



# J.P. Morgan Industrials Conference

March 15, 2022

**David J. Wilson**  
President and Chief Executive Officer

**Gregory P. Rustowicz**  
Senior Vice President Finance and Chief Financial Officer

# 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: future sales, earnings and plans; the success of the Dorner Mfg. Corp. (“Dorner”) and Garvey Corporation (“Garvey”) acquisitions, achievement of cost and revenue synergies and the amount of such synergies and integration costs; the ability of the Company to achieve market success and earnings per share accretion expectations; the ability of the Company to employ the Columbus McKinnon Business System to drive profitability and to grow the business with its Blueprint for Growth 2.0 strategy, involve known and unknown risks, and are based upon current information and expectations. Actual results may differ materially from those anticipated if the information on which those estimates were based ultimately proves to be incorrect or as a result of certain risks and uncertainties that could cause our actual results to differ materially from the results expressed or implied by such statements, including the integration of recent acquisitions into the Company to achieve cost and revenue synergies, the ability of the Company and its recent acquisitions to achieve revenue expectations, global economic and business conditions including the impact of COVID-19, conditions affecting the industries served by us and our subsidiaries, conditions affecting our customers and suppliers, competitor responses to our products and services, the overall market acceptance of such products and services, facility consolidations and other restructurings, the ability to expand into new markets and geographic regions, foreign currency fluctuations, and other factors disclosed in our periodic reports filed with the Securities and Exchange Commission. Consequently, such forward-looking statements should be regarded as our current plans, estimates and beliefs. Except as required by applicable law, we do not undertake and specifically decline any obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

## **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.

# 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 the core lifting platform
- 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<sup>(1)</sup>

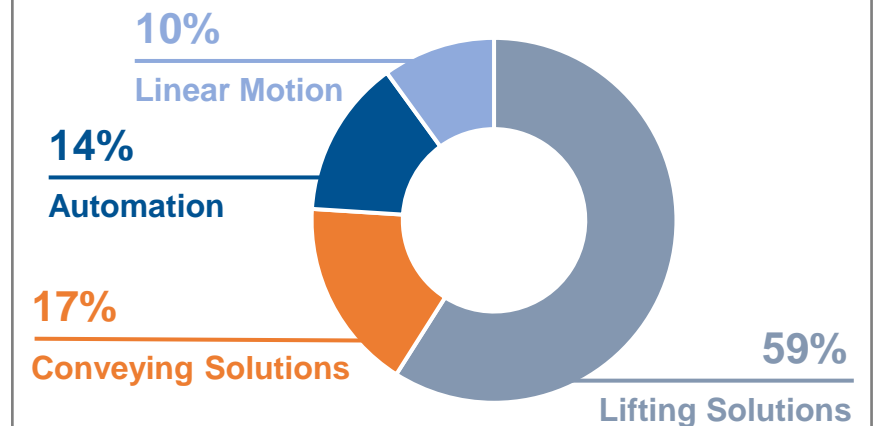
**\$839M**

Revenue

**\$1.2B**

Market Cap.

## Product Mix<sup>(2)</sup>

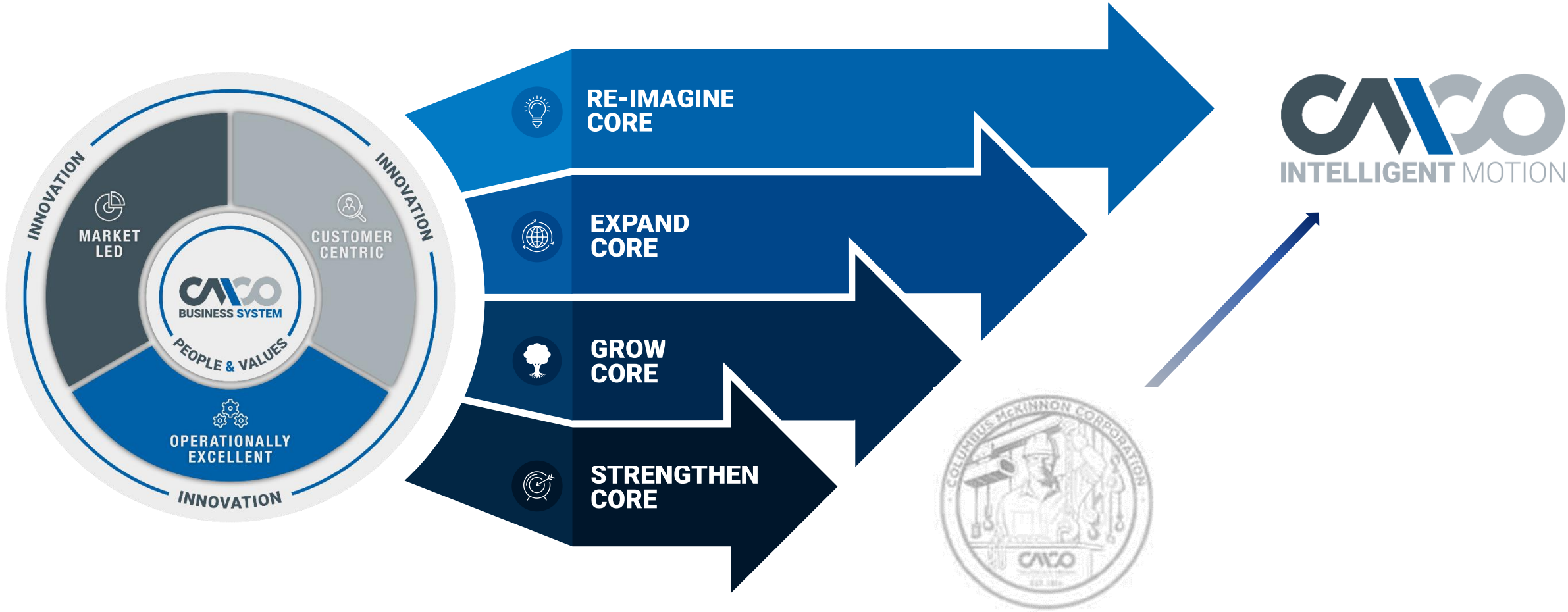


**Seasoned leader with extensive history of safely, efficiently and ergonomically moving materials**



# Blueprint for Growth 2.0

Business System and Core Growth Framework Transform CMCO

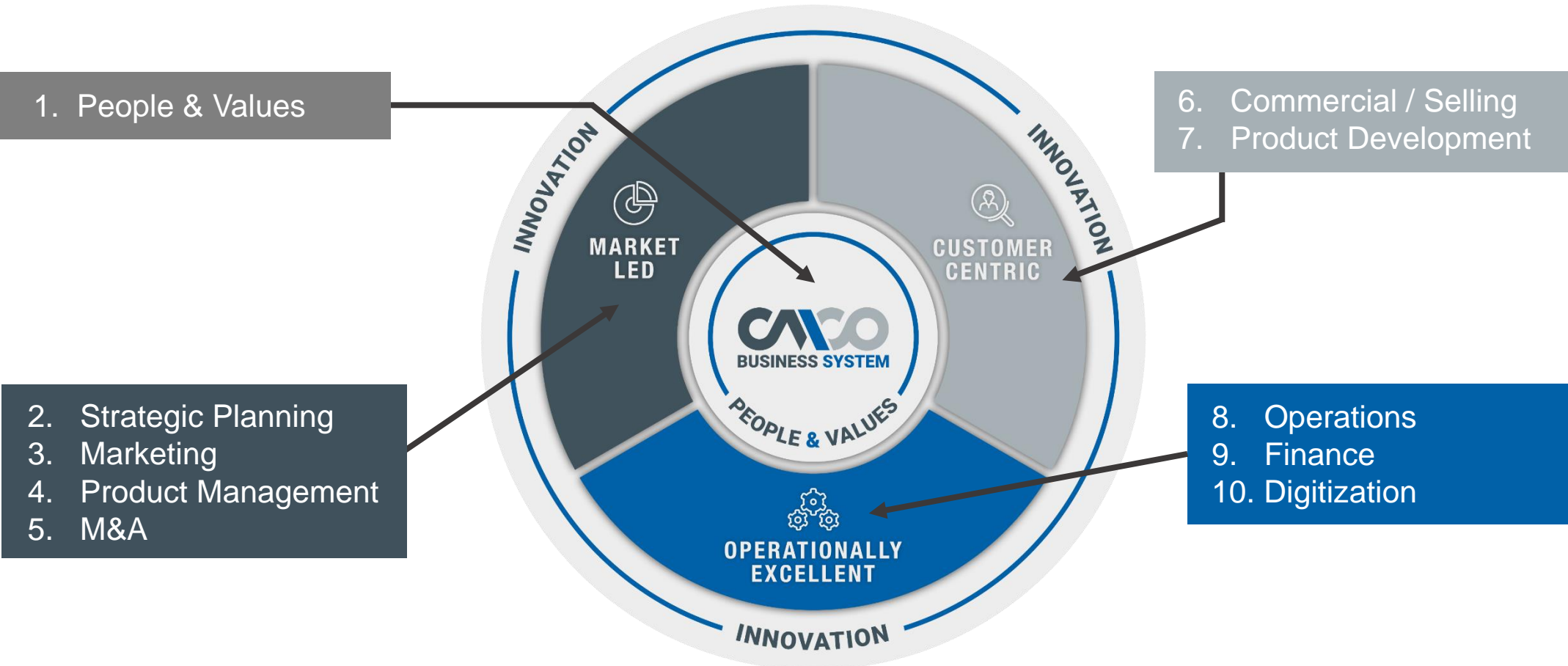


*Strategy evolves Columbus McKinnon into a high value, intelligent motion enterprise*



