

# KeyBanc Capital Markets Industrials & Basic Materials Conference

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COLUMBUS McKINNON CORPORATION



May 30, 2024

# Safe Harbor Statement



These slides, and the accompanying oral discussion (together, this “presentation”), contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are generally identified by the use of forward-looking terminology, including the terms “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “illustrative,” “intend,” “likely,” “may,” “opportunity,” “plan,” “possible,” “potential,” “predict,” “project,” “shall,” “should,” “target,” “will,” “would” and, in each case, their negative or other various or comparable terminology. All statements other than statements of historical facts contained in this document, including, but are not limited to, statements relating to: (i) our strategy, outlook and growth prospects and our full year and first quarter fiscal 2025 guidance; (ii) our operational and financial targets and capital distribution policy; (iii) general economic trend and trends in the industry and markets; (iv) the amount of debt to be paid down by the Company during the fiscal 2025; and (v) the competitive environment in which we operate, are forward looking statements. Forward-looking statements are not based on historical facts, but instead represent our current expectations and assumptions regarding our business, the economy and other future conditions, and involve known and unknown risks, uncertainties and other factors that could cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. It is not possible to predict or identify all such risks. These risks include, but are not limited to, the risk factors that are described under the section titled “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended March 31, 2024 as well as in our other filings with the Securities and Exchange Commission, which are available on its website at [www.sec.gov](http://www.sec.gov). Given these uncertainties, you should not place undue reliance on these forward-looking statements. Forward-looking statements speak only as of the date they are made. Columbus McKinnon undertakes no duty to update publicly any such forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by applicable law, regulation or other competent legal authority.

## **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 prepared in accordance with GAAP. The non-GAAP 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.

## **Use of Forward-looking Non-GAAP Financial Metrics**

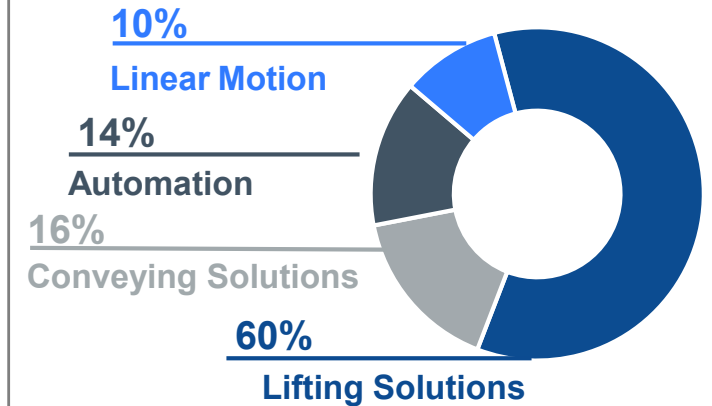
This presentation presents forward-looking statements regarding non-GAAP Adjusted EBITDA margin. The Company is unable to present a quantitative reconciliation of these forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures because such information 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 reconciliations would imply a degree of precision that would be confusing or misleading to investors. The unavailable information could have a significant impact on the Company’s financial results. These non-GAAP financial measures are preliminary estimates and are subject to risks and uncertainties, including, among others, changes in connection with post-closing adjustments and the factors described above. Any variation between the Company’s actual results and preliminary financial data described in this presentation may be material.

# Global Leader in Intelligent Motion Solutions for Material Handling



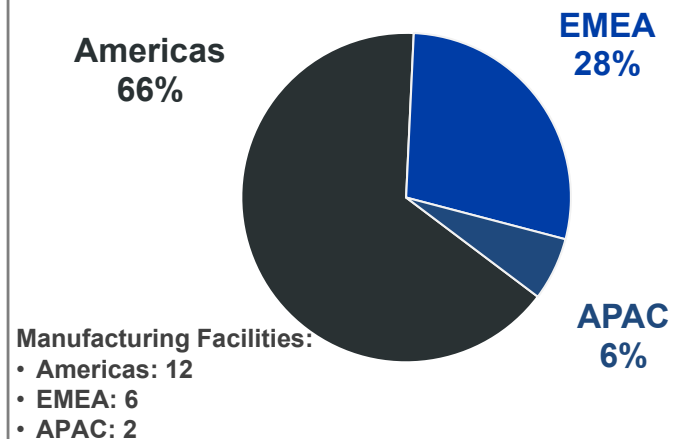
- Leading global lifting and automation company providing professional-grade solutions for solving customers’ critical material handling requirements
  - World’s 2<sup>nd</sup> Largest Hoist Company; #1 in the United States
  - Leader in Precision Conveyance
- Enhancing our strategic positioning through outsized growth in precision conveyance, automation and linear motion that are less cyclical.
- Delivering significant growth and margin expansion executing our transformation through our growth framework, “CMBS” business system and 80/20 Process.

## Product Mix



Market Capitalization <sup>1</sup>	Total Addressable Market <sup>2</sup>	World-Wide Employees	Year History
<b>\$1.3B</b>	<b>\$20B</b>	<b>~3,500</b>	<b>150</b>
Net Sales <sup>3</sup>	3 Year Sales Growth CAGR <sup>3</sup>	3 Year Adj EBITDA Margin Expansion <sup>1</sup>	Free Cash Flow Conversion <sup>3,4</sup>
<b>\$1.0B</b>	<b>16%</b>	<b>+450 bps</b>	<b>91%</b>

## Geographic Mix



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



OUR PURPOSE



Together we create **intelligent motion solutions** that move the world forward and improve lives.

# Intelligent Motion Solutions

Four Categories of Solutions to Address Customers' Unique Motion Control Needs

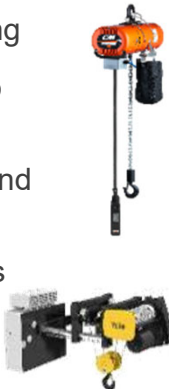


## Lifting



~\$8.0B TAM<sup>1</sup>

- Leading global position in lifting
- Lifting capacity from 1/8 ton to ~140 tons
- Manual chain, electric chain and wire rope hoists
- Reliable, high-quality products
- End-to-end digital solutions



## Precision Conveyance



~\$5.2B TAM<sup>1</sup>

- Develops and manufactures complex intralogistics solutions connecting robots and workspaces with asynchronous conveying technology
- Specialty conveying provides growth platform in fragmented market
- Tailwinds from megatrends like automation, onshoring, ecommerce, electrification and life sciences

## Automation



~\$4.5B TAM<sup>1</sup>

- Design and develop drives and controls for lifting, linear motion and conveying systems
- Used in intelligent material handling solutions from ceiling to floor across entire product portfolio
- Solutions designed to increase uptime, enhance productivity and improve customer safety

## Linear Motion



~\$2.3B TAM<sup>1</sup>

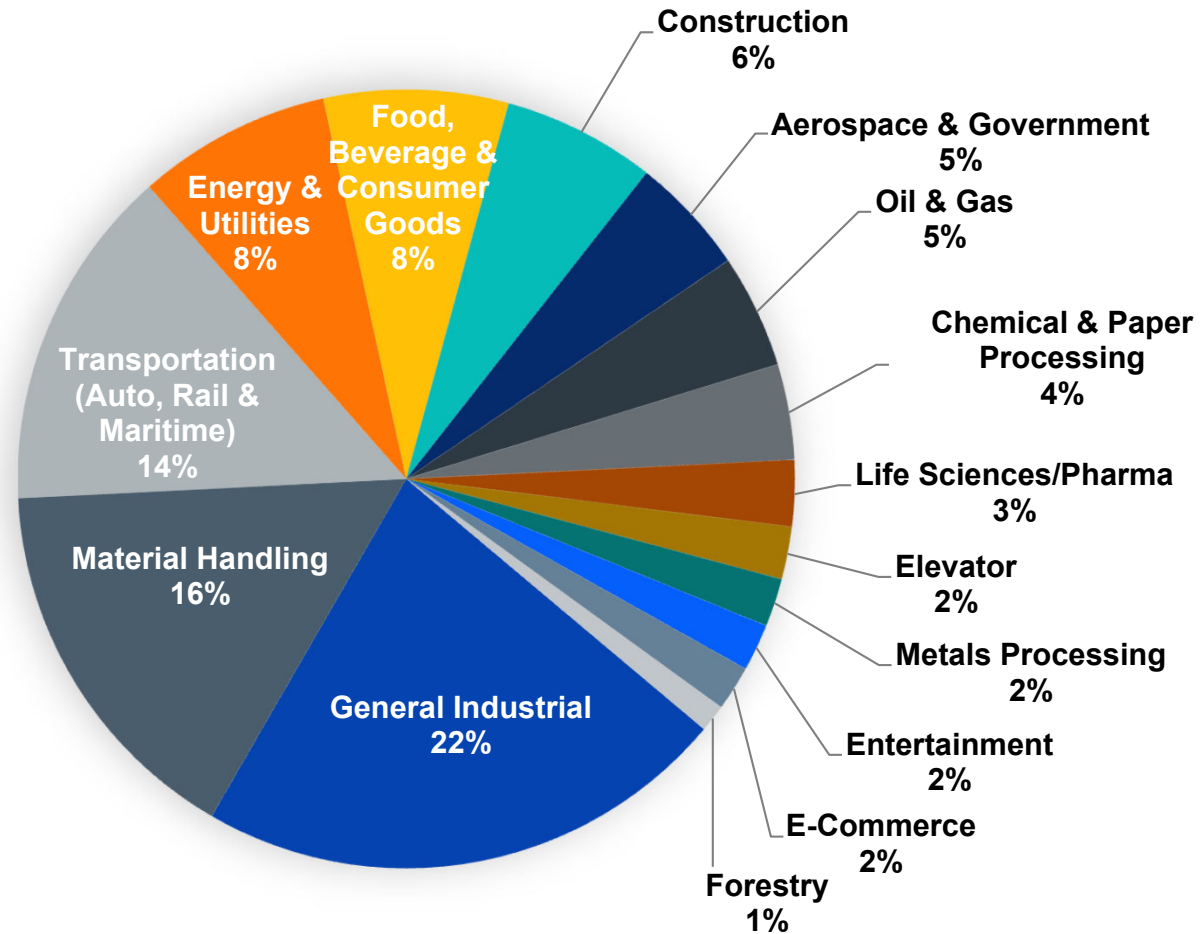
- Linear actuators with lifting capacity up to 50 tons, screw jacks, rotary unions and super cylinders
- Demonstrated leadership and differentiated offering
- Serving a breadth of end markets from rail to warehousing to defense

