UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _______ to

Commission File Number: 001-32401

MANITEX INTERNATIONAL, INC.
(Exact Name of Registrant as Specified in Its Charter)

Michigan	**42-1628978**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification Number)**
9725 Industrial Drive, Bridgeview, Illinois	**60455**
(Address of Principal Executive Offices)	**(Zip Code)**

(708) 430-7500
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	MNTX	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the registrant's common stock, no par, outstanding at October 31, 2024 was 20,397,358

MANITEX INTERNATIONAL, INC. AND SUBSIDIARIES

GENERAL

This Quarterly Report on Form 10-Q filed by Manitex International, Inc. speaks as of September 30, 2024 unless specifically noted otherwise. Unless otherwise indicated, Manitex International, Inc., together with its consolidated subsidiaries, is hereinafter referred to as “Manitex,” the “Registrant,” “us,” “we,” “our” or the “Company.”

Manitex entered into a definitive agreement (the “Merger Agreement”) on September 12, 2024 to be acquired by Tadano Ltd. in an all-cash transaction at an equity value of $122 million and total transaction value of $223 million, including outstanding debt (the “Merger”). Under the terms of the transaction, Manitex shareholders will receive $5.80 per share in cash. Upon completion of the transaction, Manitex’s shares will no longer trade on NASDAQ or any other public market.

The transaction was unanimously approved by Manitex’s Board of Directors and is expected to close early in the first quarter of 2025, subject to approval by Manitex shareholders, receipt of regulatory approvals and other customary closing conditions.

Forward-Looking Information

Certain information in this Quarterly Report includes forward-looking statements (within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995). These statements relate to, among other things, the Company’s expectations, beliefs, intentions, future strategies, future events or future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. In addition, when included in this Quarterly Report or in documents incorporated herein by reference the words “may,” “expects,” “should,” “intends,” “anticipates,” “believes,” “plans,” “projects,” “estimates” and the negatives thereof and analogous or similar expressions are intended to identify forward-looking statements. However, the absence of these words does not mean that the statement is not forward-looking. We have based these forward-looking statements on current expectations and projections about future events. These statements are not guarantees of future performance. Such statements are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those reflected in such forward-looking statements. Such risks and uncertainties, many of which are beyond our control, include, without limitation, those described below and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, in the section entitled “Item 1A. Risk Factors”:

- the risk that the Merger may not be completed in a timely manner or at all, which may adversely affect the Company’s business and the price of its common stock;
- the failure to satisfy the conditions to the consummation of the Merger, including the approval of the Merger Agreement by the shareholders of the Company, and the receipt of certain governmental and regulatory approvals in a timely manner or at all or that such approvals may be subject to conditions that are not anticipated;
- the occurrence of any event, change or other circumstance that could give rise to the termination of the Merger Agreement;
- the risk that the Merger disrupts the Company’s current plans and operations and potential difficulties in the Company’s employee retention as a result of the Merger;
- the outcome of any legal proceedings that may be instituted against the Company related to the merger Agreement or the Merger;
- the risk that the Merger and its announcement could have an adverse effect on the ability of the Company to retain and hire key personnel and to maintain relationships with customers, vendors, employees, shareholders and other business partners and on its operating results and business generally;
- risks related to disruption of management attention from ongoing business operations due to the Merger;
- the risk that the Company’s business and/or Tadano’s business will be adversely impacted during the pendency of the acquisition;
- risks related to financial community and rating agency perceptions of the Company or Tadano or their respective businesses, operations, financial condition and the industry in which they operate;

- risks related to the potential impact of general economic, political and market factors on the Company, Tadano or the Merger;
- a future substantial deterioration in economic conditions, especially in the United States and Europe;
- the reliance of our customers on government spending, fluctuations in activity levels in the construction industry;
- our level of indebtedness and our ability to meet financial covenants required by our debt agreements;
- our ability to negotiate extensions of our credit agreements and to obtain additional debt or equity financing when needed;
- any failure on our part to maintain an effective system of internal controls;
- the cyclical nature of the markets we operate in;
- a substantial portion of our revenues are attributed to a limited number of customers which may decrease or cease purchasing at any time;
- an increase in interest rates;
- our increasingly international operations expose us to additional risks and challenges associated with conducting business internationally, including currency exchange risks;
- difficulties in implementing new systems, integrating acquired businesses, managing anticipated growth, and responding to technological change;
- the availability of the third-party financing that some of our customers rely on to purchase our products;
- our operations are in a highly competitive industry and subject to the risks of such competition;
- our dependency upon third-party suppliers makes us vulnerable to supply shortages;
- price increases in materials could reduce our profitability;
- our rental fleet ages causing significant impact to profitability;
- our ability to collect rental revenue;
- our rental fleet is subject to residual value risk;
- increased product liability claims and other liabilities due to the nature of our business;
- our success depends upon the continued protections of its trademarks and we may be forced to incur substantial costs to maintain, defend, protect and enforce our intellectual property rights;
- volatility relating to our stock price;
- our ability to access the capital markets to raise funds and provide liquidity;
- the willingness of our shareholders and directors to approve mergers, acquisitions, and other business transactions;
- compliance with changing laws and regulations;
- a disruption or breach in our information technology systems;
- the significant percentage of our common stock is held by principal shareholders, executive officers and directors;
- our reliance on the management and leadership skills of our senior executives;
- impairment in the carrying value of goodwill and/or other intangible assets could negatively affect our operating results;
- provisions of the Michigan Business Corporation Act and the Company's Articles of Incorporation, may discourage or prevent a change in control of the Company; and
- other factors.

The risks described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and in this Quarterly Report on Form 10-Q are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or operating results. If any of these risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from what we projected. We do not undertake, and expressly disclaim, any obligation to update this forward-looking information, except as required under applicable law.

MANITEX INTERNATIONAL, INC.

FORM 10-Q INDEX

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PART 1—FINANCIAL INFORMATION

Item 1—Financial Statements

MANITEX INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)
(Unaudited)

	September 30, 2024	December 31, 2023
ASSETS		
Current assets		
Cash	$ 4,246	$ 9,269
Cash – restricted	215	212
Trade receivables (net)	47,275	49,118
Other receivables	1,394	553
Inventory (net)	84,180	82,337
Prepaid expenses and other current assets	3,725	4,084
Total current assets	141,035	145,573
Total fixed assets net of accumulated depreciation of $35,000 and $29,751 at September 30, 2024 and December 31, 2023, respectively	51,696	49,560
Operating lease assets	7,344	7,416
Intangible assets (net)	9,897	12,225
Goodwill	37,551	37,354
Deferred tax assets	3,358	3,603
Total assets	$ 250,881	$ 255,731
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	$ 44,012	$ 47,644
Accrued expenses	13,935	14,503
Related party payables	-	27
Revolving term credit facilities	1,820	2,185
Notes payable (net)	21,087	23,343
Current portion of finance lease obligations	670	605
Current portion of operating lease obligations	2,166	2,100
Customer deposits	2,155	2,384
Total current liabilities	85,845	92,791
Long-term liabilities		
Revolving term credit facilities (net)	48,625	49,781
Notes payable (net)	13,727	16,249
Finance lease obligations (net of current portion)	2,272	2,777
Operating lease obligations (net of current portion)	5,177	5,315
Deferred tax liability	5,505	4,145
Other long-term liabilities	3,473	4,989
Total long-term liabilities	78,779	83,256
Total liabilities	164,624	176,047
Commitments and contingencies		
Equity		
Preferred stock—Authorized 150,000 shares, no shares issued or outstanding at September 30, 2024 and December 31, 2023	-	-
Common stock—no par value 25,000,000 shares authorized, 20,397,358 and 20,258,194 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively	135,274	134,328
Additional paid in capital	5,670	5,440
Retained deficit	(61,782)	(65,982)
Accumulated other comprehensive loss	(3,675)	(4,169)
Equity attributable to shareholders of Manitex International, Inc.	75,487	69,617
Equity attributed to noncontrolling interest	10,770	10,067
Total equity	86,257	79,684
Total liabilities and equity	$ 250,881	$ 255,731

The accompanying notes are an integral part of these financial statements

MANITEX INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except for share and per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net revenues	$ 66,544	$ 71,331	$ 216,122	$ 212,736
Cost of sales	50,519	54,746	166,053	166,806
Gross profit	16,025	16,585	50,069	45,930
Operating expenses				
Research and development costs	711	861	2,494	2,512
Selling, general and administrative expenses	9,894	10,545	32,138	32,342
Transaction costs	985	-	985	-
Total operating expenses	11,590	11,406	35,617	34,854
Operating income	4,435	5,179	14,452	11,076
Other income (expense)				
Interest expense, net	(2,082)	(1,856)	(5,715)	(5,517)
Foreign currency transaction loss	(761)	(883)	(1,590)	(1,656)
Other income (expense)	35	196	52	(541)
Total other expense	(2,808)	(2,543)	(7,253)	(7,714)
Income before income taxes	1,627	2,636	7,199	3,362
Income tax expense	874	742	2,296	962
Net income	753	1,894	4,903	2,400
Net income attributable to noncontrolling interest	326	194	703	243
Net income attributable to shareholders of Manitex International, Inc.	$ 427	$ 1,700	$ 4,200	$ 2,157
Income per share				
Basic	$ 0.02	$ 0.08	$ 0.21	$ 0.11
Diluted	$ 0.02	$ 0.08	$ 0.21	$ 0.11
Weighted average common shares outstanding				
Basic	20,397,358	20,252,114	20,350,315	20,193,696
Diluted	20,397,358	20,254,830	20,384,585	20,196,255

The accompanying notes are an integral part of these financial statements

MANITEX INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
Net income	$ 753	$ 1,894	$ 4,903	$ 2,400
Other comprehensive income				
Foreign currency translation gain (loss)	2,011	(1,134)	(494)	(439)
Total comprehensive income	2,764	760	4,409	1,961
Comprehensive income attributable to noncontrolling interest	326	194	703	243
Total comprehensive income attributable to shareholders of Manitex International, Inc.	$ 2,438	$ 566	$ 3,706	$ 1,718

The accompanying notes are an integral part of these financial statements

MANITEX INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands, except share amounts)
(Unaudited)