# Columbus McKinnon Business System

Core Competencies Defined To Drive Performance

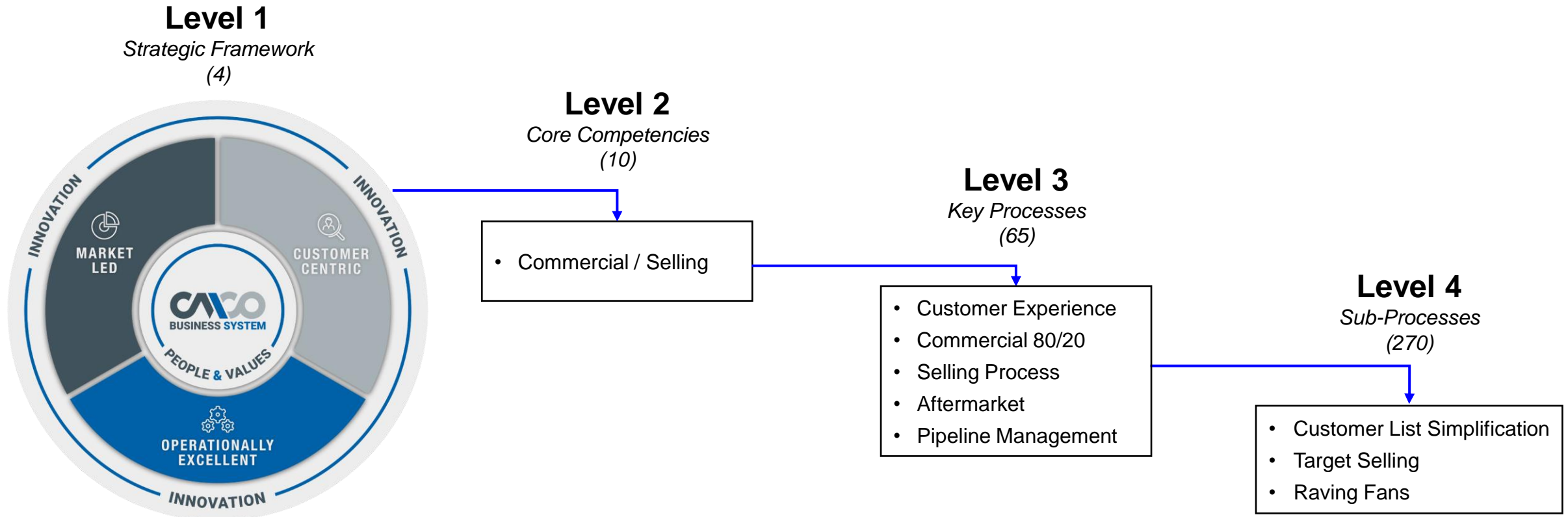


**Columbus McKinnon Business System (CMBS) enables top-tier performance and scalability**



# CMBS Cascading Tiers

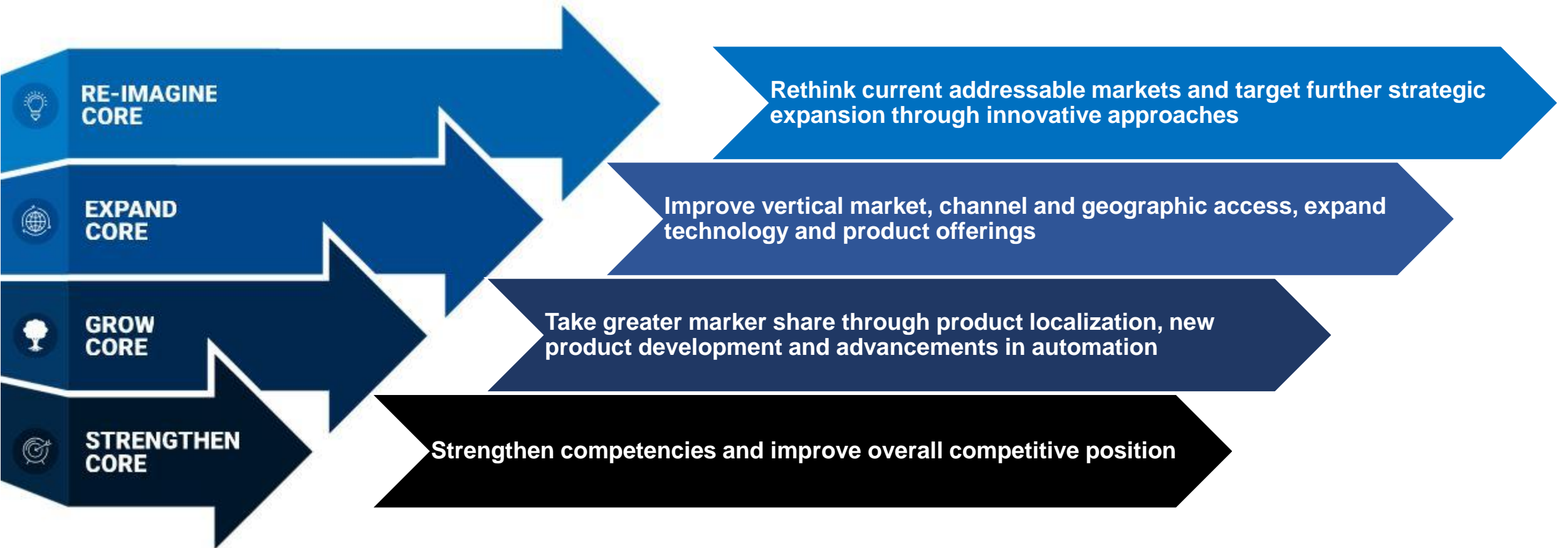
Playbook for Standard Work and Processes



