

MESA LABORATORIES INC /CO
Form 10-Q
July 31, 2018

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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 June 30, 2018

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: 0-11740

MESA LABORATORIES, INC.

(Exact name of registrant as specified in its charter)

Colorado
(State or other jurisdiction of
incorporation or organization)

84-0872291
(I.R.S. Employer
Identification number)

12100 West Sixth Avenue
Lakewood, Colorado 80228
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(303) 987-8000**

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 (Section 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, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth 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	Emerging growth company
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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

Indicate the number of shares outstanding of each of the Issuer's classes of common stock, as of the latest practicable date:

There were 3,848,192 shares of the Issuer's common stock, no par value, outstanding as of July 27, 2018.

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Certification of Chief Executive Officer Pursuant to Rule 13a-14(a)

Certification of Chief Financial Officer Pursuant to Rule 13a-14(a)

Certification of Chief Executive Officer Pursuant to Rule 13a-14(b) and 18 U.S.C. Section 1350

Certification of Chief Financial Officer Pursuant to Rule 13a-14(b) and 18 U.S.C. Section 1350

Table of Contents**Part I. Financial Information****Item 1. Financial Statements****Mesa Laboratories, Inc.****Condensed Consolidated Balance Sheets**

(in thousands, except share amounts)

	June 30, 2018	March 31, 2018
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,400	\$5,469
Accounts receivable, less allowances of \$140 and \$179, respectively	12,472	14,302
Inventories, net	8,632	9,228
Prepaid income taxes	--	273
Prepaid expenses and other	2,394	782
Assets held for sale	1,934	1,934
Total current assets	32,832	31,988
Property, plant and equipment, net	23,298	23,593
Deferred taxes	121	127
Intangibles, net	40,113	42,850
Goodwill	65,094	65,543
Total assets	\$ 161,458	\$ 164,101
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 2,873	\$2,380
Accrued salaries and payroll taxes	2,900	4,284
Current portion of long-term debt	1,750	1,625
Unearned revenues	3,830	3,921
Current portion of contingent consideration	49	709
Income taxes payable	916	1,008
Other accrued expenses	3,321	3,363
Total current liabilities	15,639	17,290

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Deferred taxes	2,522	2,621
Long-term debt, net of debt issuance costs and current portion	37,662	44,635
Other long-term liabilities	184	194
Total liabilities	56,007	64,740
Stockholders' equity:		
Common stock, no par value; authorized 25,000,000 shares; issued and outstanding, 3,848,025 and 3,801,439 shares, respectively	34,298	30,516
Retained earnings	71,901	68,281
Accumulated other comprehensive (loss) income	(748) 564
Total stockholders' equity	105,451	99,361
Total liabilities and stockholders' equity	\$ 161,458	\$ 164,101

See accompanying notes to condensed consolidated financial statements.

Table of Contents**Mesa Laboratories, Inc.****Condensed Consolidated Statements of Income**

(unaudited)

(in thousands, except per share data)

	Three Months Ended June 30,	
	2018	2017
Revenues	\$25,142	\$22,673
Cost of revenues	10,051	10,002
Gross profit	15,091	12,671
Operating expenses:		
Selling	1,890	2,679
General and administrative	7,600	6,857
Research and development	837	1,153
Total operating expenses	10,327	10,689
Operating income	4,764	1,982
Other expense, net	364	679
Earnings before income taxes	4,400	1,303
Income tax expense (benefit)	170	(214)
Net income	\$4,230	\$1,517
Earnings per share:		
Basic	\$1.11	\$0.41
Diluted	1.06	0.39
Weighted-average common shares outstanding:		
Basic	3,816	3,736
Diluted	4,006	3,923

See accompanying notes to condensed consolidated financial statements.

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Mesa Laboratories, Inc.

Condensed Consolidated Statements of Comprehensive Income

(unaudited)

(in thousands)

**Three Months
Ended June
30,
2018 2017**

Net income \$4,230 \$1,517