MANITOWOC CO INC
Form 10-K
February 21, 2014
Table of Contents

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

FORM 10-K

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

For the fiscal year ended December 31, 2013

or

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

For the transition period from to

Commission File Number
1-11978

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

Wisconsin (State or other jurisdiction of incorporation)	39-0448110 (I.R.S. Employer Identification Number)
2400 South 44th Street, Manitowoc, Wisconsin (Address of principal executive offices)	54221-0066 (Zip Code)

(920) 684-4410
(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $.01 Par Value	New York Stock Exchange
Common Stock Purchase Rights	

Securities Registered Pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ý No o

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes o No ý

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 ý No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, 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 ý No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. 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 x	Accelerated filer o
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

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

The Aggregate Market Value on June 28, 2013, of the registrant's Common Stock held by non-affiliates of the registrant was $2,365.4 million based on the closing per share price of $17.91 on that date.

The number of shares outstanding of the registrant's Common Stock as of January 31, 2014, the most recent practicable date, was 134,178,516.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement, to be prepared and filed for the Annual Meeting of Shareholders, dated March 21, 2014 (the "2014 Proxy Statement"), are incorporated by reference in Part III of this report.

See Index to Exhibits immediately following the signature page of this report, which is incorporated herein by reference.

Table of Contents

THE MANITOWOC COMPANY, INC.
Index to Annual Report on Form 10-K
For the Year Ended December 31, 2013

Table of Contents

PART I

Item 1. BUSINESS

GENERAL

The Manitowoc Company, Inc. (referred to as the company, MTW, Manitowoc, we, our, and us) was founded in 1902. We are a multi-industry, capital goods manufacturer operating in two principal markets: Cranes and Related Products (Crane) and Foodservice Equipment (Foodservice). Crane is recognized as one of the world's leading providers of engineered lifting equipment for the global construction industry, including lattice-boom cranes, tower cranes, mobile telescopic cranes, and boom trucks. Foodservice is one of the world's leading innovators and manufacturers of commercial foodservice equipment serving the ice, beverage, refrigeration, food-preparation, holding and cooking needs of restaurants, convenience stores, hotels, healthcare, and institutional applications. We have over a 110-year tradition of providing high-quality, customer-focused products and support services to our markets. For the year ended December 31, 2013, we had net sales of approximately $4.0 billion.

Our Crane business is a global provider of engineered lift solutions, offering one of the broadest product lines of lifting equipment in our industry. We design, manufacture, market, and support a comprehensive line of lattice-boom crawler cranes, mobile telescopic cranes, tower cranes, and boom trucks. Our Crane products are principally marketed under the Manitowoc, Grove, Potain, National, Shuttlelift, and Crane Care brand names and are used in a wide variety of applications, including energy and utilities, petrochemical and industrial projects, infrastructure applications such as road, bridge and airport construction, plus commercial and residential construction.

Our Foodservice business is among the world's leading designers and manufacturers of commercial foodservice equipment. Our Foodservice capabilities span refrigeration, ice-making, cooking, holding, food-preparation, and beverage-dispensing technologies, and allow us to be able to equip entire commercial kitchens and serve the world's growing demand for food prepared away from home. Our Foodservice products, services and solutions are marketed under the Manitowoc, Garland, U.S. Range, Convotherm, Cleveland, Lincoln, Merrychef, Frymaster, Delfield, Kolpak, Kysor Panel, Servend, Multiplex, KitchenCare, Inducs, Koolaire and Manitowoc Beverage System brand names.

During the fourth quarter of 2013, the company agreed to sell its 50% interest in Manitowoc Dong Yue Heavy Machinery Co., Ltd. ("Manitowoc Dong Yue" or the "joint venture"), which produces mobile and truck-mounted hydraulic cranes in China, to its joint venture partner, Tai'an Taishan Heavy Industry Investment Co., Ltd., for a nominal amount. Consequently, the joint venture has been classified as discontinued operations in the company's financial statements. The transaction subsequently closed on January 21, 2014. See Note 4, "Discontinued Operations," for further details concerning this transaction.

During the fourth quarter of 2012, the company decided to divest its warewashing equipment business, which operated under the brand name Jackson, and classified this business as discontinued operations in the company's financial statements. On January 28, 2013, the company sold the Jackson warewashing equipment business to Hoshizaki USA Holdings, Inc. for approximately $38.5 million. Net proceeds were used to reduce ratably the then-outstanding balances of our Term Loans A and B.

On December 15, 2010, the company reached a definitive agreement to divest of its Kysor/Warren and Kysor/Warren de Mexico businesses to Lennox International for approximately $145 million. The transaction subsequently closed on January 14, 2011 and the net proceeds were used to pay down outstanding debt. The results of these operations have been classified as discontinued operations.

In order to secure clearance for the acquisition of Enodis plc ("Enodis") from various regulatory authorities including the European Commission and the United States Department of Justice, the company agreed to sell substantially all of Enodis' global ice machine operations following completion of the transaction. In May 2009, the company completed the sale of the Enodis global ice machine operations to Braveheart Acquisition, Inc., an affiliate of Warburg Pincus Private Equity X, L.P., for $160 million. The businesses sold were operated under the Scotsman, Ice-O-Matic, Simag, Barline, Icematic, and Oref brand names. The company also agreed to sell certain non-ice businesses of Enodis located in Italy that were operated under the Tecnomac and Icematic brand names. Prior to disposal, the antitrust clearances required that the ice businesses were treated as standalone operations, in competition with the company. The results of these operations have been classified as discontinued operations.

Our principal executive offices are located at 2400 South 44th Street, Manitowoc, Wisconsin 54220.

Table of Contents

FINANCIAL INFORMATION ABOUT BUSINESS SEGMENTS

The following is financial information about the Crane and Foodservice segments for the years ended December 31, 2013, 2012 and 2011. The accounting policies of the segments are the same as those described in the summary of significant accounting policies of the Notes to the Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K, except that certain expenses are not allocated to the segments. These unallocated expenses are corporate overhead, stock-based compensation expense, amortization expense of intangible assets with definite lives, goodwill impairment, intangible asset impairment, restructuring expense, integration expense and other non-operating expenses. The company evaluates segment performance based upon profit and loss before the aforementioned expenses. Amounts are shown in millions of dollars.

(in millions)	2013	2012	2011
Net sales from continuing operations:			
Crane	$2,506.3	$2,427.1	$2,134.7
Foodservice	1,541.8	1,486.2	1,454.6
Total	$4,048.1	$3,913.3	$3,589.3
Operating earnings from continuing operations:			
Crane	$218.8	$170.5	$118.8
Foodservice	250.3	238.6	214.4
Corporate	(64.9)	(63.7)	(61.3)
Amortization expense	(35.3)	(36.5)	(37.4)
Restructuring expense	(4.8)	(9.5)	(5.5)
Other income (expense)	0.3	(2.5)	0.5
Total	$364.4	$296.9	$229.5
Capital expenditures:			
Crane	$69.3	$52.7	$52.0
Foodservice	33.6	17.4	11.9
Corporate	7.8	2.8	0.7
Total	$110.7	$72.9	$64.6
Total depreciation:			
Crane	$46.9	$43.5	$52.9
Foodservice	20.1	22.3	24.5
Corporate	1.5	2.3	2.8
Total	$68.5	$68.1	$80.2
Total assets:			
Crane	$1,900.4	$1,903.3	$1,760.8
Foodservice	1,904.3	1,956.8	2,192.6
Corporate	171.9	197.2	69.2
Total	$3,976.6	$4,057.3	$4,022.6

Table of Contents

PRODUCTS AND SERVICES

We sell our products categorized in the following business segments:

Business Segment	Percentage of 2013 Net Sales	Key Products	Key Brands
Cranes and Related Products	62%	Lattice-boom Cranes: which include crawler and truck mounted lattice-boom cranes, and crawler crane attachments; Tower Cranes: which include top-slewing, luffing jib, topless, and self-erecting tower cranes; Mobile Telescopic Cranes: which include rough-terrain, all-terrain, truck-mounted and industrial cranes; Boom Trucks: which include telescopic boom trucks; and Parts and Service: which include replacement parts, product services and crane rebuilding and remanufacturing services.	Manitowoc Potain Grove National Crane Shuttlelift Crane Care
Foodservice Equipment	38%	Primary cooking and warming equipment; ice machines and storage bins; refrigerator and freezer equipment; beverage dispensers and related products; serving and storage equipment; and parts aftermarket service and solutions.	Cleveland Convotherm Delfield Frymaster Garland Inducs KitchenCare Koolaire Kolpak Kysor Panel Systems Lincoln Manitowoc Merrychef Multiplex Servend

Cranes and Related Products

Our Crane segment designs, manufactures and distributes a diversified line of crawler-mounted lattice-boom cranes, which we sell under the Manitowoc brand name. Our Crane segment also designs and manufactures a diversified line of top-slewing and self-erecting tower cranes, which we sell under the Potain brand name. We design and manufacture mobile telescopic cranes, which we sell under the Grove and Shuttlelift brand names, and a comprehensive line of hydraulically powered telescopic boom trucks, which we sell under the National Crane brand name. We also provide crane product parts and services, and crane rebuilding, remanufacturing, and training services, which are delivered under the Manitowoc Crane Care brand name. In some cases our products are manufactured for us or distributed for us under strategic alliances. Our crane products are used in a wide variety of applications throughout the world, including energy production/distribution and utilities, petrochemical and industrial projects, infrastructure applications, such as road, bridge and airport construction, plus commercial and residential construction. Many of our customers purchase one or more cranes together with several attachments to permit use of the crane in a broader range of lifting applications and other operations. Our largest crane model combined with available options has a lifting capacity up to 2,500 U.S. tons. We believe our primary near-term growth drivers are the relative strength in the energy, infrastructure, construction and petro-chemical-related end markets.

Lattice-boom cranes. Under the Manitowoc brand name we design, manufacture and distribute lattice-boom crawler cranes. Lattice-boom cranes consist of a lattice-boom, which is a fabricated, high-strength steel structure that has four chords and tubular lacings, mounted on a base which is either crawler or truck mounted. Lattice-boom cranes weigh less and provide higher lifting capacities than a mobile telescopic crane of similar boom length. The lattice-boom cranes are the only category of crane that can pick and move simultaneously with a full-rated load. The lattice-boom sections, together with the crane base, are transported to and erected at a project site.

We currently offer models of lattice-boom cranes with lifting capacities up to 2,500 U.S. tons, which are used to lift material and equipment in a wide variety of applications and end markets, including heavy construction, bridge and highway, duty cycle and infrastructure and energy-related projects. These cranes are also used by the value-added crane rental industry, which serves all of the above end markets.

Lattice-boom crawler cranes may be classified according to their lift capacity — low capacity and high capacity. Low-capacity crawler cranes with 150 U.S. ton capacity or less are often utilized for general construction and duty-cycle applications. High-capacity crawler cranes with greater than 150 U.S. ton capacity are used to lift materials in a wide variety of applications and are often used in heavy construction, energy-related, stadium construction, petrochemical work, and dockside applications. We offer ten low-capacity models and nine high-capacity models.

We also offer our lattice-boom crawler crane customers various attachments that provide our cranes with greater capacity in terms of height, movement and lifting. Our principal attachments are: MAX-ER™ attachments, luffing jibs, and RINGER™ attachments. The MAX-ER™ is a trailing counterweight, heavy-lift attachment that dramatically improves the reach, capacity and lift dynamics of the basic crane to which it is mounted. It can be transferred between cranes of the same model for maximum economy and occupies less space than competitive heavy-lift systems. A luffing jib is a fabricated structure similar to, but smaller than, a lattice-boom. Mounted at the tip of a lattice-boom, a luffing jib easily adjusts its angle of operation permitting one crane with a luffing jib to make lifts at additional locations on the project site. It can be transferred between cranes of the same model to maximize utilization. A RINGER™ attachment is a high-capacity lift attachment that distributes load reactions over a large area to minimize ground-bearing pressure. It can also be more economical than transporting and setting up a larger crane.

Tower cranes. Under the Potain brand name, we design and manufacture tower cranes utilized primarily in the energy, building and construction industries. Tower cranes offer the ability to lift and distribute material at the point of use more quickly and accurately than other types of lifting machinery without utilizing substantial square footage on the ground. Tower cranes include a stationary vertical mast and a horizontal jib with a counterweight, which is placed near the vertical mast. A cable runs through a trolley which is mounted on the jib, enabling the load to move along the jib. The jib rotates 360 degrees, thus increasing the crane's work area. Unless using a remote control device, operators occupy a cabin, located where the jib and mast meet, which provides superior visibility above the worksite. We offer a complete line of tower crane products, including top slewing, luffing jib, topless, self-erecting, and special cranes for dams, harbors and other large building projects. Top-slewing cranes are the most traditional form of tower cranes. Self-erecting cranes are bottom-slewing cranes which have a counterweight located at the bottom of the mast and are able to be erected, used and dismantled on job sites without assist cranes.

Top-slewing tower cranes have a tower and multi-sectioned horizontal jib. These cranes rotate from the top of their mast and can increase in height with the project. Top-slewing cranes are transported in separate pieces and assembled at the construction site in one to three days depending on the height. We offer 21 models of top-slewing tower cranes with maximum jib lengths of 80 meters and lifting capabilities ranging between 5 and 80 metric tons. These cranes are generally sold to medium to large energy, building and construction groups, as well as to rental companies.

Topless tower cranes are a type of top-slewing crane and, unlike all others, have no cathead or jib tie-bars on the top of the mast. The cranes are utilized primarily when overhead height is constrained or in situations where several cranes are installed close together. We currently offer 15 models of topless tower cranes with maximum jib lengths of 75 meters and lifting capabilities ranging between 2.5 and 20 metric tons.

Luffing jib tower cranes, which are a type of top-slewing crane, have an angled rather than horizontal jib. Unlike other tower cranes which have a trolley that controls the lateral movement of the load, luffing jib cranes move their load by changing the angle of the jib. The cranes are utilized primarily in urban areas where space is constrained or in situations where several cranes are installed close together. We currently offer 11 models of luffing jib tower cranes with maximum jib lengths of 60 meters and lifting capabilities ranging between 8 and 32 metric tons.

Self-erecting tower cranes are mounted on axles or transported on a trailer. The lower segment of the range (Igo cranes up to Igo50) unfolds in four sections, two for the mast and two for the jib. The smallest of our models unfolds in less than eight minutes; larger models erect in a few hours. Self-erecting cranes rotate from the bottom of their mast. We offer 24 models of self-erecting cranes with maximum jib lengths of 50 meters and lifting capacities ranging between 1 and 8 metric tons which are utilized primarily in low to medium rise construction and residential applications.

Mobile telescopic cranes. Under the Grove brand name we design and manufacture 36 models of mobile telescopic cranes utilized primarily in industrial, commercial and construction applications, as well as in maintenance applications to lift and move material at job sites. Mobile telescopic cranes consist of a telescopic boom mounted on a wheeled carrier. Mobile telescopic cranes are similar to lattice-boom cranes in that they are designed to lift heavy loads using a mobile carrier as a platform, enabling the crane to move on and around a job site without typically having to re-erect the crane for each particular job. Additionally, many mobile telescopic cranes have the ability to drive between sites, and some are permitted on public roadways. We currently offer the following four types of mobile telescopic cranes capable of reaching tip heights of up to 446 feet with lifting capacities up to 550 U.S. tons: rough-terrain, all-terrain, truck-mounted, and industrial.

