

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1995-01-11** | Period of Report: **1994-11-27**
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FILER

AMCAST INDUSTRIAL CORP

CIK: **27425** | IRS No.: **310258080** | State of Incorporation: **OH** | Fiscal Year End: **0831**
Type: **10-Q** | Act: **34** | File No.: **001-09967** | Film No.: **95501008**
SIC: **3320** Iron & steel foundries

Mailing Address	Business Address
7887 WASHINGTON VILLAGE DRIVE KETTERING OH 45459	7887 WASHINGTON VILLAGE DR KETTERING OH 45459 5132987000

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 quarter ended November 27, 1994 Commission File Number 0-947

A M C A S T I N D U S T R I A L C O R P O R A T I O N

(Exact name of registrant as specified in its charter)

Ohio 31-0258080

(State of Incorporation) (I.R.S. Employer Identification No.)

7887 Washington Village Drive, Dayton, Ohio 45459

(Address of principal executive offices) (Zip Code)

(Area Code 513) 291-7000

(Registrant's telephone number, including area code)

(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 and 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months, and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ---

Number of Common Shares outstanding, no par value, as of November 27, 1994 - 8,505,332 shares.

<TABLE>

AMCAST INDUSTRIAL CORPORATION

I N D E X

<CAPTION>

PART I - FINANCIAL INFORMATION

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<S>

<C>

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PART I - FINANCIAL INFORMATION

AMCAST INDUSTRIAL CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF FINANCIAL CONDITION
(dollars in thousands)

<CAPTION>

ASSETS	November 27 1994	August 31 1994
-----	-----	-----
<S>	(unaudited)	(audited)
	<C>	<C>
Current Assets		
Cash and cash equivalents	\$ 8,232	\$ 15,414
Accounts receivable	44,063	38,400
Inventories:		
Finished products	17,421	17,833
Work-in-process	13,576	11,878
Raw materials and supplies	7,595	8,758
	-----	-----
	38,592	38,469
Other current assets	5,049	5,143
	-----	-----
Total current assets	95,936	97,426
Property, Plant and Equipment	153,477	149,185
Less allowances for depreciation	(78,718)	(75,531)
	-----	-----
	74,759	73,654
Net Assets of Discontinued Operation	12,137	12,389
Other Assets	11,263	10,692
	-----	-----
	\$194,095	\$194,161
	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities		
Accounts payable	\$ 24,596	\$ 27,169
Current portion of long-term debt	4,019	4,019

Accrued expenses, compensation and related items and other current liabilities	18,514	17,648
	-----	-----
Total current liabilities	47,129	48,836
Long-Term Debt--less current portion	12,972	13,910
Deferred Income Taxes	4,712	4,024
Deferred Liabilities	16,057	17,228
Shareholders' Equity		
Preferred shares, without par value:		
Authorized--1,000,000 shares		
Issued--None		
Common shares, at stated value:		
Authorized--15,000,000 shares		
Issued--8,505,332 shares		
(8,457,896 at August 31, 1994)	8,505	8,458
Capital in excess of stated value	63,418	62,912
Retained earnings	41,302	38,793
	-----	-----
	113,225	110,163
	-----	-----
	\$ 194,095	\$194,161
	=====	=====

<FN>

See notes to consolidated condensed financial statements.

</TABLE>

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<TABLE>

AMCAST INDUSTRIAL CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
AND RETAINED EARNINGS
(dollars in thousands except per share amounts)
(unaudited)

<CAPTION>

	Three Months Ended	
	November 27 1994	November 28 1993
	-----	-----
	<C>	<C>
<S>		
Consolidated Condensed Statements		

of Operations		

Net sales	\$76,998	\$ 60,328
Cost of sales	61,341	47,693
	-----	-----
Gross profit	15,657	12,635
Selling, general and administrative expenses	9,762	7,973
Interest expense	346	436
Other income	(112)	(2)
	-----	-----
	9,996	8,407
	-----	-----
Income before income taxes	5,661	4,228
Income taxes	2,038	1,543
	-----	-----

Net Income

\$ 3,623

\$ 2,685

=====

=====

Consolidated Condensed Statements of

Retained Earnings

Beginning retained earnings	\$38,793	\$28,577
Net income	3,623	2,685
Less dividends	(1,106)	(1,008)
Other	(8)	(29)
	-----	-----
Ending Retained Earnings	\$41,302	\$30,225
	=====	=====

Per Share Information

Net income per share	\$.43	\$.32
	=====	=====
Dividends declared per share	\$.13	\$.12
	=====	=====
Dividends paid per share	\$.13	\$.12
	=====	=====

<FN>
See notes to consolidated condensed financial statements.
</TABLE>

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<TABLE>

AMCAST INDUSTRIAL CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(dollars in thousands)
(unaudited)

