

Mistras Group, Inc.
Form 10-Q
April 07, 2016
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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 February 29, 2016

Or
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the transition period to

Commission file number 001- 34481

Mistras Group, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

22-3341267
(I.R.S. Employer
Identification No.)

195 Clarksville Road
Princeton Junction, New Jersey
(Address of principal executive offices)

08550
(Zip Code)

(609) 716-4000

(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

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(§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. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a 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 1, 2016, the registrant had 28,924,214 shares of common stock outstanding.

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PART I—FINANCIAL INFORMATION

ITEM 1. Financial Statements

Mistras Group, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets

(in thousands, except share and per share data)

	(unaudited) February 29, 2016	May 31, 2015
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 18,095	\$ 10,555
Accounts receivable, net	128,605	133,228
Inventories	9,880	10,841
Deferred income taxes	4,738	5,144
Prepaid expenses and other current assets	13,263	11,698
Total current assets	174,581	171,466
Property, plant and equipment, net	75,665	79,256
Intangible assets, net	44,331	51,276
Goodwill	166,719	166,414
Deferred income taxes	804	1,208
Other assets	1,857	2,107
Total assets	\$ 463,957	\$ 471,727
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	\$ 10,240	\$ 10,529
Accrued expenses and other current liabilities	53,184	55,914
Current portion of long-term debt	12,488	17,902
Current portion of capital lease obligations	6,864	8,646
Income taxes payable	2,126	532
Total current liabilities	84,902	93,523
Long-term debt, net of current portion	74,878	95,557
Obligations under capital leases, net of current portion	10,653	10,717
Deferred income taxes	19,150	16,984
Other long-term liabilities	7,482	9,934
Total liabilities	197,065	226,715
Commitments and contingencies		
Equity		
Preferred stock, 10,000,000 shares authorized	—	—
Common stock, \$0.01 par value, 200,000,000 shares authorized	290	287
Additional paid-in capital	212,013	208,064
Retained earnings	79,464	57,581
Accumulated other comprehensive loss	(24,991)	(21,113)
Total Mistras Group, Inc. stockholders' equity	266,776	244,819
Noncontrolling interests	116	193
Total equity	266,892	245,012

Total liabilities and equity	\$463,957	\$471,727
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The accompanying notes are an integral part of these condensed consolidated financial statements.

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Mistras Group, Inc. and Subsidiaries
 Unaudited Condensed Consolidated Statements of Income
 (in thousands, except per share data)

	Three months ended		Nine months ended	
	February 29, 2016	February 28, 2015	February 29, 2016	February 28, 2015
Revenue	\$160,355	\$163,100	\$534,994	\$536,566
Cost of revenue	112,357	119,356	368,477	382,018