November 7, 2019

Q2 Fiscal Year 2020 Financial Results Conference Call

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COLUMBUS McKINNON CORPORATION

PARTNERS IN MOTION CONTROL

SAFE HARBOR STATEMENT

These slides, and the accompanying oral discussion, contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements concerning future sales and earnings, involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to differ materially from the results expressed or implied by such statements, including the effectiveness of the Company’s 80/20 Process to simplify operations, the ability of the Company’s operational excellence initiatives to drive profitability, the success of the Company’s efforts to ramp its growth engine, global economic and business conditions, conditions affecting the industries served by the Company and its subsidiaries, conditions affecting the Company's customers and suppliers, competitor responses to the Company's products and services, the overall market acceptance of such products and services, the ability to expand into new markets and geographic regions, and other factors disclosed in the Company's periodic reports filed with the Securities and Exchange Commission. The Company assumes no obligation to update the forward-looking information contained in this presentation.

Non-GAAP Financial Measures

This presentation will discuss some non-GAAP (“adjusted”) financial measures which we believe are useful in evaluating our performance. You should not consider the presentation of this additional information in isolation or as a substitute for results compared in accordance with GAAP. The non-GAAP (“adjusted”) measures are notated and we have provided reconciliations of comparable GAAP to non-GAAP measures in tables found in the Supplemental Information portion of this presentation.

Adoption of ASU No. 2017-07 and impact to historical information

In accordance with the ASU, historical cost of good sold and RSG&A have been adjusted for the adoption and implementation on a retrospective basis of ASU No. 2017-07 “Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost. All relevant financial data impacted by the changes has been adjusted.

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EXECUTION OF STRATEGY DRIVES EARNINGS

Blueprint for Growth strategy continues to deliver strong financial results

- Revenue, adjusted for divestitures and FX, up 2%, despite macro headwinds
- 80/20 Process delivers stronger margin profile with $5.2 million contribution to operating income and funds growth investments
- Net income up 4%; Adjusted net income increased $1.3 million, or 8.1%
- Adjusted EBITDA margin expanded 80 bps to 16.2%
- ROIC was 11.7%, up 180 bps over prior-year period

Strong cash from operations and free cash flow

- Generated $40 million in cash from operations in quarter
- Financial flexibility for investing in growth

Performing better than last cyclical downturn

- Low revenue growth and margins expanding against macroeconomic headwinds

Blueprint for Growth strategy driving EBITDA margin and ROIC

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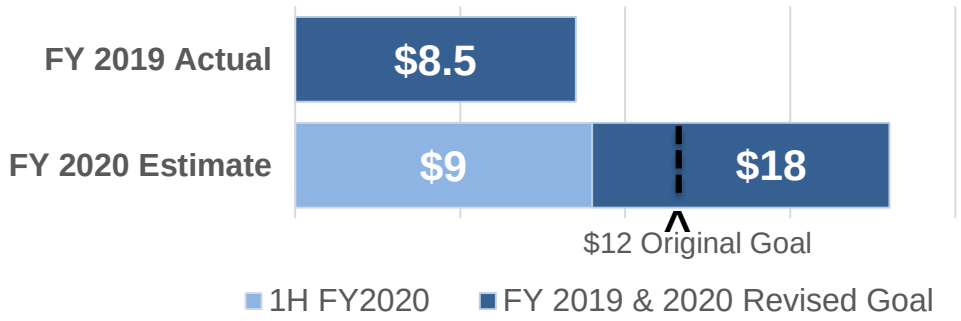
BLUEPRINT STRATEGY PHASE II DELIVERING RESULTS

($, in millions contribution to operating income)

80/20 Process: Expecting $18 million contribution to operating income in FY20



Customer simplification
(strategic pricing)

Priority customer account program
(incremental volume from sharpened customer focus)

Product simplification
(indirect overhead reduction and material productivity)

Closures: Salem, OH and China

Additional operating income more than offset investments in growth and macroeconomic headwinds:

Added nearly 30 growth positions in product development, marketing and digital initiatives

Short-cycle business macro headwinds

Increased medical costs and tariffs

Divested less profitable businesses

Strong performance with 80/20 Process and self–help strategy

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Recent Examples of Innovation

