

TRIUMPH GROUP INC
Form 10-Q
November 05, 2012
Table of Contents

United States
Securities and Exchange Commission
Washington, D.C. 20549

FORM 10-Q

S Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Quarterly Period Ended September 30, 2012

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

S

Accelerated filer

£

Non-accelerated filer

£

Smaller reporting company

£

Edgar Filing: TRIUMPH GROUP INC - Form 10-Q

(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 S

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, 50,003,434 shares outstanding as of November 2, 2012.

Table of Contents

TRIUMPH GROUP, INC.
INDEX

	Page Number
<u>Part I. Financial Information</u>	
<u>Item 1.</u>	<u>Financial Statements (Unaudited)</u>
	<u>Consolidated Balance Sheets</u>
	<u>September 30, 2012 and March 31, 2012</u> <u>1</u>
	<u>Consolidated Statements of Income</u>
	<u>Three and six months ended September 30, 2012 and 2011</u> <u>2</u>
	<u>Consolidated Statements of Comprehensive Income</u>
	<u>Three and six months ended September 30, 2012 and 2011</u> <u>4</u>
	<u>Consolidated Statements of Cash Flows</u>
	<u>Six months ended September 30, 2012 and 2011</u> <u>3</u>
	<u>Notes to Consolidated Financial Statements</u>
	<u>September 30, 2012</u> <u>5</u>
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial</u>
	<u>Condition and Results of Operations</u> <u>22</u>
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About</u>
	<u>Market Risk</u> <u>37</u>
<u>Item 4.</u>	<u>Controls and Procedures</u> <u>37</u>
<u>Part II. Other Information</u>	
<u>Item 6.</u>	<u>Exhibits</u> <u>38</u>
<u>Signatures</u>	<u>38</u>

Table of Contents

Part I. Financial Information

Item 1. Financial Statements.

Triumph Group, Inc.

Consolidated Balance Sheets

(dollars in thousands, except per share data)

	September 30, 2012 (unaudited)	March 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 30,651	\$ 29,662
Trade and other receivables, less allowance for doubtful accounts of \$5,350 and \$3,900	397,262	440,608
Inventories, net of unliquidated progress payments of \$138,940 and \$164,450	891,353	817,956
Rotable assets	35,730	34,554
Deferred income taxes	51,448	72,259
Prepaid and other current assets	23,313	23,344
Total current assets	1,429,757	1,418,383
Property and equipment, net	744,748	733,380
Goodwill	1,546,259	1,546,374
Intangible assets, net	812,481	829,676
Other, net	57,848	26,944
Total assets	\$ 4,591,093	\$ 4,554,757
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 125,201	\$ 142,237
Accounts payable	281,089	266,124
Accrued expenses	231,813	311,620
Total current liabilities	638,103	719,981
Long-term debt, less current portion	967,489	1,016,625
Accrued pension and other postretirement benefits, noncurrent	626,162	700,125
Deferred income taxes, noncurrent	283,366	188,370
Other noncurrent liabilities	124,844	136,287
Stockholders' equity:		
Common stock, \$.001 par value, 100,000,000 shares authorized, 50,078,428 and 49,590,273 shares issued; 50,002,434 and 49,531,740 shares outstanding	50	50
Capital in excess of par value	840,750	833,935
Treasury stock, at cost, 75,994 and 58,533 shares	(3,168) (1,716
Accumulated other comprehensive loss	(9,317) (9,306
Retained earnings	1,122,814	970,406
Total stockholders' equity	1,951,129	1,793,369
Total liabilities and stockholders' equity	\$ 4,591,093	\$ 4,554,757

SEE ACCOMPANYING NOTES.

Table of Contents

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

	Three Months Ended September 30,		Six Months Ended September 30,	
	2012	2011	2012	2011
Net sales	\$938,181	\$790,528	\$1,825,869	\$1,635,591
Operating costs and expenses:				
Cost of sales (exclusive of depreciation and amortization shown separately below)	703,654	591,206	1,354,931	1,239,997
Selling, general and administrative	56,193	60,256	118,152	121,221
Depreciation and amortization	31,998	29,466	63,813	58,933
Acquisition and integration expenses	1,432	1,144	1,977	1,604
Early retirement incentive expense	1,957	—	3,107	—
	795,234	682,072	1,541,980	1,421,755
Operating income	142,947	108,456	283,889	213,836
Interest expense and other	16,668	17,671	33,900	