



# STATUTORY ACCOUNTS 2018

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**Haulotte**   
LET'S DARE TOGETHER

# STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2018

## BALANCE SHEET - ASSETS

In thousands of Euros	Note	Gross	Amort. Deprec.	31/12/2018	31/12/2017
<b>INTANGIBLE ASSETS</b>	4.1				
Software, patents		20 832	14 914	5 919	6 067
Goodwill		168	-	168	168
Other intangible assets		1 095	-	1 095	882
<b>PROPERTY, PLANT AND EQUIPMENT</b>	4.1		-		
Land		882	11 615	882	882
Buildings		16 222	22 543	4 607	4 854
Machinery and equipment		28 053	4 077	5 510	5 025
Other PPE		4 768	-	692	506
Fixed assets in progress		1 946		1 946	1 064
<b>FINANCIAL ASSETS</b>	4.2				
Long-term investments		38 348	3 817	34 530	21 891
Receivables from investments		129 729	15 752	113 977	98 746
Other investments	4.3	14 690	-	14 690	14 422
Other financial assets		3 968	1 747	2 221	1 936
<b>NON-CURRENT ASSETS</b>		<b>260 701</b>	<b>74 465</b>	<b>186 237</b>	<b>156 443</b>
<b>INVENTORIES AND WORK IN PROGRESS</b>	5				
Raw materials		28 154	860	27 294	20 186
Work in progress		2 070	-	2 070	1 654
Finished goods		26 277	1 181	25 096	12 989
Trade goods		9 558	1 000	8 558	7 353
Advances paid to suppliers		938	-	938	840
<b>ACCOUNTS RECEIVABLE</b>					
Accounts receivable	6	130 582	33 184	97 398	95 249
Other receivables	7	22 083	220	21 862	16 579
<b>CASH AND CASH EQUIVALENT</b>					
Marketable securities		416	-	416	1 162
Cash at hand		7 785	-	7 785	9 215
<b>ACCRUALS</b>					
Prepaid expenses	8	656	-	656	1 290
<b>CURRENT ASSETS</b>		<b>228 518</b>	<b>36 446</b>	<b>192 073</b>	<b>166 517</b>
Unrealised foreign exchange losses	8	2 668	-	2 668	4 252
<b>TOTAL</b>		<b>491 887</b>	<b>110 910</b>	<b>380 977</b>	<b>327 212</b>

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## BALANCE SHEET - LIABILITIES AND EQUITY

In thousands of Euros	Note	31/12/2018	31/12/2017
Share capital	10	4 078	4 078
Additional paid-in-capital		91 720	91 720
Legal reserves		448	448
Other reserves		2 776	-
Retained earnings		394	395
<b>PROFIT (LOSS) FOR THE YEAR</b>		(6 362)	9 283
Investment grants		4	-
Regulated reserves		1 715	1 770
<b>SHAREHOLDERS' EQUITY</b>	<b>10</b>	<b>94 773</b>	<b>107 694</b>
Provisions for contingencies		8 497	11 871
Provisions for charges		4 732	3 991
<b>COMMITMENTS AND CONTINGENCIES</b>	<b>12</b>	<b>13 230</b>	<b>15 861</b>
<b>LONG-TERM DEBT</b>			
Bank borrowings	13.1	118 295	55 923
Miscellaneous loans and borrowings	13.2	25	125
Down payments received		711	1 400
<b>TRADE PAYABLES AND OTHER CURRENT LIABILITIES</b>	<b>14</b>		
Trade payables		64 050	50 953
Tax and employee-related liabilities		8 732	7 776
Fixed asset creditors			
Other payables		63 984	76 309
<b>ACCRUALS</b>			
Deferred revenue	8	2 334	533
<b>TOTAL LIABILITIES</b>		<b>258 131</b>	<b>193 019</b>
Unrealised foreign exchange gains	8	14 844	10 638
<b>TOTAL</b>		<b>380 977</b>	<b>327 212</b>

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## INCOME STATEMENT

In thousands of Euros	Note	31/12/2018	31/12/2017
<b>NET SALES</b>	<b>15</b>	<b>279 519</b>	<b>244 466</b>
Change in inventories of finished goods and work in progress		12 438	(1 458)
Capitalised production		397	7
Operating grants		11	5
Reversal of depreciation and provisions, expenses reclassifications		3 690	6 757
Other income		15 796	14 286
<b>OPERATING INCOME</b>		<b>311 850</b>	<b>264 064</b>
Purchase of trade goods		29 209	26 161
Change in inventories (trade goods)		(1 260)	(207)
Purchase of raw materials and other supplies		186 446	140 369
Change in inventories (raw materials and other supplies)		(7 213)	(3 310)
Other purchases and external charges		55 406	47 282
Taxes other than on corporate income		3 419	2 781
Wages and salaries		27 776	25 641
Social charges		13 248	12 335
Depreciation and amortisation of fixed assets		4 253	4 008
Increase in provisions for current assets		6 076	1 656
Provisions for contingencies and commitments		2 366	2 509
Other expenses		2 488	4 946
<b>OPERATING EXPENSES</b>		<b>322 213</b>	<b>264 172</b>
<b>OPERATING PROFIT (LOSS)</b>		<b>(10 363)</b>	<b>(108)</b>
Dividends received from subsidiaries		845	634
Interest income		1 298	1 646
Reversals of provisions		6 193	41 392
Currency gains		3 477	3 379
Net proceeds from the disposal of marketable securities		-	-
<b>FINANCIAL INCOME</b>		<b>11 813</b>	<b>47 050</b>
Allowances for depreciation and reserves		3 360	6 449
Interest expenses		2 859	21 481
Currency losses		3 035	3 192
Net expenses from the disposal of marketable securities		3	1
<b>FINANCIAL EXPENSES</b>		<b>9 257</b>	<b>31 123</b>
<b>NET FINANCIAL PROFIT (LOSS)</b>	<b>16.1</b>	<b>2 556</b>	<b>15 928</b>
<b>PRE-TAX PROFIT BEFORE EXTRAORDINARY ITEMS</b>		<b>(7 807)</b>	<b>15 819</b>
Extraordinary income sundry business operations		3	560
Extraordinary income on transactions		2 726	285
Reversal of provisions, expenses reclassifications		5 576	639
<b>EXTRAORDINARY INCOME</b>		<b>8 305</b>	<b>1 485</b>
Extraordinary expenses sundry business operations		4 202	478
Extraordinary expenses on transactions		3 738	6 293
Depreciation and provisions		1 829	4 052
<b>EXTRAORDINARY EXPENSES</b>		<b>9 769</b>	<b>10 824</b>
<b>EXTRAORDINARY PROFIT (LOSS)</b>	<b>16.2</b>	<b>(1 464)</b>	<b>(9 339)</b>
Corporate income tax	17	(2 909)	(2 802)
<b>NET PROFIT (LOSS)</b>		<b>(6 362)</b>	<b>9 283</b>

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Figures are expressed as thousands of euros.

