Columbus McKinnon to Acquire montratec® GmbH

David J. Wilson
President and Chief Executive Officer

Gregory P. Rustowicz
Executive Vice President – Finance & Chief Financial Officer

COLUMBUS McKINNON CORPORATION

CMCO INTELLIGENT MOTION

April 26, 2023

Safe Harbor Statement

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements concerning the timing for the acquisition to be accretive to the Company’s financial results; the strategic benefits to the Company of the proposed acquisition of montratec, expected synergies and sales opportunities from the acquisition; anticipated future operating performance and results of the Company, including its ability to de-lever to its targeted leverage ratio; the timing for the completion of the acquisition of montratec; the Company’s proposed method for financing the transaction; montratec’s expected financial results for 2023; the Company’s expected net leverage ratio at March 31, 2023 and upon closing of the acquisition of montratec; and statements concerning preliminary unaudited estimates of revenue, operating income and Adjusted EBITDA for the Company. These statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to differ materially from the results expressed or implied by such statements, including the risk that the acquisition may not close in the anticipated timeframe or at all due to one or more of the other closing conditions to the transaction not being satisfied or waived; the risk that there may be unexpected costs, charges or expenses resulting from the proposed acquisition; risks related to the integration of montratec into the Company and ability to achieve strategic benefits and synergies, risks regarding the ability of the Company and montratec to achieve revenue expectations, risks related to the ability of the Company to execute its financing plans in connection with the montratec acquisition, the impact of supply chain challenges and inflation, the ability of the Company to scale the organization, achieve its financial targets including revenue and adjusted EBITDA margin, and to execute CMBS and the Core Growth Framework; global economic and business conditions affecting the industries served by the Company and its subsidiaries including COVID-19; the Company's customers and suppliers, competitor responses to the Company's products and services, the overall market acceptance of such products and services, the ability to expand into new markets and geographic regions, and other factors disclosed in the Company's periodic reports filed with the Securities and Exchange Commission. Consequently, such forward-looking statements should be regarded as current plans, estimates and beliefs. Except as required by applicable law, the Company assumes no obligation to update the forward-looking information contained in this presentation.

Non-GAAP Financial Measures

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

montratec Forward Looking Non-GAAP Financial Measures

This presentation includes a purchase price multiple calculated based upon montratec’s projected adjusted EBITDA for 2023, which is a non-GAAP financial measure used to describe montratec’s operating performance. The Company has not presented a GAAP reconciliation for this non-GAAP financial measures because such information is not available, and management cannot reliably predict the necessary components of such GAAP measures without unreasonable effort or expense. In addition, the Company believes that such a reconciliation would imply a degree of precision that would be confusing or misleading to investors. The unavailable information could have a significant impact on the calculation of the comparable GAAP financial measure.

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Unlocking CMCO's Potential

Business System and Core Growth Framework to Transform CMCO

CMBS



Growth Framework

- **RE-IMAGINE CORE**
- **EXPAND CORE**
- **GROW CORE**
- **STRENGTHEN CORE**

Transformation

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Transforming Columbus McKinnon into a Global, Top-Tier, Intelligent Motion Enterprise

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Investment Highlights and Strategic Rationale

Acquisition of montratec GmbH

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montratec

1. **Creates significant growth synergy opportunities with addition of asynchronous intelligent automation and transport systems to precision conveyance platform**
2. **Advances strategic transformation with higher growth, higher margin profile**
3. **Highly flexible, patented technology solutions provide process automation for attractive secular growth markets**
4. **Provides scale in Europe for precision conveyance platform while leveraging position of strength in North America for complementary technology**
5. **Adds talented, motivated, and innovative team with strong technical expertise**

Ideal Bolt-on to Precision Conveyance Platform: Growth, Technology, Market Diversity and Geographic Reach

