



**HY HYSTER-YALE**  
MATERIALS HANDLING

# Seaport Global Roadshow

Friday, August 24, 2018

# Safe Harbor Statement & Disclosure

This presentation includes forward-looking comments subject to important risks and uncertainties. It may also contain financial measures that are not in conformance with accounting principles generally accepted in the United States of America (GAAP).

Refer to Hyster-Yale's reports filed on Forms 8-K (current), 10-Q (quarterly), and 10-K (annual) for information on factors that could cause actual results to differ materially from information in this presentation and for information reconciling financial measures to GAAP. Past performance may not be representative of future results.

Guidance noted in the following slides was effective as of the Company's most recent earnings release and conference call (August 1, 2018). Nothing in this presentation should be construed as reaffirming or disaffirming such guidance.

This presentation is not an offer to sell or a solicitation of offers to buy any of Hyster-Yale's securities.

# Hyster-Yale at a Glance

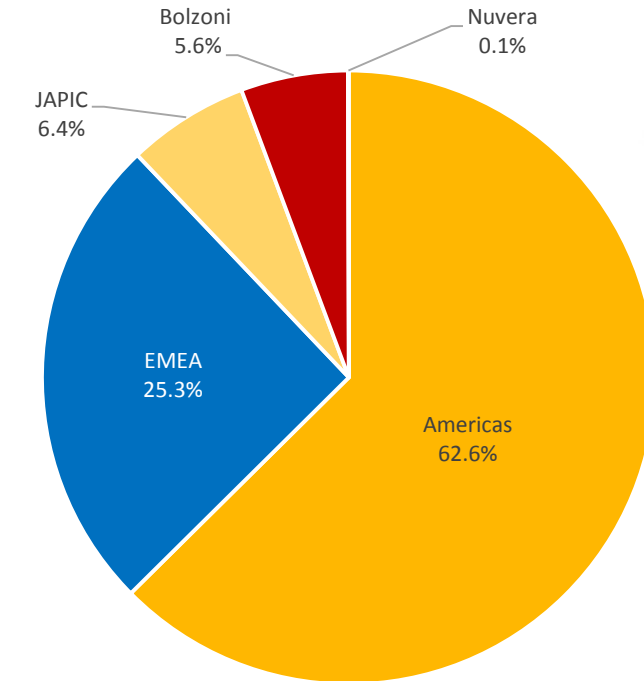
Hyster-Yale Materials Handling, Inc. (NYSE:HY) is a leading globally integrated, full-line lift truck manufacturer offering a broad array of solutions aimed at meeting the specific materials handling needs of its customers.

Separate lift truck, attachment and fuel cell segments



Key Metrics In millions (except employee data)	LTM 6/30/18		
	Lift Truck	Bolzoni	Nuvera
Revenue	\$2,867.3	\$197.4	\$1.4
Operating Profit (loss)	\$96.4	\$9.5	(\$41.5)
Net Income (loss)	\$57.4	\$6.5	(\$28.9)
EBITDA <sup>(1)</sup>	\$157.0	\$20.1	(\$35.2)
ROTCE <sup>(1)</sup> (Net debt basis)	17.0%	4.4%	n/m
Net Debt at end of period	\$92.8	\$28.0	n/m
Approximate # of Employees (globally)	6,500 <sup>(2)</sup>	900	200

LTM 6/30/18 Sales by Segment




















(1) EBITDA and ROTCE are non-GAAP measures and should not be considered in isolation or as a substitute for GAAP measures. See non-GAAP explanations and the related reconciliations to GAAP measures in the Financial Appendix starting on page 28.

(2) Includes 600 employees from HY Maximal, acquired by the Company on June 1, 2018.



# Products for All Needs...

CLASS 1	CLASS 2	CLASS 3	CLASS 4	CLASS 5
<b>Electric Counterbalanced Rider Trucks</b>	<b>Electric Narrow Aisle Trucks</b>	<b>Electric Hand Trucks</b>	<b>Internal Combustion Engine (cushion tire)</b>	<b>Internal Combustion Engine (pneumatic tire)</b>
1.0T to 5.5T	1.5T to 6.0T	1.5T to 8.0T	1.0T to 7.0T	1.0T to 52.0T
<p><b>Electric CB</b></p>   <p><b>3-wheel Electric</b></p>   <p><b>4-wheel Electric</b></p> <p><b>Lithium-Ion</b></p>	<p><b>Warehouse Equipment</b></p>  <p><b>Reach Trucks</b></p>  <p><b>Order Pickers</b></p>  <p><b>Very Narrow Aisle Trucks</b></p>  <p><b>Pallet Trucks</b></p>  <p><b>Stackers</b></p>	<p><b>Counterbalance</b></p>  <p><b>Internal Combustion Engine</b></p> 	<p><b>Counterbalance</b></p>  <p><b>Internal Combustion Engine</b></p> 	<p><b>Big Trucks</b></p>  <p><b>Reach Stackers</b></p>  <p><b>Empty / Laden Container Handlers</b></p>  <p><b>Forklifts</b></p> 

**Over 290 different truck models available**

# ...with a Broad Range of Power Options, Attachments and Solutions

## Power Options

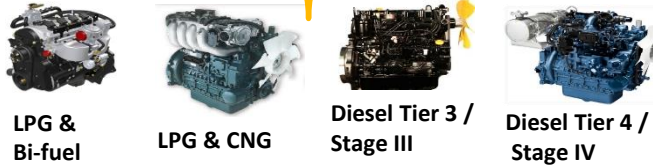
### CLASS 1, 2 & 3

- Electric Counterbalanced Rider Trucks
- Electric Narrow Aisle Trucks
- Electric Hand Trucks



### CLASS 4 & 5

- Internal Combustion Engine (cushion tire)
- Internal Combustion Engine (pneumatic tire)



## Attachments

### Clamps



### Multipallets



### Fork Positioners



### Rotators



### Forks



### Sideshifters



### Push Pulls



### Lifting Tables



## Development of a Smart, Connected Ecosystem

### Customer Portal View

- ▶ Dashboards
- ▶ Telematics driven
- ▶ Actionable insights
- ▶ Fleet management
- ▶ Parts order fulfillment

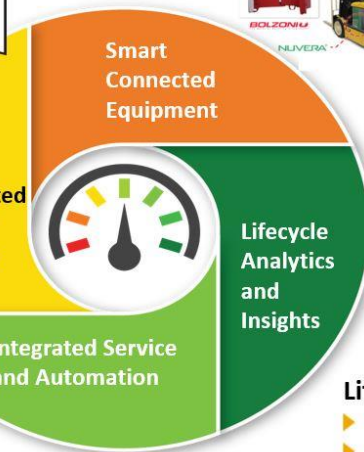
45,000+ assets under management

### Service Integration & Automation

- ▶ Service event management
- ▶ Fleet management
- ▶ Mobile diagnostics



Clean, consolidated customer interfaces



### Integrated Solutions

- ▶ Hydrogen fuel cells
- ▶ Telematics solution
- ▶ Attachments
- ▶ Automation



### Lifecycle Analytics and Insights

- ▶ Data analytics
- ▶ Product development
- ▶ Predictive maintenance (PdM)

## Solutions



Solutions that DRIVE Productivity

# Key Perspectives

**Global markets** expected to be strong for next several years



**Core lift truck programs** aim to trigger organic growth through intensified industry focus



**Investments** to expand HY's product and solutions portfolio and geographic breadth and depth

**BOLZONI**  
The Material Handling Group

 **maximal**



**Nuvera** remains a venture business with developed technology; break even by late 2019



**Lift Truck business objective** of 7% operating profit margin in the medium term, with an added focus on progressive revenue growth and achieving ROTCE above 20%

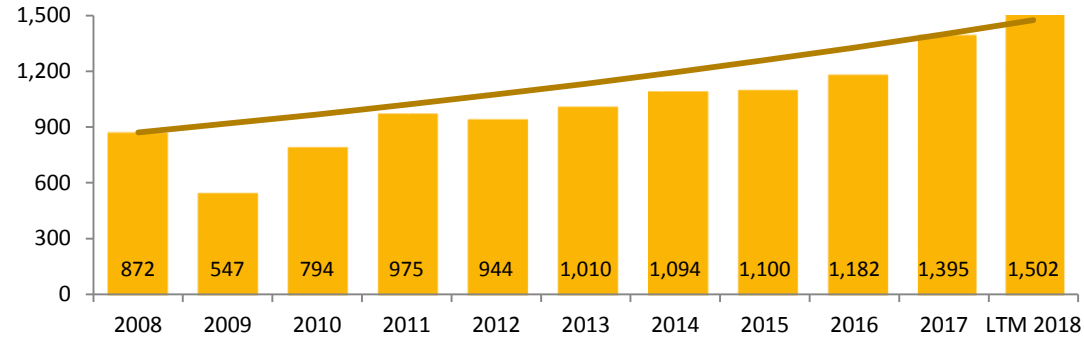


# Global Industry Remains Strong

## Global Lift Truck Industry Size

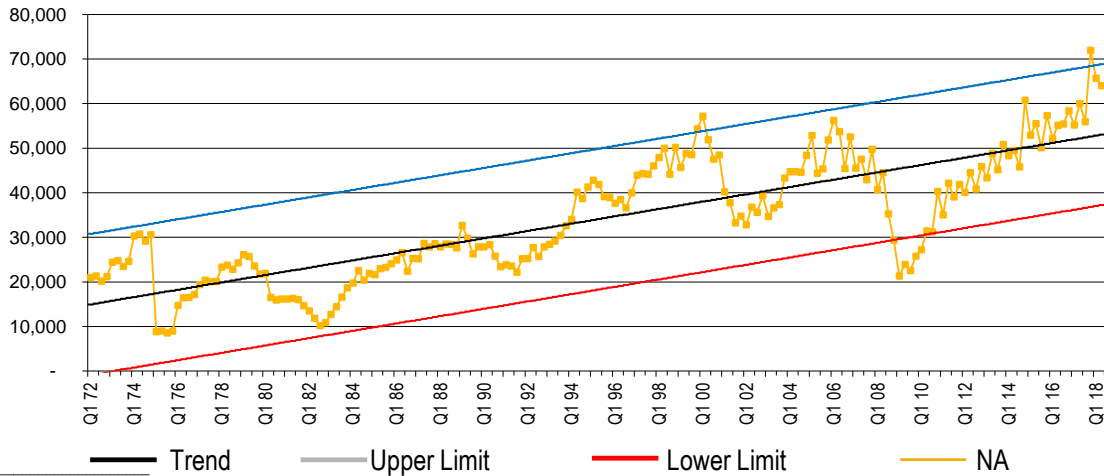
(units in thousands)

Long-term CAGR (2004 – 2017) = 5.4%



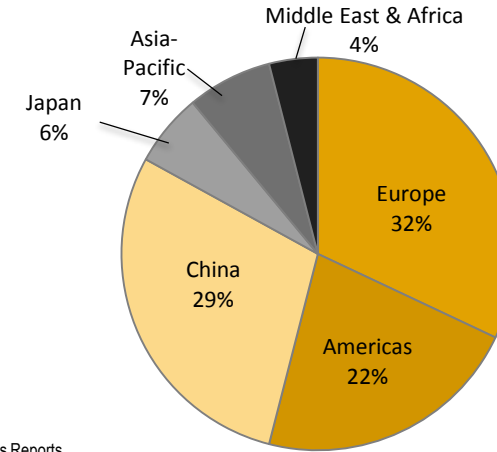
Trend line represents 5.4% long-term CAGR Average Industry Size. Source: WITS. Represents annual order intake.

## North America Retail Lift Truck at Peak Trend



Source: ITA. Represents quarterly order intake.

## Global Lift Truck Industry Breakdown (Units)

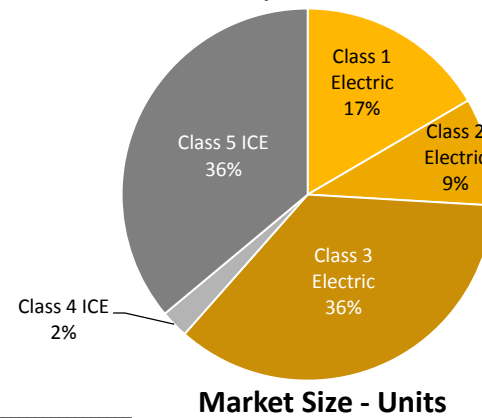


Source: WITS. LTM 6/30/18 Orders Reports.

## Lift Truck Industry – Unit Distribution by Class

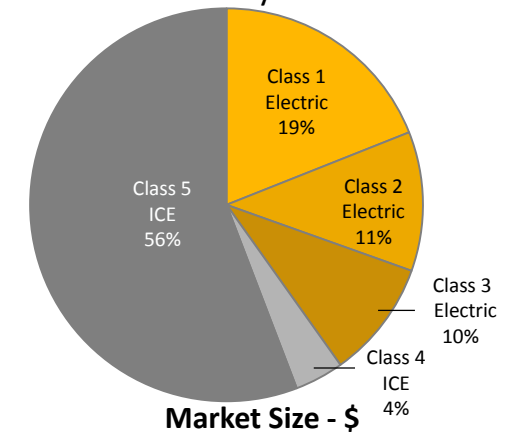
Total Industry = 1,502k Units

Estimated Industry Revenue Mix



Market Size - Units

Source: WITS. LTM 6/30/18 Orders Reports.  
ICE = Internal Combustion Engine

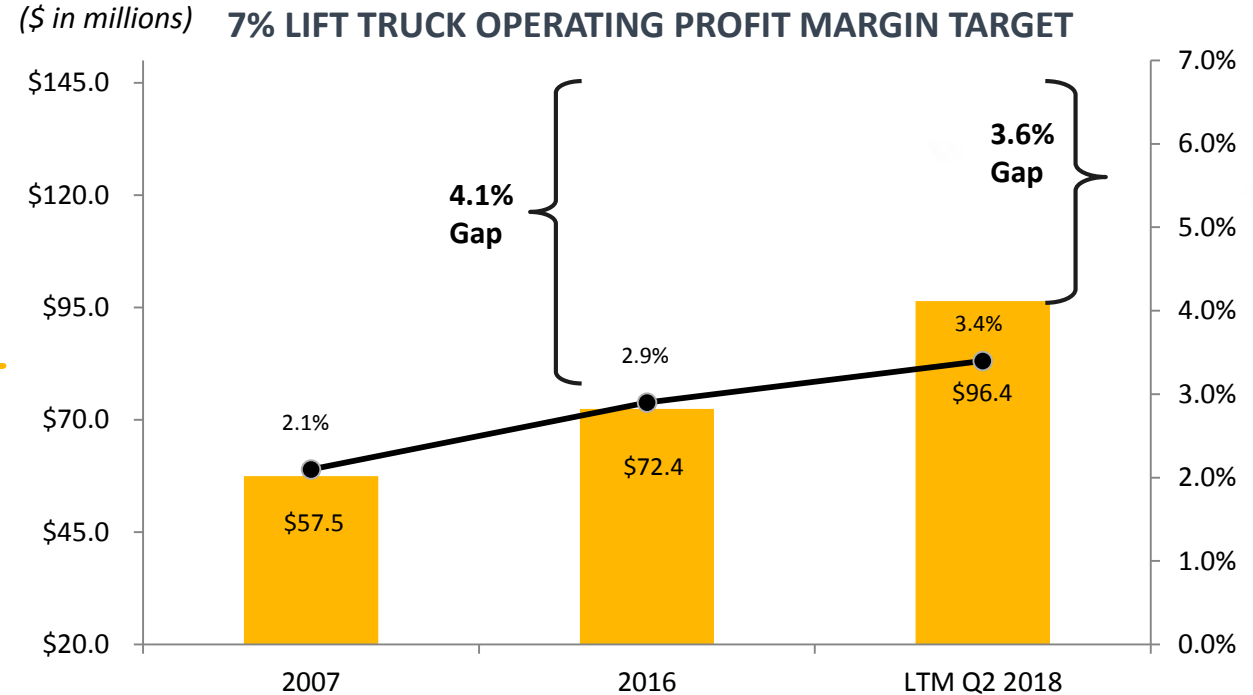


Market Size - \$

Source: Internal Company estimates

# A Positive Profitability Trend Despite Strengthening Headwinds

Key Variables Impacting Performance	Impact on HY	
	2017	2018
Market Cycle by Country	+	=
Market Size by Industry	+	+
Market Size by Product	= / +	=
Commodity Prices/Tariffs	-	-
Pricing	+	= / -
Strength of Dollar	=	-
Operational Effectiveness	+	+
Core SG&A Expenses	-	-





