scope.

Business was sustained in all markets. In North America, growth of the rental companies was strong, as was their order intake. Growth was also very dynamic in Europe, as well as in the APAM region. In the United States, strong business growth was achieved despite an environment in which the shortage of manpower and tensions in the supply chain are constraints and cost factors.

In India, the division continued to progress, with the launch during the quarter of its first skidsteer developed for emerging countries, just one year after the acquisition of the manufacturing site.

The positive impact of the very strong level of growth was amplified by the performance of the dollar, which enabled the division to improve the competitiveness of products exported from American factories. These factors meant that the division's negative operating result of 1.9% of sales revenue in H1 2017 improved to a positive result of 2.4% of sales revenue, representing an increase of 430 basis points in just one year.

With a turnover of 137 M€, the **Services & Solutions Division (S&S)** recorded a +9% increase in its activity, +10% at constant exchange rates and scope. Continuing the trend of previous quarters, service, rental and used machines activities recorded the strongest development. The spare parts and attachments activities continued to grow, based on a favorable context and continued commercial development efforts.

The recurring operating profit as a percentage of revenue was set at 8.2%, down by 40 basis points in view of the changes in the scope of consolidation and continued deployment of resources required for the division's future development.



## Other information

### Litigation

In May 2017, the Manitou group was sued in France, the United Kingdom and Italy for alleged infringement of two European patents. Legal proceedings continued during the first half of 2018. During these proceedings, the plaintiff increased his request for a provision from €20 million to €50 million for France, without, however, substantiating this request. At this stage in the proceedings, the financial risk likely to be incurred is difficult to estimate. In addition, an outflow of resources in respect of these claims appears unlikely given Manitou's defence elements. Consequently, no provision for these claims has been recorded in the Group's financial statements.

### Strengthening brands

The group announced the launch of a process to strengthen its brands with the evolution of the Mustang brand into Mustang by Manitou starting August 2018. Thanks to this evolution, the Group allies the strength of a structured network with the strong reputation of the Manitou brand.

## 2018 Outlook

The performance of the first half-year, good market prospects and the depth of the order book have the group to confirm the sales revenue outlook for the financial year, which should exceed 15% compared to 2017. The outlook for current operating income is also confirmed, with a growth rate of around 80 basis points compared to 2017.

ISIN code: FR0000038606

Indices: CAC ALL SHARES, CAC ALL-TRADABLE, CAC IND. ENGIN., CAC INDUSTRIALS, CAC MID&SMALL, CAC SMALL EN FAMILY BUSINESS, ENT PEA-PME 150

## FORTHCOMING EVENTS

**October 18, 2018 (after market closing)  
Q3'18 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 2017 the Group recorded a revenue of €1.6 billion in 140 countries, and it employs 3,900 people all committed to delivering customer satisfaction.

# 1. STATEMENTS OF COMPREHENSIVE INCOME

## 1.1 CONSOLIDATED INCOME STATEMENT

<i>In € thousands</i>	31.12.2017*	30.06.2017*	30.06.2018
Net Sales	1 590 968	804 967	941 458
Cost of goods & services sold	-1 332 391	-677 278	-787 809
Research & development costs	-20 800	-10 131	-11 631
Selling, marketing and service expenses	-94 701	-45 935	-51 499
Administrative expenses	-49 696	-24 499	-27 973
Other operating income and expenses	1 920	776	498
<b>RECURRING OPERATING INCOME</b>	<b>95 300</b>	<b>47 900</b>	<b>63 045</b>
Impairment of assets	0	0	-339
Other non-recurring income and expenses	-4 966	-2 128	-782
<b>OPERATING INCOME</b>	<b>90 334</b>	<b>45 772</b>	<b>61 924</b>
Share of profits of associates	2 447	965	1 017
<b>OPERATING INCOME INCLUDING NET INCOME FROM ASSOCIATES</b>	<b>92 781</b>	<b>46 737</b>	<b>62 941</b>
Financial income	16 556	10 898	15 162
Financial expenses	-22 027	-13 144	-18 711
<b>Net financial expenses</b>	<b>-5 472</b>	<b>-2 246</b>	<b>-3 550</b>
<b>CONSOLIDATED INCOME (LOSS) BEFORE TAX</b>	<b>87 309</b>	<b>44 492</b>	<b>59 391</b>
Income taxes	-27 203	-14 710	-18 377
<b>NET INCOME (LOSS)</b>	<b>60 106</b>	<b>29 782</b>	<b>41 014</b>
Attributable to equity holders of the Parent	59 955	29 720	40 710
Attributable to minority interests	151	62	304

