

CRANE CO /DE/  
Form 10-Q  
May 02, 2018  
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, 2018

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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>

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.

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares outstanding of the issuer's classes of common stock, as of April 30, 2018

Common stock, \$1.00 Par Value – 59,702,865 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,	
	2018	2017
Net sales	\$799.1	\$673.4
Operating costs and expenses:		
Cost of sales	521.2	429.5
Selling, general and administrative	177.6	150.6
Acquisition-related and integration charges	5.2	—
Restructuring charges	0.8	—
Operating profit	94.3	93.3
Other income (expense):		
Interest income	0.8	0.5
Interest expense	(14.6 )	(9.0 )
Miscellaneous income	3.9	3.1
	(9.9 )	(5.4 )
Income before income taxes	84.4	87.9
Provision for income taxes	15.7	24.6
Net income before allocation to noncontrolling interests	68.7	63.3
Less: Noncontrolling interest in subsidiaries' earnings	—	0.2
Net income attributable to common shareholders	\$68.7	\$63.1
Earnings per share:		
Basic	\$1.15	\$1.06
Diluted	\$1.13	\$1.05
Average shares outstanding:		
Basic	59.7	59.3
Diluted	61.0	60.3
Dividends per share	\$0.35	\$0.33

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,	
	2018	2017
Net income before allocation to noncontrolling interests	\$68.7	\$63.3
Other comprehensive income, net of tax		
Currency translation adjustment	25.4	22.2
Changes in pension and postretirement plan assets and benefit obligation, net of tax	9.6	2.3
Other comprehensive income, net of tax	35.0	24.5
Comprehensive income before allocation to noncontrolling interests	103.7	87.8
Less: Noncontrolling interests in comprehensive income	—	0.4
Comprehensive income attributable to common shareholders	\$103.7	\$87.4

See Notes to Condensed Consolidated Financial Statements.

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

	March 31, December 31,	
	2018	2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 642.3	\$ 706.2
Accounts receivable, net	493.5	418.4
Current insurance receivable - asbestos	25.0	25.0
Inventories, net:		
Finished goods	112.6	101.1
Finished parts and subassemblies	50.1	46.1
Work in process	64.2	51.6
Raw materials	179.6	150.5
Inventories, net	406.5	349.3
Other current assets	69.6	19.6
Total current assets	1,636.9	1,518.5
Property, plant and equipment:		
Cost	1,154.4	839.4
Less: accumulated depreciation	560.2	557.0
Property, plant and equipment, net	594.2	