Operator: Good Morning. Welcome to Columbus McKinnon's Full Year and Fourth Quarter Fiscal 2024 Financial Results Earnings Conference Call. My name is Sherry. I will be your conference operator today. As a reminder, this conference is being recorded.

I would now like to turn the conference over to, Kristy Moser, Vice President, Investor Relations. Please go ahead.

Kristine Moser: Thank you. Good morning and welcome everyone to Columbus McKinnon's Fourth Quarter and Full Year Fiscal 2024 Earnings Conference Call. The earnings release and presentation are available for download on our investor relations website at investors.cmco.com

On the call with me today are David Wilson, our President and Chief Executive Officer; and Greg Rustowicz, our Chief Financial Officer. In a moment, David and Greg will walk you through our financial and operating performance for the quarter.

Before we begin our remarks, please let me remind you that we have our safe harbor statement on **slide 2**. During the course of this call, management may make forward-looking statements in regard to our current plans, beliefs, and expectations. These statements are not guarantees for future performance and are subject to a number of risks and uncertainties and other factors that can cause actual results and events to differ materially from the results and events contemplated by these forward-looking statements.

I'd also like to remind you that management will refer to certain non-GAAP financial measures. You can find reconciliations of the most directly comparable GAAP financial measures on the company's Investor Relations website and in its filings with the Securities and Exchange Commission

Please see our earnings release and our filings with the Securities and Exchange Commission for more information.

Today's prepared remarks will be followed by a question-and-answer session.

With that, I will turn the call over to David.

David Wilson : Thank you, Kristy, and good morning, everyone.

Beginning on slide 3, Fiscal 2024 was another record year for Columbus McKinnon as we grew sales by 8% to over $1 billion dollars for the first time in our history and expanded Adjusted EBITDA margins by 60 basis points to our highest level ever, or 16.4%. We expanded gross margin, benefitting from leverage on our growth and remained focused on performance improvement through the Columbus McKinnon Business System and 80/20 actions.

In fact, it was a record year for sales, gross profit, gross margin, operating profit, and Adjusted EBITDA Margin. These results are a testament to the effectiveness of our strategy, solid execution by our global CMCO associates and the growing impact of our transformation.

We delivered high-single to low-double-digit sales growth across each area of our business, including automation, precision conveyance, lifting and linear motion in the year. And this sales growth came from both our project and short-cycle businesses.

With healthier supply chain dynamics and improved operating performance, we delivered in areas that are most important to our customers. Over the past year, we improved our on-time delivery 12% and reduced our past due backlog by 73% from its peak, which is now back to normalized pre-COVID levels. Importantly, this translates to an improved customer experience, and we expect that to be a tailwind to our business as we increase our share of wallet with existing customers and grow with new customers.

For example, in our North American Hoist business, where we experienced the greatest supply chain challenges. Current lead times have improved by approximately 50% since early fiscal 24 and we improved on-time delivery to those reduced lead times by 30% within the year.

These improvements and others position us to continue to build on our Net Promotor Score following a 25-point improvement in FY24 including double-digit improvements across all product lines, in the Americas.

Adjusted Gross Margin expanded by a robust 80 basis points year-over-year in fiscal 24. And, in the fourth quarter, we delivered 70 basis points of Adjusted Gross Margin expansion, even as we lapped the 110-basis point improvement we delivered in the prior year.

We are proud of the progress that we have made on Adjusted Gross Margin expansion, even as we navigated a few unique items in Q4 that Greg will cover. This gives us further confidence in our ability to deliver additional gross margin expansion in fiscal 2025 and remain on track for our long-term objectives.

Our fiscal 2024 record performance is the result of the hard work and strong execution of our 3,500 Columbus McKinnon team members. I am proud of how our nimble and innovative team has continued to deliver on behalf of both our customers and shareholders over time and across a variety of economic environments. While we've made solid progress, we still have significant opportunities in front of us to enhance customer experience, optimize our business and grow profitably.

And, we are growing, strategically repositioning our company and generating cash, which provides dry powder to reinvest into our growth framework where we have

multiple levers to drive more scale. We believe that increasing scale will become a compounding advantage as we execute our strategy over time.

