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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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

**Date of report (Date of earliest event reported): February 16, 2016**

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**CSW INDUSTRIALS, INC.**  
(Exact Name Of Registrant As Specified In Charter)

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**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**001-37454**  
(Commission  
File Number)

**47-2266942**  
(IRS Employer  
Identification No.)

**5400 Lyndon B. Johnson Freeway, Suite 1300  
Dallas, Texas 75240**  
(Address of Principal Executive Offices) (Zip Code)

**Registrant's telephone number, including area code: (972) 233-8242**

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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))
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## Item 2.02 Results of Operations and Financial Condition

In a press release dated February 16, 2016, CSW Industrials, Inc. (the “Company”) announced financial results for the Company’s quarter ended December 31, 2015. The full text of the press release is furnished herewith as Exhibit 99.1 to this report.

This information, including the press release attached as an exhibit, is being furnished under Item 2.02 of Form 8-K, “Results of Operations and Financial Condition.” This information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, whether made before or after the date of this report, regardless of any general incorporation language in the filing.

## Item 7.01 Regulation FD Disclosure

The Company will make a series of presentations to the investment community beginning on February 16, 2016. The slides to be used in connection with such presentations are being posted to the Company’s investor relations section of its website at [www.cswindustrials.com](http://www.cswindustrials.com).

The information is being furnished under Item 7.01 of Form 8-K “Regulation FD Disclosure.” This information shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, whether made before or after the date of this report, regardless of any general incorporation language in the filing.

## Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit Number</u>	<u>Exhibit Description</u>
99.1	Press release dated February 16, 2016

**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.

Dated: February 16, 2016

By: /s/ Joseph B. Armes

Name: Joseph B. Armes

Title: Chief Executive Officer

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**EXHIBIT INDEX**

Exhibit  
Number

Exhibit Description

99.1 Press release dated February 16, 2016



## CSW Industrials Reports Fiscal Third Quarter 2016 Results

### Quarter Highlights

- Revenue of \$70.9 million, an increase of 16.5% over the prior-year period
- Consolidated year-to-date organic revenue declined 3.0%; excluding energy end markets, organic revenue increased 4.7%
- Adjusted net earnings of \$3.8 million, or \$0.24 per diluted share; GAAP net earnings of \$2.0 million, or \$0.13 per diluted share
- Finalized \$250.0 million revolving credit facility
- Successful acquisition of assets of Deacon Industries and AC Leak Freeze™

**Dallas, Texas – February 16, 2016** – CSW Industrials, Inc. (NASDAQ:CSWI), a diversified industrial growth company with well-established, scalable platforms and domain expertise across three segments: Industrial Products; Coatings, Sealants & Adhesives; and Specialty Chemicals, today reported results for the fiscal third quarter ended December 31, 2015.

Sales during the quarter increased 16.5% to \$70.9 million, compared to \$60.9 million in the prior year period. Higher sales during the period were mostly the result of acquisitions completed in the past twelve months and higher volume in construction related products, partially offset by lower volume in energy, mining and industrial end markets. Sales year-to-date increased 23.2% to \$243.6 million compared to \$197.8 million last year. Consolidated year-to-date organic revenue declined 3.0%, reflecting a 50.9% organic decline in energy end markets. Excluding energy end markets, organic revenue increased 4.7% year-to-date versus the prior-year.

Net income in the fiscal third quarter of 2016 was \$2.0 million, or \$0.13 per diluted share, compared to \$6.4 million in the prior year. The effective tax rate for the quarter was 58.6% due to costs incurred in connection with the spinoff from Capital Southwest Corporation (the “Spinoff”) which are not deductible for tax purposes. Adjusted to exclude one-time expenses related to recent acquisitions and startup costs following the Spinoff and to normalize the tax rate to 35%, adjusted net income in the third quarter of 2016 was \$3.8 million, or \$0.24 per diluted share. Lower earnings relative to the prior year reflect standalone public company expenses during the period of \$1.5 million and lost leverage on lower sales in commodity related end markets.

