

TITAN INTERNATIONAL INC
Form 10-K/A
February 27, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K/A
(Amendment No. 1)

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 1-12936

TITAN INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)
Illinois
(State or other jurisdiction of incorporation or organization)

36-3228472

(I.R.S. Employer Identification No.)

2701 Spruce Street, Quincy, IL 62301
(Address of principal executive offices)

(217) 228-6011
(Registrant's telephone number, including area code)

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

Title of each class Name of each exchange on which registered
Common stock, no par value New York Stock Exchange (Symbol: TWI)

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 by 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 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 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 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 is a large accelerated filer, an accelerated filer, or 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.

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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 Act). Yes No

The aggregate market value of the shares of common stock of the registrant held by non-affiliates was approximately \$739 million based upon the closing price of the common stock on the New York Stock Exchange on June 30, 2014.

As of February 10, 2015, a total of 53,763,016 shares of common stock of the registrant were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement for the annual meeting of stockholders to be held on June 4, 2015, are incorporated by reference into Part III of this Form 10-K.

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A (Amendment) amends the Titan International, Inc. annual report on Form 10-K for the period ended December 31, 2014 (Form 10-K), which was filed with the Securities and Exchange Commission on February 26, 2015. A typographical error which included extraneous numerical information in an extra column to the right of the 2013 information on the Consolidated Statements of Cash Flows on page F-8 has been corrected. The typographical error and this Amendment do not affect the XBRL data in the original filing.

Except as expressly set forth above, this Amendment does not, and does not purport to, amend, update, or restate the information in any other item of the Form 10-K or reflect any events that have occurred after the filing of the original Form 10-K.

TITAN INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(All amounts in thousands)

| | Year ended December 31, | | | |
|-----------------------------------------------------------------------------------|-------------------------|------------|-----------|---|
| | 2014 | 2013 | 2012 | |
| Cash flows from operating activities: | | | | |
| Net income (loss) | \$(130,425 |) \$29,687 | \$105,638 | |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation and amortization | 88,704 | 80,622 | 54,095 | |
| Amortization of debt premium | — | (2,369 |) — | |
| Mining asset impairment | 23,242 | — | — | |
| Mining inventory writedown | 16,690 | — | — | |
| Deferred income tax provision | (24,800 |) (4,004 |) 17,170 | |
| Convertible debt conversion charge | — | 7,273 | — | |
| Loss on note repurchase | — | 22,734 | — | |
| Gain on earthquake insurance recovery | — | (22,451 |) — | |
| Noncash Titan Europe gain | — | — | (26,700 |) |
| Supply agreement termination income | — | — | (26,134 |) |
| Noncash goodwill impairment charge | 36,571 | — | — | |
| Stock-based compensation | 5,360 | 4,815 | 4,087 | |
| Excess tax benefit from stock-based compensation | 672 | 68 | (184 |) |
| Insurance proceeds | — | 35,808 | — | |
| Issuance of treasury stock under 401(k) plan | 639 | 646 | 588 | |
| Gain on acquisition | — | — | (11,678 |) |
| (Increase) decrease in assets: | | | | |
| Accounts receivable | 54,686 | 26,417 | 35,839 | |
| Inventories | 20,933 | (30,280 |) 23,917 | |
| Prepaid and other current assets | 30,324 | (39,825 |) (25,229 |) |
| Other assets | (1,145 |) 1,960 | 6,987 | |
| Increase (decrease) in liabilities: | | | | |
| Accounts payable | (23,777 |) 9,479 | (44,542 |) |
| Other current liabilities | (2,089 |) (556 |) 7,839 | |
| Other liabilities | 18,487 | (3,375 |) 8,475 | |
| Net cash provided by operating activities | 114,072 | 116,649 | 130,168 | |
| Cash flows from investing activities: | | | | |
| Capital expenditures | (58,439 |) (80,131 |) (65,740 |) |
| Acquisitions, net of cash acquired | (13,395 |) (95,681 |) 780 | |
| Additional equity investment in Wheels India | — | (8,017 |) — | |
| (Increase) decrease in restricted cash deposits | 14,268 | (14,473 |) — | |
| Insurance proceeds | — | 2,879 | — | |
| Other | 5,044 | 2,344 | 1,066 | |
| Net cash used for investing activities | (52,522 |) (193,079 |) (63,894 |) |
| Cash flows from financing activities: | | | | |
| Proceeds from borrowings | 15,708 | 788,704 | 17,171 | |
| Repurchase of senior notes | — | (558,360 |) — | |
| Payment on debt | (60,345 |) (200,721 |) (20,811 |) |
| Convertible note conversion | — | (14,090 |) — | |
| Capital contribution from noncontrolling interest | — | 79,592 | — | |
| Proceeds from exercise of stock options | 141 | 1,001 | 934 | |

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| | | | |
|--------------------------------------------------------------|-----------|------------|------------|
| Excess tax benefit from stock-based compensation | (672 |) (68 |) 184 |
| Payment of financing fees | (33 |) (12,332 |) (1,275) |
| Dividends paid | (1,073 |) (1,046 |) (845) |
| Net cash provided by (used for) financing activities | (46,274 |) 82,680 | (4,642) |
| Effect of exchange rate changes on cash | (3,185 |) (6,004 |) (1,688) |
| Net increase in cash and cash equivalents | 12,091 | 246 | 59,944 |
| Cash and cash equivalents, beginning of year | 189,360 | 189,114 | 129,170 |
| Cash and cash equivalents, end of year | \$201,451 | \$189,360 | \$189,114 |
| Supplemental information: | | | |
| Interest paid | \$34,014 | \$41,875 | \$27,192 |
| Income taxes paid, net of refunds received | \$(25,588 |) \$59,360 | \$86,587 |
| Noncash investing and financing information: | | | |
| Issuance of common stock for Titan Europe acquisition | \$— | \$— | \$121,813 |
| Issuance of common stock for convertible debt payment | \$— | \$45,903 | \$— |
| See accompanying Notes to Consolidated Financial Statements. | | | |

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PART IV

ITEM 15 – EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) 3. Exhibits

| Exhibit No. | DESCRIPTION |
|-------------|--------------------------------------------------------------------------------------------------------|
| 31.1 | Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32 | Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |

SIGNATURES

Pursuant to the requirements of Sections 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

TITAN INTERNATIONAL, INC.
(Registrant)

Date: February 26, 2015

By: /s/ JOHN HRUDICKA
John Hrudicka
Chief Financial Officer