## **NOTE 1 - SIGNIFICANT EVENTS**

### **Presentation of the new strategic plan**

The Group presented its new strategic plan entitled "Let's dare together plan" in April 2018 at the Intermat trade fair. The Group's goal is to provide customers solutions which are increasingly safe, environmentally friendly and fully adapted to its partners' needs.

To transform this goal into action plans, the Group has defined three major strategic priorities:

- Become a "blue company",
- Become a provider of global solutions,
- Become the industry standard setter for service.

Two major cross functional programs provide the foundations for these strategic goals:

- managerial transformation ("Let's dare") to free up the Group's collaborative energy,
- digital transformation, a key driver of future success: creating new possibilities for operational efficiencies across the entire value chain.

At this exhibition, the Group also introduced its Pulseo range (100% electric machines) and presented its first all-electric 20m articulating boom lift (HA20LE), a world premiere.

Finally, two apps were introduced by the Group in 2018 :

- Haulotte Diag to facilitate day-to-day machine maintenance operations,
- Quick positioning to select in just a few seconds the right machine for the customer's worksite.

### **Disposal of No.Ve.**

On 21 June 2018, Haulotte Group SA sold No.Ve., its subsidiary for its entire rental operations in Italy.

### **Acquisition of a controlling interest in Acarlar Makine**

On 8 October 2018, Haulotte acquired 100% of the Turkish materials lifting equipment distributor, Acarlar Makine, the Group's exclusive distributor in the Turkish market.

Haulotte has held a 50% stake in the capital of this company since April 2014.

This acquisition is thus in line with the rationale behind the initial equity investment and should enable Haulotte to reinforce its position in the Turkish market which is considered to offer interesting growth prospects.



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## Renegotiation of the syndicated credit facility

A €90 million syndicated credit facility was arranged in September 2014. The extension for this facility concluded in March 2017 will expire in September 2019. The maturities were accordingly reclassified for their full amount under short-term debt for €85.6 million (including the overdraft facility).

Haulotte Group SA is in the process of renegotiating with the current banking pool for a new credit facility based on comparable terms, with the amount to be defined.

## New headquarters

In October 2018, the Group announced the construction of new headquarters in the town of Lorette in the Loire region of France. On 31,000 sqm of land, the building will include 5,000 sqm of office space and 2,500 sqm devoted to innovation and prototypes to design the equipment of the future. The transfer to these new facilities is currently planned for 2020. This building will be acquired through a finance lease signed in February 2019.

## NOTE 2 - ACCOUNTING POLICIES

The company's annual financial statements have been prepared in accordance with the laws and regulations applicable in France and with regulation 2014-03 of France's national Accounting Standards Body (*Autorité des Normes Comptables*).

The accounting principles applied include:

- the conservatism principle,
- the going concern concept,
- the time period concept,
- the consistency principle.

### 2.1 Intangible fixed assets

Intangible assets are recognised at their purchase price, excluding financial charges.

Software is depreciated on a straight-line basis over 3 to 7 years according to its useful life.

Models and designs are depreciated over 5 years.

Goodwill is not subject to depreciation. An impairment is recorded when its value in use is less than the amount initially recognised. Under regulation 2015-06 of ANC, it was considered that this goodwill had an indefinite useful life.

Research and development expenditure is expensed in the period incurred.

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## 2.2 Property, plant and equipment

Property, plant and equipment are recognised in the balance sheet at purchase cost (less discounts and all costs necessary to bring the asset to working condition for its intended use) or production cost. Finance costs are not included in the cost of fixed assets.

Basis for depreciation of fixed assets is their gross value (cost less residual value). Depreciation starts from the date the asset is ready to be commissioned. Depreciation is recorded over the useful life that reflects the consumption of future economic benefits associated with the asset that will flow to Haulotte Group SA.

When the asset's carrying value is greater than its estimated recoverable amount, an impairment is recorded for the difference.

Subsequent costs are recognised as separate assets and subject to different depreciation rates if the related assets have different useful lives. The carrying amount of the renewed or replaced part is derecognised, the new costs incurred being separately capitalised.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method over their estimated useful lives as follows:

	Depreciation period
Plant buildings:	
- Main component	40 years
- Other components	10 to 30 years
Building fixtures and improvements:	
- Main component	10 to 40 years
- Other components	5 to 20 years
Plant equipment	5 to 20 years
Other installations and equipment	3 to 20 years
Transportation equipment	5 years
Computer and office equipment	3 to 10 years
Office furniture	3 to 10 years

The assets' residual value and useful lives are reviewed and adjusted, if appropriate, at each balance-sheet date.

The gains or losses on disposals of fixed assets are recognised within 'Extraordinary income/expenses on transactions'.

### • Regulated tax reserves

Regulated reserves include in particular additional tax depreciation allowances calculated by utilising the most favourable tax option. This mainly concerns depreciation on residual values of equipment recorded as fixed assets.



# STATUTORY ACCOUNTS

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## 2.3 Financial assets

### • *Equity Investments*

Investments are recognised in the balance sheet at historical cost, including transaction costs such as transfer rights, commissions and fees directly attributable to the acquisition of the securities. These expenses are included in the cost of securities and are subject to special accelerated depreciation over five years.

At year-end their balance sheet value is compared with their going concern value, determined with reference to the share in net equity owned and the earnings prospects. When applicable, a provision for impairment is recorded. When necessary (notably for subsidiaries with negative net equity), additional provisions are recognised first against intra-group assets (receivables, current accounts) and further as a provision for charges if necessary.

### • *Receivables from investments*

Receivables from investments relate to current account advances and loans granted to subsidiaries.

These items are recognised at face value. Current account balances in foreign currencies are translated into Euros at the year-end exchange rate. Gains arising on translation are recognised as 'unrealised foreign exchange gains' and recorded in the balance sheet. Losses arising on translation result in the recognition of a provision for foreign exchange losses and go therefore through the income statement.

Current accounts are subject to impairment in the cases described in the preceding paragraph. There is no translation adjustment recorded for the impaired portion of foreign currency current accounts.

### • *Treasury shares*

Treasury shares acquired in connection with the Group's share buy-back program are recorded as financial assets. They are recognised at purchase price. At the end of the year, their carrying value is determined on the basis of the average quoted price of the shares for the last month of the year. If the carrying value is lower than the purchase price, an impairment loss is recorded for the difference.

## 2.4 Inventories and work in progress

Inventories are stated at the lower of cost or net realisable value:

- Materials and supplies cost is determined using the average cost method based on the weighted average cost per unit,
- The cost of finished products and work in progress includes direct production costs and factory overhead (based on normal operating capacity),
- Traded goods inventories are recorded at purchase price (spare parts) or at their trade-in value (second-hand machines),
- The net realisable value is the estimated selling price in the ordinary course of business less applicable expenses to recondition or sell the goods.

Impairment is recognised when the net realisable value corresponding to the estimated selling price in the ordinary course of business less applicable expenses to recondition or sell the goods, is less than the carrying value of inventories defined above.

# STATUTORY ACCOUNTS

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## 2.5 Receivables and payables

Receivables and payables are recognised at their face value.

