

TRIUMPH GROUP INC
Form 10-Q
November 03, 2014
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United States
Securities and Exchange Commission
Washington, D.C. 20549

FORM 10-Q

ý 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: 1-12235

TRIUMPH GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

51-0347963

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

899 Cassatt Road, Suite 210, Berwyn, PA

(Address of principal executive offices)

19312

(Zip Code)

(610) 251-1000

(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 S No £

Indicate by check mark whether the registrant has submitted electronically and has posted on its corporate website, 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 S 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. (Check one)

Large accelerated filer

ý

Accelerated filer

¨

Non-accelerated filer

¨

Smaller reporting company

¨

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(Do not check if a 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, par value \$0.001 per share, 50,787,068 shares outstanding as of October 31, 2014.

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Part I. Financial Information

Item 1. Financial Statements.

Triumph Group, Inc.

Condensed Consolidated Balance Sheets

(dollars in thousands, except per share data)

	September 30, 2014 (unaudited)	March 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 33,366	\$ 28,998
Trade and other receivables, less allowance for doubtful accounts of \$7,065 and \$6,535	518,958	517,304
Inventories, net of unliquidated progress payments of \$167,008 and \$165,019	1,234,692	1,111,767
Rotable assets	43,514	41,666
Deferred income taxes	48,919	57,308
Prepaid and other current assets	22,881	24,897
Total current assets	1,902,330	1,781,940
Property and equipment, net	963,604	931,430
Goodwill	1,932,491	1,791,891
Intangible assets, net	967,886	978,171
Other, net	49,280	69,954
Total assets	\$ 5,815,591	\$ 5,553,386
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 39,595	\$ 49,575
Accounts payable	342,002	317,334
Accrued expenses	285,217	273,290
Total current liabilities	666,814	640,199
Long-term debt, less current portion	1,516,890	1,500,808
Accrued pension and other postretirement benefits, noncurrent	424,087	508,524
Deferred income taxes, noncurrent	444,357	385,188
Other noncurrent liabilities	409,762	234,756
Stockholders' equity:		
Common stock, \$.001 par value, 100,000,000 shares authorized, 52,460,920 and 52,459,020 shares issued; 50,787,068 and 52,159,020 shares outstanding	51	52
Capital in excess of par value	850,677	866,281
Treasury stock, at cost, 1,673,852 and 300,000 shares	(112,152)	(19,134)
Accumulated other comprehensive loss	(32,114)	(18,908)
Retained earnings	1,647,219	1,455,620
Total stockholders' equity	2,353,681	2,283,911
Total liabilities and stockholders' equity	\$ 5,815,591	\$ 5,553,386

SEE ACCOMPANYING NOTES.

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Triumph Group, Inc.
 Condensed Consolidated Statements of Income
 (in thousands, except per share data)
 (unaudited)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2014	2013	2014	2013
Net sales	\$994,123	\$967,345	\$1,891,028	\$1,911,028
Operating costs and expenses:				
Cost of sales (exclusive of depreciation and amortization shown separately below)	771,445	771,318	1,456,262	1,467,789
Selling, general and administrative	68,770	63,583	134,479	130,300
Depreciation and amortization	39,014	38,244	76,565	76,178
Relocation costs	196	1,229	3,193	2,444
Gain on legal settlement, net of expenses	—	—	(134,693)	—
	879,425	874,374	1,535,806	1,676,711
Operating income	114,698	92,971	355,222	234,317
Interest expense and other	15,386	20,321		