**CMBS framework provides repeatable, sustainable enterprise-wide processes**



# Our Core Growth Framework



*Providing a clear path to organic and strategic growth initiatives*



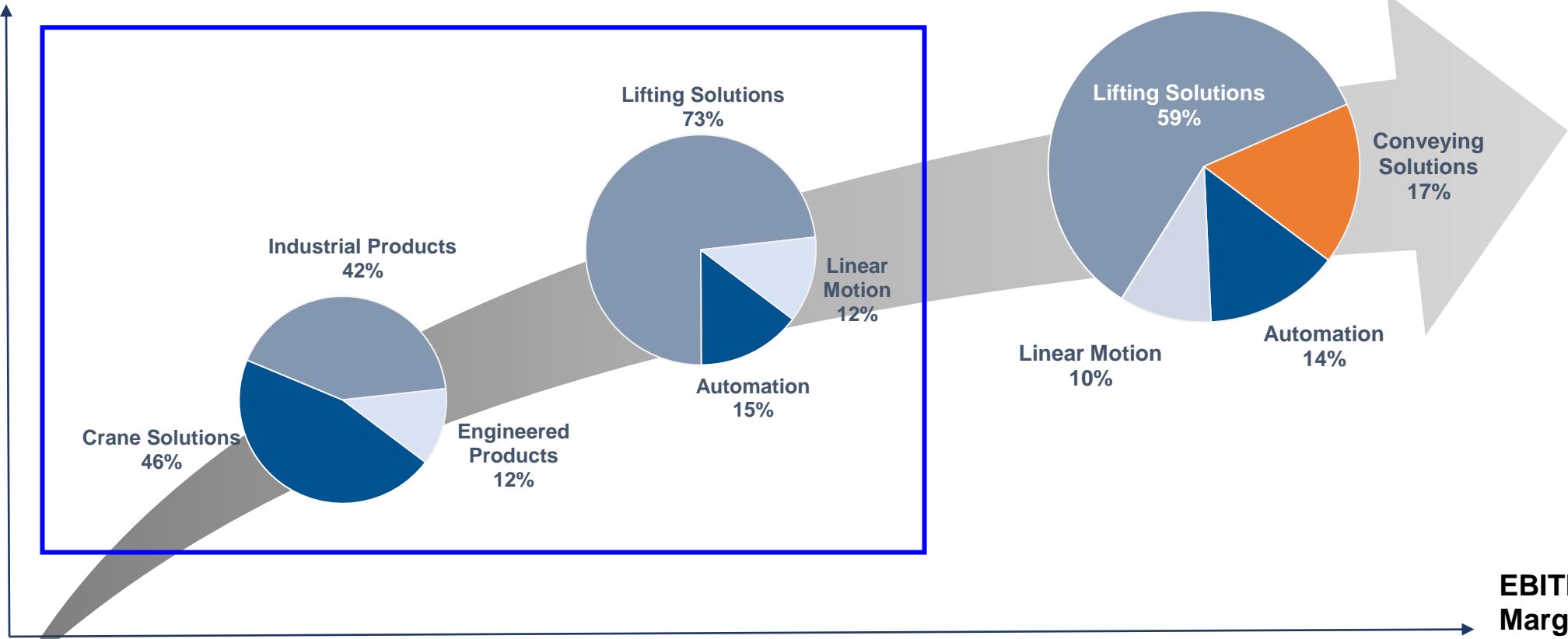
# Business Model Evolution

Growth strategy substantially advances underlying portfolio

Revenue  
Growth Rate

**CMCO FY21  
Recast for Growth Profile**

**CMCO Q3 FY22  
With Conveying Solutions Platform**



EBITDA  
Margin

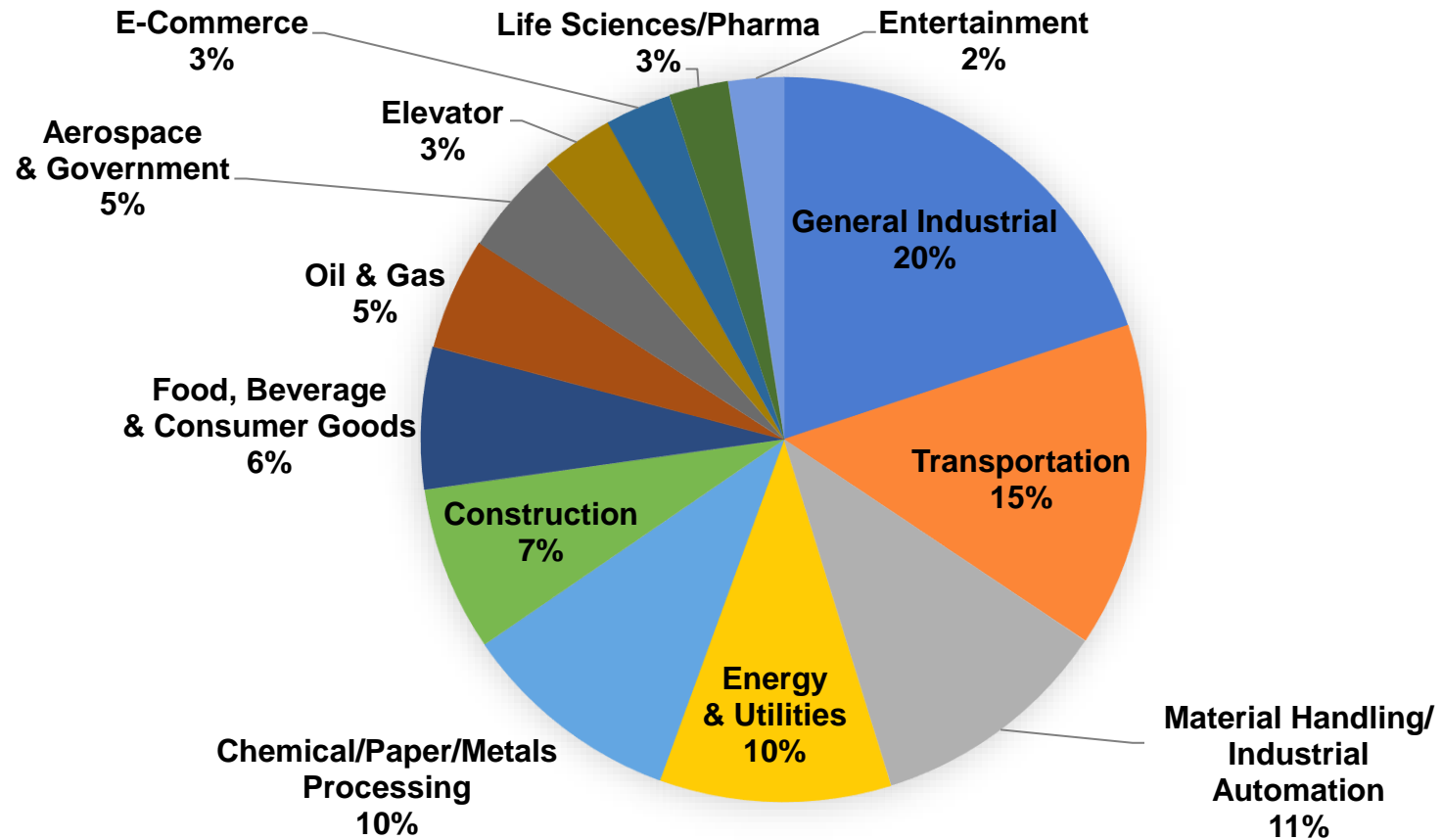
*Evolving underlying portfolio to serve more attractive, high growth markets*





# Increasing Presence in Secularly Driven Markets

*Conveying Solutions Serves Less Cyclical Industries*



*Highly diverse end markets with varying industry cycles*



# Columbus McKinnon Legacy Solutions

*Lifting, Linear Motion and Automation Solutions*

## **Standard Hoist & Rigging Products:**

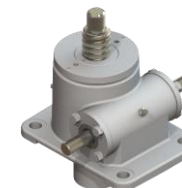
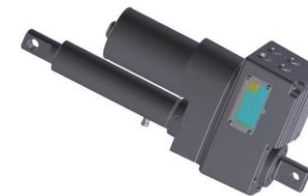
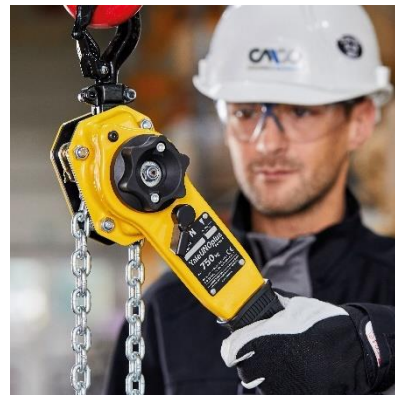
- #1 U.S. market position in hoists
- Lifting capacity from 1/8 ton to ~140 tons
- Reliable, high-quality products

## **Engineered Crane Solutions:**

- Large tonnage projects
- Compass™ configure, price and quote tool
- Automation integrated into lifting solutions

## **Specialty Actuation Products:**

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



**Global leader in intelligent motion solutions for material handling**



# Conveying Solutions Advances Intelligent Motion Strategy

*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

## **Complementary adjacencies:**

Sortation, asynchronous, vibration, etc.