We remain focused on using our significant cash flow generation to de-leverage our business. Our net leverage ratio now sits at 2.4 times, and we are on track to reduce this ratio to approximately 2.0 times by the end of fiscal year 2025.

Turning to **slide 4**, we exited the year with momentum delivering order growth of 5% in the fourth quarter and 3% on an organic basis. Order growth on a sequential basis was up 12%. Year over year, orders grew across the Americas, EMEA and APAC demonstrating the resilience of demand in these geographies despite the broader macroeconomic and geo-political headwinds.

In the fourth quarter, Precision Conveyance continued to be a particular area of strength with order growth of 25% year over year. Excluding montratec, Precision Conveyance orders were up 13%. Lifting orders were up 6% with particular strength in North America, which was up 17%, reflecting early green shoots resulting from our enhanced operational performance as discussed earlier.

Overall, demand for both our project and short cycle businesses remained healthy. Short-cycle orders were up mid-single digits. Project orders were down slightly due to timing of a few larger orders falling into the first quarter, but overall, the project order pipeline remains healthy reflecting our customer centric focus, targeted end-market growth initiatives and channel diversification efforts.

While still early, we see a growing pipeline of project activity this quarter and have already had wins in categories benefitting from megatrends that provide tailwinds to our business such as pharma, ecommerce, and electrification. Additionally, we just closed a deal with a large ship-to-home prescription distribution company in North America for our montratec asynchronous conveyance solutions. Our momentum with montratec is building and we remain excited by the potential for that technology as we expand our coverage.

While we are not immune to the macroeconomic environment, we remain cautiously optimistic about our near-term outlook given the resilience of our customer relationships, the visibility we have into our sales funnel and our efforts to improve our customers' experience. Through our acquisitions and our commercial growth initiatives, we are adding new customers and expanding into new end markets, markets that have attractive tailwinds. That being said, in the context of an uncertain environment, we took a prudent approach to guidance for the year, which Greg will share more about shortly.

Our continued focus on improving operational performance and enhancing customer experience has resulted in a 6% decrease in our backlog from the prior quarter. Roughly half of the impact was driven by a reduction in past-due backlog and the remainder was the result of the continued normalization of overall backlog.

As a reminder, we expect backlog to further normalize from current levels as we demonstrate the permanency of our improved customer lead times and customers adjust their ordering behavior. While this may impact the near term, we expect to benefit from improved customer satisfaction and believe this will result in increased wallet share over time.

On **Slide 5**, In addition to customer experience, we continue to make significant progress on all aspects of our transformation, including delivering on productivity enhancements and simplifying our business. As you know, all aspects of our business are guided by this strategic framework which is secured by the foundation of CMBS and leads to our transformation as we successfully leverage our Growth Framework.

During the year, we made progress with our footprint simplification plan which is a core element of our 80/20 process. We have now fully integrated our Santiago facility into our new center of excellence in Monterrey, Mexico and our Jülich facility into our Wuppertal Germany facility. We are pleased with the early results. We continue to execute against this simplification plan and look forward to sharing more details when appropriate. As a reminder, this is expected to contribute an additional 200 basis points to gross margin over time.

We are encouraged by the progress we are making and by the potential of our business as we advance Columbus McKinnon's strategic transformation.

Turning to **slide 6**, I'm pleased with the growth, market repositioning and margin expansion that our talented team has been able to deliver since we began this journey just a few years ago. We increased our sales by nearly 60% and expanded our Adjusted EBITDA margins by 450 basis points. Despite this material progress, we have higher ambitions and are working to deliver another 50% top-line growth and another 460 basis points of Adjusted EBITDA Margin expansion within our strategic planning period. This margin expansion reflects operating leverage on growth, the execution of footprint simplification plans and benefits from other gross margin expansion levers.

Our fiscal 2024 results, our differentiated business model and the continued execution of our strategy give us confidence that we will stay on track to achieve our long-term financial objectives.

