

CIRCOR INTERNATIONAL INC  
Form 10-Q  
August 01, 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  
OF 1934

For the quarterly period ended June 29, 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 001-14962

CIRCOR INTERNATIONAL, INC.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization) 04-3477276  
(I.R.S. Employer  
Identification No.)

c/o CIRCOR, Inc.  
30 Corporate Drive, Suite 200, Burlington, MA  
(Address of principal executive offices) 01803-4238  
(781) 270-1200  
(Zip Code)  
(Registrant's telephone number, including area code)

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 (§232.405 of this chapter) 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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange 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). Yes  No

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As of July 24, 2014, there were 17,674,618 shares of the registrant's Common Stock, par value \$0.01 per share, outstanding.

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PART I FINANCIAL INFORMATION.  
 ITEM 1. FINANCIAL STATEMENTS  
 CIRCOR INTERNATIONAL, INC.  
 CONSOLIDATED BALANCE SHEETS  
 (in thousands, except share data)

	June 29, 2014 (Unaudited)	December 31, 2013
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$116,326	\$102,180
Short-term investments	95	95
Trade accounts receivable, less allowance for doubtful accounts of \$2,832 and \$2,449, respectively	168,541	144,742
Inventories, net	196,389	199,404
Prepaid expenses and other current assets	19,817	19,815
Deferred income tax asset	19,476	17,686
Total Current Assets	520,644	483,922
PROPERTY, PLANT AND EQUIPMENT, NET	105,461	107,724
<b>OTHER ASSETS:</b>		
Goodwill	76,860	75,876
Intangibles, net	34,476	35,656
Deferred income tax asset	16,779	18,579
Other assets	4,866	4,893
<b>TOTAL ASSETS</b>	<b>\$759,086</b>	<b>\$726,650</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$81,886	\$70,589
Accrued expenses and other current liabilities	63,023	57,507
Accrued compensation and benefits	24,369	31,289
Income taxes payable	6,396	3,965
Notes payable and current portion of long-term debt	3,642	7,203
Total Current Liabilities	179,316	170,553
LONG-TERM DEBT, NET OF CURRENT PORTION	39,797	42,435
DEFERRED INCOME TAXES	9,236	9,666
OTHER NON-CURRENT LIABILITIES	23,375	27,109
<b>SHAREHOLDERS' EQUITY:</b>		
Preferred stock, \$0.01 par value; 1,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, \$0.01 par value; 29,000,000 shares authorized; 17,674,618 and 17,610,526 shares issued and outstanding at June 29, 2014 and December 31, 2013, respectively	170	176
Additional paid-in capital	274,580	269,884
Retained earnings	227,868	202,930
Accumulated other comprehensive gain, net of taxes	4,744	3,897
Total Shareholders' Equity	507,362	476,887
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$759,086</b>	<b>\$726,650</b>

The accompanying notes are an integral part of these unaudited consolidated financial statements.



CIRCOR INTERNATIONAL, INC.  
 CONSOLIDATED STATEMENTS OF INCOME  
 (in thousands, except share data)  
 (Unaudited)

	Three Months Ended		Six Months Ended	
	June 29, 2014	June 30, 2013	June 29, 2014	June 30, 2013
Net revenues	\$207,884	\$223,644	\$419,070	\$429,042
Cost of revenues	148,184	153,538	294,731	299,086
<b>GROSS PROFIT</b>	<b>59,700</b>	<b>70,106</b>	<b>124,339</b>	<b>129,956</b>
Selling, general and administrative expenses	42,609	47,596	87,498	93,168
Special charges, net	1,257	2,254	100	3,632
<b>OPERATING INCOME</b>	<b>15,834</b>	<b>20,256</b>	<b>36,741</b>	<b>33,156</b>
Other (income) expense:				
Interest expense, net	891	838	1,809	1,625
Other (income) expense, net	(384	) 626	(853	) 1,239
<b>TOTAL OTHER EXPENSE, NET</b>	<b>507</b>	<b>1,464</b>	<b>956</b>	<b>2,864</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>15,328</b>	<b>18,792</b>		