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 September 30, 2017

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

1-11978

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

Wisconsin	**39-0448110**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
2400 South 44th Street, Manitowoc, Wisconsin	**54220**
(Address of principal executive offices)	**(Zip Code)**

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ 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	☐	(Do not check if a smaller reporting company)	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 outstanding of the Registrant's common stock, $.01 par value, as of September 30, 2017, the most recent practicable date, was 140,734,391.

PART I. FINANCI AL INFORMATION

Item 1. Financial Statements

THE MANITOWOC COMPANY, INC.
Condensed Consolidated Statements of Operations
For the three and nine months ended September 30, 2017 and 2016
(Unaudited)
($ in millions, except per-share and average shares data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net sales	$ 399.4	$ 349.8	$ 1,099.8	$ 1,234.9
Cost of sales	326.9	309.0	899.1	1,027.1
Gross profit	72.5	40.8	200.7	207.8
Operating costs and expenses:				
Engineering, selling and administrative expenses	60.9	73.0	184.6	218.8
Asset impairment expense	—	96.9	—	96.9
Amortization of intangible assets	—	0.7	0.7	2.2
Restructuring expense	3.7	3.9	21.3	17.1
Other operating (income) expense - net	—	0.5	—	2.3
Total operating costs and expenses	64.6	175.0	206.6	337.3
Operating income (loss)	7.9	(134.2)	(5.9)	(129.5)
Other income (expense):				
Interest expense	(9.6)	(10.0)	(29.4)	(29.6)
Amortization of deferred financing fees	(0.5)	(0.5)	(1.4)	(1.8)
Loss on debt extinguishment	—	—	—	(76.3)
Other income (expense) - net	(1.2)	0.5	1.8	3.7
Total other expense	(11.3)	(10.0)	(29.0)	(104.0)
Income (loss) from continuing operations before taxes	(3.4)	(144.2)	(34.9)	(233.5)
Provision (benefit) for taxes on income	(13.1)	(5.3)	(9.3)	103.1
Income (loss) from continuing operations	9.7	(138.9)	(25.6)	(336.6)
Discontinued operations:				
Loss from discontinued operations, net of income taxes of $0.0, $1.8, $0.0 and $0.5, respectively	(0.1)	(1.8)	(0.3)	(5.8)
Net income (loss)	$ 9.6	$ (140.7)	$ (25.9)	$ (342.4)
Per Share Data				
Basic income (loss) per common share:				
Income (loss) from continuing operations	$ 0.07	$ (1.01)	$ (0.18)	$ (2.45)
Loss from discontinued operations, net of income taxes	(0.00)	(0.01)	(0.00)	(0.04)
Basic income (loss) per common share	$ 0.07	$ (1.02)	$ (0.18)	$ (2.49)
Diluted income (loss) per common share:				
Income (loss) from continuing operations	$ 0.07	$ (1.01)	$ (0.18)	$ (2.45)
Loss from discontinued operations, net of income taxes	(0.00)	(0.01)	(0.00)	(0.04)
Diluted income (loss) per common share	$ 0.07	$ (1.02)	$ (0.18)	$ (2.49)
Weighted average shares outstanding - basic	140,531,426	138,422,953	140,351,927	137,390,809
Weighted average shares outstanding - diluted	143,337,177	138,422,953	140,351,927	137,390,809

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

THE MANITOWOC COMPANY, INC.
Condensed Consolidated Statements of Comprehensive Income (Loss)
For the three and nine months ended September 30, 2017 and 2016
(Unaudited)
($ in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net income (loss)	$ 9.6	$ (140.7)	$ (25.9)	$ (342.4)
Other comprehensive income (loss), net of tax				
Unrealized income on derivatives, net of income tax provision of $0.0, $0.0, $0.0 and $0.0, respectively	—	0.2	0.6	1.7
Employee pension and postretirement benefits, net of income tax provision of $3.3, $0.0, $4.1 and $0.0, respectively	5.7	1.1	6.8	3.5
Foreign currency translation adjustments	14.2	5.7	47.4	37.5
Total other comprehensive income, net of tax	19.9	7.0	54.8	42.7
Comprehensive income (loss)	$ 29.5	$ (133.7)	$ 28.9	$ (299.7)

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

THE MANITOWOC COMPANY, INC.
Condensed Consolidated Balance Sheets
As of September 30, 2017 and December 31, 2016
(Unaudited)
($ in millions, except share data)

	September 30, 2017	December 31, 2016
Assets		
Current Assets:		
Cash and cash equivalents	$ 29.3	$ 69.9
Accounts receivable, less allowances of $11.4 and $11.1, respectively	165.0	134.4
Inventories — net	482.2	429.0
Notes receivable — net	35.6	62.4
Other current assets	65.3	54.0
Total current assets	777.4	749.7
Property, plant and equipment — net	314.1	308.8
Goodwill	317.7	299.6
Other intangible assets — net	120.9	114.1
Other long-term assets	53.1	45.6
Total assets	$ 1,583.2	$ 1,517.8
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable and accrued expenses	$ 360.3	$ 321.2
Short-term borrowings and current portion of long-term debt	10.2	12.4
Product warranties	33.2	36.5
Customer advances	15.6	21.0
Product liabilities	22.8	21.7
Total current liabilities	442.1	412.8
Non-Current Liabilities:		
Long-term debt	277.4	269.1
Deferred income taxes	43.5	36.6
Pension obligations	85.1	86.4
Postretirement health and other benefit obligations	28.8	38.0
Long-term deferred revenue	19.2	20.3
Other non-current liabilities	59.2	64.1
Total non-current liabilities	513.2	514.5
Commitments and contingencies (Note 14)		
Stockholders' Equity:		
Preferred stock (authorized 3,500,000 shares of $.01 par value; none outstanding)	—	—
Common stock (300,000,000 shares authorized, 163,175,928 shares issued, 140,734,391 and 139,841,214 shares outstanding, respectively)	1.4	1.4
Additional paid-in capital	573.6	567.6
Accumulated other comprehensive loss	(108.1)	(162.9)
Retained earnings	221.4	247.3
Treasury stock, at cost (22,441,537 and 23,334,714 shares, respectively)	(60.4)	(62.9)
Total stockholders' equity	627.9	590.5
Total liabilities and stockholders' equity	$ 1,583.2	$ 1,517.8

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

THE MANITOWOC COMPANY, INC.
Condensed Consolidated Statements of Cash Flows
For the nine months ended September 30, 2017 and 2016
(Unaudited)
($ in millions)

	Nine Months Ended	
	2017	2016
Cash Flows from Operations:		
Net loss	$ (25.9)	$ (342.4)
Adjustments to reconcile net loss to cash used for operating activities of continuing operations:		
Asset impairment expense	—	96.9
Discontinued operations, net of income taxes	0.3	5.8
Depreciation	29.1	34.9
Amortization of intangible assets	0.7	2.2
Amortization of deferred financing fees	1.4	1.8
Deferred income taxes	(1.3)	114.0
Loss on early debt extinguishment	—	15.4
(Gain) loss on sale of property, plant and equipment	(1.0)	1.1
Other	6.4	(2.7)
Changes in operating assets and liabilities, excluding effects of business divestitures:		
Accounts receivable	(19.8)	25.3
Inventories	(33.8)	(32.5)
Notes receivable	15.0	24.6
Other assets	(12.1)	(11.5)
Accounts payable	36.4	(87.0)
Accrued expenses and other liabilities	(29.3)	(26.1)
Net cash used for operating activities of continuing operations	(33.9)	(180.2)
Net cash used for operating activities of discontinued operations	(0.3)	(49.3)
Net cash used for operating activities	(34.2)	(229.5)
Cash Flows from Investing:		
Capital expenditures	(17.0)	(34.8)
Proceeds from sale of fixed assets	6.7	2.3
Other	0.3	(0.3)
Net cash used for investing activities of continuing operations	(10.0)	(32.8)
Net cash used for investing activities of discontinued operations	—	(2.4)
Net cash used for investing activities	(10.0)	(35.2)
Cash Flows from Financing:		
Proceeds from revolving credit facility	10.0	20.0
Payments on long-term debt	(7.5)	(1,372.0)
Proceeds from long-term debt	—	262.0
Payments on notes financing - net	(3.6)	(8.7)
Debt issuance costs	—	(8.9)
Exercises of stock options	3.7	6.4
Dividend from spun-off subsidiary	—	1,361.7
Cash transferred to spun-off subsidiary	—	(17.7)
Net cash provided by financing activities of continuing operations	2.6	242.8
Net cash provided by financing activities of discontinued operations	—	0.2
Net cash provided by financing activities	2.6	243.0
Effect of exchange rate changes on cash	1.0	1.2
Net decrease in cash and cash equivalents	(40.6)	(20.5)
Balance at beginning of period, including cash of discontinued operations of $0.0 and $31.9	69.9	63.4
Balance at end of period	$ 29.3	$ 42.9

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

1. Accounting Policies and Basis of Presentation

The Manitowoc Company, Inc. (“Manitowoc,” “MTW” and the “Company”) is a leading provider of engineered lifting equipment for the global construction industry, including lattice-boom cranes, tower cranes, mobile telescopic cranes and boom trucks. The Company has one reportable segment, the Crane business. The segment was identified using the “management approach,” which designates the internal organization that is used by management for making operating decisions and assessing performance.

In the opinion of management, the accompanying unaudited Condensed Consolidated Financial Statements contain all adjustments necessary for a fair statement of the results of operations and comprehensive income for the three and nine months ended September 30, 2017 and 2016, the cash flows for the same nine-month periods and the financial position at September 30, 2017 and December 31, 2016, and except as otherwise discussed, such adjustments consist of only those of a normal recurring nature. The interim results are not necessarily indicative of results for a full year and do not contain information included in the Company’s annual consolidated financial statements and notes for the year ended December 31, 2016. Certain information and footnote disclosures, normally included in financial statements prepared in accordance with generally accepted accounting principles, have been condensed or omitted pursuant to SEC rules and regulations dealing with interim financial statements. However, the Company believes that the disclosures made in the Condensed Consolidated Financial Statements included herein are adequate to make the information presented not misleading. It is suggested that these financial statements be read in conjunction with the financial statements and the notes thereto included in the Company’s latest annual report on Form 10-K.

During the first quarter of fiscal 2016, MTW's Board of Directors approved the tax-free spin-off of the Company’s foodservice business (“MFS”) into an independent, public company (the “Spin-Off”). To consummate the Spin-Off, the Board declared a pro rata dividend of MFS common stock to MTW’s stockholders of record as of the close of business on February 22, 2016 (the “Record Date”), payable on March 4, 2016. Each MTW stockholder received one share of MFS common stock for every share of MTW common stock held as of the close of business on the Record Date.

In these Condensed Consolidated Financial Statements, unless otherwise indicated, references to Manitowoc, MTW and the Company refer to The Manitowoc Company, Inc. and its consolidated subsidiaries after giving effect to the Spin-Off, or in the case of information as of dates or for periods prior to the Spin-Off, the consolidated entities of the Crane business and certain other assets and liabilities that were historically held at the MTW corporate level but were specifically identifiable and attributable to the Crane business.

As a result of the Spin-Off, the Condensed Consolidated Financial Statements and related financial information reflect MFS operations, assets and liabilities and cash flows as discontinued operations for all periods presented. Refer to Note 2, “Discontinued Operations,” for additional information regarding the Spin-Off.

All dollar amounts, except share and per share amounts, are in millions of dollars throughout the tables included in these notes, unless otherwise indicated.

