



# 2017 Earnings

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# 2017 Review

- **March:** Manitou wins the “Pépite de l’export” award
- **April:** Appointment of Rick Alton, President of CEP division
- **May:** Acquisition of Terex Equipment Private Limited in India  
Assignment by JCB for infringement of two patents
- **June:** Corporate governance evolution  
New shareholders agreement  
J.Himsworth appointed Chairman of the Board  
Gold award for Innovation - 11<sup>th</sup> edition of “Trophées des Achats”  
Internalisation of the American spare parts management
- **July:** Manitou takes a majority stake of LiftRite - Australia
- **December:** Renewal of Michel Denis as President & CEO for the next 4 years

# A very rich product life



- **February:** Launch of the GEHL AL750T telescopic articulated loader  
Manitou original spare parts website in France
- **May:** Widening CEP range with acquisition in India: Backhoe loaders
- **June:** 1<sup>st</sup> Keynote for the launch of rotating MRT 3050 and MRT 2470
- **November:** New MC18 masted forklift trucks  
Manitou back on MLA-T telescopic articulated loaders market
- **December:** Commercial success of the New Ag range which also earned the 2018 award "Etoile du Design Made in France" 2018





# An important exhibition participation

- **February 2017** : SIMA (Paris) - Agriculture
- **March 2017** : Conexpo, Las Vegas
- **May 2017** : APEX, Amsterdam
- **June 2017** : Intermat Asean (Bangkok) - Construction
- **September 2017** : SIMA Asean (Bangkok) - Agriculture
- **November 2017** : Agritechnica (Hanovre) - Agriculture



# A forward- moving CSR approach

- Reduce Risk
- Launch of reconditioned parts
- Collaboration with suppliers
- Team commitment
- Partnership with the United Nations



## Recycling and Recovery

- Mapping of substances and materials in the end-of-life stage
- Work on ease of disassembly



## Reuse and Used Parts

- Second hand market
- <http://used.manitou.com>
- Spare Parts Logistics Centre
- Repair & Maintenance Information (RMI)



## Extending Lifespan

- Corrective and preventive maintenance
- Reducing the Total Cost of Ownership
- Safety & comfort of operators
- Original parts
- Maintenance contracts



## New Modes of Usage

- «ALL-IN» offers
- Easy Manager
- Eco-driving: training & guidance
- Warranty extensions
- Developing the REDUCE Risks program



## Sustainable Design

- Measuring & improving fuel consumption of machines (REDUCE Fuel)
- Formally setting up an ecodesign working group
- Drawing up an ecodesign checklist
- Inclusion of Total Cost of Ownership right from the design stage (REDUCE TCO)



## Responsible Purchasing

- 180 suppliers signatories to the Responsible Purchasing Charter
- CSR rating of suppliers
- Recognizing and supporting CSR good practice among suppliers
- Co-development and productivity initiatives



## Optimized Procurement & Distribution

- CSR self-assessment by hauliers
- Efficiency calculator for optimizing the effective volume of trucks



## Clean and Safe Production

- Energy and waste reduction plan
- Controlling emissions
- TMS Pro (musculo-skeletal disorders prevention)
- Dantotsu methodology for analyzing work-related accidents
- ISO 9001/14001 Audit



## Committed Employer

- 87% response rate to internal satisfaction survey
- Network Women by Manitou Group
- In-house CSR communication, especially through "Elevation Days" (sustainable development week)
- Corporate patronage & reinforcing regional presence



# 1

2017 review

# Highlights

- FY'17 net sales of **€1,591m, +19% vs. FY'16, +18%** like for like
- **Recurring operating income at €95.4m (6.0%) vs. €71m (5.3%)** in 2016
- **Recurring operating income** at 6.5% of net sales excluding foreign exchange effect
- **EBITDA\*** at **€124m (8%)** vs. €99m (7.4%) in 2016
- **Net income** group part at **€60m** vs. €43m in 2016
- **Net debt** at €76m
- **Dividend** payment proposition at €0.62

*\*EBITDA: Earnings before interest, taxes, depreciation, and amortization*

*Data as a percentage in parentheses expresses a percentage of net sales*

**Strong growth and performance improvement**



# 12 months Revenue Matrix

12-month 2016 Revenue						12-month 2017 Revenue				
South Eur.	North Eur.	Am.	APAM	Tot.	€ m % tot.	South Eur.	North Eur.	Am.	APAM	Tot.
354 27%	398 30%	67 5%	86 6%	904 68%	MHA	422 27%	491 31%	79 5%	103 6%	1 095 69%
10 1%	27 2%	149 11%	17 1%	203 15%	CEP	14 1%	33 2%	163 10%	35 2%	244 15%
81 6%	71 5%	47 4%	26 2%	225 17%	S&S	87 5%	78 5%	51 3%	35 2%	252 16%
444 33%	496 37%	263 20%	128 10%	1 332 100%	Tot.	523 33%	602 38%	293 18%	173 11%	1 591 100%

