

CORE MOLDING TECHNOLOGIES INC

Form 10-Q

November 06, 2015

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 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 001-12505

CORE MOLDING TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Delaware

31-1481870

(State or other jurisdiction
incorporation or organization)

(I.R.S. Employer Identification No.)

800 Manor Park Drive, Columbus, Ohio

43228-0183

(Address of principal executive office)

(Zip Code)

Registrant's telephone number, including area code (614) 870-5000

N/A

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(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

As of November 5, 2015, the latest practicable date, 7,711,000 shares of the registrant's common stock were issued and outstanding.

Table of Contents

Part I — Financial Information

Item 1. Financial Statements

Consolidated Balance Sheets 3

Consolidated Statements of Income 4

Consolidated Statements of Comprehensive Income 5

Consolidated Statement of Stockholders' Equity 6

Consolidated Statements of Cash Flows 7

Notes to Consolidated Financial Statements 8

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations 17

Item 3. Quantitative and Qualitative Disclosures About Market Risk 23

Item 4. Controls and Procedures 24

Part II — Other Information 25

Item 1. Legal Proceedings 25

Item 1A. Risk Factors 25

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds 25

Item 3. Defaults Upon Senior Securities 25

Item 4. Mine Safety Disclosures 25

Item 5. Other Information 25

Item 6. Exhibits 25

Signatures 26

Index to Exhibits 27

Table of Contents

Part I — Financial Information

Core Molding Technologies, Inc. and Subsidiaries

Consolidated Balance Sheets

	September 30, 2015 (Unaudited)	December 31, 2014
Assets:		
Current assets:		
Cash and cash equivalents	\$2,700,000	\$2,312,000
Accounts receivable (less allowance for doubtful accounts: September 30, 2015 - \$267,000; December 31, 2014 - \$289,000)	39,063,000	34,360,000
Inventories:		
Finished goods, net	1,123,000	1,402,000
Work in process, net	1,495,000	1,621,000
Stores, net	10,015,000	8,612,000
Total inventories, net	12,633,000	11,635,000
Deferred tax asset-current portion	1,868,000	1,868,000
Foreign sales tax receivable	255,000	1,447,000
Income taxes receivable	—	2,286,000
Prepaid expenses and other current assets	1,019,000	715,000
Total current assets	57,538,000	54,623,000
Property, plant and equipment — net	73,675,000	61,995,000
Goodwill	2,403,000	1,097,000
Intangibles, net	625,000	—
Total Assets	\$134,241,000	\$117,715,000
Liabilities and Stockholders' Equity:		
Current liabilities:		
Revolving line of credit	\$—	\$2,768,000
Current portion of long-term debt	4,143,000	1,714,000
Current portion of interest rate swaps	7,000	34,000
Accounts payable	13,343,000	9,256,000
Tooling in progress	20,000	8,068,000
Current portion of post retirement benefits liability	1,064,000	1,064,000
Accrued liabilities:		
Compensation and related benefits	7,833,000	7,087,000
Taxes	470,000	256,000
Other	1,313,000	1,132,000
Total current liabilities	28,193,000	31,379,000
Long-term debt	10,500,000	714,000
Interest rate swaps	—	3,000
Deferred tax liability	1,365,000	1,365,000
Post retirement benefits liability	7,995,000	8,108,000
Total Liabilities	48,053,000	41,569,000
Commitments and Contingencies	—	—

Edgar Filing: CORE MOLDING TECHNOLOGIES INC - Form 10-Q

Stockholders' Equity:

Preferred stock — \$0.01 par value, authorized shares — 10,000,000; outstanding shares: 0 at September 30, 2015 and December 31, 2014	—	—
Common stock — \$0.01 par value, authorized shares – 20,000,000; outstanding shares: 7,597,000 at September 30, 2015 and 7,559,000 at December 31, 2014	76,000	76,000
Paid-in capital	28,910,000	28,138,000
Accumulated other comprehensive income, net of income taxes	2,668,000	2,830,000
Treasury stock	(27,647,000)	(27,360,000)
Retained earnings	82,181,000	72,462,000
Total Stockholders' Equity	86,188,000	76,146,000
Total Liabilities and Stockholders' Equity	\$ 134,241,000	\$ 117,715,000

See notes to unaudited consolidated financial statements.

Table of ContentsCore Molding Technologies, Inc. and Subsidiaries
Consolidated Statements of Income
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
Net sales:				
Products	\$44,243,000	\$43,171,000	\$145,612,000	\$127,152,000
Tooling	3,806,000	420,000	6,893,000	3,638,000
Total net sales	48,049,000	43,591,000	152,505,000	130,790,000
Total cost of sales	39,738,000			