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: June 30, 2019

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	**(440)**	
OH	**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 July 26, 2019 : 12,788,622
Number of shares of Class B Common Stock outstanding at July 26, 2019 : 3,873,183

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

	JUNE 30 2019	DECEMBER 31 2018
	(In millions, except share data)	
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 50.3**	$ 83.7
Accounts receivable, net	**530.8**	465.5
Inventories, net	**599.0**	533.6
Prepaid expenses and other	**52.5**	48.8
Total Current Assets	**1,232.6**	1,131.6
Property, Plant and Equipment, Net	**296.8**	296.2
Intangible Assets, Net	**63.9**	67.7
Goodwill	**108.0**	108.3
Deferred Income Taxes	**27.3**	26.3
Investment in Unconsolidated Affiliates	**76.4**	75.6
Other Non-current Assets	**115.8**	36.4
Total Assets	**$ 1,920.8**	$ 1,742.1
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	**$ 429.2**	$ 415.5
Accounts payable, affiliates	**20.9**	21.3
Revolving credit facilities	**76.2**	13.3
Current maturities of long-term debt	**91.3**	78.1
Accrued payroll	**45.6**	56.3
Deferred revenue	**50.1**	37.6
Other current liabilities	**175.0**	154.1
Total Current Liabilities	**888.3**	776.2
Long-term Debt	**203.4**	210.1
Self-insurance Liabilities	**26.6**	25.2
Pension Obligations	**18.7**	23.1
Deferred Income Taxes	**16.6**	17.8
Other Long-term Liabilities	**197.1**	130.2
Total Liabilities	**1,350.7**	1,182.6
Stockholders' Equity		
Common stock:		
Class A, par value $0.01 per share, 12,782,819 shares outstanding (2018 - 12,682,755 shares outstanding)	**0.1**	0.1
Class B, par value $0.01 per share, convertible into Class A on a one-for-one basis, 3,873,443 shares outstanding (2018 - 3,877,967 shares outstanding)	**0.1**	0.1
Capital in excess of par value	**318.7**	321.5
Treasury stock	**(16.7)**	(24.1)
Retained earnings	**421.8**	407.3
Accumulated other comprehensive loss	**(186.4)**	(177.5)
Total Stockholders' Equity	**537.6**	527.4
Noncontrolling Interests	**32.5**	32.1
Total Equity	**570.1**	559.5
Total Liabilities and Equity	**$ 1,920.8**	$ 1,742.1

See notes to unaudited condensed consolidated financial statements.

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

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2019	2018	**2019**	2018
	(In millions, except per share data)			
Revenues	**$ 856.2**	$ 765.9	**$ 1,691.0**	$ 1,554.4
Cost of sales	**716.8**	640.6	**1,425.4**	1,297.0
Gross Profit	**139.4**	125.3	**265.6**	257.4
Operating Expenses				
Selling, general and administrative expenses	**116.5**	114.5	**239.3**	227.4
Operating Profit	**22.9**	10.8	**26.3**	30.0
Other (income) expense				
Interest expense	**5.1**	4.0	**9.6**	8.0
Income from unconsolidated affiliates	**(3.1)**	(2.4)	**(5.8)**	(5.2)
Other, net	**(0.4)**	(0.3)	**(3.5)**	(2.1)
	1.6	1.3	**0.3**	0.7
Income Before Income Taxes	**21.3**	9.5	**26.0**	29.3
Income tax provision	**4.4**	3.8	**5.9**	8.7
Net Income	**16.9**	5.7	**20.1**	20.6
Net income attributable to noncontrolling interests	**(0.7)**	(0.1)	**(0.5)**	(0.1)
Net Income Attributable to Stockholders	**$ 16.2**	$ 5.6	**$ 19.6**	$ 20.5
Basic Earnings per Share	**$ 0.97**	$ 0.34	**$ 1.18**	$ 1.24
Diluted Earnings per Share	**$ 0.97**	$ 0.34	**$ 1.17**	$ 1.24
Dividends per Share	**$ 0.3175**	$ 0.3100	**$ 0.6275**	$ 0.6125
Basic Weighted Average Shares Outstanding	**16.655**	16.550	**16.628**	16.525
Diluted Weighted Average Shares Outstanding	**16.709**	16.587	**16.695**	16.578

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 JUNE 30		SIX MONTHS ENDED JUNE 30	
	2019	2018	**2019**	2018
	(In millions)			
Net Income	**$ 16.9**	$ 5.7	**$ 20.1**	$ 20.6
Other comprehensive income (loss)				
Foreign currency translation adjustment	**2.5**	(28.2)	**0.2**	(18.4)
Current period cash flow hedging activity	**(0.3)**	(16.5)	**(10.1)**	(3.5)
Reclassification of hedging activities into earnings	**2.5**	(2.0)	**3.3**	(1.2)
Current period pension adjustment	—	0.7	—	0.7
Reclassification of pension into earnings	**0.7**	0.7	**1.6**	1.4
Comprehensive Income (Loss)	**$ 22.3**	$ (39.6)	**$ 15.1**	$ (0.4)
Other comprehensive (income) loss attributable to noncontrolling interests				
Net income attributable to noncontrolling interests	**(0.7)**	(0.1)	**(0.5)**	(0.1)
Foreign currency translation adjustment attributable to noncontrolling interests	—	1.3	—	1.1
Comprehensive Income (Loss) Attributable to Stockholders	**$ 21.6**	$ (38.4)	**$ 14.6**	$ 0.6

See notes to unaudited condensed consolidated financial statements.

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

	SIX MONTHS ENDED JUNE 30	
	2019	2018
	(In millions)	
Operating Activities		
Net income	**$ 20.1**	$ 20.6
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Depreciation and amortization	**22.0**	20.8
Amortization of deferred financing fees	**1.0**	0.9
Deferred income taxes	**(1.2)**	2.5
Stock-based compensation	**4.8**	1.9
Dividends from unconsolidated affiliates	**5.1**	22.2
Other non-current liabilities	**(2.6)**	(2.6)
Other	**2.9**	3.7
Working capital changes, excluding the effect of business acquisitions:		
Accounts receivable	**(70.1)**	38.2
Inventories	**(66.9)**	(48.2)
Other current assets	**(2.5)**	(6.3)
Accounts payable	**15.8**	18.7
Other current liabilities	**0.7**	(20.4)
Net cash provided by (used for) operating activities	**(70.9)**	52.0
Investing Activities		
Expenditures for property, plant and equipment	**(18.4)**	(16.0)
Proceeds from the sale of assets	**0.8**	0.8
Business acquisitions, net of cash acquired	**—**	(74.3)
Net cash used for investing activities	**(17.6)**	(89.5)
Financing Activities		
Additions to long-term debt	**46.1**	16.8
Reductions of long-term debt	**(40.8)**	(34.6)
Net change to revolving credit agreements	**61.9**	3.3
Cash dividends paid	**(10.4)**	(10.1)
Cash dividends paid to noncontrolling interest	**(0.1)**	(0.3)
Financing fees paid	**(0.4)**	(0.6)
Purchase of treasury stock	**(0.2)**	(0.6)
Net cash provided by (used for) financing activities	**56.1**	(26.1)
Effect of exchange rate changes on cash	**(1.0)**	(4.1)
Cash and Cash Equivalents		
Decrease for the period	**(33.4)**	(67.7)
Balance at the beginning of the period	**83.7**	220.1
Balance at the end of the period	**$ 50.3**	$ 152.4

See notes to unaudited condensed consolidated financial statements.

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

	Class A Common Stock	Class B Common Stock	Treasury Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss): Foreign Currency Translation Adjustment	Deferred Gain on AFS Securities	Deferred Gain (Loss) on Cash Flow Hedging	Pension Adjustment	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
	(In millions)											
Balance, March 31, 2018	$ 0.1	$ 0.1	$ (25.1)	$ 317.5	$ 402.9	$ (48.7)	$ —	$ 12.3	$ (58.2)	$ 600.9	$ 7.1	$608.0
Stock-based compensation	—	—	—	1.2	—	—	—	—	—	1.2	—	1.2
Stock issued under stock compensation plans	—	—	0.3	(0.3)	—	—	—	—	—	—	—	—
Net income	—	—	—	—	5.6	—	—	—	—	5.6	0.1	5.7
Cash dividends	—	—	—	—	(5.1)	—	—	—	—	(5.1)	(0.3)	(5.4)
Current period other comprehensive income	—	—	—	—	—	(28.2)	—	(16.5)	0.7	(44.0)	—	(44.0)
Reclassification adjustment to net income	—	—	—	—	—	—	—	(2.0)	0.7	(1.3)	—	(1.3)
Acquisition of a business	—	—	—	—	—	—	—	—	—	—	27.0	27.0
Foreign currency translation on noncontrolling interest	—	—	—	—	—	—	—	—	—	—	(1.3)	(1.3)
Balance, June 30, 2018	$ 0.1	$ 0.1	$ (24.8)	$ 318.4	$ 403.4	$ (76.9)	$ —	$ (6.2)	$ (56.8)	$ 557.3	$ 32.6	$589.9
Balance, March 31, 2019	**$ 0.1**	**$ 0.1**	**$ (17.1)**	**$ 317.4**	**$ 410.8**	**$ (88.2)**	**$ —**	**$ (23.6)**	**$ (80.0)**	**$ 519.5**	**$ 31.9**	**$551.4**
Stock-based compensation	—	—	—	**1.7**	—	—	—	—	—	**1.7**	—	**1.7**
Stock issued under stock compensation plans	—	—	**0.4**	**(0.4)**	—	—	—	—	—	—	—	—
Net income	—	—	—	—	**16.2**	—	—	—	—	**16.2**	**0.7**	**16.9**
Cash dividends	—	—	—	—	**(5.2)**	—	—	—	—	**(5.2)**	**(0.1)**	**(5.3)**
Current period other comprehensive income (loss)	—	—	—	—	—	**2.5**	—	**(0.3)**	—	**2.2**	—	**2.2**
Reclassification adjustment to net income	—	—	—	—	—	—	—	**2.5**	**0.7**	**3.2**	—	**3.2**
Balance, June 30, 2019	**$ 0.1**	**$ 0.1**	**$ (16.7)**	**$ 318.7**	**$ 421.8**	**$ (85.7)**	**$ —**	**$ (21.4)**	**$ (79.3)**	**$ 537.6**	**$ 32.5**	**$570.1**

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 on AFS Securities	Deferred Gain (Loss) on Cash Flow Hedging	Pension Adjustment	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
	(In millions)											
Balance, December 31, 2017	$ 0.1	$ 0.1	$ (31.5)	$ 323.8	$ 389.1	$ (58.5)	$ 2.8	$ (1.5)	$ (58.9)	$ 565.5	$ 6.9	$572.4
Cumulative effect of change in accounting	—	—	—	—	3.9	—	(2.8)	—	—	1.1	—	1.1
Stock-based compensation	—	—	—	1.9	—	—	—	—	—	1.9	—	1.9
Stock issued under stock compensation plans	—	—	7.3	(7.3)	—	—	—	—	—	—	—	—
Purchase of treasury stock	—	—	(0.6)	—	—	—		—	—	(0.6)	—	(0.6)
Net income	—	—	—	—	20.5	—	—	—	—	20.5	0.1	20.6
Cash dividends	—	—	—	—	(10.1)	—	—	—	—	(10.1)	(0.3)	(10.4)
Current period other comprehensive income (loss)	—	—	—	—	—	(18.4)	—	(3.5)	0.7	(21.2)	—	(21.2)
Reclassification adjustment to net income	—	—	—	—	—	—	—	(1.2)	1.4	0.2	—	0.2
Acquisition of a business	—	—	—	—	—	—	—	—	—	—	27.0	27.0
Foreign currency translation on noncontrolling interest	—	—	—	—	—	—	—	—	—	—	(1.1)	(1.1)
Balance, June 30, 2018	$ 0.1	$ 0.1	$ (24.8)	$ 318.4	$ 403.4	$ (76.9)	$ —	$ (6.2)	$ (56.8)	$ 557.3	$ 32.6	$589.9
Balance, December 31, 2018	**$ 0.1**	**$ 0.1**	**$ (24.1)**	**$ 321.5**	**$ 407.3**	**$ (85.9)**	**$ —**	**$ (15.5)**	**$ (76.1)**	**$ 527.4**	**$ 32.1**	**$559.5**
Cumulative effect of change in accounting	—	—	—	—	**5.3**	—	—	**0.9**	**(4.8)**	**1.4**	—	**1.4**
Stock-based compensation	—	—	—	**4.8**	—	—	—	—	—	**4.8**	—	**4.8**
Stock issued under stock compensation plans	—	—	**7.6**	**(7.6)**	—	—	—	—	—	—	—	—
Purchase of treasury stock	—	—	**(0.2)**	—	—	—		—	—	**(0.2)**	—	**(0.2)**
Net income	—	—	—	—	**19.6**	—	—	—	—	**19.6**	**0.5**	**20.1**
Cash dividends	—	—	—	—	**(10.4)**	—	—	—	—	**(10.4)**	**(0.1)**	**(10.5)**
Current period other comprehensive income (loss)	—	—	—	—	—	**0.2**	—	**(10.1)**	—	**(9.9)**	—	**(9.9)**
Reclassification adjustment to net income	—	—	—	—	—	—	—	**3.3**	**1.6**	**4.9**	—	**4.9**
Balance, June 30, 2019	**$ 0.1**	**$ 0.1**	**$ (16.7)**	**$ 318.7**	**$ 421.8**	**$ (85.7)**	**$ —**	**$ (21.4)**	**$ (79.3)**	**$ 537.6**	**$ 32.5**	**$570.1**

See notes to unaudited condensed consolidated financial statements.

HYSTER-YALE MATERIALS HANDLING, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019
(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 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, the Philippines, Italy, Vietnam, Japan and Brazil.

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 utility 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. The results of Hyster-Yale Maximal are included in the JAPIC segment since the date of acquisition. During the second quarter of 2019, the Company completed the purchase price allocation for Hyster-Yale Maximal. There were no changes in the purchase price allocation for Hyster-Yale Maximal during the first six months of 2019.

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.

In 2018, the Company announced, as part of a plan to expand Bolzoni's capabilities in the United States, Bolzoni's North America attachment manufacturing would be moved into HYG's Sulligent, Alabama manufacturing facility over the course of 2019. As a result, effective January 1, 2019, the Sulligent facility became a Bolzoni facility. Accordingly, the results of the Sulligent facility for the first six months of 2019 have been included in the Bolzoni segment. In addition, the Company reclassified the historical results of operations of the Sulligent facility for 2018 in this Quarterly Report on Form 10-Q.

The Company operates Nuvera Fuel Cells, LLC ("Nuvera"). Nuvera is an alternative-power technology company focused on 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 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 U.S. generally accepted accounting principles 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 June 30, 2019 and the results of its operations and changes in equity for the three and six months ended June 30, 2019 and 2018 , and the results of its cash flows for the six months ended June 30, 2019 and 2018 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, 2018 .

The accompanying unaudited condensed consolidated balance sheet at December 31, 2018 has been derived from the audited financial statements at that date but does not include all of the information or notes required by U.S. generally accepted accounting principles for complete financial statements.

Reclassification: Certain amounts in the prior period’s unaudited condensed consolidated financial statements have been reclassified to conform to the current period’s presentation.

Note 2—Recently Issued Accounting Standards

The following table provides a brief description of recent accounting pronouncements adopted January 1, 2019. Unless otherwise noted, the adoption of these standards did not have a material effect on the Company's financial position, results of operations, cash flows or related disclosures.

