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 1934**

For the quarterly period ended June 30, 2022

or

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

Commission File Number 001-34362

Columbus McKinnon Corporation

(Exact name of registrant as specified in its charter)

New York			16-0547600
(State or other jurisdiction of incorporation or organization)			(I.R.S. Employer Identification No.)
205 Crosspoint Parkway	Buffalo	NY	14068
(Address of principal executive offices)			(Zip code)

(716) 689-5400

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report.)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value per share	**CMCO**	**Nasdaq Global Select Market**

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

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

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

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

If an Emerging Growth Company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

The number of shares of common stock outstanding as of July 25, 2022 was: 28,615,912 shares.

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June 30, 2022

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Part I. Financial Information

Item 1. Condensed Consolidated Financial Statements (Unaudited)

COLUMBUS McKINNON CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2022	March 31, 2022
	(unaudited)	
ASSETS:	**(In thousands)**	
Current assets:		
Cash and cash equivalents	$ 85,660	$ 115,390
Trade accounts receivable, less allowance for doubtful accounts ($5,441 and $5,717, respectively)	133,006	147,515
Inventories	189,324	172,139
Prepaid expenses and other	34,649	31,545
Total current assets	442,639	466,589
Property, plant, and equipment, net	95,651	97,926
Goodwill	640,970	648,849
Other intangibles, net	378,398	390,788
Marketable securities	10,322	10,294
Deferred taxes on income	2,147	2,313
Other assets	64,602	68,948
Total assets	$ 1,634,729	$ 1,685,707
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current liabilities:		
Trade accounts payable	$ 73,867	$ 90,881
Accrued liabilities	104,820	118,187
Current portion of long term debt and finance lease obligations	40,565	40,551
Total current liabilities	219,252	249,619
Term loan and finance lease obligations	460,762	470,675
Other non current liabilities	179,534	192,610
Total liabilities	859,548	912,904
Shareholders' equity:		
Voting common stock; 50,000,000 shares authorized; 28,588,516 and 28,517,333 shares issued and outstanding	286	285
Additional paid in capital	505,926	506,074
Retained earnings	324,734	316,343
Accumulated other comprehensive loss	(55,765)	(49,899)
Total shareholders' equity	775,181	772,803
Total liabilities and shareholders' equity	$ 1,634,729	$ 1,685,707

See accompanying notes.

CFCOLUMBUS McKINNON CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended	
	June 30, 2022	**June 30, 2021**
	(In thousands, except per share data)	
Net sales	$ 220,287	$ 213,464
Cost of products sold	137,768	139,401
Gross profit	82,519	74,063
Selling expenses	26,156	23,482
General and administrative expenses	21,881	30,143
Research and development expenses	5,130	3,583
Amortization of intangibles	6,535	6,109
	59,702	63,317
Income from operations	22,817	10,746
Interest and debt expense	6,203	5,812
Cost of debt refinancing	—	14,803
Investment (income) loss	430	(433)
Foreign currency exchange (gain) loss	1,203	94
Other (income) expense, net	(2,303)	250
Income (loss) before income tax expense (benefit)	17,284	(9,780)
Income tax expense (benefit)	8,893	(2,517)
Net income (loss)	$ 8,391	$ (7,263)
Average basic shares outstanding	28,544	26,762
Average diluted shares outstanding	28,699	26,762
Basic income (loss) per share:	$ 0.29	$ (0.27)
Diluted income (loss) per share:	$ 0.29	$ (0.27)

See accompanying notes.

COLUMBUS McKINNON CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(UNAUDITED)

	Three Months Ended	
	June 30, 2022	**June 30, 2021**
	(In thousands)	
Net income (loss)	$ 8,391	$ (7,263)
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	(8,701)	2,076
Change in derivatives qualifying as hedges, net of taxes of $(812), $(31)	2,689	96
Change in pension liability and postretirement obligation, net of taxes of $(49), $34	146	(97)
Total other comprehensive income (loss)	(5,866)	2,075
Comprehensive income (loss)	$ 2,525	$ (5,188)

See accompanying notes.

COLUMBUS McKINNON CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(UNAUDITED)

	(In thousands, except share data)				
	Common Stock ($0.01 par value)	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance at March 31, 2022	$ 285	$ 506,074	$ 316,343	$ (49,899)	$ 772,803
Net income (loss)	—	—	8,391	—	8,391
Change in foreign currency translation adjustment	—	—	—	(8,701)	(8,701)
Change in derivatives qualifying as hedges, net of tax of $(812)	—	—	—	2,689	2,689
Change in pension liability and postretirement obligations, net of tax of $(49)	—	—	—	146	146
Stock options exercised, 18,907 shares	—	415	—	—	415
Stock compensation expense	—	751	—	—	751
Restricted stock units released, 52,276 shares, net of shares withheld for minimum statutory tax obligation	1	(1,314)	—	—	(1,313)
Balance at June 30, 2022	$ 286	$ 505,926	$ 324,734	$ (55,765)	$ 775,181

See accompanying notes.

COLUMBUS McKINNON CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(UNAUDITED)

	(In thousands, except share data)				
	Common Stock ($0.01 par value)	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance at March 31, 2021	$ 240	$ 296,093	$ 293,802	$ (59,986)	$ 530,149
Net income (loss)	—	—	(7,263)	—	(7,263)
Change in foreign currency translation adjustment	—	—	—	2,076	2,076
Change in derivatives qualifying as hedges, net of tax of $(31)	—	—	—	96	96
Change in pension liability and postretirement obligations, net of tax of $34	—	—	—	(97)	(97)
Issuance of 4,312,500 shares of common stock in May 2021 offering at $48.00, net issuance of costs $8,340	43	198,662	—	—	198,705
Stock options exercised, 12,682 shares	—	290	—	—	290
Stock compensation expense	—	2,262	—	—	2,262
Restricted stock units released, 58,081 shares, net of shares withheld for minimum statutory tax obligation	1	(1,766)	—	—	(1,765)
Balance at June 30, 2021	$ 284	$ 495,541	$ 286,539	$ (57,911)	$ 724,453

See accompanying notes.

COLUMBUS McKINNON CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Three Months Ended	
	June 30, 2022	**June 30, 2021**
OPERATING ACTIVITIES:	**(In thousands)**	
Net income (loss)	8,391	(7,263)
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:		
Depreciation and amortization	10,469	10,467
Deferred income taxes and related valuation allowance	1,272	(245)
Net loss (gain) on sale of real estate, investments and other	485	(391)
Stock-based compensation	751	2,262
Amortization of deferred financing costs	430	471
Cost of debt refinancing	—	14,803
Loss (gain) on hedging instruments	(192)	—
Loss on retirement of fixed asset	173	—
Non-cash lease expense	2,139	1,989
Changes in operating assets and liabilities, net of effects of business acquisitions:		
Trade accounts receivable	11,265	2,043
Inventories	(21,467)	(10,802)
Prepaid expenses and other	359	(5,714)
Other assets	(143)	35
Trade accounts payable	(15,720)	(5,879)
Accrued liabilities	(6,938)	(5,945)
Non-current liabilities	(2,451)	(3,227)
Net cash provided by (used for) operating activities	(11,177)	(7,396)
INVESTING ACTIVITIES:		
Proceeds from sales of marketable securities	650	2,181
Purchases of marketable securities	(1,226)	(4,137)
Capital expenditures	(2,953)	(3,648)
Dividend received from equity method investment	313	—
Proceeds from insurance reimbursement	—	482
Purchase of businesses, net of cash acquired (See Note 2)	(1,616)	(475,311)
Net cash provided by (used for) investing activities	(4,832)	(480,433)
FINANCING ACTIVITIES:		
Proceeds from the issuance of common stock	415	290
Repayment of debt	(10,128)	(455,040)
Proceeds from issuance of long-term debt	—	650,000
Proceeds from equity offering	—	207,000
Fees related to debt and equity offering	—	(25,292)
Cash inflows from hedging activities	6,163	—
Cash outflows from hedging activities	(6,022)	—
Payment of dividends	(1,996)	(1,439)
Other	(1,313)	(1,764)
Net cash provided by (used for) financing activities	(12,881)	373,755
Effect of exchange rate changes on cash	(840)	601
Net change in cash and cash equivalents	(29,730)	(113,473)
Cash, cash equivalents, and restricted cash at beginning of year	115,640	202,377
Cash, cash equivalents, and restricted cash at end of period	$ 85,910	$ 88,904
Supplementary cash flow data:		
Interest paid	$ 5,741	$ 4,398
Income taxes paid, net of refunds	$ 3,940	$ 1,164
Property, plant and equipment purchases included in trade accounts payable	$ 204	$ 1,095
Restricted cash presented in Other assets	$ 250	$ 250

See accompanying notes.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
June 30, 2022

1. Description of Business

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") for interim financial information. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the financial position of Columbus McKinnon Corporation ("the Company") at June 30, 2022, the results of its operations for the three months ended June 30, 2022 and June 30, 2021, and cash flows for the three months ended June 30, 2022 and June 30, 2021, have been included. Results for the period ended June 30, 2022 are not necessarily indicative of the results that may be expected for the fiscal year ending March 31, 2023. The balance sheet at March 31, 2022 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by U.S. GAAP for complete financial statements. For further information, refer to the consolidated financial statements and footnotes thereto included in the Columbus McKinnon Corporation Annual Report on Form 10-K for the fiscal year ended March 31, 2022 (the "2022 10-K").

The Company is a leading worldwide designer, manufacturer, and marketer of intelligent motion solutions that efficiently and ergonomically move, lift, position, and secure materials. Key products include hoists, crane components, precision conveyor systems, accumulation tables, rigging tools, light rail workstations, and digital power and motion control systems. The Company is focused on commercial and industrial applications that require the safety and quality provided by its superior design and engineering know-how.

The Company's products are sold globally, principally to third party distributors and crane builders through diverse distribution channels, and to a lesser extent directly to end-users. During the three months ended June 30, 2022, sales to customers in the United States were approximately 63% of total net sales.

2. Acquisitions & Disposals

2022 Acquisitions

On April 7, 2021, the Company completed its acquisition of Dorner Mfg. Corp. ("Dorner") for $481,012,000. Dorner, headquartered in Hartland, WI, is a leading automation solutions company providing unique, patented technologies in the design, application, manufacturing and integration of high-precision conveying systems. The acquisition of Dorner accelerated the Company's shift to intelligent motion and serves as a platform to expand capabilities in advanced, higher technology automation solutions. Dorner is a leading supplier to the life sciences, food processing, and consumer packaged goods markets as well as the faster growing industrial automation and e-commerce sectors.

The results of Dorner included in the Company's consolidated financial statements from the date of acquisition are Net sales and Income from operations of $34,179,000 and $1,164,000, in the three months ended June 30, 2021. Dorner's Income from operations in the three months ended June 30, 2021 includes acquisition related inventory amortization of $2,981,000, which has been included in Cost of products sold. In connection with the acquisition, the Company incurred immaterial transaction costs, integration and deal expenses in the three months ended June 30, 2022. Acquisition, integration and deal expenses in the amount of $8,272,000 were incurred in the three months ended June 30, 2021, which are included in General and administrative expenses. Additionally, the Company also incurred $970,000 in costs related to a transaction bonus that was paid 45 days after the acquisition date to key personnel of which $521,000 has been recorded as part of Cost of products sold, $350,000 has been recorded as part of Selling expenses, $74,000 has been recorded as part of General and administrative expenses, and $25,000 has been recorded as part of Research and development expenses in the three months ended June 30, 2021.

To finance the Dorner acquisition, on April 7, 2021 the Company entered into a $750,000,000 credit facility ("First Lien Facilities") with JPMorgan Chase Bank, N.A. ("JPMorgan Chase Bank"), PNC Capital Markets LLC, and Wells Fargo Securities LLC. The First Lien Facilities consist of a Revolving Facility (the "New Revolving Credit Facility") in an aggregate amount of $100,000,000 and a $650,000,000 First Lien Term Facility ("Bridge Facility"). Proceeds from the Bridge Facility were used, among other things, to finance the purchase price for the Dorner acquisition, pay related fees, expenses and transaction costs, and refinance the Company's borrowings under its prior Term Loan and Revolver. Refer to Note 9 Debt, for further details on the Company's new debt agreement and subsequent equity offering.

The purchase price has been allocated to the assets acquired and liabilities assumed as of the date of acquisition. The excess consideration of $287,141,000 has been recorded as goodwill as of March 31, 2022. The identifiable intangible assets acquired include customer relationships of $137,000,000, technology of $45,000,000, and trade names of $8,000,000. The weighted average life of the acquired identifiable intangible assets subject to amortization was estimated at 15 years at the time of acquisition. Approximately $8,000,000 of goodwill arising as a result of the acquisition is deductible for tax purposes.

The assignment of purchase consideration to the assets acquired and liabilities assumed is as follows (in thousands):

Cash	$	8,058
Working Capital		20,218
Property, plant, and equipment, net		26,104
Intangible assets		190,000
Other assets		658
Other liabilities		(896)
Finance lease liabilities		(14,582)
Deferred and other taxes, net		(35,689)
Goodwill		287,141
Total	$	481,012

On December 1, 2021, the Company completed its acquisition of Garvey Corporation ("Garvey") for $69,347,000 including $907,000 in cash acquired, after an adjustment for working capital finalized in fiscal 2023 for $1,616,000, and subject to a $2,000,000 contingent payment that only becomes payable if (a) the EBITDA target set forth in the purchase agreement for Garvey for the twelve-month period commencing on the month immediately following closing is achieved and (b) a specific current executive of Garvey remains employed with Garvey until at least March 31, 2023. The Company financed the acquisition by borrowing $75,000,000 utilizing the Accordion feature under its existing Term Loan B, discussed in Note 9. Garvey is a leading accumulation systems solutions company providing unique, patented systems for the automation of production processes whose products complement those of Dorner.

The transaction was accounted for using the acquisition method and, accordingly, the results of the acquired business have been included in the Company's results of operations from the acquisition date. As the Company determined that the acquisition is not material to its existing operations, certain disclosures, and including pro forma financial information, have not been included. In addition, the Company incurred immaterial acquisition and deal costs in the three months ended June 30, 2022.

The purchase price has been preliminarily allocated to the assets acquired and liabilities assumed as of the date of acquisition. The excess consideration of 42,832,000 has been preliminarily recorded as goodwill, an increase of $1,616,000 from March 2022 related to the working capital adjustment discussed above. The identifiable intangible assets acquired include customer relationships of $8,200,000, engineered drawings of $4,670,000, trademarks of $3,610,000, patent of $2,440,000, backlog of $2,100,000 and non-compete agreement of $330,000. The weighted average life of the acquired identifiable intangible assets subject to amortization was estimated at 10 years at the time of acquisition. All of the goodwill arising as a result of the acquisition is deductible for tax purposes. The allocation of the purchase price to the assets acquired and liabilities assumed of Garvey is not complete as of June 30, 2022 as the Company is continuing to gather information regarding Garvey's contingent liabilities and intangible assets.

The preliminary assignment of purchase consideration to the assets acquired and liabilities assumed is as follows (in thousands):

Cash	$	907
Working Capital		1,709
Property, plant, and equipment, net		3,072
Intangible assets		21,350
Other assets		1,382
Other liabilities		(1,905)
Goodwill		42,832
Total	$	69,347

3. Revenue & Receivables

Revenue Recognition:

Performance obligations

The Company has contracts with customers for standard products and custom engineered products, and determines when and how to recognize revenue for each performance obligation based on the nature and type of contract.

