

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

**FORM 10-Q**

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

For the quarterly period ended June 30, 2024

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-32401

**MANITEX INTERNATIONAL, INC.**

(Exact Name of Registrant as Specified in Its Charter)

**Michigan**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**9725 Industrial Drive, Bridgeview, Illinois**  
(Address of Principal Executive Offices)

**42-1628978**  
(I.R.S. Employer  
Identification Number)

**60455**  
(Zip Code)

**(708) 430-7500**

(Registrant's Telephone Number, Including Area Code)

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

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

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

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

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

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

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

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

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

## MANITEX INTERNATIONAL, INC. AND SUBSIDIARIES

### GENERAL

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

### Forward-Looking Information

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

- a future substantial deterioration in economic conditions, especially in the United States and Europe;
- the reliance of our customers on government spending, fluctuations in activity levels in the construction industry;
- our level of indebtedness and our ability to meet financial covenants required by our debt agreements;
- our ability to negotiate extensions of our credit agreements and to obtain additional debt or equity financing when needed;
- any failure on our part to maintain an effective system of internal controls;
- the cyclical nature of the markets we operate in;
- a substantial portion of our revenues are attributed to a limited number of customers which may decrease or cease purchasing at any time;
- a further increase in interest rates;
- our increasingly international operations expose us to additional risks and challenges associated with conducting business internationally, including currency exchange risks;
- difficulties in implementing new systems, integrating acquired businesses, managing anticipated growth, and responding to technological change;
- the availability of the third-party financing that some of our customers rely on to purchase our products;
- our operations are in a highly competitive industry and subject to the risks of such competition;
- our dependency upon third-party suppliers makes us vulnerable to supply shortages;
- price increases in materials could reduce our profitability;
- our rental fleet ages causing significant impact to profitability;
- our ability to collect rental revenue;
- our rental fleet is subject to residual value risk;
- increased product liability claims and other liabilities due to the nature of its business;
- our success depends upon the continued protections of its trademarks and may be forced to incur substantial costs to maintain, defend, protect and enforce its intellectual property rights;
- volatility relating to our stock price;

- our ability to access the capital markets to raise funds and provide liquidity;
- the willingness of our shareholders and directors to approve mergers, acquisitions, and other business transactions;
- compliance with changing laws and regulations;
- a disruption or breach in our information technology systems;
- the significant percentage of our common stock is held by principal shareholders, executive officers and directors;
- our reliance on the management and leadership skills of our senior executives;
- impairment in the carrying value of goodwill and/or other intangible assets could negatively affect our operating results;
- provisions of the Michigan Business Corporation Act and the Company's Articles of Incorporation, may discourage or prevent a change in control of the Company; and
- other factors.

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

MANITEX INTERNATIONAL, INC.  
FORM 10-Q INDEX

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## PART 1—FINANCIAL INFORMATION

### Item 1—Financial Statements

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

	June 30, 2024	December 31, 2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 5,097	\$ 9,269
Cash – restricted	206	212
Trade receivables (net)	51,695	49,118
Other receivables	1,715	553
Inventory (net)	82,268	82,337
Prepaid expenses and other current assets	3,659	4,084
<b>Total current assets</b>	<u>144,640</u>	<u>145,573</u>
Total fixed assets net of accumulated depreciation of \$33,035 and \$29,751 at June 30, 2024 and December 31, 2023, respectively	52,194	49,560
Operating lease assets	7,832	7,416
Intangible assets (net)	10,511	12,225
Goodwill	36,854	37,354
Deferred tax assets	3,220	3,603
<b>Total assets</b>	<u>\$ 255,251</u>	<u>\$ 255,731</u>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 49,987	\$ 47,644
Accrued expenses	14,346	14,503
Related party payables	548	27
Revolving term credit facilities	2,106	2,185
Notes payable (net)	21,153	23,343
Current portion of finance lease obligations	651	605
Current portion of operating lease obligations	2,210	2,100
Customer deposits	2,021	2,384
<b>Total current liabilities</b>	<u>93,022</u>	<u>92,791</u>
<b>Long-term liabilities</b>		
Revolving term credit facilities (net)	48,817	49,781
Notes payable (net)	14,064	16,249
Finance lease obligations (net of current portion)	2,444	2,777
Operating lease obligations (net of current portion)	5,622	5,315
Deferred tax liability	4,719	4,145
Other long-term liabilities	3,334	4,989
<b>Total long-term liabilities</b>	<u>79,000</u>	<u>83,256</u>
<b>Total liabilities</b>	<u>172,022</u>	<u>176,047</u>
<b>Commitments and contingencies</b>		
<b>Equity</b>		
Preferred stock—Authorized 150,000 shares, no shares issued or outstanding at June 30, 2024 and December 31, 2023	-	-
Common stock—no par value 25,000,000 shares authorized, 20,390,299 and 20,258,194 shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively	135,226	134,328
Additional paid in capital	5,454	5,440
Retained deficit	(62,209)	(65,982)
Accumulated other comprehensive loss	(5,686)	(4,169)
<b>Equity attributable to shareholders of Manitex International, Inc.</b>	<u>72,785</u>	<u>69,617</u>
Equity attributed to noncontrolling interest	10,444	10,067
<b>Total equity</b>	<u>83,229</u>	<u>79,684</u>
<b>Total liabilities and equity</b>	<u>\$ 255,251</u>	<u>\$ 255,731</u>

The accompanying notes are an integral part of these financial statements

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net revenues	\$ 76,235	\$ 73,534	\$ 149,578	\$ 141,405
Cost of sales	59,074	58,599	115,534	112,060
<b>Gross profit</b>	<b>17,161</b>	<b>14,935</b>	<b>34,044</b>	<b>29,345</b>
Operating expenses				
Research and development costs	929	837	1,783	1,651
Selling, general and administrative expenses	11,125	10,766	22,244	21,797
<b>Total operating expenses</b>	<b>12,054</b>	<b>11,603</b>	<b>24,027</b>	<b>23,448</b>
<b>Operating income</b>	<b>5,107</b>	<b>3,332</b>	<b>10,017</b>	<b>5,897</b>
Other income (expense)				
Interest expense	(1,931)	(1,896)	(3,803)	(3,661)
Interest income	91	-	170	-
Foreign currency transaction loss	(353)	(718)	(829)	(773)
Other income (expense)	(17)	21	17	(737)
<b>Total other expense</b>	<b>(2,210)</b>	<b>(2,593)</b>	<b>(4,445)</b>	<b>(5,171)</b>
<b>Income before income taxes</b>	<b>2,897</b>	<b>739</b>	<b>5,572</b>	<b>726</b>
Income tax expense	1,178	207	1,422	220
<b>Net income</b>	<b>1,719</b>	<b>532</b>	<b>4,150</b>	<b>506</b>
Net income attributable to noncontrolling interest	229	128	377	49
<b>Net income attributable to shareholders of Manitex International, Inc.</b>	<b>\$ 1,490</b>	<b>\$ 404</b>	<b>\$ 3,773</b>	<b>\$ 457</b>
<b>Income per share</b>				
Basic	\$ 0.07	\$ 0.02	\$ 0.19	\$ 0.02
Diluted	\$ 0.07	\$ 0.02	\$ 0.19	\$ 0.02
<b>Weighted average common shares outstanding</b>				
Basic	20,368,668	20,206,919	20,326,794	20,164,486
Diluted	20,392,756	20,209,959	20,378,199	20,166,968

