Columbus McKinnon Investor Meeting and Magnetek Tour

September 20, 2016
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Strategic Overview

Timothy T. Tevens
President and Chief Executive Officer
Long-Term Objectives

$1B in Revenue

- 1/3 of sales in developing markets and 2/3 in developed markets
- Long-term growth rates:
  - U.S. & Western Europe at GDP+
  - Emerging Markets at double digits
- Acquisitions: $200 - $300 million
- Continued introduction of new products: 20% of sales

Profitable & Efficient

- Operating margin: 12% - 14%
- Working capital/sales: 17%
- Inventory turns: 6x
- DSO: < 50 days

Strong Balance Sheet and Financial Flexibility to Execute Plans
Strategy: Customer Intimacy

- Strong, highly recognized & respected brands
- Broad product offering
- Customer experience
- Operational excellence
Strategic Initiatives

Superior Customer Satisfaction

Grow Profitably

Acquisitions

Geographic Market Expansion

Global Product Development and Key Vertical Markets

Operational Excellence
Magnetek: A Leader in Digital Motion Control

Peter McCormick
President, Magnetek
History of Magnetek

- 1901: Began as Mechanical Appliance Co. (Milwaukee)
- 1922: Name changed to Louis Allis Co.
- 1984: Formed Magnetek thru Litton’s Magnetics Group LBO
- Mid-1990s: Strong acquisitive growth period; financed with debt
- 1994: $1.5 billion in sales; ~15,000 employees
- 1996-2001: Divestiture period; repaid debt
- September 2, 2015: Acquired by Columbus McKinnon – creates leading global supplier of hoists and controls
Experts in Power and Motion Control

- Leading provider of energy-efficient digital power and motion control systems used in overhead material handling, mobile hydraulic, elevator, and mining applications.

- Power control systems improve operational efficiency, improve safety, and save energy
  - Energy Engineered® drives efficiently utilize available power
  - Improve operational efficiency by increasing output while reducing labor and maintenance costs, resulting in significant returns on investment
What is Digital Power Control?

Variable Frequency Drives (VFDs) provide digital power control

- Control motor speed, torque, and direction by varying motor input frequency and voltage
- Common across all of Magnetek’s served markets

- VFD benefits
  - Allows for changes in speed and torque
  - More precise motion control
  - Reduced energy consumption

About one-third of the world’s energy is consumed by electric motors running at a fixed speed
Material Handling Industry Leader

- Bundles product with engineered services providing customer-specific solutions
- Leading North American market position
  - #1 in AC drives
  - #1 in DC drives
  - #1 in radio controls
  - #1 in industrial shoe brakes
- Select products:
  - AC & DC Drives
  - Collision Avoidance
  - Motors
  - Brakes
  - Engineered Systems
  - Power Delivery Systems
  - Wireless Controls

*Note: Company estimates.*
Leading Brands Serving Diverse Markets

<table>
<thead>
<tr>
<th>Market</th>
<th>Select Products</th>
<th>North American Market Position*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile Hydraulic</td>
<td>Wireless controls improve productivity and safety</td>
<td>Small share of growing mobile hydraulic market—significant opportunities</td>
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<td>Wireless Controls</td>
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<td>Wired Pendants</td>
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<tr>
<td>Elevator</td>
<td>Highly integrated digital motion control subsystems and drives</td>
<td>#1 in North America DC drives</td>
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<td>AC and DC Drive Controls</td>
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<td>HPV 900 Axial Flux</td>
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<tr>
<td>Mining</td>
<td>Leading independent supplier of AC and DC digital motion control systems</td>
<td>#1 in severe duty AC drives</td>
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<td>Severe Duty AC Traction Drives</td>
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<td>Accelerator Pedal Foot Switch</td>
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<td>Air Cooled Drives</td>
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<td>Traction Drive Systems</td>
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<td></td>
<td>Wireless Controls</td>
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*Note: Company estimates.
Many world-class companies partner with Magnetek for value-added solutions

- ~2,500 total customers
- 20+ years history with many top-tier customers
- Value-add, solution-focused partnerships
- Competitive advantages in target markets

