# Fourth-Quarter 2021 Earnings Conference Call

**February 22, 2022**


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David Antoniuk – EVP & Chief Financial Officer
Ion Warner – VP Marketing & Investor Relations

# Forward-Looking Statements

**Safe Harbor Statement**

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

The Company undertakes no obligation to update or revise forward-looking statements, whether as a result of new information, future events, or otherwise. As a general matter, forward-looking statements are those focused upon anticipated events or trends, expectations and beliefs relating to matters that are not historical in nature. The words “could,” “should,” “feel,” “anticipate,” “aim,” “preliminary,” “expect,” “believe,” “estimate,” “intend,” “intent,” “plan,” “will,” “foresee,” “project,” “forecast,” or the negative thereof or variations thereon, and similar expressions identify forward-looking statements. By their nature, forward-looking statements are not guarantees of future performance or results and involve risks and uncertainties because they relate to events and depend on circumstances that will occur in the future.

There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. For a list of factors that could cause actual results to differ materially from those discussed or implied, please see the Company’s periodic filings with the SEC, particularly those disclosed in “Risk Factors” in the Company’s Annual Reports on Form 10-K for the years ended December 31, 2020 and 2021. Any “forward-looking statements” in this presentation are intended to qualify for the safe harbor from liability under the Private Securities Litigation Reform Act of 1995.

**Non-GAAP Measures**

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

# 2021 Full-year Summary

**Transitioning to growth**
- Recovery from COVID-19 shutdowns
- Inflationary pressures
- $1B backlog; +10-year high
- Significant progress on Four Strategic Priorities

**Progress on ESG journey**
- Safety: Doubled SLAMs YOY; RIR of 1.39[(1)]
- Adopted Accuvio to account for environmental footprint
- Implemented ESL program supporting new-hire needs in Shady Grove

**Positioned Company for long-term growth**
- MGX / Aspen acquisitions
- Capex for rental fleet
- $254M of liquidity

(1) Excludes acquisitions

# Financial & Other Key Metrics

| | Q4 2021 | Q4 2020 | Y/Y Δ | FY 2021 | FY 2020 | Y/Y Δ |
|---|---|---|---|---|---|---|
| Orders | $ 615.2 | $ 508.6 | 21.0 % | $2,166.6 | $ 1,511.4 | 43.4 % |
| Net sales | 497.8 | 430.3 | 15.7 % | 1,720.2 | 1,443.4 | 19.2 % |
| Engineering, selling & admin expenses | 77.5 | 53.7 | 44.3 % | 258.5 | 208.8 | 23.8 % |
| Operating income | 1.8 | 22.8 | (92.3) % | 46.5 | 38.6 | 20.3 % |
| Adjusted operating income [1] | 17.5 | 24.2 | (27.7) % | 69.1 | 45.6 | 51.3 % |
| Net income (loss) | (3.6) | 1.8 | 295.6 % | 11.0 | (19.1) | (157.7) % |
| Adjusted net income (loss) [1] | 9.4 | 6.7 | (40.3) % | 30.6 | (12.3) | (348.8) % |
| Adjusted EBITDA [1] | 34.2 | 34.2 | (0.1) % | 116.0 | 83.1 | 39.7 % |
| Cash flows provided by (used for) operating activities | 8.2 | 35.9 | 77.2 % | 76.2 | (35.1) | (317.1) % |
| Capital expenditures | (18.1) | (11.0) | 64.5 % | (40.4) | (26.3) | (53.6) % |
| Cash | 75.4 | 128.7 | (41.4) % | | | |
| Liquidity | 254.2 | 411.7 | (38.3) % | | | |
| Backlog | $1,010.9 | $ 543.2 | 86.1 % | | | |

[1] See appendix for reconciliation of GAAP to non-GAAP measures

# Full-Year 2022 Guidance

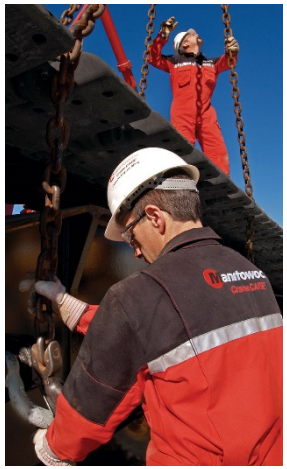
| | |
|---|---|
| **Revenue** | **Approximately $2.0 to $2.2 billion** |
| **Adjusted EBITDA** | **Approximately $130 to $160 million** |
| **Depreciation and amortization** | **Approximately $65 million** |
| **Interest expense** | **Approximately $28 to $30 million** |
| **Provision for income tax expense** | **Approximately $13 to $17 million, excluding discrete items** |
| **Adjusted DEPS** | **Approximately $0.65 to $1.35** |
| **Capital expenditures[1]** | **Approximately $85 million** |