During the second quarter of 2016, the Company identified an adjustment to the previously issued financial statements for the three months ended March 31, 2016. The adjustment related to accumulated other comprehensive loss (“AOCL”), whereby the Company had understated loss on debt extinguishment by $4.3 million, overstated income tax expense by $0.8 million and understated loss from continuing operations by $3.5 million in the first quarter of 2016. The adjustment also resulted in an overstatement of AOCL and understatement of retained earnings by $2.6 million as of March 31, 2016.

In evaluating whether the Company’s previously issued consolidated financial statements were materially misstated, the Company considered the guidance in Accounting Standards Codification (“ASC”) Topic 250, “Accounting Changes and Error Corrections” and ASC Topic 250-10-S99-1, “Assessing Materiality.” The Company determined that these errors were not material to the Company's prior interim period consolidated financial statements and therefore, amending the previously filed report was not required. However, the Company determined that the impact of the corrections would be too significant to record within the second quarter of 2016. As such, the revision for the correction was reflected in the financial information for the first quarter of 2016.

During the fourth quarter of 2016, the Company identified an adjustment to the previously issued financial statements for the three months ended March 31, 2016, related to a non-cash reclassification between continuing and discontinued operations within the operating section of the Statement of Cash Flows for the three months ended March 31, 2016, whereby the change in accrued expenses a nd other liabilities and net cash used for operating activities of continuing operations was understated by $16.2 million, and the net cash used for operating activities of discontinued operating activities was overstated by $16.2 million. In evaluating wh ether the Company’s previously issued consolidated financial statements were materially misstated, the Company considered the guidance in ASC Topic 250 and ASC Topic 250-10-S99-1. The Company determined that these errors were not material to the Company's prior interim period consolidated financial statements, and therefore, amending the previously filed reports was not required. The revision for the correction was reflected in the financial information for the first quarter of 2016.

In the fourth quarter of 2016, the Company changed its method of inventory costing for certain inventory to the FIFO method from the LIFO method. The Company applied this change in method of inventory costing by retrospectively adjusting the prior period financial statements. As a result of the retrospective adjustment of the change in accounting principle, certain amounts in the Company's Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2016 were adjusted.

A summary of the adjustments on the impacted financial statement line items in the Condensed Consolidated Statements of Operations as revised and as previously presented in the September 30, 2016 Form 10-Q is as follows ($ in millions):

	Three Months Ended September 30, 2016			Nine Months Ended September 30, 2016		
	As previously presented	Impact of change to FIFO	As revised	As previously presented	Impact of change to FIFO	As revised
Cost of sales	$ 308.3	$ 0.7	$ 309.0	$ 1,023.3	$ 3.8	$ 1,027.1
Operating loss	(133.5)	(0.7)	(134.2)	(125.7)	(3.8)	(129.5)
Loss from continuing operations before taxes on income	(143.5)	(0.7)	(144.2)	(229.7)	(3.8)	(233.5)
Provision (benefit) for taxes on income	(5.3)	—	(5.3)	116.9	(13.8)	103.1
Income (loss) from continuing operations	(138.2)	(0.7)	(138.9)	(346.6)	10.0	(336.6)
Discontinued operations:						
Loss from discontinued operations, net of income taxes	(1.8)	—	(1.8)	(5.8)	—	(5.8)
Net income (loss)	$ (140.0)	$ (0.7)	$ (140.7)	$ (352.4)	$ 10.0	$ (342.4)
Income (loss) per common share - basic and diluted						
Income (loss) from continuing operations	$ (1.00)	$ (0.01)	$ (1.01)	$ (2.52)	$ 0.07	$ (2.45)
Loss from discontinued operations	(0.01)	—	(0.01)	(0.04)	—	(0.04)
Income (loss) per common share	$ (1.01)	$ (0.01)	$ (1.02)	$ (2.56)	$ 0.07	$ (2.49)

2. Discontinued Operations

On March 4, 2016, Manitowoc completed the Spin-Off of MFS. The financial results of MFS are presented as loss from discontinued operations, net of income taxes in the Condensed Consolidated Statements of Operations. The following table presents the financial results of MFS through the date of the Spin-Off for the indicated period and does not include corporate overhead allocations:

Major classes of line items constituting earnings from discontinued operations before income taxes related to MFS

($ in millions)	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2016
Net sales	$ —	$ 219.6
Cost of sales	—	141.5
Engineering, selling and administrative expenses	—	48.4
Amortization expense	—	5.2
Restructuring expense	—	0.3
Separation expense	—	27.7
Total operating costs and expenses	—	223.1
Loss from operations	—	(3.5)
Other expense	—	(1.8)
Loss from discontinued operations before income taxes	—	(5.3)
Provision for taxes on earnings	1.8	0.5
Loss from discontinued operations, net of income taxes	$ (1.8)	$ (5.8)

Net losses recorded by the Company related to discontinued operations from various businesses disposed in prior periods were $0.1 million and $0.3 million for the three and nine months ended September 30, 2017, respectively.

Manitowoc and MFS entered into agreements in connection with the Spin-Off, including a transition services agreement (“TSA”), separation and distribution agreement, tax matters agreement, intellectual property matters agreement and an employee matters agreement.

Pursuant to the TSA, Manitowoc, MFS and their respective subsidiaries provided various services to each other on an interim, transitional basis. Services provided by Manitowoc included, among others, finance, information technology and certain other administrative services. The services generally commenced on March 4, 2016, and all have terminated, generally within 12 months of that date. Billings by Manitowoc under the TSA were recorded as a reduction of the costs to provide the respective service in the applicable expense category.

Separation costs recorded by the Company during the three and nine months ended September 30, 2017, and three months ended September 30, 2016, related to the Spin-Off were negligible. During the nine months ended September 30, 2016, the Company recorded $27.7 million of separation costs related to the Spin-Off. Separation costs consisted primarily of professional and consulting fees and were included in the results of discontinued operations.

3. Inventories

The components of inventories as of September 30, 2017 and December 31, 2016 are summarized as follows:

($ in millions)	September 30, 2017	December 31, 2016
Inventories:		
Raw materials	$ 133.2	$ 109.3
Work-in-process	125.9	88.4
Finished goods	272.4	270.9
Total inventories	531.5	468.6
Excess and obsolete inventory reserve	(49.3)	(39.6)
Inventories — net	$ 482.2	$ 429.0

In the fourth quarter of 2016, the Company changed its method of inventory costing from LIFO to FIFO for certain of its inventory. See footnote 1 for further information.

4. Notes Receivable

Notes receivable balances as of September 30, 2017 and December 31, 2016, consisted primarily of amounts due to the Company's captive finance company in China and the remaining balance on the note from the 2014 sale of Manitowoc Dong Yue. In the third quarter of 2017, the Company renegotiated the terms of the note with Manitowoc Dong Yue to provide extended payment terms, which resulted in a reclassification of $9.8 million from current notes receivable to long-term notes receivable. As of September 30, 2017, the Company had current and long-term notes receivable in the amount of $35.6 million and $25.7 million, respectively. As of December 31, 2016, the Company had current and long-term notes receivable in the amount of $62.4 million and $21.1 million, respectively. Long-term notes receivable are included within other long-term assets on the Condensed Consolidated Balance Sheet.

5. Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill for the year ended December 31, 2016 and the nine months ended September 30, 2017 are as follows:

($ in millions)		Total
Balance as of January 1, 2016	$	306.5
Foreign currency impact		(6.9)
Balance as of December 31, 2016		299.6
Foreign currency impact		18.1
Balance as of September 30, 2017	$	317.7

The Company accounts for goodwill and other intangible assets under the guidance of ASC Topic 350, “Intangibles — Goodwill and Other” for its single reporting unit, Cranes.

The Company performs an annual impairment review during the fourth quarter of every year, or more frequently if events or changes in circumstances indicate that the asset might be impaired. There have been no impairment indicators since the fourth quarter of 2016; therefore, no impairment review has occurred. The Company performs the impairment review for goodwill and indefinite-lived intangible assets using a fair-value method based on the present value of future cash flows, which involves management’s judgments and assumptions about the amounts of those cash flows and the discount rates used. The estimated fair value is then compared with the carrying amount of the reporting unit, including recorded goodwill, or indefinite-lived intangible asset. The intangible asset is then subject to risk of write-down to the extent that the carrying amount exceeds the estimated fair value.

A considerable amount of management judgment and assumptions are required in performing the impairment test, principally in determining the fair value of the reporting unit. While the Company believes the judgments and assumptions are reasonable, different assumptions could change the estimated fair value and, therefore, impairment charges could be required. Weakening industry or economic trends, disruptions to the Company's business, unexpected significant changes or planned changes in the use of the assets or in entity structure may adversely impact the assumptions used in the valuations. The Company continually monitors market conditions and determines if any additional interim reviews of goodwill, other intangibles or long-lived assets are warranted. In the event the Company determines that assets are impaired in the future, the Company would recognize a non-cash impairment charge, which could have a material adverse effect on the Company’s Condensed Consolidated Balance Sheets and Results of Operations.

Other intangible assets with definite lives continue to be amortized over their estimated useful lives. Definite lived intangible assets are also subject to impairment testing whenever events or circumstances indicate that the carrying value of the assets may not be recoverable.

The gross carrying amount, accumulated amortization and net book value of the Company's intangible assets other than goodwill at September 30, 2017 and December 31, 2016 are as follows:

	September 30, 2017			December 31, 2016		
($ in millions)	Gross Carrying Amount	Accumulated Amortization	Net Book Value	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Trademarks and tradenames	$ 98.6	$ —	$ 98.6	$ 92.4	$ —	$ 92.4
Customer relationships	10.5	(8.5)	2.0	10.3	(7.8)	2.5
Patents	30.4	(29.4)	1.0	28.5	(27.4)	1.1
Engineering drawings	10.7	(10.6)	0.1	10.0	(9.9)	0.1
Distribution network	19.3	(0.1)	19.2	18.0	—	18.0
Other intangibles	0.3	(0.3)	—	0.2	(0.2)	—
Total	$ 169.8	$ (48.9)	$ 120.9	$ 159.4	$ (45.3)	$ 114.1

Amortization expense for the three months ended September 30, 2017 and 2016 was $0.0 million and $0.7 million, respectively. Amortization expense for the nine months ended September 30, 2017 and 2016 was $0.7 million and $2.2 million, respectively.

The Company also reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the asset's carrying amount may not be recoverable. The Company conducts its long-lived asset impairment analyses in accordance with ASC Topic 360-10-5, "Property, Plant and Equipment." ASC Topic 360-10-5 requires the Company to group assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities and to evaluate the asset group against the sum of the undiscounted future cash flows. Property, plant and equipment are depreciated over the estimated useful lives of the assets using the straight-line depreciation method for financial reporting and on accelerated methods for income tax purposes.

6. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at September 30, 2017 and December 31, 2016 are summarized as follows:

($ in millions)	September 30, 2017	December 31, 2016
Trade accounts payable	$ 210.4	$ 157.7
Employee-related expenses	33.6	28.1
Accrued vacation	21.9	21.8
Miscellaneous accrued expenses	94.4	113.6
Total	$ 360.3	$ 321.2

7. Debt

Outstanding debt at September 30, 2017 and December 31, 2016 is summarized as follows:

($ in millions)	September 30, 2017	December 31, 2016
Revolving credit facility	$ 10.0	$ —
Senior secured second lien notes due 2021	251.4	249.8
Other	29.5	35.7
Deferred financing costs	(3.3)	(4.0)
Total debt	287.6	281.5
Short-term borrowings and current portion of long-term debt	(10.2)	(12.4)
Long-term debt	$ 277.4	$ 269.1

The balance sheet values of the 12.750% senior secured lien notes due 2021 (the "2021 Notes") as of September 30, 2017 and December 31, 2016 are not equal to the face value of the 2021 Notes, $260.0 million, because of original issue discounts included in the applicable balance sheet values.