**\$20B<sup>1</sup> Total Addressable Market with Tailwinds from Megatrends in Attractive End Markets**

# Growing Secular Market Presence

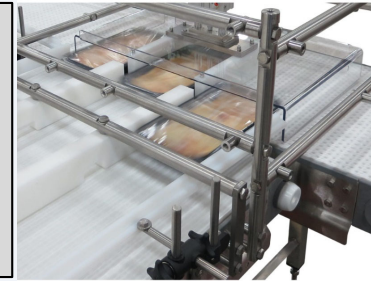
Conveying Solutions Serves Less Cyclical Industries

## FY 2024



## Focus on Secular Growth Markets

**Food, Beverage & Consumer Goods**



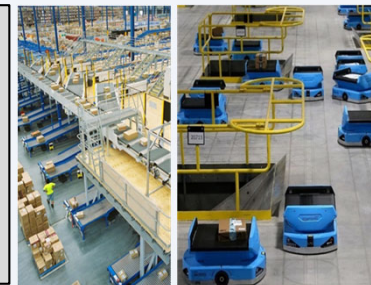
Custom designed sanitary and easy to clean conveyors engineered to the strictest USDA guidelines

**Life Sciences / Pharma**



Customizable designs built for precision, speed, and to FDA / industry standards for clean-room certifications

**E-Commerce**



Single piece picking, robotics integration to automate picking and sorting functions

*Highly Diverse End Markets With Varying Industry Cycles*

# CMCO Transformation Strategy



EVOLVES THE ENTERPRISE FROM CYCLICAL INDUSTRIAL TO A TOP-TIER, SECULAR GROWTH, INTELLIGENT MOTION SOLUTIONS BUSINESS



ADVANCES CMCO TO **~\$1.5B** IN REVENUE AND **21%** ADJUSTED EBITDA



TARGETS **MID-SINGLE DIGIT** ORGANIC GROWTH AND **\$220M** OF M&A GROWTH



INCREASES DIGITAL CAPABILITIES WITH INVESTMENTS IN **TECHNOLOGY ENABLERS** THAT SUPPORT GROWTH AND COST OPTIMIZATION



ELEVATES **COMPETITIVE ADVANTAGE** WITH COLUMBUS MCKINNON BUSINESS SYSTEM (**CMBS**)



STRENGTHENS TALENT PROCESSES, IMPROVES THE ORGANIZATION & **BUILDS BENCH STRENGTH**

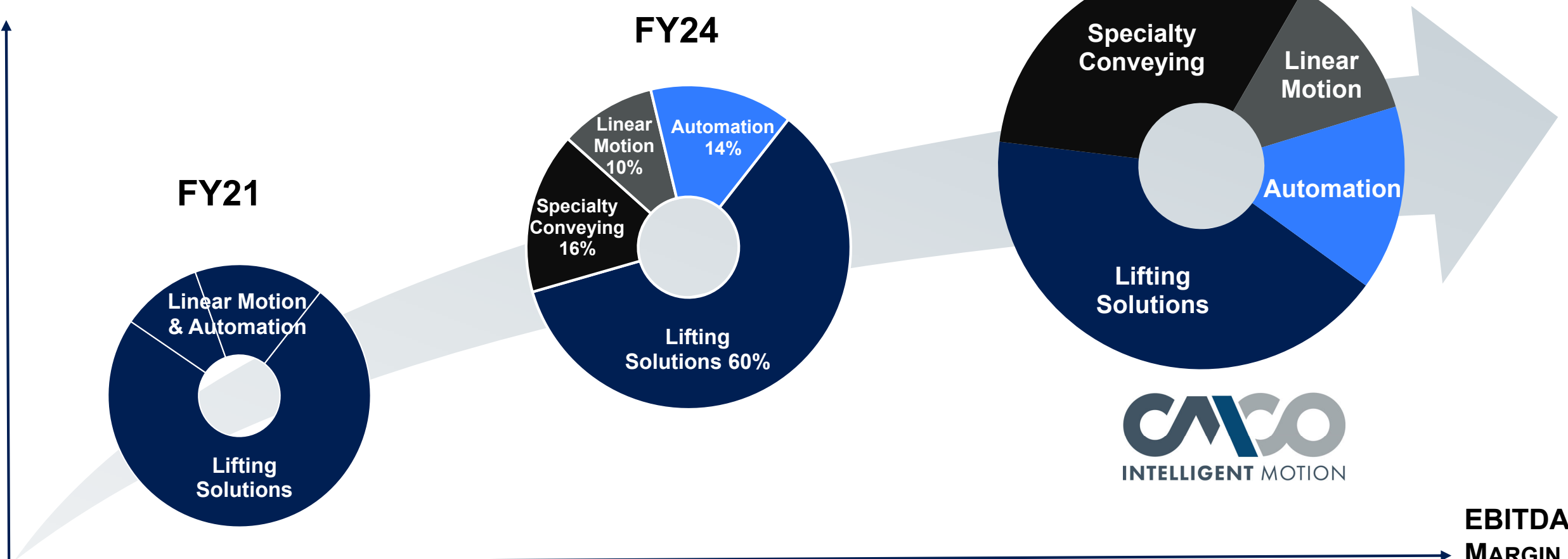
*Targeting Top-Tier Performance Over The Strategic Planning Period*

# Advancing Along our Transformation Path

Targeting \$1.5 Billion In Revenue and ~21% EBITDA Margin in FY2027, with a Diversified Revenue & Business Mix



REVENUE  
GROWTH RATE



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

# Unlocking CMCO's Potential

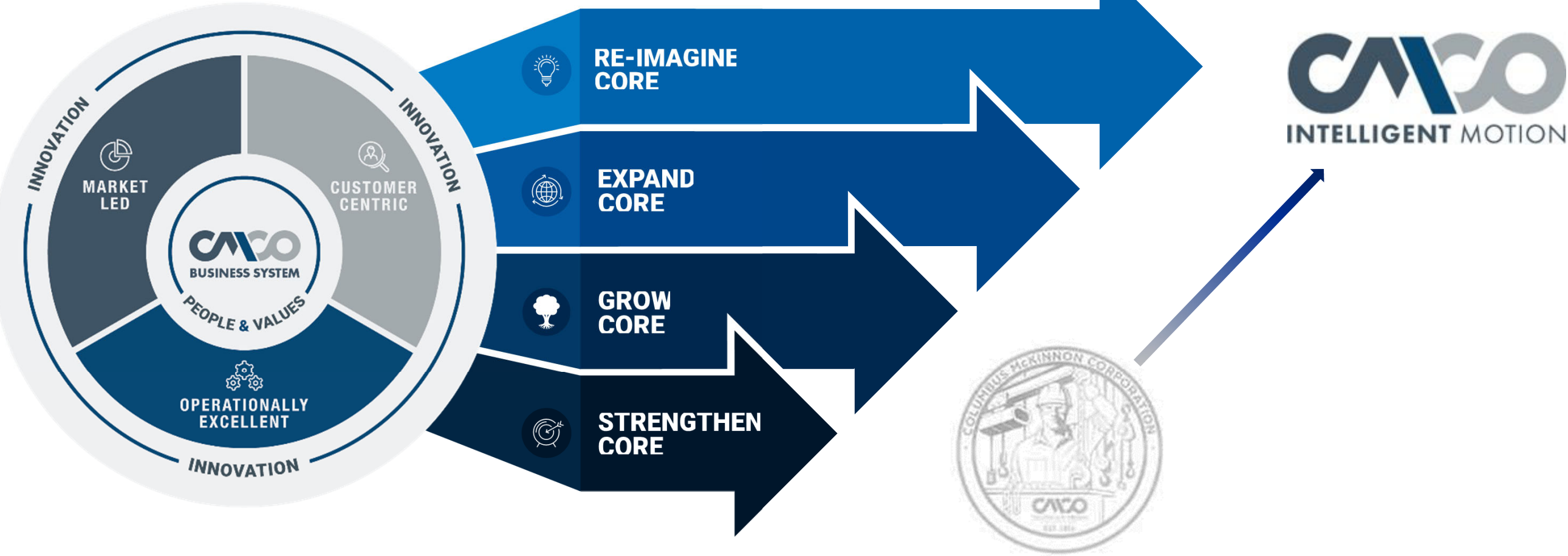
Business System and Core Growth Framework to Transform CMCO



