

Vishay Precision Group, Inc.  
Form 10-Q  
November 05, 2014

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 September 27, 2014

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 1-34679

VISHAY PRECISION GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation)

27-0986328

(I.R.S. Employer Identification Number)

3 Great Valley Parkway, Suite 150

Malvern, PA 19355

(Address of Principal Executive Offices) (Zip Code)

484-321-5300

(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 (section 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 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

As of November 5, 2014, the registrant had 12,729,837 shares of its common stock and 1,025,176 shares of its Class B convertible common stock outstanding.

VISHAY PRECISION GROUP, INC.  
 FORM 10-Q  
 September 27, 2014  
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## PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements

## VISHAY PRECISION GROUP, INC.

## Consolidated Condensed Balance Sheets

(In thousands)

	September 27, 2014 (Unaudited)	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	\$75,424	\$72,785
Accounts receivable, net	43,078	40,500
Inventories:		
Raw materials	14,892	15,223
Work in process	20,316	19,962
Finished goods	18,701	19,788
Inventories, net	53,909	54,973
Deferred income taxes	2,887	4,784
Prepaid expenses and other current assets	11,216	10,500
Total current assets	186,514	183,542
Property and equipment, at cost:		
Land	1,971	1,993
Buildings and improvements	48,680	47,793
Machinery and equipment	77,549	75,644
Software	6,822	6,333
Construction in progress	1,293	1,252
Accumulated depreciation	(88,359)	(83,692)
Property and equipment, net	47,956	49,323
Goodwill	18,266	18,880
Intangible assets, net	19,838	22,458
Other assets	20,074	17,901
Total assets	\$292,648	\$292,104

Continues on the following page.

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## VISHAY PRECISION GROUP, INC.

## Consolidated Condensed Balance Sheets (continued)

(In thousands)

	September 27, 2014 (Unaudited)	December 31, 2013
Liabilities and equity		
Current liabilities:		
Trade accounts payable	\$10,290	\$10,258
Payroll and related expenses	14,194	15,016
Other accrued expenses	14,827	15,814
Income taxes	525	615
Current portion of long-term debt	4,882	4,137
Total current liabilities	44,718	45,840
Long-term debt, less current portion	19,060	22,936
Deferred income taxes	1,003	1,259
Other liabilities	7,748	7,738
Accrued pension and other postretirement costs	10,061	10,780
Total liabilities	82,590	88,553
Commitments and contingencies		
Equity:		
Common stock	1,273	1,271
Class B convertible common stock	103	103
Capital in excess of par value	189,335	188,424
Retained earnings	40,933	32,647
Accumulated other comprehensive income (loss)	(21,750)	(19,027)
Total Vishay Precision Group, Inc. stockholders' equity	209,894	203,418
Noncontrolling interests	164	133
Total equity	210,058	203,551
Total liabilities and equity	\$292,648	\$292,104

See accompanying notes.

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## VISHAY PRECISION GROUP, INC.

Consolidated Condensed Statements of Operations  
(Unaudited - In thousands, except per share amounts)

	Fiscal quarter ended	
	September 27, 2014	September 28, 2013
Net revenues	\$63,402	\$57,729
Costs of products sold	39,625	38,486
Gross profit	23,777	19,243
Selling, general, and administrative expenses	19,668	18,485
Acquisition costs	—	57
Restructuring costs	144	99
Operating income	3,965	602
Other income (expense):		
Interest expense	(212	) (276
Other	(81	) 210
Other income (expense) - net	(293	) (66
Income before taxes	3,672	536
Income tax expense (benefit)	523	(919
Net earnings	3,149	1,455
Less: net earnings (loss) attributable to noncontrolling interests	30	(11
Net earnings attributable to VPG stockholders	\$3,119	\$1,466
Basic earnings per share attributable to VPG stockholders	\$0.23	\$0.11
Diluted earnings per share attributable to VPG stockholders	\$0.22	\$0.11
Weighted average shares outstanding - basic	13,757	13,734
Weighted average shares outstanding - diluted	13,977	13,944

See accompanying notes.

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## VISHAY PRECISION GROUP, INC.

Consolidated Condensed Statements of Operations  
(Unaudited - In thousands, except per share amounts)

	Nine fiscal months ended	
	September 27, 2014	September 28, 2013
Net revenues	\$ 189,605	\$ 178,027
Costs of products sold	119,084	117,255
Gross profit	70,521	60,772
Selling, general, and administrative expenses	58,286	54,847
Acquisition costs	—	752
Restructuring costs	475	487
Operating income	11,760	4,686
Other income (expense):		
Interest expense	(660	) (771
Other	(770	) (1,073
Other income (expense) - net	(1,430	) (1,844
Income before taxes	10,330	2,842
Income tax expense (benefit)	1,955	(339
Net earnings	8,375	3,181
Less: net earnings attributable to noncontrolling interests	89	18
Net earnings attributable to VPG stockholders	\$ 8,286	\$ 3,163
Basic earnings per share attributable to VPG stockholders	\$ 0.60	\$ 0.23
Diluted earnings per share attributable to VPG stockholders	\$ 0.59	\$ 0.23
Weighted average shares outstanding - basic	13,755	13,504
Weighted average shares outstanding - diluted	13,968	13,940

See accompanying notes.

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VISHAY PRECISION GROUP, INC.

Consolidated Condensed Statements of Comprehensive Income (Loss)  
(Unaudited - In thousands)

	Fiscal quarter ended	
	September 27, 2014	September 28, 2013
Net earnings	\$3,149	\$1,455
Other comprehensive income (loss):		
Foreign currency translation adjustment	(4,020	) 1,715
Pension and other postretirement actuarial items, net of tax	85	(59 )
Other comprehensive (loss) income	(3,935	) 1,656
Total comprehensive (loss) income	(786	) 3,111
Less: comprehensive income (loss) attributable to noncontrolling interests	30	(11 )
Comprehensive (loss) income attributable to VPG stockholders	\$(816	) \$3,122

See accompanying notes.

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VISHAY PRECISION GROUP, INC.

Consolidated Condensed Statements of Comprehensive Income (Loss)  
(Unaudited - In thousands)

	Nine fiscal months ended	
	September 27, 2014	September 28, 2013
Net earnings	\$8,375	\$3,181
Other comprehensive income (loss):		
Foreign currency translation adjustment	(2,802	) (5,086
Pension and other postretirement actuarial items, net of tax	79	220
Other comprehensive loss	(2,723	) (4,866
Total comprehensive income (loss)	5,652	(1,685
Less: comprehensive income attributable to noncontrolling interests	89	18
Comprehensive income (loss) attributable to VPG stockholders	\$5,563	\$(1,703

See accompanying notes.

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VISHAY PRECISION GROUP, INC.  
Consolidated Condensed Statements of Cash Flows  
(Unaudited - In thousands)