**Scalable, high-growth platform to advance our Intelligent Motion Strategy**



# Acquired Garvey Corporation December 1, 2021

*Leader in accumulation technology complements Dorner's conveying solutions*

Provides **unique, patented technologies** in the design, application, manufacturing and integration of **accumulation systems**

**Industries highest quality products**, deep technical expertise and experienced management team

**Strong brand name** recognition in pharmaceutical and food & beverage industries

Strong **top-line growth and profitability**

- TTM Revenue ~\$30M at September 30, 2021
- 100% of revenue in North America
- ~80%+ sales in F&B and Pharma
- TTM Adjusted EBITDA ~\$9M at September 30, 2021
- Expect \$0.05 GAAP EPS accretion in fiscal 2023

Headquartered in **Hammonton, New Jersey**



## **Products**



Accumulators  
*46% of Revenue*



Specialty Conveyors  
*30% of Revenue*



Vial Loaders,  
Lubrication Systems,  
Gripper Elevators  
*24% of Revenue*

***Leading automation solutions company concentrated in F&B and pharma***



# Secular Growth Markets Provide Strong Tailwinds

New platform adds attractive vertical markets with enduring tailwinds

## FOOD, BEVERAGE & CONSUMER GOODS



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

*~6% of YTD Q3 FY22 sales\**

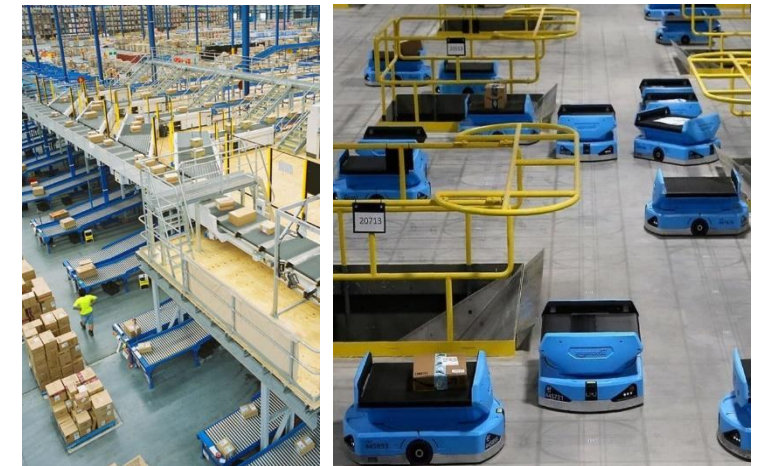
## LIFE SCIENCES / PHARMA



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

*~3% of YTD Q3 FY22 sales\**

## E-COMMERCE



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

*~3% of YTD Q3 FY22 sales\**

**Strong performance and market share gains within attractive verticals**



# Driving Organic Growth with New Products

*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***



# Driving Innovation Through Automation

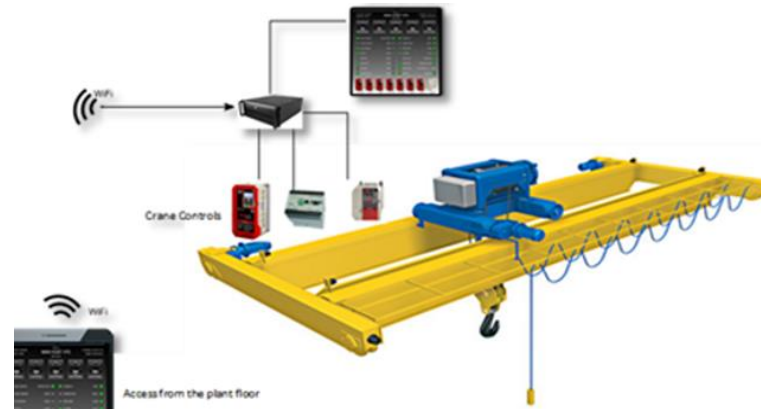
Intelli-Crane™ Solutions

## 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

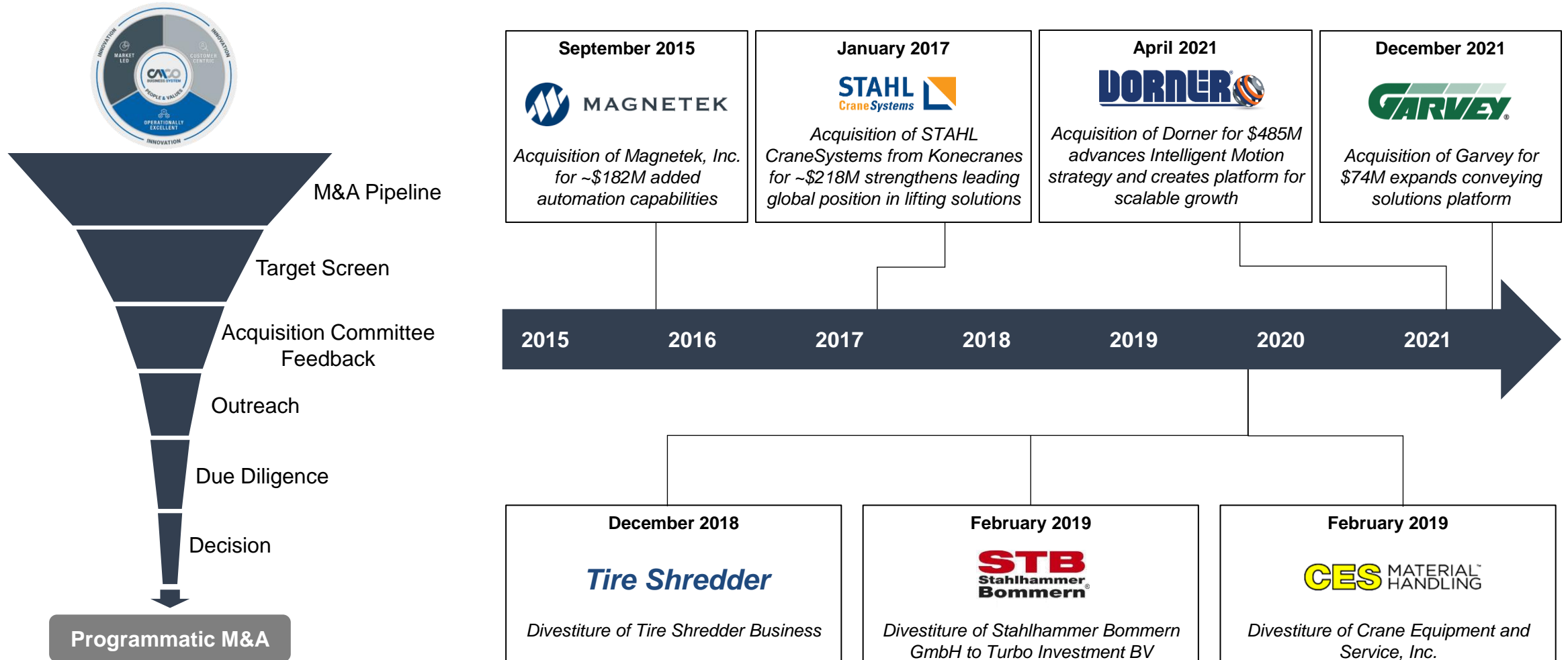


- Provides critical crane and hoist status information
- Reduces plan maintenance and ultimately increases uptime

*Creating competitive advantages with pre-engineered automation solutions*



# Strong Track Record of Creating Value Through M&A



**Transforming Columbus McKinnon into a top-tier, higher growth, higher margin enterprise**

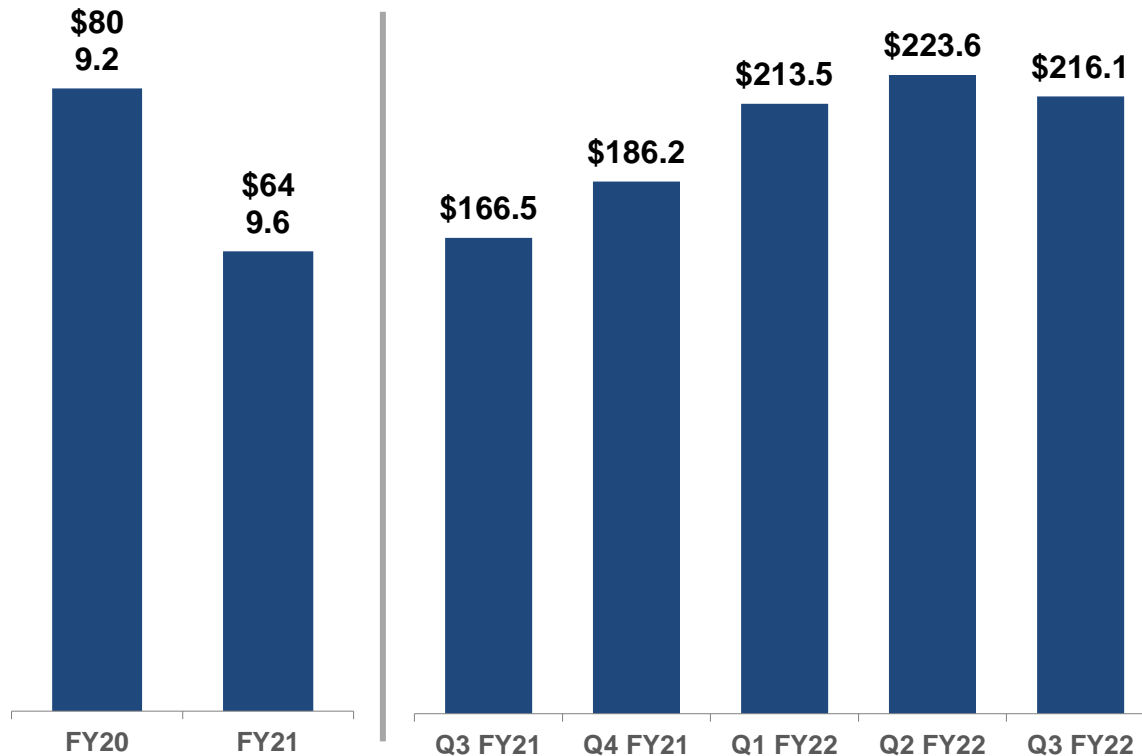




# Strong Demand Driving Recovery

(\$ in millions)

