



TEREX

CORPORATION



Public Lender Presentation

February 28, 2019

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Forward Looking Statements



This presentation contains forward-looking information regarding future events or the Company's future financial performance based on the current expectations of Terex Corporation. In addition, when included in this press release, the words "may," "expects," "intends," "anticipates," "plans," "projects," "estimates" 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. The Company has based these forward-looking statements on current expectations and projections about future events. These statements are not guarantees of future performance.

Because forward-looking statements involve risks and uncertainties, actual results could differ materially. Such risks and uncertainties, many of which are beyond the control of Terex, include among others: Our business is cyclical and weak general economic conditions affect the sales of our products and financial results; 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; our financial results could be adversely impacted by the United Kingdom's departure from the European Union ; 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; our business is sensitive to government spending; our business is highly competitive and is affected by our cost structure, pricing, product initiatives and other actions taken by competitors; our retention of key management personnel; 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; we are dependent upon third-party suppliers, making us vulnerable to supply shortages and price increases; our business is global and subject to changes in exchange rates between currencies, commodity price changes, regional economic conditions and trade restrictions; our operations are subject to a number of potential risks that arise from operating a multinational business, including compliance with changing regulatory environments, the Foreign Corrupt Practices Act and other similar laws and political instability; a material disruption to one of our significant facilities; possible work stoppages and other labor matters; compliance with changing laws and regulations, particularly environmental and tax laws and regulations; litigation, product liability claims, intellectual property claims, class action lawsuits and other liabilities; our ability to comply with an injunction and related obligations imposed by the United States Securities and Exchange Commission ("SEC"); disruption or breach in our information technology systems and storage of sensitive data; our ability to successfully implement our Execute to Win strategy; and other factors, risks and uncertainties that are more specifically set forth in our public filings with the SEC.

Actual events or the actual future results of Terex may differ materially from any forward-looking statement due to these and other risks, uncertainties and significant factors. The forward-looking statements speak only as of the date of this release. Terex expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement included in this release to reflect any changes in expectations with regard thereto or any changes in events, conditions, or circumstances on which any such statement is based.

Non-GAAP Measures: Terex from time to time refers to various non-GAAP (generally accepted accounting principles) financial measures in this presentation. Terex believes that this information is useful to understanding its operating results and the ongoing performance of its underlying businesses without the impact of special items. See the appendix at the end of this presentation as well as the Terex fourth quarter 2018 earnings release on the Investor Relations section of our website www.terex.com for a description and/or reconciliation of these measures.

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

Today's Presenters



John Sheehan
Chief Financial Officer – Terex Corporation

Michael Rutherford
Managing Director – Credit Suisse

Transaction Overview



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Business Update & Transaction Overview



- Terex Corporation (NYSE: TEX) (“Terex” or the “Company”) delivered another year of strong performance in 2018
 - Substantial revenue growth of 18%
 - Substantial operating profit growth (52%) and margin expansion (~160 bps)
 - Increased backlog by 19%
- On February 23, 2019, Terex announced the sale of the Demag Mobile Crane business for an enterprise value of \$215mm
 - Expected net proceeds of \$125mm after adjusting for certain liabilities and related fees and expenses
 - Closing expected in mid-2019, subject to customary regulatory approvals
 - Also exiting OKC-produced mobile cranes product line
- In 2018, Terex maintained a disciplined capital allocation strategy, preserving balance sheet flexibility while making high ROI investments
 - Upsized senior secured revolving credit facility from \$450mm to \$600mm
 - Increased capex and strategic investments in high-performing businesses
 - Increased inventory in anticipation of 2019 demand
 - Repurchased approximately 14% of its outstanding shares throughout 2018
- **Terex is now seeking to issue a new \$200mm incremental Term Loan B-1 (the “Term Loan”)**
 - Proceeds from the new Term Loan will be used to repay senior secured revolving credit facility borrowings
 - Based on Estimated 2018 Adj. EBITDA from continuing operations of \$509mm, pro forma net secured and net total leverage will be 0.9x and 2.1x, respectively⁽¹⁾⁽²⁾

(1) Includes stock based compensation, excludes Demag Mobile Cranes

(2) Includes estimated pro forma adjustment for Demag Mobile Cranes sale, cash and revolver balances as of 2/15/2019.

