UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2025
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____
Commission File Number 001-34362

Columbus McKinnon Corporation

(Exact name of registrant as specified in its charter)

New York			16-0547600
(State or other jurisdiction of incorporation or organization)			(I.R.S. Employer Identification No.)
13320 Ballantyne Corporate Place, Suite D	Charlotte	NC	28277
(Address of principal executive offices)			(Zip code)

(716) 689-5400
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report.)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value per share	**CMCO**	**Nasdaq Global Select Market**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐	Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

The number of shares of common stock outstanding as of July 28, 2025 was: 28,725,329 shares.

FORM 10-Q INDEX
COLUMBUS McKINNON CORPORATION
For the quarterly period ended June 30, 2025

		Page #
Part I. Financial Information		
Item 1.	Financial Statements (Unaudited).	
	Condensed consolidated balance sheets - June 30, 2025 and March 31, 2025	5
	Condensed consolidated statements of operations - Three months ended June 30, 2025 and June 30, 2024	6
	Condensed consolidated statements of comprehensive income (loss) - Three months ended June 30, 2025 and June 30, 2024	7
	Condensed consolidated statements of shareholders' equity - Three months ended June 30, 2025 and June 30, 2024	8
	Condensed consolidated statements of cash flows - Three months ended June 30, 2025 and June 30, 2024	10
	Notes to condensed consolidated financial statements - June 30, 2025	11
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations.	30
Item 3.	Quantitative and Qualitative Disclosures About Market Risk.	35
Item 4.	Controls and Procedures.	35
Part II. Other Information		
Item 1.	Legal Proceedings.	36
Item 1A.	Risk Factors.	36
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds.	36
Item 3.	Defaults Upon Senior Securities.	36
Item 4.	Mine Safety Disclosures.	36
Item 5.	Other Information.	36
Item 6.	Exhibits.	37

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and are subject to the safe harbor created thereby under the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical or current fact, included in this Form 10-Q are forward-looking statements. Forward-looking statements reflect our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. These statements can be identified by the use of forward-looking words, such as "anticipate," "estimate," "expect," "project," "plan," "intend," "believe," "may," "will," "should," "can have," "future," "likely" and other words and terms of similar meaning (including their negative counterparts or other various or comparable terminology). For example, all statements we make relating to: our plans and objectives for future operations, growth results or initiatives, including relating to the benefits of the Kito Acquisition (as defined herein), strategies, plans for enhancing shareholder value, pending acquisitions, our expected amount of capital expenditures for fiscal 2026, the amount of future dividend payments in fiscal 2026 and beyond or the expected outcome or impact of pending or threatened litigation are forward-looking statements. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we currently expect, including:

- industrial economic and general macroeconomic conditions;
- increased competition with respect to our business, including with respect to our material handling and precision conveyance products;
- our ability to maintain positive perceptions of Columbus McKinnon and its brands;
- our ability to successfully integrate our acquisitions, including the Kito Acquisition if it is consummated;
- price fluctuations and trade tariffs on steel, aluminum, and other raw materials, parts and goods purchased to manufacture our products and our ability to pass on price increases to our customers;
- our ability to obtain sufficient pricing for our products and service to meet our profitability expectations;
- the scarcity or unavailability of the raw materials and critical components we use to manufacture our products and the impact of such scarcity or unavailability on our ability to operate our business;
- our ability to successfully manage our backlog;
- our ability to maintain relationships with the independent distributors we use to sell our products;
- our ability to continue to attract, develop, engage, and retain qualified employees;
- our ability to understand our customers' specific preferences and requirements, and to develop, manufacture and market products that meet customer demand as we expand into additional international markets;
- our ability to manage our indebtedness, including compliance with debt covenant restrictions in our Term Loan B and our Amended and Restated Credit Agreement (each as defined herein);
- our ability to raise capital in the future and manage the negative effects of inflation on our business;
- our ability to manage the risks of conducting operations outside of the United States, including currency fluctuations, trade barriers, labor unrest, geopolitical conflicts, more stringent labor regulation, tariffs, political and economic instability and governmental expropriation;
- a potential ratings downgrade or other negative action by a ratings organization adversely affecting the trading price of our common stock;
- the negative consequences of the Kito Acquisition failing to close, which may occur due to factors outside our control;
- potential product liability, as our products involve risks of personal injury and property damage;
- compliance with federal, state and local environmental protection laws, including regulatory measures meant to address climate change, which may be burdensome and lower our margins;
- our ability to adequately protect our intellectual property and refrain from infringing on the intellectual property of others;
- our ability to adequately manage and rely on our subcontractors and suppliers;
- changes in general economic conditions and the geographic concentration of our locations, which may affect our business;
- our ability to adequately protect our information technology systems from cyberattacks or other interruptions;
- our ability to comply with the U.S. Foreign Corrupt Practices Act and other anti-corruption laws;
- our ability to retain key members of our management team; and
- the volatility of our common stock.

While we believe that the forward-looking statements in this Form 10-Q are reasonable, we caution that it is very difficult to predict the effect of known factors, and, it is impossible for us to anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from our expectations are disclosed under the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Form 10-Q. All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly

qualified in their entirety by the cautionary statements as well as other cautionary statements that are made from time to time in our other filings with the U.S. Securities and Exchange Commission and public communications. You should evaluate all forward-looking statements made in this Form 10-Q in the context of these risks and uncertainties.

We caution you that the important factors referenced above may not contain all of the factors that are important to you. In addition, we cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the outcomes or affect us or our operations in the way we expect. The forward-looking statements included in this Form 10-Q are made only as of the date hereof and are based on our current expectations. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise except to the extent required by applicable law.

Part I. Financial Information

Item 1. Financial Statements (Unaudited).

COLUMBUS McKINNON CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2025	March 31, 2025
	(unaudited)	
ASSETS:	**(In thousands)**	
Current assets:		
Cash and cash equivalents	$ 28,722	$ 53,683
Trade accounts receivable, less allowance for doubtful accounts ($4,426 and $4,880, respectively)	180,127	165,481
Inventories	216,203	198,598
Prepaid expenses and other	53,424	48,007
Total current assets	478,476	465,769
Property, plant, and equipment, net	106,735	106,164
Goodwill	732,413	710,807
Other intangibles, net	360,986	356,562
Marketable securities	10,325	10,112
Deferred taxes on income	4,373	2,904
Other assets	85,884	86,470
Total assets	$ 1,779,192	$ 1,738,788
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current liabilities:		
Trade accounts payable	$ 86,713	$ 93,273
Accrued liabilities	121,769	113,907
Current portion of long-term debt and finance lease obligations	50,757	50,739
Total current liabilities	259,239	257,919
Term loan, AR securitization facility and finance lease obligations	422,795	420,236
Other non current liabilities	186,275	178,538
Total liabilities	868,309	856,693
Shareholders' equity:		
Voting common stock; 50,000,000 shares authorized; 28,690,128 and 28,618,298 shares issued and outstanding	287	286
Treasury stock	(11,000)	(11,000)
Additional paid in capital	532,838	531,750
Retained earnings	380,262	382,160
Accumulated other comprehensive income (loss)	8,496	(21,101)
Total shareholders' equity	910,883	882,095
Total liabilities and shareholders' equity	$ 1,779,192	$ 1,738,788

See accompanying notes.

COLUMBUS McKINNON CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended	
	June 30, 2025	June 30, 2024
	(In thousands, except per share data)	
Net sales	$ 235,920	$ 239,726
Cost of products sold	158,698	150,696
Gross profit	77,222	89,030
Selling expenses	28,531	27,770
General and administrative expenses	30,743	26,447
Research and development expenses	4,821	6,166
Amortization of intangibles	7,635	7,500
	71,730	67,883
Income from operations	5,492	21,147
Interest and debt expense	8,698	8,235
Investment (income) loss	(1,049)	(209)
Foreign currency exchange (gain) loss	(342)	395
Other (income) expense, net	(177)	676
Income (loss) before income tax expense (benefit)	(1,638)	12,050
Income tax expense (benefit)	260	3,421
Net income (loss)	$ (1,898)	$ 8,629
Average basic shares outstanding	28,658	28,834
Average diluted shares outstanding	28,658	29,127
Basic income (loss) per share:	$ (0.07)	$ 0.30
Diluted income (loss) per share:	$ (0.07)	$ 0.30

See accompanying notes.

COLUMBUS McKINNON CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(UNAUDITED)

	Three Months Ended	
	June 30, 2025	**June 30, 2024**
	(In thousands)	
Net income (loss)	$ (1,898)	$ 8,629
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	29,786	(3,420)
Change in derivatives qualifying as hedges, net of taxes of $303, $283	(914)	(885)
Change in pension liability and postretirement obligation, net of taxes of $(308), $10	725	(31)
Total other comprehensive income (loss)	29,597	(4,336)
Comprehensive income (loss)	$ 27,699	$ 4,293

See accompanying notes.

COLUMBUS McKINNON CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(UNAUDITED)

	(In thousands, except share data)					
	Voting Common Stock ($0.01 par value)	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance at March 31, 2025	$ 286	$ (11,000)	$ 531,750	$ 382,160	$ (21,101)	$ 882,095
Net income (loss)	—	—	—	(1,898)	—	(1,898)
Change in foreign currency translation adjustment	—	—	—	—	29,786	29,786
Change in derivatives qualifying as hedges, net of tax of $303	—	—	—	—	(914)	(914)
Change in pension liability and postretirement obligations, net of tax of $(308)	—	—	—	—	725	725
Stock compensation expense	—	—	1,842	—	—	1,842
Restricted stock units released, 71,839 shares, net of shares withheld for minimum statutory tax obligation	1	—	(754)	—	—	(753)
Balance at June 30, 2025	$ 287	$ (11,000)	$ 532,838	$ 380,262	$ 8,496	$ 910,883

See accompanying notes.

COLUMBUS McKINNON CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(UNAUDITED)

	(In thousands, except share data)					
	Voting Common Stock ($0.01 par value)	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance at March 31, 2024	$ 288	$ (1,001)	$ 527,125	$ 395,328	$ (39,677)	$ 882,063
Net income (loss)	—	—	—	8,629	—	8,629
Change in foreign currency translation adjustment	—	—	—	—	(3,420)	(3,420)
Change in derivatives qualifying as hedges, net of tax of $283	—	—	—	—	(885)	(885)
Change in pension liability and postretirement obligations, net of tax of $10	—	—	—	—	(31)	(31)
Stock options exercised, 2,052 shares	—	—	64	—	—	64
Stock compensation expense	—	—	1,101	—	—	1,101
Restricted stock units released, 65,071 shares, net of shares withheld for minimum statutory tax obligation	1	—	(1,716)	—	—	(1,715)
Balance at June 30, 2024	$ 289	$ (1,001)	$ 526,574	$ 403,957	$ (44,013)	$ 885,806

See accompanying notes.

