

SUPREME INDUSTRIES INC
Form 10-Q
July 30, 2014
[Table of Contents](#)

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 June 28, 2014

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: 1-8183

SUPREME INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

75-1670945
(I.R.S. Employer Identification No.)

2581 E. Kercher Rd., Goshen, Indiana 46528

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(574) 642-3070**

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 the 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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock (\$.10 Par Value)
Class A
Class B

Outstanding at July 28, 2014
14,737,922
1,771,949

Table of Contents

SUPREME INDUSTRIES, INC.

TABLE OF CONTENTS

	Page No.
<u>PART I.</u>	
<u>FINANCIAL INFORMATION</u>	
<u>ITEM 1.</u>	
<u>Financial Statements.</u>	
<u>Condensed Consolidated Balance Sheets.</u>	3
<u>Condensed Consolidated Statements of Comprehensive Income (Unaudited).</u>	4
<u>Condensed Consolidated Statements of Cash Flows (Unaudited).</u>	5
<u>Notes to Condensed Consolidated Financial Statements.</u>	6
<u>ITEM 2.</u>	
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations.</u>	10
<u>ITEM 3.</u>	
<u>Quantitative and Qualitative Disclosures About Market Risk.</u>	18
<u>ITEM 4.</u>	
<u>Controls and Procedures.</u>	18
<u>PART II.</u>	
<u>OTHER INFORMATION</u>	
<u>ITEM 1.</u>	
<u>Legal Proceedings.</u>	19
<u>ITEM 1A.</u>	
<u>Risk Factors.</u>	19
<u>ITEM 2.</u>	
<u>Unregistered Sales of Equity Securities and Use of Proceeds.</u>	20
<u>ITEM 3.</u>	
<u>Defaults Upon Senior Securities.</u>	20
<u>ITEM 4.</u>	
<u>Mine Safety Disclosures.</u>	20
<u>ITEM 5.</u>	
<u>Other Information.</u>	20
<u>ITEM 6.</u>	
<u>Exhibits.</u>	21
<u>SIGNATURES</u>	
<u>INDEX TO EXHIBITS</u>	
<u>EXHIBITS</u>	

Table of Contents

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

SUPREME INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 28, 2014 (Unaudited)	December 28, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 12,549,318	\$ 3,894,277
Investments	2,914,660	2,865,287
Accounts receivable, net	21,867,794	21,623,319
Inventories	24,590,163	32,496,255
Deferred income taxes	1,866,907	1,844,648
Other current assets	1,125,906	3,199,571
Total current assets	64,914,748	65,923,357
Property, plant and equipment, at cost	95,602,834	95,541,208
Less, Accumulated depreciation and amortization	49,244,651	49,153,369
Property, plant and equipment, net	46,358,183	46,387,839
Other assets	1,067,195	1,219,655
Total assets	\$ 112,340,126	\$ 113,530,851
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$ 666,668	\$ 666,668
Trade accounts payable	12,712,063	15,888,955
Other accrued liabilities	10,901,268	11,787,833
Total current liabilities	24,279,999	28,343,456
Long-term debt	8,666,664	8,999,998
Deferred income taxes	1,749,220	2,078,366
Other long-term liabilities	53,641	28,864
Total liabilities	34,749,524	39,450,684
Stockholders equity	77,590,602	74,080,167
Total liabilities and stockholders equity	\$ 112,340,126	\$ 113,530,851

See accompanying Notes to Condensed Consolidated Financial Statements.

Table of Contents

SUPREME INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME (UNAUDITED)

	Three Months Ended		Six Months Ended	
	June 28, 2014	June 29, 2013	June 28, 2014	June 29, 2013
Net sales	\$ 71,552,068	\$ 68,909,290	\$ 124,945,625	\$ 125,280,459
Cost of sales	56,914,412	54,386,401	102,417,462	99,654,522
Gross profit	14,637,656	14,522,889	22,528,163	25,625,937
Selling, general and administrative expenses	8,301,473	8,126,775	15,821,463	15,931,705
Other income	(61,970)	(16,733)	(99,195)	(723,695)
Operating income	6,398,153	6,412,847	6,805,895	10,417,927
Interest expense	77,335	39,472	153,446	137,565
Income from continuing operations before income taxes	6,320,818	6,373,375	6,652,449	10,280,362
Income tax expense	2,065,386	2,399,580	2,173,000	3,696,085
Income from continuing operations	4,255,432	3,973,795	4,479,449	6,584,277
Discontinued operations:				
Gain on sale of discontinued operations, net of tax			87,036	
Operating loss of discontinued operations, net of tax		(3,048,664)	(1,654,459)	(3,355,340)
Loss of discontinued operations, net of tax		(3,048,664)	(1,567,423)	(3,355,340)
Net income	4,255,432	925,131	2,912,026	3,228,937
Other comprehensive income (loss), net of tax	14,782	(26,815)	21,042	(31,269)
Comprehensive income	\$ 4,270,214	\$ 898,316	\$ 2,933,068	\$ 3,197,668
Basic income (loss) per share:				
Income from continuing operations	\$ 0.26	\$ 0.25	\$ 0.27	\$ 0.41
Loss from discontinued operations		(0.19)	(0.09)	(0.21)
Net income	\$ 0.26	\$ 0.06	\$ 0.18	\$ 0.20
Diluted income (loss) per share:				
Income from continuing operations	\$ 0.25	\$ 0.24	\$ 0.26	\$ 0.40
Loss from discontinued operations		(0.18)	(0.09)	(0.20)
Net income	\$ 0.25	\$ 0.06	\$ 0.17	\$ 0.20
Shares used in the computation of income (loss) per share:				
Basic	16,341,887	16,098,387	16,258,466	16,053,098
Diluted	16,757,781	16,462,115	16,705,887	16,356,692

See accompanying Notes to Condensed Consolidated Financial Statements.

