

Vishay Precision Group, Inc.
Form 10-Q
November 08, 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 October 1, 2016

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

Accelerated filer

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

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

As of November 8, 2016, the registrant had 12,167,045 shares of its common stock and 1,025,158 shares of its Class B convertible common stock outstanding.

VISHAY PRECISION GROUP, INC.
 FORM 10-Q
 October 1, 2016
 CONTENTS

	Page Number
PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements	
Consolidated Condensed Balance Sheets – October 1, 2016 (Unaudited) and December 31, 2015	<u>3</u>
Consolidated Condensed Statements of Operations (Unaudited) – Fiscal Quarters Ended October 1, 2016 and September 26, 2015	<u>5</u>
Consolidated Condensed Statements of Operations (Unaudited) – Nine Fiscal Months Ended October 1, 2016 and September 26, 2015	6
Consolidated Condensed Statements of Comprehensive Income (Loss) (Unaudited) – Fiscal Quarters Ended October 1, 2016 and September 26, 2015	<u>7</u>
Consolidated Condensed Statements of Comprehensive Income (Loss) (Unaudited) – Nine Fiscal Months Ended October 1, 2016 and September 26, 2015	8
Consolidated Condensed Statements of Cash Flows (Unaudited) – Nine Fiscal Months Ended October 1, 2016 and September 26, 2015	<u>9</u>
Consolidated Condensed Statement of Equity (Unaudited)	<u>10</u>
Notes to Unaudited Consolidated Condensed Financial Statements	<u>11</u>
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	<u>22</u>
Item 3. Quantitative and Qualitative Disclosures About Market Risk	<u>36</u>
Item 4. Controls and Procedures	<u>36</u>
PART II. OTHER INFORMATION	
Item 1. Legal Proceedings	<u>37</u>
Item 1A. Risk Factors	<u>37</u>
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	<u>37</u>
Item 3. Defaults Upon Senior Securities	<u>37</u>
Item 4. Mine Safety Disclosures	<u>37</u>

Item 5. Other Information	<u>37</u>
Item 6. Exhibits	<u>38</u>
SIGNATURES	<u>39</u>

-2-

PART I - FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

VISHAY PRECISION GROUP, INC.

Consolidated Condensed Balance Sheets

(In thousands)

	October 1, 2016 (Unaudited)	December 31, 2015 (Unaudited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 56,133	\$62,641
Accounts receivable, net	34,889	35,553
Inventories:		
Raw materials	16,119	15,062
Work in process	21,913	20,289
Finished goods	20,300	20,849
Inventories, net	58,332	56,200
Prepaid expenses and other current assets	9,678	7,814
Assets held for sale	2,043	—
Total current assets	161,075	162,208
Property and equipment, at cost:		
Land	3,498	3,639
Buildings and improvements	46,128	55,003
Machinery and equipment	88,697	84,409
Software	7,379	7,284
Construction in progress	3,199	2,288
Accumulated depreciation	(94,521)	(95,992)
Property and equipment, net	54,380	56,631
Goodwill	19,305	12,603
Intangible assets, net	22,438	17,683
Other assets	14,789	14,622
Total assets	\$ 271,987	\$263,747

Continues on the following page.

-3-

VISHAY PRECISION GROUP, INC.

Consolidated Condensed Balance Sheets (continued)

(In thousands)

	October 1, 2016	December 31, 2015
	(Unaudited)	
Liabilities and equity		
Current liabilities:		
Trade accounts payable	\$ 8,687	\$ 8,004
Payroll and related expenses	12,854	13,888
Other accrued expenses	15,607	16,604
Income taxes	1,387	527
Current portion of long-term debt	2,277	2,120
Total current liabilities	40,812	41,143
Long-term debt, less current portion	34,457	31,037
Deferred income taxes	623	334
Other liabilities	7,892	7,195
Accrued pension and other postretirement costs	11,309	11,597
Total liabilities	95,093	91,306
Commitments and contingencies		
Equity:		
Common stock	1,278	1,276
Class B convertible common stock	103	103
Treasury stock	(8,765) (8,765)
Capital in excess of par value	190,801	190,436
Retained earnings	25,726	22,327