

Edgar Filing: Altra Industrial Motion Corp. - Form 10-Q

Altra Industrial Motion Corp.  
Form 10-Q  
October 27, 2014  
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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 30, 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: 001-33209

ALTRA INDUSTRIAL MOTION CORP.  
(Exact name of registrant as specified in its charter)

Delaware 61-1478870  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)

300 Granite Street, Suite 201, Braintree, MA 02184  
(Address of principal executive offices) (Zip Code)  
(781) 917-0600

(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 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 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 23, 2014, 26,635,336 shares of Common Stock, \$0.001 par value per share, were outstanding.



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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

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## ALTRA INDUSTRIAL MOTION CORP.

## Condensed Consolidated Balance Sheets

Amounts in thousands, except share amounts

	September 30, 2014 (Unaudited)	December 31, 2013
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$42,994	\$63,604
Trade receivables, less allowance for doubtful accounts of \$2,802 and \$2,245 at September 30, 2014 and December 31, 2013, respectively	117,872	109,084
Inventories	135,383	143,665
Deferred income taxes	9,821	9,754
Asset held for sale	573	—
Income tax receivable	1,918	5,032
Prepaid expenses and other current assets	8,195	18,066
Total current assets	316,756	349,205
Property, plant and equipment, net	152,776	157,535
Intangible assets, net	115,530	118,768
Goodwill	104,653	104,339
Deferred income taxes	894	934
Other non-current assets, net	4,188	4,895
Total assets	\$694,797	\$735,676
<b>LIABILITIES, NON-CONTROLLING INTEREST AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$43,914	\$51,180
Accrued payroll	24,194	23,983
Accruals and other current liabilities	38,649	34,979
Deferred income taxes	44	44
Income tax payable	4,088	12,963
Current portion of long-term debt	14,532	16,924
Total current liabilities	125,421	140,073
Long-term debt - less current portion and net of unaccreted discount	237,062	261,348
Deferred income taxes	53,822	53,813
Pension liabilities	7,565	8,025
Long-term taxes payable	762	1,038
Other long-term liabilities	844	1,055
Redeemable non-controlling interest	979	991
Commitment and Contingencies (See Note 17)		
Stockholders' equity:		
Common stock (\$0.001 par value, 90,000,000 shares authorized, 26,515,072 and 26,819,795 issued and outstanding at September 30, 2014 and December 31, 2013, respectively)	27	27
Additional paid-in capital	142,841	154,471
Retained earnings	155,198	133,231
Accumulated other comprehensive loss	(29,724)	(18,396)
Total stockholders' equity	268,342	269,333
Total liabilities, redeemable non-controlling interest and stockholders' equity	\$694,797	\$735,676

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

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## ALTRA INDUSTRIAL MOTION CORP.

## Condensed Consolidated Statements of Operations

Amounts in thousands, except per share data

	Quarter Ended		Year to Date Ended	
	September 30, 2014 (Unaudited)	September 28, 2013 (Unaudited)	September 30, 2014 (Unaudited)	September 28, 2013 (Unaudited)
Net sales	\$202,520	\$175,443	\$627,856	\$541,688
Cost of sales	140,187	121,785	437,257	378,112
Gross profit	62,333	53,658	190,599	163,576
Operating expenses:				
Selling, general and administrative expenses	39,067	31,672	117,828	96,742
Research and development expenses	3,818	3,002	11,719	9,150
Restructuring costs	1,643	97	1,643	655
	44,528	34,771	131,190	106,547
Income from operations	17,805	18,887	59,409	57,029
Other non-operating income and expense:				
Interest expense, net	3,000			