Revenue from contracts with customers for standard products is recognized when legal title and significant risk and rewards has transferred to the customer, which is generally at the time of shipment. This is the point in time when control is deemed to transfer to the customer. The Company sells standard products to customers utilizing purchase orders. Payment terms for these types of contracts generally require payment within 30 to 60 days. Each standard product is deemed to be a single performance obligation and the amount of revenue recognized is based on the negotiated price. The transaction price for standard products is based on the price reflected in each purchase order. Sales incentives are offered to customers who purchase standard products and include offers such as volume-based discounts, rebates for priority customers, and discounts for early cash payments. These sales incentives are accounted for as variable consideration included in the transaction price. Accordingly, the Company reduces revenue for these incentives in the period which the sale occurs and is based on the most likely amount method for estimating the amount of consideration the Company expects to receive. These sales incentive estimates are updated each reporting period as additional information becomes available.

The Company also sells custom engineered products and services, which are contracts that are typically completed within one quarter but can extend beyond one year in duration. For custom engineered products, the transaction price is based upon the price stated in the contract. Variable consideration has not been identified as a significant component of transaction price for custom engineered products and services. The Company generally recognizes revenue for custom engineered products upon satisfaction of its performance obligation under the contract which typically coincides with project completion which is when the products and services are controlled by the customer. Control is typically achieved at the later of when legal title and significant risk and rewards have transferred to the customer or the customer has accepted the asset. These contracts often require either up front or installment payments. These types of contracts are generally accounted for as one performance obligation as the products and services are not separately identifiable. The promised services (such as inspection, commissioning, and installation) are essential in order for the delivered product to operate as intended on the customer's site and the services are therefore highly interrelated with product functionality.

For most custom engineered products contracts, the Company determined that while there is no alternative use for the custom engineered products, the Company does not have an enforceable right to payment (which must include a reasonable profit margin) for performance completed to date in order to meet the over time revenue recognition criteria. Therefore, revenue is recognized at a point in time (when the contract is complete). For custom engineered products contracts that contain an enforceable right to payment (including reasonable profit margin) the Company satisfies the performance obligation over time and recognizes revenue based on the extent of progress towards completion of the performance obligation. The cost-to-cost measure of progress is an appropriate measure of progress toward satisfaction of performance obligations as this measure most accurately depicts the progress of work performed and transfer of control to the customers. Under the cost-to-cost measure of progress, the extent of progress toward completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues are recognized proportionally as costs are incurred.

Sales and other taxes collected with revenue are excluded from revenue, consistent with the previous revenue standard. Shipping and handling costs incurred prior to shipment are considered activities required to fulfill the Company's promise to transfer goods, and do not qualify as a separate performance obligation. Additionally, the Company offers standard warranties which are typically 12 months in duration for standard products and 24 to 36 months for custom engineered products. These types of warranties are included in the purchase price of the product and are deemed to be assurance-type warranties which are not accounted for as a separate performance obligation. Other performance obligations included in a contract (such as drawings, owner's manuals, and training services) are immaterial in the context of the contract and are not recognized as a separate performance obligation.

For additional information on the Company's revenue recognition policy refer to the consolidated financial statements included in the 2022 10-K.

Reconciliation of contract balances

The Company records a contract liability when cash is received prior to recording revenue. Some standard contracts require a down payment while most custom engineered contracts require installment payments. Installment payments for the custom engineered contracts typically require a portion due at inception while the remaining payments are due upon completion of certain performance milestones. For both types of contracts, these contract liabilities, referred to as customer advances, are recorded at the time payment is received and are included in Accrued liabilities on the Condensed Consolidated Balance Sheets. When the related performance obligation is satisfied and revenue is recognized, the contract liability is released into income.

The following table illustrates the balance and related activity for customer advances in the three months ended June 30, 2022 and June 30, 2021 (in thousands):

Customer advances (contract liabilities)	**June 30, 2022**	**June 30, 2021**
March 31, beginning balance	22,453 $	15,373
Additional customer advances received	20,814	13,690
Revenue recognized from customer advances included in beginning of period	(18,708)	(15,373)
Other revenue recognized from customer advances	—	(3,131)
Customer advances recorded from Dorner acquisition	—	4,144
Other (1)	(539)	185
June 30, ending balance	$ 24,020 $	14,888

(1) Other includes the impact of foreign currency translation

Revenue was recognized prior to the right to invoice the customer which resulted in a contract asset balance in the amount of $4,647,000 and $2,410,000 as of June 30, 2022 and March 31, 2022, respectively. Contract assets are included in Prepaid expenses and other assets on the Condensed Consolidated Balance Sheets.

Remaining Performance Obligations

As of June 30, 2022, the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) was approximately $2,100,000. We expect to recognize approximately 45% of these sales over the next twelve months.

Disaggregated revenue

In accordance with FASB ASC Topic 606, the Company is required to disaggregate revenue into categories that depict how economic factors affect the nature, amount, timing and uncertainty of revenue and cash flows.

The following table illustrates the disaggregation of revenue by product grouping for the three months ended June 30, 2022 and June 30, 2021 (in thousands):

	Three Months Ended,	
Net Sales by Product Grouping	**June 30, 2022**	**June 30, 2021**
Industrial Products	$ 81,847	$ 79,611
Crane Solutions	79,331	79,667
Engineered Products	18,270	19,993
Precision Conveyor Products	40,799	34,179
All other	40	14
Total	$ 220,287	$ 213,464

Industrial products include: manual chain hoists, electrical chain hoists, rigging/clamps, industrial winches, hooks, shackles, and other forged attachments. Crane solutions products include: wire rope hoists, drives and controls, crane kits and components, and workstations. Engineered products include: linear and mechanical actuators, lifting tables, rail projects, and actuation systems. Precision conveyor products include: low profile, flexible chain, large scale, sanitary and vertical elevation conveyor systems, as well as pallet system conveyors and accumulation systems. The All other product grouping includes miscellaneous revenue.

Practical expedients

Incremental costs to obtain a contract incurred by the Company primarily relate to sales commissions for contracts with a duration of one year or less. Therefore, these costs are expensed as incurred and are recorded in Selling expenses on the Condensed Consolidated Statements of Operations.

Unsatisfied performance obligations for contracts with an expected length of one year or less are not disclosed. Further, revenue from contracts with customers do not include a significant financing component as payment is generally expected within one year from when the performance obligation is controlled by the customer.

Accounts Receivable:

Under ASU 2016-13, the Company is required to remeasure expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions and reasonable forecasts. In addition to these factors, the Company establishes an allowance for doubtful accounts based upon the credit risk of specific customers, historical trends, and other factors. Accounts receivable are charged against the allowance for doubtful accounts once all collection efforts have been exhausted. Due to the short-term nature of such accounts receivable, the estimated amount of accounts receivable that may not be collected is based on aging of the accounts receivable balances.

The following table illustrates the balance and related activity for the allowance for doubtful accounts that is deducted from accounts receivable to present the net amount expected to be collected in the three months ended June 30, 2022 and June 30, 2021 (in thousands):

Allowance for doubtful accounts	**June 30, 2022**	**June 30, 2021**
March 31, beginning balance	$ 5,717	$ 5,686
Bad debt expense	441	213
Less uncollectible accounts written off, net of recoveries	(566)	(472)
Allowance recorded from Dorner acquisition	—	152
Other (1)	(151)	173
June 30, ending balance	$ 5,441	$ 5,752

(1) Other includes the impact of foreign currency translation

4. Fair Value Measurements

FASB ASC Topic 820 “Fair Value Measurements and Disclosures” establishes the standards for reporting financial assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value on a recurring basis (at least annually). Under these standards, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date.

ASC 820-10-35-37 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the valuation techniques that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is separated into three levels based on the reliability of inputs as follows:

Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, involving some degree of judgment.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement. The degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The availability of observable inputs can vary and is affected by a wide variety of factors, including the type of asset/liability, whether the asset/liability is established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, assumptions are required to reflect those that market participants would use in pricing the asset or liability at the measurement date.

The Company uses quoted market prices when valuing its marketable securities and, consequently, the fair value is based on Level 1 inputs. These marketable securities consist of equity and fixed income securities. The Company primarily uses readily observable market data in conjunction with internally developed discounted cash flow valuation models when valuing its derivative portfolio and, consequently, the fair value of the Company’s derivatives is based on Level 2 inputs. The carrying amount of the Company's pension-related annuity contract is recorded at net asset value of the contract and, consequently, its fair value is based on Level 2 inputs and is included in Other assets on the Condensed Consolidated Balance Sheets. The carrying value of the Company’s Term Loan approximates fair value based on current market interest rates for debt instruments of similar credit standing and, consequently, their fair values are based on Level 2 inputs.

The following table provides information regarding financial assets and liabilities measured or disclosed at fair value (in thousands):

Description	June 30, 2022	Fair value measurements at reporting date using: Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets/(Liabilities) measured at fair value:				
Marketable securities	$ 10,322	$ 10,322	$ —	$ —
Annuity contract	1,806	—	1,806	—
Derivative Assets (Liabilities):				
Foreign exchange contracts	(274)	—	(274)	—
Interest rate swap	6,962	—	6,962	—
Cross currency swap	(1,028)	—	(1,028)	—
Disclosed at fair value:				
Term Loan B	$ (471,626)	$ —	$ (471,626)	$ —

Description	March 31, 2022	Fair value measurements at reporting date using: Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets/(Liabilities) measured at fair value:				
Marketable securities	$ 10,294	$ 10,294	$ —	$ —
Annuity contract	1,884	—	1,884	—
Derivative assets (liabilities):				
Foreign exchange contracts	(217)	—	(217)	—
Interest rate swap	3,613	—	3,613	—
Cross currency swap	(8,713)	—	(8,713)	—
Disclosed at fair value:				
Term loan	$ (497,534)	$ —	$ (497,534)	$ —

The Company does not have any non-financial assets and liabilities that are recognized at fair value on a recurring basis. At June 30, 2022, the Term Loan B has been recorded at carrying value, which approximates fair value.

Market gains, interest, and dividend income on marketable securities are recorded in Investment (income) loss on the Condensed Consolidated Statements of Operations. Changes in the fair value of derivatives are recorded in foreign currency exchange (gain) loss or other comprehensive income (loss), to the extent that the derivative qualifies as a hedge under the provisions of FASB ASC Topic 815. Interest and dividend income on marketable securities are measured based upon amounts earned on their respective declaration dates.

There were no assets and liabilities recorded on a non-recurring basis during the three months ended June 30, 2022. Please refer to the 2022 10-K for a full description of the assets and liabilities measured on a non-recurring basis that are included in the Company's March 31, 2022 balance sheet.

5. Inventories

Inventories consisted of the following (in thousands):

	June 30, 2022	March 31, 2022
At cost - FIFO basis:		
Raw materials	$ 147,098	$ 129,015
Work-in-process	29,646	28,093
Finished goods	39,274	36,661
Total at cost FIFO basis	216,018	193,769
LIFO cost less than FIFO cost	(26,694)	(21,630)
Net inventories	$ 189,324	$ 172,139

An actual valuation of inventory under the LIFO method can be made only at the end of each year based on the inventory levels and costs at that time. Accordingly, interim LIFO calculations must necessarily be based on management's estimates of expected year-end inventory levels and costs. Because these are subject to many factors beyond management's control, estimated interim results are subject to change in the final year-end LIFO inventory valuation.

6. Marketable Securities and Other Investments

In accordance with ASU 2016-01, “Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities,” all equity investments in unconsolidated entities (other than those accounted for using the equity method of accounting) are measured at fair value through earnings. The Company's marketable securities are recorded at their fair value, with unrealized changes in market value realized within Investment (income) loss on the Condensed Consolidated Statements of Operations. The impact on earnings for unrealized gains and losses was a loss of $548,000 and gain of $148,000 in the three months ended June 30, 2022 and June 30, 2021.

Consistent with prior periods, the estimated fair value is based on quoted market prices at the balance sheet dates. The cost of securities sold is based on the specific identification method. Interest and dividend income are included in Investment (income) loss in the Condensed Consolidated Statements of Operations.

Marketable securities are carried as long-term assets since they are held for the settlement of the Company’s general and product liability insurance claims filed through CM Insurance Company, Inc. ("CMIC"), a wholly owned captive insurance subsidiary. The marketable securities are not available for general working capital purposes.

Net realized gains related to sales of marketable securities were not material in the three months ended June 30, 2022 and June 30, 2021, respectively.

The Company owns a 49% ownership interest in Eastern Morris Cranes Company Limited ("EMC"), a limited liability company organized and existing under the laws and regulations of the Kingdom of Saudi Arabia. The Company's ownership represents an equity investment in a strategic customer of STAHL serving the Kingdom of Saudi Arabia. The investment's carrying value is presented in Other assets in the Condensed Consolidated Balance Sheets in the amount of $2,373,000 and $2,765,000 as of June 30, 2022 and March 31, 2022, respectively, and has been accounted for as an equity method investment. The investment value was increased for the Company's ownership percentage of income earned by EMC in the amount of $65,000 and $241,000 in the three months ended June 30, 2022 and June 30, 2021, respectively, recorded in Investment (income) loss on the Condensed Consolidated Statements of Operations. Further, in the three months ended June 30, 2022 and June 30, 2021, respectively, EMC distributed cash dividends which the Company received 49% of pursuant to its ownership interest. The investment value was decreased for the Company's share of EMC's cash dividend in the amount of $313,000 in the three months ended June 30, 2022, as it was determined to be a return of the Company's investment. There were no such dividends in the three months ended June 30, 2021. Dividends are included in investing activities on the Condensed Consolidated Statements of Cash Flows in the amount of $313,000 in the three months ended June 30, 2022, as the distribution received exceeded cumulative equity in earnings, under the cumulative earnings approach. The June 30, 2022 and March 31, 2022 trade accounts receivable balance due from EMC are $4,611,000 and $2,589,000, respectively, and are comprised of amounts due for the sale of goods and services in the ordinary course of business.

7. Goodwill and Intangible Assets

Goodwill and indefinite lived trademarks are not amortized but are tested for impairment at least annually, in accordance with the provisions of ASC Topic 350-20-35-1. Goodwill impairment is deemed to exist if the net book value of a reporting unit exceeds its estimated fair value. The fair value of a reporting unit is determined using a discounted cash flow methodology. The Company's reporting units are determined based upon whether discrete financial information is available and reviewed regularly, whether those units constitute a business, and the extent of economic similarities between those reporting units for purposes of aggregation. The Company's reporting units identified under ASC Topic 350-20-35-33 are at the component level, or one level below the operating segment level as defined under ASC Topic 280-10-50-10 "Segment Reporting - Disclosure." The Company has three reporting units as of June 30, 2022 and as of March 31, 2022. The Duff-Norton reporting unit (which designs, manufactures and sources mechanical and electromechanical actuators and rotary unions) had goodwill of $9,699,000 at June 30, 2022 and March 31, 2022. The Rest of Products reporting unit (representing the hoist, chain, forgings, digital power, motion control, manufacturing, and distribution businesses) had goodwill of $301,298,000 and $310,793,000 at June 30, 2022 and March 31, 2022, respectively. The Precision Conveyance reporting unit (which represents high-precision conveying systems) had goodwill of $329,973,000 and $328,357,000 at June 30, 2022 and March 31, 2022, respectively.