The accompanying notes are an integral part of these financial statements

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$ 1,719	\$ 532	\$ 4,150	\$ 506
Other comprehensive income				
Foreign currency translation gain (loss)	(317)	22	(1,517)	695
Total comprehensive income	1,402	554	2,633	1,201
Comprehensive income attributable to noncontrolling interest	229	128	377	49
Total comprehensive income attributable to shareholders of Manitex International, Inc.	<u>\$ 1,173</u>	<u>\$ 426</u>	<u>\$ 2,256</u>	<u>\$ 1,152</u>

The accompanying notes are an integral part of these financial statements

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

	Outstanding shares	Common Stock	APIC	Retained Deficit	AOCI Gain (Loss)	Noncontrolling Interests	Total
<b>Balance at December 31, 2023</b>	<u>20,258,194</u>	<u>\$ 134,328</u>	<u>\$ 5,440</u>	<u>\$ (65,982)</u>	<u>\$ (4,169)</u>	<u>\$ 10,067</u>	<u>\$ 79,684</u>
Net income	—	—	—	2,283	—	148	2,431
Loss on foreign currency translation	—	—	—	—	(1,200)	—	(1,200)
Employee incentive plan issuance	66,700	428	(428)	—	—	—	—
Repurchase to satisfy withholding and cancelled shares	(8,841)	(56)	—	—	—	—	(56)
Share-based compensation	—	—	633	—	—	—	633
<b>Balance at March 31, 2024</b>	<u>20,316,053</u>	<u>\$ 134,700</u>	<u>\$ 5,645</u>	<u>\$ (63,699)</u>	<u>\$ (5,369)</u>	<u>\$ 10,215</u>	<u>\$ 81,492</u>
Net income	—	—	—	1,490	—	229	1,719
Loss on foreign currency translation	—	—	—	—	(317)	—	(317)
Employee incentive plan issuance	78,310	551	(551)	—	—	—	—
Repurchase to satisfy withholding and cancelled shares	(4,064)	(25)	—	—	—	—	(25)
Share-based compensation	—	—	360	—	—	—	360
<b>Balance at June 30, 2024</b>	<u>20,390,299</u>	<u>\$ 135,226</u>	<u>\$ 5,454</u>	<u>\$ (62,209)</u>	<u>\$ (5,686)</u>	<u>\$ 10,444</u>	<u>\$ 83,229</u>
<b>Balance at December 31, 2022</b>	<u>20,107,014</u>	<u>133,289</u>	<u>4,266</u>	<u>(73,338)</u>	<u>(5,822)</u>	<u>9,566</u>	<u>67,961</u>
Net income (loss)	-	-	-	53	-	(79)	(26)
Gain on foreign currency translation	-	-	-	-	673	-	673
Employee incentive plan issuance	62,402	410	(410)	-	-	-	-
Repurchase to satisfy withholding and cancelled shares	(7,605)	(40)	-	-	-	-	(40)
Share-based compensation	-	-	766	-	-	-	766
<b>Balance at March 31, 2023</b>	<u>20,161,811</u>	<u>133,659</u>	<u>4,622</u>	<u>(73,285)</u>	<u>(5,149)</u>	<u>9,487</u>	<u>69,334</u>
Net income	-	-	-	404	-	128	532
Gain on foreign currency translation	-	-	-	-	22	-	22
Employee incentive plan issuance	83,820	589	(589)	-	-	-	-
Repurchase to satisfy withholding and cancelled shares	(1,875)	(9)	-	-	-	-	(9)
Share-based compensation	-	-	588	-	-	-	588
<b>Balance at June 30, 2023</b>	<u>20,243,756</u>	<u>134,239</u>	<u>4,621</u>	<u>(72,881)</u>	<u>(5,127)</u>	<u>9,615</u>	<u>70,467</u>

The accompanying notes are an integral part of these financial statements



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

	Six months ended June 30,	
	2024	2023
<b>Cash flows from operating activities:</b>		
Net income	\$ 4,150	\$ 506
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	5,445	5,921
Changes in allowances for credit losses	23	19
Changes in inventory reserves	57	58
Deferred income taxes	959	(703)
Amortization of deferred debt issuance costs	24	27
Amortization of debt discount	26	30
Loss on forward currency contract	-	92
Loss (gain) on sale of assets	(69)	10
Share-based compensation	993	1,354
Adjustment to deferred gain on sales and lease back	(40)	(40)
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(3,595)	(4,527)
(Increase) decrease in other receivables	(1,184)	687
(Increase) decrease in inventory	(1,271)	(12,970)
(Increase) decrease in prepaid expenses and other assets	396	140
Increase (decrease) in accounts payables and related party payables	4,735	6,409
Increase (decrease) in accrued expenses	65	1,780
Increase (decrease) increase in other current liabilities	(314)	(799)
Increase (decrease) in other long-term liabilities	(1,513)	(500)
Net cash provided by (used in) operating activities	<u>8,887</u>	<u>(2,506)</u>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(7,129)	(3,506)
Investment in intangible assets	-	(51)
Proceeds from sale of assets	350	352
Net cash used in investing activities	<u>(6,779)</u>	<u>(3,205)</u>
<b>Cash flows from financing activities:</b>		
Net borrowings (payments) on revolving credit facilities	(1,101)	4,461
Net borrowings (payments) on working capital facilities	(1,983)	1,474
Note payments	(1,565)	(1,457)
Shares repurchased for income tax withholding on share-based compensation	(81)	(49)
Payments on finance lease obligations	(288)	(242)
Net cash provided by (used in) provided by financing activities	<u>(5,018)</u>	<u>4,187</u>
Net decrease in cash and cash equivalents	(2,910)	(1,524)
Effect of exchange rate changes on cash	(1,268)	636
Cash, cash equivalents and restricted cash at the beginning of the year	9,481	8,190
Cash, cash equivalents and restricted cash at end of period	<u>\$ 5,303</u>	<u>\$ 7,302</u>

(See Note 1 for Supplemental cash flow disclosures)

**The accompanying notes are an integral part of these financial statements**

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

**1. Nature of Operations and Basis of Presentation**

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

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

*Lifting Equipment Segment*

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

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

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

*Rental Equipment Segment*

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

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

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

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

### *Supplemental Cash Flow Information*

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

	<u>Six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Interest received in cash	\$ 170	\$ -
Interest paid in cash	3,916	4,043
Income tax payments in cash	908	(23)
Recognition of right-of-use asset and right-of-use liability	1,330	2,928
Fixed asset purchases in account payable	541	114
 <u>Reconciliation of cash, cash equivalents and restricted cash to consolidated balance sheets:</u>		
Cash and cash equivalents	\$ 5,097	\$ 7,092
Restricted cash	206	210
Cash, cash equivalents and restricted cash at the end period	<u>\$ 5,303</u>	<u>\$ 7,302</u>

## **2. Significant Accounting Policies**

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

### ***Cash and Cash Equivalents***

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

### **Restricted Cash**

Certain of the Company’s lending arrangements require the Company to post collateral or maintain minimum cash balances in escrow. These cash amounts are reported as current assets on the balance sheets based on when the cash will be contractually released. Total restricted cash was \$206 and \$212 at June 30, 2024 and December 31, 2023, respectively.

