



MANITOU **GROUP**

H1'14 Earnings

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Highlights

- H1'14 sales of **642 M€**, +9% vs. H1'13
- H1 sales **+13% at constant scope and exchange rates**
- Current OP of **24,5 M€** vs. 5,5 M€ in H1'13
- Current OP margin of **3,8%** vs. 0,9% in H1'13
- Net income of **14 M€** vs. 1 M€ in H1'13
- Net debt of **90 M€** vs. 85 M€ Dec'13 and 57 M€ H1'13
- New *roadmap and new organization*

Results developing according to plan



1. *H1 review*
2. H1'14 financial results
3. 2014 outlook

H1 Revenue matrix

H1 2013 Revenue						H1 2014 Revenue				
South Eur.	North Eur.	Am.	APAM	Tot.	€m % tot	South Eur.	North Eur.	Am.	APAM	Tot.
155 26%	167 28%	26 4%	48 8%	396 67%	RTH	169 26%	212 33%	26 4%	43 7%	449 70%
44 8%	13 2%	3 1%	8 1%	68 11%	IMH	35 5%	13 2%	3 1%	8 1%	59 9%
4 1%	12 2%	101 17%	10 2%	127 22%	CE	4 1%	13 2%	103 16%	13 2%	133 21%
203 34%	193 33%	131 22%	65 11%	591 100%	Tot.	207 32%	239 37%	132 21%	64 10%	642 100%

RTH: Rough Terrain Handling Division
 IMH: Industrial Material Handling Division
 CE: Compact Equipment Division

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

H1 2014 growth vs. ...



H1'13 <i>H2'13</i>	South Eur.	North Eur.	Am.	APAM	Total
RTH	+9% <i>+10%</i>	+27% <i>+16%</i>	-1% <i>-7%</i>	-10% <i>-16%</i>	+13% <i>+8%</i>
IMH	-22% <i>+4%</i>	+4% <i>+21%</i>	-1% <i>0%</i>	+8% <i>-1%</i>	-13% <i>+6%</i>
CE	+6% <i>+10%</i>	+8% <i>-19%</i>	+2% <i>+20%</i>	+32% <i>+51%</i>	+5% <i>+16%</i>
Total	+2% <i>+9%</i>	+24% <i>+13%</i>	+1% <i>+13%</i>	-2% <i>-6%</i>	+9% <i>+10%</i>

RTH & Northern Europe growth

Evolution vs.



Revenue in m€ <i>% vs. Rev. H1'13</i>	H1 2013	Exch. rate impact	Toyota impact	Evolution excl. exch. rate & Toyota	H1 2014
RTH	396	-6 <i>-1%</i>		59 <i>+15%</i>	449 <i>+14%</i>
IMH	68	-1 <i>0%</i>	-9 <i>-13%</i>	1 <i>+1%</i>	59 <i>-13%</i>
CE	127	-6 <i>-5%</i>		12 <i>+9%</i>	133 <i>+5%</i>
Total	591	-13 <i>-2%</i>	-9 <i>-1%</i>	73 <i>+13%</i>	642 <i>+9%</i>

+13% at constant scope and exchange rates

RTH review

- **H1 Highlights**

- *Dynamic rental business*
- *Mining & Ag market slowdown*
- *Good operational performance*
- *Euro favorable evolution*

- **Initiatives in progress**

- *Fixed costs reduction efforts*
- *Downwards production adjustments*
- *Process simplification*
- *RTH-IMH merger*

RTH	H1'13	H1'14
Revenue (€m)	396,0	449,2
Growth	-16%	+13%
Gross margin (€m)	49,6	62,1
Gross margin (%)	12,5%	13,8%
OI (€)	0,4	17,1
Op. margin (%)	0,1%	3,8%



Financial and operational improvement

IMH review

- **H1 Highlights**

- *Scope change impact*
- *MI industrial forklift growth*
- *Financial performance*

- **Initiatives in progress**

- *Fixed costs reduction effort*
- *Masted contract termination preparation*
- *RTH-IMH merger*

IMH	H1'13	H1'14
Revenue (€m)	68,0	59,3
Growth	-19%	-13%
Gross margin (€m)	7,8	6,9
Gross margin (%)	11,5%	11,6%
OI (€)	-1,7	-1,3
Op. margin (%)	-2,5%	-2,1%



Scope change impact

CE review

- **H1 Highlights**

- *Q1 extreme weather conditions in the US*
- *Dynamic US rental market*
- *Skid-steer good growth*
- *Financial performance*

- **Initiatives in progress**

- *Operational ramp-up*
- *Rental companies strategy strengthening*
- *R&D efforts and norms management*

