Manitex International, Inc.
Form 10-Q
November 05, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2015

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: 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)

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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 x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes x No o

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

Large accelerated filer	o	Accelerated filer	x
Non-accelerated filer	o	Smaller reporting company	o

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

The number of shares of the registrant’s common stock, no par, outstanding at November 2, 2015 was 16,014,594

MANITEX INTERNATIONAL, INC.

FORM 10-Q INDEX

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PART 1—FINANCIAL INFORMATION

Item 1—Financial Statements

MANITEX INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

	September 30, 2015 Unaudited	December 31, 2014 Unaudited
ASSETS		
Current assets		
Cash	$ 4,446	$ 4,370
Trade receivables (net)	72,897	60,855
Accounts receivable from related party	318	8,609
Other receivables	4,594	243
Inventory (net)	123,546	96,722
Deferred tax asset	1,324	1,325
Prepaid expense and other	4,709	1,733
Total current assets	211,834	173,857
Total fixed assets (net)	46,635	28,584
Intangible assets (net)	73,740	51,922
Deferred tax asset	11,731	2,081
Goodwill	82,035	52,935
Other long-term assets	5,865	4,176
Non-marketable equity investment	5,833	5,951
Total assets	$ 437,673	$ 319,506
LIABILITIES AND EQUITY		
Current liabilities		
Notes payable—short term	$ 34,681	$ 11,999
Revolving credit facilities	2,509	2,798
Current portion of capital lease obligations	1,056	1,631
Accounts payable	52,465	36,006
Accounts payable related parties	2,251	503
Income tax payable on conversion of ASV	—	16,500
Accrued expenses	19,374	16,386
Other current liabilities	3,801	2,407
Total current liabilities	116,137	88,230
Long-term liabilities		
Revolving term credit facilities	50,693	46,457
Notes payable	79,660	40,088
Capital lease obligations	5,922	2,710
Convertible note-related party (net)	6,701	6,611
Convertible note (net)	14,358	—
Deferred gain on sale of building	1,007	1,268

Deferred tax liability	17,825	4,163
Other long-term liabilities	7,890	1,973
Total long-term liabilities	184,056	103,270
Total liabilities	300,193	191,500
Commitments and contingencies		
Equity		
Preferred Stock—Authorized 150,000 shares, no shares issued or outstanding at September 30, 2015 and December 31, 2014	—	—
Common Stock—no par value 25,000,000 shares authorized, 16,014,594 and 14,989,694 shares issued and outstanding at September 30, 2015 and December 31, 2014, respectively	92,462	82,040
Paid in capital	3,112	1,789
Retained earnings	22,083	21,960
Accumulated other comprehensive loss	(3,911)	(1,023)
Equity attributable to shareholders of Manitex International, Inc.	113,746	104,766
Equity attributable to noncontrolling interest	23,734	23,240
Total equity	137,480	128,006
Total liabilities and equity	$ 437,673	$ 319,506

The accompanying notes are an integral part of these financial statements

MANITEX INTERNATIONAL, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except for share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015 Unaudited	2014 Unaudited	2015 Unaudited	2014 Unaudited
Net revenues	$96,671	$66,197	$308,157	$197,172
Cost of sales	78,363	55,282	251,694	161,509
Gross profit	18,308	10,915	56,463	35,663
Operating expenses				
Research and development costs	1,329	611	4,563	1,909
Selling, general and administrative expenses	13,307	6,893	41,792	21,554
Total operating expenses	14,636	7,504	46,355	23,463
Operating income	3,672	3,411	10,108	12,200
Other income (expense)				
Interest expense	(3,187)	(671)	(9,660)	(2,192)
Foreign currency transaction (loss) gain	(95)	(102)	584	(27)
Other income (loss)	(49)	71	(58)	(67)
Total other expense	(3,331)	(702)	(9,134)	(2,286)
Income before income taxes and loss in non-marketable equity interest	341	2,709	974	9,914
Income tax	69	941	237	3,283
Loss in non-marketable equity interest, net of taxes	(40)	—	(119)	—
Net income	$232	$1,768	$618	$6,631
Net income attributable to noncontrolling interest	(23)	—	(495)	—
Net income (loss) attributable to shareholders of Manitex International, Inc.	$209	$1,768	$123	$6,631
Earnings Per Share				
Basic	$0.01	$0.13	$0.01	$0.48
Diluted	$0.01	$0.13	$0.01	$0.48
Weighted average common shares outstanding				
Basic	16,014,594	13,822,918	15,955,025	13,817,538
Diluted	16,039,361	13,873,157	15,973,297	13,862,651

The accompanying notes are an integral part of these financial statements

MANITEX INTERNATIONAL, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In thousands)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
	Unaudited	Unaudited	Unaudited	Unaudited
Net income:	$232	$ 1,768	$618	$ 6,631
Other comprehensive income (loss)				
Foreign currency translation adjustments	(348)	(753)	(2,888)	(822)
Derivative instrument fair market value adjustment—net of income taxes	—	—	—	7
Total other comprehensive income (loss)	(348)	(753)	(2,888)	(815)
Comprehensive income (loss)	(116)	1,015	(2,270)	5,816
Comprehensive income attributable to noncontrolling interest	(23)	—	(495)	—
Total comprehensive income (loss) attributable to shareholders of Manitex International, Inc.	$(139)	$ 1,015	$(2,765)	$ 5,816

The accompanying notes are an integral part of these financial statements

MANITEX INTERNATIONAL, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Nine Months Ended September 30,	
	2015 Unaudited	2014 Unaudited
Cash flows from operating activities:		
Net income	$618	$ 6,631
Adjustments to reconcile net income to cash used for operating activities:		
Depreciation and amortization	9,306	3,334
Changes in allowances for doubtful accounts	3	128
Changes in inventory reserves	787	(151)
Deferred income taxes	(52)	178
Amortization of deferred financing cost	778	—
Amortization of debt discount	510	—
Change in value of interest rate swaps	(730)	—
Loss in non-marketable equity interest	119	—
Share-based compensation	1,167	906
Gain on disposal of fixed assets	(123)	—
Reserves for uncertain tax provisions	18	(104)
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	15,985	(6,519)
(Increase) decrease in accounts receivable finance	—	321
(Increase) decrease in inventory	(7,109)	(9,849)
(Increase) decrease in prepaid expenses	(3,041)	(278)
(Increase) decrease in other assets	97	11
Increase (decrease) in accounts payable	(5,195)	3,550
Increase (decrease) in accrued expense	(4,853)	56
Increase (decrease) in income tax payable on ASV conversion	(16,500)	—
Increase (decrease) in other current liabilities	161	72
Increase (decrease) in other long-term liabilities	2,580	(30)
Net cash used for operating activities	(5,474)	(1,744)
Cash flows from investing activities:		
Acquisition of business, net of cash acquired	(13,747)	—
Proceeds from the sale of fixed assets	254	—
Purchase of property and equipment	(1,963)	(704)
Investment in intangibles other than goodwill	(204)	—
Net cash used for investing activities	(15,660)	(704)
Cash flows from financing activities:		
Borrowing on revolving term credit facilities	5,432	1,047
Net borrowings (repayments) on working capital facilities	(3,469)	1,053
New borrowings—convertible notes	15,000	—

New borrowings—term loan	14,000	677
New borrowings—other	4,662	—
Bank fees and cost related to new financing	(1,149)	—
Note payments	(11,115)	(963)
Shares repurchased for income tax withholding on share-based compensation	(3)	(6)
Proceeds from capital leases	—	942
Payments on capital lease obligations	(1,324)	(1,053)
Net cash provided by financing activities	22,034	1,697
Net increase (decrease) in cash and cash equivalents	900	(751)
Effect of exchange rate changes on cash	(824)	(406)
Cash and cash equivalents at the beginning of the year	4,370	6,091
Cash and cash equivalents at end of period	$4,446	$ 4,934

The accompanying notes are an integral part of these financial statements

MANITEX INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(In thousands, except share and per share data)

Note 1. Nature of Operations

The Company is a leading provider of engineered lifting solutions. The Company operates in three business segments: the Lifting Equipment segment, the ASV segment and the Equipment Distribution segment.

Lifting Equipment Segment

The Company is a leading provider of engineered lifting solutions. The Company designs, manufactures and distributes a diverse group of products that serve different functions and are used in a variety of industries. Through its Manitex, Inc. subsidiary it markets a comprehensive line of boom trucks, truck cranes and sign cranes. Manitex's boom trucks and crane products are primarily used for industrial projects, energy exploration and infrastructure development, including, roads, bridges and commercial construction.

CVS Ferrari, srl ("CVS") designs and manufactures a range of reach stackers and associated lifting equipment for the global container handling market that are sold through a broad dealer network. CVS's Valla division ("Valla"), which is located in Piacenza, Italy, offers a full range of precision pick and carry cranes ranging in size from 2 to 90 tons, 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.

Manitex Liftking ULC ("Manitex Liftking" or "Liftking") sells a complete line of rough terrain forklifts, a line of stand-up electric forklifts, cushioned tired forklifts with lifting capacities from 18 thousand to 40 thousand pounds, and special mission oriented vehicles, as well as other specialized carriers, heavy material handling transporters and steel mill equipment. Manitex Liftking's rough terrain forklifts are used in both commercial and military applications. Specialty mission oriented vehicles and specialized carriers are designed and built to meet the Company's unique customer needs and requirements. The Company's specialized lifting equipment has met the particular needs of customers in various industries that include the utility, ship building and steel mill industries.

Badger Equipment Company ("Badger") is a manufacturer of specialized rough terrain cranes and material handling products. Badger primarily serves the needs of the construction, municipality, and railroad industries.

Manitex Load King, Inc. ("Load King") manufactures specialized custom trailers and hauling systems typically used for transporting heavy equipment. Load King trailers serve niche markets in the commercial construction, railroad, military, and equipment rental industries through a dealer network.

Manitex Sabre, Inc. ("Sabre"), which is located in Knox, Indiana, manufactures a comprehensive line of specialized mobile tanks for liquid and solid storage and containment solutions with capacities from 8,000 to 21,000 gallons. Its mobile tanks are sold to specialized independent tank rental companies and through the Company's existing dealer network. The tanks are used in a variety of end markets such as petrochemical, waste management and oil and gas drilling.

In January of 2015, The Company acquired PM Group S.p.A. ("PM") which is based in San Cesario sul Panaro, Modena, Italy. PM is a leading Italian manufacturer of truck mounted hydraulic knuckle boom cranes with a 50-year history of technology and innovation, and a product range spanning more than 50 models. Its largest subsidiary, Oil &

Steel ("O&S"), is a manufacturer of truck-mounted aerial platforms with a diverse product line and an international client base. Combined, O&S and PM occupy 510,000 square feet of assembly and manufacturing space, spread between its two locations in San Cesario S/P, Modena, and in Arad, Romania, and sell to a broad, worldwide dealer network.

PM's financial results are included in the Company's consolidated results beginning on January 15, 2015.

ASV Segment

On December 19, 2014, the Company acquired 51% of A.S.V., Inc. from Terex Corporation ("Terex"). In connection with the acquisition, ASV was converted to an LLC and its name was changed to A.S.V., LLC (ASV). ASV, located in Grand Rapids, Minnesota, manufactures a line of high quality compact rubber tracked and skid steer loaders. The ASV products are distributed through the Terex distribution channels as well as through Manitex and other independent dealers. The products are used in the site clearing, general construction, forestry, golf course maintenance and landscaping industries, with general construction being the largest market.

Equipment Distribution Segment

The Equipment Distribution segment includes the operations of Crane & Machinery ("C&M"), a division of Manitex International, Inc., North American Equipment, Inc. and North American Distribution, Inc. The segment markets products used primarily for infrastructure development and commercial construction applications that include road and bridge construction, general contracting, roofing, scrap handling and sign construction and maintenance. C&M is a distributor of Terex rough terrain and truck cranes, and supplies repair parts for a wide variety of medium to heavy duty construction equipment and sells domestically and internationally, predominately to end users, including the rental market. It also provides crane equipment repair services in the Chicago area. North American Equipment, Inc. market previously-owned construction and heavy equipment, both domestically and internationally and provides a wide range of used lifting and construction equipment of various ages and condition, and also has the capability to refurbish equipment to the customers' specification. North American Distribution, Inc. operates as the North American sales organization for our Italian based Valla pick and carry crane products.

