

**THE MANITOWOC COMPANY, INC.  
INVESTOR DAY  
SHADY GROVE, PENNSYLVANIA  
NOVEMBER 10, 2016**

Alright everyone, on behalf of the Manitowoc Company I'd like to welcome you to the Shady Grove Facility and the Investor's Day. My name is Ion Warner, responsible for Marketing and Investor Relations. It was a great reception last night, and for those folks who just drove in from out of town last night, welcome, as well.

We have an exciting and informative program this morning with key members to talk about Manitowoc and our journey to be a high-quality high margin crane company. Today's agenda will take us to about 10:15 eastern time, including questions and answers. Followed by a tour of the Shady Grove facility, where we're undergoing a remarkable transformation. A lean transformation that underscores the principles of the Manitowoc Way. We'll finish by 2pm to get you on your way home, or to your next destination. Some housekeeping items, please turn your mobiles off. The charging stations are available at the back of this conference room for those who need it. Let me review quickly, the Safe Harbor statement. I won't read it all, but any statements contained in the presentation that are not historic facts or forward looking statements are not historical. These are statements that are based on the expectations of the current management of the company. Only speaks of the date on the date it was made and the uncertainty of charges and uncertainty of circumstances...so on and so forth. You can read the rest of the details on the slide, which will be available later this week online as well. We'll post it. As well as a recording. And let me talk about the agenda. Our presenter today will be Barry Pennypacker, President and CEO of the company. Followed by Jeff Langer, President of the Manitowoc Way. Aaron Ravenscroft, and Larry Weyers, who are our leaders on the Mobile and Tower Business respectively. Followed by David Semple...David Semple flew in from Dubai, he's the Vice President, Sales based in the Middle East to give an insight on the emerging market, pretty exciting. Something that we'll want to talk about. Dave Antoniuk, Vice President, Chief Financial Officer that will provide more insight into our focus on earnings and liquidity's growth. Les Middleton, last but not least. Senior Vice President of the Americas Region, who includes and has overall responsibility for the North American Operation, including the Shady Grove Facility that we're at here. We'll talk about the safety protocol prior to our tour. And with that, it is my great pleasure to introduce you to our President and CEO, Mr. Barry Pennypacker. Barry? **(02:55)**

**(03:02)** Well, good morning, it's a lovely day today here in Waynesboro, Pennsylvania. Yesterday it was not very nice here. So, the tour would have been a little more difficult. But I think today, with the bright sunshine outside it's going to be a lot better. And I think you'll learn a lot. We're actually, when we get to the tour, I'll take you to...take you right to the exciting part of that. You'll be able to climb in a crane, and use our CCS Software and make the boom go in and out and make the boom go up and down. Because I figure that if...if everyone in this room can use our CCS Software, then any Crane Operators Globally can use it for sure. So, I want to show you today what a wonderful opportunity that CCS is across the entire product portfolio. So, it'll be interesting to see...we removed all the trees in the area

and the electric lines. So, no one will have anything to worry about. We'll be safe, and I think it'll be a great time. **(04:12)**

**(04:13)** So, I'll talk a little bit about an overview of the company. I mean, I don't think it's any surprise to any of you that we believe and we know that we're a leading crane manufacturer in the world. We have the most broad product portfolio of any crane company. And it's one that we continue to invest in. And I think it'll be obvious as we go through the two operating guys presentations as well as see the plant. You'll see that we're investing, even in this down-cycle a substantial amount of capital and resources into continuing to be the innovative leader in the industry. Very, very passionate about that. And even in a down environment like we're currently in, we want to see growth opportunities. And I think that'll become obvious today as we continue the presentations. Our team is new. We're a team that's been around for awhile. A lot of different experiences. But it's a team that's worked together in the past and has transformed major companies and have provided shareholders fantastic returns. I get the question a lot, so I'll just, I'll take it right off the chin. You know everyone asks me that when you went to Gardner Denver you brought in a new team. And it took you two years to get the team in place. And you were able to do the 14x14, exceed shareholders' expectations. Where do you think you are here? Well I've been here just a little over nine months now, and I'm able to have that entire team in place...today. Which is...about a year and a half off where we were at Gardner Denver. So I'm very pleased by that. And that will only help us, and you'll see that today. Without that team being in place, today...we wouldn't be at where we are today as quickly as we are. We're actually executing our strategic priorities. Margins are extremely important to us, and to you. Cash Flows are extremely important to do the things we need to do, especially as we experience the cyclical downturn. David will talk a little bit about that in his presentation in some of the things that need to be. Especially about our liquidity, because that's something that we need to discuss about...where we are in the cycle and how we're going to have enough liquidity to make it through. And I'm very pleased to say that with the instruments we have in place and the opportunity we have with working capital reductions, I'm not too concerned about cash and being able to satisfy all our requirements going forward. **(07:11)**

**(07:13)** We're very diverse. I wanted to bring someone in, you know a lot of these investor days you get to talk to guys who are here in the US today, I've asked David Semple who heads up our Middle East, Africa and Asia Sales efforts to be here today. To talk a little bit about the things we're doing in those areas. To show that we are geographic and we are very focused on that. I've talked a lot about the aftermarket. I think there's a huge opportunity for us to look forward to increase the aftermarket. But aftermarket isn't something you can just go out and command. You'll see out here today when you use our manufactured crane, we use...use and make a lot of parts. Lot of purchased parts that are branded by people who are not Manitowoc. As we go forward, and particularly in our innovation effort. We need to put the hook in at the sail, as I like to say. We've got to come up with innovative products that produce a return on capital for our investment partner but are proprietary to us. And today, you'll see the new crane that I've talked about that we've developed in six months and had a working prototype. You'll see the first production prototype, which is unbelievable when you think about it. Nine months after we started. You'll see the first production prototype. And on that particular machine we built in an aftermarket stream for the future. And we can talk a little more about that when we get out to see

the actual unit. But the days of being able to go to Grainger to just buy grease. The days of being to call up 1-800-GOODYEAR to buy tires and get the dry lines. Those things, those days are over. 1-800-PARKER to get a hydraulic hose. Those days...going forward...that after market belongs to us. We're the ones who developed it, we're the ones who put the innovation in place. So we should be able to command that after market and participate in that. So, you'll see some of the traditional purchase parts that companies would have a tendency to have branded by the people that manufacture them. You'll see in the near future those parts contain the name Manitowoc. Because if I'm developing a product and I'm spending the capital to invest in that new product and it's going to grow our supplier market opportunities, I want to make sure that in the aftermarket, we command our fair share. So, that's a **very important** strategic priority of ours. Currently, we're at about 18% of revenue. And I want to get that to 25. So, it's a very big opportunity for us. **(10:02)**

**(10:03)** I think we're positioning the company to be in a great place to continue to take on opportunities as this market continues to improve. We have been going through...we've completed our first round of strategic planning in the end of the summer. We're now into budgeting for next year. And I'm actually 100% completely convinced that in a down market, we've got growth opportunities. And when our guys are talking about their particular businesses in a few minutes, I think you'll see those. And we need to open our eyes to things that prior management would have said "No, We can't do that." But, you know I want to sell cranes. That's why I'm here. The more cranes that we sell, the more money we make. The more money we make, the more higher the stock prices, and that makes you guys happy. And that's what it's all about. It's not that difficult. So, any part of the strategy that constricts more globally from selling more cranes, is gone. And I can tell you that there were no, no, no...said more times than yes, yes, yes...when it comes to selling cranes. Jens? Where are you? Am I right? Alright. Jens' budget went up by a substantial amount yesterday after we had **that** review. But that's good. That's good. We're in the early stages here. We've only been at this for nine months. And as I said I think you'll see some substantial improvements in this factory, especially for those who've been here before. But we are a company that benefits in transformation. Not just from a lean perspective, but a growth perspective too. We'll talk a little bit about our product line. We are the most diverse product offering in the crane industry. We are able to capitalize on that particularly in some of the large rental companies where we're able to package anywhere from a top selling tower crane to an AT, to a RT. So we are taking advantage of that. We've got competition out there, and some of our competition overlaps a few of those categories. But we don't have one single competitor that goes across that entire spectrum. So, we really have a great opportunity going forward. Particularly when I talk about things like CCS and you'll get to see that as I said earlier. When you see CCS and what that is, we'll take that across the entire portfolio. And you're able to leverage that across the rental companies, it's a fantastic opportunity. Because what would happen in the past would be, AT at the bottom would have one set of software on it. The lattice crane would have a different software. The Rough Terrain would have a different software. The tower crane would have a different one. Boom trucks again would have it different. But what we're doing now is taking the entire software package and putting it across the entire portfolio. Whether you're operating a top selling tower crane, or a 350 ton crawler crane, you've got the same set of controls and that's going to help our larger rental companies from a perspective of training. So, it's a fantastic opportunity. One of the things we don't talk too much about is financing

solution. We are in a position where we have a corporate partner in DLL, which they are our partner with regards to financing. They do a fantastic job for us. I mean, they carry the Manitowoc business cards. They provide us opportunity to do things off the balance sheet that maybe a publicly traded company risk or file might be different from. So, its a great opportunity for us. And one that our dealers really believe is a strategic advantage for us, and we can talk more about that as we continue on.

