

Measurement Specialties Inc  
Form 10-Q  
February 03, 2010

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 FISCAL QUARTERLY PERIOD ENDED DECEMBER 31, 2009

OR

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

COMMISSION FILE NUMBER: 1-11906  
MEASUREMENT SPECIALTIES, INC.  
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

New Jersey  
(STATE OR OTHER JURISDICTION OF  
INCORPORATION OR ORGANIZATION)

22-2378738  
(I.R.S. EMPLOYER  
IDENTIFICATION NO. )

1000 LUCAS WAY, HAMPTON, VA 23666  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(757) 766-1500  
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

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 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 a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Securities Exchange Act of 1934. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

(Do not check if a smaller reporting company)

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes  No  ..

Indicate the number of shares outstanding of each of the issuer's classes of stock, as of the latest practicable date: At January 29, 2010, the number of shares outstanding of the Registrant's common stock was 14,514,457.

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MEASUREMENT SPECIALTIES, INC.  
 FORM 10-Q  
 TABLE OF CONTENTS  
 DECEMBER 31, 2009

PART I.	FINANCIAL INFORMATION	3
ITEM 1.	FINANCIAL STATEMENTS	3
	CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)	3
	CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)	4
	CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND COMPREHENSIVE INCOME (UNAUDITED)	6
	CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)	7
	NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)	8
ITEM 2.	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	21
ITEM 3.	QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	33
ITEM 4.	CONTROLS AND PROCEDURES	34
PART II.	OTHER INFORMATION	35
ITEM 1.	LEGAL PROCEEDINGS	35
ITEM 1A.	RISK FACTORS	35
ITEM 6.	EXHIBITS	35
SIGNATURES		36

## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

MEASUREMENT SPECIALTIES, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(UNAUDITED)

(Amounts in thousands, except per share amounts)	Three Months Ended December 31,		Nine Months Ended December 31,	
	2009	2008	2009	2008
Net sales	\$ 54,755	\$ 43,299	\$ 148,583	\$ 161,184
Cost of goods sold	32,795	24,379	92,472	91,987
Gross profit	21,960	18,920	56,111	69,197
Selling, general, and administrative expenses	17,713	16,866	51,513	54,963
Operating income	4,247	2,054	4,598	14,234
Interest expense, net	905	675	3,092	2,187
Foreign currency exchange loss (gain)	(64)	351	(1,037)	684
Other expense (income)	52	161	79	(193)
Income from continuing operations, before income taxes	3,354	867	2,464	11,556
Income tax expense (benefit) from continuing operations	(28)	(115)	280	2,830
Income from continuing operations, net of income taxes	3,382	982	2,184	8,726
Loss from discontinued operations, net of income taxes	(16)	-	(142)	-
Net income	3,366	982	2,042	8,726
Less: Net income attributable to noncontrolling interest	118	106	328	276
Net income attributable to Measurement Specialties, Inc. ("MEAS")	\$ 3,248	\$ 876	\$ 1,714	\$ 8,450
Amounts attributable to MEAS common shareholders:				
Income from continuing operations, net of income taxes	\$ 3,264	\$ 876	\$ 1,856	\$ 8,450
Loss from discontinued operations attributable to MEAS	(16)	-	(142)	-
Net income	\$ 3,248	\$ 876	\$ 1,714	\$ 8,450
Earnings per common share - Basic:				
Income from continuing operations, net of income taxes	\$ 0.22	\$ 0.06	\$ 0.13	\$ 0.58
Loss from discontinued operations attributable to MEAS	-	-	(0.01)	-
Net income - Basic	\$ 0.22	\$ 0.06	\$ 0.12	\$ 0.58
Earnings per common share - Diluted:				
Income from continuing operations, net of income taxes	\$ 0.22	\$ 0.06	\$ 0.13	\$ 0.58
Loss from discontinued operations attributable to MEAS	-	-	(0.01)	-
Net income - Diluted	\$ 0.22	\$ 0.06	\$ 0.12	\$ 0.58
Weighted average shares outstanding - Basic	14,504	14,464	14,492	14,461
Weighted average shares outstanding - Diluted	14,686	14,536	14,629	14,545

See accompanying notes to condensed consolidated financial statements.



