



“Focused  
manufacturer of  
engineered lifting  
equipment”

# Manitex International, Inc.

Conference Call  
First Quarter 2014

May 8th, 2014





# Forward Looking Statements & Non GAAP Measures

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**Non-GAAP Measures:** Manitex International from time to time refers to various non-GAAP (generally accepted accounting principles) financial measures in this presentation. Manitex believes that this information is useful to understanding its operating results without the impact of special items. See Manitex’s First Quarter 2014 Earnings Release on the Investor Relations section of our website [www.manitexinternational.com](http://www.manitexinternational.com) for a description and/or reconciliation of these measures.



# Overview

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- Modest growth in Q1-2014 but favorable comparisons to Q1-2013:
  - Sales of \$62.6 million (5.1% increase)
  - Net income of \$1.9 million (unchanged from Q1-2013) after ConExpo expenses
  - EPS \$0.14 (after \$0.03 ConExpo impact)
  - EBITDA \$4.7 million (14.6% increase), 7.5% of sales
- Q1-2014 revenues impacted by slowing orders and lower backlog in Q4-2013 leading to lower levels of production in Q1.
- However, significant order intake towards end of Q1-2014 led to increase in backlog of ~30% to \$100 million, which will be basis for increased production rates for the balance of 2014.
- Expect significantly improved results for second quarter and remainder of 2014
  - Higher sales and return to more normalized gross margin, EBITDA and net income.
  - Q2-2014 expected to be in excess of \$70 million in revenues



# Commercial Overview

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- Slow start to the year but order demand picked up rapidly towards the end of the quarter and this has continued to date, particularly for truck mounted cranes.
  - Book to bill ratio of 136% in Q1-2014, compared to 62% for Q1-2013 and 70% for Q4-2013.
  - Still expect N. American market to move in consistent positive trend, (increase in backlog indicates improving confidence as did response and discussions at ConExpo). However, still relatively slow rate of growth and a long way from the peak of 2007-8.
  - Increasing activity in Mexico.
  - Expect to see energy developments pick up. As at April 25, N. America rig count YOY increase of 1.1% and 1.6% from Q4-2013
  - European markets gradually improving
- Product revenue profile remains consistent i.e. still focused on more specialized, higher tonnage units or industry specific product (e.g. energy). Truck cranes 40ton plus were more than double Q1-2013 shipments. Material handling equipment slower, container handling equipment steady in the quarter and expecting to grow further
- Announced 2<sup>nd</sup> 5 year US Navy contract for specialized material handling equipment. Initial value \$26m and up to \$38m with options. Deliveries commence 2015. (Not reflected in backlog)
- 3/31/14 Backlog of \$100 million (12/31/13, \$77.3 million):
  - Planning to increase production to improve lead times and balance with demand levels.
  - Broad based order book although boom trucks continue to be heavily represented.



# Key Figures - Quarterly

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USD thousands	Q1-2014	Q1-2013	Q4-2013
<b>Net sales</b>	\$62,576	\$59,566	\$65,431
% change in Q1-2014 to prior period		5.1%	(4.4%)
<b>Gross profit</b>	11,604	10,236	12,779
Gross margin %	18.5%	17.2%	19.5%
<b>Operating expenses</b>	7,993	6,979	7,759
<b>Net Income</b>	1,877	1,911	2,991
<b>Earnings Per Share</b>	\$0.14	\$0.16	\$0.22
<b>Ebitda</b>	4,722	4,121	6,225
Ebitda % of Sales	7.5%	6.9%	9.5%
<b>Working capital</b>	75,171	64,965	73,873
<b>Current ratio</b>	2.5	2.4	2.5
<b>Backlog</b>	100,023	107,792	77,281
% change in Q1-2014 to prior period		(7.2%)	29.4%



# Q1-2014 Operating Performance

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	<u>\$m</u>	<u>\$m</u>
Q1-2013 Net income		1.9
Gross profit impact of increased sales of \$3.0 million (2014 sales less 2013 sales at 2013 gross profit %).	0.5	
Impact from improved margin (2014 gross profit % - 2013 gross profit % multiplied by 2014 sales)	0.9	
Increase in gross profit	<hr/>	<hr/> 1.4
Decrease in R&D expense	0.1	
ConExpo expenses	(0.7)	
SG&A expense from acquired businesses	<u>(0.4)</u>	(1.0)
Interest		(0.2)
Increase in tax		<u>(0.2)</u>
Q1-2014 Net income		<u>\$ 1.9</u>



# Working Capital

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\$000	Q1-2014	Q4-2013
Working Capital	\$75,171	\$73,873
Days sales outstanding (DSO)	63	53
Days payable outstanding (DPO)	51	45
Inventory turns	2.7	2.9
Current ratio	2.5	2.5
Operating working capital	91,962	86,682
Operating working capital % of annualized LQS	36.7%	33.1%

- Working capital increase Q1-2014 v Q4-2013, of \$1.3m:
  - Trade & Other Receivables \$5.6m, Inventory \$2.2m, offset by reduced cash \$5m, and increased accounts payable \$2.5m, short term working capital borrowings \$0.4m and other current liabilities \$0.6m.
- Working capital ratios: DSO increase due to timing of sales during the quarter and a higher proportion of international sales



# Debt & Liquidity

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\$000	Q1-2014	Q4-2013
Total Cash	\$1,050	\$6,091
Total Debt	52,668	54,231
Total Equity	87,097	84,991
Net capitalization	138,715	133,131
Net debt / capitalization	37.2%	36.2%
Trailing 12 month EBITDA	\$22,084	\$21,483
Debt / EBITDA	x2.4	x2.5

- Debt repayments in the quarter of \$1.6 million
- N. American revolver facilities, based on available collateral at 3/31/14 was \$44.2m.
- N. American revolver availability at 3/31/14 of \$6.4m.

- Net capitalization is the sum of debt plus equity minus cash
- Net debt is total debt less cash





# Summary

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- Q1 performance improved from Q1-2013
- Solid ~30% increase in backlog to \$100 million is basis for increased levels of performance through 2014
  - Indicator of improved customer confidence
  - Expect Q2-2014 in excess of \$70 million in revenues
- Expect 2014 to be another year of profitable growth