Standard	Description
Accounting Standards Update ("ASU") No. 2016-02, Leases (Topic 842) (Subsequent ASUs have been issued in 2017, 2018 and 2019 to update or clarify this guidance)	The guidance requires lessees (with the exception of short-term leases) to recognize, at the commencement date, a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset, which is an asset that represents the lessee’s right to use, or control the use of, a specified asset for the lease term. See Note 4 for additional information.
ASU 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities	The guidance makes targeted changes to the hedge accounting model intended to facilitate financial reporting that more closely reflects an entity’s risk management activities and to simplify the application of hedge accounting. Changes include expanding the types of risk management strategies eligible for hedge accounting, easing the documentation and effectiveness assessment requirements, changing how ineffectiveness is measured and changing the presentation and disclosure requirements for hedge accounting activities.
ASU 2018-02, Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income ("OCI")	The guidance provides an election to reclassify the stranded tax effects resulting from the Tax Reform Act from OCI to retained earnings. In addition, the guidance requires new disclosures regarding the election to adopt and the manner in which tax effects remaining in OCI are released. The Company adopted the standard on January 1, 2019 and recorded a cumulative adjustment to retained earnings of $3.9 million for income tax benefits stranded in OCI resulting from the Tax Reform Act.
ASU 2018-07, Compensation-Stock Compensation (Topic 718)	The guidance addresses the accounting for non-employee share-based payment transactions.
ASU 2018-16, Derivatives and Hedging (Topic 815): Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting Purposes	The guidance permits the use of the OIS rate based on SOFR as a U.S. benchmark interest rate for hedge accounting purposes in addition to treasury obligations of the U.S. government, the LIBOR swap rate, the OIS rate based on the Federal Funds Effective Rate, and the Securities Industry and Financial Markets Association Municipal Swap Rate.

The following table provides a brief description of recent accounting pronouncements not yet adopted:

Standard	Description	Required Date of Adoption	Effect on the financial statements or other significant matters
ASU No. 2016-13, Financial Instruments-Credit Losses (Topic 326)(Subsequent ASUs have been issued in 2018 and 2019 to update or clarify this guidance)	The guidance eliminates the probable initial recognition threshold and requires an entity to reflect its current estimate of all expected credit losses. The guidance also requires additional disclosures in certain circumstances.	January 1, 2020	The Company is currently evaluating the alternative methods of adoption and the effect on its financial position, results of operations, cash flows and related disclosures.
ASU 2018-17, Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities	The guidance provides that indirect interests held through related parties in common control arrangements should be considered on a proportional basis for determining whether fees paid to decision makers and service providers are variable interests.	January 1, 2020	The Company is currently evaluating the guidance and the effect on its financial position, results of operations, cash flows and related disclosures.

Standard	Description	Required Date of Adoption	Effect on the financial statements or other significant matters
ASU 2018-18, Collaborative Arrangements (Topic 808): Clarifying the Interaction between Topic 808 and Topic 606	The guidance clarifies the accounting for collaborative arrangements in conjunction with the adoption of "Revenue from Contracts with Customers (Topic 606)."	January 1, 2020	The Company is currently evaluating the guidance and the effect on its financial position, results of operations, cash flows and related disclosures.
ASU No. 2017-04, Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment	The guidance removes the second step of the two-step test for the measurement of goodwill impairment.	January 1, 2020	The Company is currently evaluating the timing of adoption and the effect on its current impairment testing process.
ASU 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement	The guidance removes, modifies and adds certain disclosures relating to fair value measurements.	January 1, 2020	The Company is currently evaluating the guidance and the effect on its financial position, results of operations, cash flows and related disclosures.
ASU 2018-15, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract	The guidance aligns the requirements for capitalizing implementation costs incurred in a hosting agreement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software.	January 1, 2021	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 12 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 first six months of 2019 and 2018.

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 JUNE 30, 2019						
	Lift truck business						
	Americas	EMEA	JAPIC	Bolzoni	Nuvera	Elims	Total
Dealer sales	**$ 246.2**	**$ 170.2**	**$ 64.3**	**$ —**	**$ —**	**$ —**	**$ 480.7**
Direct customer sales	**158.3**	**3.8**	**—**	**—**	**—**	**—**	**162.1**
Aftermarket sales	**98.0**	**23.3**	**8.3**	**—**	**—**	**—**	**129.6**
Other	**35.2**	**4.8**	**0.3**	**90.8**	**2.2**	**(49.5)**	**83.8**
Total Revenues	**$ 537.7**	**$ 202.1**	**$ 72.9**	**$ 90.8**	**$ 2.2**	**$ (49.5)**	**$ 856.2**

	THREE MONTHS ENDED JUNE 30, 2018						
	Lift truck business						
	Americas	EMEA	JAPIC	Bolzoni	Nuvera	Elims	Total
Dealer sales	$ 280.6	$ 159.5	$ 47.9	$ —	$ —	$ —	$ 488.0
Direct customer sales	74.4	1.2	—	—	—	—	75.6
Aftermarket sales	91.7	26.7	9.2	—	—	—	127.6
Other	24.9	3.6	0.4	88.0	0.7	(42.9)	74.7
Total Revenues	$ 471.6	$ 191.0	$ 57.5	$ 88.0	$ 0.7	$ (42.9)	$ 765.9

	SIX MONTHS ENDED JUNE 30, 2019						
	Lift truck business						
	Americas	EMEA	JAPIC	Bolzoni	Nuvera	Elims	Total
Dealer sales	**$ 530.7**	**$ 324.0**	**$ 119.1**	**$ —**	**$ —**	**$ —**	**$ 973.8**
Direct customer sales	**278.4**	**7.8**	**—**	**—**	**—**	**—**	**286.2**
Aftermarket sales	**198.9**	**49.2**	**16.6**	**—**	**—**	**—**	**264.7**
Other	**64.2**	**11.2**	**0.6**	**182.6**	**6.7**	**(99.0)**	**166.3**
Total Revenues	**$ 1,072.2**	**$ 392.2**	**$ 136.3**	**$ 182.6**	**$ 6.7**	**$ (99.0)**	**$ 1,691.0**

	SIX MONTHS ENDED JUNE 30, 2018						
	Lift truck business						
	Americas	EMEA	JAPIC	Bolzoni	Nuvera	Elims	Total
Dealer sales	$ 582.5	$ 324.8	$ 87.9	$ —	$ —	$ —	$ 995.2
Direct customer sales	156.1	2.9	—	—	—	—	159.0
Aftermarket sales	179.3	53.7	18.4	—	—	—	251.4
Other	49.6	7.5	0.7	177.5	1.3	(87.8)	148.8
Total Revenues	$ 967.5	$ 388.9	$ 107.0	$ 177.5	$ 1.3	$ (87.8)	$ 1,554.4

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 dealers. 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 forklift components to HYG plants. Nuvera's revenues include the sale of battery box replacement ("BBR") units to HYG for sale to a dealer and development funding from third-party development agreements. 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.

	Deferred Revenue
Balance, December 31, 2018	$ 61.8
Customer deposits and billings	38.2
Revenue recognized	(23.2)
Balance, June 30, 2019	$ 76.8

Note 4—Leases

On January 1, 2019, the Company adopted Accounting Standards Codification ("ASC") Topic 842, "Leases" ("new lease standard"). The new lease standard was adopted using the optional transition method approach that allows for the cumulative effect adjustment to be recorded without restating prior periods. The Company has elected the practical expedient package related to the identification, classification and accounting for initial direct costs whereby prior conclusions do not have to be reassessed for leases that commenced before the effective date. As the Company will not reassess such conclusions, the Company has not adopted the practical expedient to use hindsight to determine the likelihood of whether a lease will be extended or terminated or whether a purchase option will be exercised.

The Company's adoption of the new lease standard included new processes and controls regarding asset financing transactions, financial reporting and a system-related implementation required for the new lease standard. The Company's accounting for finance leases (formerly referred to as capital leases prior to the adoption of the new lease standard) remained substantially unchanged. The impact of the adoption of the new lease standard included the recognition of right-of-use ("ROU") assets and lease liabilities. The adoption of the new lease standard resulted in additional net lease assets and net lease liabilities of approximately $82.7 million and $80.8 million , respectively, as of January 1, 2019. The $80.8 million is net of $6.2 million of lease related liabilities which had been recorded under previous accounting standards and have been reclassified as a contra-asset under the new standard. In addition, a cumulative adjustment was recorded to increase retained earnings by $1.4 million as of January 1, 2019, for certain sales-leaseback transactions for which profit recognition was deferred previously under accounting standards but is no longer deferred under the new lease standard. The new lease standard did not materially affect the Company's consolidated net earnings and had no impact on cash flows for the three and six months ended June 30, 2019.

As of January 1, 2019, the cumulative effect on the Company’s unaudited condensed consolidated balance sheet for the adoption of the new lease standard was as follows:

	Balance at December 31, 2018	Adjustments due to New Lease Standard	Balance at January 1, 2019
Other non-current assets	$ 36.4	$ 82.7	$ 119.1
Deferred income tax assets	26.3	(0.5)	25.8
Other current liabilities	154.1	16.3	170.4
Other long-term liabilities	130.2	64.5	194.7
Retained earnings	407.3	1.4	408.7

In accordance with the new lease standard, the Company determines if an arrangement contains a lease and the classification of that lease, if applicable, at inception. The Company has elected to not recognize a lease liability or ROU asset for short-term leases (leases with an initial term of twelve months or less). For contracts with lease and non-lease components, the Company has elected not to allocate the contract consideration, and to account for the lease and non-lease components as a single lease component. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments under the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The implicit rate within the operating leases are generally not determinable and the Company has obtained rates from third-party financiers for relevant geographies, currencies and lease terms to determine the incremental borrowing rate at the date of adoption of the new lease standard and at the inception of new leases. The operating lease ROU asset also includes any lease prepayments, offset by lease incentives. Certain of the Company's leases include options to extend or terminate the lease. An option to extend the lease is considered in connection with determining the ROU asset and lease liability when it is reasonably certain the Company will exercise that option. An option to terminate is also considered in connection with determining the ROU asset and lease liability unless it is reasonably certain the Company will not exercise the option. Lease expense for operating lease payments is recognized on a straight-line basis over the term of the lease.

As of June 30, 2019 , the Company has the following amounts recorded on the Company's unaudited condensed consolidated balance sheet:

	Location on Balance Sheet	June 30, 2019
Assets		
Operating lease assets	Other non-current assets	**$ 81.2**
Finance lease assets	Property, plant and equipment, net	**22.0**
Total		**$ 103.2**
Liabilities		
Current		
Operating lease liabilities	Other current liabilities	**19.0**
Finance lease liabilities	Current maturities of long-term debt	**6.9**
Long-term		
Operating lease liabilities	Other long-term liabilities	**66.7**
Finance lease liabilities	Long-term debt	**8.9**
Total		**$ 101.5**

Finance lease assets are recorded net of accumulated amortization of $11.5 million as of June 30, 2019 . In addition, leases with HYGFS included in the unaudited condensed consolidated balance sheet at June 30, 2019 , include $17.4 million of ROU assets and lease liabilities.

As of June 30, 2019 , the Company has the following remaining lease term and weighted average discount rates:

	Operating Leases	Finance Leases
Weighted-average remaining lease term in years	6.37	2.62
Weighted-average discount rate	5.12%	3.36%

For the three and six months ended June 30, 2019 , the Company recorded the following amounts on the unaudited condensed consolidated statements of operations:

	Location on Income Statement	THREE MONTHS ENDED June 30, 2019	SIX MONTHS ENDED June 30, 2019
Operating lease cost	Cost of sales	**$ 2.1**	**$ 4.0**
Operating lease cost	Selling, general and administrative expenses	**4.0**	**8.0**
Finance lease cost			
Amortization of leased assets	Cost of sales	**1.8**	**3.6**
Interest on lease liabilities	Interest expense	**0.3**	**0.4**
Other lease costs [1]	Selling, general and administrative expenses	**0.1**	**0.5**
Sublease income	Revenues	**(3.7)**	**(5.4)**
Total		**$ 4.6**	**$ 11.1**

[1] - Includes short-term and variable lease costs.

The Company recognizes sublease income primarily related to lift trucks in which the Company records revenues over the term of the lease in accordance with the rental agreements with its customers. Aggregate future minimum rentals to be received under noncancellable subleases of lift trucks as of June 30, 2019 were $35.8 million .

For the six months ended June 30, 2019 , the Company recorded the following amounts on the unaudited condensed consolidated statements of cash flows:

	SIX MONTHS ENDED June 30, 2019
Cash paid for lease liabilities	
Operating cash flows from operating leases	**$ 11.6**
Operating cash flows from finance leases	**0.4**
Financing cash flows from finance leases	**3.7**
Non-cash amounts related to right-of-use assets obtained in exchange for lease obligations	
Operating	**8.7**
Finance	**1.6**

Annual maturities of lease liabilities are as follows:

	Operating Leases	Finance Leases	Total
Amounts remaining in 2019	$ 11.8	$ 3.8	$ 15.6
2020	20.4	6.7	27.1
2021	16.1	4.0	20.1
2022	12.8	1.2	14.0
2023	9.6	0.8	10.4
Thereafter	31.2	0.1	31.3
	101.9	16.6	118.5
Less: Interest	(16.2)	(0.8)	(17.0)
Net	$ 85.7	$ 15.8	$ 101.5

Note 5—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. In 2018, the Company completed the acquisition of the majority interest in Hyster-Yale Maximal, which is also included in the JAPIC segment from the date of acquisition. 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.

In 2019, as part of a plan to expand Bolzoni's capabilities in the United States, Bolzoni's North America attachment manufacturing began moving into HYG's Sulligent, Alabama manufacturing facility. As a result, effective January 1, 2019, the Sulligent facility became a Bolzoni facility. Accordingly, the results of the Sulligent facility for the first six months of 2019 have been included in the Bolzoni segment and the historical results of operations of the Sulligent facility for 2018 have been included in the Bolzoni segment. As part of the reorganization of the two facilities, restructuring costs of approximately $0.6 million and $2.0 million were incurred for the three and six months ended June 30, 2019 , respectively. See Note 16 to the unaudited condensed consolidated financial statements for additional information on restructuring costs.

