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 September 30, 2026**
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 October 30, 2026 was: 28,926,568 shares.

**FORM 10-Q INDEX**
**COLUMBUS McKINNON CORPORATION**
**For the quarterly period ended September 30, 2026**


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**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 Crosby Acquisition (as defined herein), strategies, plans for enhancing shareholder value, pending acquisitions, our expected amount of capital expenditures for fiscal 2027, the amount of future dividend payments in fiscal 2027 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 Crosby Acquisition;
- our ability to successfully transition operations of the divestiture of the legacy Columbus McKinnon U.S. power chain hoist and chain operations;
- 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 2026 Credit Agreement and our Senior Secured Notes Indenture (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;
- 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;
- the volatility of our common stock; and
- the CD&R Investor's (as defined below) interest in and influence over us may diverge from, or even conflict with, interests of the holders of our common stock, and the reduction in the relative voting power of holders of our common stock resulting from the issuance of Preferred Shares (as defined below).

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 ("SEC") 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**

| | September 30, 2026 | March 31, 2026 |
|---|---|---|
| | (unaudited) | |
| **ASSETS:** | **(In thousands)** | |
| Current assets: | | |
| Cash and cash equivalents | $ 110,900 | $ 96,562 |
| Trade accounts receivable, less allowance for credit losses ($10,337 and $7,200, respectively) | 384,378 | 380,198 |
| Inventories | 567,549 | 609,030 |
| Prepaid expenses and other | 103,137 | 95,071 |
| Total current assets | 1,165,964 | 1,180,861 |
| Property, plant, and equipment, net | 522,491 | 408,508 |
| Goodwill | 1,378,126 | 1,408,640 |
| Other intangibles, net | 1,442,987 | 1,609,662 |
| Marketable securities | 9,777 | 10,223 |
| Deferred taxes on income | 1,621 | 2,064 |
| Other assets | 157,593 | 164,745 |
| Total assets | $ 4,678,559 | $ 4,784,703 |
| | | |
| **LIABILITIES AND SHAREHOLDERS' EQUITY:** | | |
| Current liabilities: | | |
| Trade accounts payable | $ 151,593 | $ 168,907 |
| Accrued liabilities | 244,363 | 249,009 |
| Current portion of long-term debt and finance lease obligations | 150,000 | 166,418 |
| Total current liabilities | 545,956 | 584,334 |
| Term loan, Senior Secured Notes, AR securitization facility and finance lease obligations | 2,262,308 | 2,226,589 |
| Other non-current liabilities | 532,373 | 525,151 |
| Total liabilities | 3,340,637 | 3,336,074 |
| Shareholders' equity: | | |
| Preferred stock: 1,000,000 preferred shares authorized and 800,000 preferred shares outstanding for both periods | 818,403 | 789,845 |
| Voting common stock; 100,000,000 shares authorized; 28,924,278 and 28,747,733 shares issued and outstanding | 289 | 287 |
| Treasury stock | (11,000) | (11,000) |
| Additional paid-in capital | 546,918 | 540,536 |
| Retained earnings (deficit) | (8,399) | 135,807 |
| Accumulated other comprehensive income (loss) | (7,554) | (6,748) |
| Equity attributable to shareholders of the Company | 1,338,657 | 1,448,727 |
| Noncontrolling interest | (735) | (98) |
| Total shareholders' equity | 1,337,922 | 1,448,629 |
| Total liabilities and shareholders' equity | $ 4,678,559 | $ 4,784,703 |

*See accompanying notes.*

**COLUMBUS McKINNON CORPORATION**
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**
**(UNAUDITED)**

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | September 30, 2026 | September 30, 2025 | September 30, 2026 | September 30, 2025 |
| | (In thousands, except per share data) | | | |
| Net sales | $ 539,285 | $ 261,047 | $ 1,070,746 | $ 496,967 |
| Cost of products sold | 351,376 | 170,887 | 736,568 | 329,585 |
| Gross profit | 187,909 | 90,160 | 334,178 | 167,382 |
| | | | | |
| Selling expenses | 52,375 | 29,122 | 107,064 | 57,653 |
| General and administrative expenses | 61,749 | 36,386 | 127,111 | 67,129 |
| Research and development expenses | 8,069 | 4,781 | 16,610 | 9,602 |
| Net loss (gain) on sales of businesses | 709 | — | 1,275 | — |
| Amortization of other intangibles | 29,964 | 7,683 | 64,772 | 15,318 |
| | 152,866 | 77,972 | 316,832 | 149,702 |
| | | | | |
| Income (loss) from operations | 35,043 | 12,188 | 17,346 | 17,680 |
| Interest and debt expense | 48,050 | 8,747 | 95,660 | 17,445 |
| Cost of debt repricing | 1,056 | — | 1,056 | — |
| Investment (income) loss | 129 | (521) | (1,563) | (1,570) |
| Foreign currency exchange (gain) loss | (2,947) | 754 | 1,076 | 412 |
| Other (income) expense, net | (1,368) | 59 | (1,617) | (118) |
| Income (loss) before income tax expense (benefit) | (9,877) | 3,149 | (77,266) | 1,511 |
| Income tax expense (benefit) | 15,315 | (1,446) | 36,359 | (1,186) |
| Net income (loss) | $ (25,192) | $ 4,595 | $ (113,625) | $ 2,697 |
| Net income (loss) attributable to noncontrolling interest | $ 341 | $ — | $ 637 | $ — |
| Net income (loss) attributable to the Company | $ (25,533) | $ 4,595 | $ (114,262) | $ 2,697 |
| | | | | |
| Weighted average basic shares outstanding | 28,900 | 28,726 | 28,847 | 28,692 |
| Weighted average diluted shares outstanding | 28,900 | 28,874 | 28,847 | 28,841 |
| | | | | |
| Basic income (loss) per share: | $ (0.76) | $ 0.16 | $ (2.80) | $ 0.09 |
| | | | | |
| Diluted income (loss) per share: | $ (0.76) | $ 0.16 | $ (2.80) | $ 0.09 |
| | | | | |
| Dividends declared per common share | $ 0.07 | $ 0.07 | $ 0.07 | $ 0.07 |

*See accompanying notes.*

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

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | September 30, 2026 | September 30, 2025 | September 30, 2026 | September 30, 2025 |
| | (In thousands) | | (In thousands) | |
| Net income (loss) attributable to the Company | $ (25,533) | $ 4,595 | $ (114,262) | $ 2,697 |
| Other comprehensive income (loss), net of tax: | | | | |
| Foreign currency translation adjustments | (19,671) | (1,467) | (20,706) | 28,319 |
| Change in derivatives qualifying as hedges, net of taxes of $(4,639) ,$40, $(6,511) , and $343, respectively | 14,312 | (121) | 20,111 | (1,035) |
| Change in pension liability and postretirement obligations, net of taxes of $24, $17, $74 and $(291), respectively | (68) | (41) | (211) | 684 |
| Total other comprehensive income (loss) | (5,427) | (1,629) | (806) | 27,968 |
| Comprehensive income (loss) | $ (30,960) | $ 2,966 | $ (115,068) | $ 30,665 |

*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) | Preferred Stock ($1.00 par value) | Treasury Stock | Additional Paid in Capital | Retained Earnings (Deficit) | Accumulated Other Comprehensive Income (Loss) | CMCO Shareholders' Equity | Noncontrolling Interests | Total Shareholders' Equity |
| Balance at March 31, 2026 | $ 287 | $ 789,845 | $ (11,000) | $ 540,536 | $ 135,807 | $ (6,748) | $ 1,448,727 | $ (98) | $ 1,448,629 |
| Net income (loss) attributable to the Company | — | — | — | — | (88,433) | — | (88,433) | (296) | (88,729) |
| Change in foreign currency translation adjustment | — | — | — | — | | (1,035) | (1,035) | — | (1,035) |
| Change in derivatives qualifying as hedges, net of tax of $(1,872) | — | — | — | — | — | 5,799 | 5,799 | — | 5,799 |
| Change in pension liability and postretirement obligations, net of tax of $50 | — | — | — | — | — | (143) | (143) | — | (143) |
| Stock -based compensation expense | — | — | — | 2,696 | — | — | 2,696 | — | 2,696 |
| Preferred Stock dividend | — | 14,155 | — | | (14,155) | — | — — | — | — |
| Restricted stock units released, 86,010 shares, net of shares withheld for minimum statutory tax obligation | 1 | — | — | (569) | — | — | (568) | — | (568) |
| Balance at June 30, 2026 | $ 288 | $ 804,000 | $ (11,000) | $ 542,663 | $ 33,219 | $ (2,127) | $ 1,367,043 | $ (394) | $ 1,366,649 |
| Net income (loss) attributable to the Company | — | — | — | — | (25,192) | — | (25,192) | (341) | (25,533) |
| Dividends declared | — | — | — | — | (2,023) | — | (2,023) | — | (2,023) |
| Change in foreign currency translation adjustment | — | — | — | — | — | (19,671) | (19,671) | — | (19,671) |
| Change in derivatives qualifying as hedges, net of tax of $(4,639) | — | — | — | — | — | 14,312 | 14,312 | — | 14,312 |
| Change in pension liability and postretirement obligations, net of tax of $24 | — | — | — | — | — | (68) | (68) | — | (68) |
| Stock-based compensation expense - directors | — | — | — | 796 | — | — | 796 | — | 796 |
| Stock options exercised, 12,000 shares | — | — | — | 229 | — | — | 229 | — | 229 |
| Stock-based compensation expense | — | — | — | 3,579 | — | — | 3,579 | — | 3,579 |
| Preferred Stock dividend | — | 14,403 | — | — | (14,403) | — | — | — | — |
| Restricted stock units released, 78,535 shares, net of shares withheld for minimum statutory tax obligation | 1 | — | — | (349) | — | — | (348) | — | (348) |
| Balance at September 30, 2026 | $ 289 | $ 818,403 | $ (11,000) | $ 546,918 | $ (8,399) | $ (7,554) | $ 1,338,657 | $ (735) | $ 1,337,922 |

*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) attributable to the Company | — | — | — | (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-based 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 |
| Net income (loss) attributable to the Company | — | — | — | 4,595 | — | 4,595 |
| Dividends declared | — | — | — | (2,015) | — | (2,015) |
| Change in foreign currency translation adjustment | — | — | — | — | (1,467) | (1,467) |
| Change in derivatives qualifying as hedges, net of tax of $40 | — | — | — | — | (121) | (121) |
| Change in pension liability and postretirement obligations, net of tax of $17 | — | — | — | — | (41) | (41) |
| Stock-based compensation expense - directors | — | — | 512 | — | — | 512 |
| Stock-based compensation expense | — | — | 2,272 | — | — | 2,272 |
| Restricted stock units released, 38,133 shares, net of shares withheld for minimum statutory tax obligation | — | — | (30) | — | — | (30) |
| Balance at September 30, 2025 | $ 287 | $ (11,000) | $ 535,592 | $ 382,842 | $ 6,867 | $ 914,588 |

