

ESTERLINE TECHNOLOGIES CORP
Form 10-Q
August 03, 2018
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 June 29, 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 1-6357

ESTERLINE TECHNOLOGIES CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	13-2595091
(State or other jurisdiction	(I.R.S. Employer
of incorporation or organization)	Identification No.)

500 108th Avenue N.E., Bellevue, Washington 98004

(Address of principal executive offices)(Zip Code)

Registrant's telephone number, including area code (425) 453-9400

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

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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, a 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.

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 July 31, 2018, 29,442,875 shares of the issuer's common stock were outstanding.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

ESTERLINE TECHNOLOGIES CORPORATION

CONSOLIDATED BALANCE SHEET

As of June 29, 2018, and September 29, 2017

(In thousands, except share amounts)

	June 29, 2018 (Unaudited)	September 29, 2017
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 351,039	\$ 307,826
Accounts receivable, net of allowances of \$14,391 and \$16,035	401,244	430,524
Inventories		
Raw materials and purchased parts	185,211	194,034
Work in progress	188,956	178,191
Finished goods	105,327	105,744
	479,494	477,969
Income tax refundable	18,503	12,814
Prepaid expenses	23,778	19,239
Other current assets	4,574	13,836
Current assets of businesses held for sale	4,052	6,501
Total Current Assets	1,282,684	1,268,709
Property, Plant and Equipment	826,642	862,715
Accumulated depreciation	509,766	514,081
	316,876	348,634
Other Non-Current Assets		
Goodwill	1,031,234	1,053,573
Intangibles, net	318,169	359,166
Deferred income tax benefits	55,532	56,793
Other assets	17,323	19,804
Non-current assets of businesses held for sale	12,632	13,334

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Total Assets

\$3,034,450 \$3,120,013

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CONSOLIDATED BALANCE SHEET

As of June 29, 2018, and September 29, 2017

(In thousands, except share amounts)

	June 29, 2018 (Unaudited)	September 29, 2017
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 133,470	\$ 138,595
Accrued liabilities	218,953	230,007
Current maturities of long-term debt	15,245	17,424
U.S. and foreign income taxes	7,151	582
Current liabilities of businesses held for sale	3,212	7,184
Total Current Liabilities	378,031	393,792
Long-Term Liabilities		
Credit facilities	25,000	50,000
Long-term debt, net of current maturities	695,884	709,424
Deferred income tax liabilities	34,927	43,978
Pension and post-retirement obligations	65,443	66,981
Long-term U.S. income taxes payable	38,640	-
Other liabilities	17,703	18,838
Non-current liabilities of businesses held for sale	2,910	1,724
Shareholders' Equity		
Common stock, par value \$.20 per share, authorized 60,000,000 shares, issued 33,177,952 and 33,117,473 shares	6,636	6,623
Additional paid-in capital	750,449	738,329
Treasury stock at cost, repurchased 3,737,327 and 3,135,927 shares	(351,964)	(308,514)
Retained earnings	1,671,906	1,655,187
Accumulated other comprehensive loss	(312,164)	(266,870)
Total Esterline Shareholders' Equity	1,764,863	1,824,755
Noncontrolling interests	11,049	10,521
Total Shareholders' Equity	1,775,912	1,835,276
Total Liabilities and Shareholders' Equity	\$ 3,034,450	\$ 3,120,013

ESTERLINE TECHNOLOGIES CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS AND

COMPREHENSIVE INCOME (LOSS)

For the Three and Nine Months Ended June 29, 2018, and June 30, 2017

(Unaudited)

(In thousands, except per share amounts)

Three		Nine Months	
Months		Ended	
Ended	Ended	Ended	Ended
June	June	June	June
29,	30,	29,	30,
2018	2017	2018	2017