D.A.Davidson Diversified Industrials & Services Conference

David J. Wilson
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COLUMBUS McKINNON CORPORATION

INTELLIGENT MOTION

September 21, 2023

Safe Harbor Statement

These slides, and the accompanying oral discussion (together, this “presentation”), contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements concerning expected growth, future sales and EBITDA margins, and future potential to deliver results; the execution of its strategy and further transformation of the Company with stronger growth, less cyclicality and higher margins, and achievement of certain goals. 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 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. The Company assumes no obligation to update the forward-looking information contained in this presentation.

Non-GAAP Financial Measures and Forward-looking Non-GAAP 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.

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Intelligent Motion Solutions for Material Handling

Columbus McKinnon (Nasdaq: CMCO)

Transforming from a legacy cyclical industrial company to a top-tier, secular growth, intelligent motion solutions company

Strategic priorities

- Strengthen and build upon CMCO's core
- Invest in high-growth, high margin platforms
- Increase exposure to high growth, secular end markets
- Achieve top-tier performance utilizing CMBS and growth framework

Highly relevant, professional-grade solutions for solving customers' critical material handling requirements

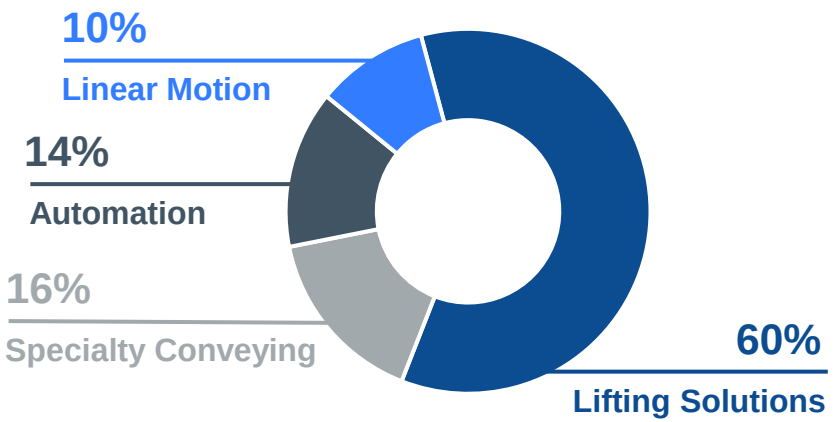
#1 U.S. hoist provider and #2 largest global hoist company

Market leader in North America in precision conveyance

Financial & Market Data[1]

$936M	$1.02B
Revenue	Market Cap.

Product Mix[2]



Seasoned Leader With Extensive History Of Safely, Efficiently And Ergonomically Moving Materials

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(1) Market data as of 09/15/2023 (Source: S&P Capital IQ); Financial data represents FY23 ended March 31, 2023
(2) Product mix data represents FY23 sales ended March 31, 2023

Lifting, Linear Motion and Automation Solutions

Rich History as Premium Provider of Products for Material Handling

Lifting Solutions:

- #1 U.S. market position in hoists
- Lifting capacity from 1/8 ton to ~140 tons
- Manual chain, electric chain and wire rope hoists
- Reliable, high-quality products
- Compass™ configure, price and quote tool

Linear Motion Solutions:

- Specialty Actuation Products:
- Demonstrated leadership and differentiated offering
- Serving a breadth of end markets from rail to warehousing to defense

Automation Solutions:

- Design and develop drives and controls for lifting, linear motion including conveying systems













Global Leader In Intelligent Motion Solutions For Material Handling

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Precision Conveyance Solutions

Developing Leading Platform for Growth

Specialty conveying provides growth platform:

- ~$4B TAM growing at 6% to 8% CAGR
- Higher margin profile

Strong secular growth drivers:

- Supply chain automation
- Acceleration of e-commerce adoption

Fragmented market provides target rich acquisition environment

- Acquired Garvey in December 2021
- Acquired montratec™ in May 2023

Complementary adjacencies:

- Sortation, asynchronous, vibration, etc.

















Conveying Solutions: A Scalable, High-Growth Platform

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CMCO Transformation Strategy

Strategic Plan to Transform Columbus McKinnon into a Global Intelligent Motion Enterprise

- ✓ Roadmap to achieve target ~$1.5 billion in revenue and ~21% EBITDA margin in FY27
- ✓ Evolves the enterprise from cyclical industrial to top-tier, secular growth, intelligent motion solutions
- ✓ Delivers ~$250 million of organic initiative growth and ~$325 million of M&A growth

Elevates competitive advantage via deployment of Columbus McKinnon's Business System (CMBS)

Increases digital capabilities with technology enablers that support growth and cost optimization

Incorporates factory simplification to drive earnings power

Strengthens talent processes, improves organizational structure and advances succession

Targeting Top-tier Performance Over The Strategic Planning Period

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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

INTELLIGENT MOTION

Framework To Deliver Differentiated Growth, Financial Performance And Shareholder Value

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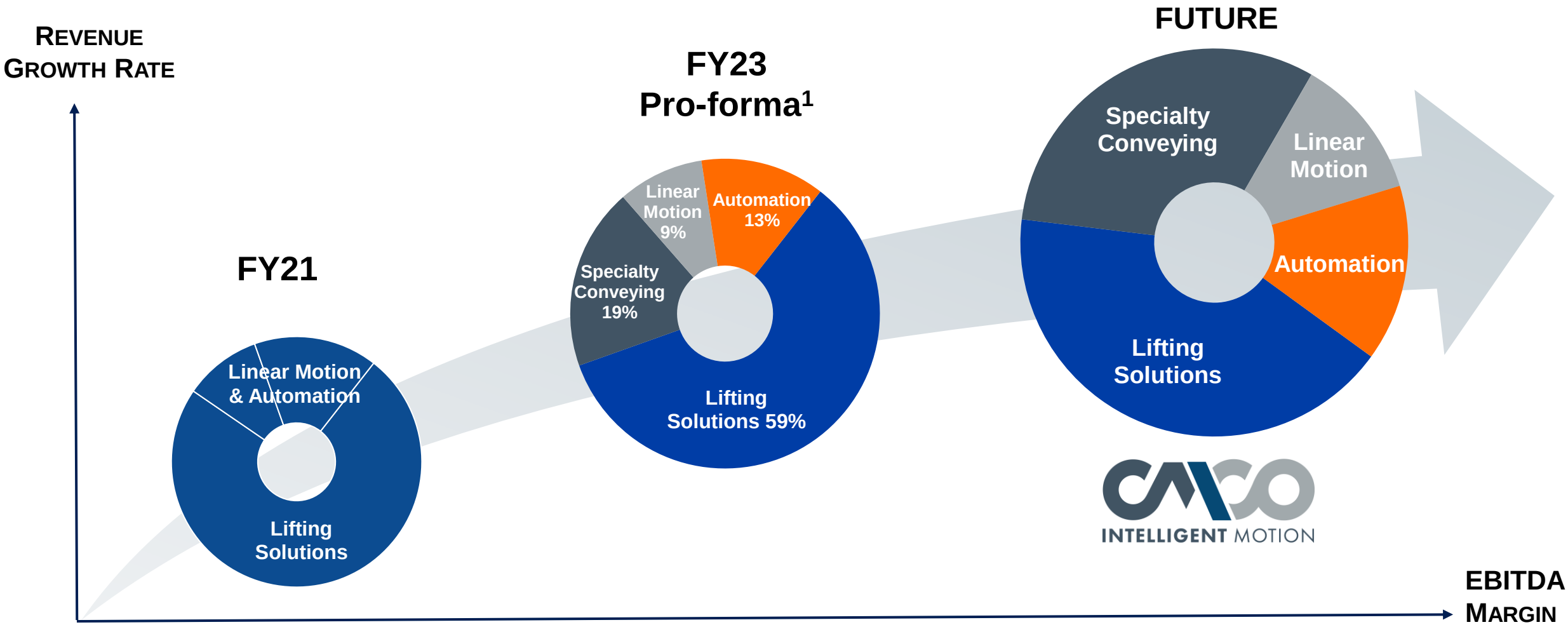
Advancing Along our Transformation Path