Table of Contents

Rough-terrain cranes are designed to lift materials and equipment on rough or uneven terrain. These cranes cannot be driven on public roadways, and, accordingly, must be transported by truck to a work site. We produce, under the Grove brand name, ten models of rough-terrain cranes capable of tip heights of up to 312 feet and maximum load capacities of up to 150 U.S. tons.

All-terrain cranes are versatile cranes designed to lift materials and equipment on rough or uneven terrain and yet are highly maneuverable and capable of highway speeds. We produce, under the Grove brand name, 14 models of all-terrain cranes capable of tip heights of up to 446 feet and maximum load capacities of up to 550 U.S. tons.

Truck-mounted cranes are designed to provide simple set-up and long reach high capacity booms and are capable of traveling from site to site at highway speeds. These cranes are suitable for urban and suburban uses. We produce, under the Grove brand name, five models of truck mounted cranes capable of tip heights of up to 237 feet and maximum load capacities of up to 110 U.S. tons.

Industrial cranes are designed primarily for plant maintenance, storage yard and material handling jobs. We manufacture, under the Grove and Shuttlelift brand names, eight models of industrial cranes. We produce industrial cranes with up to 25 U.S. ton capacity and tip heights of up to 86 feet.

Boom trucks. We offer our hydraulic boom truck products under the National Crane product line. A boom truck is a hydraulically powered telescopic crane mounted on a conventional truck chassis. Telescopic boom trucks are used primarily for lifting material on a job site and are mostly deployed by end users in the North American market. We currently offer, under the National Crane brand name, 21 models of telescoping boom trucks. The largest capacity cranes of this type are capable of reaching maximum heights of 205 feet and have lifting capacity up to 55 U.S. tons.

Backlog. The year-end backlog of crane products includes accepted orders that have been placed on a production schedule that we expect to be shipped and billed during the next year. Manitowoc's backlog of unfilled orders for the Crane segment at December 31, 2013, 2012 and 2011 was $574.2 million, $755.8 million and $760.5 million, respectively. Our backlog at the end of 2013 was lower than the end of 2012 due to the lower order rates for new cranes experienced in the first three quarters of 2013. In addition, improved factory throughput efficiency and higher finished goods inventory levels in 2013 resulted in a greater percentage of cranes being ordered and shipped in the same quarter than in prior years.

Foodservice Equipment

Our Foodservice Equipment business designs, manufactures and sells primary cooking and warming equipment; ice machines and storage bins; refrigerator and freezer equipment; beverage dispensers and related products; and serving and storage equipment. Our suite of products is used by commercial and institutional foodservice operators such as full service restaurants, quick-service restaurant (QSR) chains, hotels, caterers, supermarkets, convenience stores, business and industry, hospitals, schools and other institutions. We have a presence throughout the world's most significant markets in the following product groups:

Primary cooking and warming equipment. We design, manufacture and sell a broad array of ranges, griddles, grills, combination ovens, convection ovens, conveyor ovens, induction cookers, broilers, tilt fry pans/kettles/skillets, braising pans, cheese melters/salamanders, cook stations, table top and counter top cooking/frying systems, fryers, steam jacketed kettles, and steamers. We sell traditional oven, combi oven, convection oven, conveyor oven, accelerated cooking oven, range and grill products under the Convotherm, Garland, Lincoln, Merrychef, U.S. Range, and other brand names. Fryers and frying systems are marketed under the Frymaster and Dean brand names, while steam equipment is manufactured and sold under the Cleveland brand. In addition to cooking, we provide a range of warming, holding, and serving equipment under the Delfield, Fabristeel, Frymaster, Merco, and other brand names.

Ice-cube machines, ice flaker machines, nugget ice machines, ice dispensers and storage bins. We design, manufacture and sell ice machines under the Manitowoc and Koolaire brand names, serving the foodservice, convenience store, healthcare, restaurant, lodging and other markets. Our ice machines make ice in cube, nugget and flake form, and range in daily production capacities. The ice-cube machines are either self-contained units, which make and store ice, or modular units, which make, but do not store ice.

Refrigerator and freezer equipment. We design, manufacture and sell commercial upright and undercounter refrigerators and freezers, blast freezers, blast chillers and cook-chill systems under the Delfield, McCall, Koolaire and other brand names. We manufacture under the brand names Kolpak, Kysor Panel Systems and Harford-Duracool modular and fully assembled walk-in refrigerators, coolers and freezers and prefabricated cooler and freezer panels for use in the construction of refrigerated storage

Table of Contents

rooms and environmental systems. We also design and manufacture customized refrigeration systems under the RDI brand name.

Beverage dispensers and related products. We produce beverage dispensers, blended ice machines, ice/beverage dispensers, beer coolers, post-mix dispensing valves, backroom equipment and support system components and related equipment for use by QSR chains, convenience stores, bottling operations, movie theaters, and the soft-drink industry. Our beverage and related products are sold under the Servend, Multiplex, TruPour, Manitowoc Beverage Systems and McCann's brand names.

Serving and storage equipment. We design, manufacture and sell a range of cafeteria/buffet equipment stations, bins, boxes, warming cabinets, display and deli cases, insulated and refrigerated salad/food bars, and warmers. Our equipment stations, cases, food bars and food serving lines are marketed under the Delfield, Viscount and other brand names.

Parts, aftermarket service and solutions. We provide parts and aftermarket service as well as provide a wide variety of solutions under the KitchenCare brand name.

The end-customer base for the Foodservice segment is comprised of a wide variety of foodservice providers, including, but not limited to, large multinational and regional chain restaurants, convenience stores and retail stores; chain and independent casual and family dining restaurants; independent restaurants and caterers; lodging, resort, leisure and convention facilities; health care facilities; schools and universities; large business and industrial customers; and many other foodservice outlets. We cater to some of the largest and most widely recognized multinational and regional businesses in the foodservice and hospitality industries. We do not typically have long-term contracts with our customers; however, large chains frequently authorize specific foodservice equipment manufacturers as approved vendors for particular products, and thereafter, sales are made locally or regionally to end customers via kitchen equipment suppliers, dealers or distributors. Many large QSR chains refurbish or open a large number of outlets, or implement menu changes requiring investment in new equipment, over a short period of time. When this occurs, these customers often choose a small number of manufacturers whose approved products may or must be purchased by restaurant operators. We work closely with our customers to develop the products they need and to become the approved vendors for these products.

Our end-customers often need equipment upgrades that enable them to improve productivity and food safety, reduce labor costs, respond to enhanced hygiene, environmental and menu requirements or reduce energy consumption. These changes often require customized cooking and cooling and freezing equipment. In addition, many restaurants, especially QSRs, seek to differentiate their products by changing their menu and format. We believe that product development is important to our success because a supplier's ability to provide customized or innovative foodservice equipment is a primary factor when customers are making their purchasing decisions. Recognizing the importance of providing innovative products to our customers, we invest significant time and resources into new product research and development.

The Manitowoc Education and Technology Centers ("ETC") in New Port Richey, Florida and Hangzhou, China contain computer-assisted design platforms, a model shop for on-site development of prototypes, a laboratory for product testing and various display areas for new products. Our test kitchen, flexible demonstration areas and culinary team enable us to demonstrate a wide range of equipment in realistic operating environments, and also support a wide range of menu ideation, food development and sensory testing with our customers and food partners. We also use the ETC to provide training for our customers, marketing representatives, service providers, industry consultants, dealers and distributors.

Backlog. The backlog for unfilled orders for our Foodservice segment at December 31, 2013, 2012 and 2011 was not significant because orders are generally filled shortly after receiving the customer order.

Raw Materials and Supplies

The primary raw materials that we use are structural and rolled steel, aluminum, and copper, which are purchased from various domestic and international sources. We also purchase engines and electrical equipment and other semi- and fully-processed materials. Our policy is to maintain, wherever possible, alternate sources of supply for our important materials and parts. We maintain inventories of steel and other purchased material. We have been successful in our goal to maintain alternative sources of raw materials and supplies, and therefore are not dependent on a single source for any particular raw material or supply.

Patents, Trademarks, and Licenses

We hold numerous patents pertaining to our Crane and Foodservice products, and have presently pending applications for additional patents in the United States and foreign countries. In addition, we have various registered and unregistered trademarks and licenses that are of material importance to our business and we believe our ownership of this intellectual

Table of Contents

property is adequately protected in customary fashions under applicable laws. No single patent, trademark or license is critical to our overall business.

Seasonality

Typically, the second and third quarters represent our best quarters for our consolidated financial results. More recently, the traditional seasonality for our Crane and Foodservice segments has been slightly muted due to more diversified product and geographic end markets. In our Crane segment, the northern hemisphere summer represents the main construction season. Customers require new machines, parts, and service during that season. Since the summer brings warmer weather, there is also an increase in the use and replacement of ice machines, as well as new construction and remodeling within the foodservice industry. As a result, distributors build inventories during the second quarter to prepare for increased demand.

Table of Contents

Competition

We sell all of our products in highly competitive industries. We compete in each of our industries based on product design, quality of products and aftermarket support services, product performance, maintenance costs, energy and resource saving, other contributions to sustainability, and price. Some of our competitors may have greater financial, marketing, manufacturing or distribution resources than we do. We believe that we benefit from the following competitive advantages: strong brand names, which create customer loyalty and facilitate strong resale values, a reputation for quality products and aftermarket support and solution services, an established network of global distributors and customer relationships, broad product line offerings in the markets we serve, and a commitment to engineering design and product innovation. However, we cannot be certain that our products and services will continue to compete successfully or that we will be able to retain our customer base or improve or maintain our profit margins on sales to our customers. The following table sets forth our primary competitors in each of our business segments:

Business Segment	Products	Primary Competitors
Cranes and Related Products	Lattice-boom Cranes	Hitachi Sumitomo; Kobelco; Liebherr; Sumitomo/Link-Belt; Terex; XCMG; Fushun; Zoomlion; Fuwa; and Sany
	Tower Cranes	Comansa; Terex Comedil/Peiner; Liebherr; FM Gru; Jaso; Raimondi; Viccario; Saez; Benezzato; Cattaneo; Sichuan Construction Machinery; Shenyang; Zoomlion; Jianglu; and Yongmao
	Mobile Telescopic Cranes	Liebherr; Link-Belt; Terex; Tadano; XCMG; Kato; Locatelli; Marchetti; Luna; Broderson; Valla; Ormig; Bencini; Sany; and Zoomlion
	Boom Trucks	Terex; Manitex; Altec; Elliott; Tadano; Fassi; Palfinger; Furukawa; and Hiab
Foodservice Equipment	Ice-Cube Machines, Ice Flaker Machines and Storage Bins	Hoshizaki; Scotsman; Follet; Ice-O-Matic; Brema; Aucma; and Vogt
	Beverage Dispensers and Related Products	Automatic Bar Controls; Celli; Cornelius; Hoshizaki/Lancer Corporation; Taylor; and Vin Service
	Refrigerator and Freezer Equipment	American Panel; ICS; Nor-Lake; Master-Bilt; Thermo-Kool; Bally; Arctic; Beverage Air; Traulsen; True Foodservice; TurboAir; Masterbilt; and Hoshizaki
	Primary Cooking Equipment	Ali Group; Electrolux; Dover Industries; Duke; Henny Penny; ITW; Middleby; Rational; and Taylor
	Serving, Warming and Storage Equipment	Alto Shaam; Cambro; Duke; Hatco; ITW; Middleby; Standex; and Vollrath

Food Preparation Equipment	Ali Group; Bizerba; Electrolux; German Knife; Globe; ITW; and Univex

Table of Contents

Engineering, Research and Development

We believe our extensive engineering, research and development capabilities have been key drivers of our success. We engage in research and development activities at dedicated locations within both of our segments. We have a staff of in-house engineers and technicians on three continents, supplemented with external engineering resources, who are responsible for improving existing products and developing new products. We incurred research and development costs of $86.4 million in 2013, $87.7 million in 2012 and $80.6 million in 2011.

Our team of engineers focuses on developing innovative, high performance, low maintenance products that are intended to create significant brand loyalty among customers. Design engineers work closely with our manufacturing and marketing staff, enabling us to identify changing end-user requirements, implement new technologies and effectively introduce product innovations. Close, carefully managed relationships with dealers, distributors and end users help us identify their needs, not only for products, but for the service and support that are critical to their profitable operations. As part of our ongoing commitment to provide superior products, we intend to continue our efforts to design products that meet evolving customer demands and reduce the period from product conception to product introduction.

Employee Relations

As of December 31, 2013, we employed approximately 13,400 people and had labor agreements with 13 union locals in North America. A large majority of our European employees belong to European trade unions. We have three trade unions in China and one trade union in India. During 2011, four of our union contracts expired at various times. Three of the contracts that expired in 2011 were successfully renegotiated without incident, while the International Association of Machinists (IAM) contract with Manitowoc Crane Corporation expired in October 2011 and resulted in a 66-day work stoppage. The company’s contingency plans ensured that customer needs were met during the work stoppage. A new contract with the IAM was ratified in January 2012 and expires in January 2016. During 2012, we successfully negotiated three labor contracts without incident. During 2013, we successfully negotiated two labor contracts without incident.

Available Information

We make available, free of charge at our internet site (www.manitowoc.com), our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, our proxy statements and any amendments to those reports, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission (SEC). Our SEC reports can be accessed through the investor relations section of our website. Although some documents available on our website are filed with the SEC, the information generally found on our website is not part of this or any other report we file with or furnish to the SEC.

The public may read and copy any materials that we file with the SEC at the SEC’s Public Reference Room located at 100 F Street NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains electronic versions of our reports on its website at www.sec.gov.

Geographic Areas

Net sales from continuing operations and long-lived asset information by geographic area as of and for the years ended December 31 are included below. Long-lived assets are defined as property, plant and equipment-net, goodwill, other intangible assets-net and other non-current assets, excluding deferred tax assets.

	Net Sales			Long-Lived Assets	
(in millions)	2013	2012	2011	2013	2012
United States	$1,978.0	$1,833.0	$1,588.8	$1,888.4	$1,905.4
Other North America	292.1	278.2	208.8	13.6	5.3
Europe	937.6	788.0	813.4	530.0	510.6
Asia	364.5	354.0	352.2	203.0	189.5
Middle East	174.2	161.6	189.4	1.6	1.6
Central and South America	166.9	243.0	237.8	36.0	33.3
Africa	30.0	110.8	65.4	—	—
South Pacific and Caribbean	12.6	10.6	12.0	4.1	4.6

Australia	92.2	134.1	121.5	4.7	4.4
Total	$4,048.1	$3,913.3	$3,589.3	$2,681.4	$2,654.7

Table of Contents

Item 1A. RISK FACTORS
The following are risk factors identified by management that if any events contemplated by the following risks actually occur, then our business, financial condition or results of operations could be materially adversely affected.
Some of our business segments are cyclical or are otherwise sensitive to volatile or variable factors. A downturn or weakness in overall economic activity or fluctuations in those other factors can have a material adverse effect on us.