[1] Approximately $35 million will be funded from sales of the existing rental fleet

# Strategic Focus on Aftermarket

CRANES+50

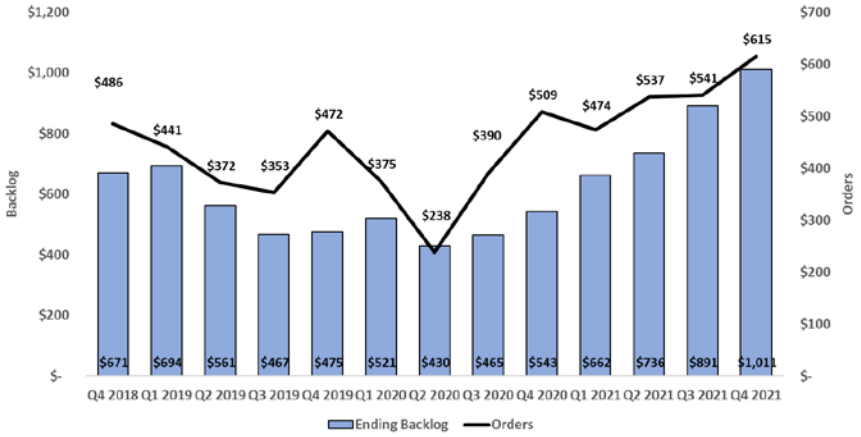
- Aftermarket parts
- Field service
- Lifting solutions
- RPOs
- Rentals
- Used sales
- Remanufacture / Rebuilt cranes
- Digital solutions



