UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended: March 31, 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from __________ to __________

Commission file number 000-54799

HYSTER-YALE MATERIALS HANDLING, INC.

(Exact name of registrant as specified in its charter)

Delaware		**31-1637659**
(State or other jurisdiction of incorporation or organization)		(I.R.S. Employer Identification No.)
5875 LANDERBROOK DRIVE, SUITE 300 CLEVELAND OH	**(440) 449-9600**	**44124-4069**
(Address of principal executive offices)	(Registrant's telephone number, including area code)	(Zip code)
	N/A	
	(Former name, former address and former fiscal year, if changed since last report)	

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, $0.01 Par Value Per Share	**HY**	**New York Stock Exchange**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes** ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐	Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ **NO** ☑

Number of shares of Class A Common Stock outstanding at April 29, 2022: 13,116,712
Number of shares of Class B Common Stock outstanding at April 29, 2022: 3,792,665

HYSTER-YALE MATERIALS HANDLING, INC.
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PART I
FINANCIAL INFORMATION
Item 1. Financial Statements

HYSTER-YALE MATERIALS HANDLING, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	MARCH 31 2022	DECEMBER 31 2021
	(In millions, except share data)	
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 65.1**	$ 65.5
Accounts receivable, net	**491.9**	457.4
Inventories, net	**826.4**	781.0
Prepaid expenses and other	**62.6**	46.1
Total Current Assets	**1,446.0**	1,350.0
Property, Plant and Equipment, Net	**330.2**	330.5
Intangible Assets, Net	**48.9**	50.7
Goodwill	**55.4**	56.5
Deferred Income Taxes	**4.6**	3.7
Investment in Unconsolidated Affiliates	**61.1**	71.7
Other Non-current Assets	**111.1**	107.0
Total Assets	**$ 2,057.3**	$ 1,970.1
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	**$ 578.6**	$ 517.0
Accounts payable, affiliates	**35.0**	24.4
Revolving credit facilities	**115.0**	165.3
Current maturities of long-term debt	**104.9**	91.5
Accrued payroll	**55.2**	57.1
Deferred revenue	**130.1**	49.7
Other current liabilities	**213.8**	199.6
Total Current Liabilities	**1,232.6**	1,104.6
Long-term Debt	**259.1**	261.7
Self-insurance Liabilities	**35.3**	33.5
Pension Obligations	**5.9**	6.2
Deferred Income Taxes	**12.5**	12.7
Other Long-term Liabilities	**160.4**	168.5
Total Liabilities	**1,705.8**	1,587.2
Stockholders' Equity		
Common stock:		
Class A, par value $0.01 per share, 13,104,121 shares outstanding (2021 - 12,994,106 shares outstanding)	**0.1**	0.1
Class B, par value $0.01 per share, convertible into Class A on a one-for-one basis, 3,795,421 shares outstanding (2021 - 3,832,794 shares outstanding)	**0.1**	0.1
Capital in excess of par value	**312.3**	315.1
Treasury stock	**—**	(4.5)
Retained earnings	**218.2**	248.6
Accumulated other comprehensive loss	**(205.8)**	(202.3)
Total Stockholders' Equity	**324.9**	357.1
Noncontrolling Interests	**26.6**	25.8
Total Equity	**351.5**	382.9
Total Liabilities and Equity	**$ 2,057.3**	$ 1,970.1

See notes to unaudited condensed consolidated financial statements.

HYSTER-YALE MATERIALS HANDLING, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	THREE MONTHS ENDED MARCH 31	
	2022	2021
	(In millions, except per share data)	
Revenues	**$ 827.6**	$ 732.2
Cost of sales	**726.4**	613.8
Gross Profit	**101.2**	118.4
Operating Expenses		
Selling, general and administrative expenses	**119.5**	115.3
Operating Profit (Loss)	**(18.3)**	3.1
Other (income) expense		
Interest expense	**5.1**	2.8
Income from unconsolidated affiliates	**(2.9)**	(2.0)
Other, net	**0.8**	(6.2)
	3.0	(5.4)
Income (Loss) Before Income Taxes	**(21.3)**	8.5
Income tax provision	**2.9**	2.4
Net Income (Loss)	**(24.2)**	6.1
Net income attributable to noncontrolling interests	**(0.8)**	(0.5)
Net Income (Loss) Attributable to Stockholders	**$ (25.0)**	$ 5.6
Basic Earnings (Loss) per Share	**$ (1.48)**	$ 0.33
Diluted Earnings (Loss) per Share	**$ (1.48)**	$ 0.33
Dividends per Share	**$ 0.3225**	$ 0.3175
Basic Weighted Average Shares Outstanding	**16.849**	16.810
Diluted Weighted Average Shares Outstanding	**16.849**	16.842

See notes to unaudited condensed consolidated financial statements.

HYSTER-YALE MATERIALS HANDLING, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	THREE MONTHS ENDED MARCH 31	
	2022	2021
	(In millions)	
Net Income (Loss)	**$ (24.2)**	$ 6.1
Other comprehensive income (loss)		
Foreign currency translation adjustment	**(4.6)**	(24.8)
Current period cash flow hedging activity	**(1.8)**	(14.3)
Reclassification of hedging activities into earnings	**1.7**	(0.6)
Reclassification of pension into earnings	**1.2**	1.1
Comprehensive Loss	**$ (27.7)**	$ (32.5)
Other comprehensive income (loss) attributable to noncontrolling interests		
Net income attributable to noncontrolling interests	**(0.8)**	(0.5)
Foreign currency translation adjustment attributable to noncontrolling interests	**—**	1.0
Comprehensive Loss Attributable to Stockholders	**$ (28.5)**	$ (32.0)

See notes to unaudited condensed consolidated financial statements.

HYSTER-YALE MATERIALS HANDLING, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	THREE MONTHS ENDED MARCH 31	
	2022	2021
	(In millions)	
Operating Activities		
Net income (loss)	$ **(24.2)**	$ 6.1
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:		
Depreciation and amortization	**11.1**	11.7
Amortization of deferred financing fees	**0.3**	0.4
Deferred income taxes	**(1.6)**	(0.4)
Gain on the sale of investment	**—**	(4.6)
Stock-based compensation	**1.7**	3.5
Dividends from unconsolidated affiliates	**11.0**	5.5
Other non-current liabilities	**(2.9)**	(4.8)
Other	**(4.9)**	(7.8)
Working capital changes:		
Accounts receivable	**(33.0)**	(37.8)
Inventories	**(41.8)**	(88.1)
Other current assets	**(11.0)**	(15.0)
Accounts payable	**72.0**	68.2
Other current liabilities	**82.4**	16.0
Net cash provided by (used for) operating activities	**59.1**	(47.1)
Investing Activities		
Expenditures for property, plant and equipment	**(9.7)**	(7.7)
Proceeds from the sale of assets	**0.4**	1.5
Proceeds from the sale of investment	**—**	15.7
Net cash provided by (used for) investing activities	**(9.3)**	9.5
Financing Activities		
Additions to long-term debt	**21.2**	12.0
Reductions of long-term debt	**(16.8)**	(14.6)
Net change to revolving credit agreements	**(49.9)**	(0.1)
Cash dividends paid	**(5.4)**	(5.3)
Net cash used for financing activities	**(50.9)**	(8.0)
Effect of exchange rate changes on cash	**0.7**	(2.8)
Cash and Cash Equivalents		
Decrease for the period	**(0.4)**	(48.4)
Balance at the beginning of the period	**65.5**	151.4
Balance at the end of the period	**$ 65.1**	$ 103.0

See notes to unaudited condensed consolidated financial statements.

HYSTER-YALE MATERIALS HANDLING, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

						Accumulated Other Comprehensive Income (Loss)					
	Class A Common Stock	Class B Common Stock	Treasury Stock	Capital in Excess of Par Value	Retained Earnings	Foreign Currency Translation Adjustment	Deferred Gain (Loss) on Cash Flow Hedging	Pension Adjustment	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
	(In millions)										
Balance, December 31, 2020	$ 0.1	$ 0.1	$ (6.0)	$ 312.6	$ 443.2	$ (57.6)	$ 12.5	$ (88.0)	$ 616.9	$ 34.2	$ 651.1
Stock-based compensation	—	—	—	3.5	—	—	—	—	3.5	—	3.5
Stock issued under stock compensation plans	—	—	0.5	(0.5)	—	—	—	—	—	—	—
Net income	—	—	—	—	5.6	—	—	—	5.6	0.5	6.1
Cash dividends	—	—	—	—	(5.3)	—	—	—	(5.3)	—	(5.3)
Current period other comprehensive loss	—	—	—	—	—	(24.8)	(14.3)	—	(39.1)	—	(39.1)
Reclassification adjustment to net income (loss)	—	—	—	—	—	—	(0.6)	1.1	0.5	—	0.5
Foreign currency translation on noncontrolling interest	—	—	—	—	—	—	—	—	—	(1.0)	(1.0)
Balance, March 31, 2021	$ 0.1	$ 0.1	$ (5.5)	$ 315.6	$ 443.5	$ (82.4)	$ (2.4)	$ (86.9)	$ 582.1	$ 33.7	$ 615.8
Balance, December 31, 2021	**$ 0.1**	**$ 0.1**	**$ (4.5)**	**$ 315.1**	**$ 248.6**	**$ (97.7)**	**$ (32.0)**	**$ (72.6)**	**$ 357.1**	**$ 25.8**	**$ 382.9**
Stock-based compensation	—	—	—	**1.7**	—	—	—	—	**1.7**	—	**1.7**
Stock issued under stock compensation plans	—	—	**4.5**	**(4.5)**	—	—	—	—	—	—	—
Net income (loss)	—	—	—	—	**(25.0)**	—	—	—	**(25.0)**	**0.8**	**(24.2)**
Cash dividends	—	—	—	—	**(5.4)**	—	—	—	**(5.4)**	—	**(5.4)**
Current period other comprehensive loss	—	—	—	—	—	**(4.6)**	**(1.8)**	—	**(6.4)**	—	**(6.4)**
Reclassification adjustment to net income (loss)	—	—	—	—	—	—	**1.7**	**1.2**	**2.9**	—	**2.9**
Balance, March 31, 2022	**$ 0.1**	**$ 0.1**	**$ —**	**$ 312.3**	**$ 218.2**	**$ (102.3)**	**$ (32.1)**	**$ (71.4)**	**$ 324.9**	**$ 26.6**	**$ 351.5**

See notes to unaudited condensed consolidated financial statements.