Table of Contents

SUPREME INDUSTRIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Six Months Ended	
	June 28, 2014	June 29, 2013
Cash flows from operating activities:		
Net income	\$ 2,912,026	\$ 3,228,937
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	1,917,847	1,761,455
Provision for losses on doubtful receivables	2,944	77,505
Deferred income taxes	(351,405)	755,749
Stock-based compensation expense	225,642	192,017
Gain on sale of discontinued operations	(127,994)	
(Gain) loss on sale of property, plant and equipment, net	48,920	(346,393)
Changes in operating assets and liabilities	1,525,543	(1,193,616)
Net cash provided by operating activities	6,153,523	4,475,654
Cash flows from investing activities:		
Proceeds from sale of discontinued operations	3,884,656	
Additions to property, plant and equipment	(1,442,337)	(3,660,390)
Proceeds from sale of property, plant and equipment	54,863	1,245,459
Proceeds from sale of investments	2,887,193	34,769
Purchases of investments	(2,901,248)	
Net cash provided by (used in) investing activities	2,483,127	(2,380,162)
Cash flows from financing activities:		
Proceeds from revolving line of credit and other long-term debt		46,442,128
Repayments of revolving line of credit and other long-term debt	(333,334)	(48,354,219)
Payment of debt issuance costs		(353,383)
Proceeds from exercise of stock options	351,725	136,148
Net cash provided by (used in) financing activities	18,391	(2,129,326)
Change in cash and cash equivalents	8,655,041	(33,834)
Cash and cash equivalents, beginning of period	3,894,277	59,056
Cash and cash equivalents, end of period	\$ 12,549,318	\$ 25,222

See accompanying Notes to Condensed Consolidated Financial Statements.

Table of Contents

SUPREME INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 BASIS OF PRESENTATION AND OPINION OF MANAGEMENT

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and therefore do not include all of the information and financial statement disclosures necessary for a fair presentation of consolidated financial position, results of operations, and cash flows in conformity with accounting principles generally accepted in the United States of America. In the opinion of management, the information furnished herein includes all adjustments necessary to reflect a fair presentation of the interim periods reported. The December 28, 2013 condensed consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America. References to we, us, our, its, Supreme, or the Company refer to Supreme Industries, Inc. and its subsidiaries.

The Company has adopted a 52- or 53-week fiscal year ending the last Saturday in December. The results of operations for the three and six months ended June 28, 2014 and June 29, 2013 are for 13-week and 26-week periods, respectively.

NOTE 2 RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board issued guidance on recognizing revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This guidance supersedes existing U.S. GAAP and industry-specific guidance related to revenue recognition. The Company has the option to apply the provisions of the guidance using one of the following two methods: (1) retrospectively to each prior reporting period presented, or (2) retrospectively with the cumulative effect of initially applying the guidance recognized at the date of initial adoption. The guidance is effective for annual and interim periods beginning after December 15, 2016. Early adoption of the guidance is not permitted. The Company is currently evaluating the provisions of this guidance and has not yet determined the impact, if any, that the implementation of this guidance will have on its results of operations or financial condition.

NOTE 3 DISCONTINUED OPERATIONS

On December 31, 2013, the Company announced its intention to divest its shuttle bus business. The progressively competitive environment in the bus industry led to intensified price cutting, making it more difficult to sustain profitability. Shuttle bus products represented less than 13% of the Company's consolidated sales for the year ended December 28, 2013, but have had a material adverse effect on reported financial results in recent years.

On February 28, 2014, the Company entered into an Asset Purchase Agreement (the Agreement) for the sale of certain assets of the Company's shuttle bus division. Pursuant to the terms of the Agreement and upon satisfaction of the closing conditions, the Company sold the assets of the

Edgar Filing: SUPREME INDUSTRIES INC - Form 10-Q

shuttle bus operations including: machinery and equipment, inventory, trademarks, engineering drawings, bills of materials, customer lists, customer purchasing histories, price lists, distribution lists, supplier lists, production data, quality control records, procedures related to the shuttle bus business, demonstrator vehicles, and all open purchase orders and unexpired governmental and municipal bid contracts. In addition, the purchaser assumed certain warranty obligations.

Table of Contents

The Company continued to operate the business for a period of time following the date of the Agreement to finish certain orders. The transaction closed on March 28, 2014. Net proceeds from the sale were \$3.9 million and net assets of the shuttle bus operations sold consisted of: inventory of \$4.1 million, machinery and equipment of \$0.2 million, reduced by a warranty obligation of \$0.5 million, resulting in a gain of \$0.1 million, net of tax, recorded during the three month period ended March 29, 2014. The Agreement contains a five-year period during which the Company will not compete in the shuttle bus business, with the exception that the non-competition does not apply to the Company's trolley bus division.

The results for the shuttle bus division are classified as discontinued operations as follows:

	Three Months Ended		Six Months Ended	
	June 28, 2014	June 29, 2013	June 28, 2014	June 29, 2013
Net sales	\$	\$ 7,637,937	\$ 6,549,209	\$ 17,147,659
Loss before income taxes		(5,006,017)	(2,306,655)	(5,509,590)
Loss after income taxes		(3,048,664)	(1,567,423)	(3,355,340)

NOTE 4 INVENTORIES

Inventories, which are stated at the lower of cost or market with cost determined using the first-in, first-out method, consist of the following:

	June 28, 2014	December 28, 2013
Raw materials	\$ 17,250,905	\$ 20,877,513
Work-in-progress	2,752,850	3,673,301
Finished goods	4,586,408	7,945,441
	\$ 24,590,163	\$ 32,496,255

NOTE 5 OTHER CURRENT ASSETS

Other current assets included assets held for sale of \$0.5 million at December 28, 2013. During the first quarter of 2014, the Company reclassified the \$0.5 million from assets held for sale to property, plant, and equipment.