*See accompanying notes.*

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

| | Six Months Ended | |
|---|---|---|
| | September 30, 2026 | September 30, 2025 |
| **OPERATING ACTIVITIES:** | (In thousands) | |
| Net income (loss) attributable to the Company | $ (114,262) | $ 2,697 |
| Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities: | | |
| Depreciation and amortization | 104,138 | 24,485 |
| Deferred income taxes and related valuation allowance | 1,724 | (7,940) |
| Net loss (gain) on sale of investments and other | (881) | (1,232) |
| Stock-based and other compensation | 8,447 | 4,626 |
| Amortization of deferred financing costs | 5,048 | 1,222 |
| Loss (gain) on hedging instruments | 541 | 906 |
| Loss on sales, disposals, and impairments of fixed assets | — | 207 |
| Cost of debt repricing | 1,056 | — |
| Non-cash lease expense | 8,867 | 4,820 |
| Changes in operating assets and liabilities: | | |
| Trade accounts receivable | (5,129) | (8,570) |
| Inventories | 45,375 | (11,256) |
| Prepaid expenses and other | (8,185) | (6,077) |
| Other assets | 9,304 | 1,431 |
| Trade accounts payable | (18,251) | 1,415 |
| Accrued liabilities | (6,203) | (127) |
| Non-current liabilities | (10,524) | (6,359) |
| Net cash provided by (used for) operating activities | 21,065 | 248 |
| | | |
| **INVESTING ACTIVITIES:** | | |
| Proceeds from sales of marketable securities | 2,914 | 2,139 |
| Purchases of marketable securities | (2,516) | (1,961) |
| Capital expenditures | (16,464) | (6,523) |
| Net cash provided by (used for) investing activities | (16,066) | (6,345) |
| | | |
| **FINANCING ACTIVITIES:** | | |
| Proceeds from the issuance of common stock | 227 | — |
| Borrowing / (Repayment) of debt | 15,443 | (12,482) |
| Fees paid for debt amendments (Refer to Note 9) | (1,236) | (577) |
| Cash inflows from hedging activities | 11,417 | 11,639 |
| Cash outflows from hedging activities | (11,930) | (12,505) |
| Payment of dividends | (4,036) | (4,014) |
| Other | (918) | (783) |
| Net cash provided by (used for) financing activities | 8,967 | (18,722) |
| **Effect of exchange rate changes on cash and cash equivalents** | 161 | (825) |
| Net change in cash and cash equivalents | 14,127 | (25,644) |
| Cash, cash equivalents, and restricted cash at beginning of year | 97,023 | 53,933 |
| Cash, cash equivalents, and restricted cash at end of period | $ 111,150 | $ 28,289 |
| | | |
| **Supplementary cash flow data:** | | |
| Interest paid | $ 90,921 | $ 16,114 |
| Income taxes paid, net of refunds | $ 25,589 | $ 12,143 |
| Property, plant and equipment purchases included in trade accounts payable | $ 747 | $ — |
| Restricted cash presented in Other assets | $ 250 | $ 250 |

*See accompanying notes.*

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
**(UNAUDITED)**
**September 30, 2026**

## 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 ("Columbus McKinnon" or "the Company") at September 30, 2026, the results of its operations for the three and six months ended September 30, 2026 and September 30, 2025, and cash flows for the six months ended September 30, 2026 and September 30, 2025, have been included. Results for the period ended September 30, 2026 are not necessarily indicative of the results that may be expected for the fiscal year ending March 31, 2027. The balance sheet at March 31, 2026 has been derived from the audited consolidated financial statements at that date but does not include all of the information and notes 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, 2026 filed with the SEC on June 2, 2026 (the "2026 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, lifting and securement hardware, 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 targeted market verticals include general industrial, construction and infrastructure, mining, oil & gas, energy, aerospace, transportation, automotive, heavy equipment manufacturing, and entertainment.

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 and six months ended September 30, 2026, sales to customers in the United States were approximately 55% of total net sales.

## 2. Acquisitions & Divestitures

*Kito Crosby Acquisition*
On February 3, 2026, the Company completed its acquisition of and acquired 100% of the equity interest of Kito Crosby Limited ("Kito Crosby") from funds associated with the global investment firm Kohlberg Kravis Roberts & Co. ("KKR") in an all-cash transaction valued at $2,821,907,000 (the "Kito Crosby Acquisition"). The value of the Kito Crosby Acquisition increased by $10,000,000 during the three months ended September 30, 2026 due to a final working capital adjustment as contemplated by the Stock Purchase Agreement. The working capital adjustment was paid subsequent to September 30, 2026 and is therefore recorded as an accrued liability on the Company's Condensed Consolidated Balance Sheet as of September 30, 2026.

Kito Crosby is a global leader in lifting solutions with multiple manufacturing assembly plants and more than 4,000 employees serving over 50 countries. The Kito Crosby Acquisition expands the Company's scale in material handling solutions and strengthens its presence in attractive verticals and target geographies.

The results of Kito Crosby included in the Company's consolidated financial statements are Net sales of $300,204,000 and $604,968,000 and Income (loss) from operations of $29,868,000 and $21,944,000, for the three and six months ended September 30, 2026 respectively. Kito Crosby's Income (loss) from operations for the periods include acquisition-related inventory amortization of $7,445,000 and $62,643,000, which has been included in Cost of products sold for the three and six months ended September 30, 2026, respectively. Additionally, Kito Crosby's Income (loss) from operations for the six months ended September 30, 2026, includes integration costs of $2,726,000, of which $1,766,000 has been recorded in Cost of products sold, $549,000 in Selling expenses, and $411,000 in General and administrative expenses.

Including the costs above, the Company incurred total acquisition integration and deal expenses in the amount of $12,465,000 for the three months ended September 30, 2026, in the Condensed Consolidated Statement of Operations, of which $1,395,000 has been recorded in Cost of products sold, $384,000 in Selling expenses, $10,171,000 in General and administrative expenses and $515,000 in Research and development expenses. The Company incurred acquisition integration and deal expenses in the amount of $30,261,000 for the six months ended September 30, 2026, in the Condensed Consolidated Statement of Operations,

of which $2,465,000 has been recorded in Cost of products sold, $1,931,000 in Selling expenses, $25,291,000 in General and administrative expenses and $574,000 in Research and development expenses.

The Company funded the Kito Crosby Acquisition through borrowings of $900,000,000 in senior secured bonds, $1,650,000,000 in financing from a Term Loan B, and $800,000,000 of proceeds from the sale of Series A Cumulative Convertible Participating Preferred Shares of the Company, par value $1.00 per share (the "Preferred Shares") to CD&R XII Keystone Holdings, L.P., a Cayman Islands exempted limited partnership (the "CD&R Investor"). Additionally, the Company refinanced its prior revolving credit facility increasing the maximum principal amount available to be borrowed to $500,000,000. Refer to Note 9 for additional information regarding the Company's debt. Terms of the Preferred Shares include a 7% coupon, payable in cash or payment-in-kind at the Company's option, and a conversion price of $37.68, resulting in the CD&R Investor's as-converted ownership of approximately 43% of the Company following completion of the transaction. The CD&R Investor has agreed to a customary lock-up on its Preferred Shares.

The Company has applied the acquisition method of accounting in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 805, "Business Combinations", and recognized assets acquired and liabilities assumed at their fair value as of the date of acquisition with the excess of consideration over the fair value of net assets acquired recorded as goodwill. The purchase price for the Kito Crosby Acquisition has been preliminarily allocated to the assets acquired and liabilities assumed as of the acquisition date. In determining the fair value of amounts related to the Kito Crosby Acquisition, the Company utilized various forms of the income, cost and market approaches depending on the asset or liability being valued. The estimation of fair value required judgment related to projected revenue growth rates, EBITDA margins, discount rates, customer attrition rates, market comparisons and other factors. The Company is in the process of evaluating the preliminary purchase price allocation for the Kito Crosby Acquisition, including the valuation of identifiable intangible assets, goodwill, property, plant and equipment, tangible assets acquired, right-of-use lease assets and lease liabilities, asbestos and product liability obligations, and income taxes.

The Company has estimated the preliminary fair values of assets acquired and liabilities assumed based on information currently available and will continue to adjust all of those estimates as additional information pertaining to events or circumstances present at the acquisition date becomes available during the measurement period. During the three months ended September 30, 2026, the Company recognized adjustments to the preliminary purchase price allocation resulting in a decrease to Goodwill of $13,941,000 from the amount preliminarily allocated to goodwill as of June 30, 2026. The details of this change to the value assigned to the fair value of Kito Crosby assets and liabilities is below (in thousands):

| | | |
|---|---|---|
| Working capital | $ | 4,280 |
| Property, plant, and equipment | | 139,493 |
| Other intangibles | | (95,800) |
| Other assets | | (7,826) |
| Other non current liabilities | | (16,206) |
| Final working capital adjustment | | (10,000) |
| Decrease to goodwill | $ | 13,941 |

The above is in addition to an increase in goodwill at June 30, 2026 of $2,654,000 related to the valuation of additional right of use lease assets and identification of other tangible assets.

The increase in the fair value assigned to Kito Crosby's Property, plant, and equipment of $139,493,000 was the result of the Company's continued progress in assessing the fair value of acquired property, plant and equipment. The decrease in value assigned to Other intangibles of $95,800,000 related to a decrease in the value assigned to channel partner relationships. The change in Other non-current liabilities of $16,206,000 relates to the recording of deferred tax liabilities on Kito Crosby's intangibles changes. The Company has continued to align lease accounting policies resulting in a decrease of $7,826,000 in Other assets. The increase in working capital of $4,280,000 primarily related to an increase in the value assigned to inventories on the opening balance sheet.

The preliminary assignment of purchase consideration to the assets acquired and liabilities assumed is as follows (in thousands):

| | | |
|---|---|---|
| Cash | $ | 184,307 |
| Working capital | | 356,531 |
| Property, plant, and equipment | | 469,112 |
| Other intangibles | | 1,194,200 |
| Other assets | | 77,936 |
| Other non current liabilities | | (380,766) |
| Goodwill | | 920,587 |
| Total | $ | 2,821,907 |

The excess consideration of $920,587,000 has been preliminarily recorded as goodwill for the Kito Crosby reporting unit. The identifiable intangible assets acquired include customer relationships of $1,074,900,000, of which $1,010,800,000 relates to channel partner relationships, and trade names of $119,300,000. The weighted average life of the acquired identifiable intangible assets subject to amortization was estimated at 12.8 years at the time of acquisition. Goodwill generated as a result of the Kito Crosby Acquisition is not expected to be deductible for tax purposes.

