# Manitou Group: 2020 annual results

- **FY'20 Net sales of €1 585 m, -24% vs. FY'19 (-24% like for like*)**
- **Recurring operating income at €85 m (5.4%) vs. €149 m (7.1%) in 2019**
- **EBITDA* at €120 m (7.6%) vs. €186 m in 2019**
- **Net income group part at €40 m vs. €96 m in 2019**
- **Net debt* at €40 m, gearing* at 6%**
- **Dividend payment proposition at €0,60 per share**
- **Anticipation of an increase in sales for 2021 of more than +15% compared to 2020**
- **Outlook of an increase in 2021 recurring operating profit of around 40 basis points**

**Ancenis, 04 March 2021** – The Board of Directors of Manitou BF, meeting on this day, approved the accounts for 2020. Michel Denis, President and Chief Executive Officer stated: "*The year 2020 has been a difficult year, full of contrasts and many transformations. The health crisis caused a significant drop in our markets, resulting in a 24% decline in our sales compared to 2019. The reactivity, agility and commitment of our teams were the hallmarks of 2020 in order to face an unknown situation and absorb the effects as much as possible. Substantial efforts have been made to enable us, wherever possible, to continue to serve our customers while, above all, protecting the health of our employees. All of this enabled us to limit the financial impact of the crisis and end the year with a recurring operating income as a percentage of sales of 5.4%, down only 0.6 point compared to the target we had announced at the beginning of 2020 before the health crisis exploded.*

*The economic slowdown in 2020 has led us to resize all our resources, simplify the group's organization and rationalize our industrial sites in the American continent.*

*The unexpected scale of the rebound in order intake and our year-end order book led us into a new phase of growth. We are accelerating our production rates to serve our clients, in a context of high inflation in steel prices, shortages in shipping and electronic components.*

*Beyond these issues of realigning economic stakeholders at the end of the crisis, trends in our markets remain very dynamic.*

*On the strength of these factors, and subject to a stabilization of the general environment, we now anticipate revenue growth for 2021 of more than 15% and an increase in recurring operating profit of 40 basis points compared to 2020.*"

| In millions of € | MHA 2019 | CEP 2019 | S&S 2019 | Total 2019 | MHA 2020 | CEP 2020 | S&S 2020 | Total 2020 | Var. |
|---|---|---|---|---|---|---|---|---|---|
| Net sales | 1 455,8 | 328,3 | 309,4 | 2 093,6 | 1 023,4 | 261,6 | 300,1 | 1 585,1 | -24% |
| Sales margin | 220,3 | 38,5 | 87,3 | 346,1 | 142,1 | 17,8 | 89,0 | 248,8 | -28% |
| Sales margin as a % of sales | 15,1% | 11,7% | 28,2% | 16,5% | 13,9% | 6,8% | 29,6% | 15,7% | |
| **Recurring OI** | **116,3** | **2,4** | **30,0** | **148,6** | **58,9** | **(12,0)** | **38,4** | **85,3** | **-43%** |
| **Recurring OI as a % of sales** | **8,0%** | **0,7%** | **9,7%** | **7,1%** | **5,8%** | **-4,6%** | **12,8%** | **5,4%** | |
| OP. | 114,2 | 2,1 | 29,7 | 146,1 | 53,6 | (16,9) | 38,0 | 74,8 | -49% |
| Net income attributable to the group | | | | 95,6 | | | | 39,6 | -59% |
| Net debt excluding IFRS 16 | | | | 190,2 | | | | 39,9 | -79% |
| Net debt including IFRS 16 | | | | 208,2 | | | | 56,8 | -73% |
| Shareholder's equity | | | | 664,6 | | | | 665,8 | +0% |
| % Gearing excluding IFRS 16 | | | | 29% | | | | 6% | |
| % Gearing including IFRS 16 | | | | 31% | | | | 9% | |
| Working capital | | | | 606 | | | | 455 | -25% |

*Data as a percentage in parentheses express a percentage of net sales.*
*Auditing procedures performed*
** at constant scope and exchange rates :*
- *scope : for 2019 acquisitions (Mawsley Machinery Ltd on October 29, 2019), subtraction of their contribution, from January 1st, 2020, to the anniversary date of their acquisition. There is no exit in 2019. There is no acquired entity nor exit in 2020.*
- *application of the exchange rate of the previous year on the aggregates of the current year*