### **Accounts Receivable and Allowance for Credit Losses**

Accounts receivable are stated at the amounts the Company’s customers are invoiced and do not bear interest. The Company has adopted a policy consistent with GAAP for the periodic review of its accounts receivable to determine whether the establishment of an allowance

for credit losses is warranted based on the Company's assessment of the collectability of the accounts. The Company established an allowance for credit losses of \$2,076 and \$2,186 at June 30, 2024 and December 31, 2023, respectively. The Company also has, in some instances, a security interest in its accounts receivable until payment is received.

### Property, Equipment and Depreciation

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

### Accrued Warranties

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

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

As of June 30, 2024 and December 31, 2023, accrued warranties were \$1,919 and \$2,038, respectively.

### Advertising

Advertising costs are expensed as incurred and were \$321 and \$592 for the three and six months ended June 30, 2024, respectively. Advertising costs were \$432 and \$619 for the three and six months ended June 30, 2023, respectively.

### Noncontrolling Interest

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

### Share-based Compensation

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

## 3. Revenue Recognition

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
United States	\$ 39,457	\$ 34,965	\$ 74,909	\$ 65,095
Italy	10,811	14,805	18,927	28,009
Canada	5,211	7,031	12,517	12,935
Chile	4,068	1,296	7,750	5,855
United Kingdom	2,537	2,613	6,394	5,856
Argentina	2,526	722	4,574	1,993
Other	11,625	12,102	24,507	21,662
Total Revenue	<u>\$ 76,235</u>	<u>\$ 73,534</u>	<u>\$ 149,578</u>	<u>\$ 141,405</u>

## Total Company Revenues by Sources

The sources of the Company's revenues are summarized below for the three and six months ended June 30, 2024 and 2023.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Boom trucks, knuckle boom & truck cranes	\$ 48,080	\$ 46,785	\$ 96,537	\$ 86,021
Rentals	7,208	6,238	13,652	12,073
Aerial platforms	6,726	8,209	12,968	17,098
Part sales	6,624	5,668	12,970	12,860
Merchandise sales and other	1,153	1,060	2,086	2,038
Services	745	813	1,345	1,930
Other equipment	5,699	4,761	10,020	9,385
Total Revenue	<u>\$ 76,235</u>	<u>\$ 73,534</u>	<u>\$ 149,578</u>	<u>\$ 141,405</u>

## Customer Deposits

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

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

	June 30, 2024	June 30, 2023
Customer deposits January 1,	\$ 2,384	\$ 3,407
Additional customer deposits received where revenue has not yet been recognized	7,240	4,597
Revenue recognized from customer deposits	(7,518)	(5,330)
Effect of change in exchange rates	(85)	(21)
Total customer deposits	<u>\$ 2,021</u>	<u>\$ 2,653</u>

## 4. Fair Value Measurements

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

### Fair Value Measurements

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

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

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

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

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

## 5. Derivative Financial Instruments

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

### Forward Currency Contracts

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

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

Instruments	Location of gain recognized in Statements of Operations	Gain (loss)		Gain (loss)	
		Three Months Ended June 30,		Six Months Ended June 30,	
		2024	2023	2024	2023
Forward currency contract	Foreign currency transaction gain	\$ -	\$ 37	\$ -	\$ 52

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

### 6. Inventory, net

The components of inventory are as follows:

	June 30, 2024	December 31, 2023
Raw materials and purchased parts, net	\$ 52,782	\$ 57,185
Work in process	8,018	7,014
Finished goods, net	21,468	18,138
Inventory, net	<u>\$ 82,268</u>	<u>\$ 82,337</u>

The Company has established reserves for obsolete and excess inventory of \$7,056 and \$7,721 as of June 30, 2024 and December 31, 2023, respectively.

### 7. Goodwill and Other Intangible Assets

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

	Weighted Average Amortization Period (in years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Patented and unpatented technology	1	\$ 17,334	\$ (16,174)	\$ 1,160
Customer relationships	6	22,012	(17,014)	4,998
Trade names and trademarks	13	5,469	(3,136)	2,333
Software	3	237	(128)	109
Indefinite lived trade names		1,911	—	1,911
Total intangible assets, net				<u>\$ 10,511</u>

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

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

Amortization expense for intangible assets was \$787 and \$1,579 for the three and six months ended June 30, 2024, respectively. Amortization expense for intangible assets was \$807 and \$1,556 for the three and six months ended June 30, 2023, respectively.

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

	Amount
2024	\$ 1,155
2025	1,887
2026	705
2027	521
2028	521
And subsequent	3,811
Total intangible assets currently to be amortized	<u>8,600</u>
Intangible assets with indefinite lives not amortized	1,911
Total intangible assets	<u>\$ 10,511</u>

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

	2024	2023
Balance January 1,	\$ 37,354	\$ 36,916
Goodwill for Rabern acquisition	-	(80)
Effect of change in exchange rates	(500)	239
Balance June 30,	<u>\$ 36,854</u>	<u>\$ 37,075</u>

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



## 8. Property, Plant and Equipment

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

	2024	2023
Rental fleet	\$ 47,728	\$ 42,380
Machinery and equipment	12,199	11,692
Buildings	8,358	8,602
Finance lease - building	4,606	4,606
Land	3,373	3,484
Leasehold improvements	2,288	2,211
Construction in progress	2,060	1,724
Motor vehicles	1,801	1,801
Computer equipment	1,500	1,489
Furniture and fixtures	1,316	1,322
Totals	85,229	79,311
Less: accumulated depreciation	(29,757)	(26,721)
Less: accumulated depreciation - finance lease	(3,278)	(3,030)
Net property and equipment	\$ 52,194	\$ 49,560

Depreciation expense for the three and six months ended June 30, 2024 and was \$1,863 and \$3,866 respectively. Depreciation expense for the three and six months ended June 30, 2023 was \$2,062 and \$4,365, respectively.

## 9. Accrued Expenses

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

	June 30, 2024	December 31, 2023
Accrued payroll and benefits	4,935	\$ 5,526
Accrued vacation	2,422	1,961
Accrued warranty	1,919	2,038
Accrued income tax and other taxes	1,744	2,505
Accrued legal settlement	1,160	870
Accrued expenses—other	2,166	1,603
Total accrued expenses	\$ 14,346	\$ 14,503

## 10. Accrued Warranty

The following table summarizes the changes in product warranty liability:

	For the six months ended June 30,	
	2024	2023
Balance January 1,	\$ 2,038	\$ 1,916
Provision for warranties issued during the year	1,422	1,069
Warranty services provided	(1,522)	(1,028)
Foreign currency translation	(19)	8
Balance June 30,	\$ 1,919	\$ 1,965



## 11. Credit Facilities and Debt

Debt is summarized as follows:

	June 30, 2024	December 31, 2023
U.S. Credit Facilities	\$ 50,923	\$ 51,990
U.S. Term Loan	11,729	12,824
Italy Group Short-Term Working Capital Borrowings	15,445	17,854
Italy Group Term Loan	7,733	7,992
Other	355	961
Total debt	86,185	91,621
Less: Debt issuance costs	(45)	(63)
Debt, net of issuance costs	<u>\$ 86,140</u>	<u>\$ 91,558</u>

### *U.S. Credit Facilities and Term Loan*

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

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

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

### *Note Payable Long Term*

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

The unused balance of the revolving credit facilities incurs a 0.125% fee that is payable semi-annually. At June 30, 2024 and December 31, 2023, the Company had \$50,923 and \$51,990 in borrowings under the revolving credit facilities and \$11,729 and \$12,824 in borrowings under the term loan.

