

LITTELFUSE INC /DE
Form 10-Q
October 31, 2018
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United States
Securities and Exchange Commission
Washington, D.C. 20549

FORM 10-Q
(Mark one)

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

For the Quarterly Period Ended September 29, 2018

OR
 TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES ACT OF 1934
For the transition period from ___ to ___

Commission file number 0-20388
LITTELFUSE, INC.

(Exact name of registrant as specified in its charter)
Delaware 36-3795742
(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

8755 West Higgins Road, Suite 500
Chicago, Illinois 60631
(Address of principal executive offices) (ZIP Code)

Registrant's telephone number, including area code: 773-628-1000

Securities registered pursuant to Section 12(b) of the Act:
Name of Each Exchange
Title of Each Class On Which Registered
Common Stock, \$0.01 par value NASDAQ Global Select MarketSM

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 website, 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 the 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 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. Yes No

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 October 29, 2018, the registrant had outstanding 25,156,759 shares of Common Stock, net of Treasury Shares.

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CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)	(Unaudited)	
	September 29, 2018	December 30, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 498,215	\$ 429,676
Short-term investments	35	35
Trade receivables, less allowances (September 29, 2018 - \$36,392; December 30, 2017 - \$27,516)	251,644	182,699
Inventories	247,255	140,789
Prepaid income taxes and income taxes receivable	6,802	1,689
Prepaid expenses and other current assets	48,683	37,452
Total current assets	1,052,634	792,340
Property, plant, and equipment:		
Land	29,528	9,547
Buildings	119,380	86,599
Equipment	569,550	505,838
Accumulated depreciation and amortization	(374,575)	(351,407)
Net property, plant, and equipment	343,883	250,577
Intangible assets, net of amortization	377,151	203,850
Goodwill	830,354	453,414
Investments	29,084	10,993
Deferred income taxes	8,979	11,858
Other assets	21,401	17,070
Total assets	\$ 2,663,486	\$ 1,740,102
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 129,871	\$ 101,844
Accrued payroll	52,208	49,962
Accrued expenses	74,084	48,994
Accrued severance	901	1,459
Accrued income taxes	36,746	16,285
Current portion of long-term debt	10,076	6,250
Total current liabilities	303,886	224,794
Long-term debt, less current portion	690,637	489,361
Deferred income taxes	49,262	17,069
Accrued post-retirement benefits	32,901	18,742
Other long-term liabilities	67,404	62,580
Shareholders' equity:		
Common stock, par value \$0.01 per share: 34,000,000 shares authorized; shares issued, September 29, 2018–25,630,347; December 30, 2017–22,713,198	254	229
Treasury stock, at cost: 475,994 and 439,598 shares, respectively	(48,546)	(41,294)
Additional paid-in capital	830,612	310,012
Accumulated other comprehensive loss	(97,631)	(63,668)

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Retained earnings	834,577	722,140
Littelfuse, Inc. shareholders' equity	1,519,266	927,419
Non-controlling interest	130	137
Total equity	1,519,396	927,556
Total liabilities and equity	\$ 2,663,486	\$ 1,740,102

See accompanying Notes to Condensed Consolidated Financial Statements.

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LITTELFUSE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF NET INCOME

(Unaudited)

(in thousands, except per share data)	Three Months Ended		Nine Months Ended	
	September 30, 2018	September 30, 2017	September 29, 2018	September 30, 2017
Net sales	\$439,191	\$ 317,889	\$1,316,187	\$ 916,685
Cost of sales	259,597	184,238	817,983	536,776
Gross profit	179,594	133,651	498,204	379,909
Selling, general, and administrative expenses	69,782	56,759	220,540	156,899
Research and development expenses	20,454	11,991	65,742	36,872
Amortization of intangibles	13,130	6,292	38,501	18,407
Total operating expenses	103,366	75,042	324,783	212,178
Operating income	76,228	58,609	173,421	167,731
Interest expense	5,775	3,467	16,980	9,868
Foreign exchange loss (gain)	982	632	(6,372)	(1,483)
Other expense (income), net	1,259	(1,013)	(2,362)	(962)
Income before income taxes	68,212	55,523	165,175	160,308
Income taxes	14,666	12,715	33,275	29,970
Net income	\$53,546	\$ 42,808	\$131,900	\$ 130,338
Income per share:				
Basic	\$2.13	\$ 1.88	\$5.31	\$ 5.75
Diluted	\$2.10	\$ 1.87	\$5.23	\$ 5.69
Weighted-average shares and equivalent shares outstanding:				
Basic	25,109	22,713	24,817	22,678
Diluted	25,471	22,953	25,212	22,906

See accompanying Notes to Condensed Consolidated Financial Statements.

