



Second-Quarter 2019 Earnings Conference Call



August 9, 2019

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Forward- Looking Statements

Safe Harbor Statement

Any statements contained in this presentation that are not historical facts are “forward-looking statements.” These statements are based on the current expectations of the management of the company, only speak as of the date on which they are made, and are subject to uncertainty and changes in circumstances.

We undertake no obligation to update or revise forward-looking statements, whether as a result of new information, future events, or otherwise. Forward-looking statements include, without limitation, statements typically containing words such as “intends,” “expects,” “anticipates,” “targets,” “estimates,” and words of similar import. By their nature, forward-looking statements are not guarantees of future performance or results and involve risks and uncertainties because they relate to events and depend on circumstances that will occur in the future.

There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. For a list of factors that could cause actual results to differ materially from those discussed or implied, please see the company’s periodic filings with the SEC, particularly those disclosed in “Risk Factors” in the company’s Form 10-K for the fiscal year ended December 31, 2018. Any “forward-looking statements” in this presentation are intended to qualify for the safe harbor from liability under the Private Securities Litigation Reform Act of 1995.

Non-GAAP Measures

The company uses certain non-GAAP measures in discussing the company’s performance. The company believes that these non-GAAP financial measures provide important supplemental information to both management and investors regarding financial and business trends used in assessing its results of operations; however, these measures are not substitutes for GAAP financial measures. The reconciliation of those measures to the most comparable GAAP measures is detailed in Manitowoc’s press release for the second-quarter of 2019, which is available at www.manitowoc.com, together with this presentation.

Financial & Other Key Metrics

	<u>Q2 2019</u>	<u>Q2 2018</u>	<u>Y/Y Δ</u>
Net sales	\$ 504.7	\$ 495.3	1.9 %
Engineering, selling & admin expenses	50.5	62.1	(18.7)%
Operating income	41.9	24.1	73.5 %
Non-GAAP adjusted operating income ⁽¹⁾	44.7	28.4	57.3 %
Net income from continuing operations	46.0	9.9	366.8 %
Non-GAAP adjusted net income ⁽¹⁾	33.5	14.3	134.3 %
Adjusted EBITDA ⁽¹⁾	53.3	37.5	42.0 %
Non-GAAP CFOA ^{(1), (2)}	31.9	(5.5)	NmN
Capital expenditures	5.3	8.8	(39.8)%
Backlog	\$ 561.4	\$ 692.1	(18.9)%



