

ASTRONICS CORP  
Form 10-Q  
November 07, 2012  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Form 10-Q**

x **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**  
For the quarterly period ended September 29, 2012

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 0-7087

**ASTRONICS CORPORATION**

(Exact name of registrant as specified in its charter)

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<b>New York</b> (State or other jurisdiction of incorporation or organization)	<b>16-0959303</b> (IRS Employer Identification Number)
<b>130 Commerce Way, East Aurora, New York</b> (Address of principal executive offices)	<b>14052</b> (Zip code)
<b>(716) 805-1599</b> (Registrant's telephone number, including area code)	

**NOT APPLICABLE**

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

**Securities registered pursuant to Section 12(g) of the Act:**

**\$.01 par value Common Stock, \$.01 par value Class B Stock**

(Title of Class)

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, 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 (Section 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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of large accelerated filer, an accelerated filer, a non-accelerated filer and a smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer

Accelerated filer

Non-accelerated filer

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

As of September 29, 2012, 12,425,869 shares of common stock were outstanding consisting of 9,937,742 shares of common stock (\$.01 par value) and 2,488,127 shares of Class B common stock (\$.01 par value).

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## ASTRONICS CORPORATION

**Consolidated Condensed Balance Sheets**

September 29, 2012 with Comparative Figures for December 31, 2011

(In thousands)

	September 29, 2012 (Unaudited)	December 31, 2011
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 7,567	\$ 10,919
Accounts Receivable, net of allowance for doubtful accounts	47,330	35,669
Inventories	46,651	40,094
Other Current Assets	6,132	5,628
<b>Total Current Assets</b>	<b>107,680</b>	<b>92,310</b>
Property, Plant and Equipment, net of accumulated depreciation	48,777	41,122
Deferred Income Taxes	9,003	7,039
Other Assets	2,857	3,249
Intangible Assets, net of accumulated amortization	17,133	14,000
Goodwill	21,948	17,185
<b>Total Assets</b>	<b>\$ 207,398</b>	<b>\$ 174,905</b>
<b>Current Liabilities:</b>		
Current Maturities of Long-term Debt	\$ 8,273	\$ 5,290
Accounts Payable	14,206	10,559
Accrued Expenses	14,517	11,568
Accrued Income Taxes	309	
Billings in Excess of Recoverable Costs and Accrued Profits on Uncompleted Contracts	203	264
Customer Advance Payments and Deferred Revenue	10,251	5,796
<b>Total Current Liabilities</b>	<b>47,759</b>	<b>33,477</b>
Long-term Debt	25,125	27,973
Other Liabilities	16,879	10,592
<b>Total Liabilities</b>	<b>89,763</b>	<b>72,042</b>
<b>Shareholders' Equity:</b>		
Common Stock	148	147
Other Shareholders' Equity	117,487	102,716
<b>Total Shareholders' Equity</b>	<b>117,635</b>	<b>102,863</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 207,398</b>	<b>\$ 174,905</b>

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See notes to consolidated condensed financial statements

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## ASTRONICS CORPORATION

**Consolidated Condensed Statements of Operations**

Three and Nine Months Ended September 29, 2012 With Comparative Figures for 2011

(Unaudited)

(In thousands, except per share data)

	Nine Months Ended		Three Months Ended	
	September 29, 2012	October 1, 2011	September 29, 2012	October 1, 2011
Sales	\$ 199,026	\$ 167,007	\$ 68,899	\$ 56,404
Cost of Products Sold	147,135	123,860	52,182	42,149
Gross Profit	51,891	43,147	16,717	14,255
Selling, General and Administrative Expenses	27,195	19,849	9,062	6,360
Income from Operations	24,696	23,298	7,655	7,895
Interest Expense, Net of Interest Income	803	1,461	274	390
Income Before Income Taxes	23,893	21,837	7,381	7,505
Provision for Income Taxes	7,674	5,415	2,451	840
Net Income	\$ 16,219	\$ 16,422	\$ 4,930	\$ 6,665
Earnings per share:				
Basic	\$ 1.14	\$ 1.18	\$ 0.35	\$ 0.48
Diluted	\$ 1.07	\$ 1.11	\$ 0.33	\$ 0.45

See notes to consolidated condensed financial statements.

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## ASTRONICS CORPORATION

**Consolidated Condensed Statements of Comprehensive Income**

Three and Nine Months ended September 29, 2012 With Comparative Figures for 2011

(Unaudited)

(In thousands)

	Nine Months Ended		Three Months Ended	
	September 29, 2012	October 1, 2011	September 29, 2012	October 1, 2011
Net Income	\$ 16,219	\$ 16,422	\$ 4,930	\$ 6,665
Other Comprehensive Income:				
Foreign Currency Translation Adjustments	251	(191)	258	(394)
Mark to Market Adjustments for Derivatives Net of Tax	76	45	26	9
Retirement Liability Adjustment Net of Tax	(3,448)	69	139	24
Other Comprehensive (Loss) Income	(3,121)	(77)	423	(361)
Comprehensive Income	\$ 13,098	\$ 16,345	\$ 5,353	\$ 6,304

See notes to consolidated condensed financial statements.



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## ASTRONICS CORPORATION

**Consolidated Condensed Statements of Cash Flows**

Nine Months ended September 29, 2012

With Comparative Figures for 2011

(Unaudited)

(In thousands)

	September 29, 2012	October 1, 2011
<b>Cash Flows from Operating Activities:</b>		
Net Income	\$ 16,219	\$ 16,422
Adjustments to Reconcile Net Income to Cash Provided By (Used For) Operating Activities:		
Depreciation and Amortization	4,955	3,592
Provisions for Non-Cash Losses on Inventory and Receivables	1,057	450
Stock Compensation Expense	1,078	807
Deferred Tax Expense	(811)	689
Other	115	(359)
Cash Flows from Changes in Operating Assets and Liabilities:		
Accounts Receivable	(9,836)	(6,215)
Inventories	(6,835)	(2,790)
Accounts Payable	3,072	(596)
Other Current Assets and Liabilities	2,071	2,141
Billings in Excess of Recoverable Costs and Accrued Profits on Uncompleted Contracts	(61)	(1,172)
Customer Advanced Payments and Deferred Revenue	4,455	934
Income Taxes	1,014	(832)
Supplemental Retirement and Other Liabilities	642	(150)
 Cash Provided By Operating Activities	 17,135	 12,921
<b>Cash Flows from Investing Activities:</b>		
Acquisition of Business	(10,619)	
Capital Expenditures	(10,570)	(12,875)
 Cash Used For Investing Activities	 (21,189)	