

STANDEX INTERNATIONAL CORP/DE/
Form 10-Q
May 03, 2016

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 31, 2016

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 1-7233

STANDEX INTERNATIONAL CORPORATION

(Exact name of registrant as specified in its charter)

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

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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

DELAWARE
(State of incorporation)

31-0596149
(IRS Employer Identification No.)

11 KEEWAYDIN DRIVE, SALEM, NEW HAMPSHIRE
(Address of principal executive offices)

03079
(Zip Code)

(603) 893-9701

(Registrant's telephone number, including area code)

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 Exchange Act). YES NO

The number of shares of Registrant's Common Stock outstanding on April 27, 2016 was 12,806,118

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PART I. FINANCIAL INFORMATION**ITEM 1**

STANDEX INTERNATIONAL CORPORATION
Unaudited Condensed Consolidated Balance Sheets

(In thousands, except per share data)

March 31, 2016**June 30,****2015****ASSETS**

Current Assets:

| | | | | |
|--|----|---------|----|---------|
| Cash and cash equivalents | \$ | 113,401 | \$ | 96,128 |
| Accounts receivable, net of reserve for doubtful accounts of \$2,285 and \$2,226 at March 31, 2016 and June 30, 2015 | | 99,204 | | 110,478 |
| Inventories | | 109,012 | | 108,305 |
| Prepaid expenses and other current assets | | 6,261 | | 7,070 |
| Income taxes receivable | | 5,292 | | 747 |
| Deferred tax asset | | 13,178 | | 12,674 |

| | | | | |
|-------------------------------------|----|---------|----|---------|
| Total current assets | | 346,348 | | 335,402 |
| Property, plant, and equipment, net | | 110,549 | | 108,536 |
| Intangible assets, net | | 42,291 | | 38,048 |
| Goodwill | | 158,589 | | 154,732 |
| Deferred tax asset | | 865 | | 917 |
| Other non-current assets | | 18,964 | | 21,428 |
| Total non-current assets | | 331,258 | | 323,661 |
| Total assets | \$ | 677,606 | \$ | 659,063 |

**LIABILITIES AND STOCKHOLDERS'
EQUITY**

Current Liabilities:

| | | | | |
|--|----|-----------|----|-----------|
| Accounts payable | \$ | 63,578 | \$ | 80,764 |
| Accrued liabilities | | 46,643 | | 47,742 |
| Income taxes payable | | 7,716 | | 10,285 |
| Total current liabilities | | 117,937 | | 138,791 |
| Long-term debt | | 106,028 | | 101,753 |
| Accrued pension and other non-current liabilities | | 71,341 | | 69,949 |
| Total non-current liabilities | | 177,369 | | 171,702 |
| Stockholders' equity: | | | | |
| Common stock, par value \$1.50 per share, 60,000,000 shares authorized, 27,984,278 issued, 12,697,240 and 12,651,488 outstanding at March 31, 2016 and June 30, 2015 | | 41,976 | | 41,976 |
| Additional paid-in capital | | 51,063 | | 47,254 |
| Retained earnings | | 667,607 | | 632,864 |
| Accumulated other comprehensive loss | | (96,250) | | (93,017) |
| Treasury shares: 15,287,038 shares at March 31, 2016 and 15,332,790 shares at June 30, 2015 | | (282,096) | | (280,507) |
| Total stockholders' equity | | 382,300 | | 348,570 |
| Total liabilities and stockholders' equity | \$ | 677,606 | \$ | 659,063 |

See notes to unaudited condensed consolidated financial statements

STANDEX INTERNATIONAL CORPORATION
Unaudited Condensed Consolidated Statements of Operations

Three Months Ended

Nine Months Ended

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| (In thousands, except per share data) | March 31, | | March 31, | |
|---|------------|------------|------------|------------|
| | 2016 | 2015 | 2016 | 2015 |
| Net sales | \$ 177,465 | \$ 180,999 | \$ 557,811 | \$ 572,363 |
| Cost of sales | 118,827 | 123,741 | 372,386 | 390,193 |
| Gross profit | 58,638 | 57,258 | 185,425 | 182,170 |
| Selling, general, and administrative expenses | 41,087 | 39,028 | 125,713 | 124,836 |
| Restructuring costs | 391 | 398 | 3,387 | 2,354 |
| Other operating (income) expense, net | - | - | - | 59 |
| Total operating expenses | 41,478 | 39,426 | 129,100 | 127,249 |
| Income from operations | 17,160 | 17,832 | 56,325 | 54,921 |
| Interest expense | (807) | (938) | (2,182) | (2,369) |
| Other non-operating income (expense) | (115) | 103 | 369 | 556 |
| Income from continuing operations before income taxes | 16,238 | 16,997 | 54,512 | 53,108 |
| Provision for income taxes | 4,667 | 4,232 | 14,354 | 14,153 |
| Income from continuing operations | 11,571 | 12,765 | 40,158 | 38,955 |
| Income (loss) from discontinued operations, net of | (55) | | | |
| income taxes | | (139) | (290) | |