<CAPTION>

	Three Months Ended	
	November 27 1994	November 28 1993
	-----	-----
<S>	<C>	<C>
Operating Activities:		
Net income	\$ 3,623	\$ 2,685
Depreciation and amortization	3,527	3,290
Deferred liabilities	(483)	2,271
	-----	-----
	6,667	8,246
Changes in assets and liabilities:		
- Accounts receivable	(5,663)	(6,237)
- Inventories	(123)	(1,358)
- Other current assets	94	(166)
- Prepaid pension costs	152	167
- Other assets	(931)	(69)
- Accounts payable	(2,573)	24
- Accrued liabilities	866	371
	-----	-----
Net Cash Provided (Used) By Operating Activities	(1,511)	978

Investing Activities:		
Decrease (increase) in net assets of discontinued operation	252	(1,020)
Additions to plant and equipment, net	(4,424)	(1,716)
	-----	-----
Net Cash Provided (Used) By Investing Activities	(4,172)	(2,736)
Financing Activities:		
Additions to long-term debt		2,000
Proceeds from exercise of stock options	553	182
Reduction in long-term debt	(938)	(2,938)
Short-term borrowings and current portion of long-term debt		1,661
Dividends	(1,106)	(1,008)
Other	(8)	(29)
	-----	-----
Net Cash Provided (Used) By Financing Activities	(1,499)	(132)
	-----	-----
Net change in cash and cash equivalents	(7,182)	(1,890)
Cash and cash equivalents at beginning of period	15,414	2,251
	-----	-----
Cash and Cash Equivalents at End of Period	\$ 8,232	\$ 361
	=====	=====

<FN>

See notes to consolidated condensed financial statements.

</TABLE>

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AMCAST INDUSTRIAL CORPORATION
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(dollars in thousands except share amounts)
(unaudited)

Note A - Preparation of Financial Statements

The consolidated condensed financial statements include the accounts of Amcast Industrial Corporation and subsidiaries (the "company"). Intercompany transactions have been eliminated. All adjustments, consisting of only normally recurring accruals, necessary for a fair presentation have been included.

Note B - Accounts Receivable

Accounts receivable are stated net of allowances for doubtful accounts of \$146 at November 27, 1994 and \$147 at August 31, 1994.

Note C - Inventories

Certain inventories are presented net of the appropriate LIFO reserve.

Note D - Other Assets

The major components are:

<TABLE>

<CAPTION>

	November 27 1994	August 31 1994
<S>	<C>	<C>
Properties held for sale	\$ 553	\$ 553
Technical and product programs	1,236	1,419
Goodwill	2,753	2,774
Other assets and deferred charges	6,721	5,946
	-----	-----
	\$ 11,263	\$ 10,692
	=====	=====

</TABLE>

Note E - Deferred Liabilities

Deferred liabilities include the noncurrent portion of retirement, compensation, medical benefits, and estimated future payouts under the company's self-insured workers' compensation program. These liabilities primarily relate to the company's provisions for restructuring operations, the discontinued operation, and postretirement benefits other than pensions. Significant noncurrent restructuring liabilities for medical and workers' compensation costs were \$2,800 at both November 27, 1994 and August 31, 1994; consolidation and disposition of operations were \$1,800 and \$2,100, respectively at November 27, 1994 and August 31, 1994. Postretirement benefits other than pensions were \$5,400 and \$5,600 at November 27, 1994 and August 31, 1994, respectively. These accruals are not deductible for income tax purposes until paid and are therefore, accounted for as temporary differences in the company's tax provision.

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AMCAST INDUSTRIAL CORPORATION
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(dollars in thousands except share amounts)
(unaudited)

Note F - Long-Term Debt

The following table summarizes the company's borrowings:

	November 27 1994	August 31 1994
<S>	<C>	<C>
Senior notes	\$ 10,089	\$10,964
Industrial revenue bonds	6,902	6,965
	-----	-----
Total Obligations	16,991	17,929
	-----	-----
Less current portion of long-term debt	4,019	4,019
	-----	-----
	\$12,972	\$13,910
	=====	=====

</TABLE>

Note G - Income Taxes

The estimated effective tax rates were 36.0% and 36.5% for the first quarters

of 1995 and 1994, respectively.

Note H - Net Income Per Share

For the first quarter of 1995 and 1994, the weighted average number of common shares used to calculate income per share was 8,474,657 and 8,389,570, respectively.

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AMCAST INDUSTRIAL CORPORATION
PART I - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS

Net sales of \$77.0 million in the current quarter ended November 27, 1994 increased 27.6% from the prior year first quarter. Flow Control Products' sales increased 38.0% to \$35.7 million primarily due to increased volume resulting from the continued strong demand for copper fittings. Also, prices were increased to offset the impact of rising copper costs. Engineered Components' sales rose 19.9% to \$41.3 million due to the continued strong automotive market.

Gross profit for the first quarter of fiscal 1995 and 1994 was \$15.7 million and \$12.6 million, respectively. The increase in gross profit was primarily attributable to the increase in sales. Gross profit as a percent of sales for the first quarter of 1995 was 20.3% compared to 20.9% in 1994. This decrease is primarily due to the impact of higher copper prices reflected in the company's sales and cost of sales during the current quarter, coupled with the cost of launching several new products in the Engineered Components' business.

Selling, general and administrative expenses for the first quarter of \$9.8 million, were 22.4% higher than the first quarter 1994. The increase was primarily due to higher commission expense relating to the increased Flow Control Products' sales.

