

SUPERIOR INDUSTRIES INTERNATIONAL INC
Form 10-Q
May 02, 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 March 30, 2014

Commission file number: 1-6615

SUPERIOR INDUSTRIES INTERNATIONAL, INC.
(Exact Name of Registrant as Specified in Its Charter)

California 95-2594729
(State or Other Jurisdiction of Incorporation or (I.R.S. Employer Identification No.)
Organization)

7800 Woodley Avenue 91406
Van Nuys, California (Zip Code)
(Address of Principal Executive Offices)
Registrant's Telephone Number, Including Area Code: (818) 781-4973

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 Smaller Reporting Company

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Number of shares of no par value common stock outstanding as of April 25, 2014: 27,135,288

TABLE OF CONTENTS

	Page
PART I - FINANCIAL INFORMATION	
Item 1 - Financial Statements (Unaudited)	
<u>Condensed Consolidated Income Statements</u>	<u>1</u>
<u>Condensed Consolidated Statements of Comprehensive Income</u>	<u>2</u>
<u>Condensed Consolidated Balance Sheets</u>	<u>3</u>
<u>Condensed Consolidated Statements of Cash Flows</u>	<u>4</u>
<u>Condensed Consolidated Statement of Shareholders' Equity</u>	<u>5</u>
<u>Notes to Condensed Consolidated Financial Statements</u>	<u>6</u>
Item 2 - <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>13</u>
Item 3 - <u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>21</u>
Item 4 - <u>Controls and Procedures</u>	<u>22</u>
PART II - OTHER INFORMATION	
Item 1 - <u>Legal Proceedings</u>	<u>23</u>
Item 1A - <u>Risk Factors</u>	<u>23</u>
Item 2 - <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>23</u>
Item 6 - <u>Exhibits</u>	<u>23</u>
<u>Signatures</u>	<u>25</u>

Table of ContentsPART I
FINANCIAL INFORMATION

Item 1. Financial Statements

Superior Industries International, Inc.
Condensed Consolidated Income Statements
(Dollars in thousands, except per share data)
(Unaudited)

	Thirteen Weeks Ended	
	March 30, 2014	March 31, 2013
NET SALES	\$183,390	\$206,441
Cost of sales	167,754	192,923
GROSS PROFIT	15,636	13,518
Selling, general and administrative expenses	7,934	7,209
INCOME FROM OPERATIONS	7,702	6,309
Interest income, net	348	435
Other income (expense), net	9	131
INCOME BEFORE INCOME TAXES	8,059	6,875
Provision for income taxes	(3,237	) (1,941
NET INCOME	\$4,822	\$4,934
INCOME PER SHARE - BASIC	\$0.18	\$0.18
INCOME PER SHARE - DILUTED	\$0.18	\$0.18
DIVIDENDS DECLARED PER SHARE	\$0.18	\$—

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

Table of Contents

Superior Industries International, Inc.
 Condensed Consolidated Statements of Comprehensive Income
 (Dollars in thousands)
 (Unaudited)

	Thirteen Weeks Ended		
	March 30, 2014	March 31, 2013	
Net income	\$4,822	\$4,934	
Other comprehensive income (loss), net of tax:			
Foreign currency translation (loss) gain	(111	) 5,940
Defined benefit pension plan:			
Amortization of amounts resulting from changes in actuarial assumptions	30	135	
Tax provision	(11) (50)
Pension changes, net of tax	19	85	
Other comprehensive income (loss), net of tax	(92	) 6,025
Comprehensive income	\$4,730	\$10,959	

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

Table of Contents

Superior Industries International, Inc.
Condensed Consolidated Balance Sheets
(Dollars in thousands)
(Unaudited)

	March 30, 2014	December 29, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 157,799	\$ 199,301
Short term investments	3,750	3,750
Accounts receivable, net	108,190	89,623
Inventories	65,880	67,193
Income taxes receivable	4,450	7,584
Deferred income taxes, net	7,914	7,917
Other current assets	16,499	8,850
Total current assets	364,482	384,218
Property, plant and equipment, net	245,276	219,892
Investment in and advances to unconsolidated affiliate	4,559	4,565
Non-current deferred income taxes, net	14,878	14,664
Non-current assets	31,916	30,049
Total assets	\$661,111	\$653,388
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 32,632	\$ 34,494
Accrued expenses	74,851	64,936
Total current liabilities	107,483	99,430
Non-current income tax liabilities	15,568	15,050
Non-current deferred income tax liabilities, net	21,003	21,070
Other non-current liabilities	34,422	34,775
Commitments and contingencies (Note 14)	—	—
Shareholders' equity:		
Preferred stock, no par value		
Authorized - 1,000,000 shares		
Issued - none	—	—
Common stock, no par value		
Authorized - 100,000,000 shares		
Issued and outstanding - 27,133,382 shares (27,155,550 shares at December 29, 2013)	76,612	75,305
Accumulated other comprehensive loss	(60,455	) (60,363
Retained earnings	466,478	468,121
Total shareholders' equity	482,635	483,063
Total liabilities and shareholders' equity	\$661,111	\$653,388

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

Table of Contents

Superior Industries International, Inc.
 Condensed Consolidated Statements of Cash Flows
 (Dollars in thousands)
 (Unaudited)

	Thirteen Weeks Ended	
	March 30, 2014	March 31, 2013
NET CASH USED IN OPERATING ACTIVITIES	\$(10,686	) \$(12,631
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(25,423	) (7,753
Proceeds from life insurance policy	352	297
Proceeds from sales and maturities of investments	200	200
Purchase of investments	(200	) (200
Other	72	4
NET CASH USED IN INVESTING ACTIVITIES	(24,999	) (7,452
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash dividends paid	(4,886) —
Cash paid for common stock repurchase	(1,840) —
Proceeds from exercise of stock options	1,015	431
Excess tax benefits from exercise of stock options	3	—
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(5,708	) 431
Effect of exchange rate changes on cash	(109	) 2,458
Net decrease in cash and cash equivalents	(41,502	) (17,194
Cash and cash equivalents at the beginning of the period	199,301	203,364
Cash and cash equivalents at the end of the period	\$157,799	\$186,170

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

Table of Contents

Superior Industries International, Inc.
 Condensed Consolidated Statement of Shareholders' Equity
 (Dollars in thousands, except per share data)
 (Unaudited)

	Common Stock		Accumulated Other Comprehensive Income (Loss)			
	Number of Shares	Amount	Pension Obligations	Cumulative Translation Adjustment	Retained Earnings	Total
Balance at December 29, 2013	27,155,550	\$75,305	\$(2,258)	\$(58,105)	\$468,121	\$483,063
Net income					4,822	4,822
Change in employee benefit plans, net of taxes			19	—	—	19
Net foreign currency translation adjustment			—	(111)	—	(111)
Stock options exercised	59,817	1,015	—	—	—	1,015
Restricted stock awards granted, net of forfeitures	10,500	—	—	—	—	—
Stock-based compensation expense	—	619	—	—	—	619
Tax impact of stock options	—	(66)	—	—	—	(66)
Common stock repurchased	(92,485)	(261)	—	—	(1,579)	(1,840)
Cash dividends declared (\$0.18 per share)	—	—	—	—	—	—