⁽¹⁾ See appendix for reconciliation of GAAP to non-GAAP measures

⁽²⁾ Cash Flow from Operating Activities

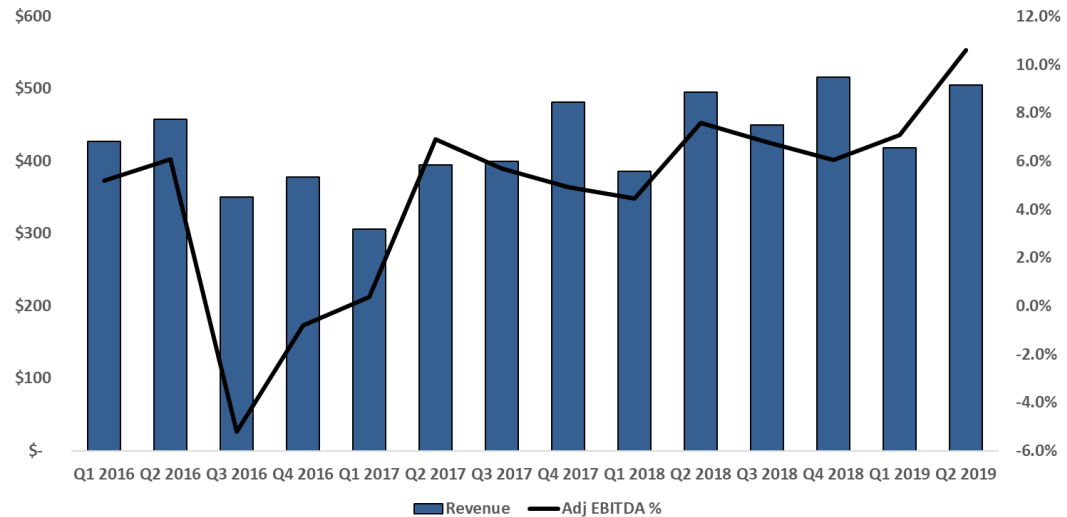
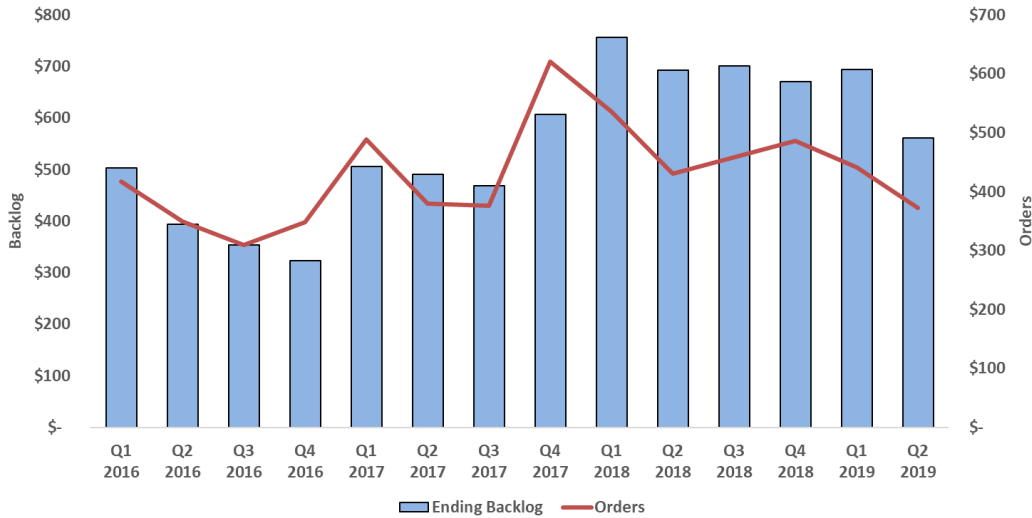
Full-Year 2019 Guidance

Revenue	Approximately \$1.880 to \$1.920 billion
Adjusted EBITDA	Approximately \$140 to \$160 million
Depreciation	Approximately \$35 to \$37 million
Restructuring expense	Approximately \$10 to \$12 million
Interest expense	Approximately \$29 to \$33 million, excluding debt refinancing costs
Income tax expense	Approximately \$12 to \$16 million, excluding discrete items
Capital expenditures	Approximately \$35 million