CE	S1'13	S1'14
Revenue (€m)	127,3	133,4
Growth	10%	5%
Gross margin (€m)	23,4	24,2
Gross margin (%)	18,4%	18,2%
OI (€)	6,8	8,6
Op. margin (%)	5,3%	6,5%



Growing business and performance



1. H1 review
2. *H1'14 financial results*
3. 2014 outlook



Profit & Loss

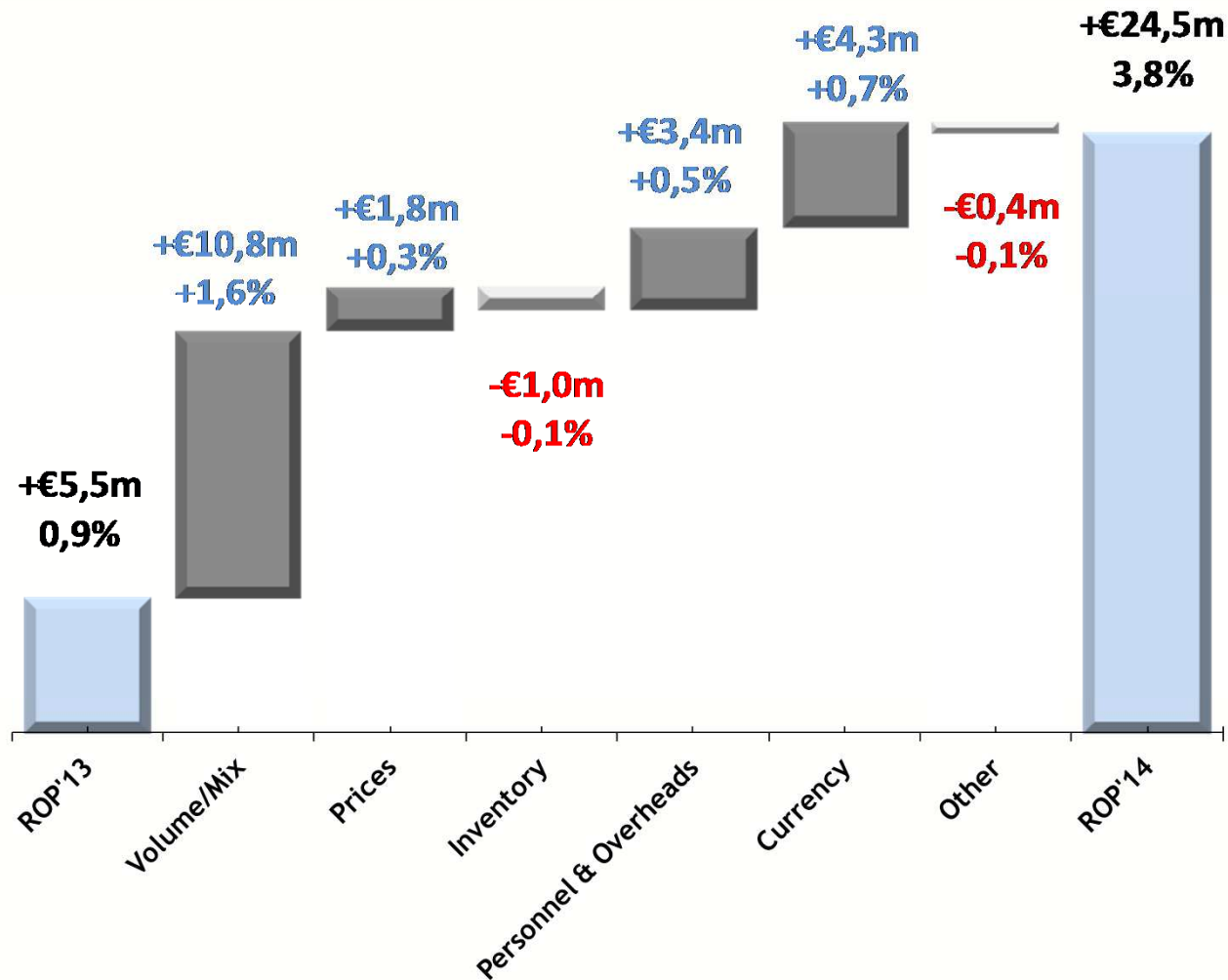
€m	H1'13	H1'14
Net Sales	591	642
Gross profit	81	93
<i>% CA</i>	<i>13,7%</i>	<i>14,5%</i>
Current Op. Result	6	24
<i>% Net Sales</i>	<i>0,9%</i>	<i>3,8%</i>
Non recurring	1	-1
Operating Result	7	23
<i>% Net Sales</i>	<i>1,1%</i>	<i>3,6%</i>
Financial result	-6	-2
Equity accounted	0,8	0,9
Income tax	-1	-7
Net Result	1	14