Refer to the 2022 10-K for information regarding our annual goodwill and indefinite lived trademark impairment evaluation. Future impairment indicators, such as declines in forecasted cash flows, may cause impairment charges. Impairment charges could be based on such factors as the Company's stock price, forecasted cash flows, assumptions used, control premiums or other variables. There were no such indicators during the three months ended June 30, 2022.

A summary of changes in goodwill during the three months ended June 30, 2022 is as follows (in thousands):

Balance at April 1, 2022	$ 648,849
Working capital adjustment for Garvey (Refer to Note 2)	1,616
Currency translation	(9,495)
Balance at June 30, 2022	$ 640,970

Goodwill is recognized net of accumulated impairment losses of $113,174,000 as of June 30, 2022 and March 31, 2022, respectively.

Identifiable intangible assets acquired in a business combination are amortized over their estimated useful lives. Identifiable intangible assets are summarized as follows (in thousands):

	June 30, 2022			March 31, 2022		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Trademark	$ 19,275	(5,184)	$ 14,091	$ 19,529	$ (5,032)	$ 14,497
Indefinite lived trademark	45,724	—	45,724	46,721	—	46,721
Customer relationships	318,216	(73,293)	244,923	325,431	(71,202)	254,229
Acquired technology	96,282	(23,281)	73,001	96,433	(21,789)	74,644
Other	3,373	(2,714)	659	3,476	(2,779)	697
Total	$ 482,870	$ (104,472)	$ 378,398	$ 491,590	$ (100,802)	$ 390,788

The Company's intangible assets that are considered to have finite lives are amortized. The weighted-average amortization periods are 14 years for trademarks, 17 years for customer relationships, 16 years for acquired technology, 5 years for other, and 17 years in total. Trademarks with a carrying value of $45,724,000 as of June 30, 2022 have an indefinite useful life and are therefore not being amortized.

Total amortization expense was $6,535,000 and $6,109,000 for the three months ended June 30, 2022 and 2021, respectively. Based on the current amount of identifiable intangible assets and current exchange rates, the estimated annual amortization expense for each of the succeeding five years is expected to be approximately $26,100,000.

8. Derivative Instruments

The Company uses derivative instruments to manage selected foreign currency and interest rate exposures. The Company does not use derivative instruments for speculative trading purposes. All derivative instruments must be recorded on the balance sheet at fair value. For derivatives designated as cash flow hedges, changes in the fair value of the derivative is recorded as accumulated other comprehensive loss, or "AOCL," and is reclassified to earnings when the underlying transaction has an impact on earnings. For foreign currency derivatives not designated as cash flow hedges, all changes in market value are recorded as a foreign currency exchange loss (gain) in the Company's Consolidated Statements of Operations. The cash flow effects of derivatives are reported within net cash (used for) provided by operating activities on the Condensed Consolidated Statements of Cash Flows.

The Company is exposed to credit losses in the event of non-performance by the counterparties on its financial instruments. The counterparties have investment grade credit ratings. The Company anticipates that these counterparties will be able to fully satisfy their obligations under the contracts.

The Company's agreements with its counterparties contain provisions pursuant to which the Company could be declared in default of its derivative obligations. As of June 30, 2022, the Company had not posted any collateral related to these agreements. If the Company had breached any of these provisions as of June 30, 2022, it could have been required to settle its obligations under these agreements at amounts which approximate the June 30, 2022 fair values reflected in the table below. During the three months ended June 30, 2022, the Company was not in default of any of its derivative obligations.

As of June 30, 2022, the Company had no derivatives designated as net investments or fair value hedges in accordance with FASB ASC Topic 815, "Derivatives and Hedging."

The Company has a cross currency swap agreement that is designated as a cash flow hedge to hedge changes in the value of an intercompany loan to a foreign subsidiary due to changes in foreign exchange rates. This intercompany loan is related to the acquisition of STAHL. As of June 30, 2022, the notional amount of this derivative is $123,236,000, and this contract matures on March 31, 2028. During fiscal 2022, the Company modified the cross currency swap by extending it to fiscal year 2028, matching the intercompany loan. The Company concluded that the transaction to modify the cross currency swap, as well as the modified swap, maintained hedge accounting. The modified cross currency swap is considered to have an other than insignificant financing element. As such, its cash flows are classified within financing activities in the Statement of Cash Flows. From its June 30, 2022 balance of AOCL, the Company expects to reclassify approximately $732,000 out of AOCL, and into foreign currency exchange loss (gain), during the next 12 months based on the contractual payments due under this intercompany loan.

The Company has foreign currency forward agreements that are designated as cash flow hedges to hedge a portion of forecasted inventory purchases denominated in foreign currencies. As of June 30, 2022, the notional amount of those derivatives was $5,515,000, and all contracts mature by March 31, 2023. From its June 30, 2022 balance of AOCL, the Company expects to reclassify approximately $268,000 out of AOCL during the next 9 months based on the expected sales of the goods purchased.

The Company's policy is to maintain a capital structure that is comprised of 50-70% of fixed rate long term debt and 30-50% of variable rate long term debt. The Company has three interest rate swap agreements in which the Company receives interest at a variable rate and pays interest at a fixed rate. The third interest rate swap agreement was entered into in fiscal year 2022 as a result of the additional debt from the Dorner and Garvey acquisitions. During fiscal 2022, the Company modified the LIBOR floor to match the new Term Loan B resulting from the Dorner related debt refinancing. The Company concluded that the modification maintained hedge accounting. The modified interest rate swap is considered to have an other than insignificant financing element as well as a more than an insignificant initial net investment. As such, its cash flows are classified as financing activities in the Statement of Cash Flows and the swap liability is considered a hybrid debt instrument. These interest rate swap agreements are designated as cash flow hedges to hedge changes in interest expense due to changes in the variable interest rate of the senior secured term loan. The amortizing interest rate swaps mature by February 28, 2025 and had a total notional amount of $293,958,000 as of June 30, 2022. The effective portion of the changes in fair values of the interest rate swaps is reported in AOCL and will be reclassified to interest expense over the life of the swap agreements. As such, its cash flows are classified within financing activities in the Statement of Cash Flows. From its June 30, 2022 balance of AOCL, the Company expects to reclassify approximately $2,321,000 of AOCL, and into interest and debt expense, during the next 12 months.

The following is the effect of derivative instruments on the Condensed Consolidated Statements of Operations for the three months ended June 30, 2022 and 2021 (in thousands):

Derivatives Designated as Cash Flow Hedges	Type of Instrument	Amount of Gain or (Loss) Recognized in Other Comprehensive Income (Loss) on Derivatives	Location of Gain or (Loss) Recognized in Income on Derivatives	Amount of Gain or (Loss) Reclassified from AOCL into Income
June 30, 2022	Foreign exchange contracts	$ (104)	Cost of products sold	$ (26)
June 30, 2022	Interest rate swaps	1,699	Interest expense	(814)
June 30, 2022	Cross currency swaps	5,772	Foreign currency exchange (gain) loss	5,518
June 30, 2021	Foreign exchange contracts	(37)	Cost of products sold	4
June 30, 2021	Interest rate swap	(103)	Interest expense	(335)
June 30, 2021	Cross currency swaps	(1,080)	Foreign currency exchange (gain) loss	(985)

The following is information relative to the Company's derivative instruments in the Condensed Consolidated Balance Sheets (in thousands):

		Fair Value of Asset (Liability)	
Derivatives Designated as Hedging Instruments	Balance Sheet Location	**June 30, 2022**	**March 31, 2022**
Foreign exchange contracts	Prepaid expenses and other	$ 57	—
Foreign exchange contracts	Accrued liabilities	(331)	(217)
Interest rate swap	Prepaid expenses and other	3,927	859
Interest rate swap	Other assets	4,138	4,512
Interest rate swap	Accrued liabilities	(873)	(1,371)
Interest rate swap	Other non current liabilities	(230)	(387)
Cross currency swap	Prepaid expenses and other	976	—
Cross currency swap	Accrued liabilities	—	(170)
Cross currency swap	Other non current liabilities	(2,004)	(8,543)

9. Debt

The Company completed its acquisition of Dorner on April 7, 2021 and entered into a $750,000,000 First Lien Facility with JPMorgan Chase Bank, PNC Capital Markets LLC, and Wells Fargo Securities LLC. The First Lien Facility consists of a New Revolving Credit Facility in an aggregate amount of $100,000,000 and a $650,000,000 Bridge Facility. Proceeds from the Bridge Facility were used, among other things, to finance the purchase price for the Dorner acquisition, pay related fees, expenses and transaction costs, and refinance the Company's outstanding borrowings under its prior Term Loan and Revolver.

In addition to the debt borrowing described above, the Company commenced and completed an underwritten public offering of 4,312,500 shares of its common stock at a price of $48.00 per share for total gross proceeds of $207,000,000. The Company used all of the net proceeds from the equity offering to repay in part outstanding borrowings under its Bridge Facility. The equity offering closed on May 4, 2021. Following the repayment of outstanding borrowings under the Bridge Facility, the Bridge Facility was refinanced with a syndicated Term Loan B facility on May 14, 2021. Refer to the 2022 10-K for further details on the Company's Term Loan B facility.

The Company incurred $14,803,000 in debt extinguishment costs of which $5,946,000 relates to the Company's prior Term Loan, $326,000 relates to the Company's prior Revolver, and $8,531,000 relates to fees paid on the portion of the First Lien Facilities that were associated with the Bridge Facility, all of which were incurred in the first quarter of fiscal 2022. These costs are classified as Cost of debt refinancing in the Condensed Consolidated Statements of Operations.

Further, in the first quarter of fiscal 2022, the Company recorded $5,432,000 in deferred financing costs on the First Lien Term Facility, which will be amortized over seven years. The Company recorded $4,027,000 in deferred financings costs on the New Revolving Credit Facility, of which $3,050,000 is related to the New Revolving Credit Facility and $977,000 is carried over from the Company's prior Revolver as certain Revolver lenders increased their borrowing capacity. These balances will be amortized over five years and are classified in Other assets since no funds were drawn on the New Revolving Credit Facility.

Also discussed in Note 2, the Company completed its acquisition of Garvey on November 30, 2021 and borrowed additional funds in accordance with the Accordion feature under its existing Term Loan B facility to increase the principal amount of the Term Loan B facility by $75,000,000. Proceeds from the Accordion were used, among other things, to finance the purchase price for the Garvey acquisition, pay related fees, expenses, and transaction costs. No material amendment to the terms of the Term Loan B facility or the First Lien Facility was necessary for the Company to exercise this Accordion feature.

The outstanding principal balance of the Term Loan B facility was $492,560,000 as of June 30, 2022, which includes $75,000,000 in principal balance from the Accordion exercised in the third quarter of fiscal 2022. The Company made $10,000,000 in principal payments on the Term Loan B facility during the three months ended June 30, 2022 of which $1,315,000 was required. The Company is obligated to make $5,260,000 of principal payments on the Term Loan B facility over the next 12 months plus applicable Excess Cash Flow ("ECF") payments, if required, however, plans to pay down approximately $40,000,000 in principal payments in total during such 12 month period. This amount has been recorded within the current portion of long term debt on the Company's Condensed Consolidated Balance Sheet with the remaining balance recorded as long term debt.

There were no outstanding borrowings and $17,210,000 in outstanding letters of credit issued against the New Revolving Credit Facility as of June 30, 2022. The outstanding letters of credit as of June 30, 2022 consisted of $1,550,000 in commercial letters of credit and $15,660,000 of standby letters of credit.

The gross balance of deferred financing costs on the Term Loan B facility was $6,323,000, which includes $892,000 from the Accordion exercise, as of June 30, 2022 and March 31, 2022. The accumulated amortization balances were $1,127,000 and $898,000 as of June 30, 2022 and March 31, 2022, respectively.

The gross balance of deferred financing costs associated with the New Revolving Credit Facility is $4,027,000 as of June 30, 2022 and March 31, 2022, respectively, which are included in Other assets on the Condensed Consolidated Balance Sheet. The accumulated amortization balances were $1,007,000 and $805,000 as of June 30, 2022 and March 31, 2022, respectively.

In connection with Dorner acquisition, the Company recorded a finance lease for a manufacturing facility in Hartland, WI under a 23 year lease agreement which terminates in 2035. The outstanding balance on the finance lease obligation is $13,957,000 as of June 30, 2022 of which $559,000 has been recorded within the Current portion of long term debt and the remaining balance recorded within Term loan and revolving credit facility on the Company's Condensed Consolidated Balance Sheet. See Note 15, *Leases*, for further details.

Unsecured and uncommitted lines of credit are available to meet short-term working capital needs for certain of our subsidiaries operating outside of the U.S. The lines of credit are available on an offering basis, meaning that transactions under the line of credit will be on such terms and conditions, including interest rate, maturity, representations, covenants and events of default, as mutually agreed between our subsidiaries and the local bank at the time of each specific transaction. As of June 30, 2022, unsecured credit lines totaled approximately $2,306,000, of which $0 was drawn. In addition, unsecured lines of $11,457,000 were available for bank guarantees issued in the normal course of business of which $10,136,000 was utilized.

Refer to the Company’s consolidated financial statements included in its 2022 10-K for further information on its debt arrangements.

10. Net Periodic Benefit Cost

The following table sets forth the components of net periodic pension cost for the Company's defined benefit pension plans (in thousands):

	Three Months Ended	
	June 30, 2022	June 30, 2021
Service costs	$ 180	$ 254
Interest cost	2,870	2,576
Expected return on plan assets	(2,713)	(3,261)
Net amortization	208	370
Net periodic pension (benefit) cost	$ 545	$ (61)

Components of the net benefit costs other than the service cost component are recorded in Other (income) expense, net on the Condensed Consolidated Statements of Operations. Service costs are recorded as part of Income from operations. The Company currently plans to contribute approximately $4,889,000 to its pension plans in fiscal 2023.

For additional information on the Company's defined benefit pension and postretirement benefit plans, refer to the consolidated financial statements included in the 2022 10-K.

11. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share (in thousands):

	Three Months Ended	
	June 30, 2022	June 30, 2021
Numerator for basic and diluted earnings per share:		
Net income (loss)	$ 8,391	$ (7,263)
Denominators:		
Weighted-average common stock outstanding – denominator for basic EPS	28,544	26,762
Effect of dilutive employee stock options and other share-based awards	155	—
Adjusted weighted-average common stock outstanding and assumed conversions – denominator for diluted EPS	28,699	26,762

Stock options with respect to 378,000 common shares for the three months ended June 30, 2022 were not included in the computation of diluted income per share because they were antidilutive. Contingently issuable common shares of 179,000 were excluded because a performance condition had not yet been met.

Stock options, restricted stock units, and performance shares with respect to 1,199,000 common shares for the three months ended June 30, 2021 were not included in the computation of diluted income per share because they were antidilutive as a result of the Company's net loss.

The Company grants share based compensation to eligible participants under the 2016 Long Term Incentive Plan, as Amended and Restated in June 2019 ("2016 LTIP"). The total number of shares of common stock with respect to which awards may be granted under the 2016 LTIP were increased by 2,500,000 as a result of the June 2019 amendment and restatement. Shares not previously authorized for issuance under any of the prior stock plans and any shares not issued or subject to outstanding awards under the prior stock plans are still available for issuance.

