

CYTEC INDUSTRIES INC/DE/
Form 10-Q
April 23, 2014
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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 March 31, 2014
Commission file number 1-12372

CYTEC INDUSTRIES INC.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	22-3268660 (I.R.S. Employer Identification No).
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Five Garret Mountain Plaza Woodland Park, New Jersey (Address of principal executive offices)	07424 (Zip Code)
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Registrant's telephone number, including area code (973) 357-3100

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 small reporting company. See definition of "accelerated filer, large accelerated filer, and smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer Small 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

There were 35,856,197 shares of common stock outstanding at April 10, 2014.

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PART I – FINANCIAL INFORMATION

Item 1. CONSOLIDATED FINANCIAL STATEMENTS

CYTEC INDUSTRIES INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(Dollars in millions, except per share amounts)

	Three Months Ended	
	March 31,	
	2014	2013
Net sales	\$489.0	\$477.4
Manufacturing cost of sales	329.0	338.8
Selling and technical services	36.8	38.2
Research and process development	12.8	12.8
Administrative and general	29.4	30.3
Amortization of acquisition intangibles	3.6	3.7
Earnings from operations	77.4	53.6
Other expense, net	0.6	0.8
Net loss on early extinguishment of debt	—	39.4
Interest expense, net	3.2	6.8
Earnings from continuing operations before income taxes	73.6	6.6
Income tax provision (benefit)	17.7	(2.1)
Earnings from continuing operations	55.9	8.7
Earnings from operations of discontinued business, net of tax	—	31.6
Net gain (loss) on sale of discontinued operations, net of tax	—	(4.3)
Earnings from discontinued operations, net of tax	—	27.3
Net earnings	55.9	36.0
Less: Net earnings attributable to noncontrolling interests	—	(0.4)
Net earnings attributable to Cytec Industries Inc.	\$55.9	\$35.6
Comprehensive income	\$49.6	\$9.3
Less: Comprehensive income attributable to noncontrolling interest	—	(0.2)
Comprehensive income attributable to Cytec Industries Inc.	\$49.6	\$9.1
Earnings per share attributable to Cytec Industries Inc.		
Basic earnings per common share		
Continuing operations	\$1.55	\$0.19
Discontinued operations	—	0.60
	\$1.55	\$0.79
Diluted earnings per common share		
Continuing operations	\$1.52	\$0.19
Discontinued operations	—	0.59
	\$1.52	\$0.78
Dividends per common share	\$0.125	\$0.125
See accompanying Notes to Consolidated Financial Statements		

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CONSOLIDATED BALANCE SHEETS

(Unaudited)

(Dollars in millions, except per share amounts)

	March 31, 2014	December 31, 2013
Assets		
Current assets		
Cash and cash equivalents	\$156.8	\$151.8
Trade accounts receivable, less allowance for doubtful accounts of \$4.7 and \$4.6 at March 31, 2014 and December 31, 2013, respectively	271.6	251.3
Other accounts receivable	76.3	74.4
Inventories	273.5	253.1
Deferred income taxes	29.3	32.1
Other current assets	22.6	25.1
Total current assets	830.1	787.8
Plants, equipment and facilities, at cost	1,601.1	1,567.1
Less: accumulated depreciation	(530.9) (520.1
Net plant investment	1,070.2	1,047.0
Acquisition intangibles, net of accumulated amortization of \$61.5 and \$58.0 at March 31, 2014 and December 31, 2013, respectively	158.6	161.1
Goodwill	521.9	521.3
Deferred income taxes	18.0	25.2
Other assets	141.5	138.1
Total assets	\$2,740.3	\$2,680.5
Liabilities		
Current liabilities		
Accounts payable	\$208.6	\$175.7
Current maturities of long-term debt	0.3	0.1
Accrued expenses	164.0	178.4
Income taxes payable	7.1	14.2
Deferred income taxes	0.7	0.1
Total current liabilities	380.7	368.5
Long-term debt	715.6	716.2
Pension and other postretirement benefit liabilities	192.3	195.2
Other noncurrent liabilities	177.3	187.1
Deferred income taxes	31.7	31.6
Stockholders' equity		
Preferred stock, 20,000,000 shares authorized; none issued and outstanding	—	—
Common stock, \$.01 par value per share, 150,000,000 shares authorized; issued 49,833,711 at March 31, 2014 and 49,725,752 at December 31, 2013	0.5	