

UNIVERSAL ELECTRONICS INC
Form 10-Q
May 08, 2015

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 March 31, 2015

OR

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: 0-21044

UNIVERSAL ELECTRONICS INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware 33-0204817
(State or Other Jurisdiction of (I.R.S. Employer
Incorporation or Organization) Identification No.)

201 E. Sandpointe Avenue, 8th Floor 92707
Santa Ana, California (Zip Code)
(Address of Principal Executive Offices)
Registrant's telephone number, including area code: (714) 918-9500

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, 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, any 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 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 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 Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 15,864,518 shares of Common Stock, par value \$0.01 per share, of the registrant were outstanding on May 5, 2015.

UNIVERSAL ELECTRONICS INC.

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PART I. FINANCIAL INFORMATION

ITEM 1. Consolidated Financial Statements (Unaudited)

UNIVERSAL ELECTRONICS INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share-related data)
(Unaudited)

	March 31, 2015	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$97,102	\$112,521
Accounts receivable, net	93,808	97,989
Inventories, net	100,181	97,474
Prepaid expenses and other current assets	5,817	6,856
Income tax receivable	69	77
Deferred income taxes	5,203	5,048
Total current assets	302,180	319,965
Property, plant, and equipment, net	79,149	76,135
Goodwill	30,525	30,739
Intangible assets, net	24,225	24,614
Deferred income taxes	6,802	6,146
Other assets	5,682	5,471
Total assets	\$448,563	\$463,070
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$64,201	\$69,991
Line of credit	—	—
Accrued compensation	34,219	40,656
Accrued sales discounts, rebates and royalties	6,770	8,097
Accrued income taxes	3,446	4,263
Deferred income taxes	—	—
Other accrued expenses	12,406	13,358
Total current liabilities	121,042	136,365
Long-term liabilities:		
Deferred income taxes	8,474	8,456
Income tax payable	566	566
Other long-term liabilities	2,044	2,062
Total liabilities	132,126	147,449
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value, 5,000,000 shares authorized; none issued or outstanding	—	—
Common stock, \$0.01 par value, 50,000,000 shares authorized; 22,992,947 and 22,909,884 shares issued on March 31, 2015 and December 31, 2014, respectively	230	229
Paid-in capital	218,615	214,710
Accumulated other comprehensive income (loss)	(8,704) (4,446
Retained earnings	231,255	226,066

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	441,396	436,559	
Less cost of common stock in treasury, 7,077,935 and 7,008,475 shares on March 31, 2015 and December 31, 2014, respectively	(124,959) (120,938)
Total stockholders' equity	316,437	315,621	
Total liabilities and stockholders' equity	\$448,563	\$463,070	

See Note 4 for further information concerning our purchases from a related party vendor.

The accompanying notes are an integral part of these consolidated financial statements.

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UNIVERSAL ELECTRONICS INC.
 CONSOLIDATED INCOME STATEMENTS
 (In thousands, except per share amounts)
 (Unaudited)

	Three Months Ended March 31,	
	2015	2014
Net sales	\$132,705	\$129,845
Cost of sales	95,296	93,299
Gross profit	37,409	36,546
Research and development expenses	4,434	4,277
Selling, general and administrative expenses	26,872	26,279
Operating income	6,103	5,990
Interest income (expense), net	110	(16)
Other income (expense), net	230	(349)
Income before provision for income taxes	6,443	5,625
Provision for income taxes	1,254	1,352
Net income	\$5,189	\$4,273
Earnings per share:		
Basic	\$0.33	\$0.27
Diluted	\$0.32	\$0.26
Shares used in computing earnings per share:		
Basic	15,907	15,787
Diluted	16,243	16,163

See Note 4 for further information concerning our purchases from a related party vendor.
 The accompanying notes are an integral part of these consolidated financial statements.

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UNIVERSAL ELECTRONICS INC.
 CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS
 (In thousands)
 (Unaudited)

	Three Months Ended March 31,	
	2015	2014
Net income	\$5,189	\$4,273
Other comprehensive income (loss):		
Change in foreign currency translation adjustment	(4,258) (2,111
Comprehensive income (loss)	\$931	\$2,162

See Note 4 for further information concerning our purchases from a related party vendor.

The accompanying notes are an integral part of these consolidated financial statements.

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UNIVERSAL ELECTRONICS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

Three Months Ended March 31,
2015 2014

Cash provided by (used for) operating activities:
Net income