As of September 30, 2017, the Company had outstanding $29.5 million of other indebtedness that has a weighted-average interest rate of approximately 5.44%. This debt includes balances on local credit lines and capital lease obligations.

On March 3, 2016, t he Company entered into a $225.0 million Asset Based Revolving Credit Facility (as amended, the “ABL Revolving Credit Facility”) with Wells Fargo Bank, N.A. as administrative agent, and JP Morgan Chase Bank, N.A. and Goldman Sachs Bank USA as joint lead ar rangers. The ABL Revolving Credit Facility capacity calculation is defined in the related credit agreement and is dependent on the fair value of inventory and fixed assets of the loan parties, which secure the borrowings. The ABL Revolving Credit Facility has a term of 5 years and includes a $75.0 million letter of credit sublimit, $10.0 million of which can be applied to the German borrower.

In October 2016, the ABL Revolving Credit Facility was amended to accommodate certain previously restricted activities related to the relocation of the Company’s manufacturing operations from Manitowoc, Wisconsin to Shady Grove, Pennsylvania. Among other things, the amendment allows the Company to transfer, sell and/or impair fixed assets located at the Wisconsin facility with limited impact on the availability under the facility.

In April 2017, the ABL Revolving Credit Facility was amended to modify several definitions regarding eligible equipment and inventory as it relates to a key financing partner of the Company. The amendment has had, and is expected to continue to have, a minimal impact on the Company’s daily operations and borrowing limits.

As of September 30, 2017, the Company's outstanding balance on the ABL Revolving Credit Facility was $10.0 million. The Company had no borrowings on the ABL Revolving Credit Facility at December 31, 2016. During the quarter ended September 30, 2017, the highest daily borrowing was $59.5 million and the average borrowing was $30.9 million, while the average annual interest rate was 3.11%. The interest rate of the ABL Revolving Credit Facility fluctuates based on excess availability. As of September 30, 2017, the spreads for LIBOR and Prime borrowings were 1.50% and 0.50%, respectively, with excess availability of approximately $136.7 million, which represents revolver borrowing capacity of $161.1 million less borrowings of $10.0 million and U.S. letters of credit outstanding of $14.4 million.

The ABL Revolving Credit Facility replaced the Company’s prior $1,050.0 million Third Amended and Restated Credit Agreement (the “Prior Senior Credit Facility”). The Prior Senior Credit Facility included three different loan facilities: a $500.0 million revolving facility and two term loans in the aggregate amount of $550.0 million.

In the first quarter of 2016, the Company terminated the Prior Senior Credit Facility along with $175.0 million notional amount of float-to-fixed interest rate swaps related to one of its prior term loans, resulting in a loss of $5.9 million for the write-off of deferred financing expenses and $4.3 million for the termination of interest rate swaps.

On February 18, 2016, the Company entered into an indenture with Wells Fargo Bank, N.A., as trust and collateral agent, and sold $260.0 million aggregate principal amount of its 2021 Notes. Interest on the 2021 Notes is payable semi-annually in February and August of each year. The 2021 Notes were sold pursuant to exemptions from registration under the Securities Act of 1933.

Both the ABL Revolving Credit Facility and 2021 Notes include customary covenants and events of default which include, without limitation, restrictions on indebtedness, capital expenditures, restricted payments, disposals, investments and acquisitions.

Additionally, the ABL Revolving Credit Facility contains a Fixed Charge Coverage springing financial covenant, which measures the ratio of (i) consolidated earnings before interest, taxes, depreciation, amortization and other adjustments as defined in the related credit agreement, to (ii) fixed charges, as defined in the credit agreement. The financial covenant is triggered only if the Company fails to maintain minimum levels of availability under the facility. If triggered, the Company must maintain a Minimum Fixed Charge Coverage Ratio of 1.00 to 1.

On March 3, 2016, the Company redeemed its former 8.50% Senior Notes due 2020 (the “Prior 2020 Notes”) and 5.875% Senior Notes due 2022 (the “Prior 2022 Notes”) for $625.5 million and $330.5 million, or 104.250% and 110.167% expressed as a percentage of the principal amount, respectively.

The redemption of the Prior 2020 Notes resulted in a loss on debt extinguishment of $31.5 million during the first quarter of 2016 and consisted of $24.6 million related to redemption premium and $6.9 million related to write-off of deferred financing fees. Previously monetized derivative assets related to fixed-to-float interest rate swaps were treated as an increase to the debt balance of the Prior 2020 Notes and were being amortized to interest expense over the life of the original swap. As a result of the redemption, the remaining monetization balance of $11.8 million as of March 3, 2016 was amortized as a reduction to interest expense during the first quarter of 2016.

The redemption of the Prior 2022 Notes resulted in a loss on debt extinguishment of $34.6 million during the first quarter of 2016 and consisted of $31.2 million related to redemption premium and $3.4 million related to write-off of deferred financing fees. Previously, derivative liabilities related to termi nation of fixed-to-float swaps were treated as a decrease to the debt balance of the Prior 2022 Notes and were being amortized to interest expense over the life of the original swap. As a result of the redemption, the remaining balance of $0.7 million as o f March 3, 2016 was amortized as an increase to interest expense during the first quarter of 2016.

Outstanding balances under the Company's Prior 2020 and Prior 2022 Notes, as well as the Prior Senior Credit Facility, were repaid with proceeds from the 2021 Notes and a cash dividend from MFS in conjunction with the Spin-Off.

As of September 30, 2017, the Company was in compliance with all affirmative and negative covenants in its debt instruments, inclusive of the financial covenants pertaining to the ABL Revolving Credit Facility and 2021 Notes.

8. Accounts Receivable Securitization

The Company maintains an accounts receivable securitization program with a commitment size of $75.0 million, whereby transactions under the program are accounted for as sales in accordance with ASC Topic 860, "Transfers and Servicing."

On March 3, 2016, the Company entered into a Receivables Purchase Agreement ("RPA") among Manitowoc Funding, LLC ("MTW Funding"), as Seller, The Manitowoc Company, Inc., as Servicer, and Wells Fargo Bank, N.A., as Purchaser and as Agent, to replace its prior facility.

Under the RPA (and related Purchase and Sale Agreements), the Company's domestic trade accounts receivable are sold to MTW Funding which, in turn, sells, conveys, transfers and assigns to a third-party financial institution ("Purchaser"), all of MTW Funding's rights, title and interest in a pool of receivables to the Purchaser.

The Purchaser receives ownership of the pool of receivables in each instance. New receivables are purchased by MTW Funding and sold to the Purchaser as cash collections reduce previously sold investments. The Company acts as the servicer (in such capacity, the "Servicer") of the receivables and, as such, administers, collects and otherwise enforces the receivables. The Servicer is compensated for doing so on terms that are generally consistent with what would be charged by an unrelated servicer. The Servicer initially receives payments made by obligors on the receivables but is required to remit those payments to the Purchaser in accordance with the RPA. The Purchaser has no recourse for uncollectible receivables.

Trade accounts receivable sold to the Purchaser totaled $211.3 million and $145.3 million for the three months ended September 30, 2017 and 2016, respectively. Cash proceeds received from customers related to the receivables previously sold for the three months ended September 30, 2017 and 2016 were $179.7 million and $172.5 million, respectively.

Sales of trade receivables under the program reflected as a reduction of accounts receivable in the accompanying Condensed Consolidated Balance Sheets were $38.8 million and $19.5 million as of September 30, 2017 and December 31, 2016, respectively. The proceeds received, including collections on the deferred purchase price notes, are included in cash flows from operating activities in the accompanying Condensed Consolidated Statements of Cash Flows. The Company deems the interest rate risk related to the deferred purchase price notes to be de minimis, primarily because the average collection cycle of the related receivables is less than 60 days; and as such, the fair value of the Company's deferred purchase price notes approximates book value. The fair value of the deferred purchase price notes recorded as of September 30, 2017 and December 31, 2016 was $66.5 million and $30.6 million, respectively, and is included in accounts receivable in the accompanying Condensed Consolidated Balance Sheets.

The securitization program contains customary affirmative and negative covenants. Among other restrictions, these covenants require the Company to meet specified financial tests, which include a minimum fixed charge coverage ratio which is the same as the covenant ratio required per the ABL Revolving Credit Facility. As of September 30, 2017, the Company was in compliance with all affirmative and negative covenants pertaining to the RPA, as amended.

9. Income Taxes

For the three months ended September 30, 2017 and 2016, the Company recorded income tax benefits of $13.1 million and $5.3 million, respectively. For the nine months ended September 30, 2017 and 2016, the Company recorded an income tax benefit of $9.3 million and income tax expense of $103.1 million, respectively. During the three months ended September 30, 2017, a discrete tax benefit of $13.7 million was recorded, with the primary driver being a resolution on a matter involving the Internal Revenue Service related to tax years 2012 through 2014. The decrease in the Company's tax expense for the nine months ended September 30, 2017 relative to the prior year relates primarily to a non-cash charge in 2016 of $106.4 million for a one-time increase in the valuation allowance associated with the Company's domestic federal and state deferred tax assets and attr ibutes in connection with the Spin-Off. In addition to the above, the Company's effective tax rate varies from the U.S. federal statutory rate of 35% due to results of foreign operations that are subject to income taxes at different statutory rates.

The Company will continue to evaluate its valuation allowance requirements on an ongoing basis in light of changing facts and circumstances and may adjust its deferred tax asset valuation allowances accordingly, and it is a reasonable possibility that the Company will either add to or reverse a portion of its existing deferred tax asset valuation allowances in the future. Such changes in the deferred tax asset valuation allowances will be reflected in the current operations through the Company's income tax provision and could have a material effect on operating results.

The Company's unrecognized tax benefits, excluding interest and penalties, were $14.9 million as of September 30, 2017 and $15.8 million as of December 31, 2016.

The Company regularly assesses the likelihood of an adverse outcome resulting from examinations to determine the adequacy of its tax reserves. As of September 30, 2017, the Company believes that it is more likely than not that the tax positions it has taken will be sustained upon the resolution of its audits, resulting in no material impact on its consolidated financial position and the results of operations and cash flows. However, the final determination with respect to any tax audits and any related litigation could be materially different from the Company's estimates and/or from its historical income tax provisions and accruals and could have a material effect on operating results and/or cash flows in the periods for which that determination is made. In addition, future period earnings may be adversely impacted by litigation costs, settlements, penalties and/or interest assessments.

10. Earnings Per Share

Basic earnings (loss) per share is computed as net earnings (loss) divided by the basic weighted average common shares outstanding of 140.5 million and 140.4 million shares for the three and nine months ended September 30, 2017, respectively, and 138.4 million and 137.4 million shares for the three and nine months ended September 30, 2016, respectively. The calculation of diluted earnings (loss) per share includes the effect of any dilutive equity incentive instruments. The Company uses the treasury stock method to calculate the effect of outstanding dilutive equity incentive instruments, which requires the Company to compute total proceeds as the sum of the amount the employee must pay upon exercise of the award and the amount of unearned stock-based compensation costs attributable to future services.