# Lift Truck Business Target Economics Goal and Gap to Target

**Achieve 7%  
operating profit  
margin target over  
the medium term**

**Achieve ROTCE  
> 20%**

## LTM 6/30/18 Gap to Target Economics

Actual Lift Truck Operating Profit Margin %		3.4%
Margin Variances		1.7%
Volume Variances*		1.9%
Manufacturing variances/other	0.2%	
Operating Expenses	1.7%	
<b>Lift Truck Operating Profit Margin % Gap</b>		<b>3.6%</b>
<b>Lift Truck Operating Profit Margin % Target</b>		<b>7.0%</b>

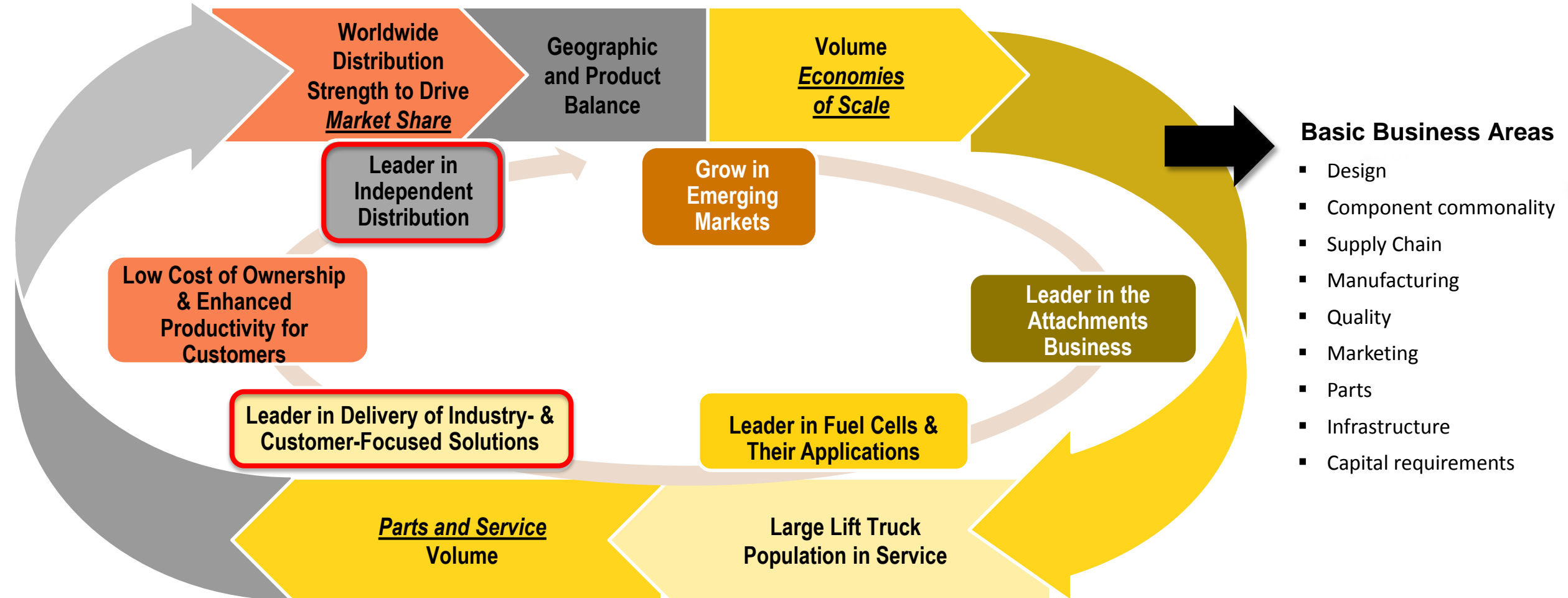
\*Expected to achieve with annual sales of 115,000 HY-produced lift truck units, excluding trucks sold by Maximal.

**Target  
Economics gap  
closure can be  
achieved with  
unit volume...**

**Stronger Industry  
+ Share Growth  
= Volume Leverage**

# Our Strategies address Changing Landscape and will Drive Our Economic Engine

Hyster-Yale's economic engine is driven by increasing unit volume and economies of scale. Core strategic initiatives are designed to drive the economic engine by increasing market share...



**A large lift truck population base drives parts and service volume resulting in enhanced profitability for Hyster-Yale and dealers**

# #1: Leader in Independent Distribution



Independent ■ Exclusive ■ Entrepreneurial ■ Profitable ■ Committed partner ■ Dual-line or single

## Enhancing performance

Dealer Excellence programs  
Dealer incentives  
Term-based contracts



**1,000+**  
global dealer  
locations



**2,000+**  
application  
consultants

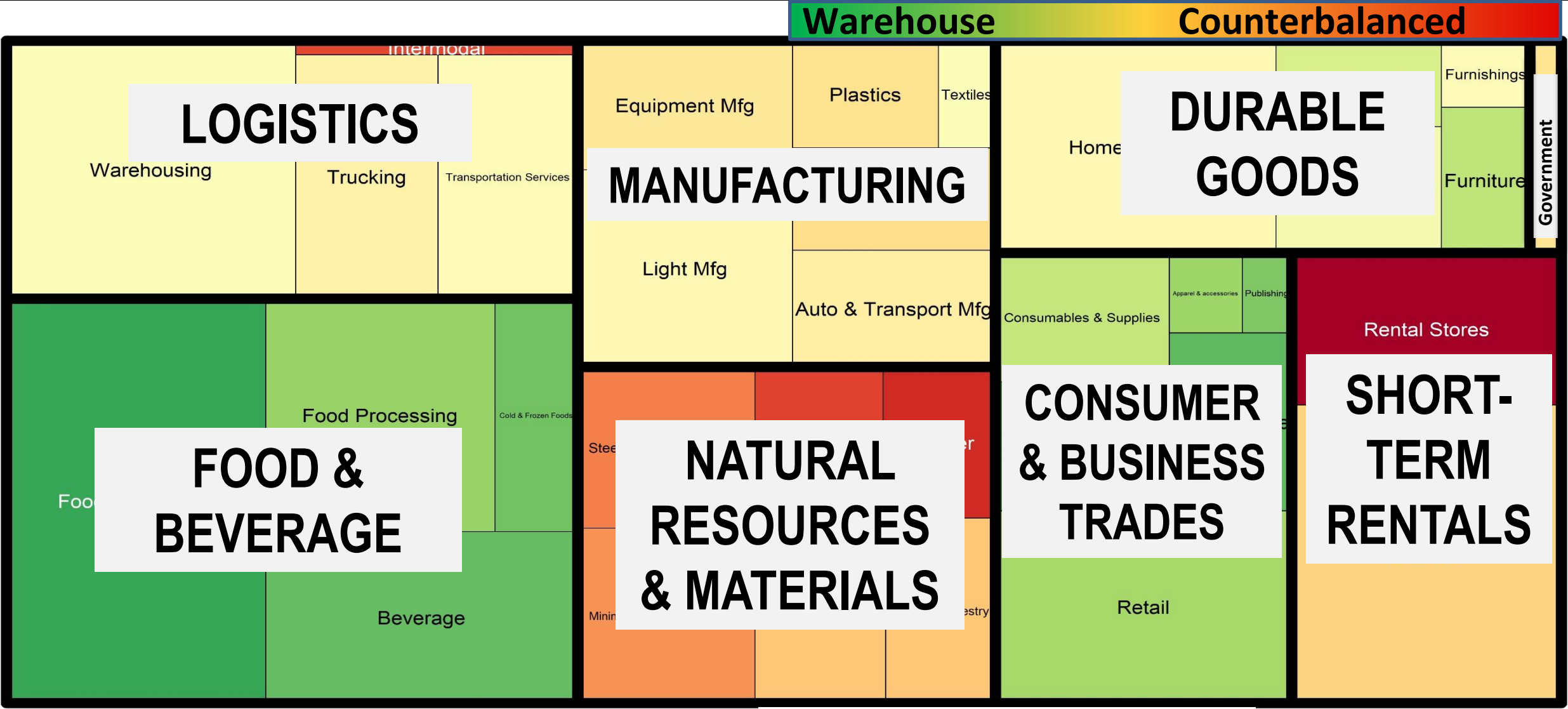


**11,000+**  
service  
technicians

## Strengthening the distribution footprint

Sales and Service territories (SSTs)  
Competitor conversions  
In-territory acquisitions

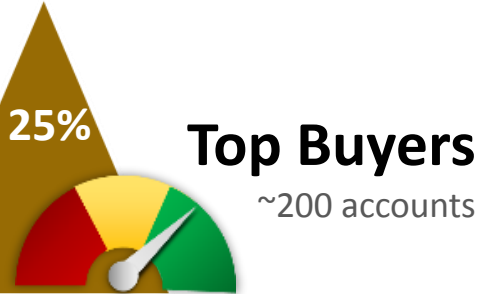
# #2: Leadership in Delivering Industry- & Customer-Focused Solutions



Source: 2017 ITA Market Size and Mix by Vertical and Segment



# Sales Deployment



NATIONAL ACCOUNTS

CURRENTLY IN PLACE

- Committed to customer-obsessed, industry-specific, strategic partnerships
- ~**200** designated accounts with annual purchases of ~60,000 units and high market share
- Over **2,400** Customer and Dealer Visits per year



INDUSTRY SALES

NEW TEAM

- Committed to working with dealers to identify, **serve needs of large “Industry Leader”** accounts
- Develop and execute “Account Development Plans” and enhance the knowledge /skills of dealer sales personnel
- Create “why change, why now, why us” messaging



DEALER SALES

CURRENTLY IN PLACE

- Area Business Managers
- Field-Based Specialized Sales Support
- Inside Sales Support
- Field Parts Sales Support
- Financial Services Managers
- Regional Aftermarket Managers
- Field Service Engineers

Percentage of Lift Truck Market and Market Share Performance





# #3: Delivering Low Cost of Ownership & Enhanced Productivity for Customers

## Segmentation – Right Product at Right Price



New RS45 Reachstacker

## Battery Box Replacements

-  Constant power and refuel as quick as 3 minutes
-  No batteries or battery charging rooms
-  Environmentally clean
-  Leads to Lower Cost of Ownership

## HY Automation with Dual-Mode Operation

Internally Developed Automation (IDA)

Balyo Collaboration  
**BALYO**


Automated Reach Truck



## Lithium Ion Solutions

**NO MORE** 


-  Watering
-  Acid
-  Spills
-  Fumes
-  Equalizing
-  Cleaning

**2X**  **FASTER CHARGING**  
TIME OVER LEAD ACID BATTERIES

**OPPORTUNITY CHARGING**  
ANYWHERE, ANYTIME WITH **120V**

**UP TO 9 HRS**  **CONTINUOUS RUN TIME**  
WITH 168 AH 3-PACK

Convenient, cost-effective performance  
**lithium-ion power**

 Opportunity charge anywhere, anytime



## Battery Box Replacement Trucks Lithium-ion Ready

- Food and beverage
- Paper industry
- Automotive
- Cold storage



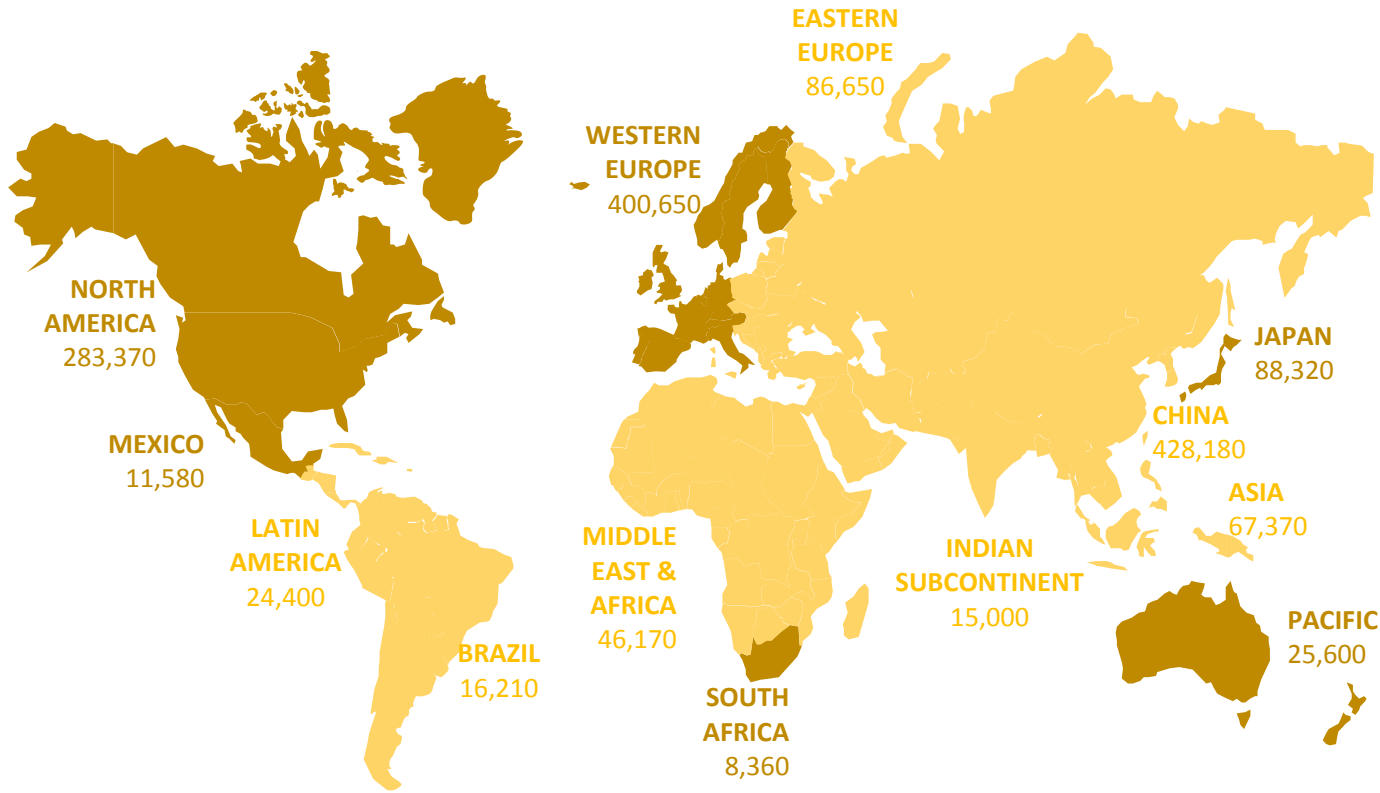
## Integrated Lithium-ion Truck ICE like Performance

- High-voltage powertrain
- Excellent productivity
- 6-9T capacity
- Fast charge



# #4: Grow in Emerging Markets

Emerging versus Mature Lift Truck Market Size (Last 12 months)



MARKET SIZE SUB-TOTALS

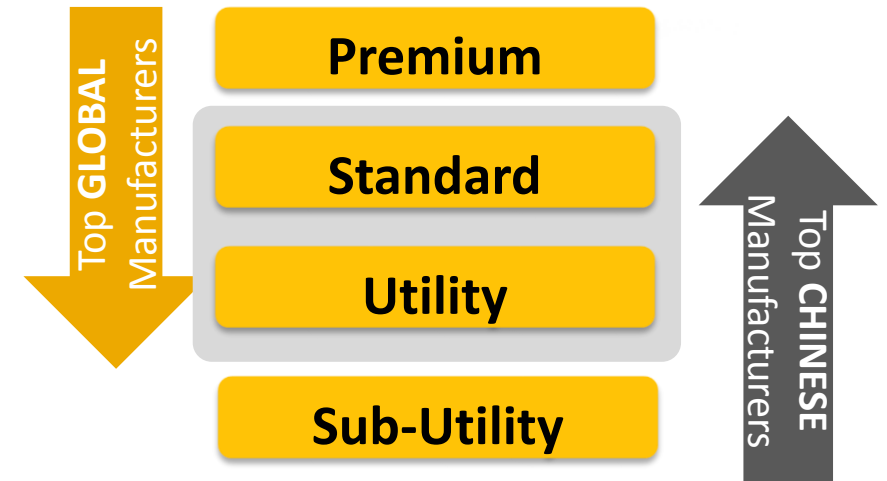
MATURE MARKETS 817,880

EMERGING MARKETS 683,980

Indicative Map Only: Company's estimate of market type

Lift Truck **Competition** is **Repositioning**

**Top Global Manufacturers** are increasing product depth into utility and standard product line-up



**Top Chinese Manufacturers**

are increasing quality and specification of Utility & Standard product line-up





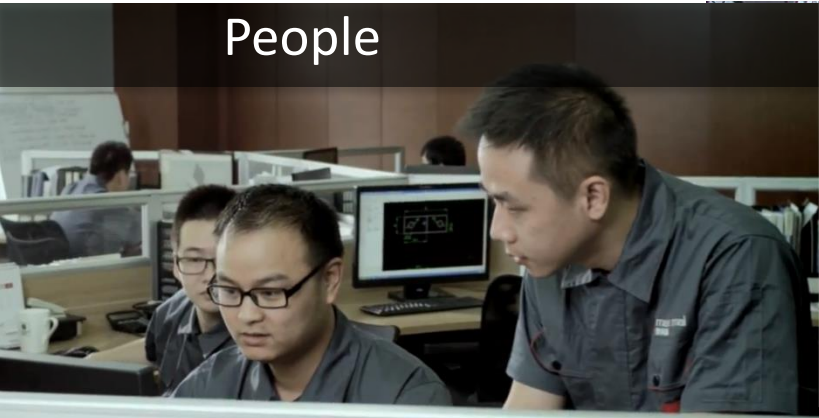
# Acquired a 75% Interest in Hyster-Yale Maximal Forklift [Zhejiang] Co., Ltd.



