

TRIUMPH GROUP INC
Form 10-Q
October 30, 2015
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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, 2015

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, 49,316,991 shares outstanding as of October 30, 2015.

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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, 2015 (unaudited)	March 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 39,089	\$ 32,617
Trade and other receivables, less allowance for doubtful accounts of \$7,389 and \$6,475	540,902	521,601
Inventories, net of unliquidated progress payments of \$138,696 and \$189,923	1,556,487	1,280,274
Rotable assets	52,335	48,820
Deferred income taxes	73,823	145,352
Prepaid and other current assets	28,775	23,069
Total current assets	2,291,411	2,051,733
Property and equipment, net	914,304	950,734
Goodwill	2,022,820	2,019,225
Intangible assets, net	934,108	966,365
Other, net	109,928	107,997
Total assets	\$ 6,272,571	\$ 6,096,054
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 43,048	\$ 42,255
Accounts payable	399,927	429,134
Accrued expenses	404,273	411,848
Total current liabilities	847,248	883,237
Long-term debt, less current portion	1,556,647	1,326,345
Accrued pension and other postretirement benefits, noncurrent	492,433	538,381
Deferred income taxes, noncurrent	401,396	410,543
Other noncurrent liabilities	717,465	801,764
Stockholders' equity:		
Common stock, \$.001 par value, 100,000,000 shares authorized, 52,460,920 and 52,460,920 shares issued; 49,307,138 and 49,273,053 shares outstanding	51	51
Capital in excess of par value	849,847	851,940
Treasury stock, at cost, 3,153,782 and 3,187,867 shares	(200,457)) (203,514)
Accumulated other comprehensive loss	(198,677)) (198,910)
Retained earnings	1,806,618	1,686,217
Total stockholders' equity	2,257,382	2,135,784
Total liabilities and stockholders' equity	\$ 6,272,571	\$ 6,096,054

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,	
	2015	2014	2015	2014
Net sales	\$954,774	\$994,123	\$1,914,412	\$1,891,028
Operating costs and expenses:				
Cost of sales (exclusive of depreciation and amortization shown separately below)	730,831	771,445	1,462,925	1,456,262
Selling, general and administrative	71,321	68,770	144,602	134,479
Depreciation and amortization	42,575	39,014	86,109	76,565
Relocation costs	—	196	—	3,193
Gain on legal settlement, net of expenses	—	—	—	(134,693)
Curtailed charge	—	—	2,863	—
	844,727	879,425	1,696,499	1,535,806
Operating income	110,047	114,698	217,913	355,222
Interest expense and other	15,631	15,386		