A provision for impairment is recorded when their collection value, determined on a case-by-case basis, is estimated to be lower than the carrying value.

As soon as there are indications of a real and serious collection risk, a provision for impairment is recorded.

## 2.6 Translation of transactions in foreign currency

Transactions in foreign currencies are translated at the exchange rate on the transaction date. At the end of the period, receivables and payables balances are translated at the closing rate. The resulting translation differences for payables and receivables in foreign currency at the end of the period are recognised in the balance sheet under the cumulative translation adjustment. For unrealised foreign exchange losses a provision for contingencies is recorded.

For receivables for which impairment has been recorded, only the remaining balance is translated at the year-end exchange rate.

Following the ANC regulation No.°2015-05 of 2 July and applicable as from 1 January 2017, allowances for and reversals of provisions for foreign exchange losses on trade receivables and payables are recognized under operating income and expenses.

## 2.7 Marketable securities

Marketable securities are initially recognised at their purchase price excluding incidentals. Carrying value of the securities is measured based on quoted values at the closing date. An impairment is recorded when this quoted value is lower than purchase price.

## 2.8 Provisions

When a contingent liability is identified, for which no reliable estimation can be determined, there is no provision recognized. If applicable, a description of the identified risk is included in a dedicated paragraph within the notes relating to provisions for contingencies and charges (Note 12) or contingent liabilities.

In general a provision is recorded when:

- the Group has a present legal or constructive obligation as a result of a past event,
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation,
- the obligation has been reliably estimated.

### • Warranty provision

Accordingly, Haulotte Group grants clients a manufacturer's warranty. The estimated cost of warranties on products already sold is covered by a provision statistically calculated on the basis of historical data. The warranty period is generally two years. When necessary, a provision is recognised on a case-by-case basis to cover specific warranty risks identified.

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## • *Litigations*

Other provisions are also recorded in accordance with the above principles to cover risks related to litigations, site closures (when applicable) or any other event meeting the definition of a liability. The amount recognised as a provision represents the best estimate of the expenditure required to settle the obligation.

All material lawsuits involving the company were reviewed at year-end, and based on the advice of legal counsel, the appropriate provisions were recorded, when necessary, to cover the estimated risks corresponding to a net out flow of resources.

## • *Pension*

Haulotte Group SA records provisions for retirement severance payment and other post-employment obligations as well as long-service awards. Haulotte Group SA only had defined benefit plans. The corresponding obligation is measured using the projected unit credit method with end-of-career wages. The calculation of this obligation takes into account the provisions of the laws and collective bargaining agreements and actuarial assumptions concerning notably staff turnover, mortality tables, salary increases and inflation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the income statement in the period incurred.

## 2.9 Operating profit

### • *Revenue recognition*

"Net sales" includes the goods and services sales comprising notably:

- Equipment sales to the distribution and renting subsidiaries of the group,
- Direct sales to certain customers,
- Spare parts sales,
- Services.

Sales of goods are recorded net of value added tax at the date of transfer of risks and benefits of ownership.

Revenues related to services are recognised over the period during which the services are rendered.

### • *Operating expenses*

Operating expenses include notably material costs, production costs and overheads.

## 2.10 Financial income

Financial income consists primarily of changes in provisions on investments and on intercompany current accounts, exchange gains and losses (except those relating to commercial receivable and debt), interest income and expenses on current accounts and financial costs associated with borrowing.

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## 2.11 Extraordinary income

Items that are exceptional in nature or that do not occur in the normal course of business are recognised under extraordinary profit or loss. In accordance with the French National Accounting Code (*Plan Comptable Général*), extraordinary profit or loss also includes allowances and reversals of special tax depreciation provisions.

## 2.12 Competitiveness and Employment Tax Credit

The Tax Credit for Competitiveness and Employment (CICE), applied to eligible salaries paid during the calendar year, is recorded as a decrease in operating expenses. In accordance with the method recommended by France's national Accounting Standards Body (*Autorité des Normes Comptables*), the resulting gain is credited to the account 649 - Staff costs - in order to be charged over the outstanding company tax, in respect of current or future fiscal years.

## NOTE 3 - POST-CLOSING EVENTS

No post-closing event occurred which may have a significant impact on the financial statements.

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## NOTE 4 - FIXED ASSETS

### 4.1 Property, plant and equipment & intangible assets

#### Gross amounts

In thousands of Euros	31/12/2017	Increase	Decrease	31/12/2018
Intangible assets <sup>(1)</sup>	19 272	1 728	-	21 000
Intangible assets in progress	882	775	563	1 095
Land	882	-	-	882
Building	2 848	-	-	2 848
General installations	13 236	465	328	13 374
Machinery and equipment	26 455	1 873	274	28 053
Other PPE	4 123	648	3	4 768
Fixed assets in progress	1 063	1 882	1 000	1 946
<b>TOTAL</b>	<b>68 761</b>	<b>7 371</b>	<b>2 167</b>	<b>73 966</b>

#### Accumulated depreciation and impairment

In thousands of Euros	31/12/2017	Increase	Decrease	31/12/2018
Intangible assets	13 038	1 876		14 914
Building	1 236	67		1 302
General installations	9 995	507	189	10 313
Machinery and equipment	21 430	1 342	228	22 543
Other PPE	3 617	462	2	4 077
<b>TOTAL</b>	<b>49 315</b>	<b>4 253</b>	<b>419</b>	<b>53 149</b>

<sup>(1)</sup> The intangible assets concern primarily software. They also include goodwill of 168 thousand €. The goodwill originated from the creation of Haulotte S.A. in 1995. No depreciation or impairment has been recorded.

Research and development expenditure, recorded in operating expenses, totalled 12,279 thousand € for the fiscal year.

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## 4.2 Financial assets

Financial assets break down as follows on a cost basis:

In thousands of Euros	31/12/2017	Increase	Decrease	31/12/2018
Equity investments <sup>(1)</sup>	25 507	15 004	2 164	38 348
Current accounts & loans to subsidiaries <sup>(2)</sup>	116 407	28 315	14 993	129 729
Treasury shares <sup>(3)</sup>	14 422	4 786	4 518	14 690
Other financial assets	3 603	379	14	3 968
<b>TOTAL GROSS VALUE</b>	<b>159 940</b>	<b>48 485</b>	<b>21 690</b>	<b>186 735</b>

In thousands of Euros	31/12/2017	Allowances	Reversals	31/12/2018
Provisions on Equity investments <sup>(4)</sup>	3 616	202	-	3 817
Provisions on Current accounts & loans <sup>(5)</sup>	17 661	1 132	3 041	15 752
Provisions on Treasury shares	0			0
Provisions on Other financial assets	1 668	79		1 747
<b>TOTAL PROVISIONS</b>	<b>22 944</b>	<b>1 413</b>	<b>3 041</b>	<b>21 316</b>

<b>TOTAL NET VALUE</b>	<b>136 996</b>			<b>165 419</b>
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<sup>(1)</sup> The increase in equity investments is due to the acquisition of the remaining 50% of our Turkish subsidiary Acarlar. The decrease in equity investments concerns to the sale of our Italian rental company NOVE.