NOTE 6 FAIR VALUE MEASUREMENT

Generally accepted accounting principles (GAAP) define fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GAAP also establishes a fair value hierarchy which requires an entity to maximize the use of observable

Edgar Filing: SUPREME INDUSTRIES INC - Form 10-Q

inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Table of Contents

Level 2: Significant other observable inputs (other than Level 1 prices such as quoted prices for similar assets or liabilities); quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Company used the following methods and significant assumptions to estimate the fair value of items:

Investments: The fair values of investments available-for-sale are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

Derivatives: Our derivative instruments consist of interest rate swaps, currently reflected as other long-term liabilities on the Consolidated Condensed Balance Sheets. The Company obtains fair values from financial institutions that utilize internal models with observable market data inputs to estimate the fair value of these instruments (Level 2 inputs).

The carrying amounts of cash and cash equivalents, accounts receivable, and trade accounts payable approximated fair value as of June 28, 2014, and December 28, 2013, because of the relatively short maturities of these financial instruments. The carrying amount of long-term debt, including current maturities, approximated fair value as of June 28, 2014, and December 28, 2013, based upon terms and conditions available to the Company at those dates in comparison to the terms and conditions of its outstanding long-term debt.

NOTE 7 LONG-TERM DEBT

Credit Agreement

On December 19, 2012, the Company entered into an Amended and Restated Credit Agreement (the "Credit Agreement") with Wells Fargo. Under the terms of the Credit Agreement, Wells Fargo agreed to provide to the Company a credit facility of up to \$45.0 million, consisting of a revolving credit facility, a term loan facility, and a letter of credit facility. The Credit Agreement is for a period of five years ending on December 19, 2017. Financial covenants in the Credit Agreement include a consolidated total leverage ratio, a consolidated fixed charge coverage ratio, and a limitation on annual capital expenditures. As of June 28, 2014, the effective interest rate for all borrowings against the Credit Agreement was 2.48% and the Company was in compliance with all three financial covenants.

Revolving Credit Facility

Edgar Filing: SUPREME INDUSTRIES INC - Form 10-Q

The revolving credit facility provides for borrowings of up to \$35.0 million. The revolving credit facility bears interest at (i) LIBOR plus a margin which varies from 1.50% to 2.50% based upon a leverage ratio of total indebtedness to trailing four quarter EBITDA or (ii) the higher of (a) the prime rate and (b) the federal funds rate plus 0.50% plus a margin which varies from 0.50% to 1.50% based upon the debt to EBITDA leverage ratio. The revolving credit facility also requires a quarterly commitment fee ranging from 0.20% to 0.50% per annum depending on the Company's financial ratios and based upon the average daily unused portion. As of June 28, 2014, and December 28, 2013, there were no borrowings against the revolving credit facility. The Company had unused credit capacity of \$31.3 million at June 28, 2014.

Table of Contents***Term Loan Facility***

The term loan facility provides for borrowings of up to \$10.0 million. Effective April 29, 2013, the Company and Wells Fargo entered into a \$10.0 million term loan by converting \$10.0 million of revolving credit facility borrowings to term debt. The term loan is secured by real estate and improvements, payable in quarterly installments of \$166,667 commencing on June 28, 2013, plus interest at prime rate or LIBOR (as defined in the Credit Agreement), with the remaining balance due upon maturity on December 19, 2017. As of June 28, 2014, the outstanding balance under the term loan facility was \$9.3 million.

On August 9, 2013, the Company entered into an interest rate swap agreement for a portion of the term loan with a notional amount of \$5.0 million. The interest rate swap agreement provides for a 3.1% fixed interest rate and matures on December 19, 2017. The Company designated this swap agreement as a cash flow hedge on its variable rate debt and records the fair value of the swap agreement as an asset or liability on the balance sheet, with changes in fair value recognized in other comprehensive income (loss).

Letter of Credit Facility

Outstanding letters of credit, related to the Company's workers' compensation insurance policies, reduce available borrowings under the Credit Agreement and aggregated \$3.7 million at June 28, 2014.

NOTE 8 STOCK-BASED COMPENSATION

The following table summarizes the activity for the unvested restricted stock for the six months ended June 28, 2014:

	Unvested Restricted Stock	Weighted - Average Grant Date Fair Value
Unvested, December 28, 2013	110,431	\$ 3.99
Granted	60,896	\$ 4.83
Vested	(31,063)	\$ 4.25
Unvested, June 28, 2014	140,264	\$ 5.10

The total fair value of restricted shares vested and recognized as stock-based compensation expense during the six months ended June 28, 2014 was \$143,142.

A summary of the status of the Company's outstanding stock options as of June 28, 2014, and changes during the six months ended June 28, 2014 are as follows:

Edgar Filing: SUPREME INDUSTRIES INC - Form 10-Q

	Options		Weighted - Average Exercise Price
Outstanding, December 28, 2013	535,431	\$	2.79
Granted			
Exercised	(151,504)	\$	3.43
Expired			
Forfeited			
Outstanding, June 28, 2014	383,927	\$	2.54

As of June 28, 2014, outstanding exercisable options had an intrinsic value of \$1,480,722 and a weighted-average remaining contractual life of 2.2 years.