MHA: Material Handling & Access

CEP: Compact Equipment Products

S&S: Services & Solutions

Faster-growing boxes (vs. avg) shown in green

# Evolution vs. 2016



in M€ <i>in %</i>	South. Europe	North. Europe	Am.	APAM	Total
MHA	+68 <i>+19%</i>	+93 <i>+23%</i>	+12 <i>+19%</i>	+18 <i>+21%</i>	+192 <i>+21%</i>
CEP	+4 <i>+40%</i>	+6 <i>+21%</i>	+14 <i>+9%</i>	+18 <i>+109%</i>	+41 <i>+20%</i>
S&S	+6 <i>+8%</i>	+7 <i>+10%</i>	+4 <i>+8%</i>	+9 <i>+36%</i>	+27 <i>+12%</i>
Total	+79 <i>+18%</i>	+106 <i>+21%</i>	+30 <i>+11%</i>	+45 <i>+35%</i>	+259 <i>+19%</i>

# Evolution vs. 2016



Rev. in €m <i>% vs. Rev. N-1</i>	2016.12	Exchange rate impact	Scope change	Evolution excluding exchange rate and scope change	2017.12
MHA	904	-5 <i>-1%</i>	1 <i>0%</i>	195 <i>22%</i>	1 095 <i>21%</i>
CEP	203	-3 <i>-2%</i>	20 <i>10%</i>	24 <i>12%</i>	244 <i>20%</i>
S&S	225	0 <i>0%</i>	5 <i>2%</i>	22 <i>10%</i>	252 <i>12%</i>
Total	1 332	-9 <i>-1%</i>	27 <i>2%</i>	242 <i>18%</i>	1 591 <i>19%</i>

# MHA Review

## ✓ Advantages

- ✓ Global growth and order intakes
- ✓ Market shares
- ✓ Innovation
- ✓ Launch of new products

€m	2016	2017
Sales	904	1 095
n/n-1	9%	21%
ROP	62	76
% of net sales	6,9%	6,9%



## ✗ Drawbacks

- ✗ Tensions and supplier delays
- ✗ Order book depth
- ✗ Inflationary context

**A successful ramp-up**



# CEP Review

## ✓ Advantages

- ✓ Activity and return of US dealers
- ✓ Order book
- ✓ Currencies evolution
- ✓ Back to financial equilibrium
- ✓ External growth in India

€m	2016	2017
Sales	203	244
n/n-1	-15%	20%
ROP	-6	0
% of net sales	-2,9%	0,0%

## ✗ Drawbacks

- ✗ Inflation and supplier tensions
- ✗ Lack of available workforce
- ✗ Result level



**Activity strengthening and back to the break-even point**



# S&S Review

## ✓ Advantages

- ✓ Activity growth
- ✓ Services development
- ✓ Acquisitions contribution
- ✓ Offer strengthening
- ✓ Financial performance

## ✗ Drawbacks

- ✗ Negative base effect on the services relative part of the new division

€m	2016	2017
Sales	225	252
n/n-1	2%	12%
ROP	14	19
% of net sales	6,3%	7,7%



**Financial performance and successful positioning**

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Financial Results

# Income statement

€M	2016	2017
Net sales	1 332	1 591
<b>Gross Profit</b>	<b>217</b>	<b>259</b>
% Net Sales	16,3%	16,3%
R&D, Sales, Mark., Service & Admin.	-146	-163
<b>Current operating profit</b>	<b>71</b>	<b>95</b>
% Net Sales	5,3%	6,0%
Non recurring	-1	-5
<b>Operating profit</b>	<b>70</b>	<b>90</b>
% Net Sales	5,2%	5,7%
Share of profits of associates	2	2
<b>Operating profit including net income from associates</b>	<b>72</b>	<b>93</b>
Financial result	-8	-5
Income Tax	-21	-27
<b>Net Result attributable to the Parent company</b>	<b>43</b>	<b>60</b>
% Net Sales	3,2%	3,8%

