

Vishay Precision Group, Inc.
Form 10-Q
November 06, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

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

For the quarterly period ended **September 28, 2013**

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 **1-34679**

VISHAY PRECISION GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation)

27-0986328

(I.R.S. Employer Identification Number)

3 Great Valley Parkway, Suite 150

Malvern, PA 19355

(Address of Principal Executive Offices) (Zip Code)

484-321-5300

(Registrant's Telephone Number, including area code)

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 (section 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

Non-accelerated filer (Do not check if smaller reporting company)

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

Edgar Filing: Vishay Precision Group, Inc. - Form 10-Q

As of November 6, 2013, the registrant had 12,709,042 shares of its common stock and 1,025,176 shares of its Class B convertible common stock outstanding.

VISHAY PRECISION GROUP, INC.
FORM 10-Q
September 28, 2013

CONTENTS

		Page Number
PART I.	FINANCIAL INFORMATION	
Item 1.	Financial Statements	
	Consolidated Condensed Balance Sheets September 28, 2013 (Unaudited) and December 31, 2012	3
	Consolidated Condensed Statements of Operations (Unaudited) Fiscal Quarters Ended September 28, 2013 and September 29, 2012	5
	Consolidated Condensed Statements of Operations (Unaudited) Nine Fiscal Months Ended September 28, 2013 and September 29, 2012	6
	Consolidated Condensed Statements of Comprehensive Income (Loss) (Unaudited) Fiscal Quarters Ended September 28, 2013 and September 29, 2012	7
	Consolidated Condensed Statements of Comprehensive Income (Loss) (Unaudited) Nine Fiscal Months Ended September 28, 2013 and September 29, 2012	8
	Consolidated Condensed Statements of Cash Flows (Unaudited) Nine Fiscal Months Ended September 28, 2013 and September 29, 2012	9
	Consolidated Condensed Statement of Equity (Unaudited)	10
	Notes to Unaudited Consolidated Condensed Financial Statements	11
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	27
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	43
Item 4.	Controls and Procedures	43
PART II.	OTHER INFORMATION	
Item 1.	Legal Proceedings	44
Item 1A.	Risk Factors	44
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	44

Edgar Filing: Vishay Precision Group, Inc. - Form 10-Q

Item 3.	Defaults Upon Senior Securities	44
Item 4.	Mine Safety Disclosures	44
Item 5.	Other Information	44
Item 6.	Exhibits	45
	SIGNATURES	46

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements**VISHAY PRECISION GROUP, INC.**

Consolidated Condensed Balance Sheets

(In thousands)

	September 28, 2013 <i>(Unaudited)</i>	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 68,273	\$ 93,881
Accounts receivable, net	37,030	28,766
Inventories:		
Raw materials	15,847	14,204
Work in process	19,655	13,696
Finished goods	19,398	21,489
Inventories, net	54,900	49,389
Deferred income taxes	3,992	4,258
Prepaid expenses and other current assets	13,861	9,572
Total current assets	178,056	185,866
Property and equipment, at cost:		
Land	1,979	2,023
Buildings and improvements	47,371	47,627
Machinery and equipment	74,360	75,783
Software	5,779	5,427
Construction in progress	1,666	1,788
Accumulated depreciation	(81,913)	(80,556)
Property and equipment, net	49,242	52,092
Goodwill	18,472	-
Intangible assets, net	23,827	8,009
Other assets	19,245	17,206
Total assets	\$ 288,842	\$ 263,173

Continues on the following page.

VISHAY PRECISION GROUP, INC.