Historically, sales of products that we manufacture and sell have been subject to cyclical variations caused by changes in general economic conditions and other factors. In particular, the demand for our Crane products is cyclical and is impacted by the strength of the economy generally, the availability of financing and other factors that may have an effect on the level of construction activity on an international, national or regional basis. During periods of expansion in construction activity, we generally have benefited from increased demand for our products. Conversely, during recessionary periods, we have been adversely affected by reduced demand for our products. In addition, the strength of the economy generally may affect the rates of expansion, consolidation, renovation and equipment replacement within the restaurant, lodging, convenience store and healthcare industries, which may affect the performance of our Foodservice segment. Furthermore, an economic recession may impact leveraged companies, such as Manitowoc, more than competing companies with less leverage and may have a material adverse effect on our financial condition, results of operations and cash flows.

Products in our Crane segment also depend in part on federal, state, local and foreign governmental spending and appropriations, including infrastructure, security and defense outlays. Reductions in governmental spending can reduce demand for our products, which in turn can affect our performance. Weather conditions can substantially affect our Foodservice segment, as relatively cool summer weather and cooler-than-normal weather in hot climates tend to decrease sales of ice and beverage dispensers. Our sales depend in part upon our customers' replacement or repair cycles. Adverse economic conditions may cause customers to forego or postpone new purchases in favor of repairing existing machinery.

Because we participate in industries that are intensely competitive, our net sales and profits could decline as we respond to competition.

We sell most of our products in highly competitive industries. We compete in each of those industries based on product design, quality of products, quality and responsiveness of product support services, product performance, maintenance costs and price. Some of our competitors may have greater financial, marketing, manufacturing and distribution resources than we do. We cannot be certain that our products and services will continue to compete successfully with those of our competitors or that we will be able to retain our customer base or improve or maintain our profit margins on sales to our customers, any of which could materially and adversely affect our financial condition, results of operations and cash flows.

If we fail to develop new and innovative products or if customers in our markets do not accept them, our results would be negatively affected.

Our products must be kept current to meet our customers' needs. To remain competitive, we therefore must develop new and innovative products on an on-going basis. If we fail to make innovations, or the market does not accept our new products, our sales and results would suffer.

We invest significantly in the research and development of new products. These expenditures do not always result in products that will be accepted by the market. To the extent they do not, whether as a function of the product or the business cycle, we will have increased expenses without significant sales to benefit us. Failure to develop successful new products may also cause potential customers to choose to purchase used equipment, or competitors' products, rather than invest in new products manufactured by us.

Price increases in some materials and sources of supply could affect our profitability.

We use large amounts of steel, stainless steel, aluminum, copper and electronic controls, among other items, in the manufacture of our products. Occasionally, market prices of some of our key raw materials increase significantly. If in the future we are not able to reduce product cost in other areas or pass raw material price increases on to our customers, our margins could be adversely affected. In addition, because we maintain limited raw material and component inventories, even brief unanticipated delays in delivery by suppliers — including those due to capacity constraints, labor disputes, impaired financial condition of suppliers, weather emergencies or other natural disasters — may impair our ability to satisfy our customers and could adversely affect our financial performance.

Table of Contents

To better manage our exposures to certain commodity price fluctuations, we regularly hedge our commodity exposures through financial markets. Through this hedging program we fix the future price for a portion of these commodities utilized in the production of our products. To the extent that our hedging is not successful in fixing commodity prices that are favorable in comparison to market prices at the time of purchase, we would experience a negative impact on our profit margins compared to the margins we would have realized if these price commitments were not in place, which may adversely affect our results of operations, financial condition and cash flows in future periods.

We have significant manufacturing and sales of our products outside of the United States, which may present additional risks to our business.

For the years ended December 31, 2013, 2012 and 2011, approximately 51%, 53% and 56%, respectively, of our net sales were attributable to products sold outside of the United States. Expanding the company's international sales is part of our growth strategy. International operations generally are subject to various risks, including political, military, religious and economic instability, local labor market conditions, the imposition of foreign tariffs, the impact of foreign government regulations, the effects of income and withholding tax, governmental expropriation, and differences in business practices. We may incur increased costs and experience delays or disruptions in product deliveries and payments in connection with our international sales, manufacturing and the integration of new facilities that could cause loss of revenue or increased cost. Unfavorable changes in the political, regulatory and business climate and currency devaluations of various foreign jurisdictions could have a material adverse effect on our financial condition, results of operations and cash flows.

We depend on our key personnel and the loss of these personnel could have an adverse effect on our business.

Our success depends to a large extent upon the continued services of our key executives, managers and skilled personnel. Generally, these employees are not bound by employment or non-competition agreements, and we cannot be sure that we will be able to retain our key officers and employees. We could be seriously harmed by the loss of key personnel if it were to occur in the future.

Our operations and profitability could suffer if we experience problems with labor relations.

As of December 31, 2013, we employed approximately 13,400 people and had labor agreements with 13 union locals in North America. A large majority of our European employees belong to European trade unions. We have three trade unions in China and one trade union in India. During 2011, four of our union contracts expired at various times. Three of the contracts that expired in 2011 were successfully renegotiated without incident, while the International Association of Machinists (IAM) contract with Manitowoc Crane Corporation expired in October 2011 and resulted in a 66-day work stoppage. The company’s contingency plans ensured that customer needs were met during the work stoppage. A new contract with the IAM was ratified in January 2012 and expires in January 2016. During 2012, we successfully negotiated three labor contracts without incident. During 2013, we successfully negotiated two labor contracts without incident. Any significant labor relations issues could have a material adverse effect on our results of operations and financial condition.

If we fail to protect our intellectual property rights or maintain our rights to use licensed intellectual property, our business could be adversely affected.

Our patents, trademarks and licenses are important in the operation of our businesses. Although we intend to protect our intellectual property rights vigorously, we cannot be certain that we will be successful in doing so. Third parties may assert or prosecute infringement claims against us in connection with the services and products that we offer, and we may or may not be able to successfully defend these claims. Litigation, either to enforce our intellectual property rights or to defend against claimed infringement of the rights of others, could result in substantial costs and in a diversion of our resources. In addition, if a third party would prevail in an infringement claim against us, then we would likely need to obtain a license from the third party on commercial terms, which would likely increase our costs. Our failure to maintain or obtain necessary licenses or an adverse outcome in any litigation relating to patent infringement or other intellectual property matters could have a material adverse effect on our financial condition, results of operations and cash flows.

Our results of operations may be negatively impacted by product liability lawsuits.

Our business exposes us to potential product liability risks that are inherent in the design, manufacture, sale and use of our products, especially our crane products. Certain of our businesses also have experienced claims relating to past asbestos exposure. Neither we nor our affiliates have to date incurred material costs related to these asbestos claims. We vigorously defend ourselves against current claims and intend to do so against future claims. However, a substantial increase in the number of claims that are made against us or the amounts of any judgments or settlements could materially and adversely affect our reputation and our financial condition, results of operations and cash flows.

Strategic divestitures could negatively affect our results.

We regularly review our business units and evaluate them against our core business strategies. In addition to strategic divestiture decisions, at times we may be required by regulatory authorities to make business divestitures as a result of acquisition transactions. As a result, we regularly consider the divestiture of non-core and non-strategic, or acquisition-related operations or facilities. Depending upon the circumstances and terms, the divestiture of an operation or facility could negatively affect our earnings from continuing operations.

Environmental liabilities that may arise in the future could be material to us.

Our operations, facilities and properties are subject to extensive and evolving laws and regulations pertaining to air emissions, wastewater discharges, the handling and disposal of solid and hazardous materials and wastes, the remediation of contamination, and otherwise relating to health, safety and the protection of the environment. As a result, we are involved from time to time in administrative or legal proceedings relating to environmental and health and safety matters, and have in the past and will continue to incur capital costs and other expenditures relating to such matters.

Based on current information, we believe that any costs we may incur relating to environmental matters will not be material, although we can give no assurances. We also cannot be certain that identification of presently unidentified environmental conditions, more vigorous enforcement by regulatory authorities, or other unanticipated events will not arise in the future and give rise to additional environmental liabilities, compliance costs and/or penalties that could be material. Further, environmental laws and regulations are constantly evolving and it is impossible to predict accurately the effect they may have upon our financial condition, results of operations or cash flows.

We are exposed to the risk of foreign currency fluctuations.

Some of our operations are or will be conducted by subsidiaries in foreign countries. The results of the operations and the financial position of these subsidiaries will be reported in the relevant foreign currencies and then translated into U.S. dollars at the applicable exchange rates for inclusion in our consolidated financial statements, which are stated in U.S. dollars. The exchange rates between many of these currencies and the U.S. dollar have fluctuated significantly in recent years and may fluctuate significantly in the future. Such fluctuations may have a material effect on our results of operations and financial position and may significantly affect the comparability of our results between financial periods.

In addition, we incur currency transaction risk whenever one of our operating subsidiaries enters into a transaction using a different currency than its functional currency. We attempt to reduce currency transaction risk whenever one of our operating subsidiaries enters into a material transaction using a different currency than its functional currency by:

- matching cash flows and payments in the same currency;
- direct foreign currency borrowing; and
- entering into foreign exchange contracts for hedging purposes.

However, we may not be able to hedge this risk completely or at an acceptable cost, which may adversely affect our results of operations, financial condition and cash flows in future periods.

Increased or unexpected product warranty claims could adversely affect us.

We provide our customers a warranty covering workmanship, and in some cases materials, on products we manufacture. Our warranty generally provides that products will be free from defects for periods ranging from 12 months to 60 months with certain equipment having longer term warranties. If a product fails to comply with the warranty, we may be obligated, at our expense, to correct any defect by repairing or replacing the defective product. Although we maintain warranty reserves in an amount based primarily on the number of units shipped and on historical and anticipated warranty claims, there can be no assurance that future warranty claims will follow historical patterns or that we can accurately anticipate the level of future warranty claims. An increase in the rate of warranty claims or the occurrence of unexpected warranty claims could materially and adversely affect our financial condition, results of operations and cash flows.

Table of Contents

Some of our customers rely on financing with third parties to purchase our products, and we may incur expenses associated with our assistance to customers in securing third party financing.

A portion of our sales is financed by third-party finance companies on behalf of our customers. The availability of financing from third parties is affected by general economic conditions, the credit worthiness of our customers and the estimated residual value of our equipment. In certain transactions we provide residual value guarantees and buyback commitments to our customers or the third-party financial institutions. Deterioration in the credit quality of our customers or the overall health of the banking industry could negatively impact our customer's ability to obtain the resources needed to make purchases of our equipment or their ability to obtain third-party financing. In addition, if the actual value of the equipment for which we have provided a residual value guaranty declines below the amount of our guaranty, we may incur additional costs, which may negatively impact our financial condition, results of operations and cash flows.

Our leverage may impair our operations and financial condition.

As of December 31, 2013, our total consolidated debt was $1,526.8 million as compared to consolidated debt of $1,801.0 million as of December 31, 2012, including the value of related interest rate hedging instruments. Our debt could have important consequences, including increasing our vulnerability to general adverse economic and industry conditions; requiring a substantial portion of our cash flows from operations be used for the payment of interest rather than to fund working capital, capital expenditures, acquisitions and general corporate requirements; limiting our ability to obtain additional financing; and limiting our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate.

The agreements governing our debt include covenants that restrict, among other matters, our ability to incur additional debt; pay dividends on or repurchase our equity; make investments; and consolidate, merge or transfer all or substantially all of our assets. In addition, our Senior Credit Facility requires us to maintain specified financial ratios and satisfy certain financial condition tests. Our ability to comply with these covenants may be affected by events beyond our control, including prevailing economic, financial and industry conditions. These covenants may also require that we take action to reduce our debt or to act in a manner contrary to our business objectives. We cannot be certain that we will meet any future financial tests or that the lenders will waive any failure to meet those tests. See additional discussion in Note 11, "Debt," to our Consolidated Financial Statements.

If we default under our debt agreements, our lenders could elect to declare all amounts outstanding under our debt agreements to be immediately due and payable and could proceed against any collateral securing the debt. Under those circumstances, in the absence of readily-available refinancing on favorable terms, we might elect or be compelled to enter bankruptcy proceedings, in which case our shareholders could lose the entire value of their investment in our common stock.

An inability to successfully manage the implementation of a global enterprise resource planning ("ERP") system in our Crane segment could adversely affect our operating results.

We are in the process of implementing a new global ERP system in the Crane segment. This system will replace many of our existing operating and financial systems. Such an implementation is a major undertaking both financially and from a management and personnel perspective. Should the system not be implemented successfully and within budget, or if the system does not perform in a satisfactory manner, it could be disruptive and adversely affect our operations and results of operations, including the ability of the company to report accurate and timely financial results.

Security breaches and other disruptions could compromise our information and expose us to liability, which would cause our business and reputation to suffer.

In the ordinary course of our business, we collect and store sensitive data, including our proprietary business information and that of our customers, suppliers and business partners, as well as personally identifiable information of our customers and employees, in our data centers and on our networks. The secure processing, maintenance and transmission of this information is critical to our operations and business strategy. Despite our security measures, our information technology and infrastructure may be vulnerable to malicious attacks or breached due to employee error, malfeasance or other disruptions, including as a result of rollouts of new systems. Any such breach or operational failure would compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings and/or regulatory penalties, disrupt our operations, damage our reputation, and/or cause a loss of confidence in our products and services, which could adversely affect our business.

Table of Contents

Our inability to recover from natural or man-made disasters could adversely affect our business.

Our business and financial results may be affected by certain events that we cannot anticipate or that are beyond our control, such as natural or man-made disasters, national emergencies, significant labor strikes, work stoppages, political unrest, war or terrorist activities that could curtail production at our facilities and cause delayed deliveries and canceled orders. In addition, we purchase components and raw materials and information technology and other services from numerous suppliers, and, even if our facilities were not directly affected by such events, we could be affected by interruptions at such suppliers. Such suppliers may be less likely than our own facilities to be able to quickly recover from such events and may be subject to additional risks such as financial problems that limit their ability to conduct their operations. We cannot assure you that we will have insurance to adequately compensate us for any of these events.

Our income tax returns are subject to review by taxing authorities, and the final determination of our tax liability with respect to tax audits and any related litigation could adversely affect our financial results.

Although we believe that our tax estimates are reasonable and that we prepare our tax filings in accordance with all applicable tax laws, the final determination with respect to any tax audits, and any related litigation, could be materially different from our estimates or from our historical income tax provisions and accruals. The results of an audit or litigation could have a material effect on operating results and/or cash flows in the periods for which that determination is made. In addition, future period earnings may be adversely impacted by litigation costs, settlements, penalties, and/or interest assessments. We are undergoing tax audits in various jurisdictions and we regularly assess the likelihood of an adverse outcome resulting from such examinations to determine the adequacy of our tax reserves. In August 2012, the company received a Notice of Proposed Assessment (“NOPA”) from the Internal Revenue Service ("IRS") related to the disallowance of the deductibility of a $380.9 million foreign currency loss incurred in calendar year 2008. In September 2012, the company responded to the NOPA indicating its formal disagreement and subsequently received an Examination Report which includes the proposed disallowance. The largest potential adjustment for this matter could, if the IRS were to prevail, increase the company’s potential federal tax expense and cash outflow by approximately $134.0 million plus interest and penalties, if any. The company filed a formal protest to the proposed adjustment during the fourth quarter of 2012. In January 2013, the company received a formal rebuttal from the IRS and notification of the assignment of this matter to its Appeals division. Subsequent to an Appeals conference in September 2013, the company was advised by the Appeals division that the issue has been tentatively resolved in the company's favor. However, this tentative resolution is subject to review by the Joint Committee on Taxation and there can be no assurance that this matter will be ultimately resolved in the company’s favor. The company will continue to pursue all administrative and, if necessary, judicial remedies with respect to resolving this matter.