### Long-Standing Relationships with Blue-Chip Customers

<table>
<thead>
<tr>
<th>Material Handling</th>
<th>Radio</th>
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<tbody>
<tr>
<td><strong>OEM</strong></td>
<td><strong>OEM</strong></td>
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<td>DESHAZO</td>
<td>GLOBAL RESOURCES</td>
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<td>ZENAR</td>
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<td>GM</td>
<td>Maintainer</td>
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<td>CAT</td>
<td>Thalmann</td>
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<td>Whiting</td>
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<td>Thysantrapp Elevator</td>
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<td>OTIS</td>
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<td>JOYGLOBAL</td>
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<td>OTIS</td>
<td>CONSOL ENERGY</td>
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<td>Boeing</td>
<td>BOEING</td>
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Industry & Application Expertise

- Add value by leveraging technical, industry, and application expertise
- Multi-faceted team: 100+ engineers, designers, and technicians
- Industry experts author papers, frequent speaking engagements, serve on industry boards
- Strong brand name recognition
- Extensive R&D capabilities with a focus on innovation
Automated Dry-dock Boat Storage/Retrieval System

**Description/Challenge**
- Maximize boat storage at a small waterfront marina
- Improve boat lifting capacity and efficiency
- Decrease damage to stored boats

**Solution**
- Applied Magnetek’s automated bridge crane system to boat storage, using an overhead crane and computer-controlled precision lifting for the storage of boats
- Crane also moves boats from their berths to the water

**Results**
- Allows marina owners to expand dry dock facilities vertically
- Maximizes waterfront property in terms of usage and revenue
- Cleaner and quieter solution eliminates forklifts
- Indoor storage offers more protection for boats
Solutions to Solve Problems – Radio

Radio Controlled Conveyor

Description/Challenge

- Midwest Energy Resources loading 200k tons of coal into 1,000 long vessels daily
- Two or three operators were required to operate the ship loader, with operators visually balancing the load
- Loading a vessel took 22 hours

Solution

- Radio remote controls were employed to control all functions of the ship loader, including the speed of the belt and flow of coal, with all inputs provided to a PLC for balancing

Results

- Loading time reduced from 22 to 16 hours
- Ship loader can now be operated by one person, resulting in increased productivity
- The loads are balanced in the bins via the PLC
Emily Morgan Hotel Modernization

Description/Challenge

- Modernize the elevators in a hotel and improve efficiency reusing the existing DC motor and wiring
- Quantify energy savings for rebates

Solution

- Quattro regenerative DC drives

Results

- Superior ride quality, lower installation costs
- Achieved a 45% reduction in watt-hours, a 78% reduction in volt-amp hours, and a 31% reduction in peak-demand charges
- Realized $17k in commercial energy rebates from the local utility
Solutions to Solve Problems – Mining

Battery Hauler

Description/Challenge

➢ Improve mine operator profitability by increasing production and lowering cost per ton of material mined

Solution

➢ Convert existing mining equipment from a DC motor drive solution to an AC motor drive solution using an AC traction drive

Results

➢ Higher performance from longer battery life, faster operating speed, improved torque
➢ AC systems maintain power even as battery charge runs low
➢ Reduced wear and tear; energy savings, and lower maintenance costs
Strong Manufacturing/R&D Capabilities

- Electronic value-add assembly, configuration, and test
- World class power electronics labs (2 in WI, 1 in PA)
- Demand Flow Technology; assembly lines designed for flexibility in response to volume and product mix
- Large systems test capability
- State-of-the-art Failure Analysis Lab
- Lean journey
- ISO 9001 registered WI and PA facilities
- Added CMCO panel manufacturing
Key Takeaways

1. Unique industry expertise and technological leadership
2. Broad product and service solutions portfolio with bundling opportunities
3. Track record of innovation and new product development
4. Large installed base with aftermarket and modernization opportunities
5. Strong manufacturing base with incremental capacity
6. Long-standing relationships with blue-chip customer base
7. Highly qualified and skilled workforce
CMCO/MAG – Intelligent Lifting Leader

- The **LEADER** in intelligent lifting
  - Magnetek brings industry leading power electronics technology to CMCO’s industry leading hoisting and rigging technology
  - “Smart hoists” with diagnostics — a drive on every hoist
  - Improve operational and energy efficiency, production through-put, and safety
  - Products incorporate monitoring features to minimize downtime

- Larger addressable market
  - Global opportunities for Magnetek products
  - Bring smart power solutions to vertical markets
Elevator & Mining Businesses
Lifting People – Magnetek Elevator Drives

Highly integrated digital motion control subsystems and drives used in mid/high-rise, high-speed elevator applications

- Magnetek’s top OEM customers comprise over 80% of world market share
  - More than 100,000 DC drives in operation worldwide
- Installed base, brand-name recognition, industry expertise, proven technology

Magnetek Elevator drives are found in many of the world’s most recognizable buildings
Energy Regenerating Elevator Solutions

History of Innovative Drive Solutions

Under load, an elevator motor consumes electricity as the elevator car is lifted — but actually generates energy as the car descends.