**(14:18)**

**(14:20)** There's our product portfolio. Anything from All-Terrain, which are manufactured in Germany. Rough Terrains of course, and Industrials, and Boom Trucks are all manufactured here. Crawler cranes will in fact be manufactured here. And as you go through the tour today, you'll see where we're at in that transformation. Tele-Crawlers are here. Self-erecting towers. Top swiveling towers. And, other tower crane products are manufactured primarily in France. With a little spillover into Niella, Italy, where (you've heard me talk about) we've invested a substantial amount of capital to get a...world class line for our growing self-erecting tower crane market. Which Larry will talk about in a few minutes. Aftermarket we, I said earlier is an area of focus for us. We're organizing around that. We have a Vice President of Aftermarket that is getting a team together in order to really capitalize on the opportunities that are out there. Crane Care is what we're known for. Crane Care is what does our aftermarket parts and service business and particularly the thing that our Crane Care people do is skills training. You'll see our training facility when we go to our Crane Care building today, and that is a strategic advantage for us. Because we have a very highly structured skills training program for our dealers, where mechanics start out at Level 1 and have the opportunity to go to Level 5. And what we do is based on the number of mechanics that get to Level 5, or Level 4, or Level 3, we're able to provide different statuses to our dealers, which gives them the opportunity to have better pricing on spare parts. So, the more trained technicians you get in your dealership, the bigger the discount you'll get on maintenance and parts. Strategically I don't want to be in a position where we have a distribution network like we have to go out and send out mechanics to service our fleet on a daily basis. So, it's a very important part of what we do here. We do it in Manitowoc, we do it at the Towers Facilities in France. It is a big part of what we do. Lift Solutions is a part of a vocations group that is centered here, that you'll go in and say "I want your Crane, it says it will lift 650 tons at this particular load angle. What I would like to do is...I would like to lift 650 tons, but I want to be able to carry it by 45 feet, swing it by 65 feet, and then another five stories, and that's not on your lift chart. Can you please help us to see if that lift can be made?" We charge for that service, and that's a great opportunity for us in the future. **(17:48)**

**(17:50)** On the court is our refurbishing business. We have a facility in Arkansas that does mobile crane refurbishment. It's an area that I think we've got a substantial amount of opportunity in the future to grow in. Larry will talk a little bit about what we're doing with Encore on the Tower Side of the business. And we've got some really good successes that indicate that this could be a wonderful opportunity for us in the future. We're diversified as you know. No secret that industrial and petrochemical is the biggest portion of our business. We all know what the status of the oil and gas market is. David will tell you a little bit more about what's happening with our Middle East Market, because the Middle East is down by 65% and there are some signs of potential comeback there. But I'll let, I don't want to steal David's thunder. We are anxiously awaiting the energy recovery here in the US. And I think we're all

wondering what the status of that is. But I think the most important thing for the future, is that I think the stock got it's kick yesterday is infrastructure. We've gotten a lot of time looking at infrastructure programs that are out there. The amount of cranes that are actually on the bid packages are...is...very large. And one that we're positioned pretty well. Particularly since we are really the only US Owned manufacturer of cranes in the US. And we're going to use that as a opportunity as we want to grow American jobs. I want to take advantage of the fact that the cranes that are out there doing work on our infrastructure aren't made in the US. We're going to make sure that we leverage that for the first time, and hopefully that will make us a part of these bid packages but I will tell you. That the activity is picking up. The amount of bids that we are being asked to look at is increasing. I will say this though, that we thought for sure that some of that cash was going to leave DC and fund some of these larger projects. But sometimes a big one in Maryland for instance, it got held up because some Democratic Senator from Colorado wanted something on the bill about the Spotted Owl. So, the bill that was being appropriated for funds for the purple line in Maryland got held up because some guy in Colorado wanted to put Spotted Owls in a better position. So I'm hoping that...we want to get this infrastructure and bill to fast track out and moving and everyone wants that. And I'm hoping that now with this election (chatter from the audience) Excuse me? **(21:02)**

**Audience: We shouldn't have to worry about that anyway.**

**(21:04)** Exactly. I mean, that should be the opportunity for that should be behind us. And hopefully that Fast Act will come out and start funding some of the growth that we have in our plan. Talk a little bit about mobiles. Say, uncertainty about the revenues trough. But if we look back at our revenues the past forty years and we adjust for inflation, and you take the second half of our 2016 and you annualize it, that's the industry trough. Based on what we've modeled, we're at the bottom based on historical numbers. And we are continuing to work with our customers based on where that's at. And, that depressed energy market though I will tell you is really inhibiting our guys from putting cranes on the ground. As recent as last month, one of our customers drained the oil sands of 100 cranes. And took all the cranes out of the oil sands and brought them to the US. So, there is a lot of supply out there right now. There is a lot of depressed crane values in the used market, which has a tendency to not allow our customers to pull the trigger on a new purchase. The historical model for a Grove crane, let me tell you a little bit about history. The historical model for a Grove crane was...you bought a crane, an RT for instance. A Grove RT. You bought it for \$1 Million, you depreciated it over eight years. You got great rental revenue out of it. And at the end of eight years, you were able to sell that crane in the used market for 70-80% of it's original purchase price. So, you know, that's a pretty compelling model for buying a Grove, putting it in the aftermarket after seven or eight years, and being able to buy a new one. Unfortunately today, when you look at what the depreciation model has yielded. That depreciation would be down somewhere, if they bought the million dollar crane, the way they would typically with the rental revenue and particularly the different financial models that our customers used based on return to investment capital and tax planning, they get to the end of their life and it's \$600,000. Unfortunately in the current market, that Crane is only worth \$450,000-\$500,000. So, in that book write-off, and these crane guys are not going to take that book write-off. They're going to wait to sell that crane for what they paid for it, and buy a new one. So, one of the things that we watch, and are

watching as intently as we can, are for signals that are changes in the rates that are out there for used cranes. Another factor that we've discovered that influences this whole crane market is used for this issue. Tier 4 cranes great in the US. Great in Europe. But typically when a crane came to it's end of useful life, and we couldn't sell it in the US, it got dumped into South America. It got dumped into the Middle East, or Third World Developing Countries. Unfortunately with a Tier 4 crane you can't do that because you can't burn the fuel. Now, there are after market kits you can put on the crane in order to do it, but they're very expensive. And, still decrease the overall life the engine. So, that's a dynamic that's in this industry that hasn't been around before. And it's something that we have to watch very closely in order to understand when the market is going to turn. But we're doing what we can from an internal standpoint. We're moving up our innovation targets, and we're bringing out products that our customers have to buy. Because they're compelled to buy...the amount of innovation that we've put in gives them a substantial return on invested capital. And that's the one thing that I think we've become focused on internally. Because, if we can figure out a way to develop a crane, that even if it's a 5, 7, \$11 Million investment, if we can return the person who bought that crane....on invested capital. That's the thing that they use the most. We're going to hit a grand slam, and that's the thing we're doing. And I think you'll see today after you find out some of the things that we had to incorporate into this new crane, that we're well on our way to do that. **(26:25)**

**(26:28)** Towers. Towers is a bright story. We made the investment in new products. Particularly in our self-erecting line, that our self-erecting line was in fact very much out of date. Tough to utilize. So, we've spent a substantial amount of effort in developing this new product line. And what you'll see and hear from Larry is that we were able to take a substantial amount of models from these categories, seven models, and we reduced them to two. And cover the same lifting range. And that helps our customers a whole lot. That they only need to use two cranes to cover their whole chart as opposed to seven. But it also helps us. Because number one, we've introduced a product that has a lot of features in it. That...others don't have. We have IP behind it. We were able to set up a production line in Niella Italy, that only has two models going through it as opposed to seven models. That has commonality of components upwards of 70%. So that if you think about it, seven independently designed cranes going through a factory, compared to two cranes that have a 70% common components. In a U Shaped one-piece flow shell. Our opportunity for margin and improvement is going up exponentially. But at the same time, since we were able to add substantial value for our customer, we're able to charge more. So, our cost goes down, we're able to charge more, and margins go up. That's the end of the story. That's the thing that the Manitowoc Way is driving us toward in all of our factories. But the thing that I want you to leave here with today, and I think you'll see it in the numbers that Larry will show you. We are the global leader in tower cranes. We are the global leader in tower cranes. Our numbers substantiate that. We have technology that none others do. The skylines of New York, the skylines of Boston, you can't look up to the skyline without saying...without seeing Potain everywhere. I will say that in Philadelphia, I walked through Philly and said "Oh, that's not a Potain...that's not a Potain." So I called my...I called my tower guy and said "I'm tired of not seeing Potain in Philly." And he comes back and says "Well, you know Morrow painted that one blue. It's a model HH44 from 1957," and then he sends us pictures because we have a sky-crane to take pictures of all the cranes we've erected. So I can

tell you that based on the data as well as my own eyes, we are the global leader in towers. And it's something that we continue to invest in. **(29:36)**

