

LGL GROUP INC  
Form 10-Q  
August 12, 2016  
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 June 30, 2016  
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. 1-106

THE LGL GROUP, INC.  
(Exact Name of Registrant as Specified in Its Charter)

Delaware 38-1799862  
(State or Other Jurisdiction of (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)

(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 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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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	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

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 August 12, 2016
Common Stock, \$0.01 par value	2,665,434

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## PART I

## FINANCIAL INFORMATION

## Item 1. Financial Statements.

THE LGL GROUP, INC.  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (Dollars in Thousands)

	June 30, 2016	December 31, 2015
	(Unaudited)	
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 5,563	\$ 5,553
Accounts receivable, less allowances of \$32 and \$34, respectively	3,137	2,606
Inventories, net (Note C)	3,477	3,546
Prepaid expenses and other current assets	227	247
Total Current Assets	12,404	11,952
Property, Plant and Equipment:		
Land	633	633
Buildings and improvements	3,946	3,938
Machinery and equipment	16,688	16,633
Gross property, plant and equipment	21,267	21,204
Less: accumulated depreciation	(18,402 )	(18,039 )
Net property, plant, and equipment	2,865	3,165
Intangible assets, net (Note D)	448	475
Other assets, net	206	211
Total Assets	\$ 15,923	\$ 15,803
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts payable	\$ 1,208	\$ 987
Accrued compensation and commissions expense	779	769
Accrued warranty expense	118	126
Other accrued expenses	220	194
Total Current Liabilities	\$ 2,325	2,076
Commitments and Contingencies (Note J)		
Stockholders' Equity		
Common stock, \$0.01 par value - 10,000,000 shares authorized; 2,745,098 shares issued and 2,665,434 shares outstanding at June 30, 2016 and December 31, 2015	27	27
Additional paid-in capital	29,093	29,106
Accumulated deficit	(14,984 )	(14,874 )
Treasury stock: 79,664 shares held in treasury at cost at June 30, 2016 and December 31, 2015	(572 )	(572 )
Accumulated other comprehensive income	34	40
Total Stockholders' Equity	13,598	13,727
Total Liabilities and Stockholders' Equity	\$ 15,923	\$ 15,803

See Accompanying Notes to Condensed Consolidated Financial Statements.



THE LGL GROUP, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS - UNAUDITED

(Dollars in Thousands, Except Per Share Amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
REVENUES	\$5,231	\$5,471	\$9,987	\$10,875
Cost and Expenses:				
Manufacturing cost of sales	3,459	3,683	6,716	7,288
Engineering, selling and administrative	1,746	2,121	3,407	4,081
OPERATING INCOME (LOSS)	26	(333)	(136)	(494)
Other (Expense) Income:				
Interest expense, net	(7)	(4)	(13)	(9)
Other (expense) income, net	(4)	147	38	135
Total Other (Expense) Income	(11)	143	25	126
INCOME (LOSS) BEFORE INCOME TAXES	15	(190)	(111)	(368)
Income tax benefit (provision)	1	(11)	1	(11)
NET INCOME (LOSS)	\$16	\$(201)	\$(110)	\$(379)
Weighted average number of shares used in basic and diluted net income (loss) per common share calculation	2,665,434	2,637,719	2,665,434	2,627,160
BASIC AND DILUTED NET INCOME (LOSS) PER COMMON SHARE	\$0.01	\$(0.08)		