Magnetek’s QUATTRO® elevator motion control system captures the energy generated by the elevator drive and motor and returns it to the building power grid.

QUATTRO® also minimizes power line “noise”, which can interfere with building electronics, such as data processing, lighting, and security systems.

With Magnetek’s QUATTRO®, maximum energy is regenerated to the building power grid, saving building owners thousands of dollars in electricity bills each year.
Competitive Advantages/Key Market Drivers

➢ Competitive Advantages
  ▪ Large installed base
  ▪ Relationship with major OEMs
  ▪ Proven technology
  ▪ Industry expertise
  ▪ High quality product
  ▪ Control algorithms

➢ Key Market Drivers
  ▪ Large base of aging equipment
  ▪ Safety
  ▪ Energy efficiency
  ▪ Changing demographics – demand for accessibility
  ▪ Global urbanization
  ▪ Attrition of skilled elevator technicians
    • Ease of use/commissioning/adjusting
  ▪ Transition from DC to AC permanent magnet
    • Opportunity to retain DC with proper education
  ▪ Pent-up demand after downturn
Leader in Drives: Mining Industry

- Leading independent supplier of AC and DC digital motion control systems to North American underground coal mining equipment manufacturers
- Systems are used in coal hauling vehicles, shuttle cars, scoops, and other heavy equipment
- Largest installed base of DC drives in mining industry (over 11,000) – repair and upgrade opportunities
- Growth opportunities – AC drives, radios, surface mining, hard rock mining applications
- Mining industry depressed
Building Solutions for Cranes & Material Handling

Dan Beilfuss
Director, Material Handling
Material Handling Controls Overview

- North America’s largest independent supplier of digital drive systems for industrial cranes, hoists, and monorail systems
  - Bundling “smart” control products with engineered services
  - “One-Stop Source for Material Handling Control Solutions”

- Competitive advantages
  - End-user specification
  - Systems application expertise
  - Broad product offering

- Demonstrated ROI for customers
  - Labor and energy savings
  - Increased up-time, reduced repair & maintenance
  - Safer workplace environment
Broad Product Offering

Digital AC & DC Controls and Collision Avoidance Systems

200,000 installed

AC/DC Radio Controls

160,000 installed

Pendant Stations

330,000 installed

Industrial Brakes and Motors

21,000 installed

Power Delivery Systems

200,000 installed
Product Integration and Bundling Capabilities

Differentiator: Offering bundled products and full solutions

Complete package
- One source, one system solution
- Engineered to work together
- Eliminates problems
- Simplifies purchase
- Facilitates aftermarket service

Magnetek: the “One-Stop Source for Material Handling Control Solutions”
with Columbus McKinnon: offerings expand
Automation

- Designing heavily engineered custom control systems that integrate with other intelligent devices
- Focus on semi- to fully-automated overhead crane and monorail systems
- Crane diagnostic capabilities; increased safety and efficiency benefits
- PLC and Human Machine Interface programming
- Communication networks
- Field installation and start-up support
Broad Customer Base

Includes majority of U.S. overhead cranes & hoist manufacturers
## Serving Diverse End Markets

<table>
<thead>
<tr>
<th>Material Handling</th>
<th>Primary Metals</th>
<th>Automotive</th>
<th>Aerospace</th>
<th>Energy/Utilities</th>
<th>Heavy Machinery</th>
<th>Shipbuilding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illustrative End Users Specifying Magnetek</td>
<td>NUCOR</td>
<td>Ford</td>
<td>Boeing</td>
<td>Hoover Dam</td>
<td>CAT</td>
<td>Northrop Grumman</td>
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<td>USS</td>
<td>GM</td>
<td>NASA</td>
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<td>John Deere</td>
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<td>AK Steel</td>
<td>Honda</td>
<td>Lockheed Martin</td>
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<td></td>
<td>ThyssenKrupp</td>
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</table>

Facilitates operational efficiency, energy savings, and workplace safety
Go-to-Market Strategy