**(29:38)** We've talked...you hear me talk about our four strategic priorities. Being margin expansion, growth, innovation, and velocity. I'm not going to spend a lot of time on this, but just to give you a quick update. Our margin expansion...we closed two plants this year. Sold another one. Continuing to close and refocus the Manitowoc facility here. So, 1,400 people out of the business by the end of the year. That's a tough thing to do, but we...we just had too much capacity in the system, and it's something that we need to continue to do to push on as the restructuring efforts to get the footprint to where it needs to be. And the footprint needs to be continued to shrink. Because as we continue to do lean, and we continue to take hundreds of millions of dollars out of our working capital, which is what we plan to do over the next three to four years. We don't need as much space. And so we will continue to utilize the tools which we're familiar with in order to do that. Growth. We are focused on growth even in a down environment. I am spending a vast portion of my time on growth because I think even in a down market you can grow. If you have the right products, and the right services. And if you have the right quality. And I will say that the right quality is something that is important to us. You hear me talk about our RT market share increase. That's the product that's manufactured in Shady Grove. Over the course of seven years, this particular business has 7% of market share in the US. 7% of market share, even in this down economy is \$100 million of cranes. At the peak of the market, it was 1.2 billion. I want that back. I want that back. And the way we get that back isn't just to command that and say we want it back. The way we get it back is to transform our factory, transform our quality systems, and transform our solutions to assure that we're building quality in. And that quality doesn't get passed on to our dealers in order for them to fix. That has been the motto. That has been the motto of the Grove brand over the course of the last seven years. Build a model. If the model doesn't work, ship it to the dealer and let them fix it. Then when the dealer comes back to you to argue about warranty, tell him that if he continues to want to be a dealer, he's got to eat it. That's not very good, that's not very good business practice. I mean, my first week on the job, I met with our largest customer, and he said "I refuse to buy, I refused to buy a Grove RT." And I said, "Why?" And he said "Because I can just go to the dock and I can pick up a Tadano RT. I can start it, take it to a job site, and have it working right away." I said, "So, well that's pretty logical. You bought a new crane, it should work." And he said "Can't do that with your product. Can't do that with your product. I have to park my product in your shop. First I have to find out what parts are missing because of how you shipped it. Then I have to find out what's wrong with it. And then I have to get the parts to fix it. And then I have to argue with you about the quality and get that straightened out." Well that...folks those...for a lean guy who's been trained by the Japanese (particularly Toyota) to hear those kind of things just...like.....fingernails on a chalk board. So, we have...we have done everything we possibly can. Including taking some major charges in our operating profit this year to fix some of these historical problems. But if we didn't do that, didn't fix these problems...when this market comes back we'd be in the same situation. So, we're out there fixing historical problems, we are investing in them. We're stopping production...the GRT8100 that you'll see here today was an introduction that's been very very successful for us. But when I first saw it and it came out, I was bothered by it. I was embarrassed by the things that I saw. So we came back and we stopped that product introduction. We got the team together and we said "All these things need to be

changed” So we changed them, and then we started to ship them. And not only did we start to ship them, we shipped them along with someone to follow that crane. To find out early feedback if there was something wrong. The ability to fix something if there was something that we missed in our reliability studies if it was internal. So, showing the...showing our customers that we’re a different company. That we are focused on their ability to return on invested capital by us investing internally in their overall quality is extremely important. And it’s one...I think...the fact if you talk to some of our customers, the one thing they will tell you that they’ve seen a complete different focus on, is that this management team is focused on quality and reliability. And that in the future will bode well for us.

**(34:57)**

**(34:58)** Innovation you’ll see a number of new products today that we’ve been working on. And velocity. We are very much focused on the Manitowoc Way. Jeff will follow me and talk to you about some of the activities that we are...that are underway globally in order to get our plants leaner and ultimately substantially strengthen our balance sheet. And we’re committed to the target of 10x20. And I want to reiterate that. The commitment is 10x20. And when I made that, that was on a flat revenue of about a billion seven-fifty. And we’re going to stick with that. We will get to 10x20 with a flat revenue of a billion seven-fifty. We are internally, you know, charging ourselves. We pretty much...without telling you, I told you that I believe next year we’ll be down again. And we’re not going to accept the fact again that a big, bulky company with fixed cost is going to be in a position to lose money. So, we are going to focus on that in the future. We’re going to make product. We’re going to continue to make progress in our margin expansion opportunities. And I think David will talk a little bit about that in his presentation. But, we are resolute internally about making money and making profit. And ultimately satisfying our customers, our shareholders, and our employees. So, we’re committed to that target, it’s something that we are absolute 100% resolute about. And we’ll continue to focus on. I had them put this slide in because when I continue to talk about the Manitowoc Way, I’m really talking about this triangle. And this triangle has been with me now for...I don’t know...28 years. And it’s survived a number of different companies. But what I think today, Manitowoc is probably the only one continuing to use it. But what we see at the top of the triangle is customers. And customers come to us if they think there’s a perceived value in the product or service we’re offering them. And if in fact, customers are coming to us and giving us orders, our shareholders will see that they provide us the resources through capital to invest in the business. And if our employees see that we’re investing in the business and that customers are coming to us because they see that we’re investing in velocity and innovation in everything that we do. They provide the commitment to satisfy the customers. All three of those stakeholders have different needs. But all three of those stakeholders have a very important part in what we do with this company. And we have to make sure that as we go forward to judge our actions that all three of our stakeholders will be satisfied in the long...in the long term. But that is the purpose of our strategy. That is the foundation of everything that we do. And I will tell you that we are absolutely focused on ensuring that those three stakeholders are satisfied with our organization as time goes on. So with that, I’m going to turn it over to Jeff Langer, who’s the Vice President of the Manitowoc Way. And Jeff will give you a little overview with what we’re doing with regards to Lean, and ultimately the Manitowoc Way. **(38:48)**

**(38:49)** Thanks Barry. Good morning. How're you doing? Is it cold in here? Hot in here? It's good? For now Cliff, right? Now you'll be good, but as soon as I'm done speaking you'll be like "turn it down more." Alright, thanks for the intro Barry. I'm going to run through a few things, I'm going to run through our intro for overall strategy. And then I'll talk about some of our tactics that we've deployed this year. And then I'll show you a few examples of the teams we formed. Some of the activities, and some of the implementation. But truly, for those of you who saw the facility who saw it six months ago, it's going to look entirely different today when you have an opportunity to go out into the shop. So...that's really the proof that's out there that the changes are being made. I could sit here and talk, as Aaron could tell you, like six hours about it. But I think it's more important to actually see the results. So, this is kind of the strategic side of it. Just to let you, I'm a true believer as the leadership team knows, in the "just do it" type of guys. You see something that needs to be fixed and you change it today so you're incrementally better tomorrow. And it still holds true in our thought process. But when we talk about utilizing and deploying our limited resources, we want to make sure that our major Kaizen activities are directly linked to our overall performance. So, you see this, starting on the left hand side. And as Barry mentioned, we went through the strategic planning session in the summer. We're in our annual budget plan...the budget phase right now. From there...that's going to identify our critical value streams. Which we've done. Then from there...alright...let's do the value stream mapping, which I've told most of them did. Most people don't know what it means, after this we can chat about it a little more. But ultimately we're looking at material flow. We're trying to determine what activities add value, and which activities reduce values from our product or service. That's what we're looking for. And then from there, we want to be able to identify our opportunities. So, we should be able to...anyone you ask that's engaged in a Kaizen activity, you should be able to ask. "What are you doing this for?" They should be able to show a strategic link to what they're doing for the company. So, this is why I use the term Strategic Continuous Improvement. But I want to be very clear, that does not mean that we don't do the Just Do It stuff. That does not happen everyday. And in all functions of the organization. **(41:20)**

**(41:21)** Now, let's talk a little about tactics. This is something that the other day and really in the summer, during the strap session that each facility will appoint a Manitowoc Way Champion. That's done. I'll show you those folks shortly. We have our executive members participating in the Kaizen. I know Cliff and I spoke a little about this. You all know Barry well enough...in many cases many people would prefer he not be involved in the Kaizen. But trust me, there's a lot of power when your CEO walks out in the plant floor in jeans, steel toes, and safety glasses and is out there getting greasy, slimy and sweaty from the ground floor. That's what the commitment from the top is all about. Alright? In the portal site right now I have kind of a Beta Test going on right now with this. It's going to kind of be loaded into our website. So that anyone within the organization with an email address can go in there and get all the information they need. They can get the contact info, all the trainings will be there. All the contact forms and templates. And then I think one of the biggest opportunities is what I call "Lessons Learned" some people call them Single Point Lessons or Best Practices. That's an opportunity for us to leverage those little improvements that we make. We do something good in Niella Italy, we ought to immediately take and leverage that whether it be Moulins, France, Charlieu, Wilhelmshaven,

here in Shady Grove. The goal is to get that done by the end of the year, and I'm confident that we're going to get that done. And be there. **(42:49)**

**(42:50)** Alright, some of these look like mugshots, luckily the guys aren't in the room. Uh...I did...you know...poor Mathias. It looks like it was a baby picture. But, here...here in Shady Grove we have David Sawyer who's here for the Mobile side. We've got Mathias Dwyer in Wilhelmshaven Germany. And then we have these five folks from the towers group. We've got Lionel, we've got Manuel, we've got Bertrand, Diego, and what they call actually Kakka, is what they call him after the European Football Player. So, these are the folks we have in place. What I actually want to point out is we're all internal organic folks. We didn't go out and bring in anyone else from the outside. These are folks from here with experience with our products, our services, and our markets. So, we've got over 75 years of Manitowoc experience here with these folks. Powerful team. So basically there we have kind of a three-pronged strategy which is - The first thing I'm going to do is make sure people know what to do. So, we're going to train them properly. We're going to value their training. And then we're going to Kaizen the heck out of the processes. Okay? So that first element is the training. We kicked off the very first training summit or what they say...the term better used is Boot Camp. And...and we brought in 30 folks here back in June. It was actually in this room, and we did the first training session here. From there, we've been to Niella Italy, and then Wilhelmshaven in Germany. We also did another one, I just couldn't fit the picture on the slide, we did another one here in Shady Grove in August. And then I'm doing a fifth one right here in this room the second week of December. But when we talk about commitment from the top, I know it's a little bit difficult to see. But when we're in Niella Italy, with Barry and his team, kudos to him. He brought in people from his entire global organization, and we had a mixture of people, I mean we have the corporate controller from Towers. We've got the head of HR. We had quality, all of your traditional quality folks. Larry is going to give me hell for doing this, but Larry was there all three days of that training summit. So his people understood **his** commitment for what we were trying to do. And it's the same thing Aaron's going kick me, somewhere. When we were in Wilhelmshaven, Aaron was there the entire time. Jens was there the entire time. And a majority of Jens' senior staff as well. So we've got the commitment, I think the staff is there, and we're mobilizing. **(45:21)**