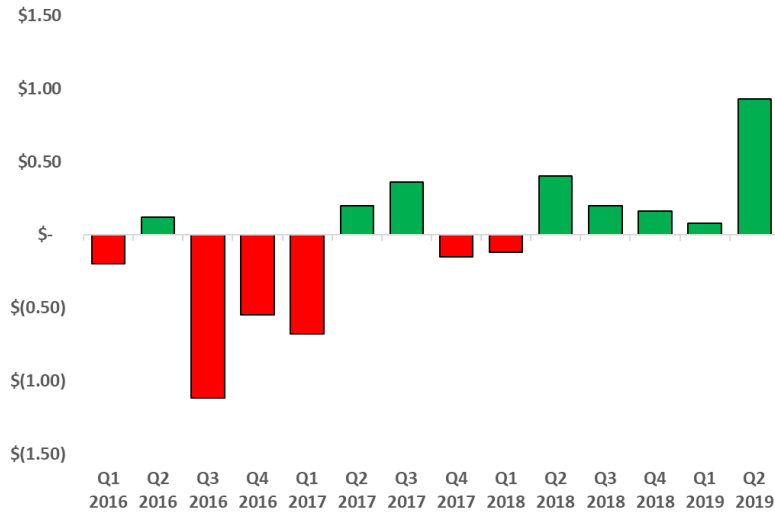
Appendix

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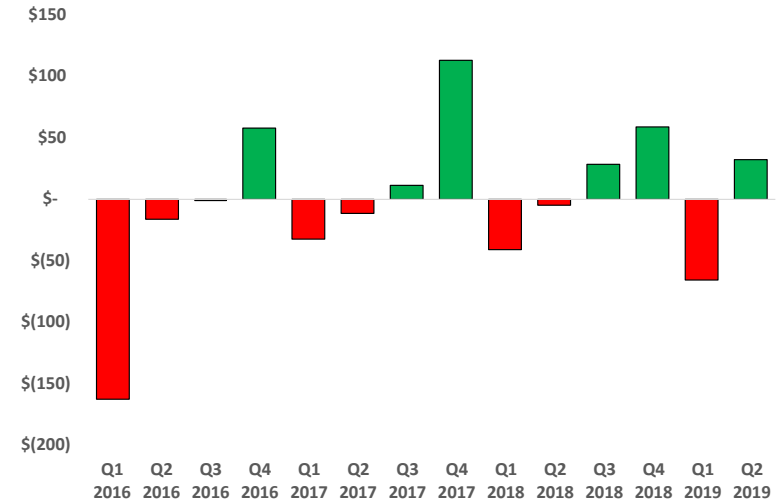


Appendix

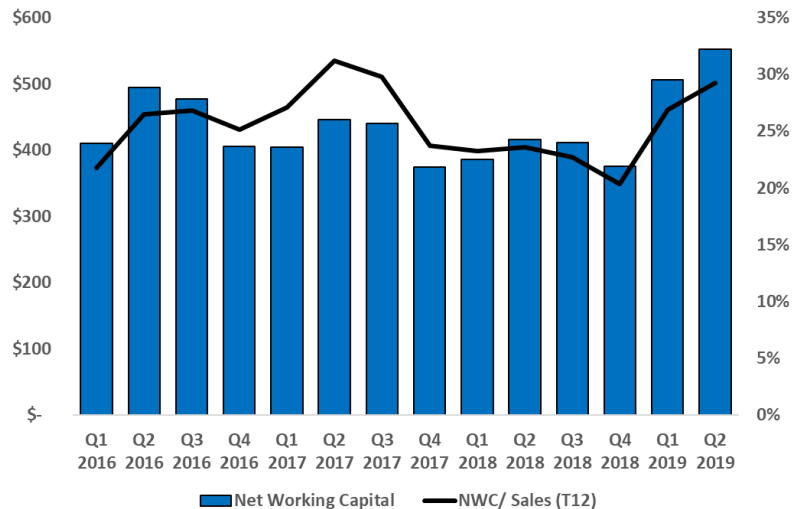
Adjusted Diluted Earnings Per Share by Quarter



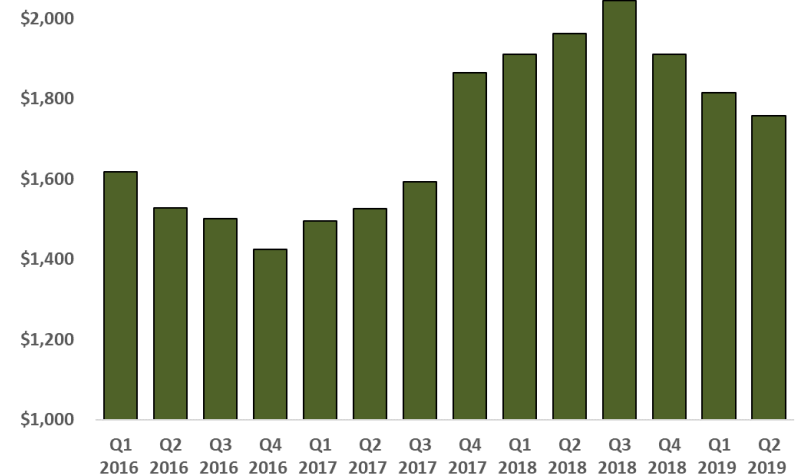
Non-GAAP CFOA ⁽¹⁾



Net Working Capital/ % Sales (T12) ⁽¹⁾



T12 Orders



⁽¹⁾ Q1 2019 and forward reflects termination of Manitowoc's accounts receivable securitization program