	Outstanding shares	Common Stock	APIC	Retained Deficit	AOCI Gain (Loss)	Noncontrolling Interests	Total
Balance at December 31, 2023	20,258,194	$ 134,328	$ 5,440	$ (65,982)	$ (4,169)	$ 10,067	$ 79,684
Net income	—	—	—	2,283	—	148	2,431
Loss on foreign currency translation	—	—	—	—	(1,200)	—	(1,200)
Employee incentive plan issuance	66,700	428	(428)	—	—	—	—
Repurchase to satisfy withholding and cancelled shares	(8,841)	(56)	—	—	—	—	(56)
Share-based compensation	—	—	633	—	—	—	633
Balance at March 31, 2024	20,316,053	$ 134,700	$ 5,645	$ (63,699)	$ (5,369)	$ 10,215	$ 81,492
Net income	—	—	—	1,490	—	229	1,719
Loss on foreign currency translation	—	—	—	—	(317)	—	(317)
Employee incentive plan issuance	78,310	551	(551)	—	—	—	—
Repurchase to satisfy withholding cancelled shares	(4,064)	(25)	—	—	—	—	(25)
Share-based compensation	—	—	360	—	—	—	360
Balance at June 30, 2024	20,390,299	$ 135,226	$ 5,454	$ (62,209)	$ (5,686)	$ 10,444	$ 83,229
Net income	—	—	—	427	—	326	753
Gain on foreign currency translation	—	—	—	—	2,011	—	2,011
Employee incentive plan issuance	8,368	53	(53)	—	—	—	—
Repurchase to satisfy withholding and cancelled shares	(1,309)	(5)	—	—	—	—	(5)
Share-based compensation	—	—	269	—	—	—	269
Balance at September 30, 2024	20,397,358	$ 135,274	$ 5,670	$ (61,782)	$ (3,675)	$ 10,770	$ 86,257
Balance at December 31, 2022	20,107,014	$ 133,289	$ 4,266	$ (73,338)	$ (5,822)	$ 9,566	$ 67,961
Net income (loss)	-	-	-	53	-	(79)	(26)
Gain on foreign currency translation	-	-	-	-	673	-	673
Employee incentive plan issuance	62,402	410	(410)	-	-	-	-
Repurchase to satisfy withholding and cancelled shares	(7,605)	(40)	-	-	-	-	(40)
Share-based compensation	-	-	766	-	-	-	766
Balance at March 31, 2023	20,161,811	$ 133,659	$ 4,622	$ (73,285)	$ (5,149)	$ 9,487	$ 69,334
Net income	-	-	-	404	-	128	532
Gain on foreign currency translation	-	-	-	-	22	-	22
Employee incentive plan issuance	83,820	589	(589)	-	-	-	-
Repurchase to satisfy withholding and cancelled shares	(1,875)	(9)	-	-	-	-	(9)
Share-based compensation	-	-	588	-	-	-	588
Balance at June 30, 2023	20,243,756	$ 134,239	$ 4,621	$ (72,882)	$ (5,127)	$ 9,615	$ 70,466
Net income	—	—	—	1,700	—	194	1,894
Loss on foreign currency translation		—	—	—	(1,134)	—	(1,134)
Employee incentive plan issuance	10,085	64	(64)	—	—	—	-
Repurchase to satisfy withholding and cancelled shares	(1,727)	(9)	—	—	—	—	(9)
Share-based compensation		—	457	—	—	—	457
Balance at September 30, 2023	20,252,114	$ 134,294	$ 5,014	$ (71,182)	$ (6,261)	$ 9,809	$ 71,674

The accompanying notes are an integral part of these financial statements

MANITEX INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Cash flows from operating activities:		
Net income	$ 4,903	$ 2,400
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	8,213	8,658
Changes in allowances for credit losses	31	79
Changes in inventory reserves	321	(207)
Deferred income taxes	1,593	(493)
Amortization of deferred debt issuance costs	17	34
Amortization of debt discount	39	57
Loss on forward currency contract	-	321
Loss (gain) on sale of assets	(548)	15
Share-based compensation	1,262	1,811
Adjustment to deferred gain on sales and lease back	(60)	(60)
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	2,128	(3,350)
(Increase) decrease in other receivables	(807)	688
(Increase) decrease in inventory	(1,561)	(15,718)
(Increase) decrease in prepaid expenses and other assets	403	813
Increase (decrease) in accounts payables and related party payables	(4,343)	5,284
Increase (decrease) in accrued expenses	(566)	1,513
Increase (decrease) increase in other current liabilities	(255)	(1,192)
Increase (decrease) in other long-term liabilities	(1,583)	(481)
Net cash provided by operating activities	9,187	172
Cash flows from investing activities:		
Purchase of property and equipment	(8,238)	(4,637)
Investment in intangible assets	-	(62)
Proceeds from sale of assets	989	422
Net cash used in investing activities	(7,249)	(4,277)
Cash flows from financing activities:		
Net borrowings (payments) on revolving credit facilities	(1,533)	6,744
Net payments on working capital facilities	(1,621)	(2,859)
Note payments	(3,453)	(2,384)
Shares repurchased for income tax withholding on share-based compensation	(86)	(58)
Payments on finance lease obligations	(439)	(371)
Net cash provided by (used in) provided by financing activities	(7,132)	1,072
Net decrease in cash and cash equivalents	(5,194)	(3,033)
Effect of exchange rate changes on cash	174	(281)
Cash, cash equivalents and restricted cash at the beginning of the year	9,481	8,190
Cash, cash equivalents and restricted cash at end of period	$ 4,461	$ 4,876

(See Note 1 for Supplemental cash flow disclosures)

The accompanying notes are an integral part of these financial statements

MANITEX INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except share and per share data)

1. Nature of Operations and Basis of Presentation

The unaudited Condensed Consolidated Balance Sheets at September 30, 2024 and December 31, 2023 and the related Condensed Consolidated Statements of Operations, Condensed Consolidated Statements of Comprehensive Income, Condensed Consolidated Statements of Shareholders' Equity and Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2024 and 2023 have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission, and reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the financial condition, results of operations and cash flows of the Company for the interim periods. Interim results may not be indicative of results to be realized for the entire year. The condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto, together with management's discussion and analysis of financial condition and results of operations, contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023. The Condensed Consolidated Balance Sheet as of December 31, 2023 was derived from the Company's audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States ("GAAP").

The Company is a leading provider of engineered lifting solutions and equipment rentals. The Company designs, manufactures and distributes a diverse group of products that serve different functions and are used in a variety of industries. Following the completion of the Rabern acquisition the Company reports in two business segments and has four operating segments, under which there are five reporting units.

Merger Agreement with Tadano

On September 12, 2024, Manitex entered into an Agreement and Plan of Merger (the "Merger Agreement") with Tadano Ltd. ("Tadano") and Lift SPC Inc., a wholly owned subsidiary of Tadano ("Merger Sub"). On the terms and subject to the conditions of the Merger Agreement, Merger Sub will merge with and into the Company (the "Merger"), with the Company continuing as the surviving corporation and a wholly owned subsidiary of Tadano. The Merger is an all-cash transaction at an equity value of $122 million and total transaction value of $223 million, including outstanding debt. Under the terms of the transaction, Manitex shareholders will receive $5.80 per share in cash. Upon completion of the transaction, Manitex's shares will no longer trade on NASDAQ or any other public market.

The Merger Agreement contains customary representations, warranties and covenants of the Company, Tadano and Merger Sub. From the date of the Merger Agreement until the earlier of the effective time or termination of the Merger Agreement in accordance with its terms, the Company is required to, and to cause each of its subsidiaries to, conduct its business in all material respects in the ordinary course of business and to use commercially reasonable efforts to preserve substantially intact its current business organization and maintain relationships with its significant customers, suppliers and other persons with which it has significant business relations. Additionally, the Company may not, and shall cause its subsidiaries not to, take certain actions without Tadano's consent, subject to certain exceptions.

The respective obligations of the Company, Tadano and Merger Sub to consummate the Merger are subject to the satisfaction or waiver of certain customary conditions, including the approval of the Merger Agreement by our shareholders, receipt of certain regulatory approvals, the absence of any legal prohibitions against the Merger by a governmental authority of competent jurisdiction and the accuracy of the representations and warranties of the parties set forth in the Merger Agreement, subject in most cases to "material adverse effect" qualifications. Additionally, each of the parties shall have performed in all material respects all obligations required to be performed by such party.

The Company may be required to pay Tadano a termination payment of $4.9 million in the event the Merger Agreement is terminated and the Merger abandoned if the Board changes its recommendation that the Company's shareholders vote to approve the Merger Agreement, shareholders do not approve the Merger Agreement or other violations of the Merger Agreement occur.

Lifting Equipment Segment

Manitex markets a comprehensive line of boom trucks, truck cranes, aerial platforms and electrical industrial cranes. Manitex's boom trucks and crane products are primarily used for industrial projects, energy exploration, energy distribution and infrastructure development, including roads, bridges and commercial construction and the tree care industry.

PM and Oil & Steel S.p.A. ("PM" or "PM Group") is a leading Italian manufacturer of truck mounted hydraulic knuckle boom cranes with a 65-year history of technology and innovation, and a product range spanning more than 50 models. PM has an innovative line of 1.5 to 210 ton hydraulic articulated cranes serving the power generation, transmission and distribution industry, tree care and landscaping industry and mining and mineral industries. PM is also a manufacturer of truck-mounted and self-propelled aerial platforms with a diverse product line and an international client base. Truck mounted aerial work platforms are widely used in several diverse applications. High reach aerial work platforms are used in highway signage maintenance and construction, parking lot lighting applications, as well as telecommunication maintenance and upgrades. Medium reach aerial work platforms cover most retail shopping and commercial advertising. Larger capacity aerial work platforms are used as support vehicles to service and maintain equipment in mining applications. Cranes and aerial platforms are configured for tree management and removal, both manned and remote applications. Through its consolidated subsidiaries, PM Group has locations in Modena, Italy; Valencia, Spain; Arad, Romania; Chassieu, France; Buenos Aires, Argentina; Santiago, Chile; Singapore and Querétaro, Mexico. PM cranes are also distributed by the Company's subsidiary, Manitex Inc, in Georgetown, Texas.

The Company’s subsidiary, Manitex Valla S.r.L. (“Valla”) produces a full range of precision pick and carry industrial cranes using electric, diesel, and hybrid power options. Its cranes offer wheeled or tracked, and fixed or swing boom configurations, with special applications designed specifically to meet the needs of its customers. The cranes have a lifting capacity of 2 to 25 metric tons and serve the industrial manufacturing, general construction and maintenance, signs and lifting industries. These products are sold internationally through dealers and into the rental distribution channel.