Intelligent Motion Solutions

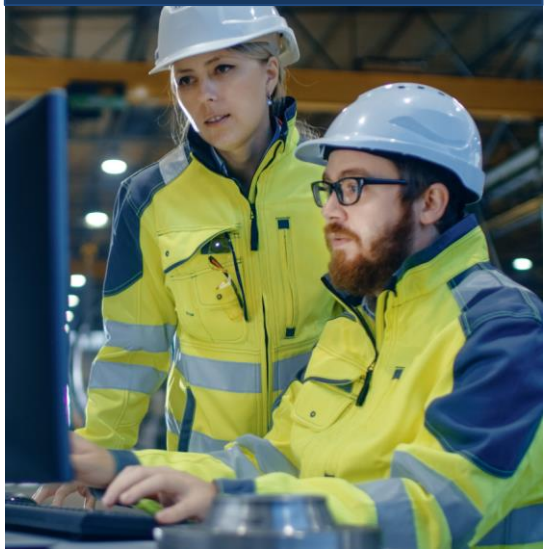
ProPath™ Automated Workstation Crane



Integrated load sensing in smart electric chain hoist offering



Scalable automation and control modules: "No-Fly Zone"



Self-help strategy providing ability to invest in innovation

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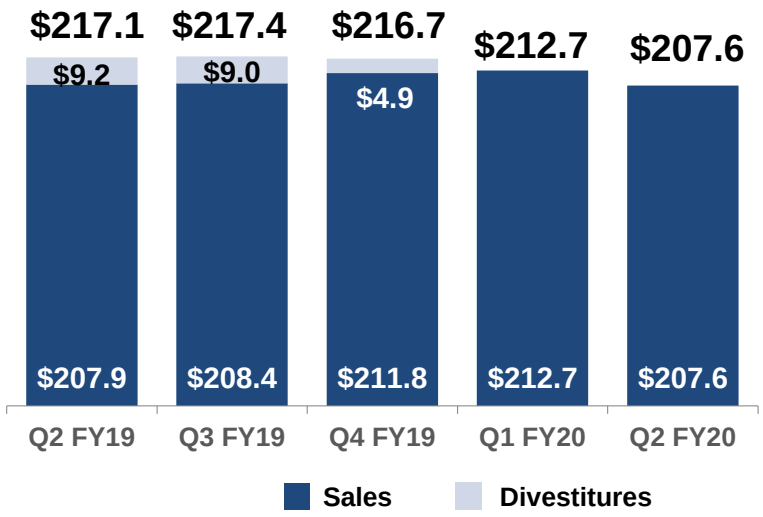
NET SALES

($ in millions)

Q2 sales up 1.8% (adjusted for divestitures and FX)

U.S. sales up 0.8% from 80/20 strategic pricing, volume down in quarter

Non-U.S. sales up 2.9% from 80/20 pricing and higher volumes (adjusted for divestitures and FX)



Q2 FY20 Sales Bridge

	Quarter	
Q2 FY19 Sales	**$ 217.1**	
Divestitures	(9.2)	
Q2 FY19 Sales adjusted for divestitures	**$ 207.9**	
Volume	0.4	*0.2%*
Pricing	3.3	*1.6%*
Foreign currency translation	(4.0)	*(1.9)%*
Total change adjusted for divestitures	**$ (0.3)**	***(0.1)%***
Q2 FY20 Sales	**$ 207.6**	

Organic growth of 1.8% despite market headwinds

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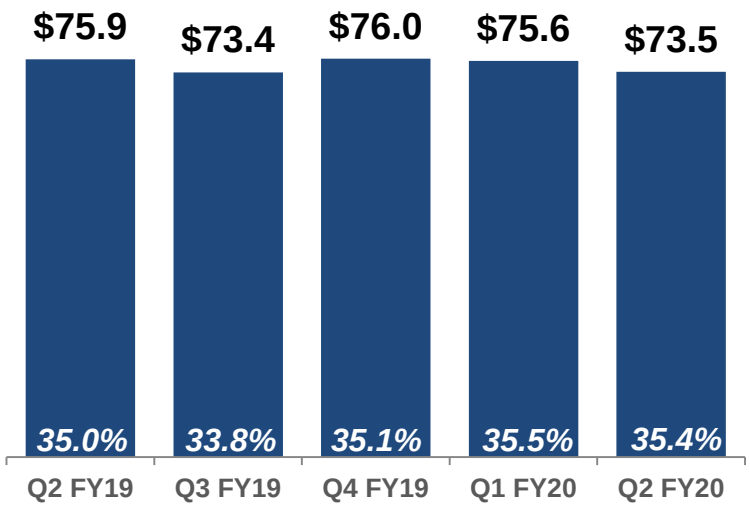
GROSS PROFIT & GROSS MARGIN

($ in millions)



Quarter Gross Profit Bridge

	Quarter
Q2 FY2019 Gross Profit	**$ 75.9**
Divestitures	(2.4)
Q2 FY2019 Gross Profit adjusted for divestitures	**$ 73.5**
Pricing, net of material cost inflation	2.6
Productivity, net of other cost changes	0.4
Business realignment costs	(0.1)
Sales volume and mix	(0.2)
Product liability	(0.2)
Factory closures	(0.2)
Tariffs	(0.8)
Foreign currency translation	(1.5)
Total Change adjusted for divestitures	**$ —**
Q2 FY2020 Gross Profit	**$ 73.5**