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LITTELFUSE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

(in thousands)	Three Months Ended		Nine Months Ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Net income	\$53,546	\$ 42,808	\$131,900	\$ 130,338
Other comprehensive (loss) income:				
Pension and postemployment adjustment, net of tax	(115)	(60)	648	(441)
Unrealized loss on investments	—	(1,710)	—	(1,235)
Foreign currency translation adjustments	(7,832)	1,531	(24,816)	2,912
Comprehensive income	\$45,599	\$ 42,569	\$107,732	\$ 131,574

See accompanying Notes to Condensed Consolidated Financial Statements.

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LITTELFUSE, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (Unaudited)

(in thousands)	Nine Months Ended	
	September 30, 2018	September 30, 2017
Operating activities		
Net income	\$ 131,900	\$ 130,338
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	37,559	28,228
Amortization of intangibles	38,501	18,407
Provision for bad debts	83	1,586
Deferred revenue	3,965	—
Non-cash inventory charges	36,927	1,607
Impairment charges	1,125	—
Loss on sale of property, plant, and equipment	511	584
Stock-based compensation	23,153	12,437
Unrealized gain on investments	(350) —
Deferred income taxes	(10,979	) 1,863
Changes in operating assets and liabilities:		
Trade receivables	(20,588	) (26,792
Inventories	(17,624	) (17,159
Accounts payable	17,033	9,448
Accrued expenses (including post-retirement)	11,523	1,757
Accrued payroll and severance	(5,330	) (3,788
Accrued income taxes	14,543	7,267
Prepaid expenses and other assets	(9,836	) 15,537
Net cash provided by operating activities	252,116	181,320
Investing activities		
Acquisitions of businesses, net of cash acquired	(313,475	) (38,610
Proceeds from maturities of short-term investments	—	3,739
Decrease in entrusted loan	—	3,599
Purchases of property, plant, and equipment	(55,946	) (48,470
Proceeds from sale of property, plant, and equipment	858	541
Net cash used in investing activities	(368,563	) (79,201
Financing activities		
Proceeds of revolving credit facility	60,000	15,000
Proceeds of term loan	75,000	—
Net proceeds from senior notes payable	175,000	125,000
Payments of term loan	(42,525	) (4,687
Payments of revolving credit facility	(60,000	) (112,500
Net proceeds (payments) related to stock-based award activities	17,920	(2,336
Payments of entrusted loan	—	(3,599
Debt issuance costs	(878	) (2
Cash dividends paid	(29,258	) (23,367
Net cash provided by (used in) financing activities	195,259	(6,491
Effect of exchange rate changes on cash and cash equivalents	(10,273) 2,076

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Increase in cash and cash equivalents	68,539	97,704
Cash and cash equivalents at beginning of period	429,676	275,124
Cash and cash equivalents at end of period	\$498,215	\$ 372,828
Supplemental disclosure of non-cash investing activities:		
Fair value of commitment to purchase non-controlling interest of Monolith	\$5,000	\$ 9,000

See accompanying Notes to Condensed Consolidated Financial Statements.

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Notes to Condensed Consolidated Financial Statements

1. Summary of Significant Accounting Policies and Other Information

Nature of Operations

Littelfuse, Inc. and subsidiaries (the “Company”) is a global manufacturer of leading technologies in circuit protection, power control and sensing. The Company has products in automotive and commercial vehicles, industrial applications, data and telecommunications, medical devices, consumer electronics and appliances. With a diverse and extensive product portfolio of fuses, semiconductors, polymers, ceramics, relays and sensors, the Company works with its customers to build safer, more reliable and more efficient products for the connected world in virtually every market that uses electrical energy. The Company has a network of global engineering centers and labs that develop new products and product enhancements, provides customer application support and test products for safety, reliability, and regulatory compliance.

Basis of Presentation

The Company’s accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”) for interim financial information, the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, certain information and disclosures normally included in the consolidated balance sheets, statements of net income and comprehensive income and cash flows prepared in conformity with U.S. GAAP have been condensed or omitted as permitted by such rules and regulations, although the Company believes that the disclosures made are adequate to make the information not misleading. They have been prepared in accordance with accounting policies described in the Company’s Annual Report on Form 10-K for the year ended December 30, 2017, which should be read in conjunction with the disclosures therein. In the opinion of management, all adjustments considered necessary for a fair presentation have been included and are of a normal, recurring nature. Operating results for interim periods are not necessarily indicative of annual operating results.

Revenue Recognition

Adoption

On December 31, 2017, the Company adopted new guidance on revenue from contracts with customers using the modified retrospective method. The adoption did not have a significant impact on the Company’s consolidated financial statements.