- Push-Pull sales strategy
  - Push sales through our channel partners to the end user
  - Pull sales through end user specification

- Sales and marketing team: 60 experienced professionals focused on specific applications and targeted markets
  - Sales force – direct employees, manufacturer’s reps, and global distributors
  - Primarily North America focused
  - Geographic expansion underway: Leverage CMCO infrastructure
  - 30+ Manufacturer’s reps: top technical sales, industry, application & bundling solutions experts
    - Average 20+ years experience
Value Proposition

- **Proven technology**
  - Proven ROI to end users
  - Brand recognition
  - Large installed base

- **Customer responsiveness**
  - Strong and growing sales channel
  - 24/7/365 aftermarket service and support
  - Product bundling

- **Strong engineering capabilities**
  - Industry expertise
  - Customization
  - Project management
Market Growth Drivers

- Increased focus on worker safety
- Industrial activity, including capacity utilization
  - Capital spending
  - Primary metals/steel production
  - Energy demand/infrastructure improvement
  - Increased factory throughput and efficiency
- Emerging market infrastructure
- Tightening regulatory standards
Growth Opportunities

- Market share gains
- Wireless applications
- Factory automation
- New product development
- CMCO partnerships
- Geographic expansion
Radio Controls: Expanding Addressable Market Opportunities

Ben Stoller
Director, Radio Controls
Mobile Hydraulic Definition

- Subset of Fluid Power industry
  - Mobile hydraulic, industrial hydraulic, pneumatic
- Hydraulic control operation
- Global wireless control market: $300 million
Growing use of wireless controls

- More precise control motion, improving productivity and safety
- Adoption expanding in industries including agriculture, construction, entertainment, mining, utilities, marine, and more
- Used in tow trucks, cement trucks, boom trucks, truck cranes, concrete mixers, drill rigs, mining equipment, boat lifts, digger derricks, etc.
Value Proposition

- Proven technology
  - Large installed base in Material Handling
  - Strong technology, high quality, robust products

- Customer responsiveness
  - Highly customizable solutions to meet OEM needs
  - Extensive sales network
  - 24/7/365 Aftermarket service and support

- Strong engineering capabilities
  - Skilled staff
  - Project engineering
Go-To-Market Strategy

- Leverage U.S. material handling sales network to target:
  - Mobile hydraulic distributors and integrators (integrate wireless control with valves, hosing, PLCs, sensors)
    - 20+ integrator partners
    - Direct to large mobile hydraulic equipment OEMs
  - Brand label and OEM customization available
  - International presence through distributors in:
    - Asia
    - Australia
    - Europe
End Market Growth Drivers

- Growing customer acceptance
  - Wireless technology
  - Increased commodity costs for alternatives
  - Modernization of non-standard industries
- Safety
  - New regulations
  - Adoption of wireless technology
- Construction expansion
- New generations of equipment
Growth Opportunities

- Further end market penetration
- International expansion
Building Value Proposition: Integration of Drives and Software

Jeff Armfield
Executive Director – Global Product Strategy & Development
Revolutionary SaaS: Compass™

- Configure / Price / Quote
  - Hoists and related crane systems
- Web-based tool
- Quote package includes full datasheets and 3D modeling output
- Compass 1.0
  - Global King
  - Lodestar
  - Manguard
  - End Truck Families
Compass™ Benefits

- 24/7 availability
- Accessible from computer or tablet
- Significantly reduced customer quote times
- Integration with CMCO ERP system
Variable Frequency Drives

- Electric motors run naturally at fixed speeds
- VFDs enable variable speed operation – a beneficial feature in many situations
- Microprocessor-based technology
- Can be packaged in small and large hoists
VFDs and Hoists

- More precise control for lifting and positioning
- Increased productivity and safety
- Multiple benefits to basic hoist operation
- Readily adaptable to factory automation
VFD Applications
VFD Hoist Architecture

Controls Hoist Motion

Enables Diagnostics and Communication

Real Time Loading and Position Feedback
Smart Hoist Concept

Operating Data → Hoist Smart Card → Data via WiFi & Cellular → IoT Server

Operating Data and Reports

Value Added Revenue Streams

End User Contact

Distributor Contact

Warnings and Alerts via the Internet

CMCO Portal accessible by End Users and Distributors
VFD-Based SmartHoist

Operating Data

Magnetek VFD

Data via WiFi & Cellular

IoT Server

Operating Data and Reports

End User Contact

Distributor Contact

Warnings and Alerts via the Internet

CMCO Portal accessible by End Users and Distributors

Value Added Revenue Streams
Strong Cash Generation: Reduce Debt & Invest in Growth