Equity incentive instruments for which the total employee proceeds from exercise exceed the average fair value of the same equity incentive instrument over the period have an anti-dilutive effect on earnings per share during periods with net earnings, and accordingly, the Company excludes them from the calculation. Anti-dilutive equity instruments of 0.3 million common shares were excluded from the computation of diluted net earnings per share for the three months ended September 30, 2017. Due to the net loss incurred during the nine months ended September 30, 2017 and the three and nine months ended September 30, 2016, the assumed exercise of all equity incentive instruments was anti-dilutive and, therefore, not included in the diluted loss per share calculation for those periods.

The following is a reconciliation of the average shares outstanding used to compute basic and diluted earnings per share:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Basic weighted average common shares outstanding	140,531,426	138,422,953	140,351,927	137,390,809
Effect of dilutive securities	2,805,751	—	—	—
Diluted weighted average common shares outstanding	143,337,177	138,422,953	140,351,927	137,390,809

No cash dividends were paid during any of the three and nine months ended September 30, 2017 and September 30, 2016.

11. Stockholders' Equity

The following is a roll forward of retained earnings for the nine months ended September 30, 2017 and 2016:

($ in millions)	Retained Earnings
Balance at December 31, 2016	$ 247.3
Net loss	(25.9)
Balance at September 30, 2017	$ 221.4

($ in millions)	Retained Earnings
Balance at December 31, 2015	$ 562.3
Net loss	(342.4)
Distribution of MFS	51.2
Balance at September 30, 2016	$ 271.1

Authorized capital consists of 300 million shares of $0.01 par value common stock and 3.5 million shares of $0.01 par value preferred stock. None of the preferred shares have been issued.

Currently, the Company has authorization to purchase up to 2.4 million shares of common stock at management's discretion; however, the Company has certain restrictions from repurchasing shares of its capital stock or other equity interests under various covenants of its debt agreements. Further, the Company has not purchased any shares of its common stock under this authorization since 2006.

A reconciliation for the changes in accumulated other comprehensive loss, net of tax, by component for the nine months ended September 30, 2017 and September 30, 2016 is as follows:

($ in millions)	Gains and Losses on Cash Flow Hedges	Pension & Postretirement	Foreign Currency Translation	Total
Balance at December 31, 2016	$ (0.3)	$ (51.8)	$ (110.8)	$ (162.9)
Other comprehensive income before reclassifications	0.3	—	10.1	10.4
Amounts reclassified from accumulated other comprehensive loss	0.2	0.6	—	0.8
Net other comprehensive income	0.5	0.6	10.1	11.2
Balance at March 31, 2017	0.2	(51.2)	(100.7)	(151.7)
Other comprehensive income before reclassifications	—	—	23.1	23.1
Amounts reclassified from accumulated other comprehensive loss	0.1	0.5	—	0.6
Net other comprehensive income	0.1	0.5	23.1	23.7
Balance at June 30, 2017	0.3	(50.7)	(77.6)	(128.0)
Other comprehensive income before reclassifications	—	8.0	14.2	22.2
Amounts reclassified from accumulated other comprehensive loss	—	(2.3)	—	(2.3)
Net other comprehensive income	—	5.7	14.2	19.9
Balance at September 30, 2017	$ 0.3	$ (45.0)	$ (63.4)	$ (108.1)

($ in millions)	Gains and Losses on Cash Flow Hedges	Pension & Postretirement	Foreign Currency Translation	Total
Balance at December 31, 2015	$ (3.8)	$ (82.6)	$ (121.4)	$ (207.8)
Other comprehensive income (loss) before reclassifications	(2.7)	—	20.3	17.6
Amounts reclassified from accumulated other comprehensive loss	4.3	1.2	—	5.5
Net other comprehensive income	1.6	1.2	20.3	23.1
Distribution of MFS	2.1	44.5	31.0	77.6
Balance at March 31, 2016	(0.1)	(36.9)	(70.1)	(107.1)
Other comprehensive loss before reclassifications	—	—	(17.4)	(17.4)
Amounts reclassified from accumulated other comprehensive loss	(0.1)	1.2	—	1.1
Net other comprehensive income (loss)	(0.1)	1.2	(17.4)	(16.3)
Balance at June 30, 2016	(0.2)	(35.7)	(87.5)	(123.4)
Other comprehensive income before reclassifications	—	—	5.7	5.7
Amounts reclassified from accumulated other comprehensive loss	0.2	1.1	—	1.3
Net other comprehensive income	0.2	1.1	5.7	7.0
Balance at September 30, 2016	$ —	$ (34.6)	$ (81.8)	$ (116.4)

The following is a reconciliation of the reclassifications out of accumulated other comprehensive income (loss), net of tax, for the three and nine months ended September 30, 2017:

($ in millions)	Three Months Ended September 30, 2017 Amount Reclassified from Accumulated Other Comprehensive Income (Loss)	Nine Months Ended September 30, 2017 Amount Reclassified from Accumulated Other Comprehensive Income (Loss)	Recognized Location
Gains and losses on cash flow hedges			
Commodity contracts	$ —	$ (0.3)	Cost of sales
	—	(0.3)	Total before tax
	—	—	Tax expense
	$ —	$ (0.3)	Net of tax
Amortization of pension and postretirement items			
Actuarial losses	$ (1.3)	$ (3.9) (a)	
Prior service cost	0.3	1.0	
	(1.0)	(2.9)	Total before tax
	3.3	4.1	Tax expense
	$ 2.3	$ 1.2	Net of tax
Total reclassifications for the period	$ 2.3	$ 0.9	Net of tax

(a) These accumulated other comprehensive income (loss) components are included in the computation of net periodic pension cost (see Note 16, “Employee Benefit Plans,” for further details).

The following is a reconciliation of the reclassifications out of accumulated other comprehensive income (loss), net of tax, for the three and nine months ended September 30, 2016:

($ in millions)	Three Months Ended September 30, 2016 Amount Reclassified from Accumulated Other Comprehensive Income (Loss)	Nine Months Ended September 30, 2016 Amount Reclassified from Accumulated Other Comprehensive Income (Loss)	Recognized Location
Gains and losses on cash flow hedges			
Commodity contracts	$ (0.2)	$ (1.2)	Cost of sales
Interest rate swap contracts:			
Float-to-fixed	—	(4.3)	Interest Expense
	(0.2)	(5.5)	Total before tax
	—	1.1	Tax expense
	$ (0.2)	$ (4.4)	Net of tax
Amortization of pension and postretirement items			
Actuarial losses	$ (1.1)	$ (3.5) (a)	
	(1.1)	(3.5)	Total before tax
	—	—	Tax expense
	$ (1.1)	$ (3.5)	Net of Tax
Total reclassifications for the period	$ (1.3)	$ (7.9)	Net of Tax

(a) These accumulated other comprehensive income (loss) components are included in the computation of net periodic pension cost (see Note 16, "Employee Benefit Plans," for further details).

12. Stock-Based Compensation

The Company's 2013 Omnibus Incentive Plan (the "2013 Plan") was approved by shareholders on May 7, 2013 and replaced several of the Company's incentive plans (collectively referred to as the "Prior Plans"). No new awards may be granted under the Prior Plans; however, outstanding awards under the Prior Plans will continue in force and effect pursuant to their terms. The 2013 Plan provides for both short-term and long-term incentive awards for employees and non-employee directors. Stock-based awards may take the form of stock options, stock appreciation rights, restricted stock ("RSAs"), restricted stock units ("RSUs") and performance shares or performance unit awards. The total number of shares of the Company's common stock originally available for awards under the 2013 Plan was 8.0 million shares, subject to adjustment for stock splits, stock dividends and certain other transactions or events. On March 20, 2016, in accordance with the 2013 Plan's adjustment provisions, the Board of Directors approved an amendment to the 2013 Plan to reflect the effect of the Spin-Off, as a result, the number of shares of common stock reserved for future awards under the 2013 Plan was increased by 22.1 million shares.

Stock-based compensation expense was $1.5 million and $1.0 million for the three months ended September 30, 2017 and 2016, respectively. Stock-based compensation expense was $4.7 million and $3.8 million for the nine months ended September 30, 2017 and 2016, respectively. The Company recognizes stock-based compensation expense over the awards' vesting period.

The Company did not grant any options to acquire shares of common stock to employees during the three months ended September 30, 2017 and 2016. Options to acquire 1.1 million and 1.8 million shares of common stock were granted to employees during the nine months ended September 30, 2017 and 2016, respectively. The options granted in 2017 become exercisable in three annual increments over a three-year period beginning on the first anniversary of the grant date and expire 10 years subsequent to the grant date, and the options granted in 2016 and prior years become exercisable in four annual increments over a four-year period beginning on the first anniversary of the grant date and also expire 10 years subsequent to the grant date.

The Company did not issue any RSUs to employees during the three months ended September 30, 2017 and 2016. A total of 0.5 million and 0.6 million RSUs were issued by the Company to employees and directors during the nine months ended September 30, 2017 and 2016, respectively. The RSUs granted to employees generally vest on the first or third anniversary of the grant date, depending on the grant. The RSUs granted to directors vest on the second anniversary of the grant date.

The Company did not issue any performance shares to employees during the three months ended September 30, 2017 and 2016. A total of 0.5 million and 0.8 million performance shares were issued during the nine months ended September 30, 2017 and 2016 , respectively. Performance shares are earned based on the extent to which performance goals are met over the applicable performance period. The performance goals and the applicable performance period vary for each grant year. The performance goals for the performance shares granted in 2017 are based on 50% on total shareholder return ("TSR") relative to peers during the three-year performance period and 50% on Adjusted EBITDA percentage from continuing operations in 2019. The performance goals for the performance shares granted in 2016 are based 50% on TSR relative to peers and 50% on the weighted average return on invested capital (ROIC) over the three-year performance period. Depending on the foregoing factors, the number of shares earned could range from zero to 0.9 million and zero to 1.2 million for the 2017 and 2016 performance share grants, respectively.

13. Fair Value of Financial Instruments

The following tables set forth the Company's financial assets and liabilities that were accounted for at fair value as of September 30, 2017 and December 31, 2016 by level within the fair value hierarchy. 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 as of September 30, 2017			
($ in millions)	**Level 1**	**Level 2**	**Level 3**	**Total**
Current Liabilities:				
Foreign currency exchange contracts	$ —	$ 0.2	$ —	$ 0.2
Total current liabilities at fair value	$ —	$ 0.2	$ —	$ 0.2

	Fair Value as of December 31, 2016			
($ in millions)	**Level 1**	**Level 2**	**Level 3**	**Total**
Current Assets:				
Foreign currency exchange contracts	$ —	$ 0.2	$ —	$ 0.2
Commodity contracts	—	0.2	—	0.2
Total current assets at fair value	$ —	$ 0.4	$ —	$ 0.4
Current Liabilities:				
Foreign currency exchange contracts	$ —	$ 1.0	$ —	$ 1.0
Total current liabilities at fair value	$ —	$ 1.0	$ —	$ 1.0

The fair value of the Company's 2021 Notes was approximately $298.6 million and $282.2 million as of September 30, 2017 and December 31, 2016, respectively. See Note 7, "Debt," for a description of the debt instruments and their related carrying values.