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

### *PM Group Short-Term Working Capital Borrowings*

At June 30, 2024 and December 31, 2023, PM Group had demand credit and overdraft facilities at PM Group and can borrow up to \$25,201 and \$25,882 for advances against invoices, letters of credit and bank overdrafts. As of June 30, 2024 and December 31, 2023, the interest on the Italian working capital facilities is charged at the 3-month Euribor plus a spread ranging from 175 to 355 basis points or 3-month Euribor plus 450 basis points.

At June 30, 2024 and December 31, 2023, PM Group's outstanding working capital borrowings are \$15,339 and \$17,678, respectively.

### *Valla Short-Term Working Capital Borrowings*

At June 30, 2024 and December 31, 2023, respectively, Valla had demand credit and overdraft facilities. Under the facilities, Valla can borrow up to \$175 for advances against orders, invoices and bank overdrafts. Interest on the Italian working capital facilities is charged at a flat percentage rate for advances on invoices and orders of 1.67% at June 30, 2024 and 1.67% - 12% at December 31, 2023. At June 30, 2024 and December 31, 2023, the banks had advanced Valla \$106 and \$176, respectively.

### *PM Group Term Loans*

At June 30, 2024 and December 31, 2023, respectively, PM Group has a \$4,531 and \$4,673 term loan that requires fixed principal payments and a balloon payment. The loan is secured by PM Group's common stock. The interest rate for this term loan is a fixed rate of 3.5%, has annual principal payments of approximately \$600 per year and a balloon payment of \$2,800 due in 2026.

The PM group term loan contains an excess cash sweep provision such that if the net financial debt to EBITDA ratio for the year achieves a certain threshold, PM is required to make an additional cash payment to the lenders to be applied to the principal and interest. For the year ending December 31, 2023, the threshold was achieved and PM made a principal payment of approximately \$0.9 million in July 2024.

At June 30, 2024 and December 31, 2023, PM Group has unsecured borrowings totaling \$3,096 and \$3,197, respectively. The borrowings have a fixed rate of interest of 3.5%. Annual payments of approximately \$1,500 are payable until the end of 2025.

As of June 30, 2024 and December 31, 2023, the PM Group has a loan in Romania in the amount of \$106 and \$122, respectively, with a fixed interest of 2.75% rate maturing in 2027.

## **12. Leases**

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

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

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

<b>Leases</b>	<b>Classification</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>Assets</b>			
Operating lease assets	Operating lease assets	\$ 7,832	\$ 7,416
Financing lease assets	Fixed assets, net	1,416	1,612
Total leased assets		<u>\$ 9,248</u>	<u>\$ 9,028</u>
<b>Liabilities</b>			
<b>Current</b>			
Operating	Current liabilities	\$ 2,210	\$ 2,100
Financing	Current liabilities	651	605
<b>Non-current</b>			
Operating	Non-current liabilities	5,622	5,315
Financing	Non-current liabilities	2,444	2,777
Total lease liabilities		<u>\$ 10,927</u>	<u>\$ 10,797</u>

Lease Cost	Classification	Three months ended June 30,		Six months ended June 30,	
		2024	2023	2024	2023
Operating lease costs	Operating lease assets	\$ 569	\$ 612	\$ 1,137	\$ 1,106
Finance lease cost					
Amortization of leased assets	Amortization	98	91	198	182
Interest on lease liabilities	Interest expense	99	119	203	235
Lease cost		<u>\$ 766</u>	<u>\$ 822</u>	<u>\$ 1,538</u>	<u>\$ 1,523</u>

Other Information	Three months ended June 30,		Six months ended June 30	
	2024	2023	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	\$ 569	\$ 612	\$ 1,137	\$ 1,106
Operating cash flows from finance leases	99	91	198	189
Financing cash flows from finance leases	146	123	288	242
Total Other	<u>\$ 814</u>	<u>\$ 826</u>	<u>\$ 1,623</u>	<u>\$ 1,537</u>

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

	Operating Leases	Finance Leases
2024	\$ 1,243	\$ 501
2025	2,202	996
2026	2,084	1,018
2027	1,195	1,049
2028	676	356
2029	520	-
And subsequent	1,393	-
Total undiscounted lease payments	9,313	3,920
Less interest	(1,481)	(825)
Total liabilities	7,832	3,095
Less current maturities	(2,210)	(651)
Non-current lease liabilities	<u>\$ 5,622</u>	<u>\$ 2,444</u>

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

### 13. Income Taxes

For the three months ended June 30, 2024, the Company recorded an income tax provision of \$1.2 million. The calculation of the overall income tax provision for the three months ended June 30, 2024 primarily consists of domestic and foreign income taxes offset by a discrete income tax benefit for a reduction in unrecognized tax benefits related to the expiration of the statutes of limitations in various state jurisdictions. For the three months ended June 30, 2023, the Company recorded an income tax provision of \$0.2 million. The calculation of the overall income tax provision for the three months ended June 30, 2023 primarily consists of foreign income taxes, and a discrete tax income tax benefit for a reduction in unrecognized tax benefits related to the expiration of the statutes of limitations in various state jurisdictions.

The effective tax rate for the three months ended June 30, 2024 was an income tax provision of 40.7% on pretax income of \$2.9 million compared to an income tax provision of 28.0% on pretax income of \$0.7 million in the comparable prior period. The effective tax rate for the three months ended June 30, 2024 differs from the U.S. statutory rate of 21% primarily due to income taxed in domestic and foreign jurisdictions at varying tax rates, permanent differences and foreign tax credits, a change to our deferred tax liability related to an investment in a subsidiary, a partial valuation allowance in the U.S. and Italy as well as a valuation allowance in certain foreign

jurisdictions, and a discrete tax benefit for a reduction in unrecognized tax benefits related to the expiration of the statutes of limitations for various state jurisdictions.

For the six months ended June 30, 2024, the Company recorded an income tax provision of \$1.4 million, which includes a discrete income tax benefit of \$0.4 million. The calculation of the overall income tax provision for the six months ended June 30, 2024, primarily consists of domestic and foreign taxes offset by a discrete income tax benefit for a reduction in unrecognized tax benefits related to the expiration of the statutes of limitations in various state jurisdictions and a foreign jurisdiction and the settlement of a foreign income tax audit. For the six months ended June 30, 2023, the Company recorded an income tax provision of \$0.2 million. The calculation of the overall income tax provision for the six months ended June 30, 2023 primarily consists of foreign income taxes, and a discrete income tax expense for the accrual of interest related to unrecognized tax benefits offset by a tax benefit related to the expiration of the statutes of limitations for various state jurisdictions.

