

ANIXTER INTERNATIONAL INC  
Form 10-Q  
July 26, 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: 001-10212

ANIXTER INTERNATIONAL INC.  
(Exact name of registrant as specified in its charter)

Delaware 94-1658138  
(State or other jurisdiction of Incorporation or Organization) (I.R.S. Employer Identification No.)  
2301 Patriot Blvd.  
Glenview, IL 60026  
(224) 521-8000

(Address and telephone number of principal executive offices in its charter)

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, a 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   
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

At July 18, 2018, 33,464,293 shares of registrant's Common Stock, \$1 par value, were outstanding.



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This report may contain various “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements can be identified by the use of forward-looking terminology such as “believes”, “expects”, “intends”, “anticipates”, “contemplates”, “estimates”, “plans”, “projects”, “should”, “may”, “will” or the negative thereof or other variations thereon or comparable terminology indicating our expectations or beliefs concerning future events. We caution that such statements are qualified by important factors that could cause actual results to differ materially from those in the forward-looking statements, a number of which are identified in this report. Other factors could also cause actual results to differ materially from expected results included in these statements. These factors include but are not limited to general economic conditions, the level of customer demand particularly for capital projects in the markets we serve, changes in supplier or customer relationships, risks associated with nonconforming products and services, political, economic or currency risks related to non-U.S. operations, new or changed competitors, risks associated with inventory and accounts receivable, copper and commodity price fluctuations, risks associated with substantial debt and restrictions contained in financial and operating covenants in our debt agreements, capital project volumes, the impact of regulation and regulatory, investigative and legal proceedings and legal compliance risks, information security risks, the impact and the uncertainty concerning the timing and terms of the withdrawal by the United Kingdom from the European Union, unanticipated changes in our tax provision and tax liabilities related to the enactment of the Tax Cuts and Jobs Act, and risks associated with the integration of acquired companies including, but not limited to, the risk that the acquisitions may not provide us with the synergies or other benefits that were anticipated.

## PART I. FINANCIAL INFORMATION

## ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

ANIXTER INTERNATIONAL INC.  
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 29, 2018	June 30, 2017	June 29, 2018	June 30, 2017
(In millions, except per share amounts)				
Net sales	\$2,137.9	\$2,001.4	\$4,102.1	\$3,897.2
Cost of goods sold	1,718.8	1,605.7	3,298.2	3,121.8
Gross profit	419.1	395.7	803.9	775.4
Operating expenses	347.8	313.1	671.0	623.9
Operating income	71.3	82.6	132.9	151.5
Other expense:				
Interest expense	(19.0 )	(17.9 )	(37.2 )	(36.8 )
Other, net	(3.3 )	(0.9 )	(1.0 )	(1.0 )
Income before income taxes	49.0	63.8	94.7	113.7
Income tax expense	14.2	23.7	27.8	42.7
Net income	\$34.8	\$40.1	\$66.9	\$71.0
Income per share:				
Basic	\$1.03	\$1.19	\$1.98	\$2.12
Diluted	\$1.02	\$1.18	\$1.96	\$2.09
Basic weighted-average common shares outstanding	33.8	33.6	33.8	33.6
Effect of dilutive securities:				
Stock options and units	0.3	0.4	0.3	0.4
Diluted weighted-average common shares outstanding	34.1	34.0	34.1	34.0
Net income	\$34.8	\$40.1	\$66.9	\$71.0
Other comprehensive (loss) income:				
Foreign currency translation	(25.8 )	8.8	(29.3 )	23.0
Changes in unrealized pension cost, net of tax	0.7	1.1	1.2	1.9
Other comprehensive (loss) income	(25.1 )	9.9	(28.1 )	24.9
Comprehensive income	\$9.7	\$50.0	\$38.8	\$95.9

See accompanying notes to the Condensed Consolidated Financial Statements.

ANIXTER INTERNATIONAL INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited)	
	June 29, 2018	December 29, 2017
(In millions, except share and per share amounts)		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 110.4	\$