

Cooper-Standard Holdings Inc.  
Form 10-Q  
November 01, 2017

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, 2017

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: 001-36127

COOPER-STANDARD HOLDINGS INC.  
(Exact name of registrant as specified in its charter)

Delaware 20-1945088  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)  
39550 Orchard Hill Place Drive  
Novi, Michigan 48375  
(Address of principal executive offices)  
(Zip Code)  
(248) 596-5900  
(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  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 (§232.405 of this chapter) 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 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   
Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company   
Emerging growth 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.

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of October 27, 2017 there were 17,530,796 shares of the registrant's common stock, \$0.001 par value, outstanding.

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## PART I — FINANCIAL INFORMATION

## Item 1. Financial Statements

## COOPER-STANDARD HOLDINGS INC.

## CONDENSED CONSOLIDATED STATEMENTS OF NET INCOME

(Unaudited)

(Dollar amounts in thousands except per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2017	2016	2017	2016
Sales	\$869,016	\$855,656	\$2,680,212	\$2,597,457
Cost of products sold	718,187	690,984	2,187,058	2,101,000
Gross profit	150,829	164,672	493,154	496,457
Selling, administration & engineering expenses	94,145	92,368	267,883	268,498
Amortization of intangibles	3,432	3,457	10,563	9,974
Impairment charges	—	—	4,270	—
Restructuring charges	9,909	10,430	28,220	33,468
Other operating loss	—	—	—	155
Operating profit	43,343	58,417	182,218	184,362
Interest expense, net of interest income	(10,256 )	(10,114 )	(31,788 )	(29,861 )
Equity in earnings of affiliates	660	1,386	3,735	5,823
Loss on refinancing and extinguishment of debt	—	—	(1,020 )	—
Other expense, net	(451 )	(518 )	(3,275 )	(8,589 )
Income before income taxes	33,296	49,171	149,870	151,735
Income tax expense	7,838	12,525	40,258	43,312
Net income	25,458	36,646	109,612	108,423
Net income attributable to noncontrolling interests	(818 )	(284 )	(2,810 )	(549 )
Net income attributable to Cooper-Standard Holdings Inc.	\$24,640	\$36,362	\$106,802	\$107,874
Earnings per share:				
Basic	\$1.39	\$2.08	\$6.01	\$6.20
Diluted	\$1.32	\$1.94	\$5.67	\$5.77

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

COOPER-STANDARD HOLDINGS INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
 (Unaudited)  
 (Dollar amounts in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net income	\$25,458	\$36,646	\$109,612	\$108,423
Other comprehensive income (loss):				
Currency translation adjustment	16,535	2,663	41,204	12,330
Benefit plan liabilities adjustment, net of tax	3,963	(149)	1,235	(620)
Fair value change of derivatives, net of tax	(966)	1,881	617	(605)
Other comprehensive income, net of tax	19,532	4,395	43,056	11,105
Comprehensive income	44,990	41,041	152,668	119,528
Comprehensive income attributable to noncontrolling interests	(1,306)	(266)	(3,891)	(317)
Comprehensive income attributable to Cooper-Standard Holdings Inc.				