Table of Contents

Total unrecognized compensation expense related to all share-based awards outstanding at June 28, 2014, was \$716,031 and will be recorded over a weighted average contractual life of 2.2 years.

Beginning in 2012, as a part of annual director compensation, a stock award is paid to each of the Company's outside directors equal to \$27,500 divided by the closing sales price on the grant date. The grants are made in quarterly increments. Shares granted during the first six months of 2014 totaled 12,432 and stock-based compensation expense recognized during the six months ended June 28, 2014 was \$82,500.

NOTE 9 INCOME TAXES

For the three and six months ended June 28, 2014, the Company recorded income tax expense from continuing operations of \$2.1 million and \$2.2 million at an effective tax rate of 32.7%. For the three and six months ended June 29, 2013, the Company recorded income tax expense from continuing operations of \$2.4 million and \$3.7 million at an effective tax rate of 37.7% and 36.0% respectively. The year-over-year reduction in effective tax rate was primarily due to reductions in: (1) the Company's state effective tax rate due to mix of income by state, (2) increased benefit from its captive insurance company, and (3) increased benefit from the allowable domestic manufacturing deduction.

NOTE 10 COMMITMENTS AND CONTINGENCIES

The Company is subject to various investigations, claims, and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities, certain of which are covered in whole or in part by insurance. The Company establishes accruals for these matters to the extent that losses are deemed probable and are reasonably estimable. Although the outcome of these matters cannot be fully determined on the basis of information currently available, it is the opinion of management that the ultimate outcome of these matters would not be significant to the Company's consolidated financial position, results of operations, or cash flow.

ITEM 2.
OF OPERATIONS.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS

Company Overview

Established in 1974 as a truck body manufacturer, Supreme Industries, Inc., through its wholly-owned subsidiary, Supreme Corporation, is a nationwide manufacturer of truck bodies and specialty vehicles produced to the specifications of its customers. The Company's transportation equipment products are used by a wide variety of industrial, commercial and law enforcement customers.

The Company utilizes a nationwide direct sales and distribution network consisting of approximately 1,000 commercial truck dealers and a limited number of truck equipment distributors. The Company's manufacturing and service facilities are located in six states across the

Edgar Filing: SUPREME INDUSTRIES INC - Form 10-Q

continental United States allowing us to meet the needs of customers across all of North America. Additionally, the Company's favorable customer relations, strong brand-name recognition, extensive product offerings, bailment chassis arrangements, and product innovation competitively position Supreme with a strategic footprint in the markets it serves.

Table of Contents

The Company and its product offerings are affected by various risk factors which include, but are not limited to, economic conditions, interest rate fluctuations, volatility in the supply chain of chassis, and the availability of credit and financing to the Company, our vendors, dealers, or end users. The Company's business is also affected by the availability and costs of certain raw materials that serve as significant components of its product offerings. The Company's risk factors are disclosed in Item 1A Risk Factors in the Company's Annual Report on Form 10-K for the year ended December 28, 2013.

Results of Operations

The following discussion should be read in conjunction with the condensed consolidated financial statements and related notes (See Note 1 Basis of Presentation and Opinion of Management) thereto elsewhere in this document.

Overview

Consolidated net sales from continuing operations grew to \$71.6 million in the second quarter, a 3.8% increase compared with \$68.9 million during the second quarter of last year. Higher sales of Specialty Vehicles accounted for a majority of the revenue increase. Consolidated net sales from continuing operations in the first half of 2014 were essentially flat with last year at \$124.9 million, versus \$125.3 million. The 2013 ordering patterns from fleet customers were later than normal and, as a result, a higher proportion of retail sales were recorded in the second quarter and first half of last year versus 2014.

Gross profit from continuing operations was \$14.6 million, or 20.5% of net sales, in the second quarter of 2014, compared with \$14.5 million, or 21.1% of net sales, in the second quarter of 2013. The current quarter gross margin percentage decline was primarily due to customer and product mix. Additionally, prior year margins benefited from a greater proportion of higher-margin retail truck sales due to fleet orders being placed later than normal in 2013. Gross margin, as a percentage of net sales, was 18.0%, compared with 20.5% in the first half of 2013. This reflects first half of 2014 gross profit declining to \$22.5 million, compared with \$25.6 million in last year's comparable period primarily due to unfavorable product mix, shortages of light-duty chassis, and severe weather conditions, all occurring in the first quarter of 2014.

Income from continuing operations improved to \$4.3 million, or \$0.25 per diluted share during the second quarter of 2014, up from \$4.0 million, or \$0.24 per diluted share in the same quarter of 2013. Income from continuing operations in the first half of 2014 was \$4.5 million, or \$0.26 per diluted share, compared with \$6.6 million, or \$0.40 per diluted share, a year ago.

During the first quarter of 2014, the previously disclosed divestiture of the Company's shuttle bus assets was completed. The shuttle bus business has been reclassified as discontinued operations in the Company's financial statements and certain amounts in the 2013 corresponding periods have been adjusted to conform to the 2014 presentation. The changes had no effect on stockholder's equity or overall net income as previously reported. The Company recorded a small gain on the sale of its shuttle bus assets, which is reported as discontinued operations. Proceeds from the asset sale were \$3.9 million.

Edgar Filing: SUPREME INDUSTRIES INC - Form 10-Q

Net income for the second quarter improved to \$4.3 million, or \$0.25 per diluted share, up from net income of \$0.9 million, or \$0.06 per diluted share, in last year's comparable quarter. For the six months ended June 28, 2014, net income was \$2.9 million, or \$0.17 per diluted share, compared with \$3.2 million, or \$0.20 per diluted share in 2013.