<sup>(2)</sup> The decrease is mainly due to the reimbursement of NOVE's current account. The increase mainly concerns Haulotte US, Haulotte Australia and Haulotte Middle East.

<sup>(3)</sup> The number of treasury shares owned at year end 2018 is 1 836.567. (See §4.3).

<sup>(4)</sup> Haulotte Group has recorded additional provisions on Equity investments for Haulotte Argentina.

<sup>(5)</sup> The decrease in the provisions on current account mainly concerns Haulotte US, Horizon Chile and Haulotte UK, and is partially offset by the increase in the provisions for Haulotte Mexico, Haulotte Argentine and Haulotte Netherland.

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## 4.3 Changes in treasury shares

Type		2018	2017
<b>Liquidity agreement</b>	Number of shares purchased	334 048	248 048
	Purchase price of shares (€)	4 786 486	3 692 601
	Average price per share (€)	14,33	14,89
	Number of shares sold	275 379	282 380
	Original value of shares sold (€)	4 518 027	3 999 745
	Sale price of shares sold (€)	4 077 629	4 262 090
	Net gain / (loss) (€)	(440 397)	262 346
	Number of shares cancelled	-	-
	Number of shares at December 31	138 162	79 493
	Original value of shares at December 31 (€)	1 506 808	1 238 349
<b>Buyback authorisation</b>	Number of shares purchased		
	Purchase price of shares (€)		
	Average price per share (€)		
	Number of shares sold		
	Number of shares cancelled		
	Number of shares at December 31	1 698 405	1 698 405
	Original value of shares at December 31(€)	13 183 551	13 183 551
<b>Global</b>	Number of shares at December 31	1 836 567	1 777 898
	Initial value of shares at December 31(€)	14 690 359	14 421 900
	Provision for treasury shares at December 31* (€)	-	-
	Closing price of shares at December 31 (€)	8,83	16,13

\* On the basis of the average price of shares for the last month.



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## 4.4 List of subsidiaries and affiliates

Company Registered office In thousands of Euros	Share capital Shareholders' equity <sup>(1)</sup>	Ownership interest (%)	Reserves and retained earnings	Gross value / Net value of shares	Advances	Dividends received	Revenue <sup>(2)</sup> Net income
Haulotte France Sarl 69 St-Priest - France	1 046 10 982	99,99%	7 253	3 804 3 804	(16 381)		88 590 2 662
Telescopelle SAS L'Horme - France	37 923	100,00%	826	37 37	(854)		114 60
Haulotte Access Equipment Manufacturing (Changzhou) Co., Ltd. China	2 288 12 579	100,00%	6 947	2 000 2 000			41 713 3 373
Haulotte Argentina SA Argentina	113 (1 380)	100,00%	50	1 624 0	462		8 296 (1 544)
Haulotte Arges SRL Romania	837 59 998	100,00%	49 024	1 100 1 100	(4 485)		134 827 10 157
Haulotte Australia Pty Ltd Australia	0 1 515	100,00%	195	0 0	27 177		42 342 1 354
Haulotte Do Brazil Ltda Brasil	113 (25 069)	99,98%	(20 099)	201 0	1 977		6 575 (5 243)
Haulotte Digital Support Center Romania	0 (522)	95,00%	0	0 0	600		15 (511)
Haulotte Hubarbeitsbunnen GmbH Germany	30 19 655	100,00%	18 400	30 30	(14 733)		65 704 1 225
Haulotte Iberica SL Spain	310 10 871	98,71%	5 236	3 3	1 173		32 652 5 325
Haulotte Italia Srl Italy	100 12 219	99,00%	10 732	10 10	(5 754)		32 001 1 387
Haulotte Mexico SA de CV Mexico	891 (1 096)	99,99%	(1 630)	1 113 0	5 257		10 095 (354)
Haulotte Middle East FZE United Arab Emirates	0 12 523	100,00%	11 377	199 199	7 234		13 307 881
Haulotte Netherlands BV Netherlands	20 (202)	100,00%	(530)	20 0	1 078		17 601 307
Haulotte Polska SP Z.O.O. Poland	93 6 217	100,00%	5 079	105 105	(6 150)		17 766 1 055
Haulotte Scandinavia AB Sweden	10 17 067	100,00%	17 050	11 11	(14 749)		22 321 (72)
Haulotte Singapore Ltd. Singapore	0 4 513	100,00%	3 729	0 0	2 569		17 931 760
Haulotte Trading (Shanghai) co. Ltd. China	0 (6 594)	100,00%	(4 378)	550 0			15 182 (2 963)
Haulotte UK Ltd United Kingdom	1 (3 116)	100,00%	(3 557)	2 0	6 463		17 967 445

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Haulotte US Inc	3	100,00%	(43 581)	3	65 055	56 904
United States	(7 507)			0		2 794
Haulotte Vostok	36	100,00%	1 887	80		27 115
Russia	1 690			80		(251)
Horizon High Reach Limited	577	100,00%	6 821	5 065		6 525
Argentina	5 152			5 065		(2 246)
Levanor Maquinaria de Elevacion S.A.	100	91,00%	665	300	1 277	0
Spain	753			0		(12)
Haulotte Chile	0	100,00%	0	0		0
Chile	0			0		0
Horizon Chile	0	100,00%	(321)	5	49	8 710
Chile	(920)			0		(628)
Haulotte India	64	99,99%	93	62		5
India	180			62		22
Acartar	612	100,00%	869	22 024	845	4 249
Turkey	3 415			22 024		849

<sup>(1)</sup> Including Capital and Net income.

<sup>(2)</sup> The Turnover shown for each subsidiary includes interest revenue on finance leases.

For foreign subsidiaries, figures presented are translated at the year-end closing exchange rate except for revenue and net income which are translated at the average exchange rate of the period.

## NOTE 5 - INVENTORIES

In thousands of Euros	Inventories at 31/12/2018			Inventories at 31/12/2017		
	Gross	Provisions	Net	Gross	Provisions	Net
Raw materials	28 154	(860)	27 294	20 941	(755)	20 186
Work in progress	2 070	-	2 070	1 654		1 654
Finished goods	26 277	(1 181)	25 096	14 255	(1 266)	12 989
Trade goods	9 558	(1 000)	8 558	8 298	(945)	7 353
<b>TOTAL</b>	<b>66 058</b>	<b>(3 041)</b>	<b>63 017</b>	<b>45 147</b>	<b>(2 966)</b>	<b>42 182</b>

The increase in inventories mainly concerns components and aerial working platform and is due to the increase in activity.

# STATUTORY ACCOUNTS

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## NOTE 6 - TRADE RECEIVABLES

In thousands of Euros	31/12/2018	31/12/2017
<u>Trade receivables</u>	<b>130 582</b>	<b>123 577</b>
of which Group receivables	118 471	101 180
<u>Provisions</u>	<b>(33 184)</b>	<b>(28 328)</b>
of which Group provisions	(29 819)	(25 013)
<b>Net trade receivables</b>	<b>97 398</b>	<b>95 249</b>

The increase in depreciation mainly concerns receivables from our subsidiaries Haulotte Brazil, Haulotte Shanghai and Haulotte Argentina.

