

METHODE ELECTRONICS INC

Form 10-Q

December 08, 2016

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 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 October 29, 2016

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 0-2816

METHODE ELECTRONICS, INC.

(Exact name of registrant as specified in its charter)

Delaware 36-2090085
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

7401 West Wilson Avenue, Chicago, Illinois 60706-4548
(Address of principal executive offices) (Zip Code)

(Registrant's telephone number, including area code) (708) 867-6777

None

(Former name, former address and former fiscal year, if changed since last report)

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 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 smaller reporting company. See 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

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Non-accelerated filer Smaller reporting company
(Do not check if a 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

At December 6, 2016, registrant had 36,743,638 shares of common stock outstanding.

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FORM 10-Q
October 29, 2016

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

METHODE ELECTRONICS, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (\$ in millions)

	As of October 29, 2016 (Unaudited)	As of April 30, 2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 249.6	\$ 227.8
Accounts receivable, net	172.0	175.5
Inventories:		
Finished products	11.6	11.9
Work in process	7.3	9.6
Materials	41.7	44.7
	60.6	66.2
Deferred income taxes	—	11.8
Prepaid expenses and other current assets	14.9	14.9
TOTAL CURRENT ASSETS	497.1	496.2
PROPERTY, PLANT AND EQUIPMENT		
Less allowances for depreciation	237.8	232.9
	88.8	93.0
GOODWILL	1.6	1.7
INTANGIBLE ASSETS, net	7.8	8.9
PRE-PRODUCTION COSTS	16.0	9.5
DEFERRED INCOME TAXES	36.3	27.7
OTHER ASSETS	18.9	18.9
	80.6	66.7
TOTAL ASSETS	\$ 666.5	\$ 655.9
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 75.9	\$ 68.2
Other current liabilities	38.0	49.7
TOTAL CURRENT LIABILITIES	113.9	117.9
LONG-TERM DEBT	49.0	57.0
OTHER LIABILITIES	2.4	2.9
DEFERRED COMPENSATION	8.4	8.0
SHAREHOLDERS' EQUITY		
Common stock, \$0.50 par value, 100,000,000 shares authorized, 38,090,262 and 38,181,985 shares issued as of October 29, 2016 and April 30, 2016, respectively	19.0	19.1
Additional paid-in capital	121.2	112.3
Accumulated other comprehensive income	(23.1)	(8.4)
Treasury stock, 1,346,624 shares as of October 29, 2016 and April 30, 2016	(11.5)	(11.5)
Retained earnings	387.2	358.6

TOTAL EQUITY	492.8	470.1
TOTAL LIABILITIES AND EQUITY	\$ 666.5	\$ 655.9

See notes to condensed consolidated financial statements.

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METHODE ELECTRONICS, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
 (\$ in millions, except per share data)

	Three Months Ended		Six Months Ended	
	October 2016	October 31, 2015	October 29, 2016	October 31, 2015
Net sales	\$209.3	\$ 208.4	\$401.1	\$ 411.7
Cost of products sold	153.7	157.5	291.5	307.2
Gross profit	55.6	50.9	109.6	104.5