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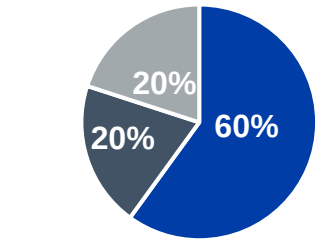
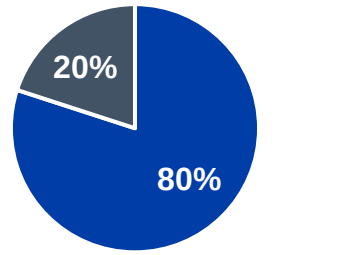
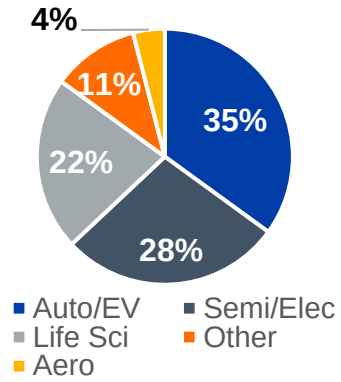
montratec Summary



Revenue Profile







- ✓ Develops and manufactures **logistics solutions connecting robots and workspaces**
- ✓ Located near Stuttgart, Germany with **30% growth rates and mid 20% EBITDA margins**
- ✓ Attractive markets – EV market expansion, growth in Electronics, Semiconductors and Life Sciences -- **2500 installations worldwide**
- ✓ Differentiated solutions – **asynchronous movement, cleanroom certification**, speed, space saving, **Industry 4.0 controls**, low energy consumption, easier change outs and faster set-up
- ✓ Technology driven organization – **advanced software capabilities**, robust NPD pipeline, talented engineering team, **patented technologies**
- ✓ **Record orders** – strong backlog to support 2023 revenue

Differentiated Technology in Secular Growth Markets; Expands Conveyance Platform in Europe

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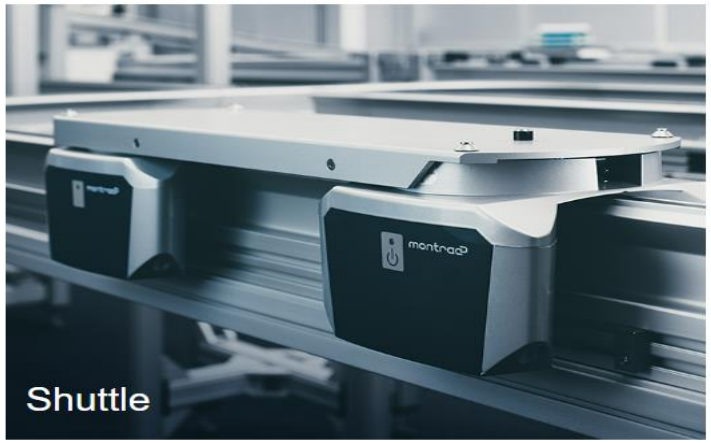
Leading Technology in Asynchronous Conveyance













Expands Market Access and Increases Value Proposition

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montratec Serves Attractive Markets



Automotive/ EV

- EV batteries
- Motors
- Seats
- Accessories



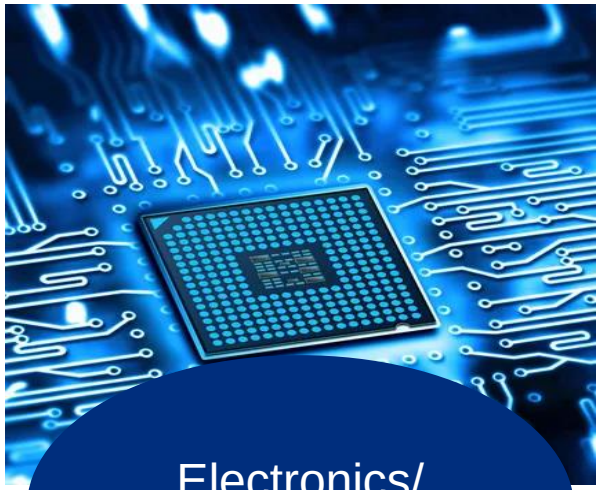
Life Sciences /MedTech

- Medical devices
- Medical supplies
- Pharmaceuticals



Consumer Packaging/ Plastics

- Packaging materials
- Injection molding



Electronics/ Semiconductors

- Printed circuit boards
- Displays
- Semiconductors

Recently expanded cleanroom certifications and increased shuttle capacity enable access to larger market opportunities