## CMBS

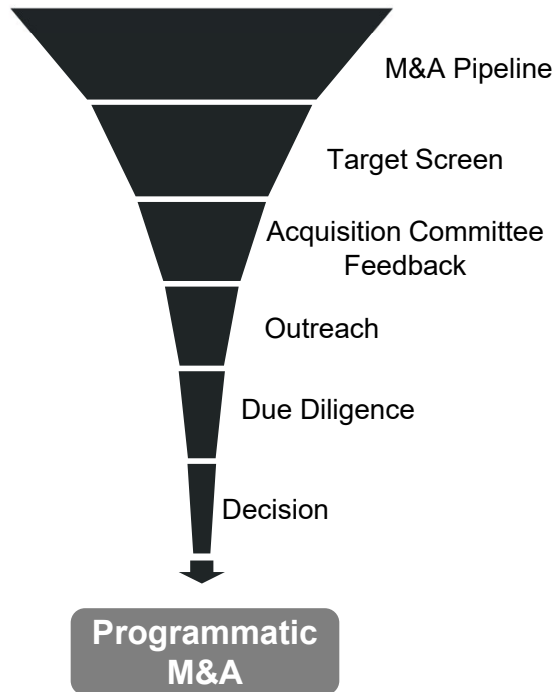
## GROWTH FRAMEWORK

## TRANSFORMATION

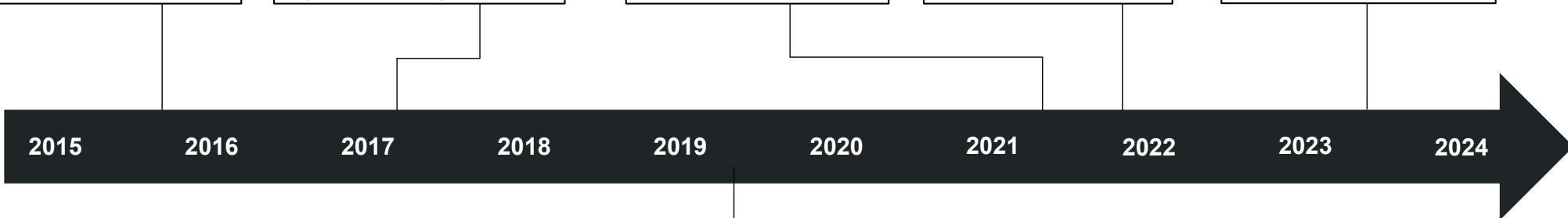


Framework To Deliver Differentiated Growth, Financial Performance And Shareholder Value

# Strong Track Record Creating Value Through M&A



<p><b>September 2015</b></p> <p>Acquisition of Magnetek, Inc. for ~\$182M added automation capabilities</p>	<p><b>January 2017</b></p> <p>Acquisition of STAHL CraneSystems from Konecranes for ~\$218M strengthens leading global position in lifting solutions</p>	<p><b>April 2021</b></p> <p>Acquisition of Dornier for \$485M advances Intelligent Motion strategy and creates platform for scalable growth</p>	<p><b>December 2021</b></p> <p>Acquisition of Garvey for \$74M expands conveying solutions platform</p>	<p><b>May 2023</b></p> <p>Acquisition of montratec® for \$110M expands precision conveyance and automation</p>
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**December 2018**

**Tire Shredder**

Divestiture of Tire Shredder Business

**February 2019**

Divestiture of Stahlhammer Bommern GmbH to Turbo Investment BV

**February 2019**

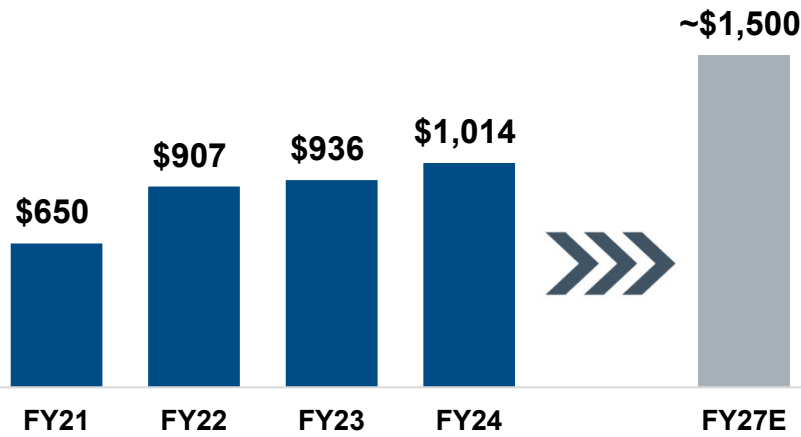
Divestiture of Crane Equipment and Service, Inc.

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

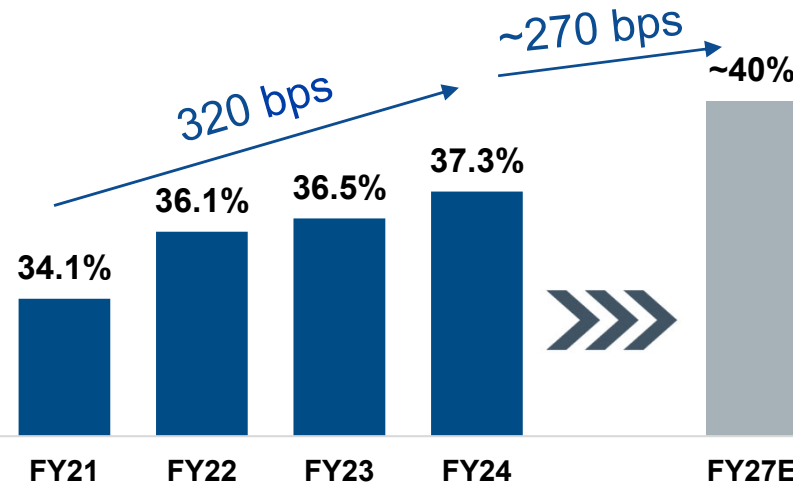
# Executing Plan and Delivering Results



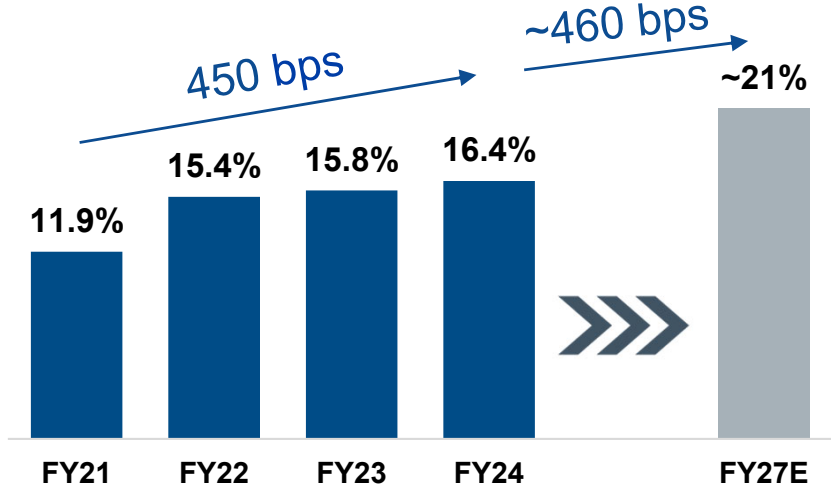
## Net Sales



## Adjusted Gross Margin<sup>1</sup>



## Adjusted EBITDA Margin<sup>1</sup>



## GROWTH DRIVERS

### Organic growth

- Commercial initiatives
- New product development
- Customer experience improvement

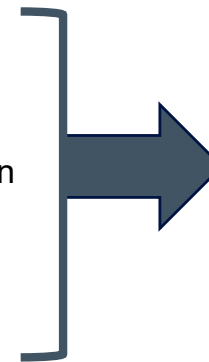
### M&A growth

- Expand precision conveyance platform
- Opportunistic with core portfolio
- Reimagine portfolio

### Operating initiatives

- Operational excellence/VAVE
- Operating leverage on growth
- Pricing in excess of material inflation
- Product line simplification
- Factory simplification

