

Vishay Precision Group, Inc.
Form 10-Q
November 12, 2010

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 2, 2010

☐ 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)

484-321-5300

(Registrant's Area Code and Telephone Number)

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, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" 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

As of November 12, 2010, the registrant had 12,306,788 shares of its common stock and 1,025,196 shares of its Class B common stock outstanding.

VISHAY PRECISION GROUP, INC.

FORM 10-Q
OCTOBER 2, 2010

CONTENTS

| | Page Number |
|--|----------------|
| PART I. FINANCIAL INFORMATION | |
| Item 1. Financial Statements | |
| Combined and Consolidated Condensed Balance Sheets – October 2, 2010 (Unaudited) and December 31, 2009 | 3 |
| Combined and Consolidated Condensed Statements of Operations (Unaudited) – Fiscal Quarters Ended October 2, 2010 and September 26, 2009 | 4 |
| Combined and Consolidated Condensed Statements of Operations (Unaudited) – Nine Fiscal Months Ended October 2, 2010 and September 26, 2009 | 5 |
| Combined and Consolidated Condensed Statements of Cash Flows (Unaudited) – Nine Fiscal Months Ended October 2, 2010 and September 26, 2009 | 6 |
| Combined and Consolidated Condensed Statement of Equity (Unaudited) | 7 |
| Notes to Combined and Consolidated Condensed Financial Statements (Unaudited) | 8 |
| Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations | 29 |
| Item 3. Quantitative and Qualitative Disclosures About Market Risk | 42 |
| 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 |
| Item 3. Defaults Upon Senior Securities | 44 |

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| | | |
|------------|------------------------|----|
| Item 4. | [Removed and Reserved] | 44 |
| Item 5. | Other Information | 44 |
| Item 6. | Exhibits | 45 |
| SIGNATURES | | 46 |

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

VISHAY PRECISION GROUP, INC.

Combined and Consolidated Condensed Balance Sheets

(In thousands)

| | October 2, 2010 (Unaudited) | December 31, 2009 |
|--|-----------------------------------|----------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 81,390 | \$ 63,192 |
| Accounts receivable, net | 34,270 | 23,345 |
| Net inventories | 46,170 | 43,802 |
| Deferred income taxes | 5,073 | 4,960 |
| Prepaid expenses and other current assets | 8,617 | 4,522 |
| Total current assets | 175,520 | 139,821 |
| Property and equipment, net | 45,511 | 44,599 |
| Intangible assets, net | 15,518 | 17,217 |
| Other assets | 8,728 | 8,142 |
| Total assets | \$ 245,277 | \$ 209,779 |
| Liabilities and equity | | |
| Current liabilities: | | |
| Notes payable to banks | \$ 703 | \$ 9 |
| Trade accounts payable | 10,021 | 5,805 |
| Net payable to related party | 3,870 | - |
| Net payable to affiliates | - | 18,495 |
| Payroll and related expenses | 10,074 | 6,619 |
| Other accrued expenses | 8,654 | 4,573 |
| Income taxes | 4,246 | 1,647 |
| Current portion of long-term debt | - | 184 |
| Total current liabilities | 37,568 | 37,332 |
| Long-term debt, less current portion | 11,660 | 1,551 |
| Deferred income taxes | 7,511 | 5,993 |
| Other liabilities | 6,434 | 6,141 |
| Accrued pension and other postretirement costs | 10,739 | 10,549 |
| Total liabilities | 73,912 | 61,566 |
| Commitments and contingencies | | |
| Equity: | | |
| Common stock | 1,231 | - |
| Class B common stock | 103 | - |
| Capital in excess of par value | 176,381 | - |

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| | | |
|---|------------|------------|
| Retained earnings | 2,619 | - |
| Parent net investment | - | 157,258 |
| Accumulated other comprehensive income (loss) | (9,165) | (9,168) |
| Total Vishay Precision Group, Inc. stockholders' or parent equity | 171,169 | 148,090 |
| Noncontrolling interests | 196 | 123 |
| Total equity | 171,365 | 148,213 |
| Total liabilities and equity | \$ 245,277 | \$ 209,779 |

See accompanying notes.

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VISHAY PRECISION GROUP, INC.

Combined and Consolidated Condensed Statements of Operations

(Unaudited - In thousands, except per share amounts)

| | Fiscal quarter ended | |
|---|----------------------|-----------------------|
| | October 2, 2010 | September 26, 2009 |
| Net revenues | \$ 51,608 | \$ 40,106 |
| Costs of products sold | 32,466 | 27,425 |
| Gross profit | 19,142 | 12,681 |
| Selling, general, and administrative expenses | 14,356 | 10,270 |
| Restructuring and severance costs | - | 175 |
| Operating income | 4,786 | 2,236 |
| Other income (expense): | | |
| Interest expense | (31) | (341) |
| Other | (427) | 144 |
| Other income (expense) - net | (458) | (197) |
| Income before taxes | 4,328 | 2,039 |
| Income tax expense | 1,698 | 1,522 |
| Net earnings | 2,630 | 517 |
| Less: net earnings (loss) attributable to noncontrolling interests | 11 | (4) |
| Net earnings attributable to VPG stockholders | \$ 2,619 | \$ 521 |
| Basic earnings per share attributable to VPG stockholders | \$ 0.20 | \$ 0.04 |
| Diluted earnings per share attributable to VPG stockholders | \$ 0.19 | \$ 0.04 |
| Weighted average shares outstanding - basic | 13,332 | 13,332 |
| Weighted average shares outstanding - diluted | 13,779 | 13,332 |

See accompanying notes.

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VISHAY PRECISION GROUP, INC.

Combined and Consolidated Condensed Statements of Operations

(Unaudited - In thousands, except per share amounts)

| | Nine fiscal months ended | |
|---|--------------------------|-----------------------|
| | October 2, 2010 | September 26, 2009 |
| Net revenues | \$ 152,697 | \$ 125,144 |
| Costs of products sold | 96,525 | 87,433 |
| Gross profit | 56,172 | 37,711 |
| Selling, general, and administrative expenses | 41,394 | 31,425 |
| Restructuring and severance costs | - | 2,044 |
| Operating income | 14,778 | 4,242 |
| Other income (expense): | | |
| Interest expense | (347) | (1,073) |
| Other | (387) | 547 |
| Other income (expense) - net | (734) | (526) |
| Income before taxes | 14,044 | 3,716 |
| Income tax expense | 5,544 | 2,773 |
| Net earnings | 8,500 | 943 |
| Less: net earnings (loss) attributable to noncontrolling interests | 70 | (51) |
| Net earnings attributable to VPG stockholders | \$ 8,430 | \$ 994 |
| Basic earnings per share attributable to VPG stockholders | \$ 0.63 | \$ 0.07 |
| Diluted earnings per share attributable to VPG stockholders | \$ 0.61 | \$ 0.07 |
| Weighted average shares outstanding - basic | 13,332 | 13,332 |
| Weighted average shares outstanding - diluted | 13,779 | 13,332 |

See accompanying notes.

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VISHAY PRECISION GROUP, INC.

Combined and Consolidated Condensed Statements of Cash Flows

(Unaudited - In thousands)

| | Nine fiscal months ended | |
|--|--------------------------|-----------------------|
| | October 2, 2010 | September 26, 2009 |
| Operating activities | | |
| Net earnings | \$ 8,500 | \$ 943 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | |
| Depreciation and amortization | 7,784 | 8,375 |
| (Gain) loss on disposal of property and equipment | (8) | |