Joseph B. Armes, CSW Industrials’ Chief Executive Officer, commented, “During the quarter we achieved several meaningful milestones in our evolution to integrate six disparate businesses into one diversified industrial growth company. We completed a leadership reorganization under our three operating segments, finalized a \$250.0 million revolving credit facility and consummated two asset acquisitions. We continue to make progress on the integration of existing and acquired businesses. While pressure on

commodity prices negatively impacted us during the quarter, our broadly diversified portfolio of products and end markets position us well to deliver value to our shareholders as we execute against our long-term strategy and drive efficiency through integration.”

## **Results of Operations**

In the fiscal third quarter of 2016, revenue increased 16.5% to \$70.9 million, compared with the prior year level of \$60.9 million. Higher sales include a \$13.2 million contribution from recent acquisitions. Mostly as a result of sensitivity to energy and mining end markets, organic revenue declined year-to-date 3.0% versus the prior-year-to-date.

Gross profit in the third quarter of fiscal 2016 increased 12% to \$32.1 million over the prior year level of \$28.7 million, which included a \$3.4 million contribution from the acquisition of Strathmore. Gross margin as a percentage of sales was 45.3%, compared to 47.1% in the prior year period. Lower gross margin compared to the prior year primarily reflected the expected change in sales mix due to the inclusion of Strathmore products.

Operating expenses in the fiscal third quarter of 2016 were \$26.5 million, or 37.4% of sales, compared to the prior year level of \$19.0 million, or 31.2% of sales. Increased operating expenses were attributable to Strathmore operations (\$3.4 million), investment in people and systems (\$1.6 million), standalone public company expenses (\$1.5 million) and the following one-time items: (i) costs incurred in connection with the Spinoff of \$2.1 million; (ii) transaction costs of \$0.8 million; and (iii) reversal of the Strathmore earn-out accrued liability of \$2.0 million.

Adjusted for one-time items, fiscal third quarter 2016 operating expenses were \$25.6 million, or 36.1% of sales, compared to \$19.0 million, or 31.2% of sales in the prior year.

Net income for the third quarter was \$2.0 million, or \$0.13 per diluted share, compared with net income of \$6.4 million in the prior year period. Adjusted for one-time items and a normalized tax rate, net income was \$3.8 million, or \$0.24 per diluted share, compared to net income of \$6.4 million in the prior year.

## **Conference Call Information**

CSW Industrials will host a conference call Tuesday, February 16<sup>th</sup> at 8:30 a.m. ET to discuss the results for the current period, as well as management’s outlook, followed by a question and answer session for the investment community. A live webcast of the call can be accessed at [ir.cswindustrials.com](http://ir.cswindustrials.com). To access the call, participants may dial toll-free at 1-877-407-0784 or +1 201-689-8560 (international) and request to join the CSW Industrials earnings call.

To listen to a telephonic replay of the conference call, dial toll-free 1-877-870-5176 or +1 858-384-5517 (international) and enter confirmation code 13630473. The telephonic replay will be available beginning at 11:30 a.m. ET on Tuesday, February 16<sup>th</sup>, and will last through 11:59 p.m. ET on March 1, 2016. The call will also be available for replay via the webcast link on CSW Industrials’ Investor Relations website.

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## **Forward Looking Statements**

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are based on management's current expectations, assumptions and beliefs as of the date of this release. Forward-looking statements can often be identified by words such as "plans," "expects," "will," similar expressions, and variations or negatives of these words. These forward-looking statements include, but are not limited to, statements regarding growth opportunities and future results of operations. They are not guarantees of future results and are subject to risks, uncertainties and assumptions, including factors set forth in CSW Industrials' filings with the Securities and Exchange Commission, including CSW Industrials' information statement filed as an exhibit to CSW Industrials' Form 10 that could cause actual results to differ materially from those expressed in any forward-looking statement.

## **Non-GAAP Financial Measures**

This press release includes an analysis of adjusted earnings per share, adjusted net income, adjusted gross profit, adjusted operating expenses and adjusted operating income, which are non-GAAP financial measures of performance. For a reconciliation of these measures to the most directly comparable GAAP measures and for a discussion of why we consider these Non-GAAP measures useful, see the "Reconciliation of Non-GAAP Measures" section of this release.

