

John Bean Technologies CORP  
Form 10-K  
March 02, 2015

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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

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**FORM 10-K**

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**(Mark One)**

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

**For the fiscal year ended December 31, 2014**

**OR**

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

**Commission file number: 1-34036**

**John Bean Technologies Corporation**

**(Exact name of registrant as specified in its charter)**

**Delaware**                      **91-1650317**  
**(State or other jurisdiction of**   **(I.R.S. Employer**

**incorporation or organization) Identification Number)**

**70 West Madison Street**

**Chicago, IL 60602**

**(Address of principal executive offices)**

**(312) 861-5900**

**(Registrant's telephone number, including area code)**

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Securities registered pursuant to Section 12(b) of the Act:

<b>Title of Each Class</b>	<b>Name of Exchange on Which Registered</b>
<b>Common Stock, \$0.01 par value</b>	<b>New York Stock Exchange</b>
<b>Preferred Share Purchase Rights</b>	<b>New York Stock Exchange</b>

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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      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 aggregate market value of common stock held by non-affiliates of the registrant on the last business day of the registrant’s most recently completed second fiscal quarter was: \$875,899,523.

At February 19, 2015, there were 29,316,041 shares of the registrant’s common stock outstanding.

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## **DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant’s Proxy Statement for the 2015 Annual Meeting of Stockholders are incorporated herein by reference in Part III of this Annual Report on Form 10-K to the extent stated herein.

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**TABLE OF CONTENTS**

	<b>Page</b>
<b>PART I</b>	
Item 1. Business	4
Item 1A. Risk Factors	16
Item 1B. Unresolved Staff Comments	26
Item 2. Properties	26
Item 3. Legal Proceedings	26
Item 4. Mine Safety Disclosures	26
<b>PART II</b>	
Item 5. Market for Registrant’s Common Equity and Related Stockholder Matters	27
Item 6. Selected Financial Data	28
Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations	30
Item 7A. Qualitative and Quantitative Disclosures About Market Risk	41
Item 8. Financial Statements and Supplementary Data	42
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	72
Item 9A. Controls and Procedures	72
<b>PART III</b>	
Item 10. Directors, Executive Officers and Corporate Governance	75
Item 11. Executive Compensation	75
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	75
Item 13. Certain Relationships and Related Transactions, and Director Independence	75
Item 14. Principal Accountant Fees and Services	75
<b>PART IV</b>	
Item 15. Exhibits and Financial Statement Schedules	76
Signatures	82

## **SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS**

This Annual Report on Form 10-K and other materials filed or to be filed by John Bean Technologies Corporation, as well as information in oral statements or other written statements made or to be made by us, contain statements that are, or may be considered to be, forward-looking statements. All statements that are not historical facts, including statements about our beliefs or expectations, are forward-looking statements. You can identify these forward-looking statements by the use of forward-looking words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “seeks,” “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates,” “foresees” or the negative version of these words or other comparable words and phrases. Any forward-looking statements contained in this Annual Report on Form 10-K are based upon our historical performance and on current plans, estimates and expectations. The inclusion of this forward-looking information should not be regarded as a representation by us or any other person that the future plans, estimates or expectations contemplated by us will be achieved. These forward looking statements include, among others, statements relating to:

- Fluctuations in our financial results;
- Unanticipated delays or acceleration in our sales cycles;
- Deterioration of economic conditions;
- Sensitivity of segments to variable or volatile factors;
- Changes in demand for our products and services;
- Changes in commodity prices, including those impacting materials used in our business;
- Disruptions in the political, regulatory, economic and social conditions of the foreign countries in which we conduct business;
- Increases in energy prices;
- Changes in food consumption patterns;
- Impacts of pandemic illnesses, food borne illnesses and diseases to various agricultural products;
- Weather conditions and natural disasters;
- Acts of terrorism or war;
- Termination or loss of major customer contracts;
- Customer sourcing initiatives;
- Competition and innovation in our industries;
- Our ability to develop and introduce new or enhanced products and services;
- Difficulty in developing, preserving and protecting our intellectual property;
- Our ability to protect our information systems;
- Adequacy of our internal controls;
- Our ability to successfully integrate, operate and manage acquired businesses and assets;
- Loss of key management and other personnel;
- Potential liability arising out of the installation or use of our systems;
- Our ability to comply with the laws and regulations governing our U.S. government contracts;
- Our ability to comply with U.S. and international laws governing our operations and industries;
- The outcome of pending or future litigation;
- Increases in tax liabilities;
- Difficulty in implementing our business strategies; and
- Availability and access to financial and other resources.