### Margin accretive M&A

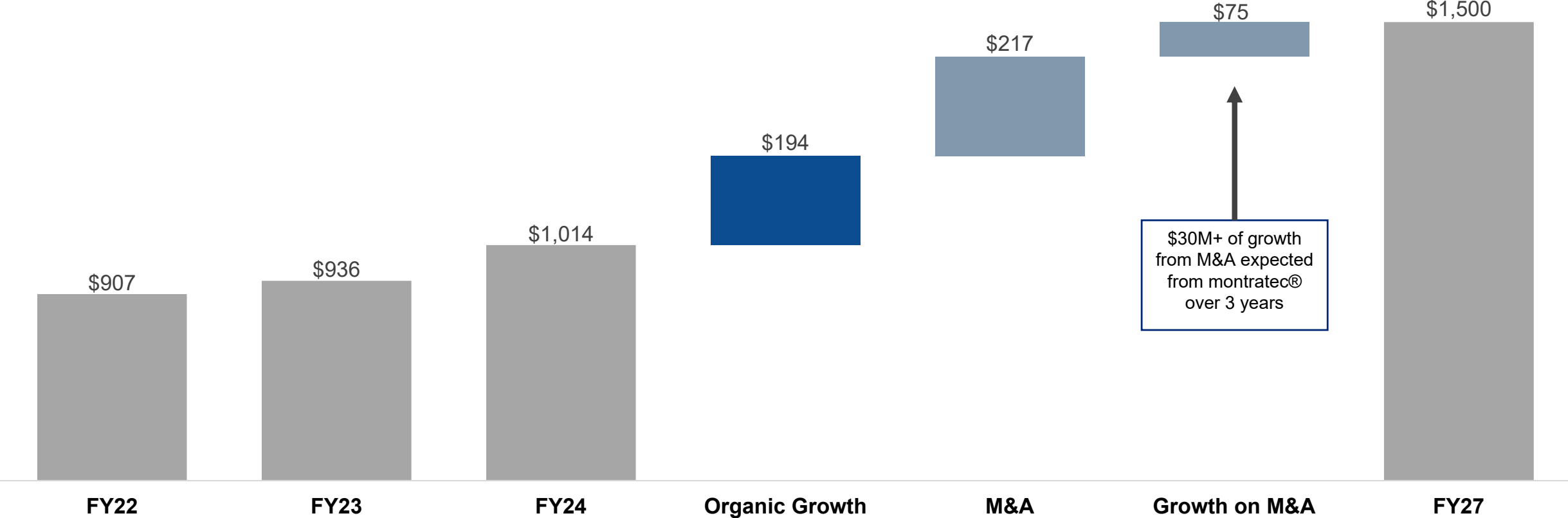


RSG&A leverage on organic and M&A related growth

Gross margin expansion

**Execution of Strategy Delivers Record Performance on Key Metrics in FY24**

## REVENUE FY23 TO FY27E



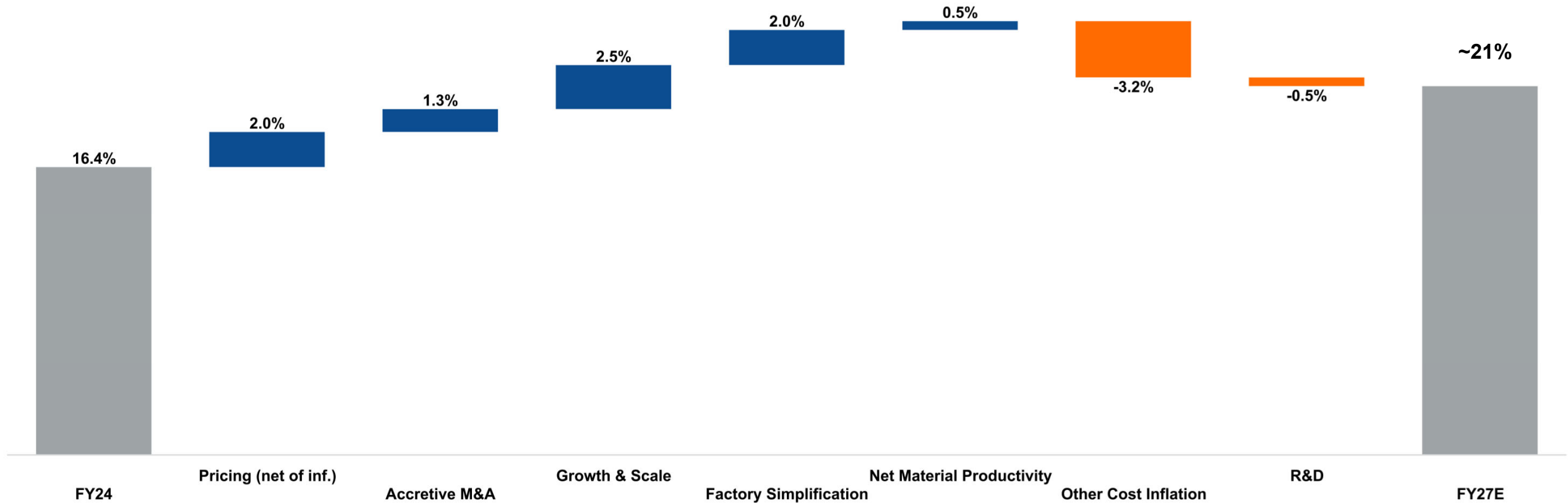
**Strategy Expected to Deliver >10% Revenue Growth**

# Adjusted EBITDA Margin Bridge



(\$ in millions)