Best Value ■ Best Fit ■ Best Potential



People



- Management
- Culture
- Local market experience

Organization



- Production and design capability
- Facilities and location
- Brand and distribution network

Product



- Utility Counterbalance forklifts
- Big Trucks
- Rough Terrain forklifts
- Side Loader forklift

## Near Term Synergy Plan



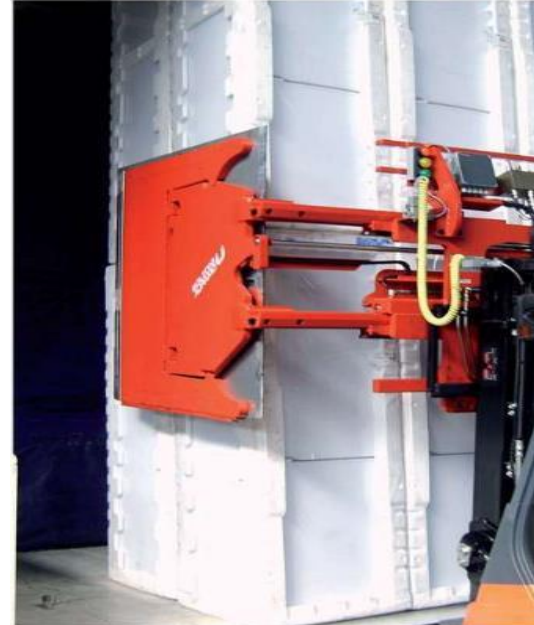
*Solutions that DRIVE Productivity*



# #5: Leader in Attachments Business



One of the worldwide leading manufacturers of lift truck attachments, forks and lift tables



A complete range of attachments to serve material handling industries in the area of forest products, food and beverage, white goods, logistics, chemistry, automotive and many others...

### Stand-Alone Supplier

Preferred supplier to HY  
Arms-length sales  
Commercial confidentiality

### Part of Hyster-Yale

Key supplier partner  
Purchasing leverage  
Broader market access

### Synergy Opportunities

- Growth of Attachment business in Americas
- Growth of Lift Truck business in Europe
- Utilize Bolzoni's excess capacity

# #6: Leader in fuel cells and their applications

**NUVERA**<sup>®</sup>

*High technology fuel cell company*

**Design of Fuel Cell Stacks and Engines**

**Reliability Growth Engineering**

**Manufacture of Fuel Cell Stacks and Engines**

**Sales & Marketing to OEM's and Partners**

**Development of Hydrogen Compression Technology & Products**



**HY HYSTER-YALE**  
GROUP

*Integrator of fuel cell engines into lift trucks*

**Design of BBR and Integrated Solutions**

**Reliability Growth Engineering**

**Manufacture of BBR and Integrated Solutions**

**Sales & Marketing**

**Product Support in Field**



*Solutions that DRIVE Productivity*

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# Future Non-Lift Truck Growth Opportunities



## Heavy duty applications

Port equipment ■ Delivery vehicles ■ Buses



## China market entry

Market research ■ First agreement signed ■  
Other opportunities in evaluation ■ Low  
cost sourcing

# Results for Q2 2018 Consolidated vs. Q2 2017

<i>(\$ in millions)</i>	Lift Truck <sup>(1)</sup>	Bolzoni <sup>(1)</sup>	Nuvera <sup>(1)</sup>	HY Q2 2018	HY Q2 2017	Variance	HY LTM 6/30/18
<b>Revenues</b>	\$720.1	\$52.5	\$0.4	\$765.6	\$685.5	\$80.1	\$3,040.4
<b>Gross Profit</b>	\$110.3	\$16.8	(\$0.7)	\$126.2	\$121.7	\$4.5	\$513.1
<b>Operating Expenses</b>	(\$93.0)	(\$13.6)	(\$8.8)	(\$115.4)	(\$104.2)	(\$11.2)	(\$449.3)
<b>Operating Profit (Loss)</b>	\$17.3	\$3.2	(\$9.5)	\$10.8	\$17.5	(\$6.7)	\$63.8
<b>Net Income (Loss)</b>	\$11.0	\$2.1	(\$6.9)	\$5.6	\$16.4	(\$10.8)	\$34.6
<b>EBITDA<sup>(2)</sup></b>	\$26.7	\$5.5	(\$10.1)	\$21.9	\$31.2	(\$9.3)	\$141.3

Hyster-Yale's business units are at different stages, which makes the variance best understood by individual business unit

## Q2 2018 Trends

- Revenue improvement on increased volumes, currency translation and Maximal acquisition
- Gross profit percent declined due to unit margin compression related to material price inflation
- Operating expenses continue to grow consistent with strategic programs

## 2018 Outlook

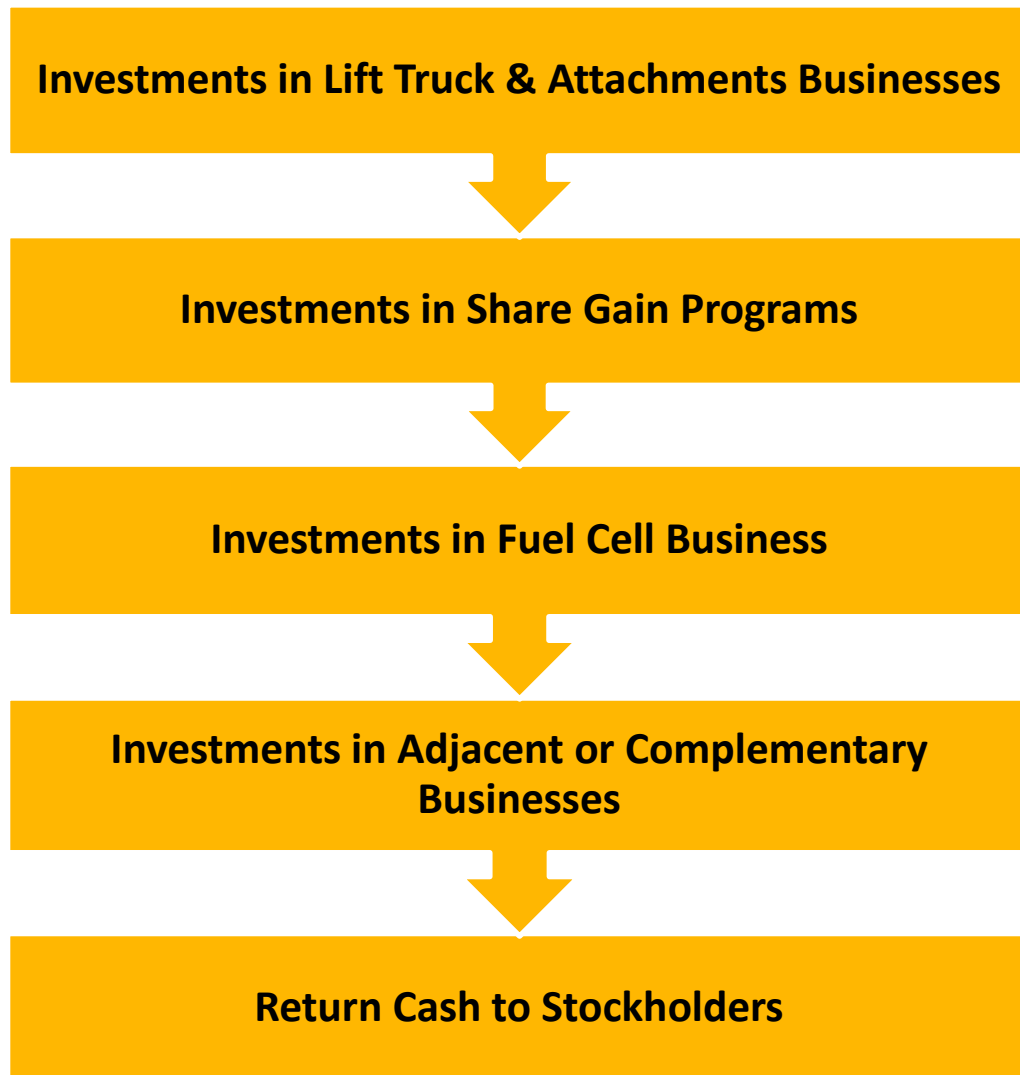
- **Lift Truck:** Expected FY increase in units and parts revenues, but modest decrease in FY operating profit as H2 improvements driven by price increases gaining traction not expected to fully offset H1 declines from material cost inflation and higher SG&A. Absence of 2017 unfavorable tax adjustments expected to lead to higher net income.
- **Bolzoni:** Revenues, operating profit and net income expected to increase
- **Nuvera:** Operating loss expected to modestly decrease & net loss comparable to 2017

(1) These entities are presented on a stand-alone basis, and as such, do not sum to the Consolidated financial information.

(2) EBITDA is a non-GAAP measure and should not be considered in isolation or as a substitute for GAAP measures. See non-GAAP explanations and the related reconciliations to GAAP measures in the Financial Appendix starting on page 28.



# Hyster-Yale Use of Cash Priorities



Strategic initiatives to accelerate growth or enhance margins

Investments to commercialize Nuvera's fuel cell technology

Acquisitions of technologies and other forklift-related businesses

	2016	2017	YTD 2018
Annual Dividends <sup>(1)</sup>	\$19.2m \$1.18/share	\$19.8m \$1.21/share	\$10.1m \$1.24/share
	2012 to 2014		
Share Buyback	\$49.8m / 694,653 shares of Class A common stock		

# Valuation Approach Needs to Vary By Business

## Lift Truck and Attachment Businesses

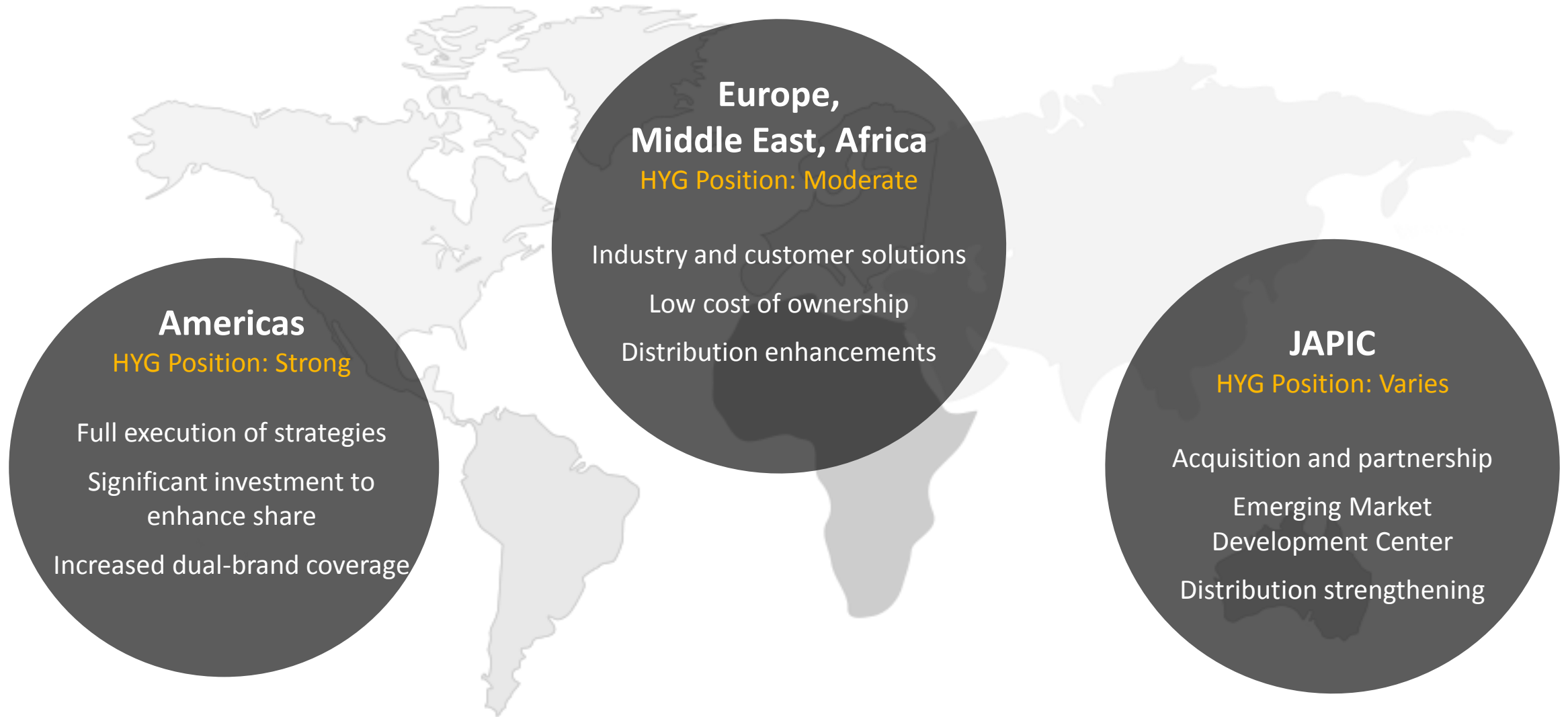
- Mature Cyclical Industry
- Market Leading Products and Position
- Strong Operating Cash Generation
- Value using Traditional Valuation Model of EBITDA Multiple on a Net Debt Basis
  - Multiple should reflect ROIC levels and growth prospects

## Fuel Cell Business

- Developing / Technology Industry
- Distinct Technology / Patents in Fuel Cell and Hydrogen Generation
- Operating Cash Invested in New Product Commercialization / Ramp Up
- Value as Venture Business with Developed Technology

- Board Oversight as Separate Businesses
- Incentives Tied to Individual Businesses

# One Set of Strategies, Different Priorities for Execution



# Key Developments Over Past 18 Months



Improved financial performance in core lift truck business



Industry focus with new sales and marketing organizations



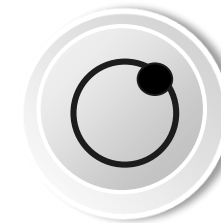
Solid base for expansion in developing markets being established



Developments in automation and key product platforms



Bolzoni fully integrated and performing well



Nuvera strategy implementation – clear focus



# A Compelling Investment Scenario over the Next Few Years



Core lift truck business poised for strong revenue and income growth

- Aggressive investments in share gain
- New product platforms under development



Bolzoni business has significant upside

- Additional products under review
- Americas growth potential



Nuvera business currently having a significant impact on current valuation, but:

- Solid path for profitability established
- Partner established in China, others in process

# In Summary, Over the Next Few Years....

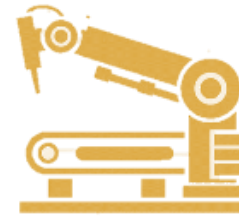
Get to approximately **\$4 billion** HY Lift Truck segment revenue irrespective of industry size and maintain ROTCE >20%



through **Significant share growth**



Which leverages **Technology accelerators and business acquisitions**



to **Fill existing assembly line capacity**



by selling and producing **115,000** HY-factory trucks

Get **Bolzoni** operating profit margins to **7%**

Move **Nuvera** to **break-even** by late 2019 then on toward profitability

# Financial Appendix



# Non-GAAP Disclosure

EBITDA and return on total capital employed are not measurements under U.S. GAAP, should not be considered in isolation or as a substitute for GAAP measures, and are not necessarily comparable with similarly titled measures of other companies. Hyster-Yale defines each as the following:

- EBITDA is defined as income (loss) before asset impairment charges, income taxes and noncontrolling interest income (loss) plus net interest expense and depreciation and amortization expense;
- Return on Total Capital Employed (“ROTCE”) is defined as net income (loss), as reported, before interest expense, after tax and before the impact of U.S. Tax Reform legislation, divided by average capital employed. Average capital employed is defined as average stockholders’ equity plus average debt less average cash.
- Adjusted Cash Flow before Financing is defined as cash from operating activities less cash from investing activities, excluding the approximately \$80m impact of an unplanned systems-related acceleration of supplier payments in December 2016.