During the three months ended June 30, 2022, the Company determined that the performance condition on its fiscal 2021 performance shares would not be fully met. The Company has adjusted its stock-based compensation accordingly in fiscal 2023.

During the first three months of fiscal 2023, there were 19,000 shares of stock issued upon the exercising of stock options issued under the Company's LTIP. During the fiscal year ended March 31, 2022, 138,000 shares of restricted stock units vested and were issued.

In May of fiscal 2022, the Company issued 4,312,500 shares of common stock raising proceeds of $198,705,000 net of fees in connection with the Dorner acquisition that was completed in April 2021. Additional information regarding this transaction can be found in Note 2 as well as the 2022 10-K.

On July 17, 2022, the Company's Board of Directors declared a dividend of $0.07 per common share. The dividend will be paid on August 15, 2022 to shareholders of record on August 5, 2022. The dividend payment is expected to be approximately $2,000,000.

Refer to the Company's consolidated financial statements included in its 2022 10-K for further information on its earnings per share and stock plans.

12. Loss Contingencies

From time to time, the Company is named a defendant in legal actions arising out of the normal course of business. The Company is not a party to any pending legal proceeding other than ordinary, routine litigation incidental to our business. The Company does not believe that any of our pending litigation will have a material impact on its business.

Accrued general and product liability costs are actuarially estimated reserves based on amounts determined from loss reports, individual cases filed with the Company, and an amount for losses incurred but not reported. The aggregate amounts of reserves were $22,234,000 (gross of estimated insurance recoveries of $8,944,000) as of June 30, 2022, of which $18,334,000 is included in Other non current liabilities and $3,900,000 in Accrued liabilities. The liability for accrued general and product liability costs are funded by investments in marketable securities (see Note 6).

The following table provides a reconciliation of the beginning and ending balances for accrued general and product liability:

	June 30, 2022	March 31, 2022
Accrued general and product liability, beginning of period	$ 22,575	$ 21,227
Estimated insurance recoveries	(216)	1,109
Add provision for claims	845	6,648
Deduct payments for claims	(970)	(6,409)
Accrued general and product liability, end of period	$ 22,234	$ 22,575
Estimated insurance recoveries	(8,944)	(9,160)
Net accrued general and product liability, end of period	$ 13,290	$ 13,415

The per occurrence limits on the self-insurance for general and product liability coverage to Columbus McKinnon through its wholly-owned captive insurance company were $2,000,000 from inception through fiscal 2003 and $3,000,000 for fiscal 2004 and thereafter. In addition to the per occurrence limits, the Company's coverage is also subject to an annual aggregate limit, applicable to losses only. These limits range from $2,000,000 to $6,000,000 for each policy year from inception through fiscal 2023. The Company also purchases excess general and product liability insurance up to an aggregate $75,000,000 limit.

Asbestos

Like many industrial manufacturers, the Company is involved in asbestos-related litigation. In continually evaluating costs relating to its estimated asbestos-related liability, the Company reviews, among other things, the incidence of past and recent claims, the historical case dismissal rate, the mix of the claimed illnesses and occupations of the plaintiffs, its recent and historical resolution of the cases, the number of cases pending against it, the status and results of broad-based settlement discussions, and the number of years such activity might continue. Based on this review, the Company has estimated its share

of liability to defend and resolve probable asbestos-related personal injury claims. This estimate is highly uncertain due to the limitations of the available data and the difficulty of forecasting with any certainty the numerous variables that can affect the range of the liability. The Company will continue to study the variables in light of additional information in order to identify trends that may become evident and to assess their impact on the range of liability that is probable and estimable.

Based on actuarial information, the Company has estimated its net asbestos-related aggregate liability including related legal costs to range between $5,800,000 and $10,600,000, net of insurance recoveries, using actuarial parameters of continued claims for a period of 37 years from June 30, 2022. The Company has estimated its asbestos-related aggregate liability that is probable and estimable, net of insurance recoveries, in accordance with U.S. generally accepted accounting principles approximates $7,652,000. The Company has reflected the liability gross of insurance recoveries of $8,944,000 as a liability in the Condensed Consolidated Balance Sheet as of June 30, 2022. The recorded liability does not consider the impact of any potential favorable federal legislation. This liability will fluctuate based on the uncertainty in the number of future claims that will be filed and the cost to resolve those claims, which may be influenced by a number of factors, including the outcome of the ongoing broad-based settlement negotiations, defensive strategies, and the cost to resolve claims outside the broad-based settlement program. Of this amount, management expects to incur asbestos liability payments of approximately $2,400,000 over the next 12 months. Because payment of the liability is likely to extend over many years, management believes that the potential additional costs for claims will not have a material effect on the financial condition of the Company or its liquidity, although the effect of any future liabilities recorded could be material to earnings in a future period.

A share of the Company’s previously incurred asbestos-related expenses and future asbestos-related expenses are covered by pre-existing insurance policies. The Company had been engaged in a legal action against the insurance carriers for those policies to recover past expenses and future costs incurred. The Company came to an agreement with the insurance carriers to settle its case against them for recovery of a portion of past costs and future costs for asbestos-related legal defense costs. The agreement was finalized during the quarter ended September 30, 2020. The terms of the settlement require the carriers to pay gross defense costs prior to retro-premiums of 65% for future asbestos-related defense costs subject to an annual cap of $1,650,000 for claims covered by the settlement.

Further, the insurance carriers are expected to cover 100% of indemnity costs related to all covered cases. Estimates of the future cost sharing have been included in the loss reserve calculation as of June 30, 2022 and March 31, 2022. The Company has recorded a receivable for the estimated future cost sharing in Other assets in the Condensed Consolidated Balance Sheet at June 30, 2022 in the amount of $8,944,000, which offsets its asbestos reserves.

Product Liability

The Company is also involved in other unresolved legal actions that arise in the normal course of business. The most prevalent of these unresolved actions involve disputes related to product design, manufacture and performance liability. The Company's estimation of its product-related aggregate liability that is probable and estimable, in accordance with U.S. generally accepted accounting principles approximates $5,122,000, which has been reflected as a liability in the Condensed Consolidated Balance Sheet as of June 30, 2022. In some cases, the Company cannot reasonably estimate a range of loss because there is insufficient information regarding the matter. Management believes that the potential additional costs for claims will not have a material effect on the financial condition of the Company or its liquidity, although the effect of any future liabilities recorded could be material to earnings in a future period.

In addition, one of the Company's subsidiaries, Magnetek, Inc. ("Magnetek"), has been named, along with multiple other defendants, in asbestos-related lawsuits associated with business operations previously acquired but which are no longer owned. During Magnetek's ownership, none of the businesses produced or sold asbestos-containing products. For such claims, Magnetek is uninsured and either contractually indemnified against liability, or contractually obligated to defend and indemnify the purchaser of these former business operations. The Company aggressively seeks dismissal from these proceedings. The asbestos-related liability including legal costs is estimated to be approximately $463,000 which has been reflected as a liability in the Condensed Consolidated Balance Sheet at June 30, 2022.

Litigation-Other

In October 2010, Magnetek received a request for indemnification from Power-One, Inc. ("Power-One") for an Italian tax matter arising out of the sale of Magnetek's power electronics business to Power-One in October 2006. With a reservation of rights, Magnetek affirmed its obligation to indemnify Power-One for certain pre-closing taxes. The sale included an Italian company, Magnetek, S.p.A., and its wholly owned subsidiary, Magnetek Electronics (Shenzhen) Co. Ltd. (the “Power-One China Subsidiary”). The tax authority in Arezzo, Italy, issued a notice of audit report in September 2010 wherein it asserted that the Power-One China Subsidiary had its administrative headquarters in Italy and, therefore, it should be considered resident in Italy and subject to taxation in Italy. In November 2010, the tax authority issued a notice of tax assessment for the period of

July 2003 to June 2004, alleging that taxes of approximately $2,000,000 (Euro 1,900,000), plus interest, were due in Italy on taxable income earned by the Power-One China Subsidiary during this period. In addition, the assessment alleges potential penalties in the amount of approximately $2,300,000 (Euro 2,200,000) for the alleged failure of the Power-One China Subsidiary to file its Italian tax return. The Power-One China Subsidiary filed its response with the provincial tax commission of Arezzo, Italy in January 2011. A hearing before the Tax Court was held in July 2012 on the tax assessment for the period of July 2003 to June 2004. In September 2012, the Tax Court ruled in favor of the Power-One China Subsidiary dismissing the tax assessment for the period of July 2003 to June 2004. In February 2013, the tax authority filed an appeal of the Tax Court's September 2012 ruling. The Regional Tax Commission of Florence heard the appeal of the tax assessment dismissal for the period of July 2003 to June 2004 and thereafter issued its ruling finding in favor of the tax authority. Magnetek believed the court's decision was based upon erroneous interpretations of the applicable law and appealed the ruling to the Italian Supreme Court in April 2015. In April 2022, the Supreme Court upheld the appeal in favor of Power-One.

The tax authority in Arezzo, Italy also issued a tax inspection report in January 2011 for the periods July 2002 to June 2003 (fiscal period 2002/2003) and July 2004 to December 2006 (fiscal periods 2004/2005 and 2005/2006) claiming that the Power-One China Subsidiary failed to file Italian tax returns for the reported periods. In August 2012, the tax authority in Arezzo, Italy issued four notices of tax assessment for the periods July 2002 to June 2003 and July 2004 to December 2006, alleging that taxes of approximately $7,000,000 (Euro 6,700,000) were due in Italy on taxable income earned by the Power-One China Subsidiary together with an allegation of potential penalties in the amount of approximately $2,900,000 (Euro 2,800,000) for the alleged failure of the Power-One China Subsidiary to file its Italian tax returns. On June 3, 2015, the Tax Court, with four judgements, ruled in favor of the Power-One China Subsidiary dismissing the tax assessments for the periods of July 2002 to June 2003 and July 2004 to December 2006. On July 27, 2015, the tax authority filed four appeals of the Tax Court's ruling of June 3, 2015. In May 2016, the Regional Tax Court of Florence rejected the appeals of the tax authority and at the same time canceled the notices of assessment for the fiscal years of 2004/2005 and 2005/2006. The tax authority had up to six months to appeal the decisions. In December 2016, the Power-One China Subsidiary was served by the Italian Revenue Agency with two appeals to the Italian Supreme Court regarding the two positive judgments on the tax assessments for the fiscal periods 2004/2005 and 2005/2006. In February 2017 the Power-One China Subsidiary filed two memorandum before the Italian Supreme Court in response to the appeals made by the tax authority against the positive judgments on the tax assessments for fiscal years 2004/2005 and 2005/2006. In March 2017, the Regional Tax Court of Florence rejected the appeal of the assessment for 2006 fiscal year (period July 2006-December 2006). The tax authority had until October 2017 to appeal this decision. In October 2017, the Power-One China Subsidiary was served by the Italian Revenue Agency with an appeal to the Italian Supreme Court against the positive judgment on the tax assessment for fiscal year 2006. In November 2017 the Power-One China Subsidiary filed a memorandum before the Italian Supreme Court in response to the appeal made by the tax authority against the positive judgment on the tax assessment for fiscal year 2006. In February 2018 an appeal hearing was held at the Regional Tax Court of Florence regarding the Italian tax authority's claim for taxes due for fiscal year 2002/2003. In March 2018, the Regional Tax Court of Florence rejected the appeal of the assessment for 2002/2003 fiscal year. In October 2018 the Power-One China Subsidiary was served by the Italian Revenue Agency with an appeal to the Italian Supreme Court against the positive judgment on the tax assessment for fiscal year 2002/2003. In November 2018 the Power-One China Subsidiary filed a memorandum with the Italian Supreme Court in response to the appeal made by the tax authority. In April 2022, the Supreme Court filed judgments concerning the tax assessments for fiscal years 2002/2003 and 2006. Further, in July 2022, the Supreme Court filed judgments concerning the tax assessments for the fiscal periods 2004/2005 and 2005/2006. In both judgments, the Supreme Court upheld the appeals of the Italian Tax Authority and remitted the proceedings back to the Regional Tax Court for a new evaluation of the substance of the dispute. The proceedings should be resumed before the Regional Tax Court within six months from the filing of the judgments.

The Company believes it will be successful and does not expect to incur a liability related to these assessments.

In September of 2017, Magnetek received a request for defense and indemnification from Monsanto Company, Pharmacia, LLC, and Solutia, Inc. (collectively, "Monsanto") with respect to: (1) lawsuits brought by plaintiffs claiming that Monsanto manufactured polychlorinated biphenyls ("PCBs"), exposure to which allegedly caused injury to plaintiffs; and (2) lawsuits brought by municipalities and municipal entities claiming that Monsanto should be responsible for a variety of damages due to the presence of PCBs in bodies of water in those municipalities and/or in water treated by those municipal entities. Monsanto claims to be entitled to defense and indemnification from Magnetek under a so-called "Special Undertaking" apparently executed by Magnetek's predecessor Universal Manufacturing ("Universal") in January of 1972, which purportedly required Universal to defend and indemnify Monsanto from liabilities "arising out of or in connection with the receipt, purchase, possession, handling, use, sale or disposition of" PCBs by Universal.

Magnetek has declined Monsanto's tender, and believes that it has meritorious legal and factual defenses to the demands made by Monsanto. Magnetek is vigorously defending against those demands and has commenced litigation to, among other things, declare the Special Undertaking void and unenforceable. Monsanto has, in turn, commenced an action to enforce the Special Undertaking. Magnetek intends to continue to vigorously prosecute its declaratory judgment action and to defend against Monsanto's action against it. The Company cannot reasonably estimate a potential range of loss with respect to Monsanto's

tender because there is insufficient information regarding the underlying matters. Management believes, however, that the potential additional legal costs related to such matters will not have a material effect on the financial condition of the Company or its liquidity, although the effect of any future liabilities recorded could be material to earnings in a future period.

The Company had previously filed suit against Travelers in District Court seeking coverage under insurance policies in the name of Universal. In July 2019, the District Court ruled that Travelers is obligated to defend Magnetek under these policies in connection with Magnetek's litigation against Monsanto. The Court held that Monsanto's claims against Magnetek fall within the insuring agreement of the Travelers policies and that none of the policy exclusions precluded the possibility of coverage. The Court also held that Travelers prior settlements with other insureds under the policies did not cut off or release Magnetek's rights under the policies. Travelers moved for reconsideration and had sought discovery from Magnetek and Monsanto in connection with that motion. On September 22, 2020, the Court issued an order denying the motion to reconsider and denying the motion to compel discovery from Magnetek. The result was that the Court's prior order granting Magnetek partial summary judgment and requiring Travelers' to reimburse Magnetek's defense costs to date and fund its defense and moving forward was now binding, subject to Travelers right to appeal. As a result, the Company received approximately $900,000 for past defense costs which was recorded in fiscal 2021.

The Company is also engaged in similar insurance coverage litigation against Transportation Insurance Company in the Circuit Court of Cook County, Illinois. The Company has sought a ruling that Transportation Insurance Company is also obligated to reimburse Magnetek's defense costs to date and fund its defense costs moving forward. That motion is not yet fully briefed.

