

MAGNETEK, INC.  
Form 10-Q  
May 11, 2012

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: April 1, 2012

OR

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

For the transition period from

Commission file number 1-10233

MAGNETEK, INC.

(Exact name of Registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of  
incorporation or organization)

N49 W13650 Campbell Drive

Menomonee Falls, Wisconsin 53051

(Address of principal executive offices)

95-3917584

(I.R.S. Employer  
Identification Number)

(262) 783-3500

(Registrant's telephone number, including area code)

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(Former name, former address and former fiscal year,  
if changed since last report)

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 check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "accelerated filer," "large accelerated filer," and "smaller reporting

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company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer [ ] Accelerated filer [ ] Non-accelerated filer [ ] Smaller Reporting Company [ X ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes [ ] No [X]

The number of shares outstanding of Registrant’s Common Stock, as of May 1, 2012, was 3,165,589 shares.

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FISCAL YEAR 2012 MAGNETEK FORM 10-Q

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FOR THE FISCAL QUARTER ENDED APRIL 1, 2012

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## PART I. FINANCIAL INFORMATION

## Item 1 – Financial Statements

## MAGNETEK, INC.

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Amounts in thousands, except per share data, unaudited)

|  | Three Months Ended             |                                |
|--|--------------------------------|--------------------------------|
|  | (13 Weeks)<br>April 1,<br>2012 | (13 Weeks)<br>April 3,<br>2011 |
| Net sales  | \$28,725                       | \$27,831                       |
| Cost of sales  | 18,084                         | 19,087                         |
| Gross profit   | 10,641                         | 8,744                          |
| Operating expenses:                                    |                                |                                |
| Research and development                               | 990                            | 1,117                          |
| Pension expense  | 1,675                          | 1,594                          |
| Selling, general and administrative                    | 5,525                          | 4,551                          |
| Income from operations                                 | 2,451                          | 1,482                          |
| Non-operating income:                                  |                                |                                |
| Interest income  | —                              | —                              |
| Income from continuing operations before income taxes  | 2,451                          | 1,482                          |
| Provision for income taxes                             | 276                            | 241                            |
| Income from continuing operations                      | 2,175                          | 1,241                          |
| Income (loss) from discontinued operations, net of tax | 4,706                          | (270 )                         |
| Net income   | \$6,881                        | \$971                          |
| Earnings per common share - basic:                     |                                |                                |
| Income from continuing operations                      | \$0.69                         | \$0.40                         |
| Income (loss) from discontinued operations             | 1.49                           | (0.09 )                        |
| Net income per common share                            | \$2.18                         | \$0.31                         |
| Earnings per common share - diluted:                   |                                |                                |
| Income from continuing operations                      | \$0.68                         | \$0.39                         |
| Income (loss) from discontinued operations             | 1.46                           | (0.09 )                        |
| Net income per common share                            | \$2.14                         | \$0.30                         |
| Weighted average shares outstanding:                   |                                |                                |
| Basic  | 3,162                          | 3,133                          |
| Diluted  | 3,222                          | 3,186                          |

See accompanying notes



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MAGNETEK, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in thousands, unaudited)

|  | Three Months Ended |                  |
|--|--------------------|------------------|
|  | April 1,<br>2012   | April 3,<br>2011 |
| Net income                                 | \$6,881            | \$971            |
| Change in unrecognized pension liability   | 2,000              | 1,681            |
| Change in currency translation adjustments | 115                | 150              |
| Comprehensive income                       | \$8,996            | \$2,802          |

See accompanying notes

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MAGNETEK, INC.  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (Amounts in thousands)

| ASSETS                                    | April 1,<br>2012<br>(Unaudited) | January 1,<br>2012 |
|---|---------------------------------|--------------------|
| Current assets:                           |                                 |                    |
| Cash and cash equivalents                 | \$25,739                        | \$20,594           |
| Restricted cash                           | 262                             | 262                |
| Accounts receivable, net                  | 17,064                          | 16,739             |
| Inventories                               | 14,615                          | 13,705             |
| Prepaid expenses and other current assets | 564                             | 932                |
| Total current assets                      | 58,244                          | 52,232             |
| Property, plant and equipment             | 22,367                          | 21,873             |
| Less: accumulated depreciation            | 18,117                          | 17,887             |
| Net property, plant and equipment         | 4,250                           | 3,986              |
| Goodwill                                  | 30,485                          | 30,465             |
| Other assets                              | 5,241                           | 5,322              |
| Total Assets                              | \$98,220                        | \$92,005           |
| LIABILITIES AND STOCKHOLDERS' DEFICIT     |                                 |                    |
| Current liabilities:                      |                                 |                    |
| Accounts payable                          | \$12,233                        | \$14,373           |
| Accrued liabilities                       | 5,701                           | 6,504              |
| Total current liabilities                 | 17,934                          | 20,877             |
| Pension benefit obligations, net          | 97,783                          | 98,108             |
| Other long term obligations               | 1,499                           | 1,517              |
| Deferred income taxes                     |                                 |                    |