Semiconductor, Life Sciences and Electronics have Energized Recent Growth

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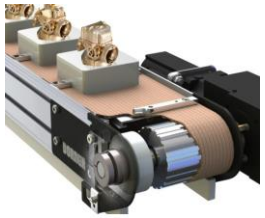
Precision Conveyance Landscape

Precision Belted



Timing Belt



Pallet System



Asynchronous Monorail



Asynchronous Linear Motor



	Dorner	Dorner	Dorner	montratec	N/A
Features	Low cost, compact light load, accurate belting	Fixtured, high speed, high precision, light load, small part	Palletized, low speed, heavy load, low back pressure, high precision	Async, high speed, high precision, TCO*, flexibility, med load	Async, very high speed, extreme precision, light load
Applications	Transport, semi-precision positioning	Indexing, positioning, robotics tending	Palletized assembly, accumulation	Assembly automation, cleanroom, dry room	Assembly, filling, cleanroom, small part
End Markets	Packaging, Industrial Automation, F&B, Life Science, E-Comm	Industrial Automation, Automotive	Industrial Automation, Automotive/EV, Life Science	Industry 4.0, Automotive/EV, Life Science, Electronics	Life Science, Electronics, Packaging

*TCO: total cost of ownership

Global Market for Assembly Conveyance

montratec Current Market Access

OHT* Semiconductor

TAM: ~$3.5B

Speed: 3-5 meter / sec

Cleanroom: ISO2 – ISO3

Load: 8-20Kg

Market requires new technology and channel



Linear Motor Technology

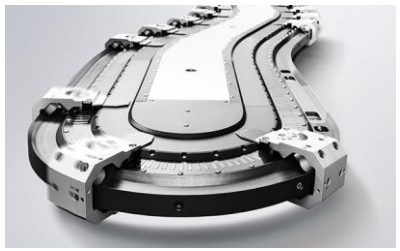
TAM: ~$350M

Speed: 4.0+ meter / sec

Cleanroom: Multiple

Load: < 40Kg

montratec access limited by speed of performance



Cleanroom Semiconductor

TAM: ~$400M

Speed: ~1.0 meter / sec

Cleanroom: ISO2 – ISO5

Load: 8 - 20kg

montratec partially plays in this market (~1/3 of the market)



Traditional Pallet Conveyance

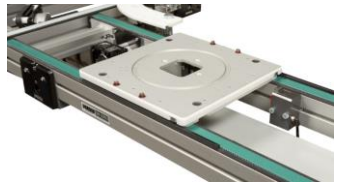
TAM: ~$400M

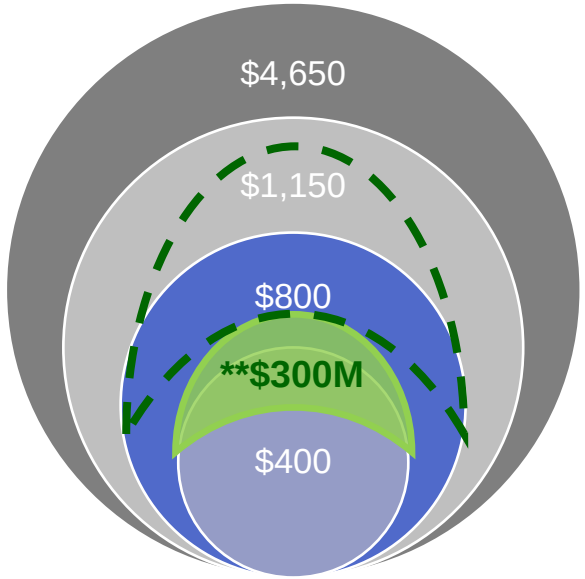
Speed: < 1.5 meter / sec

Cleanroom: ISO5 – ISO6

Load: up to 400kg

montratec serves the high end of this market





montratec ~$300M SAM fits between traditional & cleanroom semiconductor space

NPD achieves higher speeds and more stringent ISO certification allows +$400M in SAM

montratec Expands CMCO SAM by ~$300M in Cleanroom Semiconductor with Potential to Reach ~$700M