Profit & loss by division

€m	RTH	IMH	CE	H1'13	RTH	IMH	CE	H1'14
Net Sales	396	68	127	591	449	59	133	642
Gross Profit	50	8	23	81	62	7	24	93
% Net Sales	12,5%	11,5%	18,4%	13,7%	13,8%	11,6%	18,2%	14,5%
Current Op. Result	0,4	-1,7	6,4	5,5	17,1	-1,3	8,6	24,5
% Net Sales	0,1%	-2,5%	5,0%	0,9%	3,8%	-2,1%	6,5%	3,8%
Non recurring	-0,1	1,4	0,0	1,2	-0,8	-0,5	-0,2	-1,4
Operating Result	0,3	-0,3	6,8	6,8	16,3	-1,7	-8,5	23,1
% Net Sales	0,1%	-0,4%	5,3%	1,1%	3,7%	-2,9%	6,4%	3,6%

Operating profit H1'13 vs. H1'14

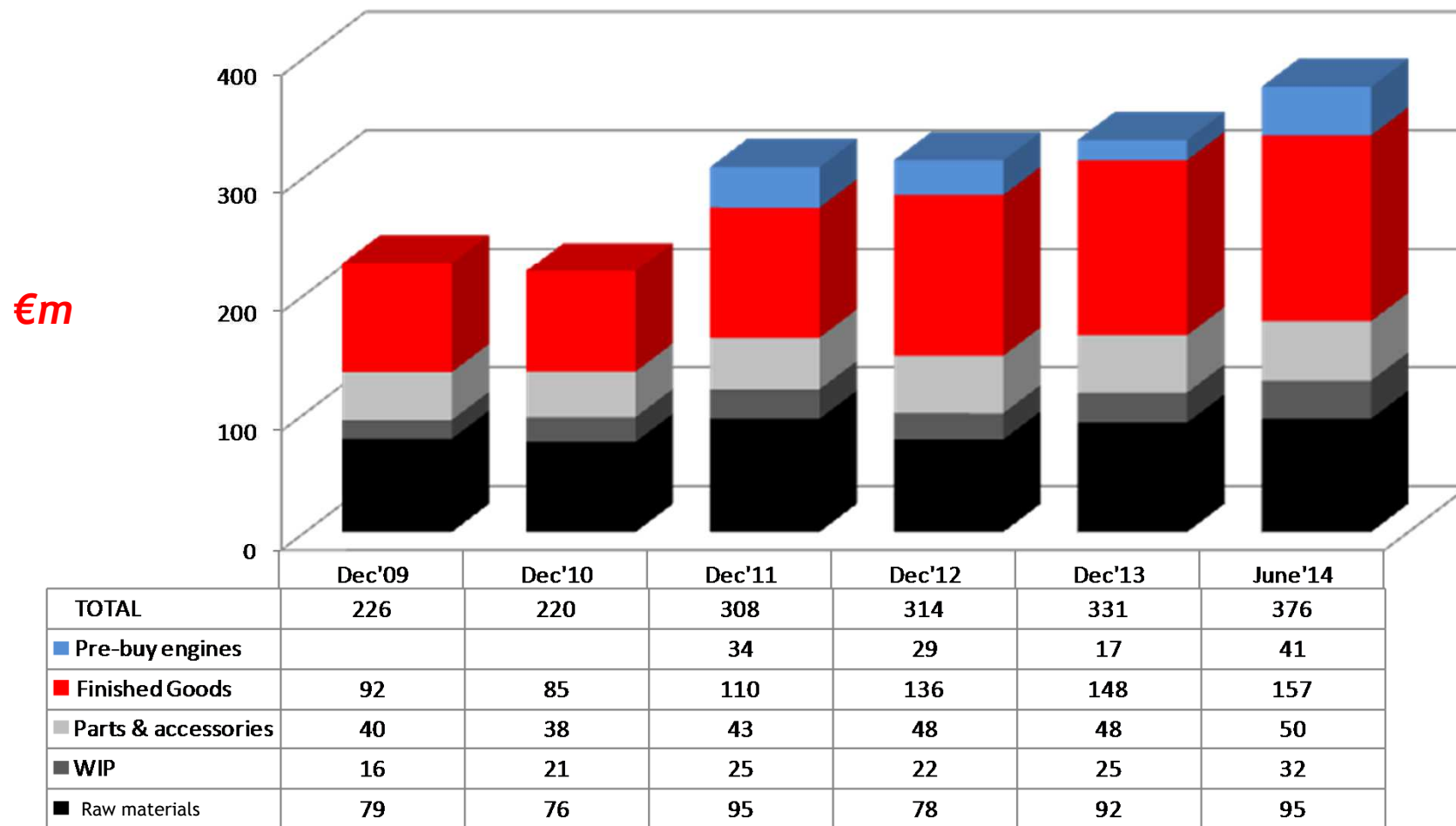


Balance sheet

€m	Dec'13	Jun'14	Var	Var %
Non current assets *	204	194	-10	-5%
Inventories	331	376	45	14%
Trade receivables	222	251	29	13%
Finance contracts receivables	6	4	-2	-32%
Other receivables	35	35	0	-1%
Cash & cash equivalent	36	27	-9	-25%
TOTAL ASSETS	833	886	53	6%
Equity	413	427	14	3%
Financial liabilities	121	117	-4	-3%
Provisions	56	56	0	1%
Trade payables	169	191	21	13%
Other non current liabilities	4	15	12	309%
Other current liabilities	71	80	9	13%
TOTAL LIABILITIES	833	886	53	6%
Working Capital in €m	347	390	43	12%
Ratio in days of turnover				
Inventories	101	105	4	4%
Receivables	68	70	3	4%
Payables	52	53	2	3%
Working Capital in days	106	109	3	3%

* Excl. non
current sales
financing
receivables

Inventories evolution





Cash Flow

€m	Jun'13	Jun'14
Cash Flow from operating activities	36	-2
Earnings before depreciation & amortization	6	22
including capitalised rental fleet	-2	-3
Change in Working Capital	30	-23
o/w inventories	-11	-42
o/w trade receivables	-44	-24
o/w finance contracts receivables (net)	2	1
o/w trade payables	69	20
Cash Flow from investing activities	-14	-2
o/w acqu. intangible & tangible assets	-15	-7
o/w acquisition of subsidiaries	-0,3	-0,1
o/w divestment	1	3
Cash Flow from financing activities	18	-5
o/w financial liabilities	-3	-4
o/w dividend payment	-0,2	0,0
o/w sale of carry back asset	21	
Change in cash & cash equivalents	41	-8



Net Debt

€m	Dec'10	Dec'11	Dec'12	Dec'13	Jun'14
Cash & current financial assets	54	46	25	36	27
2013 Club deal				77	74
Bonds			7	19	19
Facilities	5	8	24	13	13
2008 Syndicated loan	118	84	78		
US Limited Recourse	52	27	8	2	1
Minority puts	3	0,5	1		1
Finance lease & others	12	8	10	8	8
Derivatives	3	4	1	0	1