COLUMBUS McKINNON CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Three Months Ended	
	June 30, 2025	June 30, 2024
OPERATING ACTIVITIES:	(In thousands)	
Net income (loss)	$ (1,898)	$ 8,629
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:		
Depreciation and amortization	12,266	11,840
Deferred income taxes and related valuation allowance	(4,669)	942
Net loss (gain) on sale of real estate, investments and other	(835)	(124)
Stock-based compensation	1,842	1,101
Amortization of deferred financing costs	622	622
Loss (gain) on hedging instruments	465	(97)
Non-cash lease expense	2,412	2,584
Changes in operating assets and liabilities:		
Trade accounts receivable	(8,726)	3,346
Inventories	(9,661)	(15,613)
Prepaid expenses and other	(3,015)	(2,222)
Other assets	758	(127)
Trade accounts payable	(8,203)	(8,640)
Accrued liabilities	2,902	(11,600)
Non-current liabilities	(2,413)	(1,399)
Net cash provided by (used for) operating activities	(18,153)	(10,758)
INVESTING ACTIVITIES:		
Proceeds from sales of marketable securities	1,284	1,500
Purchases of marketable securities	(1,299)	(912)
Capital expenditures	(3,202)	(4,629)
Net cash provided by (used for) investing activities	(3,217)	(4,041)
FINANCING ACTIVITIES:		
Proceeds from the issuance of common stock	—	64
Borrowing / (Repayment) of debt	2,225	(20,158)
Payment to former owners of montratec	—	(6,711)
Fees paid for debt repricing	—	(169)
Cash inflows from hedging activities	5,832	5,942
Cash outflows from hedging activities	(6,275)	(5,820)
Payment of dividends	(2,003)	(2,016)
Other	(756)	(1,715)
Net cash provided by (used for) financing activities	(977)	(30,583)
Effect of exchange rate changes on cash	(2,614)	(371)
Net change in cash and cash equivalents	(24,961)	(45,753)
Cash, cash equivalents, and restricted cash at beginning of year	53,933	114,376
Cash, cash equivalents, and restricted cash at end of period	$ 28,972	$ 68,623
Supplementary cash flow data:		
Interest paid	$ 8,079	$ 7,656
Income taxes paid, net of refunds	$ 6,913	$ 3,853
Property, plant and equipment purchases included in trade accounts payable	$ 427	$ 247
Restricted cash presented in Other assets	$ 250	$ 250

See accompanying notes.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
June 30, 2025

1. Description of Business

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") for interim financial information. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the financial position of Columbus McKinnon Corporation ("the Company") at June 30, 2025, the results of its operations for the three months ended June 30, 2025 and June 30, 2024, and cash flows for the three months ended June 30, 2025 and June 30, 2024, have been included. Results for the period ended June 30, 2025 are not necessarily indicative of the results that may be expected for the fiscal year ending March 31, 2026. The balance sheet at March 31, 2025 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by U.S. GAAP for complete financial statements. For further information, refer to the consolidated financial statements and footnotes thereto included in the Columbus McKinnon Corporation Annual Report on Form 10-K for the fiscal year ended March 31, 2025 (the "2025 Form 10-K").

The Company is a leading worldwide designer, manufacturer, and marketer of intelligent motion solutions that efficiently and ergonomically move, lift, position, and secure materials. Key products include hoists, crane components, precision conveyor systems, accumulation tables, rigging tools, light rail workstations, and digital power and motion control systems. The Company is focused on commercial and industrial applications that require the safety and quality provided by its superior design and engineering know-how.

The Company's products are sold globally, principally to third party distributors and crane builders through diverse distribution channels, and to a lesser extent directly to end-users and integrators. During the three months ended June 30, 2025 and June 30, 2024, sales to customers in the United States were approximately 57% of total net sales.

2. Acquisitions & Disposals

On February 10, 2025, the Company announced its entry into a definitive purchase agreement under which the Company will acquire Kito Crosby Limited ("Kito Crosby") in an all-cash transaction valued at $2,700,000,000 subject to customary post-closing purchase price adjustments and regulatory approval (such transaction being referred to in this Form 10-Q as the "Kito Acquisition"). Kito Crosby is a global leader in lifting solutions with multiple manufacturing assembly plants and nearly 4,000 employees serving over 50 countries. In 2024, Kito Crosby generated approximately $1,100,000,000 in revenue through its extensive global channel partner network. Together the combined company will be a leader in material handling solutions with greater scale and a strong presence in attractive verticals and target geographies, delivering innovation and products to customers. The Company incurred $8,103,000 of acquisition, integration planning and deal related costs classified as part of General and administrative expenses in the quarter ended June 30, 2025.

The Kito Acquisition has been approved by the Board of Directors of Columbus McKinnon. The Company intends to fund the acquisition through a combination of committed debt financing of $3,050,000,000 from J.P. Morgan Securities, LLC including a $500,000,000 revolving credit facility and a $800,000,000 of perpetual convertible preferred equity investment from Clayton, Dubliner & Rice ("CD&R"). Terms of the CD&R investment include a 7% coupon, payable in cash or payment-in-kind at Columbus McKinnon's option, and a conversion price of $37.68, resulting in CD&R as-converted ownership of approximately 43% of the Company following completion of the transaction. CD&R has agreed to a customary lock-up on its shares. The Company expects the Kito Acquisition to close in fiscal 2026.

In connection with the Kito Acquisition, the Company filed the required notification and report forms under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), with the Antitrust Division of the U.S. Department of Justice (the "Antitrust Division") and the Federal Trade Commission. In fiscal 2026, the Company received a request for additional information from the Antitrust Division in connection with its review. The Company is working collaboratively with the Antitrust Division to bring its review of the Kito Acquisition to completion.

3. Revenue & Receivables

Revenue Recognition:

Performance obligations

The Company has contracts with customers for standard products and custom engineered products and determines when and how to recognize revenue for each performance obligation based on the nature and type of contract.

Revenue from contracts with customers for standard products is recognized when legal title and significant risk and rewards has transferred to the customer, which is generally at the time of shipment. This is the point in time when control is deemed to transfer to the customer. The Company sells standard products to customers utilizing purchase orders. Payment terms for these types of contracts generally require payment within 30 to 60 days. Each standard product is deemed to be a single performance obligation and the amount of revenue recognized is based on the negotiated price. The transaction price for standard products is based on the price reflected in each purchase order. Sales incentives are offered to customers who purchase standard products and include offers such as volume-based discounts, rebates for priority customers, and discounts for early cash payments. These sales incentives are accounted for as variable consideration included in the transaction price. Accordingly, the Company reduces revenue for these incentives in the period which the sale occurs and is based on the most likely amount method for estimating the amount of consideration the Company expects to receive. These sales incentive estimates are updated each reporting period as additional information becomes available.

The Company also sells custom engineered products and services, which are contracts that are typically completed within one quarter but can extend beyond one year in duration. For custom engineered products, the transaction price is based upon the price stated in the contract. Variable consideration has not been identified as a significant component of transaction price for custom engineered products and services. The Company generally recognizes revenue for custom engineered products upon satisfaction of its performance obligation under the contract which typically coincides with project completion which is when the products and services are controlled by the customer. Control is typically achieved at the later of when legal title and significant risk and rewards have transferred to the customer or the customer has accepted the asset. These contracts often require either up front or installment payments. These types of contracts are generally accounted for as one performance obligation as the products and services are not separately identifiable. The promised services (such as inspection, commissioning, and installation) are essential in order for the delivered product to operate as intended on the customer's site and the services are therefore highly interrelated with product functionality.

For most custom engineered products contracts, the Company determined that while there is no alternative use for the custom engineered products, the Company does not have an enforceable right to payment (which must include a reasonable profit margin) for performance completed to date in order to meet the over time revenue recognition criteria. Therefore, revenue is recognized at a point in time (when the contract is complete). For custom engineered products contracts that contain an enforceable right to payment (including reasonable profit margin) the Company satisfies the performance obligation over time and recognizes revenue based on the extent of progress towards completion of the performance obligation. The cost-to-cost measure of progress is an appropriate measure of progress toward satisfaction of performance obligations as this measure most accurately depicts the progress of work performed and transfer of control to the customers. Under the cost-to-cost measure of progress, the extent of progress toward completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues are recognized proportionally as costs are incurred.

Sales and other taxes collected with revenue are excluded from revenue. Shipping and handling costs incurred prior to shipment are considered activities required to fulfill the Company's promise to transfer goods, and do not qualify as a separate performance obligation. Additionally, the Company offers standard warranties which are typically 12 months in duration for standard products and 24 to 36 months for custom engineered products. These types of warranties are included in the purchase price of the product and are deemed to be assurance-type warranties which are not accounted for as a separate performance obligation. Other performance obligations included in a contract (such as drawings, owner's manuals, and training services) are immaterial in the context of the contract and are not recognized as a separate performance obligation.

For additional information on the Company's revenue recognition policy refer to the consolidated financial statements included in the 2025 Form 10-K.

Reconciliation of contract balances

The Company records a contract liability when cash is received prior to recording revenue. Some standard contracts require a down payment while most custom engineered contracts require installment payments. Installment payments for the custom

engineered contracts typically require a portion due at inception while the remaining payments are due upon completion of certain performance milestones. For both types of contracts, these contract liabilities, referred to as customer advances, are recorded at the time payment is received and are included in Accrued liabilities on the Condensed Consolidated Balance Sheets. When the related performance obligation is satisfied and revenue is recognized, the contract liability is released into income.
The following table illustrates the balance and related activity for customer advances in the three months ended June 30, 2025 and June 30, 2024 (in thousands):

Customer advances (contract liabilities)	June 30, 2025	June 30, 2024
March 31, beginning balance	$ 15,631	$ 16,588
Additional customer advances received	24,137	18,528
Revenue recognized from customer advances included in beginning of period	(15,631)	(16,588)
Other revenue recognized from customer advances	(3,293)	(1,634)
Other (1)	903	(52)
June 30, ending balance	$ 21,747	$ 16,842

(1) Other includes the impact of foreign currency translation

Revenue was recognized prior to the right to invoice the customer which resulted in a contract asset balance in the amount of $29,103,000 and $26,218,000 as of June 30, 2025 and March 31, 2025, respectively. Contract assets are included in Prepaid expenses and other assets on the Condensed Consolidated Balance Sheets.

Remaining Performance Obligations

As of June 30, 2025, the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) was approximately $45,875,000. We expect to recognize approximately 49% of these sales over the next twelve months.

Disaggregated revenue

In accordance with FASB ASC Topic 606 "Revenue from Contracts with Customers", the Company is required to disaggregate revenue into categories that depict how economic factors affect the nature, amount, timing and uncertainty of revenue and cash flows.