Table of Contents

Additional comparative financial highlights included:

- Sales backlog at the end of the second quarter of 2014 was \$56.8 million, compared with \$62.9 million at the end of 2013's second quarter. Second quarter 2013 sales backlog included \$8.9 million of fleet orders that were placed later than normal in the year. The mid-2013 backlog has been adjusted to reflect the divestiture of the shuttle bus business.
- Cash and cash equivalents increased to \$12.5 million at June 28, 2014, up from \$3.9 million at December 28, 2013, reflecting the Company's strengthening balance sheet.
- Working capital was \$40.6 million at June 28, 2014, compared with \$37.6 million at December 28, 2013.
- Net cash provided by operating activities in the first half of 2014 totaled \$6.2 million, compared with cash provided by operating activities of \$4.5 million in the first half of 2013.
- Total debt at the end of the second quarter of 2014 was \$9.3 million, compared with \$9.7 million at December 28, 2013.
- Stockholders' equity at the end of the second quarter of 2014 was \$77.6 million, compared with \$74.1 million at December 28, 2013.
- Book value, on a per-share basis, was \$4.74 at June 28, 2014, versus \$4.59 at December 28, 2013.

During the first half of 2014, the product mix, delayed deliveries from major chassis suppliers and extreme weather conditions had a negative impact on sales and gross profit. As we manage the Company for profitable growth, our key areas of ongoing focus include:

- Mitigating our business risk from future chassis supply interruptions by increasing the size of our pools of chassis and broadening the product offering;
- Compression of our overall order to cash conversion cycle;
- Continuing to focus on improving our facilities to further drive productivity gains;
- Strategically driving top-line growth; and
- Continuing our product development initiatives related to both new and existing products.

As we continue through 2014, we will strive to broaden customer relationships and meet customer demands with high quality service that exceeds our customers' expectations. Our focus will be to implement strategic initiatives targeted to leverage the strong foundation built to make further improvements in our future financial performance.

Net Sales

Edgar Filing: SUPREME INDUSTRIES INC - Form 10-Q

Net sales for the three months ended June 28, 2014 increased \$2.7 million, or 3.8%, to \$71.6 million as compared with \$68.9 million for the three months ended June 29, 2013. Net sales for the six months ended June 28, 2014 decreased \$0.4 million, or 0.3%, to \$124.9 million as compared with \$125.3 million for the six months ended June 29, 2013.

The increase in sales for the second quarter of the 2014 was due to the higher Specialty Vehicle shipments led by improved sales to the U.S. Department of State and other armored vehicle customers, offsetting lower truck sales in the second quarter. The decline in truck sales was due to lower retail sales partially offset by higher fleet sales in 2014. The slight decrease in sales in the first half of 2014 was affected by chassis supply delays and fewer production days due to weather-related plant closures during the first quarter. The Company took action to reduce the risk of future chassis supply interruptions by increasing the size of our chassis bailment pools and broadening the product offering. To address the lower retail sales volume, the Company has expanded and upgraded sales personnel in key markets. We also rolled out a proprietary, lightweight body wall, FiberPanel HC, which allows customers to reduce their operating costs by increasing payload. Trolley sales have seen modest improvement for the six months

Table of Contents

ended June 28, 2014, as compared with the corresponding period in 2013. The recent divestiture of the shuttle bus business will allow us to concentrate our resources on growing the trolley product line and increasing our market penetration.

Gross profit and cost of sales

For the three months ended June 28, 2014, gross profit from continuing operations was \$14.6 million, or 20.5% of net sales, compared with \$14.5 million, or 21.1% of net sales, in the second quarter of 2013. Gross profit for the first half of 2014 was \$22.5 million, or 18.0% of net sales, compared with \$25.6 million, or 20.5% of net sales, in the first half of 2013.

Cost of sales, as a percentage of net sales, was unfavorably impacted in the second quarter and year-to-date. The material percentage benefited from a greater proportion of higher-margin retail truck sales due to fleet orders being placed later than normal in 2013. The 2014 fleet ordering patterns have returned to normal and, as a result, the second quarter of 2014 included more fleet business versus 2013. Offsetting the material improvement, direct labor as a percentage of net sales increased in the second quarter due to product mix while production inefficiencies resulting from chassis supply shortages and extreme weather conditions impacted the first quarter of 2014. Additionally, manufacturing overhead as a percentage of net sales for both periods increased due to the fixed nature of certain overhead expenses that do not fluctuate with sales volume changes. The Company also incurred increased costs due to higher energy costs early in the year resulting from the inclement weather and startup costs in the first quarter to open new lines for fleet production.

Selling, general and administrative expenses

Selling, general and administrative (G&A) expenses increased by \$0.2 million, or 0.2% as a percentage of net sales, to \$8.3 million for the three months ended June 28, 2014, as compared with \$8.1 million for the three months ended June 29, 2013. Selling and G&A expenses decreased by \$0.1 million to \$15.8 million for the six months ended June 28, 2014, as compared with \$15.9 million for the six months ended June 29, 2013.

Selling expenses decreased for the three and six months ended June 28, 2014, as compared to the corresponding periods in 2013. The decrease was due to lower sales commissions resulting from lower sales volume, and a change in product mix which included lower commissionable products. To a lesser extent, the Company received less marketing program incentives from chassis suppliers in the first half of 2014. The decreases were partially offset by higher sales wages as the Company improved its market presence by expanding and upgrading sales personnel in key regions. G&A expenses increased for the three and six months ended June 28, 2014, as compared to the corresponding periods in 2013. The increase for both periods was the result of higher salary costs resulting from select headcount additions for key positions and annual merit increases, partially offset by lower legal fees and profit-based incentive compensation plans.