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

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2019	2018	**2019**	2018
Revenues from external customers				
Americas	**$ 537.7**	$ 471.6	**$ 1,072.2**	$ 967.5
EMEA	**202.1**	191.0	**392.2**	388.9
JAPIC	**72.9**	57.5	**136.3**	107.0
Lift truck business	**812.7**	720.1	**1,600.7**	1,463.4
Bolzoni	**90.8**	88.0	**182.6**	177.5
Nuvera	**2.2**	0.7	**6.7**	1.3
Eliminations	**(49.5)**	(42.9)	**(99.0)**	(87.8)
Total	**$ 856.2**	$ 765.9	**$ 1,691.0**	$ 1,554.4
Gross profit (loss)				
Americas	**$ 90.1**	$ 79.1	**$ 171.5**	$ 164.9
EMEA	**28.4**	25.1	**53.5**	50.9
JAPIC	**8.4**	6.1	**14.5**	10.6
Lift truck business	**126.9**	110.3	**239.5**	226.4
Bolzoni	**15.5**	16.8	**31.1**	33.8
Nuvera	**(2.7)**	(1.6)	**(4.5)**	(2.5)
Eliminations	**(0.3)**	(0.2)	**(0.5)**	(0.3)
Total	**$ 139.4**	$ 125.3	**$ 265.6**	$ 257.4

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2019	2018	**2019**	2018
Operating profit (loss)				
Americas	**$ 26.2**	$ 18.0	**$ 41.5**	$ 45.9
EMEA	**4.7**	1.4	**4.7**	2.3
JAPIC	**(1.8)**	(2.1)	**(6.3)**	(4.3)
Lift truck business	**29.1**	17.3	**39.9**	43.9
Bolzoni	**2.3**	3.2	**3.5**	5.9
Nuvera	**(8.2)**	(9.5)	**(16.6)**	(19.5)
Eliminations	**(0.3)**	(0.2)	**(0.5)**	(0.3)
Total	**$ 22.9**	$ 10.8	**$ 26.3**	$ 30.0
Net income (loss) attributable to stockholders				
Americas	**$ 17.7**	$ 10.2	**$ 29.8**	$ 30.6
EMEA	**4.1**	1.3	**4.0**	2.3
JAPIC	**(1.5)**	(0.5)	**(3.9)**	(1.2)
Lift truck business	**20.3**	11.0	**29.9**	31.7
Bolzoni	**1.6**	2.1	**1.9**	4.0
Nuvera	**(6.0)**	(6.9)	**(12.1)**	(14.2)
Eliminations	**0.3**	(0.6)	**(0.1)**	(1.0)
Total	**$ 16.2**	$ 5.6	**$ 19.6**	$ 20.5

Note 6—Income Taxes

The income tax provision includes U.S. federal, state and local, and foreign income taxes and is 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, taxing jurisdictions in which the earnings will be generated, the impact of state and local income taxes, the Company's ability to use tax credits and net operating loss carryforwards and 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 effective annual 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 consolidated federal statutory rate to the reported income tax rate is as follows:

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2019	2018	**2019**	2018
Income before income taxes	**$ 21.3**	$ 9.5	**$ 26.0**	$ 29.3
Statutory taxes (21%)	**$ 4.5**	$ 2.0	**$ 5.5**	$ 6.2
Interim adjustment	**—**	0.2	**0.4**	0.5
Permanent adjustments	**(0.4)**	0.4	**(0.4)**	0.7
Discrete items	**0.3**	1.2	**0.4**	1.3
Income tax provision	**$ 4.4**	$ 3.8	**$ 5.9**	$ 8.7
Reported income tax rate	**20.7%**	40.0%	**22.7%**	29.7%

During the second quarter of 2018, the Company recognized a discrete tax charge of $1.1 million as a result of non-deductible acquisition costs related to the closing of the Maximal transaction.

Note 7—Reclassifications from OCI

The following table summarizes reclassifications out of 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 JUNE 30		SIX MONTHS ENDED JUNE 30		
	2019	2018	**2019**	2018	
Gain (loss) on cash flow hedges:					
Interest rate contracts	**$ (0.1)**	$ (0.1)	**$ (0.3)**	$ (0.1)	Interest expense
Foreign exchange contracts	**(3.3)**	3.1	**(4.4)**	2.1	Cost of sales
Total before tax	**(3.4)**	3.0	**(4.7)**	2.0	Income before income taxes
Tax expense (benefit)	**0.9**	(1.0)	**1.4**	(0.8)	Income tax provision
Net of tax	**$ (2.5)**	$ 2.0	**$ (3.3)**	$ 1.2	Net income
Amortization of defined benefit pension items:					
Actuarial loss	**$ (1.0)**	$ (0.9)	**$ (2.0)**	$ (1.9)	Other, net
Prior service credit	**—**	0.1	**—**	0.2	Other, net
Total before tax	**(1.0)**	(0.8)	**(2.0)**	(1.7)	Income before income taxes
Tax expense	**0.3**	0.1	**0.4**	0.3	Income tax provision
Net of tax	**$ (0.7)**	$ (0.7)	**$ (1.6)**	$ (1.4)	Net income
Total reclassifications for the period	**$ (3.2)**	$ 1.3	**$ (4.9)**	$ (0.2)	

Note 8—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 capital 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 June 30, 2019 , the fair value and carrying value of revolving credit agreements and long-term debt, excluding finance leases, was $351.5 million and $355.1 million , respectively. At December 31, 2018 , the fair value and carrying value of revolving credit agreements and long-term debt, excluding finance leases, was $281.0 million and $284.2 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 other comprehensive income 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 cross-currency swaps, which hedge the variability of expected future cash flows that are attributable to foreign currency risk of certain intercompany loans. These agreements include initial and final exchanges of principal and associated interest payments from fixed euro denominated to fixed U.S.-denominated amounts. Changes in the fair value of cross-currency swaps 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 other (income) expense and interest expense.

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 $ 969.9 million at June 30, 2019 , primarily denominated in euros, U.S. dollars, Japanese yen, British pounds, Mexican pesos, Swedish kroner, Chinese renminbi, Brazilian real and Australian dollars. The Company held forward foreign currency exchange contracts with total notional amounts of $ 1.1 billion at December 31, 2018 , primarily denominated in euros, U.S. dollars, Japanese yen, British pounds, Swedish kroner, Mexican pesos, Chinese renminbi, Brazilian real and Australian dollars. The fair value of these contracts approximated a net liability of $ 23.6 million and $ 19.5 million at June 30, 2019 and December 31, 2018 , 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 June 30, 2019 , $ 9.6 million of the amount of net deferred loss included in OCI at June 30, 2019 is expected to be reclassified as expense into the unaudited condensed consolidated statement 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 $200.0 million term loan (the "Term Loan") borrowings. The following table summarizes the notional amounts, related rates, excluding spreads, and remaining terms of interest rate swap agreements at June 30, 2019 and December 31, 2018 :

Notional Amount		**Average Fixed Rate**		
June 30 2019	December 31 2018	**June 30 2019**	December 31 2018	**Term at June 30, 2019**
$ 56.5	$ 56.5	**1.94%**	1.94%	Extending to November 2022
$ 79.1	$ 83.5	**2.20%**	2.20%	Extending to May 2023

The fair value of all interest rate swap agreements was a net liability of $2.2 million and a net asset of $ 1.6 million at June 30, 2019 and December 31, 2018 , 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 June 30, 2019 , $0.2 million of the amount included in OCI is expected to be reclassified as expense in the unaudited condensed consolidated statement of operations over the next twelve months, as cash flow payments are made in accordance with the interest rate swap agreements.

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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	**JUNE 30 2019**	DECEMBER 31 2018	**Balance Sheet Location**	**JUNE 30 2019**	DECEMBER 31 2018
Derivatives designated as hedging instruments						
Cash Flow Hedges						
Interest rate swap agreements						
Current	Prepaid expenses and other	**$ —**	$ 0.6	Prepaid expenses and other	$ —	$ —
	Other current liabilities	**—**	—	Other current liabilities	**0.3**	—
Long-term	Other non-current assets	—	1.0	Other non-current assets	**—**	—
	Other long-term liabilities	**—**	—	Other long-term liabilities	**1.9**	—
Foreign currency exchange contracts						
Current	Prepaid expenses and other	**3.2**	2.1	Prepaid expenses and other	**2.4**	0.4
	Other current liabilities	**1.2**	3.3	Other current liabilities	**14.9**	12.8
Long-term	Other non-current assets	**0.9**	1.0	Other non-current assets	**0.6**	0.6
	Other long-term liabilities	**0.8**	0.5	Other long-term liabilities	**12.5**	13.8
Total derivatives designated as hedging instruments		**$ 6.1**	$ 8.5		**$ 32.6**	$ 27.6
Derivatives not designated as hedging instruments						
Cash Flow Hedges						
Foreign currency exchange contracts						
Current	Prepaid expenses and other	**2.1**	0.4	Prepaid expenses and other	**0.4**	0.2
	Other current liabilities	**0.2**	1.5	Other current liabilities	**1.2**	0.5
Total derivatives not designated as hedging instruments		**$ 2.3**	$ 1.9		**$ 1.6**	$ 0.7
Total derivatives		**$ 8.4**	$ 10.4		**$ 34.2**	$ 28.3

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 June 30, 2019				Derivative Liabilities as of June 30, 2019			
	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	**$ —**	**$ —**	**$ —**	**$ —**	**$ 2.2**	**$ —**	**$ 2.2**	**$ 2.2**
Foreign currency exchange contracts	**2.8**	**(2.8)**	**—**	**—**	**26.4**	**(2.8)**	**23.6**	**23.6**
Total derivatives	**$ 2.8**	**$ (2.8)**	**$ —**	**$ —**	**$ 28.6**	**$ (2.8)**	**$ 25.8**	**$ 25.8**

	Derivative Assets as of December 31, 2018				Derivative Liabilities as of December 31, 2018			
	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	$ 1.6	$ —	$ 1.6	$ 1.6	$ —	$ —	$ —	$ —
Foreign currency exchange contracts	2.3	(2.3)	—	—	21.8	(2.3)	19.5	19.5
Total derivatives	$ 3.9	$ (2.3)	$ 1.6	$ 1.6	$ 21.8	$ (2.3)	$ 19.5	$ 19.5

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 JUNE 30		SIX MONTHS ENDED JUNE 30			THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
Derivatives designated as hedging instruments	**2019**	2018	**2019**	2018		**2019**	2018	**2019**	2018
Cash Flow Hedges									
Interest rate swap agreements	**$ (2.5)**	$ 0.7	**$ (4.0)**	$ 2.7	Interest expense	**$ (0.1)**	$ (0.1)	**$ (0.3)**	$ (0.1)
Foreign currency exchange contracts	**2.1**	(24.1)	**(9.9)**	(8.5)	Cost of sales	**(3.3)**	3.1	**(4.4)**	2.1
Total	**$ (0.4)**	$ (23.4)	**$ (13.9)**	$ (5.8)		**$ (3.4)**	$ 3.0	**$ (4.7)**	$ 2.0

Derivatives Not Designated as Hedging Instruments	Location of Gain or (Loss) Recognized in Income on Derivative	**2019**	2018	**2019**	2018
Cash Flow Hedges					
Interest rate swap agreements	Other	**$ —**	$ —	**$ —**	$ 0.3
Foreign currency exchange contracts	Cost of sales	**1.9**	(1.5)	**(2.4)**	(1.2)
Total		**$ 1.9**	$ (1.5)	**$ (2.4)**	$ (0.9)

Note 9—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 continues to be reported in operating profit. The components of pension (income) expense are set forth below:

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2019	2018	**2019**	2018
U.S. Pension				
Interest cost	**$ 0.6**	$ 0.7	**$ 1.3**	$ 1.3
Expected return on plan assets	**(1.2)**	(1.3)	**(2.3)**	(2.5)
Settlement loss	**—**	0.7	**—**	0.7
Amortization of actuarial loss	**0.5**	0.4	**1.0**	0.9
Amortization of prior service credit	**—**	(0.1)	**—**	(0.2)
Total	**$ (0.1)**	$ 0.4	**$ —**	$ 0.2
Non-U.S. Pension				
Service cost	**$ 0.1**	$ —	**$ 0.1**	$ 0.1
Interest cost	**0.9**	1.1	**2.0**	2.1
Expected return on plan assets	**(2.5)**	(2.7)	**(5.2)**	(5.4)
Amortization of actuarial loss	**0.5**	0.5	**1.0**	1.0
Total	**$ (1.0)**	$ (1.1)	**$ (2.1)**	$ (2.2)

Note 10—Inventories

Inventories are summarized as follows:

	JUNE 30 2019	DECEMBER 31 2018
Finished goods and service parts	**$ 285.6**	$ 248.6
Work in process	**32.2**	30.0
Raw materials	**334.9**	307.0
Total manufactured inventories	**652.7**	585.6
LIFO reserve	**(53.7)**	(52.0)
Total inventory	**$ 599.0**	$ 533.6

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 June 30, 2019 and December 31, 2018 , 55% and 51% , respectively, of total inventories were determined using the LIFO method, which consists primarily of manufactured inventories, including service parts, 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 11—Current and Long-Term Financing

On April 3, 2019, the Company entered into an amendment to its secured, floating-rate revolving credit facility (the "Facility"). As a result, among other items, (i) the aggregate commitments under the Facility were increased from $200.0 million to $240.0 million and (ii) Bolzoni Auramo, Inc was designated as a "U.S. Borrower" under the Facility. After giving effect to the amendment, the Facility consists of a U.S. revolving credit facility in the amount of $150.0 million and a non-U.S. revolving credit facility in the amount of $90.0 million.

Note 12—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:

		2019
Balance at December 31, 2018	$	56.9
Current year warranty expense		22.8
Change in estimate related to pre-existing warranties		(0.5)
Payments made		(17.3)
Balance at June 30, 2019	**$**	**61.9**

Note 13—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 14—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 June 30, 2019 and December 31, 2018 were $164.1 million and $192.7 million , respectively. As of June 30, 2019 , 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 June 30, 2019 was approximately $234.7 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 June 30, 2019 , 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 $28.6 million of recourse or repurchase obligations for these certain eligible dealers are limited to 7.5% of their original loan balance, or $11.3 million as of June 30, 2019 . The $28.6 million is included in the $164.1 million of total amounts subject to recourse or repurchase obligations at June 30, 2019 .

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 June 30, 2019 , approximately $130.6 million of the Company's total recourse or repurchase obligations of $164.1 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 June 30, 2019 , loans from WF to HYGFS totaled $1.2 billion . Although the Company's contractual guarantee was $241.8 million , the loans by WF to HYGFS are secured by HYGFS' customer receivables, of which the Company guarantees $130.6 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 $219.1 million , which is secured by 20% of HYGFS' customer receivables and other secured assets of $297.5 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 June 30, 2019 :

	HYGFS	Total
Total recourse or repurchase obligations	$ 130.6	$ 164.1
Less: exposure limited for certain dealers	28.6	28.6
Plus: 7.5% of original loan balance	11.3	11.3
	113.3	146.8
Incremental obligation related to guarantee to WF	219.1	219.1
Total exposure related to guarantees	$ 332.4	$ 365.9

Note 15—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 consolidated balance sheet as follows:

	June 30, 2019	December 31, 2018
HYGFS	$ 20.0	$ 20.6
SN	43.6	41.3
Bolzoni	0.4	0.5

Dividends received from unconsolidated affiliates are summarized below:

	SIX MONTHS ENDED JUNE 30	
	2019	2018
HYGFS	$ 4.1	$ 20.1
SN	1.0	2.1
	$ 5.1	$ 22.2

Summarized financial information for HYGFS and SN is as follows:

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2019	2018	2019	2018
Revenues	$ 110.6	$ 105.0	$ 220.0	$ 205.5
Gross profit	$ 37.2	$ 31.4	$ 74.9	$ 63.3
Income from continuing operations	$ 11.0	$ 8.5	$ 21.8	$ 18.7
Net income	$ 11.0	$ 8.5	$ 21.8	$ 18.7

The Company has an 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 June 30, 2019 and December 31, 2018 was $3.6 million and $4.1 million , respectively. Any gain or loss on the investment is included on the line "Other" in the "Other (income) expense" section of the unaudited condensed consolidated statements of operations as follows:

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2019	2018	**2019**	2018
Gain (loss) on equity investment	**$ (1.2)**	$ (2.6)	**$ (0.4)**	$ (3.0)

The Company has an approximately 19% ownership interest through common and redeemable preferred shares in a third party, OneH2, Inc. ("OneH2"). The Company's investment was $8.8 million and $9.1 million as of June 30, 2019 and December 31, 2018 , respectively.

Note 16—Restructuring

In 2019, as part of a plan to expand Bolzoni's capabilities in the United States, Bolzoni's North America attachment manufacturing is being moved into HYG's Sulligent, Alabama manufacturing facility. As a result, effective January 1, 2019, the Sulligent facility became a Bolzoni facility.

