

TELEDYNE TECHNOLOGIES INC
Form 10-Q
May 01, 2015
Table of Contents

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 March 29, 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 1-15295

TELEDYNE TECHNOLOGIES INCORPORATED
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

25-1843385
(I.R.S. Employer
Identification Number)

1049 Camino Dos Rios
Thousand Oaks, California
(Address of principal executive offices)
(805) 373-4545

91360-2362
(Zip Code)

(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 website, 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 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 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 28, 2015
Common Stock, \$.01 par value per share	35,335,689 shares

Table of Contents

TELEDYNE TECHNOLOGIES INCORPORATED AND SUBSIDIARIES
TABLE OF CONTENTS

	PAGE
Part I	
<u>Financial Information</u>	<u>2</u>
<u>Item 1. Financial Statements</u>	<u>2</u>
<u>Condensed Consolidated Statements of Income</u>	<u>2</u>
<u>Condensed Consolidated Statements of Comprehensive Income</u>	<u>3</u>
<u>Condensed Consolidated Balance Sheets</u>	<u>4</u>
<u>Condensed Consolidated Statements of Cash Flows</u>	<u>5</u>
<u>Notes to Condensed Consolidated Financial Statements</u>	<u>6</u>
<u>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>18</u>
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	<u>27</u>
<u>Item 4. Controls and Procedures</u>	<u>27</u>
Part II	
<u>Other Information</u>	<u>27</u>
Item 1. Legal Proceedings	<u>27</u>
<u>Item 1A. Risk Factors</u>	<u>27</u>
<u>Item 2. Unregistered sales of equity securities and use of proceeds</u>	<u>28</u>
<u>Item 6. Exhibits</u>	<u>29</u>
<u>Signatures</u>	<u>30</u>

Table of Contents

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

TELEDYNE TECHNOLOGIES INCORPORATED AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 FOR THE THREE MONTHS ENDED MARCH 29, 2015 AND MARCH 30, 2014
 (Unaudited - Amounts in millions, except per-share amounts)

	First Quarter	
	2015	2014
Net sales	\$565.0	\$573.5
Costs and expenses		
Cost of sales	345.9	351.7
Selling, general and administrative expenses	151.8	155.8
Total costs and expenses	497.7	507.5
Operating income	67.3	66.0
Interest and debt expense, net	(5.9) (4.7
Other income, net	0.8	0.6
Income before income taxes	62.2	61.9
Provision for income taxes	18.5	15.9
Net income	43.7	46.0
Noncontrolling interest	—	(0.2
Net income attributable to Teledyne	\$43.7	\$45.8
Basic earnings per common share	\$1.22	\$1.22
Weighted average common shares outstanding	35.7	37.5
Diluted earnings per common share	\$1.20	\$1.20
Weighted average diluted common shares outstanding	36.5	38.3

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents

TELEDYNE TECHNOLOGIES INCORPORATED AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 FOR THE THREE MONTHS ENDED MARCH 29, 2015 AND MARCH 30, 2014
 (Unaudited - Amounts in millions)

	First Quarter	
	2015	2014
Net income	\$43.7	\$46.0
Other comprehensive income (loss):		
Foreign exchange translation adjustment	(49.2) (9.4
Hedge activity and interest rate swap, net of tax	(2.3) (1.0
Pension and postretirement benefit adjustments, net of tax	4.9	2.9
Other comprehensive income (loss)	(46.6) (7.5
Comprehensive income (loss)	(2.9) 38.5
Noncontrolling interest	—	(0.2
Comprehensive income (loss) attributable to Teledyne	\$(2.9) \$38.3

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of ContentsTELEDYNE TECHNOLOGIES INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(Current period unaudited - Amounts in millions, except share amounts)

	March 29, 2015	December 28, 2014
Assets		
Current Assets		
Cash and cash equivalents	\$ 110.2	\$ 141.4
Accounts receivable, net	389.1	400.7
Inventories, net	323.4	311.8
Deferred income taxes, net	42.0	42.8
Prepaid expenses and other current assets	36.6	45.0
Total current assets	901.3	941.7
Property, plant and equipment, at cost, net of accumulated depreciation and amortization of \$425.6 at March 29, 2015 and \$417.5 at December 28, 2014	329.1	336.5
Goodwill	1,133.7	1,150.6
Acquired intangibles, net	264.8	277.6
Prepaid pension assets	94.7	86.3
Other assets, net	69.5	69.5
Total Assets	\$2,793.1	\$2,862.2
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 152.1	\$ 162.5
Accrued liabilities	244.3	290.3
Current portion of long-term debt and capital leases	87.5	86.2
Total current liabilities	483.9	539.0
Long-term debt and capital leases	742.5	618.9
Other long-term liabilities		