



NEWS RELEASE

# Terex Corporation Announces First Quarter 2021 Results

4/29/2021

- Strong Q1 financial results; sales and EPS exceeded expectations
- Delivered positive first quarter free cash flow
- Increased financial outlook for full-year 2021
- Enhanced capital structure

NORWALK, Conn., April 29, 2021 /PRNewswire/ -- Terex Corporation (NYSE: TEX) announced first quarter 2021 income from continuing operations of \$39.7 million, or \$0.56 per share, on net sales of \$864.2 million. In the first quarter of 2020, the reported income from continuing operations was (\$24.7) million, or (\$0.35) per share, on net sales of \$833.6 million.

"Our first quarter results reflect a strong start to the year, as the global markets recover from the pandemic. I am proud of our team members as they continue to overcome the disruptions caused by COVID-19 and deliver improved performance," said Terex Chairman and Chief Executive Officer John L. Garrison, Jr.

Due to improved market conditions and operational execution, Terex increased its full-year outlook for sales to approximately \$3.7 billion with an EPS range of \$2.35 to \$2.55, which includes a \$0.30 charge associated with capital structure refinancing.

"Our portfolio of specialized machinery businesses will benefit from the global economic expansion," Garrison said. "We are committed to aggressively implementing our Execute, Innovate and Grow strategy to improve margins and grow Terex."

"AWP continues to improve its execution and operating margins, while meeting strong customer demand. MP had

another excellent quarter with strong performance across its portfolio of businesses," Mr. Garrison stated.

John Sheehan, Senior Vice President and Chief Financial Officer, said, "Through aggressive working capital management, we generated \$40 million of free cash flow in the quarter. Our strong financial results and liquidity enabled us to prepay \$196 million of term loans. We will continue to use our liquidity to fund future growth opportunities, such as the recent announcement of our new Monterrey, Mexico AWP facility."

Mr. Sheehan continued, "The Company refinanced a large portion of its capital structure, including its revolving credit facility and \$600 million of bonds, to take advantage of the availability of favorable interest rates. Our strong cash flow generation positioned us to obtain lower interest rates and extend debt maturities to the end of the decade."

Mr. Garrison concluded, "We are confident that the Company will execute its strategy to drive improved execution, profitability, innovation and growth."

## Non-GAAP Measures and Other Items

Results of operations reflect continuing operations. All per share amounts are on a fully diluted basis. A comprehensive review of the quarterly financial performance is contained in the presentation that will accompany the Company's earnings conference call.

In this press release, Terex refers to various GAAP (U.S. generally accepted accounting principles) and non-GAAP financial measures. These non-GAAP measures may not be comparable to similarly titled measures being disclosed by other companies. Terex believes that this non-GAAP information is useful to understanding its operating results and the ongoing performance of its underlying businesses.

The Glossary at the end of this press release contains further details about this subject.

Total amounts in tables of this release may not calculate due to rounding.

## Conference Call

The Company has scheduled a conference call to review the financial results on Friday, April 30, 2021 beginning at 9:00 a.m. ET. John Garrison, Chairman and CEO, will host the call. A simultaneous webcast of this call can be accessed at <https://investors.terex.com>. Participants are encouraged to access the call 10 minutes prior to the starting time. The call will also be archived in the Event Archive at <https://investors.terex.com>.

## Forward-Looking Statements

Certain information in this press release includes forward-looking statements (within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995) regarding future events or our future financial performance that involve certain contingencies and uncertainties, including those discussed in our Quarterly Report on Form 10-Q for the quarter ending March 31, 2021, in the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations – Contingencies and Uncertainties." In addition, when included in this press release or in documents incorporated herein by reference, the words "may," "expects," "should," "intends," "anticipates," "believes," "plans," "projects," "estimates," "will" and the negatives thereof and analogous or similar expressions are intended to identify forward-looking statements. However, the absence of these words does not mean that the statement is not forward-looking. We have based these forward-looking statements on current expectations and projections about future events. These statements are not guarantees of future performance. Such statements are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those reflected in such forward-looking statements. Such risks and uncertainties, many of which are beyond our control, include, among others:

- our business has been, and could be further, adversely impacted by global health pandemics such as the outbreak of a new strain of coronavirus ("COVID-19");
- our business is highly competitive and is affected by our cost structure, pricing, product initiatives and other actions taken by competitors;
- we are dependent upon third-party suppliers, making us vulnerable to supply shortages and price increases;
- our operations are subject to a number of potential risks that arise from operating a multinational business, including compliance with changing regulatory environments and political instability;
- a material disruption to one of our significant facilities;
- our business is sensitive to government spending;
- our business is affected by the cyclical nature of markets we serve;
- our financial results could be adversely impacted by the United Kingdom's ("U.K.") departure from the European Union ("E.U.");
- changes affecting the availability of the London Interbank Offered Rate ("LIBOR") may have consequences on us that cannot yet reasonably be predicted;
- our need to comply with restrictive covenants contained in our debt agreements;
- our ability to generate sufficient cash flow to service our debt obligations and operate our business;
- our ability to access the capital markets to raise funds and provide liquidity;
- the financial condition of suppliers and customers, and their continued access to capital;
- exposure from providing financing and credit support for some of our customers;

- we may experience losses in excess of recorded reserves;
- our business is global and subject to changes in exchange rates between currencies, commodity price changes, regional economic conditions and trade relations;
- our retention of key management personnel;
- possible work stoppages and other labor matters;
- changes in import/export regulatory regimes and the escalation of global trade conflicts could continue to negatively impact sales of our products and our financial results;
- compliance with changing laws and regulations, particularly environmental and tax laws and regulations;
- litigation, product liability claims and other liabilities;
- our compliance with the United States ("U.S.") Foreign Corrupt Practices Act and similar worldwide anti-corruption laws;
- increased regulatory focus on privacy and data security issues and expanding laws;
- our ability to comply with an injunction and related obligations imposed by the U.S. Securities and Exchange Commission ("SEC");
- our ability to successfully implement our strategy;
- disruption or breach in our information technology systems and storage of sensitive data; and
- other factors.

Actual events or our actual future results may differ materially from any forward-looking statement due to these and other risks, uncertainties and material factors. The forward-looking statements contained herein speak only as of the date of this press release and the forward-looking statements contained in documents incorporated herein by reference speak only as of the date of the respective documents. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained or incorporated by reference in this press release to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Total amounts in tables of this press release may not add due to rounding.

## About Terex

Terex Corporation is a global manufacturer of aerial work platforms and materials processing machinery. The Company designs, builds, and supports products used in construction, maintenance, manufacturing, energy, minerals and materials management applications. The Company's products are manufactured in North and South America, Europe, Australia, and Asia and sold worldwide. The Company engages with customers through all stages of the product life cycle, from initial specification and financing to parts and service support. Terex uses its website ([www.terex.com](http://www.terex.com)) to make information available to its investors.

## Contact Information

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TEREX CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(unaudited)

(in millions, except per share data)

|  | Three Months Ended |          |
|--|--------------------|----------|
|  | March 31,          |          |
|  | 2021               | 2020     |
| Net sales  | \$ 864.2           | \$ 833.6 |
|  | (688.8)            | (696.9)  |
| Cost of goods sold   |                    |          |
| Gross profit   | 175.4              | 136.7    |
|  | (113.9)            | (143.8)  |
| Selling, general and administrative expenses                 |                    |          |
| Income (loss) from operations                                | 61.5               | (7.1)    |
| Other income (expense)                                       |                    |          |
|  | 0.7                | 0.9      |
| Interest income  | (15.3)             | (17.7)   |
| Interest expense   | (2.1)              | —        |
| Loss on early extinguishment of debt                         | 2.6                | (1.6)    |
| Other income (expense) – net                                 |                    |          |
| Income (loss) from continuing operations before income taxes | 47.4               | (25.5)   |
|  | (7.7)              | 0.8      |
| (Provision for) benefit from income taxes                    |                    |          |
| Income (loss) from continuing operations                     | 39.7               | (24.7)   |
|  | —                  | (0.2)    |