*Divestiture of U.S. Power Chain Hoist and Chain Manufacturing Operations*

On March 4, 2026, the Company completed the divestiture of its U.S. power chain hoist and chain manufacturing operations based out of facilities located in Damascus, Virginia and Lexington, Tennessee and certain other assets (the "Divestiture Business") to Star Hoist Intermediate, LLC ("Star Hoist") (the "Divestiture").

The disposal group primarily included major classes of assets and liabilities, including property, plant and equipment, inventories, and related liabilities. The carrying amounts of these assets and liabilities were $35,211,000 and $5,792,000, respectively, excluding an allocation of $51,252,000 of Rest of Products reporting unit goodwill to the Divestiture Business, and such assets and liabilities were derecognized upon closing and through subsequent adjustments.

The Company recorded additional Divestiture related expenses of $709,000 and $1,275,000 in the three and six months ended September 30, 2026.

**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 control transfers to the customer, which generally occurs at shipment when legal title and significant risks and rewards of ownership have transferred to the customer. 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 customer acceptance of 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 there is no alternative use for the custom engineered products and 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 2026 Form 10-K.

*Contract Liabilities*

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 recognized as revenue.

The following table illustrates the balance and related activity for customer advances in the six months ended September 30, 2026 and September 30, 2025 (in thousands):

| | September 30, 2026 | September 30, 2025 |
|---|---|---|
| March 31, beginning balance | $ 25,049 | $ 15,631 |
| Additional customer advances received | 35,337 | 40,497 |
| Revenue recognized from customer advances included in beginning balance | (25,049) | (15,631) |
| Other revenue recognized from customer advances | (13,927) | (22,934) |
| Other (1) | (391) | 860 |
| September 30, ending balance | $ 21,019 | $ 18,423 |

(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 $20,450,000 and $20,480,000 as of September 30, 2026 and March 31, 2026, respectively. Contract assets are included in Prepaid expenses and other on the Condensed Consolidated Balance Sheets.

*Remaining Performance Obligations*

As of September 30, 2026, the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) was approximately $26,954,000. We expect to recognize approximately 60% of this amount to Net sales over the next twelve months, and we expect to recognize substantially all of the remaining amount to Net sales in the next 24 months.

*Disaggregated revenue*

In accordance with ASC 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 (in thousands):

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | **September 30, 2026** | **September 30, 2025** | **September 30, 2026** | **September 30, 2025** |
| Industrial Products | $ 341,646 | $ 86,150 | $ 686,308 | $ 169,352 |
| Crane Solutions | 128,281 | 108,517 | 247,642 | 203,684 |
| Precision Conveyor Products | 39,383 | 26,630 | 81,325 | 48,293 |
| Engineered Products | 30,054 | 39,737 | 55,579 | 75,600 |
| All other | (79) | 13 | (108) | 38 |
| Total | $ 539,285 | $ 261,047 | $ 1,070,746 | $ 496,967 |

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 and other adjustments.

*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 does not include a significant financing component as payment is generally expected within one year from when the performance obligation is controlled by the customer.

*Trade Accounts Receivable:*

In accordance with ASC 326, "Financial Instruments - Credit Losses", 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 credit losses based upon the credit risk of specific customers, historical trends, and other factors. Trade accounts receivable are charged against the allowance for credit losses once all collection efforts have been exhausted. Due to the short-term nature of such accounts receivable, the estimated amount of trade accounts receivable that may not be collected is based on aging of the trade accounts receivable balances.

The following table illustrates the balance and related activity for the allowance for credit losses that is deducted from trade accounts receivable to present the net amount expected to be collected as of (in thousands):

| | September 30, 2026 | September 30, 2025 |
|---|---|---|
| March 31, beginning balance | $ 7,200 | $ 4,880 |
| Credit loss expense | 2,644 | 994 |
| Less uncollectible accounts written off, net of recoveries | (460) | (1,539) |
| Other (1) | 953 | 231 |
| September 30, ending balance | $ 10,337 | $ 4,566 |

(1) Other includes a reclassification of other accounts receivable reserves to the allowance for credit losses during the period. Additionally, this balance includes the impact of foreign currency translation.

**4. Fair Value Measurements**

ASC 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 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 marketable 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 2026 Term Loan B, Senior Secured notes, and AR Securitization 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 | September 30, 2026 | 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 | $ 9,777 | $ 9,777 | $ — | $ — |
| Annuity contract | $ 969 | $ — | $ 969 | $ — |
| Terminated pension plan assets | $ 2,843 | $ 2,843 | $ — | $ — |
| | | | | |
| Derivative Assets (Liabilities): | | | | |
| Foreign exchange contracts | $ 12 | $ — | $ 12 | $ — |
| Interest rate swap | $ 24,765 | $ — | $ 24,765 | $ — |
| Cross currency swap | $ (2,464) | $ — | $ (2,464) | $ — |
| | | | | |
| Disclosed at fair value: | | | | |
| 2026 Term Loan B | $ (1,445,610) | $ — | $ (1,445,610) | $ — |
| Senior Secured Notes | $ (870,750) | $ — | $ (870,750) | $ — |
| AR Securitization Facility | $ (42,588) | $ — | $ (42,588) | $ — |

| | | Fair value measurements at reporting date using | | |
|---|---|---|---|---|
| Description | March 31, 2026 | 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 | $ 10,223 | $ 10,223 | $ — | $ — |
| Annuity contract | $ 1,092 | $ — | $ 1,092 | $ — |
| Terminated pension plan assets | $ 3,938 | $ 3,938 | $ — | $ — |
| | | | | |
| Derivative assets (liabilities): | | | | |
| Foreign exchange contracts | $ 7 | $ — | $ 7 | $ — |
| Interest rate swap | $ (2,028) | $ — | $ (2,028) | $ — |
| Cross currency swap | $ (3,932) | $ — | $ (3,932) | $ — |
| | | | | |
| Disclosed at fair value | | | | |
| 2026 Term Loan B | $ (1,455,169) | $ — | $ (1,455,169) | $ — |
| Senior Secured Notes | $ (897,750) | $ — | $ (897,750) | $ — |
| AR Securitization Facility | $ (53,400) | $ — | $ (53,400) | $ — |

The Company does not have any non-financial assets and liabilities that are recognized at fair value on a recurring basis. The Company has a credit agreement secured by the Company's U.S. accounts receivable balances (the "AR Securitization Facility"). Refer to Note 9 for additional information regarding the Company's 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 ASC 815, "Derivatives and Hedging". Interest and dividend income on marketable securities are measured based upon amounts earned on their respective declaration dates.

As described in Note 2, the Company has updated its allocation of assets and liabilities acquired in the Kito Crosby Acquisition. This revised allocation included updating the estimated fair values of these assets and liabilities. The estimated fair values allocated to the assets acquired and liabilities assumed relied upon fair value measurements based primarily on Level 3 inputs. The valuation techniques used to allocate fair values to working capital items; property, plant, and equipment, and other intangibles included the cost approach, market approach, and other income approaches. For identifiable intangible assets these techniques included the multi-period excess earnings approach, the relief from royalty approach, and other income approaches. The valuation techniques relied on a number of inputs which included the cost and condition of property, plant, and equipment and forecasted net sales and income.

Significant valuation inputs included an attrition rate of 5.0% for customer relationships, an estimated weighted average royalty rate of 1.9% for trademark and trade names, and a weighted average cost of capital of 14.0%. There were no changes to these key inputs since the Fiscal 2026 valuation. Refer to the 2026 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, 2026 balance sheet.

**5. Inventories**

Inventories consisted of the following as of (in thousands):

| | September 30, 2026 | March 31, 2026 |
|---|---|---|
| At cost - FIFO basis: | | |
| Raw materials | $ 275,596 | $ 283,228 |
| Work-in-process | 92,342 | 94,015 |
| Finished goods | 219,663 | 255,592 |
| Total at cost FIFO basis | 587,601 | 632,835 |
| LIFO cost less than FIFO cost | (20,052) | (23,805) |
| Net inventories | $ 567,549 | $ 609,030 |

A valuation of inventories 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 year-end LIFO inventory valuation.

Included in the reduction in inventories in the three months ended September 30, 2026 is $7,445,000 and six months ended September 30, 2026 is $62,643,000 of acquisition-related inventory step up amortization.

**6. Marketable Securities and Other Investments**

In accordance with ASC 825-10, “Financial Instruments - Overall: 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 loss of $680,000 and a gain of $133,000 in the three months ended September 30, 2026 and September 30, 2025, respectively, and a loss of $311,000 and a gain of $331,000 in the six months ended September 30, 2026 and September 30, 2025, 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 $191,000 and $263,000 for the three and six months ended September 30, 2026. Net realized gains and loss were not material in the three and six months ended September 30, 2025.

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 $6,077,000 and $5,265,000 at September 30, 2026 and March 31, 2026, 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 $300,000 and $82,000 in the three months ended September 30, 2026 and September 30, 2025, respectively, and $914,000 and $733,000 in the six months ended September 30, 2026 and September 30, 2025, respectively, which is recorded in Investment (income) loss on the Condensed Consolidated Statements of Operations. The September 30, 2026 and March 31, 2026 trade accounts receivable balances due from EMC were $12,185,000 and $10,690,000, respectively, and are comprised of amounts due from the sale of goods and services in the ordinary course of business. Sales to EMC for the three months ended September 30, 2026 and six months ended September 30, 2026 were $5,573,000 and $13,546,000, respectively, and $2,580,000 and $4,197,000 for the three months ended September 30, 2025 and six months ended September 30, 2025, respectively.

**7. Goodwill and Other Intangibles, net**

Goodwill and indefinite lived trademarks are not amortized but are tested for impairment at least annually. Goodwill impairment is deemed to exist if the carrying 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 reporting 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 350 "Intangibles—Goodwill and Other" are at the component level, or one level below the operating segment level as defined under ASC 280 "Segment Reporting - Disclosure." The Company has four reporting units as of September 30, 2026 and March 31, 2026. 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 September 30, 2026 and March 31, 2026. The Rest of Products reporting unit (representing the hoist, chain, forgings, digital power, motion control, manufacturing, and distribution businesses) had goodwill of $262,135,000 and $265,708,000 at September 30, 2026 and March 31, 2026, respectively. The Precision Conveyance reporting unit (which represents high-precision conveying systems) had goodwill of $201,354,000 and $201,359,000 at September 30, 2026 and March 31, 2026, respectively. The Kito Crosby reporting unit had goodwill of $904,938,000 and $931,874,000 at September 30, 2026 and March 31, 2026, respectively.