## ADJUSTED EBITDA MARGIN FY24 to FY27E

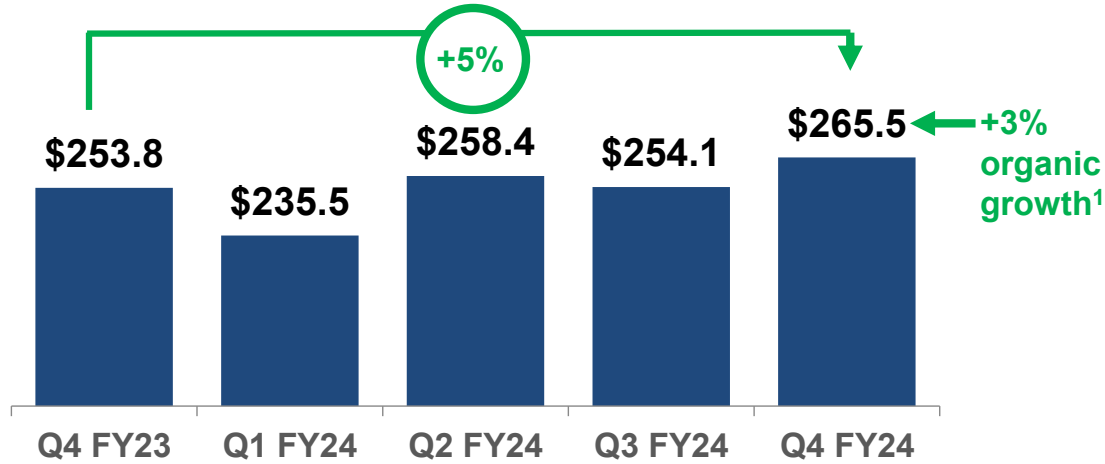


**Expanding Adjusted EBITDA Margins ~460 bps Driven by Cost Actions & Scale**

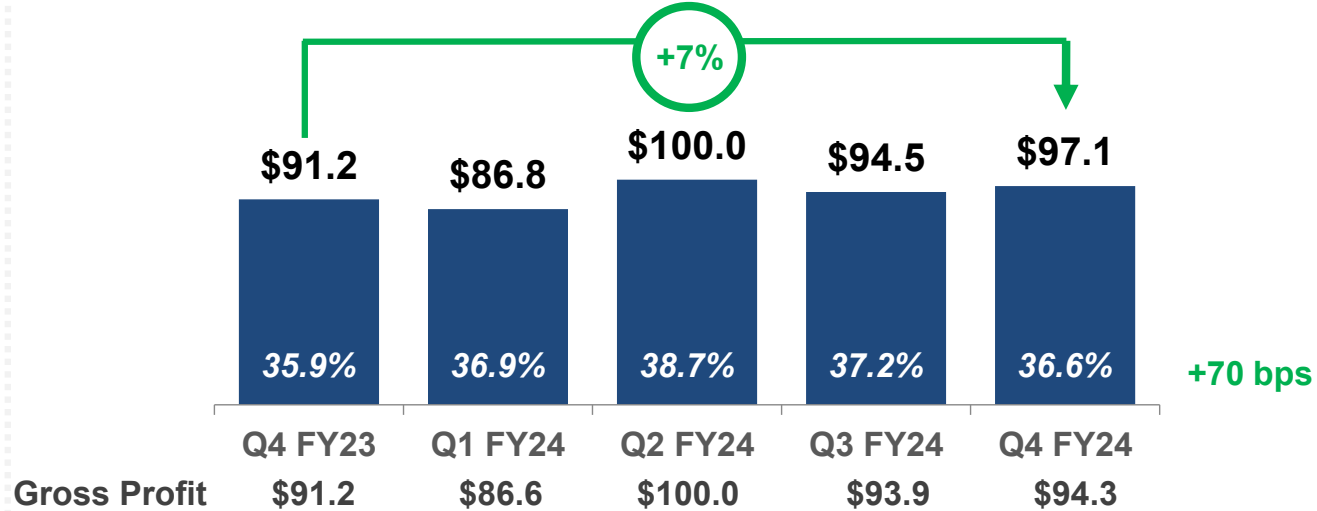
# Q4 FY24 Financial Results



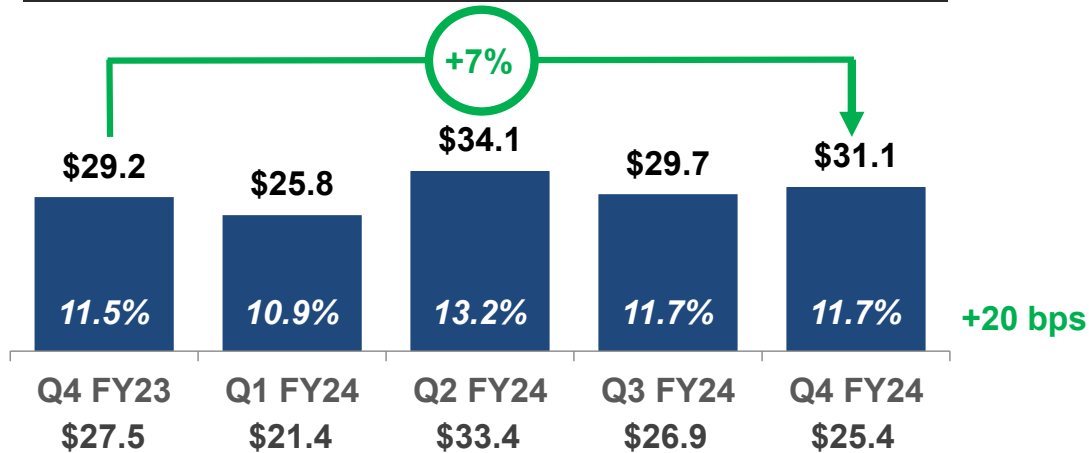
## Net Sales



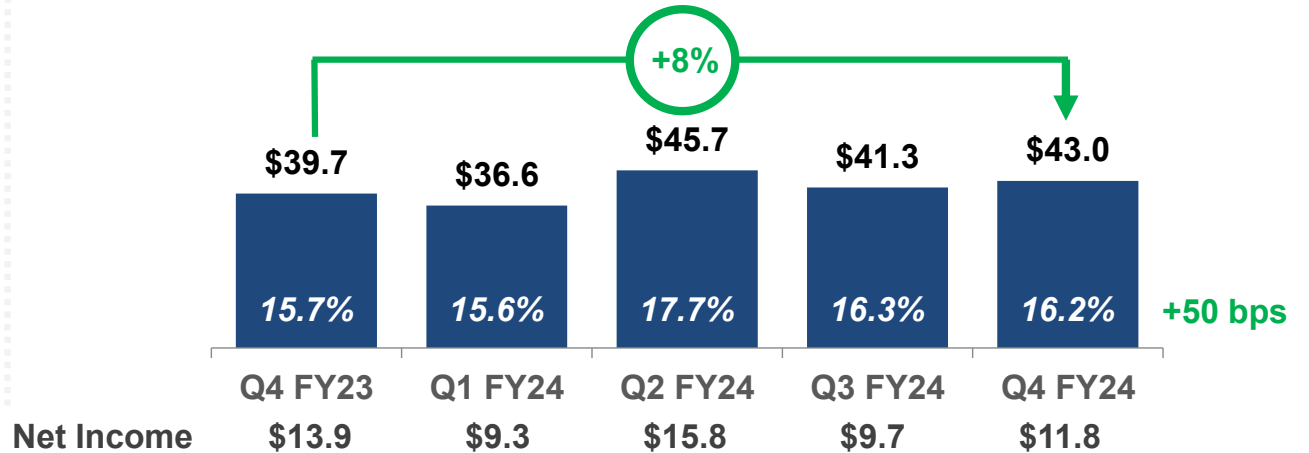
## Adjusted Gross Profit and Margin<sup>2</sup>



## Adjusted Operating Income<sup>2</sup> & Margin<sup>2</sup>



## Adjusted EBITDA<sup>2</sup> and Margin<sup>2</sup>



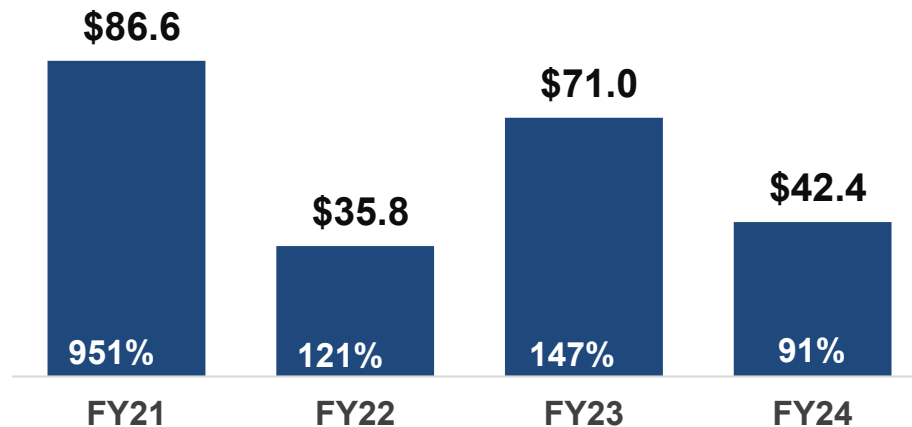
**5% Sales Growth Translated to 8% Growth in Adjusted EBITDA**

# Cash Flow



(\$ in millions, \$M)

## Free Cash Flow<sup>1</sup> & FCF Conversion<sup>1</sup>



	Three Months Ended		Year Ended	
	<u>3/31/24</u>	<u>3/31/23</u>	<u>3/31/24</u>	<u>3/31/23</u>
Net cash provided by (used for) operating activities	\$ 38.6	\$ 66.7	\$ 67.2	\$ 83.6
Capital Expenditures	8.5	3.1	24.8	12.6
<b>Free Cash Flow (FCF)<sup>1</sup></b>	<b>\$ 30.1</b>	<b>\$ 63.6</b>	<b>\$ 42.4</b>	<b>\$ 71.0</b>

Note: Components may not sum due to rounding

**Free Cash Flow Conversion<sup>1</sup> of 91%, in-line with guidance**

**Net Cash Provided by Operating Activities decreased \$16.4M**

- \$8.9M higher cash interest
- \$6.3M higher cash taxes
- \$1.0M fees and expenses relate to Term Loan B repricing

**CapEx increased by \$12.2M**

- \$10.4M CapEx investment for our Monterrey, Mexico facility

**Continue to Demonstrate Strong Free Cash Flow Conversion<sup>1</sup>**

# Capital Allocation Priorities



1

Organic Growth

2

Debt Reduction

3

Dividend  
(consistent with modest growth over time)

4

M&A

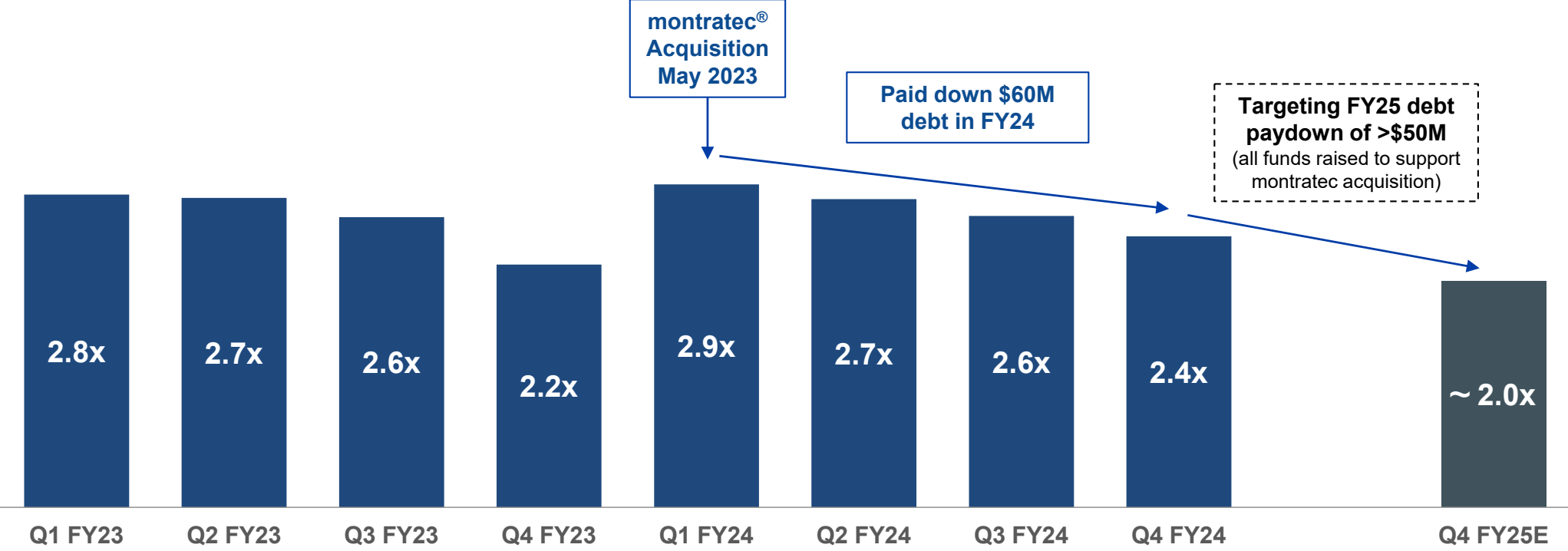


***Capital Allocation Focused on Supporting Growth and Debt Reduction***

# Historical Net Leverage – per Credit Agreement



## Net Leverage Ratio<sup>1,2</sup>



Credit Agreement TTM Adj. EBITDA<sup>1,2</sup> (\$ in M)

Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24
\$156	\$153	\$162	\$164	\$171	\$176	\$179	\$180

**CMCO De-levered Since the montratec Acquisition, with Expected Net Leverage of ~2.0x by EOY FY25**

© 2024 COLUMBUS MCKINNON CORPORATION 1 Non-GAAP financial measure; see definition and reconciliation at the end of this Presentation.  
 2 On a financial covenant basis per the Company's Amended and Restated Credit Agreement