**INCREASE NON-NEW MACHINE SALES BY 50% OVER 5 YEARS**

# Appendix

# Appendix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Orders

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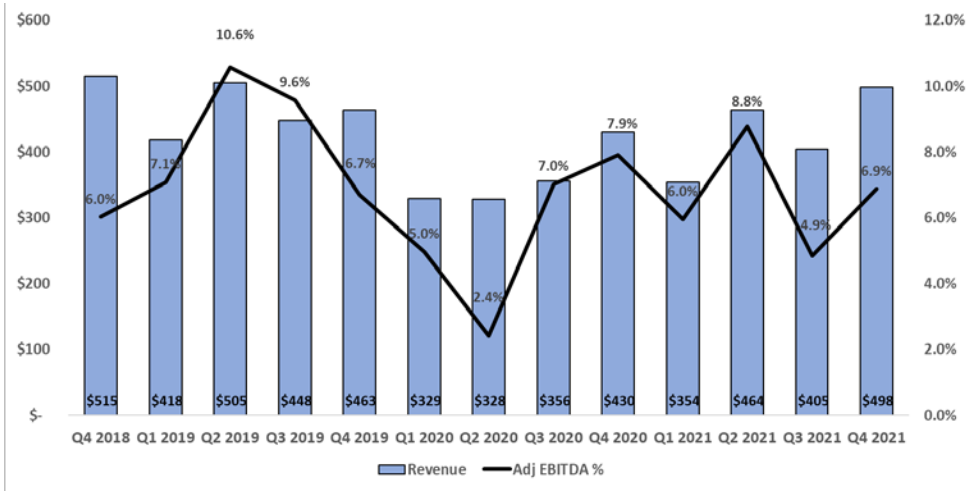
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7.1%
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9.6%
6.7%
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2.4%
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7.9%
6.0%
8.8%
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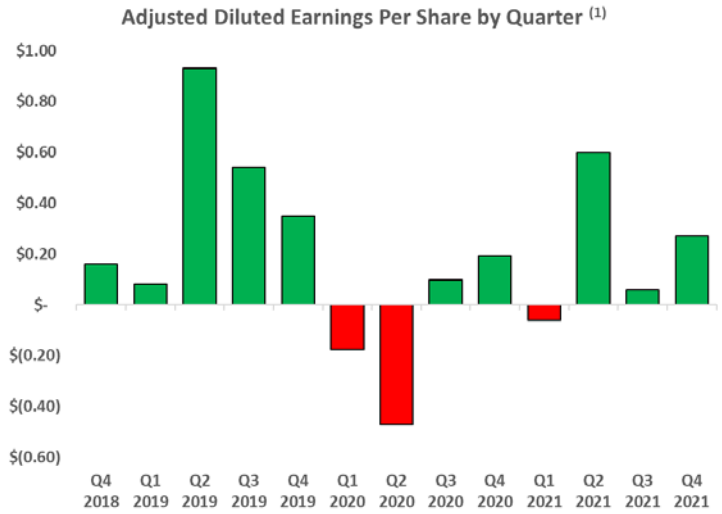
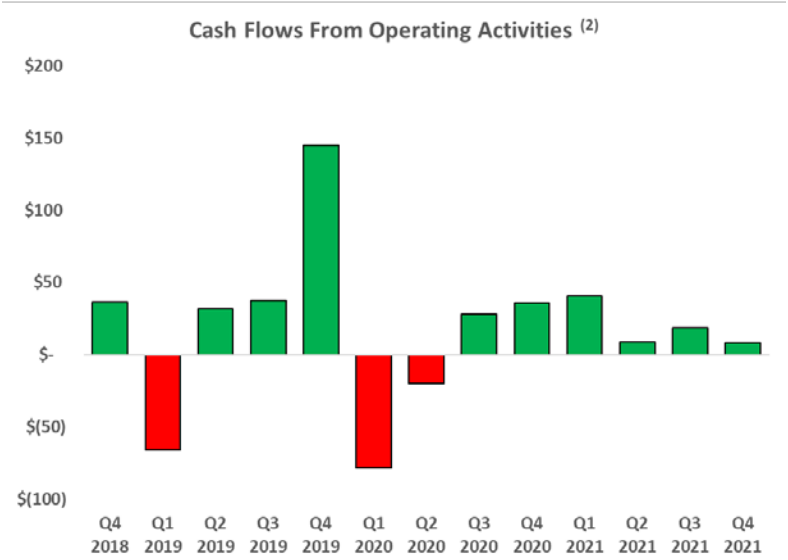
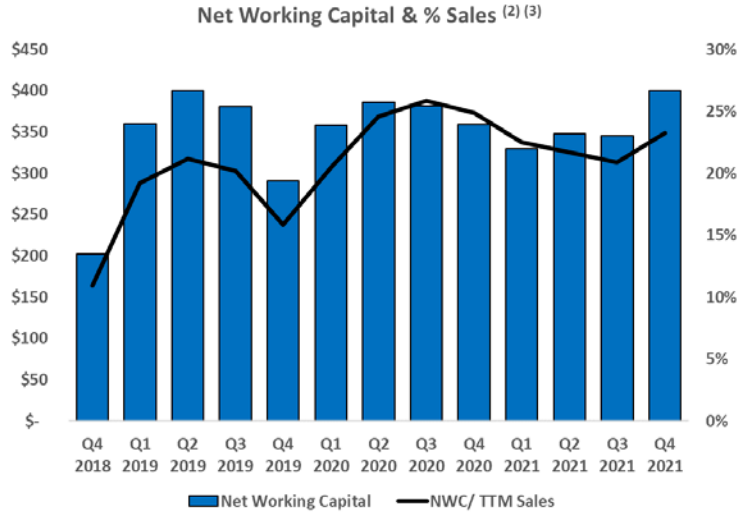
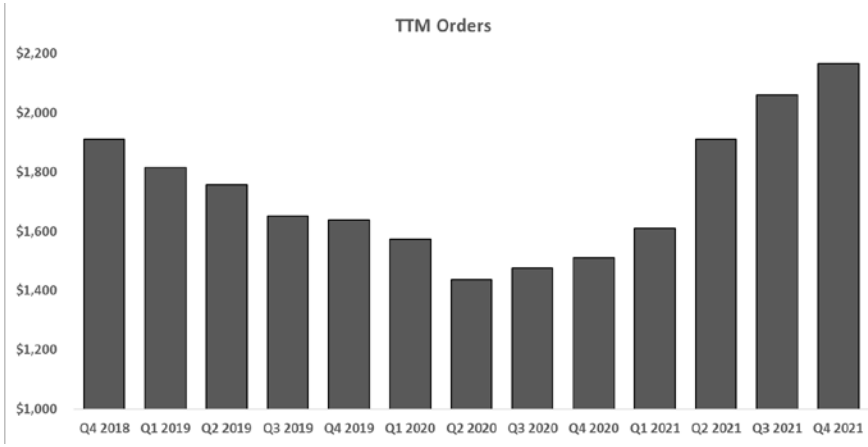
$498
Q4 2018 Q1 2019 Q2 2019 Q3 2019 Q4 2019 Q1 2020 Q2 2020 Q3 2020 Q4 2020 Q1 2021 Q2 2021 Q3 2021 Q4 2021
Revenue
Adj EBITDA %