Refer to the 2026 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 and six months ended September 30, 2026.

A summary of changes in goodwill during the six months ended September 30, 2026 is as follows (in thousands):

| | | |
|---|---|---|
| Balance at April 1, 2026 | $ | 1,408,640 |
| Kito Crosby Acquisition (refer to Note 2) | | (11,287) |
| Foreign currency translation | | (19,227) |
| Balance at September 30, 2026 | $ | 1,378,126 |

Goodwill is recognized net of accumulated impairment losses of $313,174,000 as of September 30, 2026 and March 31, 2026. Refer to the Company's 2026 Form 10-K for additional information regarding an impairment loss recorded in the fiscal year ended March 31, 2026.

Identifiable intangible assets acquired in a business combination are amortized over their estimated useful lives.

Identifiable intangible assets are summarized as follows (in thousands):

| | September 30, 2026 | | | March 31, 2026 | | |
|---|---|---|---|---|---|---|
| | Gross Carrying Amount | Accumulated Amortization | Net | Gross Carrying Amount | Accumulated Amortization | Net |
| Trademark | $ 139,811 | $ (18,018) | $ 121,793 | $ 142,191 | $ (12,444) | $ 129,747 |
| Indefinite lived trademark | 47,171 | — | 47,171 | 47,554 | — | 47,554 |
| Customer relationships | 1,437,783 | (227,619) | 1,210,164 | 1,538,349 | (170,641) | 1,367,708 |
| Acquired technology | 113,405 | (53,577) | 59,828 | 113,797 | (50,132) | 63,665 |
| Other | 6,764 | (2,733) | 4,031 | 3,646 | (2,658) | 988 |
| Total | $ 1,744,934 | $ (301,947) | $ 1,442,987 | $ 1,845,537 | $ (235,875) | $ 1,609,662 |

The Company has continued to refine its estimates of the fair value of assets and liabilities acquired with Kito Crosby during the measurement period. Please refer to Note 2 for additional details on these adjustments and their impact on the Company's other intangibles net.

The Company's other intangibles that are considered to have finite lives are amortized. The weighted-average amortization periods are 13 years for trademarks, 14 years for customer relationships, 16 years for acquired technology, 5 years for other, and 14 years in total.

Total amortization expense was $29,964,000 and $7,683,000 for the three months ended September 30, 2026 and 2025, respectively. Total amortization expense was $64,772,000 and $15,318,000 for the six months ended September 30, 2026 and 2025, respectively. The year over year increase in amortization expense relates to intangible assets acquired in the Kito Crosby Acquisition. Based on the current amount of other intangibles and current exchange rates, the estimated annual amortization expense for each of the succeeding five years is expected to be approximately $132,000,000.

**8. Derivative Instruments**

Our primary market risk exposures include interest rate risk, foreign exchange risk and commodity pricing risk. We have enterprise-wide risk management policies and limits, approved by our Board of Directors, which govern our market risk management activities. Our objective is to manage our exposure to market risk in accordance with these policies and limits based on prevailing market conditions and long-term expectations.

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 Condensed Consolidated Balance Sheets 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 September 30, 2026, the Company had not posted any collateral related to these agreements. If the Company had breached any of these provisions as of September 30, 2026, it could have been required to settle its obligations under these agreements at amounts that approximate the September 30, 2026 fair values reflected in the table below. During the three and six months ended September 30, 2026, the Company was not in default of any of its derivative obligations.

As of September 30, 2026, the Company had no derivatives designated as net investments or fair value hedges in accordance with ASC 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 September 30, 2026, the notional amount of this derivative is $39,235,000, and this contract matures on June 30, 2028. From its September 30, 2026 balance of AOCL, the Company expects to reclassify approximately $909,000 out of AOCL, and into foreign currency exchange (gain) loss, 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. The cash flow effects of derivatives are reported within net cash provided by financing activities. As of September 30, 2026, the notional amount of those derivatives was $7,183,000, and all contracts mature by September 30, 2027. From its September 30, 2026 balance of AOCL, the Company expects to reclassify approximately $19,000 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 eleven 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 31, 2031, with an aggregate notional amount of $965,000,000 as of September 30, 2026.

The effective portion of the changes in fair values of the interest rate swap agreements is reported in AOCL and will be reclassified to interest and debt expense over the life of the interest rate swap agreements. From its September 30, 2026 balance of AOCL, the Company expects to reclassify approximately $5,299,000 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 September 30, 2026 and 2025 (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 |
|---|---|---|---|---|
| September 30, 2026 | Foreign exchange contracts | $ 10 | Cost of products sold | $ 5 |
| September 30, 2026 | Interest rate swaps | $ 14,213 | Interest and debt expense | $ 2 |
| September 30, 2026 | Cross currency swaps | $ 566 | Foreign currency exchange (gain) loss | $ 472 |
| | | | | |
| September 30, 2025 | Foreign exchange contracts | $ 75 | Cost of products sold | $ 60 |
| September 30, 2025 | Interest rate swap | $ 100 | Interest and debt expense | $ 412 |
| September 30, 2025 | Cross currency swaps | $ 806 | Foreign currency exchange (gain) loss | $ 630 |

The following is the effect of derivative instruments, net of tax on the Condensed Consolidated Statements of Operations for the six months ended September 30, 2026 and 2025 (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 |
|---|---|---|---|---|
| September 30, 2026 | Foreign exchange contracts | $ 20 | Cost of products sold | $ 16 |
| September 30, 2026 | Interest rate swaps | $ 20,139 | Interest expense | $ (88) |
| September 30, 2026 | Cross currency swaps | $ 1,111 | Foreign currency exchange (gain) loss | $ 1,233 |
| | | | | |
| September 30, 2025 | Foreign exchange contracts | $ 208 | Cost of products sold | $ 55 |
| September 30, 2025 | Interest rate swap | $ (904) | Interest expense | $ 825 |
| September 30, 2025 | Cross currency swaps | $ (3,271) | Foreign currency exchange (gain) loss | $ (3,813) |

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

| | | Fair Value of Asset (Liability) | |
|---|---|---|---|
| Derivatives Designated as Hedging Instruments | Balance Sheet Location | **September 30, 2026** | **March 31, 2026** |
| Foreign exchange contracts | Prepaid expenses and other | $ 77 | $ 48 |
| Foreign exchange contracts | Accrued liabilities | (65) | (41) |
| Interest rate swap | Prepaid expenses and other | 7,028 | 596 |
| Interest rate swap | Other assets | 17,737 | 529 |
| Interest rate swap | Accrued liabilities | — | (912) |
| Interest rate swap | Other non-current liabilities | — | (2,241) |
| Cross currency swap | Accrued liabilities | (1,225) | (1,571) |
| Cross currency swap | Other non-current liabilities | (1,239) | (2,361) |

**9. Debt**

Consolidated debt of the Company consisted of the following at (in thousands):

| | **September 30, 2026** | **March 31, 2026** |
|---|---|---|
| 2026 Term Loan B | $ 1,449,233 | $ 1,456,990 |
| Senior Secured Notes | 900,000 | 900,000 |
| AR Securitization Facility | 42,588 | 53,400 |
| 2026 Revolving Credit Facility | 59,644 | 25,000 |
| Other debt | 5,183 | 5,606 |
| Finance lease | 11,132 | 11,549 |
| Unamortized deferred financing costs, net | (55,472) | (59,538) |
| Total debt | 2,412,308 | 2,393,007 |
| Less: current portion | 150,000 | 166,418 |
| Total debt and finance lease less current portion | $ 2,262,308 | $ 2,226,589 |

The Company's debt consists of borrowing with an original contractual maturity greater than one year, including its 2026 Term Loan B, Senior Secured Notes, AR Securitization Facility, and 2026 Revolving Credit Facility.

In connection with the closing of the Kito Crosby Acquisition, the Company entered into a new senior secured term loan credit facility ("2026 Term Loan B") and a new revolving credit facility with an expanded bank lender group ("2026 Revolving Credit Facility") and issued 7.125% senior secured notes due 2033 ("Senior Secured Notes"). The 2026 Term Loan B, 2026 Revolving Credit Facility and Senior Secured Notes also replaced the Company's previous term loan credit facility ("2024 Term Loan B") and revolving credit facility ("2024 Revolving Credit Facility") and proceeds from the new credit facilities were used to fund the Kito Crosby Acquisition and fully repay the 2024 Term Loan B. There was no balance on the 2024 Revolving Credit Facility at the time of replacement by the 2026 Revolving Credit Facility.

On September 21, 2026, the Company, Columbus McKinnon EMEA GmbH and certain subsidiary guarantors of the Company entered into its First Amendment (the "First Amendment") to the 2026 Revolving Credit Facility Credit Agreement, dated as of February 3, 2026. The First Amendment reduced the applicable interest rate margin on the Term Loan B and 2026 Revolving Credit Facility by 50 basis points. Following the amendment, borrowings under the Term Loan B bear interest at Term Secured Overnight Financing Rate ("SOFR") plus 3.00%. All other material provisions, including maturity dates, remained unchanged. The Company evaluated the First Amendment and concluded the transaction should be accounted for primarily as a debt modification. The Company incurred $1,056,000 of costs associated with the debt modification including fees paid to third parties after the First Amendment went into effect.

The Company plans to pay down approximately $150,000,000 in borrowings in the next 12 month period. This amount has been recorded within the current portion of long-term debt on the Company's Condensed Consolidated Balance Sheet at September 30, 2026 with the remaining balance recorded as long-term debt.

As of September 30, 2026, the Company was in compliance with its covenants under the 2026 Revolving Credit Facility and Senior Secured Notes. The Company was in compliance with covenants under the AR Securitization Facility after receiving a waiver of the Delinquency and Default Ratios from the lender effective September 30, 2026. The AR Securitization Facility was further amended on October 29, 2026 to change the Delinquency and Default Ratios going forward. Accordingly, the amounts outstanding continue to be classified as long-term debt as of September 30, 2026.

***Senior Secured Notes***

On January 30, 2026, the Company completed an offering of $900,000,000 in aggregate principal amount of 7.125% senior secured notes maturing February 1, 2033 in a private placement. The Senior Secured Notes bear interest at a rate of 7.125% per year payable semi-annually in cash in arrears on February 1 and August 1 of each year. The first such interest payment was made on August 1, 2026.

Gross deferred debt issuance costs related to the Senior Secured Notes were $13,973,000 as of September 30, 2026 and March 31, 2026. The accumulated amortization balances were $1,331,000 and $333,000 as of September 30, 2026 and March 31, 2026, respectively.