2. Basis of Presentation

The accompanying consolidated financial statements, included herein, have been prepared by the Company without audit pursuant to the rules and regulations of the United States Securities and Exchange Commission. Pursuant to these rules and regulations, certain information and footnote disclosures normally included in financial statements which are prepared in accordance with accounting principles generally accepted in the United States of America have been omitted. In the opinion of management, the accompanying unaudited consolidated financial statements reflect all adjustments (consisting only of normal recurring accruals, except as otherwise disclosed) necessary for a fair presentation of the Company's financial position as of September 30, 2015, and results of its operations and cash flows for the periods presented. The consolidated balances as of December 31, 2014 were derived from audited financial statements but do not include all disclosures required by generally accepted accounting principles. The accompanying consolidated financial statements have been prepared in accordance with accounting standards for interim financial statements and should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto for the year ended December 31, 2014. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2014. The results of operations for the interim periods are not necessarily indicative of the results of operations expected for the year.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at the amounts the Company's customers are invoiced and do not bear interest. Accounts Receivable is reduced by an allowance for amounts that may become uncollectible in the future. The Company's estimate for the allowance for doubtful accounts related to trade receivables includes evaluation of specific accounts where the Company has information that the customer may have an inability to meet its financial obligations. The Company had allowances for doubtful accounts of $427 and $458 at September 30, 2015 and December 31, 2014, respectively.

Inventory Valuation

Inventory consists of stock materials and equipment stated at the lower of cost (first in, first out) or market. All equipment classified as inventory is available for sale. The Company records excess and obsolete inventory reserves. The estimated reserve is based upon specific identification of excess or obsolete inventories. Selling, general and administrative expenses are expensed as incurred and are not capitalized as a component of inventory.

Accrued Warranties

Warranty costs are accrued at the time revenue is recognized. 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. The Equipment Distribution segment does not accrue for warranty costs at the time of sales, as they are reimbursed by the manufacturers for any warranty that they provide to their customers.

A liability for estimated warranty claims is accrued at the time of sale. The liability is established using historical warranty claim experience. Historical warranty experience is, however, reviewed by management. 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. Warranty reserves are reviewed to ensure critical assumptions are updated for known events that may impact the potential warranty liability.

Revenue Recognition

Revenue and related costs are generally recorded when products are shipped and invoiced to our customers. Revenue is recognized when title passes and risk of loss pass to our customers which is generally occurs upon shipment depending upon the terms of the contract. Under certain contracts with our customers title passes to the customers when the units are completed. The units are segregated from our inventory and identified as belonging to the customer, the customer is notified that the units are complete and wait pick up or delivery as specified by the customer before income is recognized. Additionally, the customer is requested to sign an “Invoice Authorization Form” which acknowledges the contract terms and acknowledges that the customer has economic ownership and control over the unit. It also acknowledges that we are going to invoice the unit per terms of the contract. The Company insures any custodial risk that it may retain.

For FOB contracts, customers may be invoiced prior to the time customers take physical possession. Revenue is recognized in such cases only when the customer has a fixed commitment to purchase the units, the units have been completed, tested and made available to the customer for pickup or delivery, and the customer has authorized in writing that we hold the units for pickup or delivery at a time specified by the customer. In such cases, the units are invoiced under our customary billing terms, title to the units and risks of ownership pass to the customer upon invoicing, the units are segregated from our inventory and identified as belonging to the customer and we have no further obligations under the order. The Company insures any custodial risk that it may retain.

In addition, our policy requires in all instances certain minimum criteria be met in order to recognize revenue, specifically:

a) Persuasive evidence that an arrangement exists;
b) The price to the buyer is fixed or determinable;
c) Collectability is reasonably assured; and
d) We have no significant obligations for future performance.

Interest Rate Swap Contracts

The Company enters into derivative instruments to manage its exposure to interest rate risk related to certain foreign term loans. Derivatives are initially recognized at fair value at the date the contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in current earnings immediately unless the derivative is designated and effective as a hedging instrument, in which case the effective portion of the gain or loss is recognized and is reported as a component of other comprehensive income and reclassified into earnings in the same period or periods during which the hedging instrument affects earnings (date of sale). As part of the acquisition of PM Group, which was acquired on January 15, 2015, the Company acquired interest rate swap contracts, which manage the exposure to interest rate risk related to term loans with certain financial institutions in Italy. These contracts have been determined not to be hedge instruments under ASC 815-10. Further details of derivative financial instruments are disclosed in Notes 4 and 5.

Litigation Claims

In determining whether liabilities should be recorded for pending litigation claims, the Company must assess the allegations and the likelihood that it will successfully defend itself. When the Company believes it is probable that it will not prevail in a particular matter, it will then make an estimate of the amount of liability based, in part, on the advice of legal counsel.

Income Taxes

The Company's provision for income taxes consists of U.S. and foreign taxes in amounts necessary to align the Company's year-to-date tax provision with the effective rate that the Company expects to achieve for the full year. Each quarter the Company updates its estimate of the annual effective tax rate and records cumulative adjustments as necessary. The effective tax rate is based upon the Company's anticipated earnings both in the U.S. and in foreign jurisdictions.

Comprehensive Income

Reporting "Comprehensive Income" requires reporting and displaying comprehensive income and its components. Comprehensive income includes, in addition to net earnings, other items that are reported as direct adjustments to stockholder's equity. Currently, the comprehensive income adjustment required for the Company has two components. First is a foreign currency translation adjustment, the result of consolidating its foreign subsidiaries. The second component is a derivative instrument fair market value adjustment (net of income taxes) related to forward currency contracts designated as a cash flow hedge.

Business Combinations

The Company accounts for acquisitions in accordance with guidance found in ASC 805, Business Combinations. The guidance requires consideration given, including contingent consideration, assets acquired and liabilities assumed to be valued at their fair market values at the acquisition date. The guidance further provides that: (1) in-process research and development will be recorded at fair value as an indefinite-lived intangible asset; (2) acquisition costs will generally be expensed as incurred, (3) restructuring costs associated with a business combination will generally be expensed subsequent to the acquisition date; and (4) changes in deferred tax asset valuation allowances and income tax uncertainties after the acquisition date generally will affect income tax expense.

ASC 805 requires that any excess of purchase price over fair value of assets acquired, including identifiable intangibles and liabilities assumed be recognized as goodwill. In accordance with ASC 805, any excess of fair value of acquired net assets, including identifiable intangibles assets, over the acquisition consideration results in a bargain purchase gain. Prior to recording a gain, the acquiring entity must reassess whether all acquired assets and assumed liabilities have been identified and recognized and perform re-measurements to verify that the consideration paid, assets acquired and liabilities assumed have been properly valued.

ASV, PM Group and Columbia Tank results are included in the Company’s results from their respective dates of acquisition of December 19, 2014, January 15, 2015 and March 13, 2015.

Reclassification

Certain reclassifications have been made to the prior year’s consolidated financial statements to conform to the current year’s presentation.

PM historically grouped all operating expenses and did not classify them as either cost of sales or as selling, general and administrative expenses. For the quarter ending March 31, 2015, operating expenses were classified as either cost of sales or selling, general and administrative expense. This classification was based on the information that was available at the time. Subsequent to first quarter 2015, PM has refined the calculation and has determined that $1,710 of expense classified as selling, general and administrative expense should have been included in cost of sales in the first quarter of 2015.

For the quarters ended March 31, 2015 and June 30, 2015 employee severance expense of $344 and $6 were included in other expense. The aforementioned amounts have to been reclassified and are included in selling, general and administrative expenses for the nine months ended September 30, 2015. For the quarters ended March 31, 2015 and June 30, 2015 gains on interest swaps of $354 and $6 were included in other expense. The aforementioned amounts have to been reclassified and are included as a component of interest expense for the nine months ended September 30, 2015.

3. Acquisitions

PM Group

On July 21, 2014 Manitex International, Inc. (the “Company”) entered into a series of agreements to acquire PM S.p.A, (“PM Group”), a manufacturer of truck mounted cranes based in San Cesario sul Panaro, Modena, Italy. On January 15, 2015, the Company’s acquisition of PM closed.

The fair value of the purchase consideration is shown below:

Cash	€17,142	$ 20,312
994,483 shares of Manitex International, Inc.	8,710	10,124
Total purchase consideration	€25,852	$ 30,436

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Under the acquisition method of accounting, in accordance ASC 805, Business Combinations, the assets acquired and liabilities assumed are valued based on their estimated fair values as of the date of the acquisition. The Company engaged a valuation expert and a tax advisor to provide guidance and assistance to management which was considered and in part relied upon in completing its purchase price allocation. The excess of the purchase price over the aggregate estimated fair value of net assets acquired was allocated to goodwill. The purchase price allocation is preliminary and the entire allocation is subject to a final review, including but not limited to the accounts receivable, inventory, intangible assets and accruals. The following table summarizes the preliminary allocation of the PM acquisition consideration to the fair value of the assets acquired and liabilities assumed at the date of acquisition:

Purchase price allocation:

Cash invested in PM	€5,994	$6,965
Trade receivables	19,015	22,475
Inventory	20,088	23,743
Other receivables and prepaid expenses	3,746	4,428
Total fixed assets	14,674	17,344
Customer relationships	10,841	12,813
Trade name and trademarks	5,850	6,914
Patented & Unpatented Technology	7,657	9,050
Goodwill	26,272	31,052
Deferred net tax assets	8,190	9,680
Other long term assets	1,267	1,497
Accounts payable	(22,020)	(26,026)
Accrued expenses and accruals	(7,343)	(8,679)
Other current liabilities	(1,188)	(1,404)
Deferred tax liability	(11,595)	(13,705)
Other long-term liabilities	(2,973)	(3,514)
Assumed non-recourse debt	(52,623)	(62,197)
Net assets acquired	€25,852	$30,436

Contingent Liability . In accordance with ASC 805, the acquirer is to recognize the acquisition date fair value of contingent liability. The Company entered into an Option Agreement with one of the PM Group senior banks under which the bank will sell to the Company PM debt with a face value of €5,000. Under the Option Agreement, the bank shall receive €2,500 if PM has 2017 EBITDA, as defined in the agreement, of between €14,500 and €16,500, and €5,000 if 2017 EBITDA exceeds €16,500. If 2017 EBITDA, as defined in the agreement, is less than €14,500, the bank is to sell the debt to the Company for €0.001. Given the disparity between the EBITDA threshold and the Company's projected financial results, it was determined that a Monte Carlo simulation analysis was appropriate to determine the fair value of contingent consideration. It was determined that the probability weighted average payment is €1,093 or $1,270. Based thereon, we determined the fair value of the contingent liability to be €1,093 or $1,270. This amount is included in other long-term liabilities in the above table.

Non-recourse PM debt : Under the transaction, PM remains obligated for the following debt:

Term debt—interest bearing	€23,247	$27,477
Term debt—non-interest bearing	10,289	12,161
Fair market adjustment for non-interest bearing debt	(1,460)	(1,726)

Working capital borrowing	18,827	22,252
Interest rate swap derivative contract	1,720	2,033
Total assumed non-recourse debt	€52,623	$62,197

Non-interest bearing debt . In connection with the acquisition, the Company assumed non-interest bearing debt of €10,289. The fair value of the non-interest bearing debt was determined to be €8,829 or $10,435. The fair value of the non-interest bearing debt was calculated to equal the present value of future debt payments discounted at a market rate of return commensurate with similar debt instruments with comparable levels of risk and marketability. A rate of 5.24% was determined to be the appropriate rate following an assessment of the risk inherent in the debt issued and the market rate for debt of this nature using corporate credit ratings.

The interest rate swap derivative was valued at its fair value, which is based on quotes from a financial institution.

Tangible assets and liabilities: The tangible assets and liabilities were valued at their respective carrying values by PM, except for certain adjustments necessary to state such amounts at their estimated fair values at the acquisition date. Significant fair market adjustments were made to increase inventory by €771 and to decrease fixed assets by €3,647.

Intangible assets: There are three fundamental methods applied to value intangible assets outlined in FASB ASC 820. These methods include the Cost Approach, the Market Approach, and the Income Approach. Each of these valuation approaches were considered in our estimation of value.

Trade names and trademarks, patented and unpatented technology: Valued using the Relief from Royalty method, a form of both the Market Approach and the Income Approach. Because the Company has established trade names and trademarks and has developed patented and unpatented technology, we estimated the benefit of ownership as the relief from the royalty expense that would need to be incurred in absence of ownership.

Customer relationships: Because there is a specific earnings stream that can be associated with customer relationships, we determined the fair value of these relationships based on the excess earnings method, a form of the Income Approach.

