Measurement specialties announces record results for fiscal year ended March 31, 2011; Net income of $28.2 million on net sales of $274.8 million

I-Micronews

The Company reported an increase in consolidated net sales of $69.8 million or 34% to a record of $274.8 million for the twelve months ended March 31, 2011, as compared to last fiscal year. Excluding sales attributed to the Pressure Systems Inc. ("PSI") acquisition of $11.6 million, organic sales increased $58.2 million or 28%. For the twelve months ended March 31, 2011, the Company reported income from continuing operations, net of income taxes, of $28.2 million, or $1.84 per diluted share, as compared to income from continuing operations, net of income taxes, of $6.1 million, or $0.41 per diluted share, for the same period last year.

The Company reported an increase in consolidated net sales of $17.0 million or 28% to $76.8 million for the three months ended March 31, 2011, as compared to the corresponding period last year. Organic sales, defined as net sales excluding sales attributed to the PSI acquisition of $4.4 million, increased $12.6 million or 21%. For the three months ended March 31, 2011, the Company reported income from continuing operations, net of income taxes, of $8.3 million, or $0.53 per diluted share, as compared to income from continuing operations, net of income taxes, of $4.2 million or $0.28 per diluted share, for the same period last year.

Frank Guidone, Company CEO, commented, "*The tremendous fourth quarter was a fitting end to a great year, our first full-year post recession. Our fourth quarter was up 21% organically over the same period last year; impressive given this was our first difficult comp (quarter). Despite the record sales, our book to bill for the quarter was well above 1, giving us continued confidence in the fiscal 2012 outlook. We had a strong year-end push which helped to drive Q4 growth up 7% over Q3; a bit stronger than expected. Accordingly, we are forecasting Q1 flat to Q4, and expect to resume consecutive quarterly growth in the second quarter. Given the strength of bookings and full-year forecast, we remain confident in our annual organic growth target of 10%-12%.*"

On June 7, 2011, the Company filed its Form 10-K for the year ended March 31, 2011. Please refer to the Management's Discussion and Analysis of Financial Condition and Results of Operations included in the Company's Form 10-K filed for a more complete discussion of sales, margin and expenses.

The Company will host an investor conference call on Wednesday, June 8, 2011 at 11:00 AM Eastern to answer questions regarding the results reported in our Form 10-K for three and twelve months ended March 31, 2011. US dialers: (877) 407-8035; International dialers (201) 689-8035. Interested parties may also listen

via the Internet at: www.investorcalendar.com. The call will be available for replay for 30 days by dialing (877) 660-6853 (US dialers); (201) 612-7415 (International dialers), and entering the replay pass code #286 and conference ID# 372368, and on Investorcalendar.com.

About Measurement Specialties: Measurement Specialties, Inc. (MEAS) designs and manufactures sensors and sensor-based systems to measure precise ranges of physical characteristics such as pressure, temperature, position, force, vibration, humidity and photo optics. MEAS uses multiple advanced technologies -- piezo-resistive silicon sensors, application-specific integrated circuits, micro-electromechanical systems ("MEMS"), piezoelectric polymers, foil strain gauges, force balance systems, fluid capacitive devices, linear and rotational variable differential transformers, electromagnetic displacement sensors, hygroscopic capacitive sensors, ultrasonic sensors, optical sensors, negative thermal coefficient ("NTC") ceramic sensors, mechanical resonators and submersible hydrostatic level sensors -- to engineer sensors that operate precisely and cost effectively.

This release includes forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended. Forward looking statements may be identified by such words or phrases as "should," "intends," " is subject to," "expects," "will," "continue," "anticipate," "estimated," "projected," "may," " believe," "future prospects," or similar expressions. Factors that might cause actual results to differ materially from the expected results described in or underlying our forward looking statements include: Conditions in the general economy, including risks associated with the current financial crisis and worldwide economic conditions and reduced demand for products that incorporate our products; Competitive factors, such as price pressures and the potential emergence of rival technologies; Compliance with export control laws and regulations; Fluctuations in foreign currency exchange and interest rates; Interruptions of suppliers' operations or the refusal of our suppliers to provide us with component materials, particularly in light of the current economic conditions and potential for suppliers to fail; Timely development, market acceptance and warranty performance of new products; Changes in product mix, costs and yields; Uncertainties related to doing business in Europe and China; Legislative initiatives, including tax legislation and other changes in the Company's tax position; Legal proceedings; Compliance with debt covenants, including events beyond our control; Conditions in the credit markets, including our ability to raise additional funds or refinance our existing credit facility; Adverse developments in the automotive industry and other markets served by us; and risk factors listed from time to time in the reports we file with the SEC. The Company from time-to-time considers acquiring or disposing of business or product lines. Forward-looking statements do not include the impact of acquisitions or dispositions of assets, which could affect results in the near term. Actual results may differ materially. The Company assumes no obligation to update the information in this release.

