

Mistras Group, Inc.
Form 10-Q
August 07, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2018

Or
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period to

Commission file number 001- 34481

Mistras Group, Inc.
(Exact name of registrant as specified in its charter)

Delaware 22-3341267
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

195 Clarksville Road 08550
Princeton Junction, New Jersey
(Address of principal executive offices) (Zip Code)

(609) 716-4000

(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

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(§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, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company) Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 August 2, 2018, the registrant had 28,375,935 shares of common stock outstanding.

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PART I—FINANCIAL INFORMATION

ITEM 1. Financial Statements

Mistras Group, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets

(in thousands, except share and per share data)

	(unaudited)	
	June 30, 2018	December 31, 2017
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 17,530	\$ 27,541
Accounts receivable, net	144,200	138,080
Inventories	11,580	10,503
Prepaid expenses and other current assets	17,995	18,884
Total current assets	191,305	195,008
Property, plant and equipment, net	87,215	87,143
Intangible assets, net	59,171	63,739
Goodwill	199,656	203,438
Deferred income taxes	1,549	1,606
Other assets	5,093	3,507
Total assets	\$ 543,989	\$ 554,441
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	\$ 14,627	\$ 10,362
Accrued expenses and other current liabilities	63,922	65,561
Current portion of long-term debt	2,225	2,358
Current portion of capital lease obligations	5,294	5,875
Income taxes payable	3,365	6,069
Total current liabilities	89,433	90,225
Long-term debt, net of current portion	150,024	164,520
Obligations under capital leases, net of current portion	8,370	8,738
Deferred income taxes	9,247	8,803
Other long-term liabilities	9,061	11,363
Total liabilities	266,135	283,649
Commitments and contingencies		
Equity		
Preferred stock, 10,000,000 shares authorized	—	—
Common stock, \$0.01 par value, 200,000,000 shares authorized, 28,373,535 and 28,294,968 shares issued	283	282
Additional paid-in capital	224,634	222,425
Retained earnings	73,624	64,717
Accumulated other comprehensive loss	(20,870)	(16,805)
Total Mistras Group, Inc. stockholders' equity	277,671	270,619
Non-controlling interests	183	173
Total equity	277,854	270,792

Total liabilities and equity	\$ 543,989	\$ 554,441
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The accompanying notes are an integral part of these condensed consolidated financial statements.

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Mistras Group, Inc. and Subsidiaries
Unaudited Condensed Consolidated Statements of Income
(in thousands, except per share data)

	Three months ended		Six months ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Revenue	\$191,793	\$170,439	\$379,423	\$333,757
Cost of revenue	131,084	118,825	264,872	233,828