

DUCOMMUN INC /DE/
Form 10-Q
May 12, 2015
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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 April 4, 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 1-8174

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

Delaware 95-0693330
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

23301 Wilmington Avenue, Carson, California 90745-6209
(Address of principal executive offices) (Zip code)
Registrant's telephone number, including area code: (310) 513-7200

(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 (§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

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 May 1, 2015, the registrant had 11,055,037 shares of common stock outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Ducommun Incorporated and Subsidiaries

Condensed Consolidated Balance Sheets

(Unaudited)

(In thousands, except share and per share data)

| | April 4, 2015 | December 31, 2014 |
|--|------------------|----------------------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | \$32,705 | \$45,627 |
| Accounts receivable, net of allowance for doubtful accounts of \$189 and \$252 at April 4, 2015 and December 31, 2014, respectively | 90,912 | 91,060 |
| Inventories | 141,443 | 142,842 |
| Production cost of contracts | 11,115 | 11,727 |
| Deferred income taxes | 13,783 | 13,783 |
| Other current assets | 19,485 | 23,702 |
| Total Current Assets | 309,443 | 328,741 |
| Property and Equipment, Net | 99,998 | 99,068 |
| Goodwill | 157,569 | 157,569 |
| Intangibles, Net | 152,596 | 155,104 |
| Other Assets | 6,321 | 7,117 |
| Total Assets | \$725,927 | \$747,599 |
| Liabilities and Shareholders' Equity | | |
| Current Liabilities | | |
| Current portion of long-term debt | \$27 | \$26 |
| Accounts payable | 58,577 | 58,979 |
| Accrued liabilities | 41,659 | 52,066 |
| Total Current Liabilities | 100,263 | 111,071 |
| Long-Term Debt, Less Current Portion | 280,019 | 290,026 |
| Deferred Income Taxes | 70,199 | 69,448 |
| Other Long-Term Liabilities | 19,938 | 20,484 |
| Total Liabilities | 470,419 | 491,029 |
| Commitments and Contingencies (Notes 9, 11) | | |
| Shareholders' Equity | | |
| Common stock - \$0.01 par value; 35,000,000 shares authorized; 10,997,241 and 10,952,268 issued at April 4, 2015 and December 31, 2014, respectively | 110 | 110 |
| Additional paid-in capital | 72,992 | 72,206 |
| Retained earnings | 188,932 | 190,905 |
| Accumulated other comprehensive loss | (6,526) | (6,651) |
| Total Shareholders' Equity | 255,508 | 256,570 |
| Total Liabilities and Shareholders' Equity | \$725,927 | \$747,599 |
| See accompanying notes to condensed consolidated financial statements. | | |

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Ducommun Incorporated and Subsidiaries
 Condensed Consolidated Statements of Operations
 (Unaudited)
 (In thousands, except per share amounts)

| | Three Months Ended | |
|--|--------------------|----------------------------------|
| | April 4, 2015 | March 29, 2014 As Restated |
| Net Revenues | \$172,920 | \$179,753 |
| Cost of Sales | 146,159 | 143,838 |
| Gross Profit | 26,761 | 35,915 |
| Selling, General and Administrative Expenses | 23,134 | 21,087 |
| Operating Income | 3,627 | 14,828 |
| Interest Expense | (6,661 |) (7,125 |
| (Loss) Income Before Taxes | (3,034 |) 7,703 |
| Income Tax (Benefit) Expense | (1,061 |) 2,544 |
| Net (Loss) Income | \$(1,973 |) \$5,159 |
| (Loss) Earnings Per Share | | |
| Basic (loss) earnings per share | \$ (0.18 |) \$0.48 |
| Diluted (loss) earnings per share | \$ (0.18 |) \$0.46 |
| Weighted-Average Number of Common Shares Outstanding | | |
| Basic | | |