Our international sales and operations are subject to applicable laws relating to trade, export controls and foreign corrupt practices, the violation of which could adversely affect our operations.

We must comply with all applicable international trade, customs, export controls and economic sanctions laws and regulations of the United States and other countries. We are also subject to the Foreign Corrupt Practices Act and other anti-bribery laws that generally bar bribes or unreasonable gifts to foreign governments or officials. Changes in trade sanctions laws may restrict our business practices, including cessation of business activities in sanctioned countries or with sanctioned entities, and may result in modifications to compliance programs. Violation of these laws or regulations could result in sanctions or fines and could have a material adverse effect on our financial condition, results of operations and cash flows.

The implementation of regulations related to conflict minerals may force us to incur additional expenses and affect the manufacturing and sale of our products.

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), the Securities and Exchange Commission (“SEC”) adopted disclosure requirements related to certain minerals sourced from the Democratic Republic of Congo and surrounding countries, (“conflict minerals”), that are necessary to the functionality of a product manufactured, or contracted to be manufactured, by an SEC reporting company. The metals covered by the rules, are commonly referred to as “3TG” and include tin, tantalum, tungsten and gold. Implementation of the new disclosure requirements could affect the sourcing and availability of some of the minerals used in the manufacture of our products. Our supply chain is complex, and if we are not able to conclusively verify the origins for all conflict minerals used in our products or that our products are “conflict free,” we may face reputational challenges with our customers or investors. Furthermore, we may also encounter challenges to satisfy customers who require that our products be certified as "conflict free," which could place us at a competitive disadvantage if we are unable to do so. Additionally, as there may be only a limited number of suppliers offering “conflict free” metals, we cannot be sure that we will be able to obtain necessary metals from such suppliers in sufficient quantities or at competitive prices. We could incur significant costs related to the compliance process, and face costs in satisfying the disclosure requirements.

Table of Contents

Item 1B. UNRESOLVED STAFF COMMENTS

The company has received no written comments regarding its periodic or current reports from the staff of the Securities and Exchange Commission (SEC) that were issued 180 days or more preceding the end of our fiscal year 2013 that remain unresolved.

Table of Contents

Item 2. PROPERTIES

The following table outlines the principal facilities we own or lease as of December 31, 2013.

Facility Location	Type of Facility	Approximate Square Footage	Owned/Leased
Cranes and Related Products			
Europe/Asia/Middle East			
Wilhelmshaven, Germany	Manufacturing/Office and Storage	410,000	Owned/Leased
Moulins, France	Manufacturing/Office	355,000	Owned
Charlieu, France	Manufacturing/Office	323,000	Owned
Presov, Slovak Republic	Manufacturing/Office	295,300	Owned
Zhangjiagang, China	Manufacturing	800,000	Owned
Fanzeres, Portugal	Manufacturing	183,000	Owned/Leased
Baltar, Portugal	Manufacturing	68,900	Owned
Pune, India	Manufacturing	190,000	Leased
Dardilly, France	Office	82,000	Leased
Niella Tanaro, Italy	Manufacturing	370,016	Owned
Langenfeld, Germany	Office/Storage and Field Testing	80,300	Leased
Osny, France	Office/Storage/Repair	43,000	Owned
Decines, France	Office/Storage	47,500	Leased
Vaux-en-Velin, France	Office/Workshop	17,000	Owned
Vitrolles, France	Office	16,000	Owned
Saint-Ouen-l'Aumône, France	Office/Workshop	7,800	Leased
Dry, France	Office	93,100	Leased
Buckingham, United Kingdom	Office/Storage	78,000	Leased
Lusigny, France	Crane Testing Site	10,000	Owned
Baudemont, France	Office & Training Center	8,000	Owned
Singapore (1)	Office/Storage	103,060	Leased
Tai'an, China (Joint Venture)	Manufacturing	571,000	Owned
Sydney, Australia (1)	Office/Storage/Workshop	61,000	Leased
Dubai, United Arab Emirates	Office/Workshop	10,000	Leased
Shirwal, India	Land	1,560,700	Owned
Americas			
Shady Grove, Pennsylvania	Manufacturing/Office	1,286,000	Owned
Manitowoc, Wisconsin	Manufacturing/Office	570,000	Owned
Manitowoc, Wisconsin (1)	Office	17,175	Leased
Manitowoc, Wisconsin	Land	250,200	Leased
Passo Fundo, Brazil	Manufacturing/Office	265,000	Owned
Quincy, Pennsylvania	Manufacturing	36,000	Owned
Bauxite, Arkansas	Manufacturing/Office	22,000	Owned
Port Washington, Wisconsin	Manufacturing	81,000	Owned

Table of Contents

Foodservice Equipment			
Europe/Asia			
Hangzhou, China	Manufacturing/Office	260,000	Owned/Leased
Eglfing, Germany	Manufacturing/Office/Warehouse	130,000	Leased
Herisau, Switzerland	Manufacturing/Office	26,974	Leased
Halesowen, United Kingdom(1)	Manufacturing/Office	86,000	Leased
Sheffield, United Kingdom	Manufacturing/Office	100,000	Leased
Guildford, United Kingdom	Office	12,500	Leased
Shanghai, China	Office/Warehouse	28,933	Leased
Foshan, China	Manufacturing/Office/Warehouse	40,000	Leased
Singapore (1)	Manufacturing/Office/Warehouse	45,335	Leased
Prachinburi, Thailand (Joint Venture)	Manufacturing/Office/Warehouse	80,520	Owned
Samutprakarn, Thailand (Joint Venture)	Office	4,305	Leased
North America			
Manitowoc, Wisconsin	Manufacturing/Office	376,000	Owned
Parsons, Tennessee (1)	Manufacturing	120,000	Owned
Sellersburg, Indiana	Manufacturing/Office	146,000	Owned
La Mirada, California	Manufacturing/Office	15,000	Leased
Tijuana, Mexico (1)	Manufacturing	111,000	Leased
New Port Richey, Florida	Office/Technology Center	42,000	Owned
Goodyear, Arizona	Manufacturing/Office	75,000	Leased
Shreveport, Louisiana (1)	Manufacturing/Office	435,000	Owned
Mt. Pleasant, Michigan	Manufacturing/Office	345,000	Owned
Baltimore, Maryland	Manufacturing/Office	16,000	Owned
Cleveland, Ohio	Manufacturing/Office	224,000	Owned
Covington, Tennessee	Manufacturing/Office	186,000	Owned
Piney Flats, Tennessee	Manufacturing/Office	131,000	Leased
Fort Worth, Texas	Manufacturing/Office	182,000	Leased
Concord, Ontario, Canada	Manufacturing/Office	116,000	Leased
Mississauga, Ontario, Canada	Manufacturing/Office	155,000	Leased
Monterrey, Mexico	Manufacturing/Office	303,750	Leased
Corporate			
Manitowoc, Wisconsin	Office	34,000	Owned
Manitowoc, Wisconsin	Office	5,000	Leased
Manitowoc, Wisconsin	Hangar Ground Lease	31,320	Leased

(1) There are multiple separate facilities within these locations.

In addition, we lease sales office and warehouse space for our Crane segment in Breda, The Netherlands; Begles, France; Nantes, France; Toulouse, France; Nice, France; Orleans, France; Lainate, Italy; Lagenfeld, Germany; Munich, Germany; Warsaw, Poland; Melbourne, Australia; Brisbane, Australia; Beijing, China; Chengdu, China; Guangzhou, China; Xi'an, China; Dubai, UAE; Makati City, Philippines; Cavite, Philippines; Gurgaon, India; Chennai, India; Hyderabad, India; Moscow, Russia; Netvorice, the Czech Republic; Jeffersonville, Indiana; Manitowoc, Wisconsin; Shanghai, China; Monterrey, Mexico;

Table of Contents

Sao Paulo, Brazil; Recife, Brazil; Santiago, Chile; Johannesburg, South Africa; Ellis Ras, South Africa; Rio de Janeiro, Brazil; and Vitoria, Brazil. We lease office and warehouse space for our Foodservice segment in Salem, Virginia; Irwindale, California; Goodyear, Arizona; Miami, Florida; Herborn, Germany; Moscow, Russia; Belgium, Netherlands; Kuala Lumpur, Malaysia; Barcelona, Spain; Naucalpan de Juarez, Mexico; and Mexico City, Mexico. We also own sales offices for our Crane segment in Dole, France.

See Note 21, “Leases,” to the Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K for additional information regarding leases.

Item 3. LEGAL PROCEEDINGS

Our global operations are governed by laws addressing the protection of the environment and employee safety and health. Under various circumstances, these laws impose civil and criminal penalties and fines, as well as injunctive and remedial relief, for noncompliance. They also may require remediation at sites where company related substances have been released into the environment.

We have expended substantial resources globally, both financial and managerial, to comply with the applicable laws and regulations, and to protect the environment and our workers. We believe we are in substantial compliance with such laws and regulations and we maintain procedures designed to foster and ensure compliance. However, we have been and may in the future be subject to formal or informal enforcement actions or proceedings regarding noncompliance with such laws or regulations, whether or not determined to be ultimately responsible in the normal course of business. Historically, these actions have been resolved in various ways with the regulatory authorities without material commitments or penalties to the company.

For information concerning other contingencies and uncertainties, see Note 17, “Contingencies and Significant Estimates,” to the Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K, as well as Note 13, "Income Taxes," related to a matter involving the Company's tax return for 2008.

Item 4. MINE SAFETY DISCLOSURE

Not Applicable.

Table of Contents

Executive Officers of the Registrant

Each of the following officers of the company has been elected by the Board of Directors. The information presented is as of February 21, 2014.

Name	Age	Position With The Registrant	Principal Position Held Since
Glen E. Tellock	53	Chairman and Chief Executive Officer	2009
Carl J. Laurino	52	Senior Vice President and Chief Financial Officer	2004
Thomas G. Musial	62	Senior Vice President of Human Resources and Administration	2000
Maurice D. Jones	54	Senior Vice President, General Counsel and Secretary	2004
Eric P. Etchart	57	Senior Vice President of the Company and President Crane Segment	2007
Robert M. Hund	49	Senior Vice President of the Company and President Foodservice Segment	2013

Glen E. Tellock has been the company's chief executive officer since 2007 and was elected as chairman of the board effective February 2009. He previously served as the senior vice president of The Manitowoc Company, Inc. and president of the Crane segment since 2002. Earlier, he served as the company's senior vice president and chief financial officer (1999), vice president of finance and treasurer (1998), corporate controller (1992) and director of accounting (1991). Prior to joining the company, Mr. Tellock served as financial planning manager with the Denver Post Corporation, and as an audit manager for Ernst & Whinney.

Carl J. Laurino was named senior vice president and chief financial officer in 2004. He had served as treasurer since 2001. Mr. Laurino joined the company in 2000 as assistant treasurer and served in that capacity until his promotion to treasurer. Previously, Mr. Laurino spent 15 years in the commercial banking industry with Firstar Bank (n/k/a US Bank), Norwest Bank (n/k/a Wells Fargo), and Associated Bank.

Thomas G. Musial has been senior vice president of human resources and administration since 2000. Previously, he was vice president of human resources and administration (1995), manager of human resources (1987), and personnel/industrial relations specialist (1976).

Maurice D. Jones has been general counsel and secretary since 1999 and was elected vice president in 2002 and a senior vice president in 2004. Prior to joining the company, Mr. Jones was a shareholder in the law firm of Davis and Kuelthau, S.C., and served as legal counsel for Banta Corporation.

Eric P. Etchart was named senior vice president of The Manitowoc Company, Inc. and president of the Manitowoc Crane segment in 2007. Mr. Etchart previously served as executive vice president of the Crane segment for the Asia/Pacific region since 2002. Prior to joining the company, Mr. Etchart served as managing director in the Asia/Pacific region for Potain S.A., as managing director in Italy for Potain S.P.A. and as vice president of international sales and marketing for PPM.

Robert M. Hund was named senior vice president of The Manitowoc Company, Inc. and president of the Manitowoc Foodservice segment in August 2013. Mr. Hund previously served as executive vice president of the Cranes segment's Crane Care aftermarket services department since 2009. Prior to this, Mr. Hund was Vice President Worldwide Marketing for the Crane segment since 2007. Before joining Manitowoc, Mr. Hund held a variety of technical and marketing positions at Caterpillar Inc. since 1988 in Asia, Europe, and the United States.

Table of Contents

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The company's common stock is traded on the New York Stock Exchange under the symbol MTW. At December 31, 2013, the approximate number of record shareholders of common stock was 2,172.

The amount and timing of the annual dividend are determined by the Board of Directors at its regular meetings each year, subject to limitations within the company's Senior Credit Facility described below. In each of the years ended December 31, 2013, December 31, 2012 and December 31, 2011, the company paid an annual dividend of $0.08 per share in the fourth quarter.

The high and low sales prices of the common stock were as follows for 2013, 2012 and 2011:

Year Ended	2013			2012			2011		
December 31	High	Low	Close	High	Low	Close	High	Low	Close
1st Quarter	$21.35	$15.90	$20.56	$16.97	$9.45	$13.86	$22.12	$12.80	$21.88
2nd Quarter	21.50	16.18	17.91	15.11	9.60	11.70	23.23	14.79	16.84
3rd Quarter	21.87	17.93	19.56	15.44	9.90	13.34	18.19	6.56	6.71
4th Quarter	23.68	18.12	23.32	16.03	12.82	15.68	12.60	5.76	9.19

Under our New Senior Credit Facility, we are limited on the amount of dividends we may pay out in any one year. The amount of dividend payments is restricted based on our consolidated total leverage ratio as defined in the credit agreement and is limited along with other restricted payments in aggregate. If the consolidated total leverage ratio is less than 3.50 to 1.00, total restricted payments are not limited in any given year. If the consolidated total leverage ratio is less than 4.25 to 1.00 but greater than or equal to 3.50 to 1.00, restricted payments may not exceed $50.0 million per year. If the consolidated total leverage ratio is less than 5.00 to 1.00 but greater than or equal to 4.25 to 1.00, restricted payments may not exceed $40.0 million per year. Lastly, if the consolidated total leverage ratio is greater than or equal to 5.00 to 1.00, total restricted payments are limited to $30.0 million per year.