## NET SALES



**Strong demand for intelligent motion material handling solutions driving recovery**

- Volume increased \$9.1 million over Q3 FY21

**Acquisitions contribution to net sales:**

- Q1 FY22: \$34.2 million
- Q2 FY22: \$33.5 million
- Q3 FY22: \$36.4 million

**Pricing power evident**

- More than offsetting raw material inflation challenges

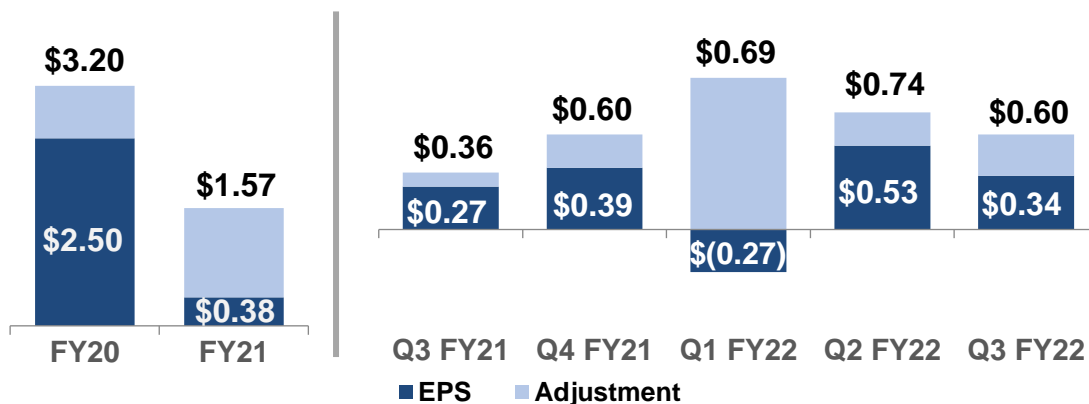
**Expect Q4 FY22 revenue of approximately \$235 million<sup>(1)</sup>**

**Driving towards \$1 billion in annualized revenue**



# Converting Revenue to Earnings

## ADJUSTED EARNINGS PER SHARE



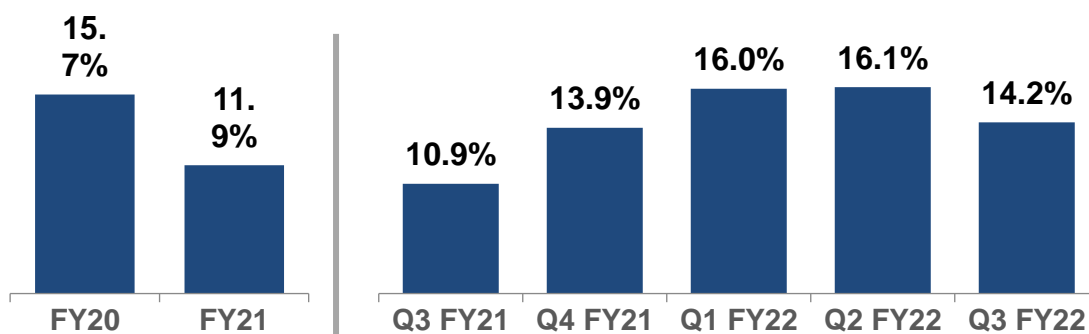
## Adjusted EBITDA margin benefits from accretive acquisitions and economic recovery

- 200 basis points contribution from acquisitions YTD
- Continue to target 19% Adjusted EBITDA margin in FY23
- Expect to achieve target during FY23

## Recent guidance:

- Q4 FY22 amortization expense of \$6.7 million
- Q4 FY22 interest expense of \$4.9 million<sup>(1)</sup>
- Q4 FY22 diluted shares outstanding: ~29 million<sup>(1)</sup>
- FY22 non-GAAP adjusted tax rate: 22%<sup>(1)</sup>

## ADJUSTED EBITDA MARGIN



**Advancing strategy to drive profitable growth and realize long-term objectives**

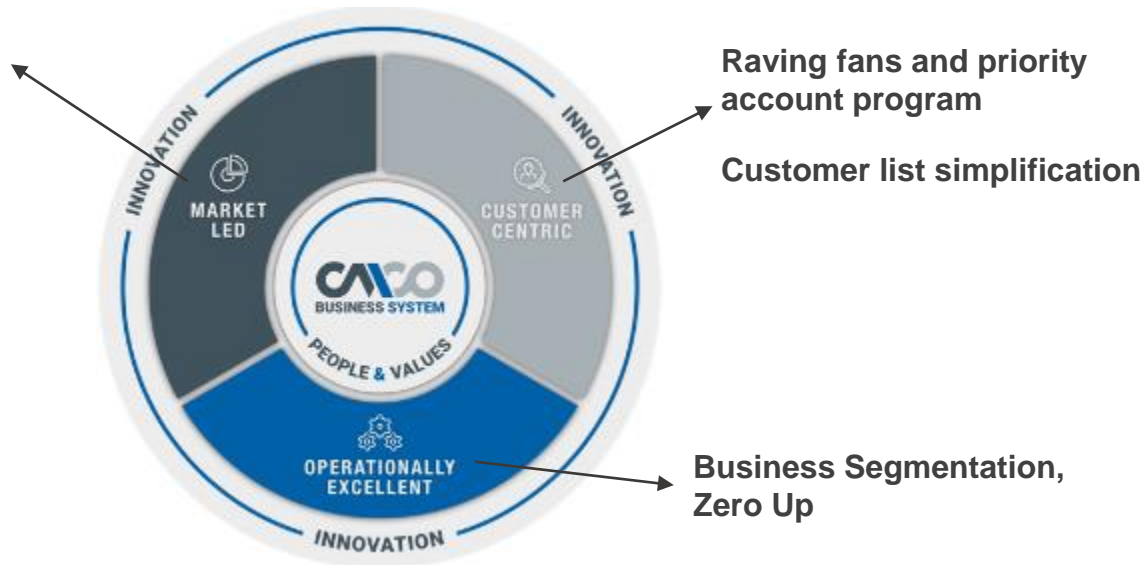


# CMBS to Deliver Margin Expansion

80/20 Critical Business Tool

## 80/20 Embedded in CMBS

Product Line Simplification



- Processes being embedded into “Core Competencies”
- Ownership, Accountability & Measurability
- Drive realization of synergies from Dorner acquisition

## Focus Area: Product Line Simplification



**Purchased parts**  
Reduced by 33% to  
~270,000

**Product SKUs**  
Down to ~26,500  
from ~50,000 in 2019  
Goal: 26,000

**Simplify the Business:  
Eliminate bleeders... focus on areas of growth**

**Created more than \$41 million of incremental OI beginning in FY19... More opportunities to pursue**



# Cash Flow

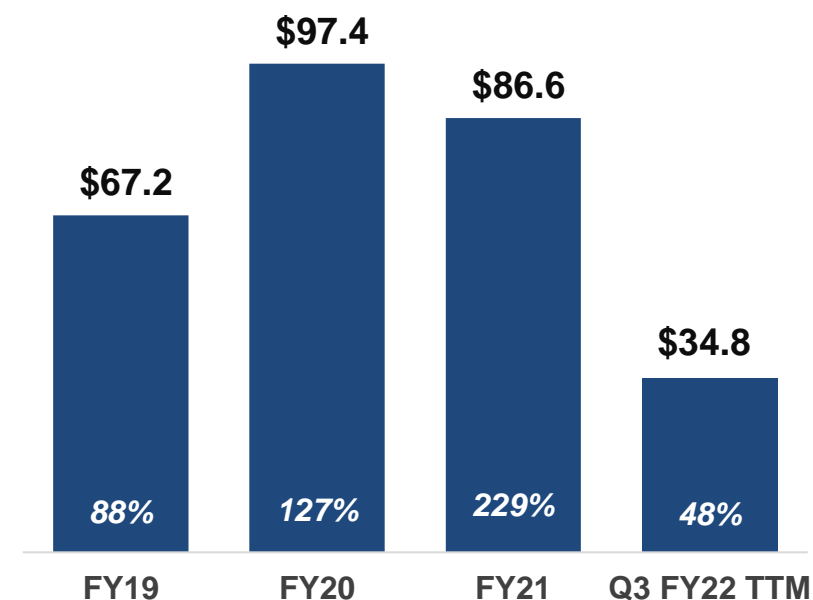
(\$ in millions)

