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LAMSON & SESSIONS CO
Form 10-K/A
March 31, 2004

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

FORM 10-K/A
(Amendment No. 1)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED JANUARY 3, 2004

COMMISSION FILE NUMBER 1-313

THE LAMSON & SESSIONS CO.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

OHIO

34-0349210

(STATE OF INCORPORATION) (I.R.S. EMPLOYER IDENTIFICATION NO.)

25701 SCIENCE PARK DRIVE, CLEVELAND, OHIO 44122

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)

216-464-3400

(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT

TITLE OF EACH CLASS

NAME OF EACH EXCHANGE ON WHICH
REGISTERED

COMMON SHARES, WITHOUT PAR VALUE NEW YORK STOCK EXCHANGE
PACIFIC STOCK EXCHANGE

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: NONE

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 [X] No []

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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K []

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes [] No [X]

The aggregate market value of the voting stock held as of July 3, 2003 (the last trading day of the Company's fiscal 2003 second quarter) by non-affiliates of the Registrant was \$55,237,331, based on the close price of \$4.65 on the New York Stock Exchange.

As of February 6, 2004 the Registrant had outstanding 13,787,145 common shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held on April 30, 2004 are incorporated by reference into Part III of this report.

EXPLANATORY NOTE:

The Lamson & Sessions Co. (the "Company") is filing this Form 10-K/A (Amendment No. 1) to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 2004, as filed by the Company on February 20, 2004 (the "10-K"), to revise an inadvertent inaccuracy in Item 6 concerning 2003 Net Earnings (Loss). The Company is not making any other changes to the 10-K.

The Company hereby amends Item 6 of the 10-K by striking all text in the current Item 6 and replacing it with the following:

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ITEM 6. SELECTED FINANCIAL DATA FIVE-YEAR CONSOLIDATED FINANCIAL SUMMARY

| (Dollars in thousands except per share data, shareholders, ASSOCIATES AND PERCENTAGES) | FISCAL YEARS ENDED | | | |
|---|--------------------|-----------|-----------|-----------|
| | 2003 | 2002 | 2001 | 2000 |
| OPERATIONS: | | | | |
| NET SALES | \$343,835 | \$314,475 | \$352,672 | \$348,000 |
| Cost of products sold | 286,300 | 252,499 | 291,272 | 260,000 |
| | 57,535 | 61,976 | 61,400 | 88,000 |
| GROSS PROFIT | 57,535 | 61,976 | 61,400 | 88,000 |
| Operating expenses (1) | 42,877 | 43,467 | 52,962 | 54,000 |
| Net gain | -- | -- | (4,550) | 34,000 |

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| | | | | |
|--|-----------|-------------|------------|-------|
| Restructuring and impairment charge | -- | -- | 6,805 | |
| | | | | |
| OPERATING INCOME | 14,658 | 18,509 | 6,183 | 34 |
| Interest expense, net | 8,527 | 9,583 | 11,626 | 4 |
| | | | | |
| INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE | 6,131 | 8,926 | (5,443) | 29 |
| Income tax provision (benefit) | 2,391 | 3,900 | (1,600) | 8 |
| | | | | |
| INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE | 3,740 | 5,026 | (3,843) | 21 |
| Net loss from discontinued operations | (2,738) | -- | -- | |
| Net cumulative effect of change in accounting principle | -- | (46,250) | -- | |
| | | | | |
| NET INCOME (LOSS) | \$ 1,002 | \$ (41,224) | \$ (3,843) | \$ 21 |
| | | | | |
| YEAR-END FINANCIAL POSITION: | | | | |
| Current Assets | \$ 81,377 | \$ 84,764 | \$ 94,085 | \$134 |
| Property, Plant and Equipment | 51,326 | 51,749 | 57,871 | 65 |
| Total Assets | 208,313 | 213,705 | 273,821 | 320 |
| Current Liabilities | 57,026 | 64,112 | 62,890 | 76 |
| Long-Term Debt | 82,990 | 84,350 | 104,266 | 130 |
| Other Long-Term Liabilities | 29,782 | 29,067 | 25,441 | 27 |
| Shareholders' Equity | 38,515 | 36,176 | 81,224 | 86 |
| Working Capital | 24,351 | 20,652 | 31,195 | 58 |
| Capital Expenditures | 8,562 | 3,952 | 7,980 | 11 |
| | | | | |
| STATISTICAL INFORMATION: | | | | |
| Average number of dilutive common shares outstanding | 13,894 | 13,778 | 13,757 | 13 |
| Number of shareholders of record | 1,290 | 1,305 | 1,336 | 1 |
| Number of associates | 1,122 | 1,116 | 1,115 | 1 |
| Book value per share | \$ 2.77 | \$ 2.63 | \$ 5.90 | \$ |
| Market price per share | \$ 5.50 | \$ 3.40 | \$ 5.24 | \$ 1 |
| Market capitalization | \$ 75,829 | \$ 46,844 | \$ 72,195 | \$143 |
| Gross margin as a % of net sales | 16.7% | 19.7% | 17.4% | 2 |
| Operating expenses as a % of net sales | 12.5% | 13.8% | 15.0% | 1 |
| Operating margin as a % of net sales | 4.3% | 5.9% | 1.8% | |
| Cash provided by operating activities | \$ 9,711 | \$ 26,520 | \$ 30,076 | \$ 27 |
| Interest expense | 8,527 | 9,583 | 11,626 | 4 |
| Increase (decrease) in operating assets and liabilities | 7,214 | (5,921) | (17,500) | 13 |
| | | | | |
| EBITDA (earnings before interest, taxes, depreciation and amortization) (2) | 25,452 | 30,182 | 24,202 | 45 |
| Less: Depreciation and amortization | 10,794 | 11,673 | 18,019 | 11 |
| | | | | |
| Operating income | \$ 14,658 | \$ 18,509 | \$ 6,183 | \$ 34 |
| | | | | |
| BASIC EARNINGS (LOSS) PER COMMON SHARE: | | | | |
| Earnings (Loss) from continuing operations before change in accounting principle | \$ 0.27 | \$ 0.36 | \$ (0.28) | \$ |
| (Loss) from discontinued operations, net of tax | \$ (0.20) | -- | -- | |
| Cumulative effect of change in accounting principle, net of tax | -- | \$ (3.36) | -- | |
| NET EARNINGS (LOSS) | \$ 0.07 | \$ (2.99) | \$ (0.28) | \$ |
| | | | | |
| DILUTED EARNINGS (LOSS) PER COMMON SHARE: | | | | |
| Earnings (Loss) from continuing operations before change in accounting principle | \$ 0.27 | \$ 0.36 | \$ (0.28) | \$ |
| (Loss) from discontinued operations, net of tax | \$ (0.20) | -- | -- | |