Table of Contents

Total Return to Shareholders
(Includes reinvestment of dividends)

	Annual Return Percentages Years Ending December 31,				
	2009	2010	2011	2012	2013
The Manitowoc Company, Inc.	16.77 %	32.30 %	(29.39)%	71.53 %	49.30 %
S&P 500 Index	26.46 %	15.06 %	2.11 %	16.00 %	32.39 %
S&P 600 Industrial Machinery	18.68 %	31.01 %	(2.67)%	20.56 %	38.22 %

	Indexed Returns Years Ending December 31,					
	2008	2009	2010	2011	2012	2013
The Manitowoc Company, Inc.	100.00	116.77	154.49	109.08	187.10	279.35
S&P 500 Index	100.00	126.46	145.51	148.59	172.37	228.19
S&P 600 Industrial Machinery	100.00	118.68	155.48	151.32	182.44	252.17

Table of Contents

Item 6. SELECTED FINANCIAL DATA

The following selected historical financial data have been derived from the Consolidated Financial Statements of The Manitowoc Company, Inc. The data should be read in conjunction with these financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Results of the Manitowoc Dong Yue business, the Jackson business, the Kysor/Warren business, substantially all Enodis ice businesses and certain Enodis non-ice businesses, and the Marine segment in the years presented have been classified as discontinued operations to exclude those results from continuing operations. In addition, the earnings (loss) from discontinued operations include the impact of adjustments to certain retained liabilities for operations sold or closed in periods prior to those presented. For businesses acquired during the time periods presented, results are included in the table from their acquisition date. Amounts are in millions except share and per share data.

	2013	2012	2011	2010	2009
Net Sales					
Cranes and Related Products	$2,506.3	$2,427.1	$2,134.7	$1,707.5	$2,253.3
Foodservice Equipment	1,541.8	1,486.2	1,454.6	1,362.9	1,302.9
Total	4,048.1	3,913.3	3,589.3	3,070.4	3,556.2
Gross Profit	1,021.8	943.0	832.9	759.1	789.9
Earnings (Loss) from Operations					
Cranes and Related Products	218.8	170.5	118.8	93.8	151.1
Foodservice Equipment	250.3	238.6	214.4	201.9	164.1
Corporate	(64.9)	(63.7)	(61.3)	(42.0)	(46.1)
Amortization expense	(35.3)	(36.5)	(37.4)	(36.8)	(36.9)
Goodwill impairment	—	—	—	—	(515.6)
Intangible asset impairment	—	—	—	—	(146.4)
Restructuring expense	(4.8)	(9.5)	(5.5)	(3.8)	(39.4)
Integration expense	—	—	—	—	(3.6)
Other income (expense)	0.3	(2.5)	0.5	(2.3)	(3.4)
Total	364.4	296.9	229.5	210.8	(476.2)
Interest expense	(128.4)	(135.6)	(145.4)	(173.8)	(172.7)
Amortization of deferred financing fees	(7.0)	(8.2)	(10.4)	(22.0)	(28.8)
Loss on debt extinguishment	(3.0)	(6.3)	(29.7)	(44.0)	(9.2)
Other income (expense) - net	(0.8)	0.1	2.3	(9.0)	16.8
Earnings (loss) from continuing operations before income taxes	225.2	146.9	46.3	(38.0)	(670.1)
Provision (benefit) for taxes on income	36.1	38.0	13.6	26.2	(69.7)
Earnings (loss) from continuing operations	189.1	108.9	32.7	(64.2)	(600.4)
Discontinued operations:					
Loss from discontinued operations, net of income taxes	(18.8)	(16.3)	(15.8)	(13.1)	(42.1)
Loss on sale of discontinued operations, net of income taxes	(2.7)	—	(34.6)	—	(24.2)
Net earnings (loss)	167.6	92.6	(17.7)	(77.3)	(666.7)
Less: Net earnings (loss) attributable to noncontrolling interest, net of tax	25.8	(9.1)	(6.5)	(2.7)	(2.5)
Net earnings (loss) attributable to Manitowoc	$141.8	$101.7	$(11.2)	$(74.6)	$(664.2)
Amounts attributable to the Manitowoc common shareholders:					
Earnings (loss) from continuing operations	$154.8	$109.7	$33.0	$(64.0)	$(602.4)
Loss from discontinued operations, net of income taxes	(10.3)	(8.0)	(9.6)	(10.6)	(37.6)
Loss on sale of discontinued operations, net of income taxes	(2.7)	—	(34.6)	—	(24.2)

Net earnings (loss) attributable to Manitowoc	$141.8	$101.7	$(11.2)	$(74.6)	$(664.2)

24

Table of Contents

Cash Flows					
Cash flow from operations	$ 323.1	$ 162.4	$ 17.1	$ 207.7	$ 346.5
Identifiable Assets					
Cranes and Related Products	$ 1,900.4	$ 1,903.3	$ 1,760.8	$ 1,659.3	$ 1,803.3
Foodservice Equipment	1,904.3	1,956.8	2,192.6	2,193.4	2,272.1
Corporate	171.9	197.2	69.2	219.6	262.6
Total	$ 3,976.6	$ 4,057.3	4,022.6	$ 4,072.3	$ 4,338.0
Long-term Obligations	$ 1,526.8	$ 1,801.0	1,866.4	$ 1,982.3	$ 2,152.6
Depreciation					
Cranes and Related Products	$ 46.9	$ 43.5	$ 52.9	$ 55.3	$ 54.2
Foodservice Equipment	20.1	22.3	24.5	27.1	29.0
Corporate	1.5	2.3	2.8	2.9	2.8
Total	$ 68.5	$ 68.1	80.2	$ 85.3	$ 86.0
Capital Expenditures					
Cranes and Related Products	$ 69.3	$ 52.7	$ 52.0	$ 20.6	$ 50.6
Foodservice Equipment	33.6	17.4	11.9	12.0	14.4
Corporate	7.8	2.8	0.7	2.0	2.6
Total	$ 110.7	$ 72.9	$ 64.6	$ 34.6	$ 67.6
Per Share					
Basic earnings (loss) per common share:					
Earnings (loss) from continuing operations attributable to Manitowoc common shareholders	$ 1.16	$ 0.83	$ 0.25	$ (0.49)	$ (4.62)
Loss from discontinued operations attributable to Manitowoc common shareholders	(0.08)	(0.06)	(0.07)	(0.08)	(0.29)
Loss on sale of discontinued operations, net of income taxes	(0.02)	—	(0.27)	—	(0.19)
Earnings (loss) per share attributable to Manitowoc common shareholders	$ 1.07	$ 0.77	$ (0.09)	$ (0.57)	$ (5.10)
Diluted earnings (loss) per common share:					
Earnings (loss) from continuing operations attributable to Manitowoc common shareholders	$ 1.14	$ 0.82	$ 0.25	$ (0.49)	$ (4.62)
Loss from discontinued operations attributable to Manitowoc common shareholders	(0.08)	(0.06)	(0.07)	(0.08)	(0.29)
Loss on sale of discontinued operations, net of income taxes	(0.02)	—	(0.26)	—	(0.19)
Earnings (loss) per share attributable to Manitowoc common shareholders	$ 1.05	$ 0.76	$ (0.08)	$ (0.57)	$ (5.10)
Avg Shares Outstanding					
Basic	132,894,179	131,447,895	130,481,436	130,581,040	130,268,670
Diluted	135,330,193	133,317,050	133,377,109	130,581,040	130,268,670

(1) Discontinued operations represent the results of operations and gain or loss on sale or closure of the Marine segment, substantially all Enodis ice businesses and certain Enodis non-ice businesses, Kysor/Warren, Jackson and our Chinese affiliate joint venture, Manitowoc Dong Yue, which either qualified for discontinued operations treatment or were sold or closed during 2009 through 2013.

(2) We acquired Appliance Scientific, Inc. in 2010 and Inducs, AG in the fourth quarter of 2013.

(3) Cash dividends per share for 2009 through 2013 were $0.08.

Table of Contents

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the consolidated financial statements and related notes appearing in Part II, Item 8 of the Annual Report on Form 10-K.

Overview The Manitowoc Company, Inc. is a multi-industry, capital goods manufacturer in two principal markets: Cranes and Related Products (Crane) and Foodservice Equipment (Foodservice). Crane is recognized as one of the world's leading providers of lifting equipment for the global construction industry, including lattice-boom cranes, tower cranes, mobile telescopic cranes, and boom trucks. Foodservice is one of the world's leading innovators and manufacturers of commercial foodservice equipment serving the ice, beverage, refrigeration, food preparation, and cooking needs of restaurants, convenience stores, hotels, healthcare, and institutional applications.

During the fourth quarter of 2013, the company agreed to sell its 50% interest in Manitowoc Dong Yue Heavy Machinery Co., Ltd. ("Manitowoc Dong Yue" or the "joint venture"), which produces mobile and truck-mounted hydraulic cranes in China, to its joint venture partner, Tai'an Taishan Heavy Industry Investment Co., Ltd., for a nominal amount. Consequently, the joint venture has been classified as discontinued operations in the company's financial statements. The transaction subsequently closed on January 21, 2014. See Note 4, "Discontinued Operations," for further details of this transaction.

During the fourth quarter of 2012, the company decided to divest its warewashing equipment business, which operated under the brand name Jackson, and classified this business as discontinued operations in the company's financial statements. Jackson designs, manufactures and sells warewashing equipment, offering a full range of undercounter dishwashers, door-type dishwashers, conveyor, pot washing, and flight-type dishwashers. On January 28, 2013, the company sold the Jackson warewashing equipment business to Hoshizaki USA Holdings, Inc. for approximately $38.5 million. Net proceeds were used to reduce ratably the then-outstanding balances of Term Loans A and B.

On December 15, 2010, the company reached a definitive agreement to divest its Kysor/Warren and Kysor/Warren de Mexico (collectively "Kysor/Warren") businesses, which manufactured frozen, medium temperature and heated display merchandisers, mechanical refrigeration systems and remote mechanical and electrical houses to Lennox International for approximately $145 million, including a preliminary working capital adjustment. The transaction subsequently closed on January 14, 2011 and the net proceeds were used to pay down outstanding debt. On July 1, 2011, the company made a payment to Lennox International of $2.4 million as the final working capital adjustment under the sale agreement. The results of these operations have been classified as discontinued operations.

The following discussion and analysis covers key drivers behind our results for 2011 through 2013 and is broken down into three major sections. First, we provide an overview of our results of operations for the years 2011 through 2013 on a consolidated basis and by business segment. Next we discuss our market conditions, liquidity and capital resources, off-balance sheet arrangements, and obligations and commitments. Finally, we provide a discussion of risk management techniques, contingent liability issues, critical accounting policies, impacts of future accounting changes, and cautionary statements.

All dollar amounts, except per share amounts, are in millions of dollars throughout the tables included in this Management's Discussion and Analysis of Financial Conditions and Results of Operations unless otherwise indicated. For all periods presented the results have been revised to reflect Manitowoc Dong Yue as a discontinued operation. See Note 4, "Discontinued Operations" for further discussion.

Table of Contents

Results of Consolidated Operations

Millions of dollars	2013	2012	2011
Operations			
Net sales	$4,048.1	$3,913.3	$3,589.3
Cost of sales	3,026.3	2,970.3	2,756.4
Gross Profit	1,021.8	943.0	832.9
Operating expenses:			
Engineering, selling and administrative expenses	617.6	597.6	561.0
Amortization expense	35.3	36.5	37.4
Restructuring expense	4.8	9.5	5.5
Other expenses (income)	(0.3)	2.5	(0.5)
Total operating expenses	657.4	646.1	603.4
Operating earnings from continuing operations	364.4	296.9	229.5
Other income (expenses):			
Interest expense	(128.4)	(135.6)	(145.4)
Amortization of deferred financing fees	(7.0)	(8.2)	(10.4)
Loss on debt extinguishment	(3.0)	(6.3)	(29.7)
Other income (expense)-net	(0.8)	0.1	2.3
Total other expenses	(139.2)	(150.0)	(183.2)
Earnings from continuing operations before taxes on earnings	225.2	146.9	46.3
Provision for taxes on earnings	36.1	38.0	13.6
Earnings from continuing operations	189.1	108.9	32.7
Discontinued operations:			
Loss from discontinued operations, net of income taxes	(18.8)	(16.3)	(15.8)
Loss on sale of discontinued operations, net of income taxes	(2.7)	—	(34.6)
Net earnings (loss)	167.6	92.6	(17.7)
Less: Net earnings (loss) attributable to noncontrolling interest, net of tax	25.8	(9.1)	(6.5)
Net earnings (loss) attributable to Manitowoc	$141.8	$101.7	$(11.2)
Amounts attributable to the Manitowoc common shareholders:			
Earnings from continuing operations	$154.8	$109.7	$33.0
Loss from discontinued operations, net of income taxes	(10.3)	(8.0)	(9.6)
Loss on sale of discontinued operations, net of income taxes	(2.7)	—	(34.6)
Net earnings (loss) attributable to Manitowoc	$141.8	$101.7	$(11.2)

Year Ended December 31, 2013 Compared to 2012

Net Sales

(in millions)	2013	2012	Change
Net Sales	$4,048.1	$3,913.3	3.4 %

Consolidated net sales increased 3.4% in 2013 to $4.0 billion from $3.9 billion in 2012. The increase was driven by modest year-over-year increases in both the Crane and Foodservice segments. Crane segment sales increased 3.3% for the year ended December 31, 2013 compared to 2012. The overall increase in the Crane segment was primarily due to higher demand in the Americas region and in certain emerging markets driven by energy and infrastructure projects as well as steady growth in the product aftermarket support business. Foodservice sales increased 3.7% for the year ended December 31, 2013 compared to 2012. Foodservice sales increased in the Americas and Europe, Middle East and Africa (EMEA) region from the prior year due to volume increases primarily driven by new product roll outs. Consolidated net sales were favorably impacted by approximately $26.5 million, or 0.7%, from foreign currency volatility in relation to the U.S. Dollar for the year ended December 31, 2013 compared with the year ended December 31, 2012. Further analysis of the changes in sales by segment is presented in the "Sales and Operating

Earnings by Segment" section below.

Table of Contents

Gross Profit

(in millions)	2013	2012	Change
Gross Profit	$ 1,021.8	$ 943.0	8.4 %
Gross Margin	25.2 %	24.1 %	

Gross profit for the year ended December 31, 2013 increased to $1,021.8 million compared to $943.0 million for the year ended December 31, 2012, an increase of 8.4%. Crane segment gross profit increases were primarily attributable to manufacturing cost reduction initiatives and pricing actions, partially offset by less favorable product mix. The increase in gross profit for the Foodservice segment was primarily attributable to sales volume increases coupled with pricing actions and manufacturing cost reduction initiatives, partially offset by increases in rebates and sales discounts. Gross margin increased in 2013 to 25.2% from 24.1% in 2012. The increase in gross margin was primarily due to pricing actions and manufacturing cost reduction initiatives.

Engineering, Selling and Administrative Expenses

(in millions)	2013	2012	Change
Engineering, selling and administrative expenses	$ 617.6	$ 597.6	3.3 %

Engineering, selling and administrative (ES&A) expenses for the year ended December 31, 2013 increased $20.0 million to $617.6 million compared to $597.6 million for the year ended December 31, 2012. Crane segment ES&A increased $7.6 million, or 2.7%, for the year ended December 31, 2013 compared to the same period in 2012. This increase was driven by increased levels of engineering and product development costs, higher legal expenses and an increase of enterprise resource planning system implementation costs. Foodservice ES&A increased $11.2 million, or 4.4%, for the year ended December 31, 2013 compared to the same period in 2012. This increase was primarily driven by an increase in headcount, increased investments in strategic projects, and an increase in sales related costs.