Looking to **slide 7**… As we enter fiscal 2025, our strategic priorities remain deliberately consistent as we execute on the most important initiatives that will enable us to achieve our financial objectives. Specifically, we are focused on:

- Enhancing customer experience and further differentiating our customer value proposition;
- Driving operational excellence at our factories;
- Executing on our footprint simplification; and
- Delivering profitable growth

I remain confident in the long-term trajectory of Columbus McKinnon. We are delivering improvements in all areas of the business and are just beginning to scratch the surface in terms of the value our precision conveyance business can deliver as we integrate our offerings and open those solutions to new end markets and geographies, leveraging the power of Columbus McKinnon's growing scale and global reach.

With that, I will turn it over to Greg to take us through the financial results.

Greg Rustowicz: Thank you, David, and good morning, everyone.

Turning to **slide 8**, we delivered record net sales in the fourth quarter of $265.5 million dollars, up 5% from the prior-year period. This was in line with the guidance we provided last quarter, which speaks to the strong execution from the team.

We realized pricing gains of $5.7 million, or 2.3%, and volume was flat. The montratec® acquisition contributed $4.9 million to sales or 1.9% of the increase. As a reminder, montratec has variability from period to period given the project nature of the business. Foreign currency translation was a benefit this quarter of $1.3 million or 0.5%.

Sales growth in the quarter was largely driven by precision conveyance, which was up 23% overall, and 9% excluding montratec. As David discussed, our pipeline of opportunities remains healthy for this platform, and we saw strong order growth of 25% in Q4 and 13% excluding the impact of the montratec acquisition. Our Lifting platform also contributed to sales growth in the quarter, as it was up 4%, driven by strength in our project business.

In the U.S., sales increased 3.7% driven by both volume and price, primarily in our precision conveyance platform as just referenced. Outside of the U.S., sales increased by 5.8%. This was primarily the result of montratec revenue and the favorable benefit of FX, as we saw slight volume declines that were offset by pricing gains.

On **slide 9**, gross profit increased $3.1 million, or 3.4% versus the prior year driven primarily by favorable sales mix, even as we absorbed $2.8 million of Monterrey Mexico start-up costs and factory consolidation costs in Europe with the Julich Germany consolidation. We recorded gross margin of 35.5% in the fourth quarter. On an adjusted basis, gross margin was 36.6% up 70 basis points year over year, which is on top of the 110-basis point adjusted gross margin expansion realized in the prior year. Price net of material inflation and other manufacturing cost changes continues to be accretive to gross profit. However, there were a couple of items that resulted in lower gross margins than we expected. First, we had lower than expected revenue recognized at montratec in the quarter which impacted fixed cost absorption. In addition, they had a project in backlog prior to the acquisition that experienced higher purchased component costs which we couldn't contractually pass through. Finally, we had some inventory clean-up items in our North American Lifting business. We have since implemented CMBS aligned corrective actions to address these issues. For the

full year, we delivered record adjusted gross margin of 37.3% which is on the trajectory to our 40% gross margin goal.

Moving to **slide 10**, RSG&A expense in the quarter increased $4.2 million to $61.4 million dollars. This was driven by the montratec acquisition which added $2.9 million in the quarter as well as $1.3 million of increased R&D investments. RSG&A cost as a percent of sales was 23.1%, up 60 basis points due to the investment in R&D. G&A expense as a % of sales was down 10 basis points this quarter. This percentage would have been even lower by 80 basis points without the fees and expenses related to the Term Loan B repricing which were $1.2 million and Monterrey Mexico plant start-up costs which were $1.0 million.

Turning to **slide 11**, we generated operating income of $25.4 million in the quarter, or 9.6% of sales. Operating income was impacted by $5.6 million of pro-forma items including the Monterrey Mexico new factory start-up costs and the fees and expenses paid for the debt refinancing previously mentioned. Adjusted operating income was $31.1 million, or 11.7% of sales. On an adjusted basis, operating income grew $1.9 million, or 6.6% and adjusted operating margin expanded by 20 basis points compared to the prior year.

As you can see on **slide 12**, we recorded GAAP earnings per diluted share for the quarter of $0.41 cents, down $0.07 cents vs. the prior year. This was due to the previously mentioned new factory start-up costs in Monterrey Mexico and the Term Loan B repricing costs, along with a tax indemnification payment owed to the former owners of STAHL as a result of a tax refund we received in the quarter for one of the former STAHL subsidiaries that related to the preacquisition timeframe. Together, these items impacted GAAP EPS by $0.17 per share. Adjusted earnings per diluted share of $0.75 cents was down $0.05 cents from the prior year driven by below the line items including higher interest expense and a swing in foreign exchange from a gain in the previous year to a loss in the current year which together impacted EPS by $0.08 per share.

