

CRANE CO /DE/  
Form 10-Q  
May 01, 2019

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 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: 1-1657

CRANE CO.

(Exact name of registrant as specified in its charter)

Delaware 13-1952290

(State or other jurisdiction of (I.R.S. Employer incorporation or organization) Identification No.)

100 First Stamford Place, Stamford, CT 06902

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: 203-363-7300

(Not Applicable)

(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 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, a non-accelerated filer, or 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.

(check one):

Large accelerated filer  Accelerated filer

Non-accelerated filer  Smaller reporting company

Emerging growth company

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

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The number of shares outstanding of the issuer's classes of common stock, as of March 29, 2019  
Common stock, \$1.00 Par Value – 59,888,100 shares

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## PART I: FINANCIAL INFORMATION

## ITEM 1: FINANCIAL STATEMENTS

## CRANE CO. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(IN MILLIONS, EXCEPT PER SHARE DATA)

(UNAUDITED)

	Three Months Ended March 31,	
	2019	2018
Net sales	\$831.7	\$799.1
Operating costs and expenses:		
Cost of sales	526.6	521.2
Selling, general and administrative	187.4	177.6
Acquisition-related and integration charges	1.1	5.2
Restructuring charges	2.9	0.8
Operating profit	113.7	94.3
Other income (expense):		
Interest income	0.6	0.8
Interest expense	(11.9 )	(14.6 )
Miscellaneous income, net	2.0	3.9
	(9.3 )	(9.9 )
Income before income taxes	104.4	84.4
Provision for income taxes	21.9	15.7
Net income before allocation to noncontrolling interests	82.5	68.7
Less: Noncontrolling interest in subsidiaries' earnings	0.1	—
Net income attributable to common shareholders	\$82.4	\$68.7
Earnings per share:		
Basic	\$1.38	\$1.15
Diluted	\$1.36	\$1.13
Average shares outstanding:		
Basic	59.8	59.7
Diluted	60.7	61.0
Dividends per share	\$0.39	\$0.35

See Notes to Condensed Consolidated Financial Statements.

CRANE CO. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
 (IN MILLIONS)  
 (UNAUDITED)

	Three Months Ended March 31,	
	2019	2018
Net income before allocation to noncontrolling interests	\$82.5	\$68.7
Components of other comprehensive income (loss), net of tax		
Currency translation adjustment	(0.8 )	25.4
Changes in pension and postretirement plan assets and benefit obligation, net of tax	2.9	9.6
Other comprehensive income, net of tax	2.1	35.0
Comprehensive income before allocation to noncontrolling interests	84.6	103.7
Less: Noncontrolling interests in comprehensive income	(0.6 )	—
Comprehensive income attributable to common shareholders	\$85.2	\$103.7
See Notes to Condensed Consolidated Financial Statements.		

CRANE CO. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (IN MILLIONS)  
 (UNAUDITED)

	March 31, 2019	December 31, 2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 256.8	\$ 343.4
Accounts receivable, net	573.8	515.8
Current insurance receivable - asbestos	16.0	16.0
Inventories, net:		
Finished goods	140.6	116.2
Finished parts and subassemblies	43.0	45.9
Work in process	60.8	55.4
Raw materials	196.2	194.0
Inventories, net	440.6	411.5
Other current assets	84.1	76.2
Total current assets	1,371.3	1,362.9
Property, plant and equipment:		
Cost	1,194.3	1,185.6
Less: accumulated depreciation	598.5	586.5
Property, plant and equipment, net	595.8	599.1