

Integer Holdings Corp  
Form 10-Q  
May 03, 2019

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-Q

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QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended March 29, 2019  
Commission File Number 1-16137

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INTEGER HOLDINGS CORPORATION  
(Exact name of Registrant as specified in its charter)

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Delaware 16-1531026  
(State of (I.R.S. Employer  
Incorporation) Identification No.)  
5830 Granite Parkway  
Suite 1150  
Plano, Texas 75024  
(Address of principal executive offices)  
(214) 618-5243  
(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

Indicate by checkmark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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.

Large accelerated filer  Accelerated filer  Non-accelerated filer

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	ITGR	New York Stock Exchange

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The number of shares outstanding of the Company's common stock, \$0.001 par value per share, as of April 26, 2019 was: 32,621,376 shares.

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INTEGER HOLDINGS CORPORATION  
Form 10-Q  
For the Quarterly Period Ended March 29, 2019  
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## PART I—FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

## INTEGER HOLDINGS CORPORATION

## CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

(in thousands except share and per share data)	March 29, 2019	December 28, 2018
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$13,538	\$25,569
Accounts receivable, net of allowance for doubtful accounts of \$0.6 million, respectively	216,756	185,501
Inventories	181,200	190,076
Prepaid expenses and other current assets	25,696	15,104
Total current assets	437,190	416,250
Property, plant and equipment, net	229,938	231,269
Goodwill	829,306	832,338
Other intangible assets, net	798,918	812,338
Deferred income taxes	3,938	3,937
Operating lease assets, net	39,136	—
Other long-term assets	28,765	30,549
Total assets	\$2,367,191	\$2,326,681
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$37,500	\$37,500
Accounts payable	72,172	57,187
Income taxes payable	9,950	9,393
Accrued expenses and other current liabilities	51,881	60,490
Total current liabilities	171,503	164,570
Long-term debt	874,158	888,007
Deferred income taxes	203,140	203,910
Operating lease liabilities, net	33,760	—
Other long-term liabilities	8,658	9,701
Total liabilities	1,291,219	1,266,188
Stockholders' equity:		
Common stock, \$0.001 par value; 100,000,000 shares authorized; 32,788,062 and 32,624,494 shares issued, respectively; 32,617,241 and 32,473,167 shares outstanding, respectively	33	33
Additional paid-in capital	694,910	691,083
Treasury stock, at cost, 170,821 and 151,327 shares, respectively	(10,026 )	(8,125 )
Retained earnings	365,591	344,498
Accumulated other comprehensive income	25,464	33,004
Total stockholders' equity	1,075,972	1,060,493
Total liabilities and stockholders' equity	\$2,367,191	\$2,326,681
The accompanying notes are an integral part of these condensed consolidated financial statements.		

## INTEGER HOLDINGS CORPORATION

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

(in thousands except per share data)	Three Months Ended	
	March 29, 2019	March 30, 2018
Sales	\$314,676	\$292,426
Cost of sales	226,066	208,894
Gross profit	88,610	83,532
Operating expenses:		
Selling, general and administrative expenses	34,956	36,429
Research, development and engineering costs	11,595	13,276
Other operating expenses	2,890	3,784
Total operating expenses	49,441	53,489
Operating income	39,169	30,043
Interest expense	13,830	15,595
(Gain) loss on equity investments, net	41	(4,970 )
Other loss, net	166	960
Income from continuing operations before income taxes	25,132	18,458
Provision for income taxes	3,766	5,374
Income from continuing operations	\$21,366	\$13,084
Discontinued operations:		
Income (loss) from discontinued operations before income taxes	386	(6,249 )
Provision (benefit) for income taxes	83	(1,283 )
Income (loss) from discontinued operations	\$303	\$(4,966 )
Net income	\$21,669	\$8,118