Revenue Disaggregation

The following table disaggregates the Company’s revenue by primary business units for the three and nine months ended September 29, 2018:

(in thousands)	Three Months Ended September 29, 2018			
	ElectronicsAutomotive Industrial			Total
	Segment	Segment	Segment	
Electronics – Passive Products and Sensors	\$ 124,174	\$ —	\$ —	\$ 124,174
Electronics – Semiconductor	172,298	—	—	172,298
Passenger Car Products	—	57,761	—	57,761
Automotive Sensors	—	27,311	—	27,311

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Commercial Vehicle Products	—	29,344	—	29,344
Industrial Products	—	—	28,303	28,303
Total	\$296,472	\$ 114,416	\$ 28,303	\$439,191

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(in thousands)	Nine Months Ended September 29, 2018			Total
	Segment	Segment	Segment	
Electronics – Passive Products and Sensors	\$366,990	\$ —	\$ —	\$366,990
Electronics – Semiconductor	493,250	—	—	493,250
Passenger Car Products	—	184,922	—	184,922
Automotive Sensors	—	89,362	—	89,362
Commercial Vehicle Products	—	93,434	—	93,434
Industrial Products	—	—	88,229	88,229
Total	\$860,240	\$367,718	\$88,229	\$1,316,187

See Note 13, Segment Information for net sales by segment and countries.

Revenue Recognition

The Company recognizes revenue on product sales in the period in which the Company satisfies its performance obligation and control of the product is transferred to the customer. The Company's sales arrangements with customers are predominately short term in nature and generally provide for transfer of control at the time of shipment as this is the point at which title and risk of loss of the product transfers to the customer. At the end of each period, for those shipments where title to the products and the risk of loss and rewards of ownership do not transfer until the product has been received by the customer, the Company adjusts revenues and cost of sales for the delay between the time that the products are shipped and when they are received by the customer. The amount of revenue recorded reflects the consideration to which the Company expects to be entitled in exchange for goods and may include adjustments for customer allowance, rebates and price adjustments. The Company's distribution channels are primarily through direct sales and independent third-party distributors.

The Company has elected the practical expedient under Accounting Standards Codification ("ASC") 340-40-25-4 to expense commissions when incurred as the amortization period of the commission asset the Company would have otherwise recognized is less than one year.

Revenue and Billing

The Company generally accepts orders from customers through receipt of purchase orders or electronic data interchange based on written sales agreements and purchasing contracts. Contract pricing and selling agreement terms are based on market factors, costs, and competition. Pricing is often negotiated as an adjustment (premium or discount) from the Company's published price lists. The customer is invoiced when the Company's products are shipped to them in accordance with the terms of the sales agreement. As the Company's standard payment terms are less than one year, the Company has elected the practical expedient under ASC 606-10-32-18 to not assess whether a contract has a significant financing component. The Company also elected the practical expedient provided in ASC 606-10-25-18B to treat all product shipping and handling activities as fulfillment activities, and therefore recognize the gross revenue associated with the contract, inclusive of any shipping and handling revenue. This is similar to the Company's prior practice and therefore the effect of the new guidance is immaterial.

Ship and Debit Program

Some of the terms of the Company's sales agreements and normal business conditions provide customers (distributors) the ability to receive price adjustments on products previously shipped and invoiced. This practice is common in the industry and is referred to as a "ship and debit" program. This program allows the distributor to debit the Company for the difference between the distributors' contracted price and a lower price for specific transactions. Under certain

circumstances (usually in a competitive situation or large volume opportunity), a distributor will request authorization for pricing allowances to reduce its price. When the Company approves such a reduction, the distributor is authorized to “debit” its account for the difference between the contracted price and the lower approved price. The Company establishes reserves for this program based on historic activity and actual authorizations for the debit and recognizes these debits as a reduction of revenue.

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Return to Stock

The Company has a return to stock policy whereby certain customers, with prior authorization from Littelfuse management, can return previously purchased goods for full or partial credit. The Company establishes an estimated allowance for these returns based on historic activity. Sales revenue and cost of sales are reduced to anticipate estimated returns.

Volume Rebates

The Company offers volume based sales incentives to certain customers to encourage greater product sales. If customers achieve their specific quarterly or annual sales targets, they are entitled to rebates. The Company estimates the projected amount of rebates that will be achieved by the customer and recognizes this estimated cost as a reduction to revenue as products are sold.

Recently Adopted Accounting Standards

In March 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2017-07 "Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Post-Retirement Benefit Cost," which changed the presentation of net periodic pension and post-retirement benefit cost (net benefit cost) within the Statement of Income. Under the previous guidance, net benefit cost was reported as an employee cost within operating income. The amendment required the bifurcation of net benefit cost, with the service cost component to be presented with other employee compensation costs in operating income while the other components will be reported separately outside of income from operations. ASU No. 2017-07 was effective for the first quarter of 2018 with the Company adopting the new standard on December 31, 2017.