Appendix- Adjusted EBITDA Reconciliation

Adjusted EBITDA and Adjusted Operating Income

The Company defines adjusted EBITDA as earnings before interest, taxes, depreciation and amortization, plus an addback of certain restructuring and other charges. The reconciliation of GAAP income (loss) from continuing operations to adjusted EBITDA and adjusted operating income for the three and six months ended June 30, 2019 and 2018 and trailing twelve months, is as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,		Trailing Twelve Months
	2019	2018	2019	2018	
Income (loss) from continuing operations	\$ 46.0	\$ 9.9	\$ 19.3	\$ (0.1)	\$ (47.5)
Interest expense and amortization of deferred financing fees	7.9	9.8	19.2	20.3	39.8
Provision (benefit) for taxes	3.9	(1.2)	7.2	2.7	(0.3)
Depreciation expense	8.6	9.1	17.4	18.2	35.3
Amortization of intangible assets	0.1	0.1	0.2	0.2	0.3
EBITDA	66.5	27.7	63.3	41.3	27.6
Restructuring expense	2.7	3.8	7.2	10.0	10.1
Asset impairment expense	—	0.4	—	0.4	82.2
Loss on debt extinguishment	—	—	25.0	—	28.6
Other (income) expense - net (1)	(15.9)	5.6	(12.6)	2.9	(4.0)
Adjusted EBITDA	53.3	37.5	82.9	54.6	144.5
Depreciation expense	(8.6)	(9.1)	(17.4)	(18.2)	(35.3)
Adjusted operating income	44.7	28.4	65.5	36.4	109.2
Restructuring expense	(2.7)	(3.8)	(7.2)	(10.0)	(10.1)
Asset impairment expense	—	(0.4)	—	(0.4)	(82.2)
Loss on long-term Dong Yue receivable	—	—	—	—	(3.6)
Amortization of intangible assets	(0.1)	(0.1)	(0.2)	(0.2)	(0.3)
GAAP operating income	\$ 41.9	\$ 24.1	\$ 58.1	\$ 25.8	\$ 16.6
<i>Adjusted EBITDA margin percentage</i>	<i>10.6%</i>	<i>7.6%</i>	<i>9.0%</i>	<i>6.2%</i>	<i>7.7%</i>
<i>Non-GAAP adjusted operating income margin percentage</i>	<i>8.9%</i>	<i>5.7%</i>	<i>7.1%</i>	<i>4.1%</i>	<i>5.8%</i>

(1) Other (income) expense - net includes the settlement of a legal matter, foreign currency transaction (gains) losses, other components of net periodic pension costs and other miscellaneous items.

Appendix- Non-GAAP Financial Measures

Non-GAAP Items

Adjusted net income (loss), adjusted EBITDA, adjusted operating cash flows and adjusted free cash flows are financial measures that are not in accordance with GAAP. Manitowoc believes these non-GAAP financial measures provide important supplemental information to both management and investors regarding financial and business trends used in assessing its results of operations. Manitowoc believes excluding specified items provides a more meaningful comparison to the corresponding reporting periods and internal budgets and forecasts, assists investors in performing analysis that is consistent with financial models developed by investors and research analysts, provides management with a more relevant measure of operating performance and is more useful in assessing management performance.

