

PARKER HANNIFIN CORP
Form 10-Q
May 05, 2016

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, 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 1-4982

PARKER-HANNIFIN CORPORATION
(Exact name of registrant as specified in its charter)

OHIO 34-0451060
(State or other jurisdiction of (IRS Employer
incorporation or organization) Identification No.)

6035 Parkland Blvd., Cleveland, Ohio 44124-4141
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (216) 896-3000

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 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 (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

Number of Common Shares outstanding at March 31, 2016 134,681,477

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

PARKER-HANNIFIN CORPORATION
 CONSOLIDATED STATEMENT OF INCOME
 (Dollars in thousands, except per share amounts)
 (Unaudited)

	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
	2016	2015	2016	2015
Net sales	\$2,828,665	\$3,162,311	\$8,403,603	\$9,567,236
Cost of sales	2,209,401	2,373,016	6,550,929	7,234,465
Gross profit	619,264	789,295	1,852,674	2,332,771
Selling, general and administrative expenses	335,908	372,306	1,020,788	1,152,950
Interest expense	33,745	35,003	103,802	83,609
Other (income), net	(23,382)	(6,380)	(50,438)	(32,055)
Income before income taxes	272,993	388,366	778,522	1,128,267
Income taxes	85,851	102,904	213,217	295,299
Net income	187,142	285,462	565,305	832,968
Less: Noncontrolling interest in subsidiaries' earnings	58	117	261	282
Net income attributable to common shareholders	\$187,084	\$285,345	\$565,044	\$832,686
Earnings per share attributable to common shareholders:				
Basic	\$1.39	\$2.06	\$4.16	\$5.77
Diluted	\$1.37	\$2.02	\$4.12	\$5.68
Cash dividends per common share	\$0.63	\$0.63	\$1.89	\$1.74
See accompanying notes to consolidated financial statements.				

PARKER-HANNIFIN CORPORATION
 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Dollars in thousands)

(Unaudited)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2016	2015	2016	2015
Net income	\$187,142	\$285,462	\$565,305	\$832,968
Less: Noncontrolling interests in subsidiaries' earnings	58	117	261	282
Net income attributable to common shareholders	187,084	285,345	565,044	832,686
Other comprehensive income (loss), net of tax				
Foreign currency translation adjustment and other	130,766	(373,759)	(72,592)	(892,699)
Retirement benefits plan activity	28,422	25,871	85,539	77,793
Other comprehensive income (loss)	159,188	(347,888)	12,947	(814,906)
Less: Other comprehensive (loss) for noncontrolling interests	(2)	(27)	(133)	(180)
Other comprehensive income (loss) attributable to common shareholders	159,190	(347,861)	13,080	(814,726)
Total comprehensive income (loss) attributable to common shareholders	\$346,274	\$(62,516)	\$578,124	\$17,960
See accompanying notes to consolidated financial statements.				

PARKER-HANNIFIN CORPORATION
CONSOLIDATED BALANCE SHEET
(Dollars in thousands)

	(Unaudited)	
	March 31, 2016	June 30, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,034,971	\$ 1,180,584
Marketable securities and other investments	1,069,658	733,490
Trade accounts receivable, net	1,587,785	1,620,194
Non-trade and notes receivable	245,248	364,534
Inventories	1,248,213	1,300,459
Prepaid expenses	124,025	241,684
Deferred income taxes	146,939	142,147
Total current assets	5,456,839	5,583,092
Plant and equipment	4,777,473	