Greg Rustowicz
Vice President – Finance and Chief Financial Officer
Revenue Growth Despite Economic Challenges

($ in millions)

Net Sales Excluding FX Impact

3.6% CAGR

Net Sales Excluding FX Impact

FY12 | FY13 | FY14 | FY15 | FY16 | Q1 FY17 TTM
---|---|---|---|---|---
$572.8 | $604.9 | $596.5 | $605.7 | $652.5 | $666.7

U.S. and Eurozone Capacity Utilization

75.4% in June 2016

81.5% in Q2 FY2017

(1) FY13 – Q1 FY17 TTM amounts are presented using FY12 FX rates. Please see supplemental slides for a reconciliation from Net Sales as reported to adjusted figures as presented above

(2) Source: The Federal Reserve Board

(3) Source: European Commission
## Margin Expansion in Challenging Environment

**Adjusted Gross Profit & Margin**  
(non-GAAP)

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<thead>
<tr>
<th></th>
<th>FY13</th>
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<th>FY15</th>
<th>FY16</th>
<th>Q1 FY17 TTM</th>
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<tbody>
<tr>
<td>Gross Profit</td>
<td>$174.2</td>
<td>$181.0</td>
<td>$183.3</td>
<td>$191.2</td>
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<tr>
<td>Margin</td>
<td>29.2%</td>
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<td>31.6%</td>
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**Adjusted Income from Operations & Margin**  
(non-GAAP)

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<tr>
<td>Income from Operations</td>
<td>$54.4</td>
<td>$56.0</td>
<td>$57.0</td>
<td>$53.6</td>
<td>$52.9</td>
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<tr>
<td>Margin</td>
<td>7.6%</td>
<td>9.6%</td>
<td>9.8%</td>
<td>9.0%</td>
<td>8.7%</td>
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</table>

1. Adjusted gross profit & margin for FY15, FY16 and Q1 FY17 TTM and adjusted income from operations & margin for FY14, FY15, FY16 and Q1 FY17 TTM as shown are adjusted to exclude unusual items and are non-GAAP financial measures. Please see supplemental slides for a reconciliation from GAAP financial measures to the non-GAAP financial measures provided above.
2. Non-GAAP as a % of sales
Strong Cash Generation

Operating Free Cash Flow

FY09 FY10 (2) FY11 (2) FY12 FY13 FY14 FY15 FY16

$48.0 $22.6 $9.8 $27.5 $8.7 $21.0 $30.3

($ in millions)

Cumulative Operating Free Cash Flow

FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16

$48.0 $70.6 $61.3 $71.1 $98.6 $107.3 $128.3 $158.7

FY16 Op. FCF: $30.3 million

Expecting higher FCF in FY17

- Magnetek only 7 months in FY16
- Lower CapEx in FY17
- Expecting CapEx to be ~$18 million in FY17 vs. $22.3 million in FY16
- Magnetek NOLs will reduce cash taxes by ~$7 million in FY17 vs. $4.1 million in FY16

(1) Operating free cash flow is defined as cash provided by operating activities minus capital expenditures

(2) Fiscal 2010 and fiscal 2011 include $10.8 million and $4.5 million of cash payments related to restructuring charges, respectively

Note: Operating free cash flow is a non-GAAP measure. See supplemental slides for operating free cash flow reconciliation and other important disclaimers regarding operating free cash flow

Note: Cumulative operating free cash flow uses FY 2009 as a starting point

Note: Figures for individual years may not add up to cumulative totals due to rounding
Low CapEx Requirements

- **Base capital expenditure**
  - ~$13 million to $15 million

- **Investments in productivity and capacity**
  - Invested $20 million in SAP since FY11
  - Invested $6.4 million for China plant expansion (FY14 – FY15)
  - Expect $3 million to $4 million in SAP CapEx for FY18

(1) Guidance provided on July 28, 2016
Used Balance Sheet Flexibility for Acquisition

($ in millions)

**Cash and Cash Equivalents**

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<tr>
<th></th>
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<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
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**Total Debt**

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<th>FY16</th>
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<td>$152.3</td>
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**Interest Expense**