	Three Months Ended		YTD
	<u>12/31/21</u>	<u>12/31/20</u>	<u>12/31/21</u>
Net cash provided by operating activities	\$5.8	\$25.0	\$23.7
CapEx	(2.8)	(3.1)	(9.5)
<b>Free cash flow (FCF)</b>	<b>\$3.0</b>	<b>\$21.9</b>	<b>\$14.2</b>

Note: Components may not add to totals due to rounding

- Positive cash generation in Q3 FY22 despite inventory build to address supply chain constraints
- Q3 FY22 YTD includes cash outflow of \$14.0 million for acquisition deal costs
- FY22 expected CapEx: \$12 to \$16 million<sup>(1)</sup>

## Free Cash Flow<sup>(2)</sup>



## Free cash flow conversion<sup>(2)</sup>

**FCF in FY22 reflects working capital increase as recovery from COVID continues**



# Capital Structure

(\$ in millions)

CAPITALIZATION		
	Dec. 31, 2021	March 31 2021
Cash and cash equivalents	\$ 106.7	\$ 202.1
<b>Total debt</b>	<b>521.1</b>	<b>249.0</b>
<b>Total net debt</b>	<b>414.4</b>	<b>46.8</b>
Shareholders' equity	745.6	530.1
<b>Total capitalization</b>	<b>\$ 1,266.8</b>	<b>\$ 779.1</b>
Debt/total capitalization	41.1%	32.0%
Net debt/net total capitalization	35.7%	8.1%

Note: Components may not add to totals due to rounding

## Financial flexibility

- ~\$190 million of liquidity

## Pro-forma net debt leverage ratio of ~2.9x<sup>(1)</sup>

- Net debt to net total capital: 35.7%

**Financed Dorner acquisition with \$207 million of equity and \$450 million Term Loan B**

**Financed Garvey acquisition with \$75 million incremental Term Loan B**

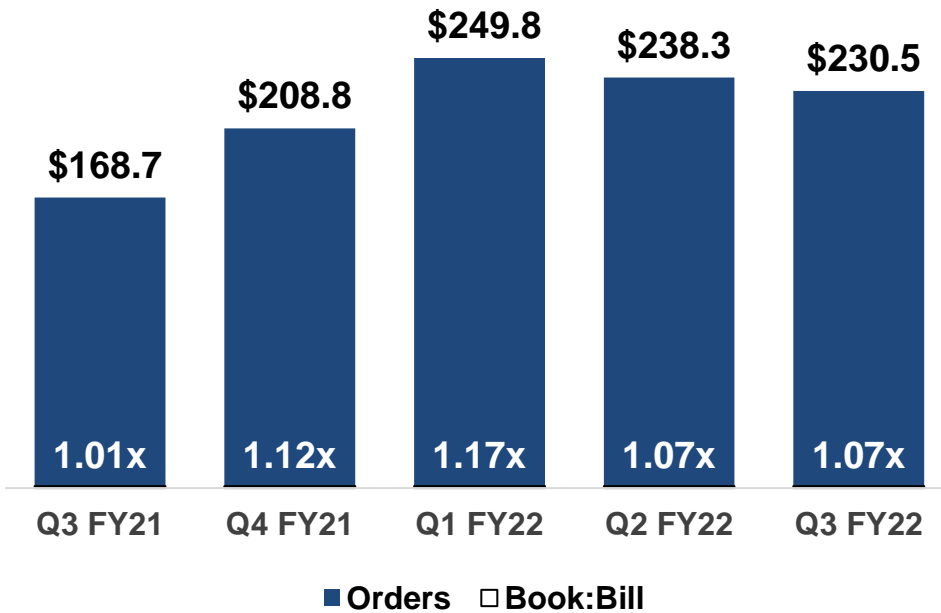
**Expect to quickly de-lever to target net leverage ratio of 2.0x**

# Orders and Backlog

(\$ in millions)

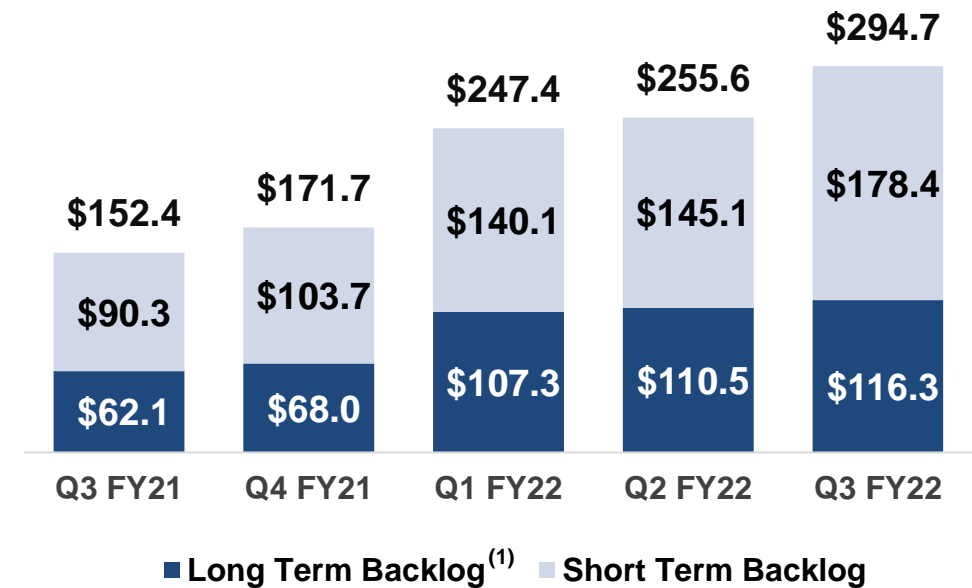
## Continued Strength in Orders

- 37% year-over-year increase driven by short cycle demand, project business and acquisitions
- Avg daily order rate essentially unchanged from trailing quarter
- Conveying solutions orders were \$37.8 million in quarter



## Record backlog of \$294.7 million

- Up 12% in short-cycle and 2% projects businesses, sequentially
- Dorner backlog up 8%, sequentially
- Garvey added ~\$24 million to backlog



***Demand remains strong across breadth of end markets***



# Q4 FY22 Outlook and Perspective

## Q4 FY2022 outlook

- Expect Q4 FY22 net sales of approximately \$235 million<sup>(1)</sup>

## Robust pipeline of opportunities

- Strength in e-commerce, food & beverage, life sciences, aerospace and automotive
- Process industries such as metals and paper remain strong
- International energy projects active

## Addressing supply chain and staffing challenges

- Creatively responding to near-term demands while advancing long-term objectives



*Executing on Blueprint for Growth 2.0 strategy to drive value creation*



# Key Takeaways

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



EVOLVED STRATEGY **BLUEPRINT FOR GROWTH 2.0** DEFINES 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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# Supplemental Information

