

Spirit AeroSystems Holdings, Inc.
Form 10-Q
May 02, 2014

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended April 3, 2014

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 001-33160

Spirit AeroSystems Holdings, Inc.

(Exact name of registrant as specified in its charter)

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Delaware
*(State or other jurisdiction of
incorporation or organization)*

20-2436320
*(I.R.S. Employer
Identification No.)*

3801 South Oliver

Wichita, Kansas 67210

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code:

(316) 526-9000

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 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 April 25, 2014, the registrant had outstanding 127,506,422 shares of class A common stock, \$0.01 par value per share, and 17,212,760 shares of class B common stock, \$0.01 par value per share.

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PART 1. FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

Spirit AeroSystems Holdings, Inc.

Condensed Consolidated Statements of Operations

(unaudited)

	For the Three Months Ended	
	April 3, 2014	March 28, 2013
	(\$ in millions, except per share data)	
Net revenues	\$ 1,728.5	\$ 1,442.2
Operating costs and expenses		
Cost of sales	1,467.3	1,237.1
Selling, general and administrative	60.5	44.3
Impact from severe weather event		8.8
Research and development	6.3	7.5
Total operating costs and expenses	1,534.1	1,297.7
Operating income	194.4	144.5
Interest expense and financing fee amortization	(35.4)	(17.6)
Interest income	0.1	0.1
Other income (expense), net	1.2	(9.9)
Income before income taxes and equity in net income (loss) of affiliates	160.3	117.1
Income tax provision	(6.9)	(35.7)
Income before equity in net income (loss) of affiliates	153.4	81.4
Equity in net income (loss) of affiliates	0.2	(0.2)
Net income	\$ 153.6	\$ 81.2
Earnings per share		
Basic	\$ 1.08	\$ 0.57
Diluted	\$ 1.07	\$ 0.57

See notes to condensed consolidated financial statements (unaudited)

Spirit AeroSystems Holdings, Inc.

Condensed Consolidated Statements of Comprehensive Income

(unaudited)

	April 3, 2014	For the Three Months Ended (\$ in millions)	March 28, 2013
Net income	\$	153.6	\$ 81.2
Changes in other comprehensive income, net of tax:			
Pension, SERP, and Retiree medical adjustments, net of tax effect of zero for each of the three months ended, respectively			0.3
Unrealized foreign exchange (loss) on intercompany loan, net of tax effect of \$0.1 and \$1.0 for each of the three months ended, respectively		(0.2)	(3.3)
Foreign currency translation adjustments		0.4	(10.5)
Total other comprehensive income (loss)		0.2	(13.5)
Total comprehensive income	\$	153.8	\$ 67.7

See notes to condensed consolidated financial statements (unaudited)

Spirit AeroSystems Holdings, Inc.

Condensed Consolidated Balance Sheets

(unaudited)

	April 3, 2014	December 31, 2013
	(\$ in millions)	
Current assets		
Cash and cash equivalents	\$ 382.1	\$ 420.7
Short-term investments	0.3	
Restricted cash	72.8	
Accounts receivable, net	746.5	550.8
Inventory, net	1,868.9	1,842.6
Deferred tax asset - current	24.2	26.9
Other current assets	22.6	103.2
Total current assets	3,117.4	2,944.2
Property, plant and equipment, net	1,800.8	1,803.3
Pension assets	262.3	252.6
Other assets	121.5	107.1
Total assets	\$ 5,302.0	\$ 5,107.2
Current liabilities		
Accounts payable	\$ 758.1	\$ 753.7
Accrued expenses	253.6	220.6
Profit sharing	16.7	38.4
Current portion of long-term debt	81.6	16.8
Advance payments, short-term	54.8	133.5
Deferred revenue, short-term	25.0	19.8
Deferred grant income liability - current	8.9	8.6
Other current liabilities	129.0	144.2
Total current liabilities	1,327.7	1,335.6
Long-term debt	1,152.8	1,150.5
Advance payments, long-term	777.0	728.9
Pension/OPEB obligation	71.2	69.8
Deferred grant income liability - non-current	105.9	108.2
Deferred revenue and other deferred credits	30.0	30.9
Other liabilities	199.3	202.3