

Ingersoll-Rand plc
Form 10-Q
April 23, 2014
Table of Contents

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, 2014

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 001-34400

INGERSOLL-RAND PUBLIC LIMITED COMPANY
(Exact name of registrant as specified in its charter)

Ireland
(State or other jurisdiction of
incorporation or organization)
170/175 Lakeview Dr.
Airside Business Park
Swords, Co. Dublin
Ireland

98-0626632
(I.R.S. Employer
Identification No.)

(Address of principal executive offices, including zip code)
+(353) (0) 18707400
(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 (§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 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 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

Edgar Filing: Ingersoll-Rand plc - Form 10-Q

The number of ordinary shares outstanding of Ingersoll-Rand plc as of April 11, 2014 was 269,902,667.

Table of Contents

INGERSOLL-RAND PLC
 FORM 10-Q
 INDEX

<u>PART I FINANCIAL INFORMATION</u>	<u>1</u>
Item 1 - <u>Financial Statements</u>	<u>1</u>
<u>Condensed Consolidated Statements of Comprehensive Income for the three months ended March 31, 2014 and 2013</u>	<u>1</u>
<u>Condensed Consolidated Balance Sheets at March 31, 2014 and December 31, 2013</u>	<u>2</u>
<u>Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2014 and 2013</u>	<u>3</u>
<u>Notes to Condensed Consolidated Financial Statements</u>	<u>4</u>
Item 2 - <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>36</u>
Item 3 - <u>Quantitative and Qualitative Disclosures about Market Risk</u>	<u>46</u>
Item 4 - <u>Controls and Procedures</u>	<u>46</u>
<u>PART II OTHER INFORMATION</u>	<u>47</u>
Item 1 - <u>Legal Proceedings</u>	<u>47</u>
Item 1A - <u>Risk Factors</u>	<u>49</u>
Item 2 - <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>49</u>
Item 6 - <u>Exhibits</u>	<u>50</u>
<u>SIGNATURES</u>	<u>51</u>

Table of Contents

PART I-FINANCIAL INFORMATION

Item 1. Financial Statements

INGERSOLL-RAND PLC

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

In millions, except per share amounts	Three months ended	
	March 31,	
	2014	2013
Net revenues	\$2,722.9	\$2,639.0
Cost of goods sold	(1,954.8)	(1,912.6)
Selling and administrative expenses	(613.1)	(606.4)
Operating income	155.0	120.0
Interest expense	(52.0)	(60.6)
Other, net	2.2	0.5
Earnings before income taxes	105.2	59.9
Provision for income taxes	(24.5)	(4.5)
Earnings from continuing operations	80.7	55.4
Discontinued operations, net of tax	2.9	39.2
Net earnings	83.6	94.6
Less: Net earnings attributable to noncontrolling interests	(4.6)	(6.6)
Net earnings attributable to Ingersoll-Rand plc	\$79.0	\$88.0
Amounts attributable to Ingersoll-Rand plc ordinary shareholders:		
Continuing operations	\$76.1	\$50.5
Discontinued operations	2.9	37.5
Net earnings	\$79.0	\$88.0
Earnings (loss) per share attributable to Ingersoll-Rand plc ordinary shareholders:		
Basic:		
Continuing operations	\$0.27	\$0.17
Discontinued operations	0.01	0.12
Net earnings	\$0.28	\$0.29
Diluted:		
Continuing operations	\$0.27	\$0.17
Discontinued operations	0.01	0.12
Net earnings	\$0.28	\$0.29
Weighted-average shares outstanding:		
Basic	278.3	298.9
Diluted	282.3	302.5
Dividends declared per ordinary share	\$0.25	\$—
Total comprehensive income (loss)	\$48.9	\$9.6
Less: Total comprehensive (income) loss attributable to noncontrolling interests	(5.9)	(7.8)
Total comprehensive income (loss) attributable to Ingersoll-Rand plc	\$43.0	\$1.8
See accompanying notes to condensed consolidated financial statements.		

Table of Contents

INGERSOLL-RAND PLC
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (Unaudited)

In millions	March 31, 2014	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$897.9	\$1,937.2
Accounts and notes receivable, net	2,086.1	2,071.5
Inventories	1,348.4	1,166.1
Deferred taxes and current tax receivable	355.4	359.5
Other current assets	198.6	182.4
Total current assets	4,886.4	5,716.7
Property, plant and equipment, net	1,468.3	1,468.4
Goodwill	5,533.3	5,540.6
Intangible assets, net	3,888.7	3,922.0
Other noncurrent assets	997.3	1,010.4
Total assets	\$16,774.0	\$17,658.1
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$1,240.1	\$1,163.0
Accrued compensation and benefits	388.3	505.2
Accrued expenses and other current liabilities	1,331.6	1,311.3
Short-term borrowings and current maturities of long-term debt	373.9	367.7
Current income taxes	68.7	61.4
Total current liabilities	3,402.6	3,408.6
Long-term debt	3,152.3	3,153.5
Postemployment and other benefit liabilities	1,275.5	1,287.8
Deferred and noncurrent income taxes	1,271.0	