We believe that the factors that could cause our actual results to differ materially include but are not limited to the factors we describe herein, including under “Risk Factors,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” If one or more of those or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary materially from what we projected. Consequently, actual events and results may vary significantly from those included in or contemplated or implied by our forward-looking statements. The forward-looking statements included in this Annual Report on Form 10-K are made only as of the date hereof, and we undertake no obligation to publicly update or review any forward-looking statement made by us or on our behalf, whether as a result of new information, future developments, subsequent events or circumstances or otherwise.

## PART I

Unless otherwise specified or indicated by the context, JBT Corporation, JBT, we, us, our and the Company refer to John Bean Technologies Corporation and its subsidiaries.

### ITEM 1. BUSINESS

We are a global technology solutions provider for the food processing and air transportation industries. We design, manufacture, test and service technologically sophisticated systems and products for customers through our JBT FoodTech and JBT AeroTech segments.

JBT FoodTech markets its solutions and services to multi-national and regional industrial food processing companies. The product offerings of our FoodTech businesses include:

**Protein Processing Equipment.** JBT FoodTech provides comprehensive solutions to our protein processing customers that include mixing/grinding, injecting, marinating, tumbling, portioning, coating, frying, and freezing for meat, seafood, and poultry, as well as ready-to-eat meals, fruits, vegetables, dairy, and bakery products.

**Liquid Foods Processing Equipment.** Our liquid foods portfolio includes in-container processing solutions for the filling, closing and sterilization of fruits, vegetables, soups, sauces, dairy, and pet food products as well as ready-to-eat meals in a wide variety of modern packages. It also includes fruit and juice processing solutions that extract, concentrate and aseptically process citrus, tomato and other fruits, vegetables, and juices.

**Automated Systems.** JBT FoodTech provides automatic guided vehicles for material handling in the food and beverage, manufacturing, warehouse, automotive, hospital, and printing industries.

JBT AeroTech markets its solutions and services to domestic and international airport authorities, passenger airlines, airfreight and ground handling companies and military forces. The product offerings of our AeroTech businesses include:

**Mobile Equipment.** JBT AeroTech's portfolio of mobile air transportation equipment includes commercial and military cargo loading, aircraft deicing, aircraft towing, and ground aircraft power and cooling systems.

**Fixed Equipment.** JBT AeroTech provides gate equipment for passenger boarding.

•**Airport Services.** JBT AeroTech includes the maintenance of airport equipment, systems, and facilities.

For financial information about our business segments see Note 16 of our consolidated financial statements included in Item 8 of this Annual Report on Form 10-K.

In 2014, we instituted management changes and developed our Next Level strategy to capitalize on the leadership position of our businesses and accelerate growth and profitability. The Next Level strategy is based on a three-pronged plan to “fix”, “strengthen”, and “grow” JBT.

**Fix.** We are implementing a “One JBT” cultural transformation across JBT, built on our long-standing values of integrity, accountability, and teamwork. At the organization level, we are implementing a shared services model, consolidating back office operations in the U.S. to standardize practices and leverage the scale of our two businesses. We have also consolidated smaller operations enabling JBT FoodTech and JBT AeroTech to operate shared facilities and look to expand the shared services model in Europe beginning in 2015.

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We also are driving organization simplification to lay a growth foundation. We have undertaken restructuring actions across JBT to improve efficiency and right-size our business. We recorded restructuring charges totaling \$14.5 million in 2014. We completed our corporate office and most of our U.S. restructuring in 2014. Our European restructuring is well underway.

**Strengthen.** We implemented leadership and management changes, including the appointment of Brian Deck as Executive Vice President and Chief Financial Officer, Dave Burdakin as Executive Vice President and President, JBT AeroTech, and the promotion of Jim Marvin to Executive Vice President and General Counsel. To strengthen the business, we introduced the JBT Excellence Model (or JEM). JEM includes value-based pricing, which has been rolled out across all major businesses. JEM also includes implementation of Lean initiatives or what we call “Relentless Continuous Improvement”. This is an integrated focus on safety, quality, delivery, and cost that establishes a sustainable competitive advantage. We have introduced RCI via extensive leadership training and have implemented at many JBT production facilities in 2014.



