

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): June 8, 2000

APPLIED POWER INC.

(Exact name of Registrant as specified in its charter)

|                                                                |                                        |                                                       |
|----------------------------------------------------------------|----------------------------------------|-------------------------------------------------------|
| Wisconsin<br>(State or other jurisdiction<br>of incorporation) | 1-11288<br>(Commission File<br>Number) | 39-0168610<br>(I.R.S. Employer<br>Identification No.) |
|----------------------------------------------------------------|----------------------------------------|-------------------------------------------------------|

N22 W23685 Ridgeview Parkway West  
Waukesha, Wisconsin 53188-1013

Mailing address: P.O. Box 325, Milwaukee, Wisconsin 53201  
(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: (262) 523-7600

Item 5. Other Events.

On June 7, 2000, Applied Power Inc. (the "Company") announced in a press release record sales of \$497.5 million for its fiscal third quarter ended May 31, 2000, an increase of 13% over the prior year third quarter results. The announcement was made in preparation of a research analyst meeting to be hosted by Applied Power Inc. on June 8, 2000. Sales for the quarter in the Company's Electronics segment were \$319.6 million, an increase of 23% over the third quarter of last year. The Company's Industrial segment recorded sales of \$177.9 million in the quarter, a slight decrease over the third quarter of last year. The Company is proceeding with plans to separate its Electronics segment via a spin-off to shareholders, with the new public company to be named APW Ltd.

In prepared remarks delivered today to investment professionals at the aforementioned analyst meeting, the Company projected the following results for APW Ltd.:

APW Ltd.  
Pro Forma - Income Statements  
(in millions, except per share data)

<TABLE>  
<CAPTION>

|                                                   | For the year ended             |                                |
|---------------------------------------------------|--------------------------------|--------------------------------|
|                                                   | August 31, 2000<br>(estimated) | August 31, 2001<br>(estimated) |
| <S>                                               | <C>                            | <C>                            |
| Net Sales                                         | \$1,216.2                      | \$1,460.0                      |
| Gross Profit                                      | 319.7                          | 380.4                          |
| Selling, Administrative &<br>Engineering expenses | 202.7                          | 231.0                          |
|                                                   | -----                          | -----                          |
| EBITA                                             | 117.0                          | 149.4                          |
| Amortization of Intangible Assets                 | 24.0                           | 24.4                           |
| Net Financing Costs                               | 27.0                           | 25.7                           |
|                                                   | -----                          | -----                          |
| Earnings Before Income Taxes                      | 66.0                           | 99.3                           |
| Income Tax Expense                                | 19.8                           | 29.8                           |
|                                                   | -----                          | -----                          |

|                            |         |         |
|----------------------------|---------|---------|
| Net Earnings               | \$ 46.2 | \$ 69.5 |
|                            | =====   | =====   |
| Diluted Earnings per Share | \$ 1.14 | \$ 1.67 |
|                            | =====   | =====   |
| Cash Earnings per Share    | \$ 1.69 | \$ 2.21 |
|                            | =====   | =====   |

EBITDA 151.1 189.6

<TABLE>  
<CAPTION>  
Pro Forma - Balance Sheets  
(in millions)

