

Commercial Vehicle Group, Inc.
Form 10-Q
November 07, 2014

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 001-34365

COMMERCIAL VEHICLE GROUP, INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

41-1990662
(I.R.S. Employer
Identification No.)

7800 Walton Parkway
New Albany, Ohio
(Address of principal executive offices)

43054
(Zip Code)

(614) 289-5360

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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, 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 the 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

The number of shares outstanding of the Registrant's common stock, par value \$.01 per share, at September 30, 2014 was 29,692,038 shares.

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES

QUARTERLY REPORT ON FORM 10-Q

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ITEM 1 FINANCIAL STATEMENTS**COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS**

	September 30, 2014 (Unaudited)	December 31, 2013 (Unaudited)
	(In thousands, except share and per share amounts)	
Assets		
Current Assets:		
Cash	\$ 76,071	\$ 72,695
Accounts receivable, net of reserve for doubtful accounts of \$2,861 and \$2,302, respectively	147,605	119,069
Inventories	83,463	80,133
Deferred income taxes	8,378	8,180
Other current assets	6,227	7,536
Total current assets	321,744	287,613
Property, plant and equipment, net of accumulated depreciation of \$121,464 and \$118,410, respectively	74,089	78,876
Goodwill	8,250	8,220
Intangible assets, net	19,213	20,348
Deferred income taxes	20,289	24,468
Other assets, net	9,916	12,916
Total assets	\$ 453,501	\$ 432,441
Liabilities and Stockholders Equity		
Current Liabilities:		
Accounts payable	\$ 80,467	\$ 68,280
Accrued liabilities	42,453	34,285
Total current liabilities	122,920	102,565
Long-term debt	250,000	250,000
Pension and other post-retirement benefits	14,876	17,249
Other long-term liabilities	2,486	2,686
Total liabilities	390,282	372,500
Stockholders Equity:	296	296

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Preferred stock, \$0.01 par value; 5,000,000 shares authorized, no shares issued and outstanding; common stock, \$0.01 par value per share; 60,000,000 shares authorized; 28,883,629 and 28,860,143 shares issued and outstanding, respectively		
Treasury stock purchased from employees; 689,248 shares	(6,095)	(6,095)
Additional paid-in capital	231,140	229,137
Retained loss	(133,729)	(137,122)
Accumulated other comprehensive loss	(28,427)	(26,308)
Total CVG stockholders equity	63,185	59,908
Non-controlling interest	34	33
Total stockholders equity	63,219	59,941
Total liabilities and stockholders equity	\$ 453,501	\$ 432,441

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

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(In thousands, except per share amounts)		(In thousands, except per share amounts)	
Revenues	\$ 213,802	\$ 187,942	\$ 627,869	\$ 564,673
Cost of Revenues	185,376	169,852	546,954	505,624
Gross Profit	28,426	18,090	80,915	59,049
Selling, General and Administrative Expenses	18,333	21,135	55,553	59,423
Amortization Expense	388	383	1,163	1,196
Operating Income (Loss)	9,705	(3,428)	24,199	(1,570)
Interest and Other Expense	5,226	5,327	15,539	15,916
Income (Loss) Before Provision (Benefit) for Income Taxes	4,479	(8,755)	8,660	(17,486)
Provision (Benefit) for Income Taxes	3,316	(1,488)	5,266	(3,940)
Net Income (Loss)	1,163	(7,267)	3,394	(13,546)
Less: Non-controlling interest in subsidiary s income (loss)	1	0	1	(3)
Net Income (Loss) Attributable to CVG Stockholders	\$ 1,162	\$ (7,267)	\$ 3,393	\$ (13,543)
Earnings (Loss) per Common Share:				
Basic	\$ 0.04	\$ (0.25)	\$ 0.12	\$ (0.48)
Diluted	\$ 0.04	\$ (0.25)	\$ 0.12	\$ (0.48)
Weighted Average Shares Outstanding:				
Basic	28,883	28,563	28,871	28,506
Diluted	29,258	28,563	29,108	28,506

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

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(In thousands)		(In thousands)	
Net income (loss)	\$ 1,163	\$ (7,267)	\$ 3,394	\$ (13,546)
Other comprehensive (loss) income:				
Foreign currency translation adjustments	(2,562)	764	(2,119)	(2,353)
Other comprehensive (loss) income	(2,562)	764	(2,119)	(2,353)
Comprehensive (loss) income	\$ (1,399)	\$ (6,503)	\$ 1,275	\$ (15,899)
Less: Comprehensive income (loss) attributed to noncontrolling interests	1	(2)	1	(9)
Comprehensive income (loss) attributable to CVG stockholders	\$ (1,400)	\$ (6,501)	\$ 1,274	\$ (15,890)

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

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY

	Common Stock Shares	Treasury Stock Amount	Additional Paid-In Capital	Retained Earnings (Accum. Deficit)	Accum. Other Com Loss	CVG Stockholder Equity	Non- Controlling Interest	Total	
(Unaudited)									
(In thousands, except share data)									
Balance December 31, 2013	28,860,143	\$ 296	\$ (6,095)	\$ 229,137	\$ (137,122)	\$ (26,308)	\$ 59,908	\$ 33	\$ 59,941
Vesting of restricted stock	23,486								
Share-based compensation expense			2,003			2,003			2,003
Comprehensive income:									
Net income				3,393		3,393	1		3,394
Foreign currency translation adjustment					(2,119)	(2,119)			(2,119)
Total comprehensive income						1,274	1		1,275
Balance September 30, 2014	28,883,629	\$ 296	\$ (6,095)	\$ 231,140	\$ (133,729)	\$ (28,427)	\$ 63,185	\$ 34	\$ 63,219

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

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30,	
	2014	2013
	(Unaudited)	(Unaudited)
	(In thousands)	
Cash Flows from Operating Activities:		
Net income (loss)	\$ 3,394	\$ (13,546)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	13,537	15,584
Provision for sales returns and other allowances	3,888	1,889
Noncash amortization of debt financing costs	668	849
Shared-based compensation expense	2,003	4,311
Loss on disposal of assets	1,042	23
Deferred income taxes	4,013	(3,822)
(Increase) decrease in accounts receivable	(33,385)	18,967
(Increase) decrease in inventory	(4,220)	(5,577)
Increase (decrease) in accounts payable	12,917	(16,113)
Change in other operating items		