On **slide 13**, our Adjusted EBITDA margin this quarter of 16.2% improved by 50 basis points from a year ago. On a full-year basis, we achieved record Adjusted EBITDA margin of 16.4%, a 60-basis point improvement from where we finished fiscal year 23.

Moving to **slide 14**, Free Cash Flow for fiscal 24 was $42.4 million in the period. This includes cash provided by operating activities of $67.2 million and CapEx of $24.8 million. Free cash flow was down $28.6 million year over year driven by $12.2 million of higher CapEx largely related to the opening of our new Monterrey, Mexico facility and $8.9 million of higher cash interest and $6.3 million of higher cash taxes. Free Cash Flow Conversion for the quarter was 91%, slightly ahead of our guidance of 90%.

Turning to **slide 15**, our capital structure continues to improve as our Net Leverage Ratio was 2.4x on a financial covenant basis. In addition, we were opportunistic in March, and repriced our term loan B. We expect this to generate approximately $2.5

million of interest expense savings in FY25. We also continued our accelerated debt reduction plan as we paid down another $20 million of debt in the fourth quarter. We are planning to pay down an additional $50 million of debt in fiscal 25. This is a priority for us and we are working to accelerate even more debt repayment as business conditions allow.

Slide 16 provides our new guidance for FY25 and the first quarter. We are cautiously optimistic regarding fiscal 25 on the back of record performance in fiscal 24, the improvements we are driving throughout the business and our visibility into the order funnel. While we remain confident in the long-term potential of our business, the near-term macroeconomic backdrop remains uncertain. Given this uncertainty, we have taken a prudent approach to our expectations for fiscal 25. With that in mind, we are issuing the following guidance for the quarter and the year:

- We expect low single digit sales growth year over year
- We also expect Adjusted EPS to grow mid-to-high single digits
- CapEx will be in a range of $20 million to $30 million, which includes $13 million related to the footprint simplification underway with the Monterrey Mexico facility; and we expect our Net Leverage Ratio to end fiscal 25 at approximately 2.0x

This assumes approximately:
- $33 million of Interest Expense and $30 million of amortization for the year
- And an effective tax rate of 25% with diluted shares outstanding of 29.4 million.

In the first quarter of fiscal 25, we expect Sales to grow in the low single digits and Adjusted EPS to be flat to slightly down year-over-year.

This assumes approximately:
- $9 million of Interest Expense and $8 million of amortization in the quarter
- And an effective tax rate of 25% with diluted shares outstanding of 29.2 million.

Again, our guidance reflects our early views on fiscal 25, as well as trends we are currently seeing. We remain confident in our long-term trajectory and our ability to create value for our shareholders as we continue to grow revenue, expand margins and deliver Free Cash Flow.

Operator, we are now ready to take questions.

QUESTION & ANSWER

Operator: [Operator Instructions]. Our first question comes from Matt Summerville with D.A. Davidson.

Matt Summerville : A couple of questions. Could you maybe talk about order cadence as you progress through the fiscal fourth quarter and what you've seen from an incoming order rate standpoint in April and May? And are you seeing anything in

your more "canary end markets", that are giving you maybe a little bit of pause given your commentary utilizing the word prudent several times? And then I have a follow-up.

David Wilson: As it relates to Q4, our progression was an increasing order rate throughout the quarter. And so, we saw a strong February and a strong March finishing at $258 million of orders for the quarter. And then as we entered this quarter, we had a pretty solid April followed by a slightly softer May, and we really don't have too many notable concerns relative to the quarter's run rate of orders at this point. Our channel inventory levels are at targeted levels. The demand and inquiry levels remain encouraging. But as we've identified, although we're optimistic, we're cautiously optimistic, given the broader macroeconomic uncertainties, and we're taking a prudent view towards our full year guide.