# Launched Inaugural CSR Report



## ENVIRONMENTAL STEWARDSHIP

CLIMATE CHANGE & ENERGY MANAGEMENT

WASTE MANAGEMENT & RECYCLING

## SOCIAL RESPONSIBILITY

EMPLOYEE HEALTH & SAFETY

TALENT MANAGEMENT

DEI

PRODUCT QUALITY & INNOVATION

PURPOSE, MISSION, VISION, VALUES

COMMUNITY INVOLVEMENT

CUSTOMER INTIMACY

## GOVERNANCE & ETHICS

ETHICS & COMPLIANCE

ENTERPRISE RISK MANAGEMENT

BOARD GOVERNANCE



## Strategic Initiatives

- Five-year 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

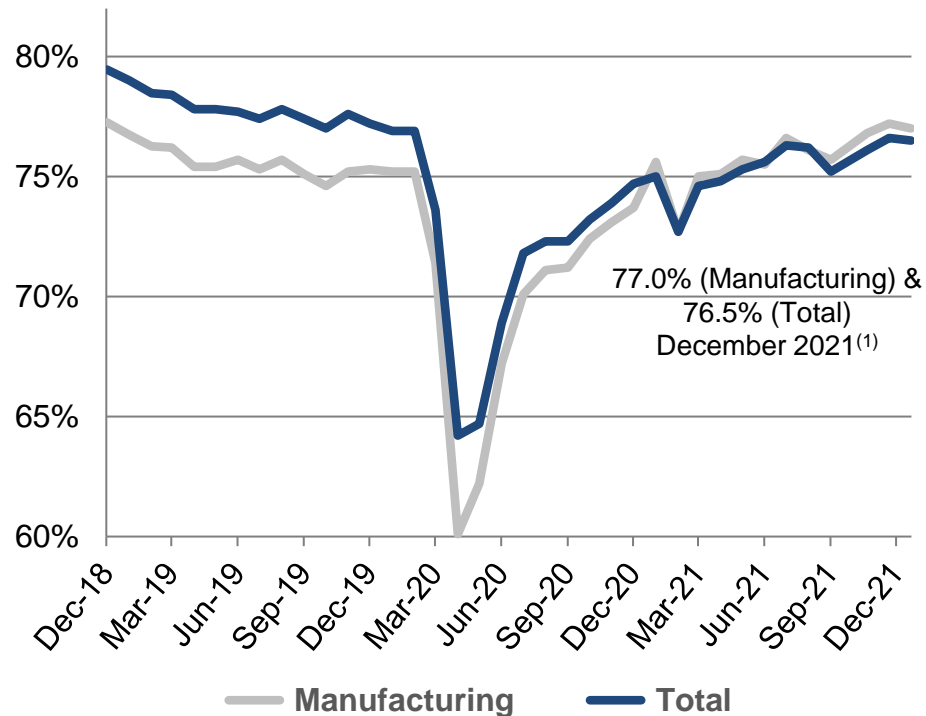
***Advancing ESG priorities aligned with materiality assessment***



# Industrial Capacity Utilization

## U.S. Capacity Utilization

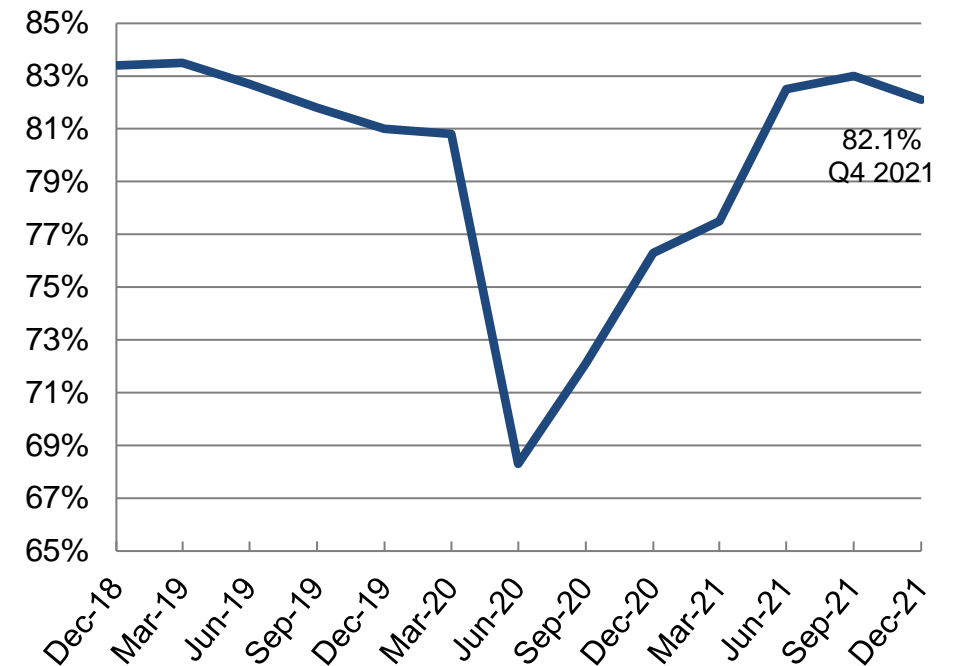
Source: The Federal Reserve Board



<sup>(1)</sup>December 2021 numbers are preliminary

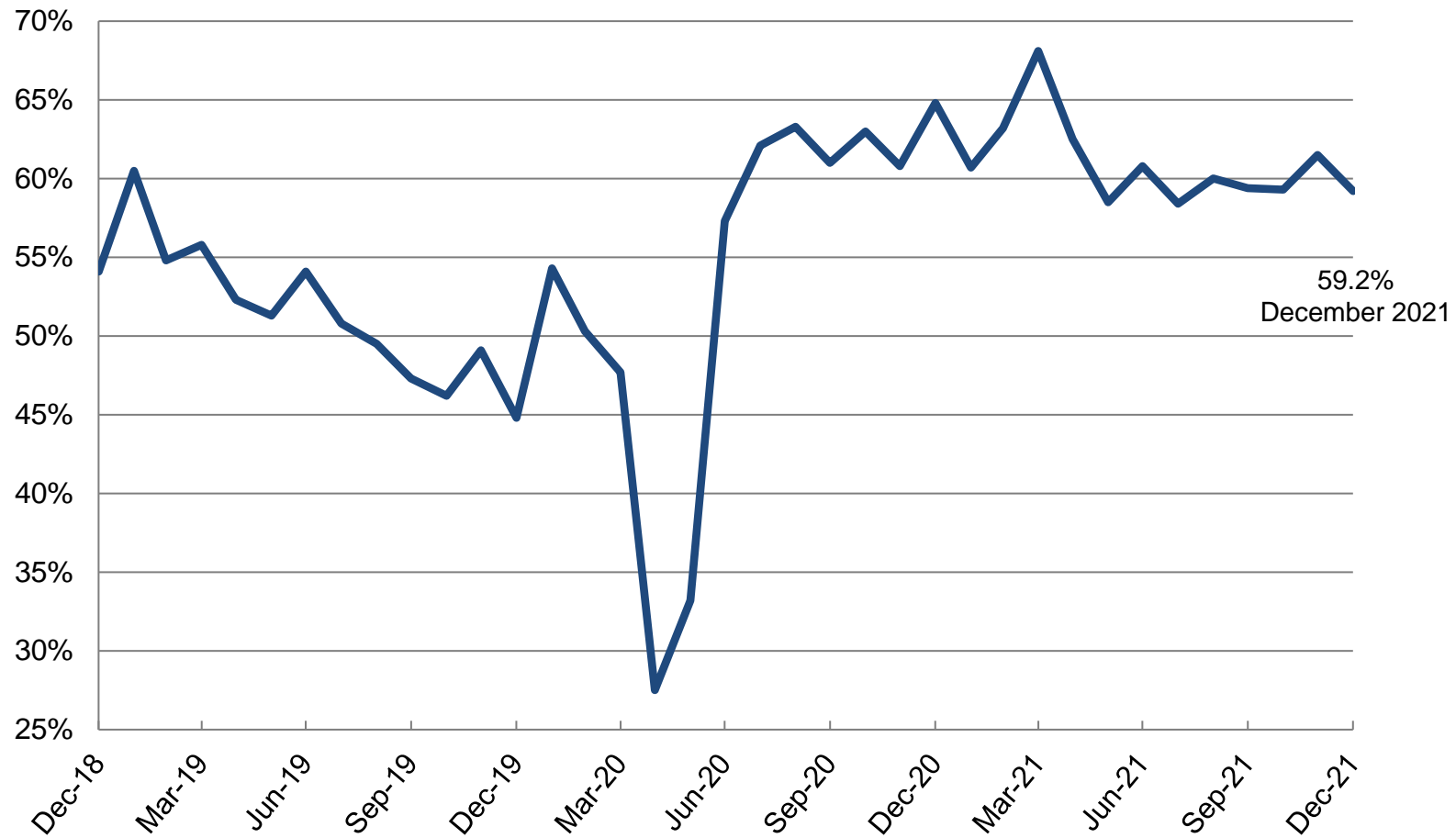
## Eurozone Capacity Utilization

Source: European Commission



# ISM Production Index

Source: [Institute for Supply Chain Management](#)



# Adjusted Net Income Reconciliation

(\$ in thousands, except per share data)	Year			Quarter				
	FY 2020	FY 2021	Q3 FY22 TTM	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22
GAAP net income (loss)	\$ 59,672	\$ 9,106	\$ 27,419	\$ 6,594	\$ 9,585	\$ (7,263)	\$ 15,203	\$ 9,894
Add back:								
Amortization of intangibles	12,942	12,623	21,822	3,142	3,174	6,109	6,285	6,254
Cost of debt refinancing	—	—	14,803	—	—	14,803	—	—
Acquisition deal and integration costs	—	3,951	14,195	—	3,951	9,242	632	370
Acquisition inventory step-up expense	—	—	3,496	—	—	2,981	—	515
Business realignment costs	2,831	1,470	3,199	237	412	623	1,200	964
Product liability settlement	—	—	2,850	—	—	—	—	2,850
Acquisition amortization of backlog	—	—	450	—	—	—	—	450
Factory closures	4,709	3,778	306	469	306	—	—	—
Non-cash pension settlement expense	—	19,046	—	—	—	—	—	—
Insurance recovery legal costs	585	229	—	—	—	—	—	—
Gain on sale of building	—	(2,638)	—	—	—	—	—	—
Loss on sales of businesses	176	—	—	—	—	—	—	—
Insurance settlement	(382)	—	—	—	—	—	—	—
Normalize tax rate to 22% <sup>(1)</sup>	(4,080)	(9,708)	(16,363)	(1,817)	(2,772)	(7,792)	(1,946)	(3,854)
Non-GAAP adjusted net income	\$ 76,453	\$ 37,857	\$ 72,177	\$ 8,625	\$ 14,656	\$ 18,703	\$ 21,374	\$ 17,443
Average diluted shares outstanding	23,855	24,173	27,285	24,201	24,384	27,159	28,756	28,840
Diluted income (loss) per share – GAAP	\$2.50	\$0.38	\$1.00	\$0.27	\$0.39	\$(0.27)	\$0.53	\$0.34
Diluted income per share – Non-GAAP	\$3.20	\$1.57	\$2.65	\$0.36	\$0.60	\$0.69	\$0.74	\$0.60

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

Adjusted net income and diluted EPS are defined as net income and diluted EPS as reported, adjusted for certain items and at 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 to the measures as 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 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.