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<td>$13.8</td>
<td>$13.5</td>
<td>$12.4</td>
<td>$9.3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Shareholders’ Equity**

<table>
<thead>
<tr>
<th></th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>6/30/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>$240.0</td>
<td>$291.3</td>
<td>$268.7</td>
<td>$286.3</td>
<td>$290.1</td>
<td></td>
</tr>
</tbody>
</table>

**Debt/Total Capitalization**

<table>
<thead>
<tr>
<th></th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>6/30/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>38.8%</td>
<td>34.3%</td>
<td>32.0%</td>
<td>48.3%</td>
<td>46.3%</td>
<td></td>
</tr>
</tbody>
</table>

(1) Reflects impact of foreign currency translation adjustment ($29.9 million) and change in pension liability and OPEB net of tax ($20.2 million)
(2) 6/30/2016 interest expense of $9.3 million is for the trailing twelve month period ended 6/30/2016
Quickly Deleveraging Balance Sheet

($ in millions)

<table>
<thead>
<tr>
<th>Total Debt</th>
<th>Net Debt / Adjusted EBITDA(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/30/15</td>
<td>$299.3</td>
</tr>
<tr>
<td>6/30/2016</td>
<td>$250.5</td>
</tr>
<tr>
<td>3/31/17E(2)</td>
<td>&lt;$224.6</td>
</tr>
</tbody>
</table>

- Strong bank group led by J.P. Morgan, Bank of America and PNC Bank
- Leverage covenant ratio flexed to 4.0x for Magnetek acquisition. Stepping back down to 3.5x in September 2016.
- Paid down $63.8 million of debt since the Magnetek acquisition (9/2/15)

(1) Adjusted EBITDA is a non-GAAP financial measure. Please see supplemental slides for a reconciliation of GAAP net income to non-GAAP adjusted EBITDA
(2) Reflects guidance provided on 7/28/2016: Expect to exceed fiscal 2017 target of $43 million in debt reduction
(3) Following the material acquisition of Magnetek, the total leverage ratio was flexed up to 4.0x. The ratio will revert back to 3.5x for the quarter ending 9/30/16
Capital Allocation Priorities

Flexible Capital Structure Supports Growth Strategy

➢ De-lever balance sheet
  ▪ De-levering ahead of plan: Expecting to exceed $43 million fiscal 2017 debt reduction plan\(^{(1)}\)
  ▪ Repaid ~$54 million of the $195 million borrowed for Magnetek since acquisition
  ▪ Debt / total capitalization: 46.3%
    • Goal: 30% Flexed to ~50% for Magnetek

➢ Strategic growth initiatives: organic and acquisitions

➢ Dividends and / or share repurchases

\(^{(1)}\) Reflects guidance provided on 7/28/2016: Expect to exceed fiscal 2017 target of $43 million in debt reduction
Future Path of the Lifting Industry

Timothy T. Tevens
President and Chief Executive Officer
Future of Lifting Industry: Digital Transformation

Smart Technology
Industrial Internet-of-Things (IIoT)

- Operational monitoring
- Preventative maintenance

Productivity / Uptime

- Part stocking
- Service dispatch

Safety
Smart Technology Leading Change

Creating Enablers for a Digital Future

Columbus McKinnon Value Proposition

End Users
Channel Partners

Industrial Distributors
Direct
Crane Builders

Digital Commerce Platform
Compass™

CMCO Global SAP Platform

Global Footprint

Enablers: Compass, Smart Hoist, IIoT

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Creating Enablers for a Digital Future

Benefits to Customers

- 100% up time, safe operations
- Speed in design
- Manufacture direct to order
- Monitoring
- Preventative maintenance schedule
- Parts availability when needed

Enablers: Compass, Smart Hoist, IIoT
Smart Technology Leading Change

Creating Enablers for a Digital Future

- **Benefits to Channel Partners**
  - Speed in quotation
  - Design accuracy
  - Engineering productivity
  - Responsiveness to customer
  - Lower cost
  - Fewer mistakes
  - Productive technicians
  - Parts availability/asset utilization

Enablers: Compass, Smart Hoist, IIoT
Creating Enablers for a Digital Future

Benefits to CMCO
- Monitoring revenue stream
- Replacement business
- Differentiator
- Product operating feedback

Columbus McKinnon Value Proposition

Digital Commerce Platform
- B2B Commerce
- Personalized user experience
- Vertical end user marketing