Rental Equipment Segment

On April 11, 2022, the Company entered into a Membership Interest Purchase Agreement (the “Agreement”) with Rabern Rentals, LLC (“Rabern”) and Steven Berner, as owner of 100% of Rabern’s outstanding membership interests. Pursuant to the Agreement, the Company acquired a 70% membership interest in Rabern from Steven Berner for a purchase price of approximately $26 million in cash plus assumed debt of $14 million. Rabern is a construction rental equipment provider, headquartered in Amarillo, Texas, primarily servicing business in the Texas panhandle.

The Company’s majority-owned subsidiary, Rabern, rents heavy duty and light duty commercial construction equipment, mainly to commercial contractors on a short-term rental basis. Rabern also rents equipment to homeowners for do-it-yourself projects. Rabern operates through commercial distribution and delivery stores (branches). Rabern has four branches: three located in the greater Amarillo, Texas market and one located in Lubbock, Texas.

Accounting Standards to be Implemented. In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standard Update (“ASU”) 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires additional segment reporting disclosures, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 requires that companies disclose, at the reportable segment level, the significant segment expenses regularly provided to the chief operating decision maker (“CODM”), as well as the amount and composition of other segment items. The ASU also requires companies to disclose the title and position of the CODM and how the CODM uses the reported measures of a segment’s profit or loss when assessing performance and deciding how to allocate resources. Additionally, the ASU mandates that all segment disclosures currently required annually by Topic 280, including the enhancements outlined in the ASU, be disclosed on an interim basis. The guidance is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. The Company is currently evaluating the impact of this guidance on its disclosures to consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires disclosure in the rate reconciliation table of additional categories of information about federal, state and foreign income taxes and provide more details about the reconciliation items in some categories if the items meet a quantitative threshold. The guidance also requires disclosure of income taxes paid, net of refunds, disaggregated by federal (national), state and foreign taxes for annual periods and to disaggregate the information by jurisdiction based on a quantitative threshold. The guidance is effective for annual periods beginning after December 15, 2024. The Company is currently evaluating the impact of this guidance on its disclosures.

Supplemental Cash Flow Information

Transactions for the periods ended September 30, 2024 and 2023 are as follows:

	Nine months ended September 30,	
	2024	2023
Interest received in cash	$ 165	$ 140
Interest paid in cash	5,884	5,667
Income tax payments (refund) in cash	2,547	(1)
Recognition of right-of-use asset and right-of-use liability	1,419	3,547
Fixed asset purchases in account payable	241	204
Reconciliation of cash, cash equivalents and restricted cash to consolidated balance sheets:		
Cash and cash equivalents	$ 4,246	$ 4,673
Restricted cash	215	203
Cash, cash equivalents and restricted cash at the end period	$ 4,461	$ 4,876

2. Significant Accounting Policies

The summary of the Company's significant accounting policies is presented to assist in understanding the Company's condensed consolidated financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all short-term securities purchased with maturity dates of three months or less to be cash equivalents. The cash in the Company's U.S. banks is not fully insured by the FDIC due to the statutory limit of $250.

Restricted Cash

Certain of the Company's lending arrangements require the Company to post collateral or maintain minimum cash balances in escrow. These cash amounts are reported as current assets on the balance sheets based on when the cash will be contractually released. Total restricted cash was $215 and $212 at September 30, 2024 and December 31, 2023, respectively.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are stated at the amounts the Company's customers are invoiced and do not bear interest. The Company has adopted a policy consistent with GAAP for the periodic review of its accounts receivable to determine whether the establishment of an allowance for credit losses is warranted based on the Company's assessment of the collectability of the accounts. The Company established an allowance for credit losses of $2,179 and $2,186 at September 30, 2024 and December 31, 2023, respectively. The Company also has, in some instances, a security interest in its accounts receivable until payment is received.

Property, Equipment and Depreciation

Property and equipment are stated at cost or the fair market value at the date of acquisition for property and equipment acquired in connection with the acquisition of a company. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the assets.

Accrued Warranties

Warranty costs are accrued at the time revenue is recognized and the expense is recorded in the Condensed Consolidated Statement of Operations in Cost of Sales. The Company's products are typically sold with a warranty covering defects that arise during a fixed period of time. The specific warranty offered is a function of customer expectations and competitive forces.

A liability for estimated warranty claims is accrued at the time of sale. Such liability is established using historical warranty claim experience. The current provision may be adjusted to take into account unusual or non-recurring events in the past or anticipated changes in future warranty claims. Adjustments to the initial warranty accrual are recorded if actual claim experience indicates that adjustments are necessary.

As of September 30, 2024 and December 31, 2023, accrued warranties were $2,017 and $2,038, respectively.

Advertising

Advertising costs are expensed as incurred and were $258 and $850 for the three and nine months ended September 30, 2024, respectively. Advertising costs were $271 and $890 for the three and nine months ended September 30, 2023, respectively.

Noncontrolling Interest

A noncontrolling interest is the equity interest of consolidated entities that is not owned by the Company. Noncontrolling interest is adjusted for the noncontrolling partners' share of earnings (losses) in accordance with the applicable agreement. Earnings allocated to such noncontrolling partners are recorded as income applicable to noncontrolling interest in the accompanying Condensed Consolidated Statements of Operations.

Share-based Compensation

The Company has elected to account for restricted stock awards with market conditions using a graded vesting method. This method recognizes the compensation cost in the Condensed Consolidated Statement of Operations over the requisite service period for each separately vesting tranche of awards.

3. Revenue Recognition

The Company attributes revenue to different geographic areas based on where items are shipped to or services are performed. The following table provides detail of revenues by geographic area for the three and nine months ended September 30, 2024 and 2023.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
United States	$ 29,139	$ 33,771	$ 104,048	$ 98,866
Italy	9,538	10,032	28,465	38,040
Canada	5,874	6,120	18,391	19,055
Chile	3,622	5,988	11,372	11,843
United Kingdom	2,845	2,836	9,239	6,089
Argentina	2,992	2,505	7,566	4,828
Other	12,534	10,079	37,041	34,015
Total Revenue	$ 66,544	$ 71,331	$ 216,122	$ 212,736

Total Company Revenues by Sources

The sources of the Company’s revenues are summarized below for the three and nine months ended September 30, 2024 and 2023.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Boom trucks, knuckle boom cranes	$ 40,857	$ 41,224	$ 137,393	$ 126,595
Rentals	8,277	6,739	21,246	18,810
Part sales	6,333	7,083	19,303	19,942
Aerial platforms	4,160	8,203	17,812	25,301
Merchandise sales and other	1,668	883	3,753	2,921
Services	824	893	2,169	2,824
Other equipment	4,425	6,306	14,446	16,343
Total Revenue	$ 66,544	$ 71,331	$ 216,122	$ 212,736

Customer Deposits

At times, the Company may require an upfront deposit related to its contracts. In instances where an upfront deposit has been received by the Company and the revenue recognition criteria have not yet been met, the Company records a contract liability in the form of a customer deposit, which is classified as a short-term liability on the Condensed Consolidated Balance Sheets. That customer deposit is revenue that is deferred until the revenue recognition criteria have been met, at which time, the customer deposit is recognized into revenue.

The following table summarizes changes in customer deposits for the nine months ended September 30, as follows:

	September 30, 2024	September 30, 2023
Customer deposits January 1,	$ 2,384	$ 3,407
Additional customer deposits received where revenue has not yet been recognized	10,927	6,325
Revenue recognized from customer deposits	(11,129)	(7,428)
Effect of change in exchange rates	(27)	(84)
Total customer deposits	$ 2,155	$ 2,220

4. Fair Value Measurements

As required by ASC 820-10, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Fair Value Measurements

ASC 820-10 classifies the inputs used to measure fair value into the following hierarchy:

Level 1 — Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 — Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability and

Level 3 — Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The company has no assets or liabilities classified as fair value measurements as of September 30, 2024 and as of December 31, 2023.

5. Derivative Financial Instruments

The Company's risk management objective is to use the most efficient and effective methods available to us to minimize, eliminate, reduce or transfer the risks which are associated with fluctuation of exchange rates between the Euro, Chilean peso and the U.S. dollar.

Forward Currency Contracts

The Company periodically enters into forward currency exchange contracts such that the exchange gains and losses on the assets and liabilities denominated in other than the reporting units' functional currency would be offset by the changes in the market value of the forward currency exchange contracts it holds. The forward currency exchange contracts that the Company has to offset existing assets and liabilities denominated in other than the reporting units' functional currency have been determined not to be considered a hedge under ASC 815-10. The Company records the forward currency exchange contracts, if applicable, at its market value with any associated gain or loss being recorded in current earnings. Both realized and unrealized gains and losses related to forward currency contracts are included in current earnings and are reflected in the Condensed Consolidated Statements of Operations in the other income (expense) section on the line titled foreign currency transaction loss. Items denominated in other than a reporting unit functional currency include certain intercompany receivables due from the Company's Italian subsidiaries and accounts receivable and accounts payable of the Company's Italian subsidiaries and their subsidiaries.

The following tables provide the effect of derivative instruments on the Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2024 and 2023:

Instruments	Location of gain recognized in Statements of Operations	Loss Three Months Ended September 30,		Loss Nine Months Ended September 30,	
		2024	2023	2024	2023
Forward currency contract	Foreign currency transaction loss	$ -	$ (104)	$ -	$ (266)

During the three and nine months ended September 30, 2024 and 2023, there were no forward currency contracts designated as cash flow hedges. As such, all gains and losses related to forward currency contracts during the three and nine months ended September 30, 2024 and 2023 were recorded in current earnings and did not impact other comprehensive income.

6. Inventory, net

The components of inventory are as follows:

	September 30, 2024	December 31, 2023
Raw materials and purchased parts, net	$ 52,620	$ 57,185
Work in process	8,040	7,014
Finished goods, net	23,520	18,138
Inventory, net	$ 84,180	$ 82,337

The Company has established reserves for obsolete and excess inventory of $7,101 and $7,721 as of September 30, 2024 and December 31, 2023, respectively.

