



## Manitou: 2020 Half-year results

- H1 20 net sales of €762m down-35% vs. H1 19 and -35% on a comparable basis\*
- Q2 order intake on equipment of €180m vs. €286m in Q2 19
- Order book on equipment at the end of Q2 20 of €555m vs. €643m in Q2 19
- Recurring operating income at €30.1m (3.9%) vs. €90.1m (7.7%) in H1 19
- EBITDA<sup>1</sup> €48m (6.3%) vs. €107m in H1 19
- Net income at €13.5m vs. €60.1m in H1 19
- Taking into account the COVID-19 crisis and its economic consequences, the outlook for 2020 is for an annual turnover of around €1.5 billion
- Outlook for current operating income in the 2.7% to 3.2% range for 2020

**Ancenis, 30 July 2020** - The Board of Directors of Manitou BF, meeting on this day, closed the accounts for the first half of 2020.

Michel Denis, Chief Executive Officer, said : *"The first half of 2020 was highlighted by the sudden COVID-19 crisis that has been disrupting our markets since mid-March, resulting in a 35% drop in our sales compared to a record first half of 2019.*

*As soon as the health crisis emerged, we reacted very quickly to implement health and operational measures to protect our employees and continue to meet the urgent needs of our customers. A crisis management steering committee was immediately activated to define the direction and priority actions to be implemented. We established constant communication with our teams, stakeholders and Board of Directors. The agility and reactivity of our employees enabled us to maintain support to our customers and users throughout the period, particularly in terms of spare parts and technical assistance. On the industrial side, we were able, from mid-April, to gradually restart the French and Italian plants' production lines by introducing strict health and safety procedures. Significant production re-planning work has been carried out with our customers and suppliers in order to be able to deliver the most urgent orders. This was particularly the case for those in the agricultural sector or in remote geographical areas whose seasonality required shipment before the summer shutdown.*

*All of these measures helped us to get through this very difficult period in the best possible way and we have now returned to a market order adjusted to the current volumes of activity in our markets.*

*On the financial level, we have deployed measures from the beginning of the crisis to reduce all of our expenses and investments, implemented measures to reduce working hours and certain government aid in order to protect the group's cash flow and sustainability as much as possible. These measures were reinforced by the Board of Directors' decision not to proceed with the payment of the €30m dividend that had been announced a few weeks before the health crisis erupted. The group ended the half-year with a current operating profit of 3.9% of sales.*

*After suffering an air pocket from mid-March to mid-May, the recovery was encouraging in June. The agricultural market remains the most buoyant, while the industrial and construction sectors recorded more significant decreases, particularly among rental companies, whose business outlook for the remaining part of 2020 and 2021 is still gloomy.*

*On the strength of the upturn at the end of the quarter, the group ended the first half of the year with an order book of €555m, which enables us to estimate a sales outlook for 2020 that is around 30% lower than in 2019 and, in the absence of any further deterioration in the global economic context, a current operating profit in the range of 2.7% to 3.2%.*



We also believe that the crisis we are going through, will have economic consequences beyond 2020 and that our current operating income target of more than 8% of sales under the Ambition 2022 plan will not be achieved by the initial target date.

<i>In millions of euros</i>	MHA H1 19	CEP H1 19	S&S H1 19	Total H1 19	MHA H1 20	CEP H1 20	S&S H1 20	Total H1 20	Var.
Net sales	829,9	178,4	155,2	1 163,5	496,5	123,2	141,9	761,6	-35%
Sales margin	124,1	24,4	43,9	192,4	60,9	7,4	42,1	110,3	-43%
Sales margin as a % of sales	15,0%	13,7%	28,3%	16,5%	12,3%	6,0%	29,6%	14,5%	
<b>Recurring Operating Income</b>	<b>71,6</b>	<b>3,9</b>	<b>14,6</b>	<b>90,1</b>	<b>20,6</b>	<b>-7,6</b>	<b>17,1</b>	<b>30,1</b>	<b>-67%</b>
<b>Recurring Op. Income as a % of sales</b>	<b>8,6%</b>	<b>2,2%</b>	<b>9,4%</b>	<b>7,7%</b>	<b>4,1%</b>	<b>-6,1%</b>	<b>12,0%</b>	<b>3,9%</b>	
Operating Income	71,0	3,7	14,4	89,1	19,7	-9,7	16,9	26,9	-70%
Net income attributable to the group	n/a	n/a	n/a	59,7	n/a	n/a	n/a	13,5	-77%
Net debt excluding IFRS 16				185,4				164,0	-12%
Net debt including IFRS 16				201,4				178,8	
Shareholder's equity				625,4				682,3	+9%
% Gearing <sup>2</sup> excluding IFRS 16				30%				24%	
% Gearing <sup>2</sup> including IFRS 16				32%				26%	
Working capital				596				591	-1%

Percentage figures in brackets express a percentage of turnover.

