

COLUMBUS MCKINNON CORP
Form 10-Q
July 31, 2014

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
1934

For the quarterly period ended June 30, 2014
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: 0-27618

Columbus McKinnon Corporation
(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction of incorporation or organization)

16-0547600
(I.R.S. Employer
Identification No.)

140 John James Audubon Parkway, Amherst, NY
(Address of principal executive offices)

14228-1197
(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.)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes No

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

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). o
Yes No

The number of shares of common stock outstanding as of July 25, 2014 was: 19,937,783 shares.

FORM 10-Q INDEX
 COLUMBUS MCKINNON CORPORATION
 June 30, 2014

	Page #
Part I. Financial Information	
Item 1. Condensed Consolidated Financial Statements (Unaudited)	
<u>Condensed consolidated balance sheets</u> - June 30, 2014 and March 31, 2014	<u>3</u>
<u>Condensed consolidated statements of operations and retained earnings</u> - Three months ended June 30, 2014 and June 30, 2013	<u>4</u>
<u>Condensed consolidated statements of comprehensive income</u> - Three months ended June 30, 2014 and June 30, 2013	<u>5</u>
<u>Condensed consolidated statements of cash flows</u> - Three months ended June 30, 2014 and June 30, 2013	<u>6</u>
<u>Notes to condensed consolidated financial statements</u> - June 30, 2014	<u>7</u>
Item 2. <u>Management's Discussion and Analysis of Results of Operations and Financial Condition</u>	<u>29</u>
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>36</u>
Item 4. <u>Controls and Procedures</u>	<u>36</u>
Part II. Other Information	
Item 1. <u>Legal Proceedings – none.</u>	<u>37</u>
Item 1A. <u>Risk Factors</u>	<u>37</u>
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds – none.</u>	<u>37</u>
Item 3. <u>Defaults upon Senior Securities – none.</u>	<u>37</u>
Item 4. <u>Mine Safety Disclosures.</u>	<u>37</u>
Item 5. <u>Other Information – none.</u>	<u>37</u>
Item 6. <u>Exhibits</u>	<u>38</u>

Part I. Financial Information

Item 1. Condensed Consolidated Financial Statements (Unaudited)

COLUMBUS MCKINNON CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2014 (unaudited) (In thousands)	March 31, 2014
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 114,085	\$ 112,309
Trade accounts receivable	81,729	93,223
Inventories	102,659	97,576
Prepaid expenses and other	22,668	23,444
Total current assets	321,141	326,552
Property, plant, and equipment, net	77,558	78,687
Goodwill	119,135	119,303
Other intangibles, net	20,087	20,842
Marketable securities	22,574	21,941
Deferred taxes on income	20,811	23,406
Other assets	7,355	7,943
Total assets	\$ 588,661	\$ 598,674
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current liabilities:		
Trade accounts payable	\$ 26,769	\$ 35,359
Accrued liabilities	48,443	52,348
Current portion of long term debt	1,589	1,588
Total current liabilities	76,801	89,295
Senior debt, less current portion	1,679	2,020
Subordinated debt	148,753	148,685
Other non current liabilities	61,552	67,388
Total liabilities	288,785	307,388
Shareholders' equity:		
Voting common stock; 50,000,000 shares authorized; 19,930,958 and 19,806,300 shares issued and outstanding	199	198
Additional paid in capital	199,592	198,546
Retained earnings	140,553	133,820
ESOP debt guarantee	(41) (142
Accumulated other comprehensive loss	(40,427) (41,136
Total shareholders' equity	299,876	291,286
Total liabilities and shareholders' equity	\$ 588,661	\$ 598,674

See accompanying notes.

COLUMBUS MCKINNON CORPORATION
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS
 (UNAUDITED)

	Three Months Ended	
	June 30, 2014	June 30, 2013
	(In thousands, except per share data)	
Net sales	\$ 142,932	\$ 138,891
Cost of products sold	97,367	95,400
Gross profit	45,565	43,491
Selling expenses	17,891	16,747
General and administrative expenses	14,079	12,849
Amortization of intangibles	589	459
	32,559	30,055
Income from operations	13,006	13,436
Interest and debt expense	3,369	3,371
Investment income		