10th consecutive quarter of year-over-year gross margin expansion*

*11th consecutive quarter of year-over-year Non-GAAP gross margin expansion

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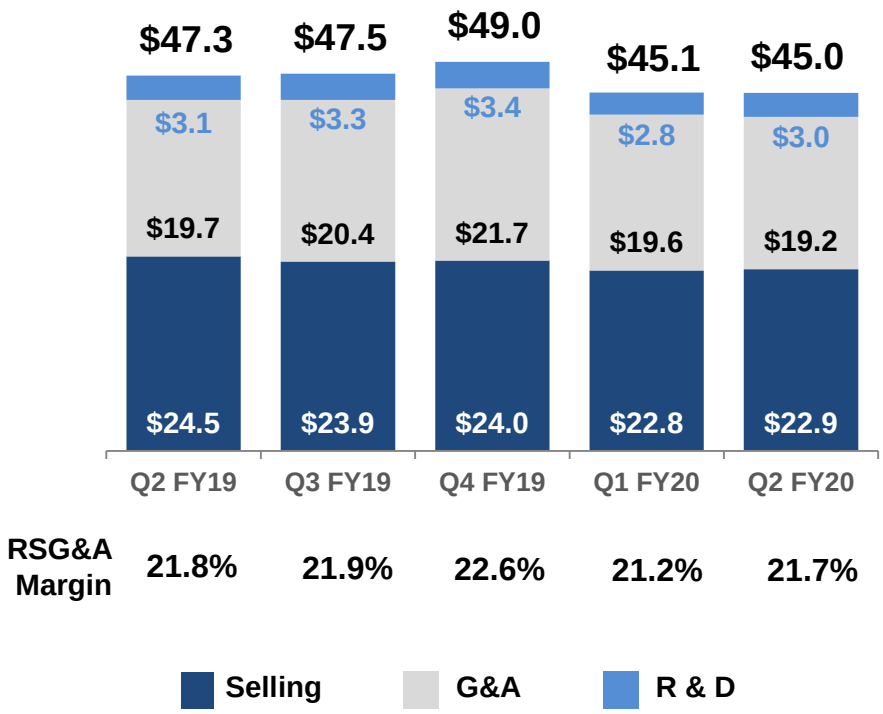
RSG&A

($ in millions)



RSG&A at 21.7% of sales, 10 bps improvement

Reduced by:

- $0.9 million for divestitures
- $0.8 million for FX

Benefited by:

- $0.4 million warehouse closure

Investing in growth:

- $1.0 million in product development, marketing and digital projects

FY20 Q3 RSG&A estimate of approximately $45.0 to $45.5 million

Note: Components may not add to totals due to rounding

Self-funding strategy and managing expenses

RSG&A guidance provided November 7, 2019

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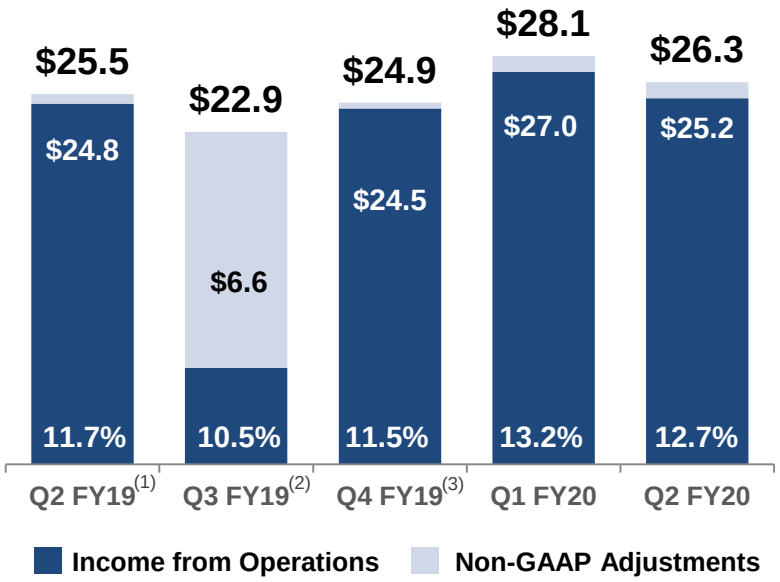
OPERATING INCOME & ADJUSTED OI MARGIN

($ in millions)



(1)*Includes $1.5 million of operating income from divestitures*
(2)*Includes $1.0 million of operating income from divestitures*
(3)*Includes $0.5 million of operating income from divestitures*