HYSTER-YALE MATERIALS HANDLING, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022
(Tabular Amounts in Millions, Except Per Share and Percentage Data)

Note 1—Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of Hyster-Yale Materials Handling, Inc., a Delaware corporation, and the accounts of Hyster-Yale's wholly owned domestic and international subsidiaries and majority-owned joint ventures (collectively, "Hyster-Yale" or the "Company"). All intercompany accounts and transactions among the consolidated companies are eliminated in consolidation.
The Company, through its wholly owned operating subsidiary, Hyster-Yale Group, Inc. ("HYG"), designs, engineers, manufactures, sells and services a comprehensive line of lift trucks, attachments and aftermarket parts marketed globally primarily under the Hyster® and Yale® brand names, mainly to independent Hyster® and Yale® retail dealerships. Lift trucks and component parts are manufactured in the United States, China, Northern Ireland, Mexico, the Netherlands, Brazil, the Philippines, Italy, Japan and Vietnam.

The Company operates Bolzoni S.p.A. ("Bolzoni"). Bolzoni is a leading worldwide producer and distributor of attachments, forks and lift tables marketed under the Bolzoni®, Auramo® and Meyer® brand names. Bolzoni products are manufactured in the United States, Italy, China, Germany and Finland. Through the design, production and distribution of a wide range of attachments, Bolzoni has a strong presence in the market niche of lift truck attachments and industrial material handling.

The Company operates Nuvera Fuel Cells, LLC ("Nuvera"). Nuvera is an alternative-power technology company focused on the design, manufacture and sale of hydrogen fuel cell stacks and engines.

Investments in Sumitomo NACCO Forklift Co., Ltd. (“SN”), a 50%-owned joint venture, and HYG Financial Services, Inc. ("HYGFS"), a 20%-owned joint venture, are accounted for by the equity method. SN operates manufacturing facilities in Japan, the Philippines and Vietnam from which the Company purchases certain components, service parts and lift trucks. Sumitomo Heavy Industries, Ltd. ("Sumitomo") owns the remaining 50% interest in SN. Each stockholder of SN is entitled to appoint directors representing 50% of the vote of SN’s board of directors. All matters related to policies and programs of operation, manufacturing and sales activities require mutual agreement between the Company and Sumitomo prior to a vote of SN’s board of directors. HYGFS is a joint venture with Wells Fargo Financial Leasing, Inc. (“WF”), formed primarily for the purpose of providing financial services to independent Hyster® and Yale® lift truck dealers and National Account customers in the United States. National Account customers are large customers with centralized purchasing and geographically dispersed operations in multiple dealer territories. The Company’s percentage share of the net income or loss from these equity investments is reported on the line “Income from unconsolidated affiliates” in the “Other (income) expense” section of the unaudited condensed consolidated statements of operations.

These financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the financial position of the Company as of March 31, 2022 and the results of its operations and changes in equity for the three months ended March 31, 2022 and 2021, and the results of its cash flows for the three months ended March 31, 2022 and 2021 have been included. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

The accompanying unaudited condensed consolidated balance sheet at December 31, 2021 has been derived from the audited financial statements at that date but does not include all of the information or notes required by GAAP for complete financial statements.

Note 2—Recently Issued Accounting Standards

As of January 1, 2022, the Company did not adopt any recent accounting standard updates ("ASU") which had a material effect on the Company's financial position, results of operations, cash flows or related disclosures.

The following table provides a brief description of ASUs not yet adopted:

Standard	Description	Required Date of Adoption	Effect on the financial statements or other significant matters
ASU 2020-04, Reference Rate Reform (Topic 848)	The guidance provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met.	From the date of issuance through December 31, 2022	The Company is currently evaluating the guidance and the effect on its financial position, results of operations, cash flows and related disclosures.

Note 3—Revenue

Revenue is recognized when obligations under the terms of a contract with the customer are satisfied, which occurs when control of the trucks, parts, or services are transferred to the customer. Revenue is measured as the amount of consideration expected to be received in exchange for transferring goods or providing services. The satisfaction of performance obligations under the terms of a revenue contract generally gives rise for the right to payment from the customer. The Company's standard payment terms vary by the type and location of the customer and the products or services offered. Generally, the time between when revenue is recognized and when payment is due is not significant. Given the insignificant days between revenue recognition and receipt of payment, financing components do not exist between the Company and its customers. Taxes collected from customers are excluded from revenue. The estimated costs of product warranties are recognized as expense when the products are sold. See Note 10 for further information on product warranties.

The majority of the Company's sales contracts contain performance obligations satisfied at a point in time when title and risks and rewards of ownership have transferred to the customer. Revenues for service contracts are recognized as the services are provided.

The Company also records variable consideration in the form of estimated reductions to revenues for customer programs and incentive offerings, including special pricing agreements, promotions and other volume-based incentives. Lift truck sales revenue is recorded net of estimated discounts. The estimated discount amount is based upon historical experience and trend analysis for each lift truck model. In addition to standard discounts, dealers can also request additional discounts that allow them to offer price concessions to customers. From time to time, the Company offers special incentives to increase market share or dealer stock and offers certain customers volume rebates if a specified cumulative level of purchases is obtained.

For contracts with customers that include multiple performance obligations, judgment is required to determine whether performance obligations specified in these contracts are distinct and should be accounted for as separate revenue transactions for recognition purposes. For such arrangements, revenue is allocated to each performance obligation based on its relative standalone selling price. Standalone selling prices are generally determined based on the prices charged to customers or using expected cost plus margin. Impairment losses recognized on receivables or contract assets were not significant for the three months ended March 31, 2022 and 2021.

The Company generally expenses sales commissions when incurred because the amortization period would have been one year or less. These costs are reported on the line “Selling, general and administrative expenses” in the unaudited condensed consolidated statements of operations.

The Company pays for shipping and handling activities regardless of when control is transferred and has elected to account for shipping and handling as activities to fulfill the promise to transfer the good, rather than a promised service. These costs are reported on the line “Cost of sales” in the unaudited condensed consolidated statements of operations. The following table disaggregates revenue by category:

	THREE MONTHS ENDED MARCH 31, 2022						
	Lift truck business						
	Americas	EMEA	JAPIC	Bolzoni	Nuvera	Elims	Total
Dealer sales	$ 289.9	$ 130.6	$ 46.7	$ —	$ —	$ —	$ 467.2
Direct customer sales	99.5	6.1	—	—	—	—	105.6
Aftermarket sales	145.1	27.6	4.9	—	—	—	177.6
Other	23.2	5.4	0.1	95.1	0.6	(47.2)	77.2
Total Revenues	$ 557.7	$ 169.7	$ 51.7	$ 95.1	$ 0.6	$ (47.2)	$ 827.6

	THREE MONTHS ENDED MARCH 31, 2021						
	Lift truck business						
	Americas	EMEA	JAPIC	Bolzoni	Nuvera	Elims	Total
Dealer sales	$ 220.7	$ 136.8	$ 52.6	$ —	$ —	$ —	$ 410.1
Direct customer sales	102.4	1.9	—	—	—	—	104.3
Aftermarket sales	108.8	26.9	7.8	—	—	—	143.5
Other	27.8	5.1	0.1	79.5	—	(38.2)	74.3
Total Revenues	$ 459.7	$ 170.7	$ 60.5	$ 79.5	$ —	$ (38.2)	$ 732.2

Dealer sales are recognized when the Company transfers control based on the shipping terms of the contract, which is generally when the truck is shipped from the manufacturing facility to the dealer. The majority of direct customer sales are to National Account customers. In these transactions, the Company transfers control and recognizes revenue when it delivers the product to the customer according to the terms of the contract. Aftermarket sales represent parts sales, extended warranty and maintenance services. For the sale of aftermarket parts, the Company transfers control and recognizes revenue when parts are shipped to the customer. When customers are given the right to return eligible parts and accessories, the Company estimates the expected returns based on an analysis of historical experience. The Company adjusts estimated revenues at the earlier of when the most likely amount of consideration expected to be received changes or when the consideration becomes fixed. The Company recognizes revenue for extended warranty and maintenance agreements based on the standalone selling price over the life of the contract, which reflects the costs to perform under these contracts and corresponds with, and thereby depicts, the transfer of control to the customer. Bolzoni revenue from external customers is primarily the sale of attachments to customers. In these transactions, the Company transfers control and recognizes revenue according to the shipping terms of the contract. In the United States, Bolzoni also has revenue for sales of lift truck components to Lift Truck plants. Nuvera's revenues include development funding from third-party development agreements and the sale of fuel cell stacks and engines to third parties and to Lift Truck. In all revenue transactions, the Company receives cash equal to the invoice price and amount of consideration received and the revenue recognized may vary with changes in marketing incentives. Intercompany revenues between Bolzoni, Nuvera and the lift truck business have been eliminated.

Deferred Revenue: The Company defers revenue for transactions that have not met the criteria for recognition at the time payment is collected, including extended warranties and maintenance contracts. In addition, for certain products, services and customer types, the Company collects payment prior to the transfer of control to the customer. The increase in customer deposits relates mainly to down payments on customer orders.

	Deferred Revenue
Balance, December 31, 2021	$ 76.2
Customer deposits and billings	88.8
Revenue recognized	(11.4)
Foreign currency effect	1.0
Balance, March 31, 2022	$ 154.6

Note 4—Business Segments

The Company's reportable segments for the lift truck business include the following three management units: the Americas, EMEA and JAPIC. Americas includes operations in the United States, Canada, Mexico, Brazil, Latin America and its corporate headquarters. EMEA includes operations in Europe, the Middle East and Africa. JAPIC includes operations in the Asia and Pacific regions, including China, as well as the equity earnings of SN operations. Certain amounts are allocated to these geographic management units and are included in the segment results presented below, including product development costs, corporate headquarter's expenses and certain information technology infrastructure costs. These allocations among geographic management units are determined by senior management and not directly incurred by the geographic operations. In addition, other costs are incurred directly by these geographic management units based upon the location of the manufacturing plant or sales units, including manufacturing variances, product liability, warranty and sales discounts, which may not be associated with the geographic management unit of the ultimate end user sales location where revenues and margins are reported. Therefore, the reported results of each segment for the lift truck business cannot be considered stand-alone entities as all segments are inter-related and integrate into a single global lift truck business.

The Company reports the results of both Bolzoni and Nuvera as separate segments. Intercompany sales between Nuvera, Bolzoni and the lift truck business have been eliminated.