## 1.2 EARNINGS PER SHARE (IN EUROS)

	31.12.2017*	30.06.2017*	30.06.2018
Net income (loss) attributable to the equity holders of the Parent	1,57	0,79	1,06
Diluted earnings per share	1,57	0,78	1,06

\*The comparative consolidated financial statements include the retrospective application of IFRS 9.

### 1.3 OTHER COMPONENTS OF COMPREHENSIVE INCOME AND EXPENSE & COMPREHENSIVE INCOME

<i>In € thousands</i>	<b>31.12.2017*</b>	<b>30.06.2017*</b>	<b>30.06.2018</b>
<b>INCOME (LOSS) FOR THE YEAR</b>	60 106	29 782	41 014
Adjustments in the fair value of available-for-sale financial assets	60	60	-81
<i>Of which booked to equity</i>	60	60	-81
<i>Of which transferred to income of the year</i>	0	0	0
Translation differences arising on foreign activities	-27 273	-17 110	3 283
<i>Attributable to equity holders of the Parent</i>	-27 152	-17 101	3 356
<i>Attributable to minority interests</i>	-121	-9	-72
Interest rates and exchange hedging instruments	883	1 794	100
<i>Attributable to equity holders of the Parent</i>	883	1 794	100
<i>Attributable to minority interests</i>	0	0	0
<b>Items that will be reclassified to profit or loss in subsequent periods</b>	-26 330	-15 256	3 302
Actuarial gains (losses) on defined benefits plans	1 115	827	2 106
<i>Attributable to equity holders of the Parent</i>	1 099	827	2 106
<i>Attributable to minority interests</i>	16	0	0
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>	1 115	827	2 106
<b>OTHER COMPONENTS OF COMPREHENSIVE INCOME</b>	-25 215	-14 429	5 408
<b>COMPREHENSIVE INCOME</b>	34 891	15 354	46 422
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	34 845	15 558	46 191
ATTRIBUTABLE TO MINORITY INTERESTS	45	53	231

The other components of comprehensive income and loss are presented net of the associated taxes. The tax impact may be split as follows:

<i>In € thousands</i>	<b>31.12.2017*</b>	<b>30.06.2017*</b>	<b>30.06.2018</b>
Items reclassified to comprehensive income	-493	-967	-29
Items not reclassified to comprehensive income	-3 784	-435	-557
<b>Total tax impact</b>	-4 277	-1 402	-586

\*The comparative consolidated financial statements include the retrospective application of IFRS 9.

## 2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### ASSETS

<i>In € thousands</i>	31.12.2017*	Net Amount 30.06.2018
<b>NON-CURRENT ASSETS</b>		
PROPERTY, PLANT AND EQUIPMENT	153 317	155 768
INVESTMENT PROPERTY		
GOODWILL	288	288
INTANGIBLE ASSETS	37 094	40 489
INVESTMENTS IN ASSOCIATES	21 329	16 757
NON-CURRENT FINANCE CONTRACT RECEIVABLES	3 840	6 877
DEFERRED TAX ASSETS	16 722	18 598
NON-CURRENT FINANCIAL ASSETS	5 657	5 764
OTHER NON-CURRENT ASSETS	348	378
	<b>238 596</b>	<b>244 919</b>
<b>CURRENT ASSETS</b>		
INVENTORIES & WORK IN PROGRESS	451 400	485 501
TRADE RECEIVABLES	324 593	376 523
CURRENT FINANCE CONTRACT RECEIVABLES	1 713	2 124
OTHER RECEIVABLES		
Current income tax	7 384	3 077
Other receivables	32 348	35 238
CURRENT FINANCIAL ASSETS	2 754	3 281
CASH AND CASH EQUIVALENTS	39 570	24 088
	<b>859 762</b>	<b>929 832</b>
NON CURRENT ASSETS AND DISPOSAL GROUP HELD FOR SALE	0	226
<b>TOTAL ASSETS</b>	<b>1 098 358</b>	<b>1 174 977</b>