During the first quarter of 2019, the Company commenced moving the manufacturing of attachments into the Sulligent facility and plans to phase out production at its Homewood, Illinois facility during the remainder of 2019. The Homewood manufacturing facility employed approximately 70 people. The Company intends to maintain a Bolzoni parts distribution center and certain other operations in that area.

As a result of this restructuring, Bolzoni recognized a charge of approximately $0.6 million and $2.0 million during the three and six months ended June 30, 2019, respectively. During the first quarter of 2019, the Company incurred $0.4 million related to severance, which was recorded on the line "Selling, general and administrative expenses," and $1.0 million related to plant rearrangement and moving costs, which was recorded in "Cost of sales." The Company incurred $0.6 million related to plant rearrangement and moving costs during the second quarter of 2019. Severance payments of $0.3 million and $0.4 million were made during the second quarter and first six months of 2019, respectively. Payments related to this restructuring plan are expected to be made through 2020. In addition to the restructuring charge recorded during 2019, the Company anticipates it will incur subsequent charges, which were not eligible for accrual at June 30, 2019 , of approximately $2.2 million to $3.5 million for additional costs related to the restructuring, which the Company expects to incur during 2019 and 2020.

Note 17—Other Items

Effective July 6, 2018, the U.S. Trade Representative imposed additional duties on goods imported from China as part of the action in the Section 301 investigation of China’s acts, policies and practices related to technology transfer, intellectual property and innovation. On April 18, 2019, the U.S. Trade Representative posted a notice announcing its determination to grant exclusion requests for additional duties on certain goods of China. The exclusions will apply retroactively to the July 6, 2018 effective date and will extend for one year after the notice of exclusions, or April 2020.

Certain components of fork lift trucks, including counterweights and forks, were listed in the notice as exclusions for the additional duties. The Company recognized $4.9 million of tariff recoveries in the second quarter of 2019, which is included in the line "Cost of sales" in the unaudited condensed consolidated statement of operations. The Company is currently in the process of determining whether any additional duties are recoverable from the government and suppliers and the amount thereof. Other components and forklift trucks imported from China will continue to be subject to the additional duties.

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, the Philippines, Italy, Vietnam, Japan and Brazil.

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 utility 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. The results of Hyster-Yale Maximal are included in the JAPIC segment since the date of acquisition.

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.

In 2018, the Company announced, as part of a plan to expand Bolzoni's capabilities in the United States, Bolzoni's North America attachment manufacturing would be moved into HYG's Sulligent, Alabama manufacturing facility over the course of 2019. As a result, effective January 1, 2019, the Sulligent facility became a Bolzoni facility. Accordingly, the results of the Sulligent facility for the first six months of 2019 have been included in the Bolzoni segment. In addition, the Company reclassified the historical results of operations of the Sulligent facility for 2018 in this Quarterly Report on Form 10-Q.

The Company operates Nuvera Fuel Cells, LLC ("Nuvera"). Nuvera is an alternative-power technology company focused on 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 14 through 16 in the Company's Annual Report on Form 10-K for the year ended December 31, 2018. Critical Accounting Policies and Estimates have not materially changed since December 31, 2018. See Note 2 and Note 4 to the unaudited condensed consolidated financial statements for a discussion of the new accounting pronouncements adopted on January 1, 2019.

FINANCIAL REVIEW

The results of operations for the Company were as follows:

	THREE MONTHS ENDED JUNE 30		Favorable / (Unfavorable)	SIX MONTHS ENDED JUNE 30		Favorable / (Unfavorable)
	2019	2018	% Change	**2019**	2018	% Change
Lift truck unit shipments (in thousands)						
Americas	**14.5**	14.1	2.8 %	**29.7**	29.7	— %
EMEA	**8.0**	7.4	8.1 %	**15.6**	14.9	4.7 %
JAPIC [(1)]	**3.8**	2.4	58.3 %	**6.7**	4.1	63.4 %
	26.3	23.9	10.0 %	**52.0**	48.7	6.8 %
Revenues						
Americas	**$ 537.7**	$ 471.6	14.0 %	**$ 1,072.2**	$ 967.5	10.8 %
EMEA	**202.1**	191.0	5.8 %	**392.2**	388.9	0.8 %
JAPIC [(1)]	**72.9**	57.5	26.8 %	**136.3**	107.0	27.4 %
Lift truck business	**812.7**	720.1	12.9 %	**1,600.7**	1,463.4	9.4 %
Bolzoni	**90.8**	88.0	3.2 %	**182.6**	177.5	2.9 %
Nuvera	**2.2**	0.7	n.m.	**6.7**	1.3	n.m.
Eliminations	**(49.5)**	(42.9)	n.m.	**(99.0)**	(87.8)	n.m.
	$ 856.2	$ 765.9	11.8 %	**$ 1,691.0**	$ 1,554.4	8.8 %
Gross profit (loss)						
Americas	**$ 90.1**	$ 79.1	13.9 %	**$ 171.5**	$ 164.9	4.0 %
EMEA	**28.4**	25.1	13.1 %	**53.5**	50.9	5.1 %
JAPIC [(1)]	**8.4**	6.1	37.7 %	**14.5**	10.6	36.8 %
Lift truck business	**126.9**	110.3	15.0 %	**239.5**	226.4	5.8 %
Bolzoni	**15.5**	16.8	(7.7)%	**31.1**	33.8	(8.0)%
Nuvera	**(2.7)**	(1.6)	n.m.	**(4.5)**	(2.5)	n.m.
Eliminations	**(0.3)**	(0.2)	n.m.	**(0.5)**	(0.3)	n.m.
	$ 139.4	$ 125.3	11.3 %	**$ 265.6**	$ 257.4	3.2 %
Selling, general and administrative expenses						
Americas	**$ 63.9**	$ 61.1	(4.6)%	**$ 130.0**	$ 119.0	(9.2)%
EMEA	**23.7**	23.7	— %	**48.8**	48.6	(0.4)%
JAPIC [(1)]	**10.2**	8.2	(24.4)%	**20.8**	14.9	(39.6)%
Lift truck business	**97.8**	93.0	(5.2)%	**199.6**	182.5	(9.4)%
Bolzoni	**13.2**	13.6	2.9 %	**27.6**	27.9	1.1 %
Nuvera	**5.5**	7.9	30.4 %	**12.1**	17.0	28.8 %
	$ 116.5	$ 114.5	(1.7)%	**$ 239.3**	$ 227.4	(5.2)%
Operating profit (loss)						
Americas	**$ 26.2**	$ 18.0	45.6 %	**$ 41.5**	$ 45.9	(9.6)%
EMEA	**4.7**	1.4	n.m.	**4.7**	2.3	104.3 %
JAPIC [(1)]	**(1.8)**	(2.1)	n.m.	**(6.3)**	(4.3)	(46.5)%
Lift truck business	**29.1**	17.3	68.2 %	**39.9**	43.9	(9.1)%
Bolzoni	**2.3**	3.2	(28.1)%	**3.5**	5.9	(40.7)%
Nuvera	**(8.2)**	(9.5)	13.7 %	**(16.6)**	(19.5)	14.9 %
Eliminations	**(0.3)**	(0.2)	n.m.	**(0.5)**	(0.3)	n.m.
	$ 22.9	$ 10.8	112.0 %	**$ 26.3**	$ 30.0	(12.3)%
Interest expense	**$ 5.1**	$ 4.0	(27.5)%	**$ 9.6**	$ 8.0	(20.0)%
Other income	**$ (3.5)**	$ (2.7)	29.6 %	**$ (9.3)**	$ (7.3)	27.4 %

	THREE MONTHS ENDED JUNE 30			Favorable / (Unfavorable)	SIX MONTHS ENDED JUNE 30			Favorable / (Unfavorable)
	2019		2018	% Change	**2019**		2018	% Change
Net income (loss) attributable to stockholders								
Americas	**$ 17.7**	$	10.2	73.5 %	**$ 29.8**	$	30.6	(2.6)%
EMEA	**4.1**		1.3	n.m.	**4.0**		2.3	73.9 %
JAPIC [1]	**(1.5)**		(0.5)	n.m.	**(3.9)**		(1.2)	(225.0)%
Lift truck business	**20.3**		11.0	84.5 %	**29.9**		31.7	(5.7)%
Bolzoni	**1.6**		2.1	(23.8)%	**1.9**		4.0	(52.5)%
Nuvera	**(6.0)**		(6.9)	13.0 %	**(12.1)**		(14.2)	14.8 %
Eliminations	**0.3**		(0.6)	n.m.	**(0.1)**		(1.0)	n.m.
	$ 16.2	$	5.6	189.3 %	**$ 19.6**	$	20.5	(4.4)%
Diluted earnings per share	**$ 0.97**	$	0.34	185.3 %	**$ 1.17**	$	1.24	(5.6)%
Reported income tax rate	**20.7%**		40.0%		**22.7%**		29.7%	

[1] Hyster-Yale Maximal was acquired on June 1, 2018 and results of operations have been included since the acquisition date.

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. As of June 30, 2019 , substantially all of the Company's backlog is expected to be sold within the next twelve months.

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2019	2018	**2019**	2018
Unit backlog, beginning of period	**40.2**	36.1	**43.9**	33.8
Unit shipments	**(26.3)**	(23.9)	**(52.0)**	(48.7)
Unit bookings	**30.2**	29.5	**52.2**	56.6
Unit backlog, end of period	**44.1**	41.7	**44.1**	41.7

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 JUNE 30		SIX MONTHS ENDED JUNE 30	
	2019	2018	**2019**	2018
Bookings, approximate sales value	**$ 620**	$ 720	**$ 1,150**	$ 1,340
Backlog, approximate sales value	**$ 1,130**	$ 1,080	**$ 1,130**	$ 1,080

Second Quarter of 2019 Compared with Second Quarter of 2018

The following table identifies the components of change in revenues for the second quarter of 2019 compared with the second quarter of 2018 :

		Revenues
2018	$	765.9
Increase (decrease) in 2019 from:		
Unit volume and product mix		50.5
Price		27.8
Hyster-Yale Maximal revenues		16.3
Other		7.3
Bolzoni revenues		2.8
Parts		2.7
Nuvera revenues		1.5
Foreign currency		(18.6)
2019	**$**	**856.2**

Revenues increased 11.8% to $856.2 million in the second quarter of 2019 from $765.9 million in the second quarter of 2018 . The increase was mainly due to improved unit volume and product mix and pricing to offset material cost increases and tariffs, partially offset by unfavorable currency movements from the translation of sales into U.S. dollars. In addition, the acquisition of Hyster-Yale Maximal and increased Bolzoni and Nuvera revenues contributed to the improvement in revenues.

Revenues in the Americas increased primarily as a result of higher unit volume and product mix, parts volumes and improved pricing. Unit shipments increased primarily in Brazil, as the market continued to strengthen. The Americas also had increased revenues of higher-capacity Class 4 trucks, Class 2 electric, warehouse trucks, Class 1 electric, counterbalanced trucks and Class 5 Big trucks. In addition, higher pricing put in place to offset material cost increases and tariffs was realized in the second quarter of 2019. These increases were partially offset by lower revenues from lower-capacity Class 5 trucks, primarily as a result of a continued shortage of component parts from certain key suppliers.

EMEA's revenues increased mainly as a result of higher shipments of higher-priced lift trucks, partially offset by unfavorable currency movements of $14.1 million from the translation of sales into U.S. dollars.

Revenues in JAPIC increased primarily as a result of the acquisition of Hyster-Yale Maximal, partially offset by $2.6 million of unfavorable currency movements.

The increase in Bolzoni's revenues was mainly due to higher volume, partially offset by unfavorable currency movements of $3.4 million from the translation of sales into U.S. dollars.

Nuvera's revenues increased as a result of development funding received associated with third-party development agreements.

The following table identifies the components of change in operating profit for the second quarter of 2019 compared with the second quarter of 2018 :

		Operating Profit
2018	$	10.8
Increase (decrease) in 2019 from:		
Lift truck gross profit		16.5
Nuvera operations		1.3
Bolzoni operations		(0.9)
Lift truck selling, general and administrative expenses		(4.8)
2019	**$**	**22.9**

The Company recognized operating profit of $22.9 million in the second quarter of 2019 compared with $10.8 million in the second quarter of 2018 . The increase in operating profit was mainly due to improved gross profit in the lift truck business partially offset by higher selling, general and administrative expenses. Gross profit increased primarily from the favorable impact of price increases implemented in 2018 to offset higher material cost and aluminum and steel tariffs, partially offset by higher material costs and unfavorable currency movements. Selling, general and administrative expense increased primarily as a result of higher product development costs to support the Company's strategic initiatives partially offset by favorable employee-related expenses.

Operating profit in the Americas increased in the second quarter of 2019 compared with the second quarter of 2018 primarily as a result of improved gross profit partially offset by higher selling, general and administrative expenses. Gross profit increased primarily from the favorable impact of price increases implemented in 2018 to offset higher material cost and aluminum and steel tariffs, $4.9 million of favorable retroactive tariff exclusion adjustments for certain components imported from China, which includes $3.1 million of refunds for tariffs incurred prior to the second quarter of 2019, and higher unit and parts volume. These increases were partially offset by higher material and freight costs, a shift in mix to lower-margin products and unfavorable currency movements. Selling, general and administrative expense increased primarily as a result of additional investments in the expansion of the Company's industry-focused sales and marketing teams and increased product development costs to support a planned major upgrade to the Company's core product platforms. These increases were partially offset by lower employee-related costs and the absence of $1.9 million of Maximal acquisition-related costs incurred in the second quarter of 2018.

EMEA's operating profit increased in the second quarter of 2019 compared with the second quarter of 2018 primarily as result of increased unit sales, improved manufacturing efficiencies resulting from higher unit sales and price increases, partially offset by higher material costs.

JAPIC's operating loss in the second quarter of 2019 decreased compared with the second quarter of 2018 primarily due to the acquisition of Hyster-Yale Maximal.

Bolzoni's operating profit decreased mainly as a result of $0.6 million of restructuring costs recognized in the second quarter of 2019 related to the transfer of Bolzoni's North America attachment manufacturing to Sulligent, Alabama and $0.3 million of unfavorable currency movements. The restructuring costs include plant rearrangement and changes to information technology infrastructure.

Nuvera's operating loss decreased compared with the prior year mainly as a result of product development funding received from third-parties.

The Company recognized net income attributable to stockholders of $16.2 million in the second quarter of 2019 compared with $5.6 million in the second quarter of 2018 . The increase was primarily the result of higher operating profit in the second quarter of 2019 compared with the second quarter of 2018.

First Six Months of 2019 Compared with First Six Months of 2018

The following table identifies the components of change in revenues for the first six months of 2019 compared with the first six months of 2018 :

	Revenues
2018	$ 1,554.4
Increase (decrease) in 2019 from:	
Unit price	51.9
Unit volume and product mix	50.1
Maximal revenues	32.7
Other	15.3
Parts	11.8
Nuvera revenues	5.4
Bolzoni revenues	5.1
Foreign currency	(35.7)
2019	**$ 1,691.0**

Revenues increased 8.8% to $1,691.0 million in the first six months of 2019 from $1,554.4 million in the first six months of 2018 . The increase was mainly due to improved pricing to offset material cost increases and tariffs, higher unit volume and product mix in the lift truck business, the acquisition of Hyster-Yale Maximal and increased Nuvera and Bolzoni revenues. These items were partially offset by unfavorable currency movements from the translation of sales into U.S. dollars.

Revenues in the Americas increased in the first six months of 2019 compared with the first six months of 2018 primarily as a result of improved pricing and higher unit volume and mix and parts sales. The higher pricing was implemented to offset material cost increases and tariffs.

