

Colfax CORP
Form 10-Q
October 24, 2013

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 27, 2013

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 - 001-34045
Colfax Corporation
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

54-1887631
(I.R.S. Employer
Identification Number)

8170 Maple Lawn Boulevard, Suite 180
Fulton, Maryland
(Address of principal executive offices)

20759
(Zip Code)

(301) 323-9000
(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, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting 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

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

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As of September 27, 2013, there were 101,903,479 shares of the registrant's common stock, par value \$.001 per share, outstanding.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

COLFAX CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONSDollars in thousands, except per share amounts
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 27, 2013	September 28, 2012	September 27, 2013	September 28, 2012
Net sales	\$ 1,014,570	\$ 954,440	\$ 3,035,831	\$ 2,886,459
Cost of sales	694,276	666,453	2,086,990	2,041,904
Gross profit	320,294	287,987	948,841	844,555
Selling, general and administrative expense	208,132	217,143	641,835	661,191
Charter acquisition-related expense	—	—	—	43,617
Restructuring and other related charges	8,737	15,865	17,428	43,066
Asbestos coverage litigation expense	627	3,313	2,801	8,840
Operating income	102,798	51,666	286,777	87,841
Interest expense	17,536	23,557	58,879	68,280
Income before income taxes	85,262	28,109	227,898	19,561
Provision for income taxes	19,787	13,610	62,948	86,891
Net income (loss)	65,475	14,499	164,950	(67,330)
Less: income attributable to noncontrolling interest, net of taxes	10,000	5,405	23,448	16,808
Net income (loss) attributable to Colfax Corporation	55,475	9,094	141,502	(84,138)
Dividends on preferred stock	5,086	5,072	15,254	13,879
Net income (loss) available to Colfax Corporation common shareholders	\$ 50,389	\$ 4,022	\$ 126,248	\$ (98,017)
Net income (loss) per share- basic	\$ 0.49	\$ 0.04	\$ 1.25	\$ (1.09)
Net income (loss) per share- diluted	\$ 0.48	\$ 0.04	\$ 1.23	\$ (1.09)

See Notes to Condensed Consolidated Financial Statements.

COLFAX CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Dollars in thousands

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 27, 2013	September 28, 2012	September 27, 2013	September 28, 2012
Net income (loss)	\$65,475	\$14,499	\$164,950	\$(67,330)
Other comprehensive income (loss):				
Foreign currency translation, net of tax of \$(179), \$(555), \$(803) and \$(495)	120,961	59,474	(52,992)	81,804
Unrealized (loss) gain on hedging activities, net of tax of \$808, \$538, \$165 and \$346	(8,001)	1,211	(4,576)	(748)
Amounts reclassified from Accumulated other comprehensive loss:				
Realized gain on hedging activities, net of tax of \$0, \$0, \$0 and \$0	—	—	—	471
Net pension and other postretirement benefit cost, net of tax of \$183, \$53, \$537 and \$162	2,583	2,074	7,740	6,232
Other comprehensive income (loss)	115,543	62,759	(49,828)	87,759
Comprehensive income	181,018	77,258	115,122	