Goodwill: Goodwill represents the excess of total consideration paid and the fair value of net assets acquired. The recognition of goodwill of $31,052 reflects the inherent value in the PM reputation, which has been built since being founded in 1959 and the prospects for significant future earnings.

In calculating the Company's deferred tax liabilities the fact that goodwill is not deductible was considered.

Acquisition transaction costs: Cost and expenses related to the acquisition have been expensed as incurred and recorded in selling, general and administrative expenses. The Company incurred fees of $194 for legal services, $750 for acquisition related bonus payments, $347 for accounting services in connection with the prior year audit of PM financial statements and $294 for other costs related to the acquisition.

The results of the acquired PM operations have been included in our consolidated statement of operations since the acquisition date. PM is included in the Lifting segment for segment reporting purposes.

The following unaudited pro forma information assumes the acquisition of PM occurred on January 1, 2014. The unaudited pro forma results have been prepared for informational purposes only and do not purport to represent the results of operations that would have been had the acquisition occurred as of the date indicated, nor of future results of operations. The unaudited pro forma results for the three and nine months ended September 30, 2015 and 2014 are as follows (in thousands, except per share data):

	Three Months Ended		Nine Months Ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Net revenues	$96,671	$ 91,146	$310,456	$ 269,032
Net income attributable to shareholders of Manitex International, Inc.	$209	$ 1,620	$501	$ 2,038
Income per share:				
Basic	$0.01	$ 0.11	$0.03	$ 0.14
Diluted	$0.01	$ 0.11	$0.03	$ 0.14

Weighted average common shares outstanding:				
Basic	16,014,059	14,817,401	16,010,274	14,812,021
Diluted	16,039,361	14,867,640	16,024,181	14,835,284

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Pro Forma Adjustment Note

The following table summarizes the pro forma adjustment that modify historical results:

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
	Dr. (Cr.)			
Record interest expense on Manitex debt issued in connection with the acquisition	$ —	$ 500	$ 33	$ 1,494
Transfer transaction costs incurred between periods	—	—	(1,148)	1,148
Eliminate impact of capitalizing Research and Development by PM	—	(211)	(45)	225
Adjust depreciation to reflect fair values and current lives	—	(147)	(11)	(387)
Adjust amortization to reflect fair value on intangible assets and current lives	—	551	90	1,684
Eliminate historic interest expense on debt forgiven or converted to non-interest debt	—	(177)	(14)	(1,169)
Record amortization of debt discount on non-interest bearing debt	—	105	27	387
Transfer amortization of inventory step up between periods	—	—	(912)	1,030
Eliminate profit on debt restructuring (this was not a taxable event)	—	—	6,298	—
Record income tax impact on the above pro forma adjustments	—	(213)	662	(1,481)

Columbia Tanks

On March 12, 2015 the Company’s subsidiary, Manitex Sabre, entered into an inventory purchase agreement and an equipment purchase agreement with Columbia Tanks LLC, an Indiana company and J.F. Henry, the “Member”, for the purchase of inventory and used manufacturing equipment. In a separate agreement with F.H. Associates, the Company entered into a three year lease of a 99,000 square foot manufacturing facility at an annual rent commencing at $240 per annum and increasing to $270 and $300 for the second and third years, respectively. The lease is renewable after three years at the Company’s option.

The purchase price allocation is preliminary and the balance is subject to a final review of inventory, equipment and intangible assets.

The fair value of the purchase consideration was $1,214 in total as shown below:

Cash	$400
Seller notes	814
Total purchase consideration	$1,214

Seller Note . In connection with the inventory and equipment purchases, the Company issued two non-interest bearing notes for $450 and $390 that mature on August 31, 2016 and May 31, 2016, respectively. The fair value of Inventory Note and the Equipment Note was determined to be $436 and $378. The fair value of the notes was calculated to equal the present value of future debt payments discounted at a market rate of return commensurate with similar debt instruments with comparable levels of risk and marketability. A rate of 4.0% was determined to be the appropriate rate following an assessment of the risk inherent in the debt issued and the market rate for debt of this nature using corporate credit ratings.

Under the acquisition method of accounting, in accordance ASC 805, Business Combinations, the assets acquired and liabilities assumed are valued based on their estimated fair values as of the date of the acquisition. The purchase price allocation is preliminary and is subject to final review of inventory, fixed assets and related intangibles.

The following table summarizes the allocation of the Columbia acquisition consideration to the fair value of the assets acquired:

Purchase price allocation:

Inventory	$686
Equipment	528
	$1,214

Tangible and Intangible Assets and Liabilities: The tangible assets were valued at their respective purchase price. Management has preliminarily determined that amount paid to acquire the assets approximates the fair value of the assets acquired.

Pro forma information is not included as Columbia Tanks' amounts are insignificant.

Lift Ventures, LLC

On December 16, 2014, the Company, BGI USA Inc. ("BGI"), Movedesign SRL and R & S Advisory S.r.l., entered into an operating agreement (the "Operating Agreement") for Lift Ventures LLC ("Lift Ventures"), a joint venture entity. The purposes for which Lift Ventures is organized are the manufacturing and selling of certain products and components, including the Schaeff line of electric forklifts and certain LiftKing products. Pursuant to the Operating Agreement, the Company was granted a 25% equity stake in Lift Ventures in exchange for the contribution of inventory totaling $5,951 and a license of certain intellectual property related to the Company's products.

This investment is a non-marketable equity investment made in a privately-held company accounted for under the equity method.

At date of acquisition, this investment had a carrying value of $5,951. The Company will test this non-marketable equity investment when events or circumstances exists that would be indicative of possible impairment.

ASV Stock Purchase

On December 19, 2014, the Company closed on the ASV Stock Purchase Agreement entered into between the Company and Terex Corporation ("Terex") on October 29, 2014, pursuant to which the Company purchased 51% of the issued and outstanding shares of ASV Inc. a Grand Rapids, Minnesota-based manufacturer of a broad line of technology leading compact rubber tracked and skid steer loaders and accessories that had been a wholly owned subsidiary of Terex since 2008.

The fair value of the purchase consideration was $49,787 in total as shown below:

Cash	$25,000
Note payable to seller	1,411
Fair value of non-controlling interest in ASV	23,376
Total purchase consideration	$49,787

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Under the acquisition method of accounting, in accordance ASC 805, Business Combinations, the assets acquired and liabilities assumed are valued based on their estimated fair values as of the date of the acquisition. The excess of the purchase price over the aggregate estimated fair value of net assets acquired was allocated to goodwill. At December 31, 2014, it was stated that the purchase price allocation was preliminary and was subject to final review of certain items including inventory, accrual and receivable balances. During the second quarter, the purchase price allocation was adjusted. Adjustments for the following reasons to the previously reported provisional assets or liabilities were made:

•	Record liabilities that existed at acquisition date that had not been recorded	$115
•	Adjustment to reduce the value of certain inventory based on obtaining additional information	460
•	Eliminate value assigned to fixed assets determined not to exist at date of acquisition	262
•	Increase reserves for potential product liability suits based on additional information	3,199
•	Adjustment to reserves for worker compensation claims based on additional information	69
		$4,105

The balance sheet at December 31, 2014 was restated to reflect the above changes to ASV purchase price allocations as follows:

Account	Provisional amount recorded as of December 31, 2014	Adjustment to purchase price allocation	Revised Provisional amount recorded as of December 31, 2014
Goodwill	$ 26,744	$ 4,105	$ 30,849
Inventory	27,217	(460)	26,757
Fixed Assets	19,177	(262)	18,915
Accrued Expenses	(3,975)	(3,383)	(7,358)

The above adjustments are non-cash items and, therefore, do not have an impact on the Statement of Cash Flows for the period ended December 31, 2014. At September 30, 2015, the purchase price allocation continues to be preliminary and is subject to final review of certain items including inventory, accrual and receivable balances.

The following table summarizes the preliminary allocation of the ASV acquisition consideration to the fair value of the assets acquired and liabilities assumed at the date of acquisition:

Purchase price allocation:

Cash	$2
Accounts receivable	18,232
Prepaid Expenses	71
Inventory	26,757
Total fixed assets	18,915
Customer relationships	16,000
Trade name and trademarks	7,000
Patented & unpatented technology	8,000
Goodwill	30,849
Capitalized debt issuance costs	2,767
Accounts payable	(9,459)
Accrued expenses	(7,358)
Accrued conversion tax	(16,500)
Accrued pension liability	(839)
Assumption of non-recourse ASV debt	(44,650)
Net assets acquired	$49,787

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Deferred bank fees and expense: Legal and bank fees incurred related to establishing term debt and revolving credit financing for ASV as part of the acquisition transaction . Manitex executed a note payable in the amount of $1,594 in connection with the transaction. The note was to reimburse Terex for Manitex's share of fees and expenses, including $1,411 of fees related to new financing at ASV.

Noncontrolling interest in ASV: Fair value of Terex 49% share of ASV equity was calculated by grossing up the fair value of the controlling interest purchased by the Company to a 100% value, then deducting the $26,411 paid for the majority interest. Subsequently an adjustment for an implied minority discount of $2,000 (approximately 8%) was applied against initial calculation.

Non-recourse ASV debt: In connection with the transaction, ASV entered into a $40,000, five year Term debt facility and a $35,000 revolving credit facility. At the date of acquisition, ASV had fully drawn funds on the Term debt, $40,000, and had drawn $4,650 on the revolving credit facility.

Under the acquisition method of accounting, the total consideration is allocated to the assets acquired and liabilities assumed based on their fair values as of the date of the acquisition as shown below.

Tangible assets and liabilities: The tangible assets and liabilities were valued at their respective carrying values by ASV, except for certain adjustments necessary to state such amounts at their estimated fair values at acquisition date. Fair market adjustments to fixed assets and inventory of $4,129 were recorded.

Intangible assets: There are three fundamental methods applied to value intangible assets outlined in FASB ASC 820. These methods include the Cost Approach, the Market Approach, and the Income Approach. Each of these valuation approaches were considered in our estimation of value.

Trade names and trademarks, patented and unpatented technology: Valued using the Relief from Royalty method, a form of both the Market Approach and the Income Approach. Because the Company has established trade names and trademarks and has developed patented and unpatented technology, we estimated the benefit of ownership as the relief from the royalty expense that would need to be incurred in absence of ownership.

Customer relationships: Because there is a specific earnings stream that can be associated with customer relationships, we determined the fair value of these relationships based on the excess earnings method, a form of the Income Approach.

Goodwill: Goodwill represents the excess of total consideration paid over the fair value of net assets acquired. The recognition of goodwill of $30,849 reflects the inherent value in the ASV reputation, which has been built since being founded in 1983 and the prospects for significant future earnings.

For income tax purposes, intangible assets and goodwill will be amortized and will result in future tax deductions.

Accrued conversion tax: In connection with the acquisition, the Board of Directors of ASV, Inc. agreed to a Plan of Conversion to convert ASV, Inc., from a corporation into a Minnesota limited liability company. Under the plan, all of the issued and outstanding shares of ASV, Inc. were cancelled and an equal number of limited liability company membership interests were issued to the members of ASV LLC, on a one-for-one basis. In connection with the conversion, ASV had a taxable gain.

Acquisition transaction costs: Costs and expenses related to the acquisition have been expensed as incurred and recorded in selling, general and administrative expenses. The Company incurred fees of $100 for legal services, $750 for acquisition related bonus payments, $325 for accounting services in connection with the prior year audit of ASV financial statements and $46 for Valuation services.

The results of the acquired ASV operations have been included in our consolidated statement of operations since the acquisition date. ASV is being treated as its own segment for segment reporting purposes.

4. Financial Instruments—Forward Currency Exchange Contracts and Interest Rate Swap Contracts

The following tables set forth the Company's financial assets and liabilities that were accounted for at fair value on a recurring and nonrecurring basis as of September 30, 2015 and December 31, 2014 by level within the fair value hierarchy. 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.

The following is summary of items that the Company measures at fair value on a recurring basis except as noted:

	Fair Value at September 30, 2015			
	Level 1	Level 2	Level 3	Total
Asset				
Forward currency exchange contracts	$—	$632	$—	$632
Total current assets at fair value	$—	$632	$—	$632
Liabilities:				
Forward currency exchange contracts	$—	$2	$—	$2
Interest rate swap contracts	—	1,188	—	1,188
PM contingent liabilities	—	—	1,220	1,220
Valla contingent consideration	—	—	250	250
Total recurring long-term liabilities at fair value	$—	$1,190	$1,470	$2,660

	Fair Value at December 31, 2014			
	Level 1	Level 2	Level 3	Total
Asset				
Forward currency exchange contracts	$—	$268	$—	$268
Total current assets at fair value	$—	$268	$—	$268
Liabilities:				
Forward currency exchange contracts	$—	$29	$—	$29
Convertible debt-Terex (see Note 14) (nonrecurring)	—	6,607	—	6,607
Valla contingent consideration	—	—	250	250
Total recurring and nonrecurring long-term liabilities at fair value	$—	$6,636	$250	$6,886

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).