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

Auditing procedures performed

\* like for like, at constant scope and exchange rate:

- for 2019 acquisitions (Mawsley Machinery Ltd at the end of October 2019), subtraction of their contribution, from January 1st to March 31, 2020. There is no exit in 2019. There is no acquisition nor exit in 2020.
- application of the prior year's exchange rate

<sup>1</sup> EBITDA: Earnings before interest, taxes, depreciation, and amortization, restated from IFRS 16 impact

<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 2019	Q2 2020	%	H1 2019	H1 2020	%
MHA	433	213	-51%	830	496	-40%
CEP	94	60	-37%	178	123	-31%
S&S	75	68	-9%	155	142	-9%
<b>Total</b>	<b>602</b>	<b>341</b>	<b>-43%</b>	<b>1 163</b>	<b>762</b>	<b>-35%</b>

### Sales by geographic region

<i>In million of euros</i>	Quarter			Half-year		
	Q2 2019	Q2 2020	%	H1 2019	H1 2020	%
Southern Europe	184	122	-34%	398	274	-31%
Northern Europe	248	121	-51%	454	272	-40%
Americas	117	68	-41%	209	148	-29%
APAM	53	29	-45%	103	68	-34%
<b>Total</b>	<b>602</b>	<b>341</b>	<b>-43%</b>	<b>1 163</b>	<b>762</b>	<b>-35%</b>



## Review by division

The **MHA - Material Handling & Access Division** achieved sales of €496.5m, down 40.2% over 6 months compared to an exceptional basis in 2019. The MHA division was strongly impacted by the COVID-19 pandemic. Its sales declined in all geographical areas, particularly in Northern Europe and APAM, in all its markets (construction, agriculture, industries).

The division's margin on cost of sales amounted to €60.9m, down 50.9% compared with the 1st half of 2019. It was impacted by the decline in activity and a 2.7 points deterioration in the margin rate following the production shutdown and the implementation of health measures when business recovered. The shutdown of production sites and the deployment of partial activity measures enabled the group to reduce indirect costs by €10.3m and limit the impact of the decline in activity.

The MHA division's current operating income decreased by €51.1m (-71.3%) to €20.6m (4.1% of sales) compared with €71.6m in the 1st half of 2019 (8.6% of sales).

Taking advantage of the 2019 launch of new telescopic product lines in India, the division will stop its assembly activity in Brazil at the end of August, while continuing its commercial development in that country.

The **CEP - Compact Equipment Products Division** recorded sales of €123.2m, down 30.9% over 6 months (-32.1% at constant exchange rates and scope). The division was impacted by the COVID-19 pandemic, particularly in the US and APAM zones and Telehandlers products.

The margin on cost of sales reached €7.4 million, divided by 3 compared to the first half of 2019. This decline is explained by the impact of this crisis on the activity and the 7.7 points drop in the margin rate. It was penalized by an unfavorable product mix, sales efforts and higher fixed production costs.

Taking these items into account, the CEP division's current operating income decreased and showed a loss of -€7.6 million (- 6.1% of sales) compared with €3.9 million in the 1st half of 2019 (2.2% of sales).

The division's financial situation, combined with the lack of any prospect of a short-term upturn, led to a reduction of around 100 positions in North America and India. As of July 1st, most of the savings from this plan will be allocated to the CEP division.

With revenue of €141.9m, the **Services & Solutions Division (S&S)** recorded a decline of 8.6% over 6 months (-10.7% at constant exchange rates and scope), impacted by the COVID-19 pandemic. Business declined in all geographical areas, particularly in the APAM zone, as well as in all of its markets, with the exception of services and rental activities, which are more resilient in the current crisis period.

This decrease led to a €1.9m reduction in the margin on cost of sales compared with the 1st half of 2019, to €42.1 m. The impact of the decline in business was limited by a 1.3 point increase in the margin on cost of sales. This improvement is the consequence of the change in the product mix.