For reconciliations from GAAP measurements to non-GAAP measurements, see the following pages.

# Non-GAAP Reconciliation

(\$ in millions)	Year Ended December 31					Qtr.	Qtr.	Trailing 12 Months
	2013	2014	2015	2016	2017	6/30/2017	6/30/2018	6/30/2018
<b>Consolidated</b>								
<b>Reconciliation of EBITDA</b>								
Net income attributable to stockholders	\$ 110.0	\$ 109.8	\$ 74.7	\$ 42.8	\$ 48.6	\$ 16.4	\$ 5.6	\$ 34.6
Nuvera asset impairment	-	-	-	-	4.9	-	-	4.9
Noncontrolling interest income (loss)	0.2	0.4	0.4	(0.5)	0.3	-	0.1	0.4
Income tax provision (benefit)	17.2	39.9	29.4	(4.0)	44.9	1.9	3.8	45.5
Interest expense	9.0	3.9	4.7	6.7	14.6	2.6	4.0	18.2
Interest income	(1.8)	(1.1)	(1.5)	(2.0)	(3.6)	(0.5)	(1.0)	(4.6)
Depreciation and amortization expense	30.2	29.7	28.9	39.1	42.8	10.8	9.4	42.3
<b>EBITDA</b>	<b>\$ 164.8</b>	<b>\$ 182.6</b>	<b>\$ 136.6</b>	<b>\$ 82.1</b>	<b>\$ 152.5</b>	<b>\$ 31.2</b>	<b>\$ 21.9</b>	<b>\$ 141.3</b>

(\$ in millions)	Year Ended December 31					Qtr.	Qtr.	Trailing 12 Months
	2013	2014	2015	2016	2017	6/30/2017	6/30/2018	6/30/2018
<b>Lift Truck</b>								
<b>Reconciliation of EBITDA</b>								
Net income attributable to stockholders	\$ 110.0	\$ 111.2	\$ 89.3	\$ 66.9	\$ 71.8	\$ 23.8	\$ 11.0	\$ 57.4
Noncontrolling interest income (loss)	0.2	0.4	0.4	(0.5)	(0.4)	(0.2)	-	(0.2)
Income tax provision	17.2	40.7	39.4	12.2	59.4	5.1	5.2	56.9
Interest expense	9.0	3.9	4.7	6.9	13.9	2.4	3.8	17.5
Interest income	(1.8)	(1.1)	(1.5)	(3.0)	(3.7)	(0.5)	(1.0)	(4.7)
Depreciation and amortization expense	30.2	29.6	27.3	28.1	29.6	7.6	7.7	30.1
<b>EBITDA</b>	<b>\$ 164.8</b>	<b>\$ 184.7</b>	<b>\$ 159.6</b>	<b>\$ 110.6</b>	<b>\$ 170.6</b>	<b>\$ 38.2</b>	<b>\$ 26.7</b>	<b>\$ 157.0</b>

Note: EBITDA in this investor presentation is provided solely as a supplemental disclosure with respect to operating results. EBITDA does not represent net income (loss), as defined by U.S. GAAP and should not be considered as a substitute for net income or net loss, or as an indicator of operating performance. The Company defines EBITDA as income (loss) before asset impairment charges, income taxes and noncontrolling interest income (loss) plus net interest expense and depreciation and amortization expense. EBITDA is not a measurement under U.S. GAAP and is not necessarily comparable with similarly titled measures of other companies.

# Non-GAAP Reconciliation (continued)

(\$ in millions)

Nuvera	Year Ended December 31				Qtr.	Qtr.	Trailing 12 Months
	2014	2015	2016	2017	6/30/2017	6/30/2018	6/30/2018
<b>Reconciliation of EBITDA</b>							
Net loss attributable to stockholders	\$ (1.4)	\$ (14.6)	\$ (23.8)	\$ (26.7)	\$ (6.3)	\$ (6.9)	\$ (28.9)
Nuvera asset impairment	-	-	-	4.9	-	-	4.9
Income tax benefit	(0.8)	(10.0)	(15.8)	(15.3)	(4.2)	(2.6)	(12.6)
Interest expense	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-
Depreciation and amortization expense	0.1	1.6	1.5	2.0	0.4	(0.6)	1.4
<b>EBITDA</b>	<b>\$ (2.1)</b>	<b>\$ (23.0)</b>	<b>\$ (38.1)</b>	<b>\$ (35.1)</b>	<b>\$ (10.1)</b>	<b>\$ (10.1)</b>	<b>\$ (35.2)</b>

(\$ in millions)

Bolzoni	9 Months Ended	Year Ended	Qtr.	Qtr.	Trailing 12 Months
	December 31	December 31	6/30/2017	6/30/2018	6/30/2018
	2016	2017			
<b>Reconciliation of EBITDA</b>					
Net income attributable to stockholders	\$ (0.3)	\$ 3.9	\$ (0.1)	\$ 2.1	\$ 6.5
Noncontrolling interest income	-	0.7	0.2	0.1	0.6
Income tax provision (benefit)	(0.4)	1.0	0.3	0.8	1.4
Interest expense	0.8	0.8	0.2	0.3	0.9
Interest income	-	-	-	(0.1)	(0.1)
Depreciation and amortization expense	9.5	11.2	2.8	2.3	10.8
<b>EBITDA</b>	<b>\$ 9.6</b>	<b>\$ 17.6</b>	<b>\$ 3.4</b>	<b>\$ 5.5</b>	<b>\$ 20.1</b>

Note: EBITDA in this investor presentation is provided solely as a supplemental disclosure with respect to operating results. EBITDA does not represent net income (loss), as defined by U.S. GAAP and should not be considered as a substitute for net income or net loss, or as an indicator of operating performance. The Company defines EBITDA as income (loss) before asset impairment charges, income taxes and noncontrolling interest income (loss) plus net interest expense and depreciation and amortization expense. EBITDA is not a measurement under U.S. GAAP and is not necessarily comparable with similarly titled measures of other companies.



# Non-GAAP Reconciliation (continued)

(\$ in millions)

## Reconciliation of Return on Total Capital Employed / Adjusted Return on Capital Employed (ROTCE)

	Consolidated	Lift Truck <sup>(1)</sup>	Nuvera	Bolzoni
	LTM 6/30/18			
Average Stockholders' Equity (6/30/18, 3/31/18, 12/31/17, 9/30/17 and 6/30/17)	\$559.4	\$619.0	\$18.1	\$126.7
Average Debt (6/30/18, 3/31/18, 12/31/17, 9/30/17 and 6/30/17)	288.3	245.3	1.3	47.9
Average Cash (6/30/18, 3/31/18, 12/31/17, 9/30/17 and 6/30/17)	(215.7)	(383.9)	(0.1)	(11.5)
<b>Average capital employed</b>	<b>\$632.0</b>	<b>\$480.4</b>	<b>\$19.3</b>	<b>\$163.1</b>
Net income (loss)	\$34.6	\$57.4	\$(28.9)	\$6.5
Plus: Interest expense, net	13.6	12.8	-	0.8
Less: Income taxes on interest expense, net at 38%	(5.2)	(4.9)	-	(0.3)
<b>Actual return on capital employed = actual net income (loss) before interest expense, net, after tax</b>	<b>\$43.0</b>	<b>\$65.3</b>	<b>\$(28.9)</b>	<b>\$7.0</b>
Plus: Income tax expense impact of U.S. Tax Reform	38.2	36.4	1.6	0.2
Less: U.S. Tax Reform impact on equity earnings	(19.8)	(19.8)	-	-
<b>Adjusted return on capital employed = Actual return on capital employed less impact of U.S. tax reform</b>	<b>\$61.4</b>	<b>\$81.9</b>	<b>\$(27.3)</b>	<b>\$7.2</b>
<b>Actual return on capital employed percentage</b>	<b>6.8%</b>	<b>13.6%</b>	<b>n/m</b>	<b>4.3%</b>
<b>Adjusted return on capital employed percentage</b>	<b>9.7%</b>	<b>17.0%</b>	<b>n/m</b>	<b>4.4%</b>

Note: Return on capital employed is provided solely as a supplemental disclosure with respect to income generation because management believes it provides useful information with respect to earnings in a form that is comparable to the Company's cost of capital employed, which includes both equity and debt securities, net of cash.

(1) Lift Truck return on capital employed excludes the average initial investment of \$99.3 million for the acquisition of Bolzoni and continuing average investments of \$80.4 million in Nuvera. Investment numbers are based on a 5-point average.

# Cash Flow before Financing Calculation

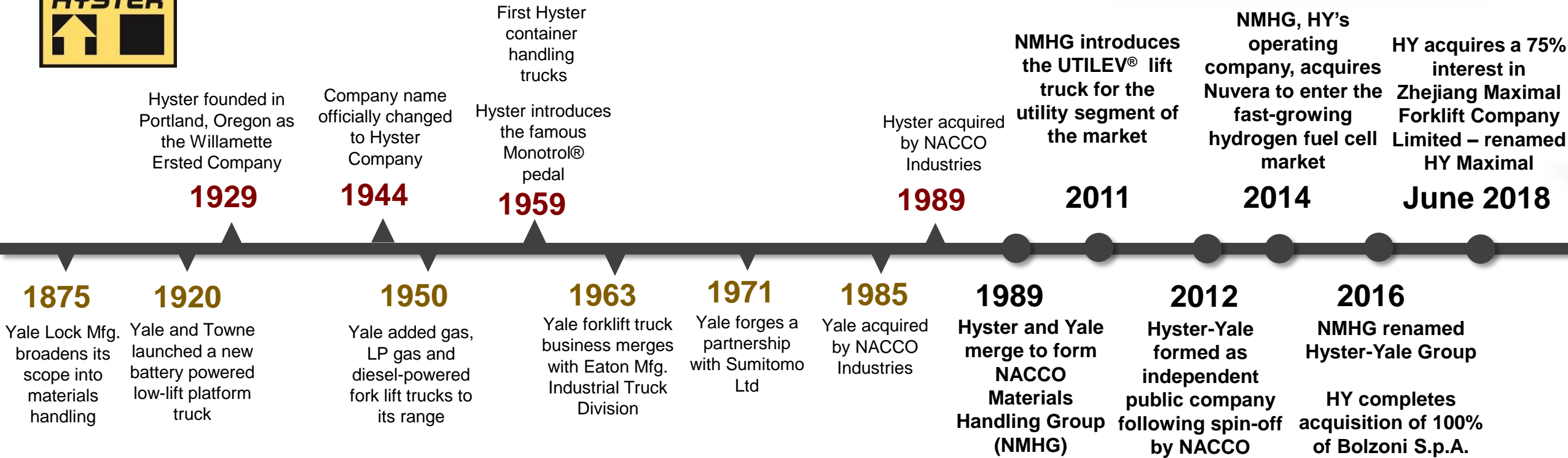
(\$ in millions)	Consolidated						
	Year Ended December 31					Qtr.	Trailing 12 Months
	2013	2014	2015	2016	2017	6/30/2018	6/30/2018
<b>Reconciliation of Cash Flow before Financing</b>							
Net cash provided by (used for) operating activities	\$152.9	\$100.0	\$89.4	\$(48.9)	\$164.7	\$23.5	\$76.4
Net cash used for investing activities	(26.1)	(44.4)	(31.3)	(145.1)	(47.3)	(82.5)	(114.1)
<b>Cash Flow before Financing</b>	<b>\$126.8</b>	<b>\$55.6</b>	<b>\$58.1</b>	<b>\$(194.0)</b>	<b>\$117.4</b>	<b>(\$59.0)</b>	<b>(\$37.7)</b>
Impact of accelerated supplier payments	-	-	-	80.0	(80.0)	-	-
<b>Adjusted Cash Flow before Financing</b>	<b>\$126.8</b>	<b>\$55.6</b>	<b>\$58.1</b>	<b>\$(114.0)</b>	<b>\$37.4</b>	<b>(\$59.0)</b>	<b>(\$37.7)</b>

