

HYSTER-YALE MATERIALS HANDLING, INC.
Form 10-Q
April 30, 2019
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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 March 31, 2019

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 000-54799

HYSTER-YALE MATERIALS HANDLING, INC.

(Exact name of registrant as specified in its
charter)

DELAWARE
(State or other jurisdiction of incorporation
or organization)

31-1637659
(I.R.S. Employer
Identification No.)

5875 LANDERBROOK DRIVE, SUITE
300, CLEVELAND, OHIO
(Address of principal executive offices)

44124-4069
(Zip code)

(440) 449-9600
(Registrant's telephone number, including area
code)

N/A
(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 every Interactive Data File required to be submitted 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 such files).

YES NO

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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.

Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>	Emerging growth company <input type="checkbox"/>
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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.

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

Number of shares of Class A Common Stock outstanding at April 26, 2019: 12,780,942

Number of shares of Class B Common Stock outstanding at April 26, 2019: 3,875,320

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FINANCIAL INFORMATION
Item 1. Financial StatementsHYSTER-YALE MATERIALS HANDLING, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	MARCH 31	DECEMBER 31
	2019	2018
	(In millions, except share data)	
ASSETS		
Current Assets		
Cash and cash equivalents	\$55.7	\$ 83.7
Accounts receivable, net	485.4	465.5
Inventories, net	588.9	533.6
Prepaid expenses and other	54.9	48.8
Total Current Assets	1,184.9	1,131.6
Property, Plant and Equipment, Net	295.2	296.2
Intangible Assets, Net	65.6	67.7
Goodwill	108.7	108.3
Deferred Income Taxes	27.9	26.3
Investment in Unconsolidated Affiliates	73.4	75.6
Other Non-current Assets	116.0	36.4
Total Assets	\$1,871.7	\$ 1,742.1
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	\$458.3	\$ 415.5
Accounts payable, affiliates	21.7	21.3
Revolving credit facilities	28.7	13.3
Current maturities of long-term debt	76.9	78.1
Accrued payroll	38.3	56.3
Deferred revenue	56.3	37.6
Other current liabilities	178.1	154.1
Total Current Liabilities	858.3	776.2
Long-term Debt	203.8	210.1
Self-insurance Liabilities	24.6	25.2
Pension Obligations	20.9	23.1
Deferred Income Taxes	17.4	17.8
Other Long-term Liabilities	195.3	130.2
Total Liabilities	1,320.3	1,182.6
Stockholders' Equity		
Common stock:		
Class A, par value \$0.01 per share, 12,775,846 shares outstanding (2018 - 12,682,755 shares outstanding)	0.1	0.1
Class B, par value \$0.01 per share, convertible into Class A on a one-for-one basis, 3,875,498 shares outstanding (2018 - 3,877,967 shares outstanding)	0.1	0.1
Capital in excess of par value	317.4	321.5
Treasury stock	(17.1) (24.1

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Retained earnings	410.8	407.3	
Accumulated other comprehensive loss	(191.8) (177.5)
Total Stockholders' Equity	519.5	527.4	
Noncontrolling Interests	31.9	32.1	
Total Equity	551.4	559.5	
Total Liabilities and Equity	\$1,871.7	\$ 1,742.1	

See notes to unaudited condensed consolidated financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	THREE MONTHS ENDED MARCH 31	
	2019	2018
	(In millions, except per share data)	
Revenues	\$834.8	\$788.5
Cost of sales	708.6	656.4
Gross Profit	126.2	132.1
Operating Expenses		
Selling, general and administrative expenses	122.8	112.9
Operating Profit	3.4	19.2
Other (income) expense		
Interest expense	4.5	4.0
Income from unconsolidated affiliates	(2.7)	(2.8)
Other	(3.1)	(1.8)
	(1.3)	(0.6)
Income Before Income Taxes	4.7	19.8
Income tax provision	1.5	4.9
Net Income	3.2	14.9
Net loss attributable to noncontrolling interests	0.2	—
Net Income Attributable to Stockholders	\$3.4	\$14.9
Basic Earnings per Share	\$0.20	\$0.90
Diluted Earnings per Share	\$0.20	\$0.90
Dividends per Share	\$0.3100	\$0.3025
Basic Weighted Average Shares Outstanding	16.607	16.506
Diluted Weighted Average Shares Outstanding	16.679	16.568

See notes to unaudited condensed consolidated financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	THREE MONTHS ENDED MARCH 31	
	2019	2018
	(In millions)	
Net Income	\$3.2	\$14.9
Other comprehensive income (loss)		
Foreign currency translation adjustment	(2.3)	9.8
Current period cash flow hedging activity	(9.8)	13.0
Reclassification of hedging activities into earnings	0.8	0.8
Reclassification of pension into earnings	0.9	0.7
Comprehensive Income (Loss)	\$(7.2)	\$39.2
Other comprehensive (income) loss attributable to noncontrolling interests		
Net loss attributable to noncontrolling interests	(0.2)	—
Foreign currency translation adjustment attributable to noncontrolling interests	—	(0.2)
Comprehensive Income (Loss) Attributable to Stockholders	\$(7.4)	\$39.0

See notes to unaudited condensed consolidated financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	THREE MONTHS ENDED MARCH 31	
	2019	2018
	(In millions)	
Operating Activities		
Net income	\$3.2	\$14.9
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Depreciation and amortization	11.2	11.4
Amortization of deferred financing fees	0.4	0.4
Deferred income taxes	—	(0.1)
Stock-based compensation	3.1	0.7
Dividends from unconsolidated affiliates	5.1	22.2
Other non-current liabilities	(1.2)	1.2
Other	(3.5)	—
Working capital changes, excluding the effect of business acquisitions:		
Accounts receivable	(26.8)	(10.6)
Inventories	(58.9)	(13.1)
Other current assets	(6.5)	(4.4)
Accounts payable	46.5	26.3
Other current liabilities	5.0	(20.4)
Net cash provided by (used for) operating activities	(22.4)	28.5
Investing Activities		
Expenditures for property, plant and equipment	(8.6)	(7.4)
Proceeds from the sale of assets	0.6	0.4
Net cash used for investing activities	(8.0)	(7.0)
Financing Activities		
Additions to long-term debt	16.7	8.9
Reductions of long-term debt	(23.3)	(17.1)
Net change to revolving credit agreements	15.5	