

CIRCOR INTERNATIONAL INC  
Form 10-Q  
November 09, 2015  
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 October 4, 2015.

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 INTERNATIONAL, 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 November 5, 2015, there were 16,485,053 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.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(in thousands, except share and per share data)  
(Unaudited)

	October 4, 2015	December 31, 2014
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$53,822	\$121,372
Trade accounts receivable, less allowance for doubtful accounts of \$9,342 and \$9,536, respectively	143,601	156,738
Inventories	198,560	183,434
Prepaid expenses and other current assets	15,984	21,626
Deferred income taxes	22,114	22,861
Total Current Assets	434,081	506,031
PROPERTY, PLANT AND EQUIPMENT, NET	88,242	96,212
<b>OTHER ASSETS:</b>		
Goodwill	121,357	72,430
Intangibles, net	53,248	26,887
Deferred income taxes	14,585	19,048
Other assets	2,848	4,114
<b>TOTAL ASSETS</b>	<b>\$714,361</b>	<b>\$724,722</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$66,764	\$87,112
Accrued expenses and other current liabilities	65,097	65,223
Accrued compensation and benefits	18,586	24,728
Notes payable and current portion of long-term debt	5,668	8,423
Total Current Liabilities	156,115	185,486
LONG-TERM DEBT, NET OF CURRENT PORTION	105,431	5,261
DEFERRED INCOME TAXES	16,490	7,771
OTHER NON-CURRENT LIABILITIES	28,346	32,111
<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; 16,485,053 and 17,681,955 shares issued and outstanding at October 4, 2015 and December 31, 2014, respectively	177	177
Additional paid-in capital	283,213	277,227
Retained earnings	251,409	250,635
Common treasury stock, at cost (1,254,721 shares at October 4, 2015)	(69,517	) —
Accumulated other comprehensive loss, net of taxes	(57,303	) (33,946
Total Shareholders' Equity	407,979	494,093
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$714,361</b>	<b>\$724,722</b>

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



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

	Three Months Ended		Nine Months Ended		
	October 4, 2015		September 28, 2014	October 4, 2015	September 28, 2014
Net revenues	\$ 159,258		\$ 203,818	\$ 492,023	\$ 622,888
Cost of revenues	113,865		141,601	343,187	436,333
<b>GROSS PROFIT</b>	<b>45,393</b>		<b>62,217</b>	<b>148,836</b>	<b>186,555</b>
Selling, general and administrative expenses	38,143		41,873	119,344	129,370
Impairment charges	2,502		—	2,502	—
Special charges, net	8,277		478	13,098	578
<b>OPERATING (LOSS) INCOME</b>	<b>(3,529 )</b>		<b>19,866</b>	<b>13,892</b>	<b>56,607</b>
Other expense (income):					
Interest expense, net	828		436	2,274	2,245
Other (income) expense, net	(587 )		419	(1,197 )	(434 )
<b>TOTAL OTHER EXPENSE, NET</b>	<b>241</b>		<b>855</b>	<b>1,077</b>	<b>1,811</b>
<b>(LOSS) INCOME BEFORE INCOME TAXES</b>	<b>(3,770 )</b>		<b>19,012</b>	<b>12,816</b>	<b>54,796</b>
Provision for income taxes	4,308		4,337	10,109	

Signature	Title	Date
*	Co-Chairman and	September 30, 2009
Martin Cohen	Co-Chief Executive Officer	
*	Co-Chairman and	September 30, 2009
Robert H. Steers	Co-Chief Executive Officer	
*	Director	September 30, 2009
Richard E. Bruce		
*	Director	September 30, 2009
Peter L. Rhein		
*	Director	September 30, 2009
Richard P. Simon		



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<b>Signature</b>	<b>Title</b>	<b>Date</b>
*	Director	September 30, 2009
Edmond D. Villani		
*	Executive Vice President &	September 30, 2009
Matthew S. Stadler	Chief Financial Officer	
	(Principal Financial Officer)	
*	Senior Vice President &	September 30, 2009
Bernard M. Doucette	Chief Accounting Officer (Principal Accounting Officer)	

\*By: /s/ Martin Cohen  
 Martin Cohen  
 as Attorney-in-fact



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**EXHIBIT INDEX**

The following is a complete list of exhibits filed as part of this Registration Statement, which are incorporated herein.

<b>Exhibit No.</b>	<b>Description of Exhibit</b>
1.1*	Form of Underwriting Agreement.
4.1	Form of Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.1 of the Cohen & Steers, Inc. Registration Statement on Form S-1 filed with the SEC (No. 333-114027) on June 25, 2004).
5.1	Opinion of Salvatore Rappa, Esq. Senior Vice President and Associate General Counsel of the Company, as to the legality of the securities being registered.
23.1	Consent of Deloitte & Touche LLP.
23.2	Consent of Salvatore Rappa, Esq. Senior Vice President and Associate General Counsel of the Company (reference is made to Exhibit 5.1 filed herewith).
24.1**	Power of Attorney

\* To be filed by amendment or by a Current Report on Form 8-K pursuant to Item 601(b) of Regulation S-K if the securities are sold through one or more underwriters.

\*\* Previously filed.