Financial information for each reportable segment is presented in the following table:

	THREE MONTHS ENDED MARCH 31	
	2022	2021
Revenues from external customers		
Americas	**$ 557.7**	$ 459.7
EMEA	**169.7**	170.7
JAPIC	**51.7**	60.5
Lift truck business	**779.1**	690.9
Bolzoni	**95.1**	79.5
Nuvera	**0.6**	—
Eliminations	**(47.2)**	(38.2)
Total	**$ 827.6**	$ 732.2
Gross profit (loss)		
Americas	**$ 67.0**	$ 75.3
EMEA	**14.4**	23.5
JAPIC	**4.5**	6.6
Lift truck business	**85.9**	105.4
Bolzoni	**18.8**	16.4
Nuvera	**(1.9)**	(3.3)
Eliminations	**(1.6)**	(0.1)
Total	**$ 101.2**	$ 118.4
Operating profit (loss)		
Americas	**$ 4.4**	$ 14.6
EMEA	**(11.4)**	0.1
JAPIC	**(3.7)**	(2.5)
Lift truck business	**(10.7)**	12.2
Bolzoni	**2.1**	0.8
Nuvera	**(8.1)**	(9.8)
Eliminations	**(1.6)**	(0.1)
Total	**$ (18.3)**	$ 3.1
Net income (loss) attributable to stockholders		
Americas	**$ 1.1**	$ 9.5
EMEA	**(7.0)**	0.9
JAPIC	**(4.0)**	(2.2)
Lift truck business	**(9.9)**	8.2
Bolzoni	**1.3**	0.6
Nuvera	**(8.1)**	(3.8)
Eliminations	**(8.3)**	0.6
Total	**$ (25.0)**	$ 5.6

Note 5—Income Taxes

The income tax provision includes U.S. federal, state and local, and foreign income taxes and is generally based on the application of a forecasted annual income tax rate applied to the current quarter's year-to-date pre-tax income or loss. In determining the estimated annual effective income tax rate, the Company analyzes various factors, including projections of the Company's annual earnings or losses, taxing jurisdictions in which the earnings or losses will be generated, the impact of state and local income taxes, the Company's ability to use tax credits and net operating loss carryforwards, carrybacks, capital loss carryforwards, and available tax planning alternatives. Discrete items, including the effect of changes in tax laws, tax rates and certain circumstances with respect to valuation allowances or the tax effect of other unusual or nonrecurring transactions or adjustments are reflected in the period in which they occur as an addition to, or reduction from, the income tax provision, rather than included in the estimated annual effective income tax rate. Additionally, the Company's interim effective income tax rate is computed and applied without regard to pre-tax losses where such losses are not expected to generate a current-year tax benefit.

A reconciliation of the U.S. federal statutory rate to the reported income tax rate is as follows:

	THREE MONTHS ENDED MARCH 31	
	2022	2021
Income (loss) before income taxes	**$ (21.3)**	$ 8.5
Statutory taxes (21%)	**$ (4.5)**	$ 1.8
Interim adjustment	**(2.4)**	0.3
Permanent adjustments:		
Valuation allowance	**10.9**	0.4
Other	**(0.3)**	—
Discrete items	**(0.8)**	(0.1)
Income tax provision	$ 2.9	$ 2.4
Reported income tax rate	**(13.6)%**	28.2 %

The Company's reported income tax rate differs from the U.S. federal statutory tax rate primarily as a result of recording additional valuation allowances and an interim adjustment from pretax losses for which no tax benefit was recognized.

Note 6—Reclassifications from OCI

The following table summarizes reclassifications out of Accumulated Other Comprehensive Income ("OCI") as recorded in the unaudited condensed consolidated statements of operations:

Details about OCI Components	**Amount Reclassified from OCI**		**Affected Line Item in the Statement Where Net Income Is Presented**
	THREE MONTHS ENDED MARCH 31		
	2022	2021	
Gain (loss) on cash flow hedges:			
Interest rate contracts	**$ 0.9**	$ 0.6	Interest expense
Foreign exchange contracts	**(2.5)**	0.1	Cost of sales
Total before tax	**(1.6)**	0.7	Income (loss) before income taxes
Tax benefit	**(0.1)**	(0.1)	Income tax provision
Net of tax	**$ (1.7)**	$ 0.6	Net income (loss)
Amortization of defined benefit pension items:			
Actuarial loss	**$ (1.2)**	$ (1.4)	Other, net
Total before tax	**(1.2)**	(1.4)	Income (loss) before income taxes
Tax expense	—	0.3	Income tax provision
Net of tax	**$ (1.2)**	$ (1.1)	Net income (loss)
Total reclassifications for the period	**$ (2.9)**	$ (0.5)	

Note 7—Financial Instruments and Derivative Financial Instruments

Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable approximate fair value due to the short-term maturities of these instruments. The fair values of revolving credit agreements and long-term debt, excluding finance leases, were determined using current rates offered for similar obligations taking into account company credit risk. This valuation methodology is Level 2 as defined in the fair value hierarchy. At March 31, 2022, the fair value and carrying value of revolving credit agreements and long-term debt, excluding finance leases, was $449.8 million and $450.9 million, respectively. At December 31, 2021, the fair value and carrying value of revolving credit agreements and long-term debt, excluding finance leases, was $486.4 million and $490.3 million, respectively.

Derivative Financial Instruments

The Company uses forward foreign currency exchange contracts to partially reduce risks related to transactions denominated in foreign currencies. These contracts hedge firm commitments and forecasted transactions relating to cash flows associated with sales and purchases denominated in non-functional currencies. The Company offsets fair value amounts related to foreign currency exchange contracts executed with the same counterparty. Changes in the fair value of forward foreign currency exchange contracts that are effective as hedges are recorded in OCI. Deferred gains or losses are reclassified from OCI to the unaudited condensed consolidated statements of operations in the same period as the gains or losses from the underlying transactions are recorded and are generally recognized in cost of sales.

The Company periodically enters into foreign currency exchange contracts that do not meet the criteria for hedge accounting. These derivatives are used to reduce the Company's exposure to foreign currency risk related to forecasted purchase or sales transactions or forecasted intercompany cash payments or settlements. Gains and losses on these derivatives are generally recognized in cost of sales.

The Company periodically enters into forward foreign currency contracts that are designated as net investment hedges of the Company's net investment in its foreign subsidiaries. For derivative instruments that are designated and qualified as a hedge of a net investment in foreign currency, the gain or loss is reported in OCI as part of the cumulative translation adjustment to the extent it is effective. The Company utilizes the forward-rate method of assessing hedge effectiveness.

The Company uses interest rate swap agreements to partially reduce risks related to floating rate financing agreements that are subject to changes in the market rate of interest. Terms of the interest rate swap agreements require the Company to receive a variable interest rate and pay a fixed interest rate. The Company's interest rate swap agreements and the associated variable rate financings are predominately based upon the one-month LIBOR. Changes in the fair value of interest rate swap agreements that are effective as hedges are recorded in OCI. Deferred gains or losses are reclassified from OCI to the unaudited condensed consolidated statements of operations in the same period as the gains or losses from the underlying transactions are recorded and are generally recognized in interest expense.

Cash flows from hedging activities are reported in the unaudited condensed consolidated statements of cash flows with the same classification as the hedged item, generally as a component of cash flows from operations.

The Company measures its derivatives at fair value on a recurring basis using significant observable inputs. This valuation methodology is Level 2 as defined in the fair value hierarchy. The Company uses a present value technique that incorporates yield curves and foreign currency spot rates to value its derivatives and also incorporates the effect of the Company's and its counterparties' credit risk into the valuation.

The Company does not currently hold any nonderivative instruments designated as hedges or any derivatives designated as fair value hedges.

Foreign Currency Derivatives: The Company held forward foreign currency exchange contracts with total notional amounts of $1.2 billion at March 31, 2022, primarily denominated in euros, Japanese yen, U.S. dollars, Chinese renminbi, Mexican pesos, British pounds, Swedish kroner, and Australian dollars. The Company held forward foreign currency exchange contracts with total notional amounts of $1.1 billion at December 31, 2021, primarily denominated in euros, Japanese yen, U.S. dollars, Chinese renminbi, British pounds, Mexican pesos, Swedish kroner and Australian dollars. The fair value of these contracts approximated a net liability of $39.6 million and $26.7 million at March 31, 2022 and December 31, 2021, respectively.

Forward foreign currency exchange contracts that qualify for hedge accounting are generally used to hedge transactions expected to occur within the next 36 months. The mark-to-market effect of forward foreign currency exchange contracts that are considered effective as hedges has been included in OCI. Based on market valuations at March 31, 2022, $20.6 million of the amount of net deferred loss included in OCI at March 31, 2022 is expected to be reclassified as expense into the unaudited condensed consolidated statements of operations over the next twelve months, as the transactions occur.

Interest Rate Derivatives: The Company holds certain contracts that hedge interest payments on its $225.0 million term loan borrowings. In addition, the Company holds certain contracts that hedge interest payments on Bolzoni's debt.

The following table summarizes the notional amounts, related rates, excluding spreads, and remaining terms of interest rate swap agreements at March 31, 2022 and December 31, 2021:

Notional Amount		Average Fixed Rate		
MARCH 31 2022	DECEMBER 31 2021	**MARCH 31 2022**	DECEMBER 31 2021	**Term at March 31, 2022**
$ 180.0	$ 180.0	**1.68 %**	1.68 %	Extending to May 2027
$ 17.8	$ 16.0	**(0.14)%**	(0.14)%	Extending to September 2025

The fair value of all interest rate swap agreements was a net asset of $6.2 million and a net liability $3.2 million at March 31, 2022 and December 31, 2021, respectively. The mark-to-market effect of interest rate swap agreements that are considered effective as hedges has been included in OCI. Based on market valuations at March 31, 2022, $1.0 million of the amount included in OCI as net deferred loss is expected to be reclassified as expense in the unaudited condensed consolidated statements of operations over the next twelve months, as cash flow payments are made in accordance with the interest rate swap agreements.

