

Edgar Filing: LAMSON & SESSIONS CO - Form 10-K/A

LAMSON & SESSIONS CO  
Form 10-K/A  
March 31, 2004

-----  
-----

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-K/A  
(Amendment No. 1)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED JANUARY 3, 2004

COMMISSION FILE NUMBER 1-313

THE LAMSON & SESSIONS CO.  
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

OHIO

34-0349210

-----  
(STATE OF INCORPORATION) (I.R.S. EMPLOYER IDENTIFICATION NO.)

25701 SCIENCE PARK DRIVE, CLEVELAND, OHIO 44122

-----  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)

216-464-3400

-----  
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT

TITLE OF EACH CLASS

NAME OF EACH EXCHANGE ON WHICH  
REGISTERED

-----  
COMMON SHARES, WITHOUT PAR VALUE NEW YORK STOCK EXCHANGE  
PACIFIC STOCK EXCHANGE

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: NONE

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 [X] No [ ]

## Edgar Filing: LAMSON & SESSIONS CO - Form 10-K/A

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K [ ]

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes [ ] No [X]

The aggregate market value of the voting stock held as of July 3, 2003 (the last trading day of the Company's fiscal 2003 second quarter) by non-affiliates of the Registrant was \$55,237,331, based on the close price of \$4.65 on the New York Stock Exchange.

As of February 6, 2004 the Registrant had outstanding 13,787,145 common shares.

-----  
-----

### DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held on April 30, 2004 are incorporated by reference into Part III of this report.

#### EXPLANATORY NOTE:

The Lamson & Sessions Co. (the "Company") is filing this Form 10-K/A (Amendment No. 1) to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 2004, as filed by the Company on February 20, 2004 (the "10-K"), to revise an inadvertent inaccuracy in Item 6 concerning 2003 Net Earnings (Loss). The Company is not making any other changes to the 10-K.

The Company hereby amends Item 6 of the 10-K by striking all text in the current Item 6 and replacing it with the following:

2

#### ITEM 6. SELECTED FINANCIAL DATA FIVE-YEAR CONSOLIDATED FINANCIAL SUMMARY

(Dollars in thousands except per share data, shareholders, ASSOCIATES AND PERCENTAGES)	FISCAL YEARS ENDED			
	2003	2002	2001	2000
<b>OPERATIONS:</b>				
NET SALES	\$343,835	\$314,475	\$352,672	\$348,835
Cost of products sold	286,300	252,499	291,272	260,000
	-----	-----	-----	-----
GROSS PROFIT	57,535	61,976	61,400	88,835
Operating expenses (1)	42,877	43,467	52,962	54,000
Net gain	--	--	(4,550)	34,835

Edgar Filing: LAMSON & SESSIONS CO - Form 10-K/A

Restructuring and impairment charge	--	--	6,805	
	-----	-----	-----	-----
OPERATING INCOME	14,658	18,509	6,183	34
Interest expense, net	8,527	9,583	11,626	4
	-----	-----	-----	-----
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	6,131	8,926	(5,443)	29
Income tax provision (benefit)	2,391	3,900	(1,600)	8
	-----	-----	-----	-----
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	3,740	5,026	(3,843)	21
Net loss from discontinued operations	(2,738)	--	--	
Net cumulative effect of change in accounting principle	--	(46,250)	--	
	-----	-----	-----	-----
NET INCOME (LOSS)	\$ 1,002	\$ (41,224)	\$ (3,843)	\$ 21
	=====	=====	=====	=====
-----				
YEAR-END FINANCIAL POSITION:				
Current Assets	\$ 81,377	\$ 84,764	\$ 94,085	\$134
Property, Plant and Equipment	51,326	51,749	57,871	65
Total Assets	208,313	213,705	273,821	320
Current Liabilities	57,026	64,112	62,890	76
Long-Term Debt	82,990	84,350	104,266	130
Other Long-Term Liabilities	29,782	29,067	25,441	27
Shareholders' Equity	38,515	36,176	81,224	86
Working Capital	24,351	20,652	31,195	58
Capital Expenditures	8,562	3,952	7,980	11
-----				
STATISTICAL INFORMATION:				
Average number of dilutive common shares outstanding	13,894	13,778	13,757	13
Number of shareholders of record	1,290	1,305	1,336	1
Number of associates	1,122	1,116	1,115	1
Book value per share	\$ 2.77	\$ 2.63	\$ 5.90	\$
Market price per share	\$ 5.50	\$ 3.40	\$ 5.24	\$ 1
Market capitalization	\$ 75,829	\$ 46,844	\$ 72,195	\$143
Gross margin as a % of net sales	16.7%	19.7%	17.4%	2
Operating expenses as a % of net sales	12.5%	13.8%	15.0%	1
Operating margin as a % of net sales	4.3%	5.9%	1.8%	
Cash provided by operating activities	\$ 9,711	\$ 26,520	\$ 30,076	\$ 27
Interest expense	8,527	9,583	11,626	4
Increase (decrease) in operating assets and liabilities	7,214	(5,921)	(17,500)	13
	-----	-----	-----	-----
EBITDA (earnings before interest, taxes, depreciation and amortization) (2)	25,452	30,182	24,202	45
Less: Depreciation and amortization	10,794	11,673	18,019	11
	-----	-----	-----	-----
Operating income	\$ 14,658	\$ 18,509	\$ 6,183	\$ 34
	=====	=====	=====	=====
-----				
BASIC EARNINGS (LOSS) PER COMMON SHARE:				
Earnings (Loss) from continuing operations before change in accounting principle	\$ 0.27	\$ 0.36	\$ (0.28)	\$
(Loss) from discontinued operations, net of tax	\$ (0.20)	--	--	
Cumulative effect of change in accounting principle, net of tax	--	\$ (3.36)	--	
NET EARNINGS (LOSS)	\$ 0.07	\$ (2.99)	\$ (0.28)	\$
-----				
DILUTED EARNINGS (LOSS) PER COMMON SHARE:				
Earnings (Loss) from continuing operations before change in accounting principle	\$ 0.27	\$ 0.36	\$ (0.28)	\$
(Loss) from discontinued operations, net of tax	\$ (0.20)	--	--	