Adjusted Net Income and Net Income Per Share from Continuing Operations

(\$ in millions, except share data)

	Three Months Ended June 30,					
	2019			2018		
	As reported	Adjustments	Adjusted	As reported	Adjustments	Adjusted
Gross profit	\$ 95.2	\$ —	\$ 95.2	\$ 90.5	\$ —	\$ 90.5
Engineering, selling and administrative expenses	(50.5)	—	(50.5)	(62.1)	—	(62.1)
Asset impairment expense (1)	—	—	—	(0.4)	0.4	—
Amortization of intangible assets	(0.1)	—	(0.1)	(0.1)	—	(0.1)
Restructuring expense (2)	(2.7)	2.7	—	(3.8)	3.8	—
Operating income	41.9	2.7	44.6	24.1	4.2	28.3
Interest expense	(7.5)	—	(7.5)	(9.4)	—	(9.4)
Amortization of deferred financing fees	(0.4)	—	(0.4)	(0.4)	—	(0.4)
Other income (expense) - net (3)	15.9	(15.5)	0.4	(5.6)	—	(5.6)
Income before income taxes	49.9	(12.8)	37.1	8.7	4.2	12.9
(Provision) benefit for income taxes (4)	(3.9)	0.3	(3.6)	1.2	0.2	1.4
Net income from continuing operations	\$ 46.0	\$ (12.5)	\$ 33.5	\$ 9.9	\$ 4.4	\$ 14.3
Diluted income from continuing operations per share	\$ 1.29		\$ 0.94	\$ 0.27		\$ 0.40

- (1) Adjustment represents the add back of one-time asset impairment charges.
- (2) Adjustment represents the add back of restructuring related charges.
- (3) Adjustment represents the removal of a gain associated with the settlement of a legal matter.
- (4) Adjustment represents the tax impacts of items (1) through (3).

Appendix- Non-GAAP Financial Measures

Adjusted Net Income and Net Income (Loss) Per Share from Continuing Operations (\$ in millions, except share data)

	Six Months Ended June 30,					
	2019			2018		
	As reported	Adjustments	Adjusted	As reported	Adjustments	Adjusted
Gross profit	\$ 175.4	\$ —	\$ 175.4	\$ 158.9	\$ —	\$ 158.9
Engineering, selling and administrative expenses	(109.9)	—	(109.9)	(122.5)	—	(122.5)
Asset impairment expense (1)	—	—	—	(0.4)	0.4	—
Amortization of intangible assets	(0.2)	—	(0.2)	(0.2)	—	(0.2)
Restructuring expense (2)	(7.2)	7.2	—	(10.0)	10.0	—
Operating income	58.1	7.2	65.3	25.8	10.4	36.2
Interest expense	(18.4)	—	(18.4)	(19.4)	—	(19.4)
Amortization of deferred financing fees	(0.8)	—	(0.8)	(0.9)	—	(0.9)
Loss on debt extinguishment (3)	(25.0)	25.0	—	—	—	—
Other income (expense) - net (4)	12.6	(15.5)	(2.9)	(2.9)	—	(2.9)
Income before income taxes	26.5	16.7	43.2	2.6	10.4	13.0
(Provision) benefit for income taxes (5)	(7.2)	0.4	(6.8)	(2.7)	0.5	(2.2)
Net income from continuing operations	\$ 19.3	\$ 17.1	\$ 36.4	\$ (0.1)	\$ 10.9	\$ 10.8
Diluted income from continuing operations per share	\$ 0.54		\$ 1.02	\$ —		\$ 0.30

- (1) Adjustment represents the add back of one-time asset impairment charges.
- (2) Adjustment represents the add back of restructuring related charges.
- (3) Adjustment represents the removal of charges related to the Company's refinancing of its Asset Based Lending Revolving Credit Facility and senior secured second lien notes.
- (4) Adjustment represents the removal of a gain associated with the settlement of a legal matter.
- (5) Adjustment represents the tax impacts of items (1) through (4).

Adjusted Operating Cash Flows and Adjusted Free Cash Flows (\$ in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
	Net cash provided by (used for) operating activities:	\$ 31.9	\$ (99.9)	\$ (235.4)
Cash receipts on sold accounts receivable	—	94.0	126.3	238.0
Net payments (borrowings) on accounts receivable securitization program	—	0.4	75.0	(16.4)
Adjusted operating cash flows:	31.9	(5.5)	(34.1)	(46.7)
Capital expenditures	(5.3)	(8.8)	(9.7)	(15.2)
Adjusted free cash flows:	\$ 26.6	\$ (14.3)	\$ (43.8)	\$ (61.9)