Administrative, commercial, marketing and service expenses were reduced by 14.8% (€4.4m) following the implementation of savings measures and partial activity.

As a result of these measures, the division's profitability came to €17.1m (12.0% of sales), up €2.5m in the first half of 2019 (€14.6m, or 9.4% of sales).



ISIN code: FR0000038606

Indices: CAC ALL SHARES, CAC ALL-TRADABLE, CAC INDUSTRIALS, CAC MID & SMALL, CAC SMALL,  
EN FAMILY BUSINESS

## FORTHCOMING EVENTS

**October 28, 2020 (after market closing)  
Q3 2020 Sales Revenues**

Manitou Group is a worldwide reference in the handling, access platforms, and earthmoving. By improving workplace conditions, safety, and performance, our environment remains renewable and sustainable for mankind.

Through its 3 iconic brands—Manitou, Gehl, and Mustang by Manitou—the group develops, manufactures, and provides equipment and services for the construction, agriculture, and industrial markets.

By constantly innovating its products & services, Manitou Group constantly adds value to exceed its stakeholders' expectations.

Always attuned to its customers via its expert network of over 1,050 dealers, the group continues to be true to its roots by keeping its headquarters in France. That focus, which powered sales to €2.1 billion in 2019, informs its talented worldwide team of 4,600 whose passion ceaselessly motivates the group.

# EXTRACT OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2020

## 1.1 CONSOLIDATED INCOME STATEMENT

	<i>in thousands of euros</i>	2019	H1 2019	H1 2020
Net Sales		2 093 577	1 163 487	761 626
Cost of goods & services sold		-1 747 509	-971 099	-651 357
Research and development costs		-27 732	-14 576	-12 579
Selling, Marketing & Service expenses		-113 504	-58 339	-45 790
Administrative expenses		-61 170	-29 505	-24 239
Other operating income and expenses		4 946	103	2 416
<b>Recurring operating profit</b>		<b>148 609</b>	<b>90 071</b>	<b>30 077</b>
Non-recurring operating income and expenses		-2 534	-945	-3 225
<b>Operating Income</b>		<b>146 074</b>	<b>89 125</b>	<b>26 852</b>
Share of profits of associates		2 192	957	1 011
<b>Operating Income including Net Income from associates</b>		<b>148 267</b>	<b>90 082</b>	<b>27 863</b>
Financial income		37 617	24 094	35 348
Financial expenses		-45 144	-26 736	-40 874
<b>Financial Result</b>		<b>-7 527</b>	<b>-2 641</b>	<b>-5 526</b>
<b>Income before tax</b>		<b>140 740</b>	<b>87 441</b>	<b>22 337</b>
Income Taxes		-44 982	-27 359	-8 791
<b>Net Income</b>		<b>95 757</b>	<b>60 081</b>	<b>13 545</b>
Attributable to equity holders of the parent		95 625	59 742	13 459
Attributable to non-controlling interests		132	337	86
<b>Earnings per share (in euros)</b>		<b>2019</b>	<b>H1 2019</b>	<b>H1 2020</b>
Net income attributable to the equity holders of the parent		2,50	1,56	0,35
Diluted earnings per share		2,50	1,56	0,35

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

	<i>in thousands of euros</i>	2019	H1 2019	H1 2020
<b>Income (loss) for the year</b>		<b>95 757</b>	<b>60 079</b>	<b>13 545</b>
Adjustments to fair value of the financial assets		131	143	20
Translation differences arising on foreign activities		6 861	2 228	-4 691
Interest rate hedging and exchange instruments		-2 715	433	2 701
<b>Items that will be reclassified to profit or loss in subsequent periods</b>		<b>4 277</b>	<b>2 803</b>	<b>-1 969</b>
Actuarial gains (losses) on defined benefits plans		-2 282	-3 605	4 999
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>		<b>-2 282</b>	<b>-3 605</b>	<b>4 999</b>
<b>Total gains and losses recognized directly in other components of comprehensive income</b>		<b>1 995</b>	<b>-802</b>	<b>3 029</b>
<b>Comprehensive income</b>		<b>97 752</b>	<b>59 278</b>	<b>16 575</b>
Attributable to equity holders of the parent		97 417	58 879	17 258
Attributable to non-controlling interests		335	399	-683