# Executing to Deliver Strategic Plan Objectives

## Advancing our strategic transformation and delivering compelling results

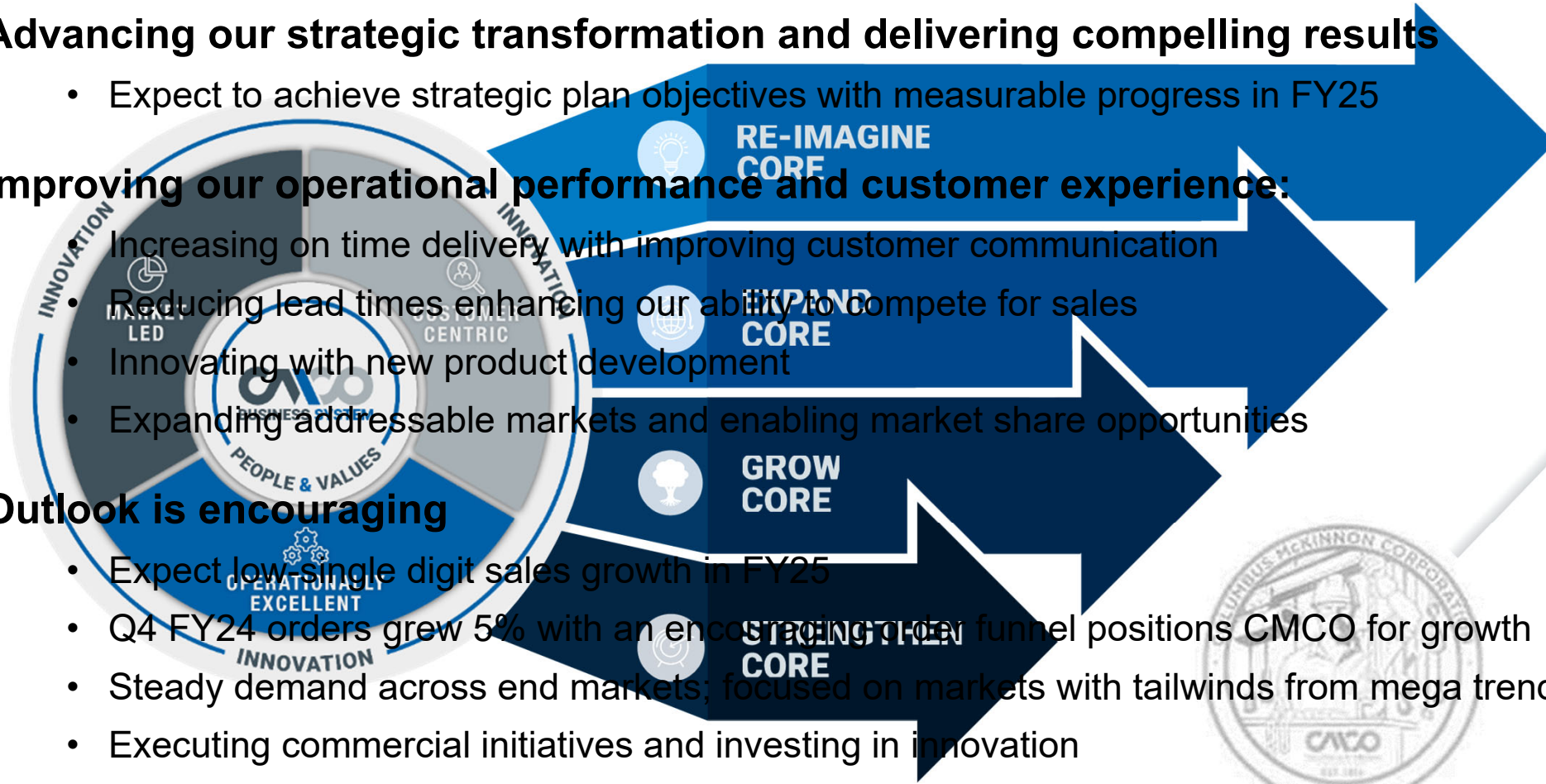
- Expect to achieve strategic plan objectives with measurable progress in FY25

## Improving our operational performance and customer experience:

- Increasing on time delivery with improving customer communication
- Reducing lead times enhancing our ability to compete for sales
- Innovating with new product development
- Expanding addressable markets and enabling market share opportunities

## Outlook is encouraging

- Expect low-single digit sales growth in FY25
- Q4 FY24 orders grew 5% with an encouraging order funnel positions CMCO for growth
- Steady demand across end markets; focused on markets with tailwinds from mega trends
- Executing commercial initiatives and investing in innovation
- Low-single digit sales growth is expected to translate to mid to high-single digit growth in Adjusted EPS



**Executing Strategy to Create a Scalable Enterprise with Top-tier Margin Performance**



INTELLIGENT MOTION

PURPOSE IN MOTION

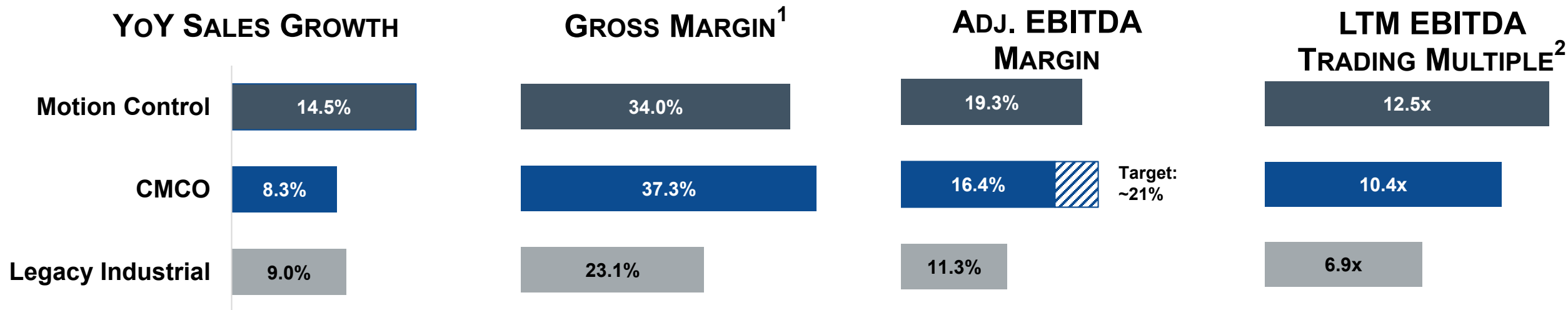
# Supplemental Information

# CMCO Peer Group Comparison

Industrial Peers vs. Motion Control Peers



(Based on Peer Group Averages. Financials Represent TTM Ending 3/31/24)



## LEGACY INDUSTRIAL PEERS



## MOTION CONTROL PEERS



**CMCO Pivoting to Motion Control Peer Group... Valuation Lags**

**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

The following information provides definitions and reconciliations of the non-GAAP financial measures presented in this presentation to the most directly comparable financial measures calculated and presented in accordance with generally accepted accounting principles (GAAP). The Company has provided this non-GAAP financial information, which is not calculated or presented in accordance with GAAP, as information supplemental and in addition to the financial measures presented in this presentation that are calculated and presented in accordance with GAAP. Such non-GAAP financial measures should not be considered superior to, as a substitute for or alternative to, and should be considered in conjunction with, the GAAP financial measures presented in this presentation. The non-GAAP financial measures in this presentation may differ from similarly titled measures used by other companies.

- Adjusted Gross Profit and Adjusted Gross Margin
- Adjusted Operating Income and Adjusted Operating Margin
- Adjusted Net Income and Adjusted Diluted EPS
- Adjusted EBITDA and Adjusted EBITDA Margin
- ROIC
- Free Cash Flow and Free Cash Flow Conversion
- Net Debt and Net Leverage Ratio

### ***Forward-Looking:***

The Company has not reconciled the Adjusted Gross Margin, Adjusted EBITDA Margin, Adjusted EPS and Net Leverage Ratio guidance to the most comparable GAAP measure because it is not possible to do so without unreasonable efforts due to the uncertainty and potential variability of reconciling items, which are dependent on future events and often outside of management's control and which could be significant. Because such items cannot be reasonably predicted with the level of precision required, we are unable to provide guidance for the comparable GAAP financial measures. Forward-looking guidance regarding Adjusted EPS and Net Leverage Ratio for full year and first quarter fiscal 2025 are made in a manner consistent with the relevant definitions and assumptions noted herein. Forward-looking guidance regarding Adjusted Gross Margin and Adjusted EBITDA for fiscal 2027 are made in a manner consistent with the relevant definitions and assumptions noted herein.

# Non-GAAP Measures: Adjusted Gross Profit and Adjusted Gross Margin



(\$ in thousands)	Quarter					Fiscal Year			
	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	2021	2022	2023	2024
Gross profit	\$ 91,218	\$ 86,649	\$ 99,976	\$ 93,897	\$ 94,315	\$ 220,225	\$ 315,730	\$ 342,099	\$ 374,838
Add back (deduct):									
Product liability settlement	—	—	—	—	—	—	2,850	—	—
Acquisition amortization of backlog	—	—	—	—	—	—	2,100	—	—
Acquisition inventory step-up expense	—	—	—	—	—	—	5,042	—	—
Business realignment costs	—	196	—	150	—	830	1,606	—	346
Acquisition deal and integration costs	—	—	—	—	—	—	521	—	—
Factory and warehouse consolidation	—	—	—	—	262	2,671	—	—	262
Monterrey, MX new factory start-up costs	—	—	—	435	2,552	—	—	—	2,987
Insurance settlement	—	—	—	—	—	—	—	—	—
Gain on sale of building	—	—	—	—	—	(2,189)	—	—	—
Adjusted Gross Profit	\$ 91,218	\$ 86,845	\$ 99,976	\$ 94,482	\$ 97,129	\$ 221,537	\$ 327,849	\$ 342,099	\$ 378,433
Net sales	\$ 253,843	\$ 235,492	\$ 258,400	\$ 254,143	\$ 265,504	\$ 649,642	\$ 906,555	\$ 936,240	\$ 1,013,540
Add back:									
Acquisition amortization of backlog	—	—	—	—	—	—	2,100	—	—
Adjusted Net Sales	\$ 253,843	\$ 235,492	\$ 258,400	\$ 254,143	\$ 265,504	\$ 649,642	\$ 908,655	\$ 936,240	\$ 1,013,540
Gross margin	35.9%	36.8%	38.7%	36.9%	35.5%	33.9%	34.8%	36.5%	37.0%
Adjusted Gross Margin	35.9%	36.9%	38.7%	37.2%	36.6%	34.1%	36.1%	36.5%	37.3%

Adjusted Gross Profit is defined as gross profit as reported, adjusted for certain items. Adjusted Gross Profit Margin is defined as Adjusted Gross Profit divided by net sales. Adjusted Gross Profit and Adjusted Gross Margin are not measures determined in accordance with GAAP and may not be comparable with Adjusted Gross Profit and Adjusted Gross Profit Margin as used by other companies. Nevertheless, Columbus McKinnon believes that providing non-GAAP financial measures, such as Adjusted Gross Profit and Adjusted Gross Profit Margin, are 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 and gross profit margin to the historical periods' gross profit and gross margin, as well as facilitates a more meaningful comparison of the Company's gross profit and gross profit margin to that of other companies.

