

# CEO CFO

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## **Increased Market Share, The 2009 Acquisition Of Badger Equipment Company And Its Rough Terrain Crane That Has Taken Manitex International, Inc. Into A New But Related Market And The Load King Acquisition That Compliments Their Material Handling Products – Has Manitex Positioned For Future Growth**



**Industrial Goods  
Diversified Machinery  
(MNTX-NASDAQ)**

**Andrew M. Rooke  
President and COO**

### **BIO:**

Andrew M. Rooke, has served as President and Chief Operating Officer of Manitex International, Inc. since March 2007. He joined the Company in January 2007 as President and Chief Operating Officer of the Testing and Assembly segment. From 2002 through June 2006, he was the Chief Financial Officer and Vice President of Finance for GKN Sinter Metals, Inc., and prior to that he was Director and Controller of GKN Off-Highway and Auto Components Division. Mr. Rooke holds a Bachelor of Arts in economics from York University in the United Kingdom, is qualified as a Chartered Accountant and is a member of the Institute of Chartered Accountants in England and Wales.

### **Company Profile:**

Manitex International, Inc. is a leading provider of engineered lifting solutions including cranes, rough terrain forklifts, indoor electric forklifts and special mission oriented vehicles, including parts support. Our Manitex subsidiary manu-

factures and markets a comprehensive line of boom trucks and sign cranes through a national and international dealership network. Our boom trucks and crane products are primarily used in industrial projects, energy exploration and infrastructure development, including roads, bridges, and commercial construction. Our Crane and Machinery division is a Chicago based distributor of cranes including Terex truck and rough terrain cranes, Fuchs material handlers and our own Manitex product line. Crane and Machinery provides after market service in its local market as well as being a leading distributor of OEM crane parts, supplying parts to customers throughout the United States and internationally. Our Manitex Lifting subsidiary is a provider of material handling equipment including the Noble straight-mast rough terrain forklift product line, Lowry high capacity cushion tired forklift and Schaeff electric indoor forklifts as well as specialized carriers, heavy material handling transporters and steel mill equipment. Manitex Lifting's rough terrain forklifts are used in both commercial and military applications. In July 2009, we acquired through a stock purchase, Badger Equipment Company, a Winona, Minnesota-based manufacturer of specialized rough terrain cranes and material handling products. In December 2009, we acquired Load King Trailers, a manufacturer of specialized custom trailers and hauling systems typically used for transporting heavy equipment.

**Interview by: Lynn Fosse, Sr. Editor**

**CEOCFO:** Mr. Rooke, it has been about a year since we have spoken, would you

bring us up to date on Manitex International?

**Mr. Rooke:** 2009 was probably, for almost every business in the world, one of the most difficult years in over fifty years and certainly that applies to the construction industry and manufacturers such as ourselves. During the year, we managed our cost base and balance sheet in response to the changed market conditions while continuing to ensure essential development was resourced for the return of more normal conditions. So it has been a very challenging last eighteen months, however, we have come through it stronger, more versatile and a better company.

**CEOCFO:** What is different today in Manitex's focus?

**Mr. Rooke:** During 2009 we focused very much not only on our external activities, which was necessary to make sure that we made it through a very significant market decline, but we also focused on improving and developing attributes that would make us stronger and successful. So we continued to launch new products and listen to our customers even more. We have successfully developed international markets, which we started to pursue some time ago, and have pushed those through to success. We acquired two new companies in July and December of 2009 as well, which added breadth to our product portfolio, as well as strength to our overall company in terms of the management and manufacturing capabilities.

**CEOCFO:** So it has been a busy time!

**Mr. Rooke:** Absolutely! Good fun, but very challenging.

**CEOCFO:** How have you changed what you offer, and what do the new acquisitions add to the mix?

**Mr. Rooke:** We listened very much to where our customers felt the construction market was going and what opportunities there were in various sectors. We launched our Manitex high reach 50155 crane and we targeted it to a specific sector; the power grid and electric distribution sector. In a time of significant economic turmoil, we considered it important to maintain investment in new products and sectors in order to continue to grow the company, so we added that sector of capabilities during 2009. Then there were the two acquisitions that we made in 2009. The first was Badger Equipment Company, which we made in July of 2009, and that took us into a related but new sector, the rough terrain crane market. Badger has a great legacy, and is well respected in that sector and they had been doing some work to develop a new rough terrain crane. We saw that as a good opportunity for us to get into that market, complete the product development and make the launch with some of our expertise, so that is what we did. The new 30 ton cab down rough terrain crane was launched in October and was very well received. So Badger has been a nice acquisition for us and added some complimentary products. In addition, it allows us not only to drive the top-line, but also to look at some synergistic opportunities that include engineering, purchasing and manufacturing. We also added another product range with the acquisition of a specialist engineered trailer and hauling system manufacturing company called Load King, which is complimentary to our material handling products. We are very excited about the opportunity there. It brings a wealth of good management, great manufacturing capability and again some potential synergistic opportunities.