Table of Contents

Other income

Other income was \$62 thousand and \$0.1 million for the three and six months ended June 28, 2014, compared with \$17 thousand and \$0.7 million for the three and six months ended June 29, 2013. Other income consisted of rental income, gain on the sale of assets, and other miscellaneous income received by the Company. During the first quarter of 2013, the Company realized a gain of approximately \$0.4 million on the sale of real estate.

Interest expense

Interest expense was \$77 thousand and \$0.2 million for the three and six months ended June 28, 2014, compared with \$39 thousand and \$0.1 million for the three and six months ended June 29, 2013. Interest expense includes bank debt and chassis interest on bailment chassis pools offset by interest support received from the chassis manufacturers. The effective interest rate on bank borrowings was 2.48% at June 28, 2014, and the Company was in compliance with all provisions of its Credit Agreement.

Income taxes

For the three and six months ended June 28, 2014, the Company recorded income tax expense from continuing operations of \$2.1 million and \$2.2 million at an effective tax rate of 32.7%. For the three and six months ended June 29, 2013, the Company recorded income tax expense from continuing operations of \$2.4 million and \$3.7 million at an effective tax rate of 37.6% and 36.0% respectively. The year-over-year reduction in effective tax rate was primarily due to reductions in: (1) the Company's state effective tax rate due to mix of income by state, (2) increased benefit from its captive insurance company, and (3) increased benefit from the allowable domestic manufacturing deduction.

Net income from continuing operations

Net income from continuing operations for the three months ended June 28, 2014 was \$4.3 million, or \$0.25 per diluted share, compared with net income of \$4.0 million, or \$0.24 per diluted share for the comparable period last year. Net income from continuing operations for the six months ended June 28, 2014 was \$4.5 million, or \$0.26 per diluted share, compared with net income of \$6.6 million, or \$0.40 per diluted share for the comparable period last year.

Discontinued operations

The Company decided to discontinue its shuttle bus operations on December 31, 2013. On February 28, 2014, the Company entered into an Asset Purchase Agreement for the sale of certain assets of the Company's shuttle bus operations. Accordingly, the Company classified the prior period results as discontinued operations. The after-tax loss from the discontinued operations was \$3.0 million for the three months ended

Edgar Filing: SUPREME INDUSTRIES INC - Form 10-Q

June 29, 2013. For the six months ended June 28, 2014 and June 29, 2013, the after-tax loss from discontinued operations was \$1.6 million and \$3.4 million, respectively.

Table of Contents**Basic and diluted income (loss) per share**

The following table presents basic and diluted income (loss) per share and the changes from period to period:

	Three Months Ended		Six Months Ended	
	June 28, 2014	June 29, 2013	June 28, 2014	June 29, 2013
Basic income (loss) per share:				
Income from continuing operations	\$ 0.26	\$ 0.25	\$ 0.27	\$ 0.41
Loss from discontinued operations		(0.19)	(0.09)	(0.21)
Net income per share	\$ 0.26	\$ 0.06	\$ 0.18	\$ 0.20
Diluted income (loss) per share:				
Income from continuing operations	\$ 0.25	\$ 0.24	\$ 0.26	\$ 0.40
Loss from discontinued operations		(0.18)	(0.09)	(0.20)
Net income per share	\$ 0.25	\$ 0.06	\$ 0.17	\$ 0.20
Shares used in the computation of income (loss) per share:				
Basic	16,341,887	16,098,387	16,258,466	16,053,098
Diluted	16,757,781	16,462,115	16,705,887	16,356,692

Liquidity and Capital Resources**Cash Flows**

The Company's primary sources of liquidity have been cash flows from operating activities and borrowings under its credit agreement. Principal uses of cash have been to support working capital needs, meet debt service requirements, and fund capital expenditures.

Operating activities

Cash flows from operations represent the net income in the reported periods adjusted for non-cash charges and changes in operating assets and liabilities. Net cash provided by operating activities totaled \$6.2 million for the six months ended June 28, 2014, as compared with \$4.5 million for the six months ended June 29, 2013. During the first half of 2014, changes in operating assets and liabilities were impacted by a \$3.8 million decrease in inventories primarily due to the completion of fleet orders and the wind down of discontinued shuttle bus operations. This was partially offset by a \$3.2 million decrease in trade accounts payable.

Edgar Filing: SUPREME INDUSTRIES INC - Form 10-Q

During the first half of 2013, changes in operating assets and liabilities were impacted by a \$4.9 million increase in inventories and a \$3.5 million increase in accounts receivable, both reflecting increased business activity at the end of June 2013 as compared to the end of December 2012. These were partially offset by a \$3.3 million increase in trade accounts payable related primarily to the increase in inventories necessary to support the increase in sales order backlog at June 29, 2013 as compared to the end of December 2012.

Table of Contents

Investing activities

Cash provided by investing activities was \$2.5 million for the six months ended June 28, 2014 as compared with cash used by investing activities of \$2.4 million for the six months ended June 29, 2013. During the first half of 2014, the Company completed the sale of its shuttle bus operations and received net proceeds of \$3.9 million. The Company's capital expenditures totaled \$1.4 million which consisted of investment in process improvements and replacement capital expenditures. During the first half of 2013, the Company's capital expenditures totaled \$3.7 million and consisted primarily of investments in facilities and equipment. Additionally during the first half of 2013 net cash of \$1.2 million was received as a result of the sale of an excess capacity facility in Goshen, Indiana, which was previously included in assets held for sale.