# Supplemental Information

# The History of Hyster-Yale and its brands

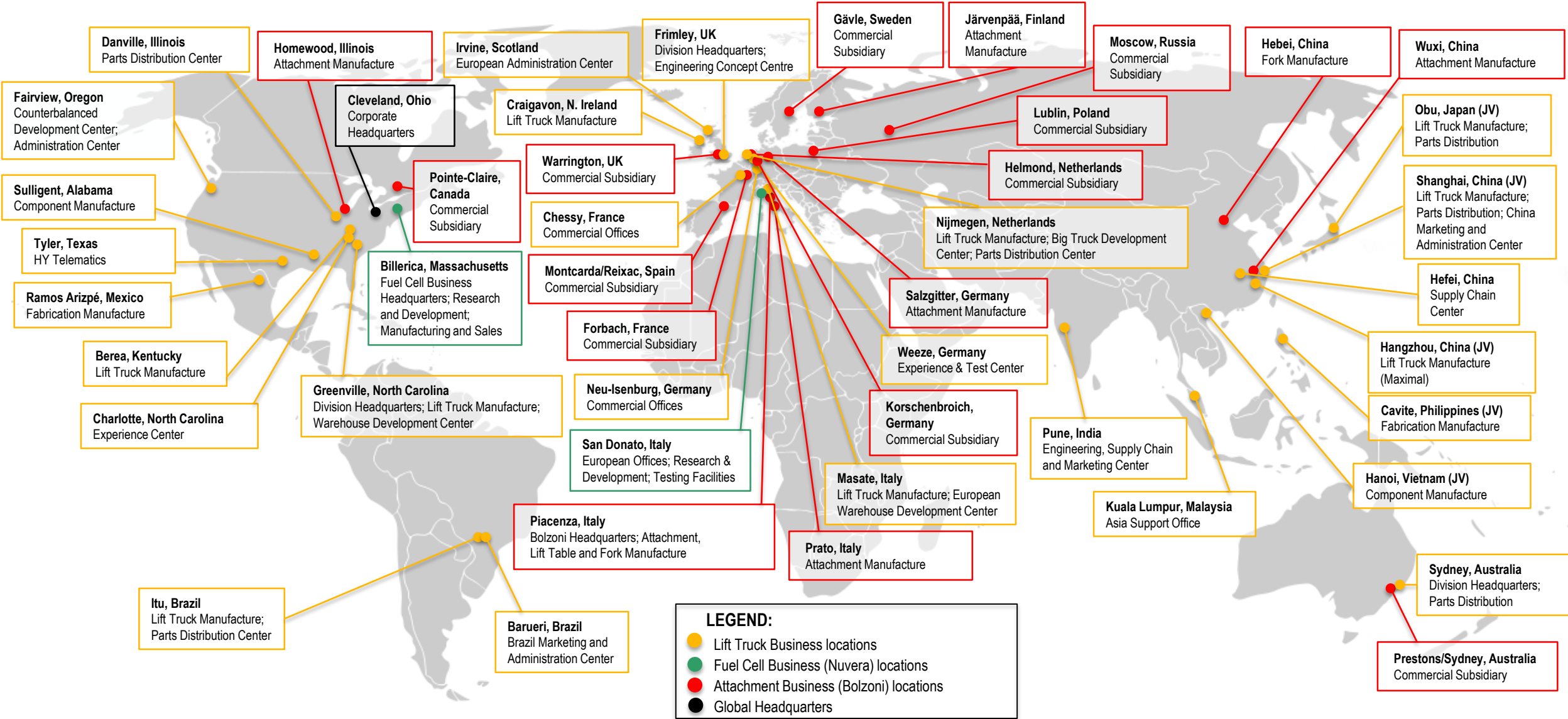


GROUP





# Hyster-Yale's Global Footprint

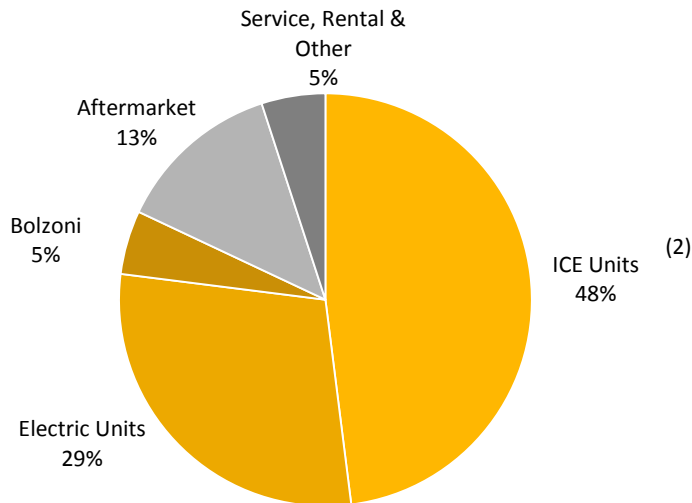


# Overview and Sources of Revenue

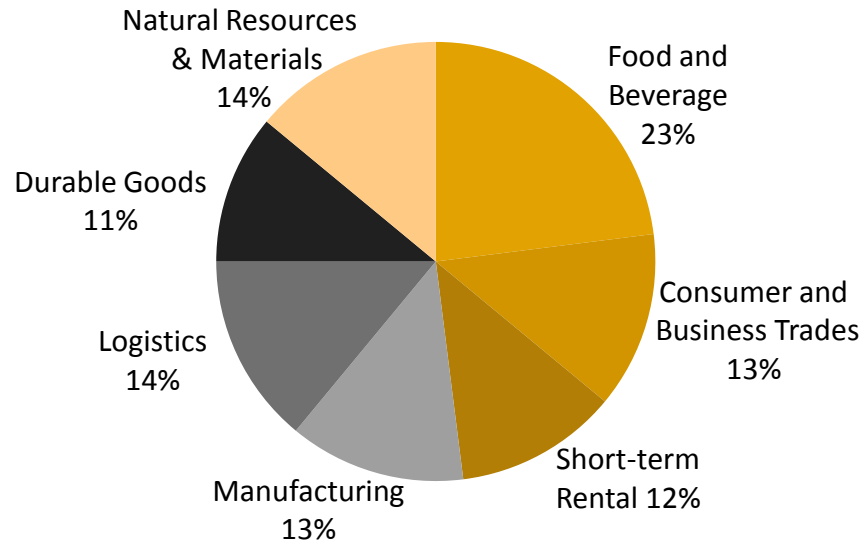
A leading global lift truck manufacturer in terms of units sold

<p><b>#4</b> Globally in 2017</p>	<p>Large installed lift truck base that drives parts sales <i>Over 830,000 units worldwide at 12/31/17</i></p>	<p>HY sales of ~ 96,600 lift truck units in LTM 6/30/18 <i>~89,000 units sold – produced in HY plants ~ 7,600 units sold – produced by JV or other third parties</i></p>	<p>Additional &gt; 6,800 lift truck units sold in Japan in 2017 <i>Direct sales by JV partner</i></p>
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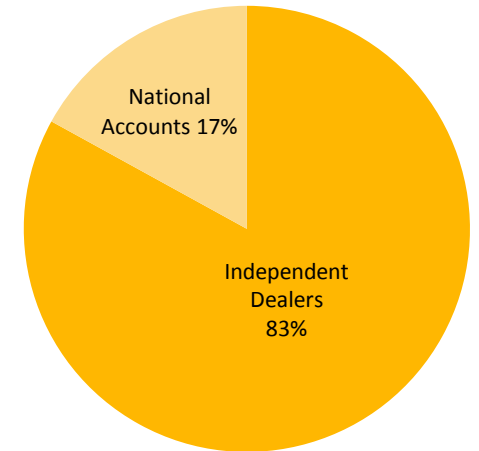
**2017 Worldwide Sales by Product**



**2017 Retail Lift Truck Shipments by End Market (1)**



**2017 Lift Truck Distribution Channel Mix**

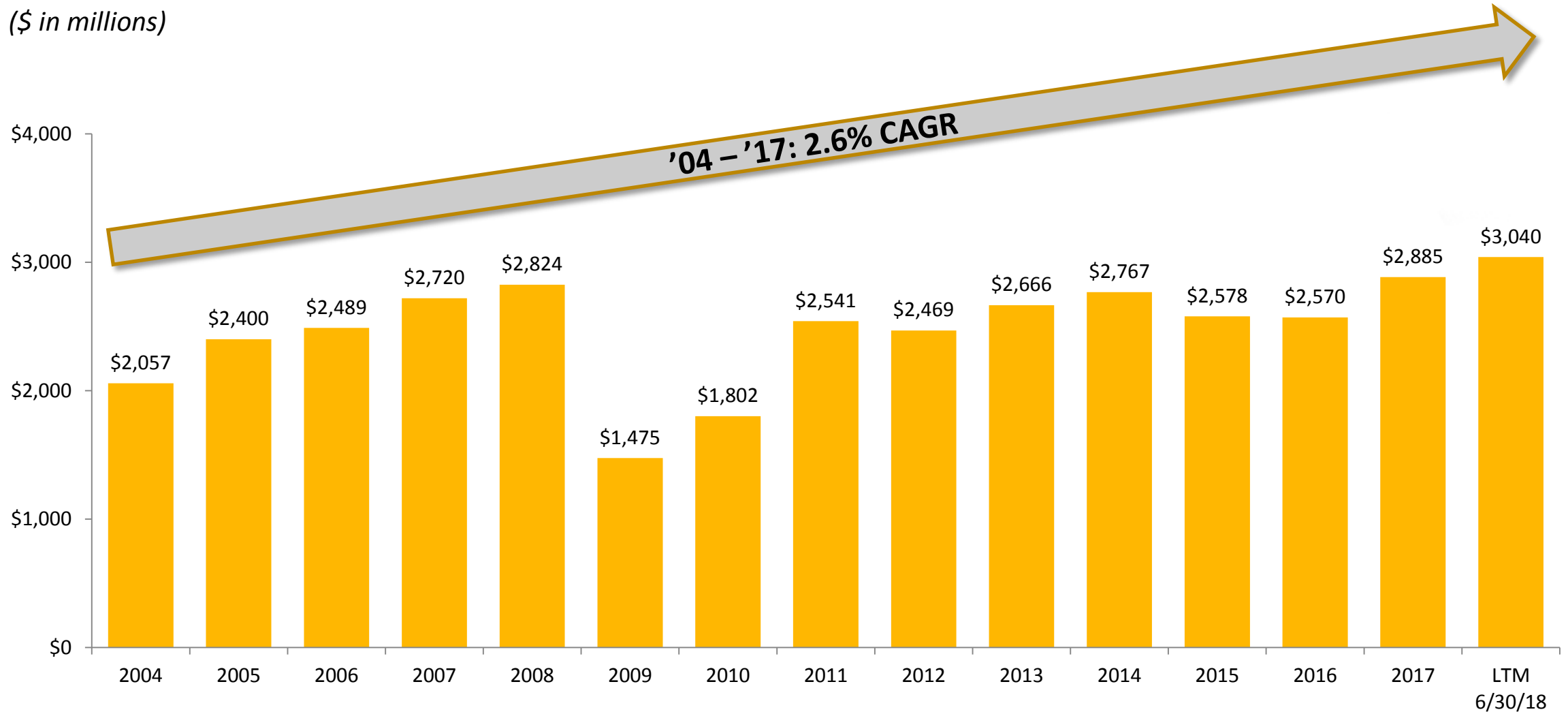


(1) Represents Hyster-Yale North American Lift Truck unit shipments by industry.

(2) Includes Big Truck sales that represent 12.6% of total sales.

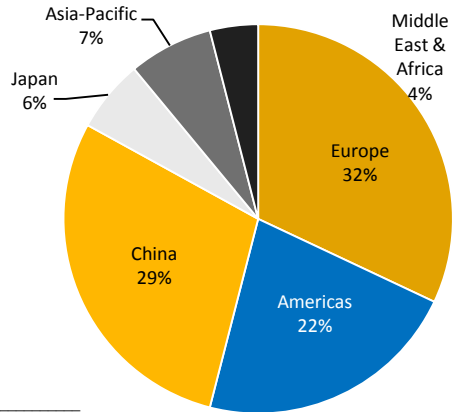
# Historical Consolidated Revenue

(\$ in millions)



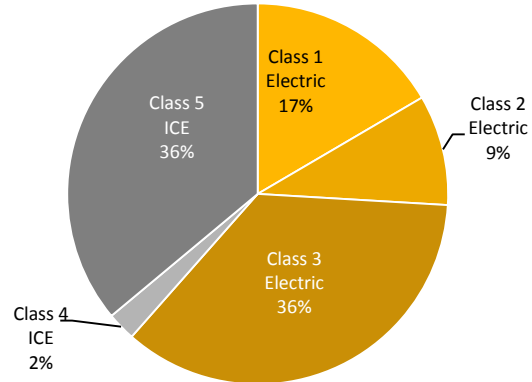
# Lift Truck Unit Class Shipments

## Industry Units by Geography



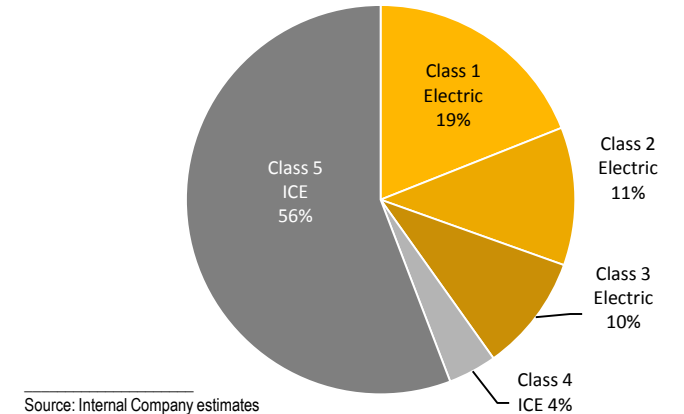
Source: WITS. LTM 6/30/18 Orders Reports.

## Industry Units by Class



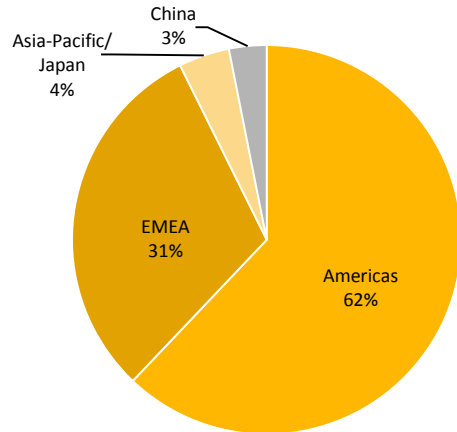
Source: WITS. LTM 6/30/18 Orders Reports.  
ICE = Internal Combustion Engine

## Industry Unit Revenue by Class



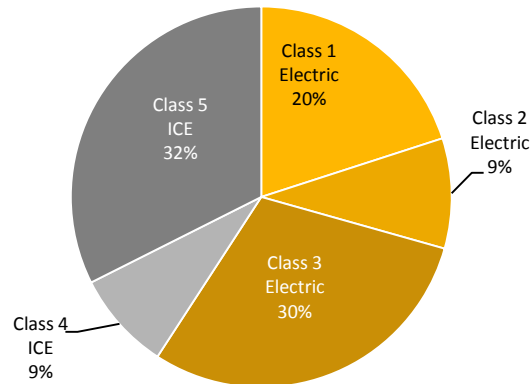
Source: Internal Company estimates

## HY Lift Truck Units Sold by Geography



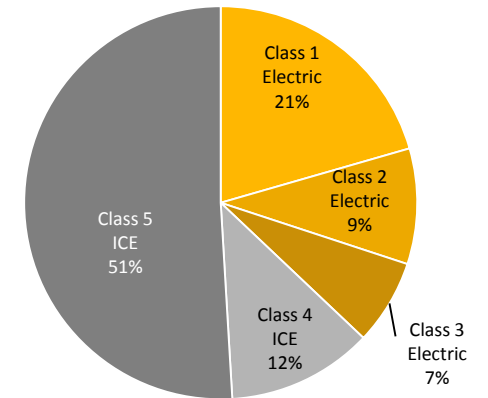
Source: Company: LTM 6/30/18 Units Shipped  
Note: Units sold direct by SN JV are not included

## HY Lift Truck Units by Class<sup>(1)</sup>



Source: Company: LTM 6/30/18 Units Shipped  
Note: Units sold direct by SN JV are not included  
ICE = Internal Combustion Engine

## HY Lift Truck Unit Revenue by Class<sup>(1)</sup>



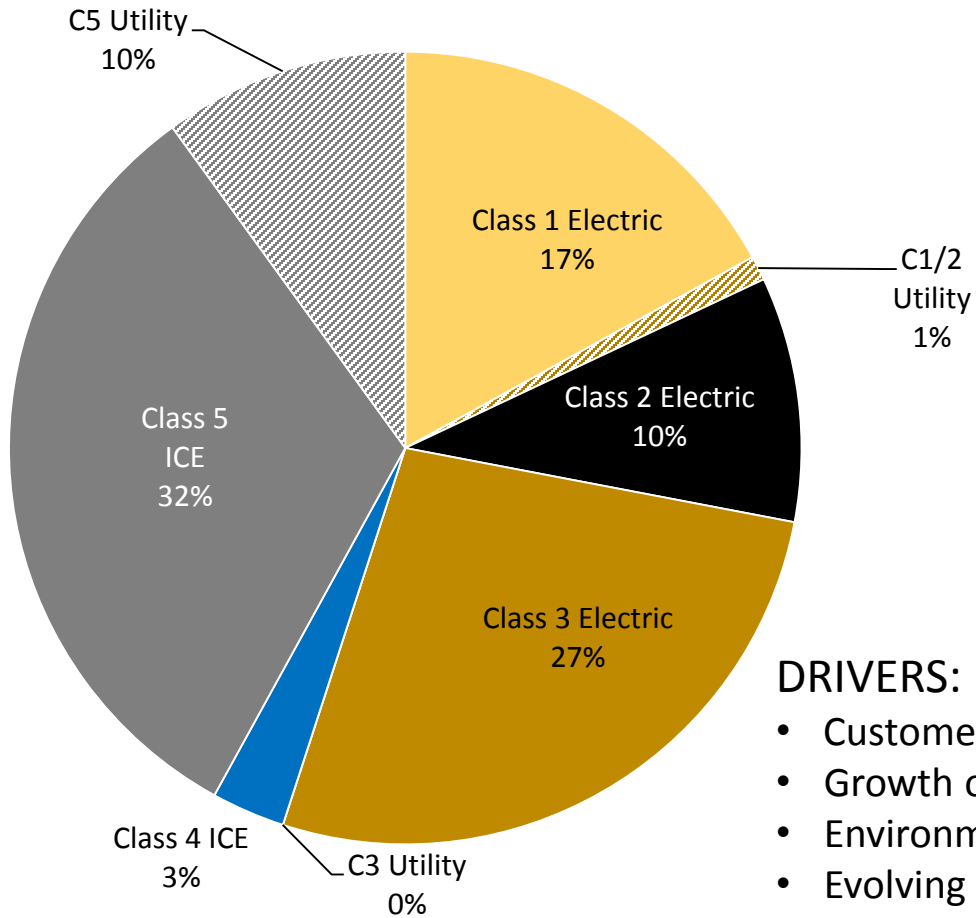
Source: Company: LTM 6/30/18 Unit Revenues

(1) Graphs exclude the 600 units sold by Hyster-Yale Maximal in June 2018.