**(45:22)** Let's talk a little bit about some of the ground work that had to happen *here* to get us to where we are today. And the credit goes out to you know, certainly Les Middleton, certainly his team. And of course the support from Barry and Aaron. These are before condition pictures I wanted to show you. So in April, you were...some of you were...April May timeframe? So, Barry had talked about the primary product lines. What we had in this building, what we'll call Final Line, there's four final assembly buildings. We had National Crane over on the left hand side. Flowing down the other side we had Industrial Crane, on the right hand side. Well, we didn't announce the effort to move crawlers here. But we did have the strategy on "how do we clear the landing pad so that we make the space, to how do we do the restructuring activity and relocation without building a lot of buildings. Well, if you've looked at the crawler products, they're not small products. So we basically needed a lot of space. So we basically started a shell game, it's not fair to all the efforts, but that's literally what it was. So, we took the industrial product line, relocated that to another final assembly building. This was all done so we took the truck mounted line, which would be in our final stations in A2, consolidated it, and actually put it

where the industrial line was. So, we went from a fully flexible piece of flow assembly line of eight work stations to four per work mount, so we could actually fit it into that building. When we did that, whoops sorry. This actually freed up 24,000 feet in Final Two. So I don't expect you to remember Final 1, Final 2, Final 3, I won't quiz you on that later. But when you go through, just think of the RT Line. When you take the tour, they'll take you through Final 2 to the RT line, and you'll see one half of the crawler lines which are already smaller than the crawlers we've been making here in Shady Grove. That space was where the actual truck mounts used to be. So, this is all the groundwork that Les and his team had to do in order to prepare the site for the move. And then I also didn't want to leave out all the great things that are happening in Wilhelmshaven. Our focus isn't just here in Shady Grove though that's... we certainly have a lot of activity going on here. We've made a pretty major capital investment in a facility, Jens' facility in Wilhelmshaven. Well, that's a great thing. But what we don't want to do is end up with these isolated islands of Lean. We want to make sure that we Lean out the entire revenue stream. So, we've got Chris Eastman, he's my direct report. He's responsible for the Manitowoc Way all throughout Towers and Europe. And he's been working with Jens and his team on the assembly side of the boom shop. The fab focus on fabrication of booms. Now the cleaner focus is the clean up and actualize the assembly portion. And then this is pretty basic for those of you who've been doing this for many many years. So, many of you in this room have been doing this for many many years. These are some fundamental pictures of 5S. The foundation of all improvement activities. So, these are just before and after shots of the improvement we've been making. It's clean, organized, give it a name give it a home kind of stuff. So, this is some of the things that we have going on constantly through the organization. **That I'm going to hand it over to Aaron. (48:56)**

**(49:02)** Good morning everyone. How are you? Hi, I'm Aaron Ravenscroft. I'm the Executive Vice President of the Mobile Operations business. I joined the company in March of this year. So, first we're just going to start with the product line, give you a feel for what you're going to see when you go out there today. Here on the top left, in the mid 1920s we started producing the Manitowoc Crawler line. This is the largest crane that we produce, give you a tonnage map to see how all the different lines come together. But essentially, with Crawler Cranes, this is 100,000 tons to 200,000 tons. These are the big cranes. Long reaches. Oftentimes you see them at some of the smaller bridges, but really those are some of the small product cranes. The main places you see these is places like refineries, wind towers, and any of the large stadiums. You see tons of Crawler Cranes. On the bottom here, this is a rough terrain crane. In Shady Grove. Again, these are heavy in terms of construction and infrastructure. These are some of the smaller workhorses that you'll see when you drive along the roads in terms of construction. And these are really some of the smaller, like 40 tons to like 100 tons. So, the in between space is really the all-terrain cranes. All terrain cranes mean they literally *go on all terrains*. The challenge you have with all terrain cranes is that everywhere you go in this country, state by state, there's different road regulations. So that's one of the things that we're constantly challenging is how do you lift more weight and more weight so that you can do higher lifts. In all these different states and different countries. This really fills the gaps between Rough Terrains and Crawlers. Truck mounted, that's really a US Product. It's driven by axle loading and road regulations. And that's really a smaller AT. And at the bottom here these are some smaller and more pedestrian cranes that you'll see out there today. So, to give you a feel for how all these product lines come together, this is really just a

tonnage map on the bottom here. Up to 1,000 tons. The industrials boom, and then you move into the rough terrains. The all-terrains. And the crawlers. **(51:07)**

**(51:08)** So, one of the things that I was surprised about when I joined the company is that a lot of times we talk about the cranes, but I didn't really have an appreciation for how much goes into application and engineering. So, a lot of times whenever a large crawler crane goes to do work at a site like a refinery, they'll call our team at Lift solutions to have us do the lift plan to ensure safety. So, a lot of times there are safety factors to ensure they'll do a huge lift, but there won't be any safety issues. Another thing you'll see a lot of will be boom attachments. So, in addition to all of...the things you see on a Crane, there's typically a lot of attachments that go with it. As an example, 3 and ½ meter boom with a 650 foot crawler crane, and that will specifically help us do larger lifts for wind towers. So, that will not just help us with that, but you've got build out the charts and the lift side of things to ensure the safety of the lift. We have two large manufacturing facilities. The relocation of the facility at Shady Grove site here, this campus, is predominantly where we're doing all the manufacturing in the United States. We're doing the entire list of cranes here. And then Wilhelmshaven Germany, this is where we're manufacturing the AT Cranes. So, one of the things that I think is different about our business, not only do we have large products, but we have very large facilities and campuses. So, you'll be able to see all our facilities when we walk around today. So, in terms of the market, it's been a tough year in the mobile business. Not a whole lot of activity anywhere. Globally speaking in Latin America, business has been very slow with all the changes to the mining industry in the last 3 to 4 years. US has been hit, not just by mining and oil in the last few years, but also infrastructure projects have been down. Africa and Australia, they've been hit by the mining business. We have seen good bright spots in Europe. So you've some business, Larry's business the tower business, is picking up. They're using AT Cranes to construct Tower Cranes. So Business has been strong, and we've seen the tag along with our AT Cranes in Europe. **(53:26)**

**(53:27)** And we don't really participate in the business in China due to the market restrictions there. And in India, we have a royalty agreement with a company called TIL that goes back to the 1970s. Long standing relationship for sharing technology. So, Barry mentioned the four strategic priorities for strategic growth. Innovation, velocity, the best way to think of this is. If you're familiar with Hosh and Connery, with our deployment, so when we start our strategic planning process. These are Barry's breakthrough objectives. This is how it starts and cascades all the way down to business. What's important and what are we going to work on? What are our highest priorities? So essentially, these rolled down from Barry to me to Larry. And then we started to work out "Ok, what are the metrics here behind these initiatives?" And the initiatives we have to work on to meet those objectives. And I'll walk you through a couple different examples that we're working on. So first, margin expansion. This would be the relocation of the Manitowoc facility which would save us anywhere from \$25 to \$30 million. This project was started at the end of the summer. And what you're going to see when you go out there today. A month ago, we were making cylinders in house and on the other side of the campus. When you go out there today you'll see that every piece of equipment has been removed from the facility and we're starting to lay the pits and the groundwork for the large machines that will move down from Manitowoc. But an amazing amount of work done by the people who work on this campus. I'm

very impressed at how they've handled the challenges and the things that we're going to do. With the Manitowoc Way. And then in Wilhelmshaven, Whatever it was, a week or two ago, Barry on the announcement on the earnings release talked about the investments and the work we did in Germany. Essentially, when we joined the company a year ago, there was a \$15 million investment being made on how we did Boom Construction. And how we manufacture the booms as well as paint them. When we got to the site, we started looking at the investment and we saw the investment and said "Okay, now's our chance to hit the reset button. Now that the projects half-done and really start to re-lay out the facility and improve flow with it. So, essentially, the way you're seeing the facility is the major structures here, in the middle are for carriers, and making them here. Those Cranes move to the center of the campus. And to the left hand side here, this where we do the boom...fabrication machine assembly. So essentially, we're sequencing so that they get timed up. So, boom it goes right under the crane. So we don't have booms all over the facility like we've had. So, this is a much longer term change because of the construction around the facilities, the long mill as well as the paint boom. It won't get finished until the end of next year. **(56:11)**

**(56:13)** So, moving on to growth. It is a very difficult market, however there are some very interesting and niche opportunities for us. This is the FOATC project at the top. This is an AT Crane which our team in Germany helped develop. This platform, based on previous designs and it will be manufactured here in Shady Grove. So, the three prototypes we had to produce this year to Aberdeen where they will test the unit. I have a video here that will show you how this thing works. **(56:45)**

