

FERRO CORP  
Form 10-Q  
May 01, 2019  
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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 March 31, 2019

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 1-584

FERRO CORPORATION

(Exact name of registrant as specified in its charter)

Ohio 34-0217820  
(State or other jurisdiction of (I.R.S. Employer Identification No.)  
incorporation or organization)

6060 Parkland Boulevard 44124  
Suite 250 (Zip Code)

Mayfield Heights, OH  
(Address of principal executive offices)

216-875-5600  
(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 every Interactive Data File required to be submitted 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 such files). YES NO

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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.

Large accelerated filer	Accelerated filer
Non-accelerated filer	Smaller reporting company
	Emerging growth company

If an emerging growth company, indicate by checkmark 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.

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

At March 31, 2019, there were 81,931,428 shares of Ferro Common Stock, par value \$1.00, outstanding.

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## PART I — FINANCIAL INFORMATION

## Item 1. Financial Statements (Unaudited)

## Ferro Corporation and Subsidiaries

## Condensed Consolidated Statements of Operations

	Three Months Ended March 31,	
	2019	2018
	(Dollars in thousands, except per share amounts)	
Net sales	\$ 387,548	\$ 405,532
Cost of sales	285,692	286,846
Gross profit	101,856	118,686
Selling, general and administrative expenses	72,080	73,092
Restructuring and impairment charges	2,127	4,106
Other expense (income):		
Interest expense	8,545	7,962
Interest earned	(87)	(201)
Foreign currency losses, net	738	1,840
Miscellaneous expense, net	275	775
Income before income taxes	18,178	31,112
Income tax expense	4,300	7,514
Net income	13,878	23,598
Less: Net income attributable to noncontrolling interests	274	207
Net income attributable to Ferro Corporation common shareholders	\$ 13,604	\$ 23,391
Earnings per share attributable to Ferro Corporation common shareholders:		
Basic earnings per share	\$ 0.16	\$ 0.28
Diluted earnings per share	\$ 0.16	\$ 0.27

See accompanying notes to condensed consolidated financial statements.

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Ferro Corporation and Subsidiaries

Condensed Consolidated Statements of Comprehensive Income

	Three Months Ended March 31,	
	2019	2018
	(Dollars in thousands)	
Net income	\$ 13,878	\$ 23,598
Other comprehensive income, net of income tax:		
Foreign currency translation income	3,508	5,787
Cash flow hedging instruments, unrealized (loss) gain	(4,314)	1,314
Postretirement benefit liabilities income		