** EBITDA : Earnings before interest, taxes, depreciation, and amortization, restated from IFRS 16 impacts*
** Net debt and gearing (ratio of net debt divided by the amount of shareholders' equity) restated from IFRS 16 impacts*

## Business review by division

The **Material Handling & Access Division (MHA)** reported revenue of €1,023.4 million in 2020, down 29,7% compared to an exceptional year in 2019 (-28,8% at constant exchange rate and scope). The MHA division was strongly impacted by the Covid-19 crisis in the first half of the year. Its revenue declined in all geographical areas and more particularly in Northern Europe and APAM.
Margin on cost of sales deteriorated by 1.3 point, partly as a result of the shutdown in production and the implementation of health measures when business resumed, and partly due to an increase in depreciation and warranty expenses.
The shutdown of production sites, the implementation of partially operational measures and the savings plan have reduced indirect costs by €18.5 million and limited the impact of the decline in activity on the margin. Sales, marketing and administrative expenses decreased by €16.0 million (-19.2%). The decrease in R&D expenses was limited to 11.5% (-€2.4 million) over the period. Also included in the result for the period is a revenue of €3.5 million in the context of a tax claim resolved in our favour.
As a result, the MHA division's recurring operating income decreased by €57.3 million (-49.3%) to €58.9 million (5.8% of sales) compared to €116.3 million in 2019 (8.0% of sales).

The **Compact Equipment Products Division (CEP)** achieved revenue of €261.6 million in 2020, a decrease of 20,3% over the 12 months (-19.1% at constant exchange rate and scope). The division was affected by the Covid-19 health crisis in all geographic regions and particularly with North American rental companies and the Indian market. Margin on cost of sales declined by 4.9 points to 6.8%. This decrease resulted from lower volumes, an unfavorable product mix, sales efforts and higher depreciation and amortization costs. Sales, marketing, service and administrative expenses dropped by €10.3 million (-30.7%) following the implementation of a significant savings plan. As a result,

a reduction in working hours and wages, in application of the "Furlough" regulation, and an employee departure plan have been established in the United States for the first half of 2020.
The decrease in R&D expenses was limited to €0.8 million over the period.
The previous year included an insurance compensation following the Madison (USA) site flooding and a supplier compensation due to delivery delays. As a result of these items, the recurring operating result of the CEP division decreased to € -12.0 million (-4.6% of sales) compared to € 2.4 million in 2019 (0.7% of sales).

The **Services & Solutions (S&S)** division closed the financial year with revenues of €300.1 million very close to 2019, confirming the resilience of this activity. The decline in revenues (-3.0% year-on-year, -3.4% at constant exchange rates and scope) affected all geographical areas and particularly the APAM zone. The services and rental activities, which are more resilient by nature, recorded dynamic growth.
The favorable mix of service activities allowed the division to increase its margin on cost of sales by €1.7 million to €89.0 million, representing a 1.4 point increase in the margin on cost of sales to 29.6%.
The deployment of the savings plan and partial activity measures led to an 11.3% (€6.5 million) reduction in the division's administrative, sales, marketing and service expenses.
In this year, which has been very affected by the health and economic crisis, the S&S division delivered a record level of recurring operating income, up 28.2% to €38.4 million, or 12.8% of revenues (9.7% in 2019).

## Ongoing litigation with the company JCB

The decision of the Paris Court of Justice of February 26, 2021 reinforces the position of Manitou BF, who has always disputed the justification of the plaintiff's action and the disproportionate aspect of his claims. The group will therefore continue to defend itself with the utmost firmness in these disputes.

## Dividend proposed at the next Shareholders' Meeting

The Board of Directors has decided to propose to the Annual General Meeting to be held on June 17, 2021, the payment of a dividend of €0.60 per share, enabling the distribution rate to be restored over the period 2019 and 2020 more in line with the previous years' policy.

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EN FAMILY BUSINESS

## FORTHCOMING EVENTS

**April 27, 2021 (after market closing): Q1'21 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 man kind.

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 €1.6 billion in 2020, informs its talented worldwide team of 4,400 whose passion ceaselessly motivates the group.