## NOTE 7 - MATURITY OF RECEIVABLES AND PAYABLES

The receivables are as follows:

In thousands of Euros	Total	<1 year	> 1 year < 5 years	> 5 years
Current accounts & loans to subsidiaries	129 729	68 006	0	61 723
Trade receivables	130 582	127 189	0	3 392
Other receivables	22 083	15 875	6 207	0

The other receivables mainly concern income tax, VAT and profit to be received from insurance following a fire into a plant.

## NOTE 8 - ACCRUALS

In Euros	31/12/2018	31/12/2017
<u>Prepaid expenses</u>	<b>656</b>	<b>1 290</b>
Operating expenses	656	1 290
Financial expenses	-	-
<u>Deferred revenue</u>	<b>2 334</b>	<b>533</b>
<u>Unrealised foreign exchange losses</u>	<b>2 668</b>	<b>4 252</b>
On receivables	2 333	3 921
On payables	335	331
<u>Unrealised foreign exchange gains</u>	<b>14 844</b>	<b>10 638</b>
On receivables	13 960	10 045
On payables	883	593

The main prepaid expenses relate to trade shows, computer rights and fees.

The deferred revenue relates to machines and spare parts.

# STATUTORY ACCOUNTS

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## NOTE 9 - OTHER ACCRUED ASSETS AND LIABILITIES

### 9.1 Accrued liabilities

In thousands of Euros	31/12/2018	31/12/2017
Bank borrowings	85	43
Trade payables	34 437	24 541
Tax and employee-related payables	4 081	4 934
Other payables	1 188	710
<b>TOTAL</b>	<b>39 791</b>	<b>30 226</b>

Other debts mainly concern credit note to be issued on spare parts and machines.

### 9.2 Accrued assets

In thousands of Euros	31/12/2018	31/12/2017
Customer Accounts receivables	4 020	3 187
Other receivables	2 028	4 638
Accrued interests	-	-
<b>TOTAL</b>	<b>6 048</b>	<b>7 824</b>

Other receivables mainly concern profit to be received from insurance following a fire into a plant and credit note to be received from various suppliers.

## NOTE 10 - SHAREHOLDERS'S EQUITY

### Detail of share capital

In Euros	31/12/2017	Increase	Decrease	31/12/2018
Number of shares	31 371 274			31 371 274
Nominal value in Euros	0,13			0,13
Share capital in Euros	4 078 265			4 078 265

### Statement of changes in shareholders' equity (in thousands of Euros)

<b>Shareholders' equity at 31/12/2017</b>	<b>107 694</b>
Dividends distributed	(6 507)
Change in regulated reserves	(55)
Profit/(loss) for the period	(6 362)
Investment grants	4
<b>Shareholders' equity at 31/12/2018</b>	<b>94 773</b>

# STATUTORY ACCOUNTS

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## NOTE 11 - IDENTITY OF THE PARENT COMPANY CONSOLIDATING THE FINANCIAL STATEMENTS

Company name - registered office	Legal form	Capital	Capital of Haulotte Group SA owned
SOLEM 93 Epinay sur Seine - France	S.A.S	477	54,40

## NOTE 12 - COMMITMENTS AND CONTINGENCIES

In thousands of Euros	31/12/2017	Allowances	Provisions used in the period	Reversal of unused provisions	31/12/2018
Warranty provisions	3 276	847	386	175	3 563
Provisions for foreign exchange losses	3 781	1 944	3 781		1 944
Provision for foreign exchange losses on commercial receivables and payables	471	723	471		723
Provision for pensions and other employees cost**	3 991	796	54		4 732
Other contingencies and commitments*	4 343	1 802	3 828	50	2 267
<b>TOTAL</b>	<b>15 861</b>	<b>6 113</b>	<b>8 520</b>	<b>225</b>	<b>13 230</b>
*Of which provision on negative net equity of subsidiaries	218	1 757		3	1 972
**Of which provision on restricted stock unit plan	0	400			400
Recognised under operating profit		2 366	1 086		
Recognised under financial profit		1 944	3 781		
Recognised under extraordinary profit		1 802	3 878		
<b>TOTAL</b>		<b>6 113</b>	<b>8 744</b>		

### Provision for a restricted stock unit plan

By decision of the Board of Directors of 13 March 2018, a restricted stock unit plan (*plan d'attribution d'actions gratuites*) was adopted for the benefit of a selected category of employees. The plan highlights are as follows:

Board of Directors' meeting date	13/03/2018
Beneficiaries:	Employees (excluding directors and officers)
Total number of restricted stock units granted:	70 000
of which granted to corporate officers	0
Vesting date of the shares <sup>(1)</sup>	14/03/2021
End of the holding period	n/a
Number of shares subscribed at 31/12/18	0
Total number of shares cancelled or lapsed	0
Restricted stock units remaining at the end of the period	70 000

<sup>(1)</sup> The vesting of shares is subject to the condition whereby the beneficiary remains an employee of the company and achievement of non-market performance conditions. The share price on the grant date was €19.12.

# STATUTORY ACCOUNTS

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## Provisions for post-employment benefits

Retirement commitments are estimated according to the projected unit credit method using end-of-career wages according to the procedures described in paragraph 2.8, on the basis of the following assumptions:

- a mortality table INSEE 12-14 (vs. 2017 INSEE 12-14),
- a staff turnover rate based on available Group historical data,
- a salary increase rate based on the expected length of service, career development, the terms of collective bargaining agreements and the rate of long-term inflation representing a total rate of 2%,
- a 1.65% discount rate (vs. 2017 1.5%),
- a retirement age for employees born before 1 January 1950 of 62 for managers, 60 for clerical staff,
- a retirement age for employees born after 1 January 1950 of 65 for managers, 63 for clerical staff.

Concerning end-of-career severance benefits, the assumption retained is that of voluntary retirement that takes into account social security contributions (45 %). This method of calculation complies with the French Pension Reform Act of 21 August 2003 Loi Fillon, (amended by the law n°2010-1330 dated 9 November 2010 as published in the "Journal Officiel" dated 10 November 2010).

At 31 December 2018, the provision was split between:

- 4 012 thousand € for pensions provisions,
- 319 thousand € for long-service award provisions.

The decrease in other contingencies and commitments mainly concerns the provisions for foreign exchange losses and the provision reversal of a defaulting customer following the payment of the call in guarantee by the bank.

## NOTE 13 - BORROWINGS

### 13.1 Bank borrowings

In thousands of Euros	31/12/2017	Increase	Decrease	31/12/2018
Syndicated loan	29 589	37 000	0	66 589
Other loans	22 886	13 000	4 852	31 034
Overdraft on syndicated loans	1 594	12 385		13 979
Other overdrafts	1 812	4 797		6 609
Accrued interests	43	49	7	85
<b>TOTAL</b>	<b>55 922</b>	<b>67 231</b>	<b>4 859</b>	<b>118 295</b>

#### • Syndicated credit facility

The maturities of the syndicated credit are as follows:

- 30 September 2019 for the revolving credit facility for €52 million,
- 30 September 2019 for the overdraft facility for €20 million,
- 30 September 2019 for the refinancing facility for €14,589,000 as a bullet loan repayable in full on maturity.