Environmental Matters

Along with other manufacturing companies, the Company is subject to various federal, state and local laws relating to the protection of the environment. To address the requirements of such laws, the Company has adopted a corporate environmental protection policy which provides that all of its owned or leased facilities shall, and all of its employees have the duty to, comply with all applicable environmental regulatory standards, and the Company utilizes an environmental auditing program for its facilities to ensure compliance with such regulatory standards. The Company has also established managerial responsibilities and internal communication channels for dealing with environmental compliance issues that may arise in the course of its business. Because of the complexity and changing nature of environmental regulatory standards, it is possible that situations will arise from time to time requiring the Company to incur expenditures in order to ensure environmental regulatory compliance. However, the Company is not aware of any environmental condition or any operation at any of its facilities, either individually or in the aggregate, which would cause expenditures having a material adverse effect on its results of operations, financial condition or cash flows and, accordingly, has not budgeted any material capital expenditures for environmental compliance for fiscal 2023.

In 1986, Magnetek acquired the stock of Universal Manufacturing Corporation (“Universal”) from a predecessor of Fruit of the Loom (“FOL”), and the predecessor agreed to indemnify Magnetek against certain environmental liabilities arising from pre-acquisition activities at a facility in Bridgeport, Connecticut. Environmental liabilities covered by the indemnification agreement included completion of additional cleanup activities, if any, at the Bridgeport facility and defense and indemnification against liability for potential response costs related to offsite disposal locations. Magnetek's leasehold interest in the Bridgeport facility was assigned to the buyer in connection with the sale of Magnetek's transformer business in June 2001. FOL, the successor to the indemnification obligation, filed a petition for Reorganization under Chapter 11 of the Bankruptcy Code in 1999 and Magnetek filed a proof of claim in the proceeding for obligations related to the environmental indemnification agreement. Magnetek believes that FOL had substantially completed the clean-up obligations required by the indemnification agreement prior to the bankruptcy filing. In November 2001, Magnetek and FOL entered into an agreement involving the allocation of certain potential tax benefits and Magnetek withdrew its claims in the bankruptcy proceeding. Magnetek further believes that FOL's obligation to the state of Connecticut was not discharged in the reorganization proceeding.

In January 2007, the Connecticut Department of Environmental Protection (“DEP”) requested parties, including Magnetek, to submit reports summarizing the investigations and remediation performed to date at the site and the proposed additional investigations and remediation necessary to complete those actions at the site. DEP requested additional information relating to site investigations and remediation. Magnetek and the DEP agreed to the scope of the work plan in November 2010. The Company has recorded a liability of $295,000 included in the amount specified above, related to the Bridgeport facility, representing the best estimate of future site investigation costs and remediation costs which are expected to be incurred in the future.

For all of the currently known environmental matters, the Company has accrued as of June 30, 2022 a total of $753,000 which, in our opinion, is sufficient to deal with such matters. The Company is not aware of any environmental condition or any operation at any of its facilities, either individually or in the aggregate, which would cause expenditures to have a material

adverse effect on its results of operations, financial condition or cash flows and, accordingly, has not budgeted any material capital expenditures for environmental compliance for fiscal 2023.

13. Income Taxes

Income tax expense (benefit) as a percentage of income (loss) from continuing operations before income tax expense was 51% and 26% in the three months ended June 30, 2022 and June 30, 2021, respectively. Typically these percentages vary from the U.S. statutory rate of 21% primarily due to varying effective tax rates at the Company's foreign subsidiaries, and the jurisdictional mix of income for these subsidiaries.

During the three months ended June 30, 2022, the rate was unfavorably impacted 15 percentage points due to settlement of income tax assessments related to tax periods prior to the Company's acquisition of Stahl Cranesystems GmbH ("STAHL"). In accordance with the tax indemnification clause of the share purchase agreement, the Company received full reimbursement from STAHL's prior owner which was recorded as a gain in Other (income) expense, net on the Condensed Consolidated Statements of Operations during the period. The tax rate for the three months ended June 30, 2022 also reflects an unfavorable impact of 12 percentage points due to the recording of a U.S. state tax valuation allowance. The valuation allowance primarily relates to changes in the Company's expectations regarding its ability to more likely than not utilize certain state net operating losses prior to their expiration.

The Company estimates that the effective tax rate related to continuing operations will be approximately 29% to 30% for fiscal 2023.

Refer to the Company's consolidated financial statements included in its 2022 10-K for further information on income taxes.

14. Changes in Accumulated Other Comprehensive Loss

Changes in AOCL by component for the three-month period ended June 30, 2022 are as follows (in thousands):

	Three months ended June 30, 2022			
	Retirement Obligations	Foreign Currency	Change in Derivatives Qualifying as Hedges	Total
Beginning balance net of tax	$ (21,043)	$ (28,079)	$ (777)	$ (49,899)
Other comprehensive income (loss) before reclassification	28	(8,701)	7,367	(1,306)
Amounts reclassified from other comprehensive loss	118	—	(4,678)	(4,560)
Net current period other comprehensive income (loss)	146	(8,701)	2,689	(5,866)
Ending balance net of tax	$ (20,897)	$ (36,780)	$ 1,912	$ (55,765)

Details of amounts reclassified out of AOCL for the three months ended June 30, 2022 are as follows (in thousands):

Details of AOCL Components	Amount reclassified from AOCL	Affected line item on Condensed Consolidated Statement of Operations
Net amortization of prior service cost and pension settlement expense		
	$ 158	
	158	Total before tax
	(40)	Tax (benefit) expense
	$ 118	Net of tax
Change in derivatives qualifying as hedges		
	$ 34	Cost of products sold
	1,060	Interest expense
	(7,184)	Foreign currency
	(6,090)	Total before tax
	1,412	Tax (benefit) expense
	$ (4,678)	Net of tax

These AOCL components are included in the computation of net periodic pension cost. (See Note 10 — Net Periodic Benefit Cost for additional details.)

15. Leases

The Company's lease arrangements generally include real estate (manufacturing facilities, sales offices, distribution centers, warehouses), vehicles, and equipment. Leases with a term greater than one year are recognized on the Consolidated Balance Sheet; the Company has elected not to recognize leases with terms of one year or less on the Consolidated Balance Sheet. Lease obligations and their corresponding ROU assets are recorded based on the present value of lease payments over the expected lease term. The Company recognizes lease expense on a straight-line basis over the lease term.

The Company's leases have lease terms ranging from 1 to 23 years, some of which include options to extend or terminate the lease. The exercise of lease renewal options is at the Company's sole discretion. When deemed reasonably certain of exercise, the renewal options are included in the determination of the lease term. The Company's lease agreements do not contain material residual value guarantees or any material restrictive covenants.

The following table illustrates the lease-related assets and liabilities recorded on the Condensed Consolidated Balance Sheet (in thousands):

	June 30, 2022	March 31, 2022
Operating leases:		
Other assets	$ 28,201	$ 30,809
Accrued liabilities	7,053	7,965
Other non current liabilities	21,998	23,711
Total operating liabilities	$ 29,051	$ 31,676
Finance lease:		
Net property, plant, and equipment	$ 13,256	$ 13,525
Current portion of long-term debt and finance lease obligation	559	544
Term loan and finance lease obligations	13,398	13,540
Total finance liabilities	$ 13,957	$ 14,084

Operating lease expense of $2,249,000 and $2,349,000 for the three months ended June 30, 2022 and June 30, 2021, respectively, is included in income from operations on the Condensed Consolidated Statements of Operations. Short-term lease expense, sublease income, and variable lease expenses were not material for the three months ended June 30, 2022 and June 30, 2021, respectively. Finance lease expense of $250,000 and $234,000 is included in Income from operations and $157,000 and $152,000 is included in Interest and debt expense on the Company's Condensed Consolidated Statements of Operations in the three months ended June 30, 2022 and June 30, 2021, respectively.

Supplemental cash flow information related to leases is as follows (in thousands):

	Three months ended	
	June 30, 2022	June 30, 2021
Cash paid for amounts included in the measurement of operating lease liabilities	$ 2,215	$ 2,291
Cash paid for amounts included in the measurement of finance lease liabilities	$ 285	$ 277
ROU assets obtained in exchange for new operating lease liabilities	$ 144	$ 1,125
ROU assets obtained in exchange for new finance lease liabilities	$ —	$ 14,582

16. Effects of New Accounting Pronouncements

Topics not yet adopted

In March 2022, the FASB issued ASU 2022 No. 2022-01, "Derivative and Hedging (Topic 815): Fair Value Hedging - Portfolio Layer Method." The ASU clarified the guidance in ASC 815 on fair value hedge accounting of interest rate risk for portfolios of financial assets. The ASU amends the guidance in ASU 2017-123 (released on August 28, 2017) that, among other things, established the “portfolio layer” method for making the fair value hedge accounting for these portfolios more accessible. The ASU is effective for fiscal years beginning after December 15, 2022, including interim periods within those years, with early adoption permitted. The amendments should be applied prospectively to business combinations occurring on or after the effective date of the amendments. We are currently evaluating the impact the standard will have on our consolidated financial statements.

In October 2021, the FASB issued ASU No. 2021-08, "Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers." The ASU amends ASC 805 to require acquiring entities to apply Topic 606 to recognize and measure contract assets and contract liabilities in a business combination and is intended to improve the accounting for acquired revenue contracts with customers in a business combination by addressing diversity in practice and inconsistency. The ASU is effective for fiscal years beginning after December 15, 2022, including interim periods within those years, with early adoption permitted. The amendments should be applied prospectively to business combinations occurring on or after the effective date of the amendments. We are currently evaluating the impact the standard will have on our consolidated financial statements.

In March 2020, the FASB issued ASU No. 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting." The ASU is elective and is relief to all entities, subject to meeting certain criteria, that have contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. Optional expedients are provided for contract modification accounting under topics such as debt, leases, and derivatives. The optional amendments are effective for all entities as of any date from the beginning of an interim period that includes or is subsequent to March 12, 2020 through December 31, 2022. We are currently evaluating the impact the standard will have on our consolidated financial statements if we chose to elect.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Executive Overview

The Company is a leading worldwide designer, manufacturer and marketer of intelligent motion solutions, including motion control products, technologies, automated systems and services, that efficiently and ergonomically move, lift, position and secure materials. Our key products include hoists, crane components, precision conveyors, actuators, rigging tools, light rail workstations, and digital power and motion control systems. These are highly relevant, professional-grade solutions that solve customers' critical material handling requirements.

Founded in 1875, we have grown to our current size and leadership position through organic growth and acquisitions. We developed our leading market position over our 147-year history by emphasizing technological innovation, manufacturing excellence and superior customer service. In accordance with our strategic framework, we are building out our business system (CMBS) and growth framework to be market-led, customer-centric, and operationally excellent with our people and values at the core. We believe this will transform Columbus McKinnon into a top-tier Intelligent Motion Solutions company. We expect our strategy will enhance shareholder value by expanding EBITDA margins and return on invested capital ("ROIC").

Our revenue base is geographically diverse with approximately 37% derived from customers outside the U.S. for the three months ended June 30, 2022. We believe this diversity balances the impact of changes that occur in local economies, as well as benefits the Company by providing access to growing emerging markets. We monitor both U.S. and Eurozone Industrial Capacity Utilization statistics as well as the ISM Production Index as indicators of anticipated demand for our products. In addition, we continue to monitor the potential impact of other global and U.S. trends including, industrial production, trade tariffs, raw material cost inflation, interest rates, foreign currency exchange rates, and activity of end-user markets around the globe.

From a strategic perspective, we are investing in new products as we focus on our greatest opportunities for growth. We maintain a strong North American market share with significant leading market positions in hoists, lifting and sling chain, forged attachments, actuators, and digital power and motion control systems for the material handling industry. We seek to maintain and enhance our market share by focusing our sales and marketing activities toward select North American and global market sectors including general industrial, energy, automotive, heavy OEM, entertainment, and construction and infrastructure.

In March 2021, the Company announced that it had entered into a definitive agreement to acquire Dorner. The acquisition of Dorner closed on April 7, 2021. Dorner, headquartered in Hartland, Wisconsin, is a leading automation solutions company providing unique, patented technologies in the design, application, manufacturing and integration of high-precision conveying systems. Dorner is a leading supplier to the stable life sciences, food processing, and consumer packaged goods markets as well as the high growth industrial automation and e-commerce sectors. The addition of Dorner provides attractive complementary adjacencies including sortation and asynchronous conveyance systems.

Further, on December 1, 2021, the Company completed its acquisition of Garvey. Garvey is a leading accumulation systems solutions company providing unique, patented systems for the automation of production processes whose products complement those of Dorner. The acquisitions of Dorner and Garvey accelerate the Company's shift to intelligent motion and serve as a platform to expand capabilities in advanced, higher technology automation solutions.

Regardless of the economic climate and point in the economic cycle, we constantly explore ways to increase operating margins as well as further improve our productivity and competitiveness. We have specific initiatives to reduce quote lead-times, improve on-time deliveries, reduce warranty costs, and improve material and factory productivity. The initiatives are being driven by the implementation of our business operating system, CMBS. We are working to achieve these strategic initiatives through business simplification, operational excellence, and profitable growth initiatives. We believe these initiatives will enhance future operating margins.

Our principal raw materials and components purchases were approximately $368 million in fiscal 2022 (or 62% of Cost of product sold) and include steel, consisting of rod, wire, bar, structural, and other forms of steel; electric motors; bearings; gear reducers; castings; steel and aluminum enclosures and wire harnesses; electro-mechanical components; and standard variable drives and controls. These commodities are all available from multiple sources. We purchase most of these raw materials and components from a limited number of strategic and preferred suppliers under agreements which are negotiated on a company-wide basis through our Global Sourcing group. Currently, as a result of global supply chain challenges, we are experiencing

higher raw material costs and availability issues for select raw materials and components. To date, we have raised prices to our customers to cover these increased raw material costs and are working with our supply base to prioritize shipments and improve availability of key components.

We operate in a highly competitive and global business environment. We face a variety of opportunities in our markets and geographies, including trends toward increasing productivity of the global labor force and the expansion of market opportunities in Asia and other emerging markets. While we execute our long-term growth strategy, we are supported by our strong free cash flow as well as our liquidity position and flexible debt structure.

Results of Operations

Three months ended June 30, 2022 and June 30, 2021

Net sales in the fiscal 2023 quarter ended June 30, 2022 were $220,287,000, up $6,823,000 or 3.2% from the fiscal 2022 quarter ended June 30, 2021 net sales of $213,464,000. Net sales were positively impacted by $9,610,000 due to price increases and $8,533,000 of acquired revenue from the Garvey acquisition, offset by sales volume decreases of $4,302,000. Foreign currency translation unfavorably impacted sales by $7,018,000 for the three months ended June 30, 2022.

Gross profit in the fiscal 2023 quarter ended June 30, 2022 was $82,519,000, an increase of $8,456,000 or 11.4% from the fiscal 2022 quarter ended June 30, 2021 gross profit of $74,063,000. Gross profit margin was 37.5% in the fiscal 2023 first quarter compared to 34.7% in the fiscal 2022 first quarter. The increase in gross profit was due to $3,502,000 of prior year acquisition amortization for inventory step up and integration costs that did not reoccur, $3,134,000 of price increases net of material inflation, $3,109,000 in gross profit as a result of the acquisition of Garvey, $952,000 from higher margins on the mix of products sold, $256,000 in increased productivity net of other cost changes and $51,000 in decreased tariffs. The translation of foreign currencies had a $2,548,000 unfavorable impact on gross profit in the three months ended June 30, 2022.

