

MANITOWOC CO INC  
Form 10-Q/A  
March 14, 2005

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q/A**

Amendment No. 1

ý

**Quarterly Report Pursuant to Section 13 or 15(d) of the  
Securities  
Exchange Act of 1934**

For the quarterly period ended June 30, 2004

or

o

**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  
1-11978

**The Manitowoc Company, Inc.**  
(Exact name of registrant as specified in its charter)

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**Wisconsin**  
(State or other jurisdiction  
of incorporation or organization)

**39-0448110**  
(I.R.S. Employer  
Identification Number)

**2400 South 44th Street,  
Manitowoc, Wisconsin**  
(Address of principal executive offices)

**54221-0066**  
(Zip Code)

**(920) 684-4410**

(Registrant's telephone number, including area code)

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 is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares outstanding of the Registrant's common stock, \$.01 par value, as of June 30, 2004, the most recent practicable date, was 26,739,525.

### Restatement

The company hereby amends its Form 10-Q (Items 1, 4 and 6) for the quarterly period ended June 30, 2004. This amendment corrects items in the company's Consolidated Balance Sheets, Consolidated Statements of Comprehensive Income and related notes that relate to the accounting treatment of goodwill and other intangibles associated with the Registrant's foreign acquisitions, as described below.

During the course of the audit of our 2004 financial statements, we determined that the accounting treatment of certain of the company's goodwill and other intangibles related to our foreign acquisitions did not comply with the requirements of Statement of Financial Accounting Standards (SFAS) No. 52, Foreign Currency Translation. We maintained the value of goodwill and other intangibles associated with our 2001 and 2002 foreign acquisitions at the historic foreign currency exchange rates in place at the date of the acquisition. We now have concluded that we should have translated these intangible assets into our reporting currency at the exchange rates at each balance sheet date to reflect changes in the applicable foreign currency exchange rates. This amendment restates the company's Consolidated Balance Sheets, Consolidated Statements of Comprehensive Income, and related notes included herein to translate these intangible assets at the end of the periods reported to reflect changes in the applicable foreign exchange rates.

The cumulative impact of the error increases the company's intangible asset balance and currency translation adjustment balance within shareholders' equity by \$51.1 million and \$57.6 million as of June 30, 2004 and December 31, 2003, respectively. This change has no impact on the company's historical Consolidated Income Statements or Statements of Cash Flows, its financial debt covenants in prior years, or its previous intangible asset impairment analyses under SFAS No. 142, Goodwill and Other Intangible Assets. This change increases (decreases) comprehensive income by \$(1.7) million \$11.2 million, \$(6.4) million and \$16.7 million for the three months ended June 30, 2004 and 2003, and

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six months ended June 30, 2004 and 2003, respectively.

See Note 1, Restatement in our Notes to Consolidated Financial Statements for further information regarding this restatement.

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

**THE MANITOWOC COMPANY, INC.**  
**Consolidated Statements of Operations**  
**For the Three and Six Months Ended June 30, 2004 and 2003**  
**(Unaudited)**  
**(In thousands, except per-share and average shares data)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Net sales	\$ 526,212	\$ 413,824	\$ 938,038	\$ 774,733
Costs and expenses:				
Cost of sales	421,138	320,490	741,647	603,656
Engineering, selling and administrative expenses	69,144	65,215	137,136	126,130
Amortization expense	767	728	1,557	1,427
Restructuring and plant consolidation costs	801	4,178	801	4,178
Total costs and expenses	491,850	390,611	881,141	735,391
Earnings from operations	34,362	23,213	56,897	39,342
Other expenses:				
Interest expense	(13,917)	(15,329)	(27,465)	(29,948)
Other income (expense), net	(267)	5	238	(36)
Total other expense	(14,184)	(15,324)	(27,227)	(29,984)
Earnings from continuing operations before taxes on income	20,178	7,889	29,670	9,358
Provision for taxes on income	5,407	2,300	8,159	2,799
Earnings from continuing operations	14,771	5,589	21,511	6,559
Discontinued operations:				
Loss from discontinued operations, net of income taxes of \$(95), \$(161), \$(282), and \$(534)	(228)	(392)	(1,199)	(1,117)
Gain (loss) on sale or closure of discontinued operations, net of income taxes of \$291, \$(1,600), \$108, and \$(1,451)	709	(3,884)	709	(3,594)
Net earnings	\$ 15,252	\$ 1,313	\$ 21,021	\$ 1,848
Basic earnings per share:				
Earnings from continuing operations	\$ 0.55	\$ 0.21	\$ 0.81	\$ 0.25
Loss from discontinued operations, net of income taxes	(0.01)	(0.01)	(0.04)	(0.04)
Gain (loss) on sale or closure of discontinued operations, net of income	0.03	(0.15)	0.03	(0.14)
Net earnings	\$ 0.57	\$ 0.05	\$ 0.79	\$ 0.07