This syndicated credit facility was obtained at a floating rate indexed on Euribor for the refinancing and revolving facilities, and on Eonia for the overdraft facility.

# STATUTORY ACCOUNTS

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Movements in the syndicated credit facilities in the 2018 financial period may be summarised as follows:

In thousands of Euros	31 /12/2017	Net Change of the refinancing facility	Net Change of the revolving porting	Net Change of the bank overdraft	Loan Balance at 31/12/ 2018	Balance available at 31/12/2018 for further drawing
Refinancing	14 589				14 589	
Revolving	15 000		37 000	-	52 000	-
<b>SUB-TOTAL</b>	<b>29 589</b>	<b>-</b>	<b>37 000</b>	<b>-</b>	<b>66 589</b>	<b>-</b>
Bank overdraft	1 594			12 385	13 979	6 021
Accrued interests	6			23	29	
<b>TOTAL</b>	<b>31 189</b>	<b>-</b>	<b>37 000</b>	<b>12 407</b>	<b>80 596</b>	<b>6 021</b>

The syndicated loan is secured by collateral, detailed in the note 22 "Off Balance Sheet commitments". On 31 December 2018, the bank ratios were respected.

## • Other loans

Haulotte Group S.A. also subscribed two new credit lines in 2018 from lenders outside the banking syndicate for €13 million, maturing in 5 years.

Moreover, Haulotte Group SA reimbursed in advance a part of its credit lines from a lender outside the banking syndicate in order to put in place new credit lines at better conditions.

## 13.2 Other loans and borrowings

In thousands of Euros	31/12/2017	Increase	Decrease	31/12/2018
Other loans	125	0	100	25
Deposits	0			0
<b>TOTAL</b>	<b>125</b>	<b>0</b>	<b>100</b>	<b>25</b>



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## 13.3 Maturity of loans and borrowings

The maturity of borrowings and other financial debts at 31 December 2018 is as follows:

In thousands of Euros	Total	<1 year	> 1 year < 5 years	> 5 years
Bank borrowings	118 320	92 805	21 864	3 650
<i>Of which syndicated loan</i>	66 589	66 589	-	-
<i>Of which other borrowings</i>	31 034	5 519	21 864	3 650
<i>Of which syndicated loan overdraft</i>	13 979	13 979	-	-
<i>Of which other overdrafts</i>	6 609	6 609	-	-
<i>Of which accrued interests</i>	85	85	-	-
Miscellaneous financial liabilities	25	25	-	-

As mentioned into § 1 on significant events, the syndicated loan is totally booked on short terms.

## NOTE 14 - MATURITY OF CREDITORS

The maturity of creditors at 31 December 2018 is as follows:

In thousands of Euros	Total	< 1 year	> 1 year < 5 years	> 5 years
Trade payables	64 050	64 050	-	-
Tax and employee related liabilities	8 732	8 732	-	-
Payables to fixed assets suppliers	0	-	-	-
Other liabilities	63 984	63 984	-	-
<i>of which current accounts</i>	-	62 784	-	-

## NOTE 15 - SALES

In thousands of Euros	France	Export	Total
Sales of equipment	70 426	194 918	265 345
Sales of services	2 812	11 363	14 174
<b>TOTAL</b>	<b>73 238</b>	<b>206 281</b>	<b>279 519</b>

# STATUTORY ACCOUNTS

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## NOTE 16 - FINANCIAL AND EXTRAORDINARY INCOME AND EXPENSE

### 16.1 Financial profit (loss)

In thousands of Euros	31/12/2018	31/12/2017
Change in provisions for impairment of shares and advances to subsidiaries	1 625	37 861
Dividends received from subsidiaries	845	634
Interest on current account	(407)	210
Interest on borrowings bank overdraft and bank fees	(1 214)	(1 525)
Foreign exchange : gains, losses, changes in provisions	1 958	(3 312)
Details by currency:		
USD	2 919	
GBP	137	
AUD	(1 223)	
Autres	125	
	1 958	
Income from marketable securities	(3)	(1)
Loss on receivables from investments*	-	(18 705)
Late payment interests and discounts	61	186
Financial charges and incomes on Swaps	(309)	581
<b>TOTAL</b>	<b>2 556</b>	<b>15 928</b>

\* Following the liquidation of our dormant subsidiary Haulotte Cantabria.

### 16.2 Extraordinary profit (loss)

In thousands of Euros	Expense 31/12/2018	Income 31/12/2018	Expense 31/12/2017	Income 31/12/2017
Fines and penalties	207	-	2	
Provisions for lawsuit contingencies <sup>(1)</sup>	1 802	3 878	4 024	522
Other extraordinary income (expense) <sup>(2)</sup>	4 702	3	476	560
Proceeds from the disposal of PPE	202	-	38	7
Proceeds from the disposal of financial assets <sup>(3)</sup>	2 164	2 500	6 240	
Proceeds from investment securities	665	225	16	278
Exceptional depreciation expenses	-	1	-	-
Excess tax depreciation	27	82	28	84
Transfer of charges <sup>(2)</sup>	-	1 616	-	34
<b>TOTAL</b>	<b>9 769</b>	<b>8 305</b>	<b>10 824</b>	<b>1 485</b>

<sup>(1)</sup> Allowance mostly related to provision on negative net equity of our subsidiary H.Bresil and reversal linked with the call in bank guarantee on a customer (3,5M€).

<sup>(2)</sup> Extraordinary expenses mainly related to a call-in bank guarantee on a customer (3,4M€) and a fire into a plant.

<sup>(3)</sup> Following the sale of our subsidiary NOVE.

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## NOTE 17 - BREAKDOWN OF TAX INCOME BETWEEN CURRENT INCOME AND EXTRAORDINARY PROFIT (LOSS)

In thousands of Euros	Pre-tax income	Corporate income tax	After tax income
Current income	(7 807)	2 909	(4 898)
Extraordinary profit (loss)	(1 464)	-	(1 464)
<b>TOTAL</b>	<b>(9 271)</b>	<b>2 909</b>	<b>(6 362)</b>

The breakdown of tax between current income and extraordinary income has been determined by applying the legal tax rate respectively to a current tax income and an extraordinary tax income.

The profit of tax comes mainly from the Tax Credit for the Research.

## NOTE 18 - COMPETITIVENESS AND EMPLOYMENT TAX CREDIT

The Tax Credits for Competitiveness and Employment (CICE) from 2018 (712 thousand €) have been neither refunded, nor deduced from corporate income tax, and are still recorded as Other Receivables.