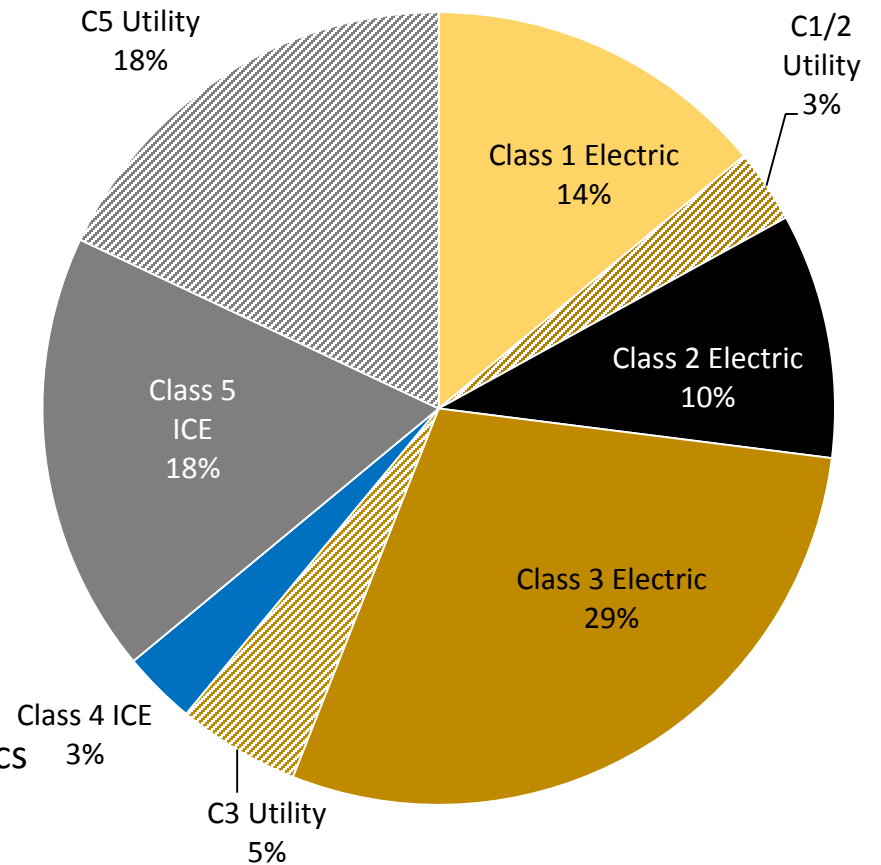


# Secular Shift in Product Mix

Previous Peak  
**2007**



Today  
**2017**



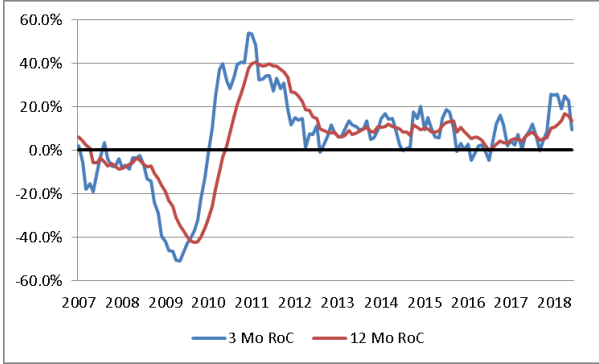
## DRIVERS:

- Customer shift
- Growth of warehousing and logistics
- Environmental, health and safety
- Evolving technologies
- Growth in emerging markets

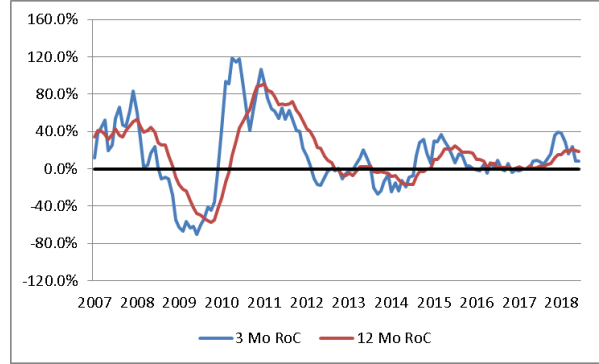
Source: WITS, Orders Reports.  
ICE = Internal Combustion Engine  
Utility = HYG Estimates

# Global Lift Truck Market Rates of Change (3 & 12 months rate of change trend)

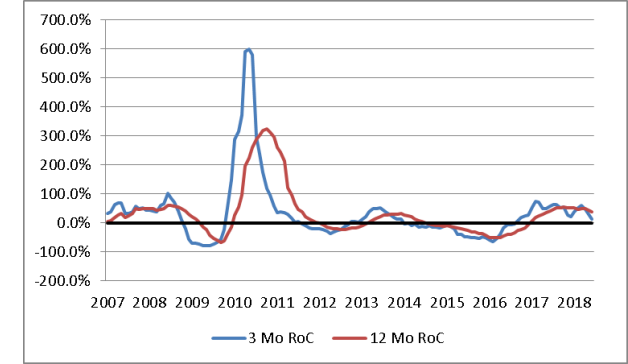
North America



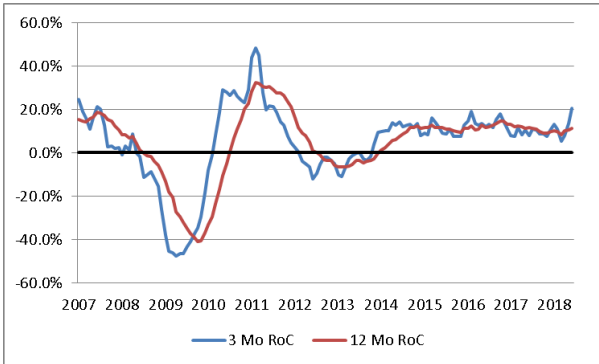
Latin America (excluding Brazil)



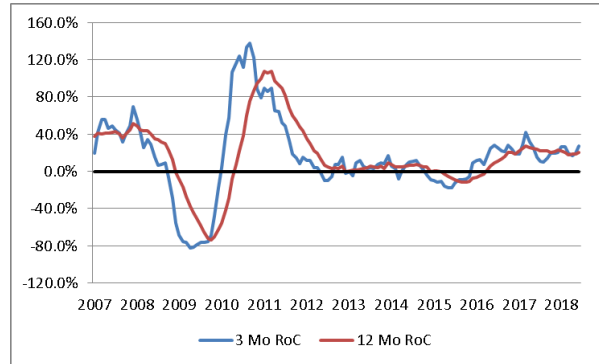
Brazil



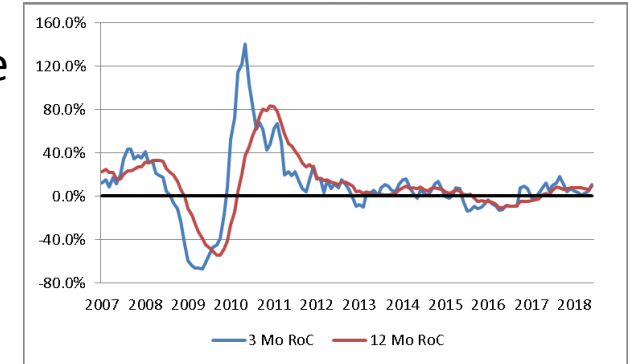
Western Europe



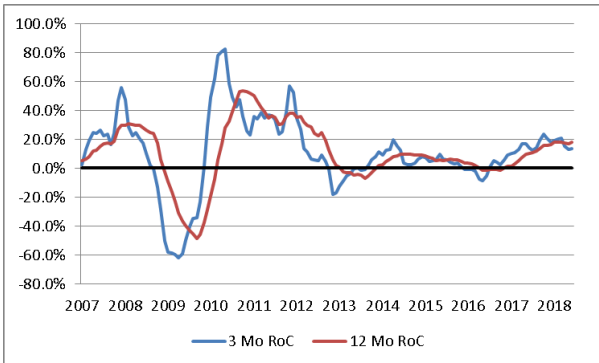
Eastern Europe



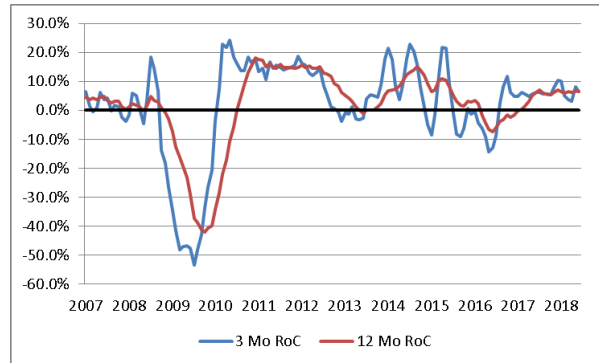
Middle East & Africa



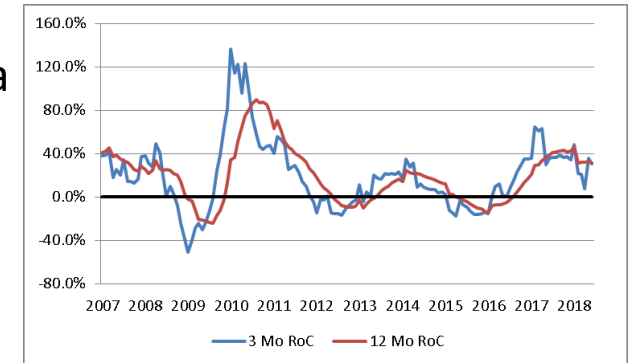
Asia (excluding China & Japan)



Japan



China



Source: WITS, Bookings Reports.

# Lift Truck Market Size Data

## Lift Truck Market Size Data

<b>WITS Orders Basis (1)</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Europe</b>	265,896	278,024	312,455	327,173	380,557	445,583	411,107	222,883	299,387	368,286
<b>North America</b>	147,322	155,191	186,192	198,058	212,953	191,384	159,279	98,338	136,050	169,589
<b>Total Americas</b>	<b>158,388</b>	<b>168,471</b>	<b>206,225</b>	<b>221,155</b>	<b>242,186</b>	<b>234,353</b>	<b>200,178</b>	<b>118,835</b>	<b>180,903</b>	<b>224,501</b>
<b>A/P, China and Japan (1a)</b>	138,452	155,094	185,530	201,062	232,438	271,018	260,246	205,114	314,162	381,795
<b>Global Market</b>	<b>562,736</b>	<b>601,589</b>	<b>704,210</b>	<b>749,390</b>	<b>855,181</b>	<b>950,954</b>	<b>871,531</b>	<b>546,832</b>	<b>794,452</b>	<b>974,582</b>

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018E</b>
<b>Europe</b>	351,441	357,452	387,905	412,642	457,333	509,157	540,000
<b>North America</b>	181,191	200,939	219,444	235,128	240,836	266,543	280,000
<b>Total Americas</b>	<b>229,565</b>	<b>252,930</b>	<b>267,546</b>	<b>277,315</b>	<b>280,827</b>	<b>315,395</b>	<b>330,000</b>
<b>A/P, China and Japan (1a)</b>	363,399	399,395	438,510	409,923	443,938	570,443	590,000
<b>Global Market</b>	<b>944,405</b>	<b>1,009,777</b>	<b>1,093,961</b>	<b>1,099,880</b>	<b>1,182,098</b>	<b>1,394,995</b>	<b>1,460,000</b>

(1) In 2009, Hyster-Yale switched to tracking Industry data on a World Industrial Truck Statistics ("WITS") Orders Basis. WITS statistics began in 2002.

(1a) Beginning in 2014 includes India local production

Industry forecast (light blue columns) – source: Derived from DRI-WEFA and Oxford Economic Forecasts

	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
<b>Europe (FEM/JIVA) (3)</b>	150,250	121,922	135,318	152,667	174,953	176,294	187,902	219,615	227,697	274,681
<b>North America (2) (3)</b>	106,590	120,679	154,167	162,725	152,763	178,456	192,192	197,436	205,033	145,967
<b>Total Americas (2) (3)</b>	<b>114,411</b>	<b>127,308</b>	<b>162,261</b>	<b>171,682</b>	<b>168,170</b>	<b>193,413</b>	<b>207,018</b>	<b>209,843</b>	<b>223,499</b>	<b>161,316</b>
<b>A/P, China and Japan (3)</b>	134,635	123,913	119,733	135,050	148,135	148,441	111,848	104,781	122,354	123,780

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Europe (FEM/JIVA) (3)</b>	256,717	263,972	286,546	302,158	337,326	382,047	376,945	201,352
<b>North America (2) (3)</b>	144,529	151,911	182,450	194,475	207,919	185,726	149,863	95,562
<b>Total Americas (2) (3)</b>	<b>156,702</b>	<b>166,328</b>	<b>203,552</b>	<b>218,908</b>	<b>238,141</b>	<b>229,509</b>	<b>192,134</b>	<b>115,752</b>
<b>A/P, China and Japan (3)</b>	129,333	146,334	171,000	195,386	222,074	250,684	257,604	199,159

### Non-WITS Prior Year Information:

Lift truck market size history – source: Industrial Truck Association, Japan Industrials Vehicle Association ("JIVA"), European Federation of Materials Handling ("FEM"), World Industrial Truck Association

(2) Total Americas numbers for 1992-2008 include North America Commercial, Government and Latin America. Prior years are North America Commercial only.