Fair value of the forward currency contracts are determined on the last day of each reporting period using observable inputs, which are supplied to the Company by the foreign currency trading operation of its bank and are Level 2 items.

5. Derivatives 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 Canadian dollar, Euro, Chilean Peso and the U.S. dollar.

Forward Currency Contracts

When the Company's Canadian subsidiary receives a significant new U.S. dollar order, management will evaluate different options that may be available to mitigate future currency exchange risks. The decision to hedge future sales is not automatic and is decided case by case. The Company will only use hedge instruments to hedge firm existing sales orders and not estimated exposure, when management determines that exchange risks exceeds desired risk tolerance levels. The forward currency contracts used to hedge future sales are designated as cash flow hedges under ASC 815-10 provided certain criteria are met.

The Company enters into forward currency exchange contracts in relationship 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 at the balance sheet date the forward currency exchange contracts 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 Statement of Income in the other income expense section on the line titled foreign currency transaction gains (losses). Items denominated in other than a reporting units functional currency includes U.S. denominated accounts receivables and accounts payable held by our Canadian subsidiary and certain intercompany receivables due from the Company's Canadian and Italian subsidiaries.

As required, forward currency contracts are recognized as an asset or liability at fair value on the Company's Consolidated Balance Sheet. For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive income and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings (date of sale). Gains or losses on cash flow hedges when recognized into income are included in net revenues. Gains and losses on the derivative instruments representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in current earnings. The Company expects minimal ineffectiveness as the Company has hedged only firm sales orders and has not hedged estimated exposures. As of September 30, 2015, the Company had no outstanding forward currency contracts that were in place to hedge future sales. Therefore, there are currently no unrealized pre-tax gains or losses which will be reclassified from other comprehensive income into earnings during the next 12 months.

At September 30, 2015, the Company had entered into a forward currency exchange contract. The contract obligates the Company to purchase approximately CDN $125. The contract matures on October 13, 2015. Under the contract, the Company will purchase Canadian dollars at an exchange rate of $0.7664. The Canadian to US dollar exchange rates was $0.7493 at September 30, 2015. At September 30, 2015, the Company had forward currency contracts to sell Euros. The contracts obligate the Company to sell €1,300 in total. The contracts, which are in various amounts, mature between February 10, 2016 and July 1, 2016. Under the contracts, the Company will sell Euros at exchange rates between $1.1419 and $1.4307. The Euro to US dollar exchange rate was 1.1162 at September 30, 2015.

The Company's PM Group has an intercompany receivable denominated in Euros from its Chilean subsidiary. At September 30, 2015, the Company has entered into two forward contracts that mature on January 6, 2016. The purpose of which is to mitigate the income effect related to this intercompany receivable that results with a change in exchange rate between the Euro and the Chilean peso. The first contract obligates the Company to purchase €2,600 at $1.148. The second contract obliges the Company to sell 1,840,000 Chilean pesos at an exchange rate of 616.4567 per U.S. dollar. These two contracts achieve the desired purpose as U.S. dollar amounts involved in the two forward contracts offset each other.

Interest Rate Swap Contracts

The Company uses financial instruments available on the market, including derivatives, solely to minimize its cost of borrowing and hedge the risk of interest rate and exchange rate fluctuation. In January 2009, prior to the January 15, 2015 acquisition date, PM Group entered into the following contracts in order to hedge the interest rate risk related to its term loans with two financial institutions:

A contract signed by PM Group, for an original notional amount of € 20,000 (€ 20,000 at September 30, 2015), maturing on February 3, 2017 with interest payable every February 3 and August 3 each year. PM Group pays interest at a rate of 3.48% and receives from the counterparties interest at the Euro Interbank Offered Rate ("Euribor") for the period in question.

A contract signed by PM Group, for an original notional amount of € 8,496 (€ 1,444 at September 30, 2015), maturing on January 29, 2016 with interest payable every January 30 and July 30 each year. PM Group pays interest at a rate of 2.99% and receives from the counterparties interest at the Euribor rate for the period in question.

As of September 30, 2015, the Company had the following forward currency contracts and interest rate swaps:

Nature of Derivative	Currency	Amount	Type
Forward currency purchase contract	Canadian dollar	125	Not designated as hedge instrument
Forward currency sales contracts	Euro	1,300	Not designated as hedge instrument
Forward currency purchase contract	Euro	2,600	Not designated as hedge instrument
Forward currency sales contracts	Chilean peso	1,840,000	Not designated as hedge instrument
Interest rate swap contracts	Euro	21,444	Not designated as hedge instrument

The following table provides the location and fair value amounts of derivative instruments that are reported in the Consolidated Balance Sheets as of September 30, 2015 and December 31, 2014:

Total derivatives NOT designated as a hedge instrument

		Fair Value	
	Balance Sheet Location	September 30, 2015	December 31, 2014
Asset Derivatives			
Foreign currency exchange contract	Prepaid expense and other	$632	$ 268
Liabilities Derivatives			
Foreign currency exchange contract	Accrued expense	$2	$ 29
Interest rate swap contracts	Notes payable	1,188	—
Foreign currency exchange contract	Accrued expense	$1,190	$ 29

Total derivatives designated as a hedge instrument

		Fair Value	
Liabilities Derivatives	Balance Sheet Location	September 30, 2015	December 31, 2014
None		$ —	$ —

The following tables provide the effect of derivative instruments on the Consolidated Statements of Income for the three and nine months ended September 30, 2015 and 2014:

	Location of gain or (loss) recognized in Income Statement	Gain or (loss) Three Months Ended September 30, 2015	2014	Nine Months Ended September 30, 2015	2014
Derivatives Not designated as Hedge Instrument					
Forward currency contracts	Foreign currency transaction(losses)	$241	$ 98	$ 228	$ 29
Interest rate swap contracts	Interest expense	$376	$ —	$ 736	$ —

	Location of gain or (loss) recognized in Income Statement	Gain or (loss) Three Months Ended September 30, 2015	2014	Nine Months Ended September 30, 2015	2014
Derivatives designated as Hedge Instrument					
Forward currency contracts	Net revenues	$—	$ —	$ —	$ (26)

The following table shows the beginning and ending amounts of gains and losses related to hedges which have been included in Other Comprehensive Income and related activity net of income taxes for the three and nine months ended September 30, 2015 and 2014.

	Three Months Ended September 30, 2015	2014	Nine Months Ended September 30, 2015	2014
Beginning balance (loss) gain, net of income taxes	$ —	$ —	$ —	$ (7)
Amounts recorded in OCI net of (loss) gain, net of income	—	—	—	(11)

taxes				
Amount reclassified to income, loss (gain), net of income taxes	—	—	—	18
Ending balance gain (loss), net of income taxes	$ —	$ —	$ —	$ —

The Counterparty to each of the currency exchange forward contracts is a major financial institution with credit ratings of investment grade or better and no collateral is required. Management continues to monitor counterparty risk and believes the risk of incurring losses on derivative contracts related to credit risk is unlikely.

6. Net Earnings (Loss) 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. Diluted earnings per share reflects the potential dilution of convertible debt and restricted stock units. Details of the calculations are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net income (loss) attributable to shareholders of Manitex International, Inc.				
Basic	$209	$1,768	$123	$6,631
Diluted	$209	$1,768	$123	$6,631
Earnings (loss) per share				
Basic	$0.01	$0.13	$0.01	$0.48
Diluted	$0.01	$0.13	$0.01	$0.48
Weighted average common shares outstanding				
Basic	16,014,594	13,822,918	15,955,025	13,817,538
Diluted				
Basic	16,014,594	13,822,918	15,955,025	13,817,538
Dilutive effect of restricted stock units	24,767	50,239	18,272	45,113
	16,039,361	13,873,157	15,973,297	13,862,651

There are 156,361 and 159,839 restricted stock units which are anti-dilutive and therefore not included in the average number of diluted shares shown above for the three and nine months ended September 30, 2015, respectively.

7. Equity

Stock Issuance

Shares issued to Terex Corporation

On December 19, 2014, pursuant to the terms of the Securities Purchase Agreement, the Company issued 1,108,156 shares of Company’s common stock and received $12,500 of cash.

Shares issued to PM Group

On January 15, 2015, the Company’s acquisition of PM Group closed. The aggregate consideration paid by the Company for PM Group was $30,436 which reflects exchange rates in effect at the closing. The consideration consisted of $20,312 of cash, and 994,483 shares of Company common stock valued at $10,124.

Stock issued to employees and Directors

The Company issued shares of common stock to employees and Directors at various times in 2015 as restricted stock units issued under the Company’s 2004 Incentive Plan vested. 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 period:

Date of Issue	Employees or Director	Shares Issued	Value of Shares Issued
March 4, 2015	Directors	6,800	$ 77
June 5, 2015	Employees	1,142	12
		7,942	$ 89

On March 13, 2015, the Company paid a portion of officers and employee 2014 bonuses in stock. This resulted in an issuance of 22,868 shares with an aggregate value of $212. Upon issuance, the Company’s common stock was increased by $212 and the bonus accrual was decreased by a corresponding amount.

Stock Repurchase

On June 5, 2015, the Company purchased 393 shares of Common Stock from certain employees at $8.54 per share the closing price on that date. The stock was purchased from the employees to satisfy employees’ withholding tax obligations related to stock issued on June 5, 2015. Common stock was decreased by $3, the value of the shares purchased.

2004 Equity Incentive Plan

In 2004, the Company adopted the 2004 Equity Incentive Plan and subsequently amended and restated the plan on September 13, 2007 and May 28, 2009. The maximum number of shares of common stock reserved for issuance under the plan is 917,046 shares. The total number of shares reserved for issuance however, can be adjusted to reflect certain corporate transactions or changes in the Company’s capital structure. The Company’s employees and members of the board of directors who are not our employees or employees of our affiliates are eligible to participate in the plan. The plan is administered by a committee of the board comprised of members who are outside directors. The plan provides that the committee has the authority to, among other things, select plan participants, determine the type and amount of awards, determine award terms, fix all other conditions of any awards, interpret the plan and any plan awards. Under the plan, the committee can grant stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares and performance units, except Directors may not be granted stock appreciation rights, performance shares and performance units. During any calendar year, participants are limited in the number of grants they may receive under the plan. In any year, an individual may not receive options for more than 15,000 shares, stock appreciation rights with respect to more than 20,000 shares, more than 20,000 shares of restricted stock and/or an award for more than 10,000 performance shares or restricted stock units or performance units. The plan requires that the exercise price for stock options and stock appreciation rights be not less than fair market value of the Company’s common stock on date of grant.

The Company awarded under the Amended and Restated 2004 Equity Incentive Plan a total of 103,111 restricted stock units to employees and directors on January 1, 2015. The restricted stock units are subject to the same conditions as the restricted stock awards except the restricted stock units will not have voting rights and the common stock will not be issued until the vesting criteria are satisfied.

The following table contains information regarding restricted stock units:

	September 30, 2015
Outstanding on January 1, 2015	85,384
Units granted during the period	145,979
Vested and issued	(30,810)
Forfeited	(6,486)
Outstanding on September 30, 2015	194,067

On March 4, 2015, the Company granted an aggregate of 20,000 restricted stock units to five independent Directors pursuant to the Company’s 2004 Equity Incentive Plan. Restricted stock units of 6,800, 6,600 and 6,600 vest on March 4, 2015, December 31, 2015 and December 31, 2016, respectively.

On March 13, 2015, the Company granted 22,868 restricted stock units to employees pursuant to the Company’s 2004 Equity Incentive Plan. The restricted stock units which vested immediately represent a portion of the employees’ 2014 bonus award that was paid in restricted stock units.

On June 5, 2013, the Company granted an aggregate of 3,425 restricted stock units to four employees pursuant to the Company's 2004 Equity Incentive Plan. Restricted stock units of 1,141, 1,142 and 1,142 vest on June 5, 2014, 2015 and 2016, respectively.

