

John Bean Technologies CORP
Form 10-K
March 07, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2013

OR

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

Commission file number: 1-34036

John Bean Technologies Corporation

(Exact name of registrant as specified in its charter)

Delaware **91-1650317**
(State or other jurisdiction of **(I.R.S. Employer**
incorporation or organization) Identification Number)

70 West Madison Street

Chicago, IL 60602

(Address of principal executive offices)

(312) 861-5900

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Exchange on Which Registered
Common Stock, \$0.01 par value	New York Stock Exchange
Preferred Share Purchase Rights	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of common stock held by non-affiliates of the registrant on the last business day of the registrant's most recently completed second fiscal quarter was: \$570,977,390.

At February 28, 2014, there were 29,138,162 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for the 2014 Annual Meeting of Stockholders are incorporated herein by reference in Part III of this Annual Report on Form 10-K to the extent stated herein.

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SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K and other materials filed or to be filed by John Bean Technologies Corporation, as well as information in oral statements or other written statements made or to be made by us, contain statements that are, or may be considered to be, forward-looking statements. All statements that are not historical facts, including statements about our beliefs or expectations, are forward-looking statements. You can identify these forward-looking statements by the use of forward-looking words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “seeks,” “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates,” “foresees” or the negative version of these words or other comparable words and phrases. Any forward-looking statements contained in this Annual Report on Form 10-K are based upon our historical performance and on current plans, estimates and expectations. The inclusion of this forward-looking information should not be regarded as a representation by us or any other person that the future plans, estimates or expectations contemplated by us will be achieved. These forward looking statements include, among others, statements relating to:

- Fluctuations in our financial results;
- Unanticipated delays or acceleration in our sales cycles;
- Deterioration of economic conditions;
- Sensitivity of segments to variable or volatile factors;
- Changes in demand for our products and services;
- Changes in commodity prices, including those impacting materials used in our business;
- Disruptions in the political, regulatory, economic and social conditions of the foreign countries in which we conduct business;
- Increases in energy prices;
- Changes in food consumption patterns;
- Impacts of pandemic illnesses, food borne illnesses and diseases to various agricultural products;
- Weather conditions and natural disasters;
- Acts of terrorism or war;
- Termination or loss of major customer contracts;
- Customer sourcing initiatives;
- Competition and innovation in our industries;
- Our ability to develop and introduce new or enhanced products and services;
- Difficulty in developing, preserving and protecting our intellectual property;
- Our ability to protect our information systems;
- Adequacy of our internal controls;
- Our ability to successfully integrate, operate and manage acquired businesses and assets;
- Loss of key management and other personnel;
- Potential liability arising out of the installation or use of our systems;
- Our ability to comply with the laws and regulations governing our U.S. government contracts;
- Our ability to comply with U.S. and international laws governing our operations and industries;
- The outcome of pending or future litigation;
- Increases in tax liabilities;
- Difficulty in implementing our business strategies; and
- Availability and access to financial and other resources.

We believe that the factors that could cause our actual results to differ materially include but are not limited to the factors we describe herein, including under “Risk Factors,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” If one or more of those or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary materially from what we projected. Consequently, actual events and results may vary significantly from those included in or contemplated or implied by our forward-looking statements. The forward-looking statements included in this Annual Report on Form 10-K are made only as of the date hereof, and we undertake no obligation to publicly update or review any forward-looking statement made by us or on our behalf, whether as a result of new information, future developments, subsequent events or circumstances or otherwise.

PART I

Unless the context indicates otherwise, all references in this report to JBT Corporation, the Company, us, we, or our include John Bean Technologies Corporation and its subsidiaries (JBT Corporation). Effective July 31, 2008, JBT Corporation was spun-off from FMC Technologies, Inc. (FMC Technologies) and became a separate, publicly-traded company. This transaction is referred to in this Annual Report on Form 10-K as the “distribution” or the “spin-off.” Prior to the spin-off, JBT Corporation and its subsidiaries were wholly-owned subsidiaries of FMC Technologies and our operations were a part of FMC Technologies’ operations.

ITEM 1. BUSINESS

We are a global technology solutions provider for the food processing and air transportation industries. We design, manufacture, test and service technologically sophisticated systems and products for customers through our JBT FoodTech and JBT AeroTech segments.

JBT FoodTech markets its solutions and services to multi-national and regional industrial food processing companies. The product offerings of our FoodTech businesses include:

- freezer solutions for the freezing and chilling of meat, seafood, poultry, ready-to-eat meals, fruits, vegetables, dairy and bakery products;
- protein processing solutions that portion, coat, fry and cook poultry, meat, seafood, vegetable and bakery products;
- in-container processing solutions for the filling, closing and sterilization of fruits, vegetables, soups, sauces, dairy and pet food products as well as ready-to-eat meals in a wide variety of modern packages;
- fruit and juice processing solutions that extract, concentrate and aseptically process citrus, tomato and other fruits, vegetables and juices; and
- automatic guided vehicles for material handling in the food & beverage, manufacturing, warehouse, automotive, hospital, and printing industries.