Targeting $1.5 Billion In Revenue and ~21% EBITDA Margin in FY2027



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

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(1) *Pro forma including 10 months of montratec acquired at end of month May 2023*

Unlocking Potential: Productivity & Engagement

Improving the Customer Experience

E2E Digital Enablement



Initiative	Status	Comments
CRM: Case Management and Sales, Leads, Marketing		Implemented Americas, EMEA implementation in-progress
Advanced Call Center		Implemented Conveying; Automation in-progress
Integrated Customer Portal		Expanding product portfolio offered in Portal (Americas), EMEA launch in-progress
ERP Implementation		Implemented in Julich, Germany, Mexico, Panama, U.S. Rigging facilities in-progress
Improved Data Analytics		Implemented BI for sales/order data for ~90% of CMCO, Operational data in-progress
Centralized Global Website		14 countries launched, Spain, Italy and South Africa in-progress

On Target Advancing to Target

Increasing Customer Engagement and Creating Efficiencies through Digital Tools

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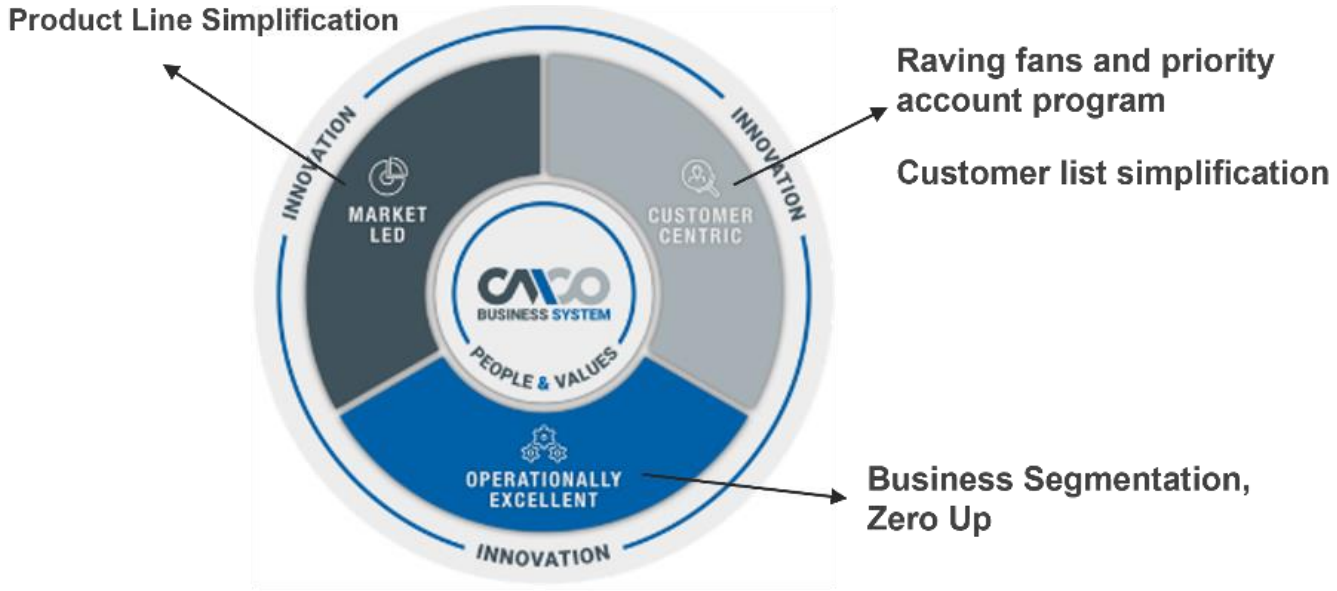
Unlocking Potential: Simplification with 80/20

Simplification: Lifting, Conveyance, Automation & Linear Motion

Lifting	**Standard SKU's**	9,600
	Purchased Components	183,000
Conveyance	**Standard SKU's ***	0
	Purchased Components*	225,000
Automation	**Standard SKU's**	22,400
	Purchased Components	75,000
Linear Motion	**Standard SKU's**	34,400^
	Purchased Components	56,300

80/20 Embedded in CMBS



- Processes being embedded into "Core Competencies"
- Ownership, Accountability & Measurability

Product Line Simplification Resulting in More Standard SKU's…Opportunity to Reduce Complexity

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* montratec not included

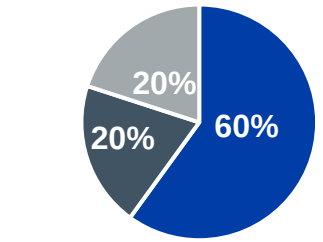
^ Includes 22,000 New Standardized SKU's

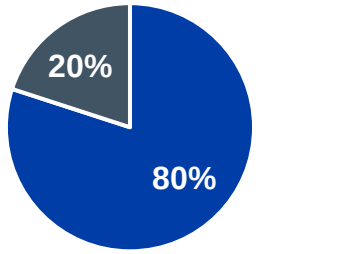
Unlocking Potential: Profitable Growth

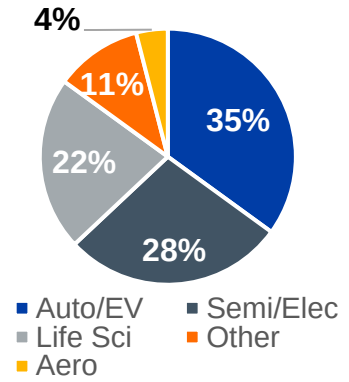
Acquired montratec® on May 31, 2023



Revenue Profile







- Develops and manufactures logistics solutions connecting robots and workspaces with $29 million in revenue CY22
- 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 – 2,500 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 Q1 CY23 orders – strong backlog supports expected growth

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

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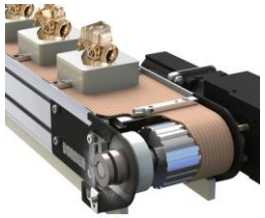
Precision Conveyance Landscape

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

Linear Motor Technology

Cleanroom Semiconductor

Traditional Pallet Conveyance

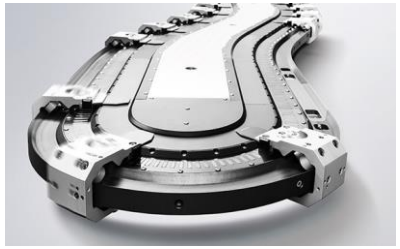
TAM: ~$3.5B
Speed: 3-5 meter / sec
Cleanroom: ISO2 – ISO3
Load: 8-20Kg

Market requires new technology and channel



TAM: ~$350M
Speed: 4.0+ meter / sec
Cleanroom: Multiple
Load: < 40Kg

montratec access limited by speed of performance



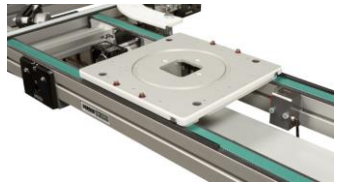
TAM: ~$400M
Speed: ~1.0 meter / sec
Cleanroom: ISO2 – ISO5
Load: 8 - 20kg

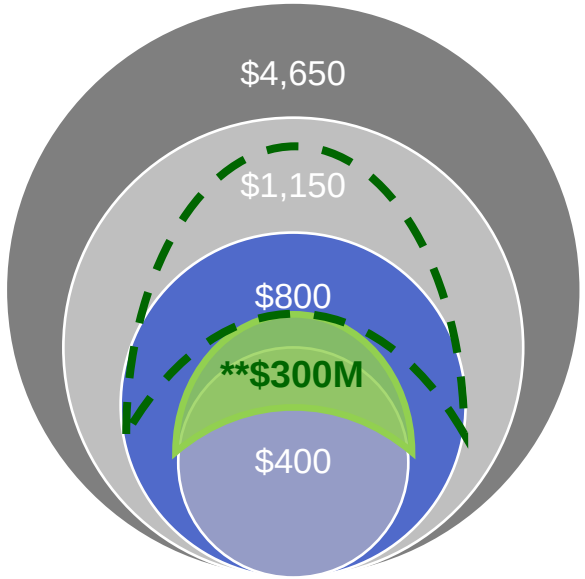
montratec partially plays in this market (~1/3 of the market)