The effective tax rate for the six months ended June 30, 2024 was an income tax provision of 25.5% on pretax income of \$5.6 million compared to an income tax provision of 30.3% on pretax income of \$0.7 million in the comparable prior period. The effective tax rate for the six months ended June 30, 2024 differs from the U.S. statutory rate of 21% primarily due to income taxed in domestic and foreign jurisdictions at varying tax rates, permanent differences and foreign tax credits, a change to our deferred tax liability related to an investment in a subsidiary, a partial valuation allowance in the U.S. and Italy as well as a valuation allowance in certain foreign jurisdictions, and a discrete income tax benefit for a reduction in unrecognized tax benefits related to the expiration of the statutes of limitations in various state jurisdictions and a foreign jurisdiction, and the settlement of a foreign income tax audit.

The Company's total unrecognized tax benefits as of June 30, 2024 and June 30, 2023 were approximately \$2.2 million and \$2.9 million, respectively.

#### 14. Net Earnings per Common Share

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$ 1,719	\$ 532	\$ 4,150	\$ 506
Net income attributable to noncontrolling interest	229	128	377	49
Net income attributable to shareholders of Manitex International, Inc.	<u>\$ 1,490</u>	<u>\$ 404</u>	<u>\$ 3,773</u>	<u>\$ 457</u>
<b>Income per share</b>				
Basic				
Net income	\$ 0.08	0.03	\$ 0.20	\$ 0.03
Net income attributable to shareholders of Manitex International, Inc.	\$ 0.07	0.02	\$ 0.19	\$ 0.02
Diluted				
Net income	\$ 0.08	0.03	\$ 0.20	\$ 0.03
Net income attributable to shareholders of Manitex International, Inc.	\$ 0.07	0.02	\$ 0.19	\$ 0.02
<b>Weighted average common shares outstanding</b>				
<b>Basic</b>	<u>20,368,668</u>	<u>20,206,919</u>	<u>20,326,794</u>	<u>20,164,486</u>
<b>Diluted</b>				
Basic	20,368,668	20,206,919	20,326,794	20,164,486
Dilutive effect of restricted stock units and stock options	24,088	3,040	51,405	2,482
Dilutive	<u>20,392,756</u>	<u>20,209,959</u>	<u>20,378,199</u>	<u>20,166,968</u>

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

	June 30,	
	2024	2023
Unvested restricted stock units	273,272	282,230
Options to purchase common stock	213,437	213,437
	486,709	495,667

## 15. Equity

### Stock Issued to Employees and Directors

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

<u>Date of Issue</u>	<u>Employees or Director</u>	<u>Shares Issued</u>	<u>Value of Shares Issued</u>
January 2, 2024	Director	14,000	\$ 113,540
January 12, 2024	Employee	891	5,794
February 1, 2024	Employee	1,089	6,679
March 7, 2024	Director	15,000	77,250
March 7, 2024	Employee	19,800	101,970
March 8, 2024	Employee	15,920	123,062
April 1, 2024	Employee	7,110	36,617
April 2, 2024	Director	10,000	63,900
April 11, 2024	Employee	33,000	250,800
June 2, 2024	Director	15,000	106,050
June 2, 2024	Employee	13,200	93,323
		145,010	\$ 978,985

### *Stock Repurchases*

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

<u>Date of Purchase</u>	<u>Shares Purchased</u>	<u>Closing Price on Date of Purchase</u>
March 7, 2024	4,568	\$ 6.47
March 8, 2024	4,273	\$ 6.33
April 1, 2024	2,130	\$ 6.51
June 2, 2024	1,934	\$ 5.76
	12,905	

### Restricted Stock Awards

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

	June 30, 2024
Outstanding on January 1, 2024	258,888
Units granted during the period	159,700
Vested and issued	(132,105)
Vested-issued and repurchased for income tax withholding	(12,905)
Forfeited	(306)
Outstanding on June 30, 2024	<u>273,272</u>

The value of the restricted stock is being charged to compensation expense over the vesting period. Compensation expense includes expense related to restricted stock units of \$319 and \$713 for the three and six months ended June 30, 2024, respectively and \$312 and \$641 for the three and six months ended June 30, 2023, respectively. Additional compensation expense related to restricted stock units will be \$508, \$658 and \$282 for the remainder of 2024, 2025 and 2026, respectively.

### Restricted Stock Award with Market Conditions

On May 3, 2022, in connection with J. Michael Coffey's appointment as the Company's Chief Executive Officer as of April 11, 2022, he was granted 490,000 restricted stock units that vest upon attainment of certain stock price hurdles of the Company's stock. The restricted stock units can only be received on an annual basis from the vesting start date. The fair value of the market conditions awards was \$2.2 million calculated by using the Monte Carlo simulation based on the average of 20,000 simulation runs. The requisite service period used was three years, expected volatility was 60% and the risk-free rate of return was 2.95%. The value of the restricted stock units granted to Mr. Coffey is being charged to compensation expense over the requisite service period. Under ASC 718-10-35-2, compensation cost for the award of share-based compensation is recognized over the derived service periods (the time from the service inception date to the expected date of satisfaction) of either 12 or 24 months depending on the particular tranche based on the median number of days it takes for the award to vest in scenarios where they meet their threshold. Compensation expense related to restricted stock units was \$25 and \$231 for the three and six months ended June 30, 2024, respectively. Compensation expense related to restricted stock units was \$240 and \$611 for the three and six months ended June 30, 2023, respectively.

### Restricted Stock Award with Market and Performance Conditions

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

### Stock Options

On May 3, 2022, in connection with his appointment, Mr. Coffey was also granted 100,000 stock options with an exercise price of \$7.60 per share. The options vest ratably on each of the first three anniversary dates of Mr. Coffey's appointment date, subject to his continued service with the Company on each vesting date. Compensation expense related to Mr. Coffey's stock options was \$14 and \$44 for the three and six months ended June 30, 2024. Additional compensation expense related to Mr. Coffey's options will be \$23 and \$13 for the remainder of 2024 and 2025, respectively.

On May 1, 2023, 16,000 stock options were granted to employees at \$5.18 per share and vest ratably on each of the first three anniversary dates. Compensation expense related to these stock options was \$4 and \$8 for the three and six months ended June 30, 2024. Additional compensation expense related to these stock options will be \$8, \$15 and \$5 for the remainder of 2024, 2025, and 2026, respectively.

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



## 16. Legal Proceedings and Other Contingencies

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

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

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

On May 5, 2011, Company entered into two separate settlement agreements with two plaintiffs. As of June 30, 2024, the Company has a remaining obligation under these agreements to pay the plaintiffs \$760 without interest in 7 annual installments of \$95 on or before May 22 of each year. The Company has recorded a liability for the net present value of the liability. The difference between the net present value and the total payment will be charged to interest expense over the payment period.