Financing activities

Financing activities provided minimal cash for the six months ended June 28, 2014 as compared with cash used by financing activities of \$2.1 million for the six months ended June 29, 2013. During the first half of 2014, the Company used \$0.3 million to make a scheduled quarterly principal payment on its outstanding term loan and received \$0.4 million from the exercise of stock options. During the first half of 2013, net cash used in financing activities was \$2.1 million, resulting primarily from payments against the Company's revolving line of credit and other long-term debt.

Capital Resources

Credit Agreement

On December 19, 2012, the Company entered into an Amended and Restated Credit Agreement (the "Credit Agreement") with Wells Fargo Bank. Under the terms of the Credit Agreement, Wells Fargo agrees to provide to the Company a credit facility of up to \$45.0 million, consisting of a revolving credit facility, a term loan facility, and a letter of credit facility. The Credit Agreement is for a period of five years ending on December 19, 2017. The Company had unused credit capacity of \$31.3 million at June 28, 2014 and was in compliance with all provisions of its credit agreement.

Summary of Liquidity and Capital Resources

The Company's primary capital needs are for working capital demands, to meet its debt service obligations, and to finance capital expenditure requirements. Cash generated from operations, and borrowings available under the Credit Agreement, are expected to be sufficient to finance the known and/or foreseeable liquidity and capital needs of the Company for at least the next 12 months based on our current cash flow budgets and forecasts of our liquidity needs.

Critical Accounting Policies and Estimates

Management's discussion and analysis of its financial position and results of operations are based upon the Company's condensed consolidated financial statements which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. The Company's significant accounting policies are discussed in Note 1 of the Notes to Consolidated Financial Statements included in the Annual Report on Form 10-K for the year ended December 28, 2013. In management's opinion, the Company's critical accounting policies include

Table of Contents

revenue recognition, allowance for doubtful accounts, excess and obsolete inventories, inventory relief, accrued insurance, and accrued warranty.

Revenue Recognition The Company generally recognizes revenue when products are shipped to the customer. Revenue on certain customer requested bill and hold transactions is recognized after the customer is notified that the products have been completed according to customer specifications, have passed all of the Company's quality control inspections, and are ready for delivery based on established delivery terms.

In May 2014, the Financial Accounting Standards Board issued guidance on recognizing revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This guidance supersedes existing U.S. GAAP and industry-specific guidance related to revenue recognition and is effective for annual and interim periods beginning after December 15, 2016. The Company is currently evaluating the provisions of this guidance and has not yet determined the impact, if any, that the implementation of this guidance will have on its results of operations or financial condition.

Allowance for Doubtful Accounts The Company maintains an allowance for doubtful accounts which is determined by management based on the Company's historical losses, specific customer circumstances, and general economic conditions. Periodically, management reviews accounts receivable and adjusts the allowance based on current circumstances and charges off uncollectible receivables against the allowance when all attempts to collect the receivables have failed.

Excess and Obsolete Inventories The Company must make estimates regarding the future use of raw materials and finished products and provide for obsolete or slow-moving inventories. Periodically, management reviews inventories and adjusts the excess and obsolete reserves based on product life cycles, product demand, and/or market conditions.

Inventory Relief For monthly and quarterly financial reporting, cost of sales is recorded and inventories are relieved by the use of standard bills of material adjusted for scrap and other estimated factors affecting inventory relief. Because of our large and diverse product line and the customized nature of each order, it is difficult to place full reliance on the bills of material for accurate relief of inventories. Although the Company continues to refine the process of creating accurate bills of materials, manual adjustments (which are based on estimates) are necessary in an effort to assure correct relief of inventories for products sold. The calculations to estimate costs not captured in the bill of materials take into account the customized nature of products, historical inventory relief percentages, scrap variances, and other factors which could impact inventory cost relief.

The accuracy of the inventory relief is not fully known until physical inventories are conducted at each of the Company's locations. We conduct semi-annual physical inventories at a majority of locations and schedule them in a manner that provides coverage in each of our calendar quarters. We have invested significant resources in our continuing effort to improve the physical inventory process and accuracy of our inventory accounting system.

Accrued Insurance - The Company has a self-insured retention against product liability claims with insurance coverage over and above the retention. The Company is also self-insured for a portion of its employee medical benefits and workers' compensation. Product liability claims are routinely reviewed by the Company's insurance carrier, and management routinely reviews other self-insurance risks for purposes of establishing ultimate loss estimates. In addition, management must determine estimated liability for claims incurred but not reported. Such

estimates, and any subsequent changes in estimates, may result in adjustments to our operating results in the future.

Table of Contents

Accrued Warranty The Company provides limited warranties for periods of up to five years from the date of retail sale. Estimated warranty costs are accrued at the time of sale and are based upon historical experience.

Forward-Looking Statements

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act, as amended, other than historical facts, which reflect the view of management with respect to future events. When used in this report, words such as believe, expect, anticipate, estimate, intend, and similar expressions, as they relate to the Company's plans or operations, identify forward-looking statements. Such forward-looking statements are based on assumptions made by, and information currently available to, management. Although management believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that the expectations reflected in such forward-looking statements are reasonable, and it can give no assurance that such expectations will prove to be correct. Important factors that could cause actual results to differ materially from such expectations include, without limitation, an economic slowdown in the specialized vehicle industry, restrictions on financing imposed by the Company's lender(s), limitations on the availability of chassis on which the Company's products are dependent, availability of raw materials, raw material cost increases, and severe interest rate increases. Furthermore, the Company can provide no assurance that such raw material cost increases can be passed on to its customers through implementation of price increases for the Company's products. The forward-looking statements contained herein reflect the current view of management with respect to future events and are subject to those factors and other risks, uncertainties, and assumptions relating to the operations, results of operations, cash flows, and financial position of the Company. The Company assumes no obligation to update the forward-looking statements or to update the reasons actual results could differ from those contemplated by such forward-looking statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

There has been no material change from the information provided in the Company's Annual Report on Form 10-K, Item 7A: Quantitative and Qualitative Disclosures About Market Risk, for the year ended December 28, 2013.

