

BARNES GROUP INC
Form 10-Q
October 29, 2018

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 September 30, 2018

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 1-4801

BARNES GROUP INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

06-0247840

(I.R.S. Employer Identification No.)

123 Main Street, Bristol, Connecticut

(Address of Principal Executive Offices)

(860) 583-7070

Registrant's telephone number, including area code

06010

(Zip 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, 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

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.

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

Yes No

The registrant had outstanding 51,306,915 shares of common stock as of October 24, 2018.

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This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. See “FORWARD-LOOKING STATEMENTS” under Part I - Item 2 “Management's Discussion and Analysis of Financial Condition and Results of Operations” of this Quarterly Report on Form 10-Q.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

BARNES GROUP INC.
CONSOLIDATED STATEMENTS OF INCOME
(Dollars in thousands, except per share data)
(Unaudited)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Net sales	\$369,797	\$ 357,156	\$1,111,772	\$1,063,451
Cost of sales	236,880	235,406	711,622	697,493
Selling and administrative expenses	73,854	72,852	220,575	210,023
	310,734	308,258	932,197	907,516
Operating income	59,063	48,898	179,575	155,935
Interest expense	4,054	3,748	12,078	10,638
Other expense (income), net	2,447	1,469	5,157	(3,965)
Income before income taxes	52,562	43,681	162,340	149,262
Income taxes	13,453	8,348	34,983	30,599
Net income	\$39,109	\$ 35,333	\$127,357	\$118,663
Per common share:				
Basic	\$0.76	\$ 0.65	\$2.42	\$2.19
Diluted	0.75	0.65	2.40	2.17
Dividends	0.16	0.14	0.46	0.41
Weighted average common shares outstanding:				
Basic	51,569,764	54,066,509	52,555,130	54,140,551
Diluted	52,080,676	54,570,677	53,091,468	54,649,723

See accompanying notes.

BARNES GROUP INC.
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (Dollars in thousands)
 (Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Net income	\$39,109	\$35,333	\$127,357	\$118,663
Other comprehensive income (loss), net of tax				
Unrealized gain (loss) on hedging activities, net of tax (1)	1,075	335	1,886	(124)
Foreign currency translation adjustments, net of tax (2)	1,737	20,004	(36,670)	80,174
Defined benefit pension and other postretirement benefits, net of tax (3)	2,193	1,640	8,382	3,576
Total other comprehensive income (loss), net of tax	5,005	21,979	(26,402)	83,626
Total comprehensive income	\$44,114	\$57,312	\$100,955	\$202,289

(1) Net of tax of \$315 and \$125 for the three months ended September 30, 2018 and 2017, respectively, and \$593 and \$(87) for the nine