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 $301 and $194 for the three months and $955 and $677 for the nine months ended September 30, 2015 and 2014, respectively. Additional compensation expense related to restricted stock units will be $301, $841 and $418 for the remainder of 2015, 2016 and 2017, respectively.

8. New Accounting Pronouncements

Recently Adopted Accounting Guidance

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers," ("ASU 2014-09"). ASU 2014-09 outlines a new, single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. This new revenue recognition model provides a five-step analysis in determining when and how revenue is recognized. The new model will require revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration a company expects to receive in exchange for those goods or services. ASU 2014-09 is effective for reporting periods beginning after December 15, 2017. Early adoption is permitted for periods beginning after December 15, 2016. The Company is evaluating the impact that adoption of this guidance will have on the determination or reporting of its financial results.

In June 2014, the FASB issued ASU 2014-12, "Accounting for Share-Based Payments When the Terms of an Award Provide that a Performance Target Could be Achieved after the Requisite Service Period," ("ASU 2014-12"). ASU 2014-12 requires that a performance target that affects vesting, and that could be achieved after the requisite service period, be treated as a performance condition. As such, the performance target should not be reflected in estimating the grant date fair value of the award. ASU 2014-12 is effective for reporting periods beginning after December 15, 2015. Early adoption is permitted. Adoption of this guidance is not expected to have a significant impact on the determination or reporting of the Company's financial results.

In August 2014, the FASB issued ASU 2014-15, "Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern," ("ASU 2014-15"). ASU 2014-15 requires management to perform interim and annual assessments of an entity's ability to continue as a going concern for a one year period subsequent to the date of the financial statements. An entity must provide certain disclosures if conditions or events raise substantial doubt about the entity's ability to continue as a going concern. The guidance is effective for all entities for the first annual period ending after December 15, 2016 and interim periods thereafter, with early adoption permitted. Adoption of this guidance is not expected to have any impact on the determination or reporting of the Company's financial results.

In April 2015, the FASB issued ASU 2015-03, "Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs," ("ASU 2015-03"). ASU 2015-03 requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The guidance is effective for reporting periods beginning after December 15, 2015 and interim periods within those fiscal years with early adoption permitted. ASU 2015-03 should be applied on a retrospective basis, wherein the balance sheet of each period presented should be adjusted to reflect the effects of adoption. Adoption of this guidance is not expected to have a significant impact on the determination or reporting of the Company's financial results.

In July 2015, the FASB issued ASU 2015-11, "Simplifying the Measurement of Inventory," ("ASU 2015-11"). ASU 2015-11 requires inventory be measured at the lower of cost and net realizable value and options that currently exist for market value be eliminated. ASU 2015-11 defines net realizable value as estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The guidance is effective for reporting periods beginning after December 15, 2016 and interim periods within those fiscal years with early adoption permitted. ASU 2015-11 should be applied prospectively. The Company is evaluating the impact adoption of this guidance will have on determination or reporting of its financial results.

In August 2015, the FASB issued ASU 2015-15, "Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements," which amends ASC 835-30, "Interest - Imputation of Interest". The ASU clarifies the presentation and subsequent measurement of debt issuance costs associated with lines of credit. These costs may be presented as an asset and amortized ratably over the term of the line of credit arrangement, regardless of whether there are outstanding borrowings on the arrangement. The effective date will be the first quarter of fiscal year 2016 and will be applied retrospectively. The adoption is not expected to have a material effect on the Company's financial results.

In September 2015, the FASB issued ASU 2015-16, "Business Combinations: Simplifying the Accounting for Measurement-Period Adjustments." This ASU requires that an acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. The effective date will be the first quarter of fiscal year 2016. The adoption is not expected to have a material effect on the Company's financial results.

Except as noted above, the guidance issued by the FASB during the current year is not expected to have a material effect on the Company's consolidated financial statements.

9. Inventory

The components of inventory are as follows:

	September 30, 2015	December 31, 2014
Raw materials and purchased parts,	$ 86,576	$ 63,244
Work in process	12,299	9,257
Finished goods	24,671	24,221
Inventory, net	$ 123,546	$ 96,722

10. Goodwill and Intangible Assets

	September 30, 2015	December 31, 2014	Useful lives
Patented and unpatented technology	$ 30,186	$ 21,561	7-10 years
Amortization	(12,317)	(10,137)	
Customer relationships	43,516	31,477	10-20 years
Amortization	(7,640)	(5,013)	
Trade names and trademarks	22,267	15,875	25 years-indefinite
Amortization	(2,286)	(1,867)	
Non-competition agreements	50	50	2-5 years
Amortization	(36)	(24)	
Customer backlog	455	462	<1 year
Amortization	(455)	(462)	
Total Intangible assets	$ 73,740	$ 51,922	

Amortization expense for intangible assets was $1,801 and $665 for the three months and $5,320 and $1,982 for the nine months ended September 30, 2015 and 2014, respectively.

Changes in goodwill for the nine months ended September 30, 2015 are as follows:

	Equipment Lifting Segment	Equipment Distribution Segment	ASV Segment	Total
Balance January 1, 2015	$ 21,811	$ 275	$ 30,849	$ 52,935
Goodwill for PM Group acquisition	31,052	—	—	31,052

Effect of change in exchange rates	(1,952)	—	—	(1,952)
Balance September 30, 2015	$ 50,911	$ 275	$ 30,849	$ 82,035

11. Accrued Expenses

	September 30, 2015	December 31, 2014
Accrued expenses:		
Accrued payroll	$ 3,432	$ 2,805
Accrued employee benefits	765	439
Accrued bonuses	225	1,226
Accrued vacation expense	1,803	1,309
Accrued consulting fees	—	223
Accrued interest	396	375
Accrued commissions	463	497
Accrued expenses—other	1,909	1,109
Accrued warranty	3,907	3,335
Accrued income taxes	271	151
Accrued taxes other than income taxes	3,048	1,015
Accrued product liability and workers compensation claims	3,153	3,872
Accrued liability on forward currency exchange contracts	2	30
Total accrued expenses	$ 19,374	$ 16,386

12. Accrued Warranty

The liability is established using historical warranty claim experience. Historical warranty experience is, however, reviewed by management. 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. Warranty reserves are reviewed to ensure critical assumptions are updated for known events that may impact the potential warranty liability.

	Nine Months Ended	
	September 30, 2015	September 30, 2014
Balance January 1,	$3,335	$ 1,070
Business Acquired	843	—
Accrual for warranties issued during the period	3,315	1,357
Warranty services provided	(3,456)	(1,496)
Changes in estimate	(150)	110
Foreign currency translation	20	(9)
Balance September 30,	$3,907	$ 1,032

13. Revolving Term Credit Facilities and Debt

On January 6, 2015, the Company and Comerica Bank (“Comerica”) and Fifth Third Bank (collectively the “Banks”) entered into Amendment No. 6 to the Credit Agreement (the “Amendment”). The principal modification to the Credit Agreement resulting from the Amendment is the express authorization from the Banks for the Company to enter into the Perella Note Purchase Agreement, which is described in note 14.

On January 9, 2015, the Company together with its U.S. and Canadian subsidiaries amended and restated its existing credit agreement (“Amended Credit Agreement”) with Comerica Bank (“Comerica”) and certain other lenders, who are participants under the credit agreement. The Amended Credit Agreement provides the Company with up to $71,000 of financing (“Financing”) comprised of (a) a $45,000 Senior Secured Revolving Credit Facility to the U.S. Borrowers (“U.S. Revolver”), (b) a new $14,000 Secured Term Loan to the U.S. Borrowers (“Term Loan”) and (c) a $12,000 (or the Canadian dollar equivalent amount) Senior Secured Revolving Credit Facility to the Canadian Borrower (“Canadian Revolver”). The three aforementioned credit facilities each mature on August 19, 2018.

Prior to the credit restatement, the Company had US and Canadian revolving credit facilities of $40,000 and $9,000, respectively.

The Company is also required to comply with certain financial covenants as defined in the Credit Agreement including maintaining (1) a Consolidated Fixed Charge Coverage Ratio of not less than 1.20 to 1.00 at September 30, 2015, 0.90 to 1.00 at December 31, 2015 and 1.20 to 1.00 at March 31, 2016 and each quarter thereafter, (2) a Maximum Senior Secured First Lien North American Debt to Consolidated North American EBITDA Ratio of not more than 4.75 to 1.00 at September 30, 2015, 5.25 to 1.00 at December 31, 2015 or 4.75 to 1.00 following the closing of any Permitted Credit Party Sale at December 31, 2015, 3.50 at March 31, 2016 and 2.75 at June 30, 2016 and each quarter thereafter, and (3) a Maximum Consolidated North American Total Debt to Consolidated North American EBITDA Ratio of not more than 6.75 to 1.00 at September 30, 2015, 7.50 to 1.00 at December 31, 2015 or 7.00 to 1.00 at December 31, 2015 following the closing of any Permitted Credit Party Sale, 4.50 to 1.00 at March 31, 2016 and 3.75 to 1.00 at June 30, 2016 and 3.75 to 1.00 at June 30, 2016 and each quarter thereafter.

The indebtedness is collateralized by substantially all of the Company's assets, except for the assets of the ASV and the Company's equity interest in ASV. The facility contains customary limitations including, but not limited to, limitations on acquisitions, dividends, repurchase of the Company's stock and capital expenditures.

U.S. Revolver

At September 30, 2015, the Company had drawn $26,544 under the $45,000 U.S. Revolver. The U.S. Revolver bears interest, at the Company's option at the base rate plus a spread or an adjusted LIBOR rate plus a spread. The base rate is the greater of the bank's prime rate, the federal funds rate plus 1.00% or the 30 day LIBOR rate Adjusted Daily plus 1.00%. For the U.S. Revolver the interest rate spread for Base Rate is between 1.75% and 3.0% and for LIBOR the spread is between 2.75% and 4.0% in each case with the spread being based on the Consolidated North American Total Debt to Consolidated North American EBITDA ratio, as defined in the Credit Agreement, for the preceding twelve months. Funds borrowed under the LIBOR options can be borrowed for periods of one, two, three or six months.

The $45,000 U.S. Revolver is a secured financing facility under which borrowing availability is limited to existing collateral as defined in the agreement. The maximum amount available is limited to (1) the sum of 85% of eligible receivables, (2) the lesser of 85% of eligible bill and hold receivables or $10,000, (3) the lesser of 50% of eligible inventory or $26,500, (4) the lesser of 80% of used equipment purchased for resale or rent or $2,000 reduced by outstanding standby letter or credits issued by the bank. At September 30, 2015, the maximum the Company could borrow based on available collateral was capped at $31,489.

Under the Credit Agreement, the banks are also paid an annual facility fee between 0.375% and 0.500% payable in quarterly installments. The fee paid is determined quarterly based on the current Consolidated North American Total Debt to Consolidated North American EBITDA Ratio.

The agreement permits the Company to issue unsecured guarantees of indebtedness owed by CVS Ferrari, srl to foreign banks in respect to working capital financing, not to exceed the lesser of $9,000 or the amount of such financing. Additionally the agreement allows the Company to make or allow to remain outstanding any investment (whether such investment shall be of the character of investment of shares of stock, evidence of indebtedness or other securities or otherwise) in, or any loans or advances to CVS or to any other wholly-owned foreign subsidiary in an amount not to exceed $7,500.

Term Loan

On January 9, 2015, the Company borrowed the entire $14,000 under the Term Loan, the principal amount of which will be repaid in quarterly installments of $500,000 commencing on April 1, 2015 and on each July 1, October 1 and January 1 and April 1 thereafter, with the remainder due on August 19, 2018. For the Term Loan the interest rate spread for Base Rate is between 2.75% and 5.00% and for LIBOR the spread is between 3.75% and 6.00% in each case with the spread being based on the Consolidated North American Total Debt to Consolidated North American

EBITDA ratio.

The principal payments due on July 1, 2015, October 1, 2015 and January 1, 2016 have been made in advance as such the next required payment is due on April 1, 2016. At September 30, 2015, the Term Loan had a balance of $8,000.

Canadian Revolver

At September 30, 2015, the Company had drawn $7,261 under the Canadian Revolver. The Company is eligible to borrow up to $12,000. The maximum amount available is limited to the sum of (1) 90% of eligible insured receivables plus (2) 85% of eligible receivables plus (3) the lesser of (i) 50% of eligible inventory including work in process inventory up to CDN$3,000 and (ii) CDN $10,500. At September 30, 2015, the maximum the Company could borrow based on available collateral was $7,806. The indebtedness is collateralized by substantially all of Manitex Liftking ULC’s assets. The Company can borrow in either U.S. or Canadian dollars. For the Canadian Revolver, the interest rate spread for U.S. prime based borrowing is between 1.75% and 3.00%

and for Canadian prime based borrowings the interest rate spread is between 2.75% and 4.00%, in each case with the spread being based on the Consolidated North American Total Debt to Consolidated North American EBITDA, as defined in the Credit Agreement, for the preceding twelve months. As of September 30, 2015 the spread on the U.S. Prime based borrowing was 2.50% and Canadian Prime based borrowings was 3.50%.

