

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 2, 2022

FLOWERVE CORPORATION
(Exact Name of Registrant as Specified in its Charter)

New York
(State or Other Jurisdiction
of Incorporation)

001-13179
(Commission File Number)

31-0267900
(IRS Employer
Identification No.)

5215 N. O'Connor Blvd., Suite 700, Irving, Texas
(Address of Principal Executive Offices)

75039
(Zip Code)

(972) 443-6500
(Registrant's telephone number, including area code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$1.25 Par Value	FLS	New York Stock Exchange

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On May 2, 2022, Flowserve Corporation, a New York corporation (the “Company”), issued a press release announcing financial results for its first quarter ended March 31, 2022. A copy of this press release is attached as Exhibit 99.1 and incorporated herein by reference.

The information in this Item 2.02 of Form 8-K and in Exhibit 99.1 attached hereto is furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

Item 7.01 Regulation FD Disclosure.**Earnings Presentation**

On May 3, 2022, the Company will make a presentation about its financial and operating results for the first quarter of 2022, as noted in the press release described in Item 2.02 above. The Company has posted the presentation on its website at <http://www.flowserve.com> under the “Investor Relations” section.

The information in this Item 7.01 of Form 8-K is furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No. Description

[99.1](#) [Press Release, dated May 2, 2022.](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FLOWSERVE CORPORATION

Dated: May 2, 2022

By: /s/ Amy B. Schwetz
Amy B. Schwetz
Senior Vice President, Chief Financial Officer

Flowserve Corporation Reports First Quarter 2022 Results; Updates 2022 Financial Guidance

- **Strong bookings of \$1.09 billion increased 14.9% year-over-year and 17.6% constant currency, the highest quarterly bookings level delivered since Q2 2019**
- **Backlog of \$2.23 billion at March 31 was up 11.3% versus 2021 year-end and 18.4% year-over-year. Backlog at highest level since Q3 2015 – positioning the Company for growth**
- **Exiting operations in Russia and cancelled related contracts from backlog**
- **Reported Loss Per Share of 12 cents primarily reflects Flowserve's write down and other exit expenses from Russian operations**
- **Adjusted Earnings Per Share of 7 cents was impacted by revenue-driven under-absorption, due to continued supply chain and logistics issues, and labor availability issues, including Omicron-related absenteeism**
- **Revised 2022 full year targets to reflect expected impacts of Russian exit, current supply chain and logistics constraints, and the strengthening dollar, partially offset by strong backlog, favorable market environment and improvement initiatives**

DALLAS--(BUSINESS WIRE)--May 2, 2022--Flowserve Corporation (NYSE: FLS), a leading provider of flow control products and services for the global infrastructure markets, today announced its financial results for the first quarter ended March 31, 2022.

First Quarter 2022 Highlights (all comparisons to the 2021 first quarter, unless otherwise noted)

- Reported Loss Per Share (LPS) of \$0.12 and Adjusted Earnings Per Share (EPS)¹ of \$0.07
 - Reported LPS includes a net after-tax adjusted loss of \$25.4 million, comprised primarily of reserves of Russia-related financial exposures and below-the-line foreign exchange impacts
 - Total bookings were \$1.09 billion, up 14.9%, or 17.6% on a constant currency basis
 - Original equipment bookings were \$543.8 million, up 11.5% or 14.1% on a constant currency basis
 - Aftermarket bookings were \$542.3 million, up 18.6%, or 21.4% on a constant currency basis, and represent highest bookings quarter since 2014
 - Sales were \$821.1 million, down 4.2%, or 2.0% on a constant currency basis
 - Original equipment sales were \$383.2 million, down 5.8%, or 3.8% on a constant currency basis
 - Aftermarket sales were \$437.9 million, down 2.8%, or 0.4% on a constant currency basis
 - Reported gross and operating margins were 25.5% and 0.9%, respectively
 - Adjusted gross and operating margins² were 26.7% and 3.3%, respectively
-

“Demand across our end markets continued to improve in the first quarter of 2022, including the release of a number of project awards which had been deferred over the last two years,” said Scott Rowe, Flowserve’s president and chief executive officer. “High utilization rates in our customers’ facilities continued to support strong aftermarket and MRO spending, which drove our highest aftermarket bookings quarter in over seven years. While we are encouraged by our ability to capture solid bookings in this improved demand environment, rapid material and logistics inflation, extended supply chain lead times and labor availability issues, including the associated mitigation costs, resulted in backlog conversion and margin challenges which significantly impacted our first quarter financial results.”