Q2 FY20 operating income increased $0.4 million, or 1.6%

Divestitures reduced operating income $1.5 million

Adjusted operating income grew 3.4%, or 9.6% normalized for divestitures

Adjusted operating margin of 12.7% expanded 100 bps

Margins increasing with 80/20 Process and cost discipline

Blueprint for Growth Strategy increasing earnings power

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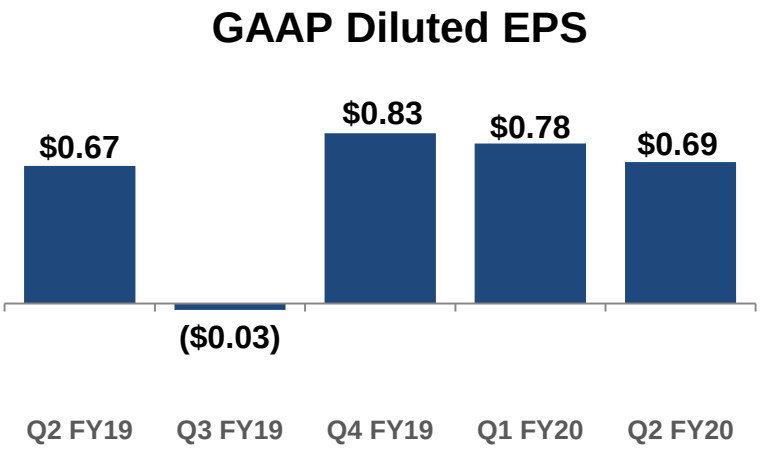
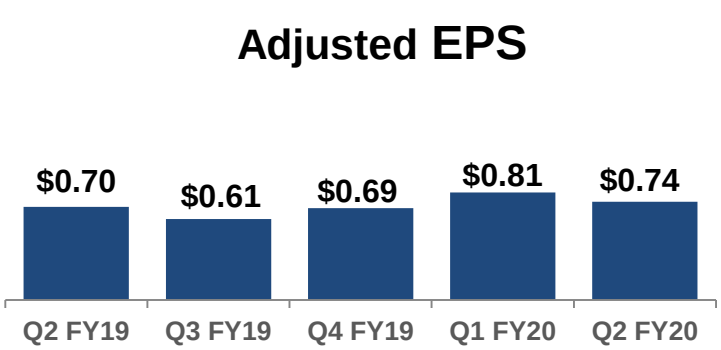
QUARTERLY EARNINGS PER SHARE





Net income:

$16.6 million, 4.3% increase Y/Y

$0.69 per diluted share, up 3.0% Y/Y

Adjusted net income:

$17.8 million, 8.1% increase Y/Y

$0.74 per diluted share, up 5.7% Y/Y

FY20 expected tax rate: 22% to 23%

Strong EPS growth driven by operating margin expansion

Tax rate guidance provided November 7, 2019

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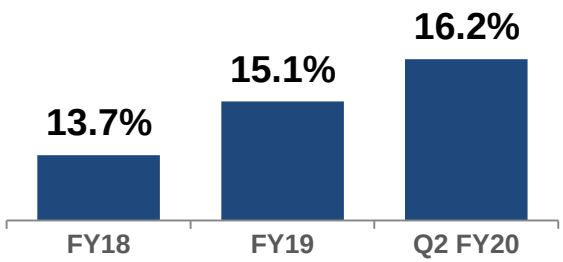
ADJUSTED EBITDA & ROIC

Adjusted EBITDA Margin

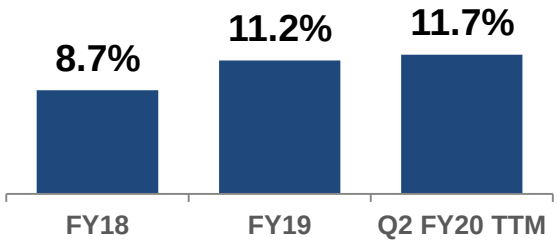


Strong adjusted EBITDA margin

16.2% in Q2 FY20, expanded 80 bps Y/Y

On track to achieve 19% goal in FY 2022

Return on Invested Capital (ROIC)[(1)]



Adjusted ROIC net of cash increased

11.7% in Q2 FY20, expanded 180 bps Y/Y

Targeting mid-teens in FY 2022

Making progress towards goals despite weak macro environment

[(1)]ROIC is defined as adjusted income from operations, net of taxes, for the trailing 12 months divided by the average of debt plus equity less cash (average capital) for the trailing 13 months. A 22% tax rate was used for fiscal years 2018, 2019 & 2020.

