

INSTEEL INDUSTRIES INC
Form 10-Q
April 16, 2015

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 March 28, 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: 1-9929

Insteel Industries, Inc.

(Exact name of registrant as specified in its charter)

North Carolina

(State or other jurisdiction of
incorporation or organization)

56-0674867

(I.R.S. Employer
Identification No.)

1373 Boggs Drive, Mount Airy, North Carolina

27030

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: **(336) 786-2141**

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 (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 shares outstanding of the registrant's common stock as of April 15, 2015 was 18,436,343.

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PART I – FINANCIAL INFORMATION**Item 1. Financial Statements**

**INSTEEL
INDUSTRIES, INC.
AND
SUBSIDIARIES
CONSOLIDATED
STATEMENTS OF
OPERATIONS AND
COMPREHENSIVE
INCOME**

(In thousands except
for per share data)
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | March 28, 2015 | March 29, 2014 | March 28, 2015 | March 29, 2014 |
| Net sales | \$101,767 | \$91,436 | \$212,395 | \$178,654 |
| Cost of sales | 93,065 | 79,830 | 191,650 | 157,993 |
| Gross profit | 8,702 | 11,606 | 20,745 | 20,661 |
| Selling, general and administrative expense | 5,975 | 5,984 | 11,627 | 10,689 |
| Restructuring charges, net | 333 | - | 333 | - |
| Other expense (income), net | (1,599) | 228 | (1,639) | 196 |
| Interest expense | 114 | 57 | 208 | 113 |
| Interest income | (4) | (1) | (4) | (6) |
| Earnings before income taxes | 3,883 | 5,338 | 10,220 | 9,669 |
| Income taxes | 1,339 | 1,816 | 3,526 | 3,400 |
| Net earnings | \$2,544 | \$3,522 | \$6,694 | \$6,269 |
| Net earnings per share: | | | | |
| Basic | \$0.14 | \$0.19 | \$0.36 | \$0.34 |
| Diluted | 0.14 | 0.19 | 0.36 | 0.34 |
| Weighted average shares outstanding: | | | | |
| Basic | 18,404 | 18,234 | 18,391 | 18,212 |
| Diluted | 18,822 | 18,637 | 18,821 | 18,612 |

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| | | | | |
|-----------------------------------|---------|---------|---------|---------|
| Cash dividends declared per share | \$0.03 | \$0.03 | \$0.06 | \$0.06 |
| Comprehensive income | \$2,544 | \$3,522 | \$6,694 | \$6,269 |

See accompanying notes to consolidated financial statements.

**INSTEEL
INDUSTRIES,
INC. AND
SUBSIDIARIES
CONSOLIDATED
BALANCE
SHEETS**
(In thousands)

(Unaudited)
March 28, September
2015 27,
2014

Assets

Current assets:

| | | |
|---------------------------|----------|----------|
| Cash and cash equivalents | \$ 6,172 | \$ 3,050 |
| Accounts receivable, net | 44,025 | 51,211 |
| Inventories | | |