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

## 17. Transactions between the Company and Related Parties

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

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

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

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

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

		June 30, 2024	December 31, 2023
Accounts Payable	Terex (1)	\$ 541	\$ 27
	Tadano (2)	7	—
Total Accounts Payable		<u>\$ 548</u>	<u>\$ 27</u>

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

		Three Months Ended June 30,		Six Months Ended June 30,	
		2024	2023	2024	2023
Rent paid:	Rabern Facility (3)	\$ 242	\$ 242	\$ 485	\$ 433
Sales to:	Terex (1)	\$ —	\$ 68	\$ 11	\$ 127
	Tadano (2)	11	11	11	61
<b>Total Sales</b>		<b>\$ 11</b>	<b>\$ 79</b>	<b>\$ 22</b>	<b>\$ 188</b>
Purchases from:	Terex (1)	\$ 686	\$ —	\$ 1,401	\$ 35
	Tadano (2)	—	—	—	7
<b>Total Purchases</b>		<b>\$ 686</b>	<b>\$ -</b>	<b>\$ 1,401</b>	<b>\$ 42</b>

- (1) Terex is a significant shareholder of the Company and conducts business with the Company in the ordinary course of business.
- (2) Tadano is a significant shareholder of the Company and conducts business with the Company in the ordinary course of business.
- (3) The Company leases its Rabern facilities from HTS, an entity controlled by Steven Berner, the General Manager of Rabern. Pursuant to the terms of the lease, the Company makes monthly lease payments to HTS. The Company is also responsible for all the associated operations expenses, including insurance, property taxes and repairs. The leases contain additional renewal options at the Company's discretion.

#### Note 18. Segment Information

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

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

##### *Lifting Equipment Segment*

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

##### *Rental Equipment Segment*

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



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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Net revenues</b>				
Lifting Equipment	\$ 67,874	\$ 66,264	\$ 133,839	\$ 127,376
Rental Equipment	8,361	7,270	15,739	14,029
Total revenue	\$ 76,235	\$ 73,534	\$ 149,578	\$ 141,405
<b>Operating income (loss)</b>				
Lifting Equipment	\$ 3,554	\$ 2,438	\$ 7,516	\$ 5,019
Rental Equipment	1,553	894	2,501	878
Total operating income	\$ 5,107	\$ 3,332	\$ 10,017	\$ 5,897
<b>Total assets</b>				
Lifting Equipment	\$ 188,524	\$ 188,006	\$ 188,524	\$ 188,006
Rental Equipment	66,727	65,385	66,727	65,385
Total assets	\$ 255,251	\$ 253,391	\$ 255,251	\$ 253,391
<b>Depreciation and amortization</b>				
Lifting Equipment	\$ 1,194	\$ 1,172	\$ 2,378	\$ 2,260
Rental Equipment	1,457	1,697	3,067	3,661
Total depreciation and amortization	\$ 2,651	\$ 2,869	\$ 5,445	\$ 5,921
<b>Capital expenditures</b>				
Lifting Equipment	\$ 989	\$ 467	\$ 1,203	\$ 1,012
Rental Equipment	1,750	548	5,926	2,494
Total capital expenditures	\$ 2,739	\$ 1,015	\$ 7,129	\$ 3,506

	Three Months Ended June 30, 2024			Three Months Ended June 30, 2023		
	Lifting Equipment	Rental Equipment	Total	Lifting Equipment	Rental Equipment	Total
<b>Net sales by country</b>						
United States	\$ 31,096	\$ 8,361	\$ 39,457	\$ 27,695	\$ 7,270	\$ 34,965
Italy	10,811	—	10,811	14,805	—	14,805
Canada	5,211	—	5,211	7,031	—	7,031
Chile	4,068	—	4,068	1,296	—	1,296
United Kingdom	2,537	—	2,537	2,613	—	2,613
Argentina	2,526	—	2,526	722	—	722
Other	11,625	—	11,625	12,102	—	12,102
Total	\$ 67,874	\$ 8,361	\$ 76,235	\$ 66,264	\$ 7,270	\$ 73,534

	Six Months Ended June 30, 2024			Six Months Ended June 30, 2023		
	Lifting Equipment	Rental Equipment	Total	Lifting Equipment	Rental Equipment	Total
<b>Net sales by country</b>						
United States	\$ 59,171	\$ 15,738	\$ 74,909	\$ 51,066	\$ 14,029	\$ 65,095
Italy	18,927	—	18,927	28,009	—	28,009
Canada	12,517	—	12,517	12,935	—	12,935
Chile	7,750	—	7,750	5,855	—	5,855
United Kingdom	6,394	—	6,394	5,856	—	5,856
Argentina	4,574	—	4,574	1,993	—	1,993
Other	24,507	—	24,507	21,662	—	21,662
Total	\$ 133,840	\$ 15,738	\$ 149,578	\$ 127,376	\$ 14,029	\$ 141,405

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

### Recent Developments

#### Business Overview

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

#### Backlog

The Company’s backlog was approximately \$116 million and \$170 million at June 30, 2024 and December 31, 2023, respectively.

### Results of Condensed Consolidated Operations

#### MANITEX INTERNATIONAL, INC.

(In thousands)

	Three Months Ended June 30,		\$ Change	% Change
	2024	2023		
Net revenues	\$ 76,235	\$ 73,534	\$ 2,701	3.7%
Cost of sales	59,074	58,599	475	0.8
<b>Gross profit</b>	<b>17,161</b>	<b>14,935</b>	<b>2,226</b>	<b>14.9</b>
Operating expenses				
Research and development costs	929	837	92	11.0
Selling, general and administrative expenses	11,125	10,766	359	3.3
<b>Total operating expenses</b>	<b>12,054</b>	<b>11,603</b>	<b>451</b>	<b>3.9</b>
<b>Operating income</b>	<b>5,107</b>	<b>3,332</b>	<b>1,775</b>	<b>53.3</b>
Other income (expense)				
Interest expense, net	(1,840)	(1,896)	56	3.0
Foreign currency transaction loss	(353)	(718)	365	50.8
Other income (expense)	(17)	21	(38)	n/m
<b>Total other expense</b>	<b>(2,210)</b>	<b>(2,593)</b>	<b>383</b>	<b>(14.8)</b>
<b>Income before income taxes</b>	<b>2,897</b>	<b>739</b>	<b>2,158</b>	<b>n/m</b>
Income tax expense	1,178	207	971	n/m
<b>Net income</b>	<b>1,719</b>	<b>532</b>	<b>1,187</b>	<b>n/m</b>
Net income attributable to noncontrolling interest	229	128	101	78.9
<b>Net income attributable to shareholders of Manitex International, Inc.</b>	<b>\$ 1,490</b>	<b>\$ 404</b>	<b>\$ 1,086</b>	<b>268.8%</b>

n/m = not meaningful

### Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023

**Net Revenues and gross profit** - Net revenues increased \$2.7 million or 3.7% to \$76.2 million for the three months ended June 30, 2024 compared with \$73.5 million for the comparable period in 2023. The increase in revenues is primarily due to further improvements in manufacturing velocity in our equipment business, strong growth in our rental operations and a modest increase in chassis sales, partially offset by decrease in aerial platform sales.