### LIABILITIES & EQUITY

<i>In € thousands</i>	31.12.2017*	Net Amount 30.06.2018
Share capital	39 622	39 689
Share premiums	45 529	46 098
Treasury shares	-24 305	-24 286
Consolidated reserves	413 765	447 164
Translation differences	-3 440	-75
Net profit (loss) – Equity holder of the Parent	59 955	40 710
<b>SHAREHOLDERS' EQUITY</b>	<b>531 126</b>	<b>549 300</b>
<b>MINORITY INTERESTS</b>	<b>1 974</b>	<b>2 316</b>
<b>TOTAL EQUITY</b>	<b>533 100</b>	<b>551 615</b>
<b>NON-CURRENT LIABILITIES</b>		
NON-CURRENT PROVISIONS	47 240	45 970
OTHER NON-CURRENT LIABILITIES	2 677	2 960
DEFERRED TAX LIABILITIES	768	3 003
NON-CURRENT FINANCIAL LIABILITIES		
Loans and other financial liabilities	47 899	49 483
	<b>98 585</b>	<b>101 417</b>
<b>CURRENT LIABILITIES</b>		
CURRENT PROVISIONS	13 502	15 077
TRADE ACCOUNTS PAYABLE	260 063	313 988
OTHER CURRENT LIABILITIES		
Current income tax	4 304	5 328
Other liabilities	118 402	129 863
CURRENT FINANCIAL LIABILITIES	70 402	57 689
	<b>466 672</b>	<b>521 945</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1 098 358</b>	<b>1 174 977</b>

\*The comparative consolidated financial statements include the retrospective application of IFRS 9.

### 3. CONSOLIDATED SHAREHOLDERS' EQUITY AS AT JUNE 30, 2018

	Share Capital	Share premiums	Treasury shares	Reserves	Group net profit	Translation differences	Revaluation surplus	TOTAL SHAREHOLDERS' EQUITY (Group share)	Minority interests	TOTAL EQUITY
<i>In € thousands</i>										
<b>Balance at 31.12.2016*</b>	<b>39 557</b>	<b>44 749</b>	<b>-24 088</b>	<b>383 952</b>	<b>43 110</b>	<b>23 698</b>	<b>908</b>	<b>511 886</b>	<b>72</b>	<b>511 958</b>
Income for the year 2016				43 110	-43 110			0	0	0
Income at 30.06.2017					29 720			29 720	62	29 782
Dividends				-16 431				-16 431		-16 431
Change in translation differences						-17 101		-17 101	-9	-17 110
Valuation differences under IFRS				2 028				2 028		2 028
Treasury shares			-297					-297		-297
Actuarial (gain) losses on employee benefits				827				827	-0	827
Change in consolidation scope & other	62	751		-120		13		706	-6	699
Shareholders' agreements									-38	-38
<b>Balance at 30.06.2017*</b>	<b>39 619</b>	<b>45 500</b>	<b>-24 385</b>	<b>413 466</b>	<b>29 720</b>	<b>6 611</b>	<b>908</b>	<b>511 438</b>	<b>81</b>	<b>511 519</b>
Income H2' 2017					30 235			30 235	89	30 324
Dividends				6				6	-7	-1
Change in translation differences						-10 051		-10 051	-112	-10 063
Valuation differences under IFRS				-899				-899		-899
Treasury shares			80					80		80
Actuarial (gain) losses on employee benefits				272				272	16	288
Change in consolidation scope & other	3	29		13				45	1 948	1 993
Shareholders' agreements									-40	-40
<b>Balance at 31.12.2017*</b>	<b>39 622</b>	<b>45 529</b>	<b>-24 305</b>	<b>412 858</b>	<b>59 955</b>	<b>-3 440</b>	<b>908</b>	<b>531 126</b>	<b>1 974</b>	<b>533 100</b>
Income for the year 2017				59 955	-59 955			0	0	0
Income at 30.06.2018					40 710			40 710	304	41 014
Dividends				-23 765				-23 765	-103	-23 868
Change in translation differences						3 356		3 356	-72	3 283
Valuation differences under IFRS				72				72		72
First time application IFRS 15				-4 887				-4 887	-8	-4 894
Treasury shares			19					19		19
Actuarial (gain) losses on employee benefits				2 106				2 106		2 106
Change in consolidation scope & other	46	569		-62		10		563	189	752
Shareholders' agreements									31	31
<b>Balance at 30.06.2018</b>	<b>39 688</b>	<b>46 098</b>	<b>-24 286</b>	<b>446 277</b>	<b>40 710</b>	<b>-75</b>	<b>908</b>	<b>549 300</b>	<b>2 316</b>	<b>551 615</b>