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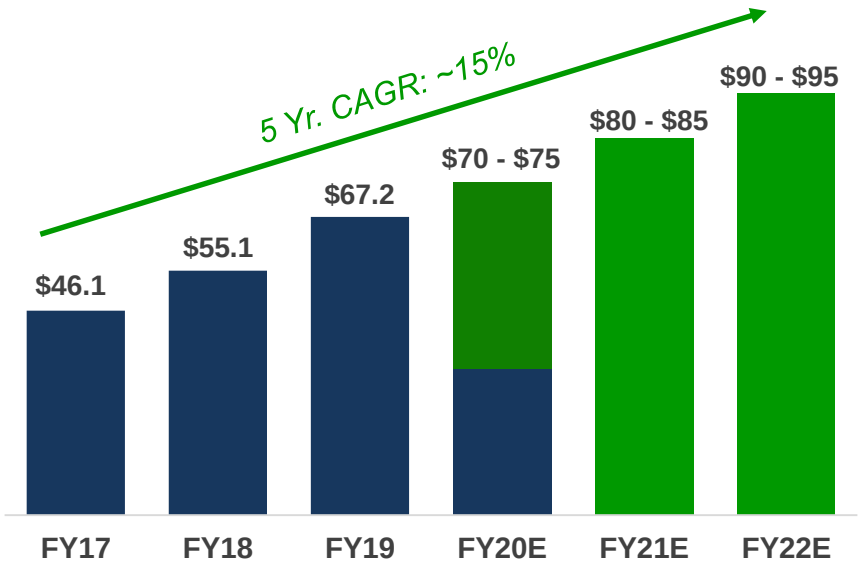
CASH FLOW

($ in millions)

	Three Months Ended		YTD
	9/30/19	**9/30/18**	**9/30/19**
Net cash provided by operating activities	**$40.0**	**$19.5**	**$37.9**
CapEx	**(3.0)**	**(2.5)**	**(4.8)**
Operating free cash flow	**$37.1**	**$17.0**	**$33.0**

Note: Components may not add to totals due to rounding

Free Cash Flow(1)



Generated $37.1 million in operating free cash flow (FCF) in Q2

FY20 expected CapEx: approximately $15 million

FY21E to FY22E Assumptions:

Annual CapEx of ~$20 million

Annual pension contribution of ~$12 million

Reliable, strong cash flow generation

Capital expenditure guidance provided November 7, 2019

(1)Free cash flow is defined as cash provided by operating activities minus capital expenditures

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STRONG BALANCE SHEET

($ in millions)

CAPITALIZATION	Sept. 30, 2019	March 31, 2019
Cash and cash equivalents	$ 72.0	$ 71.1
Total debt	**271.4**	**300.3**
Total net debt	**199.4**	**229.2**
Shareholders' equity	463.8	431.2
Total capitalization	**$ 735.2**	**$ 731.5**
Debt/total capitalization	36.9%	41.1%
Net debt/net total capitalization	30.1%	34.7%

Debt leverage ratio[(1)] of 1.5x

- Paid down $20 million of debt in Q2 FY20
- YTD debt reduced by $30 million
- Net debt to net total capital 30.1%

Financial flexibility enables Phase III of Blueprint for Growth strategy

Plan to pay down $65 million of debt in FY2020

[(1)]Debt leverage ratio is defined as Net Debt / Adjusted TTM EBITDA

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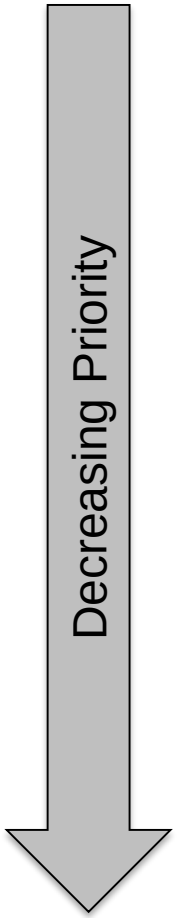
CAPITAL DEPLOYMENT PRIORITIES



Organic Growth

- New product development and CapEx — Investing in growth initiatives
- De-lever the balance sheet — Achieved net leverage target

In-organic Growth

- M&A — Fund M&A

Return of Capital

- Regular dividend — Adhere to dividend policy
- Share repurchase — Consider opportunistically

Capital deployment priorities remain unchanged

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OUTLOOK

Q3 FY20 Outlook:

Macroeconomic and other headwinds expected to continue into 2H FY20

- 80/20 Process expected to offset headwinds and fund continued investments for growth

Expect Q3 FY20 sales to be down ~2% from Q3 FY19, which was ~$205 million*

- Rail project timing will negatively impact quarter $1.7 million

Blueprint for Growth Strategy:

Expect to deliver solid earnings growth

Further business realignment efforts; closing remaining facility in OH

80/20 Process: Incremental ~$18 million of operating income in FY20

Self-funding innovation to Ramp the Growth Engine

Initiating Phase III efforts: Actively manage portfolio and programmatic M&A

Advancing toward top quartile performance

**Q3 FY19 revenue was ~$205 million when adjusted for divestitures ($9.0 million) and FX at current rates ($3 million or 1.5%)*

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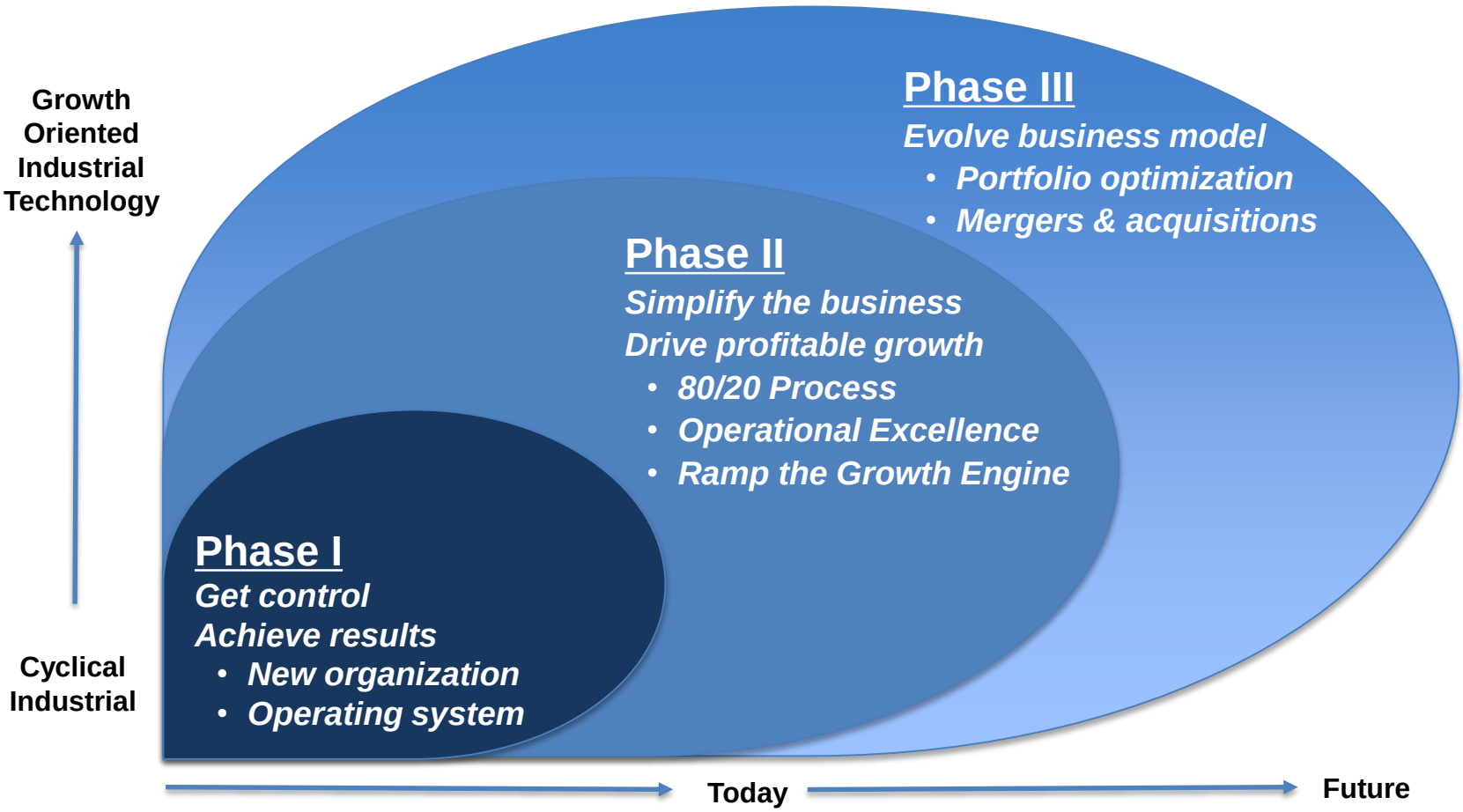
BLUEPRINT FOR GROWTH STRATEGY



Further pivot to growth oriented Industrial Technology company

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Supplemental Information

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BUSINESSES SOLD

($ in thousands)	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	FY19
Sales	11,104	9,233	8,983	4,875	34,195
Income from operations	665	1,461	1,007	532	3,665

1. The Tire Shredder business was divested December 28, 2018.
2. Crane Equipment & Service, Inc. was divested February 28, 2019.
3. Stahlhammer Bommern GmbH was divested February 28, 2019.