Alternately, the Company can elect to borrow Canadian funds and choose to pay interest on based on the Canadian Bankers' Acceptance Rate plus a spread. The loan interest rate spread for Bankers' Acceptance Rate is between 2.75% and 4.00%

Under the Credit Agreement, the banks are also paid 0.50% annual facility fee payable in quarterly installments.

Specialized Export Facility

The Canadian Revolving Credit facility contains an additional $3,000 Specialized Export Facility that matures on July 1, 2016. Borrowings under the Specialized Export Facility are guaranteed by the Company and Export Development Canada ("EDC"), a corporation established by an Act of Parliament of Canada. Under the Export Facility Liftking can borrow 90% of the total cost of material and labor incurred on export contracts which are subject to the EDC guarantee. The EDC guarantee, which expires on July 1, 2016, is issued under their export guarantee program and covers certain goods that are to be exported from Canada. At September 30, 2015, the maximum the Company could have borrowed based upon available collateral under the Specialized Export Facility was $3,000. Under this facility, the Company can borrow either Canadian or U.S. dollars.

Any borrowings under the facility in Canadian dollars currently bear interest of 3.2% which is based on the Canadian prime rate plus 0.5% (the Canadian prime was 2.70% at September 30, 2015). Any borrowings under the facility in U.S. dollars bear interest at the U.S. prime rate (prime was 3.25% at September 30, 2015). Repayment of advances made under the Export Facility are due sixty days after shipment of the goods, or five business days after the borrower receives payment in full for the goods covered by the guarantee (the "Scheduled Payment Date") or upon the termination of the EDC guarantee.

At September 30, 2015, the Company had outstanding borrowing in connection with the Specialized Export Facility of $2,509.

Notes Payable—Terex

Related to Crane and Schaeff Acquisitions

At September 30, 2015, the Company has a note payable to Terex Corporation with a remaining balance of $250. The note was issued in connection with the purchase of substantially all of the domestic assets of ("Terex") Crane & Machinery, Inc. ("Crane") and Schaeff Lift Truck, Inc. ("Schaeff"). The note bears interest at 6% annually and is payable quarterly. Terex has been granted a lien on and security interest in all of the assets of the Company's Crane & Machinery Division as security against the payment of the note.

The Company has one remaining principal payment of $250 due on March 1, 2016. As long as the Company's common stock is listed for trading on the NASDAQ or another national stock exchange, the Company may opt to pay up to $150 of each annual principal payment in shares of the Company's common stock having a market value of $150.

Related to ASV Acquisition

On December 19, 2014, the Company executed a note payable to Terex Corporation for $1,594. The note matures on December 19, 2015 and has an annual interest rate of 4.5%. Interest is payable semi-annually beginning on June 19, 2015. The note was issued in connection with acquisition of 51% interest in ASV from Terex Corporation. The note has an outstanding balance of $1,594 at September 30, 2015.

Load King Debt

In November 2011, the Company's Load King subsidiary used its manufacturing facility as collateral to secure mortgage financing with BED (South Dakota Board of Economic Development) and a bank. Load King pledged its equipment to the bank to secure additional term debt ("Equipment Note"). The funds received in connection with the above borrowing were used to repay a promissory note to Terex which was issued in connection with the Load King acquisition. The BED Mortgage, the bank mortgage and the Equipment Note, which are all guaranteed by the Company, have outstanding balances as of September 30, 2015 of $730, $763 and $203, respectively.

Under the terms of the BED Mortgage, the Company is required to make 59 payments of $5 based on a 240 month amortization period and a 3% interest rate. A final balloon payment of unpaid principal and interest is due on November 2, 2016. The interest rate for the note is subject to Load King maintaining employment levels specified in an Employment Agreement between Load King and BED. If Load King fails to maintain agreed upon employment levels, Load King may be required to pay BED an amount equal to the difference between the interest paid and amount of interest that would have been paid if the loan had a 6.5% interest rate.

Under the terms of the Bank Mortgage, the Company is required to make 120 interest and principal payments. The first sixty payments of $6 per month are based on a 240 month amortization period and a 6% interest rate. On November 2, 2016, the interest rate will reset. The new interest rate will be equal to the monthly average yield on 5 Year Constant Maturity U.S. Treasury Securities plus 3.75%. The monthly interest and principal payment will be recalculated accordingly. A final balloon payment of unpaid principal and interest is due on November 2, 2021.

Under the Equipment Note, the Company is required to make 84 monthly interest and principal payments. The first 60 payments will be for $6 and are based on an 84 month amortization period and a 6.25% interest rate. On November 2, 2016, the interest rate will reset. The interest rate will be equal to the monthly average yield on 5 year Constant Maturity of U.S. Treasury Securities plus 4.00%. The monthly principal and interest payments will be recalculated based on the new interest rate and will remain fixed for the next 24 months.

Columbia Notes

In connection with Columbia acquisition the Company issued two notes. At date of issuance, the notes had face amounts of $450 (“Inventory Note”) and $390 (“Equipment Note”), respectively and both are non-interest bearing. The Inventory Note matures on August 31, 2016 and requires the Company to make 18 monthly installment payments of $25. The Equipment Note matures on May 31, 2016 and requires the Company to make 14 monthly installment payments of $25 and a final payment of $40 on May 31, 2016.

On March 12, 2015, the date of issuance, the fair value of Inventory Note and the Equipment Note was determined to be $436 and $378, respectively. The fair value of the notes was calculated to equal the present value of future debt payments discounted at a market rate of return commensurate with similar debt instruments with comparable levels of risk and marketability. A rate of 4.0% was determined to be the appropriate rate following an assessment of the risk inherent in the debt issued and the market rate for debt of this nature using corporate credit ratings. The difference between face amount of the promissory note and its fair value is being amortized over the life of the note and recorded as interest expense.

At September 30, 2015, the Inventory Note and the Equipment Note had balances of $270 and $211, respectively.

CVS Debt

CVS Short-Term Working Capital Borrowings

At September 30, 2015, CVS had established demand credit facilities with fourteen Italian banks. Under the facilities, CVS can borrow up to €385 ($430) on an unsecured basis and additional amounts as advances against orders, invoices and letter of credit with a total maximum facilities (including the unsecured portion) of €19,897 ($22,209). The Company has granted guarantees in respect to available credit facilities in the amount of €2,493 ($2,782). The maximum amount outstanding is limited to 80% of the assigned accounts receivable if there is an invoice issued or 50% if there is an order/contract issued. The banks will evaluate each request to borrow individually and determine the allowable advance percentage and interest rate. In making its determination the bank considers the customer’s credit and location of the customer.

At September 30, 2015, the banks had advanced CVS €5,283 ($5,897) at variable interest rates which currently range from 2.25% to 6.50%.

At September 30, 2015, the Company has guaranteed €663 ($740) of CVS's outstanding debt. Additionally, the banks had issued performance bonds which total €1,045 ($1,166) which is not guaranteed by the Company.

Notes Payable

At September 30, 2015, CVS has a €833 ($930) note payable to a bank. The note dated March 27, 2015 had an original principal amount of €1,000 ($1,116) and an annual interest rate of EURIBOR 3 month plus 140 basis points. Under the terms of the note CVS is required to make twelve quarterly principal and interest payments beginning on June 30, 2015 through March 30, 2018. The Company does not guarantee any of the borrowing.

At September 30, 2015, CVS has a €2,363 ($2,637) note payable to a bank. The note dated March 4, 2015 had an original principal amount of €2,363 ($2,637) and an annual interest rate of 0.50% on €2,127 ($2,374) and 3.65% on the balance of €236 ($263). Under the terms of the note CVS is required to make sixteen semi-annual principal payments beginning on December 31, 2016 thru June 30, 2024. CVS is also required to make nineteen semi-annual interest payments beginning on June 30, 2015 through June 30, 2024. The Company is guaranteeing €236 ($263) of the borrowing.

Note Payable—Bank

At September 30, 2015, the Company has a $168 note payable to a bank. The note dated January 12, 2015 had an original principal amount of $912 and an annual interest rate of 3.35%. Under the terms of the note the company is required to make eleven monthly payments of $84 commencing January 30, 2015. The proceeds from the note were used to pay annual premiums for certain insurance policies carried by the Company. The holder of the note has a security interest the insurance policies it financed and has the right upon default to cancel these policies and receive any unearned premiums.

Acquisition note—Valla

In connection with the acquisition, the Company has a note with a stated interest rate of 5% in the amount of $170 payable to the sellers. The note is payable in two installments of $85 payable on December 31, 2015 and 2016.

The fair value of the promissory note was calculated to equal the present value of future debt payments discounted at a market rate of return commensurate with similar debt instruments with comparable levels of risk and marketability. A rate of 1.5% was determined to be the appropriate rate following an assessment of the risk inherent in the debt issued and the market rate for debt of this nature using corporate credit ratings. The difference of $28 between face amount of the promissory note and its fair value is being amortized over the life of the note and recorded as a reduction of interest expense.

As of September 30, 2015, the note had remaining principal balance of $159.

ASV Loan Facilities

In connection with the ASV arrangement, ASV entered into two separate loan facilities on December 19, 2014, one with JPMorgan Chase Bank, N.A. ("JPMCB"), and the other with Garrison Loan Agency Services LLC ("Garrison"). These two facilities are for the exclusive use of ASV and restrict the transfer of cash outside of ASV.

Both loan facilities are secured by certain assets of ASV and by a pledge of the equity interest in ASV. Pursuant to an intercreditor agreement dated as of December 19, 2014 among JPMCB, Garrison and ASV ("ASV Intercreditor Agreement"), the parties have agreed that (i) JPMCB shall have a first-priority security interest in substantially all personal property of ASV and (ii) Garrison shall have a first priority security interest in (a) substantially all real property of ASV and (b) a pledge of 100% of the equity interest in ASV issued to Company and to Terex. ASV's loans are solely obligations of ASV and have not been guaranteed by the Company and are not collateralized by any assets outside of ASV.

ASV Revolving Loan Facility with JPMCB

On December 19, 2014 ASV entered into a $35,000 revolving loan facility with JPMCB ("JPMCB Credit Agreement") as the administrative agent, which loan facility includes two sub-facilities: (i) a $1,000 sub-facility for letters of credit, and (ii) a $7,500 sub-facility for loans to be guaranteed by the Export-Import Bank of the United States of America ("Ex-Im Bank Loans"). A portion of the JPMCB Credit Agreement was used to fund certain transaction costs and payments required by ASV under the ASV arrangement. The remainder of the loan amount will be available to ASV for its general working capital needs.

The $35,000 revolving loan facility is a secured financing facility under which borrowing availability is limited to existing collateral as defined in the agreement. The maximum amount available is limited to (1) the sum of 85% of eligible receivables, plus (2) the lesser of (i) 65% of eligible inventory valued at the lower of cost or market value or (ii) 85% of eligible inventory valued at the net orderly liquidation value, reduced by (3) (i) certain reserves determined by JPMCB, (ii) the amount of outstanding standby letters of credit issued under the JPMCB Credit Agreement and (iii) the amount of outstanding Ex-In Bank loans. The facility matures on December 19, 2019. At September 30, 2015, ASV had drawn $16,888 under the $35,000 JPMCB Credit Agreement. The JPMCB Credit Agreement bears interest at ASV's option at JPMCB' prime rate plus a spread or an adjusted LIBOR rate plus a spread. The interest rate spread for prime rate is between 0.50% and 1.00% and for LIBOR the spread is between 1.50% and 2.00% in each case with the spread being based on the aggregate amount of funds available for borrowing by ASV under the JPMCB Credit Agreement, as defined in the JPMCB Credit Agreement. The base rate and LIBOR spread is currently .75% and 1.75%, respectively. Funds borrowed under the LIBOR options can be borrowed for periods of one, two, three or six months. At September 30, 2015, the maximum ASV could borrow based on available collateral was capped at $20,229.