The following table illustrates the disaggregation of revenue by product grouping for the three months ended June 30, 2025 and June 30, 2024 (in thousands):

	Three Months Ended	
Net Sales by Product Grouping	June 30, 2025	June 30, 2024
Industrial Products	$ 83,202	$ 83,779
Crane Solutions	95,167	97,547
Engineered Products	21,663	22,264
Precision Conveyor Products	35,863	36,086
All other	25	50
Total	$ 235,920	$ 239,726

Industrial products include: manual chain hoists, electrical chain hoists, rigging/clamps, industrial winches, hooks, shackles, and other forged attachments. Crane solutions products include: wire rope hoists, drives and controls, crane kits and components, and workstations. Engineered products include: linear and mechanical actuators, lifting tables, rail projects, and actuation systems. Precision conveyor products include: low profile, flexible chain, large scale, sanitary and vertical elevation conveyor systems, pallet system conveyors, accumulation systems, asynchronous conveyors as well as other high-precision conveyance systems. The All other product grouping includes miscellaneous revenue.

Practical expedients

Incremental costs to obtain a contract incurred by the Company primarily relate to sales commissions for contracts with a duration of one year or less. Therefore, these costs are expensed as incurred and are recorded in Selling expenses on the Condensed Consolidated Statements of Operations.

Unsatisfied performance obligations for contracts with an expected length of one year or less are not disclosed. Further, revenue from contracts with customers do not include a significant financing component as payment is generally expected within one year from when the performance obligation is controlled by the customer.

Accounts Receivable:

Under Accounting Standard Update ("ASU") 2016-13, the Company is required to remeasure expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions and reasonable forecasts. In addition to these factors, the Company establishes an allowance for doubtful accounts based upon the credit risk of specific customers, historical trends, and other factors. Accounts receivable are charged against the allowance for doubtful accounts once all collection efforts have been exhausted. Due to the short-term nature of such accounts receivable, the estimated amount of accounts receivable that may not be collected is based on aging of the accounts receivable balances.

The following table illustrates the balance and related activity for the allowance for doubtful accounts as of June 30, 2025 and June 30, 2024 that is deducted from accounts receivable to present the net amount expected to be collected (in thousands):

Allowance for doubtful accounts	**June 30, 2025**	**June 30, 2024**
March 31, beginning balance	$ 4,880	$ 3,827
Bad debt expense	194	359
Less uncollectible accounts written off, net of recoveries	(889)	(365)
Other (1)	241	(43)
June 30, ending balance	$ 4,426	$ 3,778

(1) Other includes the impact of foreign currency translation

4. Fair Value Measurements

FASB ASC Topic 820 “Fair Value Measurements and Disclosures” establishes the standards for reporting financial assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value on a recurring basis (at least annually). Under these standards, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date.

ASC 820-10-35-37 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the valuation techniques that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is separated into three levels based on the reliability of inputs as follows:

Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, involving some degree of judgment.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement. The degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The availability of observable inputs can vary and is affected by a wide variety of factors, including the type of asset/liability, whether the asset/liability is established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, assumptions are required to reflect those that market participants would use in pricing the asset or liability at the measurement date.

The Company uses quoted market prices when valuing its marketable securities and, consequently, the fair value is based on Level 1 inputs. These marketable securities consist of equity and fixed income securities. The Company's terminated pension assets consist of money market funds, domestic corporate bonds, securities issued by the U.S. government, and other similar fixed income investments with quoted market prices. Consequently, the fair value of the terminated pension assets is based on Level 1 inputs. Refer to Note 10 for additional information regarding the Company's terminated pension plan. The Company primarily uses readily observable market data in conjunction with internally developed discounted cash flow valuation models when valuing its derivative portfolio and, consequently, the fair value of the Company's derivatives is based on Level 2 inputs. The carrying amount of the Company's pension-related annuity contract is recorded at net asset value of the contract and, consequently, its fair value is based on Level 2 inputs and is included in Other assets on the Condensed Consolidated Balance Sheets. The carrying value of the Company's Term Loan B approximates fair value based on current market interest rates for debt instruments of similar credit standing and, consequently, their fair values are based on Level 2 inputs.

The following tables provide information regarding financial assets and liabilities measured or disclosed at fair value (in thousands):

		Fair value measurements at reporting date using		
Description	June 30, 2025	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets/(Liabilities) measured at fair value:				
Marketable securities	$ 10,325	$ 10,325	$ —	$ —
Annuity contract	1,233	—	1,233	—
Terminated pension plan assets	5,633	5,633		
Derivative Assets (Liabilities):				
Foreign exchange contracts	49	—	49	—
Interest rate swap	(3,019)	—	(3,019)	—
Cross currency swap	(7,352)	—	(7,352)	—
Disclosed at fair value:				
Term Loan B	$ (432,290)	$ —	$ (432,290)	$ —
AR Securitization Facility	$ (32,400)	$ —	$ (32,400)	$ —

Description	March 31, 2025	Fair value measurements at reporting date using: Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets/(Liabilities) measured at fair value:				
Marketable securities	$ 10,112	$ 10,112	$ —	$ —
Annuity contract	1,235	—	1,235	—
Terminated pension plan assets	6,342	6,342		
Derivative assets (liabilities):				
Foreign exchange contracts	(49)	—	(49)	—
Interest rate swap	(1,140)	—	(1,140)	—
Cross currency swap	(1,849)	—	(1,849)	—
Disclosed at fair value:			—	
Term Loan B	$ (437,013)	$ —	$ (437,013)	$ —
AR Securitization Facility	$ (25,000)	$ —	$ (25,000)	$ —

The Company does not have any non-financial assets and liabilities that are recognized at fair value on a recurring basis. At June 30, 2025, the Term Loan B has been recorded at carrying value, which approximates fair value. The Company has $32,400,000 under a credit agreement secured by the Company's U.S. accounts receivable balances (the "AR Securitization Facility") at June 30, 2025. The AR Securitization Facility has been recorded at carrying value which approximates fair value. Refer to Note 9 for additional information regarding the Company's long-term debt.

Market gains, interest, and dividend income on marketable securities are recorded in Investment (income) loss on the Condensed Consolidated Statements of Operations. Changes in the fair value of derivatives are recorded in foreign currency exchange (gain) loss or other comprehensive income (loss), to the extent that the derivative qualifies as a hedge under the provisions of FASB ASC Topic 815. Interest and dividend income on marketable securities are measured based upon amounts earned on their respective declaration dates.

Refer to the 2025 Form 10-K for a full description of the assets and liabilities measured on a non-recurring basis that are included in the Company's March 31, 2025 balance sheet.

5. Inventories

Inventories consisted of the following (in thousands):

	June 30, 2025	March 31, 2025
At cost - FIFO basis:		
Raw materials	$ 176,551	$ 163,053
Work-in-process	33,786	30,349
Finished goods	39,283	37,197
Total at cost FIFO basis	249,620	230,599
LIFO cost less than FIFO cost	(33,417)	(32,001)
Net inventories	$ 216,203	$ 198,598

An actual valuation of inventory under the LIFO method can be made only at the end of each year based on the inventory levels and costs at that time. Accordingly, interim LIFO calculations must necessarily be based on management's estimates of expected year-end inventory levels and costs. Because these are subject to many factors beyond management's control, estimated interim results are subject to change in the final year-end LIFO inventory valuation.

6. Marketable Securities and Other Investments

In accordance with ASU 2016-01, “Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities,” all equity investments in unconsolidated entities (other than those accounted for using the equity method of accounting) are measured at fair value through earnings. The Company's marketable securities are recorded at their fair value, with unrealized changes in market value realized within Investment (income) loss on the Condensed Consolidated Statements of Operations. The impact on earnings for unrealized gains and losses was a gain of $198,000 and immaterial in the three months ended June 30, 2025 and June 30, 2024, respectively.

Consistent with prior periods, the estimated fair value is based on quoted market prices at the balance sheet dates. The cost of securities sold is based on the specific identification method. Interest and dividend income are included in Investment (income) loss in the Condensed Consolidated Statements of Operations.

Marketable securities are carried as long-term assets since they are held for the settlement of the Company’s general and product liability insurance claims filed through CM Insurance Company, Inc. ("CMIC"), the Company's wholly-owned captive insurance subsidiary. The marketable securities are not available for general working capital purposes.

Net realized gains related to sales of marketable securities were not material in the three months ended June 30, 2025 and June 30, 2024.

The Company owns a 49% ownership interest in Eastern Morris Cranes Company Limited ("EMC"), a limited liability company organized and existing under the laws and regulations of the Kingdom of Saudi Arabia. The Company's ownership represents an equity investment in a strategic customer of Stahl Crane Systems GmbH ("STAHL") serving the Kingdom of Saudi Arabia. The investment's carrying value is presented in Other assets in the Condensed Consolidated Balance Sheets in the amount of $5,359,000 and $4,318,000 at June 30, 2025 and March 31, 2025, respectively, and has been accounted for as an equity method investment. The investment value increased for the Company's ownership percentage of income earned by EMC in the amount of $653,000 and $121,000 in the three months ended June 30, 2025 and June 30, 2024, respectively, which is recorded in Investment (income) loss on the Condensed Consolidated Statements of Operations. The June 30, 2025 and March 31, 2025 trade accounts receivable balances due from EMC were $5,220,000 and $4,250,000, respectively, and are comprised of amounts due from the sale of goods and services in the ordinary course of business.

7. Goodwill and Intangible Assets

Goodwill and indefinite lived trademarks are not amortized but are tested for impairment at least annually, in accordance with the provisions of ASC Topic 350-20-35-1. Goodwill impairment is deemed to exist if the net book value of a reporting unit exceeds its estimated fair value. The fair value of a reporting unit is determined using a discounted cash flow methodology. The Company’s reporting units are determined based upon whether discrete financial information is available and reviewed regularly, whether those units constitute a business, and the extent of economic similarities between those reporting units for purposes of aggregation. The Company’s reporting units identified under ASC Topic 350-20-35-33 are at the component level, or one level below the operating segment level as defined under ASC Topic 280-10-50-10 “Segment Reporting - Disclosure.” The Company has three reporting units as of June 30, 2025 and March 31, 2025. The Linear Motion Products reporting unit (which designs, manufactures and sources mechanical and electromechanical actuators and rotary unions) had goodwill of $9,699,000 at June 30, 2025 and March 31, 2025. The Rest of Products reporting unit (representing the hoist, chain, forgings, digital power, motion control, manufacturing, and distribution businesses) had goodwill of $320,697,000 and $305,110,000 at June 30, 2025 and March 31, 2025, respectively. The Precision Conveyance reporting unit (which represents high-precision conveying systems) had goodwill of $402,017,000 and $395,998,000 at June 30, 2025 and March 31, 2025, respectively.

Refer to the 2025 Form 10-K for information regarding our annual goodwill and indefinite lived trademark impairment evaluation. Future impairment indicators, such as declines in forecasted cash flows, may cause impairment charges. Impairment charges could be based on such factors as the Company’s stock price, forecasted cash flows, assumptions used, control premiums or other variables. There were no such indicators during the three months ended June 30, 2025.

A summary of changes in goodwill during the three months ended June 30, 2025 is as follows (in thousands):

Balance at April 1, 2025	$	710,807
Currency translation		21,606
Balance at June 30, 2025	$	732,413

Goodwill is recognized net of accumulated impairment losses of $113,174,000 as of June 30, 2025 and March 31, 2025, respectively.