# Appendix




(1) See appendix for reconciliation of GAAP to non-GAAP measures
(2) Q1 2019 and forward reflects termination of Manitowoc's accounts receivable securitization program
(3) Net Working Capital includes $81M from acquisitions in Q4 2021

# Appendix- Adjusted EBITDA Reconciliation

**Adjusted EBITDA and Adjusted Operating Income**

The Company defines adjusted EBITDA as earnings before interest, income taxes, depreciation and amortization, plus adjusting for the net impact of restructuring and certain other items. The reconciliation of net income (loss) to adjusted EBITDA and operating income to adjusted operating income for the three and twelve months ended December 31, 2021 and 2020, is summarized as follows. All dollar amounts are in millions:

| | Three Months Ended December 31, | | Year Ended December 31, | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Net income (loss) | $ (3.6) | $ 1.8 | $ 11.0 | $ (19.1) |
| Interest expense and amortization of deferred financing fees | 7.8 | 7.8 | 30.4 | 30.6 |
| Provision (benefit) for income taxes | (1.2) | 7.5 | 6.1 | 17.1 |
| Depreciation expense | 16.0 | 9.9 | 45.5 | 37.2 |
| Amortization of intangible assets | 0.7 | 0.1 | 1.4 | 0.3 |
| EBITDA | 19.7 | 27.1 | 94.4 | 66.1 |
| Restructuring (income) expense | (0.6) | 1.4 | (1.1) | 7.0 |
| Asset impairment expense | — | — | 1.9 | — |
| Other non-recurring charges (1) | 16.3 | — | 21.8 | — |
| Other (income) expense - net (2) | (1.2) | 5.7 | (1.0) | 10.0 |
| Adjusted EBITDA | 34.2 | 34.2 | 116.0 | 83.1 |
| Depreciation expense | (16.0) | (9.9) | (45.5) | (37.2) |
| Amortization of intangible assets | (0.7) | (0.1) | (1.4) | (0.3) |
| Adjusted operating income | 17.5 | 24.2 | 69.1 | 45.6 |
| Restructuring (income) expense | 0.6 | (1.4) | 1.1 | (7.0) |
| Asset impairment expense | — | — | (1.9) | — |
| Other non-recurring charges (1) | (16.3) | — | (21.8) | — |
| Operating income | $ 1.8 | $ 22.8 | $ 46.5 | $ 38.6 |
| | | | | |
| *Adjusted EBITDA margin percentage* | *6.9%* | *7.9%* | *6.7%* | *5.8%* |
| *Adjusted operating income margin percentage* | *3.5%* | *5.6%* | *4.0%* | *3.2%* |

(1) Other non-recurring charges for the three months ended December 31, 2021, relate to acquisition costs, certain purchase accounting impacts from the acquisitions and costs associated with a legal matter with the U.S. EPA. Other non-recurring charges for the year ended December 31, 2021, relate to acquisition costs, certain purchase accounting impacts from the acquisitions, a write-off of a long-term note receivable resulting from the 2014 divestiture of the Company's Chinese joint venture and costs associated with a legal matter with the U.S. EPA. Costs are included in engineering, selling and administrative expenses or cost of sales in the Consolidated Statement of Operations.

(2) Other (income) expense – net includes net foreign currency gains (losses), other components of net periodic pension costs, costs associated with a legal matter and other miscellaneous items.