Edgar Filing: LAMSON & SESSIONS CO - Form 10-K/A

Cumulative effect of change in accounting principle, net of tax	--	\$ (3.36)	--
NET EARNINGS (LOSS)	\$ 0.07	\$ (2.99)	\$ (0.28) \$

- 
- (1) In 2002, the Company adopted SFAS No. 142, "Goodwill and Other Intangible Assets," which eliminated the amortization of goodwill. Operating expenses in 2001, 2000 and 1999 include \$4,605, \$971 and \$313 in goodwill amortization, respectively.
  - (2) EBITDA is a calculation used by management to measure liquidity and is defined as operating income plus depreciation and amortization. EBITDA is not a recognized term under accounting principles generally accepted in the United States and does not purport to be an alternative to operating income or to cash flows from operating activities as a measure of liquidity.

3

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 31, 2004.

THE LAMSON & SESSIONS CO.

By: /s/ James J. Abel

-----  
 James J. Abel  
 Executive Vice President,  
 Secretary,  
 Treasurer and Chief Financial  
 Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated as of February 19, 2004.

SIGNATURE -----	TITLE -----
/s/ JOHN B. SCHULZE ----- John B. Schulze	Chairman of the Board, President Chief Executive Officer (Principal Executive Officer)
/s/ JAMES J. ABEL ----- James J. Abel	Executive Vice President, Secretary, Treasurer and Chief Financial Officer (Principal Financial Officer)
/s/ LORI L. SPENCER ----- Lori L. Spencer	Vice President and Controller (Principal Accounting Officer)

Edgar Filing: LAMSON & SESSIONS CO - Form 10-K/A

/s/ JAMES T. BARTLETT*	Director
-----	
James T. Bartlett	
/s/ FRANCIS H. BEAM, JR.*	Director
-----	
Francis H. Beam, Jr.	
/s/ MARTIN J. CLEARY*	Director
-----	
Martin J. Cleary	
/s/ WILLIAM H. COQUILLETTE*	Director
-----	
William H. Coquillette	
/s/ JOHN C. DANNEMILLER*	Director
-----	
John C. Dannemiller	
/s/ GEORGE R. HILL*	Director
-----	
George R. Hill	
/s/ A. MALACHI MIXON, III*	Director
-----	
A. Malachi Mixon, III	
/s/ D. VAN SKILLING*	Director
-----	
D. Van Skilling	

-----

\* The undersigned, by signing his name hereto, does sign and execute this Annual Report on Form 10-K/A (Amendment No.1) pursuant to a Power of Attorney executed on behalf of the above-named directors of The Lamson & Sessions Co. and filed as Exhibit 24 to the 10-K on behalf of The Lamson & Sessions Co. and each such person.

March 31, 2004

By /s/ James J. Abel

-----  
 James J. Abel  
 Attorney-in-fact

EXHIBIT NO.	DESCRIPTION OF DOCUMENT
-----	-----
31.1	Certification of John B. Schulze, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of James J. Abel, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Edgar Filing: LAMSON & SESSIONS CO - Form 10-K/A

- 32.1 Certification of John B. Schulze, Chief Executive Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification of James J. Abel, Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.