Total Financial liabilities	193	132	128	119	117
NET DEBT	139	86	103	83	90
Gearing	42%	21%	24%	20%	21%



1. H1 review
2. H1'14 financial results
3. 2014 outlook



2014 progress report

- New roadmap, new ambitions
- New organization as from July 1st
- Launch of the MAX project
- Implementation in H2
 - of new organizations
 - of new reporting tools



Shared & defined project under implementation



Manitou Group strategy

- Strategic vision
- Operational dimension



Four major priorities starting right now

- 1- ***Increase market shares*** by being more attentive to our customers
- 2- Anticipate and prepare for the future with ***products and services***
- 3- More ***responsive, entrepreneurial*** and ***economic*** organization
- 4- With ***people***

A readability and a dynamic to be redefined



What positioning for Manitou Group in the next 3/5 years?

In 2018, we present Manitou ...

General perception

We are always key players on our target markets

Competitive environment

Our products and service offerings are The Reference for customers and competitors follow us

Internal performance

Our sustainable and structured growth with 6% to 8% ROP guarantees our financial strength and allows us to invest in the future

Leadership, sustainability and strength of the Manitou Group



Dimensions of this vision

Strategic dimension

1. ***Refocus on our expertise***, rough terrain and industrial material-handling, elevation and Compact Equipment to support the organic growth of our solutions on our three markets (Construction, Agriculture, Industry)
2. ***Change in sales paradigm*** via the cost of ownership (TCO) and service offerings
3. ***Our dealers are our preferred partners*** and we develop a direct and specific key account approach

The Material-Handling Reference



Dimensions of this vision

Objectives

1. *Remain the uncontested world leader* in telescopic handlers
2. Accelerated development of *platforms*
3. *Organic growth*
4. *Adaptation to economic cycles* (with annual outperformance compared to the market)
5. *Development / adaptation of our installations* close to our markets
6. *A debt under control*
7. *Service* ultimately represents 25% of sales (about 18% today)
8. *Reduce fixed costs* by 5% by 2014