Rowe concluded, “Improving our backlog conversion cadence for the balance of the year is our major priority. I am confident in our ability to deliver sequential revenue and earnings growth throughout 2022 based upon our ongoing operational efforts, our six-year high backlog, and the robust demand environment. We are also pleased with the progress of our 3D strategy to date. With this strategy providing incremental growth while we continue to capitalize on the current strength of our traditional end markets, we believe this combination will further establish Flowserve’s strong foundation to deliver value for all of our stakeholders.”

Flowserve to Exit All Russian Operations

In the first quarter 2022, in response to the invasion of Ukraine and the ongoing military actions taken by Russia, Flowserve made the decision to exit the Company’s operations in Russia. This includes commencing the necessary actions to cease the operations of its Russian subsidiary, suspending fulfillment of existing Russian-located orders, canceling existing contracts in backlog and terminating other related contractual commitments. This process is expected to continue throughout 2022.

Flowserve recorded a \$20.2 million pre-tax, predominantly non-cash, charge in the first quarter of 2022 to reserve the asset portions of its Russian subsidiary, establish a reserve for the associated exit costs, reverse previously recorded revenue, and record the estimated financial exposure on contracts that have been, or are anticipated to be, cancelled.

In prior years, Russian-associated work typically represented between 1-2 percent of Flowserve’s consolidated revenues. In addition to the charge established related to existing assets and contracts, there will be an ongoing opportunity cost associated with no longer pursuing future Russian work, however the Company expects the overall impact to be immaterial.

Revised 2022 Guidance³

Flowserve updated its Reported and Adjusted EPS guidance for 2022, as well as certain other financial metrics, as shown in the table below:

	Revised 2022 <u>Target Range</u>	Prior 2022 <u>Target Range</u>
Revenue Growth	Up 5.0% to 7.0%	Up 7.0% to 9.0%
Reported Earnings Per Share	\$1.25 - \$1.45	\$1.65 - \$1.85
Adjusted Earnings Per Share	\$1.50 - \$1.70	\$1.70 - \$1.90
Net Interest Expense	\$45 - \$50 million	\$45 - \$50 million
Adjusted Tax Rate	20% - 22%	20% - 22%
Capital Expenditures	\$60 - \$70 million	\$70 - \$80 million

Flowserve's 2022 Adjusted EPS target range excludes expected adjusted items including realignment charges of approximately \$10 million, as well as the potential impact of below-the-line foreign currency effects and certain other discrete items which may arise during the course of the year, such as this quarter's Russian exit charges.

First Quarter 2022 Results Conference Call

Flowserve will host its conference call with the financial community on Tuesday, May 3rd at 11:00 AM Eastern. Scott Rowe, president and chief executive officer, as well as other members of the management team will be presenting. The call can be accessed by shareholders and other interested parties at www.flowserve.com under the "Investor Relations" section.

¹ See Reconciliation of Non-GAAP Measures table for detailed reconciliation of reported results to adjusted measures.

² Adjusted gross and operating margins are calculated by dividing adjusted gross profit and adjusted operating income, respectively, by revenues. Adjusted gross profit and adjusted operating income are derived by excluding the adjusted items. See reconciliation of Non-GAAP Measures table for detailed reconciliation.

³ Adjusted 2022 EPS excludes realignment expenses, the impact from other specific discrete items and below-the-line foreign currency effects and utilizes current FX rates and approximately 131 million fully diluted shares.