Matt Summerville: Then just as a follow-up, Greg, in your prepared remarks you talked about a couple of headwinds maybe that hit adjusted gross margin in the quarter. Could you quantify the magnitude of that headwind? Going back and reviewing the transcript from the third quarter you seemed pretty confident in your ability to hit 38% adjusted gross margin. You came in at 36.6%. I'm just trying to understand what would have maybe closed that gap?

Greg Rustowicz: Essentially both of those items were about $4 million of margin impact. And it had to do once again with montratec volumes being lower and absorption being off. But also, there was the project that I mentioned where we were unable to pass through the cost increase for one of the components that they don't normally buy, but it was needed for this project. And as I mentioned, we addressed that. And then in the U.S. lifting business, it had to do with some cleanup items that are not something that we accept, and we've made changes from a people and a process perspective to deal with this.

Operator: Our next question is from Steve Ferazani with Sidoti & Company. Please proceed.

Steve Ferazani: I just want to follow up the last question because when I think about your guidance, that EPS improvement for fiscal '25 on low single-digit revenue growth. It looks like you get there just on lower interest expense. So, you're not assuming any further gross margin improvement or RSG&A reduction because that sort of gets you there just with the $5 million interest expense reduction.

David Wilson: I think that would get us to the low end of the guide.

Greg Rustowicz: Yes. We do expect to expand gross margins. We have our overall goal to get to 40% in the next several years. And we continue to look at our cost structure. We do have our merit increases that are going to take effect in July on the RSG&A side. But once again, we're continuing to work that part of the equation as well to increase our ability to scale our cost, but also to look at where we might have the

ability to reduce that cost going forward. But once again, our guidance is meant to be a prudent look at where things sit today.

Steve Ferazani: Are you expecting any benefits near term from the Mexico and Germany facility consolidation? Or is that longer term?

Greg Rustowicz: I'll start out with the German piece of it. So that consolidation was for a very small facility that came with the Dorner acquisition in Jülich, Germany. There was a little bit of savings in this past fiscal year, not much to speak about. The savings are very immaterial going forward, just given the size of it. But we think that having that now under our Wuppertal factory will give us much more control and visibility. And I think the ability to make sure we've got the right inventory and that we're able to drive volume. David, do you want to address Mexico?

David Wilson: Yes, I would add that Jülich, German facility consolidation is the former Dorner manufacturing location that we consolidated into our Wuppertal distribution center for the broader European organization. And then for the Monterrey facility, we are going to be in a transition year this year as we probably have a period of duplicative costs and then some benefits as we go forward. And so, it's going to be a bit lumpy. If there is a benefit, it will be back-end loaded. And I would say that the majority of our 200 basis points of margin expansion that we anticipate from this overall project is largely back-end loaded in our strategic planning period. So, we'll talk more about that as it's appropriate, but that is the rough phasing that I would like you thinking about.

Steve Ferazani: And then to the top line growth you're expecting, so four to five quarters book-to-bill has been under 1. You reduced backlog by about $30 million this year. To get to low single-digit growth, are you expecting further backlog reduction beyond $30 million next year to get you there? And I guess just to add on to that question, what do you consider normalized backlog now?

David Wilson: So, our backlog, if you look at historical terms pre-COVID in our lifting business is about $80 million below where it is today, $80 million to $90 million below where it would be today. And that is at a time when orders were placed more frequently. Through COVID, and with the longer lead times we experienced in the wake of COVID, we had customers that would place orders earlier and with longer lead times. And so that leads to an elevated backlog that you carry.

We think there's maybe $50 million of backlog there that might be above what might be a new normalized level with new ordering patterns, and if demand remains as it has been over the last two quarters. So, if you look at Q4 orders and you look at Q3 orders and annualize that, that's roughly a $980 million run rate. And so probably at the midpoint of our guide, you would say that we would be needing to draw down about $50 million of backlog, given flat order performance.

We're obviously encouraged with the demand in the pipeline. But we remain cautiously optimistic given the macroeconomic environment.

Greg Rustowicz: And just to add on, the team has done a tremendous job of reducing past due backlog over the past year. We're down about $18 million versus a year ago, and even in this quarter, we're down about $7.5 million. So essentially, we're back to a more normal level and no longer an issue for us.