Selling expenses were $26,156,000 and $23,482,000, or 11.9% and 11.0% of net sales, in fiscal 2023 and 2022 first quarters, respectively. Selling expense increased by $1,092,000 due to the Garvey acquisition and $627,000 in increased business realignment and integration costs during the three months ended June 30, 2022. The remaining increase relates to higher salaries and travel costs. Foreign currency translation had a $1,039,000 favorable impact on selling expenses in the three months ended June 30, 2022.

General and administrative expenses were $21,881,000 and $30,143,000, or 9.9% and 14.1% of net sales, in the fiscal 2023 and 2022 first quarters, respectively. The decrease in general and administrative expenses was due to a net decrease of $8,260,000 in acquisition and deal integration costs, a decrease of $1,679,000 in stock-based compensation expense, and a net decrease in business realignment costs of $149,000. The decrease in stock-based compensation was the result of the Company no longer expecting the performance condition to be fully met on the its fiscal 2021 performance shares, as well as a decrease in the Company's stock price. Partially offsetting these decreases were higher variable compensation expense of $573,000 and higher salaries and travel costs as well as increased costs from the Garvey acquisition. Foreign currency translation had a $575,000 favorable impact on general and administrative expenses in the three months ended June 30, 2022.

Research and development expenses were $5,130,000 and $3,583,000, or 2.3% and 1.7% of net sales, in fiscal 2023 and 2022 first quarters, respectively. The increase in research and development expenses was due to additional spending to achieve strategic goals related to new product development.

Amortization of intangibles was $6,535,000 and $6,109,000 in the fiscal 2023 and 2022 first quarters, respectively, with the increase related to new intangible assets recorded from Garvey acquisition.

Interest and debt expense was $6,203,000 in the first quarter ended June 30, 2022 compared to $5,812,000 in the first quarter ended June 30, 2021. The increase is related to higher variable interest rates, as well as related borrowings to finance the Garvey acquisition.

Investment loss of $430,000 in the quarter ended June 30, 2022 compared to investment income of $433,000 in the quarter June 30, 2021, respectively, related to mark-to-market adjustments on the marketable securities held in the Company’s wholly owned captive insurance subsidiary and the Company's equity method investment in EMC, described in Note 6 of the financial statements.

Other income was $2,303,000 in the first quarter ended June 30, 2022 compared to other expense of $250,000 in the first quarter ended June 30, 2021. As described in Note 13, the increase in Other income is primarily related to a tax indemnification reimbursement received from STAHL's former owners in accordance with the share purchase agreement.

Income tax expense as a percentage of income from continuing operations before income tax expense was 51% and 26% in the first quarters ended June 30, 2022 and June 30, 2021, respectively. Typically these percentages vary from the U.S. statutory rate of 21% primarily due to varying effective tax rates at the Company's foreign subsidiaries, and the jurisdictional mix of taxable income for these subsidiaries.

During the three months ended June 30, 2022, the rate was unfavorably impacted 15 percentage points due to settlement of income tax assessments related to tax periods prior to the Company's acquisition of Stahl Cranesystems GmbH ("STAHL"). In accordance with the tax indemnification clause of the share purchase agreement, the Company received full reimbursement from STAHL's prior owner which was recorded as a gain in Other (income) expense, net on the Condensed Consolidated Statements of Operations during the period. The tax rate for the three months ended June 30, 2022 also reflects an unfavorable impact of 12 percentage points due to the recording of a U.S. state tax valuation allowance. The valuation allowance primarily relates to changes in the Company's expectations regarding its ability to more likely than not utilize certain state net operating losses prior to their expiration.

The Company estimates that the effective tax rate related to continuing operations will be approximately 29% to 30% for fiscal 2023.

Liquidity and Capital Resources

Cash, cash equivalents, and restricted cash totaled $85,910,000 at June 30, 2022, a decrease of $29,730,000 from the March 31, 2022 balance of $115,640,000.

Cash flow from operating activities

Net cash used by operating activities was $11,177,000 for the three months ended June 30, 2022 compared to $7,396,000 for the three months ended June 30, 2021. An increase of $21,467,000 in inventories due to current supply chain constraints, a decrease of $15,720,000 in trade payables, and a decrease of $9,389,000 in accrued expenses and non-current liabilities contributed to cash used by operations. The decrease in accrued expenses and non-current liabilities primarily consists of the fiscal 2022 annual incentive plan payments, which were paid in the quarter ended June 30, 2022. These decreases in cash were offset by non-cash adjustments to net income of $15,527,000, of which $10,469,000 is from depreciation and amortization, a decrease of $11,265,000 in trade receivables, and net income of $8,391,000.

Cash flow from investing activities

Net cash used by investing activities was $4,832,000 for the three months ended June 30, 2022 compared to $480,433,000 for the three months ended June 30, 2021. The most significant use of cash in the quarter was $2,953,000 in capital expenditures as well as a final working capital adjustment of $1,616,000 paid to Garvey's previous owners in accordance with the share purchase agreement.

Cash flow from financing activities

Net cash used by financing activities was $12,881,000 for the three months ended June 30, 2022 and net cash provided by financing activities was $373,755,000 for the three months ended June 30, 2022. The Company paid down $10,128,000 of debt during the quarter and paid dividends in the amount of $1,996,000. As noted in Note 8 of the financial statements, during the second quarter of fiscal 2022, the Company modified its cross currency swap and interest rate swap. As such, the associated cash flows from hedging activities are classified as financing activities in the Statement of Cash Flows which resulted in a net cash inflow of $141,000 during the three months ended June 30, 2022.

We believe that our cash on hand, cash flows, and borrowing capacity under our Amended and Restated Credit Agreement will be sufficient to fund our ongoing operations and debt obligations, and capital expenditures for at least the next twelve months. This belief is dependent upon successful execution of our current business plan and effective working capital utilization. No material restrictions exist in accessing cash held by our non-U.S. subsidiaries. Additionally we expect to meet our U.S. funding needs without repatriating non-U.S. cash and incurring incremental U.S. taxes. As of June 30, 2022, $63,236,000 of cash and cash equivalents were held by foreign subsidiaries.

As discussed in Note 2, the Company completed its acquisition of Dorner on April 7, 2021 and entered into a $750,000,000 First Lien Facility with JPMorgan Chase Bank, PNC Capital Markets LLC, and Wells Fargo Securities LLC. The First Lien Facility consists of a New Revolving Credit Facility in an aggregate amount of $100,000,000 and a $650,000,000 Bridge

Facility. Proceeds from the Bridge Facility were used, among other things, to finance the purchase price for the Dorner acquisition, pay related fees, expenses and transaction costs, and refinance the Company's outstanding borrowings under its prior Term Loan and Revolver.

In addition to the debt borrowing described above, the Company commenced and completed an underwritten public offering of 4,312,500 shares of its common stock at a price of $48.00 per share for total gross proceeds of $207,000,000. The Company used all of the net proceeds from the equity offering to repay in part outstanding borrowings under its Bridge Facility. The equity offering closed on May 4, 2021. Following the repayment of outstanding borrowings under the Bridge Facility, the Bridge Facility was refinanced with a syndicated Term Loan B facility on May 14, 2021. Refer to the 2022 10-K for further details on the Company's Term Loan B facility.

Also discussed in Note 2, the Company completed its acquisition of Garvey on November 30, 2021 and borrowed additional funds in accordance with the Accordion feature under its existing Term Loan B facility to increase the principal amount of the Term Loan B facility by $75,000,000. Proceeds from the Accordion were used, among other things, to finance the purchase price for the Garvey acquisition, pay related fees, expenses, and transaction costs. No material amendment to the terms of the Term Loan B facility or the First Lien Facility was necessary for the Company to exercise this Accordion feature.

The outstanding principal balance of the Term Loan B facility was $492,560,000 as of June 30, 2022, which includes $75,000,000 in principal balance from the Accordion exercised in the third quarter of fiscal 2022. The Company made $10,000,000 in principal payments on the Term Loan B facility during the three months ended June 30, 2022 of which $1,315,000 was required. The Company is obligated to make $5,260,000 of principal payments on the Term Loan B facility over the next 12 months plus applicable ECF payments, if required, however, plans to pay down approximately $40,000,000 in principal payments in total during such 12 month period. This amount has been recorded within the current portion of long term debt on the Company's Condensed Consolidated Balance Sheet with the remaining balance recorded as long term debt.

There were no outstanding borrowings and $17,210,000 in outstanding letters of credit issued against the New Revolving Credit Facility as of June 30, 2022. The outstanding letters of credit as of June 30, 2022 consisted of $1,550,000 in commercial letters of credit and $15,660,000 of standby letters of credit.

The gross balance of deferred financing costs on the Term Loan B facility was $6,323,000, which includes $892,000 from the Accordion exercise, as of June 30, 2022 and March 31, 2022. The accumulated amortization balances were $1,127,000 and $898,000 as of June 30, 2022 and March 31, 2022, respectively.

The gross balance of deferred financing costs associated with the New Revolving Credit Facility is $4,027,000 as of June 30, 2022 and March 31, 2022, respectively, which are included in Other assets on the Condensed Consolidated Balance Sheet. The accumulated amortization balances were $1,007,000 and $805,000 as of June 30, 2022 and March 31, 2022, respectively.

In connection with Dorner acquisition, the Company recorded a finance lease for a manufacturing facility in Hartland, WI under a 23 year lease agreement which terminates in 2035. The outstanding balance on the finance lease obligation is $13,957,000 as of June 30, 2022 of which $559,000 has been recorded within the Current portion of long term debt and the remaining balance recorded within Term loan and revolving credit facility on the Company's Condensed Consolidated Balance Sheet. See Note 15, *Leases*, for further details.

Unsecured and uncommitted lines of credit are available to meet short-term working capital needs for certain of our subsidiaries operating outside of the U.S. The lines of credit are available on an offering basis, meaning that transactions under the line of credit will be on such terms and conditions, including interest rate, maturity, representations, covenants and events of default, as mutually agreed between our subsidiaries and the local bank at the time of each specific transaction. As of June 30, 2022, unsecured credit lines totaled approximately $2,306,000, of which $0 was drawn. In addition, unsecured lines of $11,457,000 were available for bank guarantees issued in the normal course of business of which $10,136,000 was utilized.

Capital Expenditures

In addition to keeping our current equipment and plants properly maintained, we are committed to replacing, enhancing and upgrading our property, plant and equipment to support new product development, improve productivity and customer responsiveness, reduce production costs, increase flexibility to respond effectively to market fluctuations and changes, meet environmental requirements, enhance safety and promote ergonomically correct work stations. Consolidated capital expenditures for the three months ended June 30, 2022 and June 30, 2021 were $2,953,000 and $3,648,000, respectively. We expect capital expenditure spending in fiscal 2023 to range from $25,000,000 to $30,000,000.

Inflation and Other Market Conditions

Our costs are affected by inflation in the U.S. economy and, to a lesser extent, in non-U.S. economies including those of Europe, Canada, Mexico, South America, and Asia-Pacific. We do not believe that general inflation has had a material effect on our results of operations over the periods presented despite rising inflation due to our ability to pass on rising costs through price increases. We are currently experiencing higher raw material, freight, and logistics costs than we have seen in recent years, which we have been able to recover with pricing actions. In the future, we may not be able to pass on these cost increases to our customers.

Goodwill Impairment Testing

We test goodwill for impairment at least annually and more frequently whenever events occur or circumstances change that indicate there may be impairment. These events or circumstances could include a significant long-term adverse change in the business climate, poor indicators of operating performance, or a sale or disposition of a significant portion of a reporting unit.

We test goodwill at the reporting unit level, which is one level below our operating segment. We identify our reporting units by assessing whether the components of our operating segment constitute businesses for which discrete financial information is available and segment management regularly reviews the operating results of those components. We also aggregate components that have similar economic characteristics into single reporting units (for example, similar products and / or services, similar long-term financial results, product processes, classes of customers, etc.). We have three reporting units: the Duff Norton reporting unit, the Rest of Products reporting unit, and the Precision Conveyance reporting unit, which have goodwill totaling $9,699,000, $301,298,000, and $329,973,000, respectively, as of June 30, 2022.

We currently do not believe that it is more likely than not that the fair value of each of our reporting units is less than its applicable carrying value. Additionally, we currently do not believe that we have any significant impairment indicators or that any of our reporting units with goodwill are at risk of failing Step One of the goodwill impairment test. However, if the projected long-term revenue growth rates, profit margins, or terminal growth rates are significantly lower, and/or the estimated weighted-average cost of capital is considerably higher, future testing may indicate impairment of one or more of the Company's reporting units and, as a result, the related goodwill may be impaired.

Refer to our 2022 10-K for additional information regarding our annual goodwill impairment process.

Seasonality and Quarterly Results

Quarterly results may be materially affected by the timing of large customer orders, periods of high vacation and holiday concentrations, legal settlements, gains or losses in our portfolio of marketable securities, restructuring charges, favorable or unfavorable foreign currency translation, divestitures and acquisitions. Therefore, the operating results for any particular fiscal quarter are not necessarily indicative of results for any subsequent fiscal quarter or for the full fiscal year.

Effects of New Accounting Pronouncements

Information regarding the effects of new accounting pronouncements is included in Note 16 to the accompanying consolidated financial statements included in this Quarterly Report on Form 10-Q.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements include statements relating to:

- future development and expected growth of our business and industry;
- our ability to execute our business model, our Columbus McKinnon Business System operating system and our Strategy;
- plans to repay additional principal on the Term Loan B facility during future periods;
- having available sufficient cash and borrowing capacity to fund ongoing operations, debt obligations and capital expenditures for the next twelve months;
- projected capital expenditures; and

- projected effective tax rate for fiscal 2023.

Such statements involve known and unknown risks, uncertainties and other factors that could cause our actual results to differ materially from the results expressed or implied by such statements, including general economic and business conditions, including conditions affecting the industries served by us and our subsidiaries, conditions affecting our customers and suppliers, competitor responses to our products and services, the overall market acceptance of such products and services, the integration of acquisitions, and other risks and uncertainties that arise from time to time are described in Item 1A "Risk Factors" of our Annual Report on Form 10-K and in other periodic filings with the SEC. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary factors and to others contained throughout this Quarterly Report on Form 10-Q. We use words like "will," "may," "should," "plan," "believe," "expect," "anticipate," "intend," "future" and other similar expressions to identify forward looking statements. These forward looking statements speak only as of their respective dates and are based on our current expectations. Except as required by applicable law, we do not undertake and specifically decline any obligation to publicly release any revisions to these forward-looking statements that may be made to reflect any future events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated changes. Actual events or our actual operating results could differ materially from those predicted in these forward-looking statements, and any other events anticipated in the forward-looking statements may not actually occur.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in the market risks as previously disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2022.

Item 4. Controls and Procedures

As of June 30, 2022, an evaluation was performed under the supervision and with the participation of the Company's management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. These disclosure controls and procedures have been designed to provide reasonable assurance that information required to be disclosed in reports filed or submitted under the Exchange Act is made known to them on a timely basis, and that such information is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Based on that evaluation, the Company's management, including our Chief Executive Officer and Chief Financial Officer, concluded that the Company's disclosure controls and procedures were effective as of as of June 30, 2022.

There have been no other changes in the Company's internal control over financial reporting during the most recent quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting, other than as described below.