**(57:57)** We had our board meeting here last week, so we had a chance to let our board members crawl up on the crane. But very impressive, very interesting, unfortunately we had to ship the last one so that we could put together the video for you. Very big project for us, it's going to last us five years. So a lot of work...a lot of work has been done on this. A lot more work before the testing. But when you send something like this out to Aberdeen, they do break it to find out how this really will perform in difficult locations like Afghanistan and Iraq. Another program that we're pursuing here, and this is still in pursuit, is the slot project. This is the AT Building, a small two axle AT Crane. We produced our first couple for prototypes and for reviews. So this is a \$75-\$100 million opportunity. It's going to take a while to build. Again this project we've built prototypes and sent them off, and they're down for testing and now it's down to getting the contract. So, even though the business has been tough, we've been working hard on exploring the opportunity with military. So I think it'll be a very good niche opportunity for us to pursue growth in a difficult market environment. The other thing I want to talk about in terms of growth is our dealer channel. We have, bar none, in terms of growth, the best in the United States. That being said, if you've spent time with dealers, they're sales guys essentially. Right? We're constantly trying to hold them accountable, and one of the things we've been dealing with according to our previous experiences is..."How do we hold them accountable?" And really drive sales growth from them. And there's a couple different things that we do, but what we're doing now is having regular dealer meetings with these folks. And in the past, Barry, Myself, Jens, we were constantly meeting individually with these dealers. But we've discovered a scorecard. So, it's a one pager when we sit down with the dealer and say "Okay, what's your saturation been the last five years? How have you done the last 12 months?" The last six months, what do you have on orders do you have? How many

certified, Level 7 GMK Technicians do you have? What are you doing to make sure they've been trained?" Because that's a critical part of their business and servicing these cranes because of how difficult they are. Another major component of this is how many units do you have on the shelf? Because the reality is that the dealer business is all about having these in inventory. I liken it to drug dealing. You gotta push the drugs, give them their drugs. Trust me, if someone is holding \$100 million inventory, they'll sell it. So it's making sure that they're holding the product. And then talking a little bit about after market here, this is the emergency versus stock parts. So we really analyze and say "not just how much inventory do you have on parts, but how many have been placing emergency orders on us?" So it's essentially means that they're not holding the proper inventory. So, we've identified one person who's holding the after market inventory for us in the United States. That person will hire one or two people to work with the dealers to ensure that they're holding the right inventory for the field population they have. And honestly, they're getting discounts for moving away from the emergency stockholders because need them on it. But we want them to be holding the right inventory because...in the entire network, and not just what we're holding, and what they're holding...but between the two of us. We're shortening the lead times for all the customers across the board. For all of our customers.

**(01:01:13)**

**(01:01:14)** So, this has been an interesting conversation. We had one of our best dealers...85% of their orders were emergency orders. That would be one thing if they were a basic crane operator, but they're basically...every order is an emergency order because they're not holding any inventory. And the owner of the company, he literally emails me once a week to tell me where he is. He didn't know it. He didn't have the data so he didn't realize what's happening in the business. So, he didn't put the data in there to show us he was managing the business accordingly. Moving to innovation, first I want to talk about the GMK Line. Really, when you're talking about the GMK Line, you're talking about Axles. And it's all about Axle Loading. So the core of the business is really the 5 Axle Line and the 4 Axle Line. We...we launched the 5250 at the end of last year, and we're in the process of developing the 5150. This is the little brother. It'll be launched closer to the 5250 in terms of tonnage. So there's a lot of boom work to be done and charting. Likewise, we've got the 5200 that will be launched in September. And then we'll have the 4180, so it's an 80 ton...this is a 100 ton crane next year. So what's really critical to us and our strategy for the AT Cranes is really about Taxi. So the way that this gets used it's essentially we'll have a crane operator that will want to do four or five lifts in a day. So what you see is rough terrains and crawlers sitting at the site for a long time. You don't typically see ATs there because they're constantly moving. And of course, if you're the crane operator, the more you can do in a day the more money you make. So, it's all about what we call Taxi Service. How quickly can they set up a crane? Because it's just like changing a machine. They don't want to be wasting their time trying to set up the crane to do a lift. And the more of those they can do or the fast they can do it, the more they'll get in in a day. And then the RT line, we've started to revamp the whole RT Line. We launched the 8100 which was a bump up, very successful this year. Yes, we delayed the launch a bit to ensure the quality of it. But it's been well received by everyone we've sent the units to. When I think about the 8100, this is the beginning mark for us. So, we started out with a 100 ton, and basically mapped out the next two or three years of developing, backing off the 8100 we'll do a couple smaller cranes, and a larger one in the next 2-3 years. So, at the Con Expo, we've put it on Les, to challenge to stick a new crane out there, which is the green

one here. So if you look at our goal, our product line here with the RTs and the ATs, is to revamp the line as the times are slow. And as the business starts to pick up in terms of what you see in new products. And that's exactly what you've seen in the Tower Business. Larry's team has been able to develop the entire line just as the market was coming up. So you get a double whammy there to increase market share. **(01:04:11)**

**(01:04:12)** You've heard Barry talk about the new "new" mobile crane. I try and restrict anything he talks about it. But I do want to talk about in terms of new products, or really in terms of innovation. I want to talk about the velocity. This is a huge example of what you can do when you get focused. So, in February, Barry challenged the team. We took our top ten engineers to the site and said "this is what we want to accomplish." We set our sight, and basically in every metric, this crane is better than the current market leader. And what...we actually have three units out there today. So we went from literally nothing in February to three full cranes out there today. And you'll see some of those. But I can't tell you unfortunately a whole lot about it, because the launch is going to be at Con Expo. But we'll have some units we can ship by the time of Con Expo. And I'll talk a little about Manitowoc Way. Jeff hit on a number of those points, but to me velocity is the way we've changed the organization and the way that we manage the organization. And the mobile business, we've got three regions. Les runs Americas. Jens runs the European Business, and then Dave Semple runs the middle east. Those guys are responsible and accountable for their business. And we're having regular reviews, not just for their profitability, but also deployment or priority deployment. So, we rolled these out five months ago, and more initiatives that each guy has. They have their own local initiatives and things that they need to do to improve to get better in terms of driving our profitability and our cash flow. So with that...I'll hand it over to Larry. **(01:05:49)**

**(01:05:54)** I'm Larry Weyers, executive Vice President for Towers. So, we're going to do Tower Talk now, so exciting stuff. As Barry mentioned, we are the global leader in tower cranes. And we're going to step through some of the reasons why. And how we're positioned to really grow this market and take advantage of some of the key markets that have growth in our share of gain opportunity. We always say we have, whatever project there is or whatever lift there is, we have a Tower Crane solution. It doesn't matter where or when, and we have the facilities necessary and the support network to support anything that we sell wherever we sell it. So, you'll see on the left hand side is our self-erecting tower cranes, different sizes. These towers can be erected in less than 20 minutes, and it can go as high as twenty stories. It's done with a remote control. It's kind of like the Go-Bots, you know. If you've ever seen those, cars where it turns into a robot. Basically, it'll fold itself up for transportation. Tight area, electrically driven. No emissions, no noise. So, the big opportunity we have here is obviously in the US is to replace rough terrain forklifts for homes. Rough terrain forklifts get wet when, they get ruts. You can put one of these cranes on a site, and not move it. No noise, electrical hookup. You can power the whole project. For our fast selling cranes, we have a variety of top selling cranes for any kind of application. And you'll see them around, when you drive back or look up. Just look around. And as I told Barry, you'll see a number of our cranes. Different types for different applications. You'll see a number with a tower-top. You'll see a topless crane. More cranes and less space, you'll see them overtop of each other. We have less space for more projects. We have anti-collision devices to keep

these cranes from bumping into each other. The large luffing cranes here...for lifting...heavy lifts when you see panel construction for stuff going on, and new construction this is a big heavy lifting crane where the crane will go up and down as opposed to a trolley which will go up and out. Ok, so different applications. When we look at the capacity ranges again...it's as little as 1.3 ton up to 80 ton. And 80 ton tower crane that can lift 80 tons at 100 meters is a big crane. I think if you compared it to a crawler crane, it'd be a 120 ton at 30,000. Just put one of these into Nigeria a couple of years ago to do port handling work for a ship. So, it's about a 10 million dollar crane of that size. Big crane, big solutions. But I think the biggest advantage we have for a crane of that size is as far as being the global leader in tower cranes is that we have two different product offerings for the customer. So everybody who was concerned about the Chinese coming into our markets. You know, how are you going to compete on price? How are you going to compete on features? We have an MD range, and we have an MC range. The difference between the two is that they'll both lift the same weight, but it's kind of the BMW versus the Chevy. So out of our plant in china, we built the MC and the MCR range as well as in our plant in India. So, we can compete, customer's want price with less features. If they want the premium product, which we compete with Liebherr primarily, we have more features and more benefits. So, it's one of the reasons we can offer different...both different solutions to the customer depending on where the market is, in a general gist as we go. **(01:09:59)**

**(01:10:01)** As far as spending and practical applications, this is probably one of the big opportunities for us. Because a tower crane, no matter where you're using it, there's a different kind of tie-off and engineering and anchor points that have to be done. Now one of the things that someone asked me earlier was...how do you prepare to go to market versus mobiles. We do come from...predominantly go to market direct, we don't have a dealer. Now, why is that? Well, for tower cranes, for a mobile crane you can fix it on the ground. Right? It's got an engine, hydraulic cylinders, it's common with excavators or bulldozers, or dealers. So, they have a technician that's fundamentally familiar....he's got to come in his end or whatever, the challenge you get here is that you have to find a technician who wants to come here. Right? And it's electric. So, you need an electrician who wants to climb. So what we did was take advantage of that and had our own encapsulated service support rigging erection. And I'll talk a little more about that. So, we're pretty much from cradle to grave with the customer. We'll talk about that. Large Dam projects. These are kind of interesting. Some times the tower crane on a dam project isn't lifting things by a hook, it's holding a conveyor belt for concrete. So, it'll actually hold concrete by bridge. And trust me, I've been in Vietnam. I know a crane here, when they started up the conveyor belt? You want to see a tower crane flex? Right? It's about ten feet. But this is a big opportunity for us and people rely on us heavily. This is the 3200 crane I talked about...this is just the base for that crane that's in Nigeria. Just to give you an idea...it's on a trolley system, we do all the design. So it can travel up and down a harbor. As far as facilities, the facility you'll see today is 1.4 million square feet. Most of our plants are small, specific located. We have two in France. France is probably one of the biggest if not the biggest market for tower cranes in the world. And I can tell you, we own that market. Bar none. We have a small plant In Charlieu, where we build the large self-erecting cranes. But we also build hoists and towers in that plant for other plants, so it's a center of excellence. We do encore business here and rebuild business and used business, and I'll talk more about that. It's a big part of our business and a big part of our focus. In Milan, we build large, premium tower cranes. So, some of the big MR and