Focusing the Portfolio



- Agreement to sell Terex's Demag[®] Mobile Crane business, for enterprise value of ~\$215 million
 - Subject to customary regulatory approvals
 - Expect to close mid-year 2019
- Strong industrial logic
- Exiting OKC-produced mobile crane product lines⁽¹⁾
- Significantly improves financial performance and ROIC

(1) OKC is an abbreviation for Oklahoma City

Q4 Segment Highlights



- Increased sales 19%
- Operating margin impacted by higher material costs, including tariffs
- Increased backlog 14%



- Increased sales 12%
- Returned to profitability
- Increased backlog 6%



- Increased sales 20%
- Increased operating profit 34%
- Increased backlog 54%

2018 Financial Highlights



Results are Continuing Operations

Q4

- Increased sales by 16% to \$1.2 billion
- Increased as reported Operating Profit by \$6 million, and as adjusted Operating Profit⁽¹⁾ by \$15 million or 30%
- EPS of (\$0.42) as reported, \$0.51 as adjusted⁽¹⁾ up 55%
- Increased backlog 19%⁽²⁾

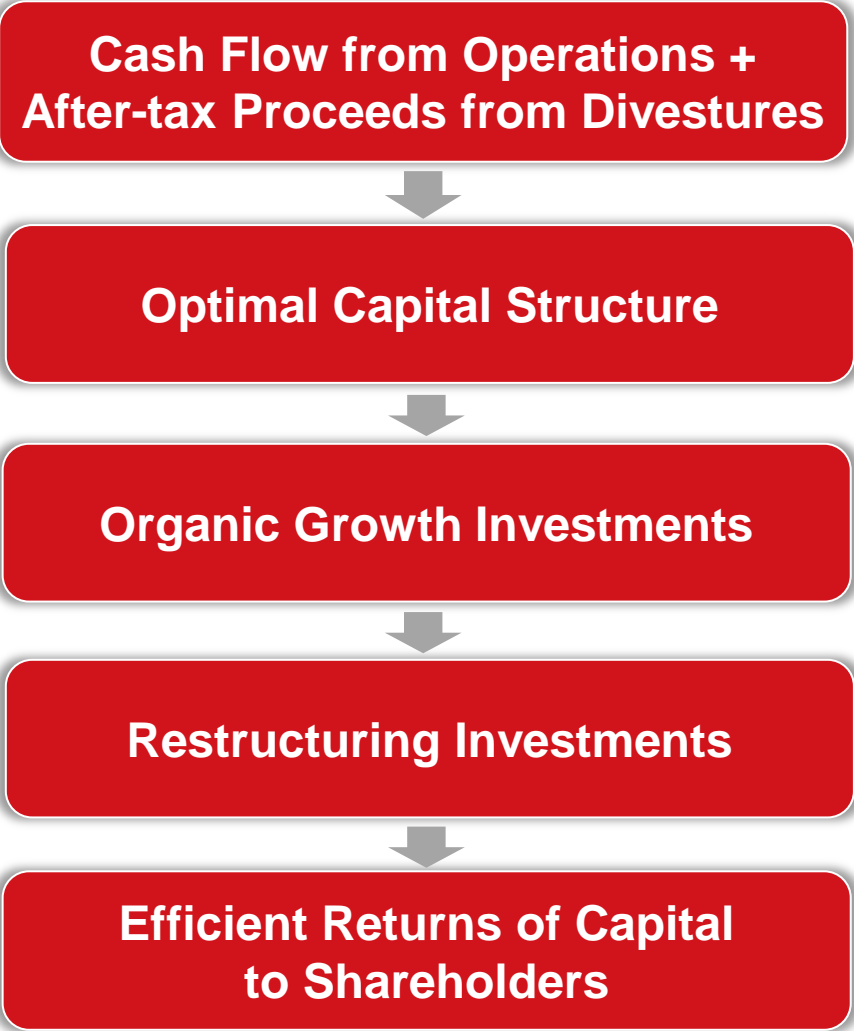
Full Year

- Increased sales by 18% to \$5.1 billion
- Increased as reported Operating Profit by \$113 million, and as adjusted Operating Profit⁽¹⁾ by \$117 million or 52%
