COLUMBUS MCKINNON CORP
Form 8-K
May 30, 2018

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 30, 2018

COLUMBUS MCKINNON CORPORATION
(Exact name of registrant as specified in its charter)

NEW YORK
(State or other jurisdiction of incorporation)

0-27618	16-0547600
(Commission File Number)	(IRS Employer Identification No.)

205 CROSSPOINT PARKWAY, GETZVILLE, NEW YORK	14068
(Address of principal executive offices)	(Zip Code)

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

_____

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

o Emerging Growth Company

o 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.

Item 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On May 30, 2018, the registrant issued a press release announcing its financial results for the fourth quarter, which ended March 31, 2018. The press release is annexed as Exhibit 99.1 to this Current Report on Form 8-K. The slides used during the earnings call are annexed as Exhibit 99.2 to this Current Report on Form 8-K.

The information contained in this Form 8-K and the Exhibit annexed hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth in such filing.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

EXHIBIT NUMBER	DESCRIPTION
99.1	Press Release dated May 30, 2018
99.2	Earnings call slides dated May 30, 2018

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

By: /s/ Gregory P. Rustowicz
Name: Gregory P. Rustowicz
Title: Vice President and Chief
Financial Officer (Principal Financial Officer)

Dated: May 30, 2018

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
99.1	Press Release dated May 30, 2018
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LLPADDING="3" ALIGN="CENTER" STYLE="width: 80%; font: 10pt Arial, Helvetica, Sans-Serif; border-collapse: collapse">Stated principal amount:$1,000 per PLUSLeverage factor:400%Maximum payment at maturity:$1,600 per Trigger PLUS (160% of the stated principal amount)Hypothetical trigger level:

With respect to the SPX Index, 1,200, 60% of the respective hypothetical initial index value

With respect to the RTY Index, 600, 60% of the respective hypothetical initial index value

Hypothetical initial index value:

With respect to the SPX Index: 2,000

With respect to the RTY Index: 1,000

EXAMPLE 1: Both underlying indices appreciate significantly and so investors receive only the maximum payment at maturity.

Final index value		SPX Index: 3,800
		RTY Index: 2,700
Index percent change		INDU Index: (3,800 – 2,000) / 2,000 = 90%
		RTY Index: (1,800 – 1,000) / 1,000 = 80%
Payment at maturity	=	$1,000 + leveraged upside payment, subject to the maximum payment at maturity
	=	$1,000 + ($1,000 × leverage factor × index percent change of the worst

		performing underlying index), subject to the maximum payment at maturity
	=	$1,000 + ($1,000 × 400% × 80%), subject to the maximum payment at maturity
	=	maximum payment at maturity of $1,600 per Trigger PLUS

In example 1, the final index values of both the SPX Index and the RTY Index are significantly greater than their initial index values. The SPX Index has appreciated by 90%, while the RTY Index has appreciated by 80%. Therefore, investors receive at maturity the stated principal amount plus 400% of the appreciation of the worst performing underlying index, subject to the maximum payment at maturity of $1,600 per Trigger PLUS. Under the terms of the Trigger PLUS, investors will realize the maximum payment at maturity at a final index value of the worst performing underlying index of 115% of its respective initial index value. Therefore, in this example, investors receive only the maximum payment at maturity of $1,600 per stated principal amount, even though both underlying indices have appreciated significantly.

EXAMPLE 2: **Both underlying indices appreciate over the term of the Trigger PLUS, and investors receive the stated principal amount *plus* the leveraged upside payment, calculated based on the index percent change of the worst performing underlying index.**

Final index value		SPX Index: 2,200
		RTY Index: 1,400
Index percent change		SPX Index: (2,200 – 2,000) / 2,000 = 10%
		RTY Index: (1,400 – 1,000) / 1,000 = 40%
Payment at maturity	=	$1,000 + leveraged upside payment, subject to the maximum payment at maturity
	=	$1,000 + ($1,000 × leverage factor × index percent change of the worst

		performing underlying index) , subject to the maximum payment at maturity
	=	$1,000 + ($1,000 × 400% × 10%), subject to the maximum payment at maturity
	=	$1,400

In example 2, the final index values of both the SPX Index and the RTY Index are greater than their initial index values. The SPX Index has appreciated by 10%, while the RTY Index has appreciated by 40%. Therefore, investors receive at maturity the stated principal amount *plus* 400% of the appreciation of the worst performing underlying index, which is the SPX Index in this example. Investors receive $1,400 per Trigger PLUS at maturity.