EMEA's revenues increased mainly as a result of higher shipments of higher-priced lift trucks and improved pricing, partially offset by unfavorable currency movements of $26.2 million from the translation of sales into U.S. dollars.

Revenues in JAPIC increased primarily as a result of the acquisition of Hyster-Yale Maximal, partially offset by unfavorable foreign currency movements of $5.0 million from the translation of sales into U.S. dollars.

The increase in Bolzoni's revenues was mainly due to higher volume, partially offset by unfavorable foreign currency movements of $6.7 million from the translation of sales into U.S. dollars.

Nuvera's revenues increased as a result of development funding received associated with third-party development agreements and increased recognized sales of fuel cell battery box replacements ("BBRs"). For periods prior to the fourth quarter of 2018, Nuvera deferred revenue on its BBRs because of an inability to estimate future costs, including warranty. The Company established a warranty reserve and began recognizing revenue in the fourth quarter of 2018.

The following table identifies the components of change in operating profit for the first six months of 2019 compared with the first six months of 2018 :

	Operating Profit	
2018	$	30.0
Increase (decrease) in 2019 from:		
Lift truck selling, general and administrative expenses		(17.1)
Bolzoni operations		(2.4)
Lift truck gross profit		12.9
Nuvera operations		2.9
2019	**$**	**26.3**

The Company recognized operating profit of $26.3 million in the first six months of 2019 compared with $30.0 million in the first six months of 2018 . The decrease in operating profit was mainly due to an increase in lift truck selling, general and administrative expenses primarily related to higher product development costs to support the Company's strategic initiatives. Lift truck gross profit increased mainly as a result of improved pricing partially offset by higher material and manufacturing costs in the first six months of 2019.

Operating profit in the Americas decreased in the first six months of 2019 compared with the first six months of 2018 primarily as a result of higher selling, general and administrative expenses partially offset by higher gross profit. Selling, general and administrative expenses increased mainly from higher sales and product development costs to support the Company's strategic initiatives and increased employee-related expenses, partially offset by the absence of $2.4 million of Maximal acquisition-related costs incurred in 2018. The increase in gross profit was mainly attributable to improved pricing, higher parts volumes and $4.9 million of favorable retroactive tariff exclusion adjustments for certain components imported from China, which includes $3.1 million of refunds for tariffs incurred prior to the second quarter of 2019. These increases were partially offset by higher material cost and aluminum and steel tariffs, a shift in sales to lower-margin trucks and $5.7 million of unfavorable foreign currency movements.

EMEA's operating profit increased in the first six months of 2019 compared with the first six months of 2018 primarily as a result of price increases and favorable foreign currency movements of $2.3 million, partially offset by higher material costs.

The operating loss in JAPIC increased mainly as a result of the acquisition of Maximal and unfavorable foreign currency movements of $0.6 million.

Bolzoni's operating profit decreased mainly as a result of $2.0 million of restructuring costs in the first six months of 2019 related to the transfer of Bolzoni's North America attachment manufacturing to Sulligent, Alabama. These costs include plant rearrangement, changes to information technology infrastructure and severance expenses.

Nuvera's operating loss decreased compared with the prior year mainly as a result of product development funding received from third-parties.

The Company recognized net income attributable to stockholders of $19.6 million in the first six months of 2019 compared with $20.5 million in the first six months of 2018 . The decrease was primarily the result of lower operating profit and higher interest expense from higher borrowing levels during the first six months of 2019 compared with the first six months of 2018. These items were partially offset by favorable mark-to-market adjustments on an equity investment in a third-party.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The following tables detail the changes in cash flow for the six months ended June 30 :

	2019	2018	Change
Operating activities:			
Net income	$ 20.1	$ 20.6	$ (0.5)
Depreciation and amortization	22.0	20.8	1.2
Dividends from unconsolidated affiliates	5.1	22.2	(17.1)
Working capital changes	(123.0)	(18.0)	(105.0)
Other	4.9	6.4	(1.5)
Net cash provided by (used for) operating activities	**(70.9)**	**52.0**	**(122.9)**
Investing activities:			
Expenditures for property, plant and equipment	(18.4)	(16.0)	(2.4)
Business acquisitions, net of cash acquired	—	(74.3)	74.3
Proceeds from the sale of assets	0.8	0.8	—
Net cash used for investing activities	**(17.6)**	**(89.5)**	**71.9**
Cash flow before financing activities	**$ (88.5)**	**$ (37.5)**	**$ (51.0)**

Net cash provided by (used for) operating activities decreased $122.9 million in the first six months of 2019 compared with the first six months of 2018, primarily as a result of the change in working capital items and lower dividends from unconsolidated affiliates. The change in working capital was primarily attributable to increased accounts receivable from higher unit sales volume and a change in the timing of receipts from customers, as well as higher inventory levels predominantly caused by supplier parts shortages. In addition, the first six months of 2018 includes dividends from HYGFS resulting from a one-time benefit associated with the Tax Cuts and Jobs Act.

The change in net cash used for investing activities during the first six months of 2019 compared with the first six months of 2018 is due to the acquisition of Hyster-Yale Maximal in 2018.

	2019	2018	Change
Financing activities:			
Net increases (decreases) of long-term debt and revolving credit agreements	$ 67.2	$ (14.5)	$ 81.7
Cash dividends paid	(10.4)	(10.1)	(0.3)
Other	(0.7)	(1.5)	0.8
Net cash provided by (used for) financing activities	**$ 56.1**	**$ (26.1)**	**$ 82.2**

Net cash provided by (used for) financing activities increased $82.2 million in the first six months of 2019 compared with the first six months of 2018. The increase was primarily related to higher borrowings on the Facility (as defined below) and other debt in the first six months of 2019 compared with the first six months of 2018. The borrowings on the Facility during the first six months of 2019 were primarily used to fund working capital needs.

Financing Activities

The Company has a $240.0 million secured, floating-rate revolving credit facility (the "Facility") that expires in April 2022. There was $71.2 million borrowings outstanding under the Facility at June 30, 2019 . The availability under the Facility at June 30, 2019 was $164.5 million , which reflects reductions of $4.3 million for letters of credit and other restrictions. As of

June 30, 2019 , the Facility consisted of a U.S. revolving credit facility of $150.0 million and a non-U.S. revolving credit facility of $90.0 million . The obligations under the Facility are generally secured by a first lien on the working capital assets of the borrowers in the Facility, which include but are not limited to, cash and cash equivalents, accounts receivable and inventory (the "Facility Collateral") and a second lien on the Term Loan Collateral (defined below). The approximate book value of assets held as collateral under the Facility was $975 million as of June 30, 2019 .

Borrowings bear interest at a floating rate based on a base rate or LIBOR, as defined in the Facility, plus an applicable margin. The applicable margins, as of June 30, 2019 , for U.S. base rate loans and LIBOR loans were 0.50% and 1.50% , respectively. The applicable margin, as of June 30, 2019 , for non-U.S. base rate loans and LIBOR loans was 1.50% . The applicable LIBOR interest rates under the Facility on June 30, 2019 were 3.938% and 3.875% for the U.S. facility and 1.50% for the non-U.S. facility including the applicable floating rate margin. The Facility also required the payment of a fee of 0.250% per annum on the unused commitment as of June 30, 2019 .

The Facility includes restrictive covenants, which, among other things, limit additional borrowings and investments of the Company and its subsidiaries subject to certain thresholds, as set forth in the Facility, and limits the payment of dividends. If average availability for both total and U.S. revolving credit facilities, on a pro forma basis, is greater than 15% and less than or equal to 20%, the Company may pay dividends subject to achieving a minimum Fixed Charge Coverage Ratio of 1.00 to 1.00, as defined in the Facility. If the average availability is greater than 20% for both total and U.S. revolving credit facilities, on a pro forma basis, the Company may pay dividends without any minimum Fixed Charge Coverage Ratio requirement. The Facility also requires the Company to achieve a minimum Fixed Charge Coverage Ratio in certain circumstances in which total excess availability is less than 10% of the total commitments under the Facility or excess availability under the U.S. revolving credit facility is less than 10% of the U.S. revolver commitments, as defined in the Facility. At June 30, 2019 , the Company was in compliance with the covenants in the Facility.

The Company also has a $200.0 million term loan (the "Term Loan"), which matures in May 2023. The Term Loan requires quarterly principal payments on the last business day of each March, June, September and December in an amount equal to $2.5 million. The final principal repayment is due on May 30, 2023. The Company may also be required to make mandatory prepayments, in certain circumstances, as provided in the Term Loan. At June 30, 2019 , there was $180.0 million of principal outstanding under the Term Loan which has been reduced in the unaudited condensed consolidated balance sheet by $3.2 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, material real property, fixtures and general intangibles consisting of intellectual property (collectively, the "Term Loan Collateral") and a second priority lien on the Facility Collateral. The approximate book value of assets held as collateral under the Term Loan was $650 million as of June 30, 2019 .

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 2.25% for base rate loans and 3.25% for Eurodollar loans. The interest rate on the amount outstanding under the Term Loan at June 30, 2019 was 5.65% . 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 regularly scheduled dividends and other restricted payments to $50.0 million in any fiscal year, unless the consolidated total net leverage ratio, as defined in the Term Loan, does not exceed 1.75 to 1.00 at the time of the payment. At June 30, 2019 , the Company was in compliance with the covenants in the Term Loan.

The Company had other debt outstanding, excluding finance leases, of approximately $107.1 million at June 30, 2019 . In addition to the excess availability under the Facility, the Company had remaining availability of $18.4 million related to other non-U.S. revolving credit agreements.

The Company believes funds available from cash on hand, the Term Loan, 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 April 2022.

Contractual Obligations, Contingent Liabilities and Commitments

Since December 31, 2018 , 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 27 and 28 in the Company's Annual Report on Form 10-K for the year ended December 31, 2018 .

Capital Expenditures

The following table summarizes actual and planned capital expenditures:

	Six Months Ended June 30, 2019	Planned for Remainder of 2019	Planned 2019 Total	Actual 2018
Lift truck business	$ 12.6	$ 37.2	$ 49.8	$ 31.8
Bolzoni	2.8	5.3	8.1	4.2
Nuvera	3.0	5.6	8.6	2.8
	$ 18.4	$ 48.1	$ 66.5	$ 38.8

Planned expenditures for the remainder of 2019 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:

	JUNE 30 2019	DECEMBER 31 2018	Change
Cash and cash equivalents	**$ 50.3**	$ 83.7	$ (33.4)
Other net tangible assets	**718.8**	601.3	117.5
Intangible assets	**63.9**	67.7	(3.8)
Goodwill	**108.0**	108.3	(0.3)
Net assets	**941.0**	861.0	80.0
Total debt	**(370.9)**	(301.5)	(69.4)
Total equity	**$ 570.1**	$ 559.5	$ 10.6
Debt to total capitalization	**39%**	35%	4%

INVESTOR PERSPECTIVE

The Company is currently undertaking the largest set of programs in its history. These programs are expected to have a transformational impact on the Company's competitiveness, market position and economic performance over the next three to five years.

For some time, the Company has been focused on six strategic initiatives:

1. Provide the lowest cost of ownership, while enhancing productivity for customers.
2. Be the leader in the delivery of industry- and customer-focused solutions.
3. Be the leader in independent distribution.
4. Grow in emerging markets.
5. Be the leader in the attachments business.
6. Be a leader in fuel cells and their applications.

The projects required to execute fully on these initiatives have been, in general, initiated over the last several years and many are now moving toward completion. Further, many of the projects supporting these strategic initiatives are inter-related and succeeding in one will foster success in others. In total, these projects have required, and continue to require, significant up-front expense and capital expenditure investment. The projects cover a very broad range of the Company's activities, including product development, supply chain, IT, manufacturing, sales and marketing for each of the Company's three major businesses: Lift Truck, Bolzoni and Nuvera.

Over the course of the past two years, these investments, both expense and capital, have increased significantly. Further increased investments are expected to continue to be made in the remainder of 2019 and in 2020, and then generally remain at or below the 2019 levels for the next several years. The return from these investments has started to be realized and is expected to increase over the course of the Company's five-year planning period. In this context, Lift Truck's results are expected to improve considerably in 2019 over 2018. While results in the first half of the year were moderately lower than the first half of 2018, results in the second half of 2019 are expected to improve significantly over both the second half of 2018 and the first half of 2019, principally in the fourth quarter. Beginning in 2020, further improved results are expected with significant increases through 2023. Lift Truck's objective is to achieve its target of 7% operating profit margin in this period assuming reasonable market conditions continue. Bolzoni’s results are expected to decrease in 2019 primarily due to the restructuring of its Americas operations, but results in the following years are expected to improve with a target of achieving a 7% operating profit margin. Nuvera’s results are expected to improve moderately over the course of 2019 with break-even expected to be reached during the second half of 2020. Nuvera's quarterly break-even target has been adjusted primarily due to a delay in shipments of engines for a key customer in China resulting from the need for additional unplanned, customer-driven product validation. Significantly improved earnings are expected at Nuvera in the 2021 to 2023 time period. At each of these three businesses, the investments being undertaken are expected to lead to increased operating profit through higher volume, decreased product costs and improved pricing, partially offset by a higher level of operating expense. Overall, 2019 consolidated operating profit is expected to increase significantly over 2018, with the improvement coming in the fourth quarter.

Lift Truck's product programs are expected to lay the groundwork for enhanced market position by providing lower cost of ownership and enhanced productivity for the Company’s customers. At the core of these programs is a new set of modular and scalable product families covering both internal combustion engine and electric trucks, which will provide customers with enhanced flexibility for meeting their application needs combined with the benefit of lowest total cost of ownership. Implementation of these programs is expected to begin in 2020 with the introduction of the first of a new range of counterbalanced trucks. This range will be expanded comprehensively to include larger counterbalanced capacities, Big Trucks and warehouse trucks. A further major initiative in product offerings will come from the introduction of trucks manufactured by Hyster-Yale Maximal, Lift Truck’s majority-owned joint venture in China. A line of trucks from Hyster-Yale Maximal has been engineered to provide high-quality and reliable, lower-duty trucks for global markets and standard trucks for the Chinese market. In addition, Lift Truck’s partner in India is expected to expand local production of larger trucks. Further, in the first quarter of 2019, a new end rider and a new automated Reach Truck were launched in the North America market, and new lower-cost Class 3 walkie and stacker global products are expected to be introduced during the second half of 2019. A range of lower-cost Class 3 lift trucks was launched in certain markets during the second quarter. Further, additional products are being added to the product line-up in 2020. To further enhance productivity for customers, Lift Truck is developing additional automation solutions for warehouse trucks, initially in combination with industry partners. Some of these products are already in the market today, but new solutions and customers are expected to be developed progressively over the next several years. Lift Truck continues to expand sales of telemetry products. New generations of lift trucks will offer a fully integrated telematics solution. Finally, Lift Truck anticipates introducing new fuel cell BBRs for Class 1, 2 and 3 forklift trucks over the next two years, beginning with the first model in the first quarter of 2020, that are expected to move the fuel cell BBR business to break-even.

The introduction of these new products will lead to significant changes in supply chain sourcing and in the Company’s various manufacturing facilities around the world. Consolidated component volume sourced globally from reliable partners is expected to reduce costs and improve quality as these new products are brought to market over the next two to three years. Lift Truck’s largest manufacturing facilities in Berea, Craigavon and Greenville are undergoing significant change and are expected to have reduced costs and improved productivity while most other plants will see more modest changes. China production activities are expected to be consolidated at the Hyster-Yale Maximal facility by the end of 2019.