ASC Topic 820-10, "Fair Value Measurement," defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820-10 classifies the inputs used to measure fair value into the following hierarchy:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 Unadjusted quoted prices in active markets for similar assets or liabilities, or

Unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or

Inputs other than quoted prices that are observable for the asset or liability

Level 3 Unobservable inputs for the asset or liability

The Company endeavors to utilize the best available information in measuring fair value. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company estimates the fair value of its 2021 Notes based on quoted market prices; because these markets are typically thinly traded, the assets and/or liabilities are classified as Level 2 within the valuation hierarchy. The carrying values of cash and cash equivalents, accounts receivable, accounts payable, deferred purchase price notes on receivables sold (see Note 8, "Accounts Receivable Securitization") and short-term variable debt, including any amounts outstanding under the ABL Revolving Credit Facility, approximate fair value, without being discounted as of September 30, 2017 and December 31, 2016, due to the short-term nature of these instruments.

As a result of its global operating and fi nancing activities, the Company is exposed to market risks from changes in interest rates, foreign currency exchange rates and commodity prices, which may adversely affect the Company's operating results and financial position. When deemed appropriate, the Company attempts to minimize these risks through the use of derivative financial instruments. Derivative financial instruments are used to manage risk and are not used for trading or other speculative purposes, and the Company does not use leveraged deriv ative financial instruments. F oreign currency exchange, commodity and interest rate contracts are valued through an independent valuation source that uses an industry standard data provider, with resulting valuations periodically validated through third-pa rty or counterparty quotes. As such, these derivative instruments are classified within Level 2.

14. Commitments and Contingencies

As of September 30, 2017 and December 31, 2016, the Company had reserved $32.3 million and $28.6 million, respectively, for warranty claims included in product warranties, as well as other non-current liabilities in the Condensed Consolidated Balance Sheets. In the normal course of business, the Company provides its customers a warranty covering workmanship, and in some cases materials, on products manufactured by the Company. Such warranty generally provides that products will be free from defects for periods ranging from 12 to 60 months. If a product fails to comply with the Company's warranty, the Company may be obligated, at its expense, to correct any defect by repairing or replacing such defective products. The Company provides for an estimate of costs that may be incurred under its warranty at the time product revenue is recognized. These costs primarily include labor and materials, as necessary, associated with repair or replacement. The primary factors that affect the Company's warranty liability include the number of units shipped and historical and anticipated warranty claims. As these factors are impacted by actual experience and future expectations, the Company assesses the adequacy of its recorded warranty liability and adjusts the amounts as necessary. Below is a table summarizing the warranty activity for the nine months ended September 30, 2017 and the year ended December 31, 2016:

($ in millions)	Nine Months Ended September 30, 2017	Year Ended December 31, 2016
Balance at beginning of period	$ 28.6	$ 32.4
Accruals for warranties issued during the period	24.6	20.4
Settlements made (in cash or in kind) during the period	(22.5)	(23.7)
Currency translation	1.6	(0.5)
Balance at end of period	$ 32.3	$ 28.6

Product liability reserves in the Condensed Consolidated Balance Sheets as of September 30, 2017 and December 31, 2016 were $22.8 million and $21.7 million, respectively, and were estimated using a combination of actual case reserves and actuarial methods. Based on the Company's experience in defending product liability claims, management believes the current reserves are adequate for estimated case resolutions on aggregate self-insured claims and insured claims. Any recoveries from insurance carriers are dependent upon the legal sufficiency of claims and solvency of insurance carriers.

As of September 30, 2017, various product-related lawsuits were pending. To the extent permitted under applicable law, all of these are insured with self-insurance retention levels and/or coverage with outside insurers. The Company's self-insurance retention levels vary by business and have fluctuated over the last 10 years. As of September 30, 2017, the largest self-insured retention level for new occurrences currently maintained by the Company is $2.0 million per occurrence and applies to product liability claims for cranes manufactured in the United States.

The Company is involved in numerous lawsuits involving asbestos-related claims in which the Company is one of numerous defendants. After taking into consideration legal counsel's evaluation of such actions, the current political environment with respect to asbestos-related claims and the liabilities accrued with respect to such matters, in the opinion of management, ultimate resolution is not expected to have a material adverse effect on the financial condition, results of operations or cash flows of the Company.

The Company is also involved in various legal actions arising out of the normal course of business, which, taking into account the liabilities accrued and legal counsel's evaluation of such actions, in the opinion of management, the ultimate resolution, individually and in the aggregate, is not expected to have a material adverse effect on the Company's financial condition, results of operations or cash flows.

It is reasonably possible that the estimates for warranty costs, product liability, environmental remediation, asbestos-related claims and other various legal matters may change based upon new information that may arise or matters that are beyond the scope of the Company's historical experience. P resently, there are no reliable methods to estimate the amount of any such potential changes.

15. Guarantees

The Company periodically enters into transactions with customers that provide for residual value guarantees and buyback commitments. These initial transactions are recorded as deferred revenue and are amortized to income on a straight-line basis over a period equal to that of the customer's third-party financing agreement. The deferred revenue included in other current and non-current liabilities as of September 30, 2017 and December 31, 2016 was $29.3 million and $30.4 million, respectively. The total amount of residual value guarantees and buyback commitments given by the Company and outstanding as of September 30, 2017 and December 31, 2016 was $28.4 million and $32.8 million, respectively. These amounts are not reduced for amounts the Company would recover from the repossession and subsequent resale of the units. The residual value guarantees and buyback commitments expire at various times through 2021.

16. Employee Benefit Plans

The Company provides certain pension, health care and death benefits to eligible retirees and their dependents. The funding mechanism for such benefits varies based on the country where the retiree resides and receives benefits. Eligibility for pension coverage is based on retirement qualifications. Healthcare benefits may be subject to deductibles, co-payments and other limitations. The Company reserves the right to modify benefits unless a government agency in a certain country prohibits it from doing so.

As part of the Spin-Off, and in accordance with the employee matters agreement referred to in Note 2, "Discontinued Operations," certain combined plans were split between MTW and MFS. Accordingly, the Company transferred to MFS pension obligations associated with active, retired and other former employees of MFS for those impacted MFS-related defined benefit pension plans. The allocation of plan assets was determined in accordance with applicable Employee Retirement Income Security Act of 1974, Internal Revenue Service and other jurisdictional requirements.

Effective July 1, 2017, The Manitowoc Company, Inc. Post-65 Retiree Health Plan ("the Plan") was amended. Eligible retirees and their spouses were provided access to a Retiree Health Exchange where they may purchase Medicare Supplement Plans, including Medicare Advantage and Medigap plan prescription drug coverage. The enrollment and payment for this coverage is facilitated by an outside third-party, and these plans have no affiliation with the Company. To assist retirees with premium and out-of-pocket expenses they incur, the Company funds a Health Reimbursement Account ("HRA") for each enrolled retiree. The value of the HRA is based on the plan type and premium cost for each specific retiree before the Plan was amended.

The components of periodic benefit costs for the three and nine months ended September 30, 2017 and September 30, 2016 are as follows:

	Three Months Ended September 30, 2017			Nine Months Ended September 30, 2017		
($ in millions)	U.S. Pension Plans	Non-U.S. Pension Plans	Postretirement Health and Other Plans	U.S. Pension Plans	Non-U.S. Pension Plans	Postretirement Health and Other Plans
Service cost - benefits earned during the period	$ —	$ 0.4	$ 0.1	$ —	$ 1.3	$ 0.2
Interest cost of projected benefit obligations	1.3	0.6	0.2	4.0	1.6	0.7
Expected return on plan assets	(1.2)	(0.4)	—	(3.7)	(1.1)	—
Amortization of prior service cost	—	—	(0.3)	—	—	(1.0)
Amortization of actuarial net loss	0.8	0.4	0.1	2.4	1.2	0.3
Net periodic benefit costs	$ 0.9	$ 1.0	$ 0.1	$ 2.7	$ 3.0	$ 0.2

($ in millions)	Three Months Ended September 30, 2016 U.S. Pension Plans	Non-U.S. Pension Plans	Postretirement Health and Other Plans	Nine Months Ended September 30, 2016 U.S. Pension Plans	Non-U.S. Pension Plans	Postretirement Health and Other Plans
Service cost - benefits earned during the period	$ —	$ 0.5	$ 0.1	$ —	$ 1.4	$ 0.2
Interest cost of projected benefit obligations	1.7	0.6	0.4	5.6	2.8	1.3
Expected return on plan assets	(1.4)	(0.5)	—	(4.6)	(2.2)	—
Amortization of actuarial net loss	0.9	0.2	—	3.0	0.9	—
Net periodic benefit costs	1.2	0.8	0.5	4.0	2.9	1.5
Net periodic benefit costs associated with MFS	—	—	—	0.4	0.4	0.1
Net periodic benefit costs included in continuing operations	$ 1.2	$ 0.8	$ 0.5	$ 3.6	$ 2.5	$ 1.4

17. Restructuring

The Company is continuing its restructuring activities to right-size the business by balancing capacity with demand. During the three months ended September 30, 2017 and 2016, the Company incurred $3.7 million and $3.9 million of restructuring expense, respectively. During the nine months ended September 30, 2017 and 2016, the Company incurred $21.3 million and $17.1 million of restructuring expense, respectively. The costs for the three and nine months ended September 30, 2017 related primarily to the closure of manufacturing operations in Manitowoc, WI and Passo Fundo, Brazil and severance costs associated with headcount reductions in North America. Costs for the three and nine months ended September 30, 2016, related to workforce reductions in two of the Company's facilities in North America.

The closure of the manufacturing facility in Manitowoc was completed during the second quarter of 2017 and the Company has incurred all material cash and non-cash charges related to this closure, which were in line with previously disclosed estimates, as of September 30, 2017.

The following is a roll-forward of the Company's restructuring activities for the nine months ended September 30, 2017 ($ in millions):

	Restructuring Reserve Balance as of December 31, 2016	Restructuring Expenses	Cash Use of Reserve	Non-Cash Use of Reserve	Restructuring Reserve Balance as of September 30, 2017
Total	$ 8.2	$ 21.3	$ 20.8	$ 4.8	$ 3.9

18. Recent Accounting Changes and Pronouncements

In August 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Updated ("ASU") No. 2017-12 "Targeted Improvements to Accounting for Hedging Activities," which amends ASC 815, "Derivatives and Hedging." The purpose of this ASU is to better align a company's risk management activities and financial reporting for hedging relationships, simplify the hedge accounting requirements, and improve the disclosures of hedging arrangements. The effective date is fiscal 2019, with early adoption permitted. The Company is evaluating the impact the adoption of this ASU will have on its consolidated financial statements.

In May 2017, the FASB issued ASU No. 2017-09 "Compensation - Stock Compensation (Topic 718): Scope of Modification Accounting," to provide clarity and reduce both diversity in practice and cost complexity when applying the guidance in Topic 718 to a change to the terms and conditions of a stock-based payment award. ASU 2017-09 also provides guidance about the types of changes to the terms or conditions of a share-based payment award that require an entity to apply modification accounting in accordance with Topic 718. The standard is effective for annual periods beginning after December 15, 2017, and for interim periods therein. Early adoption is permitted. The Company is evaluating the impact the adoption of this ASU will have on its consolidated financial statements.

In March 2017, the FASB issued ASU No. 2017-08 "Receivables - Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities," to shorten the amortization period for the premium to the earliest call date instead of the contractual life of the instrument. This new guidance will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018 with early adoption permitted. Entities will be required to apply the new guidance using the modified retrospective method with a cumulative-effect adjustment to retained earnings upon the adoption date. The Company is evaluating the impact the adoption of this ASU will have on its consolidated financial statements.