The following table summarizes the fair value of derivative instruments reflected on a gross basis by contract as recorded in the unaudited condensed consolidated balance sheets:

	Asset Derivatives			Liability Derivatives		
	Balance Sheet Location	**MARCH 31 2022**	DECEMBER 31 2021	**Balance Sheet Location**	**MARCH 31 2022**	DECEMBER 31 2021
Derivatives designated as hedging instruments						
Cash Flow Hedges						
Interest rate swap agreements						
Current	Prepaid expenses and other	**$ 0.3**	$ —	Prepaid expenses and other	**$ —**	$ —
Current	Other current liabilities	**—**	0.3	Other current liabilities	**—**	2.2
Long-term	Other non-current assets	**5.9**	0.1	Other non-current assets	**—**	0.1
Long-term	Other long-term liabilities	**—**	0.6	Other long-term liabilities	**—**	1.9
			—			
Foreign currency exchange contracts						
Current	Other current liabilities	**3.1**	3.6	Other current liabilities	**23.7**	17.0
Long-term	Other non-current assets	**0.3**	—	Other non-current assets	**0.2**	—
	Other long-term liabilities	**1.7**	1.0	Other long-term liabilities	**15.3**	13.2
Total derivatives designated as hedging instruments		**$ 11.3**	$ 5.6		**$ 39.2**	$ 34.4
Derivatives not designated as hedging instruments						
Cash Flow Hedges						
Foreign currency exchange contracts						
Current	Other current liabilities	**2.1**	1.1	Other current liabilities	**7.6**	2.2
Total derivatives not designated as hedging instruments		**$ 2.1**	$ 1.1		**$ 7.6**	$ 2.2
Total derivatives		**$ 13.4**	$ 6.7		**$ 46.8**	$ 36.6

The following table summarizes the offsetting of the fair value of derivative instruments on a gross basis by counterparty as recorded in the unaudited condensed consolidated balance sheets:

	Derivative Assets as of March 31, 2022				**Derivative Liabilities as of March 31, 2022**			
	Gross Amounts of Recognized Assets	**Gross Amounts Offset**	**Net Amounts Presented**	**Net Amount**	**Gross Amounts of Recognized Liabilities**	**Gross Amounts Offset**	**Net Amounts Presented**	**Net Amount**
Cash Flow Hedges								
Interest rate swap agreements	**$ 6.2**	**$ —**	**$ 6.2**	**$ 6.2**	**$ —**	**$ —**	**$ —**	**$ —**
Foreign currency exchange contracts	**0.1**	**(0.1)**	**—**	**—**	**39.7**	**(0.1)**	**39.6**	**39.6**
Total derivatives	**$ 6.3**	**$ (0.1)**	**$ 6.2**	**$ 6.2**	**$ 39.7**	**$ (0.1)**	**$ 39.6**	**$ 39.6**

	Derivative Assets as of December 31, 2021				Derivative Liabilities as of December 31, 2021			
	Gross Amounts of Recognized Assets	Gross Amounts Offset	Net Amounts Presented	Net Amount	Gross Amounts of Recognized Liabilities	Gross Amounts Offset	Net Amounts Presented	Net Amount
Cash Flow Hedges								
Interest rate swap agreements	$ —	$ —	$ —	$ —	$ 3.2	$ —	$ 3.2	$ 3.2
Foreign currency exchange contracts	—	—	—	—	26.7	—	26.7	26.7
Total derivatives	$ —	$ —	$ —	$ —	$ 29.9	$ —	$ 29.9	$ 29.9

The following table summarizes the pre-tax impact of derivative instruments as recorded in the unaudited condensed consolidated statements of operations:

	Amount of Gain or (Loss) Recognized in OCI on Derivative (Effective Portion)		Location of Gain or (Loss) Reclassified from OCI into Income (Effective Portion)	Amount of Gain or (Loss) Reclassified from OCI into Income (Effective Portion)	
	THREE MONTHS ENDED MARCH 31			THREE MONTHS ENDED MARCH 31	
Derivatives Designated as Hedging Instruments	**2022**	2021		**2022**	2021
Cash Flow Hedges					
Interest rate swap agreements	**$ 10.6**	$ 1.3	Interest expense	**$ 0.9**	$ 0.6
Foreign currency exchange contracts	**(12.5)**	(21.3)	Cost of sales	**(2.5)**	0.1
Total	**$ (1.9)**	$ (20.0)		**$ (1.6)**	$ 0.7

Derivatives Not Designated as Hedging Instruments	Location of Gain or (Loss) Recognized in Income on Derivative	**2022**	2021
Cash Flow Hedges			
Foreign currency exchange contracts	Cost of sales	**$ (9.6)**	$ (4.3)
Total		**$ (9.6)**	$ (4.3)

Note 8—Retirement Benefit Plans

The Company maintains various defined benefit pension plans that provide benefits based on years of service and average compensation during certain periods. The Company's policy is to make contributions to fund these plans within the range allowed by applicable regulations. Plan assets consist primarily of publicly traded stocks and government and corporate bonds.

Pension benefits for employees covered under the Company's U.S. and U.K. plans are frozen. Only certain grandfathered employees in the Netherlands still earn retirement benefits under a defined benefit pension plan. All other eligible employees of the Company, including employees whose pension benefits are frozen, receive retirement benefits under defined contribution retirement plans.

The Company presents the components of net benefit cost, other than service cost, in other (income) expense in the unaudited condensed consolidated statements of operations for its pension plans. Service cost for the Company's pension plans is reported in operating profit. The components of pension (income) expense are set forth below:

	THREE MONTHS ENDED MARCH 31	
	2022	2021
U.S. Pension		
Interest cost	**$ 0.4**	$ 0.4
Expected return on plan assets	**(1.0)**	(1.2)
Amortization of actuarial loss	**0.5**	0.5
Total	**$ (0.1)**	$ (0.3)
Non-U.S. Pension		
Service cost	**$ 0.1**	$ —
Interest cost	**0.9**	0.6
Expected return on plan assets	**(2.0)**	(2.6)
Amortization of actuarial loss	**0.7**	0.9
Total	**$ (0.3)**	$ (1.1)

Note 9—Inventories

Inventories are summarized as follows:

	MARCH 31 2022	DECEMBER 31 2021
Finished goods and service parts	**$ 362.5**	$ 321.6
Work in process	**37.4**	32.9
Raw materials	**520.8**	509.9
Total manufactured inventories	**920.7**	864.4
LIFO reserve	**(94.3)**	(83.4)
Total inventory	**$ 826.4**	$ 781.0

Inventories are stated at the lower of cost or market for last-in, first-out (“LIFO”) inventory or lower of cost or net realizable value for first-in, first-out (“FIFO”) inventory. At March 31, 2022 and December 31, 2021, 48% and 51%, respectively, of total inventories were determined using the LIFO method, which consists primarily of manufactured inventories, including service parts, for the lift truck business in the United States. The FIFO method is used with respect to all other inventories. An actual valuation of inventory under the LIFO method can be made only at the end of the year based on the inventory levels and costs at that time. Accordingly, interim LIFO calculations must be based on management's estimates of expected year-end inventory levels and costs. Because these estimates are subject to change and may be different than the actual inventory levels and costs at the end of the year, interim results are subject to the final year-end LIFO inventory valuation.

Note 10—Product Warranties

The Company provides a standard warranty on its lift trucks, generally for twelve months or 1,000 to 2,000 hours. For certain series of lift trucks, the Company provides a standard warranty of one to two years or 2,000 or 4,000 hours. For certain components in some series of lift trucks, the Company provides a standard warranty of two to three years or 4,000 to 6,000 hours. The Company estimates the costs which may be incurred under its standard warranty programs and records a liability for such costs at the time product revenue is recognized.

In addition, the Company sells separately priced, extended warranty agreements for its lift trucks, which generally provide a warranty for an additional two to five years or up to 2,400 to 10,000 hours. The specific terms and conditions of those warranties vary depending upon the product sold and the country in which the Company does business. Revenue received for the sale of extended warranty contracts is deferred and recognized in the same manner as the costs incurred to perform under the warranty contracts.

The Company also maintains a quality enhancement program under which it provides for specifically identified field product improvements in its warranty obligation. Accruals under this program are determined based on estimates of the potential number of claims and the cost of those claims based on historical and anticipated costs.

The Company periodically assesses the adequacy of its recorded warranty liabilities and adjusts the amounts as necessary. Factors that affect the warranty liability include the number of units sold, historical and anticipated rates of warranty claims and the cost per claim.

Changes in the Company's current and long-term warranty obligations, including deferred revenue on extended warranty contracts, are as follows:

		2022
Balance at December 31, 2021	$	64.7
Current year warranty expense		8.3
Change in estimate related to pre-existing warranties		(0.8)
Payments made		(10.0)
Balance at March 31, 2022	**$**	**62.2**

Note 11—Contingencies

Various legal and regulatory proceedings and claims have been or may be asserted against the Company relating to the conduct of its businesses, including product liability, environmental and other claims. These proceedings and claims are incidental to the ordinary course of business. Management believes that it has meritorious defenses and will vigorously defend the Company in these actions. Any costs that management estimates will be paid as a result of these claims are accrued when the liability is considered probable and the amount can be reasonably estimated. Although the ultimate disposition of these proceedings is not presently determinable, management believes, after consultation with its legal counsel, that the likelihood is remote that costs will be incurred materially in excess of accruals already recognized.

Note 12—Guarantees

Under various financing arrangements for certain customers, including independent retail dealerships, the Company provides recourse or repurchase obligations such that it would be obligated in the event of default by the customer. Terms of the third-party financing arrangements for which the Company is providing recourse or repurchase obligations generally range from one to five years. Total amounts subject to recourse or repurchase obligations at March 31, 2022 and December 31, 2021 were $120.2 million and $106.8 million, respectively. As of March 31, 2022, losses anticipated under the terms of the recourse or repurchase obligations were not significant and reserves have been provided for such losses based on historical experience in the accompanying unaudited condensed consolidated financial statements. The Company generally retains a security interest in the related assets financed such that, in the event the Company would become obligated under the terms of the recourse or repurchase obligations, the Company would take title to the assets financed. The fair value of collateral held at March 31, 2022 was approximately $184.4 million based on Company estimates. The Company estimates the fair value of the collateral using information regarding the original sales price, the current age of the equipment and general market conditions that influence the value of both new and used lift trucks. The Company also regularly monitors the external credit ratings of the entities for which it has provided recourse or repurchase obligations. As of March 31, 2022, the Company did not believe there was a significant risk of non-payment or non-performance of the obligations by these entities; however, there can be no assurance that the risk may not increase in the future. In addition, the Company has an agreement with WF to limit its exposure to losses at certain eligible dealers. Under this agreement, losses related to $21.3 million of recourse or repurchase obligations for these certain eligible dealers are limited to 7.5% of their original loan balance, or $11.7 million as of March 31, 2022. The $21.3 million is included in the $120.2 million of total amounts subject to recourse or repurchase obligations at March 31, 2022.

