

BARNES GROUP INC
Form 10-Q
July 28, 2017

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 June 30, 2017

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 1-4801

BARNES GROUP INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization) 06-0247840 (I.R.S. Employer Identification No.)

123 Main Street, Bristol, Connecticut

(Address of Principal Executive Offices)

(860) 583-7070

Registrant's telephone number, including area code

06010

(Zip 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 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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

The registrant had outstanding 53,837,680 shares of common stock as of July 26, 2017.

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This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. See “FORWARD-LOOKING STATEMENTS” under Part I - Item 2 “Management's Discussion and Analysis of Financial Condition and Results of Operations” of this Quarterly Report on Form 10-Q.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

BARNES GROUP INC.

CONSOLIDATED STATEMENTS OF INCOME

(Dollars in thousands, except per share data)

(Unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2017	2016	2017	2016
Net sales	\$364,493	\$306,693	\$706,295	\$595,025
Cost of sales	236,506	197,173	456,339	383,428
Selling and administrative expenses	70,847	62,060	137,069	122,610
	307,353	259,233	593,408	506,038
Operating income	57,140	47,460	112,887	88,987
Interest expense	3,541	2,815	6,890	5,806
Other expense (income), net	394	(824)	416	(597)
Income before income taxes	53,205	45,469	105,581	83,778
Income taxes	8,178	12,257	22,251	21,718
Net income	\$45,027	\$33,212	\$83,330	\$62,060
Per common share:				
Basic	\$0.83	\$0.61	\$1.54	\$1.14
Diluted	0.82	0.61	1.52	1.14
Dividends	0.14	0.13	0.27	0.25
Weighted average common shares outstanding:				
Basic	54,177,251	54,168,562	54,178,185	54,207,145
Diluted	54,722,211	54,642,071	54,686,175	54,662,389

See accompanying notes.

BARNES GROUP INC.
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (Dollars in thousands)
 (Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Net income	\$45,027	\$33,212	\$83,330	\$62,060
Other comprehensive income (loss), net of tax				
Unrealized losses on hedging activities, net of tax (1)	(544)	(282)	(461)	(430)
Foreign currency translation adjustments, net of tax (2)	41,562	(19,603)	60,172	1,110
Defined benefit pension and other postretirement benefits, net of tax (3)	671	2,378	1,936	3,697
Total other comprehensive income (loss), net of tax	41,689	(17,507)	61,647	4,377
Total comprehensive income	\$86,716	\$15,705	\$144,977	\$66,437

(1) Net of tax of \$(250) and \$(79) for the