Amortization Expense

(in millions)	2013	2012	Change
Amortization expense	$ 35.3	$ 36.5	(3.3)%

Amortization expense for the year ended December 31, 2013 was $35.3 million compared to $36.5 million for 2012. See further detail related to intangible assets at Note 9, "Goodwill and Other Intangible Assets."

Restructuring Expense

(in millions)	2013	2012	Change
Restructuring expense	$ 4.8	$ 9.5	*

* Measure not meaningful

Restructuring expenses for the year ended December 31, 2013 totaled $4.8 million compared to $9.5 million in 2012. Crane segment restructuring expenses totaled $1.9 million and Foodservice restructuring expenses totaled $2.9 million. These expenses primarily related to workforce reductions in Europe. Crane segment restructuring expenses totaled $7.2 million for the year ended December 31, 2012. These expenses primarily related to workforce reductions at our France operations. Foodservice segment restructuring expenses totaled $2.3 million for the year ended December 31, 2012. These expenses primarily related to plant consolidation efforts in the Americas region and workforce reductions in Europe. See further detail at Note 19, "Restructuring."

Interest Expense & Amortization of Deferred Financing Fees

(in millions)	2013	2012	Change
Interest expense	$ 128.4	$ 135.6	(5.3)%
Amortization of deferred financing fees	$ 7.0	$ 8.2	(14.6)%

Interest expense for the year ended December 31, 2013 totaled $128.4 million versus $135.6 million for the year ended December 31, 2012. The decrease in interest expense of $7.2 million for the year ended December 31, 2013 compared to the year ended December 31, 2012 was due to debt reduction in 2013 and 2012. Amortization expense for deferred financing fees was $7.0 million for the year ended December 31, 2013 as compared to $8.2 million in 2012. The decrease in amortization

Table of Contents

expense for deferred financing fees of $1.2 million was attributable to the write-off of a portion of the deferred financing fees associated with the debt reductions at the end of 2012, partially offset by the amortization of new fees associated with the issuance of the Senior Notes due 2022. See further detail at Note 11, “Debt.”

Loss on Debt Extinguishment

(in millions)	2013	2012	Change
Loss on debt extinguishment	$3.0	$6.3	*

* Measure not meaningful

Loss on debt extinguishment for the year ended December 31, 2013 totaled $3.0 million, compared to $6.3 million in 2012. The loss on debt extinguishment in 2013 was attributable to the accelerated paydown of Term Loans A and B associated with our Senior Credit Facility. The loss on debt extinguishment in 2012 was attributable to accelerated paydown of Term Loans A and B associated with our Senior Credit Facility and the redemption of our 7.125% Senior Notes due 2013.

Other Income (Expense) - Net

(in millions)	2013	2012	Change
Other income (expense) - net	$(0.8)	$0.1	*

* Measure not meaningful

Other income (expense), net for the year ended December 31, 2013 was expense of $0.8 million versus income of $0.1 million for the prior year.

Income Taxes

(in millions)	2013	2012	Change
Effective annual tax rate	16.0%	25.9%	
Provision for taxes on earnings	$36.1	$38.0	(5.0)%

The effective tax rate for the year ended December 31, 2013 was 16.0% compared to 25.9% for the year ended December 31, 2012. The effective tax rates in 2013 and 2012 were favorably impacted by the release of reserves of $9.4 million and $11.6 million, respectively resulting from favorable audit outcomes and other settlements. The 2013 and 2012 effective tax rates were also favorably impacted by income earned in jurisdictions where the statutory rate was less than 35%.

Tax expense for the year ended December 31, 2013 was favorably impacted by valuation allowance adjustments on deferred tax assets totaling $2.3 million compared to an unfavorable impact of $13.5 million in 2012. The company recorded valuation allowance adjustments related to current year earnings and income tax rate changes in jurisdictions with valuation allowances established in prior years. See further detail at Note 13, “Income Taxes.”

Among other regular and ongoing examinations by federal and state jurisdictions globally, the company is under examination by the Internal Revenue Service (“IRS”) for the calendar years 2008 through 2011. In August 2012, the company received a Notice of Proposed Assessment (“NOPA”) related to the disallowance of the deductibility of a $380.9 million foreign currency loss incurred in calendar year 2008. In September 2012, the company responded to the NOPA indicating its formal disagreement and subsequently received an Examination Report which includes the proposed disallowance. The largest potential adjustment for this matter could, if the IRS were to prevail, increase the company’s potential federal tax expense and cash outflow by approximately $134.0 million plus interest and penalties, if any. The company filed a formal protest to the proposed adjustment during the fourth quarter of 2012. In January 2013, the company received a formal rebuttal from the IRS and notification of the assignment of this matter to its Appeals division. Subsequent to an Appeals conference in September 2013, the company was advised by the Appeals division that the issue has been tentatively resolved in the company's favor. However, this tentative resolution is subject to review by the Joint Committee on Taxation and there can be no assurance that this matter will be ultimately resolved in the company’s favor. The company will continue to pursue all administrative and, if necessary, judicial remedies with respect to resolving this matter. The IRS also examined and proposed adjustments to the research and development credit generated in 2009. The company has tentatively resolved this issue; however, this tentative resolution is also subject to review by the Joint Committee on Taxation. Given the uncertainty, neither of the resolutions have been reflected in the current year results; however, should the resolutions be accepted by the Joint Committee on Taxation, the potential adjustments are not expected to have a material impact on the financial statements.

The company regularly assesses the likelihood of an adverse outcome resulting from examinations to determine the adequacy of its tax reserves. As of December 31, 2013, the company believes that it is more-likely-than-not that the tax positions it has

Table of Contents

taken will be sustained upon the resolution of its audits resulting in no material impact on its consolidated financial position and the results of operations and cash flows. However, the final determination with respect to any tax audits, and any related litigation, could be materially different from the company's estimates and/or from its historical income tax provisions and accruals and could have a material effect on operating results and/or cash flows in the periods for which that determination is made. In addition, future period earnings may be adversely impacted by litigation costs, settlements, penalties, and/or interest assessments.

Loss from Discontinued Operations

(in millions)	2013	2012	Change	
Loss from discontinued operations	$ 18.8	$ 16.3	15.3	%

The results from discontinued operations were losses of $18.8 million and $16.3 million, net of income taxes, for the years ended December 31, 2013 and 2012, respectively. The loss from discontinued operations relates primarily to the Manitowoc Dong Yue business, which was classified as discontinued operations in the fourth quarter of 2013. See additional discussion at Note 4, "Discontinued Operations."

Loss on Sale of Discontinued Operations

(in millions)	2013	2012	Change
Loss on sale of discontinued operations	$ 2.7	$ —	N/A

Loss on sale of discontinued operations was $2.7 million for the year ended December 31, 2013. The loss was primarily attributable to tax expense of $4.4 million on the sale of the Jackson business in January 2013. See additional discussion at Note 4, "Discontinued Operations."

Net Earnings (Loss) Attributable to Noncontrolling Interest

(in millions)	2013	2012		Change
Net earnings (loss) attributable to noncontrolling interest	$ 25.8	$ (9.1	)	*

* Measure not meaningful

For the year ended December 31, 2013, net earnings attributable to a noncontrolling interest of $25.8 million was recorded in relation to the minority partners' portion of the full year income from our former Chinese affiliate joint venture, Manitowoc Dong Yue. This was primarily due to loan forgiveness resulting in income of $35.6 million by the joint venture partner shown as part of net earnings attributable to noncontrolling interest, net of income taxes, which effectively reduced net earnings attributable to Manitowoc shareholders. See Note 4, "Discontinued Operations," for further details on this transaction. There was a net loss of $9.1 million attributable to the minority partner in connection with Manitowoc Dong Yue for 2012.

Year Ended December 31, 2012 Compared to 2011

Net Sales

(in millions)	2012	2011	Change	
Net Sales	$ 3,913.3	$ 3,589.3	9.0	%

Consolidated net sales increased 9.0% in 2012 to $3.9 billion from $3.6 billion in 2011. The increase was primarily the result of the year-over-year increase in the Crane segment along with a modest increase in the Foodservice segment. Crane segment sales increased 13.7% for the year ended December 31, 2012 compared to 2011. Crane segment sales increased in all regions except China, which decreased as a result of volume reductions. The overall increase in the Crane segment was primarily driven by the Americas region due to economic recoveries and higher demand in certain emerging markets. Foodservice sales increased 2.2% for the year ended December 31, 2012 compared to 2011. Foodservice sales increased in the Americas and Asia Pacific (APAC) regions from the prior year due to volume increases. Consolidated net sales were unfavorably impacted by approximately $73.5 million, or 2.0%, from foreign currency volatility in relation to the U.S. Dollar for the year ended December 31, 2012 compared with the year ended December 31, 2011. Further analysis of the changes in sales by segment is presented in the "Sales and Operating Earnings by Segment" section below.

30

Table of Contents

Gross Profit

(in millions)	2012	2011	Change
Gross Profit	$ 943.0	$ 832.9	13.2 %
Gross Margin	24.1 %	23.2 %	

Gross profit for the year ended December 31, 2012 increased to $943.0 million compared to $832.9 million for the year ended December 31, 2011, an increase of 13.2%. The increase in consolidated gross profit was attributable to sales volume increases in both the Crane and Foodservice segments in the regions noted above and pricing actions. Crane segment gross profit increases were partially offset by increases in manufacturing costs. Gross margin increased in 2012 to 24.1% from 23.2% in 2011. The increase in gross margin was primarily due to pricing actions, cost reduction and lean actions slightly offset by investment in optimizing global footprint.

Engineering, Selling and Administrative Expenses

(in millions)	2012	2011	Change
Engineering, selling and administrative expenses	$ 597.6	$ 561.0	6.5 %

Engineering, selling and administrative (ES&A) expenses for the year ended December 31, 2012 increased $36.6 million to $597.6 million compared to $561.0 million for the year ended December 31, 2011. Crane segment ES&A increased $36.8 million, or 15.0%, for the year ended December 31, 2012 compared to the same period in 2011. This increase was driven by increased employee compensation and benefit costs, increased levels of engineering expenses, recognition of reserves for a small number of discrete customer financing issues and enterprise resource planning system implementation costs. Foodservice ES&A decreased $2.8 million, or 1.1%, for the year ended December 31, 2012 compared to the same period in 2011. This decrease was driven by reduction in sales related costs, favorable foreign exchange impact, and reduced employee costs.

Amortization Expense

(in millions)	2012	2011	Change
Amortization expense	$ 36.5	$ 37.4	(2.4)%

Amortization expense for the year ended December 31, 2012 was $36.5 million compared to $37.4 million for 2011. See further detail related to intangible assets at Note 9, “Goodwill and Other Intangible Assets.”

Restructuring Expense

(in millions)	2012	2011	Change
Restructuring expense	$ 9.5	$ 5.5	*

* Measure not meaningful

Restructuring expenses for the year ended December 31, 2012 totaled $9.5 million compared to $5.5 million in 2011. Crane segment restructuring expenses totaled $7.2 million for the year ended December 31, 2012. These expenses primarily related to workforce reductions at our France operations. Foodservice segment restructuring expenses totaled $2.3 million for the year ended December 31, 2012. These expenses primarily related to plant consolidation efforts in the Americas region and workforce reductions in Europe. See further detail at Note 19, “Restructuring.”

Interest Expense & Amortization of Deferred Financing Fees

(in millions)	2012	2011	Change
Interest expense	$ 135.6	$ 145.4	(6.7)%
Amortization of deferred financing fees	$ 8.2	$ 10.4	(21.2)%

Interest expense for the year ended December 31, 2012 totaled $135.6 million versus $145.4 million for the year ended December 31, 2011. The decrease in interest expense of $9.8 million for the year ended December 31, 2012 compared to the year ended December 31, 2011 was due to the amendment of our Senior Credit Facility during the second quarter of 2011, which lowered the associated interest rates along with debt reduction in 2012 and 2011. Amortization expense for deferred financing fees was $8.2 million for the year ended December 31, 2012 as compared to $10.4 million in 2011. The decrease in amortization expense for deferred financing fees of $2.2 million was attributable to the write-off of a portion of the deferred

Table of Contents

financing fees associated with the amendment in the second quarter of 2011, partially offset by the amortization of new fees associated with the Senior Credit Facility and the issuance of the Senior Notes due 2022. See further detail at Note 11, “Debt.”

Loss on Debt Extinguishment

(in millions)	2012	2011	Change
Loss on debt extinguishment	$6.3	$29.7	*

* Measure not meaningful

Loss on debt extinguishment for the year ended December 31, 2012 totaled $6.3 million, compared to $29.7 million in 2011. The loss on debt extinguishment in 2012 was attributable to the accelerated paydown of Term Loans A and B associated with our Senior Credit Facility and the redemption of our 7.125% Senior Notes due 2013. The loss on debt extinguishment in 2011 was attributable to the write-off of a portion of the deferred financing fees associated with the amendment to the Senior Credit Facility in the second quarter of 2011.

Other Income (Expense) - Net

(in millions)	2012	2011	Change
Other income - net	$0.1	$2.3	*

* Measure not meaningful

Other income, net for the year ended December 31, 2012 was $0.1 million versus $2.3 million for the prior year. The decrease of $2.2 million in other income for the year ended December 31, 2012 compared to the year ended December 31, 2011 was primarily due to reductions in interest income and gains from asset sales, partially offset by foreign currency losses in 2011 that did not reoccur at the same level in 2012.

Income Taxes

(in millions)	2012		2011		Change
Effective annual tax rate	25.9	%	29.4	%	
Provision for taxes on earnings	$38.0		$13.6		*

* Measure not meaningful

The effective tax rate for the year ended December 31, 2012 was 25.9% compared to 29.4% for the year ended December 31, 2011. The effective tax rate in 2012 was favorably impacted by the release of an $11.6 million reserve resulting from a favorable audit outcome. The 2012 and 2011 effective tax rates were favorably impacted by income earned in jurisdictions where the statutory rate was less than 35%.

Tax expense for the year ended December 31, 2012 was unfavorably impacted by valuation allowance adjustments on deferred tax assets totaling $13.5 million compared to $9.4 million in 2011. The company recorded valuation allowance adjustments related to current year losses and income tax rate changes in jurisdictions with valuation allowances established in prior years. See further detail at Note 13, “Income Taxes.”

Loss from Discontinued Operations

(in millions)	2012	2011	Change	
Loss from discontinued operations	$16.3	$15.8	3.2	%

The results from discontinued operations were losses of $16.3 million and $15.8 million, net of income taxes, for the years ended December 31, 2012 and 2011, respectively. The loss from discontinued operations relates primarily to the Manitowoc Dong Yue joint venture which was classified as discontinued operations in the fourth quarter of 2013. See additional discussion at Note 4, “Discontinued Operations.”