ITEM 4. CONTROLS AND PROCEDURES.

- a. Evaluation of Disclosure Controls and Procedures.

In connection with the preparation of this Form 10-Q, an evaluation was performed under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended). Based upon that evaluation, the Chief Executive Officer and Chief Financial

Table of Contents

Officer concluded that the Company's disclosure controls and procedures are effective as of June 28, 2014.

b. Changes in Internal Control over Financial Reporting.

There has been no change in the Company's internal control over financial reporting during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

The Company continues to take action to assure compliance with the internal controls, disclosure controls, and other requirements of the Sarbanes-Oxley Act of 2002. Management, including the Company's Chief Executive Officer and Chief Financial Officer, cannot guarantee that the internal controls and disclosure controls will prevent all possible errors or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of a control system have been met. In addition, the design of a control system must reflect the fact that there are resource constraints, and the benefit of controls must be relative to their costs. Because of the inherent limitations in all control systems, no system of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company will be detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Further, controls can be circumvented by individual acts of some persons, by collusion of two or more persons, or by management override of the controls.

The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, a control may be inadequate because of changes in conditions or the degree of compliance with the policies or procedures may deteriorate. Because of inherent limitations in any cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

Not applicable.

ITEM 1A. RISK FACTORS.

For a discussion of those Risk Factors affecting the Company, you should carefully consider the Risk Factors discussed in Part I, under Item 1A: Risk Factors contained in our Annual Report on Form 10-K for the year ended December 28, 2013, which is herein incorporated by reference.

Table of Contents**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.**

Period	Issuer Purchases of Equity Securities			(d) Maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs
	(a) Total number of shares (or units) purchased (1)	(b) Average price paid per share (or unit)	(c) Total number of shares (or units) purchased as a part of publicly announced plans or programs	
March 30, 2014 to April 26, 2014	19,241	\$ 8.73	N/A	N/A
April 27, 2014 to May 24, 2014	N/A	N/A	N/A	N/A
May 25, 2014 to June 28, 2014	N/A	N/A	N/A	N/A
Total	19,241	\$ 8.73		

(1) Shares acquired by the Company in connection with the exercise of a stock option.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

Not applicable.

Table of Contents

ITEM 6. EXHIBITS.

Exhibit 3.1	Certificate of Incorporation of the Company, filed as Exhibit 3(a) to the Company's Registration Statement on Form 8-A, filed with the Commission on September 18, 1989, and incorporated herein by reference.
Exhibit 3.2	Certificate of Amendment of Certificate of Incorporation of the Company filed with the Secretary of State of Delaware on June 10, 1993 filed as Exhibit 3.2 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1993, and incorporated herein by reference.
Exhibit 3.3	Certificate of Amendment of Certificate of Incorporation of the Company filed with the Secretary of State of Delaware on May 29, 1996 filed as Exhibit 3.3 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1996, and incorporated herein by reference.
Exhibit 3.4*	Certificate of Amendment of Certificate of Incorporation of the Company filed with the Secretary of State of Delaware on June 16, 2014.
Exhibit 3.5	Second Amended and Restated Bylaws, filed as Exhibit 3.1 to the Company's current report on Form 8-K, filed on February 22, 2011, and incorporated herein by reference.
Exhibit 31.1*	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 31.2*	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.1*	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.2*	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 101*	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended June 28, 2014, filed on July 30, 2014, formatted in XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Comprehensive Income (Unaudited), (iii) Condensed Consolidated Statements of Cash Flows (Unaudited) and (iv) the Notes to Consolidated Financial Statements.

*Filed herewith.

Table of Contents

SIGNATURES

Pursuant to the requirements 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.

SUPREME INDUSTRIES, INC.

DATE: July 30, 2014

By: /s/ Mark D. Weber
Mark D. Weber
President and Chief Executive Officer

DATE: July 30, 2014

By: /s/ Matthew W. Long
Matthew W. Long
Chief Financial Officer

Table of Contents

INDEX TO EXHIBITS

Exhibit Number	Description of Document
Exhibit 3.1	Certificate of Incorporation of the Company, filed as Exhibit 3(a) to the Company's Registration Statement on Form 8-A, filed with the Commission on September 18, 1989, and incorporated herein by reference.
Exhibit 3.2	Certificate of Amendment of Certificate of Incorporation of the Company filed with the Secretary of State of Delaware on June 10, 1993 filed as Exhibit 3.2 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1993, and incorporated herein by reference.
Exhibit 3.3	Certificate of Amendment of Certificate of Incorporation of the Company filed with the Secretary of State of Delaware on May 29, 1996 filed as Exhibit 3.3 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1996, and incorporated herein by reference.
Exhibit 3.4*	Certificate of Amendment of Certificate of Incorporation of the Company filed with the Secretary of State of Delaware on June 16, 2014.
Exhibit 3.5	Second Amended and Restated Bylaws, filed as Exhibit 3.1 to the Company's current report on Form 8-K, filed on February 22, 2011, and incorporated herein by reference.
Exhibit 31.1*	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 31.2*	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.1*	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.2*	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 101*	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended June 28, 2014, filed on July 30, 2014, formatted in XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Comprehensive Income (Unaudited), (iii) Condensed Consolidated Statements of Cash Flows (Unaudited) and (iv) the Notes to Consolidated Financial Statements.

*Filed herewith.