Identifiable intangible assets acquired in a business combination are amortized over their estimated useful lives. Identifiable intangible assets are summarized as follows (in thousands):

	June 30, 2025			March 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Trademark	$ 23,454	$ (10,468)	$ 12,986	$ 22,770	$ (9,600)	$ 13,170
Indefinite lived trademark	47,956	—	47,956	46,294	—	46,294
Customer relationships	370,885	(141,074)	229,811	355,845	(129,466)	226,379
Acquired technology	114,208	(44,805)	69,403	112,507	(42,580)	69,927
Other	4,189	(3,359)	830	3,868	(3,076)	792
Total	$ 560,692	$ (199,706)	$ 360,986	$ 541,284	$ (184,722)	$ 356,562

The Company's intangible assets that are considered to have finite lives are amortized. The weighted-average amortization periods are 13 years for trademarks, 17 years for customer relationships, 15 years for acquired technology, 6 years for other, and 16 years in total. Trademarks with a carrying value of $47,956,000 as of June 30, 2025 have an indefinite useful life and are therefore not being amortized.

Total amortization expense was $7,635,000 and $7,500,000 for the three months ended June 30, 2025 and 2024, respectively. Based on the current amount of identifiable intangible assets and current exchange rates, the estimated annual amortization expense for each of the succeeding five years is expected to be approximately $31,000,000.

8. Derivative Instruments

The Company uses derivative instruments to manage selected foreign currency and interest rate exposures. The Company does not use derivative instruments for speculative trading purposes. All derivative instruments must be recorded on the balance sheet at fair value. For derivatives designated as cash flow hedges, the effective portion of changes in the fair value of the derivative is recorded as accumulated other comprehensive gain (loss), or "AOCL," and is reclassified to earnings when the underlying transaction has an impact on earnings. The ineffective portion of changes in the fair value of the foreign currency forward agreements is reported in foreign currency exchange loss (gain) in the Company's Condensed Consolidated Statements of Operations. The ineffective portion of changes in the fair value of the interest rate swap agreements is reported in interest expense. For derivatives not designated as cash flow hedges, all changes in market value are recorded as a foreign currency exchange (gain) loss in the Company's Condensed Consolidated Statements of Operations. The cash flow effects of derivatives are reported within net cash provided by operating activities.

The Company is exposed to credit losses in the event of non-performance by the counterparties on its financial instruments. The counterparties have investment grade credit ratings. The Company anticipates that these counterparties will be able to fully satisfy their obligations under the contracts.

The Company's agreements with its counterparties contain provisions pursuant to which the Company could be declared in default of its derivative obligations. As of June 30, 2025, the Company had not posted any collateral related to these agreements. If the Company had breached any of these provisions as of June 30, 2025, it could have been required to settle its obligations under these agreements at amounts which approximate the June 30, 2025 fair values reflected in the table below. During the three months ended June 30, 2025, the Company was not in default of any of its derivative obligations.

As of June 30, 2025, the Company had no derivatives designated as net investments or fair value hedges in accordance with FASB ASC Topic 815, "Derivatives and Hedging."

The Company has a cross currency swap agreement that is designated as a cash flow hedge to hedge changes in the value of an intercompany loan to a foreign subsidiary due to changes in foreign exchange rates. This intercompany loan is related to the acquisition of STAHL. As of June 30, 2025, the notional amount of this derivative is $66,573,000, and this contract matures on March 31, 2028. From its June 30, 2025 balance of AOCL, the Company expects to reclassify approximately $1,552,000 out of

AOCL, and into foreign currency exchange loss (gain), during the next 12 months based on the contractual payments due under this intercompany loan.

The Company has foreign currency forward agreements that are designated as cash flow hedges to hedge a portion of forecasted inventory purchases denominated in foreign currencies. As of June 30, 2025, the notional amount of those derivatives was $5,626,000, and all contracts mature by March 31, 2026. From its June 30, 2025 balance of AOCL, the Company expects to reclassify approximately $5,000 out of AOCL during the next 12 months based on the expected payments for the goods purchased.

The Company's interest rate swap agreements are designated as cash flow hedges to hedge changes in interest expense due to changes in the interest rate of the Company's variable interest rate debt. The Company has five outstanding interest rate swap agreements in which the Company receives interest at a variable rate and pays interest at a fixed rate. The interest rate swaps have varying maturity dates between March 31, 2027 and March 23, 2029, with an aggregate notional amount of $355,000,000 as of June 30, 2025.

The effective portion of the changes in fair values of the interest rate swaps is reported in AOCL and will be reclassified to interest expense over the life of the swap agreements. From its June 30, 2025 balance of AOCL, the Company expects to reclassify approximately $106,000 of AOCL into interest and debt expense during the next 12 months.

The following is the effect of derivative instruments, net of tax on the Condensed Consolidated Statements of Operations for the three months ended June 30, 2025 and 2024 (in thousands):

Derivatives Designated as Cash Flow Hedges	Type of Instrument	Amount of Gain or (Loss) Recognized in Other Comprehensive Income (Loss) on Derivatives	Location of Gain or (Loss) Recognized in Income on Derivatives	Amount of Gain or (Loss) Reclassified from AOCL into Income
June 30, 2025	Foreign exchange contracts	$ 133	Cost of products sold	$ (5)
June 30, 2025	Interest rate swaps	(1,004)	Interest expense	413
June 30, 2025	Cross currency swaps	(4,077)	Foreign currency exchange (gain) loss	(4,443)
June 30, 2024	Foreign exchange contracts	(38)	Cost of products sold	(43)
June 30, 2024	Interest rate swap	1,422	Interest expense	2,472
June 30, 2024	Cross currency swaps	674	Foreign currency exchange (gain) loss	514

The following is information relative to the Company’s derivative instruments in the Condensed Consolidated Balance Sheets (in thousands):

		Fair Value of Asset (Liability)	
Derivatives Designated as Hedging Instruments	Balance Sheet Location	**June 30, 2025**	**March 31, 2025**
Foreign exchange contracts	Prepaid expenses and other	$ 113	$ 139
Foreign exchange contracts	Accrued liabilities	(64)	(188)
Interest rate swap	Prepaid expenses and other	333	597
Interest rate swap	Other assets	—	1
Interest rate swap	Accrued liabilities	(192)	(99)
Interest rate swap	Other non current liabilities	(3,160)	(1,639)
Cross currency swap	Accrued liabilities	(2,092)	(49)
Cross currency swap	Other non current liabilities	(5,260)	(1,800)

9. Debt

Term Loan B and Revolving Credit Facility

On May 14, 2021, the Company entered into an amended and restated credit agreement to provide for a term loan ("Term Loan B"), in the initial amount of $450,000,000 maturing May 14, 2028, and a $100,000,000 revolving line of credit with a group of financial institutions ("Revolving Credit Facility") maturing May 14, 2026. The Revolving Credit Facility was later amended to increase its size to $175,000,000 in fiscal 2024.

The Company borrowed additional funds in accordance with the Accordion feature under its Term Loan B facility in the amount of $75,000,000 in both fiscal years 2022 and 2024. Proceeds were used to finance the acquisition of Garvey Corporation in fiscal 2022 and montratec in fiscal 2024. No material amendment to the terms of the Term Loan B or the First Lien Facilities were necessary for the Company to utilize the Accordion feature.

The outstanding principal balance of the Term Loan B was $432,560,000 as of June 30, 2025 and $437,560,000 as of March 31, 2025, respectively. The Company made $5,000,000 in principal payments on the Term Loan B during the three months ended June 30, 2025, of which $1,244,000 was required. The Company is obligated to make $4,976,000 of principal payments on the Term Loan B over the next 12 months plus applicable Excess Cash Flow (as defined in the Term Loan B) payments, if required, however, plans to pay down approximately $50,000,000 in debt payments consisting of principal payments on the Term Loan B and payments on its AR Securitization Facility (see below) over the next 12 months. This amount has been recorded within the current portion of long-term debt on the Company's Condensed Consolidated Balance Sheets with the remaining balance recorded as long-term debt.

There were no outstanding borrowings and $15,440,000 in outstanding letters of credit issued against the Amended and Restated Revolving Credit Facility as of June 30, 2025, all of which were standby letters of credit.

The gross balance of deferred financing costs on the Term Loan B was $7,845,000 as of June 30, 2025 and March 31, 2025. The accumulated amortization balances were $4,509,000 and $4,201,000 as of June 30, 2025 and March 31, 2025, respectively.

The gross balance of deferred financing costs associated with the Amended and Restated Revolving Credit Facility is $4,828,000 as of June 30, 2025 and March 31, 2025, which is included in Other assets on the Condensed Consolidated Balance Sheets. The accumulated amortization balances were $4,003,000 and $3,733,000 as of June 30, 2025 and March 31, 2025, respectively. Refer to the 2025 Form 10-K for further details on the Company's Term Loan B.

AR Securitization Facility

The Company has outstanding an AR Securitization Facility secured by the Company's U.S. accounts receivable balances (the "AR Securitization Facility") with a borrowing base of $55,000,000 calculated on a monthly basis, with a maturity date of June 19, 2026.

The gross balance of deferred financing costs associated with the AR Securitization Facility was $536,000 with an accumulated amortization balance of $372,000 and $327,000 as of June 30, 2025 and March 31, 2025, respectively.

The Company had $32,400,000 and $25,000,000 borrowings outstanding under its AR Securitization Facility at June 30, 2025 and March 31, 2025, respectively. The U.S. accounts receivable balances which secure the AR Securitization Facility total $88,264,000 as of June 30, 2025.
As of June 30, 2025, there have been no amortization events triggered in the AR Securitization Facility. As stated above, the Company intends to repay $50,000,000 in borrowings over the next 12 months, including repayments of borrowings on the AR Securitization Facility.

Finance Lease

The Company has a finance lease for a manufacturing facility in Hartland, WI under a 23-year lease agreement which terminates in 2035. The outstanding balance on the finance lease obligation is $12,092,000 as of June 30, 2025 of which $757,000 has been recorded within the Current portion of long-term debt and the remaining balance recorded within the Term loan, AR securitization facility and finance lease obligations on the Company's Condensed Consolidated Balance Sheet. See Note 15 for further details.

Non-U.S. Lines of Credit and Loans

Unsecured and uncommitted lines of credit are available to meet short-term working capital needs for certain of our subsidiaries operating outside of the U.S. The lines of credit are available on an offering basis, meaning that transactions under the line of credit will be on such terms and conditions, including interest rate, maturity, representations, covenants and events of default, as mutually agreed between our subsidiaries and the local bank at the time of each specific transaction. As of June 30, 2025, unsecured credit lines totaled approximately $3,182,000, of which nothing was drawn. In addition, unsecured lines of $21,570,000 were available for bank guarantees issued in the normal course of business of which $14,817,000 was utilized as of June 30, 2025.

Refer to the Company's consolidated financial statements included in the 2025 Form 10-K for further information on its debt arrangements.