|                                          | August 31, 2000<br>(estimated) | August 31, 2001<br>(estimated) |
|------------------------------------------|--------------------------------|--------------------------------|
| <S>                                      | <C>                            | <C>                            |
| ASSETS                                   |                                |                                |
| Cash & Equivalents                       | \$ 5.0                         | \$ 5.0                         |
| Net Accounts Receivable                  | 121.6                          | 144.9                          |
| Net Inventory                            | 121.6                          | 147.9                          |
| Other Current Assets                     | 16.8                           | 19.3                           |
|                                          | -----                          | -----                          |
| Total Current Assets                     | 265.0                          | 317.1                          |
| Net Property, Plant & Equipment          | 195.8                          | 200.7                          |
| Net Goodwill                             | 665.9                          | 642.3                          |
| Net Other Intangibles                    | 10.9                           | 10.1                           |
| Other Non-current Assets                 | 49.1                           | 49.9                           |
|                                          | -----                          | -----                          |
| TOTAL ASSETS                             | \$1,186.7                      | \$1,220.1                      |
|                                          | =====                          | =====                          |
| LIABILITIES & SHAREHOLDERS' EQUITY       |                                |                                |
| Trade Accounts Payable                   | \$ 110.7                       | \$ 135.6                       |
| Other Current Liabilities                | 75.5                           | 77.0                           |
| Income Taxes Payable                     | 77.8                           | 39.3                           |
|                                          | -----                          | -----                          |
| Total Current Liabilities                | 264.0                          | 251.9                          |
| Debt                                     | 253.8                          | 229.3                          |
| Deferred Income Taxes                    | 8.2                            | 8.2                            |
| Other Non-Current Liabilities            | 42.9                           | 43.4                           |
|                                          | -----                          | -----                          |
| TOTAL LIABILITIES                        | 568.9                          | 532.8                          |
|                                          |                                |                                |
| SHAREHOLDERS' EQUITY                     | 617.8                          | 687.3                          |
|                                          | -----                          | -----                          |
| TOTAL LIABILITIES & SHAREHOLDERS' EQUITY | \$1,186.7                      | \$1,220.1                      |
|                                          | =====                          | =====                          |

</TABLE>

| Pro Forma - Cash Flow<br>(in millions) | For the Year Ended             |                                |
|----------------------------------------|--------------------------------|--------------------------------|
|                                        | August 31, 2000<br>(estimated) | August 31, 2001<br>(estimated) |
| Net Earnings                           | \$ 46.2                        | \$ 69.5                        |
| Depreciation                           | 34.1                           | 40.2                           |
| Amortization                           | 24.0                           | 24.4                           |
| Working Capital                        | (21.1)                         | (24.6)                         |
|                                        | -----                          | -----                          |
| Cash Flow from Operations              | 83.2                           | 109.5                          |

|                      |         |         |
|----------------------|---------|---------|
| Capital Expenditures | (35.0)  | (45.0)  |
|                      | -----   | -----   |
| Free Cash Flow       | \$ 48.2 | \$ 64.5 |
|                      | =====   | =====   |

Pro Forma - Working Capital Statistics  
% to Sales

|                             |       |       |
|-----------------------------|-------|-------|
| Net Accounts Receivable     | 10.0% | 9.9%  |
| Net Inventory               | 10.0% | 10.2% |
| Trade Accounts Payable      | 9.1%  | 9.4%  |
|                             | ----- | ----- |
| Net Primary Working Capital | 10.9% | 10.8% |

These forward looking statements and projections for the future are based upon unaudited information, including the Company's third quarter results. These projections assume:

- . Sales projections are based upon current underlying business conditions as described in the Company's June 7, 2000 press release. (see Exhibit 99.1)
- . The above income statement amounts exclude one time costs associated with the spin-off, including, but not limited to, tax expense associated with APW Ltd.'s incorporation in Bermuda.
- . General corporate expenses of \$12 million are included in both years presented.
- . Effective blended interest rate assumed to be 7.75%.
- . Diluted shares outstanding of 40.5 million in fiscal year 2000 and 41.6 million in fiscal year 2001.

Definitions (measures believed to be useful to investors)

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- . EBITA = Earnings before Interest, Taxes and Amortization of Intangible Assets
- . EBITDA = Earnings before Interest, Taxes, Depreciation and Amortization of Intangible Assets
- . Cash Earnings Per Share = Diluted Earnings per share adjusted for after-tax amortization

Neither Applied Power Inc. nor APW Ltd. assumes any obligation to update these projections and these figures are as presented on June 8, 2000. The Registrant reports that its Electronics segment, with respect to risk factors described below, anticipates revenue growth as set forth above. The earnings per share are based upon estimates of the projected common stock and common stock equivalents after the spin-off of APW's Electronics business from the Company. The number of stock options outstanding depends upon the actual APW Ltd. and Applied Power Inc. common stock trading prices, which are not yet known. Actual results could differ materially from those projected in the forward-looking results.

