# Manitou 2014 half-year results:
# Strong improvement of the operational and financial performance

- Sales in H1 2014 of €642 million up 9% compared to H1 2013 (+13% at constant scope and exchange rates)
- Recurring operating income of €24.5 million (3.8% of sales) versus €5.5 million in H1 2013
- Net income after taxes of €14.2 million compared to €1.1 million in H1 2013
- Net debt of €90 million versus €85 million at year-end and €57 million in H1 2013
- Launch of a new organization and a new roadmap at the end of April

**August 28, 2014, Ancenis -** The Manitou BF Board of Directors met today to approve the 2014 half-year financial statements.

Michel Denis, President & CEO stated: *"The 2014 half-year results were totally in-line with our roadmap and confirmed the forecasted improvement in the group's financial performance. The 9% growth in sales compared to H1 2013 (+13% like for like) were achieved within a difficult environment and permitted us to strengthen our market position through improvements in our market share. That was made possible thanks to the work of our teams and our networks which could rely on an efficient and responsive operating chain.*
*The improvement in our gross margin to 14.5% of sales (13.7% in H1 2014) combined with the decrease in overheads resulted in operating income from continued operations of €24.5 million or 3.8% of sales (0.9% in H1 2013). Our financial structure is reinforced and solid, and the net debt level remains very much under control and within the same magnitude as of last December.*
*The downward trend in the euro exchange rate in recent months is very good news and, in addition to our continued efforts to reduce general overheads, contributes to the improvement in results.*
*In the second half-year, we remain very attentive to market developments for the rental and agriculture markets, for the first because of its high volatility and for the second because of its already pronounced slowdown. We are pursuing our development efforts in growth regions, especially in North America and Northern Europe. We are also continuing to move forward with the implementation of our new roadmap through the recasting of our organization and the simplification of our processes."*

| *In millions of €* | RTH H1'13 | IMH H1'13 | CE H1'13 | Total H1'13 | RTH H1'14 | IMH H1'14 | CE H1'14 | Total H1'14 | % Change |
|---|---|---|---|---|---|---|---|---|---|
| Sales | 396.0 | 68.0 | 127.3 | 591.2 | 449.2 | 59.3 | 133.4 | **641.9** | 9% |
| Gross margin | 49.6 | 7.8 | 23.4 | 80.8 | 62.1 | 6.9 | 24.2 | **93.3** | 15% |
| *Gross margin %* | *12.5%* | *11.5%* | *18.4%* | *13.7%* | *13.8%* | *11.6%* | *18.2%* | *14.5%* | |
| Recurring OI | 0.4 | -1.7 | 6.8 | **5.5** | 17.1 | -1.3 | 8.6 | **24.5** | 341% |
| *Recurring OI as a % of sales* | *0.1%* | *-2.5%* | *5.3%* | *0.9%* | *3.8%* | *-2.1%* | *6.5%* | *3.8%* | |
| OI | 0.3 | -0.3 | 6.8 | **5.5** | 16.3 | -1.7 | 8.5 | **23.1** | |
| Net income attributable to the Group | na | na | na | **1.1** | na | na | na | **14.2** | 1243% |
| Net Debt | | | | **56.6** | | | | **89.5** | 58% |
| Shareholders' Equity | | | | **420.5** | | | | **427.2** | 2% |
| *% Gearing* | | | | ***13%*** | | | | ***21%*** | |
| Working capital [1] | | | | **312.5** | | | | **390.1** | 25% |

(1) Excluding sales financing receivables and associated refinancing

**Business review by division**

- **The Rough Terrain Handling division (RTH)** realized sales of €449.2 million, an increase of 13% compared to the first half of 2013, and continued its transformation aimed at improving its profitability. Gross margin increased by 1.3%, driven by volume levels and clearly improved production efficiency. The division also experienced a decrease in external expenses and benefitted from the favourable impact of the decline in the euro. Recurring operating income amounted to €17.1 million compared to €0.4 million for the first half of 2013, an improvement of +3.7 points in profitability.

- **The Industrial Material Division (IMH)** recorded sales of €59.3 million, a decrease of 13% compared to the first half of 2013 and an increase of 1% at a constant scope. The rationalization of marketing and administrative expenses permitted the slight reduction of losses on recurring operating income which evolved from -€1.7 million in H1 2013 to -€1.3 million in H1 2014, or a recurring operating margin of -2.1%.

- **The Compact Equipment Division (CE)** realized sales of €133.4 million, an increase of 5% compared to the first half of 2013 and 9% at constant exchange rate. The business and results were adversely affected by the extreme weather experienced in North America during the first quarter. Compared to H1 2013, the division maintained its gross margin at a high level and benefited from the leverage created by the additional volumes, allowing it to increase its operating margin from 5.3% to 6.5%.

**Presentation available at: www.manitou-group.com**

*Manitou, the Material-Handling Reference, is headquartered in Ancenis (in the Loire-Atlantic region of France). The group designs, manufactures and distributes material-handling solutions for the construction, agricultural and industrial sectors. Manitou realized sales in 2013 of €1,176 million (nearly three fourths of which internationally) under the brand names Manitou®, Gehl®, Mustang®, Loc® and Edge®, through 1,400 independent dealers in over 120 countries. At December 31, 2013, Manitou had over 3,200 employees, 40% of which were based outside of France.*

**Forthcoming event**

**October 23, 2014:** Q3'14 Sales revenues

Company information is available at: www.manitou-group.com
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