7. Goodwill and Other Intangible Assets

Intangible assets were comprised of the following as of September 30, 2024:

	Weighted Average Amortization Period (in years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Patented and unpatented technology	1	$ 17,724	$ (16,769)	$ 955
Customer relationships	6	22,467	(17,898)	4,569
Trade names and trademarks	13	5,468	(3,192)	2,276
Software	3	237	(140)	97
Indefinite lived trade names	n/a	2,000	—	2,000
Total intangible assets, net				$ 9,897

Intangible assets and accumulated amortization by category as of December 31, 2023 is as follows:

	Weighted Average Amortization Period (in years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Patented and unpatented technology	1	$ 17,578	$ (15,829)	$ 1,749
Customer relationships	8	22,338	(16,414)	5,924
Trade names and trademarks	14	5,469	(3,025)	2,444
Software	4	237	(104)	133
Indefinite lived trade names	n/a	1,975	—	1,975
Total intangible assets, net				$ 12,225

Amortization expense for intangible assets was $803 and $2,383 for the three and nine months ended September 30, 2024, respectively. Amortization expense for intangible assets was $793 and $2,349 for the three and nine months ended September 30, 2023, respectively.

Estimated amortization expense for the three months ending December 31, 2024 and twelve months for the next four years and subsequent years is as follows:

		Amount
2024	$	587
2025		1,754
2026		705
2027		521
2028		521
And subsequent		3,809
Total intangible assets currently to be amortized		7,897
Intangible assets with indefinite lives not amortized		2,000
Total intangible assets	$	9,897

Changes in goodwill for the nine months ended September 30, 2024 and 2023 are as follows:

		2024		2023
Balance January 1,	$	37,354	$	36,916
Goodwill for Rabern acquisition		-		(80)
Effect of change in exchange rates		197		239
Balance September 30,	$	37,551	$	37,075

The Company performed an impairment assessment as of December 31, 2023. No triggering events have been identified during the quarter ended September 30, 2024.

8. Property, Plant and Equipment

Property, plant and equipment consists of the following at September 30, 2024 and December 31, 2023, respectively:

	2024	2023
Rental fleet	$ 47,683	$ 42,380
Machinery and equipment	12,836	11,692
Buildings	8,690	8,602
Finance lease - building	4,606	4,606
Land	3,527	3,484
Leasehold improvements	2,559	2,211
Construction in progress	80	108
Motor vehicles	1,908	1,801
Computer equipment	1,304	1,489
Furniture and fixtures	3,503	2,938
Totals	86,696	79,311
Less: accumulated depreciation	(31,624)	(26,721)
Less: accumulated depreciation - finance lease	(3,376)	(3,030)
Net property and equipment	$ 51,696	$ 49,560

Depreciation expense for the three and nine months ended September 30, 2024 and was $1,965 and $5,830 respectively. Depreciation expense for the three and nine months ended September 30, 2023 as $1,942 and $6,309, respectively.

9. Accrued Expenses

Accrued expenses consist of the following at September 30, 2024 and December 31, 2023, respectively:

	September 30, 2024	December 31, 2023
Accrued payroll and benefits	5,273	$ 5,526
Accrued warranty	2,017	2,038
Accrued vacation	1,992	1,961
Accrued income tax and other taxes	1,537	2,505
Accrued legal settlement	580	870
Accrued expenses-other	2,536	1,603
Total accrued expenses	$ 13,935	$ 14,503

10. Accrued Warranty

The following table summarizes the changes in product warranty liability:

	For the nine months ended September 30,	
	2024	2023
Balance January 1,	$ 2,038	$ 1,916
Provision for warranties issued during the year	2,262	1,573
Warranty services provided	(2,289)	(1,590)
Foreign currency translation	6	(9)
Balance September 30,	$ 2,017	$ 1,890

11. Credit Facilities and Debt

Debt is summarized as follows:

	September 30, 2024	December 31, 2023
U.S. Credit Facilities	$ 50,445	$ 51,990
U.S. Term Loan	11,182	12,824
Italy Group Short-Term Working Capital Borrowings	16,519	17,854
Italy Group Term Loan	7,157	7,992
Other	-	961
Total debt	85,302	91,621
Less: Debt issuance costs	(43)	(63)
Debt, net of issuance costs	$ 85,259	$ 91,558

U.S. Credit Facilities and Term Loan

On April 11, 2022, the Company entered into a Commercial Credit Agreement (the “Credit Agreement”), by and among the Company, the Company’s domestic subsidiaries and Amarillo National Bank. The Credit Agreement provides for a $40,000 revolving credit facility, a $30,000 revolving credit facility and a $15,000 term loan.

Borrowings under the $40,000 revolving credit facility bear interest at a floating rate equal to the Prime Rate as of June 9, 2023. Previously, the rate was Prime plus 0.50%. The $40,000 revolving credit facility requires monthly interest payments with the full principal balance coming due at maturity. The original maturity date for the facility was on April 11, 2024. On January 25, 2023, the maturity date was extended to April 11, 2025. On June 3, 2024, the lender agreed to extend the maturity date to April 11, 2026, with a rolling two-year maturity extension provided there is no event of default. The rolling two-year maturity extension repeats on April 11 each year following 2026 unless the lender provides 120 days’ written notice of non-extension.

Borrowings under the $30,000 revolving credit facility bear interest at a floating rate equal to the Prime Rate as of June 9, 2023. Previously, the rate was Prime plus 0.50%. The $30,000 facility requires quarterly principal payments in the amount of 3% of the outstanding balance (beginning January 1, 2023) in addition to quarterly interest payments. The facility originally provided for maturity on April 11, 2024. On January 25, 2023, the maturity date was extended to April 11, 2025. On June 3, 2024, the lender agreed to extend the maturity date to April 11, 2026, with a rolling two-year maturity extension provided there is no event of default. The rolling two-year maturity extension repeats on April 11 each year following 2026 unless the lender provides 120 days’ written notice of non-extension.

Note Payable Long Term

The term loan requires monthly interest payments at a floating rate equal to the Prime Rate. Monthly installments of principal and interest based on an 84-month amortization are payable beginning on November 11, 2022 with the remaining principal balance coming due at maturity on October 11, 2029.

The unused balance of the revolving credit facilities incurs a 0.125% fee that is payable semi-annually. At September 30, 2024 and December 31, 2023, the Company had $50,445 and $51,990 in borrowings under the revolving credit facilities and $11,182 and $12,824 in borrowings under the term loan.

The Credit Agreement requires the Company to maintain a debt service coverage ratio of at least 1.25:1.00 measured on the last day of each calendar quarter, beginning June 30, 2022, and each measurement is based on a rolling 12-month basis. The Credit Agreement also requires the Company to maintain a U.S. net worth of at least $80,000, measured as of the last day of each calendar quarter beginning June 30, 2022. The Company was in compliance with its covenants under the Credit Agreement as of September 30, 2024.

PM Group Short-Term Working Capital Borrowings

At September 30, 2024 and December 31, 2023, PM Group had demand credit and overdraft facilities at PM Group and can borrow up to $25,130 and $25,882 for advances against invoices, letters of credit and bank overdrafts. As of September 30, 2024 and December 31, 2023, the interest on the Italian working capital facilities is charged at the 3-month Euribor plus a spread ranging from 175 to 355 basis points or 3-month Euribor plus 450 basis points.

At September 30, 2024 and December 31, 2023, PM Group's outstanding working capital borrowings are $16,445 and $17,678, respectively.

Valla Short-Term Working Capital Borrowings

At September 30, 2024 and December 31, 2023, respectively, Valla had demand credit and overdraft facilities. Under the facilities, Valla can borrow up to $399 for advances against orders, invoices and bank overdrafts. Interest on the Italian working capital facilities is charged at a flat percentage rate for advances on invoices and orders of 1.67% at September 30, 2024 and 1.67% - 12% at December 31, 2023. At September 30, 2024 and December 31, 2023, the banks had advanced Valla $74 and $176, respectively.

PM Group Term Loans

At September 30, 2024 and December 31, 2023, respectively, PM Group has a $4,196 and $4,673 term loan that requires fixed principal payments and a balloon payment. The loan is secured by PM Group's common stock. The interest rate for this term loan is a fixed rate of 3.5%, has annual principal payments of approximately $600 per year and a balloon payment of $2,944 due in 2026.

The PM group term loan contains an excess cash sweep provision such that if the net financial debt to EBITDA ratio for the year achieves a certain threshold, PM is required to make an additional cash payment to the lenders to be applied to the principal and interest. For the year ending December 31, 2023, the threshold was achieved and PM made a principal payment of approximately $900 in July 2024.

At September 30, 2024 and December 31, 2023, PM Group has unsecured borrowings totaling $2,860 and $3,197, respectively. The borrowings have a fixed rate of interest of 3.5%. Annual payments of approximately $1,500 are payable until the end of 2025.

As of September 30, 2024 and December 31, 2023, the PM Group has a loan in Romania in the amount of $98 and $122, respectively, with a fixed interest of 2.75% rate maturing in 2027.

12. Leases

The Company leases certain warehouses, office space, machinery, vehicles and equipment. Leases with an initial term of 12 months or shorter are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the applicable lease term.

The Company is not aware of any variable lease payments, residual value guarantees, covenants or restrictions imposed by the leases. Most leases include one or more options to renew, with renewal terms that can extend the lease term. The exercise of these lease renewal options is at the Company's sole discretion. The depreciable life of assets is limited by the expected lease term for finance leases.

If there was a discount rate explicit in the lease, then such discount rate was used. For those leases with no explicit or implicit interest rate, an incremental borrowing rate was used.

Leases	Classification	September 30, 2024	December 31, 2023
Assets			
Operating lease assets	Operating lease assets	$ 7,344	$ 7,416
Financing lease assets	Fixed assets, net	1,318	1,612
Total leased assets		$ 8,662	$ 9,028
Liabilities			
Current			
Operating	Current liabilities	$ 2,166	$ 2,100
Financing	Current liabilities	670	605
Non-current			
Operating	Non-current liabilities	5,177	5,315
Financing	Non-current liabilities	2,272	2,777
Total lease liabilities		$ 10,285	$ 10,797

Lease Cost	Classification	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Operating lease costs	Operating lease assets	$ 497	$ 597	$ 1,634	$ 1,703
Finance lease cost					
Amortization of leased assets	Amortization	98	91	296	273
Interest on lease liabilities	Interest expense	95	112	298	347
Lease cost		$ 690	$ 800	$ 2,228	$ 2,323

Other Information	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	$ 497	$ 597	$ 1,634	$ 1,703
Operating cash flows from finance leases	95	112	293	347
Financing cash flows from finance leases	151	127	439	371
Total Other	$ 743	$ 836	$ 2,366	$ 2,421

Future principal minimum lease payments for the period ending September 30, 2024 for the next five years and subsequent years are:

	Operating Leases	Finance Leases
2024	$ 625	$ 252
2025	2,213	996
2026	2,103	1,018
2027	1,177	1,049
2028	647	356
2029	525	-
And subsequent	1,477	-
Total undiscounted lease payments	8,767	3,671
Less interest	(1,424)	(729)
Total liabilities	7,343	2,942
Less current maturities	(2,166)	(670)
Non-current lease liabilities	$ 5,177	$ 2,272

In connection with our acquisition of Rabern, the Company became the lessee of four locations from HTS Management LLC ("HTS"), an entity controlled by Steven Berner, who is a key member of Rabern management. HTS operates as a holding company for property and as a single lessor leasing company for business use property for Rabern. HTS's ongoing activities preceding and succeeding the Rabern acquisition relate to financing, purchasing, leasing and holding property leased to Rabern.