\*The comparative consolidated financial statements include the retrospective application of IFRS 9.



## 4. CASH FLOW STATEMENT AS AT JUNE 30, 2018

<i>In € thousands</i>	31.12.2017*	30.06.2017*	30.06.2018
<b>INCOME (LOSS) FOR THE YEAR</b>	<b>60 106</b>	<b>29 782</b>	<b>41 014</b>
Less share of profits of associates	-2 447	-965	-1 017
<i>Elimination of income and expense with no effect on operating cash flow and not linked to operating activities</i>			
+ Amortization and depreciation	33 372	15 992	17 748
- Provisions and impairment	-6 744	-4 192	2 607
- Change in deferred taxes	-1 103	-1 551	1 895
+/- Income (loss) from non-current asset disposal	-133	-119	-32
+/- Other	-1 052	729	34
<b>EARNINGS BEFORE DEPRECIATION AND AMORTIZATION</b>	<b>81 996</b>	<b>39 675</b>	<b>62 249</b>
<i>Changes in cash flows from operating activities</i>			
+/- Change in inventories	-45 582	-19 248	-28 767
+/- Change in trade receivables	-53 846	-59 116	-50 720
+/- Change in finance contracts receivables	-1 506	306	-4 177
+/- Change in other operating receivables	-2 376	-11 422	-3 404
+/- Change in trade accounts payable	49 003	33 175	55 218
+/- Change in other operating liabilities	18 217	9 253	1 829
+/- Change in taxes payable and receivable	-1 288	5 266	5 322
+/- Change in liabilities linked to finance contracts receivables	0	0	0
Change in capitalised leased machines	-9 366	-4 969	-6 194
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>35 252</b>	<b>-7 080</b>	<b>31 357</b>
<i>Changes in cash flows from investing activities</i>			
+ Proceeds from sale of property, plant and equipment	370	334	67
+ Proceeds from sale of long-term investments	1 370	1 500	-57
- Purchase of intangible assets, property, plant and equipment (excl. rental fleet)	-40 754	-21 718	-18 825
- Decrease (increase) of other financial assets	-268	-30	-97
- Acquisition of subsidiaries or minority interests	-510	-1 847	137
- Increase in capital of associates	0	0	0
+ Dividends received from associates	4 610	4 664	4 903
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-35 181</b>	<b>-17 097</b>	<b>-13 872</b>
<i>Changes in cash flows from financing activities</i>			
+ Increase in capital	845	813	615
- Capital reduction		0	
- Dividends paid	-16 432	-16 429	-23 868
+/- Purchase / sale of treasury shares	75	-23	0
+/- Change in financial liabilities	-584	-20 620	-26 032
<i>Of which loans taken during the year</i>	233	0	17
<i>Of which loans repaid during the year</i>	-827	-20 620	-26 049
+/- Other	999	-2 150	3 012
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-15 097</b>	<b>-38 409</b>	<b>-46 272</b>
<b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND BANK OVERDRAFTS</b>	<b>-15 026</b>	<b>-62 585</b>	<b>-28 787</b>
Cash, cash equivalents and bank overdrafts at beginning of the year	49 169	49 169	34 135
Exchange gains (losses) on cash and bank overdrafts	-8	422	478
<b>CASH, CASH EQUIVALENTS, AND BANK OVERDRAFTS AT END OF THE YEAR</b>	<b>34 135</b>	<b>-12 995</b>	<b>5 826</b>
<b>CURRENT FINANCIAL ASSETS (REMINDER)</b>	<b>2 754</b>	<b>3 906</b>	<b>3 281</b>

\*The comparative consolidated financial statements include the retrospective application of IFRS 9.