MEASUREMENT SPECIALTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

Three Months Ended Twelve Months Ended

March 31, March 31,
--- ---

(UNAUDITED)

(As (As
(Amounts in thousands, except per share Adjusted) Adjusted)
amounts) 2011 2010 2011 2010
--- --- --- --- ---
Net sales $ 76,766 $ 59,772 $ 274,789 $ 205,028

Cost of goods sold 45,556 35,328 159,981 126,393
--- --- --- ---
Gross profit 31,210 24,444 114,808 78,635
Selling, general, and administrative
expenses 20,611 19,152 78,673 69,947
--- --- --- ---
Operating income 10,599 5,292 36,135 8,688
Interest expense, net 650 808 3,045 3,899
Foreign currency exchange loss (gain) 305 50 439 (987)
Equity income in unconsolidated joint
venture (168) (99) (570) (427)

Other expense (income) 99 14 209 93
--- --- --- ---
Income before income taxes 9,713 4,519 33,012 6,110

Income tax expense 1,383 317 4,837 52
--- --- --- ---
Income from continuing operations, net of
income taxes 8,330 4,202 28,175 6,058
Loss from discontinued operations, net of
income taxes -- -- -- (142)
--- --- --- ---

Net income $ 8,330 $ 4,202 $ 28,175 $ 5,916
=== === === ===

Earnings per common share - Basic:
Income from continuing operations, net
of income taxes $ 0.57 $ 0.29 $ 1.92 $ 0.42

Loss from discontinued operations -- -- -- (0.01)
--- --- --- ---

Net income - Basic $ 0.57 $ 0.29 $ 1.92 $ 0.41

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Earnings per common share - Diluted:
Income from continuing operations, net
of income taxes $ 0.53 $ 0.28 $ 1.84 $ 0.41

Loss from discontinued operations -- -- -- (0.01)
---------- ---------- ---------- ----------

Net income - Diluted $ 0.53 $ 0.28 $ 1.84 $ 0.40
========== ========== ========== ==========

Weighted average shares outstanding -
Basic 14,720 14,504 14,692 14,498
Weighted average shares outstanding -
Diluted 15,655 14,964 15,336 14,686

MEASUREMENT SPECIALTIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(As
Adjusted)
March 31, March 31,

(Amounts in thousands) 2011 2010
---------- ---------- ----------

ASSETS

Current assets:
Cash and cash equivalents $ 20,860 $ 23,165
Accounts receivable trade,
net of allowance for
doubtful accounts of $714
and $464, respectively 43,624 29,689
Inventories, net 52,212 40,774
Deferred income taxes, net 3,212 1,602
Prepaid expenses and other
current assets 5,514 3,148
Other receivables 1,222 659

Income taxes receivable -- 1,287
---------- ----------
Total current assets 126,644 100,324

Property, plant and
equipment, net 50,303 44,437

Goodwill 115,864 99,235
Acquired intangible assets,
net 28,656 23,613
Deferred income taxes, net 2,883 6,607
Investment in unconsolidated
joint venture 2,578 2,117

Other assets 2,838 939
---------- ----------

Total assets $ 329,766 $ 277,272
========== ==========

MEASUREMENT SPECIALTIES, INC.
CONSOLIDATED BALANCE SHEETS

(As
Adjusted)
March 31, March 31,

(Amounts in thousands, except
share amounts) 2011 2010
--- --- ---

LIABILITIES AND SHAREHOLDERS'
EQUITY

Current liabilities:
Short-term debt $ -- $ 5,000
Current portion of long-term
debt 171 2,295
Current portion of capital
lease obligations 39 193
Current portion of promissory
notes payable 2,713 2,349
Accounts payable 21,815 17,884
Accrued expenses 5,441 4,719
Accrued compensation 12,646 7,882
Income taxes payable 2,491 --
Deferred income taxes, net 444 182