## **About CSW Industrials**

CSWI is a diversified industrial growth company with well-established, scalable platforms and domain expertise across three segments: Industrial Products; Coatings, Sealants & Adhesives; and Specialty Chemicals. CSWI's broad portfolio of leading products provides performance optimizing solutions to its customers. CSWI's products include mechanical products for heating, ventilation and air conditioning ("HVAC") and refrigeration applications, coatings and sealants and high performance specialty lubricants. Markets that CSWI serves include: HVAC, industrial, rail, plumbing, architecturally-specified building products, energy, mining and general industrial markets.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(Unaudited)

	<b>Three Months Ended December 31,</b>	
	<b>2015</b>	<b>2014</b>
(Amounts in thousands, except per share amounts)		
Revenues, net	\$ 70,918	\$ 60,871
Cost of revenues	(38,769)	(32,175)
Gross profit	32,149	28,696
General and administrative expenses	(13,815)	(7,975)
Selling and distribution expenses	(11,365)	(9,646)
Research and development expenses	(1,346)	(1,353)
Operating income	5,623	9,722
Interest expense, net	(793)	(123)
Other (expense) income, net	(7)	152
Income before income taxes	4,823	9,751
Provision for income taxes	(2,825)	(3,365)
Net income	<u>\$ 1,998</u>	<u>\$ 6,386</u>
Net earnings per common share:		
Basic	\$ 0.13	\$ 0.41
Diluted	0.13	0.41



CONDENSED CONSOLIDATED BALANCE SHEETS  
(Unaudited)

(Amounts in thousands, except per share amounts)	<u>December 31,</u> <u>2015</u>	<u>March 31,</u> <u>2015</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 51,052	\$ 20,448
Restricted cash	—	2,385
Bank time deposits	5,498	9,248
Accounts receivable, net of allowance of \$1,272 and \$1,692, respectively	46,164	48,941
Inventories, net	54,684	47,175
Prepaid expenses and other current assets	9,930	6,812
Total current assets	<u>167,328</u>	<u>135,009</u>
Property, plant and equipment, net of accumulated depreciation of \$57,368 and \$52,954, respectively	61,942	56,837
Goodwill	73,309	40,645
Intangible assets, net	85,742	40,997
Other assets	20,248	13,033
Total assets	<u>\$ 408,569</u>	<u>\$ 286,521</u>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 10,285	\$ 8,960
Accrued and other current liabilities	18,655	16,001
Current portion of long-term debt	561	13,561
Total current liabilities	<u>29,501</u>	<u>38,522</u>
Long-term debt	105,762	13,143
Retirement benefits payable	1,669	22,545
Other long-term liabilities	15,927	7,710
Total liabilities	<u>152,859</u>	<u>81,920</u>
Equity:		
Common shares, \$0.01 par value	156	12
Shares authorized – 50,000		
Shares issued – 15,583		
Preferred shares, \$0.01 par value	—	1,000
Shares authorized – 10,000		
Shares issued – 0		
Additional paid-in capital	30,456	7,810
Treasury shares, at cost	—	(2,712)
Retained earnings	232,095	208,784
Accumulated other comprehensive loss	(6,997)	(10,293)
Total equity	<u>255,710</u>	<u>204,601</u>
Total liabilities and equity	<u>\$ 408,569</u>	<u>\$ 286,521</u>

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)