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 adding +$400M in SAM

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

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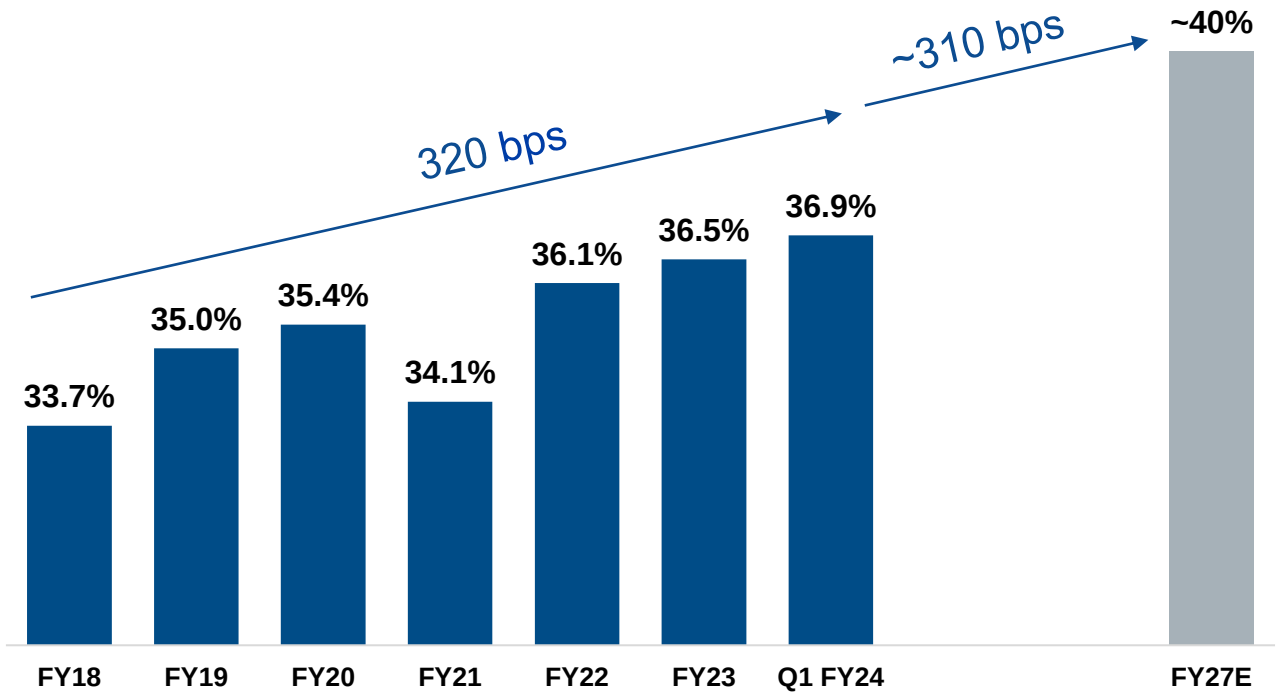
**Overhead Hoist Transport*

***Montratec current SAM*

Unlocking Potential: Operational Performance

Continued progress with gross margin expansion

Adjusted Gross Margin Progression



Gross Margin Levers

Annual Improvements

- Operational Excellence
- Volume/scale/pricing
- Product line simplification

Strategic Initiatives

- Accretive acquisitions
- Factory simplification

Expect to Steadily Improve Gross Margin 50 bps to 100 bps Annually

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Driving Organic Growth with New Products

New Product Development Supports Core Growth Framework

Delivering Innovation

Tandem Hoist



- Improved facility safety for large complex loads
- Available in Compass™ configurator

Precision Pallet System



- Unique, beltless zone control for pallet and tray handling
- Ideal for accumulation and automation assembly applications

Linear Actuator with Intelli-Motion™



- Provides enhanced control and position feedback capabilities
- Reduces installation costs and the overall product footprint

Improved Customer Experience, Safety and Productivity At The Core Of New Product Development

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Driving Innovation Through Automation

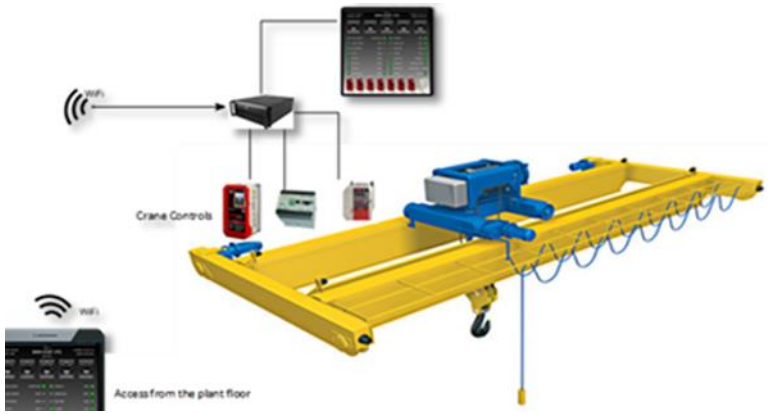
Intelli-Crane™ Solutions

Intelli-Protect™ System



- **Protection boundaries for improved facility safety**
- **Full configuration to exact requirements**

Intelli-Lift™ Auto Detection



- **Visible and audible warnings when off-center pick is detected**
- **Auto-correction mode**

Intelli-Connect™+ Mobile App



- **Provides critical crane and hoist status information**
- **Reduces plan maintenance and ultimately increases uptime**

Creating Competitive Advantages With Pre-Engineered Automation Solutions

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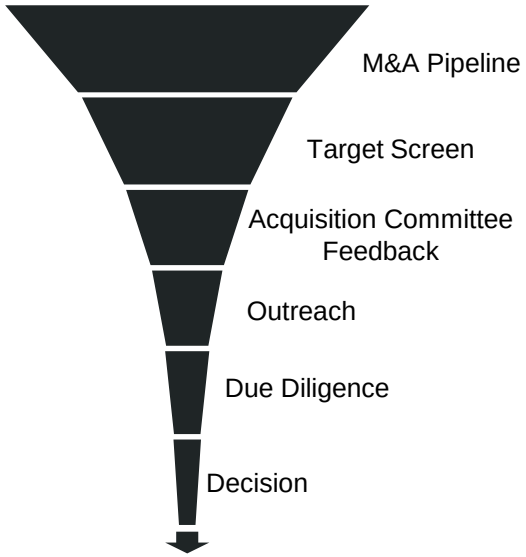
Strong Track Record Creating Value Through M&A





Programmatic M&A

September 2015

MAGNETEK

Acquisition of Magnetek, Inc. for ~$182M added automation capabilities

January 2017

STAHL CraneSystems

Acquisition of STAHL CraneSystems from Konecranes for ~$218M strengthens leading global position in lifting solutions

April 2021

DORNER

Acquisition of Dorner for $485M advances Intelligent Motion strategy and creates platform for scalable growth

December 2021

GARVEY

Acquisition of Garvey for $74M expands conveying solutions platform

May 2023

montratec

Acquisition of montratec® for $110M expands precision conveyance and automation

2015 2016 2017 2018 2019 2020 2021 2022 2023 2024

December 2018

Tire Shredder

Divestiture of Tire Shredder Business

February 2019

STB Stahlhammer Bommern

Divestiture of Stahlhammer Bommern GmbH to Turbo Investment BV

February 2019

CES MATERIAL HANDLING

Divestiture of Crane Equipment and Service, Inc.

