

WATTS WATER TECHNOLOGIES INC
Form 10-Q
May 06, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x 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

o 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 001-11499

WATTS WATER TECHNOLOGIES, INC.

(Exact Name of Registrant as Specified in Its Charter)

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Delaware
(State or Other Jurisdiction of Incorporation or
Organization)

04-2916536
(I.R.S. Employer Identification No.)

815 Chestnut Street, North Andover, MA
(Address of Principal Executive Offices)

01845
(Zip Code)

Registrant's Telephone Number, Including Area Code: **(978) 688-1811**

(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 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 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

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 May 4, 2015
Class A Common Stock, \$0.10 par value	28,389,517
Class B Common Stock, \$0.10 par value	6,479,290

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WATTS WATER TECHNOLOGIES, INC. AND SUBSIDIARIES

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WATTS WATER TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Amounts in millions, except share information)

(Unaudited)

	March 29, 2015	December 31, 2014
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 261.8	\$ 301.1
Trade accounts receivable, less allowance for doubtful accounts of \$10.3 million at March 29, 2015 and \$10.6 million at December 31, 2014	220.5	207.8
Inventories, net:		
Raw materials	101.3	104.8
Work in process	15.9	16.7
Finished goods	165.5	170.1
Total Inventories	282.7	291.6
Prepaid expenses and other assets	25.9	27.4
Deferred income taxes	45.6	45.3
Asset held for sale	2.1	1.1
Total Current Assets	838.6	874.3
PROPERTY, PLANT AND EQUIPMENT:		
Property, plant and equipment, at cost	503.2	526.7
Accumulated depreciation	(313.7)	(323.4)
Property, plant and equipment, net	189.5	203.3
OTHER ASSETS:		
Goodwill	612.0	639.0
Intangible assets, net	199.4	210.1
Deferred income taxes	4.5	4.7
Other, net	15.9	16.6
TOTAL ASSETS	\$ 1,859.9	\$ 1,948.0
LIABILITIES AND STOCKHOLDERS EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 113.0	\$ 120.8
Accrued expenses and other liabilities	133.8	138.8
Accrued pension plan settlements	40.4	40.0
Accrued compensation and benefits	39.7	44.2
Current portion of long-term debt	1.7	1.9
Total Current Liabilities	328.6	345.7
LONG-TERM DEBT, NET OF CURRENT PORTION	577.2	577.8
DEFERRED INCOME TAXES	73.2	77.4
OTHER NONCURRENT LIABILITIES	33.5	34.7
STOCKHOLDERS EQUITY:		
Preferred Stock, \$0.10 par value; 5,000,000 shares authorized; no shares issued or outstanding		

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Class A Common Stock, \$0.10 par value; 80,000,000 shares authorized; 1 vote per share; issued and outstanding 28,411,252 shares at March 29, 2015 and 28,552,065 shares at December 31, 2014	2.8	2.9
Class B Common Stock, \$0.10 par value; 25,000,000 shares authorized; 10 votes per share; issued and outstanding, 6,479,290 shares at March 29, 2015 and December 31, 2014	0.6	0.6
Additional paid-in capital	501.0	497.4
Retained earnings	497.0	500.6
Accumulated other comprehensive loss	(154.0)	(89.1)
Total Stockholders Equity	847.4	912.4
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$ 1,859.9	\$ 1,948.0

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See accompanying notes to consolidated financial statements.

WATTS WATER TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(Amounts in millions, except per share information)

(Unaudited)

	First Quarter Ended	
	March 29, 2015	March 30, 2014
Net sales	\$ 356.2	\$ 365.2
Cost of goods sold	225.7	