- FX impact is calculated by comparing the difference between the actual average FX rates of 2022 and the year-end 2021 spot rates both as applied to our 2022 expectations, divided by the number of shares expected for 2022.

About Flowserve

Flowserve Corp. is one of the world's leading providers of fluid motion and control products and services. Operating in more than 50 countries, the company produces engineered and industrial pumps, seals and valves as well as a range of related flow management services. More information about Flowserve can be obtained by visiting the company's Web site at www.flowserve.com.

Safe Harbor Statement: This news release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. Words or phrases such as, "may," "should," "expects," "could," "intends," "plans," "anticipates," "estimates," "believes," "forecasts," "predicts" or other similar expressions are intended to identify forward-looking statements, which include, without limitation, earnings forecasts, statements relating to our business strategy and statements of expectations, beliefs, future plans and strategies and anticipated developments concerning our industry, business, operations and financial performance and condition.

The forward-looking statements included in this news release are based on our current expectations, projections, estimates and assumptions. These statements are only predictions, not guarantees. Such forward-looking statements are subject to numerous risks and uncertainties that are difficult to predict. These risks and uncertainties may cause actual results to differ materially from what is forecast in such forward-looking statements, and include, without limitation, the following: the impact of the global outbreak of COVID-19 on our business and operations; a portion of our bookings may not lead to completed sales, and our ability to convert bookings into revenues at acceptable profit margins; changes in global economic conditions and the potential for unexpected cancellations or delays of customer orders in our reported backlog; our dependence on our customers' ability to make required capital investment and maintenance expenditures; if we are not able to successfully execute and realize the expected financial benefits from our strategic transformation and realignment initiatives, our business could be adversely affected; risks associated with cost overruns on fixed-fee projects and in taking customer orders for large complex custom engineered products; the substantial dependence of our sales on the success of the oil and gas, chemical, power generation and water management industries; the adverse impact of volatile raw materials prices on our products and operating margins; economic, political and other risks associated with our international operations, including military actions, trade embargoes, epidemics or pandemics or changes to tariffs or trade agreements that could affect customer markets, particularly North African, Russian and Middle Eastern markets and global oil and gas producers, and non-compliance with U.S. export/re-export control, foreign corrupt practice laws, economic sanctions and import laws and regulations; increased aging and slower collection of receivables, particularly in Latin America and other emerging markets; our exposure to fluctuations in foreign currency exchange rates, including in hyperinflationary countries such as Venezuela and Argentina; our furnishing of products and services to nuclear power plant facilities and other critical processes; potential adverse consequences resulting from litigation to which we are a party, such as litigation involving asbestos-containing material claims; expectations regarding acquisitions and the integration of acquired businesses; our relative geographical profitability and its impact on our utilization of deferred tax assets, including foreign tax credits; the potential adverse impact of an impairment in the carrying value of goodwill or other intangible assets; our dependence upon first-party suppliers whose failure to perform timely could adversely affect our business operations; the highly competitive nature of the markets in which we operate; environmental compliance costs and liabilities; potential work stoppages and other labor matters; access to public and private sources of debt financing; our inability to protect our intellectual property in the U.S., as well as in foreign countries; obligations under our defined benefit pension plans; our internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud; the recording of increased deferred tax asset valuation allowances in the future or the impact of tax law changes on such deferred tax assets could affect our operating results; our information technology infrastructure could be subject to service interruptions, data corruption, cyber-based attacks or network security breaches, which could disrupt our business operations and result in the loss of critical and confidential information; ineffective internal controls could impact the accuracy and timely reporting of our business and financial results; and other factors described from time to time in our filings with the Securities and Exchange Commission.

All forward-looking statements included in this news release are based on information available to us on the date hereof, and we assume no obligation to update any forward-looking statement.