Gross profit increased \$2.2 million to \$17.2 million for the three months ended June 30, 2024 from \$14.9 million for the comparable period in 2023. The increase in gross profit in 2024 is attributable to increased manufacturing throughout, lower material costs driven by supply chain initiative and increased contribution from the rental segment. As a result of these factors, the gross margin percentage was 22.5% for the three months ended June 30, 2024 as compared with 20.3% for the prior year.

**Research and development** — Research and development expense was \$0.9 million for the three months ended June 30, 2024 compared to \$0.8 million for the same period in 2023. The Company’s research and development spending reflects our continued

commitment to develop and introduce new products, with the costs generated particularly in the PM and Valla business units, that give the Company a competitive advantage.

**Selling, general and administrative expense** — SG&A expense for the three months ended June 30, 2024, was \$11.1 million compared to \$10.8 million for the comparable period in 2023. SG&A expense included an increase in insurance expense, salaries and wages expense and property taxes, partially offset by a decrease in stock compensation in 2024.

**Interest expense, net** — Interest expense was \$1.8 million for the three months ended June 30, 2024 consistent with \$1.9 million for the comparable period in 2023 as outstanding borrowing and interest rates were similar over both periods.

**Foreign currency transaction losses** — For the three and six months ended June 30, 2024, the Company had foreign currency loss of \$0.4 million, compared with a loss of \$0.7 million for the comparable period in 2023. A substantial portion of the loss relates to changes in the Chilean and Argentinean peso.

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

**Income taxes** — For the three months ended June 30, 2024, the Company recorded an income tax provision of \$1.2 million, which includes a discrete income tax benefit of less than \$0.1 million. The calculation of the overall income tax provision for the three months ended June 30, 2024 primarily consists of domestic and foreign income taxes offset by a discrete income tax benefit for a reduction in unrecognized tax benefits related to the expiration of the statutes of limitations in various state jurisdictions. For the three months ended June 30, 2023, the Company recorded an income tax provision of \$0.2 million, which includes a discrete income tax benefit of less than \$0.1 million. The calculation of the overall income tax provision for the three months ended June 30, 2023 primarily consists of foreign income taxes, and a discrete tax income tax benefit for a reduction in unrecognized tax benefits related to the expiration of the statutes of limitations in various state jurisdictions.

The effective tax rate for the three months ended June 30, 2024 was an income tax provision of 40.7% on pretax income of \$2.9 million compared to an income tax provision of 28.0% on pretax income of \$0.7 million in the comparable prior period. The effective tax rate for the three months ended June 30, 2024 differs from the U.S. statutory rate of 21% primarily due to income taxed in domestic and foreign jurisdictions at varying tax rates, permanent differences and foreign tax credits, a change to our deferred tax liability related to an investment in a subsidiary, a partial valuation allowance in the U.S. and Italy as well as a valuation allowance in certain foreign jurisdictions, and a discrete tax benefit for a reduction in unrecognized tax benefits related to the expiration of the statutes of limitations for various state jurisdictions.

	Six Months Ended June 30,		\$ Change	% Change
	2024	2023		
Net revenues	\$ 149,578	\$ 141,405	\$ 8,173	5.8%
Cost of sales	115,534	112,060	3,474	3.1
<b>Gross profit</b>	<b>34,044</b>	<b>29,345</b>	<b>4,699</b>	<b>16.0</b>
Operating expenses				
Research and development costs	1,783	1,651	132	8.0
Selling, general and administrative expenses	22,244	21,797	447	2.1
<b>Total operating expenses</b>	<b>24,027</b>	<b>23,448</b>	<b>579</b>	<b>2.5</b>
<b>Operating income</b>	<b>10,017</b>	<b>5,897</b>	<b>4,120</b>	<b>69.9</b>
Other income (expense)				
Interest expense, net	(3,633)	(3,661)	28	(0.8)
Foreign currency transaction loss	(829)	(773)	(56)	7.2
Other income (expense)	17	(737)	754	(102.3)
<b>Total other expense</b>	<b>(4,445)</b>	<b>(5,171)</b>	<b>726</b>	<b>(14.0)</b>
<b>Income before income taxes</b>	<b>5,572</b>	<b>726</b>	<b>4,846</b>	<b>n/m</b>
Income tax expense	1,422	220	1,202	n/m
<b>Net income</b>	<b>4,150</b>	<b>506</b>	<b>3,644</b>	<b>n/m</b>
Net income attributable to noncontrolling interest	377	49	328	n/m
<b>Net income attributable to shareholders of Manitex International, Inc.</b>	<b>\$ 3,773</b>	<b>\$ 457</b>	<b>\$ 3,316</b>	<b>n/m</b>

## **Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023**

**Net Revenues and gross profit** - Net revenues increased \$8.2 million or 5.8% to \$149.6 million for the six months ended June 30, 2024 compared to \$141.4 million for the comparable period in 2023. The increase in revenues is primarily due to an increased manufacturing throughout North America operations and modest increase in rental revenues, partially offset by a decline in aerial platform sales.

Gross profit increased \$2.2 million to \$17.2 million for the three months ended June 30, 2024 from \$14.9 million for the comparable period in 2023. The increase in gross profit in 2024 is attributable to increased manufacturing throughout, lower material costs driven by supply chain initiatives and increased contribution from the rental segment. As a result of these factors, the gross margin percentage was 22.5% for the three months ended June 30, 2024 as compared with 20.3% for the prior year.

**Research and development** — Research and development expense was \$1.8 million for the six months ended June 30, 2024 compared to \$1.7 million for the same period in 2023. The Company's research and development spending reflects our continued commitment to develop and introduce new products. The costs are primarily generated in the PM and Valla business units, which gives the Company a competitive advantage.

**Selling, general and administrative expense** — SG&A expense for the three months ended June 30, 2024 was \$22.2 million compared to \$21.8 million for the comparable period in 2023. SG&A expense included an increase in insurance expense, salary expense and property tax expense, partially offset by a decrease in trade show expenses and stock compensation.

**Interest expense, net** — Interest expense was \$3.6 million for the six months ended June 30, 2024 consistent with \$3.7 million for the comparable period in 2023 as outstanding borrowings and interest rates were similar over both periods

**Foreign currency transaction losses** — For the six months ended June 30, 2024, the Company had a foreign currency loss of \$0.8 million, consistent with a loss of \$0.8 million for the comparable period in 2023. A substantial portion of the loss relates to changes in the Chilean and Argentinean peso.

**Other income (expense)** — Other income was less than \$0.1 million for the six months ended June 30, 2024 compared with other expense of \$0.7 million for the same period in 2023. The expense in 2023 relates to a pension settlement obligation of \$0.5 million related to the termination of services provided by union members and \$0.2 million of legal settlement charges.