One of the Company's foreign locations implemented the enterprise resource planning system SAP during the three months ended June 30, 2022 as part of our strategy to enhance our information systems. The system implementation has enhanced our internal controls as follows:

a) The new enterprise resource planning system was designed to generate reports and other information used to account for transactions and reduce the number of manual processes employed by the Company;

b) The new enterprise resource planning system is technologically advanced and is expected to increase the amount of application controls used to process data; and

c) The Company has designed new processes and implemented new procedures in connection with the implementation.

Part II. Other Information

Item 1. Legal Proceedings – none.

Item 1A. Risk Factors

There have been no material changes from the risk factors as previously disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2022.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds – none.

Item 3. Defaults upon Senior Securities – none.

Item 4. Mine Safety Disclosures – Not applicable

Item 5. Other Information – none.

Item 6. Exhibits

Exhibit 10.1*#	Retirement Agreement, dated as of April 11, 2022, by and between Columbus McKinnon Corporation and Kurt Wozniak.
Exhibit 31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934; as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934; as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 32*	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 101*	The financial statements from the Company's Quarterly Report on Form 10-Q for the three months ended June 30, 2022 formatted in iXBRL.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
Exhibit 104*	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the Inline XBRL document)

* Filed herewith
# Indicates a Management contract or compensation plan or arrangement.

SIGNATURES

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

COLUMBUS McKINNON CORPORATION
(Registrant)

Date: July 28, 2022

/S/ GREGORY P. RUSTOWICZ
Gregory P. Rustowicz
Executive Vice President Finance and Chief Financial Officer
(Principal Financial Officer)

RETIREMENT AGREEMENT AND RELEASE

THIS RETIREMENT AGREEMENT AND RELEASE (the "Agreement") is entered into as of April 11, 2022, by and between Columbus McKinnon Corporation, a New York corporation (the "Company") and Kurt Wozniak (the "Executive").

RECITALS

WHEREAS Executive is currently serving as the President, Industrial Products Group for the Company,

WHEREAS Executive will announce that he intends to retire from his position on June 3, 2022,

WHEREAS Executive desires to assist the Company in realizing an orderly transition and agrees to the restrictions on competition, solicitation, non-disparagement, and confidential information contained herein as consideration for this Agreement; and

WHEREAS, in furtherance of the foregoing, the Executive and the Company have negotiated and reached an agreement with respect to all rights, duties and obligations arising between them, including, but in no way limited to, any rights, duties and obligations that have arisen or might arise out of or are in any way related to the Executive's continued employment with the Company and the conclusion of that employment (other than as specifically provided in this Agreement).

NOW THEREFORE, in consideration of the covenants and mutual promises recited below and in particular the Covenants (as defined below) and Releases (as defined below), the parties agree as follows:

1. Retirement and Termination of Employment.

(a) The Company shall employ, and Executive agrees to continue to be employed until June 3, 2022 (the "Retirement Date").

(b) Executive shall be paid his regular base salary at the rate as in effect on the date hereof and shall continue to be eligible for all employee benefits for which he is eligible on the date hereof through the Retirement Date. During the period from the date hereof until the Retirement Date, Executive shall assist with the transition of his duties and responsibilities as requested.

(c) For the purposes of this Agreement,

(i) "Cause" shall mean (A) Executive's willful misconduct, which, in the good faith judgment of the Company, has caused or is reasonably expected to result in material injury to the business performance or business reputation of the Company, (B) Executive's willful failure to perform his material duties and responsibilities to the Company, (C) knowing breach of Executive's material obligations under this Agreement or any of the Company's material written policies or procedures, including, but not limited

to, the Company's Code of Conduct and its written policies and procedures regarding sexual harassment, computer access and insider trading, (D) Executive's commission of an act of fraud or embezzlement, (E) Executive's breach of any fiduciary duty owed to the Company, (F) Executive's conviction of, or plea of guilty or nolo contendere to, (x) any felony or (y) with respect to his employment, any misdemeanor that is materially injurious to the Company, in each case (A) through (F), as determined by the Company, after a reasonable and good faith investigation, which determination shall be conclusive; provided, however, that Cause shall not exist under any of the events listed in (A) through (F) unless the Company gives written notice to Executive where such notice describes with particularity the alleged acts at issue and has given Executive the opportunity to be heard at a meeting of the Company, with counsel, and the Company provides Executive with a summary of its findings.

2. Executive acknowledges that he shall not be entitled to receive any of the consideration in this Paragraph 2 until after he executes this Agreement and does not revoke such execution as provided for in Paragraphs 7(b) and 7(c) of this Agreement or is terminated prior to the Retirement Date for Cause. Executive further acknowledges that the consideration outlined in this Paragraph 2(c)(d)(e) and (f) is consideration that he would not otherwise be entitled to, but for his execution of this Agreement and Release. Executive shall receive the following:

(a) Executive will remain eligible for an award under the Company's Annual Incentive Plan ("AIP") based on the Company's performance for fiscal year 2022, payable upon the same terms as all other participants in the Annual Incentive Plan. The Company will pay the Executive at the same time as awards are payable to all employees under the Company's AIP for fiscal year 2022, but no later than June 3, 2022. Executive shall receive no less than 100% on his strategic goals for AIP. Executive's fiscal year 2022 AIP payout at target is $225,000, although actual payout will vary based on Company performance.

(b) All Company options and all forms of restricted shares or Units (e.g., RSUs, PSUs) granted to Executive, to the extent that they are not vested on or by June 3, 2022, excluding the FY22 grant which vests automatically on the Retirement Date, shall be forfeited at the close of business on this date, including FY20 and FY21 RSUs, FY20 and FY21 Options and FY21 PSUs. All Options granted to Executive, to the extent they have not otherwise expired, will continue to be, and become exercisable as if Executive continued to be employed by the Company and shall expire on the fifth (5^{th}) anniversary of the Retirement Date at the close of business. Notwithstanding the foregoing, no Options shall be exercisable after the expiration of its original term. It is further acknowledged that the Company and Executive have mutually waived Executive's notice requirement prior to his date of retirement.

(c) Following the Retirement Date, the Executive and his eligible dependents will be eligible for coverage under a Company's group health plan under COBRA if they are enrolled in the group health plan on the day before the Executive's Retirement Date and are otherwise eligible for COBRA. The Company agrees to pay Executive's COBRA payments for Twelve Months (12 months) from the Retirement Date, including medical ($1,606.49), dental ($84.54) and vision ($7.19) totaling $1,698.22 per month. The Company will set up a subsidy with the COBRA administrator (Health Equity) and make the payments direct on behalf of Executive. The Company acknowledges the COBRA subsidy could change effective January

2023 and will cover any increases in coverage payments. The Company reserves the right to modify or discontinue the COBRA subsidy to the extent the Company deems it necessary to comply with applicable law or Executive obtains medical, dental and/or vision coverage under a third-party health plan.

(d) The Company will pay Executive a one-time lump sum payment of Ten Thousand Dollars ($10,000) on the Retirement Date for outplacement services.

(e) The Company will make a one-time payment to the Executive in the amount of Two Hundred Twenty-four Thousand Six Hundred Seventy-Six Dollars ($274,676), in lieu of the FY20 and FY21 RSUs and Options forfeitures, in two equal installments, the first installment on the Retirement Date, the second installment payable on January 6, 2023, provided Executive is in good standing with the terms of this Agreement.

(f) The Company will make a one-time payment to Executive on the Retirement Date in the amount of Three Hundred Seventy-Five Thousand Dollars ($375,000).

(g) Executive may retain his Company-issued laptop (including, docking station, keyboard, monitors, and mouse), with the understanding that all Company-related information will be deleted from such devices.

(h) 288 hours ($51,923) of accrued vacation through the Retirement Date, less any vacation taken between March 31, 2022, and the Retirement Date, to be trued up prior to payment.

3. All payments required to be made by the Company hereunder to the Executive will be subject to withholding of such amounts relating to taxes as the Company may reasonably determine it should withhold pursuant to any applicable law or regulation.

4. As a material inducement for the Company to enter into this Agreement and in exchange for the consideration set forth in Paragraph 2 of this Agreement, the Executive hereby RELEASES and DISCHARGES the Company and its subsidiaries, affiliates and parent companies, successors and assigns and their present and former owners, officers, directors, representatives, managers, supervisors, agents, stockholders, employee benefit plan fiduciaries, and current and former employees in their individual and representative capacities to the full extent permitted by law, as well as any parent companies' subsidiaries, affiliates, successors and assigns and their present and former owners, officers, directors, representatives, managers, supervisors, agents, stockholders, employee benefit plan fiduciaries, and current and former employees in their individual and representative capacities to the full extent permitted by law (collectively all of the above is referred to hereinafter as the "Releasees"), from all actions, causes of action, suits, charges, claims, and complaints that Executive has or may have against the Releasees, relating to acts, occurrences, or events arising on or before the date of this Agreement, including all claims involving the continuing effects of such acts, occurrences, or events, whether known or unknown, asserted or unasserted. Executive acknowledges that such release includes, to the full extent permitted by law, all rights and claims relating to his employment with the Company, and/or his Retirement from such employment, whether before courts, administrative agencies, or other forums whomever situated, including, but not limited to, the following:

(i) claims arising out of any oral or written contract of employment, express or implied, or any oral or written agreement, express or implied, or any claim of promissory estoppel,

(ii) claims of discrimination, harassment and/or retaliation of any type or on any basis under Federal, State or local law, regulation, ordinance or order including, but not limited to: claims under Title VII of the Civil Rights Act of 1964 ("Title VII"); claims under the Civil Rights Act of 1866; claims under the Americans With Disabilities Act ("ADA"); claims under the Equal Pay Act, as amended ("EPA"); claims under 42 U.S.C. §1981, as amended; claims under the Employee Retirement Income Security Act of 1974, as amended; claims under Executive Order 11246; claims under the Vietnam-Era Veterans' Readjustment Assistance Act of 1974, as amended; claims under the Rehabilitation Act of 1973, as amended; claims under the Immigration and Nationality Act, as amended; claims under the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended; claims under the National Labor Relations Act, as amended; claims under the Worker Adjustment Retraining and Notification Act; claims under Section 806 of the Sarbanes-Oxley Act of 2002, as amended; claims under the Family and Medical Leave Act of 1993, as amended; claims under the Genetic Information Nondiscrimination Act of 2008; claims under the New York State Human Rights Law; claims under the New York State Worker Adjustment and Retraining Notification Act, as amended; and all other claims of discrimination, harassment or retaliation of any type or on any basis;

(iii) any other claims arising out of or under any federal, state, or local law, rule, regulation, constitution, executive order or guideline of any description, as amended, including, but not limited to, those laws described above, or any rule or principle of equity or common law, or any claim relating to the payment of wages or benefits, any claim of wrongful discharge, defamation, or any other intentional or unintentional tort, or any claim of loss of consortium, or any claim of negligent performance of contractual obligations, breach of the covenant of good faith and fair dealing, or tortious interference with business and/or contractual relationship (or prospective relationship), or any claimed violation of the penal statutes, or any whistleblower or retaliatory discharge claim or any claim of denial of substantive or procedural Due Process or Equal Protection;

(iv) any other claim of any type relating to Executive's employment by with Company or to wages or benefits payable to Executive arising out of same; and

(v) any claim for attorneys' fees and costs.

(b) As a material inducement for the Company to enter into this Agreement and in exchange for the consideration contained in Paragraph 2, the Executive hereby RELEASES and DISCHARGES the Releasees to the full extent permitted by law from all rights and claims relating to his employment with the Company, including any and all claims of discrimination, harassment and/or retaliation, whether before courts, administrative agencies, or other forums wherever situated under the Age Discrimination in Employment Act ("ADEA") and the Older Workers' Benefit Protection Act of 1990, and all associated claims for attorneys' fees.

(c) Executive agrees that the Release set forth in this Paragraph 4 includes, but is not limited to, a waiver, discharge and release by the Employee of the Company and other Releasees from any damages or relief of whatever nature or description, including, but not limited to, compensatory, liquidated and punitive damages and equitable forms of relief, as well as any claim for attorneys' fees or costs, which may arise from any of the claims waived, discharged or released. Employee agrees that the Release set forth in this Paragraph 4 may be enforced in any court, federal, state, or local, and before any administrative agency or body, federal, state, or local.

5. Executive acknowledges that he has not heretofore filed any claims against the Releasees in a court of law or with an administrative agency. Except as otherwise provided in this Agreement, Executive agrees not to commence or continue any action or proceeding in any court, federal, State, or local, concerning Executive's employment with the Company or any other matters included in the Release set forth in Paragraph 4 of this Agreement or any claim waived and released in the Release set forth in Paragraph 4 of this Agreement. Executive also agrees, except as otherwise provided in this Agreement, that if a claim or anything else included in the Release set forth in Paragraph 4 of this Agreement should be prosecuted in his name before any court or administrative agency, he waives and agrees not to take any award of money or other damages.

6. Executive understands that the Company makes no representation regarding the tax consequences or liability arising from any payments under this Agreement. Executive understands and agrees that he will be responsible for any and all income tax liability which may be due or become due on any part of the payments made hereunder and that he will pay any such taxes that may be due or become due. The Company has no monetary liability or obligation regarding payment whatsoever and Executive agrees to bear all tax consequences, if any, attendant to the payment to him of the amounts hereunder. Executive further agrees to indemnify the Company against and hold the Company harmless from any and all liability for income taxes imposed by any federal, state, or local taxing authority, as well as liability for any fines, penalties and interest which may be imposed on the Company on the payments hereunder, in the event of such determination by any taxing authority. In the event the Company receives written notice that any claim or assessment for taxes, withholding obligations, penalties and/or interest arising out of this Agreement are being or will be made against the Company, the Company shall promptly, after receipt of such written notice, notify Executive by letter sent to his appointed counsel or to Executive directly in the event he is not represented by counsel.

7. Executive acknowledges and agrees, in accordance with the terms of the ADEA, as amended by the Older Workers Benefit Protection Act, that:

(a) Prior to the execution of this Agreement, he was advised separately and in writing_ to seek the advice and counsel of an attorney regarding the contents of this Agreement. Executive further acknowledges that he has consulted with an attorney and/or has been given every opportunity to so consult one, and that he has entered into this Agreement knowingly, voluntarily and of his own free will, without any fraud, duress, coercion, or any undue influence from any person or entity, including, but not limited to, the Company, any Releasee or any of their representatives including their attorneys.

(b) He has been given more than twenty-one (21) days in which to consider the terms of this Agreement. To the extent Executive desires to execute this Agreement prior to the conclusion of the twenty-one (21) day period, Executive acknowledges that he will only do so in a knowing and voluntary manner and of his own free will and on advice of counsel.

(c) This Agreement may be revoked by Executive within seven (7) days after the date this Agreement is signed by Executive, by giving notice of revocation to Alan Korman, S.V.P. Corporate Development, General Counsel & Secretary. This Agreement shall not become effective or enforceable until the revocation period has expired and none of the payments provided, or benefits described in Paragraph 2 of this Agreement shall be made or provided until after the revocation period has expired with no revocation.

(d) Executive is receiving payment and other consideration (as outlined in Paragraph 2 of this Agreement) from the Company that he would not otherwise be entitled to.

