

OM GROUP INC
Form 10-Q
April 30, 2015

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, 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 001-12515

OM GROUP, INC.
(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization) 52-1736882
(I.R.S. Employer Identification No.)

950 Main Avenue,
Suite 1300, 44113-7210
Cleveland, Ohio (Zip Code)

(Address of principal executive offices)
216-781-0083
Registrant's telephone number, including area code

(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 (§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

As of April 29, 2015, the registrant had 30,347,329 shares of Common Stock, par value \$.01 per share, outstanding.

OM Group, Inc.

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PART I - FINANCIAL INFORMATION

Item 1. Unaudited Financial Statements

OM Group, Inc. and Subsidiaries

Unaudited Condensed Consolidated Balance Sheets

	March 31, 2015	December 31, 2014
(In millions, except share and per share data)		
ASSETS		
Current assets		
Cash and cash equivalents	\$53.1	\$91.7
Accounts receivable, less allowance of \$2.8 in 2015 and \$2.5 in 2014	152.2	134.5
Inventories	214.2	228.4
Other current assets	25.8	21.5
Total current assets	445.3	476.1
Property, plant and equipment, net	277.3	308.3
Goodwill	244.5	252.6
Intangible assets, net	296.7	324.8
Other non-current assets	48.3	57.7
Total assets	\$1,312.1	\$1,419.5
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Revolving credit facility	\$40.1	\$12.5
Accounts payable	78.3	74.7
Accrued employee costs	34.9	34.9
Purchase price of VAC payable to seller	4.1	46.2
Other current liabilities	50.9	57.4
Total current liabilities	208.3	225.7
Deferred income taxes	67.5	74.8
Pension liabilities	223.3	244.4
Other non-current liabilities	34.2	37.7
Stockholders' equity:		
Preferred stock, \$.01 par value:		
Authorized 2,000,000 shares, no shares issued or outstanding	—	—
Common stock, \$.01 par value:		
Authorized 90,000,000 shares; 32,492,755 shares issued in 2015 and 32,408,222 shares issued in 2014	0.3	0.3
Capital in excess of par value	650.6	647.3
Retained earnings	391.8	405.3
Treasury stock (2,151,981 shares in 2015 and 2,136,116 shares in 2014, at cost)	(58.7)	(58.2)
Accumulated other comprehensive loss	(205.2)	(157.8)
Total stockholders' equity	778.8	836.9
Total liabilities and and stockholders' equity	\$1,312.1	\$1,419.5
See accompanying notes to unaudited condensed consolidated financial statements.		

OM Group, Inc. and Subsidiaries
 Unaudited Condensed Consolidated Statements of Operations

	Three Months Ended March 31,	
	2015	2014
(In millions, except per share data)		
Net sales	\$247.8	\$261.7
Cost of goods sold	197.5	199.8
Gross profit	50.3	61.9
Selling, general and administrative expenses	54.8	53.4
Operating profit (loss)	(4.5	) 8.5
Other income (expense):		
Interest expense	(0.6	) (0.7
Foreign exchange loss	(4.4	) (0.3
Gain (loss) on divestiture of Advanced Materials business	2.0	(0.2
Charges associated with VAC arbitration conclusion	(10.4) —
Other income (expense), net	2.9	(0.6
Income (loss) from continuing operations before income tax expense	(15.0	) 6.7
Income tax (benefit) expense	(3.9	) 1.4
Income (loss) from continuing operations, net of tax	(11.1	) 5.3
Income (loss) from discontinued operations, net of tax	0.1	(0.1
Consolidated net income (loss)	(11.0	) 5.2
Earnings (loss) per common share — basic:		
Income (loss) from continuing operations	\$(0.37	) \$0.17
Income (loss) from discontinued operations	0.01	—
Net income (loss)	\$(0.36	) \$0.17
Earnings (loss) per common share — assuming dilution:		
Income (loss) from continuing operations	\$(0.37	) \$0.16
Income (loss) from discontinued operations	0.01	—
Net income (loss)	\$(0.36	) \$0.16
Weighted average shares outstanding		
Basic	30.3	31.5
Assuming dilution	30.3	31.9
Dividends declared per common share	\$0.0825	\$0.0750

See accompanying notes to unaudited condensed consolidated financial statements.

OM Group, Inc. and Subsidiaries
Unaudited Statements of Consolidated Comprehensive Income (Loss)