10. Net Periodic Benefit Cost

The following table sets forth the components of net periodic pension cost for the Company's defined benefit pension plans (in thousands):

	Three Months Ended	
	June 30, 2025	**June 30, 2024**
Service costs	$ 110	$ 120
Interest cost	1,839	3,090
Expected return on plan assets	(1,213)	(2,497)
Net amortization	(243)	241
Net periodic pension (benefit) cost	$ 493	$ 954

Components of the net benefit costs other than the service cost component are recorded in Other (income) expense, net on the Condensed Consolidated Statements of Operations. Service costs are recorded as part of Income from operations.

During fiscal year 2025, the Company terminated one of its U.S. pension plans. In the second quarter of fiscal 2025, the Company purchased annuity contracts to settle the remaining liabilities of the terminated plan. The remaining surplus of the terminated plan at June 30, 2025 of $5,633,000 is being used to fund certain obligations associated with the Company's U.S. defined contribution plans. $2,340,000 of this balance is expected to be utilized in the next twelve months, and is therefore recorded in Prepaid expenses and other on the Condensed Consolidated Balance Sheet. The remaining balance is included in Other assets.

The Company currently plans to contribute approximately $4,118,000 to its pension plans in fiscal 2026.

For additional information on the Company's defined benefit pension and postretirement benefit plans, refer to the consolidated financial statements included in the 2025 Form 10-K.

11. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share (in thousands):

	Three Months Ended	
	June 30, 2025	June 30, 2024
Numerator for basic and diluted earnings per share:		
Net income (loss)	$ (1,898)	$ 8,629
Denominators:		
Weighted-average common stock outstanding – denominator for basic EPS	28,658	28,834
Effect of dilutive employee stock options and other share-based awards	—	293
Adjusted weighted-average common stock outstanding and assumed conversions – denominator for diluted EPS	28,658	29,127

Stock options, restricted stock units, and performance shares with respect to 2,438,000 common shares for the three months ended June 30, 2025 were not included in the computation of diluted income per share because they were antidilutive as a result of the Company's net loss.

Stock options with respect to 612,000 common shares for the three months ended June 30, 2024 were not included in the computation of diluted income per share because they were antidilutive. Further, contingently issuable common shares of 131,000 for the three months ended June 30, 2024 were excluded because a performance condition had not yet been met

The Company grants share based compensation to eligible participants under the Columbus McKinnon Corporation Second Amended and Restated 2016 Long Term Incentive Plan ("2016 LTIP"). The total number of shares of common stock with respect to which awards may be granted under the 2016 LTIP were increased by 2,500,000 as a result of the June 2019 amendment and restatement. In July of fiscal 2025, the 2016 LTIP was amended and restated a second time, which increased the total number of shares of common stock that may be granted under the 2016 LTIP by an additional 2,800,000 shares.

During the first three months of fiscal 2026, there were no shares of stock issued upon the exercise of stock options that were issued under the Company’s 2016 LTIP. During the fiscal year ended March 31, 2025, 128,000 shares of restricted stock units vested and were issued.

On July 21, 2025, the Company's Board of Directors declared a dividend of $0.07 per common share. The dividend will be paid on August 18, 2025 to shareholders of record on August 8, 2025. The dividend payment is expected to be approximately $2,010,000.

Refer to the Company’s consolidated financial statements included in the 2025 Form 10-K for further information on its earnings per share and stock plans.

12. Loss Contingencies

From time to time, the Company is named a defendant in legal actions arising out of the normal course of business. The Company is not a party to any pending legal proceeding other than ordinary, routine litigation incidental to its business. The Company does not believe that any of its pending litigation will have a material impact on its business.

Accrued general and product liability costs are actuarially estimated reserves based on amounts determined from loss reports, individual cases filed with the Company, and an amount for losses incurred but not reported. The aggregate amounts of reserves were $18,804,000 (gross of estimated insurance recoveries of $6,887,000) as of June 30, 2025, of which $14,404,000 is included in Other non current liabilities and $4,400,000 in Accrued liabilities. The liability for accrued general and product liability costs are funded by investments in marketable securities (see Note 6).

The following table provides a reconciliation of the beginning and ending balances for accrued general and product liability (in thousands):

	June 30, 2025	March 31, 2025
Accrued general and product liability, beginning of period	$ 19,446	$ 19,988
Estimated insurance recoveries	(108)	(642)
Add provision for claims	975	3,776
Deduct payments for claims	(1,509)	(3,676)
Accrued general and product liability, end of period	$ 18,804	$ 19,446
Estimated insurance recoveries	(6,887)	(6,995)
Net accrued general and product liability, end of period	$ 11,917	$ 12,451

The per occurrence limits on the self-insurance for general and product liability coverage to Columbus McKinnon through CMIC, its wholly-owned captive insurance company were $2,000,000 from inception through fiscal 2003 and $3,000,000 for fiscal 2004 and thereafter. In addition to the per occurrence limits, the Company's coverage is also subject to an annual aggregate limit, applicable to losses only. These limits range from $2,000,000 to $6,000,000 for each policy year from inception through fiscal 2026. The Company also purchases excess general and product liability insurance up to an aggregate $100,000,000 limit. In fiscal 2025, the aggregate limit was $75,000,000.

Asbestos

Like many industrial manufacturers, the Company is involved in asbestos-related litigation. In continually evaluating costs relating to its estimated asbestos-related liability, the Company reviews, among other things, the incidence of past and recent claims, the historical case dismissal rate, the mix of the claimed illnesses and occupations of the plaintiffs, its recent and historical resolution of the cases, the number of cases pending against it, the status and results of broad-based settlement discussions, and the number of years such activity might continue. Based on this review, the Company has estimated its share of liability to defend and resolve probable asbestos-related personal injury claims. This estimate is highly uncertain due to the limitations of the available data and the difficulty of forecasting with any certainty the numerous variables that can affect the range of the liability. The Company will continue to study the variables in light of additional information in order to identify trends that may become evident and to assess their impact on the range of liability that is probable and estimable.

Based on actuarial information from Fiscal 2025, the Company has estimated its net asbestos-related aggregate liability including related legal costs to range between $4,300,000 and $7,900,000, net of insurance recoveries, using actuarial parameters of continued claims for a period of 38 years from June 30, 2025. The Company has estimated its asbestos-related aggregate liability that is probable and estimable, net of insurance recoveries, in accordance with U.S. generally accepted accounting principles approximates $5,889,000. The Company has reflected the liability gross of insurance recoveries of $6,887,000 as a liability in the Condensed Consolidated Balance Sheet as of June 30, 2025. The recorded liability does not consider the impact of any potential favorable federal legislation. This liability will fluctuate based on the uncertainty in the number of future claims that will be filed and the cost to resolve those claims, which may be influenced by a number of factors, including the outcome of the ongoing broad-based settlement negotiations, defensive strategies, and the cost to resolve claims outside the broad-based settlement program. Of this amount, management expects to incur asbestos liability payments of approximately $2,600,000 over the next 12 months. Because payment of the liability is likely to extend over many years, management believes that the potential additional costs for claims will not have a material effect on the financial condition of the Company or its liquidity, although the effect of any future liabilities recorded could be material to earnings in a future period.

A share of the Company's previously incurred asbestos-related expenses and future asbestos-related expenses are covered by pre-existing insurance policies. The Company had been engaged in a legal action against the insurance carriers for those policies to recover past expenses and future costs incurred. The Company came to an agreement with the insurance carriers to settle its case against them for recovery of a portion of past costs and future costs for asbestos-related legal defense costs. The agreement was finalized during the quarter ended September 30, 2020. The terms of the settlement require the carriers to pay gross defense costs prior to retro-premiums of 65% for future asbestos-related defense costs subject to an annual cap of $1,650,000 for claims covered by the settlements.

Further, the insurance carriers are expected to cover 100% of indemnity costs related to all covered cases. Estimates of the future cost sharing have been included in the loss reserve calculation as of June 30, 2025 and March 31, 2025. The Company has recorded a receivable for the estimated future cost sharing in Other assets in the Condensed Consolidated Balance Sheet at June 30, 2025 in the amount of $6,887,000, which offsets its asbestos reserves.

In addition, one of the Company's subsidiaries, Magnetek, Inc. ("Magnetek") has been named, along with multiple other defendants, in asbestos-related lawsuits associated with business operations previously acquired but which are no longer owned. During Magnetek's ownership, none of the businesses produced or sold asbestos-containing products. For such claims, Magnetek is uninsured and either contractually indemnified against liability, or contractually obligated to defend and indemnify the purchaser of these former business operations. The Company aggressively seeks dismissal from these proceedings. The asbestos-related liability including legal costs is estimated to be approximately $1,167,000 which has been reflected as a liability in the Condensed Consolidated Balance Sheet at June 30, 2025.

Product Liability

The Company is also involved in other unresolved legal actions that arise in the normal course of business. The most prevalent of these unresolved actions involve disputes related to product design, manufacture and performance liability. The Company's estimation of its product-related aggregate liability that is probable and estimable, in accordance with U.S. generally accepted accounting principles approximates $4,861,000, which has been reflected as a liability in the Condensed Consolidated Balance Sheet as of June 30, 2025. In some cases, the Company cannot reasonably estimate a range of loss because there is insufficient information regarding the matter.

In April of fiscal 2025, a trial involving a product liability claim against the Company resulted in a jury verdict demanding the Company to pay approximately $3,000,000 in damages. The Company is in the process of appealing the decision and, along with its attorneys believes it will be successful in overturning this verdict and that payment of the damages is not probable. As such, the Company has not accrued the damages as a liability in the Condensed Consolidated Balance Sheet at June 30, 2025.

Management believes that the potential additional costs for claims will not have a material effect on the financial condition of the Company or its liquidity, although the effect of any future liabilities recorded could be material to earnings in a future period.

Litigation-Other

In October 2010, Magnetek received a request for indemnification from Power-One, Inc. ("Power-One") for an Italian tax matter arising out of the sale of Magnetek's power electronics business to Power-One in October 2006. With a reservation of rights, Magnetek affirmed its obligation to indemnify Power-One for certain pre-closing taxes. The sale included an Italian company, Magnetek, S.p.A., and its wholly owned subsidiary, Magnetek Electronics (Shenzhen) Co. Ltd. (the “Power-One China Subsidiary”). The tax authority in Arezzo, Italy, issued a notice of audit report in September 2010 wherein it asserted that the Power-One China Subsidiary had its administrative headquarters in Italy and, therefore, it should be considered resident in Italy and subject to taxation in Italy. In November 2010, the tax authority issued a notice of tax assessment for the period of July 2003 to June 2004, alleging that taxes of approximately $2,200,000 (Euro 1,900,000), plus interest, were due in Italy on taxable income earned by the Power-One China Subsidiary during this period. In addition, the assessment alleges potential penalties in the amount of approximately $2,600,000 (Euro 2,200,000) for the alleged failure of the Power-One China Subsidiary to file its Italian tax return. The Power-One China Subsidiary filed its response with the provincial tax commission of Arezzo, Italy in January 2011. A hearing before the Tax Court was held in July 2012 on the tax assessment for the period of July 2003 to June 2004. In September 2012, the Tax Court ruled in favor of the Power-One China Subsidiary dismissing the tax assessment for the period of July 2003 to June 2004. In February 2013, the tax authority filed an appeal of the Tax Court's September 2012 ruling. The Regional Tax Commission of Florence heard the appeal of the tax assessment dismissal for the period of July 2003 to June 2004 and thereafter issued its ruling finding in favor of the tax authority. Magnetek believed the court’s decision was based upon erroneous interpretations of the applicable law and appealed the ruling to the Italian Supreme Court in April 2015. In April 2022, the Supreme Court upheld the appeal in favor of Power-One.