Transforming Columbus McKinnon Into A Top-Tier, Higher Growth, Higher Margin Enterprise

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Secular Growth Markets Provide Tailwinds

Precision Conveying Platform Added Attractive Vertical Markets with Enduring Tailwinds

Food, Beverage & Consumer Goods		**Custom designed sanitary and easy to clean conveyors engineered to the strictest USDA guidelines**	**~8% of FY23 sales***
Life Sciences / Pharma		**Customizable designs built for precision, speed, and to FDA / industry standards for clean-room certifications**	**~3% of FY23 sales***
E-Commerce		**Single piece picking, robotics integration to automate picking and sorting functions**	**~2% of FY23 sales***

Strategy Aligned With Significant Megatrends That Are Driving High-Single-Digit Growth Trends

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** Percentages include acquisitions*

FY2027 Financial Targets

Key Assumptions

SALES



Growing Sales by >10% CAGR

- Organic growth of ~5% driven by go-to-market structure and strategic initiatives
- Inorganic growth of ~6% from programmatic M&A inclusive of market growth
- No material changes to current market conditions

COGS



Expanding Gross Margin to ~40%+

- Factory footprint simplification & productivity improvements reduce COGS by ~$30M
- Product Line Simplification (PLS), material productivity and value engineering savings of ~$9M
- Raw material inflation normalizes to ~2% on average from FY23 levels

RSG&A



Reducing RSG&A as a Percent of Sales to ~20%*

- Reorganization to optimize management and commercial structure
- ERP implementations enable shared service model
- Additional investments in digital enablement (i.e. HRIS, CRM, CPQ, SIOP)
- Improved leverage and scale with mid-single-digit organic revenue growth & accretive M&A

Driving Gross Margin Expansion while Reducing SG&A as a Percent of Revenue

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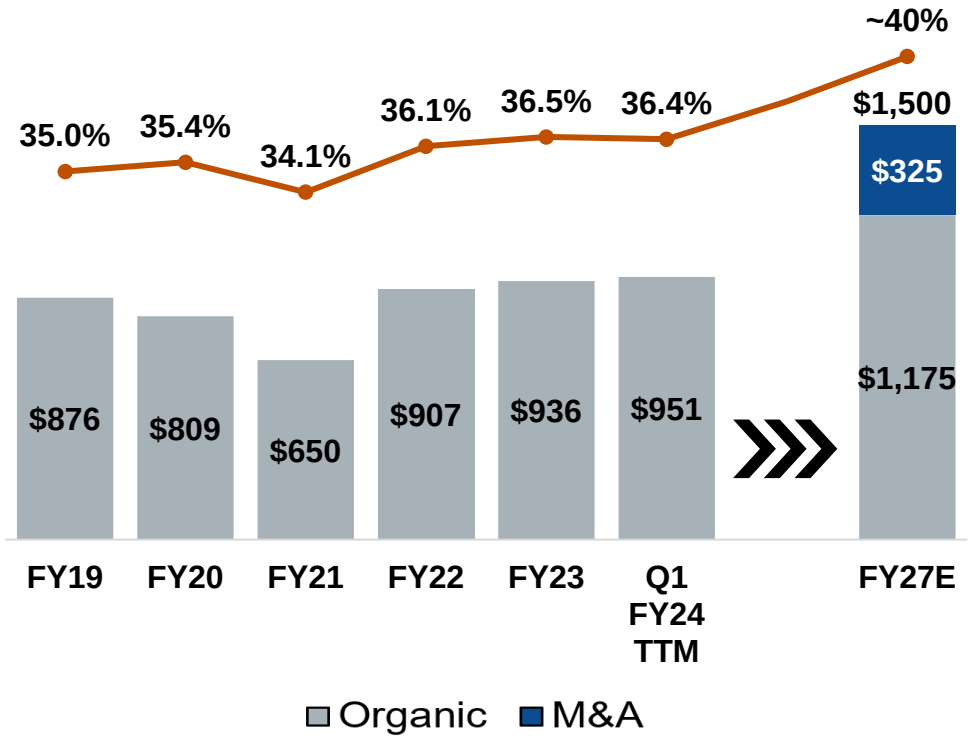
** Excludes proforma items*

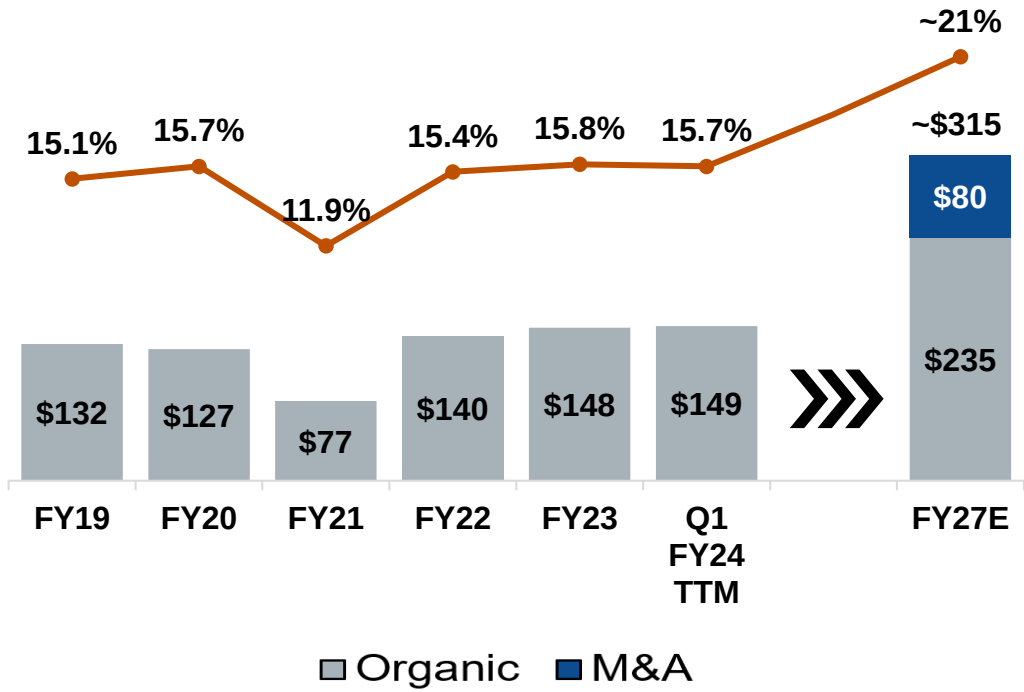
Financial Targets

($ in millions)

Sales & Adjusted Gross Margin



Adjusted EBITDA & Adjusted EBITDA Margin



Execution of Strategy Delivers Attractive Financial Results

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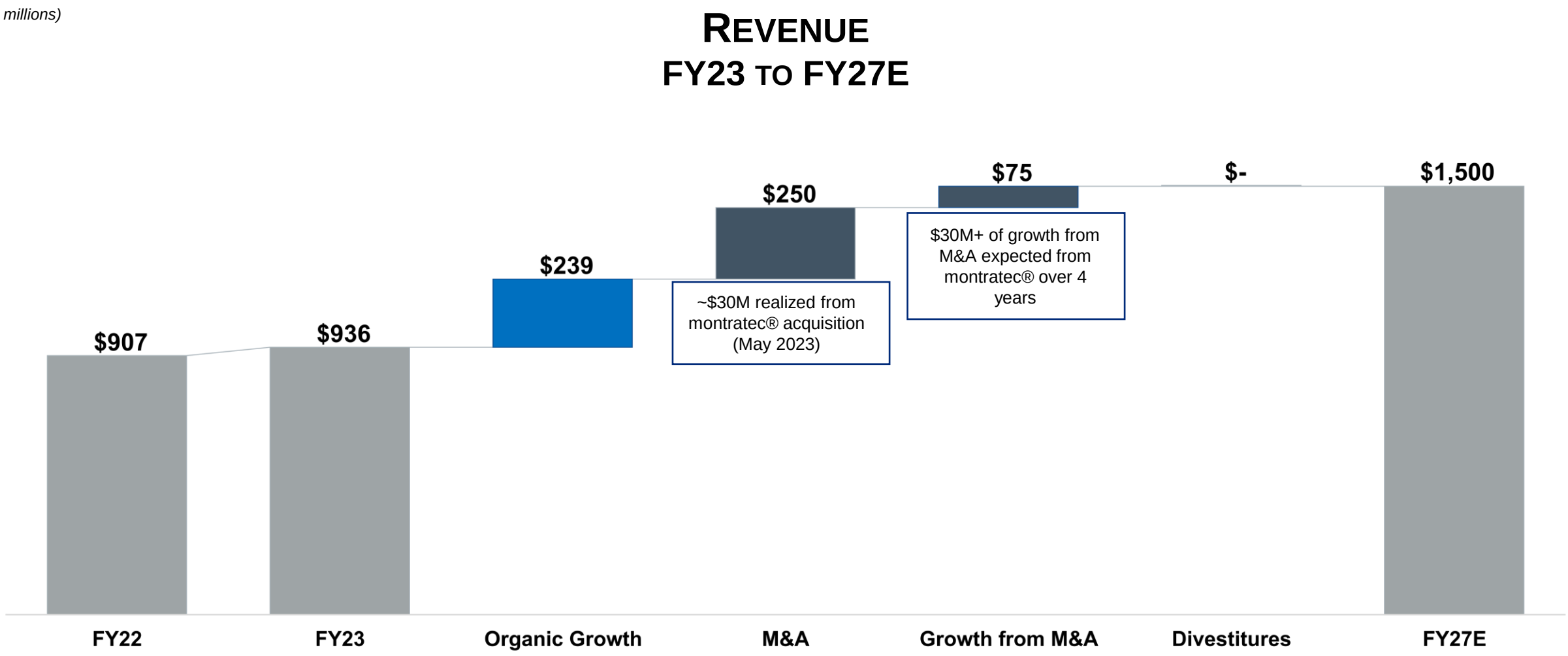
Revenue Bridge

