

BEL FUSE INC /NJ
Form 10-Q
August 04, 2016
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 June 30, 2016
or
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File No. 0-11676

BEL FUSE INC.
206 Van Vorst Street
Jersey City, NJ 07302
(201) 432-0463

(Address of principal executive offices and zip code)
(Registrant's telephone number, including area code)

NEW JERSEY 22-1463699
(State of incorporation) (I.R.S. Employer Identification 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 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 (§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 checkmark 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.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Edgar Filing: BEL FUSE INC /NJ - Form 10-Q

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes [] No [X]

Title of Each Class	Number of Shares of Common Stock Outstanding as of August 1, 2016
Class A Common Stock (\$0.10 par value)	2,174,912
Class B Common Stock (\$0.10 par value)	9,763,652

BEL FUSE INC.

INDEX

	Page	
Part I	Financial Information	
Item 1.	<u>Financial Statements (unaudited)</u>	2
	<u>Condensed Consolidated Balance Sheets as of June 30, 2016 and December 31, 2015 (unaudited)</u>	2
	<u>Condensed Consolidated Statements of Operations for the Three and Six Months Ended June 30, 2016 and 2015 (unaudited)</u>	3
	<u>Condensed Consolidated Statements of Comprehensive Income (Loss) for the Three and Six Months Ended June 30, 2016 and 2015 (unaudited)</u>	4
	<u>Condensed Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2016 and 2015 (unaudited)</u>	5
	<u>Notes to Condensed Consolidated Financial Statements (unaudited)</u>	6 - 17
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	18 - 24
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	24
Item 4.	<u>Controls and Procedures</u>	25
Part II	Other Information	
Item 1.	<u>Legal Proceedings</u>	25
Item 1A.	<u>Risk Factors</u>	25
Item 6.	<u>Exhibits</u>	26
	<u>Signatures</u>	27

[Return to Index](#)

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING INFORMATION

The terms the "Company," "Bel," "we," "us," and "our" as used in this report refer to Bel Fuse Inc. and its consolidated subsidiaries unless otherwise specified.

The Company's consolidated operating results are affected by a wide variety of factors that could materially and adversely affect revenues and profitability, including the risk factors described in Item 1A of our 2015 Annual Report on Form 10-K. As a result of these and other factors, the Company may experience material fluctuations in future operating results on a quarterly or annual basis, which could materially and adversely affect its business, consolidated financial condition, operating results, and common stock prices. Furthermore, this document and other documents filed by the Company with the Securities and Exchange Commission ("SEC") contain certain forward-looking statements under the Private Securities Litigation Reform Act of 1995 ("Forward-Looking Statements") with respect to the business of the Company. Forward-Looking Statements are necessarily subject to risks and uncertainties, many of which are outside our control, that could cause actual results to differ materially from these statements. Forward-Looking Statements can be identified by such words as "anticipates," "believes," "plan," "assumes," "could," "should," "estimates," "expects," "intends," "potential," "seek," "predict," "may," "will" and similar references to future periods. All statements other than statements of historical facts included in this report regarding our strategies, prospects, financial condition, operations, costs, plans and objectives are Forward-Looking Statements. These Forward-Looking Statements are subject to certain risks and uncertainties, including those detailed in Item 1A of our 2015 Annual Report on Form 10-K, which could cause actual results to differ materially from these Forward-Looking Statements. The Company undertakes no obligation to publicly release the results of any revisions to these Forward-Looking Statements which may be necessary to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. Any Forward-Looking Statement made by the Company is based only on information currently available to us and speaks only as of the date on which it is made.

Return to Index

PART I. Financial Information

Item 1. Financial Statements (Unaudited)

BEL FUSE INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (in thousands, except share and per share data)
 (unaudited)

	June 30, 2016	December 31, 2015 (Revised)
ASSETS		
Current Assets:		
Cash and cash equivalents	\$67,468	\$85,040
Accounts receivable, net of allowance for doubtful accounts of \$1,950 in 2016 and \$1,747 in 2015	82,639	86,268
Inventories	99,336	98,510
Other current assets	12,259	10,653
Total current assets	261,702	280,471
Property, plant and equipment, net	53,713	57,611
Intangible assets, net	79,215	87,827
Goodwill	19,264	121,634
Deferred income taxes	4,504	3,438
Other assets	27,095	27,524
Total assets	\$445,493	\$578,505
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$50,148	\$49,798
Accrued expenses	34,189	38,323
Current portion of long-term debt	9,725	24,772
Other current liabilities	7,283	8,959
Total current liabilities	101,345	121,852
Long-term Liabilities:		
Long-term debt	146,776	158,776
Liability for uncertain tax positions	25,881	40,295
Minimum pension obligation and unfunded pension liability	15,729	15,576
Deferred income taxes	2,876	8,310
Other liabilities	346	574
Total liabilities	292,953	345,383
Commitments and contingencies		
Stockholders' Equity:		
Preferred stock, no par value, 1,000,000 shares authorized; none issued	-	-

Edgar Filing: BEL FUSE INC /NJ - Form 10-Q

Class A common stock, par value \$.10 per share, 10,000,000 shares authorized; 2,174,912 shares outstanding at each date (net of 1,072,769 treasury shares)	217	217
Class B common stock, par value \$.10 per share, 30,000,000 shares authorized; shares outstanding: 9,763,652 in 2016 and 9,701,977 in 2015 (net of 3,218,307 treasury shares)	976	970
Additional paid-in capital	25,839	24,440
Retained earnings	149,829	229,371
Accumulated other comprehensive loss	(24,321)	(21,876)
Total stockholders' equity	152,540	233,122
Total liabilities and stockholders' equity	\$445,493	\$578,505

See accompanying notes to unaudited condensed consolidated financial statements.

[Return to Index](#)

BEL FUSE INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (in thousands, except per share data)
 (unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2016	2015	2016	2015
Net sales	\$ 131,622	\$ 145,658	\$ 252,805	\$ 287,673
Cost of sales	105,930	117,098	204,040	232,301
Gross profit	25,692	28,560	48,765	55,372
Selling, general and administrative expenses	17,966	20,764	35,636	38,372
Impairment of goodwill and other intangible assets	(2,611)	-	105,972	-
Restructuring charges	373	344	601	502
Income (loss) from operations	9,964	7,452		