# Adjusted EBITDA Reconciliation

(\$ in thousands)	Fiscal Year		Quarter				
	2020	2021	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22
GAAP net income (loss)	\$ 59,672	\$ 9,106	\$ 6,594	\$ 9,585	\$ (7,263)	\$ 15,203	\$ 9,894
Add back (deduct):							
Income tax expense (benefit)	17,484	970	616	1,362	(2,517)	4,083	1,066
Interest and debt expense	14,234	12,081	2,986	2,889	5,812	4,587	4,375
Investment (income) loss	(891)	(1,693)	(495)	(264)	(433)	(115)	(76)
Foreign currency exchange (gain) loss	(1,514)	941	602	(142)	94	441	512
Other (income) expense, net	839	20,850	144	769	250	(539)	(455)
Depreciation and amortization expense	29,126	28,153	6,993	6,950	10,467	10,502	10,276
Cost of debt refinancing	—	—	—	—	14,803	—	—
Acquisition deal and integration costs	—	3,951	—	3,951	9,242	632	370
Acquisition inventory step-up expense	—	—	—	—	2,981	—	515
Product liability settlement	—	—	—	—	—	—	2,850
Business realignment costs	2,831	1,470	237	412	623	1,200	964
Acquisition amortization of backlog	—	—	—	—	—	—	450
Factory closures	4,709	3,778	469	306	—	—	—
Insurance recovery legal costs	585	229	—	—	—	—	—
Loss on sales of businesses	176	—	—	—	—	—	—
Insurance settlement	(382)	—	—	—	—	—	—
Gain on sale of building	—	(2,638)	—	—	—	—	—
Non-GAAP adjusted EBITDA	\$ 126,869	\$ 77,198	\$ 18,146	\$ 25,818	\$ 34,059	\$ 35,994	\$ 30,741
Sales	\$ 809,162	\$ 649,642	\$ 166,547	\$ 186,235	\$ 213,464	\$ 223,635	\$ 216,088
Add back:							
Acquisition amortization of backlog	—	—	—	—	—	—	450
Non-GAAP sales	\$ 809,162	\$ 649,642	\$ 166,547	\$ 186,235	\$ 213,464	\$ 223,635	\$ 216,538
Net income (loss) margin – GAAP	7.4%	1.4%	4.0%	5.1%	(3.4)%	6.8%	4.6%
Adjusted EBITDA margin – Non-GAAP	15.7%	11.9%	10.9%	13.9%	16.0%	16.1%	14.2%

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 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.



# Free Cash Flow & Free Cash Flow Conversion Reconciliation

(\$ in thousands, except per share data)	Fiscal Year			TTM
	2019	2020	2021	Q3 FY 2022
Cash from operations	\$ 79,499	\$ 106,795	\$ 98,890	\$ 50,669
Capital expenditures	(12,288)	(9,432)	(12,300)	(15,902)
Free cash flow (FCF)	\$ 67,211	\$ 97,363	\$ 86,590	\$ 34,767
Non-GAAP adjusted net income*	76,542	76,453	37,857	72,177
Free cash flow conversion	88%	127%	229%	48%

\*See slide 29 for reconciliation of non-GAAP adjusted net income to GAAP net income

*Free cash flow is defined as cash from operations minus capital expenditures. Free cash flow conversion is defined as free cash flow divided by adjusted net income including amortization. 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.*





# Global Enterprise

## AMERICAS

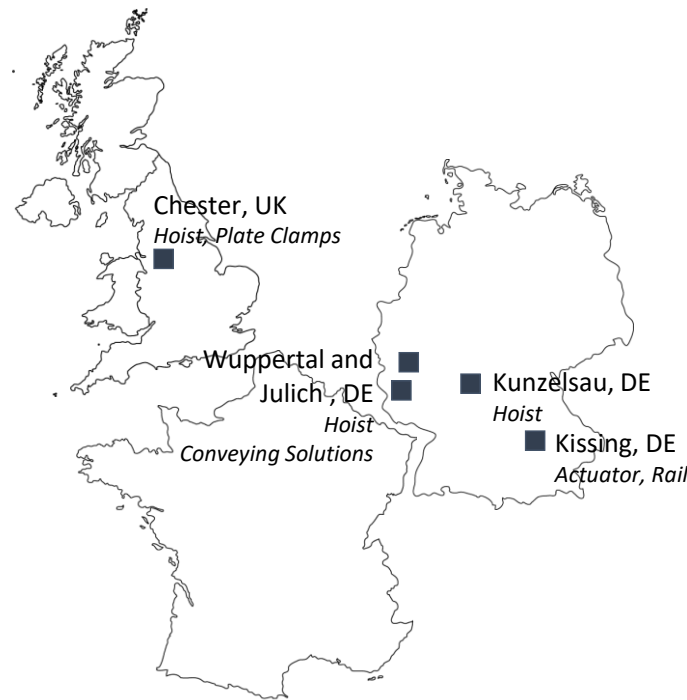
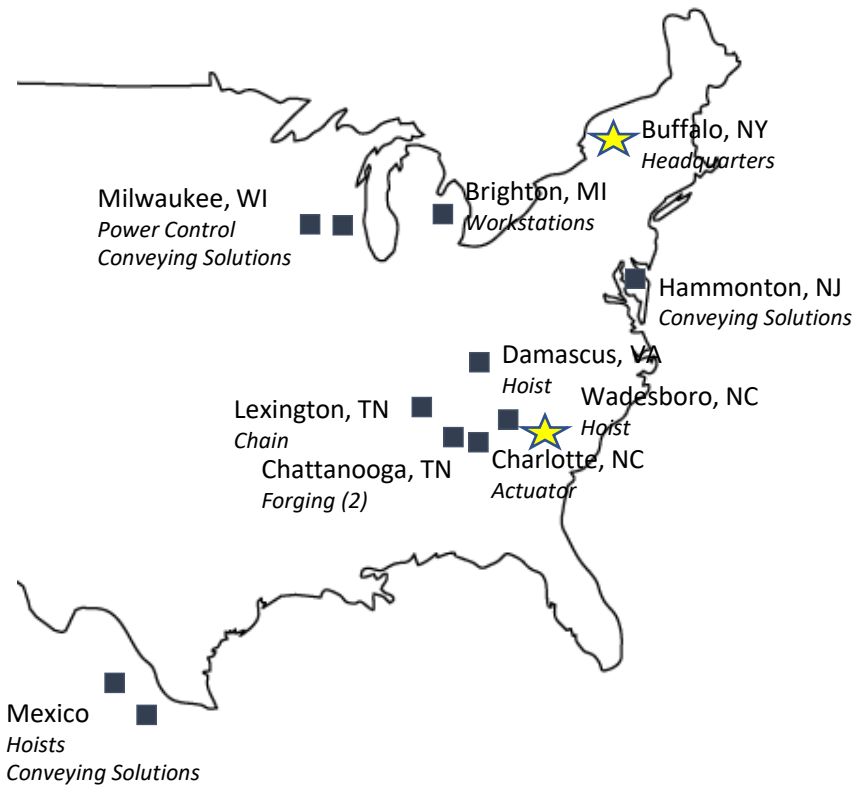
~67% OF REVENUE



## EMEA

~28% OF REVENUE

## APAC

~5% OF REVENUE



 Corporate Offices  
 Production Locations

**Global organization with production facilities in the Americas, EMEA, and APAC**