# Income statement

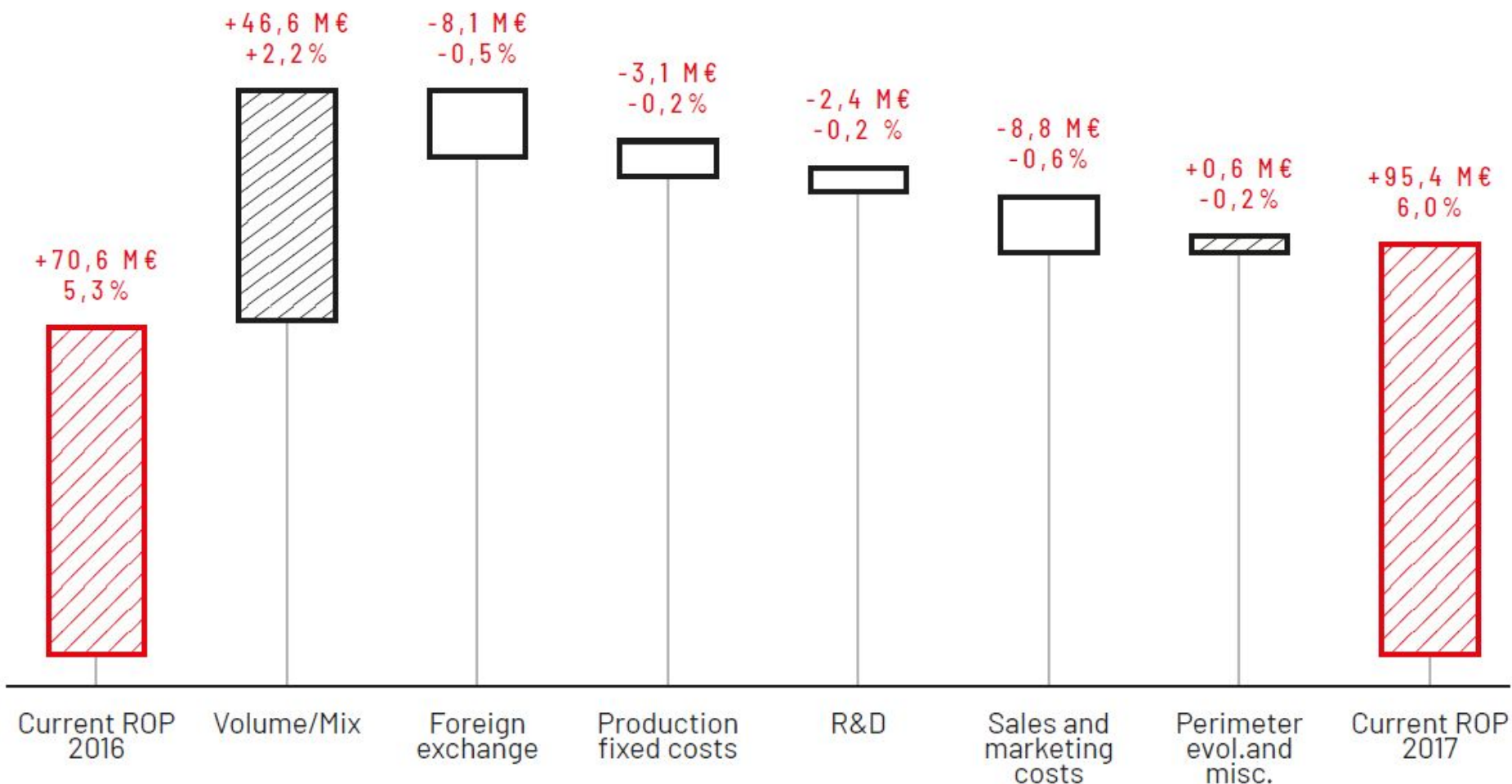
€M	H1'16	H2'16	2016	H1'17	H2'17	2017
Net sales	689	642	1 332	805	786	1 591
<b>Current operating profit</b>	<b>39</b>	<b>32</b>	<b>71</b>	<b>48</b>	<b>47</b>	<b>95</b>
<i>% Net Sales</i>	<i>5,6%</i>	<i>5,0%</i>	<i>5,3%</i>	<i>6,0%</i>	<i>6,0%</i>	<i>6,0%</i>
Non recurring	-1	0	-1	-2	-3	-5
<b>Operating profit</b>	<b>38</b>	<b>32</b>	<b>70</b>	<b>46</b>	<b>45</b>	<b>90</b>
<i>% Net Sales</i>	<i>5,5%</i>	<i>5,0%</i>	<i>5,2%</i>	<i>5,7%</i>	<i>5,7%</i>	<i>5,7%</i>
Share of profits of associates	1	1	2	1	1	2
<b>Operating profit including net income from associates</b>	<b>39</b>	<b>33</b>	<b>72</b>	<b>47</b>	<b>46</b>	<b>93</b>
Financial result	-4	-4	-8	-2	-3	-5
Income Tax	-12	-9	-21	-15	-12	-27
<b>Net Result attributable to the Parent company</b>	<b>23</b>	<b>20</b>	<b>43</b>	<b>30</b>	<b>30</b>	<b>60</b>
<i>% Net Sales</i>	<i>3,3%</i>	<i>3,1%</i>	<i>3,2%</i>	<i>3,7%</i>	<i>3,8%</i>	<i>3,8%</i>