JBT AeroTech markets its solutions and services to domestic and international airport authorities, passenger airlines, airfreight and ground handling companies and military forces. The product offerings of our AeroTech businesses include:

- ground support equipment for cargo loading, aircraft deicing and aircraft towing;
- gate equipment for passenger boarding, on the ground aircraft power and cooling;
- airport services for maintenance of airport equipment, systems and facilities; and

- military equipment for cargo loading, aircraft towing, aircraft power and on the ground aircraft cooling.

For financial information about our business segments see Note 15 of our consolidated financial statements included in Item 8 of this Annual Report on Form 10-K.

In 2013, we continued the execution of our 4G strategy. The growth areas where we are focused on building value are detailed below.

Grow our technology advantage. At JBT, technology is at the core of who we are. We are actively looking for opportunities to leverage and apply our technology leadership in ways that deepen our connection with customers. Product development is a top investment priority and enables us to maintain and increase our competitive advantage going forward.

Grow beyond the sale. JBT's large installed base is a huge asset. It is an opportunity to deliver ongoing value, to increase the depth and breadth of our customer relationships, and to create a recurring revenue stream for our company. Truly realizing this opportunity requires the right mindset. Our people are always thinking in terms of providing long term solutions and services that enable continued success for our customers.

Grow where the world is growing fastest. JBT has built a strong presence around the world. Our global footprint enables us to deliver local service wherever our customers need us. Our footprint is also important because it positions us well to grow where the world is growing, including Asia and other emerging regions.

Grow our margins by delivering value. We will not grow for growth's sake—our aim is to grow profitably. Strong margins are our report card on delivering value to our customers and on operating efficiently. We are continuously optimizing sourcing and improving processes to manage costs, but the key for us is to always deliver value.

As a complement to our 4G strategy, we have formalized our approach to Corporate Social Responsibility (CSR) and its positive impacts on our company, customers and world. JBT has a long tradition of doing what's right and a culture built upon caring about our employees' health, safety and wellbeing, partnering with our customers to improve their operations, and giving back to the communities where we live and work. Building upon that strong foundation, we are sharing energy efficiency best practices, measuring resource utilization, and setting baselines and goals. Our equipment and technology are already efficient users of resources and strong contributors to the sustainability of both our food processing and air transportation customers. A key CSR objective is to further align our business with our customers, many of whom have aggressive CSR programs in place.

Our principal executive offices are located at 70 West Madison, Suite 4400, Chicago, Illinois 60602.

BUSINESS SEGMENTS

JBT FoodTech

JBT FoodTech is a leading supplier of customized industrial solutions and services used in the food processing industry. We design, manufacture and service technologically sophisticated food processing systems for the preparation of ready-to-eat meals, shelf stable packaged foods, meat, seafood and poultry products, bakery products, juice and dairy products, and fruit and vegetable products.

We believe our success is derived from our continued technological innovation. We broadly categorize our technology solutions offerings into freezing and chilling, protein processing, in-container processing, fruit and juice processing and automated systems. We apply these differentiated and proprietary technologies to meet our customers' food processing needs. We continually strive to improve our existing solutions and develop new solutions by working closely with our customers.

Our historically strong position in the markets we serve has provided us with a large installed base of systems and equipment. Throughout our history, we have delivered over 40,000 pieces of food processing equipment which includes more than 8,000 industrial freezers, 2,400 industrial citrus juice extractors, 3,000 industrial sterilization systems and 8,500 coating systems. We estimate that the installed base of our equipment collectively processes approximately 75% of the global production of citrus juices, freezes approximately 50% of commercially frozen foods on a global basis and sterilizes approximately 50% of the world's canned foods. This installed base provides a stream of recurring revenue from aftermarket products, parts, services and lease arrangements. Recurring revenue accounted for 47% of our FoodTech total revenue in 2013. Our installed base also provides us with strong, long-term customer relationships from which we derive information for new product development to meet the evolving needs of our food processing customers.

We have operations positioned around the world to serve our existing JBT FoodTech equipment base located in more than 100 countries. Our principal production facilities are located in the United States (California, Ohio, Pennsylvania and Florida), Brazil, Belgium, Italy, Sweden, the United Kingdom, South Africa and China. In addition to sales and services offices based in more than 25 countries, we also support our customers in their development of new food products and processes as well as the refinement and experimentation of their current applications through ten technical centers located in the United States (California, Ohio and Florida), Mexico, Brazil, Belgium, Italy, Spain, Sweden and China. Our global presence allows us to provide direct customized support to customers virtually anywhere they process foods.

Solutions, Products and Services

We offer a broad portfolio of systems, equipment and services to our customers which are often sold as part of a fully integrated processing line solution. Our systems are typically customized to meet the specific customer application needs. Thus, actual production capacity ranges vary and are dependent on the food and product packaging type being processed.