In March 2017, the FASB issued ASU No. 2017-07 "Compensation - Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost." This ASU amends ASC 715, "Compensation – Retirement

Benefits, ” to require employers that present a measure of operating income in their statement of income to include only the service cost component o f net periodic pension cost and net periodic postretirement benefit cost in operating expenses (together with other employee compensation costs). The other components of net benefit cost, including amortization of prior service cost/credit and settlement a nd curtailment effects, are to be included in nonoperating expenses. This ASU also allows only the service cost component of net benefit cost to be capitalized (for example, as a cost of inventory). The amendments in this ASU should be applied retrospectiv ely for the presentation of the service cost component and the other components of net periodic pension cost and net periodic postretirement benefit cost in the income statement and prospectively, on and after the effective date, for the capitalization of the service cost component of net periodic pension cost and net periodic postretirement benefit in assets, and is effective for public companies for fiscal years beginning after December 15, 2017; early adoption is permitted. The Company is evaluating the impact the adoption of this ASU will have on its consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-04 - “Intangibles – Goodwill and Other (Topic 350): Simplifying the Accounting for Goodwill Impairment.” This ASU simplifies the accounting for goodwill impairment. The guidance removes Step 2 of the goodwill impairment test, which required a hypothetical purchase price allocation. A goodwill impairment is now the amount by which a reporting unit’s carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. ASU No. 2017-04 will be effective for annual or interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption was permitted for any impairment tests performed after January 1, 2017, and the Company early adopted this ASU effective in the first quarter of 2017.

In November 2016, the FASB issued ASU No. 2016-18 - “Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force).” The amendments of this ASU address the diversity of presentation of restricted cash by requiring a statement of cash flows to explain the change during the period in the total cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. ASU 2016-18 will be effective for fiscal years beginning after December 15, 2017. The Company is evaluating the impact the adoption of this ASU will have on its consolidated financial statements.

In October 2016, the FASB issued ASU No. 2016-16 - “Income Taxes (Topic 740): Intra-Entity Transfer of Assets Other than Inventory,” which requires the recognition of the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs. ASU 2016-16 will be effective for fiscal years beginning after December 15, 2017. The Company is currently evaluating the impact the adoption of this ASU will have on its consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15 - “Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments.” This update addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice and affects all entities required to present a statement of cash flows under Topic 230. This standard will be effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The Company is evaluating the impact the adoption of this ASU will have on its consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09 - “Revenue from Contracts with Customers” (Topic 606), which supersedes the revenue recognition requirements in ASC 605, Revenue Recognition. This was further clarified with technical corrections issued within ASU 2015-14, ASU 2016-08, ASU 2016-10, ASU 2016-11, ASU 2016-12, ASU 2016-20, and ASU 2017-05. The new revenue recognition guidance was issued to provide a single, comprehensive revenue recognition model for all contracts with customer. Under the new guidance, an entity will recognize revenue to depict the transfer of promised goods or services to customer at an amount that the entity expects to be entitled to in exchange for those goods or services. A five-step model has been introduced for an entity to apply when recognizing revenue. The new guidance also includes enhanced disclosure requirements and is effective January 1, 2018. Entities have the option to apply the new guidance under a retrospective approach to each prior reporting period presented, or a modified retrospective approach with the cumulative effect of initially applying the new guidance recognized at the date of initial application within the Consolidated Statement of Changes in Stockholder's Equity. The Company plans to adopt the new guidance effective January 1, 2018, utilizing the modified retrospective approach. Based upon review of the Company's current revenue recognition practices, the Company has not identified any terms or conditions in the contracts reviewed that would suggest that adoption will result in a different pattern of revenue recognition than that recorded under current guidance. However, the Company will continue to evaluate its assessment as further reviews are performed, which include incremental contract reviews and the finalization of other documentation, which could identify necessary changes under ASU 2014-09.

In March 2016, the FASB issued ASU 2016-09 - “Compensation-Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting.” This update is part of the FASB's Simplification Initiative, and its objective is to identify, evaluate and improve areas of GAAP for which cost and complexity can be reduced while maintaining or improving usefulness of the information provided to users of financial statements. The update involves several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. The effective date for this ASU is for annual periods beginning after December 15, 2016 and interim periods within those annual periods. The adoption of this ASU did not have a material impact on the Company's consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-06 - “Derivatives and Hedging: Contingent Put and Call Options in Debt Instruments.” The amendments clarify the steps required to assess whether a call or put option meets the cr iteria for bifurcation as an embedded derivative. The ASU is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016. The adoption of this ASU did not have a material impact on the Company's consolidated financ ial statements.

In February 2016, the FASB issued ASU 2016-02 - “Leases,” which is intended to improve financial reporting on leasing transactions. This standard requires a lessee to record on the balance sheet the assets and liabilities for the rights and obligations created by lease terms of more than 12 months. This standard will be effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Company is evaluating the impact the adoption of this ASU will have on its consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01 - “Financial Instruments-Overall: Recognition and Measurement of Financial Assets and Financial Liabilities.” ASU 2016-01 amends various aspects of the recognition, measurement, presentation and disclosure for financial instruments. Most significantly, ASU 2016-01 requires equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of an investee) to be measured at fair value with changes in fair value recognized in net income (loss). ASU 2016-01 is effective for annual reporting periods and interim periods within those years beginning after December 15, 2017. The Company is evaluating the impact the adoption of this ASU will have on its consolidated financial statements.

In July 2015, the FASB issued ASU No. 2015-11 - “Inventory (Topic 330): Simplifying the Measurement of Inventory.” This update changes the guidance on accounting for inventory accounted for on a first-in first-out (FIFO) basis. Under the revised standard, an entity should measure FIFO inventory at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. Subsequent measurement is unchanged for inventory measured on a last-in, first-out (LIFO) basis. The amendments in this ASU are effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2016. The adoption of this ASU did not have a material impact on the Company's consolidated financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Oper ations

The following Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2016, including the financial statements, accompanying notes and Management's Discussion and Analysis of Financial Condition and Results of Operations therein, and the interim condensed consolidated financial statements and accompanying notes included in this Quarterly Report on Form 10-Q.

Results of Operations

Performance during the Quarter Ended September 30, 2017 Compared with the Quarter Ended September 30, 2016

Net Sales

Consolidated net sales for the three months ended September 30, 2017 increased 14.2% to $399.4 million from $349.8 million in the third quarter of 2016. This increase was attributable to higher crane shipments in the U.S. and Europe. Approximately 40% of unit revenue in the third quarter of 2017 came from new products introduced since becoming a stand-alone crane company. Consolidated net sales were favorably impacted by $8.6 million from changes in foreign currency exchange rates.

As of September 30, 2017, total backlog was $467.9 million, a 44.5% increase from the December 31, 2016 backlog of $323.8 million, and a 32.3% increase from the September 30, 2016 backlog of $353.6 million.

Gross Profit

Gross profit for the three months ended September 30, 2017 was $72.5 million, an increase of $31.7 million compared to $40.8 million for the three months ended September 30, 2016. This increase was mainly due to the increase in sales volume discussed above and reduced manufacturing costs. In addition, in the third quarter of 2016, the Company recognized charges related to inventory reserves, losses from declines in used crane values, and product improvement initiatives that did not recur in the third quarter of 2017.

Selling and Administrative Expenses

Engineering, selling and administrative expenses ("ES&A") decreased 16.6% to $60.9 million for the three months ended September 30, 2017 compared to $73.0 million for the three months ended September 30, 2016. This decrease was primarily due to a decrease in wages and benefits related expenses as a result of headcount reductions, reduced professional and consulting fees and discretionary cost oversight. Furthermore, for the three months ended September 30, 2016 the Company recorded approximately $7 million of charges related to the decline in the fair market value of used cranes which did not reoccur in 2017. ES&A was also adversely affected by $1.4 million from changes in foreign currency exchange rates.

Restructuring Expense

For the three months ended September 30, 2017, the Company incurred $3.7 million of restructuring expense, which primarily related to the closure of manufacturing operations in Manitowoc, WI and Passo Fundo, Brazil and severance costs associated with headcount reductions in North America. The closure of the manufacturing facility in Manitowoc was completed during the second quarter of 2017 and the Company has incurred all material cash and non-cash charges as of September 30, 2017 related to these closures.

Operating Income (Loss)

Operating income increased $142.1 million to $7.9 million for the three months ended September 30, 2017, compared to an operating loss of $(134.2) million for the three months ended September 30, 2016. This increase was primarily due to increases in sales volumes, reduced manufacturing costs and charges, and reduced ES&A as discussed above, as well as the effects of a $96.9 million reduction in asset impairment expense from the prior year. The Company's operating income (loss) was favorably impacted by $0.8 million from changes in foreign currency exchange rates.

Interest Expense

Interest expense for the three months ended September 30, 2017 was $9.6 million versus $10.0 million for the three months ended September 30, 2016. The decrease was due primarily to lower outstanding debt balances.

Other Income (Expense)- Net

Other income (expense)- net is comprised primarily of net foreign currency translation gains and losses.

Provision (Benefit) for Taxes on Income

For the three months ended September 30, 2017 and 2016, the Company recorded income tax benefits of $13.1 million and $5.3 million, respectively. During the three months ended September 30, 2017, a discrete tax benefit of $13.7 million was recorded, with the primary driver being a resolution reached with the Internal Revenue Service related to tax years 2012 through 2014. The Company's effective tax rate varies from the U.S. federal statutory rate of 35% due to results of foreign operations that are subject to income taxes at different statutory rates which are typically below the federal statutory rate. The Company has significant valuation allowances in the United States, France, and Germany. It is reasonably possible that sufficient positive evidence required to release all, or a portion, of certain valuation allowances in the company's French businesses within the next 12 months may result in a reduction of deferred tax asset valuation allowances by up to €35.0 million.

Performance during the Nine Months Ended September 30, 2017 Compared with the Nine Months Ended September 30, 2016

Net Sales

Consolidated net sales for the nine months ended September 30, 2017 decreased 10.9% to $1,099.8 million from $1,234.9 million for the same period in 2016. This decrease was primarily driven by a high level of large crawler crane shipments in the first nine months of 2016 in the Americas whose orders had been placed in earlier years that did not recur. Consolidated net sales were unfavorably impacted by $2.1 million from changes in foreign currency exchange rates.

Gross Profit

Gross profit for the nine months ended September 30, 2017 was $200.7 million, a decrease of $7.1 million compared to $207.8 million for the nine months ended September 30, 2016. This decrease was mainly due to the reduction in sales volumes discussed above, offset in part by reduced manufacturing costs and the non-recurrence of various charges recognized in the third quarter of 2016, as mentioned above.

Selling and Administrative Expenses

ES&A decreased 15.6% to $184.6 million for the nine months ended September 30, 2017 compared to $218.8 million for the nine months ended September 30, 2016. This decrease in ES&A was primarily due to a decrease in wages and benefits-related expenses because of headcount reductions, reduced professional and consulting fees and discretionary cost oversight.

Restructuring Expense

For the nine months ended September 30, 2017, the Company incurred $21.3 million of restructuring expense, which primarily related to the closure of manufacturing operations in Manitowoc, WI and Passo Fundo, Brazil and severance costs associated with headcount reductions in North America. The closure of the manufacturing facility in Manitowoc was completed during the second quarter of 2017 and the Company has incurred all material cash and non-cash charges as of September 30, 2017 related to these closures.