## 1.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### ASSETS

	<i>in thousands of euros</i>	December 31, 2019	Net amount as of June 30, 2020
Goodwill		288	288
Intangible assets		54 705	58 314
Tangible assets		211 593	212 187
Right-of-use of leased assets		16 461	13 522
Investments in associates		16 986	17 499
Sales financing receivables		7 738	6 146
Other non-current assets		11 346	14 474
Deferred tax assets		17 581	15 102
<b>Non-current assets</b>		<b>336 698</b>	<b>337 531</b>
Inventories & work in progress		589 745	540 540
Net trade receivables		380 438	324 215
Current income tax		7 990	8 880
Other current assets		47 536	51 477
Cash and cash equivalents		22 333	107 728
<b>Current assets</b>		<b>1 048 043</b>	<b>1 032 841</b>
<b>Non-current assets held for sale</b>		<b>0</b>	<b>0</b>
<b>Total assets</b>		<b>1 384 740</b>	<b>1 370 371</b>

### LIABILITIES

	<i>in thousands of euros</i>	December 31, 2019	Net amount as of June 30, 2020
Share capital		39 668	39 668
Share premiums		46 098	46 098
Treasury shares		-23 714	-23 713
Reserves and profit for the year - equity holder of the parent		596 779	614 414
<b>Equity attributable to owners of parent</b>		<b>658 831</b>	<b>676 468</b>
Non-controlling interests		5 815	5 831
<b>Total Equity</b>		<b>664 646</b>	<b>682 298</b>
Non-current provisions		48 862	46 053
Non-current financial liabilities		149 726	146 416
Non-current lease debts		12 269	9 864
Other non-current liabilities		3 088	2 590
Deferred tax liabilities		1 751	2 380
<b>Non-current liabilities</b>		<b>215 696</b>	<b>207 304</b>
Current provisions		18 964	19 202
Current financial liabilities		64 722	128 765
Current lease debts		5 602	4 873
Trade payables		253 446	178 243
Current income tax		4 087	2 769
Other current liabilities		157 579	146 917
<b>Current liabilities</b>		<b>504 399</b>	<b>480 769</b>
<b>Total equity &amp; liabilities</b>		<b>1 384 740</b>	<b>1 370 371</b>

## 1.4 CONSOLIDATED SHAREHOLDERS' EQUITY AS AT JUNE 30, 2020

	Total equity							
	Share capital	Share premium account	Cumulative translation adjustment	Treasury shares	Consolidated reserves	Attributable to equity holders of the parent company	Non-controlling interests	Total
<i>in thousands of euros</i>								
<b>As of december 31, 2018</b>	<b>39 668</b>	<b>46 098</b>	<b>1 723</b>	<b>-24 018</b>	<b>533 503</b>	<b>592 389</b>	<b>4 585</b>	<b>596 974</b>
Impact of new standards					-1 193	-1 190	-3	-1 193
<b>As of january 1, 2019</b>	<b>39 668</b>	<b>46 098</b>	<b>1 723</b>	<b>-24 018</b>	<b>532 311</b>	<b>591 199</b>	<b>4 582</b>	<b>595 781</b>
Gains and losses recognized in equity			2 228		-3 030	-863	62	-802
Net income					60 079	59 742	337	60 079
Comprehensive income			2 228		57 049	58 879	399	59 277
Stock option plan-related expenses								
Dividends paid					-29 867	-29 763	-104	-29 867
Treasury shares				60	-60			
Capital increase								
Changes in control of consolidated entities					437	437		437
Acquisition and disposal of minority interests' shares					-5	-117	112	-5
Purchase commitments for minority interests' shares								
Change in translation reserves			-437			-437		-437
Other					182	182		182
<b>As of june 30, 2019</b>	<b>39 668</b>	<b>46 098</b>	<b>3 514</b>	<b>-23 958</b>	<b>560 047</b>	<b>620 381</b>	<b>4 989</b>	<b>625 370</b>
Impact of new standards					190	191	-1	190
<b>As of july 1, 2019</b>	<b>39 668</b>	<b>46 098</b>	<b>3 514</b>	<b>-23 958</b>	<b>560 237</b>	<b>620 572</b>	<b>4 988</b>	<b>625 560</b>
Gains and losses recognized in equity			4 633		-1 837	2 656	141	2 797
Net income					35 676	35 881	-205	35 676
Comprehensive income			4 633		33 839	38 536	-64	38 472
Stock option plan-related expenses								
Dividends paid					-295	-276	-19	-295
Treasury shares				244	-244			
Capital increase								
Changes in control of consolidated entities					172	-15	187	172
Acquisition and disposal of minority interests' shares					-3	-2	-1	-3
Purchase commitments for minority interests' shares					723		723	723
Change in translation reserves								
Other					17	17		17
<b>As of december 31, 2019</b>	<b>39 668</b>	<b>46 098</b>	<b>8 148</b>	<b>-23 714</b>	<b>594 446</b>	<b>658 831</b>	<b>5 815</b>	<b>664 646</b>
Impact of new standards								
<b>As of january 1, 2020</b>	<b>39 668</b>	<b>46 098</b>	<b>8 148</b>	<b>-23 714</b>	<b>594 446</b>	<b>658 831</b>	<b>5 815</b>	<b>664 646</b>
Gains and losses recognized in equity			-4 692		7 720	3 799	-769	3 029
Net income					13 545	13 459	86	13 545
Comprehensive income			-4 692		21 265	17 258	-683	16 575
Stock option plan-related expenses								
Dividends paid								
Treasury shares				1		1		1
Capital increase								
Changes in control of consolidated entities								
Acquisition and disposal of minority interests' shares								
Purchase commitments for minority interests' shares					690		690	690
Change in translation reserves								
Other					386	378	8	386
<b>As of june 30, 2020</b>	<b>39 668</b>	<b>46 098</b>	<b>3 456</b>	<b>-23 713</b>	<b>616 789</b>	<b>676 468</b>	<b>5 831</b>	<b>682 298</b>