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ADJUSTED INCOME FROM OPERATIONS RECONCILIATION

($ in thousands)	Quarter				
	Q2 FY19	**Q3 FY19**	**Q4 FY19**	**Q1 FY20**	**Q2 FY20**
Income from operations	$ 24,825	$ 6,646	$ 24,468	$ 27,043	$ 25,231
Add back (deduct):					
Factory closures	—	200	1,273	1,027	470
Business realignment costs	—	—	—	—	413
Insurance recovery legal costs	659	491	132	139	220
Net (gain) loss on sales of businesses	—	15,550	(978)	169	7
Insurance settlement	—	—	—	(290)	—
Non-GAAP adjusted income from operations	$ 25,484	$ 22,887	$ 24,895	$ 28,088	$ 26,341
Sales	217,142	217,415	216,733	212,712	207,609
Adjusted operating margin	11.7%	10.5%	11.5%	13.2%	12.7%

Adjusted income from operations is defined as income from operations as reported, adjusted for certain items. Adjusted income from operations is not a measure determined in accordance with generally accepted accounting principles in the United States, commonly known as GAAP, and may not be comparable with the measures as used by other companies. Nevertheless, Columbus McKinnon believes that providing non-GAAP information, such as adjusted income from operations, is important for investors and other readers of the Company's financial statements and assists in understanding the comparison of the current quarter's and current year's income from operations to the historical periods' income from operations, as well as facilitates a more meaningful comparison of the Company's income from operations to that of other companies..

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ADJUSTED NET INCOME RECONCILIATION

($ in thousands, except per share data)	Quarter				
	Q2 FY19	**Q3 FY19**	**Q4 FY19**	**Q1 FY20**	**Q2 FY20**
Net income (loss)	$ 15,912	$ (782)	$ 19,741	$ 18,579	$ 16,599
Add back (deduct):					
Factory closures	—	200	1,273	1,027	470
Business realignment costs	—	—	—	—	413
Insurance recovery legal costs	659	491	132	139	220
Net (gain) loss on sales of businesses	—	15,550	(978)	169	7
Insurance settlement	—	—	—	(290)	—
Normalize tax rate [(1)]	(76)	(974)	(3,766)	(291)	114
Non-GAAP adjusted net income	$ 16,495	$ 14,485	$ 16,402	$ 19,333	$ 17,823
Average diluted shares outstanding	23,721	23,681	23,714	23,777	23,926
Diluted income per share – GAAP	$0.67	$(0.03)	$0.83	$0.78	$0.69
Diluted income per share - Non-GAAP	$0.70	$0.61	$0.69	$0.81	$0.74

(1) Applies normalized tax rate of 22% to GAAP pre-tax income and non-GAAP adjustments above, which are each pre-tax.

Adjusted net income and diluted EPS are defined as net income and diluted EPS as reported, adjusted for certain items and at a normalized tax rate. Adjusted net income and diluted EPS are not measures determined in accordance with generally accepted accounting principles in the United States, commonly known as GAAP, and may not be comparable to the measures as used by other companies. Nevertheless, Columbus McKinnon believes that providing non-GAAP information, such as adjusted net income and diluted EPS, is important for investors and other readers of the Company's financial statements and assists in understanding the comparison of the current quarter's and current year's net income and diluted EPS to the historical periods' net income and diluted EPS, as well as facilitates a more meaningful comparison of the Company's net income and diluted EPS to that of other companies.

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ADJUSTED EBITDA RECONCILIATION

($ in thousands)	Quarter				
	Q2 FY19	**Q3 FY19**	**Q4 FY19**	**Q1 FY20**	**Q2 FY20**
Net income (loss)	$ 15,912	$ (782)	$ 19,741	$ 18,579	$ 16,599
Add back (deduct):					
Income tax expense	4,576	3,111	860	5,162	5,141
Interest and debt expense	4,248	4,330	3,959	3,852	3,759
Investment (income) loss	(111)	82	(430)	(302)	(229)
Foreign currency exchange (gain) loss	507	(25)	637	(410)	(296)
Other (income) expense, net	(307)	(70)	(299)	162	257
Depreciation and amortization expense	8,030	7,901	7,912	7,403	7,344
Factory closures	—	200	1,273	1,027	470
Business realignment costs	—	—	—	—	413
Insurance recovery legal costs	659	491	132	139	220
Net (gain) loss on sales of businesses	—	15,550	(978)	169	7
Insurance settlement	—	—	—	(290)	—
Non-GAAP adjusted EBITDA	$ 33,514	$ 30,788	$ 32,807	$ 35,491	$ 33,685
Sales	$ 217,142	$ 217,415	$ 216,733	$ 212,712	$ 207,609
Adjusted EBITDA margin	15.4%	14.2%	15.1%	16.7%	16.2%