**Grow.** There are specific components to our growth strategy. We are investing in the profitable aftermarket business, building a dedicated sales and service network that will capitalize on our global installed base of equipment. We also are capitalizing on growth opportunities in emerging markets through locally-tailored products. We are establishing a robust, direct presence in Asia, which we believe is critical to winning business from local producers. In 2014, we opened a joint JBT FoodTech and JBT AeroTech manufacturing center. We plan to complete a full technology center adjacent to the manufacturing center – which will allow customers to conduct test production runs.

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Beyond organic growth initiatives, we are pursuing strategic acquisitions. We completed three bolt-on acquisitions in 2014. All three support our strategy of acquiring strong companies that complement our protein processing and liquid foods portfolios. Looking ahead, we continue to establish a pipeline of mergers and acquisition (M&A) opportunities. Our successful acquisition activity is the result of building our corporate M&A capabilities and engaging the field operations in the process of identifying, executing, and integrating acquisitions.

We continue to enhance a comprehensive approach to Corporate Social Responsibility (CSR), building on our culture and long tradition of concern for our employees' health, safety, and well-being; partnering with our customers to improve their operations; and giving back to the communities where we live and work. Building upon that strong foundation, we cultivate CSR teams at each business unit which share energy efficiency best practices, measure resource utilization, and establish improvement targets across multiple resource streams including energy, water, and waste. Our equipment and technology continues to deliver quality performance while striving to minimize waste and maximize efficiency in order to create shared value for both our food processing and air transportation customers. A key CSR objective is to further align our business with our customers, in order to support their ambitious quality, financial, and CSR goals.

Our principal executive offices are located at 70 West Madison, Suite 4400, Chicago, Illinois 60602.

## **BUSINESS SEGMENTS**

### **JBT FoodTech**

JBT FoodTech supplies customized industrial solutions and services used in the food processing industry. We design, manufacture and service technologically sophisticated food processing systems for the preparation of meat, seafood and poultry products, ready-to-eat meals, shelf stable packaged foods, bakery products, juice and dairy products, and fruit and vegetable products.

We believe our success is derived from our continued innovation, applying our differentiated and proprietary technologies to meet our customers' food processing needs. We continually strive to improve our existing solutions and develop new solutions by working closely with our food processing customers to meet their evolving needs.

Our historically strong position in the markets we serve has provided us with a large installed base of systems and equipment. Throughout our history, we have delivered over 40,000 pieces of food processing equipment which includes more than 8,000 industrial freezers, 2,200 industrial citrus juice extractors, 3,000 industrial sterilization systems and 8,500 coating systems. This installed base provides a stream of recurring revenue from aftermarket products, parts, services, and lease arrangements. Recurring revenue accounted for 49% of our FoodTech total revenue in 2014. Our installed base also provides us with strong, long-term customer relationships from which we derive information for new product development to meet the evolving needs of our food processing customers.

We have operations positioned around the world to serve our existing JBT FoodTech equipment base located in more than 100 countries. Our principal production facilities are located in the United States (California, Florida, New York, Ohio, and Pennsylvania), Brazil, Belgium, Italy, Sweden, the United Kingdom, South Africa and China. In addition to sales and services offices based in more than 25 countries, we also support our customers in their development of new food products and processes as well as the refinement and testing of their current applications through ten technical centers located in the United States (California, Florida, and Ohio), Mexico, Brazil, Belgium, Italy, Spain, and Sweden. Our global presence allows us to provide direct customized support to customers virtually anywhere they process foods.

***Solutions, Products and Services***

We offer a broad portfolio of systems, equipment and services to our customers which are often sold as part of a fully integrated processing line solution. Our systems are typically customized to meet the specific customer application needs. Thus, actual production capacity ranges vary and are dependent on the food and product packaging type being processed.