Loss on Sale of Discontinued Operations

(in millions)	2012	2011	Change
Loss on sale of discontinued operations	$—	$34.6	N/A

Table of Contents

Loss on sale of discontinued operations was $34.6 million for the year ended December 31, 2011 related to the sale of the Kysor/Warren business. The loss was primarily attributable to tax expense of $29.9 million on the sale. See additional discussion at Note 4, “Discontinued Operations.”

Net Loss Attributable to Noncontrolling Interest

(in millions)	2012	2011	Change	
Net loss attributable to noncontrolling interest	$9.1	$6.5	40.0	%

For the year ended December 31, 2012, a net loss attributable to a noncontrolling interest of $9.1 million was recorded in relation to the minority partners' portion of the full year loss from our former Chinese affiliate joint venture, Manitowoc Dong Yue. There was a net loss of $6.5 million attributable to the minority partner in connection with Manitowoc Dong Yue for the same period of 2011.

Sales and Operating Earnings by Segment

Cranes and Related Products Segment

(in millions)	2013		2012		2011	
Net sales	$2,506.3		$2,427.1		$2,134.7	
Operating earnings	$218.8		$170.5		$118.8	
Operating margin	8.7	%	7.0	%	5.6	%

Year Ended December 31, 2013 Compared to 2012

Crane segment net sales for the year ended December 31, 2013 increased to $2.5 billion versus $2.4 billion for the year ended December 31, 2012, primarily as a result of product mix, pricing actions, and the favorable impact of approximately $26.0 million from foreign currency volatility in relation to the U.S. Dollar as compared with the year ended December 31, 2012. As of December 31, 2013, total Crane segment backlog was $574.2 million, a decrease from the December 31, 2012 backlog of $755.8 million.

For the year ended December 31, 2013, the Crane segment reported operating earnings of $218.8 million compared to $170.5 million for the year ended December 31, 2012. Operating earnings for the Crane segment increased primarily due to manufacturing cost reduction initiatives and pricing actions. These increases in operating earnings were partially offset by increased levels of engineering and product development costs, higher legal expenses and an increase in enterprise resource planning system implementation costs. Operating margin for the year ended December 31, 2013 was 8.7% versus 7.0% for the year ended December 31, 2012. Crane’s operating margin increased primarily due to the manufacturing cost reduction initiatives and pricing actions noted above.

Year Ended December 31, 2012 Compared to 2011

Crane segment net sales for the year ended December 31, 2012 increased to $2.4 billion versus $2.1 billion for the year ended December 31, 2011, primarily as a result of volume increases and pricing actions. The increase was partially offset by the unfavorable impact of approximately $61.7 million from foreign currency volatility in relation to the U.S. Dollar as compared with the year ended December 31, 2011. As of December 31, 2012, total Crane segment backlog was $755.8 million, a slight decrease from the December 31, 2011 backlog of $760.5 million.

For the year ended December 31, 2012, the Crane segment reported operating earnings of $170.5 million compared to $118.8 million for the year ended December 31, 2011. Operating earnings for the Crane segment were favorably affected by higher sales volumes, pricing actions and favorable warranty experience. These increases in operating earnings were partially offset by increases in material costs, labor costs and additional provisions for excess and obsolete inventory. In addition, ES&A expense was unfavorably affected by increased employee compensation and benefit costs, increased levels of engineering expenses, recognition of reserves for a small number of discrete customer financing issues and enterprise resource planning system implementation costs. Operating margin for the year ended December 31, 2012 was 7.0% versus 5.6% for the year ended December 31, 2011. Crane’s operating margin increased primarily due to the pricing actions noted above.

Table of Contents

Foodservice Equipment Segment

(in millions)	2013		2012		2011	
Net sales	$1,541.8		$1,486.2		$1,454.6	
Operating earnings	$250.3		$238.6		$214.4	
Operating margin	16.2	%	16.1	%	14.7	%

Year Ended December 31, 2013 Compared to 2012

Foodservice segment net sales increased $55.6 million to $1,541.8 million for the year ended December 31, 2013 compared to the prior year. The sales increase during 2013 was primarily driven by volume increases as a result of new product roll outs coupled with pricing actions and a favorable impact of approximately $0.5 million from foreign currency volatility in relation to the U.S. Dollar as compared with the year ended December 31, 2012. The increase was partially offset by increases in rebates as a result of higher sales through certain market channels and increased sales discounts.

For the year ended December 31, 2013, the Foodservice segment reported operating earnings of $250.3 million compared to $238.6 million for the year ended December 31, 2012. The 2013 operating earnings increase, and the operating margin increase to 16.2% from 16.1% in 2012, were primarily due to increases in volume, pricing actions and manufacturing cost reduction initiatives. The increase was partially offset by increases in rebates and discounts, warranty expense, headcount and investments in strategic projects. In addition, approximately $2.0 million of the increase was offset by foreign currency volatility in relation to the U.S. Dollar for the year ended December 31, 2013 compared to the year ended December 31, 2012.

Year Ended December 31, 2012 Compared to 2011

Foodservice segment net sales increased $31.6 million to $1,486.2 million for the year ended December 31, 2012 compared to the prior year. The sales increase during 2012 was primarily driven by volume increases in the Americas and APAC regions coupled with pricing actions. The increase was partially offset by an increase in rebates and an unfavorable impact of approximately $11.8 million from foreign currency volatility in relation to the U.S. Dollar for the year ended December 31, 2012 compared with the year ended December 31, 2011.

For the year ended December 31, 2012, the Foodservice segment reported operating earnings of $238.6 million compared to $214.4 million for the year ended December 31, 2011. The 2012 operating earnings increase and operating margin increase to 16.1% from 14.7% in 2011 were primarily due to increases in volume, pricing actions and manufacturing cost reduction initiatives, which were partially offset by increases in rebates and warranty expense, due to increases in volume and material and labor costs. In addition, approximately $1.2 million of the increase was offset by foreign currency volatility in relation to the U.S. Dollar for the year ended December 31, 2012 compared to the year ended December 31, 2011.

General Corporate Expenses

(in millions)	2013		2012		2011	
Net sales	$4,048.1		$3,913.3		$3,589.3	
Corporate expenses	$64.9		$63.7		$61.3	
% of Net sales	1.6	%	1.6	%	1.7	%

Year Ended December 31, 2013 Compared to 2012

Corporate expenses increased $1.2 million to $64.9 million in 2013 compared to $63.7 million in 2012. The increase was primarily due to an increase in employee pension and post retirement expense, partially offset by lower stock-based award compensation and depreciation expenses.

Year Ended December 31, 2012 Compared to 2011

Corporate expenses increased $2.4 million to $63.7 million in 2012 compared to $61.3 million in 2011. The increase was due to higher employee benefit and stock-based award compensation expenses.

Table of Contents

Market Conditions and Outlook

In 2014, we are planning for modest but continued growth in both of our two business segments: Cranes and Related Products and Foodservice Equipment. In the face of anticipated slow market growth, differentiated consumer confidence, as well as an overall conservative macro-economic outlook, we expect to focus our efforts on margin improvements and controlled but intelligent spending. We expect continuing improvement in operational efficiencies and managing our cost structure. Lean initiatives, new product introductions and continued debt repayment goals will help us maximize our net operating results and drive shareholder value.

Looking ahead to 2014, we expect Foodservice segment revenues to improve modestly in the mid single-digit range and operating margins to improve in 2014. We also expect Crane segment revenues to increase modestly and we anticipate that operating margins in our Crane segment will be in the high single-digit range. Other financial expectations include capital expenditures of approximately $90 million, depreciation and amortization of approximately $120 million, interest expense of approximately $100 million, deferred financing fees of approximately $8 million and a full-year effective tax rate in the mid-to-high 20 percent range.

Cranes and Related Products - Our Crane segment is benefiting from recovery in crane demand, especially within emerging markets in Asia, Latin America, the Middle East, and North America and, to a lesser extent, parts of Europe. As a result, our year-end backlog has stabilized at $574.2 million as of December 31, 2013 compared to $755.8 million in December 31, 2012. Our backlog at the end of 2013 was lower than the end of 2012 due to the lower order rates for new cranes experienced in the first three quarters of 2013. In addition, improved factory throughput efficiency and higher finished goods inventory levels in 2013 resulted in a greater percentage of cranes being ordered and shipped in the same quarter than in prior years.

Our initiatives in the area of quality, reliability and performance are producing positive results. These include improving Customer Satisfaction Index (CSI) scores due to reduced warranty claims, improved Mean Time Between Failure (MTBF) and improved emissions. Our investments in a component and systems validation and accelerated life cycle testing facility have accelerated our new product development process and the reliability of our cranes. We plan to continue to expand our capabilities and facilities in this area of component product verification in 2014. We believe these efforts, combined with cost reduction initiatives in factory productivity and procurement, and facilities and machinery improvements that were made in 2013 and prior years, allow us to deliver better cranes to our customers in a more efficient manner.

We expect the opportunities and the need for cranes to continue to grow globally in the coming year but at a slower rate than we have experienced in prior economic up-cycles. We will continue to grow by filling the lifting needs from many industries, including construction, infrastructure, refining, all forms of energy production and energy transmission, with our existing products. We also expect to grow our business through the introduction of new innovative products for these same end markets. In addition, we anticipate continuing to see demand for our industry-leading product support services. We believe our Crane Care business is not only a key differentiator for us, but is also especially important to our customers as the market rebounds and crane utilization increases to ensure uptime availability.

Forecasting remains challenging due to mixed views from our various sources for leading indicators and customer sentiment. Different industries and different geographic markets can show significant deviations in economic and demand outlook depending on the circumstances within their environments and outlooks can change rapidly during the year. We continue to use what we believe to be the best information that is available, along with our own experiences and knowledge of our customers and the industries they serve, to forecast future demand. We also continue to improve our manufacturing planning, purchasing and inventory allocation processes to become more responsive to changes in demand from our customers, between regions and within product lines. These efforts allow us to better meet the sudden changes in demand that an unstable recovering economy makes and may allow us to improve our market share with our ability to have the right product available at the right time.

The Crane segment looks to leverage its global manufacturing footprint, while continuing to improve forecasting accuracy, vertical integration manufacturing capabilities, and working capital efficiency throughout 2014. In addition, we will focus on leveraging our existing fixed cost structure, improving manufacturing productivity and reducing material costs to improve our gross margin while increasing ES&A expenses at a slower rate than revenue increases. In addition, we anticipate that a continued focus on economic value-added (EVA®) as our main financial management decision support tool will help to optimize cash flow and boost the segment's earnings potential. Underlying these financial goals, the Crane segment is focused on strategic initiatives, which include for 2014 the continuation of our “Project One” SAP ERP initiative with go-live implementations in Italy and China along with work toward implementation in Manitowoc in early 2015; driving manufacturing excellence initiatives through the use of lean manufacturing and other manufacturing process excellence principles; the continuing introduction of new crawler, tower, and mobile cranes; intensified leverage of our presence in various emerging markets; and an ongoing strengthening of our Crane Care infrastructure to drive profitability and support accelerating whole goods sales in emerging and developed markets.

Table of Contents

From a longer-term perspective, we are among the world's leading sources of lifting solutions, with what we believe to be the most recognized brands and the broadest manufacturing and support footprint in the industry. Globally, we believe we are in the early years of a multi-year recovery and expect an increasing global demand for modern infrastructure and energy, and we are well-positioned to support these end markets anywhere in the world. We have a resilient business, with a strong global distribution network and a large installed base of equipment complemented by the best and most experienced workforce in the industry. As a result, we expect to benefit as the world economy continues to recover and the markets our products serve continue to grow.
Foodservice Equipment - Manitowoc Foodservice is a leading participant in the global foodservice equipment industry. Our customers include many of the fastest-growing and most-innovative foodservice companies in the world. They come to us for innovations that allow them to improve their menus, enhance their operations and reduce their costs. We serve customers around the globe and we will continue to expand and support our customers wherever they grow. Our integrated manufacturing operations, service sites and sales offices work together to assist customers worldwide, whether these customers are local businesses or global companies.
During 2013 we launched numerous new products supporting our customers' menu initiatives, energy savings goals and sustainability initiatives, most notably in our Frymaster, Garland, Kolpak and Manitowoc Ice brands. Because we can help our customers operate more profitably and deliver innovative food product solutions, we believe they are willing to invest in our products, even during recessionary economic conditions.

A number of leading indicators suggest that 2014 will bring continued growth opportunities in the foodservice sector, the US National Restaurant Association ("NRA"), the Canadian Restaurant and Foodservices Association ("CRFA") and the North American Manufacturers' Agents Association for the Foodservice Industry ("MAFSI") released their 2014 US Market forecasts, all projecting growth for the year ahead. NRA projected that overall US restaurant operator sales would increase 3.6%, with inflation-adjusted real growth of 1.2%. That would mark the fifth consecutive year of US restaurant industry growth. CRFA expects Canadian restaurant sales to increase 4.7%, an upward adjustment from its previous 3.7% growth projection. MAFSI's forecast for 2014 sales is a healthy 4.9% gain in equipment and supplies. This reflects the largely North American perspective of MAFSI which escapes the difficulties of the softer global economy, especially in Europe. According to MAFSI the "hot spots" of activity are chain accounts and health care, with equipment sales expected to grow a more than double the overall industry rate. MAFSI also reports increased foodservice design consultant activity. Two leading US-based publications, Food Equipment Reports and Food Equipment and Supplies magazines, also published forecasts that reflect an overall equipment growth rate of approximately 4% for 2014.

Globally, Euromonitor projects that 2014 restaurant operator sales and overall restaurant units will continue growing in both the chain and independent operator segments. Euromonitor projects chain restaurant operator sales and total units to grow at 3.1% globally, while expecting 1.9% sales growth and 3% unit growth in the independent restaurant segment. Euromonitor projects that with smaller bases, both Eastern Europe and Latin America are projected to enjoy growth rates more than double the global average, while Asia Pacific will see the highest growth in actual sales and units.

Our strong position gives us significant opportunities to grow along with our customers. Not only do we aim to be their supplier of choice, but also their innovator of choice. Our customers are constantly looking for ways to innovate their menus, and we are at the forefront of that innovation. Global chain customers and our channel partners recognize Manitowoc Foodservice and our brands for innovation and supplier support. In 2013, Manitowoc Foodservice received the ENERGY STAR® Sustained Excellence award, following previous recognition in 2010, 2011, and 2012, showcasing our long-term commitment to energy conservation and operating efficiency. Additionally, the U.S. National Restaurant Association recognized our Garland and Kolpak brands with Kitchen Innovation Awards in 2013, bringing our total of these prestigious awards to 25. Cleveland, Delfield, Frymaster, Lincoln and Manitowoc Ice received recognition from Foodservice Equipment and Supplies magazine as Best In Class in seven equipment categories as voted by end users, design consultants and channel partners. This marks the thirteenth straight year of overall Best in Class awards for Manitowoc Ice and Frymaster.

Finally, our Foodservice equipment brands are well-positioned leaders that span virtually all major commercial foodservice equipment categories. Our team is remarkably passionate about the combined businesses and the opportunities that our market position and global capabilities provide us. For 2014, our priorities are to continue to grow our Foodservice segment, continue to leverage economies of scale from the combined Manitowoc Foodservice organization, as well as invest in manufacturing consolidations and relocations in order to drive continued margin expansion. We are continuing to build an industry-leading business for the long-term.