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, management believes that non-GAAP financial measures which exclude certain non-recurring items present additional useful comparisons between current results and results in prior operating periods, providing investors with a clearer view of the underlying trends of the business. Management also uses these non-GAAP financial measures in making financial, operating, planning and compensation decisions and in evaluating the Company's performance. Throughout our materials we refer to non-GAAP measures as "Adjusted." Non-GAAP financial measures, which may be inconsistent with similarly captioned measures presented by other companies, should be viewed in addition to, and not as a substitute for, the Company's reported results prepared in accordance with GAAP.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
(Amounts in thousands, except per share data)		
Sales	\$ 821,058	\$ 857,308
Cost of sales	(611,411)	(606,408)
Gross profit	209,647	250,900
Selling, general and administrative expense	(206,138)	(198,315)
Net earnings from affiliates	3,858	3,518
Operating income	7,367	56,103
Interest expense	(10,693)	(16,778)
Loss on extinguishment of debt	-	(7,610)
Interest income	943	602
Other income (expense), net	(8,114)	(11,364)
Earnings (loss) before income taxes	(10,497)	20,953
(Provision for) benefit from income taxes	(3,182)	(3,792)
Net earnings (loss), including noncontrolling interests	(13,679)	17,161
Less: Net earnings attributable to noncontrolling interests	(2,141)	(3,081)
Net earnings (loss) attributable to Flowserve Corporation	<u>\$ (15,820)</u>	<u>\$ 14,080</u>
Net earnings (loss) per share attributable to Flowserve Corporation common shareholders:		
Basic	\$ (0.12)	\$ 0.11
Diluted	(0.12)	0.11
Weighted average shares - basic	130,410	130,427
Weighted average shares - diluted	130,410	131,006

RECONCILIATION OF NON-GAAP MEASURES
(Unaudited)

(Amounts in thousands, except per share data)	Three Months Ended March 31, 2022			
	As Reported (a)	Realignment (1)	Other Items	As Adjusted
Sales	\$ 821,058	\$ -	\$ -	\$ 821,058
Gross profit	209,647	198	(10,053) (3)	219,502
<i>Gross margin</i>	25.5 %	-	-	26.7 %
Selling, general and administrative expense	(206,138)	201	(10,193) (3)	(196,146)
Operating income	7,367	399	(20,246)	27,214
<i>Operating income as a percentage of sales</i>	0.9 %	-	-	3.3 %
Interest and other expense, net	(17,864)	-	(5,694) (4)	(12,170)
Earnings (loss) before income taxes	(10,497)	399	(25,940)	15,044
(Provision for) benefit from income taxes	(3,182)	(74) (2)	234 (5)	(3,342)
<i>Tax Rate</i>	-30.3 %	18.5 %	0.9 %	22.2 %
Net earnings (loss) attributable to Flowserve Corporation	\$ (15,820)	\$ 325	\$ (25,706)	\$ 9,561
Net earnings (loss) per share attributable to Flowserve Corporation common shareholders:				
Basic	\$ (0.12)	\$ -	\$ (0.19)	\$ 0.07
Diluted	(0.12)	-	(0.19)	0.07
Basic number of shares used for calculation	130,410	130,410	130,410	130,410
Diluted number of shares used for calculation	130,410	131,051	131,051	131,051

(a) Reported in conformity with U.S. GAAP

Notes:

- (1) Represents realignment adjustments incurred as a result of realignment programs
- (2) Includes tax impact of items above
- (3) Represents the reserve of Russia related financial exposures. The impact of \$5.4 million of previously recognized revenue and estimated cancellation fees on open contracts that were previously accounted for under POC and subsequently canceled have been reflected in the above adjustment to gross profit
- (4) Represents below-the-line foreign exchange impacts
- (5) Includes tax impact of items above

RECONCILIATION OF NON-GAAP MEASURES
(Unaudited)