And the combination of those things really drives a focus on customer experience and picking up more market share opportunity with our customers, which we're laser-focused on. And our assumptions don't assume a diminishing demand. It's just the timing of that demand given some of the macroeconomic uncertainty.

Operator: Our next question will be from Jon Tanwanteng.

Jon Tanwanteng, CJS Securities, Inc.: I guess if we could dive a little bit more into montratec and what happened in the quarter. Did you push out some of the deliveries and revenue recognition there? Coming back maybe in the later quarter, number one. And number two, the parts that you couldn't pass through the pricing, is that something that's going to be an issue going forward? Is that -- or is that just a one-time issue on the contract that was involved there?

David Wilson: Yes, we did see some revenue recognition timing adjustments in the quarter as we bring them into the fold on our policies and approach. The impact of this project was a one-time impact, a large project for a major European auto manufacturer where the team had agreed to provide some robotics equipment, which is third-party supplied in addition to the core components of the portfolio. The pricing that was established for that was under where the cost was. This is a pre-acquisition contract, and it was something that we have appropriately circled and addressed and, both from a process and from a people standpoint, of taking corrective action to ensure that that's behind us.

Jon Tanwanteng: How did montratec do in the year compared to your expectations when you bought it? I guess the rev-rec means that your next quarter should be a little bit stronger, just for montratec, than you probably would have expected?

David Wilson: For the year, very much in line, Jon. So, they delivered $32.6 million for the 10 months that we owned them. And if you annualize that, that's a $39 million rate. And so, if you think about what we bought, we bought a $30 million business that we said was going to grow 30% per year. So, we're very much on a $40 million clip even with this lighter quarter in the fourth quarter. Their gross margins were at 42.4% for the fiscal year, including those ten months, as we mentioned. And so, this is very much a business that is performing at a level that's in line with our expectations for the first ten months of ownership. It is a bit lumpy given the phasing of projects in the pipeline. And we're really encouraged with the demand potential for that business as

we unlock its exposure globally with our reach and we're accessing some really attractive markets that have great potential.

And so, we feel good about the business. We feel good about its trajectory. There are some periodic impacts here that we experienced here in the quarter, and I anticipate that the next quarter will be similar in revenue but improved in terms of margin.

Greg Rustowicz: And just to add on and just a reminder to folks on the call, so we bought montratec May 31 last year. We have two more months, and then we'll be anniversarying the montratec acquisition. When we break out acquisition sales in the upcoming quarter, it will only be for the two months. And the rest of the montratec revenue that's delivered in June will be part of our normal price, volume, and mix calculations.

And if you think about it, the $32.6 million of sales that David referenced for montratec, that's in only ten months of ownership under Columbus McKinnon. So really excited about their progress.

Jon Tanwanteng: On the components of the revenue guidance for this coming year, can you just break down what you're implying there between pricing volume and whatever else is that to montratec for those two months?

Greg Rustowicz: We would expect, as David mentioned, the acquisition piece of it to be relatively comparable to this past quarter. As we've talked about in past quarters, we do expect pricing to normalize. Our material cost inflation has now come in quite a bit. And for the most part, we're just seeing a little bit of carryover inflation from price increases that our vendors passed through back in fiscal '24.

So, pricing once again is going to be a more normal level. We're just taking a prudent approach with all the uncertainty that's out there that volume is going to be relatively flat to maybe up a little bit.

Operator: And our last question will be from Walt Liptak with Seaport Research.

Walt Liptak: You talked a little bit about the conveyance order growth. And it seems like 13% order growth is kind of a pretty good start, pretty good visibility for the year. Can you provide maybe a little bit more detail? What are you seeing from the funnel, quoting environment, et cetera?

David Wilson: The funnel is really encouraging. In the U.S., we have roughly a $33 million funnel of active engineered-to-order quotes that excludes the build-to-order opportunities that we typically see come into the business on an ordinary course.

It's full of attractive opportunities across pharma, e-commerce, electrification, food and bev. We're seeing that funnel increase in its size and activity around project discussions increase as well. We do have in the rearview mirror a slowdown that we

saw in the packaging industry, as well as in the robotic space that impacted the business over the last 18 months in addition to the challenges that we saw from a demand perspective in e-commerce. And what we're seeing generally is that those overhangs are alleviating and that the funnel is advancing.