# Income statement by division

M€	MHA	CEP	S&S	2016	MHA	CEP	S&S	2017
Net sales	904	203	225	1 332	1 095	244	252	1 591
Gross Profit	140	21	56	217	163	30	66	259
% Net Sales	15,5%	10,4%	24,8%	16,3%	14,9%	12,1%	26,1%	16,3%
Current operating profit	62	-6	14	71	76	0	19	95
% Net Sales	6,9%	-2,9%	6,3%	5,3%	6,9%	0,0%	7,7%	6,0%
Non recurring	-1	0	0	-1	-5	0	0	-5
Operating profit	62	-6	14	70	71	0	19	90
% Net Sales	6,8%	-3,1%	6,2%	5,2%	6,5%	0,1%	7,6%	5,7%



# Current operating profit evolution vs. 2016



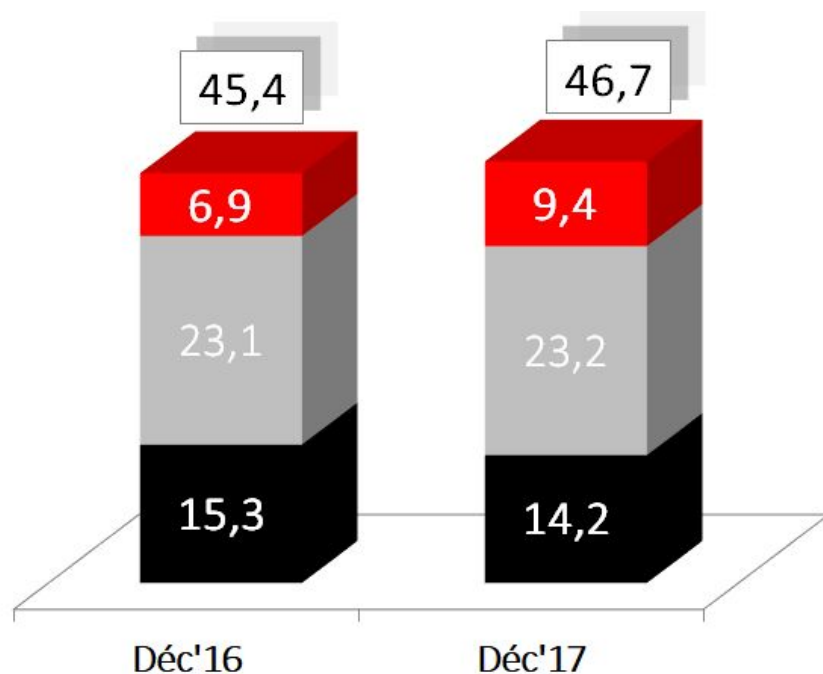
# Balance sheet

M€	Dec'16	Dec'17	Var	Var %
Non current assets (exc.Sales Financing)	237	235	-3	-1%
Inventories	409	451	42	10%
Trade receivables	279	325	45	16%
Finance contracts receivables	4	6	1	35%
Other current receivables	32	40	8	24%
Cash, cash equivalents & current financial assets	57	42	-15	-26%
<b>Total assets</b>	<b>1020</b>	<b>1098</b>	<b>79</b>	<b>8%</b>
Total equity	512	533	21	4%
Financial liabilities	116	118	2	2%
Provisions	75	61	-14	-19%
Trade payables	212	260	49	23%
Other non current payables	1	3	2	139%
Other current payables	104	123	19	18%
<b>Total equity and liabilities</b>	<b>1020</b>	<b>1098</b>	<b>79</b>	<b>8%</b>
<b>Working capital (excl. sales financing)</b>	<b>405</b>	<b>433</b>	<b>28</b>	<b>7%</b>
<b>Ratio in days of turnover</b>				
Inventories	111	102	-9	-8%
Receivables (excl. Sales Financing)	76	73	-2	-3%
Payables	57	59	2	3%
<b>Working Capital in days</b>	<b>110</b>	<b>98</b>	<b>-12</b>	<b>-11%</b>