Lift Truck currently has over 400 different forklift models in its range, including Hyster-Yale Maximal models, which are supported by its capability to customize these trucks to meet specific customer needs. The modular nature of the new products being introduced will enhance Lift Truck's ability to meet exact customer needs at lowest cost, both at the industry level and at the individual customer level. To achieve the full expected benefit from these programs, Lift Truck continues to make substantial expense investments in its sales and marketing organizations to realign teams around industry groupings. Within marketing, industry-focused resources have been added to develop industry strategies. The higher-priority industry strategies have been completed for North America and Europe. All of the strategies are expected to be completed for all countries, or groups of countries, around the world by the end of 2019 but will mature and be enhanced over future years. To support execution of these industry strategies, Lift Truck has invested in additional industry-focused sales capabilities to support its dealers. This industry-focused structure has been in place and highly successful in its National Account direct sales program and is now being deployed with the new dealer support teams. These investments are largely in place in North America, and to a lesser degree in EMEA. Additional sales capabilities are expected to be added in other areas around the world over the next two years. In total, the Company believes that these projects will put it in a position to be a leader in the delivery of industry- and customer-focused solutions worldwide.

While the new sales teams will support dealers’ sales efforts, the Company also intends to continue to upgrade its global dealer capabilities. A core objective is to have dealers that are fully capable of maximizing the potential of the Hyster ® and Yale ® brands in their territories. These dealers will be supported by Lift Truck's commitment to helping dealers strengthen the excellence of their activities in all areas of their business, including leadership, sales, parts, service, rental, leasing and remarketing. To help these programs have maximum impact, the Company intends to invest over the next few years in enhanced digital customer experience systems. Taken together, these initiatives amount to a new, uniquely competitive way of serving the markets around the world.

Bolzoni is also pursuing very aggressive projects to expand its global market position. These projects include strengthening Bolzoni's ability to serve the Americas market by having responsibility for Lift Truck's Sulligent plant, where it is manufacturing attachments and also continuing the plant's support of Lift Truck through the supply of cylinders and various other components. In the first half of 2019, Bolzoni phased out production at its current Homewood, Illinois facility and substantially completed the shift of manufacturing to Sulligent. Bolzoni is still maintaining a distribution center and certain other operations in the Homewood area. At March 31, 2019, Bolzoni recorded a restructuring charge associated with these plans. Payments related to this restructuring plan are expected to be made through 2019. In addition to the restructuring charge of $1.4 million recorded in the first quarter, Bolzoni incurred charges during the second quarter of $0.6 million and anticipates it will incur additional charges during the second half of 2019 of approximately $2.2 million to $3.5 million for further restructuring-related costs.

There is a large opportunity for growth in the Americas market for attachments. To help capture this, Bolzoni plans to introduce a broader range of locally produced attachments with shorter lead times to serve its customer base. Bolzoni also is in the process of increasing its sales, marketing and product support capabilities in North America, and is planning to establish a small assembly function in Brazil to serve the Latin America market. In addition, it has developed a standard product line sourced from one of its factories in China, which will continue to be expanded. Bolzoni's current outstanding premium line of products coupled with these standard products and an industry-focused strategy are expected to give Bolzoni the ability to increase its sales significantly in the Americas, JAPIC and EMEA regions. These new programs are expected to increase Bolzoni's market position and profitability, especially over the next three to four years.

Nuvera is approaching the point where it will move from being a venture business focused on commercializing leading technology to a stable, product-based company serving not only the forklift truck market, but also heavy-duty applications such as buses and trucks and applications in the automotive sector with an expanding line of developed products. Nuvera expects its core technology to move to a new generation of fuel cell stack design over the next year with broad application in each of these markets. Nuvera is focused on continuously improving the quality of its fuel cell engines. Also, the cost of its fuel cell engines has been improving. These performance and cost factors are expected to reach target objectives over the next two years. With the transfer of the responsibility for development of non-fuel-cell engine components and the overall assembly of Class 1 and Class 2 BBRs to Lift Truck during the second and third quarters of 2019 and Class 3 BBRs in early 2020, Nuvera will be focused entirely on fuel cell stacks and engines by mid-2020. To enhance its cost base, Nuvera continues to work on standardizing its products, developing low-cost suppliers and automating various elements of stack production. Robotic stack assembly lines have been in development for some time, and Nuvera expects to bring the first one of two planned online by the end of 2019. In overview, Nuvera's objective is to reduce its loss in the second half of 2019 compared with the second half of 2018 and to reach break-even during the second half of 2020, with increasing profitability over the following three years.

In summary, the Company believes it is approaching an inflection point in its business. While the third quarter of 2019 is expected to reflect continued investment in these programs, similar to the first half of the year, the fourth quarter is expected to improve significantly in comparison to the 2018 fourth quarter and the first three quarters of 2019. Efforts to abate some of the most critical Big Truck supplier issues have succeeded, but there are still significant shortages from key suppliers in the United States that are not expected to be resolved fully until the fourth quarter. Plans established in 2018 to find offsets to the tariff-driven, unprecedented material cost inflation witnessed last year began to mature in the first half of 2019 and are expected to continue to mature and result in recovering margins during the remainder of the year. In addition, on April 18, 2019, the U.S. Trade Representative posted a notice announcing its determination to grant additional exclusion requests for certain duties on Chinese goods. The exclusions were applied retroactively to the July 6, 2018 effective date and extend for one year after the notice of exclusions, or April 2020. Certain components of fork lift trucks, including counterweights and forks were listed in the notice as exclusions for the duties, while other components that the Company and its suppliers import from China are still subjected to certain tariffs. During the second quarter, the Company recorded duties recoverable for the period of July 6, 2018 through the 2019 second quarter. The Company expects to be able to record additional recoveries later in the year when it receives recovered tariff costs from certain suppliers. In May 2019, additional tariffs were imposed on certain Chinese goods. The Company expects that the favorable impact of the exclusions announced in April is greater than the anticipated unfavorable effect of the new tariffs announced in May.

The current lift truck backlog contains certain deal-specific pricing agreements at less than target margins to gain targeted accounts and for which margin improvement efforts will take some time to mature. These agreements reduced profitability in the first half of 2019 and will continue to have an impact on results in the second half of the year. Margins are expected to recover fully from the 2018 material cost inflation and the heavily discounted deals by the fourth quarter of 2019, as well as continue to be enhanced by the exemption of tariffs on certain Chinese components.

For the 2019 full year, consolidated cash flow before financing activities is expected to decrease significantly compared with 2018, after excluding the impact of the 2018 acquisition of Hyster-Yale Maximal. This decrease is primarily due to increased working capital, particularly accounts receivable, during the first half of the year, as well as higher capital expenditures. Working capital is expected to improve significantly in the second half of 2019 as the inventory supplier issues are resolved, but the improvement is not expected to fully offset the higher working capital in the first half of the year.

In 2020 and 2021, a considerable portion of the new projects outlined above are expected to have reached completion for all three companies and the Company believes the full impact of these programs can lead to profitability improvements for a number of years to come. The remainder of the programs are expected to come to maturity mainly in 2022 and 2023, with a few, particularly those involving dealer structure and excellence, being more in the nature of continuous improvement projects rather than projects which reach maturity at a given time. Of course, the absolute level of profitability will reflect actual market demand levels, which showed substantial softening, particularly in the Americas, and to a lesser extent EMEA, in the first half of 2019. While markets are still at historically high levels, it appears the market could be at the beginning of a downturn, which is currently projected to be moderate and of limited duration. As a result, in 2019, the Company is currently forecasting strong but moderating forklift market levels. The Company continues to forecast a resolution to Brexit in a way that does not significantly harm Hyster-Yale’s business prospects.

The Company believes that investors who are focused on mid-term business improvement in market position and profitability will find that Hyster-Yale’s focus is consistent with those investment objectives.

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 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) reduction in demand for lift trucks, attachments and related aftermarket parts and service on a global basis, (2) delays in delivery or increases in costs, including transportation costs or the imposition of tariffs, of raw materials or sourced products and labor or changes in or unavailability of quality suppliers, (3) delays in manufacturing and delivery schedules, (4) the successful commercialization of Nuvera's technology, (5) customer acceptance of pricing, (6) the political and economic uncertainties in the countries where the Company does business, (7) the ability of dealers, suppliers and end-users to obtain financing at reasonable rates, or at all, as a result of current economic and market conditions, (8) exchange rate fluctuations and monetary policies and other changes in the regulatory climate in the countries in which the Company operates and/or sells products, (9) bankruptcy of or loss of major dealers, retail customers or suppliers, (10) customer acceptance of, changes in the costs of, or delays in the development of new products, (11) introduction of new products by, or more favorable product pricing offered by, competitors, (12) product liability or other litigation, warranty claims or returns of products, (13) the effectiveness of the cost reduction programs implemented globally, including the successful implementation of procurement and sourcing initiatives, (14) changes mandated by federal, state and other regulation, including tax, health, safety or environmental legislation, (15) unfavorable effects of geopolitical and legislative developments on global operations, including without limitation, the United Kingdom's exit from the European Union, the entry into new trade agreements and the imposition of tariffs and/or economic sanctions, (16) delays in or increased costs of moving Bolzoni's North America attachment manufacturing from Homewood, Illinois, to Sulligent, Alabama, and (17) Hyster-Yale may not be able to successfully integrate Maximal's operations and employees.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

See pages 32 and F-28 through F-31 of the Company's Annual Report on Form 10-K for the year ended December 31, 2018 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, 2018 .

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 second quarter of 2019 , 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, 2018 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	Third Amendment to Amended and Restated Loan, Security and Guaranty Agreement, dated as of April 3, 2019, among Hyster-Yale Materials Handling, Inc., Hyster-Yale Group, Inc., and Bolzoni Auramo, Inc. as U.S. Borrowers, Hyster-Yale Nederland B.V., Hyster-Yale International B.V., Hyster-Yale Holding B.V. and Bolzoni Capital Holding B.V., as Dutch Borrowers, Hyster-Yale UK Limited and Bolzoni Capital UK Limited, as UK Borrowers, any other Borrowers party thereto from time to time and certain Persons party thereto from time to time as Guarantors, certain financial institutions, as Lenders, Bank of America, N.A., as Administrative Agent and Security Trustee.
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	The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* 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: July 30, 2019

/s/ Kenneth C. Schilling

Kenneth C. Schilling

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

THIRD AMENDMENT TO AMENDED AND RESTATED LOAN, SECURITY AND GUARANTY AGREEMENT

THIS THIRD AMENDMENT TO AMENDED AND RESTATED LOAN, SECURITY AND GUARANTY AGREEMENT (this " **Third Amendment** ") is dated as of April 3, 2019, among HYSTER-YALE MATERIALS HANDLING, INC., a Delaware corporation (" **Parent** "), HYSTER-YALE GROUP, INC., a Delaware corporation (" **HYG** "), BOLZONI AURAMO, INC, a South Carolina corporation (" **Bolzoni Auramo** ", and, after giving effect to this Third Amendment, together with Parent and HYG, the " **U.S. Borrowers** "), HYSTER-YALE NEDERLAND B.V., a private company with limited liability incorporated under the laws of the Netherlands having its corporate seat in Nijmegen (" **HYN BV** "), HYSTER-YALE INTERNATIONAL B.V., a private company with limited liability incorporated under the laws of the Netherlands having its corporate seat in Nijmegen (" **HY International** "), HYSTER-YALE HOLDING B.V., a private company with limited liability incorporated under the laws of the Netherlands having its corporate seat in Nijmegen (" **HY Holding BV** "), BOLZONI CAPITAL HOLDING B.V., a private company with limited liability incorporated under the laws of the Netherlands having its corporate seat in Nijmegen (together with HYN BV and HY International and HY Holding BV, the " **Dutch Borrowers** "), HYSTER-YALE UK LIMITED, a company incorporated in England and Wales with company number 02636775 (" **HY UK** "), BOLZONI CAPITAL UK LIMITED, a company incorporated in England and Wales with company number 10090448 (together with HY UK, the " **UK Borrowers** " and, collectively with the Dutch Borrowers and the U.S. Borrowers, the " **Borrowers** " and each, a " **Borrower** "), the Guarantors party hereto, the Lenders party hereto, the Exiting Lender (as defined below), and BANK OF AMERICA, N.A., a national banking association, in its capacity as administrative agent and security trustee (the " **Agent** ").

RECITALS:

A. The Borrowers, the Persons party thereto from time to time as guarantors (the " **Guarantors** "), the financial institutions party thereto from time to time as lenders (the " **Lenders** ") and the Agent entered into that certain Amended and Restated Loan, Security and Guaranty Agreement dated as of April 28, 2016 (as amended, restated, supplemented, or otherwise modified prior to the date hereof, the " **Loan Agreement** "; capitalized terms used but not defined in this Third Amendment shall have the meaning given to such terms in the Loan Agreement, as amended hereby), pursuant to which the Lenders have agreed to make Loans and provide certain other credit accommodations to the Borrowers.

B. The Borrowers have requested that the Agent and the Lenders agree to amend the Loan Agreement to, among other things, (i) increase the aggregate Commitments of the Lenders from $200,000,000 to $240,000,000 and (ii) designate Bolzoni Auramo as a "U.S. Borrower" under the Loan Agreement, in each case, pursuant to the terms set forth herein and to be effective as of the Third Amendment Effective Date (as defined below).

C. Subject to the conditions in **Section 3** , the Lenders have agreed to amend the Loan Agreement as set forth herein.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Loan Agreement Amendments. In reliance on the representations, warranties, covenants and agreements contained in this Third Amendment, the Loan Agreement shall be amended effective as of the Third Amendment Effective Date in the manner provided in this **Section 1**.

1.1 Additional Definitions. Section 1.1 of the Loan Agreement shall be amended by adding the following new definitions to such Section in appropriate alphabetical order to read in full as follows:

Beneficial Ownership Certification: a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

Beneficial Ownership Regulation: 31 C.F.R. § 1010.230.

LIBOR Screen Rate: as defined in **Section 1.6(a)**.

LIBOR Successor Rate: as defined in **Section 1.6**.

LIBOR Successor Rate Conforming Changes: with respect to any proposed LIBOR Successor Rate, any conforming changes to this Agreement, including changes to U.S. Base Rate, Foreign Base Rate, Interest Period, timing and frequency of determining rates and payments of interest and other administrative matters as are necessary, in the Agent's reasonable discretion, to reflect the adoption of such LIBOR Successor Rate and to permit its administration by the Agent in a manner substantially consistent with market practice (or, if the Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such LIBOR Successor Rate exists, in such other manner of administration as Agent determines in consultation with the Borrower Agents). Such changes shall include adjustments to applicable margins and related amendments such that, to the extent practicable, the all-in interest rate based on the LIBOR Successor Rate will be substantially equivalent to the all-in LIBOR-based interest rate in effect prior to its replacement, and may also reflect adjustments to account for (a) the effects of the transition from LIBOR to the LIBOR Successor Rate and (b) yield- or risk-based differences between LIBOR and the LIBOR Successor Rate. Such changes shall provide that the LIBOR Successor Rate cannot be less than zero for purposes of this Agreement.

Scheduled Unavailability Date: as defined in **Section 1.6(b)**.

Third Amendment Effective Date: April 3, 2019.

UK AR Deed of Release : the English law deed of release dated on or about the Third Amendment Effective Date executed by the European Security Trustee in favor of the UK Domiciled Obligors pursuant to which any accounts receivable sold in accordance with **Section 10.2.5(l)** are released from the scope of any fixed charge under the UK Security Agreements.