13. Income Taxes

For the three months ended September 30, 2024, the Company recorded an income tax provision of $874, which includes a discrete income tax expense of $4. The calculation of the overall income tax provision for the three months ended September 30, 2024 consists of domestic and foreign income taxes. For the three months ended September 30, 2023, the Company recorded an income tax provision of $742, which includes a discrete income tax expense of $1. The calculation of the overall income tax provision for the three months ended September 30, 2023 primarily consists of U.S. federal income taxes for Rabern which is a separate taxpayer for U.S. federal tax purposes, foreign income taxes, and a discrete tax income tax benefit related to the expiration of the statute of limitations for a foreign jurisdiction offset by an accrual of interest related to unrecognized tax benefits.

The effective tax rate for the three months ended September 30, 2024 was an income tax provision of 53.7% on pretax income of $1,627 compared to an income tax provision of 28.1% on pretax income of $2,636 in the comparable prior period. The effective tax rate for the three months ended September 30, 2024 differs from the U.S. statutory rate of 21% primarily due to income taxed in domestic and foreign jurisdictions at varying tax rates, permanent differences including nondeductible expenses, foreign tax credits, a change to the deferred tax liability related to an investment in a subsidiary, and a partial valuation allowance in the U.S. and Italy as well as a valuation allowance in certain foreign jurisdictions.

For the nine months ended September 30, 2024, the Company recorded an income tax provision of $2,296, which includes a discrete income tax benefit of $415. The calculation of the overall income tax provision for the nine months ended September 30, 2024, primarily consists of domestic and foreign taxes offset by a discrete income tax benefit for a reduction in unrecognized tax benefits related to the expiration of the statutes of limitations in various state and foreign jurisdictions and the settlement of a foreign income tax audit. For the nine months ended September 30, 2023, the Company recorded an income tax provision of $962, which includes a discrete income tax benefit of $14. The calculation of the overall income tax provision for the nine months ended September 30, 2023 primarily consists of U.S. federal income taxes for Rabern which is a separate taxpayer for U.S. federal tax purposes, foreign income taxes, and a discrete income tax benefit related to the expiration of the statutes of limitations for various states and a foreign jurisdiction offset by an accrual of interest related to unrecognized tax benefits.

The effective tax rate for the nine months ended September 30, 2024 was an income tax provision of 31.9% on pretax income of $7,199 compared to an income tax provision of 28.6% on pretax income of $3,362 in the comparable prior period. The effective tax rate for the nine months ended September 30, 2024 differs from the U.S. statutory rate of 21% primarily due to income taxed in domestic and foreign jurisdictions at varying tax rates, permanent differences including nondeductible expenses, foreign tax credits, a change to the deferred tax liability related to an investment in a subsidiary, a partial valuation allowance in the U.S. and Italy as well as a valuation allowance in certain foreign jurisdictions, and a discrete income tax benefit for a reduction in unrecognized tax benefits related to the expiration of the statutes of limitations in various state and foreign jurisdictions, and the settlement of a foreign income tax audit.

The Company's total unrecognized tax benefits as of September 30, 2024 and September 30, 2023 were approximately $2.2 million and $2.8 million respectively.

14. Net Earnings per Common Share

Basic net earnings per share is computed by dividing net income by the weighted average number of common shares outstanding for the period. Details of the calculations are as follows:

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Net income	$ 753	$ 1,894	$ 4,903	$ 2,400
Net income attributable to noncontrolling interest	326	194	703	243
Net income attributable to shareholders of Manitex International, Inc.	$ 427	$ 1,700	$ 4,200	$ 2,157
Income per share				
Basic				
Net income	$ 0.04	0.09	$ 0.24	$ 0.12
Net income attributable to shareholders of Manitex International, Inc.	$ 0.02	0.08	$ 0.21	$ 0.11
Diluted				
Net income	$ 0.04	0.09	$ 0.24	$ 0.12
Net income attributable to shareholders of Manitex International, Inc.	$ 0.02	0.08	$ 0.21	$ 0.11
Weighted average common shares outstanding				
Basic	20,397,358	20,252,114	20,350,315	20,193,696
Diluted				
Basic	20,397,358	20,252,114	20,350,315	20,193,696
Dilutive effect of restricted stock units and stock options	—	2,716	34,270	2,559
Dilutive	20,397,358	20,254,830	20,384,585	20,196,255

The following securities were not included in the computation of diluted earnings per share as their effect would have been antidilutive:

	September 30,	
	2024	2023
Unvested restricted stock units	262,884	262,989
Options to purchase common stock	213,437	213,437
	476,321	476,426

15. Equity

Stock Issued to Employees and Directors

The Company issued shares of common stock to employees and Directors as restricted stock units issued under the Company's 2019 Incentive Plans vest. Upon issuance, entries were recorded to increase common stock and decrease paid in capital for the amounts shown below. The following is a summary of stock issuances that occurred during the nine months ended September 30, 2024.

Date of Issue	Employees or Director	Shares Issued	Value of Shares Issued
January 2, 2024	Director	14,000	$ 113,540
January 12, 2024	Employee	891	5,794
February 1, 2024	Employee	1,089	6,679
March 7, 2024	Director	15,000	77,250
March 7, 2024	Employee	19,800	101,970
March 8, 2024	Employee	15,920	123,062
April 1, 2024	Employee	7,110	36,617
April 2, 2024	Director	10,000	63,900
April 11, 2024	Employee	33,000	250,800
June 2, 2024	Director	15,000	106,050
June 2, 2024	Employee	13,200	93,323
July 1, 2024	Employee	8,368	53,472
		153,378	$ 1,032,457

Stock Repurchases

The Company purchases shares of Common Stock from certain employees at the closing share price on the date of purchase. The stock is purchased from the employees to satisfy employees' withholding tax obligations related to stock issuances described above. The below table summarizes shares repurchased from employees during the current year through September 30, 2024:

Date of Purchase	Shares Purchased	Closing Price on Date of Purchase
March 7, 2024	4,568	$ 6.47
March 8, 2024	4,273	$ 6.33
April 1, 2024	2,130	$ 6.51
June 2, 2024	1,934	$ 5.76
July 1, 2024	1,309	$ 4.04
	14,214	

Restricted Stock Awards

The following table contains information regarding restricted stock units through September 30, 2024:

	September 30, 2024
Outstanding on January 1, 2024	258,888
Units granted during the period	159,700
Vested and issued	(139,164)
Vested-issued and repurchased for income tax withholding	(14,214)
Forfeited	(2,326)
Outstanding on September 30, 2024	262,884

The value of the restricted stock is being charged to compensation expense over the vesting period. Compensation expense includes expense related to restricted stock units of $254 and $966 for the three and nine months ended September 30, 2024, respectively and $215 and $856 for the three and nine months ended September 30, 2023, respectively. Additional compensation expense related to restricted stock units will be $251, $652 and $281 or the remainder of 2024, 2025 and 2026, respectively.

Restricted Stock Award with Market Conditions

On May 3, 2022, in connection with J. Michael Coffey's appointment as the Company's Chief Executive Officer as of April 11, 2022, he was granted 490,000 restricted stock units that vest upon attainment of certain stock price hurdles of the Company's stock. The restricted stock units can only be received on an annual basis from the vesting start date. The fair value of the market conditions awards was $2.2 million calculated by using the Monte Carlo simulation based on the average of 20,000 simulation runs. The requisite service period used was three years, expected volatility was 60% and the risk-free rate of return was 2.95%. The value of the restricted stock units granted to Mr. Coffey is being charged to compensation expense over the requisite service period. Under ASC 718-10-35-2, compensation cost for the award of share-based compensation is recognized over the derived service periods (the time from the service inception date to the expected date of satisfaction) of either 12 or 24 months depending on the particular tranche based on the median number of days it takes for the award to vest in scenarios where they meet their threshold. Compensation expense related to restricted stock units was $25 and $256 for the three and nine months ended September 30, 2024, respectively. Compensation expense related to restricted stock units was $208 and $820 for the three and nine months ended September 30, 2023, respectively.

Restricted Stock Award with Market and Performance Conditions

On May 3, 2022, in connection with his appointment, Mr. Coffey was also granted 100,000 restricted stock units that vest upon a change in control in which the per share consideration for the Company's common stock exceeds $10.00. The fair value of the market and performance conditions award was $481, calculated by using the Black-Scholes Option Pricing Model. The requisite service period used for the calculation was three years, expected volatility was 60% and the risk-free rate of return was 2.95%. The fair value of stock-based compensation for market and performance conditions will be recognized in the Company's financial statements only if it is probable that the conditions will be satisfied.

Stock Options

On May 3, 2022, in connection with his appointment, Mr. Coffey was also granted 100,000 stock options with an exercise price of $7.60 per share. The options vest ratably on each of the first three anniversary dates of Mr. Coffey's appointment date, subject to his continued service with the Company on each vesting date. Compensation expense related to Mr. Coffey's stock options was $12 and $55 for the three and nine months ended September 30, 2024. Additional compensation expense related to Mr. Coffey's options will be $12and $13 for the remainder of 2024 and 2025, respectively.

On May 1, 2023, 16,000 stock options were granted to employees at $5.18 per share and vest ratably on each of the first three anniversary dates. Compensation expense related to these stock options was $4 and $12 for the three and nine months ended September 30, 2024. Additional compensation expense related to these stock options will be $4, $15 and $5 for the remainder of 2024, 2025, and 2026, respectively.

	Grant date 5/3/2022	Grant date 5/1/2023
Dividend yields	—	—
Expected volatility	55.0%	55.0%
Risk free interest rate	3.02%	3.63%
Expected life (in years)	6	6
Fair value of the option granted	$ 4.13	$ 2.87

16. Legal Proceedings and Other Contingencies

The Company is involved in various legal proceedings, including product liability, employment related issues, and workers' compensation matters that have arisen in the normal course of operations. The Company has product liability insurance with self-insurance retentions that range from $50 to $500.