In accordance with article 244 quater C of the French general tax code, the French wage tax credit (*crédit impôt pour la compétitivité et l'emploi* or CICE) was used by the company to finance capital expenditures, research, training, recruitment, prospecting new markets, environmental and energy transition measures and for improving working capital requirements.

In 2018, the related profit was booked but has not been cashed. The ones of 2016 and 2017 haven't been cashed.

## NOTE 19 - DEFERRED TAXES

In thousands of Euros	Basis	Deferred tax
<b>Expenses recorded not deductible for tax purposes</b>		
Employee profit-sharing		
"Organic" tax	408	114
Provision for inventory losses	2 325	651
Provision for trade receivable losses	2 681	751
Provision for pensions	4 012	1 123
<b>Taxable income not recorded in the accounting income</b>	<b>14 844</b>	<b>4 156</b>
<b>NET DEFERRED TAXES</b>	<b>24 271</b>	<b>6 796</b>

Haulotte Group SA has accumulated losses for tax carry forwards amounting to 49,004 thousand €:

- 28,851 thousand € acquired for the overall result 2011,
- 24,549 thousand € acquired for the overall result 2012,
- 1,792 thousand € acquired for the overall result 2013,
- (6,170) thousand € used for the overall result 2014,
- (3,654) thousand € used for the overall result 2015,
- (363) thousand € used for the overall result 2016,
- 1 978 thousand € acquired for the overall result 2017,
- 2 020 thousand € acquired for the overall result 2018.

# STATUTORY ACCOUNTS

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## NOTE 20 - TAX CONSOLIDATION

Haulotte Group SA is the head of a French tax consolidation that included on 31 December 2018 the entities Haulotte France, Télescopelle and Haulotte Services.

Under this tax sharing agreement, the income tax of entities is incurred by subsidiaries as if they are not included in a tax group.

## NOTE 21 - FEES ALLOCATED TO DIRECTORS AND OFFICERS

Amount allocated to Board members expensed by the Company totalled 806 thousand € in 2018 versus 908 thousand € in 2017.

This amount originates from funds invoiced by Solem S.A.S. for the services rendered on behalf of the Group by two executives. It includes expenses incurred by those executives on behalf of the Group.

In compliance with the agreement to provide general administrative and commercial assistance signed by Solem S.A.S. the cost of the services is subject to a 10% mark-up.

No loans or advances have been granted to directors and officers. There are no other pension obligations or related commitments in favour of former executives.

Moreover a part of the amount allocated relates a consulting service carried out by a Board member.

## NOTE 22 - OFF-BALANCE SHEET COMMITMENTS

### 22.1 Finance lease commitments

#### • Assets of finance lease

In thousands of Euros	Cost price	Depreciation allowances <sup>(1)</sup>		Net value
		Accounting period	Accrued	
Other tangible fixed assets	147	29	41	106
<b>TOTAL</b>	<b>147</b>	<b>29</b>	<b>41</b>	<b>106</b>

<sup>(1)</sup> Provisions over 5 years that would have been recorded for these assets if they had been acquired.

#### • Commitments finance lease

In thousands of Euros	Fees paid		Fees remaining to be paid				Residual purchase price <sup>(1)</sup>
	Accounting period	Accrued	<1year	1-5years	>5years	Total Due	
Other tangible fixed assets	45	59	45	46	-	91	1
<b>TOTAL</b>	<b>45</b>	<b>59</b>	<b>45</b>	<b>46</b>	<b>-</b>	<b>91</b>	<b>1</b>

<sup>(1)</sup> According to contract.

# STATUTORY ACCOUNTS

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## 22.2 Other commitments given

### • **Guarantees granted to financial institutions offering financing to group customers**

In line with industry practice, Haulotte Group grants guarantees to financial institutions offering financing to Group customers. Under such arrangements, Haulotte Group sells equipment to the financial institution that in turn contracts with the end user customer through one of two options: the credit sale of the equipment, or the conclusion of a finance lease.

Haulotte Group may grant several types of guarantees depending on the framework of agreements concluded with financial institutions and the level of risk assigned to the customer by this institution. Those guarantees are:

- Guarantee in the form of a commitment to continue lease payments,
- Guarantee in the form of a contribution to a risk pool,
- Specific guarantee covering a determined amount for a given receivable,
- Guarantee in the form of commitments to repurchase the equipment.

In Thousands of Euros	31/12/2018	31/12/2017
< 1 year	9 518	7 181
> 1 year	16 625	16 625
<b>TOTAL</b>	<b>26 143</b>	<b>23 806</b>

### • **Repurchase commitments given to institutions providing financing to customers**

This concerns commitments given by the company to financial institutions to substitute for customers who do not exercise their purchase option.

Of which 60 thousand € given to Haulotte France.

In thousands of Euros	31/12/2018	31/12/2017
< 1 year	4	46
1 - 5 years	57	53
> 5 years	-	1
<b>TOTAL</b>	<b>60</b>	<b>100</b>

### • **Guarantees for export credit financing (uncovered portion)**

Export credit agreements were arranged for selected customers whereby specialised organisations provide the banks guarantees for a percentage of these agreements and the Group then issues an additional counter-guarantee to the financial institution for the uncovered portion. At the end of December 2018, this commitment amounted to €1,869,000 (compared to €1,965,000 at 31 December 2017).

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## • Other commitments

This concerns commitments given by the company to suppliers.

En K€	31/12/2018	31/12/2017
< 1 year	10	10
<b>TOTAL</b>	<b>10</b>	<b>10</b>

This concerns commitments given by the company to customer to guarantee a deposit paid.

In thousands of Euros	31/12/2018	31/12/2017
< 1 year	2 601	3 182
<b>TOTAL</b>	<b>2 601</b>	<b>3 182</b>

## • Commitments given to GE Capital for the benefit of Haulotte US for US\$5 million

In connection with product financing agreements executed in 2014, Haulotte Group SA is the first call guarantor in the event of default by Haulotte US INC., for up to US\$5 million, in favour of different GE Group companies (General Electric Capital Corporation US, GE Commercial Distribution Finance Corporation US, GE Canada Equipment Financing G.P.). This commitment will expire on 19 December 2021.

## • Commitments granted to the banking syndicate as collateral to the syndicated loan

In exchange for the syndicated credit facility, the following commitments were granted to the banking syndicate:

- a pledge of the Haulotte Group S.A. business
- a pledge of Haulotte France securities held by Haulotte Group S.A., or 99.99% of the share capital
- a pledge of the current account balance between Haulotte Group S.A. and Haulotte US in the amount of US\$50 million
- a pledge of the current account balance between Haulotte Group S.A. and Haulotte Australia in the amount of AUD 10 million

The bank borrowings amount to 66,589 thousand € at 31/12/2018 vs. 29,589 thousand € at 31/12/2017 (See note 13).