## 5. EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2018

### FIRST-TIME APPLICATION OF NEW STANDARDS AND COMPARABILITY OF PERIODS

Standards, interpretations and amendments to existing and applicable standards, which are mandatory for annual periods beginning on or after 2018, do not have a material impact on the Group's financial statements, with the exception of the following standards :

- IFRS 9 « Financial Instruments » : the IFRS 9 standard introduces a new classification of financial assets based on the Group's management intention, a dynamic model for impairment of financial assets based on expected losses in addition to the current model based on proven losses and extended hedge accounting principles. The main changes brought about by IFRS 9 are as follows: the recognition of the change in the time value of options is now recorded in "other comprehensive income". The premium/discount component of forward exchange contracts is treated as a cost of the hedge. Changes in the fair value of forward exchange premiums/discounts are now recorded in "other comprehensive income" and recycled as a cost of the hedged transaction when it occurs. IFRS 9 is applied retrospectively from January 1, 2018. The consolidated financial statements at 30 June 2017 have been restated for comparison purposes. The restated balance sheet as at 1 January and 31 December 2017 is also presented.
- IFRS 15 "Revenue from customer contracts": IFRS 15 proposes a new approach to revenue recognition described in five steps. The main change brought about by this standard is the accounting treatment of warranties extensions offered. As of January 1, 2018, revenue is recognized by distinguishing the sale of the machine from the warranty service. The warranty service product is spread over the warranty period. IFRS 15 is applied prospectively from January 1, 2018.

The impacts of the prospective application of IFRS 15 are summarized below:

#### CONSOLIDATED STATEMENT INCOME BY DIVISION

In € thousands				IFRS 15			IAS 18		
	MHA	CEP	S&S	Q1'18	MHA	CEP	S&S	Q1'18	
Net sales	653 364	151 463	136 631	941 458	656 426	151 463	134 904	942 795	
Cost of goods & services sold	-557 082	-131 475	-99 252	-787 809	-557 082	-131 475	-99 252	-787 809	
Recherche, sales & admin.	-48 126	-16 343	-26 136	-90 604	-48 126	-16 343	-26 136	-90 604	
<b>Recurring operating income</b>	<b>48 157</b>	<b>3 644</b>	<b>11 243</b>	<b>63 045</b>	<b>51 221</b>	<b>3 644</b>	<b>9 516</b>	<b>64 382</b>	
<i>% Net sales</i>	<i>7,4%</i>	<i>2,4%</i>	<i>8,2%</i>	<i>6,7%</i>	<i>7,8%</i>	<i>2,4%</i>	<i>7,1%</i>	<i>6,8%</i>	
<b>Operating income</b>	<b>47 214</b>	<b>3 553</b>	<b>11 157</b>	<b>61 924</b>	<b>50 281</b>	<b>3 553</b>	<b>9 430</b>	<b>62 261</b>	
<b>Operating income including net income from associates</b>	<b>47 230</b>	<b>3 553</b>	<b>12 158</b>	<b>62 941</b>	<b>50 247</b>	<b>3 553</b>	<b>10 431</b>	<b>64 278</b>	
Net financial expenses				-3 550				-3 550	
<b>Consolidated income (loss) before tax</b>				<b>59 391</b>				<b>60 728</b>	
Income taxes				-18 477				-18 748	
<b>Net income (loss)</b>				<b>41 014</b>				<b>41 980</b>	
<i>% Net sales</i>				<i>4,4%</i>				<i>4,5%</i>	