Generally, the Company sells lift trucks through its independent dealer network or directly to customers. These dealers and customers may enter into a financing transaction with HYGFS or other unrelated third parties. HYGFS provides debt and lease financing to both dealers and customers. On occasion, the credit quality of a customer or credit concentration issues within WF may require the Company to provide recourse or repurchase obligations of the lift trucks purchased by customers and financed through HYGFS. At March 31, 2022, approximately $100.0 million of the Company's total recourse or repurchase obligations of $120.2 million related to transactions with HYGFS. In connection with the joint venture agreement, the Company also provides a guarantee to WF for 20% of HYGFS' debt with WF, such that the Company would become liable under the terms of HYGFS' debt agreements with WF in the case of default by HYGFS. At March 31, 2022, loans from WF to HYGFS totaled $1.1 billion. Although the Company's contractual guarantee was $217.8 million, the loans by WF to HYGFS are secured by HYGFS' customer receivables, of which the Company guarantees $100.0 million. Excluding the HYGFS receivables guaranteed by the Company from HYGFS' loans to WF, the Company's incremental obligation as a result of this guarantee to WF is $199.8 million, which is secured by 20% of HYGFS' customer receivables and other secured assets of $271.5 million.

HYGFS has not defaulted under the terms of this debt financing in the past, and although there can be no assurances, the Company is not aware of any circumstances that would cause HYGFS to default in future periods.

The following table includes the exposure amounts related to the Company's guarantees at March 31, 2022:

	HYGFS		Total	
Total recourse or repurchase obligations	**$**	**100.0**	**$**	**120.2**
Less: exposure limited for certain dealers		**21.3**		**21.3**
Plus: 7.5% of original loan balance		**11.7**		**11.7**
		90.4		**110.6**
Incremental obligation related to guarantee to WF		**199.8**		**199.8**
Total exposure related to guarantees	**$**	**290.2**	**$**	**310.4**

Note 13—Equity and Debt Investments

The Company maintains an interest in one variable interest entity, HYGFS. HYGFS is a joint venture with WF formed primarily for the purpose of providing financial services to independent Hyster® and Yale® lift truck dealers and National Account customers in the United States and is included in the Americas segment. The Company does not have a controlling financial interest or have the power to direct the activities that most significantly affect the economic performance of HYGFS. Therefore, the Company is not the primary beneficiary and uses the equity method to account for its 20% interest in HYGFS. The Company does not consider its variable interest in HYGFS to be significant.

The Company has a 50% ownership interest in SN, a limited liability company which was formed primarily to manufacture and distribute Sumitomo-branded lift trucks in Japan and export Hyster®- and Yale®-branded lift trucks and related components and service parts outside of Japan. The Company purchases products from SN under agreed-upon terms. The Company's ownership in SN is also accounted for using the equity method of accounting and is included in the JAPIC segment.

The Company's percentage share of the net income or loss from its equity investments in HYGFS and SN is reported on the line “Income from unconsolidated affiliates” in the “Other (income) expense” section of the unaudited condensed consolidated statements of operations. The Company's equity investments are included on the line “Investment in Unconsolidated Affiliates” in the unaudited condensed consolidated balance sheets.

The Company's equity investments in unconsolidated affiliates recorded on the unaudited condensed consolidated balance sheets are as follows:

	March 31, 2022		December 31, 2021	
HYGFS	**$**	**17.6**	$	25.2
SN		**40.8**		43.7
Bolzoni		**0.3**		0.3

Dividends received from unconsolidated affiliates are summarized below:

	THREE MONTHS ENDED MARCH 31			
	2022		2021	
HYGFS	**$**	**10.3**	$	5.1
SN		**0.7**		0.4
	$	**11.0**	$	5.5

Summarized financial information for HYGFS and SN is as follows:

	THREE MONTHS ENDED MARCH 31	
	2022	2021
Revenues	**$ 106.8**	$ 103.2
Gross profit	**$ 43.4**	$ 37.8
Income from continuing operations	**$ 14.0**	$ 8.2
Net income	**$ 14.0**	$ 8.2

The Company has a non-U.S. equity investment in a third party valued using a quoted market price in an active market, or Level 1 in the fair value hierarchy. The Company's investment as of March 31, 2022 and December 31, 2021 was $1.6 million and $1.7 million, respectively. Any gain or loss on the investment is included on the line "Other, net" in the "Other (income) expense" section of the unaudited condensed consolidated statements of operations as follows:

	THREE MONTHS ENDED MARCH 31	
	2022	2021
Gain on equity investment	**$ —**	$ 1.1

The Company has debt investment in a third party, OneH2, Inc. The Company's investment was $0.8 million as of March 31, 2022 and December 31, 2021, respectively.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations
(Tabular Amounts in Millions, Except Per Share and Percentage Data)

Hyster-Yale Materials Handling, Inc. ("Hyster-Yale" or the "Company") and its subsidiaries, including its operating company Hyster-Yale Group, Inc. ("HYG"), is a leading, globally integrated, full-line lift truck manufacturer. The Company offers a broad array of solutions aimed at meeting the specific materials handling needs of its customers, including attachments and hydrogen fuel cell power products, telematics, automation and fleet management services, as well as a variety of other power options for its lift trucks. The Company, through HYG, designs, engineers, manufactures, sells and services a comprehensive line of lift trucks, attachments and aftermarket parts marketed globally, primarily under the Hyster® and Yale® brand names, mainly to independent Hyster® and Yale® retail dealerships. The materials handling business historically has been cyclical because the rate of orders for lift trucks fluctuates depending on the general level of economic activity in the various industries and countries its customers serve. Lift trucks and component parts are manufactured in the United States, China, Northern Ireland, Mexico, the Netherlands, Brazil, the Philippines, Italy, Japan and Vietnam.

The Company owns a 75% majority interest in Hyster-Yale Maximal Forklift (Zhejiang) Co., Ltd. ("Hyster-Yale Maximal"). Hyster-Yale Maximal is a Chinese manufacturer of low-intensity and standard lift trucks and specialized material handling equipment. Hyster-Yale Maximal also designs and produces specialized products in the port equipment and rough terrain forklift markets. During 2021, the Company signed an Equity Transfer Agreement with Y-C Hongkong Holding Co., Limited (“HK Holding Co”), pursuant to which the Company expects to purchase 15% of the equity interest of Hyster-Yale Maximal from HK Holding Co for an aggregate purchase price of $25.2 million in June 2022, which will be paid in annual installments of $8.4 million beginning in June 2022 through June 2024. Subsequently, the Company will have an option to purchase HK Holding Co's remaining interest in Hyster-Yale Maximal at any time prior to June 8, 2056 for $16.8 million. If this option is exercised, the Company will own 100% of the equity interest of Hyster-Yale Maximal.

The Company operates Bolzoni S.p.A. ("Bolzoni"). Bolzoni is a leading worldwide producer and distributor of attachments, forks and lift tables marketed under the Bolzoni®, Auramo® and Meyer® brand names. Bolzoni products are manufactured in the United States, Italy, China, Germany and Finland. Through the design, production and distribution of a wide range of attachments, Bolzoni has a strong presence in the market niche of lift truck attachments and industrial material handling.

The Company operates Nuvera Fuel Cells, LLC ("Nuvera"). Nuvera is an alternative-power technology company focused on the design, manufacture and sale of hydrogen fuel cell stacks and engines.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Please refer to the discussion of Critical Accounting Policies and Estimates as disclosed on pages 15 through 18 in the Company's Annual Report on Form 10-K for the year ended December 31, 2021. Critical Accounting Policies and Estimates have not materially changed since December 31, 2021.

FINANCIAL REVIEW

The results of operations for the Company were as follows:

	THREE MONTHS ENDED MARCH 31		Favorable / (Unfavorable)
	2022	2021	% Change
Lift truck unit shipments (in thousands)			
Americas	**14.6**	12.3	18.7 %
EMEA	**6.5**	6.5	— %
JAPIC	**2.8**	3.5	(20.0)%
	23.9	22.3	7.2 %
Revenues			
Americas	**$ 557.7**	$ 459.7	21.3 %
EMEA	**169.7**	170.7	(0.6)%
JAPIC	**51.7**	60.5	(14.5)%
Lift truck business	**779.1**	690.9	12.8 %
Bolzoni	**95.1**	79.5	19.6 %
Nuvera	**0.6**	—	n.m.
Eliminations	**(47.2)**	(38.2)	23.6 %
	$ 827.6	$ 732.2	13.0 %
Gross profit (loss)			
Americas	**$ 67.0**	$ 75.3	(11.0)%
EMEA	**14.4**	23.5	(38.7)%
JAPIC	**4.5**	6.6	(31.8)%
Lift truck business	**85.9**	105.4	(18.5)%
Bolzoni	**18.8**	16.4	14.6 %
Nuvera	**(1.9)**	(3.3)	42.4 %
Eliminations	**(1.6)**	(0.1)	n.m.
	$ 101.2	$ 118.4	(14.5)%
Selling, general and administrative expenses			
Americas	**$ 62.6**	$ 60.7	(3.1)%
EMEA	**25.8**	23.4	(10.3)%
JAPIC	**8.2**	9.1	9.9 %
Lift truck business	**96.6**	93.2	(3.6)%
Bolzoni	**16.7**	15.6	(7.1)%
Nuvera	**6.2**	6.5	4.6 %
	$ 119.5	$ 115.3	(3.6)%
Operating profit (loss)			
Americas	**$ 4.4**	$ 14.6	(69.9)%
EMEA	**(11.4)**	0.1	n.m.
JAPIC	**(3.7)**	(2.5)	(48.0)%
Lift truck business	**(10.7)**	12.2	(187.7)%
Bolzoni	**2.1**	0.8	162.5 %
Nuvera	**(8.1)**	(9.8)	17.3 %
Eliminations	**(1.6)**	(0.1)	n.m.
	$ (18.3)	$ 3.1	n.m.
Interest expense	**$ 5.1**	$ 2.8	(82.1)%
Other income	**$ (2.1)**	$ (8.2)	(74.4)%

	THREE MONTHS ENDED MARCH 31		Favorable / (Unfavorable)
	2022	2021	% Change
Net income (loss) attributable to stockholders			
Americas	**$ 1.1**	$ 9.5	(88.4)%
EMEA	**(7.0)**	0.9	n.m.
JAPIC	**(4.0)**	(2.2)	(81.8)%
Lift truck business	**(9.9)**	8.2	n.m.
Bolzoni	**1.3**	0.6	116.7 %
Nuvera	**(8.1)**	(3.8)	(113.2)%
Eliminations	**(8.3)**	0.6	n.m.
	$ (25.0)	$ 5.6	n.m.
Earnings (loss) per share	**$ (1.48)**	$ 0.33	n.m.
Reported income tax rate	**(13.6)%**	28.2 %	

n.m. - not meaningful

Following is the detail of the Company's unit shipments, bookings and backlog of unfilled orders placed with its manufacturing and assembly operations for new lift trucks, reflected in thousands of units. "Other adjustments" below represents lift truck orders from Russian and Ukraine dealers which the Company no longer expects to fulfill at March 31, 2022. As of March 31, 2022, substantially all of the Company's backlog is expected to be sold within the next twelve months.