The indebtedness of ASV under the JPMCB Credit Agreement is collateralized by substantially all of ASV's assets, but subject to the terms of the ASV Intercreditor Agreement. The facility contains customary limitations including, but not limited to, limitations on additional indebtedness, acquisitions, and payment of dividends. ASV is also required to comply with certain financial covenants as defined in the JPMCB Credit Agreement including maintaining a Minimum Fixed Charge Coverage ratio of not less than 1.10 to 1.0.

Under the JPMCB Credit Agreement, the banks are also paid a commitment fee payable in monthly installments equal to (i) the average daily amount of funds available but undrawn multiplied by (ii) an annual rate of 0.25%.

ASV Term Loan with Garrison

On December 19, 2014 ASV entered into a $40,000 term loan facility with Garrison ("Garrison Credit Agreement") as the administrative agent. A portion of the Garrison Credit Agreement was used to fund certain transaction costs and payments required by ASV under the ASV arrangement.

At September 30, 2015, ASV had a remaining principal balance of $38,500 under the Garrison Credit Agreement. The Garrison Credit Agreement bears interest, at a one-month adjusted LIBOR rate plus a spread of between 9.00% and 9.50%. The spread is based on the ratio of ASV's total debt to its EBITDA, as defined in the Garrison Credit Agreement. The LIBOR spread is currently 9.5%. The interest rate for the period ending September 30, 2015 was 10.5%.

ASV is obligated to make quarterly principal payments of $500 commencing on April 1, 2015. Any unpaid principal is due on maturity, which is December 19, 2019. Interest is payable monthly.

The indebtedness of ASV under the Garrison Credit Agreement is collateralized by substantially all of ASV assets, but subject to the terms of the ASV Intercreditor Agreement. The facility contains customary limitations including, but not limited to, limitations on additional indebtedness, acquisitions, and payment of dividends. ASV is also required to comply with certain financial covenants as defined in the Garrison Credit Agreement including maintaining (1) a Minimum Fixed Charge Coverage ratio of not less than 1.10 to 1.0 which shall step up to 1.50 to 1.00 by March 31, 2017, (2) a Leverage Ratio of 4.75 to 1.00, which shall step down to 2.50 to 1.00 by March 31, 2018 and (3) a limitation of $1,600 in capital expenditures in any fiscal year.

PM Group Short-Term Working Capital Borrowings

At September 30, 2015, PM Group had established demand credit and overdraft facilities with six Italian banks and seven banks in South America. Under the facilities, PM Group can borrow up to approximately €23,503 ($26,234) for advances against invoices, and letter of credit and bank overdrafts. Interest on the Italian working capital facilities is charged at the 3-month or 6-month Euribor plus 200 basis points, while interest on overdraft facilities is charged at the 3 month Euribor plus 350 basis points. Interest on the South American facilities is charged at a flat rate of points for advances on invoices ranging from 8% - 29%.

At September 30, 2015, the Italian banks had advanced PM Group €16,955 ($18,925), at variable interest rates, which currently range from 1.90% to 2.04%. At September 30, 2015, the South American banks had advanced PM Group €77 ($86). Total short-term borrowings for PM Group were €17,032 ($19,011) at September 30, 2015.

PM Group Term Loans

At September 30, 2015, PM Group has a €14,013 ($15,641) term loan with two Italian banks, BPER and Unicredit. The term loan is split into three separate notes and is secured by PM Group's common stock.

The first note has an outstanding principal balance of €4,148 ($4,630), is charged interest at the 6-month Euribor plus 236 basis points, effective rate of 2.40% at September 30, 2015. The note is payable in semi-annual installments beginning June 2017 and ending December 2021. The second note has an outstanding principal balance of €4,865 ($5,430), is charged interest at the 6-month Euribor plus 286 basis points, effective rate of 2.90% at September 30, 2015. The note is payable in semi-annual installments beginning June 2017 and ending December 2021. The third note has an outstanding principal balance of €5,000 ($5,581) and is non-interest bearing. The note is payable in two semi-annual installments beginning June 2016 and ending December 2017 and a final balloon payment in December 2022. Accrued deferred interest on these notes through the date of acquisition at January 15, 2015, totaled €4,857 ($5,421) and is payable in semi-annual installments beginning June 2015 and ending December 2016. At September 30, 2015, the remaining deferred interest was €3,169 ($3,537) as the original amount was reduced when the first installment payment was made.

An adjustment in the purchase accounting to value the non-interest bearing debt at its fair market value was made. At January 15, 2015 it was determined that the fair value of the debt was €1,460 or $1,720 less than the book value. This reduction is not reflected in the above descriptions of PM debt. This discount is being amortized over the life of the debt and being charged to interest expense. As of September 30, 2015 the remaining balance was €1,156 or $1,290 and is an offset to the debt shown above.

PM Group is subject to certain financial covenants as defined by the debt restructuring agreement with BPER and Unicredit including maintaining (1) Net debt to EBITDA, (2) Net Debt to equity, and (3) EBITDA to net financial charges ratios. The covenants are measured on a semi-annual basis.

At September 30, 2015 PM Group has unsecured borrowings with five Italian banks totaling €13,404 ($14,962). Interest on the unsecured notes is charged at the 3-month Euribor plus 250 basis points, effective rate of 2.46% at September 30, 2015. Principal payments are due on a semi-annual basis beginning June 2019 and ending December 2021. Accrued interest on these borrowings through the date of acquisition at January 15, 2015, totaled €358 ($400) and is payable in semi-annual installments beginning June 2019 and ending December 2019.

Autogru PM RO, a subsidiary of PM Group, entered into a note payable in January 2014 totaling €800 ($893). The note is payable in 60 monthly principal installments of €13 ($14), plus interest at 3.98%, maturing December 2018. At September 30, 2015, the outstanding principal balance of the note was €520 ($580).

PM has interest rates swaps with a fair market value at September 30, 2015 of €1,065 or $1,189 which has been included in notes payable.

Schedule of Debt Maturities

Scheduled annual maturities of the principal portion of PM Group debt outstanding at September 30, 2015 in the next five years and the remaining maturity in aggregate are summarized below.

Periods Ending September 30,	Term Loan	Accrued Interest Term Loan	Unsecured Borrowings	Accrued Interest Unsecured Borrowings	Autogru PM RO Loan	Total
2016	$780	$ 2,430	$ —	$ —	$ 179	$3,389
2017	2,396	540	—	—	179	3,115

2018	3,907	—	—	—	179	4,086
2019	3,012	—	2,437	—	45	5,494
2020	1,001	—	4,728	—	—	5,729
Subsequent	4,580	560	8,196	—	—	13,336
	$15,676	$ 3,530	$ 15,361	$ —	$ 582	$35,149
Interest rate swaps						1,189
FMV adjustments to non-interest bearing debt						(1,290)
Total PM term debt						$35,048

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Capital leases

Georgetown facility

As of September 1, 2015, the lease for the Georgetown facility was amended and extended. Under the Amendment, the initial monthly rental decreased from $76 to $62 and the lease term was extended to April 30, 2028. Commencing on September 1, 2016, and each subsequent September 1 during the term of the lease, rent will increase by 3%. It was determined that the lease is a capital lease. The present value of the future minimum lease payments (including the annual increase) was determined using a 12.5% discount rate (the discount rate used to record the original lease which was signed in April 2006). The net present value of minimum lease payments at September 1, 2015 was determined to be $5,423.

As of September 1, 2015, the remaining capital lease obligation (associated with original lease) was increased by approximately $3,607 so the capital lease obligation associated Georgetown facility would equal to $5,423. The building value was also increased by a corresponding amount. Finally, accumulated depreciation related to the building at August 31, 2015 was retired with the offset going against building.

The lease has been classified as a capital lease. At September 30, 2015, the outstanding capital lease obligation is $5,417.

Winona facility

The Company had a five year lease which expired in July 10, 2014 that provides for monthly lease payments of $25 for its Winona, Minnesota facility. The Company has an option to purchase the facility for $500 by giving notice to the landlord of its intent to purchase the Facility. The Landlord must receive such notice at least three months prior to end of the Lease term. At September 30, 2015, the outstanding capital lease obligation was $497. The Company has given the landlord notice of its intent to purchase the facility and expect to complete the closing in the near future.

Equipment

The Company has entered into a lease agreement with a bank pursuant to which the Company is permitted to borrow 100% of the cost of new equipment and 75% of the cost of used equipment with 60 and 36 months repayment periods, respectively. At the conclusion of the lease period, for each piece of equipment the Company is required to purchase that piece of leased equipment for one dollar.

The equipment, which is acquired in ordinary course of the Company’s business, is available for sale and rental prior to sale.

Under the lease agreement the Company can elect to exercise an early buyout option at any time, and pay the bank the present value of the remaining rental payments discounted by a specified Index Rate established at the time of leasing. The early buyout option results in a prepayment penalty which progressively decreases during the term of the lease. Alternatively, the Company under the like-kind provisions in the agreement can elect to replace or substitute different equipment in place of equipment subject to the early buyout without incurring a penalty.

The following is a summary of amounts financed under equipment capital lease agreements:

	Amount Borrowed	Repayment Period	Amount of Monthly Payment	Balance as of September 30, 2015
New equipment	$ 1,166	60	$ 22	$ 807
Used equipment	$ 827	36	$ 25	$ 198
Total	$ 1,993		$ 47	$ 1,005

The Company has two additional capital leases. As of September 30, 2015, the capitalized lease obligation in aggregate related to the two leases was $47.

Note 14. Convertible Notes

Related Party

On December 19, 2014, the Company issued a subordinated convertible debenture with a $7,500 face amount payable to Terex, a related party. The convertible debenture, is subordinated, carries a 5% per annum coupon, and is convertible into Company common stock at a conversion price of $13.65 per share or a total of 549,451 shares, subject to customary adjustment provisions. The debenture has a December 19, 2020 maturity date.

From and after the third anniversary of the original issuance date, the Company may redeem the convertible debenture in full (but not in part) at any time that the last reported sale price of the Company's common stock equals at least 130% of the Conversion Price (as defined in the debenture) for at least 20 of any 30 consecutive trading days. Following an election by the holder to convert the debenture into common stock of the Company in accordance with the terms of the debenture, the Company has the discretion to deliver to the holder either (i) shares of common stock, (ii) a cash payment, or (iii) a combination of cash and stock.

In accounting for the issuance of the note, the Company separated the note into liability and equity components. The carrying amount of the liability component was calculated by measuring the estimated fair value of a similar liability that does not have an associated convertible feature. The carrying amount of the equity component representing the conversion option was determined by deducting the fair value of the liability component from the face value of the Note as a whole. The excess of the principal amount of the liability component over its carrying amount ("debt discount") is amortized to interest expense over the term of the note using the effective interest method with an effective interest rate of 7.5 percent per annum. The equity component is not remeasured as long as it continues to meet the conditions for equity classification.

On December 19, 2014, the components of the note were as follows:

Liability component	$6,607
Equity component (a component of paid in capital)	893
	$7,500

Additionally in connection with the transaction a $321 deferred tax liability was established and was recorded as a deduction to paid in capital. The deferred tax liability was recognized as the excess of the principal amount being amortized and charged to interest expenses that is not tax deductible.

As of September 30, 2015, the note had a remaining principal balance of $6,701 and an unamortized discount of $799. The difference between this amount and the amount initially recorded represents $94 of amortization of excess of the principal amount of the liability component over its carrying amount.

Perella Notes

On January 7, 2015, the Company entered into a Note Purchase Agreement (the "Perella Note Purchase Agreement") with MI Convert Holdings LLC (which is owned by investment funds constituting part of the Perella Weinberg Partners Asset Based Value Strategy) and Invemed Associates LLC (together, the "Investors"), pursuant to which the Company agreed to issue $15,000 in aggregate principal amount of convertible notes due January 7, 2021 (the "Perella Notes") to the Investors. The Notes are subordinated, carry a 6.50% per annum coupon, and are convertible, at the holder's option, into shares of Company common stock, based on an initial conversion price of $15.00 per share, subject to customary adjustments. Following an election by the holder to convert the debenture into common stock of the Company in accordance with the terms of the debenture, the Company has the discretion to deliver to the holder either (i) shares of common stock, (ii) a cash payment, or (iii) a combination of cash and stock. Upon the occurrence of certain fundamental corporate changes, the Perella Notes are redeemable at the option of the holders of the Perella Notes. The Perella Notes are not redeemable at the Company's option prior to the maturity date, and the payment of principal is subject to acceleration upon an event of default. The issuance of the Perella Notes by the Company was made in reliance upon the exemptions from registration provided by Rule 506 and Section 4(2) of the Securities Act of 1933.