8. Notwithstanding any other provision of this Agreement, nothing shall preclude Executive from filing a charge with the United States Equal Employment Opportunity Commission ("EEOC") under Title VII, the ADEA, ADA or EPA or testifying, assisting, or participating in any manner in an EEOC investigation, hearing or proceeding. Provided further, however, that Executive acknowledges that he has waived any right to personal recovery of money or personal relief under Title VII, the ADEA, ADA and EPA. Executive further agrees that if any such claim is prosecuted in his name before any court or administrative agency, he waives, and agrees not to take any award of money or other damages from such suit.

9. Executive intends this Agreement to be binding upon him, his estate, heirs, administrators, representatives, executors, successors, and assigns, and shall inure to the benefit of the Company and any of the Releasees and each of them, and to their successors and assigns.

10. Executive represents that he has not heretofore assigned or transferred, or purported to assign or transfer, to any person or entity, any claim, or any portion of this Agreement.

11. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to its choice of law provisions, as well as the laws of the United States of America. The language of all parts of this Agreement shall in all cases be construed as a whole and according to its fair meaning. In the event that any provision of this Agreement is found invalid or unenforceable under law, that shall not affect the validity or enforceability of the remaining provisions and said illegal or invalid part, term, or provision shall be deemed not to be a part of this Agreement. The parties consent and agree to the exclusive jurisdiction of the federal and state courts located in Erie County, State of New York.

12. Any additions, changes or modifications to this Agreement are only effective if stated in writing by the General Counsel of the Company and duly executed by the General Counsel and the Executive.

13. Executive, before signing, both by himself and through his attorney had an opportunity to discuss the terms of this Agreement with appropriate officials of the Company, and Executive represents and acknowledges that in executing this Agreement he does not rely, and has not relied, upon any representation or statement made by the Company, or any of the Releasees or

their agents, representatives or attorneys with regard to the subject matter, basis, content or effect of this Agreement or otherwise. This Agreement represents a complete and entire understanding of the terms and conditions of Executive's retirement from employment and any prior conduct, course of dealing, or verbal or written agreements are merged herein.

14. This Agreement shall not in any way be construed as an admission by the Company of any acts of wrongdoing whatsoever against Executive or any other person, and the Company specifically disclaims any liability to Executive or any other person, on the part of itself, its parent, affiliates, its officers, employees, agents, or others.

15. Executive and his attorney, if any, covenant and agree that they will hereafter keep the specifics of the negotiations concerning this Agreement, the terms of this Agreement itself, and the amounts paid to Executive COMPLETELY CONFIDENTIAL to any persons other than Executive's attorneys and law firm personnel, Executive's lawful spouse, accountants and/or tax advisors, each of whom the Executive must advise of this confidentiality provision and from each of whom Executive will obtain an agreement to adhere to this confidentiality provision. Nothing contained in this Agreement shall be deemed to restrict or prohibit Executive from responding to or complying with any lawful subpoena or process of law or providing a prospective employer with the terms of Paragraphs 18 (non-solicitation) and 19 (non-compete) hereunder. Executive agrees to personally notify and also authorizes his attorney to notify the Company in writing within three (3) business days of receipt (by either Executive or by Executive's attorneys) of any subpoena, process of law or other request seeking to discover any information giving rise to the instant Agreement, including, but not limited to, a copy of this Agreement and will permit the Company, alone or through its designated representative, to review and investigate and, if necessary, move to quash such subpoena or document request prior to any production purportedly mandated by such document. Nothing in this agreement shall limit, impede, or preclude executive from making any disclosures pursuant to any required government filing; in response to any governmental inquire, audit or investigation, or as required by law.

16. In conjunction with the execution of this Agreement and for the consideration provided in Paragraph 2 of this Agreement, Executive further agrees:

(a) To take no action and make no statement which is inconsistent with his obligations contained in this Agreement,

(b) On or prior to the Retirement Date, Executive will return all of the Company's property. Such property includes, but is not limited to, the original and any copies of any Confidential Information or trade secrets, PDAs, keys, pass cards, building identity cards, , corporate credit cards, customer lists, files, brochures, documents or computer disks or printouts, equipment and any other item relating to the Company and its business. Notwithstanding the foregoing, Executive may retain his Company-issued laptop and tablet with the understanding that all Company-related information will be deleted from such devices.

(c) To abide by his continuing obligations of confidentiality under the Company's policies and pursuant to statutory and common law, which require, among other things, Executive not to use or disclose any confidential or proprietary information of the Company; and

(d) To abide by all other agreements and policies that he had agreed to and/or had executed previously, to the extent that the terms of such are not inconsistent with this Agreement.

17. The Company's waiver of a breach of any provision of this Agreement by Executive shall not operate or be construed as a waiver of any subsequent breach by Executive. No waiver shall be valid unless in writing and signed by an authorized officer of the Company.

18. During Executive's employment by the Company and for a period of one (1) year following the Retirement Date, Executive will not, directly or indirectly, whether as an owner, partner, shareholder, consultant, agent, employee, co-venturer or otherwise, or through any other "person" (which, for purposes of this subsection, shall mean an individual, a corporation, a partnership, an association, a joint-stock company, a trust, any unincorporated organization, or a government or political subdivision thereof), (1) hire or attempt to hire any employee of the Company or any affiliate of the Company or any person who was an employee of the Company or any affiliate of the Company at any time during the twelve months immediately prior to the termination of Executive's employment with the Company, assist in such hiring by any other person, encourage any such employee to terminate his relationship with the Company or any affiliate of the Company; (2) directly or indirectly, request or cause customers, suppliers or other parties with whom the Company or any of its affiliates has a business relationship to cancel or terminate any such business relationship with the Company or any of its affiliates; and (3) solicit from a customer of the Company or its affiliates any business which is competing with or related to the business of the Company or its affiliates, or with the products or services of the Company or its affiliates. Upon request by Executive, the Company agrees to consider waiving Paragraph 18(1) at its sole discretion.

19. During his employment with the Company and for a period of one (1) year after the Retirement Date, the Executive agrees that he will not (i) be employed or engaged as a contractor, employee, director, manager, officer, trustee, consultant or advisor or otherwise provide services or advice to or on behalf of or participate in the management or control of, (ii) have an economic or other interest in, directly or indirectly, as owner, partner, participant of a joint venture, trustee, proprietor, stockholder, member, capital investor, lender or similar capacity (other than equity interests in publicly held companies in which Executive owns less than a 1% voting interest), or (iii) lend his name or reputation to be used in connection with, or otherwise participate in or make available his skill, knowledge or experience to be used in connection with, any hoist, crane or rigging company. Appendix A is indicative only and is a non-exhaustive list of companies that compete with the Company's hoist & rigging business. The Company agrees to consider waiving this Paragraph 19, at its sole discretion, should Executive bring forward a company for consideration and request relief from this Paragraph 19. The "Restricted Territory" means anywhere in the United States, LATAM, Canada, and Europe.

20. If any of the provisions or covenants contained in paragraph 18 or 19 of this Agreement are determined by a court of law to be unenforceable because of the duration or geographic scope thereof, the court making such determination shall have the power to reduce the duration and/or geographic scope of the provision or covenant, and the provision or covenant in its reduced form shall be enforceable.

21. Executive will not at any time following the date of this Agreement disparage the Company. The Company will not, at any time following the date of this Agreement, disparage the Executive. Nothing in this Section will be construed to limit the ability of Executive or the Company's officers or members of its Board of Directors to give truthful testimony pursuant to valid legal process, including but not limited to, a subpoena, court order or a government investigative matter. The Company will not challenge, appeal, or respond to any unemployment filing made by the Executive. It is further understood that none of the payments made to Executive hereunder constitute wages for services rendered or wages attributed to any specific weeks of employment. The Executives termination is not due to misconduct or substantial fault.

22. Executive agrees that all terms and conditions of this Agreement applicable to any non-qualified deferred compensation shall be construed to be in accordance with Section 409A of the Internal Revenue Code and any non-compliant terms shall be amended, voided and/or reformed to the extent necessary to comply with Section 409A.

23. Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

24. As used in this Agreement, the singular or plural shall be deemed to include the other whenever the context so indicates or requires. Similarly, references to the male or female gender shall be deemed to include, supplant, or replace the other whenever the context so indicates or requires.

25. This Agreement may be executed through the use of separate signature pages in multiple originals and in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Agreement, binding on all parties, notwithstanding that all parties are not signatories to the same counterpart. The parties shall exchange original signed Agreements as soon as practicable following delivery and execution as aforesaid. Notwithstanding any other provision, this Agreement shall not be considered to form a binding contract until it has been signed by both parties hereto, within the timeframes provided for herein, and the revocation period provided for in Paragraph 7(c) has expired.

26. In connection with Executive's employment by the Company, the Company has provided and continues to provide Executive with, and/or Executive has developed and has access to during the scope of his employment, certain confidential and/or proprietary information developed by or regarding the Company and/or used in the business, in written or unwritten format, in electronic form or otherwise, including, but not limited to, all or any portion of the following: (i) files, records, data, forms, manuals, reports, letters, memorandum documents and work papers; (ii) strategic planning related matters; (iii) information regarding the abilities and expertise of the Company; (iv) research, designs and development pertaining to services, operations and the business of the Company; (v) strategic data, development plans, business plans, future plans and potential strategies, including, tax and estate planning strategies; (vi) trade secrets, recipes, know-how, computer software (including programs, applications, models and manuals); (vii) tax returns and other filings with federal, state and local tax authorities; and (viii) documents and filings relating to litigation and arbitration matters ("Confidential Information"). Confidential Information shall not include information which is or becomes generally available to the public other than as a result of a disclosure by Executive or its representatives in violation of this

Agreement. Executive agrees that Confidential Information will be used solely in connection with, and in the scope of, Executive's employment by the Company, and will be kept strictly confidential. Executive shall not disclose any Confidential Information to any person or entity in any manner whatsoever. All Confidential Information is and shall remain the exclusive property of the Company. At the Company's written request, Executive shall return or destroy all Confidential Information, including, without limitation, all documents, and materials, whether in printed or electronic form, that contain Confidential Information (including those prepared by or for Executive). Executive shall certify in writing, at the Company's written request, that Executive has destroyed all material of any type or format containing or reflecting any Confidential Information, and will not retain any copies, extracts, or other reproductions, in whole or in part, of such material except as is required by law. The destruction of any such material shall not relieve Executive of its confidentiality obligations under this Agreement.

27. Following the Retirement Date for a period of six months, at the request of the Company, the Executive agrees to reasonably cooperate with respect to matters involving the Company about which the Executive has or may have personal knowledge, including any such matters which may arise after the Retirement Date, not to exceed five (5) hours in any given month following the Retirement Date. The Company will reimburse Executive for any out-of-pocket expenses incurred as a result of such cooperation. If Executive's cooperation exceeds said five (5) hours in any given month, Executive will be compensated for his time above five (5) hours at a rate of $100/hr.

28. It is recognized and acknowledged by Executive that a breach of one or more of the covenants contained herein will cause irreparable damage to the Company and its goodwill, the exact amount of which will be difficult or impossible to ascertain, and that the remedies at law for any such breach shall be inadequate. Accordingly, Executive agrees that in the event of a breach or threatened breach of any of the covenants contained herein, in addition to any other remedy which may be available at law or in equity, the Company shall be entitled to seek injunctive relief and specific performance to prevent or prohibit such breach. Executive agrees to waive any requirements for the securing or posting of any bond in connection with such remedy.

29. Effective as of the Retirement Date, unless otherwise requested by the Company in writing, Executive will, automatically and without further action on his part or any other person or entity, resign from all offices, boards of directors (or similar governing bodies), committees of such boards of directors (or similar governing bodies) and committees of the Company, its subsidiaries, and affiliates. Executive will execute and deliver to the Company any such further documents and instruments as may be reasonably necessary or appropriate to carry out the intent of this Paragraph 29. If any payment or benefit due under this Agreement, together with all other payments and benefits that Executive receives or is entitled to receive from the Company or any of its subsidiaries, Affiliates or related entities, would (if paid or provided) constitute an excess parachute payment for purposes of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), the amounts otherwise payable and benefits otherwise due under this Agreement will either (i) be delivered in full, or (ii) be limited to the minimum extent necessary to ensure that no portion thereof will fail to be tax-deductible to the Company by reason of Section 280G of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state or local income and employment taxes and the excise tax imposed under Section 4999 of the Code, results in the receipt by the Executive, on an after-tax basis, of the greatest amount of

benefits, notwithstanding that all or some portion of such benefits may be subject to the excise tax imposed under Section 4999 of the Code. In the event that the payments and/or benefits are to be reduced pursuant to this Paragraph 30, such payments and benefits shall be reduced such that the reduction of cash compensation to be provided to the Executive as a result of this Paragraph 29 is minimized. In applying this principle, the reduction shall be made in a manner consistent with the requirements of Section 409A of the Code and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. All determinations required to be made under this Paragraph 30 shall be made by the Company's independent public accounting firm, or by another advisor mutually agreed to by the parties, which shall provide detailed supporting calculations both to the Company and Executive within fifteen (15) business days of the receipt of notice from Executive that there has been a payment or benefit subject to this Section 10, or such earlier time as is requested by the Company. Notwithstanding any other provisions in this Agreement to the contrary, any incentive-based compensation, or any other compensation, paid to Executive pursuant to this Agreement or any other agreement or arrangement with the Company which is subject to recovery under any Company policy, law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such Company policy, law, government regulation or stock exchange listing requirement.

IN WITNESS WHEREOF, each of the parties hereto has duly executed this Retirement Agreement as of the date and year first set forth above.

COLUMBUS McKINNON CORPORATION

By: _____

EXECUTIVE: David J. Wilson

_____

Kurt Wozniak

APPENDIX A. ILLUSTRATIVE HOIST, CRANE AND RIGGING, COMPANIES.
THIS LIST IS INDICATIVE ONLY AND NON-EXHAUSTIVE

KONECRANES AND SUBSIDIARIES, INLCUDING DEMAG, R&M MATERIAL HANDLING

KITO AND SUBSIDIARIES, INLCUDING HARRINGTON HOISTS

INGERSOLL RAND

ILLINOIS TOOL WORKS

CRANE DEPOT

HOISTS DIRECT

CROSBY

ACCO

TEREX

GORBEL

LIFTKET

TRACTEL

LIFTING GEAR HIRE

JET

LIFT-ALL
DAVID ROUND

THERN

ELECTROLIFT

ELECTROMECH

DETROIT HOIST

Exhibit 31.1

CERTIFICATION

I, David J. Wilson, Chief Executive Officer, certify that:

1. I have reviewed this report on Form 10-Q of Columbus McKinnon Corporation;

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 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 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: July 28, 2022

/S/ DAVID J. WILSON
David J. Wilson
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Gregory P. Rustowicz, Chief Financial Officer, certify that:

1. I have reviewed this report on Form 10-Q of Columbus McKinnon Corporation;

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 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 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: July 28, 2022

/S/ GREGORY P. RUSTOWICZ
Gregory P. Rustowicz
Executive Vice President Finance and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32

CERTIFICATION

Each of the undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Columbus McKinnon Corporation (the "Company") on Form 10-Q for the quarterly period ended June 30, 2022, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: July 28, 2022

/S/ DAVID J. WILSON
David J. Wilson
Chief Executive Officer
(Principal Executive Officer)

/S/ GREGORY P. RUSTOWICZ
Gregory P. Rustowicz
Executive Vice President Finance and Chief Financial Officer
(Principal Financial Officer)