***New 2026 Term Loan B***

On February 3, 2026, Columbus McKinnon Corporation (the "Borrower") entered into a new credit agreement for a senior secured term loan credit facility or 2026 Term Loan B, in the initial amount of $1,650,000,000 maturing February 3, 2033, and a $500,000,000 2026 Revolving Credit Facility with a group of financial institutions or Revolving Credit Facility maturing February 3, 2031 ("2026 Credit Agreement") with JPMorgan Chase Bank, N.A. as Administrative Agent and the lenders named therein. The 2026 Term Loan B replaced the Company's 2024 Term Loan B. Proceeds of the 2026 Term Loan B were used to complete the Kito Crosby Acquisition as well as fully repay the Company's 2024 Term Loan B.

On March 4, 2026, the Company repaid $191,080,000 of the 2026 Term Loan B using the proceeds of the divestiture of the Company's U.S. Power Chain Hoist and Chain Operations (See Note 2). The Company also received credit for a pro rata proportion of the Original Issuer Discount paid to the 2026 Term Loan B lenders in an amount of $1,900,000 resulting in an aggregate $193,010,000 reduction in the balance of the 2026 Term Loan B after completion of the Divestiture per the terms of the 2026 Credit Agreement.

As outlined in the 2026 Credit Agreement, prepayments can be made without penalty after August 3, 2026. On September 21, 2026, the Company entered into the First Amendment reducing the Company's applicable interest rate margin by 50 basis points. Following the effectiveness of the First Amendment, the Senior Credit Facilities bear interest at rates determined on the basis of either a term SOFR or a base rate plus an applicable margin. In the case of term SOFR loans under the 2026 Term Loan B Facility, such margin is 3.00% and in the case of dollar denominated term SOFR loans under the 2026 Revolving Credit Facility, such margin ranges from 1.75% to 2.75% based upon the Company's Consolidated Total Leverage Ratio (as defined in the 2026 Credit Agreement).

At September 30, 2026, the outstanding principal balance of the 2026 Term Loan B was $1,449,233,000 or $1,406,577,000 net of $42,656,000 of unamortized discount and debt issuance costs. Debt issuance costs are amortized over the contractual term to interest expense. The accumulated amortization balance was $4,462,000 as of September 30, 2026.

The Company made $3,632,000 in principal payments on the 2026 Term Loan B during the three months ended September 30, 2026. The Company is obligated to make $14,529,000 of principal payments on the 2026 Term Loan B facility over the next 12 months plus applicable Excess Cash Flow ("ECF") payments. The expected debt repayment on the Company's 2026 Term Loan B in the next 12 month period is included in the approximately $150,000,000 in debt repayment previously referenced herein.

The gross balance of deferred financing costs on the 2026 Term Loan B facility was $47,118,000 as of September 30, 2026 and $46,839,000 as of March 31, 2026. The increase in the gross balance corresponds to additional fees incurred to lenders in for the First Amendment of $279,000. The accumulated amortization balance was $4,462,000 and $1,161,000 as of September 30, 2026 and March 31, 2026, respectively.

***2026 Revolving Credit Facility***

On February 3, 2026, the Company entered into a new $500,000,000 2026 Revolving Credit Facility with a group of financial institutions, maturing February 3, 2031 governed by the 2026 Credit Agreement. The 2026 Revolving Credit Facility replaced the Company’s previous revolving credit facility, the 2024 Revolving Credit Facility.

Borrowings under the 2026 Revolving Credit Facility bear interest at floating rates based upon indices determined by the currency of the borrowing or at an alternative base rate, in each case, plus an applicable margin. On September 21, 2026, the Company entered into the First Amendment. Following the First Amendment, the 2026 Senior Credit Facilities bear interest at rates determined on the basis of either a term SOFR or a base rate plus an applicable margin. For U.S. Dollar borrowings, these borrowings bear interest at applicable margin ranging from 1.75% to 2.75% based on Company's Consolidated Total Leverage Ratio as defined in the 2026 Credit Agreement.

As of September 30, 2026, there was $59,644,000 of borrowings outstanding under the 2026 Revolving Credit Facility on a US Dollar equivalent basis, including $38,461,000 borrowings outstanding in US Dollars and €18,700,000 borrowings outstanding in Euros. Availability under the 2026 Revolving Credit Facility was $421,080,000 net of $19,276,000 outstanding standby letters of credit issued against the 2026 Revolving Credit Facility and the borrowings outstanding.

Gross deferred debt issuance costs related to the 2026 Revolving Credit Facility were $7,038,000 as of September 30, 2026 and March 31, 2026, which is included in Other assets on the Condensed Consolidated Balance Sheets. The accumulated amortization balances were $938,000 and $235,000 as of September 30, 2026 and March 31, 2026, respectively.

***AR Securitization Facility***

Since June 20, 2023, the Company used an AR Securitization Facility secured by the Company’s U.S. accounts receivable balances (the “AR Securitization Facility”) for general business purposes, including seasonal net working capital needs. On August 11, 2025, the AR Securitization Facility was amended to increase the maximum principal amount to $60,000,000 from the original borrowing base of $55,000,000, subject to a borrowing base calculation pursuant to the definitions and methodology outlined in the related credit agreement, eliminated the 10 basis point credit spread adjustment to the cost of borrowing, and extending its term through August 11, 2028. The AR Securitization Facility borrowings bear interest at a floating rate equal to a one-month SOFR rate plus a 110 basis points applicable margin.

The Company had $42,588,000 and $53,400,000 outstanding under its AR Securitization Facility as of September 30, 2026 and March 31, 2026, respectively. The total U.S. accounts receivable balances which secure the AR Securitization Facility total $93,652,000 as of September 30, 2026.

The gross balance of deferred financing costs associated with the AR Securitization Facility was $273,000 with an accumulated amortization balance of $99,000 and $53,000 as of September 30, 2026 and March 31, 2026, respectively.

The Company has both the ability and intent to have the AR Securitization Facility remain outstanding for the next 12 months. As such, the Company has classified the full $42,588,000 outstanding borrowings under the AR Securitization Facility as long-term debt at September 30, 2026.

As of September 30, 2026, there have been no amortization events triggered in the AR Securitization Facility.

***Other Debt***

Other debt of $5,183,000 includes a secured loan assumed in the Kito Crosby Acquisition that had previously been used to purchase a building in the United States. The loan matures on December 31, 2026 and has an interest rate of 2.7%. The full amount is included in the current portion of long-term debt.

***Finance Lease***

The Company has one 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 obligations was $11,132,000 as of September 30, 2026 of which $851,000 has been recorded within the Current portion of long-term debt and finance lease obligations and the remaining balance recorded within the Term loan, Senior Secured Notes, AR securitization facility and finance lease obligations on the Condensed Consolidated Balance Sheets. Refer to 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 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 September 30, 2026, unsecured credit lines totaled approximately $5,438,000, of which $566,000 was drawn. In addition, unsecured lines of $22,694,000 were available for bank guarantees issued in the normal course of business of which $18,757,000 was utilized as of September 30, 2026.

Refer to the Company's consolidated financial statements included in the 2026 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 | | Six Months Ended | |
|---|---|---|---|---|
| | September 30, 2026 | September 30, 2025 | September 30, 2026 | September 30, 2025 |
| Service costs | $ 515 | $ 113 | $ 1,023 | $ 223 |
| Interest cost | 2,283 | 1,856 | 4,573 | 3,695 |
| Expected return on plan assets | (1,482) | (1,213) | (2,959) | (2,426) |
| Net amortization | (375) | (249) | (753) | (492) |
| Net periodic pension (benefit) cost | $ 941 | $ 507 | $ 1,884 | $ 1,000 |

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 (loss) from operations. The three and six months ended September 30, 2026 includes the net periodic benefit cost of Kito Crosby, which was acquired in the fourth quarter of fiscal 2026.

During fiscal year 2025, the Company terminated one of its U.S. pension plans. The remaining surplus of the terminated plan at September 30, 2026 of $2,843,000 is being used to fund certain obligations associated with the Company's U.S. defined contribution plans. Of the remaining balance, $2,210,000 is expected to be utilized in the next twelve months, and is therefore recorded in Prepaid expenses and other on the Condensed Consolidated Balance Sheets. The remaining balance is included in Other assets.

The Company currently plans to contribute approximately $7,341,000 to its pension plans in fiscal 2027.

Subsequent to September 30, 2026, the Company settled one of its U.S. pension plans. As a result, the Company expects to reflect the impact of the settlement during fiscal 2027 which will be recorded in Other (income) expense, net on the Condensed Consolidated Statements of Operations.

**11. Earnings Per Share**

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

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | September 30, 2026 | September 30, 2025 | September 30, 2026 | September 30, 2025 |
| Numerator for basic and diluted earnings per share: | | | | |
| Net income (loss) attributable to the Company | $ (25,533) | $ 4,595 | $ (114,262) | $ 2,697 |
| Net income (loss) attributable to preferred shareholders | (3,659) | — | (33,557) | — |
| Net income (loss) attributable to common shareholders | $ (21,874) | $ 4,595 | $ (80,705) | $ 2,697 |
| | | | | |
| Denominators: | | | | |
| Weighted-average common stock outstanding – denominator for basic EPS | 28,900 | 28,726 | 28,847 | 28,692 |
| Effect of dilutive employee stock options and other share-based awards | — | 148 | — | 149 |
| Adjusted weighted-average common stock outstanding and assumed conversions – denominator for diluted EPS | 28,900 | 28,874 | 28,847 | 28,841 |

Stock options, restricted stock units, performance shares with respect to 3,582,000 common shares and Preferred Shares convertible to 22,225,000 shares of common stock for the three and six months ended September 30, 2026 were not included in the computation of diluted loss per share because they were antidilutive as a result of the Company's net loss. Refer to Note 2 for additional information regarding the transactions resulting in the net loss.

Stock options, restricted stock units, and performance shares with respect to 1,621,000 and 1,569,000 common shares for the three and six months ended September 30, 2025 were not included in the computation of diluted income per share because they were antidilutive. Further, contingently issuable common shares of 381,000 for the three and six months ended September 30, 2025 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, as amended ("2016 LTIP"). The total number of shares of common stock with respect to which awards may be granted under the 2016 LTIP had been previously been increased to an aggregate of 5,300,000 shares. In fiscal 2027, an amendment to the 2016 LTIP was approved to further increase the number of shares with respect to which awards may be granted by an additional 1,450,000 shares.

During the first six months of fiscal 2027, there were 12,000 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, 2026, 135,000 shares of restricted stock units vested and were issued.