Other current liabilities 2,752 3,064
---------- ----------
Total current liabilities 48,512 43,568

Revolver 46,000 53,547
Long-term debt, net of current
portion 20,901 6,488

Capital lease obligations, net
of current portion 17 63
Promissory notes payable, net
of current portion -- 2,349
Deferred income taxes, net 3,532 2,969

Other liabilities 1,735 1,292
--- ---

Total liabilities 120,697 110,276
--- ---

Equity:
Serial preferred stock;
221,756 shares authorized;
none outstanding -- --
Common stock, no par;
25,000,000 shares authorized;
14,989,675 shares in 2011 and
14,534,431 shares in 2010
issued and outstanding -- --
Additional paid-in capital 93,608 85,338
Retained earnings 101,309 73,134
Accumulated other
comprehensive income 14,152 8,524
--- ---

Total equity 209,069 166,996
--- ---
Total liabilities and
shareholders' equity $ 329,766 $ 277,272
=== ===

MEASUREMENT SPECIALTIES, INC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended March 31,

(As (As
Adjusted) Adjusted)
(Amounts in thousands) 2011 2010 2009
--- --- --- ---
Cash flows from operating activities:
Net income $ 28,175 $ 5,916 $ 5,279

Loss from discontinued operations -- (142) --

---------- ---------- ----------
Income from continuing operations 28,175 6,058 5,279

Adjustments to reconcile net income to net
cash provided by operating activities:
Depreciation and amortization 14,893 14,072 13,210
Loss (gain) on sale of assets (47) 68 99
Non-cash equity based compensation 3,588 3,218 2,942
Unrealized foreign currency exchange loss -- -- 90
Deferred income taxes (63) (1,927) 797
Research tax credits 1,287 1,677 974
Equity income in unconsolidated joint
venture (570) (427) (388)
Unconsolidated joint venture
distributions 114 815 --
Net change in operating assets and
liabilities:
Accounts receivable, trade (10,351) (2,595) 13,269
Inventories (7,627) 4,258 (2,576)
Prepaid expenses, other current assets
and other receivables (2,361) 674 632
Other assets 476 690 (34)
Accounts payable 841 1,356 (10,559)
Accrued expenses, accrued compensation,
other current and other liabilities 4,852 4,288 (4,504)

Income taxes payable 699 (3,025) 1,520
---------- ---------- ----------

Net cash provided by operating activities 33,906 29,200 20,751
---------- ---------- ----------
Cash flows from investing activities:
Purchases of property and equipment (9,628) (5,372) (13,962)
Proceeds from sale of assets 81 67 59
Acquisition of business, net of cash
acquired (27,037) (100) (12,667)
---------- ---------- ----------

Net cash used in investing activities (36,584) (5,405) (26,570)
---------- ---------- ----------
Cash flows from financing activities:
Borrowings from short-term debt, revolver
and notes payable 62,746 5,000 17,196
Borrowings from long-term debt 20,000 -- --
Repayments of short-term debt, revolver,
and capital leases (77,978) (21,074) (6,952)
Repayments of long-term debt (8,173) (6,382) (3,017)
Tax benefit from exercise of stock options 749 -- 10
Payment of deferred financing costs (1,568) (832) --

Purchase of treasury stock (7,500) -- --
Proceeds from exercise of options and
employee stock purchase plan 11,433 172 276
---------- ---------- ----------
Net cash provided by (used in) financing
activities (291) (23,116) 7,513
---------- ---------- ----------

Net cash provided by operating activities
of discontinued operations -- 141 540
---------- ---------- ----------
Net cash provided by discontinued
operations -- 141 540
---------- ---------- ----------

Net change in cash and cash equivalents (2,969) 820 2,234
Effect of exchange rate changes on cash 664 68 (1,558)

Cash, beginning of year (As Adjusted) 23,165 22,277 21,601
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Cash, end of year $ 20,860 $ 23,165 $ 22,277
========== ========== ==========

Reconciliation of Non-GAAP Financial Measures (Unaudited):

