

NON-CONFIDENTIAL – SENSITIVE INFORMATION ABOUT NIFTYLIFT'S OPERATIONS HAS BEEN REMOVED

Reasonable level of profit

1. *Position in the Application*

In the Application, Niftylift adopted both a conservative and a liberal methodology to estimate a normal rate of profit. These were:

- **A conservative [8-12]% profit margin** from the [SENSITIVE] financial year as the benchmark for a 'normal' rate of profit. In [SENSITIVE], Niftylift was unaffected by significant major asset investments or external market forces. Subsequent years have been influenced by major asset investments and external market forces, including the COVID-19 pandemic, post-pandemic order backlogs, and the injury caused by imports heavily dumped and subsidised Chinese boom lifts (whereby the Applicant's orders have been dropping as a result). [8-12]% is a conservative level of profit for a private company that reinvests profit in the business and invests heavily on R&D.
- **As an alternative, liberal methodology, a profit margin of [10-14]%**, based on the assumption that the level of reinvested profit would be lower. This level of profit would be reasonable for complex goods that carry inherent risks and liabilities.

2. *Why a higher expected reasonable level of profit is appropriate ([12-19] – [16-24]%)*

Following further analysis of the mobile elevating work platform ("MEWP") sector, Niftylift considers that both the [8-12]% and [10-14]% benchmarks materially understate a reasonable level of profit in the absence of injury. An expected reasonable level of profit in the range of [12-19] – [16-24]% (with [16-24]% being most appropriate for Niftylift) is more consistent with prevailing industry conditions for complex goods that carry inherent risks and liabilities.

This conclusion is supported by the following.

(a) *Sector characteristics*

MEWPs are not commoditised construction inputs but capital-intensive, highly engineered machines involving complex design, safety-critical components, and ongoing product development.

The most appropriate comparator sector is the level of profit achieved by manufacturers of construction (or similar) equipment, such as telehandlers, tractors, and diggers. For example, in the anti-dumping (AD0047) and anti-subsidy (AS0046) investigations concerning certain excavators imported into the UK from China, *"the normal rate of profit was set at 11%..., which was based on UK industry's submissions for the rate of net profit it said it would reasonably achieve in the absence of injury from the relevant goods."* However, those investigations were limited to excavators, whereas boom lifts are more complex, given their more sophisticated design and component configuration.

(b) *Evidence from MEWP manufacturers*

The MEWP manufacturing sector exhibits structurally higher profitability relative to other construction equipment. Evidence from global peers indicates that manufacturers in this sector achieve operating margins within, and often above, the proposed range.

Available data includes:

- **Dingli:** operating margins of approximately **22.5%–27.6%** over 2023–2025. **[SENSITIVE INFORMATION OBTAINED FROM MARKET INTELLIGENCE REMOVED]**.¹
- **Terex:** operating margins in the range of approximately **9–12%** over 2023–2025.²
- **Oshkosh:** operating margins of approximately **11–15%** over 2023–2025 for the access segment.³

Even allowing for differences in scale, geographic footprint, and potential state support, these figures demonstrate that margins above **[12–19]%** are commercially achievable and sustainable in this sector.

[SENSITIVE – INFORMATION OBTAINED FROM A SOURCE NOT PUBLICLY AVAILABLE].

Otherwise, margins of European producers are not determinative at present, as those companies have been subject to injury and are still recovering following the imposition of duties on MAE from China in 2025.

(c) Niftylift-specific considerations

Niftylift submits that **[16–24]%** represents an expected reasonable level of profit sitting within the observed industry range.

[SENSITIVE INFORMATION REGARDING NIFTYLIFT'S POSITION AS COMPARED TO GLOBAL PEERS HAS BEEN REMOVED]

As such, reliance solely on historical margins would not reflect the level of profitability that Niftylift could reasonably expect under normal, undistorted market conditions.

Absent substantial ongoing investment in design and product development, and absent market distortions, Niftylift's profitability would be materially higher.

3. Conclusion

While the use of **[SENSITIVE]** as a reference year remains justified as the last undistorted benchmark, further sectoral analysis demonstrates that the previously used **[8–12]%** and **[10–14]%** ranges are conservative and understate a reasonable level of profitability.

In light of:

- the structural characteristics of the MEWP sector;
- evidence from comparable manufacturers; and
- Niftylift's own investment profile and technological positioning,

Niftylift submits that an expected reasonable level of profit of **[12–19] – [16–24]%** is appropriate for complex goods that carry inherent risks and liabilities, and that **[16–24]%** is the most suitable reference point for assessing profitability in the absence of injury.

¹ See <https://www.cmbi.com.hk/article/13016.html?lang=en> (p. 4).

² See <https://investors.terex.com/news/news-details/2026/Terex-Reports-Fourth-Quarter-and-Full-Year-2025-Results/default.aspx>; <https://investors.terex.com/news/news-details/2025/Terex-Reports-Fourth-Quarter-and-Full-Year-2024-Results/default.aspx>; <https://investors.terex.com/news/news-details/2024/Terex-Reports-Fourth-Quarter-and-Full-Year-2023-Results/default.aspx>.

³ See <https://investors.oshkoshcorp.com/news/oshkosh-corporation-reports-2025-fourth-quarter-and-full-year-results/e0342a08-c60d-4d88-9493-3990977aecfd/>; <https://www.investors.oshkoshcorp.com/news/oshkosh-corporation-reports-2023-fourth-quarter-and-full-year-results/71cba140-a47b-4c00-b083-5caf25a14289/>.