

SIGMATRON INTERNATIONAL INC
Form 10-Q
March 15, 2013
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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 January 31, 2013

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 0-23248

SIGMATRON INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

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Delaware (State or other jurisdiction of incorporation or organization)	36-3918470 (I.R.S. Employer Identification No.)
2201 Landmeier Road	
Elk Grove Village, Illinois (Address of principal executive offices)	60007 (Zip Code)
Registrant's telephone number, including area code: (847) 956-8000	

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 definition of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input checked="" type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of the registrant's common stock, \$0.01 par value, as of March 15, 2013: 3,930,402

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Consolidated Balance Sheets

	January 31, 2013 (Unaudited)	April 30, 2012
Current assets:		
Cash	\$ 4,267,155	\$ 4,668,931
Accounts receivable, less allowance for doubtful accounts of \$150,000 and \$164,103 at January 31, 2013 and April 30, 2012	16,960,147	27,916,288
Inventories, net	47,645,109	37,838,378
Prepaid expenses and other assets	1,641,071	1,170,537
Refundable income taxes	1,154,603	465,653
Deferred income taxes	1,846,814	1,840,751
Other receivables	426,674	238,592
Total current assets	73,941,573	74,139,130
Property, machinery and equipment, net	27,302,052	24,373,494
Intangible assets, net of amortization of \$2,889,528 and \$2,683,075 at January 31, 2013 and April 30, 2012	6,022,472	86,925
Goodwill	3,611,960	
Other assets	847,883	547,334
Total other long-term assets	10,482,315	634,259
Total assets	\$ 111,725,940	\$ 99,146,883
Liabilities and stockholders equity:		
Current liabilities:		
Trade accounts payable	\$ 24,095,906	\$ 20,233,521
Accrued expenses	2,093,316	1,012,549
Accrued wages	2,735,017	2,974,607
Current portion of long-term debt	99,996	126,828
Current portion of capital lease obligations	227,066	219,457
Current portion of contingent consideration	331,429	
Total current liabilities	29,582,730	24,566,962
Long-term debt, less current portion	22,550,885	18,175,013
Capital lease obligations, less current portion	635,619	806,882
Contingent consideration, less current portion	1,858,571	
Other long-term debt	949,882	363,520
Deferred rent	1,072,584	735,616
Deferred income taxes	3,494,906	3,477,819
Total long-term liabilities	30,562,447	23,558,850

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Total liabilities	60,145,177	48,125,812
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Commitments and contingencies:

Stockholders equity:

Preferred stock, \$.01 par value; 500,000 shares authorized, none issued or outstanding		
Common stock, \$.01 par value; 12,000,000 shares authorized, 3,930,402 and 3,909,572 shares issued and outstanding at January 31, 2013 and April 30, 2012	39,679	39,096
Capital in excess of par value	20,278,190	19,891,996
Retained earnings	31,262,894	31,089,979
Total stockholders equity	51,580,763	51,021,071

Total liabilities and stockholders equity	\$ 111,725,940	\$ 99,146,883
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The accompanying notes to financial statements are an integral part of these statements.

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Consolidated Statements Of Operations

	Three Months Ended January 31, 2013 (Unaudited)	Three Months Ended January 31, 2012 (Unaudited)	Nine Months Ended January 31, 2013 (Unaudited)	Nine Months Ended January 31, 2012 (Unaudited)
Net sales	\$ 46,758,568	\$ 38,099,493	\$ 147,117,192	\$ 116,894,157
Cost of products sold	42,636,191	34,577,913	132,885,747	106,258,662
Gross profit	4,122,377	3,521,580	14,231,445	10,635,495
Selling and administrative expenses	4,380,524	3,125,677	13,725,684	9,067,123
Operating (loss) income	(258,147)	395,903	505,761	1,568,372
Other income		(2,602)	(500)	(29,182)
Interest expense	220,977	262,463	626,684	827,897
(Loss) income from operations before income tax (benefit) expense	(479,124)	136,042	(120,423)	769,657
Income tax (benefit) expense	(262,348)	50,386	(293,337)	284,773
Net (loss) income	\$ (216,776)	\$ 85,656	\$ 172,914	\$ 484,884
(Loss) earnings per share basic	\$ (0.06)	\$ 0.02	\$ 0.04	\$ 0.13
(Loss) earnings per share diluted	\$ (0.06)	\$ 0.02	\$ 0.04	\$ 0.13
Weighted average shares of common stock outstanding				
Basic	3,930,402	3,875,253	3,927,761	3,867,980
Weighted average shares of common stock outstanding				
Diluted	3,930,402	3,895,111	3,995,678	3,890,590

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

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SigmaTron International, Inc.

Consolidated Statements of Cash Flows

	Nine Months Ended January 31, 2013 (Unaudited)	Nine Months Ended January 31, 2012 (Unaudited)
Operating activities:		
Net income	\$ 172,914	\$ 484,884
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	3,279,940	3,061,273
Stock-based compensation	157,142	2,414
Restricted stock expense	60,625	
Provision for inventory obsolescence		31,500
Deferred income taxes	11,024	(942)
Amortization of intangibles	206,453	86,473
Loss from disposal or sale of machinery and equipment	378	52,708
Changes in operating assets and liabilities, net of assets and liabilities acquired		
Accounts receivable	(2,781,759)	(4,462,174)
Inventories	(2,616,116)	8,826,490
Prepaid expenses and other assets	(793,009)	(88,416)
Refundable Income taxes	(688,950)	222,435
Trade accounts payable	2,003,224	(3,310,917)
Deferred rent	336,968	10,741
Accrued expenses and wages	(269,967)	(345,972)
Net cash (used in) provided by operating activities	(921,133)	4,570,497
Investing activities:		
Purchases of machinery and equipment	(4,808,626)	(1,824,307)
Cash received in conjunction with acquisition	1,142,597	
Net cash used in investing activities	(3,666,029)	(1,824,307)
Financing activities:		