## 1.5 CASH FLOW STATEMENT AS AT JUNE 30, 2020

	<i>in thousands of euros</i>	2019	H1 2019	H1 2020
<b>Net Income</b>		<b>95 757</b>	<b>60 079</b>	<b>13 545</b>
Income from equity affiliates net of dividends		1 375	1 497	-1 012
Amortizations and depreciations		46 022	21 511	24 934
Provisions and impairments		3 829	1 885	637
Income tax expense (current and deferred)		44 982	27 359	8 791
Other non-cash income and expenses		135	485	401
<b>Cash flow operations</b>		<b>192 100</b>	<b>112 816</b>	<b>47 296</b>
Taxes paid		-48 265	-12 751	-10 266
Change in working capital requirement		-56 134	-65 607	15 994
Change in capitalized lease machines		-21 060	-11 332	-4 418
<b>Cash flow from operating activities</b>		<b>66 641</b>	<b>23 126</b>	<b>48 605</b>
Proceeds from sales of intangible assets		-20 864	-9 647	-9 386
Proceeds from sales of tangible assets		-50 243	-19 502	-15 734
Change in fixed assets payables		2 761	474	-2 724
Disposals of property, plant and equipment and intangible assets		882	470	68
Acquisitions of investments in obtaining control		-2 668	-459	0
Disposals of investments with loss of control		0	0	0
Others		-25	-429	-461
<b>Cash flow from investing activities</b>		<b>-70 157</b>	<b>-29 093</b>	<b>-28 238</b>
Capital increase		171	0	0
Dividends paid		-30 162	-29 866	0
Purchase of treasury shares		0	-163	0
Repurchase of non-controlling interests		0	0	0
Change in others financial liabilities and assets		32 430	98 873	91 604
Payment of finance lease liabilities		-5 178	-2 661	-3 143
Others		1 098	-1 268	-3 230
<b>Cash flow from financing activities</b>		<b>-1 641</b>	<b>64 915</b>	<b>85 231</b>
<b>Net increase (decrease) in cash, cash equivalents, and bank overdrafts</b>		<b>-5 157</b>	<b>58 948</b>	<b>105 598</b>
Cash, cash equivalents and bank overdrafts at beginning of the year		-609	-609	-4 997
Exchange gains (losses) on cash and bank overdrafts		769	467	966
<b>Cash, cash equivalents and bank overdrafts at end of year</b>		<b>-4 997</b>	<b>58 806</b>	<b>101 567</b>



## 1.6 EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2020

### 1.6.1 HALF YEAR FINANCIAL STATEMENTS AND COVID-19 IMPACT

The half-year financial statements, which do not make it possible to prejudge the full year, take into account all the accounting entries at the end of the period considered necessary by the Group's management to give a true and fair view of the information presented.

Income and expenses related to the Covid-19 epidemic are recognized in recurring operating income and expenses, with the exception of income and expenses that are usually recognized in non-current income in accordance with previously applied accounting principles.