When it is probable that a loss has been incurred and possible to make a reasonable estimate of the Company's liability with respect to such matters, a provision is recorded for the amount of such estimate within the range that is most likely to occur. Certain cases are at a preliminary stage, and it is not possible to estimate the amount or timing of any cost to the Company for these cases. However, the Company does not believe that these contingencies, in the aggregate, will have a material adverse effect on the Company.

The Company has been named as a defendant in several multi-defendant asbestos related product liability lawsuits. In certain cases the plaintiff has, to date, not been able to establish any exposure by the plaintiff to the Company's products. The Company is uninsured with respect to these claims but believes that it will not incur any material liability with respect to these claims.

On May 5, 2011, Company entered into two separate settlement agreements with two plaintiffs. As of September 30, 2024, the Company has a remaining obligation under these agreements to pay the plaintiffs $580 without interest in 7 annual installments of $95 on or before May 22 of each year. The Company has recorded a liability for the net present value of the liability. The difference between the net present value and the total payment will be charged to interest expense over the payment period.

It is reasonably possible that the estimated reserve for product liability claims may change within the next 12 months. A change in estimate could occur if a case is settled for more or less than anticipated, or if additional information becomes known to the Company.

17. Transactions between the Company and Related Parties

In the course of conducting its business, the Company has entered into certain related party transactions.

PM is a manufacturer of cranes. PM sold cranes, parts, and accessories to Tadano, a significant shareholder of the Company, during 2024.

Rabern rents heavy duty and light duty commercial construction equipment, mainly to commercial contractors on a short-term rental basis.

The Company became the lessee of four buildings from HTS Management LLC ("HTS"), an entity controlled by Mr. Berner, who is a key member of Rabern management. HTS operates as a holding company for property and as a single lessee leasing company for business use property for Rabern. HTS's ongoing activities preceding and succeeding the Rabern acquisition relate to financing, purchasing, leasing and holding property leased to Rabern. Based on these activities, HTS would be subject to interest rate risk and real estate investment pricing risk related to holding the real estate as an investment. These risks represent the potential variability to be considered as passed to interest holders. Although we have a variable interest through our relationship with Mr. Berner, such variability is not passed on to Rabern in connection with the arrangement, and therefore Rabern is not the primary beneficiary of the VIE. Furthermore, all risks and benefits of the significant activities of HTS are passed to Mr. Berner directly and do not represent a direct or an indirect obligation for Rabern.

As of September 30, 2024 and December 31, 2023, the Company had accounts payable with related parties as shown below:

		September 30, 2024	December 31, 2023
Accounts Receivable	Giuffre Bros (4)	$ 48	-
Total Accounts Receivable		$ 48	$ -
Accounts Payable	Terex (1)	$ -	$ 27
Total Accounts Payable		$ -	$ 27

The following is a summary of the amounts attributable to certain related party transactions as described in the footnotes to the table, for the periods indicated:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2024	2023	2024	2023
Rent paid:	Rabern Facility (3)	$ 242	$ 242	$ 728	$ 675
Sales to:	Terex (1)	$ -	$ 10	$ 11	$ 137
	Giuffre Bros (4)	927	$ —	$ 927	$ —
	Tadano (2)	-	11	11	73
Total Sales		$ 927	$ 21	$ 949	$ 210
Purchases from:	Terex (1)	$ -	$ 32	$ 1,401	$ 67
	Tadano (2)	$ -	—	—	7
Total Purchases		$ -	$ 32	$ 1,401	$ 74

(1) Terex was a significant shareholder of the Company and conducts business with the Company in the ordinary course of business. On October 8, 2024 Terex filed a Schedule 13G/A that it is no longer a shareholder as of June 6, 2024.
(2) Tadano is a significant shareholder of the Company and conducts business with the Company in the ordinary course of business.
(3) The Company leases its Rabern facilities from HTS, an entity controlled by Steven Berner, the General Manager of Rabern. Pursuant to the terms of the lease, the Company makes monthly lease payments to HTS. The Company is also responsible for all the associated operations expenses, including insurance, property taxes and repairs. The leases contain additional renewal options at the Company's discretion.
(4) As of July 2024, a Board Member of the Company is an investor of Giuffre Bros, a US dealer of Manitex.

As described further in Note 1 (Nature of Operations and Basis of Presentation), Manitex entered into the Merger Agreement with Tadano on September 12, 2024. The Merger is an all-cash transaction at an equity value of $122 million and total transaction value of $223 million, including outstanding debt. Under the terms of the transaction, Manitex shareholders will receive $5.80 per share in cash. Upon completion of the transaction, Manitex's shares will no longer trade on NASDAQ or any other public market.

Note 18. Segment Information

The Company reports segment information based on the "management" approach. The management approach designates the internal reporting used by the Chief Executive Officer, who is also the Company's Chief Operating Decision Maker, for making decisions about the allocation of resources and assessing performance as the source of the Company's reportable operating segments.

The Company is a leading provider of engineered lifting solutions and equipment rentals. The Company operates in two business segments: the Lifting Equipment segment and the Rental Equipment segment.

Lifting Equipment Segment

The Lifting Equipment segment is a leading provider of engineered lifting solutions. The Company manufactures a comprehensive line of boom trucks, articulating cranes, truck cranes and sign cranes. The Company is also a manufacturer of specialized rough terrain cranes and material handling products. Through PM and Valla, two of the Company's Italian subsidiaries, the Company manufacturers truck-mounted hydraulic knuckle boom cranes and a full range of precision pick and carry industrial cranes using electric, diesel and hybrid power options.

Rental Equipment Segment

The Company's Rental Equipment segment rents heavy duty and light duty commercial construction equipment, mainly to commercial contractors on a short-term rental basis. The Company also rents equipment to homeowners for do-it-yourself projects.

The following is financial information for our two operating segments: Lifting Equipment and Rental Equipment:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net revenues				
Lifting Equipment	$ 57,283	$ 63,738	$ 191,122	$ 191,114
Rental Equipment	9,261	7,593	25,000	21,622
Total revenue	$ 66,544	$ 71,331	$ 216,122	$ 212,736
Operating income				
Lifting Equipment	$ 2,239	$ 4,300	$ 9,755	$ 9,319
Rental Equipment	2,196	879	4,697	1,757
Total operating income	$ 4,435	$ 5,179	$ 14,452	$ 11,076
Total assets				
Lifting Equipment	$ 184,665	$ 183,114	$ 184,665	$ 183,114
Rental Equipment	66,216	64,009	66,216	64,009
Total assets	$ 250,881	$ 247,123	$ 250,881	$ 247,123
Depreciation and amortization				
Lifting Equipment	$ 1,230	$ 1,261	$ 3,607	$ 3,435
Rental Equipment	1,538	1,475	4,606	5,223
Total depreciation and amortization	$ 2,768	$ 2,736	$ 8,213	$ 8,658
Capital expenditures				
Lifting Equipment	$ 347	$ 656	$ 1,550	$ 1,668
Rental Equipment	762	475	6,688	2,969
Total capital expenditures	$ 1,109	$ 1,131	$ 8,238	$ 4,637

	Three Months Ended September 30, 2024			Three Months Ended September 30, 2023		
	Lifting Equipment	Rental Equipment	Total	Lifting Equipment	Rental Equipment	Total
Net sales by country						
United States	$ 19,878	$ 9,261	$ 29,139	$ 26,178	$ 7,593	$ 33,771
Italy	9,538	—	9,538	10,032	—	10,032
Canada	5,874	—	5,874	6,120	—	6,120
Chile	3,622	—	3,622	5,988	—	5,988
United Kingdom	2,845	—	2,845	1,608	—	1,608
Argentina	2,992	—	2,992	2,836	—	2,836
Other	12,534	—	12,534	10,976	—	10,976
Total	$ 57,283	$ 9,261	$ 66,544	$ 63,738	$ 7,593	$ 71,331

	Nine Months Ended September 30, 2024			Nine Months Ended September 30, 2023		
	Lifting Equipment	Rental Equipment	Total	Lifting Equipment	Rental Equipment	Total
Net sales by country						
United States	$ 79,048	$ 25,000	$ 104,048	$ 77,244	$ 21,622	$ 98,866
Italy	28,465	—	28,465	38,040	—	38,040
Canada	18,391	—	18,391	19,055	—	19,055
Chile	11,372	—	11,372	11,843	—	11,843
United Kingdom	9,239	—	9,239	6,089	—	6,089
Argentina	7,566	—	7,566	4,828	—	4,828
Other	37,041	—	37,041	34,015	—	34,015
Total	$ 191,122	$ 25,000	$ 216,122	$ 191,114	$ 21,622	$ 212,736

Note 19. Subsequent Information

None.

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations

Recent Developments

Business Overview

The following management's discussion and analysis of financial condition and results of continuing operations should be read in conjunction with the Company's financial statements and notes and other information included elsewhere in this Quarterly Report on Form 10-Q.

Backlog

The Company's backlog was approximately $97 million and $170 million at September 30, 2024 and December 31, 2023, respectively.

Merger Agreement with Tadano

On September 12, 2024, Manitex entered into the Merger Agreement with Tadano and Merger Sub. The Merger is an all-cash transaction at an equity value of $122 million and total transaction value of $223 million, including outstanding debt. Under the terms of the transaction, Manitex shareholders will receive $5.80 per share in cash. Upon completion of the transaction, Manitex's shares will no longer trade on NASDAQ or any other public market. See Note 1 (Nature of Operations and Basis of Presentation) in Part I, Item 1 of this Quarterly Report on Form 10-Q for more information on the Merger Agreement and the Merger.

Results of Condensed Consolidated Operations

MANITEX INTERNATIONAL, INC.

(In thousands)

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	$ Change	% Change
Net revenues	$ 66,544	$ 71,331	$ (4,787)	(6.7)%
Cost of sales	50,519	54,746	(4,227)	(7.7)
Gross profit	16,025	16,585	(560)	(3.4)
Operating expenses				
Research and development costs	711	861	(150)	(17.5)
Selling, general and administrative expenses	9,894	10,545	(651)	(6.2)
Transaction costs	985	-	985	n/m
Total operating expenses	11,590	11,406	184	1.6
Operating income	4,435	5,179	(744)	(14.4)
Other income				
Interest expense, net	(2,082)	(1,856)	(226)	12.2
Foreign currency transaction loss	(761)	(883)	122	(13.8)
Other income	35	196	(161)	(82.2)
Total other expense	(2,808)	(2,543)	(265)	10.4
Income before income taxes	1,627	2,636	(1,009)	(38.3)
Income tax expense	874	742	132	17.8
Net income	753	1,894	(1,141)	(60.3)
Net income attributable to noncontrolling interest	326	194	132	67.6
Net income attributable to shareholders of Manitex International, Inc.	$ 427	$ 1,700	$ (1,273)	(74.9)%

n/m = not meaningful

Three Months Ended September 30, 2024 Compared to Three Months Ended September 30, 2023

Net Revenues and gross profit — Net revenues decreased $4.8 million or 6.7% to $66.5 million for the three months ended September 30, 2024 compared with $71.3 million for the comparable period in 2023. The decrease in revenues is primarily due to a decrease in aerial platform and chassis sales partially offset by an increase in rental revenue.