# Cash-Flow

<b>M€</b>	<b>Dec'16</b>	<b>Dec'17</b>
<b>Cash Flow from operating activities</b>	<b>71</b>	<b>35</b>
Earnings before depreciation & amortization	70	82
Change in working capital	8	-37
o/w inventories	-25	-46
o/w trade receivables	-11	-54
o/w finance contracts receivables (net)	0	-2
o/w trade payables	29	49
o/w other operating receivables & liabilities	5	16
o/w tax receivables & liabilities	10	-1
Capitalised rental fleet	-7	-9
<b>Cash Flow from investing activities</b>	<b>-34</b>	<b>-35</b>
o/w assets (excl rental fleet)	-36	-41
o/w investments in subsidiaries	0	-1
o/w sales of tangible assets	0	0
o/w financial assets	1	1
o/w dividends received	2	5
<b>Cash Flow from financing activities</b>	<b>-43</b>	<b>-15</b>
o/w financial liabilities	-15	-1
o/w dividend payment	-14	-16
o/w purchase of treasury shares	-15	0
o/w other	1	2
<b>Change in Cash &amp; Cash equivalents</b>	<b>-5</b>	<b>-15</b>

# Investments



- Rental Fleet
- Tangibles (excl Rental fleet)
- Intangibles

M€	Dec'16	Dec'17
R&D	11,2	7,6
ERP/IT	4,1	6,6
Other	0,0	0,0
<b>Total intangibles</b>	<b>15,3</b>	<b>14,2</b>
Buildings	5,3	6,8
Industrial equipment	9,9	12,6
Other	7,9	3,8
<b>Tangibles excl. Rental fleet</b>	<b>23,1</b>	<b>23,2</b>
<b>Rental fleet</b>	<b>6,9</b>	<b>9,4</b>
<b>Total</b>	<b>45,4</b>	<b>46,7</b>

# Net debt

€m	Dec'16	Dec'17
<b>Cash &amp; current financial assets</b>	<b>57</b>	<b>42</b>
Bank loans (Club deal)	45	48
Bonds & other	51	50
Facilities (Overdrafts)	4	5
Finance leases	0	0
Derivatives	5	2
Others	11	13
<b>Total financial liabilities</b>	<b>116</b>	<b>118</b>
<b>NET DEBT</b>	<b>59</b>	<b>76</b>
<b>Gearing</b>	<b>11%</b>	<b>14%</b>



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Outlook



# Dividend



**Dividend to be proposed at the upcoming  
Shareholder's meeting of € 0.62 per share**

# Outlook 2018

## Sales trend :

**Anticipation of a sales increase at constant exchange rate of more than +10% for 2018.**

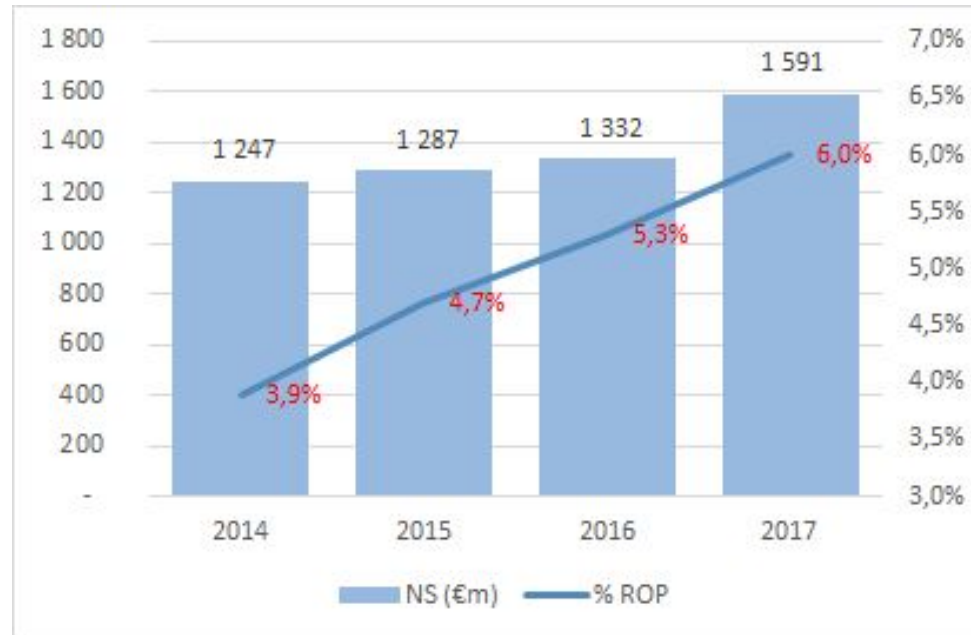
## Profitability :