In Fiscal 2026, the Company completed the sale of 800,000 Series A Cumulative Convertible Participating Preferred Shares, par value $1.00 per share (the "Preferred Shares"), of the Company to CD&R XII Keystone Holdings, L.P. (the "CD&R Investor") at a purchase price of $1,000 per share for an aggregate purchase price of $800,000,000 (the "Preferred Equity Financing"). Terms of the Preferred Shares include a 7% coupon, payable in cash or payment-in-kind at Columbus McKinnon's option, and an initial conversion price for conversion of Preferred Shares into the Company's voting common shares of $37.68, resulting in the CD&R Investor's as-converted ownership of approximately 43% of the Company's outstanding equity following completion of the Kito Crosby Acquisition. The CD&R Investor has agreed to a customary lock-up on its Preferred Shares. The Company determined the Preferred Shares meet the qualification to be accounted for as an equity instrument. As such, the proceeds from the issuance of the Preferred Shares were recorded in equity net of fees incurred to issue the shares. Through September 30, 2026, stock dividends-in-kind were recorded increasing the conversion value of the Preferred Shares by $28,558,000.

On October 26, 2026, the Company's Board of Directors declared a dividend of $0.07 per common share. The dividend will be paid on November 16, 2026 to shareholders of record on November 6, 2026. The dividend payment is expected to be approximately $2,030,000.

Refer to the Company's consolidated financial statements included in the 2026 Form 10-K for further information on its earnings per share and stock plans.

## 12. 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 $31,874,000 (gross of estimated insurance recoveries of $19,735,000) as of September 30, 2026, of which $27,474,000 is included in Other non-current liabilities and $4,400,000 in Accrued liabilities on the Condensed Consolidated Balance Sheet. The liability for accrued general and product liability costs are funded by investments in marketable securities (refer to Note 6).

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

| | September 30, 2026 | March 31, 2026 |
|---|---|---|
| Accrued general and product liability, beginning of period | $ 33,196 | $ 19,446 |
| Accrued general and product liability acquired with Kito Crosby | — | 14,506 |
| Insurance recoveries received | (137) | (1,037) |
| Add provision for claims | 1,827 | 4,364 |
| Deduct payments for claims | (3,012) | (4,083) |
| Accrued general and product liability, end of period | $ 31,874 | $ 33,196 |
| | | |
| Estimated future insurance recoveries | (19,735) | (19,959) |
| Net accrued general and product liability, end of period | $ 12,139 | $ 13,237 |

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 2027. The Company also purchases excess general and product liability insurance up to an aggregate $75,000,000 limit. In fiscal 2026, the aggregate limit was increased to $100,000,000.

**Legacy Columbus McKinnon Corporation**

*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 2026, the Company has estimated its net asbestos-related aggregate liability including related legal costs to range between $3,600,000 and $6,500,000, net of insurance recoveries, using actuarial parameters of continued claims for a period of 38 years from September 30, 2026. 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 $4,924,000. The Company has reflected the liability gross of insurance recoveries of $5,821,000 as a liability in the Condensed Consolidated Balance Sheet as of September 30, 2026. 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 $1,800,000 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 September 30, 2026 and March 31, 2026. The Company has recorded a receivable for the estimated future cost sharing in Other assets in the Condensed Consolidated Balance Sheet at September 30, 2026 in the amount of $5,821,000, which offsets its asbestos reserves.

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 $1,421,000 which has been reflected as a liability in the Condensed Consolidated Balance Sheet at September 30, 2026.

*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 $5,492,000, which has been reflected as a liability in the Condensed Consolidated Balance Sheet as of September 30, 2026. In some cases, the Company cannot reasonably estimate a range of loss because there is insufficient information regarding the matter.

In April of 2024, 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 appealed the jury verdict and won the appeal in April 2026 remanding to the circuit court with direction to dismiss the complaint against the Company. As such, the Company has no liability recorded in the Condensed Consolidated Balance Sheets at September 30, 2026.

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 $2,500,000 (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 $7,600,000 (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 $3,200,000 (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 Corporation ("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 such 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 dismissed in favor of the Missouri action. Co-defendants removed the Missouri action to the U.S. District Court for the Eastern District of Missouri. On September 22, 2026, the District Court issued an order dismissing all but one count of the complaint. Monsanto has indicated that it intends to file an amended complaint.

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.

*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 2027.

In 1986, Magnetek acquired the stock of 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 $600,000 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.

**Kito Crosby**

*Asbestos*

Kito Crosby, along with a number of unrelated third parties, are named as defendants in personal injury claims and lawsuits based on alleged exposure to asbestos-containing materials. The Company monitors claims filing and development experience and periodically updates the estimated cost of defending against and resolving these claims. At September 30, 2026, the Company estimated this asbestos liability to be $14,217,000. The Company believes this represents a reasonable estimate of the remaining remediation costs.

Certain subsidiaries of the Company that are subject to asbestos-related personal injury claims have maintained product liability insurance policies. Certain of these policies provide a source of probable recovery of a portion of losses incurred and paid, as well as a portion of estimated probable future losses accrued as of September 30, 2026. An additional source of probable recovery of uninsured losses is an unrelated third party, which manufactured component products for the Company's subsidiaries that are alleged to give rise to asbestos-related injuries. The estimated probable amount of losses to be recovered from insurance and/or unrelated third parties is $13,914,000 as of September 30, 2026.

*Other Matters*

Kito Crosby is involved in environmental remediation efforts related to formerly owned or operated properties and certain third-party owned landfill sites, as they are responsible, or alleged to be responsible, for ongoing environmental investigation and remediation of these sites. These sites are in various stages of investigation and/or remediation, and associated costs and liabilities are recognized by the Company, considering current developments, the law and existing technologies. It can be difficult to reliably estimate the final costs of investigation and remediation due to various factors. These factors include, but are not limited to: an early stage of investigation for some sites, which increases uncertainty with respect to applicable regulatory requirements and duration, scope and cost of the remedial work; evolving laws and regulations affecting the scope of planned remedial effort and technologies applied; an early stage of certain legal analyses, such as the existence and financial condition of other potentially responsible parties subject to joint and several liability for remediation on certain sites; possible identification of additional volumes of contamination at known sites; and general changes in the cost of labor, materials and equipment planned to be employed in remedial work. For all such matters Kito Crosby has $3,159,000 accrued as of September 30, 2026.

For all of the currently known environmental matters, the Company has amounts accrued as of September 30, 2026 which, in our opinion, is 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 2027.

## 13. Income Taxes

The Company recorded income tax expense of $15,315,000 and $36,359,000 for the three and six months ended September 30, 2026, respectively, and income tax benefit of $1,446,000 and $1,186,000 for the three and six months ended September 30, 2025, respectively. Income tax as a percentage of pre-tax income (loss) was (155)% and (47)% in the three and six months ended September 30, 2026 and (46)% and (78)% in the three and six months ended September 30, 2025, respectively. Typically these percentages vary from the U.S. statutory rate of 21%.

During the three and six months ended September 30, 2026, income tax expense was unfavorably impacted by an increase in the deferred tax asset valuation allowance related to interest expense carryforwards which the Company does not expect to be able to recognize. The realization of these tax benefits depends on the Company's ability to generate sufficient taxable income of the appropriate character and jurisdiction in future periods. Because the Company is in a three-year cumulative loss position, it has concluded that it is appropriate to record a valuation allowance for these tax benefits until additional positive evidence of future period earnings, in the relevant jurisdictions, is available. The Company estimates these deferred tax asset valuation allowances will unfavorably impact the tax rate by approximately 50 percentage points for the fiscal year ended March 31, 2027. The effective tax rate for the three and six months ended September 30, 2026, also reflects an unfavorable impact related to accrual for income and withholding taxes on the current year earnings of certain foreign subsidiaries that are not considered permanently reinvested. This does not reflect a change in management's assertion regarding the permanent reinvestment of foreign earnings. With respect to the accrual for taxes on repatriation of earnings, the Company anticipates an unfavorable tax rate impact of approximately 10 percentage points for the fiscal year ended in 2027.

Refer to the Company’s consolidated financial statements included in the 2026 Form 10-K for further information on income taxes.

## 14. Changes in Accumulated Other Comprehensive Income (Loss)

Changes in AOCL by component are as follows (in thousands):

| | Three months ended September 30, 2026 | | | |
|---|---|---|---|---|
| | Retirement Obligations | Foreign Currency | Change in Derivatives Qualifying as Hedges | Total |
| Beginning balance net of tax | $ 16,328 | $ (22,634) | $ 4,179 | $ (2,127) |
| Other comprehensive income (loss) before reclassification | 243 | (19,671) | 14,789 | (4,639) |
| Amounts reclassified from other comprehensive loss | (311) | — | (477) | (788) |
| Net current period other comprehensive income (loss) | (68) | (19,671) | 14,312 | (5,427) |
| Ending balance net of tax | $ 16,260 | $ (42,305) | $ 18,491 | $ (7,554) |

| | Six months ended September 30, 2026 | | | |
|---|---|---|---|---|
| | Retirement Obligations | Foreign Currency | Change in Derivatives Qualifying as Hedges | Total |
| Beginning balance net of tax | $ 16,471 | $ (21,599) | $ (1,620) | $ (6,748) |
| Other comprehensive income (loss) before reclassification | 412 | (20,706) | 21,272 | 978 |
| Amounts reclassified from other comprehensive loss | (623) | — | (1,161) | (1,784) |
| Net current period other comprehensive income (loss) | (211) | (20,706) | 20,111 | (806) |
| Ending balance net of tax | $ 16,260 | $ (42,305) | $ 18,491 | $ (7,554) |

| | Three months ended September 30, 2025 | | | |
|---|---|---|---|---|
| | Retirement Obligations | Foreign Currency | Change in Derivatives Qualifying as Hedges | Total |
| Beginning balance net of tax | $ 15,485 | $ (4,156) | $ (2,833) | $ 8,496 |
| Other comprehensive income (loss) before reclassification | 165 | (1,467) | 981 | (321) |
| Amounts reclassified from other comprehensive loss | (206) | — | (1,102) | (1,308) |
| Net current period other comprehensive income (loss) | (41) | (1,467) | (121) | (1,629) |
| Ending balance net of tax | $ 15,444 | $ (5,623) | $ (2,954) | $ 6,867 |

| | Six Months Ended September 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 | 1,092 | 28,319 | (3,968) | 25,443 |
| Amounts reclassified from other comprehensive loss | (408) | — | 2,933 | 2,525 |
| Net current period other comprehensive income (loss) | 684 | 28,319 | (1,035) | 27,968 |
| Ending balance net of tax | $ 15,444 | $ (5,623) | $ (2,954) | $ 6,867 |

