

COMPX INTERNATIONAL INC  
Form 10-Q  
November 05, 2013

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarter ended September 30, 2013

Commission file number 1-13905

COMPX INTERNATIONAL INC.

(Exact name of Registrant as specified in its charter)

Delaware	57-0981653
(State or other jurisdiction of	(IRS Employer
Incorporation or organization)	Identification No.)

5430 LBJ Freeway, Suite 1700,

Three Lincoln Centre, Dallas, Texas	75240-2697
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (972) 448-1400

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Indicate by checkmark:

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 a 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

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

Whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company (as defined in Rule 12b-2 of the Exchange Act).

Large accelerated filer  Accelerated filer

Non-accelerated filer  Smaller reporting company

Whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No .

Number of shares of common stock outstanding on October 31, 2013:

Class A: 2,397,107

Class B: 10,000,000

COMPX INTERNATIONAL INC.

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Exhibits

Items 2, 3, 4 and 5 of Part II are omitted because there is no information to report.

## COMPX INTERNATIONAL INC.

## CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)

ASSETS	December 31, 2012	September 30, 2013 (unaudited)
Current assets:		
Cash and cash equivalents	\$ 63,777	\$ 36,591
Accounts receivable, net	8,480	10,676
Inventories, net	11,223	12,926
Deferred income taxes	2,691	2,691
Prepaid expenses and other	4,424	631
Total current assets	90,595	63,515
Other assets:		
Goodwill	23,742	23,742
Other noncurrent	2,119	591
Total other assets	25,861	24,333
Property and equipment:		
Land	4,928	4,928
Buildings	20,521	20,521
Equipment	58,603	57,019
Construction in progress	1,442	2,558
	85,494	85,026
Less accumulated depreciation	51,767	51,329
Net property and equipment	33,727	33,697
Total assets	\$ 150,183	\$ 121,545

## COMPX INTERNATIONAL INC.

## CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)

(In thousands)

LIABILITIES AND STOCKHOLDERS	EQUITY	December 31, 2012	September 30, 2013 (unaudited)
<b>Current liabilities:</b>			
Current maturities of long-term debt		\$ 1,000	\$
Accounts payable and accrued liabilities		11,061	10,244
Income taxes payable to affiliate		12,197	372
Other		203	6
Total current liabilities		24,461	10,622
<b>Noncurrent liabilities:</b>			
Long-term debt		17,480	
Deferred income taxes		6,182	6,924
Total noncurrent liabilities		23,662	6,924
<b>Stockholders equity:</b>			
Preferred stock			
Class A common stock		24	24
Class B common stock		100	100
Additional paid-in capital		55,203	55,265
Retained earnings		46,733	48,610
Total stockholders equity		102,060	103,999
Total liabilities and stockholders equity		\$ 150,183	\$ 121,545

Commitments and contingencies (Note 1)

See accompanying Notes to Condensed Consolidated Financial Statements.

## COMPX INTERNATIONAL INC.

## CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share data)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2012	2013	2012	2013
	(unaudited)			
Net sales	\$ 21,281	\$ 24,209	\$ 63,856	\$ 69,701
Cost of goods sold	14,971	16,695	45,025	48,557
Gross profit	6,310	7,514	18,831	21,144
Selling, general and administrative expense	4,270	4,537	13,050	13,790
Assets held for sale write-down	405		405	
Operating income	1,635	2,977	5,376	7,354
Other non-operating income, net		5		32
Interest expense				