(3) Industry information is based upon the reporting basis of each individual region, which varies according to the industry trade groups in that region:

Americas - North America & Government - Retail bookings

Americas - Latin America - Factory bookings

Europe & Japan - Factory shipments

A/P & China - Factory bookings

# Our Long-Term Philosophy



Long-term  
growth



Long-term  
shareholders



Shareholder  
protection



Senior  
management  
incentivized as  
long-term  
shareholders

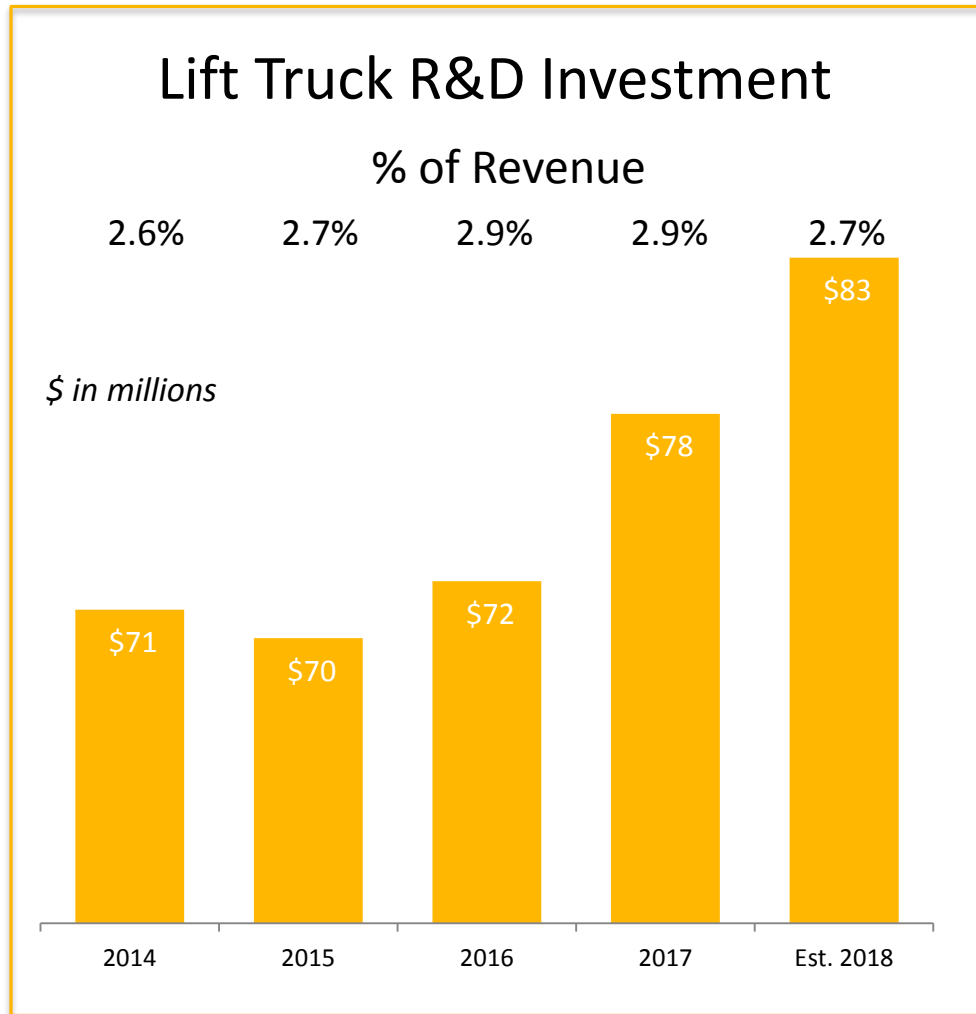


Increase  
shareholder value

*Return on Capital  
Employed and Market  
Share Increase focus*



# Our Investment in R&D



- Product Development Target - 2.5% of Sales
- Actions to Achieve Target
  - ❖ Increase revenue
  - ❖ Modular architecture
  - ❖ India and China development centers
  - ❖ Process automation
  - ❖ Co-located suppliers

# Building a Platform to Grow in Emerging Markets with Hyster-Yale Maximal Forklift [Zhejiang] Co., Ltd.



- Established in 2006 in Fuyang District / Founder: Mr. JinHong Lu
- 600 employees and 1.4 million ft<sup>2</sup> office and factory
- Original Equipment Manufacturer with design, manufacture, sales and service operations
- Full production capabilities including fabrication, weld, paint & assembly
- Domestic and export sales, with globally respected product, brand and distribution

## 2017 Performance

Volume: 6,765 units

Revenue: \$77M

Op Profit: 4.2%

13% Growth in Revenue

25% Growth in Bookings

Source: Audited 2017 financials, Chinese statutory report for all except bookings growth, which is unaudited



海斯特美科斯叉车

On June 1, 2018, invested \$90 Million for 75% controlling interest

- 25% ownership remains with seller and new company CEO
- HY will pay up to an additional \$10 Million after 3 years as incentive to the seller
- **With increased China presence, HY is also Establishing a China-based Emerging Market Development Center**

## Impact of Investment:

- Contributed \$7.2m in sales and generated a \$0.2m loss since acquisition
- Expand low-cost, global manufacturing capabilities
- Enhance access to competitive component sourcing
- Strengthen utility and standard product portfolio
- Enhance presence in China market and global utility and standard segments
- Increase core brand share, and global group unit volume
- Deliver accretive earnings by 2020 and contribute to Company's achievement of 7% operating profit margin\*

\*Estimate does not include the impact of the \$10M incentive payout or any potential purchase price accounting adjustments recorded after acquisition.



# Near Term Synergy Plan



## OPERATIONS

- Consolidate existing China operations
- Insource and expand manufacturing
- Leverage low cost sourcing
- Introduce HY expertise
- Implement HY best practices

## DEVELOPMENT

- Leverage local design expertise and regional supply base to deliver right specification at right price
- Product Development for:
- Emerging markets
  - Global utility and standard product segments

**NEW** Emerging Market Development Center  
Fuyang, China

## DISTRIBUTION

HY Independent Global Distribution

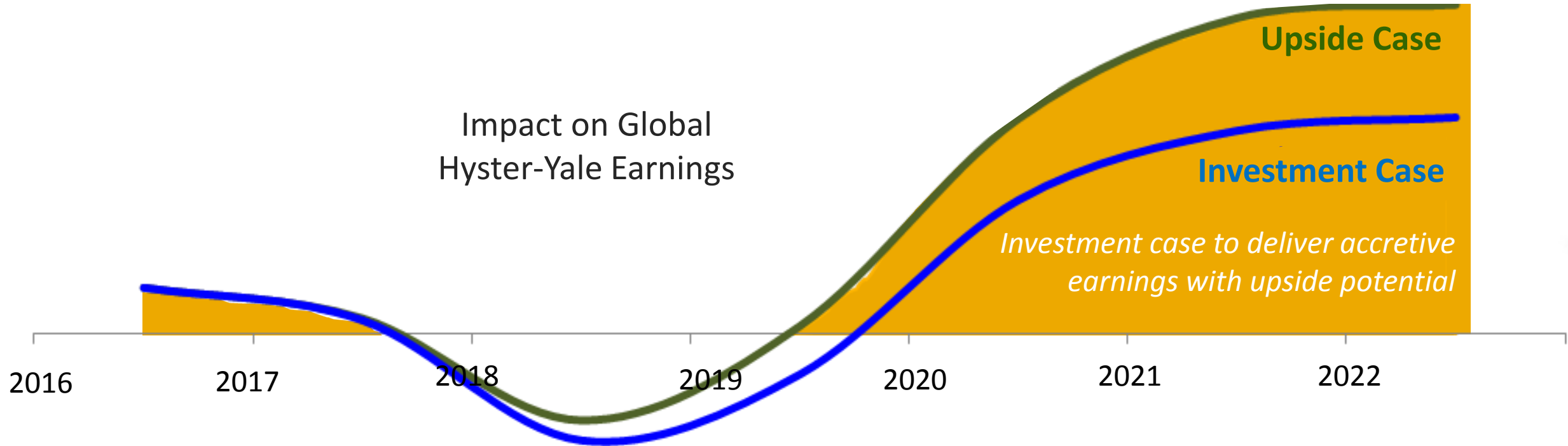


- Maximize coverage
- Maintain two channels to target diverse markets
- Optimize product line-up
- Apply Hyster-Yale expertise to enhance dealer performance

Maximal Global Distribution



# Projected Investment Return Summary



## Investment Case Synergy Considerations

- Rationalize China production and purchasing
- Include integration investments

## Upside Opportunities

- Expand export and aftermarket opportunities

\*Graphic does not include impact of the \$10M incentive payout or any potential purchase price accounting adjustments recorded after acquisition.



# Bolzoni Revenue by Product Line – LTM Q2 2018

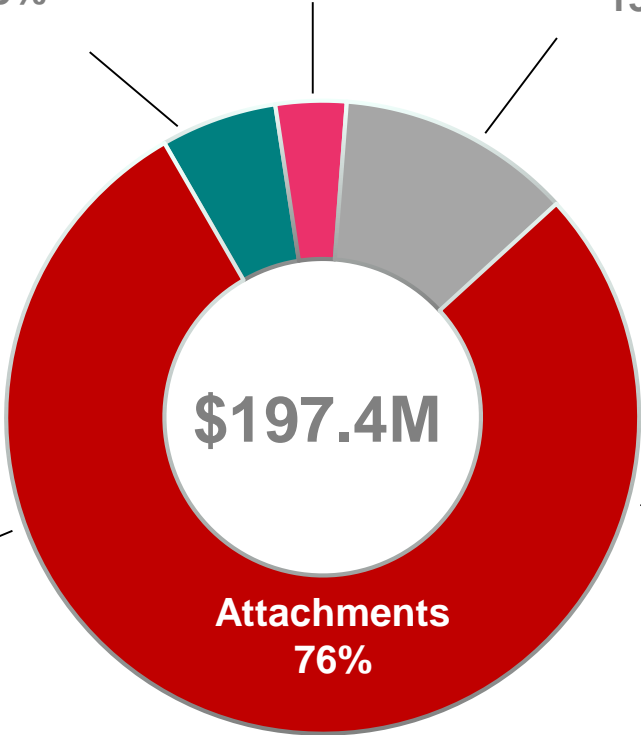


Lift Table  
5%

Other Revenues  
4%



Forks  
15%



Attachments  
76%

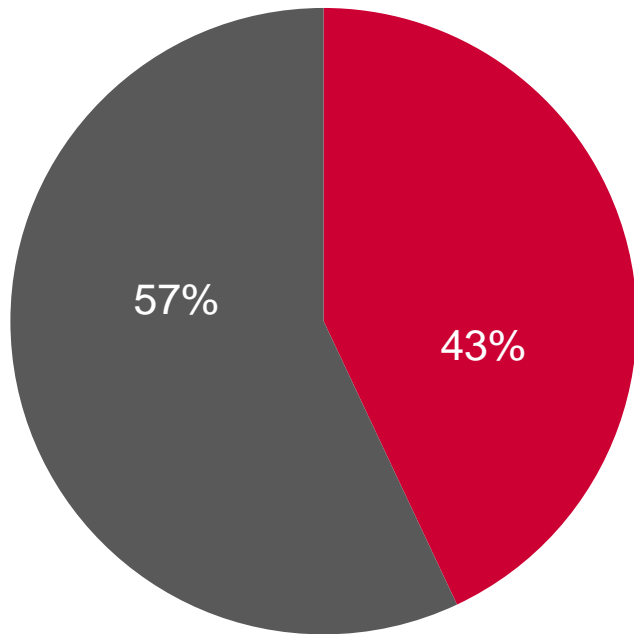


# Bolzoni Strategy: Enhance Strong OEM Relationships

■ Managed as separate business segment

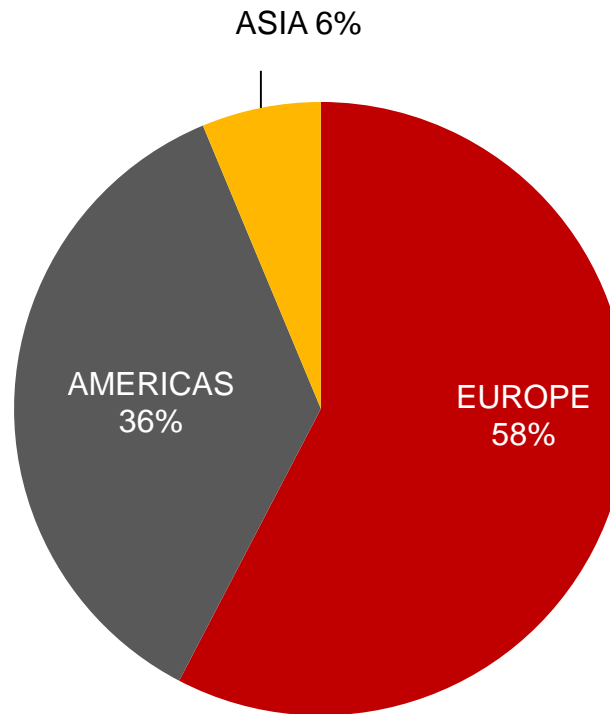
■ Separation to maintain OEM information integrity

## 2017 CUSTOMER MIX



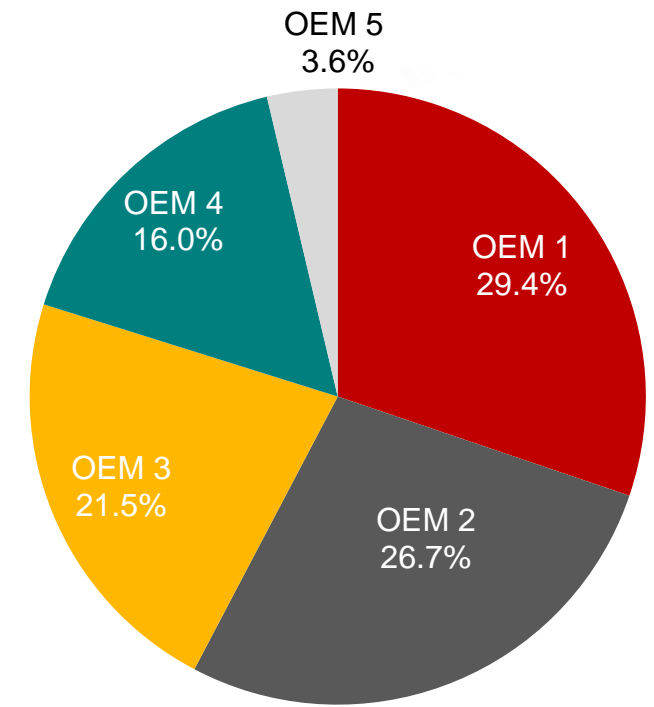
■ Lift Truck Manufacturers – OEM  
■ Lift Truck & Material Handling Dealers

## OEM SALES BY REGION



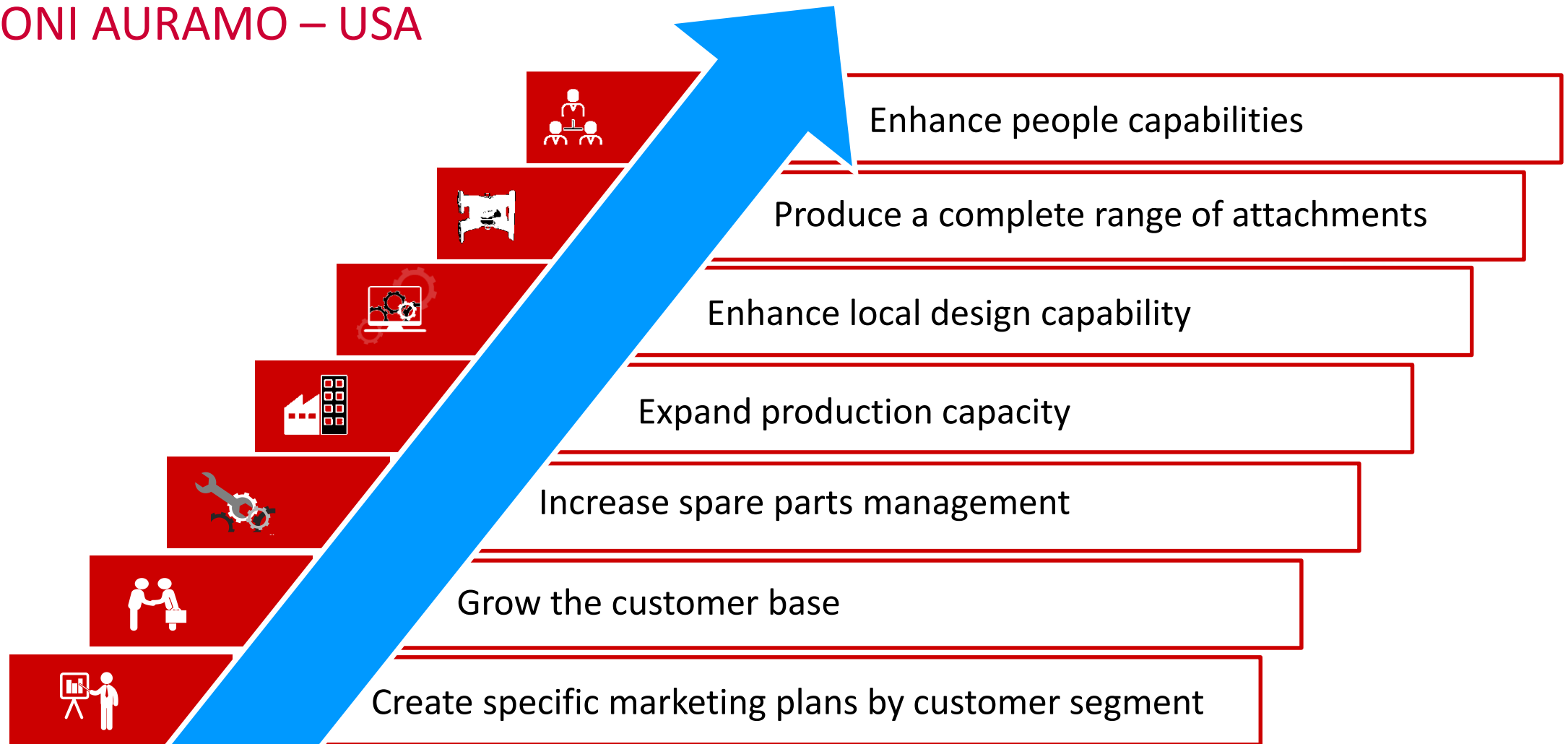
Sales outside of Italy = 86.5% of 2017 Global Sales