**Anticipation of an improved recurring operating income of around 50 basis points, equivalent to approximately 6.5% of sales revenue.**

4

Back to 2014-2018  
roadmap

# In 4 years: significant improvement of financial results



Operational progress  
and contribution to  
margin increase

Gain in market shares

Profitable but  
limited growth  
(except in 2017)

**A significant improvement in net sales and profitability**



# Back to 2014-2018 roadmap

## 2014-2018 OBJECTIVES

## 2017 RESULTS

### COMMERCIAL STRATEGY

1| Recovered leadership



2| Delivered “MAX” action plan



### OPERATIONAL EFFICIENCY

3| Achieved ROP target between 6% and 8%



4| Managed overheads



### ORGANIZATION

5| Create a new division “Services & Solutions”



6| Develop emerging markets



7| Strengthen key accounts approach




### NEW PRODUCTS

8| Develop the product plan



# 5



Outlook  
2018 - 2022

# 2018 – 2022 Market trends (in March 2018)



Economic growth in all regions

Source: Oxford Economics (January 2018)

## MARKETS

**Construction**

Huge growth

**Agriculture**

Positive during the whole  
period

**Industries**

in growth

**Opportunities to catch-up!**

# AMBITION<sup>22</sup>



The main focus is  
sustainable growth

# AMBITION<sup>22</sup>

Our mission is to improve working conditions, safety and efficiency all around the world: we design, manufacture, distribute and service products and solutions for the material handling, access equipment and compact earthmoving activities that work smarter, faster, safer and cost effectively.

## VISION

By 2022, **Manitou Group** will strengthen its leadership position by providing innovative and cutting edge solutions across the globe and by expanding its range of products and services.

Constantly adding value for its customers, **Manitou Group** will continue expanding its commercial presence to increase its market share and to deliver sustainable growth.



## STRATEGIC PRIORITIES



### CLIENTS

Improve our customer commitment  
across continents



### MACHINES & SERVICES

Expand our machine & service portfolios



### ORGANISATION

Create value & performance through  
innovation, digitalization and transformation



### WITH OUR TEAMS

Elevate our Talents



Improve our customer commitment across continents

**Dealer, key accounts  
and Manitou Centers**  
are the three pillars  
of our sales channels

**Develop our global  
presence  
&  
Become a major  
player in North  
America**

**Reinforce our  
brand awareness  
globally**

**Improve our lead  
time**

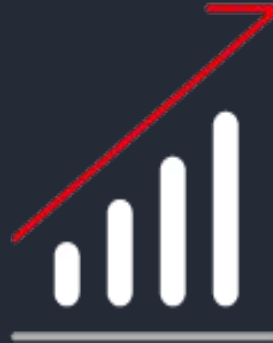


Expand our machine and service portfolios

Reinforce global  
**leadership** through  
innovative solutions

Develop our  
products and  
services for  
**compact  
equipments**

Services :  
Optimize **TCO**,  
**Connect** machines  
Optimize usages



Create value & performance through innovation, digitalization and transformation

Switch to  
**Industrie  
4.0**

Leverage **Digital  
Transformation**  
for the future

**Incorporate CSR** as  
a transformation  
driver

**Execute on a  
sustainable  
transformation** to  
enhance our  
performance



Elevate our Talents

Health and  
safety first

Attract the best  
talents

JOIN THE  
**UP** MOVEMENT

Enhance and  
leverage our  
unique  
employee  
experience



# AMBITION<sup>22</sup>

## Outlook

2022

Strengthen our geographic coverage and innovation, coupled with expanding our products and service ranges, should allow us, all other things being equal, to generate higher growth than market trends

Anticipation, all other things being equal, of a current operating income of more than 8% of turnover in 2022.

AMBITION<sup>22</sup>

HANDLING  
YOUR WORLD

**MANITOU**  
GROUP