Certain of the above comments represent forward-looking statements made pursuant to the provisions of the Private Securities Litigation Reform Act of 1995. Management cautions that these projections are based on current estimates of future performance and are highly dependent upon a variety of factors, which could cause actual results to differ from these estimates. Applied Power's results are also subject to general economic conditions, continued market acceptance of the Company's new product introductions, the successful integration of recent and pending acquisitions, operating margin risk due to competitive pricing, foreign currency fluctuations and interest rate risk. The above projections assume completion of the spin-off of the Electronics business and entry into financing arrangements on currently anticipated terms.

Item 7. Financial Statements and Exhibits.

(c) Exhibits:

See Exhibit Index following the Signature page of this report, which is incorporated herein by reference.

- (i) Press release dated June 7, 2000.

SIGNATURE

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.

APPLIED POWER INC.  
(Registrant)

-----  
Richard D. Carroll  
Vice President - Finance  
(Acting Principal Financial Officer  
and duly authorized to sign on  
behalf of the Registrant)

APPLIED POWER INC.  
(the "Registrant")  
(Commission File No. 1-11288)

EXHIBIT INDEX  
to  
FORM 8-K CURRENT REPORT  
Dated June 8, 2000

| Exhibit<br>Number<br>----- | Description<br>-----                                      | Filed<br>Herewith<br>----- |
|----------------------------|-----------------------------------------------------------|----------------------------|
| 99.1                       | Applied Power Inc.<br>Press Release<br>dated June 7, 2000 | X                          |

Company Press Release

Applied Power Inc. Announces Record  
Third Quarter Sales Led by Strong Growth in Electronics  
Segment

WAUKESHA, Wis.--(BUSINESS WIRE)--June 6, 2000--In preparation for a research analyst meeting to be hosted by Applied Power Inc. (NYSE: APW - news) on June 8th, the company pre-announced record sales of \$497.5 million for its fiscal third quarter ended May 31, 2000, an increase of 13% over the prior year.

Sales for the Electronics segment were \$319.6 million, an increase of 23% over the third quarter of last year. The Industrial segment recorded sales of \$177.9 million, a slight decrease from the third quarter last year. Excluding the negative effects of currency, Electronics sales grew 26% and Industrial sales grew 2%.

Richard G. Sim, Chairman and Chief Executive Officer of Applied Power commented, "The accelerating growth in our Electronic segment validates the actions that we took in 1998 to construct the leading company in the world providing large, integrated electronic enclosures to high-growth markets such as communication, computing and internet service providers. We started to aggressively market this strategy in 1999 and the growth we are enjoying today is the direct result of that effort. We are particularly gratified that prominent companies such as Ericsson, Lucent, Motorola, Cisco, Marconi, Compaq, Sun, EMC, HP and IBM are all increasing their commitment to APW. This quarter, our new program wins were \$358 million, yielding annualized sales, once in full production, of approximately \$150 million. In the last nine months, APW has won new programs worth approximately \$150 million. In the last nine months, APW has won new programs worth approximately \$1.3 billion over their lifetime with an annualized run rate of approximately \$440 million. As a result of the strength of these recent program wins, we are increasing our projection of revenue for APW Electronics in fiscal year 2001 to \$1.46 billion, which is 20% higher than our increased estimate for this fiscal year of \$1.216 billion."

Sim continued, "Although the slowing in the North American economy is affecting our Industrial business, we believe that the economic upturn in Europe and Asia will help offset this effect over the next twelve months."

Applied Power Inc. will release full earnings detail for fiscal third quarter on June 16, 2000.

About Applied Power Inc.

Applied Power Inc., headquartered in Waukesha, Wisconsin, is a global company comprised of two business segments. Electronics supplies electronic enclosures, power supplies, thermal systems, backplanes, and cabling either as products or integrated as a system supplied along with new product design, supply chain management, assembly and test services. Industrial is composed of standard and customized OEM products sold to a wide array of end users through distribution or directly into a variety of niche markets.