MD Cranes come out of this facility. In Niella Italy, this is the plant that we just completed the transformation of...in...when we were about halfway through, I walked out with Barry and he came through the assembly area and made some great suggestions. And we made the changes and we'll talk about some of the benefits we got from that. **(01:13:22)**

**(01:13:23)** So, we got a couple of product lines that we're just coming out with with small self-erectors that are coming out of here. Baltar Portugal is where they're made. We used to have six plants, now we have seven. I'll talk about the closure of Fanzeres. And then Zhangjiagang China is probably our biggest...500,000 square feet. This is where we build all the economy range of MC tower cranes. We are the largest exporter of tower cranes outside of China. By far. And then in the small facility we have in India. We have an MC Range, an economy range. Focused on the Indian Market. It's a small shop, but we control the market in India too with this facility. You talk about the markets, I think Aaron would like to swap charts probably. We have a lot more green and yellow in this area for sure. I think Germany, France, as Aaron mentioned. We came out with some new products that...we were timed with the introduction of those products with some new growth. So I call it..."We hit the sweet spot." Customers had new housing and residential coming. We came with a new product. Bam. We hit the sweet spot. And we took a lot of share in this area. So, part of it's the market, part of it's the growth. But we see that continuing. We see that continuing next year for sure, and maybe the year after. Americas we've also seen growth, if you drive around you'll see a lot of tower cranes. The advantage is that we're not tied to oil for tower cranes. Very few tower cranes are used in the oil market. It's residential high-rise construction, etc. Middle East. You'll hear more from David Semple about that, probably Egypt is the only area that has some life left in it...some kick. Latin America and Brazil...these markets are flat. They're not like this. And then you'll see parts of Africa. And then Asia Pacific...again we control parts of this market with our product coming out of China. Korea has been a very large market for us, but we expect that market to decline next year. So, as Barry talked about, we've got some very strong growth areas. We've got some flat areas. And then we have some areas that are going to be down. So, I'm not going to be saying "the sky's the limit" but, the market's pretty good for us, especially with the products we've come out with. **(01:16:12)**

**(01:16:13)** Like Aaron said, when we rolled down the strategic planning from Barry, we deploy it into the strategic planning matrix. For each of their staff and my staff. But they're obviously...we focus a lot on the footprint and the agility. The product, as far and share growth, but this used in encore rebuild business is a strong business for us, and that's going to be a strong focus for us next year and beyond, in advanced manufacturing techniques. I think I was telling you guys about the "Lean Approach" the Manitowoc Way. One of the reasons we had all the engineering guys in the Manitowoc facility training is that...one of our goals is to get to 80% of the inches of weld on any product to be done by a robot. And you can't do that without the engineering people understanding the Manitowoc Way. Because they'll design it the same way, it'll get to the plant. The engineer tries to make the robot fit around it. It doesn't work. Right? So one of the things that we've been able to do with the new plant is design the new product with the plant transformation. So, when we're talking about Italy, about 95% of the inches of weld are done by robot. Well, this deflects the assembly up and down, and the work we've done on the assembly, and TACT times have really come down. And then obviously for velocity, clearly matching

the IPD...your new product development with the Manitowoc Way is going to be huge for us. I can just tell you. We've seen it with the HUP and we've seen it, and I'll talk about it. So, as far as margin expansion goes. In September we announced to the works council and the group in Portugal that we'll be closing Fanzeres Portugal Plant. And we'll be putting them both in our Baltar Portugal Plant. So we've built a new series of MDs here...very good. In this market. But there's some really strong benchmarks we've got here. We'll build more cranes with probably 53% less square footage. And we've proven that in Italy. So again, for us the way you need to describe it to a group is...you have to build more cranes, in a smaller footprint at a lower cost. And to me, if people want me to explain the Manitowoc Way, that's it. And it takes everybody to do it. It takes the engineers, it takes the manufacturing people, and I think one of the things is...as long as I've been a part of the company. One of the things we've missed is operations. The Manitowoc way is for everyone. You've got to all be in the game. Especially your engineering guys and your purchasing people. Because they've been disconnected. "Well, lean is an ops thing." No it's not. And Barry talked about this, and one of the things we've focused on in the tower business is leveraging our engineering development. So, this is the midsize self-erecting tower line. So, we've got six models in here that our rental fleet customer has to own. And he's thinking "Which one do I stock? Which ones do I rent for the best jobs? What are the rental rates for each one?" And then he's got to think about training and his rental sales team on all six models. Well, what we've done is replaced those six models by 2. Again, the 32-27, and the 40-30. These have patented features for the ability to telescope up and down. Longer capacities for reach. So, the rental customer can now have two in his inventory. He has to train his sales guys on two. We have 70% commonality on components. When we...put the engineering hours into designing the first one, it was 50% less hours to design the second one. Because we had the second one in mind when we did the first one. 80% of the inch is robotically welded. That's one of the things we were looking at when we put this in. And I think this is probably the first time in my career that I've been able to design a new product line and do a plant at the same time. **(01:21:10)**

**(01:21:12)** So, when we look at Italy, I think when you talk to our people...its the Manitowoc way. With this plant, you know...80-90% of the chassis are welded by robot. So, we will see the advantage of our working capital, how we feed those parts to the line, our safety is going to get even better because we'll have material handling where we don't even need to use overhead cranes. Our grinders in the plant. No grinders. If I walk into a plant and I hear a grinder...somebody's in trouble. Alright? I'll go unplug it and I'll take it. No hand grinders in the plant. So, the combination I think, and we just had a customer event in Italy, 280 customers from 17 different countries show up. We were planning for about 90-100 people. So, this is really giving us the energy within our business, we're really taking cost out. When you look at what we can do, you can build more cranes and a smaller footprint for less cost and fewer people. You can do it. And now we have the flexibility in this plant, there's probably 60 workers in this plant...can build over 600 cranes. So if the market goes up, I can go up. If it goes down, I can go down. In the past, we went through huge cycles of reducing people. And then you have to bring people back in and train them. Once you train a robot it's trained, right? As far as growth goes, we really are growth focused. And we have a really good stable of products coming up so we'll have 7 new products coming out next year. We'll have product plans and developments through '21. So we've got 7 next year, 3, 8, 9, 6. These will be good sized machines, based on market demand and what we have to replace. But the

size and concept will come through. Right now we're working on the mid size of the Igo cranes. And instead of 7, we're going to have 2. So when I start running 2 through a plant, 2 models through a plant like this, that will level the standardization. That's how you get the turns, right? That's how your turns go up, and people go down. So, we have the recipe. Talk about aftermarket growth, this is a key thing for us. Because we have a customer...we have a big blanket around them. So, when a customer in France, Italy, or Germany specifically, when the tower crane is ready to come down from a job, he doesn't use his people or whatever. He calls 1-800-CRANE CARE. We send our technicians out, we take the crane down, and one of the things I was talking to Aaron about, what our service technicians do now is bring an all-terrain crane to bring a big tower crane down. A lot of times, what a customer would say, "I'll bring in my Terex or my Liebherr Crane" and we'd say, No, we're not familiar with that crane. It needs to be a Grove All-Terrain Crane. So, it's worked rather well, some of them are upset, but we'll say "We're not familiar with that crane." So, when we take a tower crane down in France, Europe, or whatever, it is a Grove AT. So, there's a polling system with that, right? We can poll the market. But we do everything, we do the tie-off transport. We do the anchorage. It's a big blanket. We have 80 service guys in France alone, they're technicians. They are like 90% utilized right now. So, it's a big market income, and obviously if there's a problem with the crane we have our guy looking at it saying "Parts? It's going to be a Manitowc part." Right? **(01:25:18)**

**(01:25:19)** I think velocity wise, the other thing our cranes with CCS now have Crane-Star on it. And that sounds like some fancy word or whatever. But if you can imagine, you've got a guy or whatever an operator 300 feet up in a tower crane and something goes wrong. The previous cranes without this system, you would send a technician. The technician would have to climb up the tower crane, then he's got to diagnose it, probably get the part or whatever. I got a customer in California, he's got a MDT 219 with CCS. Crane's up 200 feet in San Francisco. Something's wrong with the crane, we can dial into the crane (we did it with one of the technicians in France) diagnose the whole problem, run the crane from France, and said "get out of the cab. You have a screwdriver? Take the cap off" He said, "that wire is probably loose." He took the end off of it, put the wire back in, screwed it back on. Done. We didn't send anybody, he didn't have to climb down and go back up. So, when you talk about CCS for tower cranes, this is critical. Because if that crane is down and you need to send someone to climb up and down or whatever. So, this is now at the end, but the first quarter of next year, we'll have all of our GMEs, our cranes in our fleet with our CCS and Crane Star Diag on it. That's the value add, especially since we have the technicians. There's another revenue opportunity on the Europe passenger lift. I'll talk about that in innovation. Um...but I think the big driver increase we've seen in crane care is that we've spent a lot of time increasing our fill rate over the year for over the counter parts. So, because we do a lot of stuff direct, if they need ten parts. How many of them can I ship immediately? 9 out of 10? 10 out of 10? We have a very high off-the shelf fill rate for our customers. We can actually put some parts in our service truck. We can store some parts in our trucks. So, it's a turn key operation.