($ in millions)



Strategy Expected to Deliver >10% Revenue Growth

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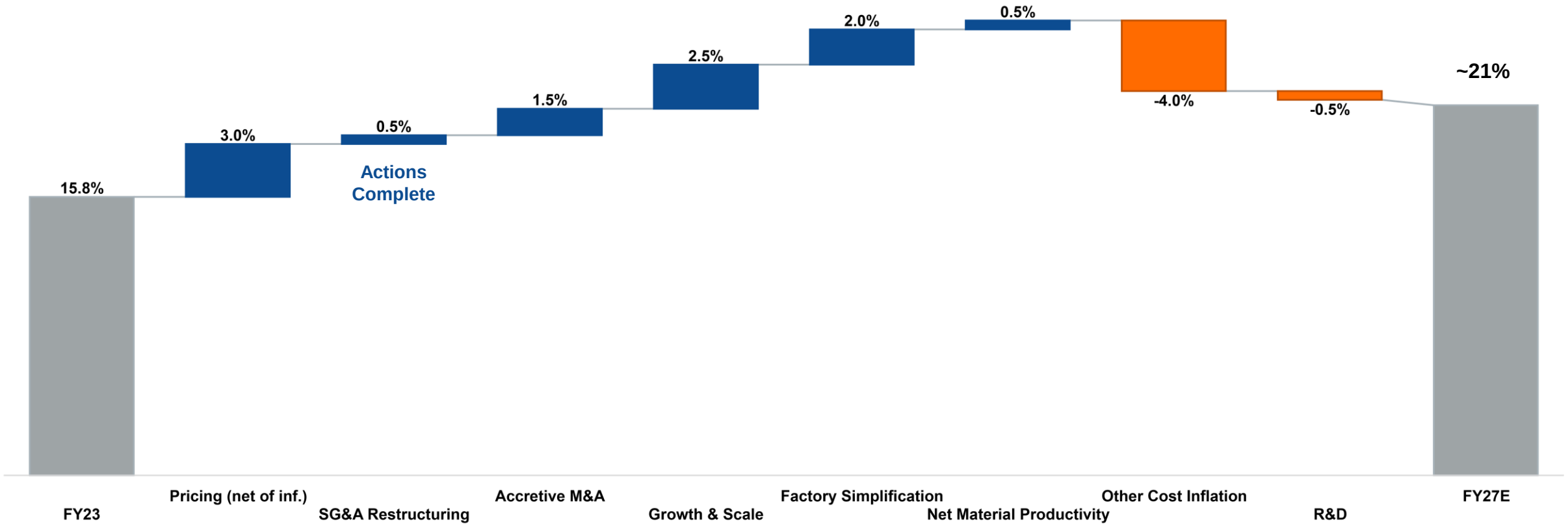
Adjusted EBITDA Margin Bridge

($ in millions)



Expanding Adjusted EBITDA Margins ~550 bps Driven by Cost Actions & Scale

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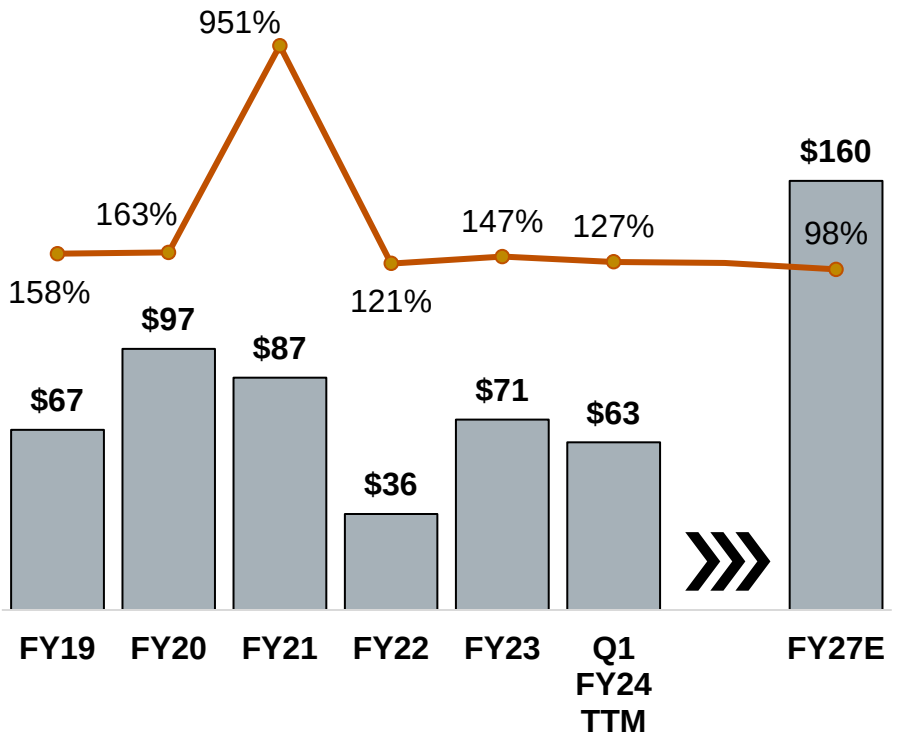
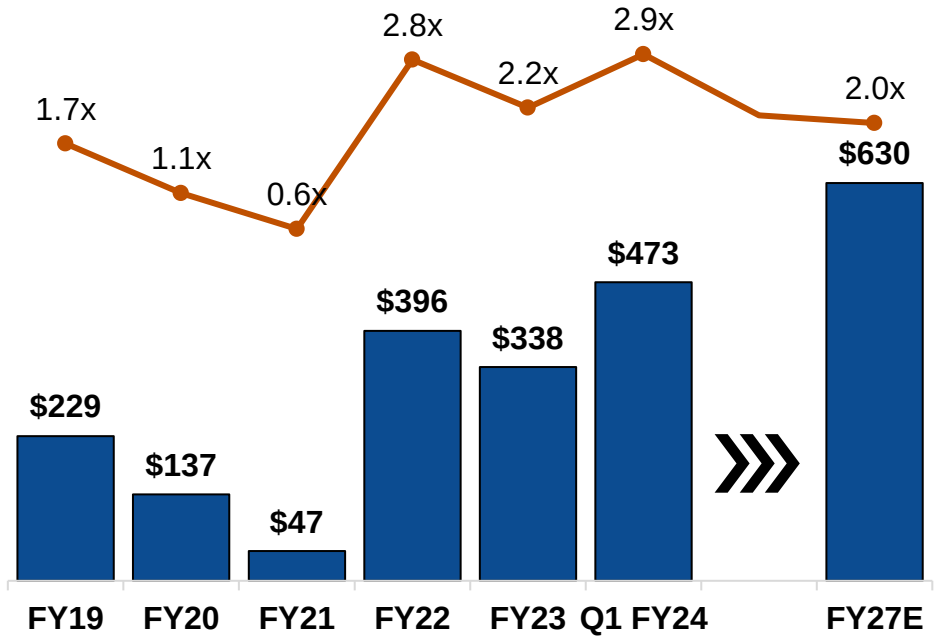
Free Cash Flow and Net Leverage