The tax authority in Arezzo, Italy also issued a tax inspection report in January 2011 for the periods July 2002 to June 2003 (fiscal period 2002/2003) and July 2004 to December 2006 (fiscal periods 2004/2005 and 2005/2006) claiming that the Power-One China Subsidiary failed to file Italian tax returns for the reported periods. In August 2012, the tax authority in Arezzo, Italy issued four notices of tax assessment for the periods July 2002 to June 2003 and July 2004 to December 2006, alleging that taxes of approximately $7,900,000 (Euro 6,700,000) were due in Italy on taxable income earned by the Power-One China Subsidiary together with an allegation of potential penalties in the amount of approximately $3,300,000 (Euro 2,800,000) for the alleged failure of the Power-One China Subsidiary to file its Italian tax returns.

On June 3, 2015, the Tax Court, ruled in favor of the Power-One China Subsidiary dismissing the tax assessments for the periods of July 2002 to June 2003 and July 2004 to December 2006. On July 27, 2015, the tax authority filed appeals of the Tax Court's ruling of June 3, 2015. In May 2016, the Regional Tax Court of Florence rejected the appeals of the tax authority and at

the same time canceled the notices of assessment for the fiscal years of 2004/2005 and 2005/2006. In December 2016, the Power-One China Subsidiary was served by the Italian Revenue Agency with two appeals to the Italian Supreme Court regarding the two positive judgments on the tax assessments for the fiscal periods 2004/2005 and 2005/2006. In February 2017 the Power-One China Subsidiary filed two memorandums before the Italian Supreme Court in response to the appeals made by the tax authority against the positive judgments on the tax assessments for fiscal years 2004/2005 and 2005/2006.

In March 2017, the Regional Tax Court of Florence rejected the appeal of the assessment for the 2006 fiscal year (period July 2006-December 2006). In October 2017, the Power-One China Subsidiary was served by the Italian Revenue Agency with an appeal to the Italian Supreme Court against the positive judgment on the tax assessment for fiscal year 2006. In November 2017 the Power-One China Subsidiary filed a memorandum before the Italian Supreme Court in response to the appeal made by the tax authority against the positive judgment on the tax assessment for fiscal year 2006. In March 2018, the Regional Tax Court of Florence rejected the appeal of the assessment for the 2002/2003 fiscal year. In October 2018 the Power-One China Subsidiary was served by the Italian Revenue Agency with an appeal to the Italian Supreme Court against the positive judgment on the tax assessment for fiscal year 2002/2003. In November 2018 the Power-One China Subsidiary filed a memorandum with the Italian Supreme Court in response to the appeal made by the tax authority. The Supreme Court upheld the appeals of the Italian Tax Authority and remitted the proceedings back to the Regional Tax Court for a new evaluation of the substance of the dispute.

In December 2022 the Power One China Subsidiary resumed the proceedings concerning the tax assessments for fiscal years 2002/2003 and 2006 before the Regional Tax Court. A hearing was held before the Regional Tax Court in April and May of 2023, in two separate decisions, the court ruled in favor of the Company. The tax authority appealed this decision on December 6, 2023, and the Company filed the relevant counter claims in January of 2024.

In March 2023 the Power One China Subsidiary resumed the proceedings concerning the tax assessments for fiscal years 2004/2005 and 2005/2006 before the Regional Tax Court. The hearing was held in February 2024 where the court upheld the assessments. The Company is appealing the judgment and expects the Supreme court to reverse the judgment of the lower court as they have previously with the 2002/2003 and 2006 assessments.

The Company believes it will be successful and does not expect to incur a liability related to these assessments.

In September of 2017, Magnetek received a request for defense and indemnification from Monsanto Company, Pharmacia, LLC, and Solutia, Inc. (collectively, “Monsanto”) with respect to: (1) lawsuits brought by plaintiffs claiming that Monsanto manufactured polychlorinated biphenyls ("PCBs"), exposure to which allegedly caused injury to plaintiffs; and (2) lawsuits brought by municipalities and municipal entities claiming that Monsanto should be responsible for a variety of damages due to the presence of PCBs in bodies of water in those municipalities and/or in water treated by those municipal entities. Monsanto claims to be entitled to defense and indemnification from Magnetek under a so-called “Special Undertaking” apparently executed by Magnetek’s predecessor Universal Manufacturing ("Universal") in January of 1972, which purportedly required Universal to defend and indemnify Monsanto from liabilities “arising out of or in connection with the receipt, purchase, possession, handling, use, sale or disposition of” PCBs by Universal.

Magnetek has declined Monsanto’s tender, and believes that it has meritorious legal and factual defenses to the demands made by Monsanto. Magnetek is vigorously defending against those demands and commenced litigation in New Jersey to, among other things, declare the Special Undertaking void and unenforceable. Monsanto has, in turn, commenced an action to enforce the Special Undertaking in Missouri and joined five additional companies as co-defendants in that Missouri action. The New Jersey action was recently dismissed in favor of the Missouri action.

Magnetek intends to continue to vigorously defend against Monsanto’s action. The Company cannot reasonably estimate a potential range of loss with respect to Monsanto’s tender because there is insufficient information regarding the underlying matters. Management believes, however, that the potential additional legal costs related to such matters will not have a material effect on the financial condition of the Company or its liquidity, although the effect of any future liabilities recorded could be material to earnings in a future period.

The Company had previously filed suit against Travelers in District Court seeking coverage under insurance policies in the name of Universal. In July 2019, the District Court ruled that Travelers is obligated to defend Magnetek under these policies in connection with Magnetek's litigation against Monsanto. The Court held that Monsanto's claims against Magnetek fall within the insuring agreement of the Travelers policies and that none of the policy exclusions precluded the possibility of coverage. The Court also held that Travelers prior settlements with other insureds under the policies did not cut off or release Magnetek's rights under the policies. Travelers moved for reconsideration which motion was denied. Travelers is currently defending the Company in its litigation with Monsanto.

The Company is also engaged in similar insurance coverage litigation against Transportation Insurance Company in the Circuit Court of Cook County, Illinois. That suit is presently stayed due to the bankruptcy of Velsicol Chemical, LLC, a third-party indemnitor of TIC and Travelers.

Environmental Matters

Along with other manufacturing companies, the Company is subject to various federal, state and local laws relating to the protection of the environment. To address the requirements of such laws, the Company has adopted a corporate environmental protection policy which provides that all of its owned or leased facilities shall, and all of its employees have the duty to, comply with all applicable environmental regulatory standards, and the Company utilizes an environmental auditing program for its facilities to ensure compliance with such regulatory standards. The Company has also established managerial responsibilities and internal communication channels for dealing with environmental compliance issues that may arise in the course of its business. Because of the complexity and changing nature of environmental regulatory standards, it is possible that situations will arise from time to time requiring the Company to incur expenditures in order to ensure environmental regulatory compliance. However, the Company is not aware of any environmental condition or any operation at any of its facilities, either individually or in the aggregate, which would cause expenditures having a material adverse effect on its results of operations, financial condition or cash flows and, accordingly, has not budgeted any material capital expenditures for environmental compliance for fiscal 2026.

In 1986, Magnetek acquired the stock of Universal Manufacturing Corporation ("Universal") from a predecessor of Fruit of the Loom ("FOL"), and the predecessor agreed to indemnify Magnetek against certain environmental liabilities arising from pre-acquisition activities at a facility in Bridgeport, Connecticut. Environmental liabilities covered by the indemnification agreement included completion of additional cleanup activities, if any, at the Bridgeport facility and defense and indemnification against liability for potential response costs related to offsite disposal locations. Magnetek's leasehold interest in the Bridgeport facility was assigned to the buyer in connection with the sale of Magnetek's transformer business in June 2001. FOL, the successor to the indemnification obligation, filed a petition for Reorganization under Chapter 11 of the Bankruptcy Code in 1999 and Magnetek filed a proof of claim in the proceeding for obligations related to the environmental indemnification agreement. Magnetek believes that FOL had substantially completed the clean-up obligations required by the indemnification agreement prior to the bankruptcy filing. In November 2001, Magnetek and FOL entered into an agreement involving the allocation of certain potential tax benefits and Magnetek withdrew its claims in the bankruptcy proceeding. Magnetek further believes that FOL's obligation to the state of Connecticut was not discharged in the reorganization proceeding.

In January 2007, the Connecticut Department of Environmental Protection ("DEP") requested parties, including Magnetek, to submit reports summarizing the investigations and remediation performed to date at the site and the proposed additional investigations and remediation necessary to complete those actions at the site. DEP requested additional information relating to site investigations and remediation. Magnetek and the DEP agreed to the scope of the work plan in November 2010. The Company has recorded a liability of $550,000 included in the amount specified above, related to the Bridgeport facility, representing the best estimate of future site investigation costs and remediation costs which are expected to be incurred in the future.

For all of the currently known environmental matters, the Company has amounts accrued as of June 30, 2025 which, in our opinion, are sufficient to deal with such matters. The Company is not aware of any environmental condition or any operation at any of its facilities, either individually or in the aggregate, which would cause expenditures to have a material adverse effect on its results of operations, financial condition or cash flows and, accordingly, has not budgeted any material capital expenditures for environmental compliance for fiscal 2026.

13. Income Taxes

The Company recorded an income tax expense of $260,000 for the three months ended June 30, 2025, and income tax expense of $3,421,000 for the three months ended June 30, 2024. Income tax as a percentage of pre-tax income (loss) was (16)% in the three months ended June 30, 2025. Income tax as a percentage of pre-tax income (loss) was 28% in the three months ended June 30, 2024. Typically these percentages vary from the U.S. statutory rate of 21% primarily due to varying statutory tax rates at the Company's foreign subsidiaries, and the jurisdictional mix of income for these subsidiaries. Additionally, during the three months ended June 30, 2025 and June 30, 2024, the impact of equity compensation increased income tax expense.

The Company estimates that the effective tax rate related to continuing operations will be approximately 25% for fiscal 2026.

On July 4, 2025, the United States Congress passed budget reconciliation bill H.R.1, also known as "One Big Beautiful Bill Act" (OBBBA), with many of its provisions taking effect during the Company's 2026 fiscal year. The OBBBA had no impact on the calculation of taxes for the period ending June 30, 2025. For fiscal 2026, the Company expects to be impacted by the enacted changes to the interest limitation calculation as well as the enacted changes related to the capitalization of research and development expenditures. The Company does not expect a material impact to its tax rate as a result of the OBBBA for fiscal year 2026 but continues to evaluate developing guidance.