Impairment tests of R&D-related intangible assets are carried out in the second half of the year as part of budget preparation. Impairment tests are carried out at the half-yearly close only in the event of an unfavorable trend in certain indicators.

With the Covid-19 crisis, value tests were undertaken on the main capitalized R&D costs on the basis of revised budgets and discount rates. These tests did not reveal any impairment at June 30, 2020. An additional 10% decrease in revenue would not result in the recognition of an impairment loss.

The Group has not carried out any tests on tangible assets, consisting mainly of land, buildings and industrial equipment. To date, the value of these assets is not called into question by the current epidemic.

Other asset items (inventories, trade receivables, etc.) have been valued in accordance with the Group rules. The current epidemic did not have a significant impact on the value of these items at June 30, 2020.

Actuarial valuation assumptions were refreshed at the end of June in order to update the amount of provisions for pensions and employee benefits.

### 1.6.2 HIGHLIGHTS

#### COVID-19 CRISIS

The worldwide spread of Covid-19 during the first half of 2020 had and still has an impact over the Group's sales, down to 35% in the first half of 2020, and on our production capacities.

#### PRODUCTION SHUTDOWN

As early as March, the Group put in place emergency health measures and decided to close production sites in France, Italy and India. In the United States, production activities were maintained throughout the period.

Spare parts and service activities were maintained and distribution activities continued at a slower rate.

These production shutdowns were followed, as soon as possible, by the setting up of partial activity, particularly in France and Italy. The Group has also generalized home office.

Since mid-April, after reorganizing processes in line with health constraints, production has gradually restarted in France and Italy.

Since May, all sites have resumed production. For support functions, partial activity was maintained in France to adapt to the market downturn.

Despite productivity problems linked to health measures, current production capacities are in line with the Group's order book and, given seasonality, respond to a particularly strong demand from the agricultural market.

#### IMPLEMENTATION OF THE "RESILIENCE" PROGRAM

To deal with this crisis and the downturn in business, the Group has set up the "Resilience" plan. This plan is based on 4 pillars:

- **Operator safety** and the restarting of operations, with the deployment of new safety standards and the adaptation of our processes to deliver the Group's customers,
- **Activity**, with the adaptation of deliveries and the order book, the objective of satisfying urgent requests and the agricultural and industrial markets, and the search for additional markets and orders,
- **Cash flow** with the securing of financing and the reduction of investments and projects,
- **Reducing costs** to adapt to sales and production volumes, with a plan to reduce overheads and personnel costs. Thus, the Group has implemented partial activity measures and employee departure plans in the United States, India and South Africa.

## FINANCIAL ACTIVITIES

To accompany the downturn in business, the Group implemented partial activity measures in France and similar measures in other countries as soon as possible. Over the period, the total value of recorded aid amounts to € 7.7 million. Manitou BF is the main beneficiary of those aids with € 6.0 million, of which € 1.5 million is awaiting payment at June 30, 2020.

As part of the "Resilience" plan, the employee departure measures generated non-current restructuring costs amounting to € 2.5 million.

At June 30, 2020, the main current costs incurred in connection with the Covid-19 epidemic amounted to € 0.8 million. They correspond to costs relating to the implementation of health measures and donations to support medical teams.

In order to secure its financing and liquidity risks in the current context, the Group drew down an additional credit line of € 110 million in March 2020 expiring in September 2020.

The Group has also obtained payment deferrals for social security charges and taxes for a total amount of € 6.9 million.

The Annual General Meeting of 18 June 2020, on the proposal of the Board of Directors, decided to waive the proposed dividend payment of €0.78 per share that was initially announced at the time of publication of the 2019 annual results.

## 1.6.3 OPERATIONAL DATA

### 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** optimizes 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.

In accordance with IFRS 8, the information by operating segment is prepared on the basis of operating reports submitted to the Group management. This information is prepared in accordance with the IFRS applicable to consolidated financial statements.

