

CIRCOR INTERNATIONAL INC
Form 10-Q
October 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
OF 1934

For the quarterly period ended September 28, 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

As of October 24, 2014, there were 17,675,394 shares of the registrant's Common Stock, par value \$0.01 per share, outstanding.

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

	September 28, 2014 (Unaudited)	December 31, 2013
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$114,580	\$102,180
Short-term investments	91	95
Trade accounts receivable, less allowance for doubtful accounts of \$2,852 and \$2,449, respectively	170,777	144,742
Inventories, net	195,522	199,404
Prepaid expenses and other current assets	19,510	19,815
Deferred income tax asset	19,992	17,686
Total Current Assets	520,472	483,922
PROPERTY, PLANT AND EQUIPMENT, NET	101,786	107,724
OTHER ASSETS:		
Goodwill	75,245	75,876
Intangibles, net	32,622	35,656
Deferred income tax asset	15,271	18,579
Other assets	5,098	4,893
TOTAL ASSETS	\$750,494	\$726,650
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$86,780	\$70,589
Accrued expenses and other current liabilities	59,677	57,507
Accrued compensation and benefits	26,860	31,289
Income taxes payable	4,629	3,965
Notes payable and current portion of long-term debt	7,439	7,203
Total Current Liabilities	185,385	170,553
LONG-TERM DEBT, NET OF CURRENT PORTION	26,403	42,435
DEFERRED INCOME TAXES	8,721	9,666
OTHER NON-CURRENT LIABILITIES	21,950	27,109
SHAREHOLDERS' EQUITY:		
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; 17,675,394 and 17,610,526 shares issued and outstanding at September 28, 2014 and December 31, 2013, respectively	170	176
Additional paid-in capital	276,374	269,884
Retained earnings	241,871	202,930
Accumulated other comprehensive (loss) gain, net of taxes	(10,380)) 3,897
Total Shareholders' Equity	508,035	476,887
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$750,494	\$726,650

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		Nine Months Ended	
	September 28, 2014	September 29, 2013	September 28, 2014	September 29, 2013
Net revenues	\$203,818	\$214,731	\$622,888	\$643,773
Cost of revenues	141,601	144,593	436,333	443,679
GROSS PROFIT	62,217	70,138	186,555	200,094
Selling, general and administrative expenses	41,873	46,392	129,370	139,561
Special charges (recoveries), net	478	(190) 578	3,441
OPERATING INCOME	19,866	23,936	56,607	57,092
Other (income) expense:				
Interest expense, net	436	745	2,245	2,370
Other expense (income), net	419	568	(434) 1,807
TOTAL OTHER EXPENSE, NET	855	1,313	1,811	4,177
INCOME BEFORE INCOME TAXES	19,012	22,623		