($ in millions)

Free Cash Flow Generation & Conversion(1)



Net Debt & Net Leverage Ratio(2)



Strong Cash Generation Enables Net Debt Leverage Ratio of <2.5x by year end FY24

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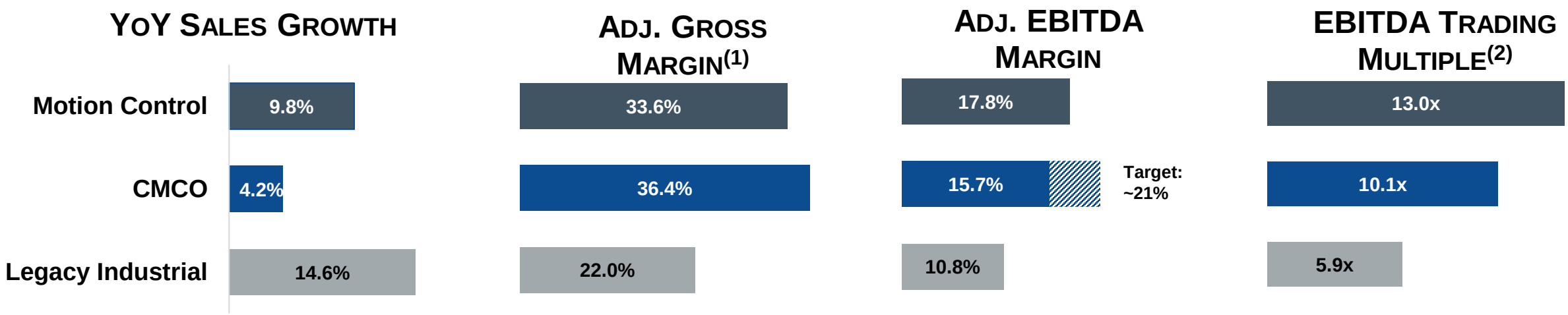
(1) FCF Conversion = FCF / GAAP Net Income

(2) FY22 and FY23 net-debt leverage ratio is defined as net debt/ TTM Adjusted EBITDA including 12-months of acquisitions on a pro forma basis

CMCO Peer Group Comparison

Industrial Peers vs. Motion Control Peers

(Based on average TTM ending 6/30/2023)



Legacy Industrial Peers

Manitowoc · TEREX · KONECRANES · HYSTER-YALE · KENNAMETAL

CMCO INTELLIGENT MOTION

Motion Control Peers

Regal Rexnord · ATS · BARNES · TIMKEN · KADANT

CMCO Pivoting to Motion Control Peer Group… Valuation Lags

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Sources: Peers – Refinitiv; CMCO – FY24 Q1 Earnings Release
(1) Excludes Konecranes who does not report GM% (2) Enterprise Value priced as of 9/15/2023

Capital Allocation Priorities



Growth
New product development and CapEx
Acquisitions

- *Invest in growth initiatives*
- *Continue programmatic M&A*

Balance Sheet
De-lever the balance sheet
Fund pension contributions above minimum requirement

- *Manage capital structure responsibly*
- *Terminate plans when feasible*

Return of Capital
Regular/Special dividend
Share repurchase

- *Adhere to dividend policy*
- *Consider opportunistically*

Disciplined Approach to Capital Allocation Prioritizing Growth and Returns

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Key Takeaways

Transforming to a Top-tier, Secular Growth, Intelligent Motion Solutions Enterprise

- Evolved strategy "beyond blueprint" to **Execution** of Core Growth Framework
- Columbus McKinnon Business System **– CMBS –** enables **scalability**
- Conveying solutions adds **Growth Catalyst** in attractive markets
- Operational excellence drives **Stronger margin profile** as economy recovers
- Significant **Cash generation** throughout business cycles
- Demonstrated performance with **Strong Leadership Team**

Growth Strategy Is Underpinned By CMBS Enabling Scalability And Operational Excellence

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INTELLIGENT MOTION

September 21, 2023

INTELLIGENT MOTION

PURPOSE IN MOTION

Supplemental Information

Corporate Sustainability Report

Social Responsibility

- Product Quality & Innovation
- Customer Intimacy
- Employee Health and Safety
- Diversity, Equity, and inclusion
- Talent management
- Community involvement

Governance & Ethics

- Enterprise Risk Management
- Ethics & Compliance
- Board Governance

Environmental Stewardship

- Climate Change & Energy Management
- Waste Management & Recycling



Strategic Initiatives

- Long-term plan – based on baselines, gap analysis & target setting
- Tightly aligned with business strategy
- Prioritized by impact, risk assessment and opportunity for value
- Metrics and goals embedded in business functions

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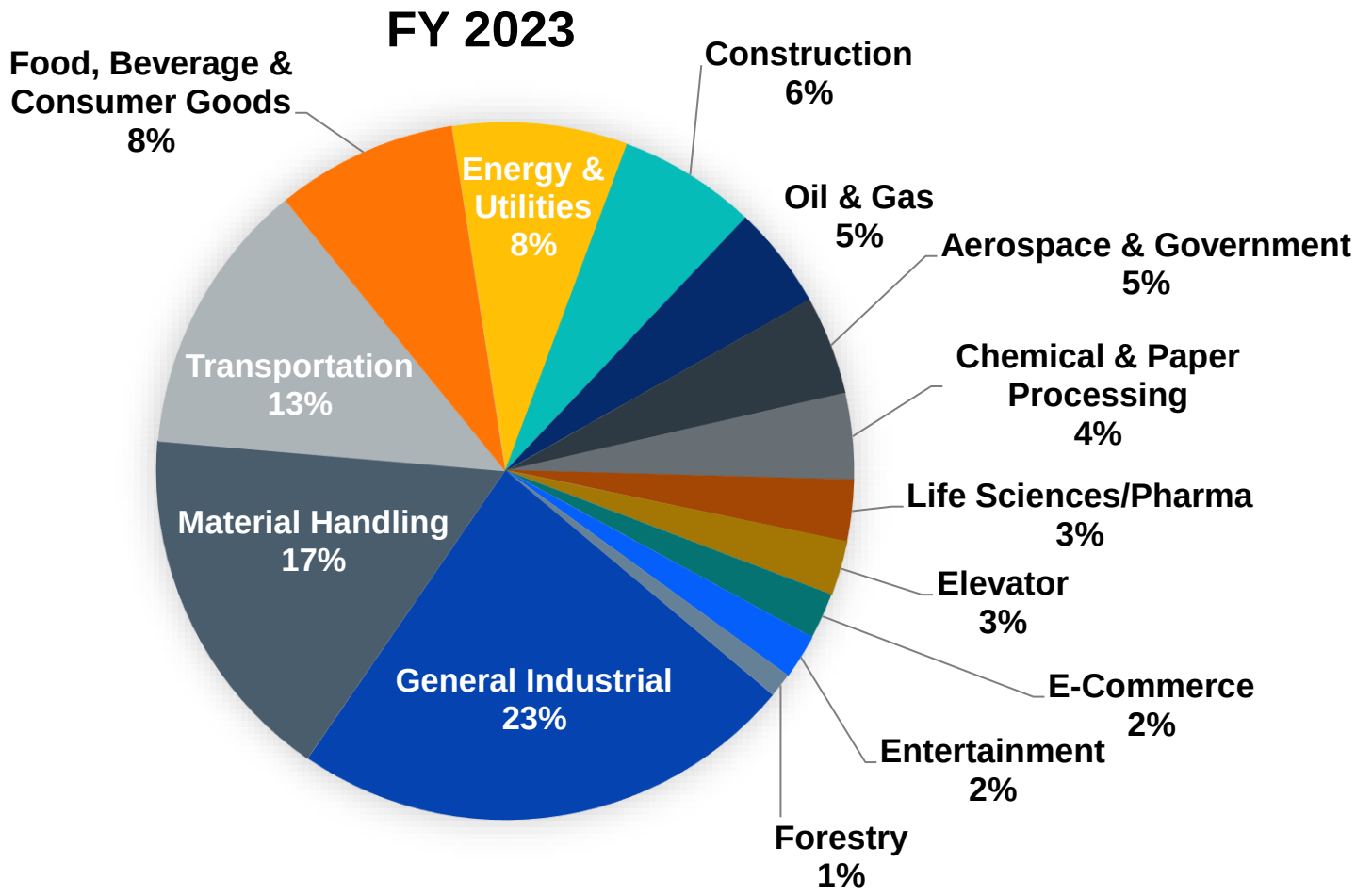
Growing Secular Market Presence