The Material-Handling Reference



Dimensions of this vision

Operational
dimension

An internal project mobilizing
all Manitou Group forces
on clear and defined objectives

MAX

Move Ahead & Accelerate

The Material-Handling Reference

The four chapters of the project

MAX

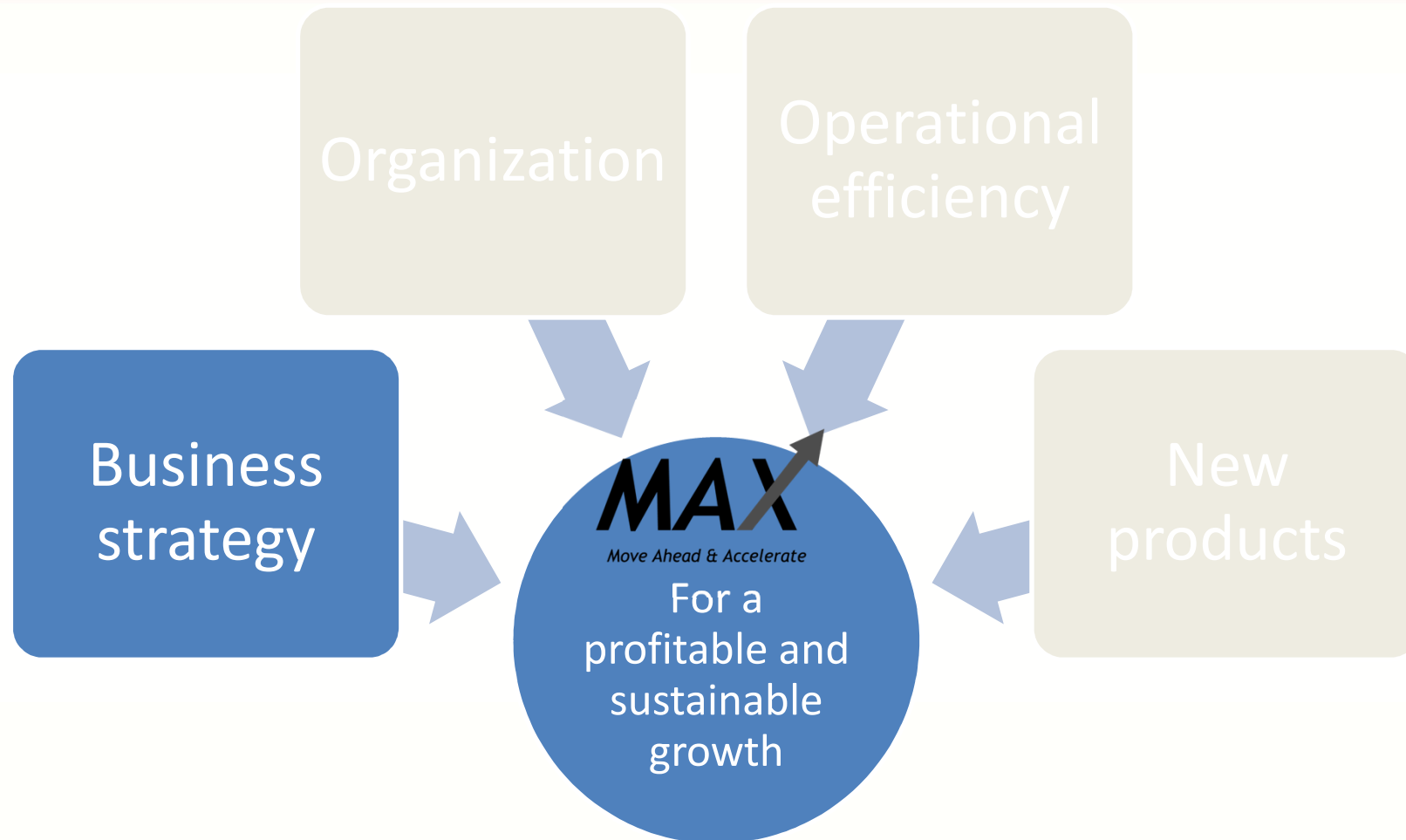
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Chapter 1: Business Strategy