In connection with the issuance of the Perella Notes, on January 7, 2015, the Company entered into a Registration Rights Agreement with the Investors (the "Registration Rights Agreement"). Pursuant to the Registration Rights Agreement, the Company has agreed to register the resale of the shares of common stock issuable upon conversion of the Perella Notes. The Company filed a Registration Statement on Form S-3 to register the shares with the Securities and Exchange Commission, which was declared effective on February 23, 2015.

In accounting for the issuance of the note, the Company separated the note into liability and equity components. The carrying amount of the liability component was calculated by measuring the estimated fair value of a similar liability that does not have an associated convertible feature. The carrying amount of the equity component representing the conversion option was determined by deducting the fair value of the liability component from the face value of the Note as a whole. The excess of the principal amount of the liability component over its carrying amount ("debt discount") is amortized to interest expense over the term of the note using the effective interest method with an effective interest rate of 7.5 percent per annum. The equity component is not remeasured as long as it continues to meet the conditions for equity classification.

On January 7, 2015, the components of the note were as follows:

Liability component	$14,286
Equity component (a component of paid in capital)	714
	$15,000

Additionally in connection with the transaction a $257 deferred tax liability was established and was recorded as a deduction to paid in capital. The deferred tax liability was recognized as the excess of the principal amount being amortized and charged to interest expenses is not tax deductible.

As of September 30, 2015, the note had remaining principal balance of $14,358 and an unamortized discount of $642. The difference between this amount and the amount initially recorded represents $72 of amortization of excess of the principal amount of the liability component over its carrying amount.

Note 15. Legal Proceedings and Other Contingencies

The Company is involved in various legal proceedings, including product liability, employment related issues, and workers' compensation matters which have arisen in the normal course of operations. The Company has product liability insurance with self- insurance retention that range from $50 to $500. ASV product liability cases that existed on date of acquisition have a $4,000 self-retention limit.

Certain cases are at a preliminary stage, and it is not possible to estimate the amount or timing of any cost to the Company. However, the Company does not believe that these contingencies, in the aggregate, will have a material adverse effect on the Company. Provisional reserves has been established for several liability cases related to ASV and PM acquisition. The Company will access the value of the liability as of the date ASV and PM were acquired if additional information becomes available. Based on a review of the additional information, the provisional reserve may be adjusted with an offsetting adjustment to goodwill. The adjustment will be made as of the date of the acquisition. At this time, the Company cannot assess what the magnitude of future possible adjustment will be and, therefore, cannot conclude that it will not be material.

The Company has been named as a defendant in several multi-defendant asbestos related product liability lawsuits. In certain instances, the Company is indemnified by a former owner of the product line in question. In the remaining 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.

Beginning on December 31, 2011, the Company's workmen's compensation insurance policy has a per claim deductible of $250 and aggregates of $1,150, $1,325 and $1,875 for 2013, 2014 and 2015 policy years, respectively. The Company is fully insured for any amount on any individual claim that exceeds the deductible and for any additional amounts of all claims once the aggregate is reached. The Company currently has several workmen compensation claims related to injuries that occurred after December 31, 2011 and therefore are subject to a deductible. The Company does not believe that the contingencies associated with these worker compensation claims in aggregate will have a material adverse effect on the Company. Prior to December 31, 2011, worker compensation claims were fully insured.

On May 5, 2011, Company entered into two separate settlement agreements with two plaintiffs. As of September 30, 2015, the Company has a remaining obligation under the agreements to pay the plaintiffs $1,520 without interest in 16 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 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.

16. Business Segments

The Company operates in three business segments: Lifting Equipment, Equipment Distribution and ASV.

The Lifting Equipment segment is a leading provider of engineered lifting solutions. The Company designs, manufactures and distributes, predominately through a network of dealers, a diverse group of products that serve different functions and are used in a variety of industries. The Company markets a comprehensive line of boom trucks, a truck crane and sign cranes, a complete line of rough terrain forklifts, including both the Liftking and Noble product lines, as well as special mission oriented vehicles, and other specialized carriers, heavy material handling transporters and steel mill equipment. The Company also manufacturers a number of specialized rough terrain cranes and material handling products, including 15 and 30-ton cab down rough terrain cranes. Company lifting products are used in industrial applications, energy exploration and infrastructure development in the commercial sector and for military applications. The company's specialized rough terrain cranes primarily serve the needs of the construction, municipality, and railroad industries. Through its Italian subsidiary, the Company manufactures and distributes reach stackers and associated lifting equipment for the global container handling markets. On November 30, 2013, the Company acquired the assets of Valla SpA ("Valla") located in Piacenza, Italy. Valla offers a full range of mobile cranes from 2 to 90 tons, using electric, diesel, and hybrid power options. Its cranes offer wheeled or tracked, fixed or swing boom configurations, with dozens of special applications designed specifically to meet the needs of its customers. Additionally, the Company manufactures and distributes custom trailers and hauling systems typically used for transporting heavy equipment, the trailer business serves niche markets in the commercial construction, railroad, military, and equipment rental industries through a dealer network. Beginning in August 2013, the Company began to manufacture and market a comprehensive line of specialized trailer tanks for liquid and solid storage and containment. The tank trailers are used in a variety of end markets such as petrochemical, waste management and oil and gas drilling. On January 15, 2015, the Company acquired PM Group S.p.A, ("PM Group"), a manufacturer of truck mounted cranes based in San Cesario sul Panaro, Modena, Italy.

The Equipment Distribution segment located in Bridgeview, Illinois, comprises the operations of Crane & Machinery ("C&M"), a division of Manitex International, Inc. The segment markets products used primarily for infrastructure development and commercial construction applications that include road and bridge construction, general contracting, roofing, scrap handling and sign construction and maintenance. C&M is a distributor of Terex rough terrain and truck cranes, and supplies repair parts for a wide variety of medium to heavy duty construction equipment and sells domestically and internationally, predominately to end users, including the rental market. It also provides crane equipment repair services in the Chicago area. C&M uses the trade name, North American Equipment Exchange to market previously-owned construction and heavy equipment, both domestically and internationally and provides a wide range of used lifting and construction equipment of various ages and condition, and also has the capability to refurbish equipment to the customers' specification. The Equipment Distribution segment operates as the North American sales organization for our Italian based Valla pick and carry crane products.

ASV which was acquired on December 19, 2014, is shown as a separate segment. ASV is located in Grand Rapids, Minnesota and manufactures a line of high quality compact track and skid steer loaders. The ASV products are distributed through the Terex distribution channels as well as Manitex dealers.

ASV, PM Group and Columbia Tanks results are included in the Company's results from their respective effective dates of acquisition December 20, 2014, January 15, 2015 and March 13, 2015.

The following is financial information for our three operating segments, i.e., Lifting Equipment, Equipment Distribution and ASV.

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
Net revenues				
Lifting Equipment	$66,950	$61,670	$209,319	$185,772
Equipment Distribution	2,953	5,296	10,363	14,398
ASV	26,899	—	91,162	—
Inter-segment sales	(131)	(769)	(2,687)	(2,998)
Total	$96,671	$66,197	$308,157	$197,172
Operating income from continuing operations				
Lifting Equipment	$4,767	$5,007	$11,506	$17,013
Equipment Distribution	(231)	17	10	138
ASV	1,367	—	5,320	—
Corporate expenses	(2,267)	(1,529)	(6,669)	(4,649)
Elimination of inter-segment profit in inventory	36	(84)	(59)	(302)
Total operating income	$3,672	$3,411	$10,108	$12,200

The Lifting Equipment segment operating earnings includes amortization of $1,126 and $628 for the three months and $3,300 and $1,872 for the nine months ended September 30, 2015 and 2014, respectively. The Equipment Distribution segment operating earnings includes amortization of $37 and $37 for the three months and $73 and $110 for the nine months ended September 30, 2015 and 2014, respectively. The ASV segment operating earnings includes amortization of $638 and $1,910 for the three and nine months ended September 30, 2015, respectively.

	September 30,	December 31,
	2015	2014
Total Assets		
Lifting Equipment	$ 294,916	$ 172,306
Equipment Distribution	14,014	15,634
ASV	126,507	129,930
Corporate	2,236	1,636
Total	$ 437,673	$ 319,506

17. Transactions between the Company and Related Parties

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

On December 16, 2014, the Company, BGI USA Inc. (“BGI”), Movedesign SRL and R & S Advisory S.r.l., entered into an operating agreement (the “Operating Agreement”) for Lift Ventures LLC (“Lift Ventures”), a joint venture entity. The purposes for which Lift Ventures is organized are the manufacturing and selling of certain products and components, including the Schaeff line of electric forklifts and certain LiftKing products. Pursuant to the Operating Agreement, the Company was granted a 25% equity stake in the Lift Ventures in exchange for the contribution of certain inventory and a license of certain intellectual property related to the Company’s products.

The Company, through its subsidiaries, purchases and sells parts to BGI USA, Inc. (“BGI”) including its subsidiary SL Industries, Ltd (“SL”). BGI is a distributor of assembly parts used to manufacture various lifting equipment. SL Industries, Ltd is a Bulgarian subsidiary of BGI that manufactures fabricated and welded components used to manufacture various lifting equipment. The Company’s President of Manufacturing Operations is the majority owner of BGI.

The Company through its Manitex Liftking subsidiary provides parts and services to LiftMaster, Ltd (“LiftMaster”) or purchases parts or services from LiftMaster. LiftMaster is a rental company that rents and services rough terrain forklifts. LiftMaster is owned by the Vice President of Manitex Liftking a wholly owned subsidiary of the Company, Manitex Liftking, ULC, and a relative of his.

As of September 30, 2015 the Company had an accounts receivable of $118 from BGI, LiftMaster and SL and accounts payable of $7, $362 and $499 to BGI, Lift Ventures and SL, respectively. As of December 31, 2014 the Company had an accounts receivable of $6 and $7 from LiftMaster and SL, respectively and accounts payable of $6 and $796 to BGI and SL, respectively.

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, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Rent paid	Bridgeview Facility (1)	$ 65	$ 65	$ 191	$ 191
Sales to:	SL Industries, Ltd.	$ 56	$ 1	$ 56	$ 4
	BGI USA, Inc.	—	—	3	—
	LiftMaster	1	(3)	4	186
Total Sales		$ 57	$ (2)	$ 63	$ 190
Purchases from:					
	BGI USA, Inc.	$ 7	$ 22	$ 7	$ 43
	Lift Ventures	211	—	496	—
	SL Industries, Ltd.	986	2,260	3,453	4,686
	Terex	127	—	470	—
	LiftMaster	46	—	46	—
Total Purchases		$ 1,377	$ 2,282	$ 4,472	$ 4,729

1. The Company leases its 40,000 sq. ft. Bridgeview facility from an entity controlled by Mr. David Langevin, the Company's Chairman and CEO. Pursuant to the terms of the lease, the Company makes monthly lease payments of $21. The Company is also responsible for all the associated operations expenses, including insurance, property taxes, and repairs. The lease will expire on June 30, 2020 and has a provision for six one year extension periods. The lease contains a rental escalation clause under which annual rent is increased during the initial lease term by the lesser of the increase in the Consumer Price Increase or 2.0%. Rent for any extension period shall however, be the then-market rate for similar industrial buildings within the market area. The Company has the option, to purchase the building by giving the Landlord written notice at any time prior to the date that is 180 days prior to the expiration of the lease or any extension period. The Landlord can require the Company to purchase the building if a change of Control Event, as defined in the agreement occurs by giving written notice to the Company at any time prior to the date that is 180 days prior to the expiration of the lease or any extension period. The purchase price regardless whether the purchase is initiated by the Company or the landlord will be the Fair Market Value as of the closing date of said sale.

Transactions with Terex

On December 19, 2014, Terex became a related party.

At September 30, 2015, ASV has accounts receivable due from Terex for $318 which is shown on the balance on the line titled "accounts receivable from related party" and accounts payable of $1,501 on the line titled "accounts payable related parties". At December 31, 2014, accounts receivable due from Terex was $8,609 and accounts payable owed to Terex was $0. As part of the agreement Terex retained certain receivables from third party customers. In place of the retained receivable, Terex gave ASV a receivable for a portion of the third party customer receivable retained by Terex. Terex paid 50% of this receivable thirty days after closing of the transaction and the remaining balance 60 days after of closing the transaction.

At September 30, 2015, the Company has the following notes payable to Terex:

Note related to Crane and Schaeff acquisition	$250
Note payable related to ASV acquisition	$1,594