

TITAN INTERNATIONAL INC  
Form 10-Q  
August 04, 2016

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: June 30, 2016

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)

Delaware 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 of Titan International, Inc. outstanding: 54,046,512 shares common stock, \$0.0001 par value, as of July 20, 2016.

TITAN INTERNATIONAL, INC.

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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		Six months ended	
	June 30,		June 30,	
	2016	2015	2016	2015
Net sales	\$330,214	\$376,067	\$652,008	\$778,126
Cost of sales	285,139	325,014	575,045	684,279
Gross profit	45,075	51,053	76,963	93,847
Selling, general and administrative expenses	36,302	37,848	71,364	73,522
Research and development expenses	2,714	2,779	5,193	5,865
Royalty expense	2,109	2,895	4,403	6,120
Income (loss) from operations	3,950	7,531	(3,997)	8,340
Interest expense	(7,982)	(8,642)	(16,494)	(17,398)
Foreign exchange gain	2,182	3,647	7,005	9,613
Other income	3,049	3,259	6,954	5,576
Income (loss) before income taxes	1,199	5,795	(6,532)	6,131
Provision for income taxes	3,648	1,515	4,652	2,911
Net income (loss)	(2,449)	4,280	(11,184)	3,220
Net loss attributable to noncontrolling interests	(550)	(2,491)	(133)	(3,783)
Net income (loss) attributable to Titan	(1,899)	6,771	(11,051)	7,003
Redemption value adjustment	(1,900)	2,580	(7,108)	(350)
Net income (loss) applicable to common shareholders	\$(3,799)	\$9,351	\$(18,159)	\$6,653
Earnings per common share:				
Basic	\$(.07)	\$.17	\$(.34)	\$.12
Diluted	\$(.07)	\$.17	\$(.34)	\$.12
Average common shares and equivalents outstanding:				
Basic	53,884	53,686	53,869	53,674
Diluted	53,884	59,489	53,869	53,858
Dividends declared per common share:	\$.005	\$.005	\$.010	\$.010

See accompanying Notes to Consolidated Financial Statements.



TITAN INTERNATIONAL, INC.

CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

(All amounts in thousands)

	Three months ended June 30,	
	2016	2015
Net income (loss)	\$(2,449)	\$4,280
Currency translation adjustment, net	4,346	4,436
Pension liability adjustments, net of tax of \$(133) and \$(706), respectively	448	1,488