

CHICAGO BRIDGE & IRON CO N V

Form 10-Q

October 24, 2012

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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 September 30, 2012

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 1-12815

CHICAGO BRIDGE & IRON COMPANY N.V.

Incorporated in The Netherlands

IRS Identification Number: Not Applicable

Oostduinlaan 75

2596 JJ The Hague

The Netherlands

31-70-3732010

(Address and telephone number of principal executive offices)

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 Website, 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 (Do not check if a smaller reporting company)

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 number of shares outstanding of the registrant's common stock as of October 15, 2012 96,792,865

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
	(Unaudited)			
Revenue	\$ 1,446,942	\$ 1,255,344	\$ 3,947,738	\$ 3,295,320
Cost of revenue	1,258,052	1,108,532	3,446,699	2,871,699
Gross profit	188,890	146,812	501,039	423,621
Selling and administrative expense	52,860	49,749	168,484	155,889
Intangibles amortization	5,996	6,409	18,125	19,073
Other operating expense (income), net	2,554	614	3,816	(230)
Equity earnings	(705)	(2,688)	(6,515)	(7,238)
Income from operations	128,185	92,728	317,129	256,127
Interest expense	(6,826)	(1,105)	(11,769)	(7,700)
Interest income	1,962	2,381	6,437	5,496
Income before taxes	123,321	94,004	311,797	253,923
Income tax expense	(37,068)	(22,601)	(91,726)	(69,253)
Net income	86,253	71,403	220,071	184,670
Less: Net (income) loss attributable to noncontrolling interests	(6,022)	761	(8,033)	(106)
Net income attributable to CB&I	\$ 80,231	\$ 72,164	\$ 212,038	\$ 184,564
Net income attributable to CB&I per share:				
Basic	\$ 0.83	\$ 0.74	\$ 2.19	\$ 1.88
Diluted	\$ 0.82	\$ 0.72	\$ 2.16	\$ 1.84
Weighted average shares outstanding:				
Basic	96,399	97,772	96,684	98,251
Diluted	97,814	99,814	98,231	100,271
Cash dividends on shares:				
Amount	\$ 4,836	\$ 4,921	\$ 14,553	\$ 14,841
Per share	\$ 0.05	\$ 0.05	\$ 0.15	\$ 0.15

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

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CHICAGO BRIDGE & IRON COMPANY N.V.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
	(Unaudited)			
Net income	\$ 86,253	\$ 71,403	\$ 220,071	\$ 184,670
Other comprehensive income (loss), net of tax:				
Change in cumulative translation adjustment	9,573	(39,570)	4,777	(17,210)
Change in unrealized fair value of cash flow hedges	111	(454)	800	1,211
Change in unrecognized prior service pension credits/costs	(117)	(333)	(440)	2,730
Change in unrecognized actuarial pension gains/losses	(488)	909	1,372	650
Comprehensive income	95,332	31,955	226,580	172,051
Less: Net (income) loss attributable to noncontrolling interests	(6,022)	761	(8,033)	(106)
Less: Change in cumulative translation adjustment attributable to noncontrolling interests	(900)	(799)	(1,425)	(926)
Comprehensive income attributable to CB&I	\$ 88,410	\$ 31,917	\$ 217,122	\$ 171,019

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

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CHICAGO BRIDGE & IRON COMPANY N.V.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	September 30, 2012 (Unaudited)	December 31, 2011
Assets		
Cash and cash equivalents (\$137,731 and \$88,986 related to variable interest entities (VIEs))	\$ 654,754	\$ 671,811
Accounts receivable, net (\$42,215 and \$12,406 related to VIEs)	706,280	494,853
Costs and estimated earnings in excess of billings (\$26,001 and \$24,043 related to VIEs)	278,479	239,536
Deferred income taxes	130,119	125,564
Other current assets	126,454	129,557
Total current assets	1,896,086	1,661,321
Equity investments	85,900	95,687
Property and equipment, net	277,886	262,003
Deferred income taxes	57,511	78,503
Goodwill	921,214	926,393
Other intangibles, net	169,589	188,119
Other non-current assets	70,477	79,957
Total assets	\$ 3,478,663	\$ 3,291,983
Liabilities		
Current maturity of long-term debt	40,000	40,000
Accounts payable (\$77,582 and \$32,125 related to VIEs)	624,707	518,749
Accrued liabilities	309,979	245,138
Billings in excess of costs and estimated earnings (\$30,274 and \$25,207 related to VIEs)	822,080	917,067
Income taxes payable		22,470
Total current liabilities	1,796,766	1,743,424
Other non-current liabilities	226,666	243,984
Deferred income taxes	113,022	108,145
Total liabilities	2,136,454	2,095,553
Shareholders Equity		
Common stock, Euro .01 par value; shares authorized: 250,000,000; shares issued: 101,522,318; shares outstanding: 96,726,564 and 97,595,735	1,190	1,190
Additional paid-in capital	358,474	371,669
Retained earnings	1,215,966	1,018,481
Stock held in trust	(3,039)	(9,788)
Treasury stock, at cost: 4,795,754 and 3,926,583 shares	(197,719)	(142,666)
Accumulated other comprehensive loss	(56,068)	(61,152)
Total CB&I shareholders equity	1,318,804	1,177,734
Noncontrolling interests	23,405	18,696