**Income taxes** — For the six months ended June 30, 2024, the Company recorded an income tax provision of \$1.4 million, which includes a discrete income tax benefit of \$0.4 million. The calculation of the overall income tax provision for the six months ended June 30, 2024, primarily consists of domestic and foreign taxes offset by a discrete income tax benefit for a reduction in unrecognized tax benefits related to the expiration of the statutes of limitations in various state jurisdictions and a foreign jurisdiction and the settlement of a foreign income tax audit. For the six months ended June 30, 2023, the Company recorded an income tax provision of \$0.2 million. The calculation of the overall income tax provision for the six months ended June 30, 2023 primarily consists of foreign income taxes, and a discrete income tax expense for the accrual of interest related to unrecognized tax benefits offset by a tax benefit related to the expiration of the statutes of limitations for various state jurisdictions.

The effective tax rate for the six months ended June 30, 2024 was an income tax provision of 25.5% on pretax income of \$5.6 million compared to an income tax provision of 30.3% on pretax income of \$0.7 million in the comparable prior period. The effective tax rate for the six months ended June 30, 2024 differs from the U.S. statutory rate of 21% primarily due to income taxed in domestic and foreign jurisdictions at varying tax rates, permanent differences and foreign tax credits, a change to our deferred tax liability related to an investment in a subsidiary, a partial valuation allowance in the U.S. and Italy as well as a valuation allowance in certain foreign jurisdictions, and a discrete income tax benefit for a reduction in unrecognized tax benefits related to the expiration of the statutes of limitations in various state jurisdictions and a foreign jurisdiction, and the settlement of a foreign income tax audit.

## **Cash flows for six months ended June 30, 2024 compared to the six months ended June 30, 2023**

**Operating Activities** - For the six months ended June 30, 2024, cash flow provided by operating activities was \$8.9 million compared to cash used in operating activities of \$2.5 million for the same period in the prior year. Cash used by working capital was less than \$0.1 million for the six months ended June 30, 2024 compared to cash used by working capital of \$11.1 million for the same period in the prior year. Cash used by working capital in the six months ending June 30, 2024 is due to increases in accounts receivable and inventories offset by an increase in accounts payable.

**Investing Activities** - Cash used in investing activities was \$6.8 million in the first six months of 2024, compared to \$3.2 million used in investing activities in the same period a year ago. Cash used in investing activities was primarily related to cash payments for property and equipment purchases to support the rental business.

**Financing Activities** - Cash used in financing activities was \$5.0 million for the six months ended June 30, 2024 which included a net reduction in working capital facilities of \$2.0 million, a \$1.1 million reduction in revolving credit in and note payments of \$1.6 million. After equipment purchases, the cash generated from operating activities was used to pay down debt

## **Liquidity and Capital Resources**

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

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

Cash, cash equivalents and restricted cash were \$5.3 million and \$9.5 million at June 30, 2024 and December 31, 2023. At June 30, 2024, the Company had global liquidity of approximately \$33 million based on the cash balance and availability under its working capital facilities. Future advances are dependent on having available collateral.

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

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

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

## **Critical Accounting Policies**

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

## **Item 3—Quantitative and Qualitative Disclosures about Market Risk**

Not required for Smaller Reporting Companies.

## **Item 4—Controls and Procedures**

### *Disclosure Controls and Procedures*

With the participation of our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer) and under the supervision of the Audit Committee of the Board of Directors, our management conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act, as of June 30, 2024. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures, as of June 30, 2024, were effective and provided reasonable assurance that the information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported

within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

***Changes in Internal Control Over Financial Reporting***

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

## **PART II—OTHER INFORMATION**

### **Item 1—Legal Proceedings**

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

### **Item 1A—Risk Factors**

As of the date of this filing, there have been no material changes from the risk factors disclosed in the Company’s Annual Report on Form 10-K filed for the fiscal year ended December 31, 2023.

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

The Company’s Credit Agreement with Amarillo National Bank (“Amarillo”) directly restricts the Company’s ability to declare or pay dividends without Amarillo’s consent. In addition, pursuant to the Company’s Credit Agreement with Amarillo, the Company’s U.S. subsidiaries must maintain a debt service coverage ratio of at least 1.25:1.00 and a net worth for U.S. entities of at least \$80 million, each as measured on the last date of each calendar year, beginning June 30, 2022.

### **ISSUER PURCHASES OF EQUITY SECURITIES Item 3—Defaults Upon Senior Securities**

<b>Period</b>	<b>(a) Total Number of Shares (or Units) Purchased</b>	<b>(b) Average Price Paid per Share (or Unit)</b>	<b>(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs</b>	<b>(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs</b>
January 1 - January 31, 2024	—	\$ —	—	\$ —
February 1 - February 28, 2024	—	—	—	—
March 1 - March 31, 2024	8,841	6.40	—	56,603
April 1 - April 30, 2024	2,130	6.51	—	11,366
May 1 - May 31, 2024	—	—	—	—
June 1 - June 30 - 2024	1,934	5.76	—	11,140
	<u>12,905</u>	<u>\$ 6.13</u>		<u>79,109</u>

None.

### **Item 4—Mine Safety Disclosures**

Not applicable.

### **Item 5—Other Information**

None.

### **Item 6—Exhibits**

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



## EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Exhibit Description</u>
31.1*	<a href="#"><u>Certification by the Chief Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
31.2*	<a href="#"><u>Certification by the Chief Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
32.1**	<a href="#"><u>Certification by the Chief Executive Officer and the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
101.INS*	Inline XBRL Instance Document- the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104	Cover Page Interactive Data File-The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

\* Filed herewith

\*\* Furnished herewith



**SIGNATURES**

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

August 7, 2024

By: \_\_\_\_\_ /s/ MICHAEL COFFEY  
**Michael Coffey**  
**Chief Executive Officer**  
**(Principal Executive Officer)**

August 7, 2024

By: \_\_\_\_\_ /s/ JOSEPH DOOLAN  
**Joseph Doolan**  
**Chief Financial Officer**  
**(Principal Financial and Accounting Officer)**

## CERTIFICATIONS

I, Michael Coffey, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Manitex International, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2024

By: \_\_\_\_\_  
Name: **Michael Coffey**  
Title: **Chief Executive Officer**  
**(Principal Executive Officer of Manitex International, Inc.)**

## CERTIFICATIONS

I, Joseph Doolan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Manitex International, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2024

By: \_\_\_\_\_ /s/ Joseph Doolan  
Name: **Joseph Doolan**  
Title: **Chief Financial Officer**  
**(Principal Financial and Accounting Officer of Manitex International, Inc.)**

**CERTIFICATION PURSUANT TO 18 U.S.C. 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE  
SARBANES-OXLEY ACT OF 2002**

Solely for the purpose of complying with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, we, the undersigned Chief Executive Officer and Chief Financial Officer of Manitex International, Inc. (the “Company”), hereby certify that, to the best of our knowledge, the Quarterly Report of the Company on Form 10-Q for the quarter ended June 30, 2024 (the “Report”) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: \_\_\_\_\_ /s/ Michael Coffey  
Name: Michael Coffey  
Title: **Chief Executive Officer  
(Principal Executive Officer of Manitex  
International, Inc.)**

Dated: August 7, 2024

By: \_\_\_\_\_ /s/ Joseph Doolan  
Name: Joseph Doolan  
Title: **Chief Financial Officer  
(Principal Financial and Accounting  
Officer of Manitex International, Inc.)**

Dated: August 7, 2024