MAX

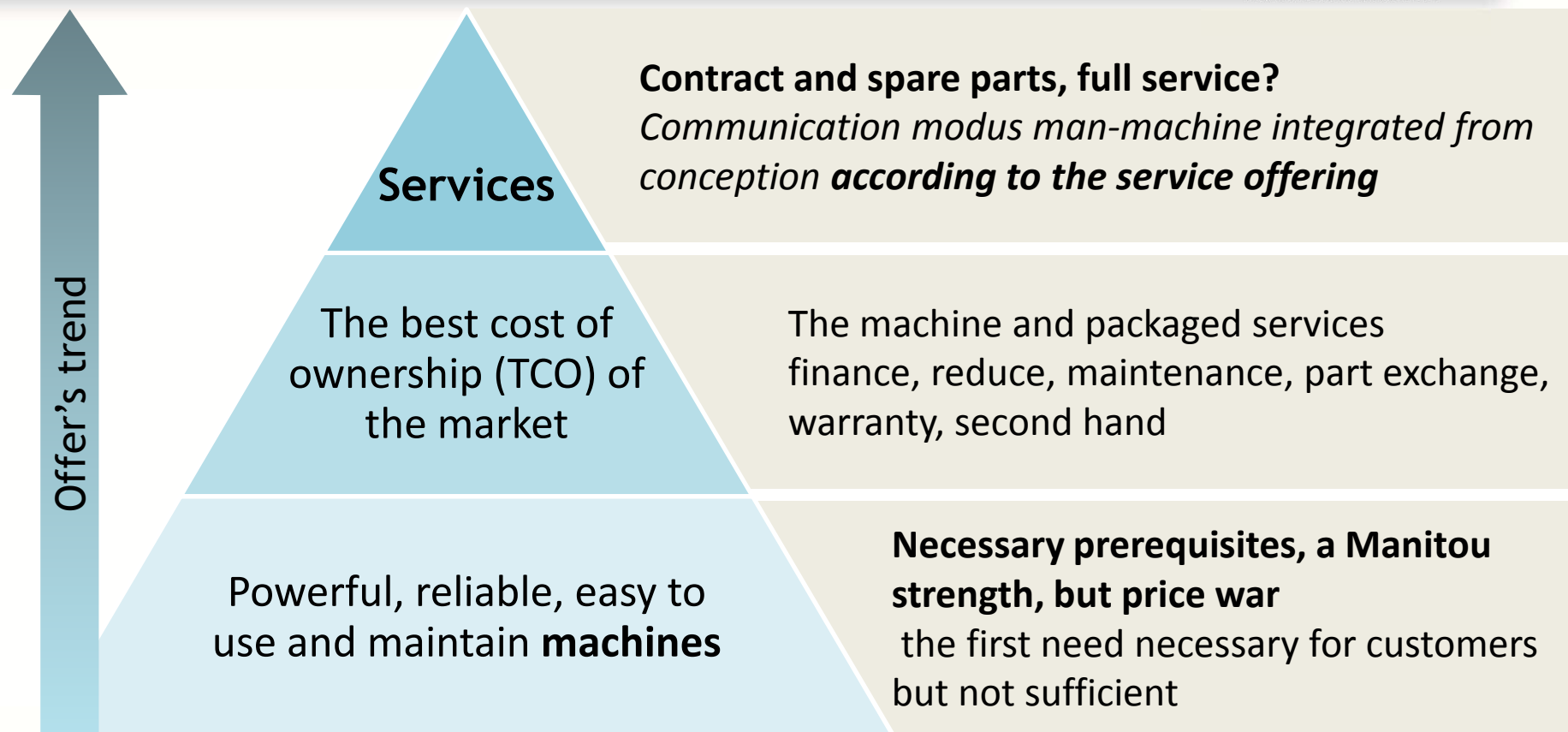
Move Ahead & Accelerate



Business strategy - trend

MAX

Move Ahead & Accelerate



Accompany dealers according to their level of development



Business strategy - priorities



- Increase market shares
 - Strengthen the anchor points
 - Smooth geographical disparities
 - Better arbitrate between margin and market share
- Take advantage of growth cycles when there
- Continue to develop emerging markets
- Strengthen the approach by vertical markets and key accounts approach
 - Mining, oil & gas, environment, army, tunnels, timber, rail, rental, etc..