Conveying Solutions Serves Less Cyclical Industries



Highly diverse end markets with varying industry cycles

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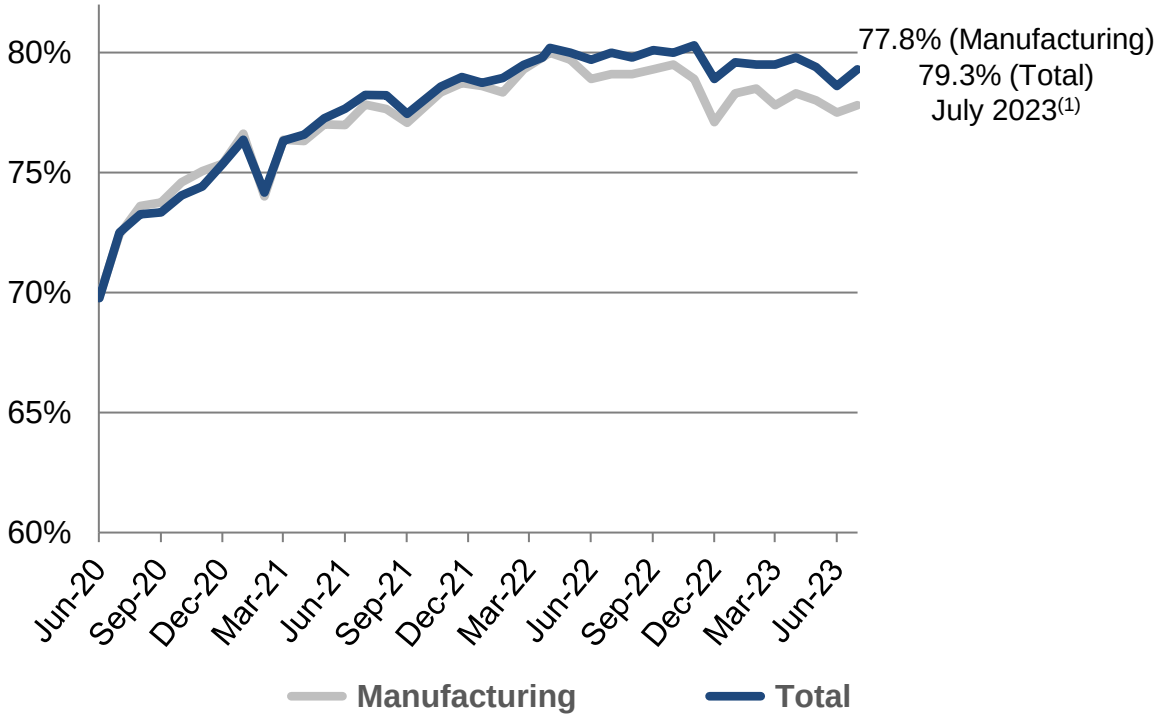
Industrial Capacity Utilization

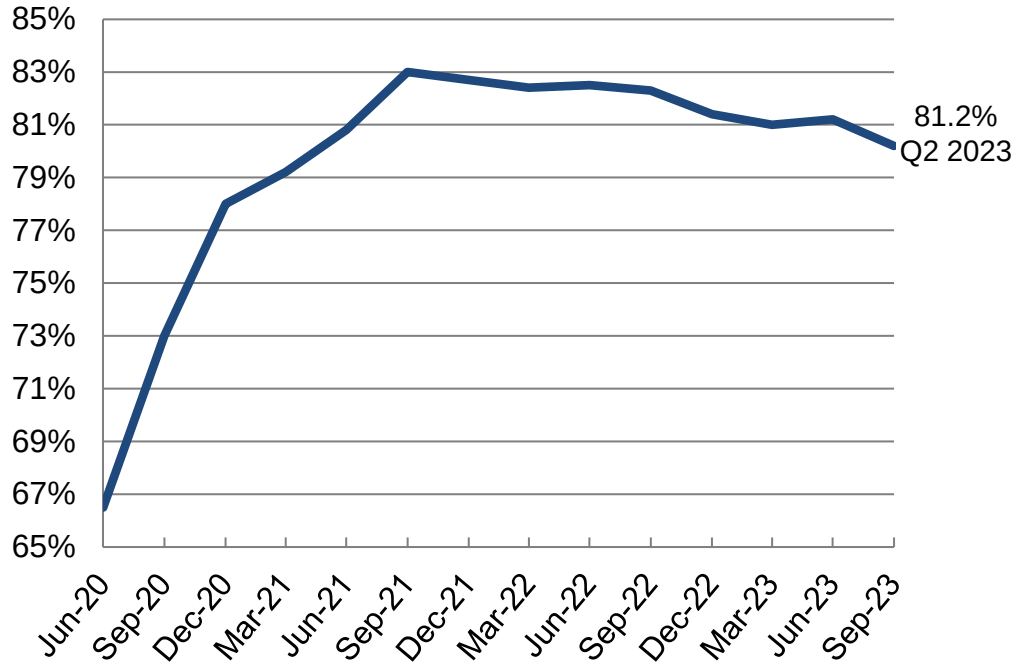
U.S. Capacity Utilization

Source: The Federal Reserve Board



Eurozone Capacity Utilization

Source: European Commission



(1) Numbers are preliminary

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ISM Production Index

Source: Institute for Supply Chain Management



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Capital Structure

($ in millions)

CAPITALIZATION	June 30, 2023	March 31, 2023
Cash and cash equivalents	$ 107.0	$ 133.2
Total debt	**579.8**	**471.6**
Total net debt	**472.8**	**338.4**
Shareholders' equity	847.0	833.8
Total capitalization	**$ 1,426.7**	**$ 1,305.4**
Debt/total capitalization	40.6%	36.1%
Net debt/net total capitalization	35.8%	28.9%

Note: Components may not add to totals due to rounding

Net debt leverage ratio of ~2.9x[(1)]

- Plan to continue to pay down debt and grow EBITDA
  - Expect net leverage of <2.5x by end of fiscal year

Paid down $10 million in debt in Q1 FY24

- Expect to pay down a total of $40 million in FY24

Refinanced Debt: Lower cost and improved flexibility

- Increased Term Loan B by $75 million; matures May 2028
- Added ABL with accounts receivable that matures June 2026; up to $55 million capacity
- ~65% of Term Loan B debt is currently hedged at 3-month SOFR swap rate of ~2.8% including credit spread adjustment

Financial flexibility with $267 million of liquidity

Capital Priorities are Focused on Organic Growth and Debt Reduction

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[(1)]On a financial covenant basis per Amended and Restated Credit Agreement