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Diluted earnings per share:

Earnings from continuing operations	\$	0.54	\$	0.21	\$	0.79	\$	0.25
Loss from discontinued operations, net of income taxes		(0.01)		(0.01)		(0.04)		(0.04)
Gain (loss) on sale or closure of discontinued operations, net of income		0.03		(0.15)		0.03		(0.14)
Net earnings	\$	0.56	\$	0.05	\$	0.77	\$	0.07
Weighted average shares outstanding - basic		26,727,708		26,544,501		26,697,340		26,543,320
Weighted average shares outstanding - diluted		27,196,924		26,628,261		27,147,693		26,603,182

See accompanying notes which are an integral part of these statements.

**THE MANITOWOC COMPANY, INC.**  
**Consolidated Balance Sheets**  
**As of June 30, 2004 and December 31, 2003**

(Unaudited)  
(In thousands, except share data)

	June 30, 2004 (as restated)	December 31, 2003 (as restated)
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 46,951	\$ 44,968
Marketable securities	2,225	2,220
Accounts receivable, less allowances of \$28,168 and \$24,419	276,660	245,010
Inventories - net	307,506	232,877
Deferred income taxes	72,057	71,781
Other current assets	44,484	49,233
Total current assets	749,883	646,089
Property, plant and equipment - net	334,013	334,618
Goodwill	435,586	438,925
Other intangible assets - net	144,802	149,256
Deferred income taxes	36,374	34,491
Other non-current assets	64,492	56,770
Total assets	\$ 1,765,150	\$ 1,660,149
<b>Liabilities and Stockholders' Equity</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 519,794	\$ 454,394
Current portion of long-term debt	3,640	3,205
Short-term borrowings	18,351	22,011
Product warranties	32,313	33,823
Product liabilities	29,399	31,791
Total current liabilities	603,497	545,224
Non-Current Liabilities:		
Long-term debt, less current portion	562,732	567,084
Pension obligations	55,697	57,239
Postretirement health and other benefit obligations	54,468	54,283
Other non-current liabilities	117,818	80,327
Total non-current liabilities	790,715	758,933
Commitments and contingencies (Note 6)		
<b>Stockholders' Equity:</b>		
Common stock (36,746,482 shares issued, 26,739,525 and 26,572,024 shares outstanding, respectively)	367	367
Additional paid-in capital	82,925	81,297
Accumulated other comprehensive income	31,216	40,800
Unearned compensation	(187)	(328)
Retained earnings	361,813	340,792
Treasury stock, at cost (10,006,957 and 10,174,458 shares, respectively)	(105,196)	(106,936)
Total stockholders' equity	370,938	355,992
Total liabilities and stockholders' equity	\$ 1,765,150	\$ 1,660,149

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See accompanying notes which are an integral part of these statements.

## THE MANITOWOC COMPANY, INC.

## Consolidated Statements of Cash Flows

For the Six Months Ended June 30, 2004 and 2003

(Unaudited)

(In thousands)

	Six Months Ended June 30,	
	2004	2003
<b>Cash Flows from Operations:</b>		
Net earnings	\$ 21,021	\$ 1,848
Adjustments to reconcile net earnings to cash provided by operating activities of continuing operations:		
Discontinued operations, net of income taxes	490	4,711
Depreciation	25,511	23,042
Amortization of intangible assets	1,557	1,427
Amortization of deferred financing fees	1,635	2,204
Loss on debt extinguishment	555	
Restructuring and plant consolidation costs	801	4,178
Deferred income taxes	(3,186)	(2,544)
Gain on sale of property, plant and equipment	(608)	(636)
Changes in operating assets and liabilities, excluding effects of business acquisitions and divestitures:		
Accounts receivable	(43,678)	(31,566)
Inventories	(106,814)	(14,517)
Other current assets	(2,873)	1,821
Accounts payable and accrued expenses	66,258	25,107
Other liabilities	31,566	8,174
Net cash provided by (used for) operating activities of continuing operations	(7,765)	23,249
Net cash provided by (used for) operating activities of discontinued operations	(555)	787
Net cash provided by (used for) operating activities	(8,320)	24,036
<b>Cash Flows from Investing:</b>		
Capital expenditures	(18,493)	(11,145)
Proceeds from sale of property, plant and equipment	3,588	4,974
Sale (purchase) of marketable securities	(5)	119
Net cash used for investing activities of continuing operations	(14,910)	(6,052)
Net cash provided by investing activities of discontinued operations	9,000	6,989
Net cash provided by (used for) investing activities	(5,910)	937
<b>Cash Flows from Financing:</b>		
Payments on long-term debt	(7,814)	(26,274)
Proceeds from long-term debt		