Strategy of conquest per product range

Chapter 2: Organization

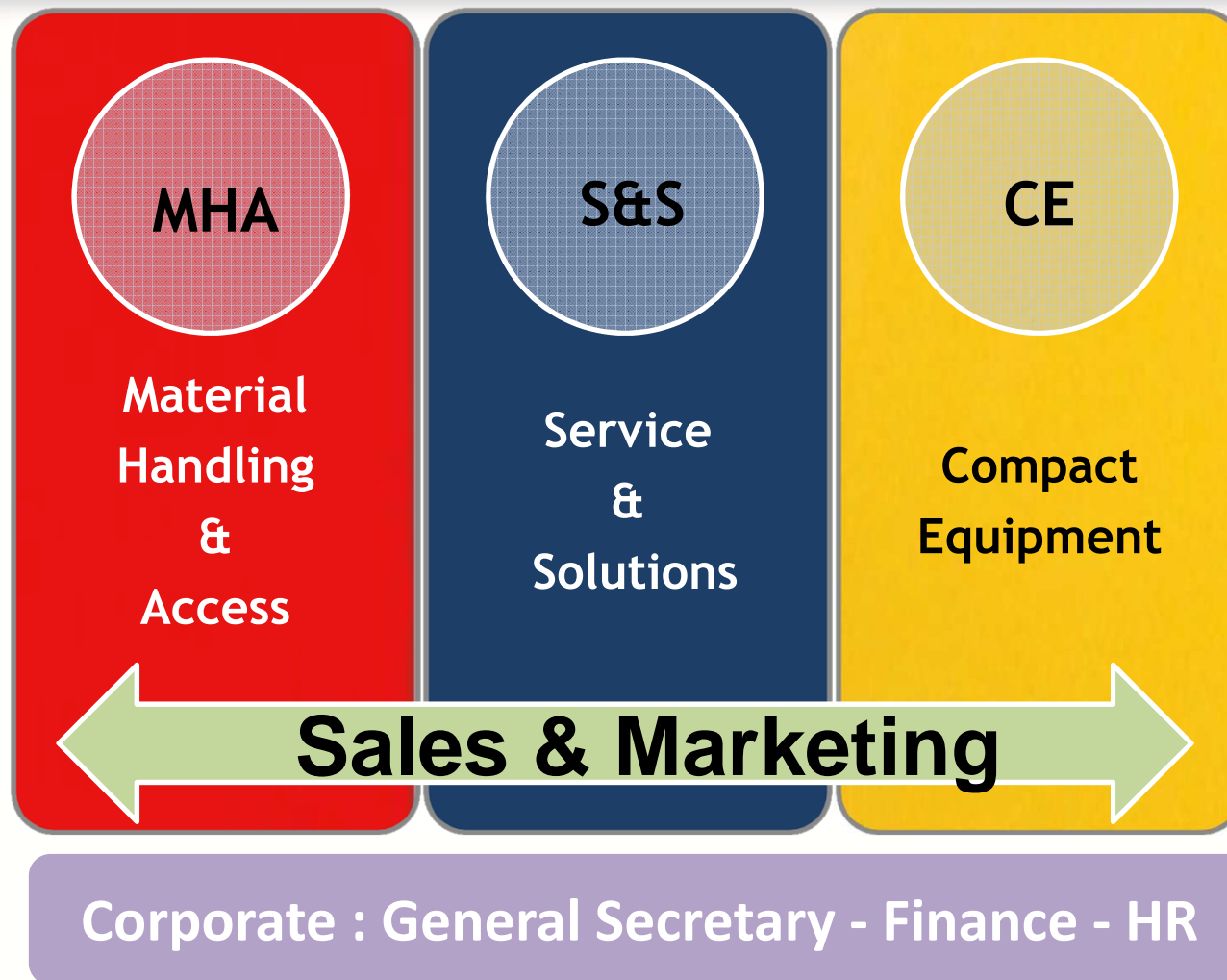
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Move Ahead & Accelerate





New organization with 3 divisions



- ***Sales services***
 - financing approaches, warranty contracts, maintenance contracts, full service, fleet management, etc..
- ***After-sales services***
 - spare parts, technical training, warranty management, second-hand management, etc..
- ***Services to end users***
 - geo-location, user training, advice, etc..

Creation of a S&S (Service & Solutions) division

Chapter 3: operational efficiency

MAX

Move Ahead & Accelerate





Operational efficiency



- ***Main actions***

- Relocation of a master truck assembly line in Europe (Q1-2015)
- Creation of a subsidiary for warehousing activities (Q1-2015)
- Rework of some logistics flows (2014-2015)

- ***Reduction of fixed costs***

- Continuation of work begun in 2013 and simplification of the processes
- Reduction of 10 M€ in fixed costs over 2014 (included in the guidance)