### CONSOLIDATED INCOME STATEMENT BY DIVISION

	MHA Material Handling and Access		CEP Compact Equipment Products		S&S Services & Solutions		TOTAL	
<i>in thousands of euros</i>	30.06.2019	30.06.2020	30.06.2019	30.06.2020	30.06.2019	30.06.2020	30.06.2019	30.06.2020
Net Sales	829 883	496 461	178 382	123 230	155 222	141 936	1 163 487	761 626
Cost of goods & services sold	-705 816	-435 602	-153 975	-115 880	-111 309	-99 875	-971 099	-651 357
<b>Gross margin</b>	<b>124 068</b>	<b>60 859</b>	<b>24 407</b>	<b>7 350</b>	<b>43 913</b>	<b>42 060</b>	<b>192 388</b>	<b>110 269</b>
<b>As a %</b>	<b>15,0%</b>	<b>12,3%</b>	<b>13,7%</b>	<b>6,0%</b>	<b>28,3%</b>	<b>29,6%</b>	<b>16,5%</b>	<b>14,5%</b>
R&D expenses	-11 155	-9 308	-3 429	-3 271	8	0	-14 576	-12 579
Selling, Marketing & Service expenses	-24 475	-18 899	-9 247	-6 039	-24 617	-20 852	-58 339	-45 790
Administrative expenses	-17 235	-13 521	-7 741	-6 222	-4 530	-4 496	-29 505	-24 239
Other operating income and expenses	431	1 436	-128	621	-200	359	103	2 416
<b>Recurring operating profit</b>	<b>71 634</b>	<b>20 566</b>	<b>3 862</b>	<b>-7 560</b>	<b>14 575</b>	<b>17 071</b>	<b>90 071</b>	<b>30 077</b>
<b>As a %</b>	<b>8,6%</b>	<b>4,1%</b>	<b>2,2%</b>	<b>-6,1%</b>	<b>9,4%</b>	<b>12,0%</b>	<b>7,7%</b>	<b>3,9%</b>
Non-recurring operating income and expenses	-603	-912	-194	-2 168	-149	-145	-945	-3 225
<b>Operating Income</b>	<b>71 031</b>	<b>19 654</b>	<b>3 668</b>	<b>-9 729</b>	<b>14 427</b>	<b>16 926</b>	<b>89 125</b>	<b>26 852</b>
<b>As a %</b>	<b>8,6%</b>	<b>4,0%</b>	<b>2,1%</b>	<b>-7,9%</b>	<b>9,3%</b>	<b>11,9%</b>	<b>7,7%</b>	<b>3,5%</b>
Share of profits of associates	-2	-1	0	0	958	1 012	957	1 011
<b>Operating Income including Net Income from associates</b>	<b>71 029</b>	<b>19 653</b>	<b>3 668</b>	<b>-9 729</b>	<b>15 385</b>	<b>17 939</b>	<b>90 082</b>	<b>27 863</b>

## CONSOLIDATED SALES BY DIVISION AND GEOGRAPHIC REGION

Net sales H1 2019						Net sales H1 2020				
Southern Europe	Northern Europe	Americas	APAM	TOTAL	in millions of euros and % of total	Southern Europe	Northern Europe	Americas	APAM	TOTAL
328,4	383,0	57,9	60,5	<b>829,9</b>		215,6	202,0	41,2	37,7	<b>496,5</b>
28%	33%	5%	5%	<b>71%</b>	MHA	28%	27%	5%	5%	<b>65%</b>
10,9	21,7	124,6	21,1	<b>178,4</b>	CEP	8,0	20,4	80,1	14,7	<b>123,2</b>
1%	2%	11%	2%	<b>15%</b>		1%	3%	11%	2%	<b>16%</b>
58,6	49,3	26,3	21,0	<b>155,2</b>	S&S	50,3	50,0	26,2	15,3	<b>141,9</b>
5%	4%	2%	2%	<b>13%</b>		7%	7%	3%	2%	<b>19%</b>
<b>398,0</b>	<b>454,0</b>	<b>208,8</b>	<b>102,7</b>	<b>1163,5</b>	TOTAL	<b>273,9</b>	<b>272,5</b>	<b>147,6</b>	<b>67,7</b>	<b>761,6</b>
<b>34%</b>	<b>39%</b>	<b>18%</b>	<b>9%</b>	<b>100%</b>		<b>36%</b>	<b>36%</b>	<b>19%</b>	<b>9%</b>	<b>100%</b>

### 1.6.4 CONTINGENT LIABILITIES

#### MONITORING OF LITIGATION FOR INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS

In May 2017, Manitou Group was sued by JC Bamford Excavators Limited (JCB) in France, the United Kingdom and then Italy for alleged infringement of two European patents relating to certain features concerning the overload cut-off control system of certain telescopic forklift trucks manufactured and/or marketed in these three countries.

