

LGL GROUP INC  
Form 10-Q  
May 10, 2018  
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 quarterly period ended March 31, 2018

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 No. 001-00106

THE LGL GROUP, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction of

38-1799862  
(I.R.S. Employer Identification No.)

Incorporation or Organization)

2525 Shader Rd., Orlando, Florida 32804  
(Address of principal executive offices) (Zip Code)

(407) 298-2000

(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

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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, smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth 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   
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes      No

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

Class	Outstanding at May 8, 2018
Common Stock, \$0.01 par value per share	4,698,393

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THE LGL GROUP, INC.

Quarterly Report on Form 10-Q for the Quarterly Period Ended March 31, 2018

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## PART I

## FINANCIAL INFORMATION

## Item 1. Financial Statements.

The LGL Group, Inc.

## Condensed Consolidated Balance Sheets (Unaudited)

(In thousands, except par value and share amounts)

	March 31,	December 31,
	2018	2017
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 1,483	\$ 13,250
Marketable securities	15,590	3,803
Accounts receivable, net of allowances of \$36 and \$35, respectively	3,652	3,393
Inventories, net	4,008	3,875
Prepaid expenses and other current assets	262	229
<b>Total Current Assets</b>	<b>24,995</b>	<b>24,550</b>
<b>Property, plant and equipment:</b>		
Land	536	536
Buildings and improvements	3,973	3,973
Machinery and equipment	17,146	16,974
Gross property, plant and equipment	21,655	21,483
Less: accumulated depreciation	(19,408 )	(19,304 )
Net property, plant, and equipment	2,247	2,179
Intangible assets, net	532	552
Deferred income taxes, net	180	173
Other assets, net	2	101
<b>Total Assets</b>	<b>\$ 27,956</b>	<b>\$ 27,555</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 1,499	\$ 1,477
Accrued compensation and commissions	1,052	872
Other accrued expenses	255	278
<b>Total Current Liabilities</b>	<b>2,806</b>	<b>2,627</b>
<b>Commitments and Contingencies (Note L)</b>		
<b>Stockholders' Equity</b>		
Common stock, \$0.01 par value - 10,000,000 shares authorized;		
4,779,977 shares issued and 4,698,393 shares outstanding at		
March 31, 2018, and 4,774,477 shares issued and		
4,692,893 shares outstanding at December 31, 2017		
Additional paid-in capital	47	47
	40,064	40,035

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Accumulated deficit	(14,381 )	(14,609 )
Treasury stock, 81,584 shares held in treasury at cost at March 31, 2018		
and December 31, 2017	(580 )	(580 )
Accumulated other comprehensive income	—	35
Total Stockholders' Equity	25,150	24,928
Total Liabilities and Stockholders' Equity	\$ 27,956	\$ 27,555

See Accompanying Notes to Condensed Consolidated Financial Statements.

The LGL Group, Inc.

Condensed Consolidated Statements of Operations (Unaudited)

(In thousands, except share and per share amounts)

	Three Months Ended March 31,	
	2018	2017
REVENUES	\$5,945	\$5,624
Costs and expenses:		
Manufacturing cost of sales	3,716	3,558
Engineering, selling and administrative	2,071	1,958
OPERATING INCOME	158	108
Other Income:		
Interest income (expense), net	12	(6)
Other income, net	24	12
Total Other Income, Net	36	6
INCOME BEFORE INCOME TAXES	194	114
Income tax provision	(1)	(3)
NET INCOME	\$193	\$111
Basic per share information:		
Weighted average shares outstanding	4,696,415	2,675,466
Net income	\$0.04	\$0.04
Diluted per share information:		
Weighted average shares outstanding	4,806,196	2,688,484
Net income	\$0.04	\$0.04

See Accompanying Notes to Condensed Consolidated Financial Statements.

The LGL Group, Inc.

Condensed Consolidated Statements of Comprehensive Income (Unaudited)

(In thousands)

	Three Months Ended March 31, 2018 2017	
NET INCOME	\$193	\$111
Other Comprehensive Income:		
Unrealized gain on available-for-sale securities, net of taxes	—	21