#### BALANCE SHEET - IMPACTS ON OPENING EQUITY

In € thousands	31.12.2017*	IFRS 15	Net 01.01.2018
<b>ASSETS</b>			
<b>NON -CURRENT ASSETS</b>	<b>238 596</b>	<b>1 880</b>	<b>240 476</b>
<b>CURRENT ASSETS</b>	<b>859 762</b>	<b>3 251</b>	<b>863 013</b>
<i>Of which INVENTORIES &amp; WORK IN PROGRESS</i>	451 400	3 251	454 651
<b>TOTAL ASSETS</b>	<b>1 098 358</b>	<b>5 131</b>	<b>1 103 489</b>
<b>LIABILITIES</b>			
Share capital	39 622		39 622
Share premiums	45 529		45 529
Treasury shares	-24 305		-24 305
Consolidated reserves	413 765	-4 886	408 879
Translation differences	-3 440		-3 440
Net profit (loss) – Equity holder of the Parent	59 955		59 955
<b>SHAREHOLDERS' EQUITY</b>	<b>531 126</b>	<b>-4 886</b>	<b>526 240</b>
<b>MINORITY INTERESTS</b>	<b>1 974</b>	<b>-8</b>	<b>1 966</b>
<b>TOTAL EQUITY</b>	<b>533 100</b>	<b>-4 894</b>	<b>528 206</b>
<b>NON-CURRENT LIABILITIES</b>	<b>98 585</b>		<b>98 585</b>
<b>CURRENT LIABILITIES</b>	<b>466 672</b>	<b>10 025</b>	<b>476 697</b>
<i>Of which Other current liabilities</i>	118 402	10 025	128 427
<b>TOTAL LIABILITIES</b>	<b>1 098 358</b>	<b>5 131</b>	<b>1 103 489</b>

\*The comparative consolidated financial statements include the retrospective application of IFRS 9.

The impacts of the application of IFRS 9 on financial instruments are summarized below:

## BALANCE SHEET - IMPACTS ON OPENING EQUITY

	Share Capital	Share pre- miums	Treasury shares	Reserves	Group net profit	Translation differences	Reva- luation surplus	TOTAL SHARE- HOLDERS' EQUITY (Group share)	Minority interests	TOTAL EQUITY
<i>In € thousands</i>										
<b>Published balance at 31.12.2016</b>	39 557	44 749	-24 088	384 150	42 912	23 698	908	511 886	72	511 958
IFRS 9				-198	198			0		0
<b>Restated balance at 31.12.2016</b>	39 557	44 749	-24 088	383 952	43 110	23 698	908	511 886	72	511 958
<b>Published balance at 30.06.2017</b>	39 619	45 500	-24 835	413 208	29 978	6 611	908	511 438	81	511 519
IFRS 9				258	-258			0		0
<b>Restated balance at 30.06.2017</b>	39 619	45 500	-24 835	413 466	29 720	6 611	908	511 438	81	511 519
<b>Published balance at 31.12.2017</b>	39 622	45 529	-24 305	412 744	60 069	-3 440	908	531 126	1 975	533 100
IFRS 9				114	-114			0		0
<b>Restated balance at 31.12.2017</b>	39 622	45 529	-24 305	412 858	59 955	-3 440	908	531 126	1 975	533 100