EXAMPLE 3: **One underlying index appreciates, while the other declines over the term of the Trigger PLUS but neither index declines below the respective trigger level, and investors receive the stated principal amount.**

Final index value		SPX Index: 2,600
		RTY Index: 800
Index percent change		SPX Index: (2,600 – 2,000) / 2,000 = 30%
		RTY Index: (800 – 1,000) / 1,000 = -20%
Payment at maturity	=	$1,000

In example 3, the final index value of the SPX Index is greater than its initial index value, while the final index value of the RTY Index is less than its initial index value, but is greater than or equal to the respective trigger level. The SPX Index has appreciated by 30% while the RTY index has declined by 20%. Investors will receive the stated principal amount of $1,000.

EXAMPLE 4: **One underlying index appreciates while the other declines over the term of the Trigger PLUS, and the final index value of the worst performing underlying index is less than the respective trigger level. Investors are therefore exposed to the decline in the worst performing underlying index from its initial index value.**

Final index value		SPX Index: 2,600

		RTY Index: 400
Index percent change		SPX Index: (2,600 – 2,000) / 2,000 = 30% RTY Index: (400 – 1,000) / 1,000 = -60%
Payment at maturity	=	$1,000 × [index performance factor of the worst performing index]
	=	$1,000 x [400 / 1,000]
	=	$400

In example 4, the final index value of the SPX Index is greater than its initial index value, while the final index value of the RTY Index has declined below the trigger level. The SPX Index has appreciated by 30% while the RTY Index has depreciated by 60%. Because the final index value of the RTY Index has declined below the trigger level, investors are exposed to the negative performance of the RTY Index, which is the worst performing underlying index in this example. Investors receive a payment at maturity of $400.

EXAMPLE 5: **Both underlying indices decline below their respective trigger levels, and investors are therefore exposed to the decline in the worst performing underlying index from its initial index value.**

Final index value		SPX Index: 600
		RTY Index: 400
Index percent change		SPX Index: (600 – 2,000) / 2,000 = -70%
		RTY Index: (400 – 1,000) / 1,000 = -60%
Payment at maturity	=	$1,000 × [index performance factor of the worst performing index]
	=	$1,000 × [600 / 2,000]
	=	$300

In example 5, the final index values of both the SPX Index and the RTY Index are less than their respective trigger levels. The SPX Index has declined by 70% while the RTY Index has declined by 60%. Therefore, investors are exposed to the negative performance of the SPX Index, which is the worst performing underlying index in this example. Investors receive a payment at maturity of $300.

Because the payment at maturity of the Trigger PLUS is based on the worst performing of the underlying indices, a decline in either underlying index below its respective trigger level will result in a significant loss of your investment, even if the other underlying index has appreciated or has not declined as much.

S&P 500® Index Historical Performance

The following graph sets forth the daily index closing values of the S&P 500® Index for each quarter in the period from January 1, 2013 through October 29, 2018. You should not take the historical values of the S&P 500® Index as an indication of its future performance, and no assurance can be given as to the index closing value of the S&P 500® Index on the valuation date.

S&P 500® Index

Daily Index Closing Values

January 1, 2013 to October 29, 2018

Russell 2000® Index Historical Performance

The following graph sets forth the daily index closing values of the Russell 2000® Index for each quarter in the period from January 1, 2013 through October 29, 2018. You should not take the historical values of the Russell 2000® Index as an indication of its future performance, and no assurance can be given as to the index closing value of the Russell 2000® Index on the valuation date.

Russell 2000® Index

Daily Index Closing Values

January 1, 2013 to October 29, 2018