|  |                |                  |
|--|----------------|------------------|
| Income (loss) from discontinued operations – net of tax                | 0.4            | —                |
| Gain (loss) on disposition of discontinued operations- net of tax      |                |                  |
| Net income (loss)  | <u>\$ 40.1</u> | <u>\$ (24.9)</u> |
| Basic Earnings (loss) per Share:                                       |                |                  |
|  | <u>\$ 0.57</u> | <u>\$ (0.35)</u> |
| Income (loss) from continuing operations                               | —              | —                |
| Income (loss) from discontinued operations – net of tax                | 0.01           | —                |
| Gain (loss) on disposition of discontinued operations – net of tax     |                |                  |
| Net income (loss)  | <u>\$ 0.58</u> | <u>\$ (0.35)</u> |
| Diluted Earnings (loss) per Share:                                     |                |                  |
|  | <u>\$ 0.56</u> | <u>\$ (0.35)</u> |
| Income (loss) from continuing operations                               | —              | —                |
| Income (loss) from discontinued operations – net of tax                | 0.01           | —                |
| Gain (loss) on disposition of discontinued operations – net of tax     |                |                  |
| Net income (loss)  | <u>\$ 0.57</u> | <u>\$ (0.35)</u> |
| Weighted average number of shares outstanding in per share calculation |                |                  |
|  | 69.5           | 70.5             |
| Basic  | <u>70.8</u>    | <u>70.5</u>      |
| Diluted  |                |                  |

TEREX CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEET

(unaudited)

(in millions, except par value)

|                | March 31,<br>2021 | December 31,<br>2020 |
|----------------|-------------------|----------------------|
| Assets         |                   |                      |
| Current assets |                   |                      |

|   |    |                |    |                |
|---|----|----------------|----|----------------|
|   | \$ | 572.9          | \$ | 665.0          |
| Cash and cash equivalents                   |    | 1,329.0        |    | 1,213.6        |
| Other current assets                        |    | <u>1,901.9</u> |    | <u>1,878.6</u> |
| Total current assets                        |    |                |    |                |
| Non-current assets                          |    | 396.8          |    | 406.6          |
| Property, plant and equipment – net         |    | 666.8          |    | 746.6          |
| Other non-current assets                    |    | <u>1,063.6</u> |    | <u>1,153.2</u> |
| Total non-current assets                    |    |                |    |                |
| Total assets                                | \$ | <u>2,965.5</u> | \$ | <u>3,031.8</u> |
| <b>Liabilities and Stockholders' Equity</b> |    |                |    |                |
| <b>Current liabilities</b>                  |    |                |    |                |
|   | \$ | 5.7            | \$ | 7.6            |
| Current portion of long-term debt           |    | 832.3          |    | 715.7          |
| Other current liabilities                   |    | <u>838.0</u>   |    | <u>723.3</u>   |
| Total current liabilities                   |    |                |    |                |
| Non-current liabilities                     |    | 973.5          |    | 1,166.2        |
| Long-term debt, less current portion        |    | 207.9          |    | 220.8          |
| Other non-current liabilities               |    | <u>1,181.4</u> |    | <u>1,387.0</u> |
| Total non-current liabilities               |    |                |    |                |
| Total liabilities                           |    | <u>2,019.4</u> |    | <u>2,110.3</u> |
| Total stockholders' equity                  |    | 946.1          |    | 921.5          |
| Total liabilities and stockholders' equity  | \$ | <u>2,965.5</u> | \$ | <u>3,031.8</u> |

TEREX CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited)

(in millions)

Three Months Ended

March 31,

|  | 2021            | 2020            |
|--|-----------------|-----------------|
| Operating Activities   |                 |                 |
| Net income (loss)  | \$ 40.1         | \$ (24.9)       |
| Depreciation and amortization                                    | 12.8            | 11.8            |
| Changes in operating assets and liabilities and non-cash charges | 85.2            | (75.6)          |
| Net cash provided by (used in) operating activities              | <u>138.1</u>    | <u>(88.7)</u>   |
| Investing Activities   |                 |                 |
| Capital expenditures   | (7.3)           | (25.2)          |
| Other investing activities, net                                  | 1.2             | 5.0             |
| Net cash provided by (used in) investing activities              | <u>(6.1)</u>    | <u>(20.2)</u>   |
| Financing Activities   |                 |                 |
| Net cash provided by (used in) financing activities              | (214.9)         | 98.3            |
| Effect of exchange rate changes on cash and cash equivalents     | <u>(9.4)</u>    | <u>(14.5)</u>   |
| Net increase (decrease) in cash and cash equivalents             | <u>(92.3)</u>   | <u>(25.1)</u>   |
| Cash and cash equivalents at beginning of period                 | 670.1           | 540.1           |
| Cash and cash equivalents at end of period                       | <u>\$ 577.8</u> | <u>\$ 515.0</u> |