- EPS of \$1.45 as reported, \$2.71 as adjusted⁽¹⁾ up 101%

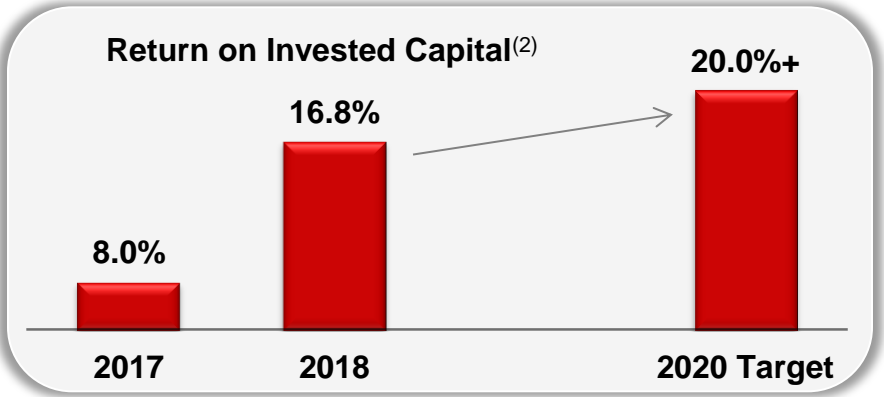


(1) See the appendix for reconciliation to U.S. GAAP
(2) Year over year, excluding the impact of business divestitures

Disciplined Capital Allocation



- 2018 Free Cash Flow of \$15 million – increased inventory in anticipation of 2019 demand
- Making strategic investments in high-performing businesses – 2018 capex investment of \$83 million⁽¹⁾. Expecting ~\$140 million capex in 2019
- Continuing to invest in Restructuring and Transformation ~\$44 million in 2018
- Annuitized U.S. pension plan, eliminating ~\$109 million gross pension liability
- Increased quarterly dividend by 25% in 2018, and plan an additional 10% increase in 2019
- Repurchased ~14% of our outstanding shares in 2018; ~\$200 million remains on previous authorization



(1) Excludes acquisition of Northern Ireland properties
(2) See the appendix for reconciliation to U.S. GAAP

2019 Guidance



USD Millions, except Earnings per Share and otherwise noted

2019 Continuing Operations Guidance⁽¹⁾

Net Sales ~\$4.7 Billion

Operating Margin 9% - 10%

EPS \$3.60 - \$4.20⁽³⁾

Interest/Other Expense ~(\$85)