In May 2017, the plaintiff filed a claim in the French court for a provision of 20 million euros, to be increased to 50 million euros in June 2018. The financial claims before the English court were not quantified and are still not quantified at the date of publication of this report, but the summons indicates that for procedural purposes the commercial value of the claim is estimated to be in excess of 10 million. For Italy, the summons does not specify any quantified claim.

In December 2018, JCB served Manitou Group with a new patent infringement suit in France and the United Kingdom relating to a third European patent, also relating to certain features concerning the overload cut-off control system of certain telescopic forklift trucks. This summons takes up the request for a provision in the amount of 50 million euros, subsequently increased to 100 million euros in its last conclusions communicated in May 2020. The summons for this third patent has been the subject of joint proceedings in the United Kingdom but remains separate in France.

In 2018, JCB had produced an expert opinion estimating its damages of 160 million euros for the first two patents. At the end of 2019, in the first main proceedings, JCB increased its damage assessment to 190 million euros in its final conclusions. This increase is due to an update of the injury in its duration, which according to JCB is until March 2019. This assessment also includes the estimated injury under the third patent.

**1. In France**, legal proceedings on the litigation relating to the first two patents continued during the first half of 2020, but have not yet been resolved.

In the context of a procedural incident in 2018, JCB applied for preliminary injunctions against Manitou BF. A decision was issued by the Pre-Trial Judge on 31 January 2019, which dismissed the applicant's request for preliminary injunction on the first patent on which JCB based its allegations and, regarding the second patent, prohibited Manitou BF from manufacturing, offering for sale, renting and owning an old configuration of certain telescopic forklift trucks. This decision has no impact on Manitou BF's business as it relates to the ordering system for certain models produced and sold before August 2017 which are therefore no longer manufactured by Manitou BF, as underlined in the order. Manitou BF immediately appealed this decision in order to challenge the prohibition order in so far as it related only to a configuration that Manitou had ceased to produce for 18 months. This immediate appeal on the grounds of abuse of authority was held to be inadmissible, reserving the possibility of appeal with judgment on the merits.

On the occasion of the same incident, Manitou BF had proposed in the alternative, if the judge considered the request for prohibition to be well-founded, the establishment of a bank guarantee of 470,000 euros for the two patents as a replacement for the prohibitions. This proposal became irrelevant for the first patent, for which the judge did not pronounce a prohibition. JCB requested that this guarantee, if ordered, be 30 million euros (also for the two patents) on the basis of the expert opinion it had produced estimating its damages at 160 million euros (for the two patents). This proposal was not accepted by the judge, nor was JCB's request for a penalty payment of 100 000 euros per day of delay, the penalty payment ordered by the judge being EUR 1 000 per infringement, the decision having emphasized that the damage alleged by the plaintiff relates to the overload cut-off control system alone and not to the machine as a whole.

**2. In the United Kingdom**, no progress was made in the course of 2018 as JCB did not carry out any due diligence in this respect. A case management conference was held in January 2019 after JCB finally performed its due diligence. The litigation schedule has been established. However, the hearing originally scheduled for October 2020 has been postponed due to the lengthening of the trial, resulting from the addition of the third patent in the proceedings, the first available date being November 2021.

**3. In Italy**, the proceedings on the merits relating to these first two patents remain in a preliminary phase, the appointment of a court expert was pronounced at the end of 2019 and the court expertise measures are still underway in the first half of 2020.

In Italy, JCB had also requested interim injunctions against Manitou's Italian subsidiary on the second and third patents. This request was rejected by the Italian courts by decision of 30 January 2020. JCB has not appealed against this decision.

Manitou Group remains in complete disagreement with JCB's allegations and continues to defend itself with the utmost vigor.

The financial risk that may be incurred is difficult to estimate reliably at this stage of the procedures. Moreover, a significant outflow of resources in respect of these claims seems unlikely in view of the elements put forward by Manitou Group to defend itself. Consequently, no provision for these claims has been recognized in the group's financial statements.

### **1.6.5 POST-CLOSING EVENTS**

Taking advantage of the 2019 launch of new telescopic product lines in India, the MHA division will stop its assembly activity in Brazil at the end of August, while continuing its commercial development in that country.

To the best of the company's knowledge, there are no other significant events subsequent to the closing date of the condensed consolidated financial statements for the six months ended June 30, 2020 by the Board of Directors on July 30, 2020.