

PREFORMED LINE PRODUCTS CO

Form 10-Q

August 09, 2012

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2012

Commission file number: 0-31164

Preformed Line Products Company

(Exact Name of Registrant as Specified in Its Charter)

Ohio
(State or Other Jurisdiction of

34-0676895
(I.R.S. Employer

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Incorporation or Organization)

Identification No.)

660 Beta Drive

Mayfield Village, Ohio
(Address of Principal Executive Office)

(440) 461-5200

44143
(Zip Code)

(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 (§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 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 (Do not check if a 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

The number of common shares outstanding as of August 6, 2012: 5,330,018

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<i>Thousands of dollars, except share and per share data</i>	June 30 2012	December 31 2011
ASSETS		
Cash and cash equivalents	\$ 30,398	\$ 32,126
Accounts receivable, less allowances of \$1,887 (\$1,627 in 2011)	73,343	68,949
Inventories - net	88,685	88,613
Deferred income taxes	6,111	5,263
Prepays	5,822	6,321
Prepaid taxes	2,402	1,933
Other current assets	2,824	2,285
TOTAL CURRENT ASSETS	209,585	205,490
Property, plant and equipment - net	88,360	82,860
Patents and other intangibles - net	14,309	11,352
Goodwill	15,116	12,199
Deferred income taxes	5,975	5,585
Other assets	9,613	9,862
TOTAL ASSETS	\$ 342,958	\$ 327,348
LIABILITIES AND SHAREHOLDERS EQUITY		
Notes payable to banks	\$ 281	\$ 2,030
Current portion of long-term debt	453	601
Trade accounts payable	26,342	25,630
Accrued compensation and amounts withheld from employees	15,416	11,472
Accrued expenses and other liabilities	14,674	12,510
Accrued profit-sharing and other benefits	4,231	4,686
Dividends payable	1,104	1,095
Income taxes payable and deferred income taxes	4,024	3,809
TOTAL CURRENT LIABILITIES	66,525	61,833
Long-term debt, less current portion	25,464	27,991
Unfunded pension obligation	15,877	15,786
Income taxes payable, noncurrent	1,939	1,835
Deferred income taxes	4,290	3,255
Other noncurrent liabilities	3,855	3,790
SHAREHOLDERS EQUITY		
PLPC Shareholders' equity:		
Common shares - \$2 par value per share, 15,000,000 shares authorized, 5,333,018 and 5,333,630 issued and outstanding, net of 642,388 and 639,138 treasury shares at par, respectively, at June 30, 2012 and December 31, 2011	10,666	10,667

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Common shares issued to rabbi trust	(3,847)	(3,812)
Deferred compensation liability	3,847	3,812
Paid in capital	14,190	12,718
Retained earnings	218,844	206,512
Accumulated other comprehensive loss	(18,692)	(17,039)
TOTAL SHAREHOLDERS EQUITY	225,008	212,858
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	\$ 342,958	\$ 327,348

See notes to consolidated financial statements (unaudited).

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PREFORMED LINE PRODUCTS COMPANY
STATEMENTS OF CONSOLIDATED INCOME
(UNAUDITED)

	Three month periods ended June 30		Six month periods ended June 30	
	2012	2011	2012	2011
	<i>(Thousands, except per share data)</i>			
Net sales	\$ 111,940	\$ 114,530	\$ 220,786	\$ 209,618
Cost of products sold	74,974	77,824	147,808	140,521
GROSS PROFIT	36,966	36,706	72,978	69,097
Costs and expenses				
Selling	9,506	9,272	18,402	17,308
General and administrative	12,149	11,780	24,156	22,742
Research and engineering	3,747	3,215	7,402	6,577
Other operating (income) expense	1,890	(694)	1,239	(788)
	27,292	23,573	51,199	45,839
OPERATING INCOME	9,674	13,133	21,779	23,258
Other income (expense)				
Interest income	179	140	316	291
Interest expense	(149)	(266)	(345)	(477)
Other income	209	43	354	227
	239	(83)	325	41
INCOME BEFORE INCOME TAXES	9,913	13,050	22,104	23,299
Income taxes	3,317	4,520	7,375	7,915
NET INCOME	6,596	8,530	14,729	15,384
Net loss attributable to noncontrolling interest, net of tax	0	144	0	0
NET INCOME ATTRIBUTABLE TO PLPC	\$ 6,596	\$ 8,386	\$ 14,729	\$ 15,384
BASIC EARNINGS PER SHARE				
Net income attributable to PLPC common shareholders	\$ 1.24	\$ 1.59	\$ 2.76	\$ 2.92
DILUTED EARNINGS PER SHARE				
Net income attributable to PLPC common shareholders	\$ 1.21	\$ 1.55	\$ 2.71	\$ 2.85
Cash dividends declared per share	\$ 0.20	\$ 0.20	\$ 0.40	\$ 0.40
Weighted-average number of shares outstanding - basic	5,332	5,263	5,333	5,268
Weighted-average number of shares outstanding - diluted	5,441	5,393	5,440	5,390

See notes to consolidated financial statements (unaudited).

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	Three month periods ended June 30		Six month periods ended June 30	
	2012	2011	2012	2011
	<i>(Thousands of dollars)</i>			
Net income	\$ 6,596	\$ 8,530	\$ 14,729	\$ 15,384
Other comprehensive income (loss), net of tax				
Currency translation adjustment	(7,159)	3,127	(1,886)	5,638
Recognized net actuarial loss (net of tax provision \$75 and \$31 for the three months ended June 30, 2012 and 2011, and net of tax provision \$142 and \$78 for the six months ended June 30, 2012 and 2011)	124	76	233	128
Other comprehensive income (loss), net of tax	(7,035)	3,203	(1,653)	