

CORE MOLDING TECHNOLOGIES INC
Form 10-Q
November 09, 2012
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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, 2012

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 of 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 8, 2012, the latest practicable date, 7,275,016 shares of the registrant's common stock were issued and outstanding.

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Part I — Financial Information

Core Molding Technologies, Inc. and Subsidiaries

Consolidated Balance Sheets

	September 30, 2012 (Unaudited)	December 31, 2011
Assets:		
Current assets:		
Cash and cash equivalents	\$—	\$4,634,000
Accounts receivable (less allowance for doubtful accounts: September 30, 2012 - \$316,000; December 31, 2011 - \$236,000)	20,842,000	22,048,000
Inventories:		
Finished goods	1,989,000	1,872,000
Work in process	1,698,000	1,547,000
Stores	8,346,000	7,989,000
Total inventories, net	12,033,000	11,408,000
Deferred tax asset-current portion	1,843,000	1,843,000
Foreign sales tax receivable	1,203,000	910,000
Prepaid expenses and other current assets	1,210,000	954,000
Tooling in progress	331,000	—
Total current assets	37,462,000	41,797,000
Property, plant and equipment — net	52,338,000	49,344,000
Deferred tax asset	1,120,000	1,045,000
Goodwill	1,097,000	1,097,000
Other assets	7,000	15,000
Total Assets	\$92,024,000	\$93,298,000
Liabilities and Stockholders' Equity:		
Current liabilities:		
Current portion of long-term debt	\$3,939,000	\$4,104,000
Revolving line of credit	752,000	—
Current portion of interest rate swaps	130,000	173,000
Accounts payable	9,160,000	9,813,000
Tooling in progress	—	1,520,000
Current portion of post retirement benefits liability	1,002,000	1,002,000
Accrued liabilities:		
Compensation and related benefits	5,444,000	7,147,000
Taxes	—	225,000
Other	833,000	1,003,000
Total current liabilities	21,260,000	24,987,000
Long-term debt	6,171,000	9,477,000
Interest rate swaps	122,000	158,000
Post retirement benefits liability	8,221,000	8,580,000
Total Liabilities	35,774,000	43,202,000
Commitments and Contingencies	—	—

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Stockholders' Equity:

Preferred stock — \$0.01 par value, authorized shares — 10,000,000; outstanding shares: 0 at September 30, 2012 and December 31, 2011	—	—
Common stock — \$0.01 par value, authorized shares – 20,000,000; outstanding shares: 7,130,804 at September 30, 2012 and 7,048,069 at December 31, 2011	71,000	70,000
Paid-in capital	25,267,000	24,872,000
Accumulated other comprehensive income, net of income taxes	3,761,000	3,877,000
Treasury stock	(26,748,000)	(26,495,000)
Retained earnings	53,899,000	47,772,000
Total Stockholders' Equity	56,250,000	50,096,000
Total Liabilities and Stockholders' Equity	\$92,024,000	\$93,298,000

See notes to unaudited consolidated financial statements.

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Consolidated Statements of Income
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Net sales:				
Products	\$32,149,000	\$37,173,000	\$117,689,000	\$99,694,000
Tooling	5,532,000	663,000	9,065,000	2,425,000
Total net sales	37,681,000	37,836,000	126,754,000	102,119,000
Total cost of sales	32,692,000	29,665,000	107,108,000	79,626,000
Gross margin	4,989,000	8,171,000	19,646,000	22,493,000
Total selling, general and administrative expense	3,032,000	3,417,000	10,232,000	9,517,000
Income before interest and taxes	1,957,000	4,754,000	9,414,000	12,976,000
Interest expense	96,000	171,000	221,000	620,000
Income before income taxes	1,861,000	4,583,000	9,193,000	12,356,000
Income tax expense	710,000	1,727,000	3,066,000	4,389,000
Net income	\$1,151,000	\$2,856,000	\$6,127,000	\$7,967,000
Net income per common share:				
Basic	\$0.16	\$0.41	\$0.86	\$1.15
Diluted	\$0.16	\$0.39	\$0.83	\$1.09
Weighted average shares outstanding:				
Basic	7,127,000	6,976,000	7,094,000	6,926,000
Diluted	7,383,000	7,278,000	7,381,000	7,284,000

See notes to unaudited consolidated financial statements.

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Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Net income	\$1,151,000	\$2,856,000	\$6,127,000	\$7,967,000
Other comprehensive income:				
Interest rate swaps:				
Adjustment for amortization of losses included in net income	21,000	21,000	62,000	62,000
Income tax expense	(7,000) (7,000) (21,000) (21,000
Post retirement benefit plan adjustments:				
Net actuarial loss	40,000	54,000	119,000	164,000
Prior service costs	(124,000) (124,000) (372,000) (372,000
Income tax benefit	32,000	21,000	96,000	62,000
Comprehensive income	\$1,113,000	\$2,821,000	\$6,011,000	\$7,862,000
See notes to unaudited consolidated financial statements.				

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Consolidated Statement of Stockholders' Equity
(Unaudited)

	Common Stock Outstanding		Paid-In Capital	Accumulated Other Comprehensive Income	Treasury Stock	Retained Earnings	Total Stockholders' Equity
	Shares	Amount					
Balance at December 31, 2011	7,048,069	\$70,000	\$24,872,000	\$3,877,000	\$(26,495,000)	\$47,772,000	\$50,096,000
Net income						6,127,000	6,127,000
Change in post retirement benefits, net of tax of \$96,000				(157,000)			(157,000)
Change in interest rate swaps, net of tax of \$21,000				41,000			41,000
Common stock issued	25,775		81,000				81,000
Purchase of treasury stock	(31,455)				(253,000)		