	THREE MONTHS ENDED MARCH 31	
	2022	2021
Unit backlog, beginning of period	**105.3**	40.6
Unit shipments	**(23.9)**	(22.3)
Unit bookings	**35.9**	42.4
Other adjustments	**(3.2)**	—
Unit backlog, end of period	**114.1**	60.7

The following is the detail of the approximate sales value of the Company's lift truck unit bookings and backlog, reflected in millions of dollars. The dollar value of bookings and backlog is calculated using the current unit bookings and backlog and the forecasted average sales price per unit.

	THREE MONTHS ENDED MARCH 31	
	2022	2021
Bookings, approximate sales value	**$ 950**	$ 970
Backlog, approximate sales value	**$ 3,170**	$ 1,520

First Quarter of 2022 Compared with First Quarter of 2021

The following table identifies the components of change in revenues for the first quarter of 2022 compared with the first quarter of 2021:

	Revenues
2021	$ 732.2
Increase (decrease) in 2022 from:	
Price	43.9
Unit volume and product mix	24.1
Parts	21.9
Bolzoni revenues	15.6
Other	12.3
Nuvera revenues	0.6
Foreign currency	(14.0)
Eliminations	(9.0)
2022	**$ 827.6**

Revenues increased 13.0% to $827.6 million in the first quarter of 2022 from $732.2 million in the first quarter of 2021. The increase was primarily due to improved pricing in the Americas and higher unit and parts volume in the lift truck business and Bolzoni. The improvement in revenue was partially offset by unfavorable currency movements from the translation of sales into U.S. dollars.

America's revenues increased in the first quarter of 2022 compared with the first quarter of 2021, primarily from higher pricing and higher unit and parts volume as well as a shift in sales to higher-priced products.

EMEA's revenues in the first quarter of 2022 were comparable to the first quarter of 2021 as unfavorable foreign currency movements of $13.4 million from the translation of sales into U.S. dollars were offset by benefits from improved unit and parts volume.

JAPIC's revenues decreased during the first quarter of 2022 compared with the first quarter of 2021 primarily as a result of lower unit and parts volumes, partially offset by improved pricing.

Bolzoni's revenues increased mainly due to higher unit volume, improved pricing and a shift in sales to higher-priced products in the first quarter of 2022 compared with the first quarter of 2021.

The following table identifies the components of change in operating profit for the first quarter of 2022 compared with the first quarter of 2021:

	Operating Profit (Loss)
2021	$ 3.1
Increase (decrease) in 2022 from:	
Lift truck gross profit	(21.0)
Lift truck selling, general and administrative expenses	(3.4)
Nuvera operations	1.7
Bolzoni operations	1.3
2022	**$ (18.3)**

The Company recognized an operating loss of $18.3 million in the first quarter of 2022 compared with operating profit of $3.1 million in the first quarter of 2021. The change in operating profit (loss) was primarily as a result of lower gross profit and unfavorable selling, general and administrative expenses in the lift truck business. The decrease in gross profit was mainly due to significant material and freight cost inflation as well as manufacturing inefficiencies due to supply chain and logistics constraints totaling $68.6 million, primarily in the Americas and EMEA, which more than offset the favorable impact of improved pricing of $43.9 million and higher unit and parts volumes.

The Americas operating profit decreased to $4.4 million in the first quarter of 2022 from $14.6 million in the first quarter of 2021 due to a decrease in gross profit and an increase in selling, general and administrative expenses. Gross profit declined primarily due to material cost inflation and increased freight costs of $40.5 million and higher manufacturing costs of $13.6 million resulting from inefficiencies associated with component shortages. The decreases were partly offset by improved pricing of $40.8 million, higher unit and parts sales and $3.5 million of favorable retroactive tariff exclusion adjustments for certain components imported from China. Selling, general and administrative expenses increased mainly as result of increased employee-related expenses in the first quarter of 2022 compared with the first quarter of 2021.

EMEA recognized an operating loss of $11.4 million in the first quarter of 2022 compared with operating profit of $0.1 million in the first quarter of 2021. The decrease in gross profit was primarily due to increases in material and freight costs and higher manufacturing costs resulting from inefficiencies associated with component shortages. In addition, the first quarter of 2022 includes a $2.5 million of charges related to inventory and accounts receivable for Russian orders which the Company no longer expects to fulfill or collect.

JAPIC's operating loss increased to $3.7 million in the first quarter of 2022 from $2.5 million in the first quarter of 2021 primarily due to lower gross profit from material cost inflation and unfavorable manufacturing variances, partially offset by improved pricing.

Bolzoni's operating profit increased to $2.1 million in the first quarter of 2022 from $0.8 million in the first quarter of 2021 mainly due to improved gross profit from higher unit volume and pricing, partially offset by increased selling, general and administrative expenses mainly from $0.7 million of charges for the establishment of reserves on Russian-related receivables and business closure.

Nuvera's operating loss improved to $8.1 million in the first quarter of 2022 compared with $9.8 million in the first quarter of 2021 as result of improved margin from lower production costs in 2022.

The Company recognized a net loss attributable to stockholders of $25.0 million in the first quarter of 2022 compared with net income attributable to stockholders of $5.6 million in the first quarter of 2021. The decrease was primarily the result of lower lift truck operating profit, the absence of a $4.6 million gain related to the sale of the Company's preferred shares of OneH2, Inc. ("OneH2") in the first quarter of 2021, higher interest expense and unfavorable mark-to-market adjustments on an equity investment in a third party and lower pension income.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The following tables detail the changes in cash flow for the three months ended March 31:

	2022	2021	Change
Operating activities:			
Net income (loss)	**$ (24.2)**	$ 6.1	$ (30.3)
Depreciation and amortization	**11.1**	11.7	(0.6)
Gain on sale of investment	**—**	(4.6)	4.6
Dividends from unconsolidated affiliates	**11.0**	5.5	5.5
Working capital changes			
Accounts receivable	**(33.0)**	(37.8)	4.8
Inventories	**(41.8)**	(88.1)	46.3
Accounts payable and other liabilities	**154.4**	84.2	70.2
Other current assets	**(11.0)**	(15.0)	4.0
Other operating activities	**(7.4)**	(9.1)	1.7
Net cash provided by (used for) operating activities	**59.1**	(47.1)	106.2
Investing activities:			
Expenditures for property, plant and equipment	**(9.7)**	(7.7)	(2.0)
Proceeds from the sale of assets and investment	**0.4**	17.2	(16.8)
Net cash provided by (used for) investing activities	**(9.3)**	9.5	(18.8)
Cash flow before financing activities	**$ 49.8**	$ (37.6)	$ 87.4

Net cash provided by (used for) operating activities changed $106.2 million in the first quarter of 2022 compared with the first quarter of 2021, primarily as a result of changes in working capital items and net income (loss). The changes in working capital were mainly due to an increase in other liabilities primarily from down payments for customer orders and lower inventory purchases in the first quarter of 2022 compared with the first quarter of 2021.

The change in net cash provided by (used for) investing activities during the first quarter of 2022 compared with the first quarter of 2021 was due to the proceeds from the sale of preferred shares of OneH2 for $15.7 million and lower capital expenditures in the first quarter of 2021.

	2022	2021	Change
Financing activities:			
Net decrease of long-term debt and revolving credit agreements	**$ (45.5)**	$ (2.7)	$ (42.8)
Cash dividends paid	**(5.4)**	(5.3)	(0.1)
Net cash used for financing activities	**$ (50.9)**	$ (8.0)	$ (42.9)

Net cash used for financing activities increased to $50.9 million in the first quarter of 2021 compared with $8.0 million in the first quarter of 2021. The increase was primarily related to repayments on the Facility (as defined below) in the first quarter of 2022 compared with the first quarter of 2021. In 2021, the Company had additional borrowings on the Facility primarily used to fund working capital needs.

Financing Activities

The Company has a $300.0 million secured, floating-rate revolving credit facility (the "Facility”) that expires in June 2026. There were $101.0 million of borrowings outstanding under the Facility at March 31, 2022. The availability under the Facility at March 31, 2022 was $194.5 million, which reflects reductions of $4.5 million for letters of credit and other restrictions. As of March 31, 2022, the Facility consisted of a U.S. revolving credit facility of $210.0 million and a non-U.S. revolving credit facility of $90.0 million. The Facility can be increased up to $400.0 million over the term of the Facility in minimum increments of $10.0 million, subject to approval by the lenders. The obligations under the Facility are generally secured by a first priority lien on working capital assets of the borrowers in the Facility, which includes but is not limited to cash and cash equivalents, accounts receivable and inventory, and a second priority lien on the present and future shares of capital stock, fixtures and general intangibles consisting of intellectual property. The approximate book value of assets held as collateral under the Facility was $1.1 billion as of March 31, 2022.

Borrowings under the Facility bear interest at a floating rate, which can be a base rate, LIBOR or EURIBOR, as defined in the Facility, plus an applicable margin. The applicable margins are based on the total excess availability, as defined in the Facility, and range from 0.25% to 0.75% for U.S. base rate loans and 1.25% to 1.75% for LIBOR, EURIBOR and non-U.S. base rate loans. The applicable margins, as of March 31, 2022, for U.S. base rate loans and LIBOR loans were 0.50% and 1.50%, respectively. The applicable margin, as of March 31, 2022, for non-U.S. base rate loans and LIBOR loans was 1.50%. The applicable interest rates for borrowings outstanding under the Facility on March 31, 2022 was 4.00% and 1.50% for the U.S. base rate, and foreign LIBOR loans, respectively. The applicable interest rates for borrowings for the U.S. LIBOR loans ranged from 1.81% to 1.95% at March 31, 2022. The Facility also required the payment of a fee of 0.25% per annum on the unused commitments as of March 31, 2022.