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**Overhead Hoist Transport*

***Montratec current SAM*

Transaction Overview

Purchase Price	~$110 million (€101.25 million) plus ~$14 million (€12.65 million) earnout based on EBITDA performance
Transaction Costs	Approximately $3.5 million including integration costs but excludes financing fees
Growth Synergies	Expect to more than double the size of the business over three years
One-time Costs	Approximately $0.9 million over 2 years
EPS Accretion	Accretive approximately 12 months following close
Financing	• Expanding existing revolver by $75 million to $175 million • Securitizing $50 million in accounts receivable • Estimated $600 thousand in financing fees • Expect to upsize Term Loan B to pay down revolver; timing based on market conditions
Transaction Close	Expected to close by May 31, 2023

Attractive Transaction Aligned with Strategic Transformation

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Capital Structure

($ in millions)

CAPITALIZATION	December 31, 2022	Preliminary March 31, 2023	Pro forma March 31, 2023
Cash and cash equivalents	$ 81.5	$ 133	$ 133
Total debt	**481.5**	**472**	**584**
Total net debt	**400.0**	**338**	**451**
Shareholders' equity	810.9	839	839
Total capitalization	**$ 1,292.4**	**$ 1,310**	**$ 1,423**
Debt/total capitalization	37.3%	36%	41%
Net debt/net total capitalization	33.0%	29%	35%

Note: preliminary and pro forma information are current estimates and subject to revision based upon the completion of the Company's quarter-end financial closing processes and its fiscal year-end audit. In addition, components may not add due to rounding.

Preliminary CMCO net debt leverage ratio[1] at 3/31/2023: ~2.2x

- Preliminary FY23 cash from operations: $83.6 million

Pro forma combined net debt leverage ratio[1] of ~2.7x at transaction closing

Reduced debt ~$40 million in FY23

- ~60% of Term Loan B debt is hedged

Financing structure increases flexibility

- Expanding $100 million revolver to $175 million
- Adding $50 million accounts receivable securitization program
- Will monitor Term Loan B marketplace and refinance when appropriate to return to "covenant lite" structure