Adjusted EBITDA is defined as net income before interest expense, income taxes, depreciation, amortization, and other adjustments. Adjusted EBITDA is not a measure determined in accordance with generally accepted accounting principles in the United States, commonly known as GAAP, and may not be comparable with the measures as used by other companies. Nevertheless, Columbus McKinnon believes that providing non-GAAP information, such as adjusted EBITDA, is important for investors and other readers of the Company's financial statements and assists in understanding the comparison of the current quarter's and current year's net income and diluted EPS to the historical periods' net income and diluted EPS, as well as facilitates a more meaningful comparison of the Company's net income and diluted EPS to that of other companies.

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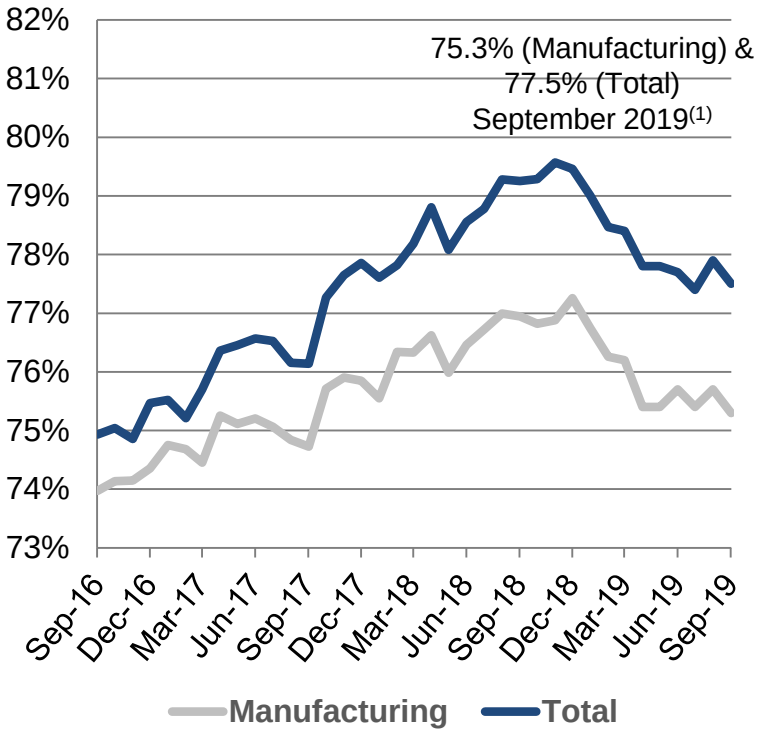
INDUSTRIAL CAPACITY UTILIZATION

U.S. Capacity Utilization

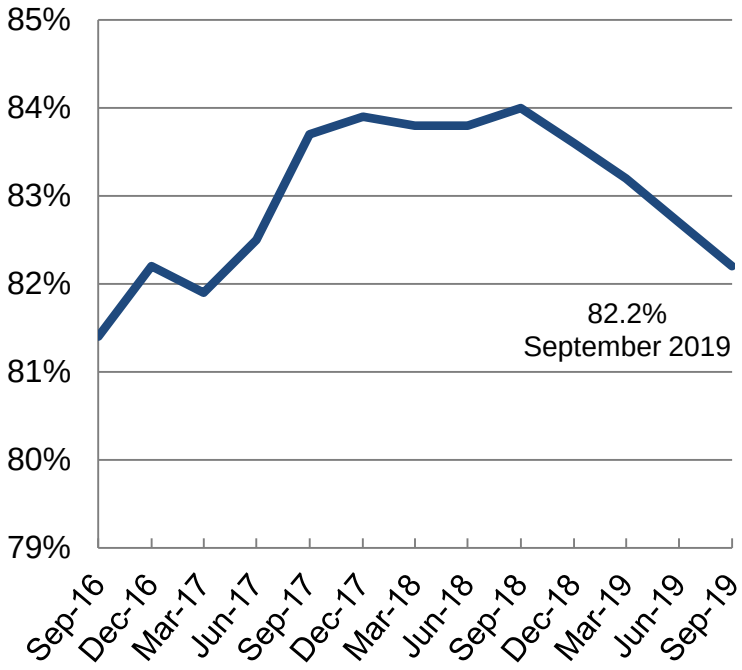
Source: The Federal Reserve Board



(1)September 2019 numbers are preliminary

Eurozone Capacity Utilization

Source: European Commission



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Replay Number: 412-317-6671 *passcode: 13694761*

Telephone replay available through November 14, 2019

Webcast / PowerPoint / Replay available at www.cmworks.com/investors

Transcript, when available, at www.cmworks.com/investors

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