## NOTE 23 - RECEIVED COMMITMENTS

In thousands of Euros	31/12/2018	31/12/2017
Commitment received from Télescopelle as a beneficiary of a debt waiver with a repayment clause	1 450	1 450

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## NOTE 24 - AVERAGE HEADCOUNTS

	31/12/2018	31/12/2017
Managers	251	239
Office employees, technicians	173	174
Workers	219	206
<b>TOTAL</b>	<b>643</b>	<b>618</b>

## NOTE 25 - INDIVIDUAL TRAINING BENEFITS

The French law of 5 March 2014 replaced the previous system in France for accumulating individual rights to training (*droit individuel à la formation or DIF*) by the so-called "personal training account" (*compte personnel de formation or CPF*) as from 1 January 2015. This new system gives employees with a permanent employment contract in the private sector a right to training, corresponding to 24 hours per year for the first five years, then 12 hours per year for a period of full-time work, capped at 150 hours.

To facilitate the transition between these two systems, the balance of hours accumulated up until 31 December 2014 under the previous system may be carried over to the new system and used up until 1 January 2021, representing for Haulotte Group SA a total of 54,158 hours.

## NOTE 26 - FOREIGN EXCHANGE RISKS EXPOSURE

The Company is mainly exposed to foreign exchange risks with receivables in US dollars, Australian dollars and pound sterling. A portion of this exposure is hedged by forward purchases of the relevant currencies and by a specific hedging instrument in US dollars.

The Company has used in the period, swaps and forward currency sales accounted for on the basis of isolated open positions. Gains and income from the settlement of positions are recognized under financial income. The Company did not have any financial instruments at the end of the reporting period.

### Significant receivables (net of provisions), payables and commitments in foreign currency not hedged

Foreign exchange exposure In thousands of Euros	Currencies							
	AUD	SEK	GBP	USD	PLN	RMB	TRY	INR Others
<b>BALANCE SHEET</b>								
Receivables <sup>(1)</sup>	31 730	407	5 522	157 223	191			
of which Group receivables	29 568		4 707	149 296				
of which non-Group receivables	2 162	407	815	7 927	191			
Payables <sup>(2)</sup>	270	11 180	13	7 725	6 121	8		9
of which Group payables	76	11 180	8	3 644	6 121			
of which non-Group payables	194	-	5	4 081		8		9
<b>OFF-BALANCE SHEET COMMITMENTS <sup>(3)</sup></b>								
Non-group commitments given	955			648	30	6 784	7 121	1431 397
Group commitments given			129					

<sup>(1)</sup> Financial receivables, trade receivables.

<sup>(2)</sup> Borrowings, trade payables, others.

<sup>(3)</sup> This concerns commitments to cover lease payments and risk pools mentioned in section 22.2.



# STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2018

### **PricewaterhouseCoopers Audit**

20 rue Garibaldi  
69451 Lyon cedex 06

### **BM&A**

11, rue de Laborde  
75008 Paris

### **Haulotte Group SA**

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

La Péronnière  
BP9  
42152 L'Horme

To the annual general meeting of Haulotte Group SA,

### **OPINION**

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying financial statements of Haulotte Group SA for the year ended 31 December 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

### **BASIS FOR OPINION**

#### ***Audit framework***

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

# STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

## ***Independence***

We conducted our audit engagement in compliance with the independence rules applicable to us for the period from 1 January 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of Ethics (Code de déontologie) for Statutory Auditors.

## **JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS**

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgement, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

### **Measurement of equity investments, receivables from investments and Group trade receivables**

#### ***Description of risk***

Haulotte Group SA holds equity in Group companies and operates a manufacturing business. As part of the development of the Group, it carries out cash advances to finance its subsidiaries. In addition, it sells equipment to its sales subsidiaries and provides services to the Group as a whole.

Equity investments, receivables from investments and Group trade receivables recognised at 31 December 2018 represent some of the largest entries on the balance sheet. Equity investments are carried at cost and may be impaired based on their value in use. Receivables from investments and Group trade receivables are recognised at par value and may be written down on the basis of their recoverability.

As indicated in Note 2.3 to the financial statements, the value in use of shares in subsidiaries is estimated by management based on equity at the closing date and forecast earnings for the concerned entities. These same inputs are used to evaluate the recoverability of receivables from investments and trade receivables at Group level.

In order to estimate the value in use of equity investments, management is required to exercise judgement to decide which inputs to use for each investee. These inputs either correspond to historical data (equity) or forecast data (profitability outlook or the economic environment in the countries in which the investees operate).

The geographic location of certain subsidiaries and the competitive and economic environment in which they operate could lead to a drop in their business activity and therefore affect their operating income. Accordingly, due to the significant amounts at stake and the decisive impact of these measurements on the assessment of the financial situation, assets and liabilities of Haulotte Group SA, we deemed the correct measurement of equity investments, receivables from investments, Group trade receivables and provisions for contingencies to be a key audit matter.

# STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2018

### ***How our audit addressed this risk***

Our audit work consisted primarily in verifying that the estimated values determined by management were based on an appropriate measurement method and underlying data and, depending on the investment:

For valuations based on historical data:

- verifying that the equity values used were consistent with the financial statements of the entities for which an audit or analytical procedures were performed and that any adjustments to equity were based on documentary evidence.

For valuations based on forecast data:

- obtaining the cash and operating cash flow projections for the activities of the entities concerned, as prepared by their operational management teams, and assessing their consistency with the forecast data taken from strategic plans drawn up by general management for each of their activities and approved, where applicable, by the Board of Directors,
- verifying the consistency of the assumptions used with the economic environment at the closing date and at the date on which the financial statements were prepared.

In addition to assessing the values in use of the investees, our work also consisted in:

- assessing the recoverability of receivables from investments in light of the analyses conducted of equity investments,
- verifying the recognition of provisions for contingencies where the Company is exposed to the losses of a subsidiary with negative equity.

### **SPECIFIC VERIFICATIONS**

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

### ***Information given in the management report and in the other documents with respect to the financial position and the financial statements to the Shareholders***

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to the payment terms required by Article D.441-4 of the French Commercial Code (code de commerce).

# STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

## ***Report on corporate governance***

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code (code de commerce).

Concerning the information given in accordance with the requirements of article L.225-37-3 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the information obtained by your company from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public purchase offer or exchange, provided pursuant to Article L. 225-37-5 of the French Commercial Code (code de commerce), we have agreed this information to the source documents communicated to us. Based on our work, we have no observations to make on this information.

## ***Other information***

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### ***Appointment of the Statutory Auditors***

We were appointed Statutory Auditors of Haulotte Group SA by the General Meetings held on 28 May 2015 for BM&A and on 2 October 1998 for PricewaterhouseCoopers Audit.

As at 31 December 2018, BM&A and PricewaterhouseCoopers Audit were in the fourth year and the twenty-first year of total uninterrupted engagement, which are the fourth year and the twenty-first year since securities of the Company were admitted to trading on a regulated market, respectively.

## **RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

# STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

## STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

### ***Objective and audit approach***

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

# STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2018

### ***Report to the Audit Committee***

We submit to the Audit Committee a report, which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably thought to bear on our independence, and the related safeguards.

Lyon, 30 April 2019  
The Statutory Auditors

PricewaterhouseCoopers Audit

Natacha Pélisson

BM&A

Alexis Thura