## CONSOLIDATED INCOME STATEMENT

	31.12.2017		31.12.2017		30.06.2017		30.06.2017	
<i>In € thousands</i>	Published	IFRS 9	Restated	Restated	Published	IFRS 9	Restated	Restated
Net Sales	1 590 968		1 590 968		804 967		804 967	
Cost of goods & services sold	-1 332 246	-145	-1 332 391		-677 181	-97	-677 278	
Research & development costs	-20 800		-20 800		-10 131		-10 131	
Selling, marketing and service expenses	-94 701		-94 701		-45 935		-45 935	
Administrative expenses	-49 696		-49 696		-24 499		-24 499	
Other operating income and expenses	1 920		1 920		776		776	
<b>RECURRING OPERATING INCOME</b>	<b>95 445</b>	<b>-145</b>	<b>95 300</b>		<b>47 997</b>	<b>-97</b>	<b>47 900</b>	
Impairment of assets	0		0		0		0	
Other non-recurring income and expenses	-4 966		-4 966		-2 128		-2 128	
<b>OPERATING INCOME</b>	<b>90 479</b>	<b>-145</b>	<b>90 334</b>		<b>45 869</b>	<b>-97</b>	<b>45 772</b>	
Share of profits of associates	2 447		2 447		965		965	
<b>OPERATING INCOME INCLUDING NET INCOME FROM ASSOCIATES</b>	<b>92 926</b>	<b>-145</b>	<b>92 781</b>		<b>46 834</b>	<b>-97</b>	<b>46 737</b>	
Financial income	16 556		16 556		10 898		10 898	
Financial expenses	-22 001	-26	-22 027		-12 854	-290	-13 144	
<b>Net financial expenses</b>	<b>-5 446</b>	<b>-26</b>	<b>-5 472</b>		<b>-1 956</b>	<b>-290</b>	<b>-2 246</b>	
<b>CONSOLIDATED INCOME (LOSS) BEFORE TAX</b>	<b>87 480</b>	<b>-171</b>	<b>87 309</b>		<b>44 879</b>	<b>-387</b>	<b>44 492</b>	
Income taxes	-27 260	57	-27 203		-14 839	129	-14 710	
<b>NET INCOME (LOSS)</b>	<b>60 220</b>	<b>-114</b>	<b>60 106</b>		<b>30 040</b>	<b>-258</b>	<b>29 782</b>	
<b>Attributable to equity holders of the Parent</b>	<b>60 069</b>	<b>-114</b>	<b>59 955</b>		<b>29 978</b>	<b>-258</b>	<b>29 720</b>	
<b>Minority interests</b>	<b>151</b>		<b>151</b>		<b>62</b>		<b>62</b>	

IFRS 9 application has no impact on the cash flow statement.

## SCOPE OF CONSOLIDATION

### HMME - Hangzhou Manitou Machinery Equipment

The group is in exclusive negotiations to sell its stake in the company HMME (Hangzhou Manitou Machinery Equipment Co Ltd.). As a result, the group considers that at June 30, 2018, the conditions of the application of IFRS 5 standard on non current assets held for sale are met due to the high probability of the sale being completed. This sale concerns a company that has been virtually dormant for several years and does not concern the partnership that Manitou group is having with Hangcha' group on the design and the assembly of industrial trucks.

Thus, the company's investment in associates is classified separately on the line "Assets to be sold" and is valued at the lower of their net booked value and their estimated selling price, net of the costs linked to the disposal.

The fair value appreciation determined taking into account the negotiations with the acquirer generated the recognition of a non recurring loss of €0.3m.

## FOLLOW-UP OF THE INFRINGEMENT LITIGATION

### JCB Litigation

In May 2017, the company J.C. Bamford Excavators Limited (JCB) filed a claim in France, in the United Kingdom, then in Italy, alleging infringement by the Manitou group of two european patents regarding certain features related to the control system of the overload cut-off of certain telehandlers commercialized in the European Union.

Financially, the plaintiff was initially seeking preliminary damages in the amount of €20 million before the French court. It does not specify the amount claimed before the English court. However, for procedural purposes, the commercial value of the claim before the English court is estimated to be in excess of £10 million. In Italy, the claim does not specify any financial amount.

Legal proceedings continued during the first half of 2018. During these proceedings, the plaintiff increased his request for a provision from €20 million to €50 million for France, without, however, substantiating this request.

At this stage in the proceedings, the financial risk likely to be incurred is difficult to estimate. In addition, an outflow of resources in respect of these claims appears unlikely given Manitou's defence elements. Consequently, no provision for these claims has been recorded in the Group's financial statements.

## INFORMATION ON OPERATING SEGMENTS

The Group is organized around three divisions, two product divisions and a service division:

- The **MHA - Material Handling and Access product division**: its mission is to optimize the development and production of telehandlers, rough-terrain and industrial forklifts, truck-mounted forklifts and aerial working platforms branded Manitou.
- The **CEP - Compact Equipment Products division** optimizes the development and production of skidsteer loaders, track loaders, articulated loaders, backhoe loaders and telehandlers branded Gehl and Mustang.
- The **S&S - Services & Solutions, Service division** includes service activities to support sales (financing approaches, warranty

contracts, maintenance contracts, full service, fleet management, etc.), after-sales (parts, technical training, warranty management, fleet management, etc.) and services to end users (geo-location, user training, advice, etc.). The mission of the division is to develop service offers to meet the needs of each of our customers in our value chain and to increase resilient sales revenue for the Group.