(Amounts in thousands)	Nine Months Ended December 31,	
	2015	2014
<b>Cash flows from operating activities:</b>		
Net income	\$ 23,611	\$ 24,372
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	5,042	4,457
Amortization of intangible assets	4,896	3,342
Stock-based and other executive compensation	1,398	—
Acquisition-related non-cash gain	(1,950)	—
Net (gain) loss on sales of property, plant and equipment	33	(1,582)
Pension plan curtailment benefit	(8,020)	—
Impairment of assets	—	662
Net deferred taxes	4,361	673
Changes in operating assets and liabilities:		
Accounts receivable, net	9,612	7,475
Inventories, net	1,484	(4,707)
Prepaid expenses and other current assets	(446)	(545)
Other assets	(89)	64
Accounts payable and accrued and other current liabilities	(411)	(1,786)
Retirement benefits payable and other liabilities	(1,039)	(357)
<b>Net cash provided by operating activities</b>	<b>38,482</b>	<b>32,068</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(6,024)	(8,364)
Proceeds from sale of assets held for investment	—	3,494
Proceeds from sale of assets	20	6,362
Net change in bank time deposits and restricted cash	5,805	(423)
Cash paid for acquisitions	(97,732)	(4,524)
<b>Net cash used in investing activities</b>	<b>(97,931)</b>	<b>(3,455)</b>
<b>Cash flows from financing activities:</b>		
Borrowings on lines of credit	81,000	7,581
Repayments on lines of credit	(94,421)	(29,733)
Borrowings on revolving credit agreement	93,040	—
Payments of deferred loan costs	(1,073)	—
Cash contribution from Capital Southwest	13,000	—
Dividends paid	(300)	(660)
<b>Net cash provided by (used in) financing activities</b>	<b>91,246</b>	<b>(22,812)</b>
Effect of exchange rate changes on cash and cash equivalents	(1,193)	(623)
<b>Net increase in cash and cash equivalents</b>	<b>30,604</b>	<b>5,178</b>
Cash and cash equivalents, beginning of period	20,448	15,411
<b>Cash and cash equivalents, end of period</b>	<b>\$ 51,052</b>	<b>\$ 20,589</b>
<b>Supplemental non-cash disclosure:</b>		
Pension plan assets contributed by Capital Southwest	\$ 10,357	\$ —

SEGMENT RESULTS  
(Unaudited)

Three months ended December 31, 2015

(in thousands)	Industrial Products	Coatings, Sealants and Adhesives	Specialty Chemicals
Revenues, net	\$ 28,498	\$ 24,301	\$ 18,075
Operating income	3,422	4,172	1,735

Three months ended December 31, 2014

(in thousands)	Industrial Products	Coatings, Sealants and Adhesives	Specialty Chemicals
Revenues, net	\$ 24,904	\$ 12,256	\$ 23,610
Operating income	3,008	2,642	4,036

**Reconciliation of Non-GAAP Measures**

This press release includes an analysis of adjusted earnings per share, adjusted net income, adjusted gross profit, adjusted operating expenses and adjusted operating income, which are non-GAAP financial measures of performance. For a reconciliation of these measures to the most directly comparable GAAP measures and for a discussion of why we consider these Non-GAAP measures useful, see the "Reconciliation of Non-GAAP Measures" section of this release.

(amounts in millions, except per share amounts)	Gross Profit	Operating Expenses	Operating Income	Net Income	Diluted EPS
As reported	\$ 32.1	\$ (26.5)	\$ 5.6	\$ 2.0	\$ 0.13
Adjustments:					
Start-up and organization costs	—	2.1	2.1	1.4	0.09
Transaction costs	—	0.8	0.8	0.5	0.03
Strathmore earn-out reversal	—	(2.0)	(2.0)	(1.3)	(0.08)
Normalized tax rate	—	—	—	1.2	0.07
As adjusted	<u>\$ 32.1</u>	<u>\$ (25.6)</u>	<u>\$ 6.5</u>	<u>\$ 3.8</u>	<u>\$ 0.24</u>

(in thousands)	Industrial Products	Coatings, Sealants and Adhesives	Specialty Chemicals
Operating income, as reported	\$ 3,422	\$ 4,172	\$ 1,735
Transaction costs	—	320	508
Strathmore earn-out reversal	—	(1,950)	—
Operating income, as adjusted	<u>\$ 3,422</u>	<u>\$ 2,542</u>	<u>\$ 2,243</u>

We use adjusted earnings per share, adjusted net income, adjusted gross profit, adjusted operating expenses and adjusted operating income, together with financial measures prepared in accordance with GAAP, such as revenue, income from operations, operating expense, operating income and net income, to assess our historical and prospective operating performance and to enhance our understanding of our core operating performance. We also believe these measures are useful for investors to assess the operating performance of our business without the effect of non-operating items.

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Investor Relations Contacts:

Michael Callahan

ICR, Inc.

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