

AMPCO PITTSBURGH CORP
Form 10-Q
August 09, 2018

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 June 30, 2018

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 1-898

AMPCO-PITTSBURGH CORPORATION

Pennsylvania 25-1117717
(State of (I.R.S. Employer

Incorporation) Identification No.)

726 Bell Avenue, Suite 301

Carnegie, Pennsylvania 15106

(Address of principal executive offices)

(412) 456-4400

(Registrant's telephone number)

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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 periods 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, 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 Exchange Act.

Large accelerated filer Accelerated filer Emerging growth company

Non-accelerated filer Smaller reporting company

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 Exchange Act). Yes No

On August 2, 2018, 12,491,487 common shares were outstanding.

AMPCO-PITTSBURGH CORPORATION

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PART I – FINANCIAL INFORMATION

AMPCO-PITTSBURGH CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

(in thousands, except par value)

	June 30,	December 31,
	2018	2017
Assets		
Current assets:		
Cash and cash equivalents	\$22,148	\$20,700
Receivables, less allowance for doubtful accounts of \$979 in 2018 and \$962 in 2017	97,178	86,623
Inventories	111,956	107,561
Insurance receivable – asbestos	15,000	13,000
Other current assets	11,844	12,363
Total current assets	258,126	240,247
Property, plant and equipment, net	206,990	214,980
Insurance receivable – asbestos	76,292	87,342
Deferred income tax assets	2,993	1,590
Investments in joint ventures	2,175	2,175
Intangible assets, net	10,075	11,021
Other noncurrent assets	6,225	8,244
Total assets	\$562,876	\$565,599
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$50,404	\$47,479
Accrued payrolls and employee benefits	21,046	22,768
Debt – current portion	45,080	19,335
Asbestos liability – current portion	21,000	18,000
Other current liabilities	32,207	37,089
Total current liabilities	169,737	144,671
Employee benefit obligations	75,123	79,750
Asbestos liability	116,304	131,750
Long-term debt	41,245	46,818
Deferred income tax liabilities	353	433
Other noncurrent liabilities	2,187	416
Total liabilities	404,949	403,838
Commitments and contingent liabilities (Note 8)		
Shareholders' equity:		
Common stock – par value \$1; authorized 20,000 shares; issued and outstanding	12,491	12,361

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12,491 shares in 2018 and 12,361 shares in 2017

Additional paid-in capital	154,185	152,992
Retained earnings	36,926	38,348
Accumulated other comprehensive loss	(49,203)	(44,760)
Total Ampco-Pittsburgh shareholders' equity	154,399	158,941
Noncontrolling interest	3,528	2,820
Total shareholders' equity	157,927	161,761
Total liabilities and shareholders' equity	\$562,876	\$565,599

See Notes to Condensed Consolidated Financial Statements.

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AMPCO-PITTSBURGH CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

(in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net sales	\$127,427	\$110,550	\$242,504	\$214,066
Operating costs and expenses:				
Costs of products sold (excluding depreciation and amortization)	108,576	92,052	203,333	176,833
Selling and administrative	14,814	15,053	30,287	30,430
Depreciation and amortization	5,769	5,646	11,674	11,568
Gain on disposal of assets	(106)	(1)	(61)	(1)
Total operating expenses	129,053	112,750	245,233	218,830
Loss from operations	(1,626)	(2,200)	(2,729)	(4,764)
Other income (expense):				
Investment-related income	43	22	67	71
Interest expense	(1,020)	(728)	(1,893)	(1,905)
Other – net	451	570	3,351	(315)
	(526)	(136)	1,525	(2,149)
Loss before income taxes and equity income in joint venture	(2,152)	(2,336)	(1,204)	(6,913)
Income tax (provision) benefit	(548)	102	(107)	(33)
Equity income in joint venture	0	485	0	535
Net loss	(2,700)	(1,749)	(1,311)	(6,411)
Less: Net income attributable to noncontrolling interest	294	164	742	285
Net loss attributable to Ampco-Pittsburgh shareholders	\$(2,994)	\$(1,913)	\$(2,053)	\$(6,696)
Net loss per common share attributable to Ampco-Pittsburgh:				
Basic	\$(0.24)	\$(0.16)	\$(0.17)	\$(0.54)
Diluted	\$(0.24)	\$(0.16)	\$(0.17)	\$(0.54)
Cash dividends declared per share	\$0.00	\$0.00	\$0.00	\$0.09