1.2 Restated Definitions . The following definitions contained in Section 1.1 of the Loan Agreement shall be amended and restated in their respective entireties to read in full as follows:

Commitment : for any Lender, the aggregate amount of such Lender's Borrower Group Commitments. " **Commitments** " means the aggregate amount of all Borrower Group Commitments (not to exceed the Maximum Facility Amount), which amount shall as of the Third Amendment Effective Date be equal to $240,000,000 consisting of (a) $90,000,000 in respect of the Foreign Revolver Commitments and (b) $150,000,000 in respect of the U.S. Revolver Commitments.

Foreign Unused Line Fee Rate : at any time, a per annum rate equal to 0.250%.

U.S. Unused Line Fee Rate : at any time, a per annum rate equal to 0.250%.

1.3 New Sections 1.6 and 1.7 . Section 1 of the Loan Agreement shall be amended by adding new Sections 1.6 and 1.7 immediately following Section 1.5 of the Loan Agreement, which new Sections 1.6 and 1.7 shall read in their respective entireties as follows:

1.6 LIBOR Amendment . Notwithstanding anything to the contrary in this Agreement or any other Loan Documents, if the Agent reasonably determines after consultation with the Borrower Agents, or any Borrower Agent or the Required Lenders notify the Agent (with, in the case of the Required Lenders, a copy to the Borrower Agents) that Borrowers or Required Lenders (as applicable) have determined, that:

(a) adequate and reasonable means do not exist for ascertaining LIBOR for any requested Interest Period, because the LIBOR quote on the applicable screen page (or other source) used by the Agent to determine LIBOR (" **LIBOR Screen Rate** ") is not available or published on a current basis and such circumstances are unlikely to be temporary;

(b) the administrator of the LIBOR Screen Rate or a Governmental Authority having jurisdiction over the Agent has made a public statement identifying a specific date (" **Scheduled Unavailability Date** ") after which LIBOR or the LIBOR Screen Rate shall no longer be made available, or used for determining the interest rate of loans; or

(c) a rate other than LIBOR has become a widely recognized benchmark interest rate for syndicated loans denominated in Euros, Sterling or Dollar currencies currently being executed, or that include language similar to that contained in this **Section 1.6** (as applicable);

then, reasonably promptly after such determination by the Agent or receipt by the Agent of such notice, as applicable, the Agent and the Borrower Agents may amend this Agreement to replace LIBOR with an alternate benchmark rate (including any mathematical or other adjustments to the benchmark (if any) incorporated therein) ("**LIBOR Successor Rate**"), together with any proposed LIBOR Successor Rate Conforming Changes and the amendment shall be effective at 5:00 p.m. on the fifth Business Day after the Agent posts the amendment to all Lenders and the Borrower Agents unless, prior to such time, the Required Lenders notify the Agent in writing that they do not accept the amendment. Upon any such rejection, the Borrower Agents and the Agent agree to negotiate in good faith to arrive at an amendment to this Agreement to reflect a LIBOR Successor Rate (which, for the avoidance of doubt, such amendment shall be effective at 5:00 p.m. on the fifth Business Day after the Agent posts the amendment to all Lenders and the Borrower Agents unless, prior to such time, the Required Lenders notify the Agent in writing that they do not accept such amendment).

If no LIBOR Successor Rate has been determined using the above procedures and the Scheduled Unavailability Date has occurred, the Agent will promptly notify Borrower Agents and Lenders. Thereafter, (i) the obligation of Lenders to make or maintain LIBOR Loans shall be suspended (to the extent of the affected LIBOR Loans or Interest Periods), and (ii) the LIBOR component shall no longer be used in determining Base Rate until a LIBOR Successor Rate is determined in accordance with the above procedures. Upon receipt of such notice, the applicable Borrower Agent may revoke any pending request for funding, conversion or continuation of a LIBOR Loan (to the extent of the affected LIBOR Loans or Interest Periods) or, failing that, will be deemed to have requested a Base Rate Loan.

1.7 Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

1.4 Amendment to Section 5.2. Section 5.2 of the Loan Agreement shall be amended by replacing the reference to "**Section 10.2.5(a)**, **(b)**, **(c)** or **(k)**" therein with "**Section 10.2.5(a)**, **(b)**, **(c)**, **(k)** or **(l)**".

1.5 Amendment to Section 8.1. Section 8.1 of the Loan Agreement shall be amended by replacing the reference to "**Section 10.2.5(a)**, **(b)** or **(c)**" therein with "**Section 10.2.5(a)**, **(b)**, **(c)** or **(l)**".

1.6 Amendment to Section 9.1.1. Section 9.1.1 of the Loan Agreement shall be amended by inserting the following sentence at the end of such Section to read in its entirety as follows:

The information included in the Beneficial Ownership Certification most recently provided to the Agent and the Lenders, if applicable, is true and correct in all respects as of the date of delivery thereof.

1.7 Amendments to Section 10.2.1. Section 10.2.1 of the Loan Agreement shall be amended by:

(a) deleting the word "and" at the end of clause (r) therein;

(b) relettering existing clause (s) therein as new clause (t);

(c) inserting a new clause (s) immediately after clause (r) therein to read in its entirety as follows:

(s) Debt of any Person existing at the time such Person becomes a Subsidiary, or assumed at the time any Property is acquired by Parent or any of its Subsidiaries, in each case, pursuant to a Permitted Acquisition; provided that (i) such Debt was not created or incurred in connection with, or in contemplation of, such Person becoming a Subsidiary or the acquisition of such Property, (ii) none of Parent nor its Subsidiaries (other than (x) any such Person that becomes a Subsidiary (or any other Person such Person merges with) and such Person's Subsidiaries or (y) any such Person that acquires such Property) shall have any liability or other obligation with respect to such Debt except to the extent otherwise permitted hereunder and (iii) the aggregate principal amount of all such assumed Debt shall not exceed $10,000,000 at any time outstanding; and

(d) amending clause (t) therein (formerly clause (s)) by (i) replacing the reference to "**clauses (a)** through **(r)**" therein with "**clauses (a)** through **(s)**"; and (ii) replacing the reference to "this **clause (s)**" therein with "this **clause (t)**"; and

(e) replacing the reference to "**clauses (d)**, **(g)**, **(m)** or **(s)**" in the final proviso therein with "**clauses (d)**, **(g)**, **(m)**, **(s)** or **(t)**"

1.8 Amendment to Section 10.2.2. Clause (i) of Section 10.2.2 of the Loan Agreement shall be amended and restated in its entirety to read in its entirety as follows:

(i) any Lien in connection with a Permitted Acquisition on or affecting any Property acquired by Parent or any of its Subsidiaries or Property of any acquired Subsidiary or Person which becomes a Subsidiary after the Closing Date of this Agreement (or any other Person such Person merges with) or Property of such Person's Subsidiaries; provided, that (i) such Lien is created prior to the date on which such Person becomes a Subsidiary or such Property was acquired, (ii) the

Lien was not created in contemplation of such Permitted Acquisition, and (iii) such Lien secures Debt permitted pursuant to **Section 10.2.1(s)** ;

1.9 Amendment to Section 10.2.3 . Section 10.2.3 of the Loan Agreement shall be amended and restated in its entirety to read in its entirety as follows:

10.2.3 Distributions; Upstream Payments . (a) Declare or make any Distributions, except (i) Upstream Payments or (ii) any other Distributions if, after giving effect to such Distribution as if it occurred on the first day of the Pro Forma Period, either (A) each of the following is satisfied: (1) average pro forma Total Excess Availability is greater than 15% of the aggregate Commitments for the Pro Forma Period, (2) average pro forma U.S. Excess Availability is greater than 15% of the aggregate U.S. Revolver Commitments for the Pro Forma Period and (3) the Borrowers are in compliance with **Section 10.3** (computed on a pro forma basis for the most recent four fiscal quarter period for which financials are required to be delivered), whether or not a Trigger Period is in effect, or (B) each of the following is satisfied: (1) average pro forma Total Excess Availability is greater than 20% of the aggregate Commitments for the Pro Forma Period and (2) average pro forma U.S. Excess Availability is greater than 20% of the aggregate U.S. Revolver Commitments for the Pro Forma Period; *provided* , that subsequent to the PP&E Component Implementation Date, the above-listed percentages in **subclause (B)** shall, in each case, instead be 25%; or (b) create or suffer to exist any encumbrance or restriction on the ability of a Subsidiary to make any Upstream Payment, except for restrictions under the Loan Documents, under Applicable Law or in effect on the Closing Date as shown on **Schedule 9.1.14** .

1.10 Amendments to Section 10.2.5 . Section 10.2.5 of the Loan Agreement shall be amended by (a) deleting the word “and” at the end of clause (k) therein; (b) relettering existing clause (l) therein as a new clause (m); and (c) inserting a new clause (l) immediately after clause (k) therein to read in its entirety as follows:

(l) (i) the sale of accounts receivable owing to a Foreign Subsidiary that is not an Obligor arising from sales of Inventory, which such sales of accounts receivable are on a non-recourse basis to one or more Persons financing the purchase of such Inventory by the customer, (ii) the sale of accounts receivable owing to a Foreign Domiciled Obligor (other than a UK Domiciled Obligor) arising from sales of Inventory, which such sales of accounts receivable are on a non-recourse basis to one or more Persons financing the purchase of such Inventory by the customer; provided that (A) the relevant Foreign Domiciled Obligor has notified the Agent of such Asset Disposition, (B) the Net Proceeds resulting from such Asset Disposition shall be paid directly to a Foreign Dominion Account in accordance with **Section 8.2.5** and (C) thereafter, such accounts receivable are not included in the calculation of the Foreign Borrowing Base on any date of determination, and (iii) the sale of accounts receivable owing to a UK Domiciled Obligor arising from sales of Inventory, which such sales of accounts receivable are on a non-recourse basis to one or more Persons financing the purchase of such Inventory by the customer; provided that (A) the relevant UK Domiciled Obligor has notified the Agent of such Asset Disposition for the purposes of the UK AR Deed of Release, (B) the Net Proceeds resulting from such Asset Disposition shall be paid directly to a Foreign Dominion Account in accordance with **Section 8.2.5** and (C) thereafter, such accounts receivable are not included in the calculation of the Foreign Borrowing Base on any date of determination; and

1.11 Amendment to Section 10.2.7. Section 10.2.7 of the Loan Agreement shall be amended by:

(a) replacing the reference to "merge, combine or consolidate with any Person" in clause (2) therein with "divide with or into or merge, combine or consolidate with any Person"; and

(b) amending and restating clause (b) therein to read in full as follows:

(b) a merger, or division with or into, of (i) a U.S. Domiciled Obligor into a U.S. Borrower or a Foreign Domiciled Obligor into a Foreign Borrower, (ii) a Guarantor (that is not a Borrower) into another Guarantor (that is not a Borrower), or (iii) any other Subsidiary (that is not an Obligor) into another Subsidiary (that is not an Obligor), provided that, in each case, (A) if the non-surviving entity was a Pledged Entity, the Equity Interests of such surviving entity shall be pledged to Agent as if such surviving entity is a newly acquired entity; (B) if the non-surviving entity had pledged the Equity Interests of a Pledged Entity, the Person owning such Equity Interests of such Pledged Entity following such merger or division shall pledge such Equity Interests of the Pledged Entity to Agent; (C) the documents governing such merger or division are satisfactory to Agent; and (D) in the case of a division of a Person permitted in accordance with the foregoing **clauses (i)** and **(ii)** that results in any new Person coming into existence, such Person shall (x) be deemed to have been formed on the date of such division and (y) concurrently with giving effect to such division, comply with the requirements set forth in **Section 10.1.9** without giving effect to the "30 day" time period set forth therein;

1.12 Amendment to Section 10.2.8. Section 10.2.8 of the Loan Agreement shall be amended by:

(a) deleting the word "and" at the end of clause (f) therein;

(b) reletting existing clause (g) therein as new clause (h);

(c) inserting a new clause (g) immediately after clause (f) therein to read in its entirety as follows:

(g) Accommodation Obligations constituting guarantees of trade payables of Parent and its Subsidiaries in the Ordinary Course of Business; and

(d) replacing the reference to " **clauses (a)** through **(f)** " in clause (h) (formerly clause (g)) with " **clauses (a)** through **(g)** ".

1.13 Amendment to Section 14.17 . Section 14.17 of the Loan Agreement shall be amended by replacing the period at the end of such Section with ", including the Patriot Act and Beneficial Ownership Regulation."

1.14 Replacement of Schedules 1.1(a) and 1.1(b) . Schedules 1.1(a) and 1.1(b) of the Loan Agreement shall each be replaced by **Schedule 1.1(a)** and **Schedule 1.1(b)** , respectively, attached hereto. After giving effect to this Third Amendment, and any Borrowings made on the Third Amendment Effective Date, (a) each Lender who holds Loans in an aggregate amount less than its applicable Pro Rata share of all Loans shall advance new Loans which shall be disbursed to the Agent and used to repay Loans outstanding to each Lender who holds Loans in an aggregate amount greater than its Pro Rate share of all Loans, (b) each Lender's participation in each Letter of Credit, if any, shall be automatically adjusted to equal its Pro Rata share, (c) such other adjustments shall be made as the Agent shall specify so that the Total Revolver Usage applicable to each Lender equals its Pro Rata share of the Total Revolver Usage of all Lenders, and (d) upon request by each applicable Lender, each applicable Borrower shall be required to make any break funding payments owing to such Lender that are required under Section 3.9 of the Loan Agreement as a result of the reallocation of Loans and adjustments described in this **Section 1.14** .

Section 2. New U.S. Borrower . In reliance on the representations, warranties, covenants and agreements contained in this Third Amendment, by its execution of this Third Amendment, Bolzoni Auramo, an existing U.S. Facility Guarantor, shall be deemed, in addition to its rights and obligations a U.S. Facility Guarantor, to have all of the rights and obligations of a "U.S. Borrower" under the Loan Agreement, as amended hereby, and agrees that it is a "U.S. Borrower" and bound as a "U.S. Borrower" under the terms of the Loan Agreement, as amended hereby, as if it had been an original signatory thereto. Bolzoni Auramo hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Loan Agreement, as amended hereby, in its capacity as U.S. Borrower.

Section 3. Conditions Precedent . The amendments to the Loan Agreement contained in **Section 1** hereof and the designation of Bolzoni Auramo as a "U.S. Borrower" pursuant to **Section 2** are each subject to the satisfaction of each of the following conditions precedent (the date on which all such conditions are satisfied, the " **Third Amendment Effective Date** "):

3.1 Third Amendment . The Agent shall have received counterparts of this Third Amendment executed on behalf of the Agent, each Obligor (other than HY Italy), each of the Lenders and the Exiting Lender.

3.2 Consent and Reaffirmation. The Agent shall have received a counterpart of the consent and reaffirmation attached hereto of the Guaranty provided by HY Italy executed by HY Italy.

3.3 Officer's Certificates. The Agent shall have received a certificate of a duly authorized officer of each Obligor, certifying (a) that attached copies of such Obligor's Organic Documents are true and complete, and in full force and effect without amendment except as attached thereto; (b) that an attached copy of resolutions authorizing execution and delivery of the Third Amendment and the performance under the Loan Documents is true and complete, and that such resolutions are in full force and effect, were duly adopted, have not been amended, modified or revoked, and constitute all resolutions adopted with respect to this Third Amendment; (c) to the title, name and signature of each Person authorized to sign this Third Amendment and the other Loan Documents; and (d) that attached thereto are all governmental and third party consents and approvals as may be necessary, if any, for such Obligor to obtain in connection with this Third Amendment (or a statement that no such consents or approvals are required). The Agent may conclusively rely on this certificate until it is otherwise notified by the applicable Obligor in writing.