Refer to the Company's consolidated financial statements included in the 2025 Form 10-K for further information on income taxes.

14. Changes in Accumulated Other Comprehensive Loss

Changes in AOCL by component for the three months ended June 30, 2025 are as follows (in thousands):

	Three months ended June 30, 2025			
	Retirement Obligations	**Foreign Currency**	**Change in Derivatives Qualifying as Hedges**	**Total**
Beginning balance net of tax	$ 14,760	$ (33,942)	$ (1,919)	$ (21,101)
Other comprehensive income (loss) before reclassification	927	29,786	(4,949)	25,764
Amounts reclassified from other comprehensive loss	(202)	—	4,035	3,833
Net current period other comprehensive income (loss)	725	29,786	(914)	29,597
Ending balance net of tax	$ 15,485	$ (4,156)	$ (2,833)	$ 8,496

Details of amounts reclassified out of AOCL for the three months ended June 30, 2025 are as follows (in thousands):

Details of AOCL Components	Amount reclassified from AOCL	Affected line item on Condensed Consolidated Statement of Operations
Net amortization of prior service cost and pension settlement expense		
	$ (288)	
	(288)	Total before tax
	86	Tax (benefit) expense
	$ (202)	Net of tax
Change in derivatives qualifying as hedges		
	$ 7	Cost of products sold
	(550)	Interest expense
	5,917	Foreign currency
	5,374	Total before tax
	(1,339)	Tax (benefit) expense
	$ 4,035	Net of tax

These AOCL components are included in the computation of net periodic pension cost. (See Note 10 for additional details.)

15. Leases

The Company's lease arrangements generally include real estate (manufacturing facilities, sales offices, distribution centers, warehouses), vehicles, and equipment. Leases with a term greater than one year are recognized on the Consolidated Balance

Sheet; the Company has elected not to recognize leases with terms of one year or less on the Consolidated Balance Sheet. Lease obligations and their corresponding Right of Use (ROU) assets are recorded based on the present value of lease payments over the expected lease term. The Company recognizes lease expense on a straight-line basis over the lease term.

The Company's leases have lease terms ranging from 1 to 23 years, some of which include options to extend or terminate the lease. The exercise of lease renewal options is at the Company's sole discretion. When deemed reasonably certain of exercise, the renewal options are included in the determination of the lease term. The Company's lease agreements do not contain material residual value guarantees or any material restrictive covenants.

The following table illustrates the lease-related assets and liabilities recorded on the Condensed Consolidated Balance Sheet (in thousands):

	June 30, 2025	March 31, 2025
Operating leases:		
Other assets	$ 58,700	$ 59,506
Accrued liabilities	10,539	9,961
Other non current liabilities	58,330	59,735
Total operating liabilities	$ 68,869	$ 69,696
Finance lease:		
Net property, plant, and equipment	$ 10,344	$ 10,595
Current portion of long-term debt and finance lease obligation	757	739
Term loan, AR securitization facility and finance lease obligations	11,335	11,528
Total finance liabilities	$ 12,092	$ 12,267

Operating lease expense of $3,608,000 and $3,704,000 for three months ended June 30, 2025 and June 30, 2024, respectively, is included in Income from operations on the Condensed Consolidated Statements of Operations. Short-term lease expense, sublease income, and variable lease expenses were not material for the three months ended June 30, 2025 and June 30, 2024, respectively. Finance lease expense of $250,000 for the three months ended June 30, 2025 and June 30, 2024 is included in Income from operations on the Condensed Consolidated Statements of Operations. Interest and debt expense related to the finance lease of $136,000 and $144,000 is included the Company's Condensed Consolidated Statements of Operations for the three months ended June 30, 2025 and June 30, 2024, respectively.

Supplemental cash flow information related to leases is as follows (in thousands):

	Three Months Ended June 30,	
	2025	2024
Cash paid for amounts included in the measurement of operating lease liabilities	$ 3,657	$ 3,023
Cash paid for amounts included in the measurement of finance lease liabilities	$ 311	$ 302
ROU assets obtained in exchange for new operating lease liabilities	$ 149	$ 5,929

16. Business Segment Information

ASC Topic 280, "Segment Reporting," establishes the standards for reporting information about operating segments in financial statements. The Company has one operating and reportable segment for both internal and external reporting purposes.

The Company's Chief Executive Officer ("CEO"), who is its chief operating decision maker ("CODM"), evaluates the performance of the Company's operating segment based on Income from operations. The CODM reviews budget-to-actual variances and year over year performance when making operating decisions to allocate resources to the segment.

The significant segment expenses that are regularly provided on a quarterly basis to CODM are cost of products sold, research and development expenses, selling expenses, general and administrative expenses and amortization of intangibles, which are

presented on the face of the Company's Condensed Consolidated Statements of Operations and included in the calculation of Operating income.

17. Effects of New Accounting Pronouncements

Topics Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. This ASU will improve disclosures about a public business entity's expenses and address requests from investors for more detailed information about the types of expenses commonly presented within the expense caption on the Company's Statement of Operations. The new guidance is effective for annual periods beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027. The Company believes the adoption of this standard will result in additional disclosures, but will not have an overall material impact to the financial statements.

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The ASU is intended to provide increased transparency about income tax information through improvements to income tax disclosures related to the rate reconciliation and income taxes paid. The Company believes the adoption of this standard will result in additional disclosures in its Fiscal 2026 10K, but will not have an overall material impact to the financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Executive Overview

The Company is a leading worldwide designer, manufacturer and marketer of intelligent motion solutions, including motion control products, technologies, automated systems and services, that efficiently and ergonomically move, lift, position and secure materials. Our key products include hoists, crane components, precision conveyors, actuators, rigging tools, light rail workstations, and digital power and motion control systems. These are highly relevant, professional-grade solutions that solve customers' critical material handling requirements.

Founded in 1875, we have grown to our current size and leadership position through organic growth and acquisitions. We developed our leading market position over our 150-year history by emphasizing technological innovation, manufacturing excellence and superior customer service. In accordance with our strategic framework, we are building out our business system (CMBS) and growth framework to be market-led, customer-centric, and operationally excellent with our people and values at the core. We believe this will transform Columbus McKinnon into a top-tier Intelligent Motion Solutions company. We expect our strategy will enhance shareholder value by expanding EBITDA margins and return on invested capital ("ROIC").

Our revenue base is geographically diverse with approximately 43% of net sales derived from customers outside the U.S. for the three months ended June 30, 2025. We believe this diversity balances the impact of changes that occur in local economies, as well as benefits the Company by providing access to growing emerging markets. We monitor both U.S. and Eurozone Industrial Capacity Utilization statistics as well as the ISM Production Index as indicators of anticipated demand for our products. In addition, we continue to monitor the potential impact of other global and U.S. trends including, industrial production, trade tariffs, raw material cost inflation, interest rates, foreign currency exchange rates, and activity of end-user markets around the globe.

From a strategic perspective, we are investing in new products and channels as we focus on our greatest opportunities for growth. We have leading market positions in hoists, lifting and sling chain, forged attachments, actuators, precision conveyors and digital power and motion control systems for the material handling industry. We are focusing our sales and marketing activities toward select North American and global market sectors including general industrial, energy, automotive, heavy OEM, entertainment, construction and infrastructure, life sciences food and beverage, e-commerce and consumer products.

In fiscal 2024, the Company completed its acquisition of montratec GmbH ("montratec"), a leading automation solutions company that designs and develops intelligent automation and transport systems for interlinking industrial production and logistics processes. montratec product offerings compliment the previous acquisitions of both Dorner and Garvey, and these acquisitions are collectively expected to accelerate the Company's shift to intelligent motion solutions and serve as a platform to expand capabilities in advanced, higher technology automation solutions.

Regardless of the economic climate and point in the economic cycle, we constantly explore ways to increase operating margins as well as further improve our productivity and competitiveness. We have specific initiatives to reduce lead-times, improve on-time deliveries, reduce warranty costs, and improve material and factory productivity. The initiatives are being driven by the implementation of our business operating system, CMBS. We are working to achieve these strategic initiatives through business simplification, operational excellence, and profitable growth initiatives. We believe these initiatives will enhance future operating margins.

Our principal raw materials and components purchases were approximately $375 million in fiscal 2025 (or 59% of Cost of product sold) and include steel, consisting of rod, wire, bar, structural, and other forms of steel; electric motors; bearings; gear reducers; castings; steel and aluminum enclosures and wire harnesses; electro-mechanical components; and standard variable drives and controls. These commodities are all available from multiple sources. We purchase most of these raw materials and components from a limited number of strategic and preferred suppliers under agreements which are negotiated on a company-wide basis through our global purchasing group. Currently, as a result of global inflation and tariffs, we are experiencing higher raw material costs and availability issues for select raw materials and components. To date, we have raised prices to our customers to cover these increased raw material costs and are working with our supply base to prioritize shipments and improve availability of key components.

We operate in a highly competitive and global business environment. We see a variety of opportunities in our markets and geographies, including trends toward automation and increasing labor productivity and the expansion of market opportunities in Asia and other emerging markets. While we execute our long-term growth strategy, we are supported by our strong free cash flow as well as our liquidity position and flexible debt structure.

On February 10, 2025, the Company announced that it had entered into a definitive agreement to acquire all of the issued and outstanding equity of Kito Crosby. The Kito Acquisition's closing is subject to certain conditions, including regulatory approval as required by the HSR Act and other customary closing conditions described in the Stock Purchase Agreement entered into by the Company and Kito Crosby in connection with the Kito Acquisition. The Kito Acquisition is expected to meaningfully improve the Company's scale, enhance our collective geographic reach, significantly expand our lifting securement and consumables portfolio and enhance our customer value proposition.

With global engineering, manufacturing, distribution, and operations, Kito Crosby provides a broad range of products and solutions for the most demanding applications. Kito Crosby's people, products, solutions, and service have innovated the lifting and securement industry throughout its long history. Kito Crosby's iconic brands include Kito, Crosby, Harrington, Gunnebo Industries, and Peerless. We expect that the Kito Acquisition will strengthen our core lifting business and further the Company's position as a leading worldwide, designer, manufacturer and marketer of intelligent motion solutions that move the world forward and improve lives by efficiently and ergonomically moving, lifting, positioning and securing materials. The Company anticipates the Kito Acquisition to close during fiscal 2026.

Results of Operations

Three months ended June 30, 2025 and June 30, 2024

Net sales in the three months ended June 30, 2025 were $235,920,000, a decrease of $3,806,000 or 1.6% from the three months ended June 30, 2024 net sales of $239,726,000. Net sales were positively impacted by $2,443,000 due to price increases, offset by $9,375,000 of unfavorable sales volume. Foreign currency translation favorably impacted sales by $3,126,000 for the three months ended June 30, 2025.