**(01:27:40)**

**(01:27:42)** Used and used business. We have a very robust used business. So, you can see we have an old Igo T, we'll bring it into our Encore Facility, whether it's in Charlieu or Baltar, we'll rebuild the crane, and this is a great entry point into markets that people can afford a new crane. India, Azerbaijan,

Kazakstan, Russia. So, this is something that we've seen the margins on this as very attractive, and the margins are very good. So, we're proactively going out and buying used cranes, rebuilding them, selling them into developed countries or countries where people don't have one. But like I say, "You control the New, you control the Used." Cause now if we go out and offer to buy this 9 times out of 10 we'll have a new home for it. I think this is...I'm just about done so...on innovation. In France, they've come out with a new regulation that for any tower crane above 98 feet (which is not very high) it requires an operator lift or an elevator. So, in France alone, I think that's about 4,000 tower cranes that customers have to do something. Most of the time when you see an elevator on a tower crane, it's outside. It goes up the outside, and they put all the brackets on it. The problem with that is you have to deduct the tower and how far it can go. And you have to deduct the capacity and how much weight it has on the material and the proportional twist on the tower. We have developed a patented, what we call a Cab Lift. It's on a regular rack and pinion system inside the tower section. So, the operator doesn't have to climb, you take the cab lift up so they can basically get in. And also we have a basket on the top to put the crane together as it goes up. So this is a great opportunity as we look at the combination of crane health and crane care because it works on both new cranes and existing cranes. So, as our technician is going out there to see the customer, putting his crane up, he can ask "What are you doing about the cab lift requirement?" Right? We want to get all that. We're not greedy, we just want all the business. And I think...like Aaron said, from the Manitowoc way, we have an expert in each of our plants. And I think really for me, the training we're going to be focused on with this is that we have to get more of our engineers, our purchasing people, human resources and everybody involved in learning the system. With that, I'll turn it over to David. **(01:30:46)**

**(01:30:47)** Alright, good morning everybody. Hope you're still alive. It's an hour and a half of death-by-powerpoint so far, so I'm going to try and give you some insights on a market I know very well. The Middle East. I've actually lived in the Middle East for almost 20 years...and I currently live in this place. This is Dubai. This is where my home is. I've lived for 14 years in this country, in this city. The two top pictures are actually taken from the same place. You see these buildings here, are these buildings here, are these buildings here. So, you can see how spectacular the growth and the development of a city like Dubai has been over the last 20-30 years. The pictures at the bottom are today, two different parts of the city. There is no photoshop in these pictures. These are two actual buildings. There's no...no games in here. So I think that that's maybe one of the first messages I want to convey is that the Middle East is actually quite dynamic. The business opportunity is there for people who like to build. I can tell you, the architects love this place. Cause they really come to design and help them build buildings that are amazing in shape and height and the technologies that are used to build them and all that. So, I've been in this industry for 18 years. I've been managing the Middle East for some time. I'm actually currently in charge of also Asia Pacific, working for Aaron in the Mobile division. But I also want to give some information on the Middle East. Because I think over the last couple years, there's been a lot of commentary on the Middle East. We have said that the market has been very tough for us this year in the Middle East. That is true. We've also commented on the price of oil. We've commented on the Geo Politics of the Middle East. And I think it's interesting, or I hope it's useful for you to get some insights on that from us, and what we need to do over there. So, the Middle East, and Manitowoc's division of the Middle East is actually 20 countries and I think one of the messages here is, don't think

it's one monolithic place. It's very diverse, it's got about 600 million people living in that part of the world. You've got four main different ethnic groups or...at least language and cultural groups. You've got some very very rich nations, some very very poor nations. Probably the only common denominator could be religion. Most of the guys living there, 99% are Muslims. That's about the only real common denominator I would give. And as we look at the Middle East and try and think where is the business for cranes, I think the big part of the business is in the yellow bit here, which is the oil rich Middle East. And guess what, when you hear about the troubles in the Middle East? When you hear about the wars and terrorists and all of that, it tends to be somewhere around here or somewhere around here. It's not really the places where the crane use is at. So, again it's not super stable, but it's not everywhere, and where we play and where the Middle East is important to us. It's actually quite stable. And it's quite an interesting market to be in. **(01:34:10)**

**(01:34:13)** Oil. I mean, there's also been a lot of commentary in our earnings scores about the fact that, with the drop of oil prices over the last couple of years, a lot of markets have really struggled and taken cranes out. And we're not supplying as many cranes as we used to because of these relatively low oil prices. In my view, it's a complete different story if you're looking at current levels of oil prices in North America and the US and Canada, and the Gulf of Mexico. And if you're looking at the oil story in the Middle East. What this chart shows you is that the actual price of extracting a barrel of oil is the cheapest in the world in the Middle East. And it's one fifth of the current oil price, lets say in the range of \$50 a barrel. So, for me there's really no threat or no problem for the Middle Eastern nations to have a very steady income from the oil and gas reserves. Whereas, it could be a problem for North American producers, because for them at \$50 a barrel, it's not very profitable anymore for them to be in the oil business. In the Middle East, it's still extremely profitable to be in that business, and you'll need cranes to be able to extracting the oil, continuing processing the oil. And then, once the money of the oil has flowed into the coffers of the local nations, you'll be spending this money and doing what I showed you about Dubai. And by the way, Dubai is not the only city like this. Qatar is the same. You go to Saudi Arabia, Riyadh, it's taking the same path. Kuwait, Kuwait City is the same place. Abu Dabi in the EU. Um...so that's really my story about, how do the low oil prices impact the Middle East? Well, not that much. And I think what has happened this year, and what has really caused our markets to come down because the actual income from selling oil has gone down. Almost been halved for most of these nations. So what you see is, all these countries here, how much money on a yearly basis they will make for selling their oil. So, an example, Saudi produces about 11 million barrels of oil a day. Multiply this by \$50 a barrel, and in one year it's something like \$220 Billion of income every year. The pinkish graph is the same for natural gas, as displayed at \$3 per British Thermal Units. And you see, if you take these five rich oil producing nations here, you'll see that that's about 450 billion dollar of income each year for these countries. What's the cost of extracting that \$450 billion? As we saw in the previous slide, maybe a hundred. So, that's how much money they get every year at the current level of oil prices to flow into their economies and at some stage develop new infrastructure. Maintain the current oil producing installations. What has happened this year is a lot of the nations in the Middle East is that what is today's 350 billion was probably 700 billion twenty years ago. So they've just had to right size their spend. Like any reasonable organization that sees it's revenues go down, right sizes it's level of costs. So, in the case of the Middle East it's less subsidies for water and energy. It's payroll cuts for ministers

and civil servants. It's rescheduling of a number of public projects. And...the way I see it is this year, 2016 has really been this year of transitioning from...having a lot more money from oil to "this is the level we have now" but I think that transition is coming to an end, and taking over a little bit. And now I'll conclude this on my last slide. **(01:38:26)**

**(01:38:27)** Geo politics. That's the other normal, or typical comment I get when I talk about where I live. You know, isn't it unsafe? Is it viable to stay in the Middle East? Etc. Well, I've tried to represent on this graph (and it's very subjective) what is the impact for us on some of the political events of the last few years. About five years ago, there were so called Arab Spring started in Tunisia, and spread all over the region. And yes, in those days, it did have a negative impact on our business. I was running this business back then also, and I know that our plans and our...I'd say the level of comfort on a number of operators taking decisions on whether to invest in a crane, that level of comfort was going down. Now, it worsened up to a certain point. And from then on it just became the new normal. We knew that there were riots in Bahrain, that there were clashes in Egypt, and maybe Saudi Arabia east coast. The Shiama's limbs were being a little bit...um...I'd say mishandled by the local authorities. It just became something we came to live with. And as time goes by, you have little spikes where it gets worse again. That's Turkey, goes sour a few years ago. That's ISIS invading Iraq two years ago. That's early 2015, the Saudis trying to wage a kind of proxy war in Yemen. But all in all, I think the trend is really getting better, getting more under control. And second, what I do and what my team does is really dealing with it. You know? For us...you know I started in Syria in 1996. And I'm still here, and I tell you, I honestly love it. I don't have a problem with it, and I actually think we do great business in the Middle East. And, on this next line...this is the amount of business we do in the middle east, the number of cranes. So, that's more than 5,000 cranes we've supplied in the last fifteen years. And I think what you see here, in the early 2000s is when cities like Dubai started to come out of the ground. So, this is when the oil revenue started not getting used only for oil infrastructure, but started getting recycled into living infrastructure and construction. So, hospital roads, high rise real estate, etc. And from there on, it's been a bit more of a rollercoaster with ups and downs. And again, this year has really been dramatic, but I don't see a long term structural threat or problem in the Middle East. **(01:41:32)**

