

MERITOR INC
Form 10-Q
February 01, 2013
Index

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 December 30, 2012
Commission File No. 1-15983

MERITOR, INC.

(Exact name of registrant as specified in its charter)

Indiana	38-3354643
(State or other jurisdiction of incorporation	(I.R.S. Employer Identification
or	No.)
organization)	
2135 West Maple Road, Troy, Michigan	48084-7186
(Address of principal executive offices)	(Zip Code)

(248) 435-1000

(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 Registration S-T during the preceding twelve 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. (Check one)

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer
Non-accelerated filer		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 ☒

97,290,336 shares of Common Stock, \$1.00 par value, of Meritor, Inc. were outstanding on December 30, 2012.

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MERITOR, INC.

PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

CONSOLIDATED STATEMENT OF OPERATIONS

(in millions, except per share amounts)

	Three Months Ended December 31,	
	2012	2011
	(Unaudited)	
Sales	\$891	\$1,159
Cost of sales	(808)	(1,053)
GROSS MARGIN	83	106
Selling, general and administrative	(62)	(65)
Restructuring costs	(6)	(24)
Other operating expense	(1)	(1)
OPERATING INCOME	14	16
Other income, net	—	4
Equity in earnings of affiliates	9	15
Interest expense, net	(29)	(24)
INCOME (LOSS) BEFORE INCOME TAXES	(6)	11
Provision for income taxes	(10)	(20)
LOSS FROM CONTINUING OPERATIONS	(16)	(9)
LOSS FROM DISCONTINUED OPERATIONS, net of tax	(5)	(9)
NET LOSS	(21)	(18)
Less: Income attributable to noncontrolling interests	—	(4)
NET LOSS ATTRIBUTABLE TO MERITOR, INC.	\$(21)	\$(22)
NET LOSS ATTRIBUTABLE TO MERITOR, INC.		
Net loss from continuing operations	\$(16)	\$(13)
Loss from discontinued operations	(5)	(9)
Net loss	\$(21)	\$(22)
BASIC AND DILUTED LOSS PER SHARE		
Continuing operations	\$(0.17)	\$(0.13)
Discontinued operations	(0.05)	(0.10)
Basic and diluted loss per share	\$(0.22)	\$(0.23)
Basic and diluted average common shares outstanding	96.7	94.5

See notes to consolidated financial statements.

MERITOR, INC.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)
(in millions)

	Three Months Ended December 31,	
	2012	2011
	(Unaudited)	
Net loss attributable to Meritor, Inc.	\$ (21) \$ (22)
Other comprehensive income (loss):		
Foreign currency translation adjustments	(5) (2)
Unrealized gains (losses) on investments:		
Unrealized loss on investments and foreign exchange contracts	(1) (1)
Reclassification adjustment for gain on sale of investments	—	(2)
Other comprehensive loss	(6) (5)
Comprehensive loss attributable to Meritor, Inc.	(27) (27)
Comprehensive income (loss) attributable to noncontrolling interest	1	3
Total comprehensive loss	\$ (26) \$ (24)

See notes to consolidated financial statements.

MERITOR, INC.

CONDENSED CONSOLIDATED BALANCE SHEET
(in millions)

	December 31, 2012 (Unaudited)	September 30, 2012
ASSETS		