Gross profit in the three months ended June 30, 2025 was $77,222,000, a decrease of $11,808,000 or 13.3% from the three months ended June 30, 2024 gross profit of $89,030,000. Gross profit margin was 32.7% in the fiscal 2026 first quarter compared to 37.1% in the fiscal 2025 first quarter. Lower sales volume and unfavorable mix reduced gross profit by $5,437,000. In addition, gross profit was reduced $993,000 by net business realignment costs, $425,000 by factory consolidation activities, and $276,000 due to an increase in start-up costs related to the Monterrey, Mexico facility. Material inflation and other manufacturing cost changes net of price increases further contributed to a reduction in gross profit of $5,709,000. The translation of foreign currencies had an favorable impact on gross profit of $1,032,000 during the three months ended June 30, 2025.

Selling expenses were $28,531,000 and $27,770,000, or 12.1% and 11.6% of net sales, in the fiscal 2026 and 2025 first quarters, respectively. Foreign currency translation had a $607,000 unfavorable impact on selling expenses in the three months ended June 30, 2025.

General and administrative expenses were $30,743,000 and $26,447,000, or 13.0% and 11.0% of net sales, in both the three months ended June 30, 2025 and June 30, 2024, respectively. General and administrative expenses increased $8,103,000 as a result of Kito Acquisition related expenses offset by lower employee salary and benefit costs of $2,900,000. Foreign currency translation had a unfavorable impact of $189,000 on general and administrative expenses in the three months ended June 30, 2025.

Research and development expenses were $4,821,000 and $6,166,000, or 2.0% and 2.6% of net sales, in both the fiscal 2026 and 2025 first quarter, respectively. The reduction in researching and development expenses is primarily related to reduced labor and benefit costs.

Amortization of intangibles was $7,635,000 and $7,500,000 in the fiscal 2026 and 2025 first quarters, respectively, with the fluctuations related to foreign currency during the respective periods.

Interest and debt expense was $8,698,000 in the first quarter ended June 30, 2025 compared to $8,235,000 in the first quarter ended June 30, 2024. The increase is the result of increasing variable interest rates year over year due to the expiration of a favorable interest rate swap that expired in February 2025.

Investment income was $1,049,000 in the third quarter ended June 30, 2025 compared to $209,000 in the first quarter ended and June 30, 2024. Investment income relates to the mark-to-market adjustments on the marketable securities held in the Company’s wholly owned captive insurance subsidiary and the Company's equity method investment in EMC, described in Note 6 of the financial statements.

Income tax expense as a percentage of the pre-tax loss was 16% and income tax as a percentage of the pre-tax income was 28% in the first quarters ended June 30, 2025 and June 30, 2024, respectively. Typically, these percentages vary from the U.S. statutory rate of 21% primarily due to varying statutory tax rates at the Company's foreign subsidiaries, and the jurisdictional mix of income for these subsidiaries. During the three months ended June 30, 2025, the impact of equity compensation increased income tax expense.

Liquidity and Capital Resources

Cash, cash equivalents, and restricted cash totaled $28,972,000 at June 30, 2025, a decrease of $24,961,000 from the March 31, 2025 balance of $53,933,000.

Cash flow from operating activities

Net cash used for operating activities was $18,153,000 for the three months ended June 30, 2025 compared to $10,758,000 for the three months ended June 30, 2024. Net loss of $1,898,000 offset by non-cash adjustments of $12,103,000 contributed to cash inflows from operations. The non-cash adjustments included $12,266,000 of depreciation and amortization, $4,669,000 of a deferred tax benefit, $2,412,000 of non-cash lease expense, and $1,842,000 of stock-based compensation. These inflows were offset by changes in working capital which reduced cash from operations by $26,703,000 as a result of an increase of $9,661,000 in inventories, an increase in prepaid expenses and other current assets of $3,015,000, a decrease of $8,203,000 in trade payables, and an increase in trade accounts receivable of $8,726,000, offset by an increase in accrued expenses of $2,902,000. The increase in inventories relates to purchases made in advance of future tariffs. Cash used for operations also included a decrease of $2,413,000 in other non-current liabilities primarily due to lease payments for the three months ended June 30, 2025.

Cash flow from investing activities

Net cash used for investing activities was $3,217,000 for the three months ended June 30, 2025 compared to $4,041,000 for the three months ended June 30, 2024. The use of cash for the three months ended June 30, 2025 primarily consisted of $3,202,000 in capital expenditures.

Cash flow from financing activities

Net cash used for financing activities was $977,000 and $30,583,000 for the three months ended June 30, 2025 and June 30, 2024, respectively. The most significant use of cash in fiscal 2026 was for $2,003,000 in dividend payments. Cash flows from hedging activities related to the Company's cross currency swap are classified as financing activities in the Statement of Cash Flows which resulted in a net cash outflow of $443,000 during the three months ended June 30, 2025. These outflows were offset by additional borrowing on debt of $2,225,000.

We believe that our cash on hand, cash flows, and borrowing capacity under our Amended and Restated Revolving Credit Facility will be sufficient to fund our ongoing operations and debt obligations, and capital expenditures for at least the next twelve months. This belief is dependent upon successful execution of our current business plan and effective working capital utilization. No material restrictions exist in accessing cash held by our non-U.S. subsidiaries. We expect to meet our funding needs with cash provided by our U.S. operations, as well as by repatriating non-U.S. cash. We do not expect to incur significant incremental U.S. taxes as we repatriate funds. As of June 30, 2025, $26,517,000 of cash and cash equivalents were held by foreign subsidiaries.

Refer to Note 9 for further discussion of the Company's long-term debt and financing costs.

Capital Expenditures

In addition to keeping our current equipment and plants properly maintained, we are committed to replacing, enhancing and upgrading our property, plant and equipment to support new product development, improve productivity and customer responsiveness, reduce production costs, increase flexibility to respond effectively to market fluctuations and changes, meet environmental requirements, enhance safety and promote ergonomically correct work stations. Consolidated capital expenditures for the three months ended June 30, 2025 and June 30, 2024 were $3,202,000 and $4,629,000, respectively. We expect capital expenditure spending in fiscal 2026 to range from $20,000,000 to $25,000,000.

Inflation and Other Market Conditions

Our costs are affected by inflation in the U.S. economy and, to a lesser extent, in non-U.S. economies including those of Europe, Canada, Mexico, South America, and Asia-Pacific. We do not believe that general inflation has had a material effect on our results of operations over the periods presented despite rising inflation due to our ability to pass on rising costs through price increases. We are currently experiencing higher raw material costs as a result of tariffs, which we expect to recover with pricing actions. In the future, we may not be able to pass on these cost increases to our customers.

Goodwill Impairment Testing

We test goodwill for impairment at least annually and more frequently whenever events occur or circumstances change that indicate there may be impairment. These events or circumstances could include a significant long-term adverse change in the business climate, poor indicators of operating performance, or a sale or disposition of a significant portion of a reporting unit.

We test goodwill at the reporting unit level, which is one level below our operating segment. We identify our reporting units by assessing whether the components of our operating segment constitute businesses for which discrete financial information is available and segment management regularly reviews the operating results of those components. We also aggregate components that have similar economic characteristics into single reporting units (for example, similar products and / or services, similar long-term financial results, product processes, classes of customers, etc.). We have three reporting units: the Linear Motion Products reporting unit, the Rest of Products reporting unit, and the Precision Conveyance reporting unit, which have goodwill totaling $9,699,000, $320,697,000, and $402,017,000, respectively, as of June 30, 2025.

We currently do not believe that it is more likely than not that the fair value of any of our reporting units is less than its applicable carrying value. Additionally, we currently do not believe that we have any significant impairment indicators. However, if the projected long-term revenue growth rates, profit margins, or terminal growth rates are significantly lower, and/or the estimated weighted-average cost of capital is higher, future testing may indicate impairment of one or more of the Company's reporting units and, as a result, the related goodwill may be impaired.

Refer to our 2025 Form 10-K for additional information regarding our annual goodwill impairment process.

Seasonality and Quarterly Results

Quarterly results may be materially affected by the timing of large customer orders, periods of high vacation and holiday concentrations, legal settlements, gains or losses in our portfolio of marketable securities, restructuring charges, favorable or unfavorable foreign currency translation, divestitures and acquisitions. Therefore, the operating results for any particular fiscal quarter are not necessarily indicative of results for any subsequent fiscal quarter or for the full fiscal year.

Effects of New Accounting Pronouncements

Information regarding the effects of new accounting pronouncements is included in Note 16 to the accompanying consolidated financial statements included in this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes in the market risks as previously disclosed in the 2025 Form 10-K.

Item 4. Controls and Procedures.

As of June 30, 2025, an evaluation was performed under the supervision and with the participation of the Company's management, including our Chief Executive Officer (the Company's principal executive officer) and Chief Financial Officer (the Company's principal financial officer), of the effectiveness of the design and operation of the Company's disclosure controls and procedures. These disclosure controls and procedures have been designed to provide reasonable assurance that information required to be disclosed in reports filed or submitted under the Exchange Act is made known to them on a timely basis, and that such information is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Based on that evaluation, the Company's management, including our Chief Executive Officer and Chief Financial Officer, concluded that the Company's disclosure controls and procedures were effective as of June 30, 2025.

There have been no other changes in the Company's internal control over financial reporting during the most recent quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

Item 1. Legal Proceedings.

There have been no material developments from the legal proceedings as previously disclosed in the 2025 Form 10-K and the notes to the consolidated financial statements thereto.

Item 1A. Risk Factors.
There have been no material changes from the risk factors as previously disclosed in the 2025 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following table presents information with respect to purchase of common stock of the Company made during the three months ended June 30, 2025 by the Company:

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased under the Plans or Programs (in thousands)[1]
April 1 - 30, 2025	—	$ —	—	$ —
May 1 - 31, 2025	—	$ —	—	$ —
June 1 - 30, 2025	—	$ —	—	$ —
Total	—	$ —	—	$ 9,055

[1]The Company publicly announced on March 26, 2019 that its Board of Directors approved a share repurchase authorization for up to $20 million of shares of common stock of Columbus McKinnon Corporation, with no expiration. As of June 30, 2025, approximately $9 million remains available to repurchase shares of common stock under the current share repurchase authorization plan.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.
Not applicable

Item 5. Other Information.

(c) During the three months ended June 30, 2025, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits.

Exhibit 31.1*	Certification of principal executive officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934; as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 31.2*	Certification of principal financial officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934; as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 32**	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 101*	The financial statements from the Company's Quarterly Report on Form 10-Q for the three months ended June 30, 2025 formatted in Inline XBRL.
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
Exhibit 104*	Cover Page Interactive Data File (the cover page Inline XBRL tags are embedded within the Inline XBRL document)

* Filed herewith
** Furnished herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COLUMBUS McKINNON CORPORATION
(Registrant)

Date: July 30, 2025

/S/ GREGORY P. RUSTOWICZ
Gregory P. Rustowicz
Executive Vice President Finance and Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)