Tax Rate ~21%

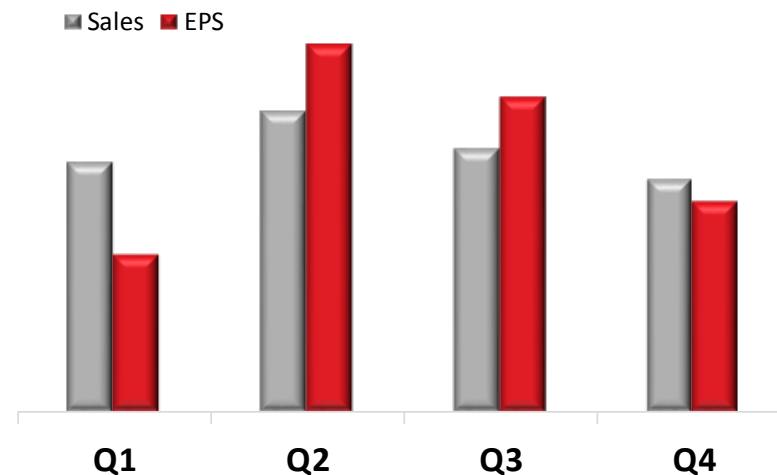
Depreciation/Amortization⁽⁴⁾ ~\$45

Free Cash Flow⁽⁵⁾ \$165

2019 Continuing Operations Guidance⁽¹⁾

Segment ⁽²⁾	Net Sales	Operating Profit
AWP	~\$3.1 Billion	10.5% - 11.5%
MP	~\$1.4 Billion	13.0% - 13.5%
Corp. & Other	~\$245	~(\$75)

Indicative Quarterly Distribution of 2019 Net Sales and EPS



- (1) Excludes the impact of future divestitures, restructuring, transformation and other unusual items; pro forma for divestiture of Demag Mobile Crane business
- (2) Based on new segmentation: Utilities in AWP; pick & carry cranes in MP; and tower cranes and remaining rough terrain cranes in Corporate & Other.
- (3) Based on an average diluted share count of ~73 million
- (4) Depreciation/ Amortization excludes ~\$4 million of bank fee amortization not included in Income/(Loss) from operations
- (5) Assumes July 1, 2019 transaction closing and does not include proceeds from the transaction or related restructuring charges

Sources & Uses and Pro Forma Capitalization



Sources & Uses

(\$ in millions)

Sources

New term loan B-1 facility \$200

Total sources \$200

Uses

Repayment of RCF \$195

Estimated fees and expenses 5

Total uses \$200

- RCF balance at seasonal high due to inventory build at AWP
- Expect net proceeds from Demag Mobile Cranes sale to reduce any RCF outstanding at closing
- Expect working capital release to reduce RCF balance over course of year

Pro Forma Capitalization

(\$ in millions)

	As of 12/31/18	Adj.	PF 12/31/18
Cash and equivalents ⁽¹⁾	\$295	\$125	\$420
\$600 million revolving credit facility ⁽¹⁾	\$495	(\$195)	\$300
\$400 million tem loan facility	393		393
New term loan B-1 facility	–	200	200
Other debt	3		3
Total senior secured debt	\$891		\$896
Net senior secured debt	596		476
5.625% senior notes due 2025	600		600
Total debt	\$1,491		\$1,496
Total net debt	1,196		1,076
Equity market capitalization ⁽²⁾	2,427		2,427
Total capitalization	\$3,919		\$3,924
Credit statistics			
LTM 12/31/2018 Adj. EBITDA ⁽³⁾	\$433		\$433
Estimated LTM 12/31/2018 Adj. EBITDA from continuing operations ⁽⁴⁾	\$509		\$509
Secured debt / 2018 Adj. EBITDA	2.1x		2.1x
Total debt / 2018 Adj. EBITDA	3.4x		3.5x
Total net debt / 2018 Adj. EBITDA	2.8x		2.5x
Secured debt / Estimated LTM 12/31/2018 Adj. EBITDA from continuing operations	1.8x		1.8x
Total debt / Estimated LTM 12/31/2018 Adj. EBITDA from continuing operations	2.9x		2.9x
Total net debt / Estimated LTM 12/31/2018 Adj. EBITDA from continuing operations	2.4x		2.1x
Total debt / total capitalization	38%		38%
EV / LTM 12/31/2018 Adj. EBITDA ⁽³⁾	8.4x		8.1x

Source: Management and company filings

Note: "Cash and equivalents" includes cash in assets held for sale of \$4mm

(1) Balances as of 2/15/2019 and cash adjusted for expected net proceeds of Demag Mobile Crane sale

(2) Equity market capitalization as of 2/27/19 assumes 70.4 million fully diluted shares outstanding

(3) Adjusted EBITDA includes add back for non-cash stock based compensation

(4) Estimated Adj. EBITDA reflects continuing operations post Demag Mobile Cranes sale and includes add back for non-cash stock based compensation