**CEOCFO:** Is most of the lifting equipment specialized by industry?

**Mr. Rooke:** There are specific attributes to various products within the crane range that makes it applicable to a certain

type of segment. So we are very focused on oil and energy for example and we have a couple of models that are designed for those particular segments through particular capabilities, whether it is a specific reach, boom configuration, or particular crane configuration that make it targeted to that area. If you think about the Manitex 50155 crane that I mentioned and the power distribution sector, the work that is required on the North American grid means that maintenance work requires both lifting capability at greater heights and being able to put workers up in the air efficiently to a greater height than historically required. So we have put together a product that will not only perform the lifting tasks required, but also can put somebody 209 feet in the air, with technical attributes

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**- Andrew M. Rooke**

that make it quicker, easier, and more cost-effective for somebody using our products to do that than some alternative products.

**CEOCFO:** Do you build to order, or do you need to maintain inventory?

**Mr. Rooke:** Essentially, particularly during 2009 it was really about build to order. We have seen for example our backlog decline from \$40 million down to \$22 million at the end of the year, whereas at the end of 2007, which was very much a boom time for the industry, it was \$45 million. The production visibility is therefore much reduced and we have had to become more nimble internally as well as manage our supply chain more efficiently in order to respond to customer needs and lead times. We believe that with the specific nature of many of our orders this is a more effective method

than maintaining inventory. It is also a more efficient use of cash, which has had everyone's attention recently.

**CEOCFO:** Would you tell us more about the international component for Manitex?

**Mr. Rooke:** We set out about two years ago to expand what has been a traditional North American centric business into more of a global business, targeted in markets where our product is accepted and recognized. Russia was our first venture that we started back in 2008, a market almost twice the size of the North American market. Of course, that market was very severely hit by the decline in the commodity and oil prices so although we are well placed with product designed, launched in the market and with distribution signed up, we don't have significant

numbers and won't have until the recovery gathers pace. In contrast however is the continuing strength of the Middle East. Through a continuous process of visits, training and development we have established ourselves with a very strong dealer in the UAE and Kingdom of Saudi Arabia, which has been a very encouraging experience for us and I think for them as well. We have been able to put some nice products into that market, in similar sectors such as in oil and gas and general construction,

through investing in design resources to ensure that our product meets their commercial requirements. Through these types of activity, we have been able to expand such that we are now truly an international business, with over 10% of our overall revenues from outside North America, and we anticipate that will continue to grow.

**CEOCFO:** What is the competitive landscape like?

**Mr. Rooke:** The overall industry has been challenged by the world economic situation, never the less, the majority or our competitors are doing very similar things to what we have. So they have cut back and balanced activity with the demand in the market place, but we continue to compete in a market that is dominated by some very large players and that hasn't really changed. What I would

say however, is that we have been able to succeed with our activities to increase our market share by more than 600 basis points in our Boom Truck Crane, such that we are one of the two leaders in this sector. That has been very encouraging for us, so I think we have been doing some of the right things and because we are a focused operator regarding our main core activity, we are perhaps not quite as distracted as other organizations have been by some of their other product lines.

**CEOCFO:** From a customer's perspective, why buy a Manitex product?

**Mr. Rooke:** We target specifically for the customer's requirements and being targeted in specific niches we believe we are more focused than some of our competitors and therefore more able to respond to these requirements. In Boom Truck Cranes, we have led the innovation in the market, continually pushing to greater heights and greater lifting capacity on commercially available chassis and essentially that brings our customers better return on investment and cash flow at the end of the day. So there is a significant financial advantage to buy our product. The other products in our portfolio have similar concepts, such as the military

material handling product that we have been very successful with in 2009 and the first part of 2010. This has some unique capabilities that the military and international organizations across the world have been very enthusiastic about, and this is reflected in the number of orders that we currently have. So I think the common theme in our products is that they are highly customer oriented, and in many cases specifically tailored to the customers requirement. In addition, we are able to provide the support and the quality product that they want at the end of the day, so that they are successful and profitable by using our products.

**CEOCFO:** Are you still looking at acquisitions?

**Mr. Rooke:** Yes, we are. Our growth strategy remains the same essentially and that is to grow organically and through acquisitions. We were fortunate to pick-up two nice acquisitions in 2009. We intend to continue to grow through acquisitions of appropriate products and appropriate businesses that fit into our strategic direction.

**CEOCFO:** So you are taking advantage of the opportunity!

**Mr. Rooke:** Yes and as those opportunities arrive then we will take them. We are clear in terms of our acquisition objectives because of what we require from them financially and what they need to do for the overall strategy.

**CEOCFO:** In closing, why should potential investors pay attention to Manitex International?

**Mr. Rooke:** Manitex has come through the very challenging period of 2009. During that time we have managed the business to not only respond to these challenges but to prepare for the market return that we know will come. Through this, we have increased our portfolio of products and addressable markets so that we were a stronger company at the end of 2009 than we were coming into 2009. So we are poised I think for the recovery of the North America market and with the work that we have done in international markets we will benefit from that growth and from increased product penetration as we go forward. Hence, there is a good opportunity for Manitex growth as we go forward.



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