Certain of the above comments represent forward-looking statements made pursuant to the provisions of the Private Securities Litigation Reform Act of 1995. Management cautions that these projections are based on current estimates of future performance and are highly dependent upon a variety of factors, which could cause actual results to differ from these estimates. Applied Power's results are also subject to general economic conditions, continued market acceptance of the Company's new product introductions, the successful integration of recent acquisitions, operating margin risk due to competitive pricing, foreign currency fluctuations and interest rate risk.

APPLIED POWER INC.  
FINANCIAL DATA PACKAGE (UNAUDITED)  
(\$'s in 000's)

BUSINESS SEGMENT DATA

|            | FISCAL 1999 |            |            |            |              |
|------------|-------------|------------|------------|------------|--------------|
|            | Q1          | Q2         | Q3         | Q4         | Year         |
|            | --          | --         | --         | ---        | ----         |
| Sales:     |             |            |            |            |              |
| Industrial | \$ 172,475  | \$ 171,900 | \$ 179,981 | \$ 171,348 | \$ 695,704   |
| Electronic | 263,185     | 250,054    | 260,524    | 281,574    | 1,055,338    |
| -----      |             |            |            |            |              |
| Total      | \$ 435,660  | \$ 421,955 | \$ 440,505 | \$ 452,922 | \$ 1,751,042 |
| =====      |             |            |            |            |              |

| Percent Sales Growth Over Prior Year: |      |     |     |     |     |
|---------------------------------------|------|-----|-----|-----|-----|
| Industrial                            | 14%  | 12% | 9%  | 2%  | 9%  |
| Electronic                            | 111% | 99% | 87% | 38% | 78% |
| -----                                 |      |     |     |     |     |
| Total                                 | 58%  | 51% | 45% | 22% | 42% |
| =====                                 |      |     |     |     |     |

|                                       | FISCAL 2000 |            |            |     |              |
|---------------------------------------|-------------|------------|------------|-----|--------------|
|                                       | Q1          | Q2         | Q3         | Q4  | YTD          |
|                                       | --          | --         | --         | --- | ---          |
| Sales:                                |             |            |            |     |              |
| Industrial                            | \$ 173,041  | \$ 184,087 | \$ 177,900 |     | \$ 535,028   |
| Electronic                            | 289,126     | 277,090    | 319,600    |     | 885,816      |
| -----                                 |             |            |            |     |              |
| Total                                 | \$ 462,167  | \$ 461,177 | \$ 497,500 |     | \$ 1,420,844 |
| =====                                 |             |            |            |     |              |
| Percent Sales Growth Over Prior Year: |             |            |            |     |              |
| Industrial                            | 0%          | 7%         | -1%        |     | 2%           |
| Electronic                            | 10%         | 11%        | 23%        |     | 14%          |
| -----                                 |             |            |            |     |              |
| Total                                 | 6%          | 9%         | 13%        |     | 9%           |
| =====                                 |             |            |            |     |              |

APW Electronics  
Customer Sales Summary

Top 10 Customers

Quarter Ended November 30, 1999

Applied Materials  
Compaq  
EMC  
Hewlett-Packard  
IBM  
Lucent  
Marconi  
NCR  
Nortel  
Sun Microsystems

Top 10 Customers Sales \$ 110,262

% of Total Electronics Sales 38%  
===

Top Customer  
% of Total Electronics Sales 7%  
==

Quarter Ended February 29, 2000

Applied Materials  
Compaq  
EMC  
Hewlett-Packard  
IBM  
Lucent  
Marconi  
NCR  
Nortel  
Sun Microsystems

Top 10 Customers Sales \$ 100,752

% of Total Electronics Sales 36%  
===

Top Customer  
% of Total Electronics Sales 6%  
==

Quarter Ended May 31, 2000

Applied Materials  
Compaq  
EMC  
Hewlett-Packard  
IBM  
Lucent  
Marconi

NCR  
Nortel  
Sun Microsystems

Top 10 Customers Sales                   \$ 124,600

% of Total Electronics Sales    39%  
===

Top Customer  
% of Total Electronics Sales    7%  
==