Freezing and Chilling. We developed the first commercial food processing freezers in the 1960s, and remain the world's leading supplier of freezing and chilling solutions to the food processing industry. We design, assemble, test and install industry-leading technologies under the Frigoscandia® brand, which include the GYRoCOMPACT® self-stacking spiral, the FLoFREEZE® individual quick freezing (IQF) system and the ADVANTEC™ linear/impingement freezing system, as well as flat product and contact freezers, chillers and proofers. We also offer a structure supported Northfield SuperTRAK® spiral freezer for high volume, large packaged products. Our freezers are designed to meet the most stringent demands for quality, economy, hygiene and user-friendliness. We offer a full range of capacities and accessories to optimize our customers' variable production needs. Our industrial freezers can be found in plants that are processing food products ranging from meat, seafood and poultry to bakery products and ready-to-eat meals, fruits, vegetables and dairy products.

The following is an overview of our freezing and chilling technology offerings, which accounted for 21% of our total revenue in 2013.

Product Offering	Product Description	Food Applications	Capacity
GYRoCOMPACT® Self-Stacking Spiral Freezer, Chiller, Proofer	Compact, self-contained design for quick, uniform freezing	Poultry, Meat, Seafood, Bakery, Dairy, Vegetables, Ready Meals	Up to 10 tons/hour
SuperTRAK® Structure Supported Spiral Freezer, Proofer	Large packaged and specialty products	Pizza, Bakery, Ice Cream, Ready Meals, Pet Food	Up to 12 tons/hour
FloFREEZE® Individual Quick Freeze (IQF)	Individually freezes sensitive, sticky and uneven shaped products	Fruits, Vegetables, Seafood, Pasta, Rice	Up to 18 tons/hour
ADVANTEC™ Impingement Linear Freezers and Chillers	Quick freezing of thin, flat food products	Meat, Seafood	Up to 6 tons/hour (over 20,000 ¼ lb. burgers per hour)

Protein Processing. We are a leading supplier of equipment and services that enable us to provide integrated protein processing lines for a variety of convenience food products. Our broad array of protein processing systems includes the DSI™ waterjet portioners, slicers and attribute scanner/sorters; the Stein™ coating and seasoning applicators, THERMoFIN® fryers, GYRoCOMPACT® spiral ovens, JSO Jet Stream® ovens; and Double D™ Revoband™ linear ovens and cooking systems. Our fully integrated processing lines often span from the initial point of entry of raw products onto the processing line up to final packaging. Although our solutions are primarily used in the processing of poultry (including nuggets, strips and wings), we also provide systems that portion, coat or cook other food products ranging from breads and pizzas to meat patties, seafood and ready-to-eat meals to pet food. All of these applications we collectively refer to as “protein processing.” We believe that our installed base of cooking systems processes more meat, seafood and poultry products in North America than that of any other food processing equipment supplier.

The following is an overview of our protein processing technology offerings, which accounted for 11% of our total revenue in 2013.

Product Offering	Product Description	Food Applications	Capacity
DSI™ Portioning Systems	Computer-positioned vertical high-pressure water-jets cut complex shapes	Poultry, Meat, Seafood, Pizza	Over 7 tons/hour
DSI™ Adaptive Thickness Systems	Intelligent slicing for consistent product thickness	Poultry, Meat, Seafood	Over 2 tons/hour
DSI™ J-Scan	Attribute scanning and sorting of various products	Poultry, Meat, Seafood, Pizza, Bakery, Ready Meal	Over 7 tons/hour
Stein™ Coating Applicators	Application of batter, tempura or breading prior to cooking	Poultry, Meat, Seafood, Vegetables	Over 7 tons/hour (over 150,000 ½ oz. chicken nuggets per hour)
THERMoFIN® Frying Systems	Patented technology that heats oil quickly and precisely for even and cost effective frying	Poultry, Meat, Seafood	Over 7 tons/hour (over 150,000 ½ oz. nuggets/hour)
GYRoCOMPACT® Spiral Ovens	Multi-zone spiral oven with programmable air control for consistent and uniform cooking	Poultry, Meat, Seafood	Over 9 tons/hour (over 40,000 4 oz. chicken breasts per hour)
JSStein™ JSO JetStream® LiLinear Ovens	High intensity convection oven for fast cooking with optimal flavor sealing and browning	Meat, Poultry	Over 4.5 tons/hour (over 20,000 ¼ lb. burgers per hour)
Double D™ Revoband Linear Oven	Custom built, high impingement oven for roasting, steaming and baking	Bakery, Meat, Seafood, Poultry, Vegetables	Over 1 ton/hour (over 30,000 croissants per hour)

In-Container Processing. We are a leading global supplier of fully integrated industrial sterilization systems that enable production of shelf stable foods in a wide variety of flexible and rigid packages. These integrated solutions for the processing of shelf-stable food and liquid products include our continuous rotary hydrostatic sterilizers, Steam Water Spray static and SuperAgi™ batch retorts, XL-series fillers, SeamTec™ and X-series closers, material handling systems and LOG-TEC® thermal process controls. We are a recognized U.S. Department of Agriculture and Food and Drug Administration Food Process Authority and offer the largest selection of sterilization products in the industry. We also provide automated batch retorts which can process an array of flexible and rigid packages such as plastic pouches, cartons, glass and cans. Our solutions also in