Compass™
- Product configurator
- Configure-Price-Quote

Global Footprint
- Manufacture
- Smart
- Delivery

Enablers: Compass, Smart Hoist, IIoT
The Opportunity: Products as a Service

Columbus McKinnon Value Proposition

- End Users
- Channel Partners
- Industrial Distributors
- Direct
- Crane Builders

Digital Commerce Platform
- Compass™

Global Footprint
- CMCO Global SAP Platform

A DIGITAL FUTURE
Supplemental Information
Magnetek Milestones

LONG HISTORY OF INNOVATION THAT PREDATES THE FOUNDING OF MAGNETEK

Components Focus

1959
Telemotive Industrial Controls founded; pioneers radio control of overhead cranes

1965
Power Control Corporation (PCC) formed; 1971 pioneers AC→DC converters in mining

1977
Proprietary digital DC drive designed and built for Otis Elevator Company

1987
Electromotive Systems introduces 1st AC Drive into Crane & Hoist Market

1984
Magnetek formed; 1989 listed on NYSE

1999
Magnetek acquires Electromotive Systems Inc. and Mondel Engineering; becomes “One Stop Source for Material Handling Control Solutions”

Solutions Focus

2000
DSD 412 DC Elevator Drive approaches 90% market share

2006
Quattro® Elevator Drive introduced using IGBT technology

2009
Receives first order for its E-Force liquid cooled inverter

1974
Mondel Engineering founded; meets need for N.A. industrial brakes

1981
Electromotive Systems founded

1986
Magnetek acquires Power Controls Corporation in Pittsburgh, PA

1993
Magnetek acquires Telemotive Industrial Controls

2003
Magnetek acquires the assets and business of Enrange, LLC

2008
Columbus McKinnon acquires Magnetek
## Constant Currency Sales Reconciliation

<table>
<thead>
<tr>
<th>$ in millions</th>
<th>FY2012</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
<th>Q1 FY17 TTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$ 591.9</td>
<td>$ 597.3</td>
<td>$ 583.3</td>
<td>$ 579.6</td>
<td>$ 597.1</td>
<td>$ 609.9</td>
</tr>
<tr>
<td>Less sales from divested business</td>
<td>(19.1)</td>
<td>(6.2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Constant currency adjustment (using FY12 FX rates)</td>
<td>-</td>
<td>13.8</td>
<td>13.2</td>
<td>26.1</td>
<td>55.4</td>
<td>56.8</td>
</tr>
<tr>
<td>Constant currency sales (using FY12 FX rates)</td>
<td>$ 572.8</td>
<td>$ 604.9</td>
<td>$ 596.5</td>
<td>$ 605.7</td>
<td>$ 652.5</td>
<td>$ 666.7</td>
</tr>
</tbody>
</table>
### Adjusted Gross Margin Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
<th>Q1 FY17 TTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit</td>
<td>$174,231</td>
<td>$181,048</td>
<td>$181,607</td>
<td>$187,263</td>
<td>$191,726</td>
</tr>
<tr>
<td>Add back:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>European facility consolidation costs and reduction-in-force</td>
<td>-</td>
<td>-</td>
<td>1,176</td>
<td>346</td>
<td>135</td>
</tr>
<tr>
<td>Acquisition inventory step-up expense</td>
<td>-</td>
<td>-</td>
<td>543</td>
<td>1,446</td>
<td>1,072</td>
</tr>
<tr>
<td>Acquisition amortization of backlog</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>581</td>
<td>581</td>
</tr>
<tr>
<td>Product liability costs for legal settlement</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,100</td>
<td>1,100</td>
</tr>
<tr>
<td>Building held for sale impairment charge</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>429</td>
<td>429</td>
</tr>
<tr>
<td>Non-GAAP adjusted gross profit</td>
<td>$174,231</td>
<td>$181,048</td>
<td>$183,326</td>
<td>$191,165</td>
<td>$195,043</td>
</tr>
<tr>
<td>Sales</td>
<td>$597,263</td>
<td>$583,290</td>
<td>$579,643</td>
<td>$597,103</td>
<td>$609,880</td>
</tr>
<tr>
<td>Add back:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition amortization of backlog</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>581</td>
<td>581</td>
</tr>
<tr>
<td>Non-GAAP sales</td>
<td>$597,263</td>
<td>$583,290</td>
<td>$579,643</td>
<td>$597,684</td>
<td>$610,461</td>
</tr>
<tr>
<td>Adjusted gross margin</td>
<td>29.2%</td>
<td>31.0%</td>
<td>31.6%</td>
<td>32.0%</td>
<td>32.0%</td>
</tr>
</tbody>
</table>