Three Months Ended March 31, 2021				
(Amounts in thousands, except per share data)	As Reported (a)	Realignment (1)	Other Items	As Adjusted
Sales	\$ 857,308	\$ -	\$ -	\$ 857,308
Gross profit	250,900	(9,406)	-	260,306
<i>Gross margin</i>	29.3 %	-	-	30.4 %
Selling, general and administrative expense	(198,315)	(4,296)	-	(194,019)
Operating income	56,103	(13,702)	-	69,805
<i>Operating income as a percentage of sales</i>	6.5 %	-	-	8.1 %
Interest and other expense, net	(35,150)	-	(17,116)	(3) (18,034)
Earnings before income taxes	20,953	(13,702)	(17,116)	51,771
Provision for income taxes	(3,792)	3,356	(2) 4,840	(4) (11,988)
<i>Tax Rate</i>	18.1 %	24.5 %	28.3 %	23.2 %
Net earnings attributable to Flowserve Corporation	\$ 14,080	\$ (10,346)	\$ (12,276)	\$ 36,702
Net earnings per share attributable to Flowserve Corporation common shareholders:				
Basic	\$ 0.11	\$ (0.08)	\$ (0.09)	\$ 0.28
Diluted	0.11	(0.08)	(0.09)	0.28
Basic number of shares used for calculation	130,427	130,427	130,427	130,427
Diluted number of shares used for calculation	131,006	131,006	131,006	131,006

(a) Reported in conformity with U.S. GAAP

Notes:

- (1) Represents realignment expense incurred as a result of realignment programs
- (2) Includes tax impact of items above
- (3) Represents below-the-line foreign exchange impacts and \$7.6 million of expense as a result of early extinguishment of debt
- (4) Includes tax impact of items above and \$1.3 million benefit related to legal entity simplification and restructuring

First Quarter 2022 - Segment Results

(dollars in millions, comparison vs. 2021 first quarter, unaudited)

	FPD	FCD
Bookings	\$ 795.6	\$ 294.3
- vs. prior year	21.7%	0.1%
- on constant currency	24.6%	2.3%
Sales	\$ 575.6	\$ 247.9
- vs. prior year	-4.5%	-3.1%
- on constant currency	-2.1%	-1.2%
Gross Profit	\$ 156.9	\$ 59.5
- vs. prior year	-14.2%	-20.2%
Gross Margin (% of sales)	27.3%	24.0%
- vs. prior year (in basis points)	(310) bps	(520) bps
Operating Income	\$ 21.0	\$ 15.2
- vs. prior year	-61.0%	-38.5%
- on constant currency	-62.5%	-37.2%
Operating Margin (% of sales)	3.6%	6.1%
- vs. prior year (in basis points)	(530) bps	(360) bps
Adjusted Operating Income *	\$ 39.0	\$ 17.4
- vs. prior year	-37.0%	-34.3%
- on constant currency	-38.3%	-33.2%
Adj. Oper. Margin (% of sales)*	6.8%	7.0%
- vs. prior year (in basis points)	(350) bps	(340) bps
Backlog	\$ 1,563.5	\$ 672.3

* Adjusted Operating Income and Adjusted Operating Margin exclude realignment charges and other specific discrete items

SEGMENT INFORMATION
(Unaudited)

FLOWSERVE PUMP DIVISION

(Amounts in millions, except percentages)

Bookings
Sales
Gross profit
Gross profit margin
SG&A
Segment operating income
Segment operating income as a percentage of sales

Three Months Ended March
31,

2022	2021
\$ 795.6	\$ 653.8
575.6	602.6
156.9	182.9
27.3%	30.4%
139.8	132.6
21.0	53.8
3.6%	8.9%

FLOW CONTROL DIVISION

(Amounts in millions, except percentages)

Bookings
Sales
Gross profit
Gross profit margin
SG&A
Segment operating income
Segment operating income as a percentage of sales

Three Months Ended March
31,

2022	2021
\$ 294.3	\$ 294.0
247.9	255.8
59.5	74.6
24.0%	29.2%
44.3	49.9
15.2	24.7
6.1%	9.7%

CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Amounts in thousands, except par value)