Gross profit decreased $0.6 million to $16.0 million for the three months ended September 30, 2024 from $16.6 million for the comparable period in 2023. The decrease in gross profit in 2024 is attributable to lower sales, offset by lower material costs driven by supply chain initiatives and increased contribution from the rental segment. As a result of these factors, the gross margin percentage was 24.1% for the three months ended September 30, 2024 as compared with 23.3% for the prior year.

Research and development — Research and development expense was $0.7 million for the three months ended September 30, 2024 compared to $0.9 million for the same period in 2023. The Comp28any's research and development spending reflects our continued commitment to develop and introduce new products that gives the Company a competitive advantage, with the costs generated particularly in the PM and Valla business units.

Selling, general and administrative expense — SG&A expense for the three months ended September 30, 2024, was $9.9 million compared to $10.5 million for the comparable period in 2023. SG&A expense decreased by $0.7 million due to lower stock compensation, salary expenses and insurance in 2024.

Transaction costs — Transaction costs for the three months ended September 30, 2024 was $1.0 million, related to professional fees and other costs incurred during the period related to due diligence and other costs of the proposed Merger.

Interest expense, net — Interest expense was $2.1 million for the three months ended September 30, 2024 compared with $1.9 million for the comparable period in 2023 . The increase is driven by higher utilization of working capital facilities.

Foreign currency transaction losses — For the three and nine months ended September 30, 2024, the Company had foreign currency losses of $0.8 million, compared with a loss of $0.9 million for the comparable period in 2023. A substantial portion of the loss relates to changes in the Argentinean peso.

Other income (expense) — Other income was less than $0.1 million for the three months ended September 30, 2024 compared with other income of $0.2 million for the same period in 2023.

Income taxes —For the three months ended September 30, 2024, the Company recorded an income tax provision of $0.9 million, which includes a discrete income tax expense of less than $0.1 million. The calculation of the overall income tax provision for the three months ended September 30, 2024 primarily consists of domestic and foreign income taxes. For the three months ended September 30, 2023, the Company recorded an income tax provision of $0.7 million, which includes a discrete income tax expense of less than $0.1 million. The calculation of the overall income tax provision for the three months ended September 30, 2023 primarily consists of U.S. federal income taxes for Rabern which is a separate taxpayer for U.S. federal tax purposes, foreign income taxes, and a discrete tax income tax benefit related to the expiration of the statute of limitations for a foreign jurisdiction offset by an accrual of interest related to unrecognized tax benefits.

The effective tax rate for the three months ended September 30, 2024 was an income tax provision of 53.7% on pretax income of $1.6 million compared to an income tax provision of 28.1% on pretax income of $2.6 million in the comparable prior period. The effective tax rate for the three months ended September 30, 2024 differs from the U.S. statutory rate of 21% primarily due to income taxed in domestic and foreign jurisdictions at varying tax rates, permanent differences including nondeductible expenses, foreign tax credits, a change to the deferred tax liability related to an investment in a subsidiary, and a partial valuation allowance in the U.S. and Italy as well as a valuation allowance in certain foreign jurisdictions.

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023	$ Change	% Change
Net revenues	$ 216,122	$ 212,736	$ 3,386	1.6%
Cost of sales	166,053	166,806	(753)	(0.5)
Gross profit	50,069	45,930	4,139	9.0
Operating expenses				
Research and development costs	2,494	2,512	(18)	(0.7)
Selling, general and administrative expenses	32,138	32,342	(204)	(0.6)
Transaction costs	985	-	985	n/m
Total operating expenses	35,617	34,854	763	2.2
Operating income	14,452	11,076	3,376	30.5
Other income				
Interest expense, net	(5,715)	(5,517)	(198)	3.6
Foreign currency transaction loss	(1,590)	(1,656)	66	(4.0)
Other income (expense)	52	(541)	593	(109.8)
Total other expense	(7,253)	(7,714)	461	(6.0)
Income before income taxes	7,199	3,362	3,837	114.1
Income tax expense	2,296	962	1,334	138.7
Net income	4,903	2,400	2,503	104.3
Net income attributable to noncontrolling interest	703	243	460	189.4
Net income attributable to shareholders of Manitex International, Inc.	$ 4,200	$ 2,157	$ 2,043	94.7%

Nine Months Ended September 30, 2024 Compared to Nine Months Ended September 30, 2023

Net Revenues and gross profit - Net revenues increased $3.4 million or 1.6% to $216.1 million for the nine months ended September 30, 2024 compared to $212.7 million for the comparable period in 2023. The increase in revenue is primarily due to increased manufacturing throughput in North America, a modest increase in rental revenues, partially offset by a decline in aerial platform and chassis sales.

Gross profit increased $4.1 million to $50.1 million for nine months ended September 30, 2024 from $45.9 million for the comparable period in 2023. The increase in gross profit in 2024 is attributable to increased manufacturing throughout, lower material costs driven by supply chain initiatives and increased contribution from the rental segment. As a result of these factors, the gross margin percentage was 23.2% for nine months ended September 30, 2024 as compared with 21.6% for the prior year.

Research and development — Research and development expense was $2.5 million for the nine months ended September 30, 2024 consistent with $2.5 million for the same period in 2023. The Company's research and development spending reflects our continued commitment to develop and introduce new products which gives the Company a competitive advantage. The costs are primarily generated in the PM and Valla business units.

Selling, general and administrative expense — SG&A expense for the nine months ended September 30, 2024 was $32.1 million compared to $32.3 million for the comparable period in 2023. SG&A expense included an increase in salary expense and property tax offset by a decrease in trade show and stock compensation expenses compared with 2023.

Transaction costs — Transaction costs for the nine months ended September 30, 2024 were $1.0 million, related to professional fees and other costs incurred during the period related to due diligence and other costs relating to the proposed Merger.

Interest expense, net —Interest expense was $5.7 million for the nine months ended September 30, 2024 compared with $5.5 million for the comparable period in 2023 as the increase is driven by higher utilization of working capital facilities.

Foreign currency transaction losses — For the nine months ended September 30, 2024, the Company had a foreign currency loss of $1.6 million, consistent with a loss of $1.7 million for the comparable period in 2023. A substantial portion of the loss relates to changes in the Argentinean peso.

Other income — Other income was less than $0.1 million for the nine months ended September 30, 2024 compared with other expense of $0.5 million for the same period in 2023. The expense in 2023 relates to a pension settlement obligation of $0.5 million related to the termination of services provided by union members and $0.2 million of legal settlement charges.

Income taxes — For the nine months ended September 30, 2024, the Company recorded an income tax provision of $2.3 million, which includes a discrete income tax benefit of $0.4 million. The calculation of the overall income tax provision for the nine months ended

September 30, 2024, primarily consists of domestic and foreign taxes offset by a discrete income tax benefit for a reduction in unrecognized tax benefits related to the expiration of the statutes of limitations in various state and foreign jurisdictions and the settlement of a foreign income tax audit. For the nine months ended September 30, 2023, the Company recorded an income tax provision of $0.9 million, which includes a discrete income tax benefit of less than $0.1 million. The calculation of the overall income tax provision for the nine months ended September 30, 2023 primarily consists of U.S. federal income taxes for Rabern which is a separate taxpayer for U.S. federal tax purposes, foreign income taxes, and a discrete income tax benefit related to the expiration of the statutes of limitations for various states and a foreign jurisdiction offset by an accrual of interest related to unrecognized tax benefits.

The effective tax rate for the nine months ended September 30, 2024 was an income tax provision of 31.9% on pretax income of $7.2 million compared to an income tax provision of 28.6% on pretax income of $3.4 million in the comparable prior period. The effective tax rate for the nine months ended September 30, 2024 differs from the U.S. statutory rate of 21% primarily due to income taxed in domestic and foreign jurisdictions at varying tax rates, permanent differences including nondeductible expenses, foreign tax credits, a change to the deferred tax liability related to an investment in a subsidiary, a partial valuation allowance in the U.S. and Italy as well as a valuation allowance in certain foreign jurisdictions, and a discrete income tax benefit for a reduction in unrecognized tax benefits related to the expiration of the statutes of limitations in various state and foreign jurisdictions, and the settlement of a foreign income tax audit.

Cash flows for nine months ended September 30, 2024 compared to the nine months ended September 30, 2023

Operating Activities - For the nine months ended September 30, 2024, cash flow provided by operating activities was $9.2 million compared to $0.2 million for the same period in the prior year. Cash used by working capital was $3.8 million for the nine months ended September 30, 2024 compared to cash used by working capital of $14.1 million for the same period in the prior year. Cash used by working capital for the nine months ended September 30, 2024 is due to decreases in accounts payable, an increase in inventories offset by a decrease in accounts receivable.

Investing Activities - Cash used in investing activities was $7.2 million for the first nine months ended September 30, 2024 compared to $4.3 million used in investing activities in the same period a year ago. Cash used in investing activities was primarily related to cash payments for property and equipment purchases to support the rental business partially offset by proceeds from the sale of assets.

Financing Activities - Cash used in financing activities was $7.1 million for the nine months ended September 30, 2024 which included a net reduction in working capital facilities of $1.6 million, a $1.5 million reduction in revolving credit and note payments of $3.5 million.

Liquidity and Capital Resources

The global economy generally and our customers and suppliers specifically are being significantly impacted by a number of factors, including inflation, high interest rates and general economic uncertainty. While the potential negative financial impact that these factors will have on our results of operations and liquidity position cannot be reasonably estimated at this time, such impacts could be material. In the context of these uncertain conditions, we are actively managing the business to maintain cash flow and ensure that we have sufficient liquidity for a variety of scenarios. We believe that such strategy will allow us to meet our anticipated funding requirements.