Three Months Ended Twelve Months Ended

March 31, March 31,
---------- ----------

(As
Adjusted) (As
Adjusted)
2011 2010 2011 2010
---------- --------- ---------- ----------

(In thousands, except percentages)

Income from continuing operations,
net of income taxes $ 8,330 $ 4,202 $ 28,175 $ 6,058

Add Back:
Interest 650 808 3,045 3,899
Provision for income taxes 1,383 317 4,837 52
Depreciation and amortization 3,667 3,237 14,893 14,072
Foreign currency exchange loss

(gain) 305 50 439 (987)
Non-cash equity based
compensation 1,356 943 3,588 3,218

ITAR legal fees -- 76 32 534
---------- --------- ---------- ----------
Adjusted EBITDA $ 15,691 $ 9,633 $ 55,009 $ 26,846
As % of Net Sales 20.4% 16.1% 20.0% 13.1%

Free Cash Flow
Net cash provided by operating
activities from continuing
operations $ 11,319 $ 8,185 $ 33,906 $ 29,200
Purchases of property and
equipment (2,952) (1,645) (9,628) (5,372)
---------- --------- ---------- ----------
Free Cash Flow $ 8,367 $ 6,540 $ 24,278 $ 23,828

Regulation G, "Conditions for Use of Non-GAAP Financial Measures," promulgated under the Securities and Exchange Act of 1934, as amended, defines and prescribes the conditions for use of certain non-GAAP financial information. We believe that certain of our financial measures which meet the definition of non-GAAP financial measures provide important supplemental information to investors.

The financial information accompanying this press release includes the Company's earnings before interest, income taxes, depreciation, amortization, foreign currency transaction gains/losses, non-cash equity based compensation and certain legal expenses, or "Adjusted EBITDA" and "Free Cash Flow." Adjusted EBITDA and Free Cash Flow are non-GAAP measures that are not in accordance with, or an alternative to, measures prepared in accordance with GAAP and may be different from Adjusted EBITDA and Free Cash Flow measures used by other companies. Adjusted EBITDA is derived by adding interest, taxes, depreciation, amortization, foreign currency transaction gains/losses, non-cash equity based compensation and certain legal expenses to the Company's net income from continuing operations. Free Cash Flow is derived by taking net cash provided by operating activities from continuing operations and subtracting capital expenditures (purchases of property and equipment). The Company believes that Adjusted EBITDA is important to investors because it provides a financial measure that is more representative of the Company's cash flow (prior to taking into account the effects of changes in working capital and purchases of property and equipment), excluding non-cash expenses and items such as foreign currency transaction gains/losses, income taxes, interest and certain legal expenses, which vary greatly period to period. Legal expenses relate to the Company's previously announced investigation into certain export compliance issues. The Company believes that this measure is important to investors because it more accurately represents the leverage effect of fixed expenses. The Company believes Free Cash Flow is also important to investors as it provides useful information about the amount of cash generated by the business after the purchase of property, buildings and equipment, which can then be used to,

among other things, invest in the Company's business, make strategic acquisitions and strengthen the balance sheet, and because it is a significant measure used in determining the enterprise value of the Company. A limitation on the use of Free Cash Flow as a measure of financial performance is that it does not represent the total increase or decrease in the Company's cash balance for the period or the residual cash flows available for discretionary expenditures due to the fact that the measure does not deduct the payments required for debt service and other obligations or payments made for business acquisitions.

These non-GAAP financial measures are used by management in addition to and in conjunction with the results presented in accordance with GAAP. These non-GAAP financial measures should not be relied upon to the exclusion of GAAP financial measures. Non-GAAP financial measures provide an additional way of viewing aspects of our operation that, when viewed with our GAAP results and the accompanying reconciliations to the corresponding GAAP financial measures, provide an understanding of certain factors and trends relating to our business. The Company strongly encourages investors to review our financial statements and publicly filed reports in their entirety and to not rely on any single financial measure.

SOURCE [1]

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http://www.mdtmag.com/news/2011/06/measurement-specialties-announces-record-results-fiscal-year-ended-march-31-2011-net-income-282-million-net-sales-2748-million?qt-recent_content=0&qt-video_of_the_day=0

Links:
[1] http://www.i-micronews.com/lectureArticle.asp?id=7099