***Protein Processing Equipment.*** Our broad array of protein processing systems includes the DSI™ waterjet portioners, slicers and attribute scanner/sorters; the Stein™ coating and seasoning applicators, THERMoFIN® fryers, GYRoCOMPACT® spiral ovens, JSO Jet Stream® ovens; and Double D™ Revoband™ linear ovens and cooking systems. Our fully integrated processing lines often span from the initial point of entry of raw products through final packaging. Although our solutions are primarily used in the processing of poultry (including nuggets, strips, and wings), we also provide systems that portion, coat or cook other food products ranging from breads and pizzas to meat patties, seafood, and ready-to-eat meals to pet food. We believe that our installed base of cooking systems processes more meat, seafood, and poultry products in North America than that of any other food processing equipment supplier.

In 2014, we acquired the businesses of two protein processing equipment providers, Formcook AB and Wolf-Tec, Inc. As a result, JBT's protein processing product portfolio now also includes teflon coated Formcook Contact and Combi Cookers, and Wolf-Tec Polar Dissolver brine preparation, IMAX injection, Polar Massager marination, Polar Flex Carve maceration, TMAX tenderization, and TVI portion cutting systems.

With our first commercial food processing freezers developed in the 1960s, we believe that we remain the world's leading supplier of freezing and chilling solutions to the food processing industry. We design, assemble, test, and install industry-leading technologies under the Frigoscandia® brand, which include the GYRoCOMPACT® self-stacking spiral, the FLoFREEZE® individual quick freezing (IQF) system, and the ADVANTEC™ linear/impingement freezing system, as well as flat product and contact freezers, chillers and proofers. We also offer a structure supported Northfield SuperTRAK® spiral freezer for high volume, large packaged products. Our freezers are designed to meet the most stringent demands for quality, economy, food safety and user-friendliness. Our industrial freezers can be found in plants that are processing food products ranging from meat, seafood, and poultry to bakery products and ready-to-eat meals, fruits, vegetables, and dairy products.

The following is an overview of our protein processing technology offerings, which accounted for 32% of our total revenue in 2014.

<b>Product Offering</b>	<b>Product Description</b>	<b>Food Applications</b>	<b>Capacity</b>
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Polar Dissolver Brine Systems	Intelligent systems that dissolve ingredients precisely to prepare brine	Meat, Poultry, Seafood	Up to 800 gallons/hour
IMAX injection and marination systems	Patented needle feed system for all bone-in and boneless injection and marination applications	Meat, Poultry, Seafood	Up to 30,000 gallons/hour
Polar Flex Carve Macerator	Patented automatically adjustable knife rollers that provide multiple surface treatment options	Meat, Poultry	Up to 40,000 lbs/hour
Polar Massager	Patented paddle action system that provides quick, uniform dispersion of ingredients throughout product	Meat, Poultry	Up to 22,500 lbs/batch
TVI portioning system	Integrates advanced product molding and measuring, slicing technologies to deliver exact weight portions	Meat, Poultry	Up to 3,000 lbs/hour
DSI™ Portioning Systems	Computer-positioned vertical high-pressure water-jets cut complex shapes	Poultry, Meat, Seafood, Pizza	Over 14,000 lbs/hour
DSI™ Adaptive Thickness Systems	Intelligent slicing for consistent product thickness	Poultry, Meat, Seafood	Over 4,000 lbs/hour
DSI™ J-Scan	Attribute scanning and sorting of various products	Poultry, Meat, Seafood, Pizza, Bakery, Ready Meal	Over 14,000 lbs/hour

<b>Product Offering</b>	<b>Product Description</b>	<b>Food Applications</b>	<b>Capacity</b>
Stein™ Coating Applicators	Application of batter, tempura or breading prior to cooking	Poultry, Meat, Seafood, Vegetables	Over 12,000 lbs/hour (over 210,000 of 0.9 oz nuggets/hour)
THERMoFIN® Frying Systems	Patented technology that heats oil quickly and precisely for even and cost effective frying	Poultry, Meat, Seafood	Over 14,000 lbs/hour (over 250,000 of 0.9 oz nuggets/hour)
GYRoCOMPACT® Spiral Ovens	Multi-zone spiral oven with programmable air control for consistent and uniform cooking	Poultry, Meat, Seafood	Over 18,000 lbs/hour (over 70,000 of 4 oz chicken breasts/hour)
Stein™ JSO Jet Stream® Linear Ovens			