On April 11, 2022, the Company entered into an $85 million credit facility with Amarillo National Bank consisting of a working capital facility of $40 million secured by assets of Manitex U.S. businesses, working capital facility of $30 million secured by assets of Rabern, and $15 million term loan facility. This new banking facility provided the funds for the Rabern acquisition and working capital facilities for both the Manitex U.S. and Rabern businesses. At September 30, 2024, the PM Group had established working capital facilities with five Italian, one Spanish, twelve South American banks and one Romanian bank. Under these facilities, the PM Group can borrow $25 million against orders, invoices and bank overdrafts.

Cash, cash equivalents and restricted cash were $4.5 million and $9.5 million at September 30, 2024 and December 31, 2023. At September 30, 2024, the Company had global liquidity of approximately $30 million based on the cash balance and availability under its working capital facilities. Future advances are dependent on having available collateral.

If our revenues were to increase significantly in the future, the provision limiting borrowing against accounts receivable and inventory would limit future borrowings. If this were to occur, we would attempt to negotiate higher inventory caps with our banks. There is, however, no assurance that the banks would agree to increase the caps.

The Company expects cash flows from operations and existing availability under the current revolving credit and working capital facilities will be adequate to fund future operations. If, in the future, we were to determine that additional funding is necessary, we believe that it would be available. There is, however, no assurance that such financing will be available or, if available, on acceptable terms.

At September 30, 2024 and December 31, 2023, no customer accounted for 10% or more of the Company's accounts receivable.

Critical Accounting Policies

The Company's critical accounting policies have not materially changed since the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 was filed. See Item 7, Management's Discussion and Analysis of Results of Operations and Financial Condition, in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 for a discussion of the Company's critical accounting policies.

Item 3—Quantitative and Qualitative Disclosures about Market Risk

Not required for Smaller Reporting Companies.

Item 4—Controls and Procedures

Disclosure Controls and Procedures

With the participation of our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer) and under the supervision of the Audit Committee of the Board of Directors, our management conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act, as of September 30, 2024. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures, as of September 30, 2024, were effective and provided reasonable assurance that the information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). During the period covered by this report, the Company made no changes that have materially affected, or that are reasonably likely to materially affect, its internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1—Legal Proceedings

The information set forth in Note 16 (Legal Proceedings and Other Contingencies) to the accompanying Condensed Consolidated Financial Statements included in Part I. Item 1 "Financial Statements" of this Quarterly Report on Form 10-Q is incorporated herein by reference.

Item 1A—Risk Factors

You should carefully consider the risks described under the heading "Risk Factors" in Part I, Item 1A. of the Company's Annual Report on Form 10-K for the year ended December 31, 2023, the other information in this Quarterly Report on Form 10-Q, including the Company's unaudited condensed consolidated financial statements and the related notes, as well as the Company's other public filings with the SEC, before deciding to invest in the Company's common stock. The occurrence of any of the events described herein or therein could harm the Company's business, financial condition, results of operations, liquidity or prospects. In such an event, the market price of the Company's common stock could decline, and you may lose all or part of your investment. In addition to the risk factors previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, the following risks are related to the proposed Merger:

We may fail to consummate the Merger, and uncertainties related to the consummation of the Merger may have a material adverse effect on our business, results of operations and financial condition and negatively impact the trading price of our common stock.

The Merger is subject to the satisfaction of a number of conditions beyond our control, including receiving the requisite shareholder approvals and other customary closing conditions. Failure to satisfy the conditions to the Merger could prevent or delay the completion of the Merger. Further, regulators may impose conditions, obligations or restrictions on the Merger that may have the effect of delaying or preventing its completion. If the Merger does not close, we may suffer other consequences that could adversely affect our business, financial condition, operating results, and stock price, and our shareholders would be exposed to additional risks, including, but not limited to:

- to the extent that the current trading price of our common stock reflects an assumption that the Merger will be completed, the trading price of our common stock could decrease;
- investor confidence in us could decline, shareholder litigation could be brought against us, relationships with existing and prospective customers, service providers, investors, lenders and other business partners may be adversely impacted, we may be unable to retain key personnel;
- we have incurred, and will continue to incur, significant expenses for professional services in connection with the Merger for which we will have received little or no benefit if the Merger is not consummated;
- any disruptions to our business resulting from the announcement and pendency of the Merger, including adverse changes in our relationships with customers, suppliers, partners and employees, may continue or intensify in the event the Merger is not consummated or is significantly delayed; and
- the requirement that we pay a termination fee to Tadano under certain circumstances.

There also is no assurance that the Merger and the other transactions contemplated by the Merger Agreement will occur on the terms and timeline currently contemplated or at all.

If the proposed Merger is delayed or not completed, the trading price of our common stock may decline, including to the extent that the current trading price of our common stock reflects an assumption that the Merger and the other transactions contemplated by the Merger Agreement will be consummated without further delays, which could have a material adverse effect on our business, results of operations and financial condition. If the Merger Agreement is terminated and we determine to seek another business combination, we may not be able to negotiate a transaction with another party on terms comparable to, or better than, the terms of the Merger.

If the Merger Agreement is terminated, we may, under certain circumstances, be obligated to pay a termination fee to Tadano. These costs could require us to use available cash that would have otherwise been available for other uses.

If the Merger is not completed, in certain circumstances, we could be required to pay a termination fee to Tadano of $4.9 million. If the Merger Agreement is terminated, the termination fee we may be required to pay, if any, under the Merger Agreement may require us to use available cash that would have otherwise been available for general corporate purposes or other uses. For these and other reasons, termination of the Merger Agreement could materially and adversely affect our business, results of operations or financial condition, which in turn would materially and adversely affect the trading price of our common stock.

While the Merger Agreement is in effect, we are subject to certain interim covenants, which may disrupt our plans and operations.

The Merger Agreement generally requires us to operate our business in the ordinary course, subject to certain exceptions, including as required by applicable law, pending consummation of the Merger, and subjects us to customary interim operating covenants that restrict us from taking certain specified actions until the Merger is completed or the Merger Agreement is terminated in accordance with its terms. These restrictions could prevent us from pursuing certain business opportunities that may arise prior to the consummation of the Merger and may affect our ability to execute our business strategies and attain financial and other goals and may impact our financial condition, results of operations and cash flows.

Uncertainties relating to the Merger could impact our relationships with customers, employees and other third parties, which could have a material adverse effect on our business, results of operations and financial condition.

Uncertainty about the pendency of the Merger and the effect of the Merger on employees, customers and other third parties who deal with us may have a material adverse effect on our business, results of operations and financial condition. These uncertainties may impair our ability to attract, retain and motivate key personnel pending the consummation of the Merger, as such personnel may experience uncertainty about their future roles following the consummation of the Merger. Additionally, these uncertainties could cause customers and other third parties who deal with us to seek to change existing business relationships with us or fail to extend an existing relationship with us, all of which could have a material adverse effect on our business, results of operations, financial condition and trading price of our common stock.

The Merger Agreement limits our ability to pursue alternatives to the Merger and may discourage other companies from trying to acquire us for greater consideration than what Tadano has agreed to pay pursuant to the Merger Agreement.

The Merger Agreement contains provisions that make it more difficult for us to sell our business to a party other than Tadano. Under the Merger Agreement, we became subject to customary “no-shop” restrictions on our ability to solicit alternative acquisition proposals from third parties and to provide information to, and participate in discussions and engage in negotiations with, third parties regarding any alternative acquisition proposals, subject to a customary “fiduciary out” provision. These restrictions, including the added expense of the termination fees that may become payable by us in certain circumstances, might discourage a third party that has an interest in acquiring all or a significant part of the Company from considering or proposing that acquisition.

If the Merger is consummated, our shareholders, other than affiliates of Tadano, will not be able to participate in any further upside to our business.

If the Merger is consummated, our shareholders will receive $5.80 in cash per share of common stock owned by them without interest and subject to applicable tax withholding, other than shares owned by the Company, Tadano and Merger Sub, and other than affiliates of Tadano, our shareholders will not receive any equity interests of Tadano. As a result, if our business following the Merger performs well, our current shareholders will not receive any additional consideration for their shares of common stock and, other than affiliates of Tadano, will not receive any benefit from any future performance of our business following the Merger.

Item 2—Unregistered Sales of Equity Securities and Use of Proceeds.

The Company’s Credit Agreement with Amarillo National Bank ("Amarillo") directly restricts the Company’s ability to declare or pay dividends without Amarillo’s consent. In addition, pursuant to the Company’s Credit Agreement with Amarillo, the Company’s U.S.

subsidiaries must maintain a debt service coverage ratio of at least 1.25:1.00 and a net worth for U.S. entities of at least $80 million, each as measured on the last date of each calendar year, beginning June 30, 2022.

ISSUER PURCHASES OF EQUITY SECURITIES

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
January 1 - January 31, 2024	—	$ —	—	$ —
February 1 - February 28, 2024	—	—	—	—
March 1 - March 31, 2024	8,841	6.40	—	56,603
April 1 - April 30, 2024	2,130	6.51	—	11,366
May 1 - May 31, 2024	—	—	—	—
June 1 - June 30 - 2024	1,934	5.76	—	11,140
July 1 - July 31, 2024	1,309	4.04	—	5,288
August 1 - August 31, 2024	—	—	—	—
September 1 - September 30, 2024	—	—	—	—
	14,214	$ 5.94		84,397

Item 3—Default Upon Senior Securities

None.

Item 4—Mine Safety Disclosures

Not applicable.

Item 5—Other Information

None.

Item 6—Exhibits

See the Exhibit Index set forth below for a list of exhibits included with this Quarterly Report on Form 10-Q.

EXHIBIT INDEX

Exhibit Number	Exhibit Description
2.1†	Agreement and Plan of Merger, dated as of September 12, 2024, by and among Tadano Ltd., Lift SPC Inc. and Manitex International, Inc. (*incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on September 12, 2024*).
31.1*	Certification by the Chief Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification by the Chief Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification by the Chief Executive Officer and the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document- the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104	Cover Page Interactive Data File-The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

* Filed herewith

** Furnished herewith

† The Company has omitted schedules and other similar attachments to such agreement pursuant to Item 601(b)(2) of Regulation S-K. The Company will furnish a copy of such omitted documents to the SEC upon request; provided, that the Company may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended, for any schedules or documents so furnished.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

November 7, 2024

By: /s/ MICHAEL COFFEY

Michael Coffey
Chief Executive Officer
(Principal Executive Officer)

November 7, 2024

By: /s/ JOSEPH DOOLAN

Joseph Doolan
Chief Financial Officer
(Principal Financial and Accounting Officer)