The Facility includes restrictive covenants, which, among other things, limit additional borrowings and investments of the Company subject to certain thresholds, as provided in the Facility. The Facility limits the payment of dividends and other restricted payments the Company may make unless certain total excess availability and/or fixed charge coverage ratio thresholds, each as set forth in the Facility, are satisfied. The Facility also requires the Company to achieve a minimum fixed charge coverage ratio when total excess availability is less than the greater of 10% of the total borrowing base, as defined in the Facility, and $20.0 million. At March 31, 2022, the Company was in compliance with the covenants in the Facility.

The Company also has a $225.0 million term loan (the "Term Loan"), which matures in May 2028. The Term Loan requires quarterly principal payments on the last day of each March, June, September and December in an amount equal to $562,500 and the final principal repayment is due in May 2028. The Company may also be required to make mandatory prepayments, in certain circumstances, as provided in the Term Loan. At March 31, 2022, there was $223.3 million of principal outstanding under the Term Loan which has been reduced in the unaudited condensed consolidated balance sheet by $5.1 million for discounts and unamortized deferred financing fees.

The obligations under the Term Loan are generally secured by a first priority lien on the present and future shares of capital stock, U.S. material real property, fixtures and general intangibles consisting of intellectual property and a second priority lien on U.S. working capital assets of certain borrowers of the Facility, which includes, but is not limited to cash and cash equivalents, accounts receivable and inventory. The approximate book value of assets held as collateral under the Term Loan was $750 million as of March 31, 2022.

Borrowings under the Term Loan bear interest at a floating rate, which can be a base rate or Eurodollar rate, as defined in the Term Loan, plus an applicable margin. The applicable margin, as provided in the Term Loan, is 2.50% for base rate loans and 3.50% for Eurodollar loans. In addition, the Term Loan includes a Eurodollar rate floor of 0.50%. The interest rate on the amount outstanding under the Term Loan at March 31, 2022 was 4.00%. In addition, the Term Loan includes restrictive covenants, which, among other things, limit additional borrowings and investments of the Company subject to certain thresholds, as provided in the Term Loan. The Term Loan limits the payment of dividends and other restricted payments the Company may make up to $50.0 million in any fiscal year, unless the consolidated total net leverage ratio, as defined in the Term Loan, does not exceed 2.50 to 1.00 at the time of the payment. At March 31, 2022, the Company was in compliance with the covenants in the Term Loan.

The Company had other debt outstanding, excluding finance leases, of approximately $131.7 million at March 31, 2022. In addition to the excess availability under the Facility of $194.5 million, the Company had remaining availability of $23.4 million related to other non-U.S. revolving credit agreements.

The Company believes funds available from cash on hand, the Facility, other available lines of credit and operating cash flows will provide sufficient liquidity to meet its operating needs and commitments during the next twelve months and until the expiration of the Facility in June 2026.

Contractual Obligations, Contingent Liabilities and Commitments

Since December 31, 2021, there have been no significant changes in the total amount of the Company's contractual obligations or commercial commitments, or the timing of cash flows in accordance with those obligations, as reported on pages 25 and 26 in the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

Capital Expenditures

The following table summarizes actual and planned capital expenditures:

	Three Months Ended March 31, 2022	Planned for Remainder of 2022	**Planned 2022 Total**	Actual 2021
Lift truck business	**$ 7.5**	$ 12.3	**$ 19.8**	$ 30.6
Bolzoni	**1.8**	3.4	**5.2**	10.4
Nuvera	**0.4**	3.5	**3.9**	3.3
	$ 9.7	$ 19.2	**$ 28.9**	$ 44.3

Planned expenditures for the remainder of 2022 are primarily for product development, improvements to information technology infrastructure, improvements at manufacturing locations and manufacturing equipment. The principal sources of financing for these capital expenditures are expected to be internally generated funds and bank financing.

Capital Structure

The Company's capital structure is presented below:

	MARCH 31 2022	DECEMBER 31 2021	Change
Cash and cash equivalents	**$ 65.1**	$ 65.5	$ (0.4)
Other net tangible assets	**661.1**	728.7	(67.6)
Intangible assets	**48.9**	50.7	(1.8)
Goodwill	**55.4**	56.5	(1.1)
Net assets	**830.5**	901.4	(70.9)
Total debt	**(479.0)**	(518.5)	39.5
Total equity	**$ 351.5**	$ 382.9	$ (31.4)
Debt to total capitalization	**58 %**	58 %	— %

OUTLOOK AND STRATEGIC PERSPECTIVE

Consolidated Outlook

Given the continued component shortages due to supply chain constraints, significant material and freight cost inflation, and, more recently, the impact of the Russia/Ukraine conflict, as well as continued losses at Nuvera and the lack of tax offsets against pre-tax losses for the Lift Truck business and Nuvera, the Company, on a consolidated basis, expects a larger net loss in the second quarter than in the 2022 first quarter, a lower but still substantial net loss in the third quarter and substantial net income in the fourth quarter of 2022. However, the fourth-quarter net income is not expected to offset the losses generated in the first nine months. Generally, results in the remaining three quarters of 2022 are expected to be lower than at the time of the 2021 fourth quarter earnings release, mainly due to the Russia/Ukraine conflict. These expectations are based on the expected reasonable resolution of component shortages and relative stabilization of material and freight costs.

The Company is managing 2022 capital expenditures, operating expenses and its production plans in a manner designed to protect liquidity. Capital expenditures are expected to be approximately $29 million in 2022. The Company has implemented a program of strict controls over operating expenses to reduce cash outflow, including delays in the timing of certain strategic program investments. While the Company expects over time to make these capital expenditures and investments in the business, maintaining liquidity will continue to be a priority. During 2021 and early 2022, the Company's ability to build and ship trucks was significantly constrained by parts shortages of certain critical components while the remaining components needed to build trucks were received and added to inventory, causing inventory levels to increase substantially. In this context, the Company expects to reduce inventory significantly by using current inventory to build trucks for which production has been significantly delayed due to critical parts shortages and receiving components as they are needed for production.

At March 31, 2022, the Company's cash on hand was $65.1 million and debt was $479.0 million compared with cash on hand of $65.5 million and debt of $518.5 million at December 31, 2021. During the first quarter of 2022, the Company implemented a dealer advance deposit program on orders, which contributed to the reduction in debt levels. As of March 31, 2022, the Company had unused borrowing capacity of approximately $218 million under the Company's revolving credit facilities compared with $165 million at December 31, 2021.

Lift Truck Strategic Perspective

In the remainder of 2022, the Company expects the global lift truck market to continue to decline from the historical highs of 2021, in part due to the impact of the Russia/Ukraine conflict, but remain above pre-pandemic levels. As a result of this market outlook, the Lift Truck business is anticipating a substantial decrease in bookings during the remainder of 2022 compared with 2021, with the rate of decrease expected to moderate in the fourth quarter.

During 2021, the Company experienced production and shipment levels which were substantially lower than its objectives due to supply chain logistics constraints and component shortages. Some moderation in the number of suppliers with shortages occurred in the first quarter of 2022, but shortages are anticipated to continue throughout 2022, and possibly escalate again in light of the Russia/Ukraine conflict. Nevertheless, full-year shipments are currently expected to increase significantly in 2022 over 2021 given the Company's robust backlog and actions put in place to mitigate the impact of the supply chain constraints and shortages, but with the expectation that supplies of products or commodities are not constrained further as a result of the Russia/Ukraine conflict and recent COVID lockdowns in China.

Prior to the Russia/Ukraine conflict, there were signs that material costs had peaked. However, as a result of that conflict, significant additional material and freight cost inflation is expected to keep the cost of components higher in 2022 than in 2021 and not moderate as previously expected. In light of cost inflation in 2021 and what is now expected in 2022, the Lift Truck business implemented several price increases in 2021 and in the first quarter of 2022, but many of the orders in the backlog slotted for production in the second and third quarters of 2022 do not reflect the full effect of all these price increases. On the other hand, new bookings are being made at close to target margins based on expected future costs at the time of expected production. Further the renewal of tariff exclusions is expected to partly offset the anticipated higher material cost inflation in the backlog over the remainder of 2022. As a result, the Company expects to experience lower margins in the second quarter of 2022 compared with the first quarter of 2022 due to the lag between when unit price increases go into effect and when revenue is realized as the units are shipped. Margins are then expected to increase over the second half of 2022 with much stronger margins in the fourth quarter when the higher-margin, already-booked trucks, and trucks anticipated to be booked, are expected to be produced and shipped. In the meantime, the Company expects to continue to work aggressively to manage component availability in order to increase production rates, and continue to adjust prices as costs change. As a result of these factors, the Lift Truck business expects larger operating and net losses in the second quarter, moderated operating and net losses in the third quarter and substantial profit in the fourth quarter. Overall, the Russia/Ukraine conflict, on a net basis, has reduced prospects for the remaining quarters of 2022, particularly in the expectations for EMEA's second and third quarters, but has not changed the overall pattern of quarterly improvement expected in the second half of 2022.

From a broader perspective, the Lift Truck business has three core strategies that are expected to have a transformational impact on the Company's competitiveness, market position and economic performance as it emerges from the current period of mismatch of costs and pricing. The first is to provide the lowest cost of ownership while enhancing customer productivity. The primary focus of this strategic initiative is the new modular and scalable product projects, which are expected to lay the groundwork for enhanced market position by providing lower cost of ownership and enhanced productivity for the Company's customers, including low-intensity applications. Additional to this are key projects geared toward electrification of trucks for applications now dominated by internal combustion engine trucks, automation product options and providing telemetry and operator assist systems. The second core strategy is to be the leader in the delivery of industry- and customer-focused solutions. The primary focus for this strategic initiative is transforming the Company's sales approach by using an industry-focused approach to meet its customers' needs. The third core strategy is to be the leader in independent distribution. The main focus of this strategic initiative is on enhancing dealer and major account coverage, dealer excellence and ensuring outstanding dealer ownership globally.