So, we're encouraged by the funnel and the opportunities are attractive in those industries that I mentioned.

Greg Rustowicz: We're very excited about the fact that we just won an order for a montratec system in the U.S. to a Dorner customer that's very sizable with the potential for several more.

David Wilson: Yes. It's an opportunity that has multiple lines associated with it.

Walt Liptak: In your prepared comments, you alluded to strategic work that you're doing with the conveyor part of the business, the Dorner and Garvey business and maybe montratec. I wonder if you could help us understand that, if that's correct, and if you could understand what's going on, on the selling strategies to keep this order growth going?

David Wilson: If you recall, when we purchased the company, we talked about the global reach that we could achieve through the total organization of Columbus McKinnon. And so, we've really worked to integrate the Garvey and the Dorner selling organizations, and they're largely selling both portfolios at this point. And as we think about adding montratec, and the reach of that organization to the mix, now we have a large European team that can help us to bring product both from North America to Europe and the European team can leverage the North American channels that we have. And as Greg just highlighted, capturing the opportunities that we see in North America.

We also have a growing presence in Asia with the opportunity to sell this product through our Southeast Asian hub. As you know, we have a manufacturing facility for Dorner that is in Malaysia. And we have a pretty well-established presence commercially to sell that product. And now bringing the montratec and Garvey portfolio into that mix is something we expect to leverage. We've done some good work, not only from a channel reach standpoint, but also from a product and technology integration standpoint. We were recently at a show with customers in Europe, we were demonstrating the interconnectability of Dorner and montratec solutions to solve very application-specific problems that exist in fast-growing markets. And our customers are pretty excited about it. So, I think there are a lot of opportunities for us to leverage those technologies across the landscape and unlock the potential of this precision conveyance portfolio.

Walt Liptak: If we just switch gears to sort of the cautious outlook that you talked about. I think you referenced macro, but I wonder if you can be more specific. Is it Europe macros? U.S. macro? What are you seeing in Europe and here?

David Wilson: We've seen a stabilization, and in fact, a slight improvement in the macro in Europe over the last three months. And so that's a recent trend. But as you look at the general position globally: sustained higher interest rates, and the risk of continued inflation; the global geopolitical landscape, and some uncertainty around that; the election cycle and potential uncertainty around that, we thought it was prudent for us as we look at the potential for disruptions to demand pattern associated with that environment, to take a prudent view on our outlook for the year.

Operator: Thank you. This will conclude the question-and-answer session on the earnings call. I will now turn the call back over to Mr. Wilson for closing remarks.

David Wilson: Thank you, Sherry, and thank you to all on the call for joining us today. Our team is executing our strategic plan, improving our customers' experience, and making significant progress on our simplification initiatives.

I'd like to extend my personal thanks to our entire team for their dedication and relentless execution that enabled us to deliver record results in fiscal year 2024.

Our high single-digit sales growth and mid-teens adjusted operating income growth, in a dynamic environment throughout the year, offer meaningful proof points that highlight the power of our transformation. While we are taking a prudent view regarding guidance for fiscal 2025, we remain highly confident in our potential over the longer term.

Our deliberately curated portfolio of businesses generate significant cash flow, which enables us to reinvest in our business and de-lever the balance sheet, unlocking further cash flow potential as we invest in businesses with attractive cash-on-cash returns.

Powered by our attractive and improving financial performance, and our position as a market leader with improving scale and compounding growth, we remain confident in our ability to deliver shareholder value over time.

Thanks for investing your time with us today. As always, please reach out to Kristy if you have any questions.

Operator: Thank you. This concludes today's conference call. You may now disconnect.

Note: This transcript has been edited slightly to make it more readable. It is not intended to be a verbatim recreation of the Columbus McKinnon Corporation (CMCO) financial results teleconference and webcast that occurred on the date noted. Please refer to the webcast version of the call, which is available on the Company's website (www.cmco.com), as well as to information available on the SEC's website (www.sec.gov) before making an investment decision. Please also refer to the opening remarks of this call for CMCO's announcement concerning forward-looking statements that were made during this call.