

STANDEX INTERNATIONAL CORP/DE/
Form 10-Q
May 01, 2018

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, 2018

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

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

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(§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 31-0596149
(State of incorporation) (IRS Employer Identification No.)

11 KEEWAYDIN DRIVE, SALEM, NEW HAMPSHIRE 03079
(Address of principal executive offices) (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 26, 2018 was 12,831,505.

STANDEX INTERNATIONAL CORPORATION

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PART I . FINANCIAL INFORMATION**ITEM 1**

STANDEX INTERNATIONAL CORPORATION
Condensed Consolidated Balance Sheets

	March 31, 2018	June 30,
(In thousands, except per share data)	(unaudited)	2017
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 96,325	\$ 88,566
Accounts receivable, net of reserve for doubtful accounts of \$2,534 and \$2,406 at March 31, 2018 and June 30, 2017	132,505	127,060
Inventories	131,589	119,401
Prepaid expenses and other current assets	10,154	8,397
Income taxes receivable	1,301	2,469
Deferred tax asset	-	14,991
Total current assets	371,874	360,884
Property, plant, and equipment, net	147,782	133,160
Intangible assets, net	103,052	102,503
Goodwill	254,703	242,690
Deferred tax asset	10,234	1,135
Other non-current assets	28,631	27,304
Total non-current assets	544,402	506,792
Total assets	\$ 916,276	\$ 867,676
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 82,621	\$ 96,487
Accrued liabilities	63,539	58,694
Income taxes payable	2,820	4,783
Total current liabilities	148,980	159,964
Long-term debt	204,726	191,976
Accrued pension and other non-current liabilities	116,163	107,072
Total non-current liabilities	320,889	299,048
Stockholders' equity:		
Common stock, par value \$1.50 per share, 60,000,000 shares authorized, 27,984,278 issued, 12,710,243 and 12,662,661 outstanding at March 31, 2018 and June 30, 2017	41,976	41,976

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Additional paid-in capital	60,031	56,783
Retained earnings	751,136	716,605
Accumulated other comprehensive loss	(115,267)	(115,938)
Treasury shares: 15,274,035 shares at March 31, 2018 and 15,321,617 shares at June 30, 2017	(291,469)	(290,762)
Total stockholders' equity	446,407	408,664
Total liabilities and stockholders' equity	\$ 916,276	\$ 867,676

See notes to unaudited condensed consolidated financial statements

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STANDEX INTERNATIONAL CORPORATION
Unaudited Condensed Consolidated Statements of
Operations

	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
(In thousands, except per share data)	2018	2017	2018	2017
Net sales	216,743	\$ 184,715	\$ 640,873	\$ 538,169
Cost of sales	142,971	123,367	421,394	358,152
Gross profit	73,772	61,348	219,479	180,017
Selling, general, and administrative expenses	51,854	43,472	152,559	125,578
Acquisition related costs	1,254	5,422	2,962	6,925
Restructuring costs	1,337	1,019	6,307	3,077
Total operating expenses	54,445	49,913	161,828	135,580
Income from operations	19,327	11,435	57,651	44,437
Interest expense	(2,286)	(953)	(5,800)	(2,499)
Other non-operating income, net	(293)	52	764	819
Income from continuing operations	16,748	10,534	52,615	42,757

operations before income taxes					
Provision for income taxes	3,928	2,874	28,599	10,311	
Net income from continuing operations	12,820	7,660	24,016	32,446	
Income (loss) from discontinued operations, net of					
income taxes	(20)	1	(22)	(43)	
Net income	12,800	\$ 7,661	\$ 23,994	\$ 32,403	
Basic earnings per share:					
Continuing operations	1.01	\$ 0.60	\$ 1.89	\$ 2.56	
Discontinued operations	-	-	-	-	
\$ Total	1.01	\$ 0.60	\$ 1.89	\$ 2.56	
Diluted earnings per share:					
Continuing operations	1.00	\$ 0.60	\$ 1.88	\$ 2.54	
Discontinued operations	-	-	-	-	
\$ Total	1.00	\$ 0.60	\$ 1.88	\$ 2.54	
Cash dividends	0.18	\$ 0.16	\$ 0.52	\$ 0.46	

per
share

See notes to
unaudited
condensed
consolidated
financial
statements

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STANDEX INTERNATIONAL CORPORATION
Unaudited Condensed Consolidated Statements of
Comprehensive Income

	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
(In thousands)	2018	2017	2018	2017
Net income	\$ 12,800	\$ 7,661	\$ 23,994	\$ 32,403
Other comprehensive income (loss):				
Defined benefit pension plans:				
\$ Actuarial gains (losses) and other changes in unrecognized costs	(285)	\$ (128)	\$ (623)	\$ 503
Amortization of unrecognized costs	1,378	1,427	4,114	4,294
Derivative instruments:				
Change in unrealized gains (losses)	(316)	(3,445)		