- ***Reduction of production cost***

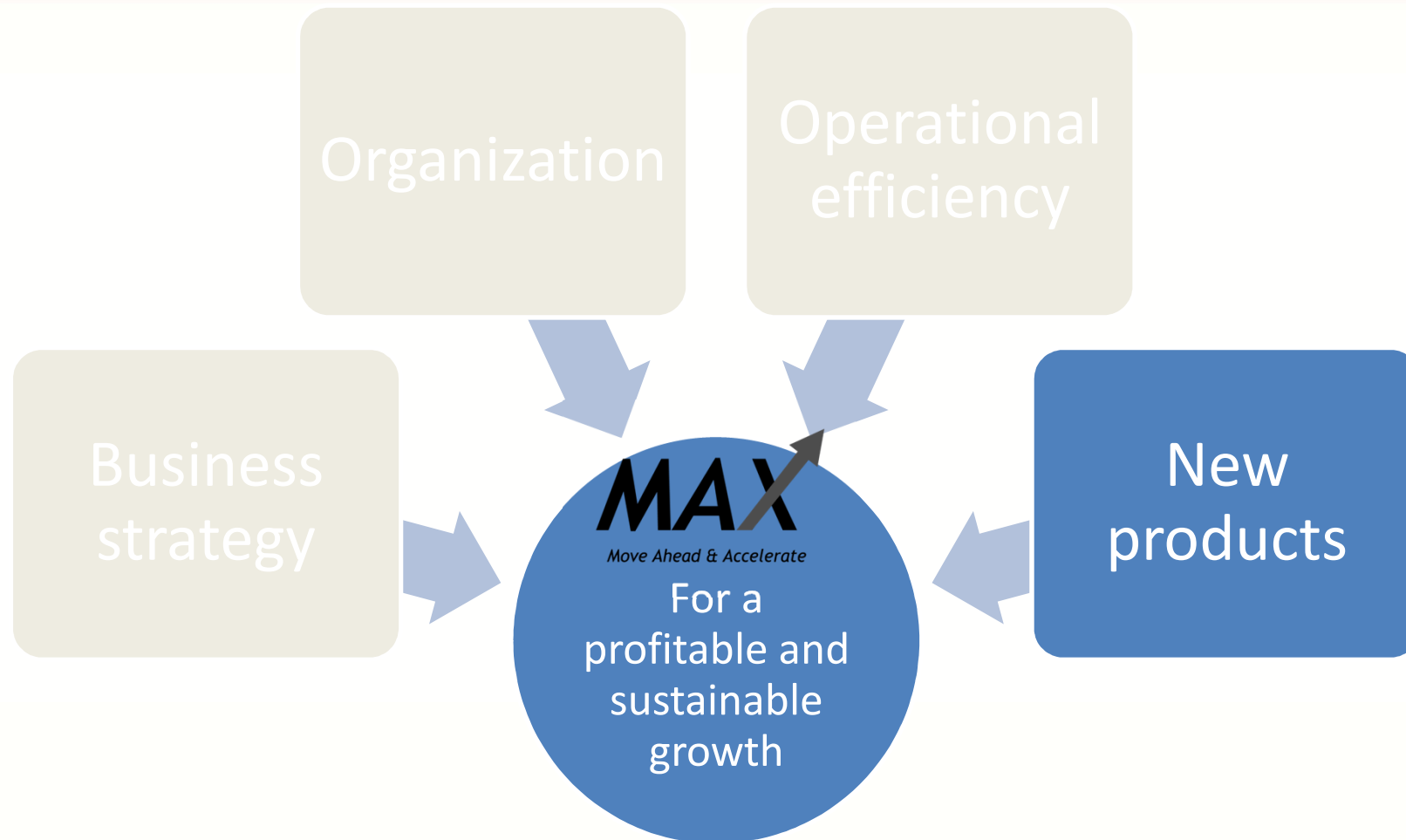
- Priority given to lean, independent and focused organizations

Listening to customers, pragmatism and performance

Chapter 4: new products

MAX

Move Ahead & Accelerate





New products



- **Today**
 - A range of leading products
 - The best TCO on the market
 - Productivity and reliability recognized worldwide
- **2014 launches**
 - Norms evolutions
 - Consumption optimization: Reduce, eco mode
 - But also machines to conquer new markets

A defined and ambitious product plan

H1 Revenue according to the new organization

€m <i>% total</i>	South Eur.	North Eur.	Am.	APAM	Total
MHA	164 <i>26%</i>	195 <i>30%</i>	25 <i>4%</i>	40 <i>6%</i>	425 <i>66%</i>
CE	4 <i>1%</i>	12 <i>2%</i>	87 <i>14%</i>	12 <i>2%</i>	115 <i>18%</i>
S&S	40 <i>6%</i>	31 <i>5%</i>	19 <i>3%</i>	12 <i>2%</i>	102 <i>16%</i>
Total	207 <i>32%</i>	239 <i>37%</i>	132 <i>21%</i>	64 <i>10%</i>	642 <i>100%</i>

S&S division : 16% of sales



2014 Outlook

- Growing *sales* approx. +5%
- *Recurring OI as a % of sales* ranging between 2,8% 3,3%.

Confirmed outlook



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Thank you for your attention