As a result of these core strategies, the increased shipment volume potential of the current backlog and expected bookings in 2022, enhanced prices and the renewal of tariff exclusions, the Lift Truck business expects to move from the significant operating loss in the first quarter of 2022 to substantial operating profit in the fourth quarter, with the fourth-quarter profit expected to more than offset the losses in the first nine months of 2022. Over this period, the Company is projecting the stabilization of product and transportation costs and continued improvement in component and logistics availability, although this could change if the availability of commodities and/or components is seriously affected as a result of the ongoing Russia/Ukraine conflict and the recent lockdowns in China. The Company is also anticipating the continued introduction of additional modular and scalable product families and the continued implementation of cost-savings initiatives over this period and in the longer term. Overall, as the Company's strategic programs mature, as costs and prices come in line over 2022 and 2023, and as production volumes increase, the Lift Truck business is expected to have a strong operating profit and net income in the fourth quarter of 2022 and in 2023.

Bolzoni Strategic Perspective

Bolzoni has a small operation in Russia which is in the process of closing. As a result of adjusting its operations for the Russia/Ukraine conflict and adapting to the additional material inflation caused by the conflict, Bolzoni expects operating profit and net income in the second quarter of 2022 to be lower than the 2022 first quarter, but significantly higher than the loss realized in the prior-year second quarter. Over the second half of 2022, Bolzoni expects component shortages to moderate and the timing of pricing actions to permit improving operating profit in the third and fourth quarters. As a result, Bolzoni expects sizeable, but moderately lower than previously anticipated, operating profit and net income in 2022 compared with operating and net losses in 2021.

Bolzoni continues to focus on implementing its "One Company - 3 Brands" organizational approach to help streamline corporate operations and strengthen its North America and JAPIC commercial operations. Bolzoni is working to increase its Americas business by strengthening its ability to serve key attachment industries and customers in the North America market through the introduction of a broader range of locally produced attachments with shorter lead times, while continuing to sell cylinders and various other components produced in its Sulligent, Alabama plant. Bolzoni is also increasing its sales, marketing and product support capabilities both in North America and Europe based on an industry-specific approach, with an immediate focus on the paper, beverage, appliance, third-party logistics and automotive industries.

Nuvera Strategic Perspective

Nuvera continues to focus on applying its 45kW and 60kW engines, which were both released for sale late in 2020, in niche, heavy-duty vehicle applications with expected near-term significant fuel cell adoption potential. As a result of these releases, Nuvera accelerated its 45kW and 60kW engine commercialization operations for the global market. In 2022, Nuvera expects to continue to focus on ramping up demonstrations, quotes and bookings of these products. In addition, Nuvera has initiated development of a new 125kW engine and continues to focus on applications in the forklift truck market. Excluding the impact of the inventory valuation and fixed asset impairment charges taken in 2021, the Company expects moderately reduced losses at Nuvera in 2022 as a result of enhanced fuel cell shipments.

EFFECTS OF FOREIGN CURRENCY

The Company operates internationally and enters into transactions denominated in foreign currencies. As a result, the Company is subject to the variability that arises from exchange rate movements. The effects of foreign currency fluctuations on revenues, operating profit and net income (loss) are addressed in the previous discussions of operating results. See also Item 3, "Quantitative and Qualitative Disclosures About Market Risk," in Part I of this Quarterly Report on Form 10-Q.

FORWARD-LOOKING STATEMENTS

The statements contained in this Form 10-Q that are not historical facts are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are made subject to certain risks and uncertainties, which could cause actual results to differ materially from those presented. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof. Among the factors that could cause plans, actions and results to differ materially from current expectations are, without limitation: (1) delays in delivery and other supply chain disruptions, or increases in costs as a result of inflation or otherwise, including materials and transportation costs and shortages, the imposition of tariffs, or the renewal of tariff exclusions, on raw materials or sourced products, and labor, or changes in or unavailability of quality suppliers or transporters, including the impacts of the foregoing risks on the Company's liquidity, (2) the duration and severity of the COVID-19 pandemic, any preventive or protective actions taken by governmental authorities, and any unfavorable effects of the COVID-19 pandemic on either the Company's or its suppliers plants' capabilities to produce and ship products, (3) delays in manufacturing and delivery schedules, (4) customer acceptance of pricing, (5) unfavorable effects of geopolitical and legislative developments on global operations, including without limitation the entry into new trade agreements and the imposition of tariffs and/or economic sanctions, as well as armed conflicts, including the Russia/Ukraine conflict, and their regional effects, (6) the ability of the Company and its dealers, suppliers and end-users to access credit in the current economic environment, or obtain financing at reasonable rates, or at all, as a result of current economic and market conditions, (7) impairment charges or charges due to valuation allowances, (8) reduction in demand for lift trucks, attachments and related aftermarket parts and service on a global basis, including any reduction in demand as a result of an economic recession, (9) exchange rate fluctuations, interest rate volatility and monetary policies and other changes in the regulatory climate in the countries in which the Company operates and/or sells products, (10) the effectiveness of the cost reduction programs implemented globally, including the successful implementation of procurement and sourcing initiatives, (11) the successful commercialization of Nuvera's technology, (12) the political and economic uncertainties in the countries where the Company does business, as well as the effects of any withdrawals from such countries, (13) bankruptcy of or loss of major dealers, retail customers or suppliers, (14) customer acceptance of, changes in the costs of, or delays in the development of new products, (15) introduction of new products by, or more favorable product pricing offered by, competitors, (16) product liability or other litigation, warranty claims or returns of products, and (17) changes mandated by federal, state and other regulation, including tax, health, safety or environmental legislation.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

See pages 29 and 30 and F-24 through F-27 of the Company's Annual Report on Form 10-K for the year ended December 31, 2021 for a discussion of the Company's derivative hedging policies and use of financial instruments. There have been no material changes in the Company's market risk exposures since December 31, 2021.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures: An evaluation was carried out under the supervision and with the participation of the Company's management, including the principal executive officer and the principal financial officer, of the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, these officers have concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report.

Changes in internal control over financial reporting: During the first quarter of 2022, there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II
OTHER INFORMATION

Item 1 Legal Proceedings

None

Item 1A Risk Factors

There have been no material changes from risk factors previously disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021 in the Section entitled "Risk Factors."

Item 2 Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3 Defaults Upon Senior Securities

None

Item 4 Mine Safety Disclosures

Not applicable

Item 5 Other Information

None

Item 6 Exhibits

The following exhibits are filed as part of this report:

Exhibit Number*	Description of Exhibits
10.1*	Hyster-Yale Materials Handling, Inc. and Subsidiaries Director Fee Policy (Amended Effective as of January 1, 2022) is attached hereto
31(i)(1)	Certification of Alfred M. Rankin, Jr. pursuant to Rule 13a-14(a)/15d-14(a) of the Exchange Act
31(i)(2)	Certification of Kenneth C. Schilling pursuant to Rule 13a-14(a)/15d-14(a) of the Exchange Act
32	Certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed and dated by Alfred M. Rankin, Jr. and Kenneth C. Schilling
101.INS	Inline XBRL Instance Document - The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	The cover page from this Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, formatted in Inline XBRL and contained in Exhibit 101

* Numbered in accordance with Item 601 of Regulation S-K.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Hyster-Yale Materials Handling, Inc.

Date: May 3, 2022

/s/ Kenneth C. Schilling

Kenneth C. Schilling

Senior Vice President and Chief Financial Officer (principal financial officer)

HYSTER-YALE MATERIALS HANDLING, INC. AND SUBSIDIARIES
Director Fee Policy (Amended Effective as of January 1, 2022)

This Director fee policy shall apply to each Director of Hyster-Yale Materials Handling, Inc. (Hyster-Yale) or one of its subsidiaries, other than (i) Directors who are full-time employees of Hyster-Yale or one of its subsidiaries or (ii) Directors who have entered into separate written fee agreements authorized by the Board of Directors and executed by an authorized officer of Hyster-Yale or one of its subsidiaries.

Each Director of Hyster-Yale will receive an annual retainer, of $200,000, payable quarterly in arrears. Each quarterly payment shall consist of $16,250 in cash and $33,750 worth of Hyster-Yale Class A Common Stock, transfer of which is restricted pursuant to the terms of the Hyster-Yale Non-Employee Directors' Equity Compensation Plan.

Each Director of Hyster-Yale Group, Inc. who is not a Director of Hyster-Yale will receive an annual retainer of $20,000, payable in cash quarterly in arrears in installments of $5,000.

Each Chairman of a Committee of the Hyster-Yale Board of Directors will receive an additional annual Committee Chairman's fee of $10,000, payable in cash quarterly in arrears in installments of $2,500; provided, however, that the Chairman of the Audit Review Committee will receive an annual Committee Chairman's fee of $15,000, payable in cash quarterly in arrears in installments of $3,750. 100% of all fees paid for service as Chairman of a Committee is attributable to services for Hyster-Yale Group, Inc. and its subsidiaries.

Each member of a Committee (other than the Executive Committee) of the Hyster-Yale Board of Directors, including Committee Chairmen, will receive an additional annual Committee member's fee of $7,000 for each Committee on which such Director serves, payable in cash quarterly in arrears in installments of $1,750. 100% of all fees paid for service as a member of a Committee is attributable to services for Hyster-Yale Group, Inc. and its subsidiaries.

Each Director of Hyster-Yale or a Hyster-Yale subsidiary will be paid a meeting fee of (a) $1,000 for each Hyster-Yale or subsidiary Board meeting attended, provided that no Director shall be paid for attendance at more than one Board meeting on any single day, and (b) $1,000 for each Committee meeting attended. In the case of either joint meeting or joint committee meetings, the fees associated with that meeting will be allocated among the companies that actually met.

This amended policy is effective as of January 1, 2022.

Exhibit 31(i)(1)

Certifications

I, Alfred M. Rankin, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hyster-Yale Materials Handling, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 3, 2022

/s/ Alfred M. Rankin, Jr.

Alfred M. Rankin, Jr.
Chairman and Chief Executive Officer (principal executive officer)

.

Exhibit 31(i)(2)

Certifications

I, Kenneth C. Schilling, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hyster-Yale Materials Handling, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 3, 2022

/s/ Kenneth C. Schilling

Kenneth C. Schilling
Senior Vice President and Chief Financial Officer (principal financial officer)

Exhibit 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Hyster-Yale Materials Handling, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

Date:	May 3, 2022	/s/ Alfred M. Rankin, Jr.
		Alfred M. Rankin, Jr. Chairman and Chief Executive Officer (principal executive officer)
Date:	May 3, 2022	/s/ Kenneth C. Schilling
		Kenneth C. Schilling Senior Vice President and Chief Financial Officer (principal financial officer)