Details of amounts reclassified out of AOCL for the three months ended September 30, 2026 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* | | |
| | $ (420) | |
| | (420) | Total before tax |
| | 109 | Tax (benefit) expense |
| | $ (311) | Net of tax |
| | | |
| Change in derivatives qualifying as hedges | | |
| | $ (7) | Cost of products sold |
| | (3) | Interest expense |
| | (625) | Foreign currency |
| | (635) | Total before tax |
| | 158 | Tax (benefit) expense |
| | $ (477) | Net of tax |

Details of amounts reclassified out of AOCL for the six months ended September 30, 2026 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* | | |
| | $ (842) | |
| | (842) | Total before tax |
| | 219 | Tax (benefit) expense |
| | $ (623) | Net of tax |
| | | |
| Change in derivatives qualifying as hedges | | |
| | $ (21) | Cost of products sold |
| | 117 | Interest expense |
| | (1,633) | Foreign currency |
| | (1,537) | Total before tax |
| | 376 | Tax (benefit) expense |
| | $ (1,161) | Net of tax |

Details of amounts reclassified out of AOCL for the three months ended September 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* | | |
| | $ (294) | |
| | (294) | Total before tax |
| | 88 | Tax (benefit) expense |
| | $ (206) | Net of tax |
| | | |
| Change in derivatives qualifying as hedges | | |
| | $ (80) | Cost of products sold |
| | (548) | Interest expense |
| | (838) | Foreign currency |
| | (1,466) | Total before tax |
| | 364 | Tax (benefit) expense |
| | $ (1,102) | Net of tax |

Details of amounts reclassified out of AOCL for the six months ended September 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* | | |
| | $ (581) | |
| | (581) | Total before tax |
| | 173 | Tax (benefit) expense |
| | $ (408) | Net of tax |
| | | |
| Change in derivatives qualifying as hedges | | |
| | $ (73) | Cost of products sold |
| | (1,097) | Interest expense |
| | 5,071 | Foreign currency |
| | 3,901 | Total before tax |
| | (968) | Tax (benefit) expense |
| | $ 2,933 | Net of tax |

*These AOCL components are included in the computation of net periodic pension cost. (Refer to 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 Condensed Consolidated Balance Sheets; the Company has elected not to recognize leases with terms of one year or less on the Condensed Consolidated Balance Sheets. 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 at (in thousands):

| | September 30, 2026 | March 31, 2026 |
|---|---|---|
| **Operating leases:** | | |
| Other assets | $ 75,008 | $ 88,416 |
| | | |
| Accrued liabilities | 19,045 | 31,523 |
| Other non-current liabilities | 62,802 | 64,195 |
| *Total operating liabilities* | $ 81,847 | $ 95,718 |
| | | |
| **Finance lease:** | | |
| Property, plant, and equipment, net | $ 9,093 | $ 9,594 |
| | | |
| Current portion of long-term debt and finance lease obligations | 851 | 812 |
| Term loan, Senior Secured Notes, AR securitization facility and finance lease obligations | 10,281 | 10,737 |
| *Total finance liabilities* | $ 11,132 | $ 11,549 |

Operating lease expense of $5,922,000 and $11,853,000 for the three and six months ended September 30, 2026 and $3,606,000 and $7,198,000 for the three and six months ended September 30, 2025, respectively, is included in Income (loss) 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 and six months ended September 30, 2026 and September 30, 2025. Finance lease expense of $250,000 and $501,000 and $254,000 and $504,000 for both the three and six months ended September 30, 2026 and September 30, 2025, respectively, is included in Income (loss) from operations on the Condensed Consolidated Statements of Operations. Interest and debt expense related to the finance lease of $127,000 and $255,000 and $137,000 and $273,000 is included in the Company's Condensed Consolidated Statements of Operations for the three and six months ended September 30, 2026 and September 30, 2025, respectively.

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

| | Six Months Ended September 30, | |
|---|---|---|
| | 2026 | 2025 |
| Cash paid for amounts included in the measurement of operating lease liabilities | $ 12,272 | $ 7,447 |
| Cash paid for amounts included in the measurement of finance lease liabilities | $ 651 | $ 636 |
| ROU assets obtained in exchange for new operating lease liabilities | $ 1,945 | $ 560 |

**16. Business Segment Information**

ASC 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 the 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 Income from operations.

**17. Effects of New Accounting Pronouncements**

*Topics Not Yet Adopted*

In April 2026, the FASB issued ASU 2026-01, "Equity (Topic 505): Initial Measurement of Paid-in-Kind Dividends on Equity-Classified Preferred Stock." The ASU provides guidance on the initial measurement of paid-in-kind ("PIK") dividends on equity-classified preferred stock and does not affect the timing of dividend recognition. The amendments are effective for fiscal years beginning after December 15, 2026, and interim periods within those fiscal years. Early adoption is permitted.

In February 2026, the Company issued Preferred Shares that include a paid-in-kind dividend feature. Upon adoption of ASU 2026-01, the Company will apply the guidance to measure PIK dividends on such preferred shares based on the contractual dividend rate and liquidation preference. The Company is evaluating the timing of adoption and does not expect adoption to have a material impact on its financial position or results of operations.

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.

The Company is currently assessing the impact these ASUs will have on the footnotes of its annual and interim financial statements. The Company plans to adopt these standards in fiscal 2028 when required. ASUs not listed were assessed and determined to be either not applicable, or had or are expected to have an immaterial impact on our financial statements and related disclosures.

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

**Executive Overview**

Columbus McKinnon Corporation ("Columbus McKinnon" or the "Company") is 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. Key products include hoists, crane components, precision conveyor systems, rigging tools, light rail workstations and digital power and motion control systems. These are highly relevant, professional-grade solutions that solve our 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 growing sales and expanding EBITDA margins.

Our revenue base is geographically diverse with approximately 45% derived from customers outside the U.S. for the six months ended September 30, 2026. 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.

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 May 31, 2023, 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 complement the previous acquisitions of both Dorner and Garvey, and these acquisitions collectively helped to accelerate the Company's shift to intelligent motion solutions and serve as a platform to expand capabilities in advanced, higher technology automation solutions.

On February 3, 2026, the Company completed its acquisition of Kito Crosby for $2,821,907,000, including acquired cash of $184,307,000. The Kito Crosby Acquisition has meaningfully improved the Company's scale, enhanced our collective geographic reach, significantly expanded our lifting securement and consumables portfolio and enhanced our customer value proposition.

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 $428,000,000 in fiscal 2026 (or 51% of Cost of products 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.

**Results of Operations**

*Three months ended September 30, 2026 and September 30, 2025*

Net sales in the three months ended September 30, 2026 were $539,285,000, an increase of $278,238,000 or 106.6% from the three months ended September 30, 2025 net sales of $261,047,000. Net sales were positively impacted by $300,205,000 related to the Kito Crosby Acquisition as well as $10,056,000 of price increases and $2,338,000 of favorable sales volumes offset by $33,902,000 of sales loss due to the divestiture of the U.S. Power Chain Hoist and Chain Manufacturing Operations. Foreign currency translation unfavorably impacted sales by $459,000 for the three months ended September 30, 2026.

Gross profit in the three months ended September 30, 2026 was $187,909,000, an increase of $97,749,000 or 108.4% from the three months ended September 30, 2025 gross profit of $90,160,000. Gross profit margin was 34.8% in the Fiscal 2027 second quarter compared to 34.5% in the Fiscal 2026 second quarter. Gross profit increased due to $105,524,000 related to the Kito Crosby Acquisition, which was inclusive of $7,445,000 in inventory step-up amortization expense, offset by $13,056,000 related to the divestiture of the U.S. Power Chain Hoist and Chain Manufacturing Operations. The Company additionally saw increases in gross profit driven by price increases, partially offset by mix and other cost changes. The translation of foreign currencies had an unfavorable impact on gross profit of $80,000 during the three months ended September 30, 2026.

Selling expenses were $52,375,000 and $29,122,000, or 9.7% and 11.2% of net sales, in the three months ended September 30, 2026 and September 30, 2025, respectively. Selling expenses increased in the period by $25,414,000 related to the Kito Crosby Acquisition. Foreign currency translation had a $39,000 favorable impact on selling expenses in the three months ended September 30, 2026.

General and administrative expenses were $61,749,000 and $36,386,000, or 11.5% and 13.9% of net sales, for the three months ended September 30, 2026 and September 30, 2025, respectively. General and administrative expenses increased by $23,956,000 as a result of the Kito Crosby Acquisition, in addition to higher stock based compensation and an increase in the Company's incentive compensation, partially offset by acquisition related cost saving synergies. Foreign currency translation had an unfavorable impact of $21,000 on general and administrative expenses in the three months ended September 30, 2026.

Research and development expenses were $8,069,000 and $4,781,000, or 1.5% and 1.8% of net sales, for the three months ended September 30, 2026 and 2025, respectively. Kito Crosby contributed an additional $3,867,000 to research and development expenses.

Amortization of intangibles was $29,964,000 and $7,683,000 in the three months ended September 30, 2026 and 2025, respectively, with the increase related to amortization of new intangible assets acquired in the Kito Crosby Acquisition.

Interest and debt expense was $48,050,000 in the second quarter ended September 30, 2026 compared to $8,747,000 in the second quarter ended September 30, 2025. The increase is related to borrowings to finance the Kito Crosby Acquisition.

Cost of debt repricing of $1,056,000 related to fees paid to reprice the 2026 Term Loan B described in Note 9. No such fees were recorded in fiscal 2026.

Investment loss was $129,000 in the second quarter ended September 30, 2026 compared to investment income of $521,000 in the second quarter ended September 30, 2025. Investment loss 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 income was (155)% and (46)% in the three months ended September 30, 2026 and September 30, 2025, respectively. Typically, these percentages vary from the U.S. statutory rate of 21%. For the current quarter, the rate was primarily impacted by an increase to the deferred tax asset valuation allowance related to interest expense carryforwards which the Company does not expect to be able to recognize. The realization of these tax benefits depends on the Company's ability to generate sufficient taxable income, of the appropriate character and jurisdiction, in future periods. Because the Company is in a cumulative loss position for the most recent three year period, the Company has concluded that it is appropriate to record a valuation allowance for these tax benefits until additional positive evidence of future

period earnings, in the relevant jurisdictions, is available. The Company estimates these deferred tax asset valuation allowances will unfavorably impact the tax rate by approximately 50 percentage points for the fiscal year ended March 31, 2027. The effective tax rate for the three months ended September 30, 2026, also reflects an unfavorable impact related to accrual for income and withholding taxes on the current year earnings of certain foreign subsidiaries that are not considered permanently reinvested. This does not reflect a change in management's assertion regarding the permanent reinvestment of foreign earnings.