MEASUREMENT SPECIALTIES, INC. AND SUBSIDIARIES  
 CONSENSUED CONSOLIDATED BALANCE SHEETS  
 (UNAUDITED)

(Amounts in thousands)	December 31, 2009	March 31, 2009
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 26,303	\$ 23,483
Accounts receivable trade, net of allowance for doubtful accounts of \$710 and \$898, respectively	28,934	28,830
Inventories, net	43,043	45,384
Deferred income taxes, net	933	2,067
Prepaid expenses and other current assets	3,797	3,968
Other receivables	1,019	458
Due from joint venture partner	776	1,824
Promissory note receivable	-	283
Income taxes receivable	2,580	-
<b>Total current assets</b>	<b>107,385</b>	<b>106,297</b>
Property, plant and equipment, net	45,351	46,875
Goodwill	100,142	99,176
Acquired intangible assets, net	25,627	27,478
Deferred income taxes, net	1,560	2,985
Other assets	1,376	1,319
<b>Total assets</b>	<b>\$ 281,441</b>	<b>\$ 284,130</b>

See accompanying notes to condensed consolidated financial statements.

MEASUREMENT SPECIALTIES, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(UNAUDITED)

(Amounts in thousands, except share amounts)	December 31, 2009	March 31, 2009
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Current portion of promissory notes payable	\$ 2,408	\$ 2,176
Current portion of long-term debt	2,471	2,356
Current portion of capital lease obligations	305	797
Accounts payable	17,166	15,381
Accrued expenses	5,103	3,041
Accrued compensation	5,937	5,656
Income taxes payable	-	1,838
Other current liabilities	4,117	3,394
<b>Total current liabilities</b>	<b>37,507</b>	<b>34,639</b>
Revolver	63,547	71,407
Promissory notes payable, net of current portion	4,817	4,352
Long-term debt, net of current portion	6,948	12,769
Capital lease obligations, net of current portion	143	250
Other liabilities	1,117	1,085
<b>Total liabilities</b>	<b>114,079</b>	<b>124,502</b>
<b>Equity:</b>		
Measurement Specialties, Inc. ("MEAS") shareholders' equity:		
Serial preferred stock; 221,756 shares authorized; none outstanding	-	-
Common stock, no par; 25,000,000 shares authorized; 14,509,957 and 14,483,622 shares issued and outstanding, respectively	-	-
Additional paid-in capital	84,279	81,948
Retained earnings	68,932	67,218
Accumulated other comprehensive income	12,150	8,110
<b>Total MEAS shareholders' equity</b>	<b>165,361</b>	<b>157,276</b>
Noncontrolling interest	2,001	2,352
<b>Total equity</b>	<b>167,362</b>	<b>159,628</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 281,441</b>	<b>\$ 284,130</b>

See accompanying notes to condensed consolidated financial statements.

MEASUREMENT SPECIALTIES, INC. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY  
 AND COMPREHENSIVE INCOME  
 FOR THE NINE MONTHS ENDED DECEMBER 31, 2009 AND 2008  
 (UNAUDITED)

(Dollars in thousands)	Shares of Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Noncontrolling Interest	Total	Comprehensive Income
Balance, March 31, 2008	14,440,848	\$ 78,720	\$ 61,939	\$ 15,130	\$ 1,953	\$ 157,742	
Comprehensive income:							
Net income		-	8,450	-	276	8,726	\$ 8,726
Currency translation adjustment		-	-	(3,544)	334	(3,210)	(3,210)
Comprehensive income							\$ 5,516
Non-cash equity based compensation		2,251	-	-	-	2,251	
Amounts from exercise of stock options	36,590	276	-	-	-	276	
Balance, December 31, 2008	14,477,438	\$ 81,247	\$ 70,389	\$ 11,586	\$ 2,563	\$ 165,785	
Balance, March 31, 2009	14,483,622	\$ 81,948	\$ 67,218	\$ 8,110	\$ 2,352	\$ 159,628	
Comprehensive income:							
Net income		-	1,714	-	328	2,042	\$ 2,042
Currency translation adjustment		-	-	4,040	136	4,176	4,176
Comprehensive income							\$ 6,218
Non-cash equity based compensation		2,275	-	-	-	2,275	
Noncontrolling interest distributions		-	-	-	(815)	(815)	
Amounts from exercise of stock options	26,335	56	-	-	-	56	
Balance, December 31, 2009	14,509,957	\$ 84,279	\$ 68,932	\$ 12,150	\$ 2,001	\$ 167,362	

See accompanying notes to condensed consolidated financial statements.



MEASUREMENT SPECIALTIES, INC. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
 (UNAUDITED)

(Amounts in thousands)	Nine Months Ended December	
	2009	31, 2008
<b>Cash flows from operating activities:</b>		
Net income	\$ 2,042	\$ 8,726
Less: Loss from discontinued operations	(142)	-
Income from continuing operations	2,184	8,726
Adjustments to reconcile net income (loss) to net cash provided by operating activities from continuing operations:		
Depreciation and amortization		