

P&F INDUSTRIES INC
Form 10-Q
August 13, 2013

**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, 2013

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 1 - 5332

P&F INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

22-1657413

(I.R.S. Employer Identification Number)

445 Broadhollow Road, Suite 100, Melville, New York

(Address of principal executive offices)

11747

(Zip Code)

Registrant's telephone number, including area code: **(631) 694-9800**

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, 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 to its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period 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, or a smaller reporting company. See 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

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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

As of August 11, 2013 there were 3,693,969 shares of the registrant's Class A Common Stock outstanding.

P&F INDUSTRIES, INC.

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2013

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PART I - FINANCIAL INFORMATION**Item 1. Financial Statements****P&F INDUSTRIES, INC. AND SUBSIDIARIES****CONSOLIDATED CONDENSED BALANCE SHEETS**

	June 30, 2013 (unaudited)	December 31, 2012 (See Note 1)
ASSETS		
CURRENT ASSETS		
Cash	\$ 905,000	\$ 695,000
Accounts receivable net	11,928,000	6,675,000
Inventories net	23,292,000	24,073,000
Deferred income taxes net	1,139,000	1,139,000
Prepaid expenses and other current assets	838,000	547,000
TOTAL CURRENT ASSETS	38,102,000	33,129,000
PROPERTY AND EQUIPMENT		
Land	1,550,000	1,550,000
Buildings and improvements	7,540,000	7,536,000
Machinery and equipment	18,309,000	18,010,000
	27,399,000	27,096,000
Less accumulated depreciation and amortization	16,783,000	15,994,000
NET PROPERTY AND EQUIPMENT	10,616,000	11,102,000
GOODWILL	5,150,000	5,150,000
OTHER INTANGIBLE ASSETS net	1,618,000	1,752,000
DEFERRED INCOME TAXES net	2,427,000	3,211,000
OTHER ASSETS net	745,000	813,000
TOTAL ASSETS	\$ 58,658,000	\$ 55,157,000

See accompanying notes to consolidated condensed financial statements (unaudited).

P&F INDUSTRIES, INC. AND SUBSIDIARIES**CONSOLIDATED CONDENSED BALANCE SHEETS**

	June 30, 2013 (unaudited)	December 31, 2012 (See Note 1)
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term borrowings	\$ 6,613,000	\$ 2,793,000
Accounts payable	3,751,000	4,843,000
Accrued liabilities	3,632,000	4,332,000
Current maturities of long-term debt	460,000	460,000
TOTAL CURRENT LIABILITIES	14,456,000	12,428,000
Long term debt, less current maturities	7,133,000	7,363,000
Other liabilities	270,000	278,000
TOTAL LIABILITIES	21,859,000	20,069,000
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Preferred stock - \$10 par; authorized - 2,000,000 shares; no shares issued		
Common stock		
Class A - \$1 par; authorized - 7,000,000 shares; issued 4,038,000 at June 30, 2013 and 4,013,000 at December 31, 2012	4,038,000	4,013,000
Class B - \$1 par; authorized - 2,000,000 shares; no shares issued		
Additional paid-in capital	11,596,000	11,384,000
Retained earnings	24,142,000	22,646,000
Treasury stock, at cost 344,000 shares at June 30, 2013 and 342,000 shares at December 31, 2012	(2,977,000)	(2,955,000)
TOTAL SHAREHOLDERS' EQUITY	36,799,000	35,088,000
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 58,658,000	\$ 55,157,000

See accompanying notes to consolidated condensed financial statements (unaudited).

P&F INDUSTRIES, INC. AND SUBSIDIARIES**CONSOLIDATED CONDENSED STATEMENTS OF INCOME (unaudited)**

	Three months ended June 30, 2013	2012	Six months ended June 30, 2013	2012
Net revenue	\$ 19,476,000	\$ 15,241,000	\$ 40,185,000	\$ 29,558,000
Cost of sales	12,374,000	9,564,000	25,349,000	18,270,000
Gross profit	7,102,000	5,677,000	14,836,000	11,288,000
Selling, general and administrative expenses	5,580,000	4,721,000	12,212,000	9,461,000
Operating income	1,522,000	956,000	2,624,000	1,827,000
Interest expense	118,000	133,000	227,000	275,000
Income before income taxes	1,404,000	823,000	2,397,000	1,552,000
Income tax expense	529,000	27,000	901,000	50,000
Net income	\$ 875,000	\$ 796,000	\$ 1,496,000	\$ 1,502,000
Basic earnings per share	\$ 0.24	\$ 0.22	\$ 0.41	\$ 0.42
Diluted earnings per share	\$ 0.23	\$ 0.22	\$ 0.39	\$ 0.41
Average common shares outstanding:				
Basic	3,683,000	3,617,000	3,678,000	3,616,000
Diluted	3,889,000	3,697,000	3,875,000	3,687,000

See accompanying notes to consolidated condensed financial statements (unaudited).

P&F INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENT OF SHAREHOLDERS' EQUITY (unaudited)

	Class A Common Stock, \$1 Par Shares	Additional paid-in Amount	Retained	Treasury stock
Total				