Flexible Capital Structure and Solid Balance Sheet Supports Bolt-on Acquisition

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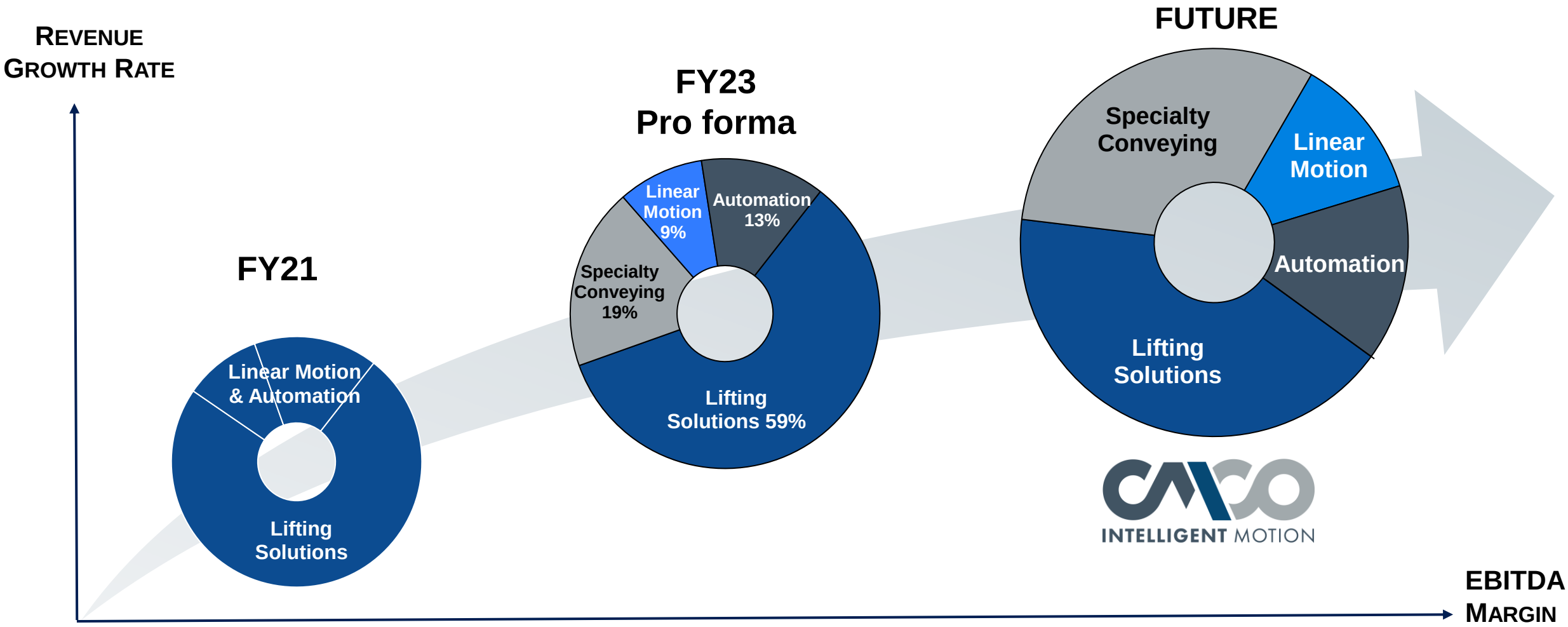
[1] on a Financial Covenant Basis

Advancing Along our Transformation Path



Executing Strategic Plan to Transform the Portfolio to Higher Growth, Technology-Driven Platforms

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Supplemental Information

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April 26, 2023

montratec Adjusted EBITDA Reconciliation

	December 31, 2022
Net income	**2,721,604 €**
Add back (deduct):	
Income tax expense (benefit)	240,600 €
Interest and debt expense	1,278,672 €
Other (income) expense, net	- 751 €
Depreciation Goodwill	1,162,548 €
Depreciation Intangible Assets	794,863 €
Depreciation Tangible Assets	255,934 €
Legal & Advisory Costs	13,000 €
Other Adjustments (IT Cost)	- €
Non-GAAP adjusted EBITDA	**6,466,470 €**
Sales	**26,698,710 €**
Net income (loss) margin	10.2%
Adjusted EBITDA margin - Non-GAAP	24.2%

montratec's adjusted EBITDA is defined as net income before interest expense, income taxes, depreciation, and other adjustments. Adjusted EBITDA is not a measure determined in accordance with generally accepted accounting principles and may not be comparable with the measures as used by other companies. Nevertheless, Columbus McKinnon believes that providing montratec's non-GAAP information, such as adjusted EBITDA, is important for investors and other readers of this news release.

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Adjusted EBITDA Reconciliation

	Three Months Ended March 31, 2023 (Preliminary Range)	
	Low End	High End
Income from operations	$ 26,968	$ 27,968
Add back (deduct):		
Depreciation and amortization expense	10,568	10,568
Acquisition deal and integration costs	173	173
Business realignment costs	848	848
Headquarters relocation costs	681	681
Non-GAAP adjusted EBITDA	$ 39,238	$ 40,238
Sales	$ 253,843	$ 253,843
Income from operations margin	10.6 %	11.0 %
Adjusted EBITDA margin - Non-GAAP	15.5 %	15.9 %

For purposes of this presentation, the Company has defined Adjusted EBITDA as income from operations before depreciation, amortization, and other adjustments. Adjusted EBITDA is not a measure determined in accordance with generally accepted accounting principles in the United States, commonly known as GAAP, and may not be comparable with the measures as used by other companies. Nevertheless, Columbus McKinnon believes that providing non-GAAP information, such as adjusted EBITDA, is important for investors and other readers of the Company's financial statements.

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