

MANITOWOC CO INC  
Form 10-Q  
May 08, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the quarterly period ended March 31, 2018

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

1-11978

The Manitowoc Company, Inc.

(Exact name of registrant as specified in its charter)

Wisconsin	39-0448110
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

11270 West Park Place

Suite 1000, Milwaukee, Wisconsin	53224
(Address of principal executive offices)	(Zip Code)

(414) 760-4600

(Registrant's telephone number, including area code)

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

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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	(Do not check if a smaller reporting company)	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

The number of shares outstanding of the Registrant’s common stock, \$.01 par value, as of March 31, 2018, the most recent practicable date, was 35,519,082.

## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

## THE MANITOWOC COMPANY, INC.

## Condensed Consolidated Statements of Operations

For the three months ended March 31, 2018 and 2017

(Unaudited)

(\$ in millions, except per-share and average shares data)

	Three Months Ended	
	March 31,	
	2018	2017
Net sales	\$386.1	\$305.8
Cost of sales	317.7	253.9
Gross profit	68.4	51.9
Operating costs and expenses:		
Engineering, selling and administrative expenses	60.4	61.4
Amortization of intangible assets	0.1	0.4
Restructuring expense	6.2	11.7
Other operating (income) expense - net	—	0.2
Total operating costs and expenses	66.7	73.7
Operating income (loss)	1.7	(21.8 )
Other income (expense):		
Interest expense	(10.0 )	(10.1 )
Amortization of deferred financing fees	(0.5 )	(0.5 )
Other income (expense) - net	2.7	(2.1 )
Total other expense	(7.8 )	(12.7 )
Income (loss) before taxes	(6.1 )	(34.5 )
Provision for taxes on income	3.9	1.5
Net income (loss)	\$(10.0 )	\$(36.0 )
Per Share Data		
Basic income (loss) per common share	\$(0.28 )	\$(1.03 )
Diluted income (loss) per common share	\$(0.28 )	\$(1.03 )
Weighted average shares outstanding - basic	35,367,340	35,020,428
Weighted average shares outstanding - diluted	35,367,340	35,020,428

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.



THE MANITOWOC COMPANY, INC.

Condensed Consolidated Statements of Comprehensive Income (Loss)

For the three months ended March 31, 2018 and 2017

(Unaudited)

(\$ in millions)

	Three Months Ended	
	March 31, 2018	2017
Net income (loss)	\$(10.0)	\$(36.0)
Other comprehensive income (loss), net of tax		
Unrealized income on derivatives, net of income tax		
provision of \$0.0 and \$0.0, respectively	—	0.5
Employee pension and postretirement benefits, net of		
income tax provision of \$0.1 and \$0.4, respectively	0.7	0.6
Foreign currency translation adjustments	11.4	10.1
Total other comprehensive income, net of tax	12.1	11.2
Comprehensive income (loss)	\$2.1	\$(24.8)

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

## THE MANITOWOC COMPANY, INC.

## Condensed Consolidated Balance Sheets

As of March 31, 2018 and December 31, 2017

(Unaudited)

(\$ in millions, except share data)

	March 31,	December 31,
	2018	2017
<b>Assets</b>		
<b>Current Assets:</b>		
Cash, cash equivalents and restricted cash	\$ 99.4	\$ 123.0
Accounts receivable, less allowances of \$10.6 and \$10.9, respectively	168.6	179.2
Inventories — net	471.5	400.6
Notes receivable — net	28.9	31.1
Other current assets	49.6	56.5
Total current assets	818.0	790.4
Property, plant and equipment — net	306.1	303.7
Goodwill	323.9	321.3
Other intangible assets — net	123.7	122.1
Other long-term assets	72.2	70.3
Total assets	\$ 1,643.9	\$ 1,607.8
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 403.1	\$ 375.8
Short-term borrowings and current portion of long-term debt	7.6	8.2
Product warranties	36.8	35.5
Customer advances	14.4	12.7
Product liabilities	22.4	20.8
Total current liabilities	484.3	453.0
<b>Non-Current Liabilities:</b>		
Long-term debt	266.1	266.7
Deferred income taxes	15.0	13.0
Pension obligations	88.0	88.9
Postretirement health and other benefit obligations	25.1	25.5
Long-term deferred revenue	22.1	20.8