

MANITOWOC CO INC
Form 10-K
March 02, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

x **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended December 31, 2008

or

o **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 1-11978

The Manitowoc Company, Inc.

(Exact name of registrant as specified in its charter)

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Wisconsin
(State or other jurisdiction
of incorporation)

39-0448110
(I.R.S. Employer
Identification Number)

2400 South 44th Street,
Manitowoc, Wisconsin
(Address of principal executive offices)

54221-0066
(Zip Code)

(920) 684-4410

(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$.01 Par Value	New York Stock Exchange
Common Stock Purchase Rights	

Securities Registered Pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act.

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Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller
reporting company)

Smaller reporting company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The Aggregate Market Value on June 30, 2008, of the registrant's Common Stock held by non-affiliates of the registrant was \$4,237,869,497 based on the closing per share price of \$32.53 on that date.

The number of shares outstanding of the registrant's Common Stock as of January 31, 2009, the most recent practicable date, was 130,359,554.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement, to be prepared and filed for the Annual Meeting of Shareholders, dated March 26, 2009 (the 2009 Proxy Statement), are incorporated by reference in Part III of this report.

See Index to Exhibits immediately following the signature page of this report, which is incorporated herein by reference.

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THE MANITOWOC COMPANY, INC.

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PART I

Item 1. BUSINESS

GENERAL

The Manitowoc Company, Inc. (referred to as the company, MTW, Manitowoc, we, our, and us) was founded in 1902. We are a multi-industry, capital goods manufacturer in two principal markets: Cranes and Related Products (Crane) and Foodservice Equipment (Foodservice). Crane is recognized as one of the world's largest providers of lifting equipment for the global construction industry, including lattice-boom cranes, tower cranes, mobile telescopic cranes, and boom trucks. Foodservice is one of the world's leading innovators and manufacturers of commercial foodservice equipment serving the ice, beverage, refrigeration, food prep, and cooking needs of restaurants, convenience stores, hotels, healthcare, and institutional applications. We have over a 100-year tradition of providing high-quality, customer-focused products and support services to our markets worldwide. For the year ended December 31, 2008 we had net sales of approximately \$4.5 billion.

Our Crane business is a global provider of engineered lift solutions, offering one of the broadest lines of lifting equipment in our industry. We design, manufacture, market, and support a comprehensive line of crawler cranes, mobile telescopic cranes, tower cranes, and boom trucks. Our Crane products are marketed under the Manitowoc, Grove, Potain, National, and Crane CARE brand names and are used in a wide variety of applications, including energy, petrochemical and industrial projects, infrastructure development such as road, bridge and airport construction, and commercial and high-rise residential construction.

On October 27, 2008 we completed our acquisition of Enodis plc (Enodis), a global leader in the design and manufacture of innovative equipment for the commercial foodservice industry. The \$2.7 billion acquisition, inclusive of the purchase of outstanding shares and rights to shares, acquired debt, the settlement of hedges related to the acquisition and transaction fees, the largest and most recent acquisition for the company, has established Manitowoc among the world's top manufacturers of commercial foodservice equipment. With this acquisition, our Foodservice capabilities now span refrigeration, ice-making, cooking, food-prep, and beverage-dispensing technologies. Manitowoc is now able to equip entire commercial kitchens and serve the world's growing demand for food prepared away from home.

In order to secure clearance for the acquisition of Enodis from the European Commission and United States Department of Justice, Manitowoc agreed to sell substantially all of Enodis' global ice machine operations following completion of the transaction. The businesses that will be sold are operated under the Scotsman, Ice-O-Matic, Simag, Barline, Icematic, and Oref brand names. The company has also agreed to sell certain non-ice businesses of Enodis located in Italy that are operated under the Tecnomac and Icematic brand names. Prior to disposal, the antitrust clearances require that the ice businesses are treated as standalone operations in competition with Manitowoc. The divestiture of the businesses is expected to be completed during the second quarter of 2009. The results of these operations have been classified as discontinued operations.

On December 31, 2008, the company completed the sale of its Marine segment to Fincantieri Marine Group Holdings Inc., a subsidiary of Fincantieri Cantieri Navali Italiani SpA. The sale price in the all-cash deal was approximately \$120 million. This transaction will allow the company to focus its financial assets and managerial resources on the growth of its increasingly global Crane and Foodservice businesses. The company is reporting the Marine segment as a discontinued operation for financial reporting purposes as of December 31, 2008, and for all prior periods presented in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." After reclassifying the

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Marine segment to discontinued operations, the company has two remaining reportable segments, the Crane and Foodservice segments.

Our principal executive offices are located at 2400 South 44th Street, Manitowoc, Wisconsin 54220.

FINANCIAL INFORMATION ABOUT BUSINESS SEGMENTS

The following is financial information about the Crane and Foodservice segments for the years ended December 31, 2008, 2007 and 2006. The Consolidated Financial Statements include the operating results of Enodis from the date of acquisition. The accounting policies of the segments are the same as those described in the summary of significant accounting policies of the Notes to the Consolidated Financial Statements included in Item 8 of this Form 10-K, except that certain expenses are not allocated to the segments. These unallocated expenses are corporate overhead, amortization expense of intangible assets with definite lives, interest expense, and income tax expense. The company evaluates segment performance based upon profit and loss before the aforementioned expenses. Restructuring costs separately identified in the Consolidated Statements of Operations are included as reductions to the respective segment's operating earnings for each year below. Amounts are shown in millions of dollars.

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	2008	2007	2006
Net sales from continuing operations:			
Crane	\$ 3,882.9	\$ 3,245.7	\$ 2,235.4
Foodservice	620.1	438.3	415.4
Total	\$ 4,503.0	\$ 3,684.0	\$ 2,650.8
Operating earnings (loss) from continuing operations:			
Crane	\$ 555.6	\$ 470.5	\$ 280.6
Foodservice	56.8	61.3	56.2
Corporate	(51.7)	(48.2)	(42.4)
Amortization expense	(11.6)	(5.8)	(3.3)
Gain on sale of parts line		3.3	
Restructuring expense	(21.7)		
Integration expense	(7.6)		
Pension settlements		(5.3)	
Operating earnings from continuing operations	\$ 519.8	\$ 475.8	\$ 291.1
Capital expenditures:			
Crane	\$ 129.4	\$ 103.7	\$ 51.3
Foodservice	10.9	3.7	10.9
Corporate	10.0	5.4	2.2
Total	\$ 150.3	\$ 112.8	\$ 64.4
Total depreciation:			
Crane	\$ 66.3	\$ 70.4	\$ 58.4
Foodservice	12.4	8.0	