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| | | | |
|---|---------|-----------|--------------|
| Cumulative effect of change in accounting principle, net of tax | -- | \$ (3.36) | -- |
| NET EARNINGS (LOSS) | \$ 0.07 | \$ (2.99) | \$ (0.28) \$ |

-
- (1) In 2002, the Company adopted SFAS No. 142, "Goodwill and Other Intangible Assets," which eliminated the amortization of goodwill. Operating expenses in 2001, 2000 and 1999 include \$4,605, \$971 and \$313 in goodwill amortization, respectively.
 - (2) EBITDA is a calculation used by management to measure liquidity and is defined as operating income plus depreciation and amortization. EBITDA is not a recognized term under accounting principles generally accepted in the United States and does not purport to be an alternative to operating income or to cash flows from operating activities as a measure of liquidity.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 31, 2004.

THE LAMSON & SESSIONS CO.

By: /s/ James J. Abel

 James J. Abel
 Executive Vice President,
 Secretary,
 Treasurer and Chief Financial
 Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated as of February 19, 2004.

| SIGNATURE ----- | TITLE ----- |
|---|--|
| /s/ JOHN B. SCHULZE ----- John B. Schulze | Chairman of the Board, President Chief Executive Officer (Principal Executive Officer) |
| /s/ JAMES J. ABEL ----- James J. Abel | Executive Vice President, Secretary, Treasurer and Chief Financial Officer (Principal Financial Officer) |
| /s/ LORI L. SPENCER ----- Lori L. Spencer | Vice President and Controller (Principal Accounting Officer) |

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| | |
|---------------------------------|----------|
| /s/ JAMES T. BARTLETT* | Director |
| ----- James T. Bartlett | |
| /s/ FRANCIS H. BEAM, JR.* | Director |
| ----- Francis H. Beam, Jr. | |
| /s/ MARTIN J. CLEARY* | Director |
| ----- Martin J. Cleary | |
| /s/ WILLIAM H. COQUILLETTE* | Director |
| ----- William H. Coquillette | |
| /s/ JOHN C. DANNEMILLER* | Director |
| ----- John C. Dannemiller | |
| /s/ GEORGE R. HILL* | Director |
| ----- George R. Hill | |
| /s/ A. MALACHI MIXON, III* | Director |
| ----- A. Malachi Mixon, III | |
| /s/ D. VAN SKILLING* | Director |
| ----- D. Van Skilling | |

* The undersigned, by signing his name hereto, does sign and execute this Annual Report on Form 10-K/A (Amendment No.1) pursuant to a Power of Attorney executed on behalf of the above-named directors of The Lamson & Sessions Co. and filed as Exhibit 24 to the 10-K on behalf of The Lamson & Sessions Co. and each such person.

March 31, 2004

By /s/ James J. Abel

James J. Abel
Attorney-in-fact

| EXHIBIT NO. | DESCRIPTION OF DOCUMENT |
|-------------|---|
| ----- | ----- |
| 31.1 | Certification of John B. Schulze, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2 | Certification of James J. Abel, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |

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- 32.1 Certification of John B. Schulze, Chief Executive Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification of James J. Abel, Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.