These three divisions design and assemble the products and services which are distributed by the sales and marketing organisation to dealers and the group's major accounts in 140 countries.

## CONSOLIDATED INCOME STATEMENT BY DIVISION

30.06.2018

	MHA	CEP	S&S	TOTAL
	Material Handling and Access	Compact Equipment Products	Services & Solutions	
<i>In € thousands</i>				
Net sales	653 364	151 463	136 631	941 458
Cost of goods & services sold	-557 082	-131 475	-99 252	-787 809
Research and development costs	-9 686	-1 945		-11 631
Selling, marketing and service expenses	-23 089	-7 307	-21 103	-51 499
Administrative expenses	-16 057	-6 926	-4 989	-27 973
Other operating income and expense	706	-165	-43	498
<b>RECURRING OPERATING INCOME</b>	<b>48 157</b>	<b>3 644</b>	<b>11 243</b>	<b>63 045</b>
Impairment of assets	-339			-339
Other non-recurring income and expense	-604	-92	-86	-782
<b>OPERATING INCOME</b>	<b>47 214</b>	<b>3 553</b>	<b>11 157</b>	<b>61 924</b>
Share of profits of associates	16		1 001	1 017
<b>OPERATING INCOME INCLUDING NET INCOME FROM ASSOCIATES</b>	<b>47 230</b>	<b>3 553</b>	<b>12 158</b>	<b>62 941</b>

	MHA	CEP	S&S	TOTAL
<b>30.06.2017*</b>				
	Material Handling and Access	Compact Equipment Products	Services & Solutions	
<i>In € thousands</i>				
Net sales	562 951	117 078	124 937	804 967
Cost of goods & services sold	-480 375	-104 825	-92 078	-677 278
Research and development costs	-8 256	-1 876		-10 131
Selling, marketing and service expenses	-21 339	-6 768	-17 828	-45 935
Administrative expenses	-13 971	-6 604	-4 464	-24 499
Other operating income and expense	387	257	132	776
<b>RECURRING OPERATING INCOME</b>	<b>39 397</b>	<b>-2 197</b>	<b>10 700</b>	<b>47 900</b>
Impairment of assets				
Other non-recurring income and expense	-1 157	-604	-367	-2 128
<b>OPERATING INCOME</b>	<b>38 240</b>	<b>-2 801</b>	<b>10 333</b>	<b>45 772</b>
Share of profits of associates	-107		1 072	965
<b>OPERATING INCOME INCLUDING NET INCOME FROM ASSOCIATES</b>	<b>38 133</b>	<b>-2 801</b>	<b>11 405</b>	<b>46 737</b>

\*The comparative consolidated financial statements include the retrospective application of IFRS 9.

## CONSOLIDATED SALES BY DIVISION AND GEOGRAPHIC REGION

					<b>30.06.2018</b>
<i>In € thousands</i>	Southern Europe	Northern Europe	Americas	APAM	<b>TOTAL</b>
MHA	243 412	304 515	46 867	58 570	653 364
CEP	8 663	21 358	97 850	23 592	151 463
S&S	48 570	44 555	24 062	19 445	136 631
<b>TOTAL</b>	<b>300 645</b>	<b>370 427</b>	<b>168 779</b>	<b>101 606</b>	<b>941 458</b>

					<b>30.06.2017</b>
<i>In € thousands</i>	Southern Europe	Northern Europe	Americas	APAM	<b>TOTAL</b>
MHA	241 943	232 509	36 649	51 850	<b>562 951</b>
CEP	6 272	14 107	83 531	13 168	<b>117 078</b>
S&S	43 631	39 290	26 030	15 987	<b>124 937</b>
<b>TOTAL</b>	<b>291 846</b>	<b>285 906</b>	<b>146 210</b>	<b>81 005</b>	<b>804 967</b>

## POST-CLOSING EVENTS

None.