Sparton Corporation Reports $0.43 EPS for Fiscal 2013 Second Quarter

The Associated Press

SCHAUMBURG, Ill.--(BUSINESS WIRE)--Feb 5, 2013--Sparton Corporation (NYSE: SPA) today announced results for the second quarter of fiscal 2013 ended December 31, 2012. The Company reported second quarter sales of $66.0 million, or an increase of 19.2 %, from $55.4 million for the second quarter of fiscal 2012. Reported net income for the second quarter of fiscal 2013 was $4.4 million or $0.43 per share, compared to net income of $1.9 million, or $0.19 per share, in the same quarter a year ago.

Cary Wood, President & CEO, commented, “The first half $0.52 diluted earnings per share results outpaced the first half of the prior year by 57%. As expected, the second quarter was very strong, as delayed shipments from the first quarter were realized during the current quarter and a tax benefit resulting from a worthless stock deduction was recognized as a result of ceasing our Canadian operation a number of years ago. On an adjusted basis, the first half earnings per share of $0.36 is up from the same time period last year.” Consolidated results for the quarters ended December 31, 2012 and 2011: Second Quarter Financial Highlights Onyx Acquisition Mr. Wood continued, “We are extremely pleased to have closed the Onyx acquisition this past November. The first six weeks have resulted in a neutral impact to adjusted earnings and positive incremental EBITDA. We continue to expect that, as operational synergies and new business opportunities are realized, the acquisition will be accretive to earnings by the end of the year. The entry into the Minneapolis technological corridor laden with many large Medical OEM’s has already opened doors for Sparton’s legacy medical business for engineering programs as well as allowing the South Dakota team to explore larger and more complex device build opportunities with existing customers that were previously unattainable.” On November 15, 2012, the Company completed the acquisition of Onyx EMS, LLC (“Onyx”) in a $43.25 million all-cash transaction, subject to certain post-closing adjustments and financed through the use of Company cash and borrowings under the Company’s new credit facility. At December 31, 2012, the Company has recorded additional consideration of $2.19 million in relation to a post-closing working capital adjustment, which will be settled in the Company’s third fiscal quarter. The transaction includes an approximate $4.3 million escrowed holdback which is available to fund potential seller indemnification obligations in relation to the acquisition agreement.

The acquired business, which is reported in the Company’s Medical segment, provides further expansion regionally into the Minneapolis medical device corridor, diversifying the Company’s customer base through both existing programs and a strong business development pipeline, and increases the number of complex sub-assembly and full device programs within Sparton. Additionally, Onyx brings solid, long-term customer relationships that will utilize Sparton’s expanded list of service

offerings such as our low cost country footprint in Vietnam and full engineering design capabilities. Onyx primarily manufactures medical devices for OEM and emerging technology companies, including products for cardiovascular diagnostics, hearing assistance, patient temperature and warming, point-of-care diagnostics, and surgical equipment used in intraosseous medicine. Onyx also produces products such as precision measurement instruments for monitoring air quality and pollution, commercial fire and smoke alarm systems, sensing tools, test fixtures, and complex LED assemblies.

This article has been truncated. You can see the rest of this article by visiting http://www.businesswire.com/news/home/20130205006931/en [1].

Source URL (retrieved on *12/18/2013 - 5:05pm*):
http://www.mdtmag.com/news/2013/02/sparton-corporation-reports-043-eps-fiscal-2013-second-quarter

Links:
[1] http://www.businesswire.com/news/home/20130205006931/en