

TRIUMPH GROUP INC
Form 10-Q
February 07, 2018
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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 December 31, 2017

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

51-0347963

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

899 Cassatt Road, Suite 210, Berwyn, PA 19312

(Address of principal executive offices) (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, 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 Securities Exchange Act of 1934. (Check one)

Large accelerated filer x

Accelerated filer o

Non-accelerated filer o (Do not check if a smaller reporting company) Smaller reporting company o

Emerging growth company o

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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 Securities Exchange Act of 1934). 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, 49,672,041 shares outstanding as of February 6, 2018.

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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)

	December 31, 2017	March 31, 2017
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 64,388	\$ 69,633
Trade and other receivables, less allowance for doubtful accounts of \$4,028 and \$4,559	320,999	311,792
Inventories, net of unliquidated progress payments of \$409,040 and \$222,485	1,462,724	1,340,175
Prepaid and other current assets	43,500	30,064
Assets held for sale	—	21,255
Total current assets	1,891,611	1,772,919
Property and equipment, net	749,922	805,030
Goodwill	934,500	1,142,605
Intangible assets, net	520,820	592,364
Other, net	89,079	101,682
Total assets	\$ 4,185,932	\$ 4,414,600
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 15,135	\$ 160,630
Accounts payable	387,081	481,243
Accrued expenses	627,411	674,379
Liabilities related to assets held for sale	—	18,008
Total current liabilities	1,029,627	1,334,260
Long-term debt, less current portion	1,359,476	1,035,670
Accrued pension and other postretirement benefits	509,641	592,134
Deferred income taxes	41,969	68,107
Other noncurrent liabilities	496,705	537,956
Stockholders' equity:		
Common stock, \$.001 par value, 100,000,000 shares authorized, 52,460,920 and 52,460,920 shares issued; 49,662,507 and 49,573,029 shares outstanding	51	51
Capital in excess of par value	849,806	846,807
Treasury stock, at cost, 2,798,413 and 2,887,891 shares	(179,692)	(183,696)
Accumulated other comprehensive loss	(374,624)	(396,178)
Retained earnings	452,973	579,489
Total stockholders' equity	748,514	846,473
Total liabilities and stockholders' equity	\$ 4,185,932	\$ 4,414,600

SEE ACCOMPANYING NOTES.

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

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2017	2016	2017	2016
Net sales	\$775,246	\$844,863	\$2,302,091	\$2,612,885
Operating costs and expenses:				
Cost of sales (exclusive of depreciation and amortization shown separately below)	612,206	653,199	1,821,513	2,052,900
Selling, general and administrative	62,147	66,750	213,934	205,222
Depreciation and amortization	39,320	44,331	119,318	135,080
Impairment of intangible assets	190,227	—	190,227	—
Restructuring costs	6,149	11,067	33,751	28,180
Loss on divestitures				