Consolidated Condensed Balance Sheets (continued)

(In thousands)

	September 28, 2013 <i>(Unaudited)</i>	December 31, 2012
Liabilities and equity		
Current liabilities:		
Trade accounts payable	\$ 8,501	\$ 9,190
Payroll and related expenses	13,338	12,831
Other accrued expenses	15,650	8,499
Income taxes	7	1,425
Current portion of long-term debt	3,896	167
Total current liabilities	41,392	32,112
Long-term debt, less current portion	24,029	11,154
Deferred income taxes	1,183	1,831
Other liabilities	7,707	7,433
Accrued pension and other postretirement costs	12,734	13,835
Total liabilities	87,045	66,365
Commitments and contingencies		
Equity:		
Common stock	1,271	1,235
Class B convertible common stock	103	103
Capital in excess of par value	188,640	181,938
Retained earnings	31,519	28,356
Accumulated other comprehensive income (loss)	(19,849)	(14,983)
Total Vishay Precision Group, Inc. stockholders' equity	201,684	196,649
Noncontrolling interests	113	159
Total equity	201,797	196,808
Total liabilities and equity	\$ 288,842	\$ 263,173

See accompanying notes.

VISHAY PRECISION GROUP, INC.

Consolidated Condensed Statements of Operations

(Unaudited - In thousands, except per share amounts)

	Fiscal quarter ended September 28, 2013	September 29, 2012
Net revenues	\$ 57,729	\$ 55,430
Costs of products sold	38,486	36,691
Gross profit	19,243	18,739
Selling, general, and administrative expenses	18,485	15,646
Acquisition costs	57	-
Restructuring costs	99	-
Operating income	602	3,093
Other income (expense):		
Interest expense	(276)	(75)
Other	210	(295)
Other income (expense) - net	(66)	(370)
Income before taxes	536	2,723
Income tax (benefit) expense	(919)	811
Net earnings	1,455	1,912
Less: net loss attributable to noncontrolling interests	(11)	(30)
Net earnings attributable to VPG stockholders	\$ 1,466	\$ 1,942
Basic earnings per share attributable to VPG stockholders	\$ 0.11	\$ 0.15
Diluted earnings per share attributable to VPG stockholders	\$ 0.11	\$ 0.14
Weighted average shares outstanding - basic	13,734	13,371
Weighted average shares outstanding - diluted	13,944	13,893

See accompanying notes.

VISHAY PRECISION GROUP, INC.

Consolidated Condensed Statements of Operations

(Unaudited - In thousands, except per share amounts)

	Nine fiscal months ended	
	September 28, 2013	September 29, 2012
Net revenues	\$ 178,027	\$ 166,606
Costs of products sold	117,255	109,136
Gross profit	60,772	57,470
Selling, general, and administrative expenses	54,847	47,923
Acquisition costs	752	-
Restructuring costs	487	-
Operating income	4,686	9,547
Other income (expense):		
Interest expense	(771)	(216)
Other	(1,073)	15
Other income (expense) - net	(1,844)	(201)
Income before taxes	2,842	9,346
Income tax (benefit) expense	(339)	2,796
Net earnings	3,181	6,550
Less: net earnings attributable to noncontrolling interests	18	24
Net earnings attributable to VPG stockholders	\$ 3,163	\$ 6,526
Basic earnings per share attributable to VPG stockholders	\$ 0.23	\$ 0.49
Diluted earnings per share attributable to VPG stockholders	\$ 0.23	\$ 0.47
Weighted average shares outstanding - basic	13,504	13,366
Weighted average shares outstanding - diluted	13,940	13,881

See accompanying notes.

VISHAY PRECISION GROUP, INC.

Consolidated Condensed Statements of Comprehensive Income (Loss)

(Unaudited - In thousands)

	Fiscal quarter ended September 28, 2013	September 29, 2012
Net earnings	\$ 1,455	\$ 1,912
Other comprehensive income (loss):		
Foreign currency translation adjustment	1,715	3,505
Pension and other postretirement actuarial items, net of tax	(59)	(55)
Other comprehensive income	1,656	3,450
Comprehensive income	3,111	5,362
Less: comprehensive loss attributable to noncontrolling interests	(11)	(30)
Comprehensive income attributable to VPG stockholders	\$ 3,122	\$ 5,392

See accompanying notes.

VISHAY PRECISION GROUP, INC.

Consolidated Condensed Statements of Comprehensive Income (Loss)

(Unaudited - In thousands)

	Nine fiscal months ended	
	September 28,	September 29,
	2013	2012
Net earnings	\$ 3,181	