

ANIXTER INTERNATIONAL INC
Form 10-Q
April 28, 2015
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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 April 3, 2015

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: 001-10212

ANIXTER INTERNATIONAL INC.
(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or
organization)

2301 Patriot Blvd.
Glenview, Illinois 60026
(224) 521-8000

(Address and telephone number of principal executive offices)

94-1658138

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

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 Web site, 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

At April 21, 2015, 32,954,880 shares of the registrant's Common Stock, \$1.00 par value, were outstanding.

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This report may contain various “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements can be identified by the use of forward-looking terminology such as “believes”, “expects”, “intends”, “anticipates”, “contemplates”, “estimates”, “plans”, “projects”, “should”, “may”, “will” or the negative thereof or other variations thereon or comparable terminology indicating our expectations or beliefs concerning future events. We caution that such statements are qualified by important factors that could cause actual results to differ materially from those in the forward-looking statements, a number of which are identified in this report. Other factors could also cause actual results to differ materially from expected results included in these statements. These factors include general economic conditions, changes in supplier or customer relationships, risks associated with nonconforming products and services, political and technology changes, economic and currency risks of non-U.S. operations, new or changed competitors, risks associated with inventory and accounts receivable risk, copper and commodity price fluctuations, risks associated with the integration of acquired companies, capital project volumes and the impact of regulation and regulatory, investigative and legal proceedings and legal compliance risks.

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PART I. FINANCIAL INFORMATION

ITEM 1. Condensed Consolidated Financial Statements.

ANIXTER INTERNATIONAL INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

(Unaudited)

	Three Months Ended	
	April 3, 2015	April 4, 2014
(In millions, except per share amounts)		As Adjusted (See Note 2)
Net sales	\$1,385.1	\$1,274.3
Cost of goods sold	1,075.8	982.5
Gross profit	309.3	291.8
Operating expenses	250.0	221.8
Operating income	59.3	70.0
Other expense:		
Interest expense	(14.2) (10.1
Other, net	(4.0) (9.7
Income from continuing operations before income taxes	41.1	50.2
Income tax expense from continuing operations	14.6	12.5
Net income from continuing operations	26.5	37.7
Income from discontinued operations before income taxes	11.2	14.0
Income tax expense from discontinued operations	18.6	4.3
Net (loss) income from discontinued operations	(7.4) 9.7
Net income	\$19.1	\$47.4
Income per share:		
Basic:		
Continuing operations	\$0.80	\$1.15
Discontinued operations	(0.22) 0.29
Net income	\$0.58	\$1.44
Diluted:		
Continuing operations	\$0.79	\$1.13
Discontinued operations	(0.22) 0.30
Net income	\$0.57	\$1.43
Basic weighted-average common shares outstanding	33.2	32.9
Effect of dilutive securities:		
Stock options and units	0.2	0.4
Diluted weighted-average common shares outstanding	33.4	33.3
Net income	\$19.1	\$47.4
Other comprehensive loss:		
Foreign currency translation	\$(41.0) \$(6.4
Changes in unrealized pension cost, net of tax	0.9	(0.2
Changes in fair market value of derivatives	(0.1) —
Other comprehensive loss	(40.2) (6.6
Comprehensive (loss) income	\$(21.1) \$40.8

See accompanying notes to the condensed consolidated financial statements.

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ANIXTER INTERNATIONAL INC.
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (Unaudited)

	April 3, 2015	January 2, 2015 As Adjusted (See Note 2)
(In millions, except share and per share amounts)		
ASSETS		
Current assets:		
Cash and cash equivalents	\$101.2	\$92.0
Accounts receivable (Includes \$480.7 and \$548.5 at April 3, 2015 and January 2, 2015, respectively, associated with securitization facility)	1,109.4	1,171.0
Inventories	839.0	859.0
Deferred income taxes	33.4	33.7
Other current assets	51.5	54.9
Current assets held for sale	419.1	379.2
Total current assets	2,553.6	2,589.8
Property and equipment, at cost	308.3	305.3
Accumulated depreciation	(200.7) (201.1
Net property and equipment	107.6	104.2
Goodwill	577.1	582.3
Other assets	270.9	282.5
Long-term assets held for sale	—	27.7
Total assets	\$3,509.2	\$3,586.5
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$682.5	\$738.5
Accrued expenses	169.7	183.2
Current liabilities held for sale	131.8	108.8
Total current liabilities	984.0	1,030.5
Long-term debt (Includes \$190.0 and \$65.0 at April 3, 2015 and January 2, 2015, respectively, associated with securitization facility)	1,202.0	1,207.7
Other liabilities	208.7	215.1
Long-term liabilities held for sale	—	0.2
Total liabilities	2,394.7	2,453.5
Stockholders' equity:		
Common stock - \$1.00 par value, 100,000,000 shares authorized, 33,238,071 and 33,141,950 shares issued and outstanding at April 3, 2015 and January 2, 2015, respectively	33.2	33.1
Capital surplus	240.6	238.2
Retained earnings	1,018.9	