	March 31, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 575,795	\$ 658,452
Accounts receivable, net of allowance for expected credit losses of \$79,326 and \$74,336, respectively	730,201	739,210
Contract assets, net of allowance for expected credit losses of \$3,338 and \$2,393, respectively	200,054	195,598
Inventories, net	722,380	678,287
Prepaid expenses and other	148,426	117,130
Total current assets	<u>2,376,856</u>	<u>2,388,677</u>
Property, plant and equipment, net of accumulated depreciation of \$1,161,374 and \$1,191,823, respectively	506,655	515,927
Operating lease right-of-use assets, net	187,272	193,863
Goodwill	1,186,221	1,196,479
Deferred taxes	31,692	44,049
Other intangible assets, net	148,461	152,463
Other assets, net of allowance for expected credit losses of \$68,184 and \$67,696, respectively	265,854	258,310
Total assets	<u><u>\$ 4,703,011</u></u>	<u><u>\$ 4,749,768</u></u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 418,719	\$ 410,062
Accrued liabilities	447,175	445,092
Contract liabilities	204,158	202,965
Debt due within one year	44,616	41,058
Operating lease liabilities	32,938	32,628
Total current liabilities	<u>1,147,606</u>	<u>1,131,805</u>
Long-term debt due after one year	1,251,595	1,261,770
Operating lease liabilities	160,057	166,786
Retirement obligations and other liabilities	352,698	352,062
Shareholders' equity:		
Common shares, \$1.25 par value	220,991	220,991
Shares authorized – 305,000		
Shares issued – 176,793		
Capital in excess of par value	496,151	506,386
Retained earnings	3,648,678	3,691,023
Treasury shares, at cost – 46,424 and 46,794 shares, respectively	(2,039,900)	(2,057,706)
Deferred compensation obligation	7,122	7,214
Accumulated other comprehensive loss	(578,053)	(563,589)
Total Flowserve Corporation shareholders' equity	<u>1,754,989</u>	<u>1,804,319</u>
Noncontrolling interests	<u>36,066</u>	<u>33,026</u>
Total equity	<u>1,791,055</u>	<u>1,837,345</u>
Total liabilities and equity	<u><u>\$ 4,703,011</u></u>	<u><u>\$ 4,749,768</u></u>

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(Amounts in thousands)

	Three Months Ended March 31,	
	2022	2021
Cash flows – Operating activities:		
Net earnings (loss), including noncontrolling interests	\$ (13,679)	\$ 17,161
Adjustments to reconcile net earnings (loss) to net cash provided (used) by operating activities:		
Depreciation	20,148	21,522
Amortization of intangible and other assets	3,396	3,862
Loss on extinguishment of debt	-	7,610
Stock-based compensation	11,011	9,760
Foreign currency, asset write downs and other non-cash adjustments	6,893	24,260
Change in assets and liabilities:		
Accounts receivable, net	5,039	9,005
Inventories, net	(48,715)	(16,988)
Contract assets, net	(5,655)	(2,245)
Prepaid expenses and other assets, net	(33,197)	307
Accounts payable	8,204	(47,093)
Contract liabilities	2,600	9,001
Accrued liabilities and income taxes payable	7,302	187
Retirement obligations and other	10,912	5,248
Net deferred taxes	(1,032)	(5,219)
Net cash flows provided (used) by operating activities	(26,773)	36,378
Cash flows – Investing activities:		
Capital expenditures	(14,052)	(11,422)
Proceeds from disposal of assets and other	1,834	1,934
Net cash flows provided (used) by investing activities	(12,218)	(9,488)
Cash flows – Financing activities:		
Payments on senior notes	-	(407,473)
Payments on term loan	(7,593)	-
Proceeds under other financing arrangements	555	425
Payments under other financing arrangements	(484)	(1,976)
Repurchases of common shares	-	(5,081)
Payments related to tax withholding for stock-based compensation	(4,304)	(5,547)
Payments of dividends	(26,128)	(26,465)
Other	(437)	(3,806)
Net cash flows provided (used) by financing activities	(38,391)	(449,923)
Effect of exchange rate changes on cash	(5,275)	(12,936)
Net change in cash and cash equivalents	(82,657)	(435,969)
Cash and cash equivalents at beginning of period	658,452	1,095,274
Cash and cash equivalents at end of period	\$ 575,795	\$ 659,305

Contacts

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