Adjusted gross profit is defined as gross profit as reported, adjusted for unusual 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 to the measure 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 gross profit to the historical period’s gross profit.
## Adjusted Operating Margin Reconciliation

<table>
<thead>
<tr>
<th>$ in thousands</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
<th>Q1 FY17 TTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from operations</td>
<td>$ 54,371</td>
<td>$ 54,350</td>
<td>$ 54,648</td>
<td>$ 40,570</td>
<td>$ 40,480</td>
</tr>
<tr>
<td>Add back:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition deal costs</td>
<td>-</td>
<td>1,657</td>
<td>-</td>
<td>5,746</td>
<td>5,746</td>
</tr>
<tr>
<td>European facility consolidation costs</td>
<td>-</td>
<td>-</td>
<td>1,726</td>
<td>585</td>
<td>288</td>
</tr>
<tr>
<td>Acquisition related severance costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,300</td>
<td>2,300</td>
</tr>
<tr>
<td>Acquisition inventory step-up expense &amp; real estate transfer taxes</td>
<td>-</td>
<td>-</td>
<td>659</td>
<td>1,446</td>
<td>1,072</td>
</tr>
<tr>
<td>Acquisition amortization of backlog</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>581</td>
<td>581</td>
</tr>
<tr>
<td>Product liability costs for legal settlement</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,100</td>
<td>1,100</td>
</tr>
<tr>
<td>Building held for sale impairment charge</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>429</td>
<td>429</td>
</tr>
<tr>
<td>North American facility consolidation costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>859</td>
<td>859</td>
</tr>
<tr>
<td>Canadian pension lump sum settlements</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>247</td>
</tr>
<tr>
<td>Non-GAAP adjusted income from operations</td>
<td>$ 54,371</td>
<td>$ 56,007</td>
<td>$ 57,033</td>
<td>$ 53,616</td>
<td>$ 53,102</td>
</tr>
<tr>
<td>Sales</td>
<td>$ 597,263</td>
<td>$ 583,290</td>
<td>$ 579,643</td>
<td>$ 597,103</td>
<td>$ 609,880</td>
</tr>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>581</td>
<td>581</td>
</tr>
<tr>
<td>Non-GAAP sales</td>
<td>$ 597,263</td>
<td>$ 583,290</td>
<td>$ 579,643</td>
<td>$ 597,684</td>
<td>$ 610,461</td>
</tr>
<tr>
<td>Adjusted operating margin</td>
<td>9.1%</td>
<td>9.6%</td>
<td>9.8%</td>
<td>9.0%</td>
<td>8.7%</td>
</tr>
</tbody>
</table>

Adjusted operating income is defined as operating income as reported, adjusted for unusual items. Adjusted operating income 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 to the measure as used by other companies. Nevertheless, Columbus McKinnon believes that providing non-GAAP information such as adjusted operating income is important for investors and other readers of the Company’s financial statements, and assists in understanding the comparison of the current quarter’s operating income to the historical period’s operating income.
## Operating Free Cash Flow Reconciliation

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash provided by operating activities</td>
<td>$60.2</td>
<td>$29.9</td>
<td>$3.3</td>
<td>$23.6</td>
<td>$42.4</td>
<td>$29.5</td>
<td>$38.3</td>
<td>$52.6</td>
</tr>
<tr>
<td>Minus capital expenditures</td>
<td>12.2</td>
<td>7.2</td>
<td>12.5</td>
<td>13.8</td>
<td>14.9</td>
<td>20.8</td>
<td>17.2</td>
<td>22.3</td>
</tr>
<tr>
<td>Operating free cash flow</td>
<td>$48.0</td>
<td>$22.6</td>
<td>$(9.3)</td>
<td>$9.8</td>
<td>$27.5</td>
<td>$8.7</td>
<td>$21.0</td>
<td>$30.3</td>
</tr>
</tbody>
</table>

*Operating free cash flow is defined as cash provided by operating activities minus capital expenditures. Columbus McKinnon believes that when used in conjunction with GAAP measures, operating free cash flow, which is a non-GAAP measure, assists in the understanding of Columbus McKinnon’s operating performance. NOTE: Components may not add up to totals due to rounding.*