*Six months ended September 30, 2026 and September 30, 2025*

Net sales in the six months ended September 30, 2026 were $1,070,746,000, an increase of $573,779,000 or 115.5% from the six months ended September 30, 2025 net sales of $496,967,000. Net sales were positively impacted by $604,968,000 related to the Kito Crosby Acquisition as well as $18,397,000 of favorable sales volumes and $17,184,000 of price increases offset by $68,749,000 of sales loss due to the divestiture of the U.S. Power Chain Hoist and Chain Manufacturing Operations. Foreign currency translation favorably impacted sales by $1,979,000 for the six months ended September 30, 2026.

Gross profit in the six months ended September 30, 2026 was $334,178,000, an increase of $166,796,000 or 99.6% from the six months ended September 30, 2025 gross profit of $167,382,000. Gross profit margin was 31.2% in the six months ended September 30, 2026 compared to 33.7% in the six months ended September 30, 2025. Gross profit decreased by $26,944,000 related to the divestiture of the U.S. Power Chain Hoist and Chain Manufacturing Operations. This decrease was offset by $178,497,000 related to the Kito Crosby Acquisition, which was inclusive of $62,643,000 in inventory step-up amortization expense. The Company additionally saw increases in gross profit driven by price increases, and other benefits to material costs specific to the period, partially offset by inflation in the cost of products sold. The translation of foreign currencies had a favorable impact on gross profit of $791,000 during the six months ended September 30, 2026.

Selling expenses were $107,064,000 and $57,653,000, or 10.0% and 11.6% of net sales, in the six months ended September 30, 2026 and 2025, respectively. Selling expenses increased in the period for $51,641,000 related to the Kito Crosby Acquisition offset by acquisition related cost synergy savings. Foreign currency translation had a $406,000 unfavorable impact on selling expenses in the six months ended September 30, 2026 with the remaining increase attributable to overall increase in sales during the period.

General and administrative expenses were $127,111,000 and $67,129,000, or 11.9% and 13.5% of net sales, in the six months ended September 30, 2026 and 2025, respectively. General and administrative expenses increased by $47,536,000 as a result of Kito Crosby Acquisition related expenses, higher stock based compensation and an increase in the Company's incentive compensation. Foreign currency translation had an unfavorable impact of $245,000 on general and administrative expenses in the six months ended September 30, 2026.

Research and development expenses were $16,610,000 and $9,602,000, or 1.6% and 1.9% of net sales, in the six months ended September 30, 2026 and 2025, respectively. Kito Crosby contributed an additional $7,720,000 to research and development expenses offset by acquisition related cost synergy savings.

Amortization of intangibles was $64,772,000 and $15,318,000 in the six months ended September 30, 2026 and 2025, respectively, with the increase related to amortization of new intangible assets acquired in the Kito Crosby Acquisition.

Interest and debt expense was $95,660,000 in the six months ended September 30, 2026 compared to $17,445,000 in the six months ended September 30, 2025. The increase is related to borrowings to finance the Kito Crosby Acquisition.

Cost of debt repricing of $1,056,000 related to fees paid to reprice the 2026 Term Loan B described in Note 9. No such fees were recorded in fiscal 2026.

Investment income was $1,563,000 in the six months ended September 30, 2026 compared to $1,570,000 in the six months ended September 30, 2025. 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 benefit as a percentage of the pre-tax income was (47)% and income tax benefit as a percentage of the pre-tax loss was (78)% in the six months ended September 30, 2026 and September 30, 2025, 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.

For the six months ended September 30, 2026, the rate was primarily impacted by an increase to the deferred tax asset valuation allowance related to interest expense carryforwards which the Company does not expect to be able to recognize. The realization of these tax benefits depends on the Company's ability to generate sufficient taxable income, of the appropriate character and jurisdiction, in future periods. Because the Company is in a cumulative loss position for the most recent three year period, the Company has concluded that it is appropriate to record a valuation allowance for these tax benefits until additional positive evidence of future period earnings, in the relevant jurisdictions, is available. The Company estimates these deferred tax asset valuation allowances will unfavorably impact the tax rate by approximately 50 percentage points for the fiscal year ended March 31, 2027. The effective tax rate for the six months ended September 30, 2026, also reflects an unfavorable impact related to accrual for income and withholding taxes on the current year earnings of certain foreign subsidiaries that are not considered permanently reinvested. This does not reflect a change in management's assertion regarding the permanent reinvestment of foreign earnings.

**Liquidity and Capital Resources**

Cash, cash equivalents, and restricted cash totaled $111,150,000 at September 30, 2026, an increase of $14,127,000 from the March 31, 2026 balance of $97,023,000.

*Liquidity*

We manage our funding and liquidity risk in an integrated manner in support of the current and future cash flow needs of our business. Our primary sources of liquidity are funds generated by operating activities, cash and cash equivalents, available capacity for borrowings on the First Amendment to the Credit Agreement and available capacity for borrowings on our AR Securitization Facility. Our ability to fund our operations, to make planned capital investments, to make scheduled debt payments and to repay or refinance indebtedness depends on our future operating performance and cash flows, which are subject to prevailing economic conditions and financial, business, and other factors, some of which are beyond our control.

Our liquidity as of September 30, 2026 was $531,980,000 comprised of cash and cash equivalents of $110,900,000 and $421,080,000 of availability on the 2026 Revolving Credit Facility. There was no additional capacity under the AR Securitization Facility. Our liquidity as of March 31, 2026 was $561,216,000 comprised of cash and cash equivalents of $96,562,000, $458,933,000 of availability on the 2026 Revolving Credit Facility and $5,721,000 of availability on the AR Securitization Facility.

We believe that our current resources, together with anticipated cash flows from operations and borrowing capacity under the First Amendment to the Credit Agreement and AR Securitization facilities, will be sufficient to finance our operations, meet our current cash requirements, and fund anticipated capital investments for at least the next 12 months. We may, however, seek additional financing to fund future growth or refinance our existing indebtedness through the debt capital markets, but we cannot be assured that such financing will be available on favorable terms, or at all.

*Cash flow from operating activities*

Net cash provided by operating activities was $21,065,000 and $248,000 for the six months ended September 30, 2026 and September 30, 2025, respectively. The net loss of $114,262,000 was offset by $128,940,000 of adjustments primarily consisting of $104,138,000 of depreciation and amortization, $8,867,000 of non-cash lease expense, $8,447,000 of stock-based compensation, $5,048,000 of amortization of deferred financing costs, $1,724,000 of deferred income taxes and related valuation allowances and $1,056,000 of cost of debt repricing. Changes in working capital decreased cash from operations by $55,036,000, excluding the acquisition-related inventory step-up amortization of $62,643,000. This decrease was primarily driven by an $18,251,000 decrease in trade payables, a $17,268,000 increase in inventory, net of acquisition-related step-up amortization, and an $8,185,000 increase in prepaid expenses and other current assets. Cash provided by operating activities was also reduced by a decrease of $10,524,000 in other non-current liabilities primarily due to lease payments.

*Cash flow from investing activities*

Net cash used for investing activities was $16,066,000 for the six months ended September 30, 2026 compared to $6,345,000 for the six months ended September 30, 2025. The use of cash for the six months ended September 30, 2026 primarily consisted of $16,464,000 in capital expenditures.

*Cash flow from financing activities*

Net cash provided by financing activities was $8,967,000 and net cash used for financing activities was $18,722,000 for the six months ended September 30, 2026 and September 30, 2025, respectively. The most significant source of cash was $15,443,000 of borrowings during the year, offset by $4,036,000 of dividend payments. Cash flows from hedging activities related to the Company's cross currency swap are classified as financing activities in the Condensed Consolidated Statements of Cash Flows which resulted in a net cash outflow of $513,000 during the six months ended September 30, 2026.

We believe that our cash on hand, cash flows, and borrowing capacity under our 2026 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 September 30, 2026, $108,440,000 of cash and cash equivalents were held by foreign subsidiaries.

Refer to Note 9 of the financial statements 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 six months ended September 30, 2026 and September 30, 2025 were $16,464,000 and $6,523,000, respectively. We expect capital expenditure spending in fiscal 2027 to range from $45,000,000 to $55,000,000 inclusive of the Kito Crosby business.

**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 four reporting units: the Linear Motion Products reporting unit, the Rest of Products reporting unit, the Precision Conveyance reporting unit and the Kito Crosby reporting unit which have goodwill totaling $9,699,000, $262,135,000, $201,354,000, and $904,938,000, respectively, as of September 30, 2026. In February 2026, the Company completed its acquisition of Kito Crosby as described in Note 2. Given its proximity to the Company's goodwill in the prior year, in fiscal 2027 the Company is reassessing its reporting units as the integration of Kito Crosby progresses.

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 impairment indicators that could materially impact the financial statements. 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 2026 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 17 to the accompanying condensed 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 2026 Form 10-K.

Item 4. Controls and Procedures.

As of September 30, 2026, an evaluation was performed under the supervision and with the participation of the Company's management, including our principal executive officer and 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 principal executive officer and principal financial officer, concluded that the Company's disclosure controls and procedures were effective as of September 30, 2026.

Other than the on-going integration activities related to the Kito Crosby Acquisition which will be included in our March 31, 2027 assessment, there have been no 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 2026 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 2026 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 September 30, 2026 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] |
|---|---|---|---|---|
| July 1 - 31, 2026 | — | $ — | — | $ — |
| August 1 - 31, 2026 | — | $ — | — | $ — |
| September 1 - 30, 2026 | — | $ — | — | $ — |
| **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 September 30, 2026, approximately $9 million remained 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 September 30, 2026, 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 10.1# | First Amendment to the Columbus McKinnon Corporation Second Amended and Restated 2016 Long Term Incentive Plan (incorporated by reference to Exhibit A to the Company's Definitive Proxy Statement on Schedule 14A filed on June 26, 2026). |
| Exhibit 10.2 | First Amendment, dated as of September 21, 2026, by and among Columbus McKinnon Corporation, Columbus McKinnon EMEA GmbH, the guarantors party thereto, the banks and financial institutions party thereto, JPMorgan Chase Bank, N.A., as the Administrative Agent with respect to the Non-EEA Agented Borrower(s) and collateral agent and J.P. Morgan SE, as the Administrative Agent with respect to the EEA Agented Borrower(s) (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated September 22, 2026). |
| Exhibit 10.3* | Fourth Amendment to Credit and Security Agreement, dated as of October 29, 2026, by and among Columbus McKinnon Corporation, as Master Servicer and Performance Guarantor, Columbus McKinnon FinCo, LLC, as Borrower, and Wells Fargo Bank, National Association, as Lender and as Administrative Agent. |
| 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 six months ended September 30, 2026 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
# Indicates a Management contract or compensation plan or arrangement

**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: November 3, 2026

/S/ JOHN R. LINKER
John R. Linker
Executive Vice President – Finance and Chief Financial Officer (Principal Financial Officer)