

TITAN INTERNATIONAL INC
Form 10-Q
April 24, 2013

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 Quarterly Period Ended: March 31, 2013

or

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

Commission file number 1-12936

TITAN INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Illinois

36-3228472

(State of Incorporation)

(I.R.S. Employer Identification No.)

2701 Spruce Street, Quincy, IL 62301

(Address of principal executive offices, including Zip Code)

(217) 228-6011

(Registrant's telephone number, including area 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 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 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, or 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.

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 Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Shares Outstanding at April 22, 2013
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Common stock, no par value per share	53,522,670
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

TITAN INTERNATIONAL, INC.

CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS (UNAUDITED)

(All amounts in thousands, except per share data)

	Three months ended	
	March 31,	
	2013	2012
Net sales	\$578,387	\$463,088
Cost of sales	481,636	369,725
Gross profit	96,751	93,363
Selling, general and administrative expenses	42,443	30,835
Research and development expenses	2,702	1,508
Royalty expense	3,723	2,349
Income from operations	47,883	58,671
Interest expense	(10,441) (6,295
Convertible debt conversion charge	(7,273) —
Other income	1,419	3,111
Income before income taxes	31,588	55,487
Provision for income taxes	12,199	20,093
Net income	19,389	35,394
Net loss attributable to noncontrolling interests	(86) (25
Net income attributable to Titan	\$19,475	\$35,419
Earnings per common share:		
Basic	\$.38	\$.84
Diluted	\$.30	\$.68
Average common shares and equivalents outstanding:		
Basic	51,816	42,105
Diluted	66,614	53,450
Dividends declared per common share:	\$.005	\$.005

See accompanying Notes to Consolidated Financial Statements.

TITAN INTERNATIONAL, INC.
 CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
 (All amounts in thousands)

	Three months ended	
	March 31,	
	2013	2012
Net income	\$19,389	\$35,394
Unrealized gain (loss) on investments, net of tax of \$0 and \$3,475, respectively	(3) 5,917
Currency translation adjustment, net	504	3,567
Pension liability adjustments, net of tax of \$527 and \$491, respectively	951	836
Comprehensive income	20,841	45,714
Net comprehensive loss attributable to noncontrolling interests	(86) (25
Comprehensive income attributable to Titan	\$20,927	\$45,739

See accompanying Notes to Consolidated Financial Statements.

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TITAN INTERNATIONAL, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS (UNAUDITED)
(All amounts in thousands, except share data)

	March 31, 2013	December 31, 2012
Assets		
Current assets		
Cash and cash equivalents	\$508,447	\$189,114
Accounts receivable, net	329,368	297,798
Inventories	378,367	366,385
Deferred income taxes	32,208	50,558
Prepaid and other current assets	74,867	75,140
Total current assets	1,323,257	978,995
Property, plant and equipment, net	566,549	568,344
Goodwill	25,101	24,941
Deferred income taxes	25,508	8,383
Other assets	113,934	112,444
Total assets	\$2,054,349	\$1,693,107
Liabilities and Equity		
Current liabilities		
Short-term debt	\$230,658	\$145,801
Accounts payable		