

CRANE CO /DE/  
Form 10-Q  
November 03, 2016  
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 September 30, 2016

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. See 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  (Do not check if a smaller reporting company) 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

The number of shares outstanding of the issuer's classes of common stock, as of October 31, 2016

Common stock, \$1.00 Par Value – 58,656,531 shares

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		Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
Net sales	\$694.2	\$669.9	\$2,066.5	\$2,060.0
Operating costs and expenses:				
Cost of sales	449.2	431.7	1,324.5	1,344.6
Selling, general and administrative	141.2	141.4	450.5	431.7
Restructuring (gain) charge	—	1.4	(0.4)	) 8.7
Acquisition integration related charges	—	2.2	—	5.6
Operating profit	103.8	93.2	291.9	269.4
Other income (expense):				
Interest income	0.5	0.5	1.4	1.4
Interest expense	(9.2)	) (9.1)	) (27.5)	) (28.5)
Miscellaneous - net	(0.1)	) (0.3)	) (0.6)	) (0.2)
	(8.8)	) (8.9)	) (26.7)	) (27.3)
Income before income taxes	95.0	84.3	265.2	242.1
Provision for income taxes	31.3	27.1	77.9	77.7
Net income before allocation to noncontrolling interests	63.7	57.2	187.3	164.4
Less: Noncontrolling interest in subsidiaries' earnings	0.2	0.3	0.5	0.7
Net income attributable to common shareholders	\$63.5	\$56.9	\$186.8	\$163.7
Earnings per basic share	\$1.09	\$0.98	\$3.20	\$2.82
Earnings per diluted share	\$1.07	\$0.97	\$3.16	\$2.78
Average basic shares outstanding	58.5	58.1	58.3	58.0
Average diluted shares outstanding	59.4	58.8	59.2	58.8
Dividends per share	\$0.33	\$0.33	\$0.99	\$0.99

See Notes to Condensed Consolidated Financial Statements.

CRANE CO. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)  
 (IN MILLIONS)  
 (UNAUDITED)

	Three Months Ended September 30, 2016		Nine Months Ended September 30, 2015	
Net income before allocation to noncontrolling interests	\$63.7	\$57.2	\$187.3	\$164.4
Other comprehensive income (loss), net of tax				
Currency translation adjustment	(5.2 )	(26.7 )	11.6	(70.9 )
Changes in pension and postretirement plan assets and benefit obligation, net of tax	1.8	2.1	5.6	6.0
Other comprehensive (loss) income	(3.4 )	(24.6 )	17.2	(64.9 )
Comprehensive income before allocation to noncontrolling interests	60.3	32.6	204.5	99.5
Less: Noncontrolling interests in comprehensive income (loss)	0.2	—	0.5	0.3
Comprehensive income attributable to common shareholders	\$60.1	\$32.6	\$204.0	\$99.2

See Notes to Condensed Consolidated Financial Statements.

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

	September 30, 2016	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 436.3	\$ 363.5
Accounts receivable, net	426.7	397.6
Current insurance receivable - asbestos	20.5	