Adjusted Gross Profit Reconciliation

($ in thousands)	Fiscal Year					TTM
	2019	2020	2021	2022	2023	Q1 FY24
GAAP gross profit	$ 304,997	$ 283,186	$ 220,225	$ 315,730	$ 342,099	$ 346,221
Add back (deduct):						
Product liability settlement	—	—	—	2,850	—	—
Acquisition amortization of backlog	—	—	—	2,100	—	—
Acquisition inventory step-up expense	—	—	—	5,042	—	—
Business realignment costs	286	1,037	830	1,606	—	196
Acquisition deal and integration costs	—	—	—	521	—	—
Factory closures	1,473	2,800	2,671	—	—	—
Insurance settlement	—	(382)	—	—	—	—
Gain on sale of building	—	—	(2,189)	—	—	—
Non-GAAP adjusted gross profit	$ 306,756	$ 286,641	$ 221,537	$ 327,849	$ 342,099	$ 346,417
Sales	$ 876,282	$ 809,162	$ 649,642	$ 906,555	$ 936,240	$ 951,445
Add back:						
Acquisition amortization of backlog	—	—	—	2,100	—	—
Non-GAAP sales	$ 876,282	$ 809,162	$ 649,642	$ 908,655	$ 936,240	$ 951,445
Gross margin – GAAP	34.8%	35.0%	33.9%	34.8%	36.5%	36.4%
Adjusted gross margin – Non-GAAP	35.0%	35.4%	34.1%	36.1%	36.5%	36.4%

Adjusted gross profit is defined as gross profit as reported, adjusted for certain items. Adjusted gross profit 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 gross profit, is important for investors and other readers of the Company's financial statements and assists in understanding the comparison of the current quarter's and current year's gross profit to the historical periods' gross profit, as well as facilitates a more meaningful comparison of the Company's gross profit to that of other companies.

Adjusted Net Income Reconciliation

($ in thousands, except per share data)	Quarter					Fiscal Year	
	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	FY 2022	FY 2023
GAAP net income (loss)	$ 8,391	$ 14,114	$ 12,029	$ 13,895	$ 9,275	$ 29,660	$ 48,429
Add back (deduct):							
Amortization of intangibles	6,535	6,447	6,459	6,559	6,877	25,283	26,001
Cost of debt refinancing	—	—	—	—	—	14,803	—
Acquisition deal and integration costs	86	19	338	173	2,587	10,473	616
Acquisition inventory step-up expense	—	—	—	—	—	5,042	—
Business realignment costs	1,657	1,233	1,401	848	375	3,902	5,140
Product liability settlement	—	—	—	—	—	2,850	—
Garvey contingent consideration	—	—	1,230	—	—	—	1,230
Headquarter relocation costs	—	—	315	681	1,228	—	996
Acquisition amortization of backlog	—	—	—	—	—	2,100	—
North American warehouse consolidation	—	—	—	—	117	—	—
Normalize tax rate to 25%[(1)]	3,269	(938)	(1,123)	975	(2,569)	(13,852)	2,185
Non-GAAP adjusted net income	$ 19,938	$ 20,875	$ 20,649	$ 23,131	$ 17,890	$ 80,261	$ 84,597
Average diluted shares outstanding	28,699	28,748	28,778	28,869	28,906	28,401	28,818
Diluted income (loss) per share – GAAP	$ 0.29	$ 0.49	$ 0.42	$ 0.48	$ 0.32	$ 1.04	$ 1.68
Diluted income per share – Non-GAAP	$ 0.69	$ 0.73	$ 0.72	$ 0.80	$ 0.62	$ 2.83	$ 2.94

[(1)]Applies normalized tax rate of 25% (22% prior to Q1 FY24) to GAAP pre-tax income and non-GAAP adjustments above, which are each pre-tax.

Adjusted net income and diluted EPS are defined as GAAP net income/(loss) and diluted EPS as reported, adjusted for certain items, including amortization of intangible assets, and also adjusted for a normalized tax rate. Adjusted net income and diluted EPS are not measures determined in accordance with generally accepted accounting principles in the United States, commonly known as GAAP, and may not be comparable with the measures used by other companies. Nevertheless, Columbus McKinnon believes that providing non-GAAP information, such as adjusted net income and diluted EPS, is important for investors and other readers of the Company's financial statements and assists in understanding the comparison of the current quarter's and current year's net income/(loss) and diluted EPS to the historical periods' net income/(loss) and diluted EPS, as well as facilitates a more meaningful comparison of the Company's net income/(loss) and diluted EPS to that of other companies. The Company believes that representing adjusted EPS provides a better understanding of its earnings power inclusive of adjusting for the non-cash amortization of intangible assets, reflecting the Company's strategy to grow through acquisitions as well as organically.

Adjusted EBITDA Reconciliation

($ in thousands)	Quarter					Fiscal Year		TTM
	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	2022	2023	Q1 FY24
GAAP net income (loss)	$ 8,391	$ 14,114	$ 12,029	$ 13,895	$ 9,275	$ 29,660	$ 48,429	$ 49,313
Add back (deduct):								
Income tax expense (benefit)	8,893	4,953	4,701	7,499	3,394	8,786	26,046	20,547
Interest and debt expense	6,203	6,768	7,303	7,668	8,625	20,126	27,942	30,364
Investment (income) loss	430	312	(574)	(483)	(543)	(46)	(315)	(1,288)
Foreign currency exchange (gain) loss	1,203	1,003	(3,359)	(1,037)	483	1,574	(2,189)	(2,910)
Other (income) expense, net	(2,303)	222	79	(73)	214	(1,122)	(2,072)	442
Depreciation and amortization expense	10,469	10,424	10,487	10,567	10,890	41,924	41,947	42,368
Cost of debt refinancing	—	—	—	—	—	14,803	—	—
Acquisition deal and integration costs	86	19	338	173	2,587	10,473	616	3,117
Acquisition inventory step-up expense	—	—	—	—	—	5,042	—	—
Product liability settlement	—	—	—	—	—	2,850	—	—
Business realignment costs	1,657	1,233	1,401	848	375	3,902	5,140	3,857
Acquisition amortization of backlog	—	—	—	—	—	2,100	—	—
North American warehouse consolidation	—	—	—	—	117	—	—	117
Garvey contingent consideration	—	—	1,230	—	—	—	1,230	1,230
Headquarter relocation costs	—	—	315	681	1,228	—	996	2,224
Non-GAAP adjusted EBITDA	$ 35,029	$ 39,048	$ 33,950	$ 39,738	$ 36,645	$ 140,072	$ 147,770	$ 149,381
Sales	$ 220,287	$ 231,740	$ 230,370	$ 253,843	$ 235,492	$ 906,555	$ 936,240	$ 951,445
Add back:								
Acquisition amortization of backlog	—	—	—	—	—	2,100	-	-
Non-GAAP sales	$ 220,287	$ 231,740	$ 230,370	$ 253,843	$ 235,492	$ 908,655	$ 936,240	$ 951,445
Net income (loss) margin – GAAP	3.8%	6.1%	5.2%	5.5%	3.9%	3.3%	5.2%	5.2%
Adjusted EBITDA margin – Non-GAAP	15.9%	16.8%	14.7%	15.7%	15.6%	15.4%	15.8%	15.7%

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

Free Cash Flow (FCF) & FCF Conversion Reconciliation

($ in thousands)	Fiscal Year		TTM
	2022	2023	Q1 FY24
Cash from operations	$ 48,881	$ 83,636	$ 77,566
Capital expenditures	(13,104)	(12,632)	(14,952)
Free cash flow (FCF)	$ 35,777	$ 71,004	$ 62,614
GAAP net income	$ 29,660	$ 48,429	$ 49,313
Free cash flow conversion	121%	147%	127%

Free cash flow is defined as cash from operations minus capital expenditures. Free cash flow conversion is defined as free cash flow divided by net income. Free cash flow and free cash flow conversion are not measures 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 free cash flow and free cash flow conversion, is important for investors and other readers of the Company's financial statements and assists in understanding the comparison of the current quarter's and current year's cash flow to the historical periods' cash flow, as well as facilitates a more meaningful comparison of the Company's cash flow to that of other companies.