# Non-GAAP Measures: Adjusted Operating Income and Adjusted Operating Margin



(\$ in thousands)	Quarter					Fiscal Year			
	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	2021	2022	2023	2024
Income from operations	\$ 27,469	\$ 21,448	\$ 33,351	\$ 26,912	\$ 25,437	\$ 42,255	\$ 73,781	\$ 97,841	\$ 107,148
Add back (deduct):									
Acquisition deal and integration costs	173	2,587	508	113	3	3,951	10,473	616	3,211
Acquisition inventory step-up expense	—	—	—	—	—	—	5,042	—	—
Business realignment costs	848	375	40	1,452	—	1,470	3,902	5,140	1,867
Garvey contingent consideration	—	—	—	—	—	—	—	1,230	—
Product liability settlement	—	—	—	—	—	—	2,850	—	—
Headquarter relocation costs	681	1,228	146	510	175	—	—	996	2,059
Acquisition amortization of backlog	—	—	—	—	—	—	2,100	—	—
Factory and warehouse consolidation	—	117	82	—	545	3,778	—	—	744
Monterrey, MX new factory start-up costs	—	—	—	755	3,734	—	—	—	4,489
Insurance recovery legal costs	—	—	—	—	—	229	—	—	—
Gain on sale of building	—	—	—	—	—	(2,638)	—	—	—
Cost of debt repricing	—	—	—	—	1,190	—	—	—	1,190
<b>Adjusted Operating Income</b>	<b>\$ 29,171</b>	<b>\$ 25,755</b>	<b>\$ 34,127</b>	<b>\$ 29,742</b>	<b>\$ 31,084</b>	<b>\$ 49,045</b>	<b>\$ 98,148</b>	<b>\$ 105,823</b>	<b>\$ 120,708</b>
Net sales	\$ 253,843	\$ 235,492	\$ 258,400	\$ 254,143	\$ 265,504	\$ 649,642	\$ 906,555	\$ 936,240	\$ 1,013,540
Add back:									
Acquisition amortization of backlog	—	—	—	—	—	—	2,100	—	—
<b>Adjusted Net Sales</b>	<b>\$ 253,843</b>	<b>\$ 235,492</b>	<b>\$ 258,400</b>	<b>\$ 254,143</b>	<b>\$ 265,504</b>	<b>\$ 649,642</b>	<b>\$ 908,655</b>	<b>\$ 936,240</b>	<b>\$ 1,013,540</b>
Operating margin	10.8%	9.1%	12.9%	10.6%	9.6%	6.5%	8.1%	10.5%	10.6%
<b>Adjusted Operating margin</b>	<b>11.5%</b>	<b>10.9%</b>	<b>13.2%</b>	<b>11.7%</b>	<b>11.7%</b>	<b>7.5%</b>	<b>10.8%</b>	<b>11.3%</b>	<b>11.9%</b>

Adjusted Operating Income is defined as income from operations as reported, adjusted for certain items. Adjusted Operating Margin is defined as Adjusted Operating Income divided by net sales. Adjusted Operating Income and Adjusted Operating Margin are not measures determined in accordance with GAAP and may not be comparable with Adjusted Operating Income and Adjusted Operating Margin as used by other companies. Nevertheless, Columbus McKinnon believes that providing non-GAAP financial measures, such as Operating Income and Adjusted Operating Margin, are important for investors and other readers of the Company's financial statements and assists in understanding the comparison of the current quarter's and current year's income from operations and operating margin to the historical periods' income from operations and operating margin, as well as facilitates a more meaningful comparison of the Company's income from operations and operating margin to that of other companies.

# Non-GAAP Measures: Adjusted Net Income and Adjusted Diluted EPS



(\$ in thousands, except per share data)	Quarter					Fiscal Year			
	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	2021	2022	2023	2024
Net income	\$ 13,895	\$ 9,275	\$ 15,813	\$ 9,728	\$ 11,809	\$ 9,106	\$ 29,660	\$ 48,429	\$ 46,625
Add back (deduct):									
Amortization of intangibles	6,559	6,877	7,508	7,486	7,525	12,623	25,283	26,001	29,396
Acquisition deal and integration costs	173	2,587	508	113	3	3,951	10,473	616	3,211
Business realignment costs	848	375	40	1,452	—	1,470	3,902	5,140	1,867
Product liability settlement	—	—	—	—	—	—	2,850	—	—
Acquisition inventory step-up expense	—	—	—	—	—	—	5,042	—	—
Acquisition amortization of backlog	—	—	—	—	—	—	2,100	—	—
Garvey contingent consideration	—	—	—	—	—	—	—	1,230	—
Headquarter relocation costs	681	1,228	146	510	175	—	—	996	2,059
Factory and warehouse consolidation	—	117	82	—	545	3,778	—	—	744
Monterrey, MX new factory start-up costs	—	—	—	755	3,734	—	—	—	4,489
Cost of debt refinancing and repricing	—	—	—	—	1,190	—	14,803	—	1,190
Non-cash pension settlement expense	—	—	—	4,599	385	19,046	—	—	4,984
Tax indemnification payment owed	—	—	—	—	1,192	—	—	—	1,192
Insurance recovery legal costs	—	—	—	—	—	229	—	—	—
Gain on sale of building	—	—	—	—	—	(2,638)	—	—	—
Normalize tax rate to 25% <sup>1</sup>	975	(2,569)	(2,199)	(3,227)	(4,767)	(9,708)	(13,852)	2,185	(12,763)
<b>Adjusted Net Income</b>	<b>\$ 23,131</b>	<b>\$ 17,890</b>	<b>\$ 21,898</b>	<b>\$ 21,416</b>	<b>\$ 21,971</b>	<b>\$ 37,857</b>	<b>\$ 80,261</b>	<b>\$ 84,597</b>	<b>\$ 82,994</b>
Average diluted shares outstanding	28,869	28,906	29,001	28,991	29,129	24,173	28,401	28,818	29,026
Diluted income per share	\$ 0.48	\$ 0.32	\$ 0.55	\$ 0.34	\$ 0.41	\$ 0.38	\$ 1.04	\$ 1.68	\$ 1.61
<b>Adjusted Diluted EPS</b>	<b>\$ 0.80</b>	<b>\$ 0.62</b>	<b>\$ 0.76</b>	<b>\$ 0.74</b>	<b>\$ 0.75</b>	<b>\$ 1.57</b>	<b>\$ 2.83</b>	<b>\$ 2.94</b>	<b>\$ 2.86</b>

<sup>1</sup> Applies a normalized tax rate of 25% in fiscal 2024 and 22% in fiscal 2022 and fiscal 2023 to GAAP pre-tax income and non-GAAP adjustments above, which are each pre-tax.

Adjusted Net Income and Adjusted Diluted EPS are defined as net income and diluted EPS as reported, adjusted for certain items, including amortization of intangibles, and also adjusted for a normalized tax rate. Adjusted Net Income and Adjusted Diluted EPS are not measures determined in accordance with GAAP and may not be comparable with the measures used by other companies. Nevertheless, Columbus McKinnon believes that providing non-GAAP financial measures, such as Adjusted Net Income and Adjusted Diluted EPS, are important for investors and other readers of the Company's financial statements and assists in understanding the comparison of the current quarter's and current year's net income and diluted EPS to the historical periods' net income and diluted EPS, as well as facilitates a more meaningful comparison of the Company's net income and diluted EPS to that of other companies. The Company believes that presenting Adjusted Diluted 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.

# Non-GAAP Measures: Adjusted EBITDA and Adjusted EBITDA Margin



(\$ in thousands)	Quarter					Fiscal Year			
	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	2021	2022	2023	2024
Net income	\$ 13,895	\$ 9,275	\$ 15,813	\$ 9,728	\$ 11,809	\$ 9,106	\$ 29,660	\$ 48,429	\$ 46,625
Add back (deduct):									
Income tax expense (benefit)	7,499	3,394	5,100	3,911	2,497	970	8,786	26,046	14,902
Interest and debt expense	7,668	8,625	10,211	9,952	9,169	12,081	20,126	27,942	37,957
Investment (income) loss	(483)	(543)	88	(758)	(547)	(1,693)	(46)	(315)	(1,759)
Foreign currency exchange (gain) loss	(1,037)	483	1,746	(1,155)	752	941	1,574	(2,189)	1,826
Other (income) expense, net	(73)	214	393	5,234	1,757	20,850	(1,122)	(2,072)	7,597
Depreciation and amortization expense	10,567	10,890	11,592	11,570	11,893	28,153	41,924	41,947	45,945
Cost of debt refinancing	—	—	—	—	—	—	14,803	—	—
Acquisition deal and integration costs	173	2,587	508	113	3	3,951	10,473	616	3,211
Acquisition inventory step-up expense	—	—	—	—	—	—	5,042	—	—
Product liability settlement	—	—	—	—	—	—	2,850	—	—
Business realignment costs	848	375	40	1,452	—	1,470	3,902	5,140	1,867
Factory and warehouse consolidation	—	117	82	—	545	3,778	—	—	744
Headquarter relocation costs	681	1,228	146	510	175	—	—	996	2,059
Garvey contingent consideration	—	—	—	—	—	—	—	1,230	—
Acquisition amortization of backlog	—	—	—	—	—	—	2,100	—	—
Insurance settlement	—	—	—	—	—	229	—	—	—
Gain on sale of building	—	—	—	—	—	(2,638)	—	—	—
Monterrey, MX new factory start-up costs	—	—	—	755	3,734	—	—	—	4,489
Cost of debt repricing	—	—	—	—	1,190	—	—	—	1,190
Adjusted EBITDA	\$ 39,738	\$ 36,645	\$ 45,719	\$ 41,312	\$ 42,977	\$ 77,198	\$ 140,072	\$ 147,770	\$ 166,653
Sales	\$ 253,843	\$ 235,492	\$ 258,400	\$ 254,143	\$ 265,504	\$ 649,642	\$ 906,555	\$ 936,240	\$ 1,013,540
Add back:									
Acquisition amortization of backlog	—	—	—	—	—	—	2,100	—	—
Adjusted Net Sales	\$ 253,843	\$ 235,492	\$ 258,400	\$ 254,143	\$ 265,504	\$ 649,642	\$ 908,655	\$ 936,240	\$ 1,013,540
Net income margin	5.5%	3.9%	6.1%	3.8%	4.4%	1.4%	3.3%	5.2%	4.6%
Adjusted EBITDA margin	15.7%	15.6%	17.7%	16.3%	16.2%	11.9%	15.4%	15.8%	16.4%

Adjusted EBITDA is defined as net income before interest expense, income taxes, depreciation, amortization, and other adjustments. Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by net sales. Adjusted EBITDA and Adjusted EBITDA Margin are not measures determined in accordance with GAAP and may not be comparable with Adjusted EBITDA and Adjusted EBITDA Margin as used by other companies. Nevertheless, Columbus McKinnon believes that providing non-GAAP financial measures, such as Adjusted EBITDA and Adjusted EBITDA Margin, are important for investors and other readers of the Company's financial statements.