3.4 Closing Certificate. The Agent shall have received a certificate of a Senior Officer of each Borrower certifying that, after giving effect to the Third Amendment, (a) such Borrower is Solvent, (b) no Default or Event of Default exists, (c) the representations and warranties of each Obligor in Section 9 of the Loan Agreement (as amended hereby) and the other Loan Documents shall be true and correct in all material respects (or, with respect to (i) the representations and warranties qualified by materiality and (ii) the representation and warranty set forth in the last sentence of Section 9.1.1 of the Loan Agreement, as amended hereby, in all respects) on and as of the Third Amendment Effective Date (except for representations and warranties that expressly relate to an earlier date which shall be true and correct in all material respects or all respects, as applicable, on such date) and (d) the increase to the Commitments contemplated in this Third Amendment will not result in a default or event of default under any documentation evidencing any Permitted Term Debt.

3.5 Notes. The Agent shall have received duly executed promissory notes (or any amendment and restatement thereof, as the case may be) payable to each Lender requesting a promissory note (or amendment and restatement thereof, as the case may be) prior to the Third Amendment Effective Date in a principal amount equal its respective Borrower Group Commitment (as amended hereby) dated as of the Third Amendment Effective Date.

3.6 Confirmation Agreements. The Agent shall have received duly executed counterparts from the relevant Obligors to "confirmation agreements" in form and substance reasonably acceptable to the Agent with respect to the European Security Agreements.

3.7 Good Standing Certificates. The Agent shall have received good standing certificates for each Obligor (to the extent applicable in an Obligor's jurisdiction of organization), issued by the Secretary of State or other appropriate official of such Obligor's jurisdiction of organization.

3.8 Borrowing Base Certificate. The Agent shall have received a Borrowing Base Certificate in form and substance reasonably satisfactory to the Agent reflecting the Total Excess

Availability and any Foreign Allocated U.S. Availability, in each case, after giving effect to the increase in the aggregate Commitments as set forth in this Third Amendment.

3.9 Legal Opinions. Agent shall have received a written opinion of (a) Jones Day, as UK counsel to the UK Domiciled Obligors and U.S. counsel to the Obligors, (b) Norton Rose Fulbright, as Dutch and UK counsel to the Agent and (c) South Carolina counsel to Bolzoni Auramo, in each case, in form and substance reasonably satisfactory to the Agent.

3.10 Beneficial Ownership Certification. To the extent requested by any Lender or the Agent from any Borrower, each Borrower, to the extent qualifying as a "legal entity customer" under the Beneficial Ownership Regulation, shall deliver to each such Lender or the Agent a Beneficial Ownership Certification.

3.11 No Material Adverse Effect. No event or circumstance shall have occurred or be continuing since December 31, 2018 that has caused, or could be reasonably expected to cause, either individually or in the aggregate, a Material Adverse Effect.

3.12 Fees and Expenses. Borrowers shall have paid all fees and expenses to be paid to the Agent and Lenders on the Third Amendment Effective Date (including fees and disbursements of counsel to the Agent).

3.13 Other Documents and Actions. The Obligors shall have provided to the Agent such other documents and taken such other actions as reasonably requested by the Agent.

Section 4. Representations and Warranties. To induce the Lenders and the Agent to enter into this Third Amendment, each Obligor hereby represents and warrants to the Lenders and the Agent as follows:

4.1 Loan Document Representations and Warranties. Prior to and after giving effect to this Third Amendment, the representations and warranties of such Obligor contained in Section 9 of the Loan Agreement, or which are contained in any other Loan Documents, are true and correct in all material respects (or, with respect to (a) the representations and warranties qualified by materiality and (b) the representation and warranty set forth in the last sentence of Section 9.1.1 of the Loan Agreement, as amended hereby, in all respects) on and as of the Third Amendment Effective Date (except for representations and warranties that expressly relate to an earlier date which shall be true and correct in all material respects or all respects, as applicable, on such date).

4.2 Power and Authority. Each Obligor party hereto is duly authorized to execute, deliver and perform the Third Amendment. The execution, delivery and performance of the Third Amendment has been duly authorized by all necessary action, and does not (a) require any consent or approval of any holders of Equity Interests of any Obligor, except those already obtained; (b) contravene the Organic Documents of any Obligor; (c) violate or cause a default under any Applicable Law or Material Contract; or (d) result in or require imposition of a Lien (other than Permitted Liens) on any Obligor's Property.

4.3 Enforceability. The Third Amendment is a legal, valid and binding obligation of each Obligor party hereto, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

4.4 No Defaults. No event or circumstance exists that constitutes a Default or Event of Default.

4.5 Solvency. Each Obligor is Solvent.

Section 5. Miscellaneous.

5.1 Reaffirmation of Loan Documents. All of the terms and provisions of the Loan Agreement (as amended by this Third Amendment) and the other Loan Documents shall, except as amended and modified hereby, remain in full force and effect and are hereby ratified and affirmed by the Obligors. This Third Amendment shall not limit or impair any Liens securing the Obligations, which Liens are hereby ratified and affirmed by the Obligors and shall continue to secure the Obligations as increased by this Third Amendment. This Third Amendment is a Loan Document.

5.2 Reaffirmation of Guaranty. Each Guarantor hereby ratifies and affirms its guaranty obligations under Section 5.10 of the Loan Agreement (as amended by this Third Amendment) and any other Guaranty executed by such Guarantor in favor of the Agent and agrees that such Guarantor continues to unconditionally and irrevocably guarantee the prompt payment and performance of the Obligations thereunder (as such Obligations shall be increased by this Third Amendment).

5.3 Parties in Interest. All of the terms and provisions of this Third Amendment shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

5.4 Legal Expenses. The Borrowers hereby agree to pay on demand all reasonable fees and expenses of counsel to the Agent incurred by the Agent in connection with the preparation, negotiation and execution of this Third Amendment and all related documents.

5.5 Counterparts; Execution. This Third Amendment may be executed in counterparts, and all parties need not execute the same counterpart. The amendments to the Loan Agreement set forth in **Section 1** of this Third Amendment and the designation of Bolzoni Auramo as a "U.S. Borrower" set forth in **Section 2** shall each become effective when the Agent has received counterparts bearing the signatures of all required parties hereto and **Section 3** is satisfied. Facsimiles or other electronic transmissions (e.g., .pdf) shall be effective as originals.

5.6 Entire Agreement. THIS THIRD AMENDMENT, THE LOAN AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR ORAL AGREEMENTS BETWEEN THE PARTIES. THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES.

5.7 Headings. The headings, captions and arrangements used in this Third Amendment are, unless specified otherwise, for convenience only and shall not be deemed to limit, amplify or modify the terms of this Third Amendment, nor affect the meaning thereof.

5.8 Governing Law. This Third Amendment shall be governed by the laws of the State of New York, without giving effect to any conflict of law provisions (but giving effect to section 5-1401 of the New York general obligation law and federal laws relating to national banks).

5.9 Exiting Lender Consents. By its execution of this Third Amendment, Citizens Business Capital (the " Exiting Lender ") hereby (a) consents to this Third Amendment in its capacity as a Foreign Lender and U.S. Lender under the Loan Agreement solely for purposes of Section 14.1.1 of the Loan Agreement, and (b) acknowledges and agrees to **Section 1.14** of this Third Amendment. Each of the parties hereto hereby agrees and confirms that after giving effect to **Section 1.14** of this Third Amendment, the Exiting Lender's Commitment shall be $0.00, the Exiting Lender's Commitments to lend, all other obligations of the Exiting Lender under the Loan Agreement shall be terminated (other than any obligations that expressly survive the termination or departure of a Lender under the Loan Documents in accordance with their terms), and the Exiting Lender shall cease to be a Foreign Lender and U.S. Lender for all purposes under the Loan Documents.

[Remainder of page intentionally left blank. Signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

HYSTER-YALE MATERIALS HANDLING, INC. ,
as a U.S. Borrower and a Guarantor

By: /s/ Suzanne Schulze Taylor
Name: Suzanne Schulze Taylor
Title: Senior Vice President, General Counsel
and Secretary

HYSTER-YALE GROUP, INC. ,
as a U.S. Borrower and a Guarantor

By: /s/ Suzanne Schulze Taylor
Name: Suzanne Schulze Taylor
Title: Senior Vice President, General Counsel
and Secretary

BOLZONI AURAMO, INC ,
as a U.S. Borrower and a Guarantor

By: /s/ Suzanne Schulze Taylor
Name: Suzanne Schulze Taylor
Title: Secretary

HYSTER OVERSEAS CAPITAL CORPORATION, LLC , as a Guarantor

By: /s/ Suzanne Schulze Taylor
Name: Suzanne Schulze Taylor
Title: Secretary

BOLZONI CAPITAL HOLDING B.V. ,
as a Dutch Borrower and a Guarantor

By:/s/ Suzanne Schulze Taylor
Name: Suzanne Schulze Taylor
Title: Authorised Signatory

HYSTER-YALE NEDERLAND B.V. ,
as a Dutch Borrower and a Guarantor

By:/s/ Suzanne Schulze Taylor
Name: Suzanne Schulze Taylor
Title: Authorised Signatory

HYSTER-YALE INTERNATIONAL B.V. ,
as a Dutch Borrower and a Guarantor

By:/s/ Suzanne Schulze Taylor
Name: Suzanne Schulze Taylor
Title: Authorised Signatory

HYSTER-YALE HOLDING B.V. ,
as a Dutch Borrower and a Guarantor

By:/s/ Suzanne Schulze Taylor
Name: Suzanne Schulze Taylor
Title: Authorised Signatory

HYSTER-YALE UK LIMITED ,
as a UK Borrower and a Guarantor

By:/s/ R.T.S. Tyler
Name: R.T.S. Tyler
Title: Director

HYSTER-YALE GROUP LIMITED ,
as a Guarantor

By:/s/ R.T.S. Tyler
Name: R.T.S. Tyler
Title: Director

NUVERA FUEL CELLS, LLC ,
as a Guarantor

By:/s/ Suzanne Schulze Taylor
Name: Suzanne Schulze Taylor
Title: Vice President and Secretary

BOLZONI HOLDINGS LLC ,
as a Guarantor

By:/s/ Suzanne Schulze Taylor
Name: Suzanne Schulze Taylor
Title: Secretary

BOLZONI CAPITAL UK LIMITED ,
as a UK Borrower and a Guarantor

By:/s/ Suzanne Schulze Taylor
Name: Suzanne Schulze Taylor
Title: Director

BANK OF AMERICA, N.A. ,
as Agent and a U.S. Lender

By:/s/ Thomas Herron
Name: Thomas Herron
Title: Senior Vice President

BANK OF AMERICA, N.A. ,
(acting through its London Branch), as European Security Trustee and a Foreign Lender

By:/s/ Thomas Herron
Name: Thomas Herron
Title: Senior Vice President

CITIBANK, N.A. ,
as a U.S. Lender and a Foreign Lender

By:/s/ Allister Chan
Name: Allister Chan
Title: Director & Vice President

HSBC BANK USA, NATIONAL ASSOCIATION ,
as a U.S. Lender and a Foreign Lender

By:/s/ Jacob Streit
Name: Jacob Streit
Title: Directo

WELLS FARGO BANK, N.A. ,
as a U.S. Lender

By:/s/ Moses Harris
Name: Moses Harris
Title: Authorized Signatory

WELLS FARGO BANK, NATIONAL ASSOCIATION, LONDON BRANCH ,
as a Foreign Lender

By:/s/ Patricia Del Busto
Name: Patricia Del Busto
Title: Authorized Signatory

KEYBANK NATIONAL ASSOCIATION ,
as a U.S. Lender and a Foreign Lender

By:/s/ Nadine M. Eames
Name: Nadine M. Eames
Title: Vice President

SIGNATURE PAGE TO
THIRD AMENDMENT TO AMENDED AND RESTATED LOAN, SECURITY AND GUARANTY AGREEMENT

FIFTH THIRD BANK ,
as a U.S. Lender and a Foreign Lender

By:/s/ Jeffrey S. Cox
Name: Jeffrey S. Cox
Title: Vice President, Asset Based Lending

INTESA SANPAOLO S.P.A. – NEW YORK BRANCH ,
as a U.S. Lender and a Foreign Lender

By:/s/ Francesco Calcara
Name: Francesco Calcara
Title: VP – Senior Relationship Manager

U.S. BANK NATIONAL ASSOCIATION ,
as a U.S. Lender and a Foreign Lender

By:/s/ John R. LePage
Name: John R. LePage
Title: Vice President

SIGNATURE PAGE TO
THIRD AMENDMENT TO AMENDED AND RESTATED LOAN, SECURITY AND GUARANTY AGREEMENT

CITIZENS BUSINESS CAPITAL ,
a division of CITIZENS ASSET FINANCE,
as the Exiting Lender

By: /s/ James Horn
Name: James Horn
Title: Vice President

CONSENT AND REAFFIRMATION

April 3, 2019

The undersigned hereby (i) acknowledges receipt of a copy of the foregoing Third Amendment to Amended and Restated Loan, Security and Guaranty Agreement (the " **Third Amendment** "); (ii) consents to the Borrowers' and Guarantors' execution and delivery thereof; (iii) affirms that nothing contained therein shall modify in any respect whatsoever its guaranty of the Foreign Facility Obligations pursuant to the terms of the Guaranty dated as of December 18, 2013 (as amended, restated, supplemented or otherwise modified from time to time, the " **HY Italy Guaranty** "), by the undersigned in favor of the Agent for the benefit of the Foreign Facility Secured Parties and (iv) reaffirms that the HY Italy Guaranty is and shall continue to remain in full force and effect subject to the limitations under Section 6 of the HY Italy Guaranty.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF , the undersigned has executed this Consent and Reaffirmation on and as of the effective date of the Third Amendment.

GUARANTOR :
HYSTER-YALE ITALIA S.P.A. ,

By:/s/ Suzanne Schulze Taylor
Name: Suzanne Schulze Taylor
Title: Authorised Signatory (Director)

Schedule 1.1(a)
Foreign Revolver Commitments

Foreign Lender	Foreign Revolver Commitment
Bank of America, N.A. (acting through its London Branch)	$21,187,500.00
Citibank, N.A.	$17,906,250.00
HSBC Bank USA, National Association	$14,062,500.00
Wells Fargo Bank, National Association, London Branch	$12,187,500.00
KeyBank National Association	$8,437,500.00
Fifth Third Bank	$7,500,000.00
U.S. Bank National Association	$5,625,000.00
Intesa SanPaolo S.P.A. – New York Branch	$3,093,750.00
Total:	**$90,000,000.00**

Schedule 1.1(b)
U.S. Revolver Commitments

U.S. Lender	U.S. Revolver Commitment
Bank of America, N.A.	$35,312,500.00
Citibank, N.A.	$29,843,750.00
HSBC Bank USA, National Association	$23,437,500.00
Wells Fargo Bank, N.A.	$20,312,500.00
KeyBank National Association	$14,062,500.00
Fifth Third Bank	$12,500,000.00
U.S. Bank National Association	$9,375,000.00
Intesa SanPaolo S.P.A.—New York Branch	$5,156,250.00
Total:	**$150,000,000.00**

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: July 30, 2019

/s/ Alfred M. Rankin, Jr.

Alfred M. Rankin, Jr.

Chairman, President 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: July 30, 2019

/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 June 30, 2019 , 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: July 30, 2019

/s/ Alfred M. Rankin, Jr.

Alfred M. Rankin, Jr.

Chairman, President and Chief Executive Officer (principal executive officer)

Date: July 30, 2019

/s/ Kenneth C. Schilling

Kenneth C. Schilling

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