TEREX CORPORATION AND SUBSIDIARIES

SEGMENT RESULTS DISCLOSURE

(unaudited)

(in millions)

Q1

|                                      | 2021 |           | 2020  |                 |
|--------------------------------------|------|-----------|-------|-----------------|
|                                      |      | % of      |       | % of            |
|                                      |      | Net Sales |       | Net Sales       |
| <b>Consolidated</b>                  |      |           |       |                 |
| Net sales                            | \$   | 864.2     | \$    | 833.6           |
| Income (loss) from operations        | \$   | 61.5      | 7.1%  | \$ (7.1) (0.9)% |
| <b>AWP</b>                           |      |           |       |                 |
| Net sales                            | \$   | 476.7     | \$    | 511.7           |
| Income (loss) from operations        | \$   | 26.6      | 5.6%  | \$ (5.9) (1.2)% |
| <b>MP</b>                            |      |           |       |                 |
| Net sales                            | \$   | 378.2     | \$    | 315.6           |
| Income (loss) from operations        | \$   | 49.1      | 13.0% | \$ 25.0 7.9%    |
| <b>Corp and Other / Eliminations</b> |      |           |       |                 |
| Net sales                            | \$   | 9.3       | \$    | 6.3             |
| Loss from operations                 | \$   | (14.2)    | *     | \$ (26.2) *     |

\* Not a meaningful percentage

## GLOSSARY

In an effort to provide investors with additional information regarding the Company's results, Terex refers to various GAAP (U.S. generally accepted accounting principles) and non-GAAP financial measures which management believes provides useful information to investors. These non-GAAP measures may not be comparable to similarly titled measures being disclosed by other companies. In addition, the Company believes that non-GAAP financial measures should be considered in addition to, and not in lieu of, GAAP financial measures. Terex believes that this

non-GAAP information is useful to understanding its operating results and the ongoing performance of its underlying businesses. Management of Terex uses both GAAP and non-GAAP financial measures to establish internal budgets and targets and to evaluate the Company's financial performance against such budgets and targets.

The amounts described below are unaudited, are reported in millions of U.S. dollars (except share data and percentages), and are as of or for the period ended March 31, 2021, unless otherwise indicated.

## 2021 Outlook

The Company's 2021 outlook for earnings per share is a non-GAAP financial measure because it excludes the impact of potential future acquisitions, divestitures, restructuring, and other unusual items. The Company is not able to reconcile this forward-looking non-GAAP financial measure to its most directly comparable forward-looking GAAP financial measures without unreasonable efforts because the Company is unable to predict with a reasonable degree of certainty the exact timing and impact of such items. The unavailable information could have a significant impact on the Company's full-year 2021 GAAP financial results. This forward looking information provides guidance to investors about the Company's EPS expectations excluding unusual items that the Company does not believe is reflective of its ongoing operations.

**Free Cash Flow** The Company calculates a non-GAAP measure of free cash flow. The Company defines free cash flow as Net cash provided by (used in) operating activities, plus (minus) increases (decreases) in Terex Financial Services finance receivables consisting of sales-type leases and commercial loans ("TFS Assets"), less Capital expenditures, net of proceeds from sale of capital assets. The Company believes that this measure of free cash flow provides management and investors further useful information on cash generation or use in our primary operations. The following table reconciles Net cash provided by (used in) operating activities to free cash flow (in millions):

|   | Three Months Ended<br>March 31, 2021 | Three Months Ended<br>March 31, 2020 |     |
|---|--------------------------------------|--------------------------------------|-----|
| Net cash provided by (used in) operating activities               | \$ 138.1                             | \$ (88.7)                            |     |
| Increase (decrease) in TFS assets                                 | (92.5)                               | (4.0)                                |     |
| Capital expenditures, net of proceeds from sale of capital assets | (6.1)                                | (20.2)                               | (1) |
| Free cash flow  | \$ 39.5                              | \$ (112.9)                           |     |

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(1) Includes \$4.5 million of proceeds from sale of capital assets within Proceeds (payments) from the disposition of discontinued operations in the Condensed Consolidated Statement of Cash Flows.

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