

Altra Holdings, Inc.  
Form 10-Q  
July 26, 2013  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

X **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 29, 2013

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: 001-33209

**ALTRA HOLDINGS, INC.**

(Exact name of registrant as specified in its charter)

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<b>Delaware</b> (State or other jurisdiction of incorporation or organization)	<b>61-1478870</b> (I.R.S. Employer Identification No.)
<b>300 Granite Street, Suite 201, Braintree, MA</b> (Address of principal executive offices)	<b>02184</b> (Zip Code)
<b>(781) 917-0600</b> (Registrant's telephone number, including area code)	

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. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large Accelerated filer <input type="checkbox"/>	Accelerated filer <input checked="" type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company.)	Smaller reporting company <input type="checkbox"/>

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 July 15, 2013, 27,006,380 shares of Common Stock, \$0.001 par value per share, were outstanding.

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**Table of Contents****PART I FINANCIAL INFORMATION****Item 1. Financial Statements (unaudited)****ALTRA HOLDINGS, INC.****Condensed Consolidated Balance Sheets**

Amounts in thousands, except share amounts

	June 29, 2013 (Unaudited)	December 31, 2012
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 61,507	\$ 85,154
Trade receivables, less allowance for doubtful accounts of \$2,582 and \$2,560 at June 29, 2013 and December 31, 2012, respectively	99,218	92,933
Inventories	119,881	123,776
Deferred income taxes	9,588	8,918
Income tax receivable	1,387	6,397
Prepaid expenses and other current assets	6,709	6,578
<b>Total current assets</b>	<b>\$ 298,290</b>	<b>323,756</b>
Property, plant and equipment, net	136,377	138,094
Intangible assets, net	71,914	76,098
Goodwill	87,173	88,225
Deferred income taxes	1,042	1,150
Other non-current assets, net	5,594	5,716
<b>Total assets</b>	<b>\$ 600,390</b>	<b>\$ 633,039</b>
<b>LIABILITIES, NON-CONTROLLING INTEREST AND STOCKHOLDERS EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 45,177	\$ 43,042
Accrued payroll	17,969	19,893
Accruals and other current liabilities	29,654	33,796
Deferred income taxes		34
Current portion of long-term debt	11,883	9,135
<b>Total current liabilities</b>	<b>104,683</b>	<b>105,900</b>
Long-term debt - less current portion and net of unaccreted discount	195,372	238,460
Deferred income taxes	39,172	38,821
Pension liabilities	12,555	14,529
Other post retirement benefits	205	230
Long-term taxes payable	1,143	1,118
Other long-term liabilities	714	730
Redeemable non-controlling interest	1,205	1,239
Commitment and Contingencies (See Note 17)		
Stockholders' equity:		
Common stock (\$0.001 par value, 90,000,000 shares authorized, 26,743,598 and 26,724,349 issued and outstanding at June 29, 2013 and December 31, 2012, respectively)	27	27
Additional paid-in capital	153,955	152,188

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Retained earnings	120,906	103,200
Accumulated other comprehensive loss	(29,547)	(23,403)
Total stockholders' equity	245,341	232,012
Total liabilities, non-controlling interest and stockholders' equity	\$ 600,390	\$ 633,039

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**Table of Contents****ALTRA HOLDINGS, INC.****Condensed Consolidated Statements of Operations**

Amounts in thousands, except per share data

	Quarter Ended		Year to Date Ended	
	June 29, 2013 (Unaudited)	June 30, 2012 (Unaudited)	June 29, 2013 (Unaudited)	June 30, 2012 (Unaudited)
Net sales	\$ 181,095	\$ 187,943	\$ 366,245	\$ 380,328
Cost of sales	126,676	131,941	256,327	267,653
Gross profit	54,419	56,002	109,918	112,675
Operating expenses:				
Selling, general and administrative expenses	32,628	31,884	65,070	63,881
Research and development expenses	3,214	2,942	6,148	5,969
Restructuring costs	238		558	
Income from operations	18,339	21,176	38,142	42,825
Other non-operating expense:				
Interest expense, net	2,658	6,504	5,263	12,278
Other non-operating expense, net	144	1,207	97	1,432
	2,802	7,711	5,360	13,710
Income before income taxes	15,537	13,465	32,782	29,115
Provision for income taxes	4,861	2,856	10,247	7,990
Net income	10,676	10,609	22,535	21,125
Net loss attributable to non-controlling interest	13		34	
Net income attributable to Altra Holdings, Inc.	\$ 10,689	\$ 10,609	\$ 22,569	\$ 21,125
Weighted average shares, basic	26,733	26,606	26,737	26,541
Weighted average shares, diluted	26,751	26,664	26,820	26,674
Net income per share:				
Basic net income attributable to Altra Holdings, Inc.	\$ 0.40	\$ 0.40	\$ 0.84	\$ 0.80
Diluted net income attributable to Altra Holdings, Inc.	\$ 0.40	\$ 0.40	\$ 0.84	\$ 0.79
Cash dividend declared	\$ 0.10	\$ 0.05	\$ 0.18	\$ 0.05

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**Table of Contents****ALTRA HOLDINGS, INC.****Condensed Consolidated Statement of Comprehensive Income**

Amounts in thousands, except per share data

	Quarter Ended		Year to Date Ended	
	June 29, 2013 (Unaudited)	June 30, 2012 (Unaudited)	June 29, 2013 (Unaudited)	June 30, 2012 (Unaudited)
Net Income	\$ 10,676	\$ 10,609	\$ 22,535	\$ 21,125
Other Comprehensive income (loss):				
Foreign currency translation adjustment	202	(8,742)	6,681	(3,465)
Change in fair value of interest rate swap	(537)		(537)	
Other comprehensive income (loss)	(335)	(8,742)	6,144	(3,465)
Comprehensive income	10,341	1,867	28,679	17,660
Comprehensive loss attributable to noncontrolling interest	13		34	
Comprehensive income attributable to Altra Holdings, Inc.	\$ 10,354	\$ 1,867	\$ 28,713	\$ 17,660

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**ALTRA HOLDINGS, INC.**

**Condensed Consolidated Statements of Cash Flows**

**Amounts in thousands**

	<b>Year to Date Ended</b>	
	<b>June 29,</b>	<b>June 30,</b>
	<b>2013</b>	<b>2012</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Cash flows from operating activities</b>		