# Non-GAAP Measures: ROIC



(\$ in thousands)	Fiscal Year			
	2021	2022	2023	2024
Income from operations	\$ 42,255	\$ 73,781	\$ 97,841	\$ 107,148
Add back (deduct):				
Acquisition deal and integration costs	3,951	10,473	616	3,211
Business realignment costs	1,470	3,902	5,140	1,867
Factory and warehouse consolidation	3,778	—	—	744
Headquarter relocation costs	—	—	996	2,059
Garvey contingent consideration	—	—	1,230	—
Monterrey, MX new factory start-up costs	—	—	—	4,489
Acquisition inventory step-up expense	—	5,042	—	—
Product liability settlement	—	2,850	—	—
Cost of debt repricing	—	—	—	1,190
Insurance settlement	229	—	—	—
Gain on sale of building	(2,638)	—	—	—
Acquisition amortization of backlog	—	2,100	—	—
Adjusted Operating Income	\$ 49,045	\$ 98,148	\$ 105,823	\$ 120,708
Adjusted Operating Income, net of normalized tax rate of 25%	\$ 36,784	\$ 73,611	\$ 79,367	\$ 90,531
Trailing five quarter averages:				
Total debt	260,130	438,768	491,410	539,296
Total shareholders' equity	487,523	701,640	795,410	859,119
Cash and cash equivalents	168,599	123,636	100,922	111,260
Net total capitalization	\$ 579,054	\$ 1,016,772	\$ 1,185,898	\$ 1,287,086
Return on Invested Capital (ROIC)	6.4%	7.2%	6.7%	7.0%

ROIC is defined as Adjusted Operating Income, net of taxes at a 25% normalized rate (*fiscal 2021, 2022 and 2023 restated with a 25% normalized tax rate versus the 22% tax rate previously reported*), for the trailing twelve months divided by the average of total debt plus total shareholders' equity less cash and cash equivalents (average capital) for the trailing five quarters. ROIC is not a measure determined in accordance with GAAP and may not be comparable with the measures as used by other companies. Nevertheless, Columbus McKinnon believes that providing non-GAAP financial information, such as ROIC, is important for investors and other readers of the Company's financial statements.

# Non-GAAP Measures: Free Cash Flow (FCF) and FCF Conversion



(\$ in thousands)	Fiscal Year			
	2021	2022	2023	2024
Net cash provided by operating activities	\$ 98,890	\$ 48,881	\$ 83,636	\$ 67,198
Capital expenditures	(12,300)	(13,104)	(12,632)	(24,813)
Free Cash Flow (FCF)	\$ 86,590	\$ 35,777	\$ 71,004	\$ 42,385
Net income	\$ 9,106	\$ 29,660	\$ 48,429	\$ 46,625
Free Cash Flow Conversion	951%	121%	147%	91%

Free Cash Flow is defined as net cash provided by (used for) operating activities less 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 GAAP and may not be comparable with the measures as defined or used by other companies. Nevertheless, the Company believes that providing non-GAAP financial measures, 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 periods' Free Cash Flow and Free Cash Flow Conversion to Free Cash Flow and Free Cash Flow Conversion for historical periods.

# Non-GAAP Measures: Net Debt and Net Leverage Ratio



Net Debt is defined in the credit agreement as total debt plus standby letters of credit, net of cash and cash equivalents. Net Leverage Ratio is defined as Net Debt divided by the Credit Agreement Trailing Twelve Month Adjusted (“TTM”) EBITDA. Credit Agreement TTM Adjusted EBITDA is defined as net income before interest expense, income taxes, depreciation, amortization, and other adjustments. Credit Agreement Adjusted EBITDA Margin is defined as Credit Agreement TTM Adjusted EBITDA divided by net sales. Net Debt, Net Leverage Ratio, Credit Agreement TTM Adjusted EBITDA and Credit Agreement Adjusted EBITDA Margin are not measures determined in accordance with GAAP and may not be comparable with the measures as used by other companies. Nevertheless, the Company believes that providing non-GAAP financial measures, such as Net Debt, Net Leverage Ratio, Credit Agreement TTM Adjusted EBITDA and Credit Agreement Adjusted EBITDA Margin are important for investors and other readers of the Company’s financial statements.

(\$ in thousands)	Trailing Twelve Month							
	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24
Net income	\$ 45,314	\$ 44,225	\$ 46,360	\$ 48,429	\$ 49,313	\$ 51,012	\$ 48,711	\$ 46,625
Add back (deduct):								
Annualize EBITDA for montratec <sup>1</sup>	3,822	665	—	—	7,994	5,410	2,131	1,331
Annualize synergies for montratec <sup>1</sup>	2,300	1,445	660	—	401	293	184	73
Income tax expense (benefit)	20,196	21,066	24,701	26,046	20,547	20,694	19,904	14,902
Interest and debt expense	20,517	22,698	25,626	27,942	30,364	33,807	36,456	37,957
Non-Cash loss related to asset retirement	173	175	175	175	2	—	—	—
Gain on Sale of Facility	(375)	(232)	(232)	(232)	(232)	—	—	—
Non-Cash Pension Settlement <sup>2</sup>	—	—	—	—	—	—	4,599	4,984
Amortization of deferred financing costs	1,662	1,696	1,720	1,721	1,774	1,967	2,158	2,349
Stock Compensation Expense	9,735	9,371	9,800	10,425	11,655	12,060	11,859	12,039
Garvey contingent consideration	—	—	1,230	1,230	1,230	1,230	—	—
Depreciation and amortization expense	41,924	41,848	42,059	41,947	42,368	43,536	44,619	45,945
Acquisition deal and integration costs	1,317	704	672	616	3,117	3,606	3,381	3,211
Excluded deal and integration costs <sup>3</sup>	—	(222)	(169)	—	(529)	(510)	(172)	—
Acquisition inventory set-up expense	2,061	2,061	1,546	—	—	—	—	—
Acquisition amortization of backlog	2,100	2,100	1,650	—	—	—	—	—
Business realignment costs	4,936	4,969	5,406	5,140	3,857	2,664	2,715	1,867
Excluded business realignment costs <sup>3</sup>	—	—	—	—	(3,482)	(2,249)	(848)	—
Factory and warehouse consolidation	—	—	—	—	117	199	199	744
Headquarter relocation costs	—	—	315	996	2,224	2,370	2,565	2,059
Cost of debt refinancing	—	—	—	—	—	—	—	1,190
Monterrey, MX new factory start-up costs	—	—	—	—	—	—	755	4,489
Credit Agreement TTM Adjusted EBITDA	\$ 155,682	\$ 152,569	\$ 161,519	\$ 164,435	\$ 170,720	\$ 176,089	\$ 179,216	\$ 179,765
Net Sales TTM	\$ 913,378	\$ 921,483	\$ 935,765	\$ 936,240	\$ 951,445	\$ 978,105	\$ 1,001,878	\$ 1,013,540
Net Margin	5.0%	4.8%	5.0%	5.2%	5.2%	5.2%	4.7%	4.6%
Credit Agreement Adjusted EBITDA Margin	17.0%	16.6%	17.3%	17.6%	17.9%	18.0%	17.9%	17.7%
Total debt	501,327	491,420	481,512	471,592	579,769	564,841	550,040	530,236
Standby letters of credit	15,660	14,682	15,275	14,921	15,364	15,525	15,740	15,368
Cash and cash equivalents	(85,660)	(88,865)	(81,520)	(133,176)	(106,994)	(99,058)	(102,945)	(114,126)
Net Debt	\$ 431,327	\$ 417,237	\$ 415,267	\$ 353,337	\$ 488,139	\$ 481,308	\$ 462,835	\$ 431,478
Net Leverage Ratio	2.77x	2.73x	2.57x	2.15x	2.86x	2.73x	2.58x	2.40x

<sup>1</sup> EBITDA is normalized to include a full year of the acquired entity and assuming that deal related synergies are achieved for montratec in fiscal year 2024 and Dorner and Garvey in fiscal year 2023

<sup>2</sup> During the quarter ending December 31, 2023, certain employees in one of the Company's U.S. pension plans accepted an offer to settle their pension obligation with a lump sum payment. These lump sum settlements are one of the steps the Company is taking to terminate the plan by transferring the liabilities to a third-party.

<sup>3</sup> The Company's credit agreement definition of Adjusted EBITDA excludes certain acquisition deal and integration costs and business realignment costs that are incurred up to two years after the close of an acquisition