# Appendix- Non-GAAP Financial Measures

**Reconciliation of Adjusted Net Income (Loss) to Net Income (Loss)**
(in millions, except per share data)

| | Three Months Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2021 | | | 2020 | | |
| | As reported | Adjustments | Adjusted | As reported | Adjustments | Adjusted |
| Gross profit (1) | $ 79.4 | $ 2.3 | $ 81.7 | $ 78.0 | $ — | $ 78.0 |
| Engineering, selling and administrative expenses (2) | (77.5) | 14.0 | (63.5) | (53.7) | — | (53.7) |
| Amortization of intangible assets | (0.7) | — | (0.7) | (0.1) | — | (0.1) |
| Restructuring income (expense) (3) | 0.6 | (0.6) | — | (1.4) | 1.4 | — |
| **Operating income** | 1.8 | 15.7 | 17.5 | 22.8 | 1.4 | 24.2 |
| Interest expense | (7.4) | — | (7.4) | (7.4) | — | (7.4) |
| Amortization of deferred financing fees | (0.4) | — | (0.4) | (0.4) | — | (0.4) |
| Other income (expense) - net | 1.2 | — | 1.2 | (5.7) | 3.7 | (2.0) |
| **Income (loss) before income taxes** | (4.8) | 15.7 | 10.9 | 9.3 | 5.1 | 14.4 |
| Benefit (provision) for income taxes (4) | 1.2 | (2.7) | (1.5) | (7.5) | (0.2) | (7.7) |
| **Net income (loss)** | $ (3.6) | $ 13.0 | $ 9.4 | $ 1.8 | $ 4.9 | $ 6.7 |
| | | | | | | |
| Diluted net income (loss) per share | $ (0.10) | | $ 0.27 | $ 0.05 | | $ 0.19 |

(1) The adjustment in 2021 represents the add back of certain purchase accounting impacts from the acquisitions.
(2) The adjustment in 2021 represents one-time acquisition related costs and costs associated with a legal matter with the U.S. Environmental Protection Agency ("U.S. EPA").
(3) Represent adjustments for restructuring income (expense).
(4) The adjustment in 2021 and 2020 represents the net income tax impact of items (1), (2), and (3), as applicable. Additionally, in 2021 the adjustment includes the removal of a benefit from income tax related to the partial release of a valuation allowance in China.

# Appendix- Non-GAAP Financial Measures

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2021 | | | 2020 | | |
| | As reported | Adjustments | Adjusted | As reported | Adjustments | Adjusted |
| Gross profit (1) | $ 307.2 | $ 2.3 | $ 309.5 | $ 254.7 | $ — | $ 254.7 |
| Engineering, selling and administrative expenses (2) | (258.5) | 19.5 | (239.0) | (208.8) | — | (208.8) |
| Asset impairment expense (3) | (1.9) | 1.9 | — | — | — | — |
| Amortization of intangible assets | (1.4) | — | (1.4) | (0.3) | — | (0.3) |
| Restructuring income (expense) (4) | 1.1 | (1.1) | — | (7.0) | 7.0 | — |
| **Operating income** | 46.5 | 22.6 | 69.1 | 38.6 | 7.0 | 45.6 |
| Interest expense | (28.9) | — | (28.9) | (29.1) | — | (29.1) |
| Amortization of deferred financing fees | (1.5) | — | (1.5) | (1.5) | — | (1.5) |
| Other income (expense) - net (5) | 1.0 | 0.6 | 1.6 | (10.0) | 3.7 | (6.3) |
| **Income (loss) before income taxes** | 17.1 | 23.2 | 40.3 | (2.0) | 10.7 | 8.7 |
| Provision for income taxes (6) | (6.1) | (3.6) | (9.7) | (17.1) | (3.9) | (21.0) |
| **Net income (loss)** | $ 11.0 | $ 19.6 | $ 30.6 | $ (19.1) | $ 6.8 | $ (12.3) |
| | | | | | | |
| Diluted net income (loss) per share | $ 0.31 | | $ 0.86 | $ (0.55) | | $ (0.35) |

(1) The adjustment in 2021 represents the add back of certain purchase accounting impacts from the acquisitions.
(2) The adjustment in 2021 represents the add back of a loss from the write-off of a long-term note receivable from the 2014 divestiture of the Company's Chinese joint venture, one-time acquisition related costs and costs associated with a legal matter with the U.S. EPA.
(3) The adjustment in 2021 represents a write-down of one of the Company's Brazilian entities to its expected sale price.
(4) Represents adjustments for restructuring income (expense).
(5) The adjustments in 2021 and 2020 relates to costs associated with a legal matter.
(6) The adjustment in 2021 represents the net income tax impact of items (1), (2), (3), (4) and the removal of a benefit from income tax related to the partial release of a valuation allowance in China. The adjustment in 2020 represents the net income tax impact of item (4), (5) and the removal of a benefit from income tax related to the CARES Act.

**Free Cash Flows**
(in millions)

| | Three Months Ended December 31, | | Year Ended December 31, | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Net cash provided by (used for) operating activities | $ 8.2 | $ 35.9 | $ 76.2 | $ (35.1) |
| Capital expenditures | (18.1) | (11.0) | (40.4) | (26.3) |
| Free cash flows | $ (9.9) | $ 24.9 | $ 35.8 | $ (61.4) |