

UFP TECHNOLOGIES INC  
Form 10-Q  
August 08, 2014  
[Table of Contents](#)

# 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 JUNE 30, 2014

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: 001-12648

**UFP Technologies, Inc.**

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(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**04-2314970**

(IRS Employer Identification No.)

**172 East Main Street, Georgetown, Massachusetts 01833, USA**

(Address of principal executive offices) (Zip Code)

**(978) 352-2200**

(Registrant's telephone number, including area code)

(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 x; No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, 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 x; No o

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 o

Accelerated filer x

Non-accelerated filer o

Smaller reporting company o

[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 o; No x

7,054,173 shares of registrant's Common Stock, \$0.01 par value, were outstanding as of August 1, 2014.



Table of Contents

**UFP Technologies, Inc.**

**Index**

	<b>Page</b>
<b><u>PART I - FINANCIAL INFORMATION</u></b>	3
<b><u>Item 1. Financial Statements</u></b>	3
<u>Condensed Consolidated Balance Sheets as of June 30, 2014 (unaudited) and December 31, 2013</u>	3
<u>Condensed Consolidated Statements of Income for the Three and Six Months Ended June 30, 2014, and June 30, 2013 (unaudited)</u>	4
<u>Condensed Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2014, and June 30, 2013 (unaudited)</u>	5
<u>Notes to Interim Condensed Consolidated Financial Statements</u>	6
<b><u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u></b>	13
<b><u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u></b>	16
<b><u>Item 4. Controls and Procedures</u></b>	16
<b><u>PART II - OTHER INFORMATION</u></b>	17
<b><u>Item 1A. Risk Factors</u></b>	17
<b><u>Item 6. Exhibits</u></b>	17
<b><u>Signatures</u></b>	18
<b><u>Exhibit Index</u></b>	19

Table of Contents**PART I: FINANCIAL INFORMATION****ITEM 1: FINANCIAL STATEMENTS****UFP Technologies, Inc.****Condensed Consolidated Balance Sheets**

(In thousands, except share data)

	June 30, 2014 (Unaudited)	December 31, 2013
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 31,960	\$ 37,303
Receivables, less allowance for doubtful accounts of \$473 at June 30, 2014 and \$512 at December 31, 2013	17,622	17,032
Inventories	13,429	11,048
Prepaid expenses	1,681	690
Refundable income taxes	1,625	1,537
Deferred income taxes	1,256	1,222
Total current assets	67,573	68,832
Property, plant, and equipment	68,546	64,574
Less accumulated depreciation and amortization	(40,755)	(39,067)
Net property, plant, and equipment	27,791	25,507
Goodwill	7,322	7,322
Intangible assets, net	1,114	1,346
Other assets	5,084	2,013
Total assets	\$ 108,884	\$ 105,020
<b>Liabilities and Stockholders Equity</b>		
Current liabilities:		
Accounts payable	\$ 4,161	\$ 3,081
Accrued expenses	6,834	8,265
Current installments of long-term debt	985	976
Total current liabilities	11,980	12,322
Long-term debt, excluding current installments	2,372	2,867
Deferred income taxes	2,245	2,436
Retirement and other liabilities	1,589	1,805
Total liabilities	18,186	19,430
Commitments and contingencies		
Stockholders equity:		
Preferred stock, \$.01 par value. Authorized 1,000,000 shares; zero shares issued or outstanding		
Common stock, \$.01 par value. Authorized 20,000,000 shares; issued and outstanding 7,054,173 at June 30, 2014 and 6,900,683 at December 31, 2013	71	69
Additional paid-in capital	21,475	20,291
Retained earnings	69,152	65,230
Total stockholders equity	90,698	85,590
Total liabilities and stockholders equity	\$ 108,884	\$ 105,020

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

Table of Contents

**UFP Technologies, Inc.**

**Condensed Consolidated Statements of Income**

(In thousands, except share data)

(Unaudited)

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Net sales	\$ 34,025	\$ 35,832	\$ 68,634	\$ 69,529
Cost of sales	24,549	25,113	50,050	49,908
Gross profit	9,476	10,719	18,584	19,621
Selling, general & administrative expenses	6,466	6,075	12,290	12,021
Restructuring costs	234		324	
(Gain) loss on sale of fixed assets	(12)	11	(12)	11
Operating income	2,788	4,633	5,982	7,589
Interest expense, net	(27)	(45)	(48)	(85)
Other income, net	100		100	