Operating Loss

Operating loss decreased $123.6 million to $(5.9) million for the nine months ended September 30, 2017, compared to $(129.5) million for the nine months ended September 30, 2016. This decrease was primarily due reduced manufacturing costs and charges and reduced ES&A costs discussed above, as well as a $96.9 million reduction in asset impairment expense. The Company's operating loss was unfavorably impacted by $1.0 million from changes in foreign currency exchange rates.

Interest Expense

Interest expense for the nine months ended September 30, 2017 was $29.4 million versus $29.6 million for the nine months ended September 30, 2016. The reduction in expense was caused by a lower average debt balance in 2017 as compared to the prior year, partly offset by a higher average interest rate. Additionally, in the first quarter of 2016, $11.1 million of net derivative assets related to the termination of fixed-to-float swaps associated with the Prior 2020 and 2022 Notes were amortized as a net decrease to interest expense. See additional discussion of the fixed-to-float swaps associated with the Prior 2020 and 2022 Notes in Note 7, “Debt,” o f the Condensed Consolidated Financial Statements.

There was no loss on debt extinguishment for the nine months ended September 30, 2017. The loss on debt extinguishment for the nine months ended September 30, 2016 was $76.3 million and consisted of $31.5 million related to the March 3, 2016 redemption of the Prior 2020 Notes, $34.6 million on the redemption of the Prior 2022 Notes, $5.9 million for the termination of the Prior Senior Credit Facility because of the write-off of deferred financing expense and $4.3 million loss on the termination of interest rate swaps.

Other Income (Expense)- Net

Other income (expense)- net is comprised primarily of net foreign currency translation gains and losses.

Provision (Benefit) for Taxes on Income

For the nine months ended September 30, 2017 and 2016, the Company recorded an income tax benefit of $9.3 million and an income tax provision of $103.1 million, respectively. The decrease in the Company’s tax expense for the nine months ended September 30, 2017 relative to the prior year related primarily to a non-cash charge in 2016 of $106.4 million as a result of a valuation allowance associated with the Company’s domestic federal and state deferred tax assets and attributes in connection with the Spin-Off. In addition to the non-cash charge related to the valuation allowance, the Company’s effective tax rate varies from the U.S. federal statutory rate of 35% due to results of foreign operations that are subject to income taxes at different statutory rates which are typically below the federal statutory rate. Furthermore, a discrete tax benefit of $13.7 million was recorded during the third quarter of 2017 as discussed above. The Company has significant valuation allowances in the United States, France, and Germany. It is reasonably possible that sufficient positive evidence required to release all, or a portion of certain valuation allowances in the company’s French businesses within the next 12 months may result in a reduction of deferred tax asset valuation allowances by up to €35.0 million.

Financial Condition

First Nine Months of 2017

Cash and cash equivalents balance as of September 30, 2017 totaled $29.3 million, a decrease of $40.6 million from the December 31, 2016 balance of $69.9 million. The decrease in cash balance for the nine months ended September 30, 2017 was primarily caused by working capital increases and capital expenditures, partially offset by proceeds from $10 million of borrowings under the revolving credit facility.

Cash flows used for operating activities of continuing operations for the first nine months of 2017 were $33.9 million and were primarily driven by increased inventories since December 31, 2016 combined with reduced sales volume.

Cash flows used for investing activities of continuing operations were $10.0 million for the first nine months of 2017 and consisted of capital expenditures of $17.0 million, with the majority related to equipment purchases in North America and Europe, partially offset by proceeds from sales of property, plant and equipment of $6.7 million.

Cash flows provided by financing activities of continuing operations were $2.6 million for the first nine months of 2017 and consisted of proceeds from the revolving credit facility of $10.0 million and $3.7 million of cash from exercises of stock options, offset by net cash paid on long-term debt and receivables financing costs.

First Nine Months of 2016

Cash and cash equivalents as of September 30, 2016 totaled $42.9 million, an increase of $11.5 million from the December 31, 2015 balance of $31.5 million. The increase in cash balance for the nine months ended September 30, 2016 was primarily due to proceeds from the offering of the 2021 Notes, partially offset by inventory and accounts receivable increases and capital expenditures.

Cash flows used for operating activities of continuing operations for the first nine months of 2016 were $180.2 million. During the first nine months of 2016, cash flows used for continuing operations were primarily driven by an increase in accounts payable and inventory combined with reduced sales volume. This was partially offset by a decrease in accounts receivable.

Cash flows used for investing activities of continuing operations of $32.8 million for the first nine months of 2016 consisted primarily of capital expenditures of $34.8 million, with the majority of the capital expenditures related to equipment purchases and the since discontinued enterprise resource planning ("ERP") system implementation, partially offset by proceeds from sales of property, plant and equipment of $2.3 million.

Cash flows provided by financing activities of continuing operations of $242.8 million for the first nine months of 2016 consisted primarily of proceeds from the offering of the 2021 Notes, partially offset by cash transferred to MFS in conjunction with the Spin-Off. Further, immediately prior to the Spin-Off, MFS issued long-term debt with the majority of the proceeds provided to the Company in the form of a cash dividend which the Company used to repay the then-outstanding Prior Senior Credit Facility, 2020 Notes and 2022 Notes.

Liquidity and Capital Resources

Outstanding debt as of September 30, 2017 and December 31, 2016 is summarized as follows:

($ in millions)	September 30, 2017	December 31, 2016
Revolving credit facility	$ 10.0	$ —
Senior notes due 2021	251.4	249.8
Other	29.5	35.7
Deferred financing costs	(3.3)	(4.0)
Total debt	287.6	281.5
Less current portion and short-term borrowings	(10.2)	(12.4)
Long-term debt	$ 277.4	$ 269.1

See additional discussion of the credit facilities and Senior Notes in Note 7, "Debt," of the Condensed Consolidated Financial Statements.

The Company's liquidity position at September 30, 2017 and December 31, 2016 is summarized as follows:

(in millions)	September 30, 2017	December 31, 2016
Cash and cash equivalents	$ 29.3	$ 69.9
Revolver borrowing capacity	161.1	160.4
Less: Borrowings on revolver	(10.0)	—
Less: Outstanding letters of credit	(14.4)	(16.4)
Total liquidity	$ 166.0	$ 213.9

The Company believes its liquidity and expected cash flows from operations should be sufficient to meet expected working capital, capital expenditure and other general ongoing operational needs in the foreseeable future.

The Company has not provided for additional U.S. income taxes on approximately $500.6 million of undistributed earnings of consolidated non-U.S. subsidiaries included in stockholders' equity. Such earnings could become taxable upon sale or liquidation of these non-U.S. subsidiaries or upon dividend repatriation of cash balances. It is not practicable to estimate the amount of the unrecognized tax liability on such earnings. At September 30, 2017, approximately $15.4 million of the Company's total cash and cash equivalents were held by its foreign subsidiaries. This cash is associated with earnings that the Company has asserted are permanently reinvested. The Company has no current plans to repatriate material amounts of cash or cash equivalents held by its foreign subsidiaries because it plans to reinvest such cash and cash equivalents to support its operations and continued growth plans outside the U.S. through the funding of capital expenditures, acquisitions, research, operating expenses or other similar cash needs of these operations. Further, although the Company has not generated cash from operations in the current period, the Company does not currently forecast a need for these funds in the U.S. because its future U.S. operations and debt service will be supported by the cash generated by its U.S. operations which are supported by the ABL Revolving Credit Facility as a source of liquidity during times of short term cash needs. As of September 30, 2017, total availability under the facility was $161.1 million, of which $137.2 million was dedicated to U.S. borrowers.

Both the ABL Revolving Credit Facility and 2021 Notes include customary covenants and events of default. Based upon management's current plans and outlook, the Company believes it will be able to comply with these covenants during the subsequent twelve months.

See Note 8, "Accounts Receivable Securitization," of the Condensed Consolidated Financial Statements for further details regarding the program. The securitization program contains customary affirmative and negative covenants.

Based on management's current plans and outloo k, the Company believes it will be able to comply with these covenants during the subsequent twelve months.

Non-GAAP Measures

The Company uses EBITDA, Adjusted EBITDA and Adjusted operating income, which are non-GAAP financial measures, as additional metrics to evaluate the Company's performance. The Company defines EBITDA as net income (loss) before loss from discontinued operations, net of income taxes, interest, taxes, depreciation and amortization. The Company defines Adjusted EBITDA as EBITDA plus the addback of restructuring expenses, asset impairment charges and other (income) expense - net. The Company defines Adjusted operating income as Adjusted EBITDA excluding the addback of depreciation. The Company believes these non-GAAP measures provide important supplemental information to readers regarding business trends that can be used in evaluating its results of operations because these financial measures provide a consistent method of comparing financial performance and are commonly used by investors to assess performance. These non-GAAP financial measures should be considered together with, and are not substitutes for, the GAAP financial information provided herein.

The Company's Adjusted EBITDA and Adjusted operating income for the three months ended September 30, 2017 was income of $20.8 million and $11.6 million, respectively. The Company's Adjusted EBITDA and Adjusted operating income for the nine months ended September 30, 2017 was income of $45.2 million and $16.1 million, respectively. The Company's Adjusted EBITDA and Adjusted operating loss for the three months ended September 30, 2016 was a loss of $20.9 million and $32.2 million, respectively. The Company's Adjusted EBITDA and Adjusted operating loss for the nine months ended September 30, 2016 was income of $23.9 million and a loss of $11.0 million, respectively. The reconciliation of GAAP net income to EBITDA, further to Adjusted EBITDA and to Adjusted operating income (loss) for the three and nine months ended September 30, 2017 and 2016 is as follows ($ in millions):

($ in millions)	**Three Months Ended September 30, 2017**	**Three Months Ended September 30, 2016**	**Nine Months Ended September 30, 2017**	**Nine Months Ended September 30, 2016**
Net income (loss)	$ 9.6	$ (140.7)	$ (25.9)	$ (342.4)
Loss from discontinued operations, net of income taxes	0.1	1.8	0.3	5.8
Interest expense and amortization of deferred financing fees	10.1	10.5	30.8	31.4
Provision (benefit) for income taxes	(13.1)	(5.3)	(9.3)	103.1
Depreciation expense	9.2	11.3	29.1	34.9
Amortization of intangible assets	—	0.7	0.7	2.2
EBITDA	15.9	(121.7)	25.7	(165.0)
Restructuring expense	3.7	3.9	21.3	17.1
Asset impairment expense	—	96.9	—	96.9
Loss on debt extinguishment	—	—	—	76.3
Other (income) expense - net (1)	1.2	—	(1.8)	(1.4)
Adjusted EBITDA	20.8	(20.9)	45.2	23.9
Depreciation expense	(9.2)	(11.3)	(29.1)	(34.9)
Non-GAAP adjusted operating income (loss)	11.6	(32.2)	16.1	(11.0)
Restructuring expense	(3.7)	(3.9)	(21.3)	(17.1)
Amortization of intangible assets	—	(0.7)	(0.7)	(2.2)
Asset impairment expense	—	(96.9)	—	(96.9)
Other operating costs and expenses	—	(0.5)	—	(2.3)
GAAP operating income (loss)	$ 7.9	$ (134.2)	$ (5.9)	$ (129.5)

(1) Other (income) expense - net includes foreign currency translation adjustments and other miscellaneous items.