## TOP 5 OEM CUSTOMERS

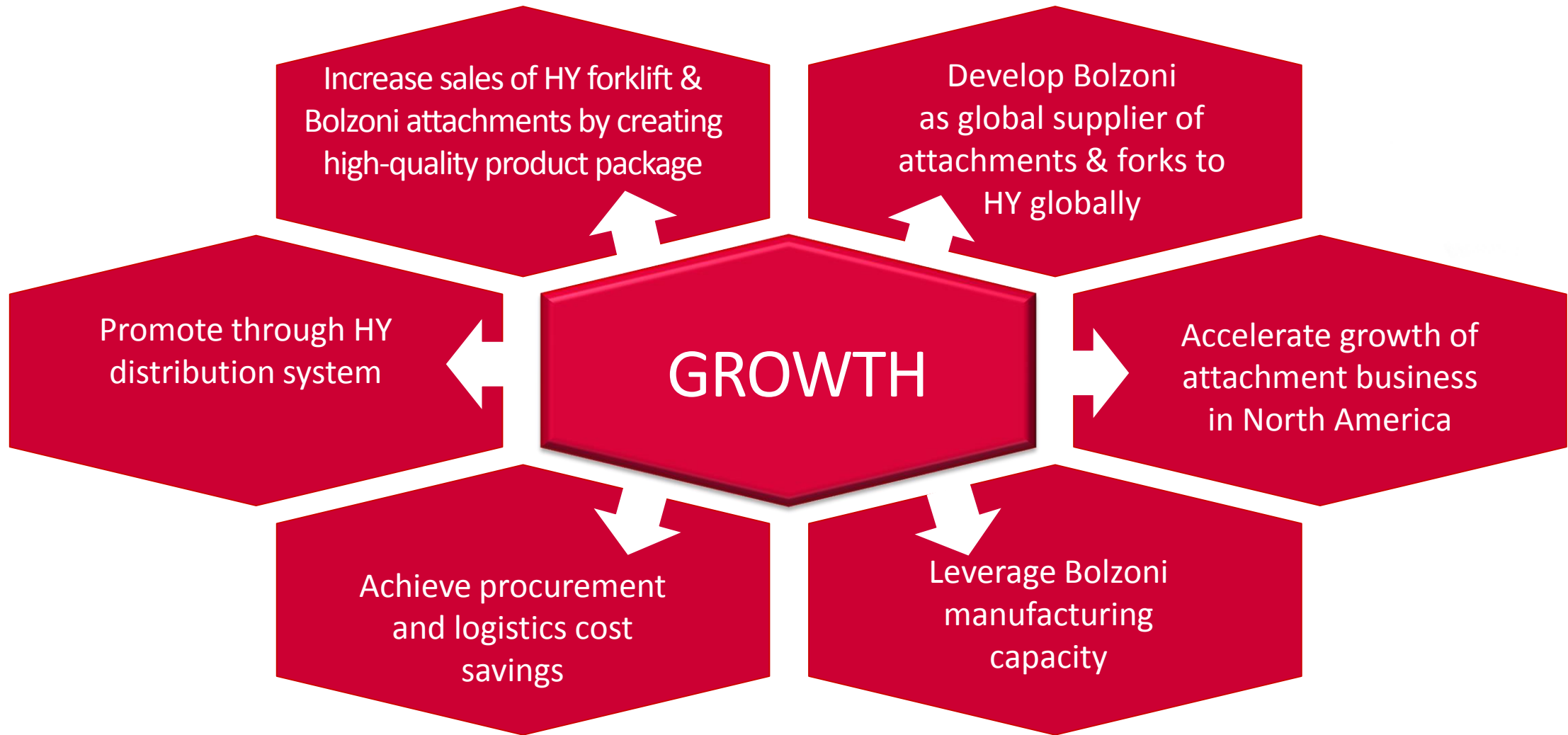


# Bolzoni Strategy: Expand Rapidly in US market

## BOLZONI AURAMO – USA



# Bolzoni Strategy: Synergies with HY





# Fuel Cell Solution Growth Opportunities

N. America



**175,000+**  
electric trucks sold  
per year

Global

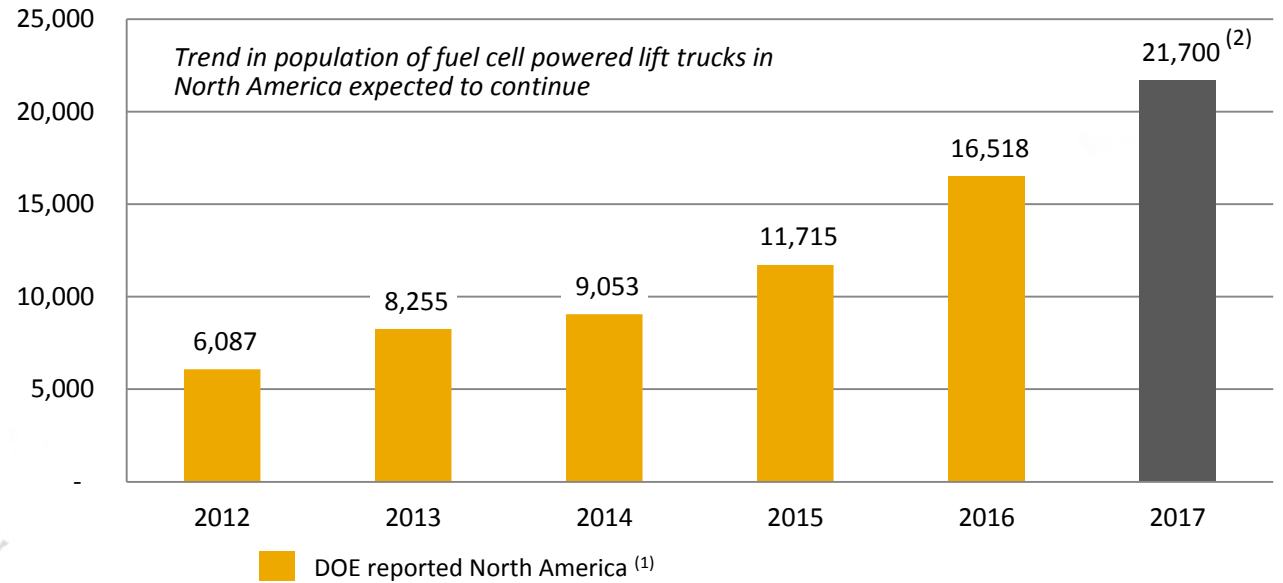


**850,000+**  
electric trucks sold  
per year



Estimated up to  
**25-50%**  
can benefit from fuel  
cell solutions

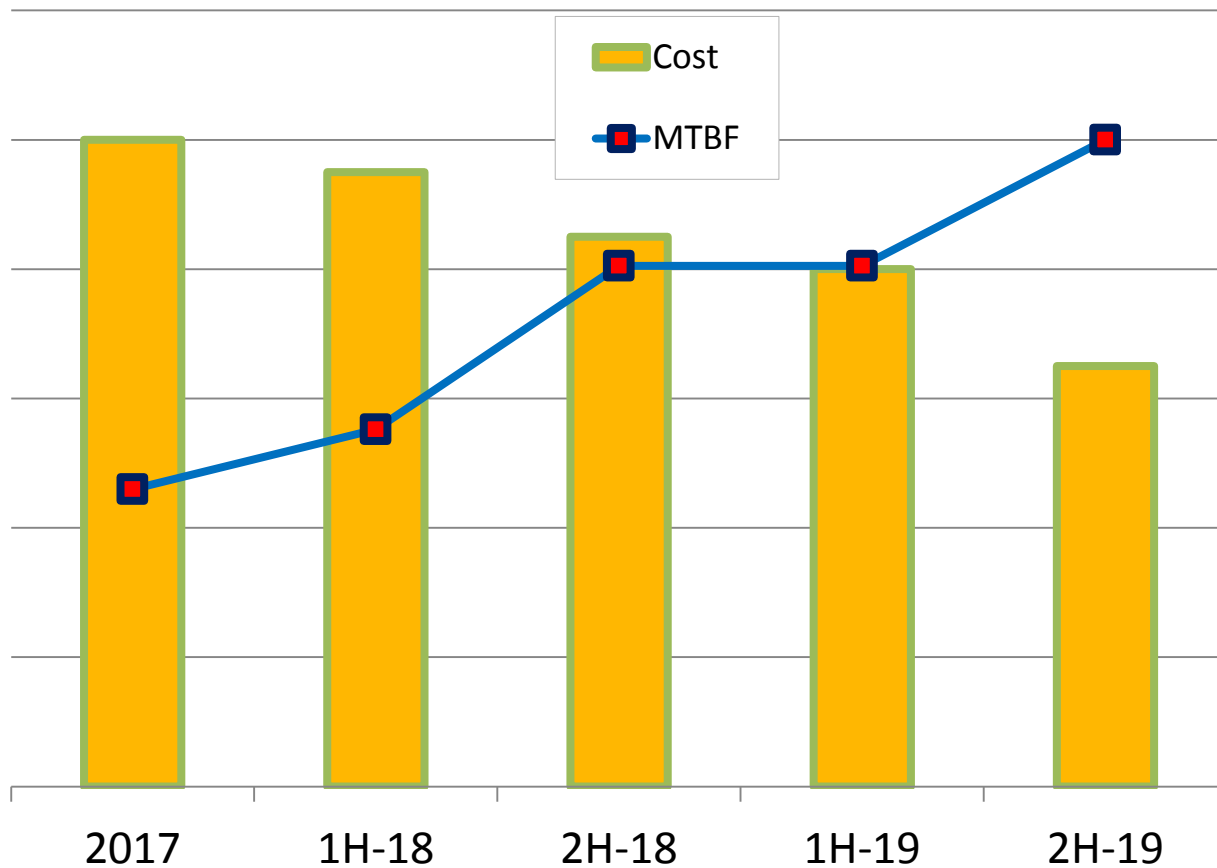
## Population of Fuel Cell Powered Lift Trucks in North America



<sup>(1)</sup> Source: DOE Hydrogen and Fuel Cells Program Record. Record #17003. May 25, 2017

<sup>(2)</sup> 2016 is the most recent DOE data available at time of publication. 2017 totals are company estimate.

# Lift Truck Power System Optimization: Cost and Robustness



## Target Product Cost and Robustness

- Approximately 40% reduction in costs by 2019
- Double MTBF (mean time between failure)

## Driven by

- Strengthening supply chain
- Internal process improvements
- Product design and architecture



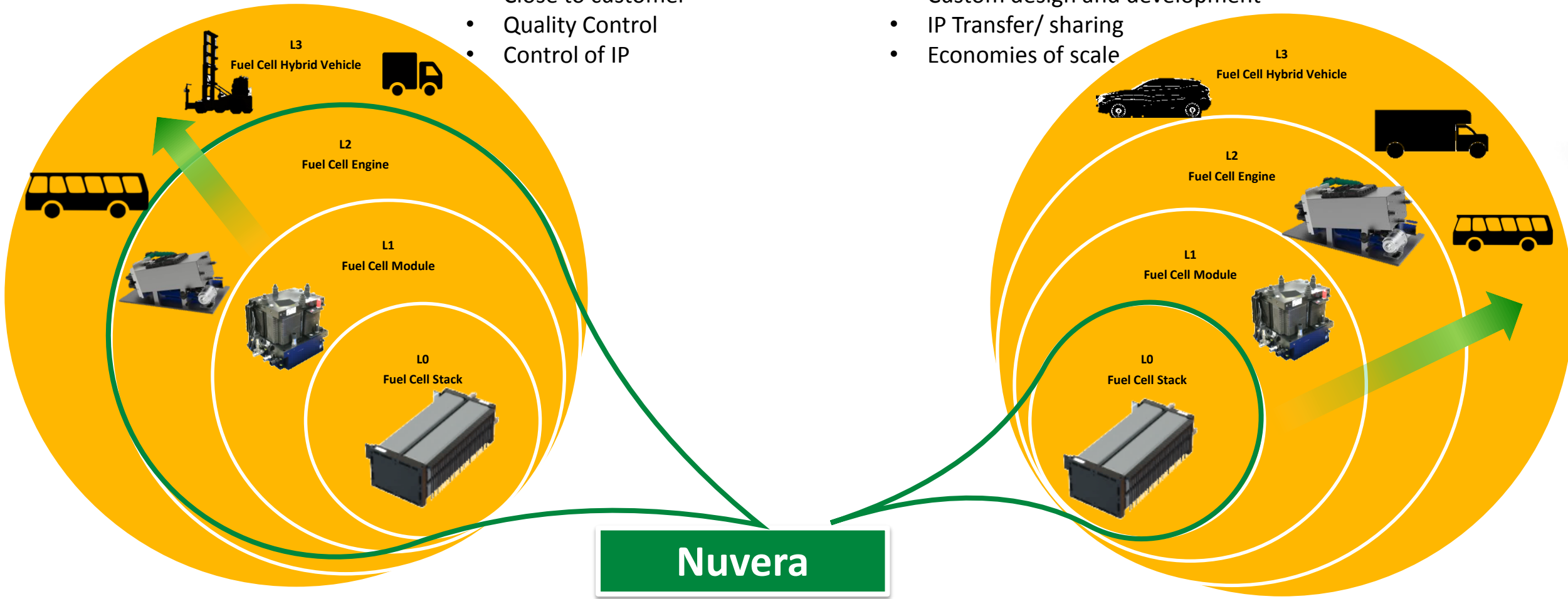
# Business Development Approach

## Integrators

- Speed to Market
- Close to customer
- Quality Control
- Control of IP

## OEM's

- Long term partnership
- Custom design and development
- IP Transfer/ sharing
- Economies of scale



# Expansion of Product Line

## 2019 Heavy duty engine



Shown: Hyster 1150HD CH ICE configuration

Leverage experience from HY supply

Scale up manufacturing capability

Planned localization for China market (post-2019)

Modular, easily integrated solution

Performance benefits

- Metal plates – higher durability
- High power density
- Open flow field – improved fuel efficiency

Demonstration in critical port application in California

# China Market Research and Engagement

## Engaging with the Chinese Hydrogen Fuel Cell Industry and Businesses

- Attended the Second China International Hydrogen & Fuel Cell 2017 Conference and Exhibition
- Attended the 8<sup>th</sup> China International New Energy Vehicle 2018 Forum

### **Engaged China-based market research and segmentation study**

- Significant government incentives driving market interest
- Several companies are early entrants, but market open to other partners
- Nuvera technology is a strong fit at a competitive cost

<b>China Central Government Roadmap</b>			
	2020	2025	2030
Vehicles Deployed	5,000 Public Transport	50,000 Public Transport Private Application	1 million Total Units
Hydrogen Fueling Stations	100	300	1,000



# The Nuvera Plan 2018 +

## At **NUVERA**<sup>®</sup>

- Further develop engines for the lift truck market
- Utilize Reinstated US Tax Credit
- Introduce higher-power engines to enter new markets
- Leverage EU growth opportunities
- Leverage OEM / Integrators opportunities in China
- Strengthen backlog
- Further develop supply chain
- Introduce higher power engines to enter new markets
- Launch Orion<sup>®</sup> 2 fuel cell stack with increased power density and lower cost
- Target break even by late 2019
- Achieve profitability at or above Hyster-Yale target economics over longer term

## At **Lift Truck Business**

- Complete product line-up of Battery Box Replacements (BBR)
- Integrate FC engines into higher-capacity lift trucks
- Start production at Greenville, NC plant
- Continue to engage independent dealers in sales, marketing and service
- Continue to focus on reducing product costs to target
- Expand into EMEA and JAPIC markets
- Achieve profitability at or above Hyster-Yale target economics over longer term

# A Solid Investment Option

Leading Products & Market Position

Customer Focused & Solutions Oriented

Cash Generation & Commitment to Shareholder Return

Strategies to Gain Share in all Segments & Markets

**HYSTER-YALE**

Strong Balance Sheet

Strong Return on Capital

Investment & Growth in Game Changing Technologies

