

CSP INC /MA/  
Form 10-Q  
May 13, 2016  
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, 2016

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 0-10843

CSP Inc.  
(Exact name of Registrant as specified in its Charter)

Massachusetts                      04-2441294  
(State of incorporation) (I.R.S. Employer Identification No.)

175 Cabot Street - Suite 210  
Lowell, Massachusetts 01854  
(978) 663-7598  
(Address and telephone number of principal executive offices)

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 (§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, 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):

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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

As of May 13, 2016, the registrant had 3,800,601 shares of common stock issued and outstanding.

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

CSP INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(Amounts in thousands, except par value)

	March 31, 2016 (Unaudited)	September 30, 2015
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 10,020	\$ 11,181
Accounts receivable, net of allowances of \$307 and \$331	21,690	18,468
Unbilled accounts receivable	1,090	1,420
Inventories, net	4,807	5,749
Refundable income taxes	—	43
Deferred income taxes	1,337	1,337
Other current assets	2,210	1,884
Total current assets	41,154	40,082
Property, equipment and improvements, net	1,631	1,564
Other assets:		
Intangibles, net	351	416
Deferred income taxes	1,678	1,687
Cash surrender value of life insurance	3,276	3,064
Other assets	158	183
Total other assets	5,463	5,350
Total assets	\$ 48,248	\$ 46,996
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 15,415	\$ 13,776
Deferred revenue	2,192	2,931
Pension and retirement plans	721	675
Income taxes payable	281	—
Total current liabilities	18,609	17,382
Pension and retirement plans	9,700	10,009
Other long term liabilities	18	15
Total liabilities	28,327	27,406
Commitments and contingencies		
Shareholders' equity:		
Common stock, \$.01 par value per share; authorized, 7,500 shares; issued and outstanding 3,801 and 3,688 shares, respectively	38	37
Additional paid-in capital	12,503	12,249
Retained earnings	15,642	15,689
Accumulated other comprehensive loss	(8,262)	(8,385)
Total shareholders' equity	19,921	19,590

Total liabilities and shareholders' equity	\$ 48,248	\$ 46,996
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See accompanying notes to unaudited consolidated financial statements.

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CSP INC. AND SUBSIDIARIES  
 UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

(Amounts in thousands, except for per share data)

	For the three months ended March 31,		For the six months ended March 31,	
	2016	2015	2016	2015
Sales:				
Product	\$20,972	\$ 14,195	\$37,975	\$ 29,848
Services	6,167	4,682	12,840	9,459
Total sales	27,139	18,877	50,815	39,307
Cost of sales:				
Product	17,054	11,380	31,290	24,513
Services	3,752	3,454	8,002	6,796
Total cost of sales	20,806	14,834	39,292	31,309
Gross profit	6,333	4,043	11,523	7,998