

CRANE CO /DE/
Form 10-Q
November 07, 2014
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, 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: 1-1657

CRANE CO.

(Exact name of registrant as specified in its charter)

Delaware 13-1952290
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)
100 First Stamford Place, Stamford, CT 06902
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: 203-363-7300

(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 (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 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 definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

(check one):

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 issuer's classes of common stock, as of October 31, 2014
Common stock, \$1.00 Par Value - 58,984,005 shares

PART I: FINANCIAL INFORMATION
ITEM 1: FINANCIAL STATEMENTS
CRANE CO. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net sales	\$727,413	\$637,515	\$2,194,339	\$1,913,832
Operating costs and expenses:				
Cost of sales	476,291	421,317	1,427,056	1,257,161
Selling, general and administrative	144,402	127,189	461,512	391,916
Environmental provision	55,800	—	55,800	—
Restructuring charges	2,203	—	15,533	—
Acquisition integration related charges	984	—	7,739	—
Operating profit	47,733	89,009	226,699	264,755
Other income (expense):				
Interest income	383	337	1,136	1,488
Interest expense	(9,556)	(6,688)	(29,129)	(20,651)
Miscellaneous - net	342	(456)	(1,376)	(170)
	(8,831)	(6,807)	(29,369)	(19,333)
Income before income taxes	38,902	82,202	197,330	245,422
Provision for income taxes	10,686	24,719	60,333	74,583
Net income before allocation to noncontrolling interests	28,216	57,483	136,997	170,839
Less: Noncontrolling interest in subsidiaries' earnings	137	352	537	1,043
Net income attributable to common shareholders	\$28,079	\$57,131	\$136,460	\$169,796
Earnings per basic share	\$0.48	\$0.98	\$2.32	\$2.94
Earnings per diluted share	\$0.47	\$0.97	\$2.28	\$2.89
Average basic shares outstanding	58,971	58,093	58,770	57,814
Average diluted shares outstanding	59,903	59,035	59,734	58,737
Dividends per share	\$0.33	\$0.30	\$0.93	\$0.86

See Notes to Condensed Consolidated Financial Statements

CRANE CO. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
 (IN THOUSANDS)
 (UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net income before allocation to noncontrolling interests	\$28,216	\$57,483	\$136,997	\$170,839
Other comprehensive (loss) income, net of tax				
Currency translation adjustment	(70,161	) 30,343	(60,808	) 8,015
Changes in pension and postretirement plan assets and benefit obligation, net of tax	855	2,290	3,167	6,872
Other comprehensive (loss) income	(69,306	) 32,633	(57,641	) 14,887
Comprehensive (loss) income before allocation to noncontrolling interests	(41,090	) 90,116	79,356	185,726
Less: Noncontrolling interests in comprehensive (loss) income	(12	) 427	413	974
Comprehensive (loss) income attributable to common shareholders	\$(41,078	) \$89,689	\$78,943	\$184,752

See Notes to Condensed Consolidated Financial Statements.

CRANE CO. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)
(UNAUDITED)

	September 30, 2014	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	\$301,672	