In the current quarter, interest expense was \$.3 million, compared to \$.4 million in the first quarter of fiscal 1994. This decrease is a result of reduced borrowings in fiscal 1995.

<TABLE>
Results by Business Segment (unaudited)

(dollars in thousands)

<CAPTION>

	Three Months Ended	
	November 27 1994	November 28 1993
	-----	-----
Net Sales		

<S>	<C>	<C>
Flow Control Products	\$ 35,683	\$ 25,861
Engineered Components	41,315	34,467
	-----	-----
	\$ 76,998	\$60,328
	=====	=====
Income Before Taxes		

Flow Control Products	\$ 5,736	\$ 4,106
Engineered Components	1,856	2,045
Corporate Expense	(1,585)	(1,487)
Interest Expense	(346)	(436)
	-----	-----
	\$ 5,661	\$ 4,228
	=====	=====

</TABLE>

Flow Control Products' operating income in the first quarter of \$5.7 million was up 39.7% as a result of the increased sales volume. Engineered Components' operating income of \$1.9 million decreased 9.2% as gains from higher wheel production were offset by inefficiencies relating to the start-up of several new products.

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AMCAST INDUSTRIAL CORPORATION

PART I - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS - CONTINUED

Capital Resources and Liquidity

In the current quarter, net cash used by operations was \$1.5 million compared to cash provided by operations of \$1.0 million for the first three months of fiscal 1994. In the current year, cash provided by net income, and depreciation and amortization was offset by a \$7.4 million increase in working capital. In the prior year, cash provided by net income, and depreciation and amortization was partially offset by an increase in working capital of \$7.4 million.

Capital expenditures were \$4.4 million and \$1.7 million for the three-month period of fiscal 1995 and 1994, respectively. At November 27, 1994, the company had \$7.3 million of commitments for additional capital expenditures primarily for the Engineered Components segment.

Long-term debt was 10.3% of total capital at November 27, 1994 and 11.2% at August 31, 1994. The decrease during the period is due to lower debt levels and increased retained earnings.

The company may borrow up to \$40 million under a Revolving Credit Agreement which expires September 1, 1997. In addition, the company maintains bank lines of credit under which it may borrow up to \$25 million. At November 27, 1994, there were no borrowings under the Revolving Credit Agreement and none outstanding under the bank lines of credit. The company considers these external sources of funds, together with funds generated from operations, to be adequate to meet operating needs.

The company has sold the iron foundry and pole line hardware portion of the Stanley G. Flagg division. The remaining brass business is not material to the company's operations or financial position. The net assets of this discontinued operation were \$12.1 million and \$12.4 million at November 27, 1994 and August 31, 1994 consisting of current assets, current liabilities, and fixed assets, net of allowance for estimated loss on disposal.

The company is subject to a range of federal, state, and local laws and regulations governing the discharge of material into the environment or otherwise relating to the protection of the environment. The company periodically makes capital expenditures to meet the requirements of these laws and regulations; however, the company believes that the anticipated expenditures for such purposes in the foreseeable future will not be material

to its financial position or its competitive position.

The company, as is normal for the industry in which it operates, is subject to periodic environmental site investigation and inquiries. The company has been identified as a potentially responsible party by various state agencies and by the United States Environmental Protection Agency (U.S. EPA) under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, for costs associated with eight U.S. EPA led multi-party

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AMCAST INDUSTRIAL CORPORATION

PART I - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS - CONTINUED

"superfund" sites and three state environmental agency led remediation sites. While the company could be found jointly and severally liable at a number of these sites, the company, in each case, is contesting any responsibility or believes that its liability will not be material because of the nature of the waste involved or the limited amount of waste generated by the company which was allegedly disposed of at these sites. With respect to one such site located in Ironton, Ohio, another potentially responsible party has brought an action seeking contribution from the company for a portion of the total response and remediation costs, which the plaintiff has claimed may exceed \$20 million. The company believes that its ultimate equitable share, if any, of any liability for cleanup costs at this site will not be material.

PART II - OTHER INFORMATION

Item 1 - Legal Proceedings

Refer to Item 3, Part I of Form 10-K for the fiscal year ended August 31, 1994.

Item 6 - Exhibits and Reports on Form 8-K

- a) Exhibit 27 -- Financial Data Schedule
- b) Reports on Form 8-K--No reports on Form 8-K were filed by the Company during the quarter ended November 27, 1994.

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AMCAST INDUSTRIAL CORPORATION

S I G N A T U R E S

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the

undersigned thereunto duly authorized.

AMCAST INDUSTRIAL CORPORATION

(Registrant Company)

Date: January 11, 1995

By: /s/L. W. Ladehoff

Leo W. Ladehoff
Chairman of the Board and Chief
Executive Officer, Director

Date: January 11, 1995

By: /s/J. H. Shuey

John H. Shuey
President and Chief Operating
Officer, Director

Date: January 11, 1995

By: /s/D. D. Watts

Douglas D. Watts
Vice President, Finance

Date: January 11, 1995

By: /s/W. L. Bown

William L. Bown
Vice President and Controller

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