Covenant compliant EBITDA as defined by the ABL Revolving Credit Facility was $64.3 million as of September 30, 2017 on a trailing 12-month basis. The calculation of covenant compliant EBITDA has certain limitations and restrictions on addbacks and has been included for informational purposes only.

Critical Accounting Policies

The Company's critical accounting policies have not materially changed since the 2016 Form 10-K was filed. Refer to the Critical Accounting Policies in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of

Operations” included in the Annual R eport on Form 10-K for the year ended December 31, 2016 for information about the Company’s policies, methodology and assumptions related to critical accounting policies.

Goodwill, Other Intangible Assets and Other Long-Lived Assets - The Company accounts for goodwill and other intangible assets under the guidance of ASC Topic 350-10, “Intangibles - Goodwill and Other.” Under ASC Topic 350-10, goodwill is not amortized; instead, the Company performs an annual impairment review. Historically, the annual impairment review was performed as of June 30. Effective in 2016, the date for the annual impairment review was changed to October 31, in order to align more closely to its internal forecasting cycle. Both of these tests resulted that no impairment was indicated. To perform its goodwill impairment review, the Company uses a fair-value method, primarily the income approach, based on the present value of future cash flows. To perform its indefinite lived intangible assets impairment test, the Company uses a fair-value method, based on a relief of royalty valuation approach. Management’s judgments and assumptions about the amounts of those cash flows and the discount rates are inputs to these analyses. The estimated fair value is then compared with the carrying amount of the reporting unit or indefinite lived intangible asset. Goodwill and other intangible assets are then subject to risk of write-down to the extent that the carrying amount exceeds the estimated fair value.

The decline in oil prices and resulting slowdown in upstream oil & gas activity, as well as uncertainty in global macroeconomic factors related to infrastructure and construction, has caused the Company's customers to defer or reduce capital spending. Similar to other cranes manufacturers, we no longer expect near-term growth in the markets that was previously anticipated, and within the analyses performed in 2016 have revised our financial projections to reflect current market conditions, including lower sales. Additionally, the valuation of goodwill is particularly sensitive to management's assumptions of margin improvement, and an unfavorable change in those assumptions could put goodwill at risk for impairment in future periods.

As of the October 31, 2016 valuation, the Company's valuation of its trademarks and tradenames related to its Grove and Potain India brands are particularly at risk, with cushion between the calculated fair value and the book value of the intangible assets of approximately 25% and approximately 10%, respectively. The impact of a 100 basis point increase in the discount rate results in a decrease to the estimated fair value of each asset by approximately 14%, while a reduction in the terminal year sales growth rate assumption by 100 basis points would decrease the estimated fair value by approximately 11%. These trademarks and tradenames are potentially at risk for impairments in future periods if there are further significant unfavorable developments in their markets.

Other intangible assets with definite lives continue to be amortized over their estimated useful lives. Definite lived intangible assets are also subject to impairment testing whenever events or circumstances indicate that the carrying value of the assets may not be recoverable. A considerable amount of management judgment and assumptions are required in performing the impairment tests, principally in determining the fair value of the assets. While the Company believes its judgments and assumptions were reasonable, different assumptions could change the estimated fair values and, therefore, impairment charges could be required.

The Company also reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the asset's carrying amount may not be recoverable. The Company conducts its long-lived asset impairment analyses in accordance with ASC Topic 360-10-5, “Property, Plant, and Equipment.” ASC Topic 360-10-5 requires the Company to group assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities and to evaluate the asset group against the sum of the undiscounted future cash flows. Property, plant and equipment are depreciated over the estimated useful lives of the assets using the straight-line depreciation method for financial reporting and on accelerated methods for income tax purposes.

The Company will continue to monitor market conditions and determine if any additional interim reviews of goodwill, other intangibles or long-lived assets are warranted. Deterioration in the market or actual results as compared with the Company’s projections may ultimately result in a future impairment. In the event the Company determines that assets are impaired in the future, the Company would need to recognize a non-cash impairment charge, which could have a material adverse effect on the Company’s Consolidated Balance Sheet and Results of Operations.

Cautionary Statements Regarding Forward-Looking Information

All of the statements in this Quarterly Report on Form 10-Q, other than historical facts, are forward-looking statements, including, without limitation, the statements made in the “Management's Discussion and Analysis of Financial Condition and Results of Operations.” As a general matter, forward-looking statements are those focused upon anticipated events or trends, expectations and beliefs relating to matters that are not historical in nature. The words “could,” “should,” “feel,” “anticipate,” “aim,” “preliminary,” “expect,” “believer,” “estimate,” “intend,” “intent,” “plan,” “will,” “foresee,” “project,” “forecast,” or the negative thereof or variations thereon, and similar expressions identify forward-looking statements.

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for these forward-looking statements. In order to comply with the terms of the safe harbor, The Manitowoc Company, Inc. (the “Company” or “Manitowoc”) notes that forward-looking statements are subject to known and unknown risks, uncertainties and other factors relating to the Company's operations and business e nvironment, all of which are difficult to predict and many of which are beyond the control of the Company. These known and unknown risks, uncertainties and other factors could cause actual results to differ materially from those matters expressed in, antic ipated by or implied by such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to:

- unanticipated changes in revenues, margins, costs and capital expenditures;
- the ability to significantly improve profitability;
- potential delays or failures to implement specific initiatives within the restructuring program;
- issues relating to the ability to timely and effectively execute on manufacturing strategies, including issues relating to plant closings, new plant start-ups, and/or consolidations of existing facilities and operations, and its ability to achieve the expected benefits from such actions, as well as general efficiencies and capacity utilization of our facilities;
- the ability to direct resources to those areas that will deliver the highest returns;
- uncertainties associated with new product introductions, the successful development and market acceptance of new and innovative products that drive growth;
- the ability to focus on customers, new technologies and innovation;
- the ability to focus and capitalize on product quality and reliability;
- the ability to increase operational efficiencies across Manitowoc’s businesses and to capitalize on those efficiencies;
- the ability to capitalize on key strategic opportunities and the ability to implement Manitowoc’s long-term initiatives;
- the ability to generate cash and manage working capital consistent with Manitowoc’s stated goals;
- the ability to convert orders and order activity into sales and the timing of those sales;
- pressure of financing leverage;
- foreign currency fluctuation and its impact on reported results and hedges in place with Manitowoc;
- changes in raw material and commodity prices;
- unexpected issues associated with the quality and availability of materials, components and products sourced from third parties and the ability to successfully resolve those issues;
- unexpected issues associated with the availability, operations and viability of suppliers;
- the risks associated with growth or contraction;
- geographic factors and political and economic conditions and risks;
- actions of competitors;
- changes in economic or industry conditions generally or in the markets served by Manitowoc;
- unanticipated changes in customer demand, including changes in global demand for high-capacity lifting equipment, changes in demand for lifting equipment in emerging economies and changes in demand for used lifting equipment;
- global expansion of customers;
- the replacement cycle of technologically obsolete cranes;
- the ability of Manitowoc's customers to receive financing;
- issues related to workforce reductions and potential subsequent rehiring;
- work stoppages, labor negotiations, labor rates and temporary labor costs;
- government approval and funding of projects and the effect of government-related issues or developments;

- the ability to complete and appropriately integrate restructurings, consolidations, acquisitions, divestitures, strategic alliances, joint ventures and other strategic alternatives;
- realization of anticipated earnings enhancements, cost savings, strategic options and other synergies, and the anticipated timing to realize those savings, synergies and options;
- impairment of goodwill and/or intangible assets;
- unanticipated issues affecting the effective tax rate for the year;
- unanticipated changes in the capital and financial markets;
- risks related to actions of activist shareholders;
- changes in laws throughout the world;
- natural disasters and other weather events disrupting commerce in one or more regions of the world;
- risks associated with data security and technological systems and protections;
- acts of terrorism; and
- risks and other factors cited in Manitowoc's 2016 Annual Report on Form 10-K and its other filings with the United States Securities and Exchange Commission.

These statements reflect the current views and assumptions of management with respect to future events. The Company does not undertake, and hereby disclaims, any duty to update these forward-looking statements, even though its situation and circumstances may change in the future. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this report. The inclusion of any statement in this report does not constitute an admission by the Company or any other person that the events or circumstances described in such statement are material.

Item 3. Quantitative and Qualitative Disclosure about Market Risk

The Company’s market risk disclosures have not materially changed since the 2016 Form 10-K was filed. The Company’s quantitative and qualitative disclosures about market risk are incorporated by reference from Part II, Item 7A of the Company’s Annual Report on Form 10-K, for the year ended December 31, 2016.

Item 4. Controls and Procedures

Disclosure Controls and Procedures: The Company’s management, with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company’s disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (“Exchange Act”)) as of the end of the period covered by this report. Based on such evaluation, the Company’s Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company’s disclosure controls and procedures are effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act, and that such information is accumulated and communicated to the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely discussions 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, we made no changes that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHE R INFORMATION

Item 1A. Risk Factors

The Company's risk factors disclosures have not materially changed since the 2016 Form 10-K was filed. The Company's risk factors are incorporated by reference from Part I, Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2016.

Item 6. Exhibits

Exhibit No.	Description	Filed/Furnished Herewith	
10.1	Severance Agreement and Release, executed August 31, 2017, by and between The Manitowoc Company, Inc. and Lawrence J. Weyers (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated August 31, 2017).		
31	Rule 13a - 14(a)/15d - 14(a) Certifications	X	(1)
32.1	Certification of CEO pursuant to 18 U.S.C. Section 1350	X	(2)
32.2	Certification of CFO pursuant to 18 U.S.C. Section 1350	X	(2)
101	The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, formatted in Extensible Business Reporting Language (XBRL): (i) the Condensed Consolidated Statements of Operations, (ii) the Condensed Consolidated Statements of Comprehensive Income, (iii) the Condensed Consolidated Balance Sheets, (iv) the Condensed Consolidated Statements of Cash Flows and (v) related notes.	X	(1)

(1) Filed Herewith

(2) Furnished Herewith

SIGNAT URES

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.

Date: November 7, 2017

The Manitowoc Company, Inc.
(Registrant)

/s/ Barry L. Pennypacker
Barry L. Pennypacker
President and Chief Executive Officer

/s/ David J. Antoniuk
David J. Antoniuk
Senior Vice President and Chief Financial Officer

Exhibit 31

Certification of Principal Executive Officer

I, Barry Pennypacker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Manitowoc Company, 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: November 7, 2017

/s/ Barry L. Pennypacker
Barry L. Pennypacker
President and Chief Executive Officer

Certification of Principal Financial Officer

I, David J. Antoniuk, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Manitowoc Company, 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: November 7, 2017

/s/ David J. Antoniuk

David J. Antoniuk

Senior Vice President and Chief Financial Officer

Exhibit 32.1

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

In connection with the Quarterly Report of The Manitowoc Company, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Barry L. Pennypacker, President and Chief Executive Officer of the Company, certify, pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the company as of the date and for the periods expressed in the Report.

/s/ Barry L. Pennypacker
Barry L. Pennypacker
President and Chief Executive Officer
November 7, 2017

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to The Manitowoc Company, Inc. and will be retained by The Manitowoc Company, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

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

In connection with the Quarterly Report of The Manitowoc Company, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David J. Antoniuk, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the company as of the date and for the periods expressed in the Report.

/s/ David J. Antoniuk

David J. Antoniuk
Senior Vice President and Chief Financial Officer
November 7, 2017

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to The Manitowoc Company, Inc. and will be retained by The Manitowoc Company, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.