**(01:41:33)** This is what we have in the Middle East for just your visual image of how we're set up. We have a setup in a place called the Jebel Ali Free Zone. Which is in Dubai, so it's somewhere over here. Our business in the Middle East is mainly distribution driven, so what...what I do and what my team does in the Middle East is making sure our dealers have everything they need to sell and to service and support our cranes in the region. And the business we manage over there, altogether mobiles and towers slightly below 200 million on a yearly basis. I think we've seen that, that's my one last slide, and it's supporting my positive outlook on the middle east. This is quite reliable data from a company called MEAD, it's the Middle East Accounting Digest. They are quite serious in the data they collect, and what they're trying to track on construction projects from the very I would say, from the idea from the concept to the execution. If there is a project out there, if someone wants to build a refinery or if someone wants to build a nice fancy building or car show room. We will track from the moment of that project is designed up to the moment that project is being delivered. And we see the millions of dollars that will represent. And you see, over the early period of time, the growth is spectacular. Over a ten

year period. And second, markets like the United Arab Emirates are growing. A market like Saudi Arabia. Steadily growing. The last couple of years, yes a little flat. This is when the new king came in to place, and they started the war with Yemen. Now they've launched a very ambitious renewable energy project. To be fair, I'm not sure that's where we'll sell a lot of cranes. But clearly, the construction activity, the level of developing the infrastructure of the country in Saudi Arabia remains extremely high. The green bar here would be Iraq, so yes Iraq has in the past two years is going through hell. I think we are finally weeding out these loonies from ISIS, so maybe in two or three years we can grow quite nicely. And then, what's this here? This is Qatar growing nicely. This is Kuwait, this Oman, and this is Bahrain, the smallest country. So, overall again it's not the end of the world in the Middle East. It's a transition, yeah, it's a year where these nations realized that they can't quite spend as much and as fast as they used to. But it's clearly not a moment where the Middle East will be completely out of business for us. And we're not settling on going out of business in the Middle East. This is my last slide, I really like it. Really nice one. Yes, we have a question here? **(01:44:26)**

**(01:44:36)** AT WHAT POINT WILL CRANES COMING OUT OF THE MIDDLE EAST START TO INFECT MARKETS WHERE WE'RE SEEING SOME GROWTH?

There's, there's always this element of machines moving geographically to move from one region to another one. Don't forget that transporting a crane is a pretty costly enterprise. So, I don't really see a huge threat in a mass exodus of cranes. What I would rather see, which is actually better for our business is exactly what happened in 2008. Is that you have some cranes that are building something...and instead of being a one-year timeline, has become a two-year timeline. So, for a tower crane, it stays on the building and it doesn't really move. So, we need more machines because these projects still need to be completed. But we're not seeing a bleeding of tower cranes to move out to other markets. So, it's clearly not a big factor in my experience and my view. Thank you very much **(01:45:33)**

**(01:45:42)** Thank you very much David. Well, I have the dubious distinction of holding you back from the tour, and I think we were going to have a Q&A Session to go back with this. But, I'm not going to change any of the guidance and I'm not going to talk about 2017 yet. But what I wanted to do was talk about some of the philosophies I have in terms of finance. What do we have, and what are we going to do? So, everybody knows we're predominantly a new management team. And really, what are we looking at? We need our ability to manage the cycle. And we spend a lot of time on What-If scenarios. What if? Because everybody comes back, what if sales go down? What if? So if we constantly look at opportunities in a down-cycle, but moreover if you look at the other businesses here for opportunities to grow in a down cycle as well. So, we don't just look at the negative, we look at the positive that we can take out of that as well. So, when we talk about the Manitowoc Way, we talk about the Manitowoc Way not just from a company point of view, but from a business perspective. And that's in the back office as well. So, we're always looking for ways to streamline things, more to come on that in the future. Hopefully we look at opportunities within the back office that will allow us to focus on things that we're going to do. What we do going forward. So, in order when we grow we don't have to add resources. We can do more with the infrastructure we have in place. Obviously, you know a lot of questions on cash. We are going to have a laser session on cash. Our ability to provide adequate

liquidity is paramount going forward. Part of the approach to working capital management, a disciplined approach to capital employment. And between those two, we'll be able to generate enough liquidity to secure our operations with the working capital and capital of management to have adequate resources to do what we need to grow the business. And really, you know, what do I see in finance? Obviously, finance is the business department. I think we want to be more integrated with the business, the key thing there, we want to be very transparent. I think you'll find the new management team will be a little more conservative. Going forward. We're looking at things in a more pragmatic manner. And as some of you have seen, we look at that balance sheet and clean up. We look at what we have in the balance sheet, what's our opportunities for those values in those balance sheets. And making some of those hard decisions and taking those write-offs that we deem appropriate. **(01:48:14)**

**(01:48:16)** So, we talked about cyclical. It's a busy slide. So, what we're going to do is start over on this slide. So, this is the first quarter of 2003 to the third quarter of 2016. This chart represents our backlog, and this represents our orders. This bar chart. So this line represents our third quarter 2016 orders, which was approximately 350 million. So when you look at that, here's our peak. If you look at this timeframe, for a period of about eight quarters, we averaged more or less a billion dollars in orders. And if you recall the slide that David just put up, in the Middle East we had a big spike coming down and managing the cycle. Now, when you look at our order base, aside from this area right here, which is kind of an anomaly because we had order cancelations, this order level is comparable to this order level (because of inflation) in 2003 and inflation adjusted is about the same. So, when you talk about historic lows, discounting this area here, we're talking this level here. And the difference being on this level we had a backlog to survive here, whereas at this time our backlog levels are more or less adjusted. So, we're looking at, and we haven't seen anything like this for quite some time. So, we're seeing these cranes were put in service in the '08-'09 timeframe coming into this time frame, running out it's useful life, and eventually they have to be replaced. So, really it's all about weathering the downside of the cycle. Here we're aware of what we need to do, and have taken the necessary actions to ensure that we have adequate liquidity in break-even operations to weather this. We talk about the Manitowoc way, and we've instilled that in every aspect that we've did. And we talked about that...the different aspects there. So everything that we do in our organization has to fit into one of these buckets. If it doesn't fit in a bucket, not going to be good for the organization. So, margin expansion. We've talked about employee reductions. Approximately 22% by the end of the year. Everyone talked about relocating some plants. Lean organization within the facility. Next generation crane we talked about. Army contract, and Larry just talked about combining six cranes, seven cranes into 2 cranes. Great ideas for the future to enable us to continue our growth and be very competitive in the market place. **(01:50:55)**

**(01:50:56)** A lot of times we've talked about operating info. We're going to kind of move over and going to transition everyone into, what we'll call Adjusted EBITDA going forward. We're going to be looking at that a little more closely because of our debt structure and everything. So, if you look at the EBITDA generated, and this is our EBITDA percent as a percent of revenue. So, you can see on an adjusted basis, year to year, we're 370 basis points better in the first quarter, flat in the second quarter, and as adjusted better than the third quarter 2015. And if you recall, we had about 30 million in our adjustments of a loss of 30 million. So, adjusting for those, we would end up with that right in that

general vicinity in an EBITDA...adjusted EBITDA basis. So, we'll talk more about EBITDA, because this is going to have a direct impact on our liquidity. Obviously everyone knows we have a significant amount of inventory. And so one of the areas that we think we can generate cash out of that is an inventory reduction program. So, we believe coming into Q4 we're going to see a significant reduction in our inventory. And what we want to do is to continue to improve that over the next few years by improving our inventory returns by one each year. We typically target a half a turn a year, but because of where we are in the cycle, the volume of inventory, we've increased that as a target to one. And once we get into a better routine, we'll get to a half a turn. From a capital spending standpoint, we had 54 million, 45 million this year. 2017, about the only thing I'll say in 2017 is this will be drastically reduced. So, the target here will be about 25 to 30 million dollars, significantly below what we spent last year. And the majority of that is going to go into this facility here, associated with the restructuring. Our depreciation is \$46 million or so, so our investment ratio in essence pretty much one to one here. It'll be somewhat less than one to one going forward. **(01:53:07)**

**(01:53:10)** From a liquidity summary, this is pretty much straight out of our filings...our 10Q. On the right side of the screen, this is where we stand. We had cash and cash equivalence of about 43 million. Everybody knows our 12.75% notes. 260 million, that's the value on the balance sheet with the original value discount. Our ADL revolver, about 225 million. Of which we have available about 145 million. And if you recall on our conference call, I said we had about liquidity of 161 million. That's because of this 43, we have about 16 million in investments that offsets that, that was paid down in early October. It's just how we took a 30 day borrowing instead of a daily borrowing so we'd get a better rate on that. One of the other questions people ask if...you're looking at your ABL revolver and as far as availability goes, what is the impact you have on your ABL for inventory reduction. So, the comment I'll make on that is the assets that go into our ABL revolver and from an inventory point of view are domestic inventories. Does not include any of our foreign inventory. So anytime we take down inventory in France, Germany, Portugal, China, that's not going to impact availability. When we do take down inventory in the US, it's approximately 45 cents per dollar. So, if we take down 100 million in inventories in the US, it would impact the revolver about 45 million. So, just from a clarification standpoint, that's how that ends up. When we look at debt maturities, that's the big one. 20, 21. So we have a timeline here to cover that. As to paying down our high-priced debt, the first time we can really do that is probably 2019. March, April of 2019. Because doing that prior to 2019 is very penal for us. So we're not going to do that. And finally, if I go back in 2014, our revenue was just over 2 billion. 2016, 1.6 billion. 20% decline with the markets not improving. We had an adjusted operating income of .6, and this year we're saying -1 to -2%. But our five year target continues to be in the 1.8-2 billion timeframe. I think we're looking at this from a conservative point of view. We're not trying to hit a home run out of the park. And assume the market's going to be there. And our goal, with everyone on this management team is to get a 10% EBITA level at those goals. Normalized market expansion using the Manitowoc way, and getting our cash conversion and we utilize NOLs well so we don't have to pay tax penalties for the foreseeable future, in that regard. So that's just a quick overview of where we are financially.

**[END]**

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