Table of Contents

Liquidity and Capital Resources

Cash Flows. The table below shows a summary of cash flows for fiscal 2013, 2012, and 2011 (in millions):

	2013	2012	2011
Cash provided by operating activities	$323.1	$162.4	$17.1
Cash (used for) provided by investing activities	$(82.2)	$(75.5)	$98.4
Cash used for financing activities	$(256.4)	$(83.2)	$(131.9)

Cash flow from operations during 2013 was $323.1 million compared to $162.4 million in 2012. We had $54.9 million in cash and cash equivalents on-hand at December 31, 2013 versus $73.2 million on-hand at December 31, 2012.

The increase in cash flow from operating activities for the year ended December 31, 2013 compared to the same period for 2012 was primarily due to cash from profitability and improvement in working capital. The primary contributor to the changes in working capital was cash collection from accounts receivable.

Cash flow from operations during 2012 was $162.4 million compared to $17.1 million in 2011. We had $73.2 million in cash and cash equivalents on-hand at December 31, 2012 versus $68.3 million on-hand at December 31, 2011.

The increase in cash flow from operating activities for the year ended December 31, 2012 compared to the same period for 2011 was primarily due to cash flow from earnings and better management of working capital. The primary contributors to the changes in working capital were reductions in the increase of inventory and accounts receivable, and reduction in the decrease of accrued expenses and other liabilities. This was partially offset by a reduction to the increase in accounts payable.

Cash flows used for investing activities of $82.2 million in 2013 consisted primarily of cash used for capital expenditures of $110.7 million and the acquisition of Inducs, AG for $12.2 million, partially offset by proceeds of $39.2 million related to the sale of the Jackson business.

Cash flows used for investing activities of $75.5 million in 2012 consisted primarily of cash used for capital expenditures of $72.9 million.

Cash flows provided by investing activities of $98.4 million in 2011 consisted primarily of proceeds from the sale of Kysor Warren of $143.6 million and proceeds from sales of fixed assets of $17.3 million. These outflows were partially offset by cash used for capital expenditures of $64.6 million.

Cash flows used for financing activities during 2013 consisted primarily of pay downs on long-term debt and the revolving credit facility totaling $300.9 million, partially offset by proceeds from debt issuance of $43.0 million.

Cash flows used for financing activities during 2012 consisted primarily of debt pay down totaling $495.4 million, partially offset by proceeds from debt issuance of $383.3 million and proceeds from the revolving credit facility of $34.4 million.

Cash flows used for financing activities during 2011 consisted primarily of pay downs on long-term debt and the revolving credit facility totaling $984.5 million, partially offset by proceeds from debt issuance of $839.0 million.

On May 13, 2011, the company amended and extended the maturities of its Senior Credit Facility by entering into a $1,250.0 million Second Amended and Restated Credit Agreement (the “Senior Credit Facility”) with JPMorgan Chase Bank, N.A., as Administrative Agent, Deutsche Bank Securities Inc. and Bank of America, N.A., as Syndication Agents, and Wells Fargo Bank, National Association and Natixis, as Documentation Agents. The Senior Credit Facility includes three different loan facilities. The first is a revolving facility in the amount of $500 million with a term of five years. The second facility is an amortizing Term Loan A facility in the aggregate amount of $350.0 million ($162.5 million outstanding as of December 31, 2013) with a term of five years. The third facility is an amortizing Term Loan B in the aggregate amount of $450.0 million (no borrowings as of December 31, 2013) with a term of 6.5 years. Including interest rate caps at December 31, 2013, the weighted average interest rate for Term Loan A was 2.69%. Excluding interest rate caps, Term Loan A interest rate was 2.69% at December 31, 2013. The weighted average interest rates for the company’s term loans at December 31, 2013 including and excluding the impact of the interest rate caps were the same because the relevant one-month U.S. LIBOR rate in effect at December 31, 2013 was below the 3.00% cap level. See additional discussion of our Senior Credit Facility in Note 11, “Debt.”

The Senior Credit Facility includes customary representations and warranties and events of default and customary covenants, including without limitation (i) a requirement that the company prepay the term loan facilities from the net proceeds of asset sales, casualty losses, equity offerings, and new indebtedness for borrowed money, and from a portion of its excess cash flow, subject to certain exceptions; and (ii) limitations on indebtedness, capital expenditures, restricted payments, and acquisitions.

Table of Contents

On January 3, 2014, the company entered into a $1,050.0 million Third Amended and Restated Credit Agreement (the “New Senior Credit Facility”) with JPMorgan Chase Bank, N.A., as Administrative Agent, Deutsche Bank Securities Inc., Bank of America, N.A., and Wells Fargo Bank, National Association, as Syndication Agents, and SunTrust Bank, as Documentation Agent. The New Senior Credit Facility includes three different loan facilities. The first is a revolving facility in the amount of $500.0 million, with a term of five years. The second facility is a Term A Loan in the aggregate amount of $350.0 million, with a term of five years. The third facility is a Term B Loan in the amount of $200.0 million, with a term of seven years. The company is obligated to prepay the two term loan facilities from the net proceeds of asset sales, casualty losses, equity offerings, and new indebtedness for borrowed money, and from a portion of its excess cash flow, subject to certain exceptions.

Loans made under the New Senior Credit Facility will initially bear interest at 2.25% in excess of reserve adjusted LIBOR rate, or 1.25% in excess of an alternate base rate, at the company's option. The company will also pay a commitment fee of 0.45% per annum on the unused portion of the revolving facility. The company is also obligated to pay certain fees and expenses of the lenders.

Loans made under the New Senior Credit Facility will be secured by substantially all of the assets of, and guaranteed by, the material direct and indirect domestic subsidiaries of the company, and secured by 65% of the stock of certain foreign subsidiaries of Manitowoc. The New Senior Credit Facility also requires the company to provide additional collateral to the lenders under the New Senior Credit Facility in certain limited circumstances.

The New Senior Credit Facility also includes customary representations and warranties and affirmative and negative covenants.

The New Senior Credit Facility contains financial covenants including (a) a Consolidated Interest Coverage Ratio, which measures the ratio of (i) consolidated earnings before interest, taxes, depreciation and amortization, and other adjustments (EBITDA), as defined in the credit agreement to (ii) consolidated cash interest expense, each for the most recent four fiscal quarters; and (b) Consolidated Senior Secured Indebtedness Ratio, which measures the ratio of (i) consolidated senior secured indebtedness to (ii) consolidated EBITDA for the four most recent fiscal quarters. The covenant levels of the financial covenants under the New Senior Credit Facility as of December 31, 2013, are set forth below:

Fiscal Quarter Ending	Consolidated Senior Secured Leverage Ratio (less than)	Consolidated Interest Coverage Ratio (greater than)
December 31, 2013	3.50:1.00	2.25:1.00
March 31, 2014	3.50:1.00	2.25:1.00
June 30, 2014	3.50:1.00	2.50:1.00
September 30, 2014	3.50:1.00	2.50:1.00
December 31, 2014	3.25:1.00	2.50:1.00
March 31, 2015	3.25:1.00	2.75:1.00
June 30, 2015	3.25:1.00	2.75:1.00
September 30, 2015	3.25:1.00	2.75:1.00
December 31, 2015	3.25:1.00	2.75:1.00
March 31, 2016 and thereafter	3.00:1.00	3.00:1.00

As of December 31, 2013, the company had three series of Senior Notes outstanding, the 2018, 2020, and 2022 Notes (collectively the “Senior Notes,” see below for a description of the 2018, 2020, and 2022 Notes). Each series of Senior Notes are unsecured senior obligations ranking subordinate to all existing senior secured indebtedness and equal to all existing senior unsecured obligations. Each series of Senior Notes is guaranteed by certain of the company’s wholly owned domestic subsidiaries, which subsidiaries also guaranty the company’s obligations under the Senior Credit Facility. Each series of Senior Notes contains affirmative and negative covenants which limit, among other things, the company’s ability to redeem or repurchase its debt, incur additional debt, make acquisitions, merge with other entities, pay dividends or distributions, repurchase capital stock, and create or become subject to liens. Each series of Senior Notes also includes customary events of default. If an event of default occurs and is continuing with respect to the

Senior Notes, then the Trustee or the holders of at least 25% of the principal amount of the outstanding Senior Notes may declare the principal and accrued interest on all of the Senior Notes to be due and payable immediately. In addition, in the case of an event of default arising from certain events of bankruptcy, all unpaid principal of, and premium, if any, and accrued and unpaid interest on all outstanding Senior Notes will become due and payable immediately.

Table of Contents

On October 19, 2012, the company completed the sale of $300 million aggregate principal amount of its 5.875% Senior Notes due October 2022 (the "2022 Notes") at an issue price of 100%. Net Proceeds for the 2022 Notes were used to redeem the entire $150 million aggregate principal amount of its Senior Notes due 2013 (the "2013 Notes"), to repay $36 million of Term Loan B and to repay a portion of the outstanding revolver borrowings under its Senior Credit Facility. Interest on the 2022 Notes is payable semi-annually in April and October of each year.

The following would be the principal and premium paid by the company, expressed as a percentage of the principal amount, if it redeems the 2022 Notes during the 12-month period commencing on October 15 of the year set forth below:

Year	Percentage	
2017	102.938	%
2018	101.958	%
2019	100.979	%
2020 and thereafter	100.000	%

In addition, at any time prior to October 15, 2015, the company is permitted to, at its option, use the net cash proceeds of one or more public equity offers to redeem up to 35% of the 2022 Notes at a redemption price of 105.875%, plus accrued but unpaid interest, if any, to the date of redemption, provided that (1) at least 65% of the principal amount of the 2022 Notes outstanding remains outstanding immediately after any such redemption; and (2) the company makes such redemptions not more than 90 days after the consummation of any such public offering. Further, the company is required to offer to repurchase the 2022 Notes for cash at a price of 101% of the aggregate principal amount of the 2022 Notes, plus accrued and unpaid interest, if any, upon the occurrence of a change of control triggering event.

On October 18, 2010, the company completed the sale of $600.0 million aggregate principal amount of its 8.50% Senior Notes due 2020 (the “2020 Notes”). Net proceeds of $583.7 million from this offering were used to pay down ratably the then outstanding balances of Term Loans A and B. Interest on the 2020 Notes is payable semi-annually in May and November of each year.

The following would be the principal and premium paid by the company, expressed as a percentage of the principal amount, if it redeems the 2020 Notes during the 12-month period commencing on November 1 of the year set forth below:

Year	Percentage	
2015	104.250	%
2016	102.833	%
2017	101.417	%
2018 and thereafter	100.000	%

On February 3, 2010, the company completed the sale of $400.0 million aggregate principal amount of its 9.50% Senior Notes due 2018 (the “2018 Notes”). Net proceeds of $392.0 million from this offering were used to partially pay down ratably the then outstanding balances on Term Loan A and Term Loan B. Interest on the 2018 Notes was payable semiannually in February and August of each year. On February 18, 2014 the Company redeemed its 2018 Notes for $419.0 million or 104.750%, expressed as a percentage of the principal amount.

As of December 31, 2013, the company had outstanding $76.5 million, including $24.5 million related to Manitowoc Dong Yue, of other indebtedness that has a weighted-average interest rate of approximately 6.43%. This debt includes outstanding line of credit balances and capital lease obligations in its Americas, Asia-Pacific and European regions.

Table of Contents

The aggregate scheduled maturities of outstanding debt obligations in subsequent years are as follows (in millions):

Year	
2014	$22.7
2015	32.5
2016	146.1
2017	5.1
2018	412.0
Thereafter	908.4
Total	$1,526.8

As of June 30, 2011, the company offset, dedesignated, and wrote-off all of its previous float-to-fixed interest rate swaps against Term Loans A and B interest due to the May 13, 2011 amendment and restatement of the Senior Credit Facility (See Note 11, "Debt," for a description of the Senior Credit Facility). As of December 31, 2013 and December 31, 2012, the company had outstanding $100.0 million and $225.0 million, respectively, notional amount of 3.00% LIBOR caps related to the term loan portion of the Senior Credit Facility which effectively cap the company's future interest rate exposure for the notional value of its variable term debt at a one-month LIBOR rate of 3.00%. The company paid various bank partners $0.7 million in option premium to purchase the protection on Term Loans A and B and is amortizing to interest expense over the life of the cap protection. The caps were designated as a hedge so any change in value of the derivative is booked to other comprehensive income. The remaining unhedged portions of Term Loans A and B continue to bear interest according to the terms of the Senior Credit Facility.

The company has been party to various fixed-to-float interest rate swaps designated as fair market value hedges of its 2018, 2020, and 2022 Notes. The company monetized the derivative asset related to its fixed-to-float interest rate swaps due in 2018 and 2020 and received $21.5 million in the third quarter of 2011. The gain was treated as an increase to the debt balances for the 2018 and 2020 Notes and is being amortized against interest expense over the life of the original swap. Later in 2011, the company subsequently entered into new interest rate swaps due in 2018 and 2020.

In the third quarter of 2012, the company further monetized the derivative asset related to its fixed-to-float interest rate swaps related to its 2018 and 2020 Notes and received $14.8 million in the quarter. Consistent with the prior monetization, the company treated the gain as an increase to the debt balances for each of the 2018 and 2020 Notes, which is being amortized against interest expense over the life of the original swaps.

In the fourth quarter of 2012, the company purchased and designated new fixed-to-float swaps as fair market value hedges of the 2022 Notes and as of December 31, 2012, $100.0 million of these notes were swapped to floating rate interest.

During the second quarter of 2013, the company entered into new interest rate swaps due in 2020 and 2022, designating them as fair market value hedges of the 2020 and 2022 Notes, respectively.

As of December 31, 2013, $75.0 million and $125.0 million of the 2020 and 2022 Notes, respectively, were swapped to floating rate interest. Including the floating rate swaps, the 2020 and 2022 Notes have an all-in interest rate of 8.31% and 5.188%, respectively.

As of December 31, 2013 the company was in compliance with all affirmative and negative covenants in its debt instruments inclusive of the financial covenants pertaining to the New Senior Credit Facility, the 2018 Notes, the 2020 Notes and the 2022 Notes. Based upon the company's current plans and outlook, the company believes it will be able to comply with these covenants during the subsequent 12 months. As of December 31, 2013 the company's Senior Leverage Ratio was 0.79:1, below the maximum ratio of 3.50:1 and the company's Consolidated Interest Coverage Ratio was 3.79:1, above the minimum ratio of 2.25:1.

Table of Contents

The company defines Adjusted EBITDA as earnings before interest, taxes, depreciation, and amortization, plus certain items such as pro-forma acquisition results and the addback of certain restructuring charges, that are adjustments under the Senior Credit Facility definition. The company's trailing twelve-month Adjusted EBITDA for covenant compliance purposes as of December 31, 2013 was $468.5 million. The company believes this measure is useful to the reader in order to understand the basis for the company's debt covenant calculations. The reconciliation of Net income attributable to Manitowoc to Adjusted EBITDA is as follows (in millions):