In January 2016, the FASB issued ASU No. 2016-01, "Financial Instruments-Recognition and Measurement of Financial Assets and Financial Liabilities" which addressed certain aspects of the recognition, measurement, presentation and disclosure of financial instruments. The ASU requires the Company to recognize any changes in the fair value of certain equity investments in net income. Previously these changes were recognized in other comprehensive income ("OCI"). The Company adopted the new standard on December 31, 2017, on a modified retrospective basis, recognizing the cumulative effect as a \$9.8 million increase to retained earnings. As a result of the adoption of the new standard and change in fair value of our equity investments, for the nine months ended September 29, 2018, the Company recognized an unrealized loss of \$0.3 million in Other (income) expense, net in the Condensed Consolidated Statements of Net Income.

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers" (Topic 606) which supersedes the revenue recognition requirements in ASC 605, "Revenue Recognition." This ASU provides a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and will supersede most current revenue recognition guidance. The guidance permits two implementation approaches, one requiring retrospective application of the new standard with restatement of prior years and one requiring prospective application of the new standard with disclosure of results under old standards. The Company adopted the new standard on December 31, 2017 using the modified retrospective method, however, no adjustment to retained earnings was needed. The new guidance did not have a material effect on the Company's Condensed Consolidated Statements of Net Income. See the Revenue Recognition section above for further discussion.

In October 2016, the FASB issued ASU No. 2016-16, "Income Taxes" (Topic 740). This ASU update requires entities to recognize the income tax consequences of many intercompany asset transfers at the transaction date. The seller and buyer will immediately recognize the current and deferred income tax consequences of an intercompany transfer of an asset other than inventory. The tax consequences were previously deferred. The Company adopted the new standard

on December 31, 2017 and it did not have a material impact.

Recently Issued Accounting Standards

In February 2016, the FASB issued ASU No. 2016-02, "Leases" (Topic 842). This ASU requires lessees to recognize, on the balance sheet, assets and liabilities for the rights and obligations created by leases of greater than twelve months. The accounting by lessors will remain largely unchanged. The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018, with early adoption permitted. Adoption will require a modified retrospective transition. The Company will adopt the standard in the first quarter of 2019. The Company has made progress on assessing the Company's portfolio of leases and compiling a central repository of all active leases. We are in the process of assessing the design of the future lease process and drafting a policy to address the new standard requirements. Key lease data elements are being evaluated including developing a methodology for determining the incremental borrowing rate across all countries where we have operations. While the Company has not yet completed its evaluation of the impact the new lease accounting standard will have on its Consolidated

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Financial Statements, the Company expects to recognize right of use assets and lease liabilities for its operating leases in the Consolidated Balance Sheet upon adoption.

In January 2018, the FASB released guidance on the accounting for tax on the global intangible low-taxed income ("GILTI") provisions of the 2017 U.S. Tax Cuts and Jobs Act (the "Tax Act"). The GILTI provisions impose a tax on foreign income in excess of a deemed return on tangible assets of foreign corporations. The guidance indicates that either accounting for deferred taxes related to GILTI inclusions or treating any taxes on GILTI inclusions as period cost are both acceptable methods subject to an accounting policy election. The Company has not yet completed its assessment and therefore has not yet elected an accounting policy.

In February 2018, the FASB issued ASU No. 2018-02 "Income Statement—Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income," which permits the reclassification of tax effects stranded in accumulated other comprehensive income to retained earnings as a result of the Tax Act. The standard also requires entities to disclose whether or not they elected to reclassify the tax effects related to the Tax Act as well as their policy for releasing income tax effects from accumulated other comprehensive income. The standard allows the option of applying either a retrospective adoption, meaning the standard is applied to all periods in which the effect of the Tax Act is recognized, or applying the amendments in the period of adoption, meaning an adjustment is made to shareholder's equity as of the beginning of the reporting period. ASU 2018-02 will be effective in the first quarter of 2019; however early adoption is permitted for interim and annual periods, including the reporting period in which the Tax Act was enacted. The Company is currently evaluating the impact of ASU 2018-02 on the Consolidated Financial Statements.

In August 2018, the FASB issued ASU No. 2018-13, "Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement." ASU 2018-13 modified the disclosure requirements in Topic 820, "Fair Value Measurement," based on the FASB Concepts Statement, "Conceptual Framework for Financial Reporting - Chapter 8: Notes to Financial Statements," including consideration of costs and benefits. The guidance is effective for fiscal years beginning after December 15, 2019 and for interim periods within those fiscal years, with early adoption permitted. The company is currently evaluating the potential effects of this guidance on its Consolidated Financial Statements.

In August 2018, the FASB issued ASU No. 2018-14 "Disclosure Framework - Changes to the Disclosure Requirements for Defined Benefit Plans, which amends ASC 715-20, Compensation - Retirement Benefits - Defined Benefit Plans - General. The amended guidance modifies the disclosure requirements for employers that sponsor defined benefit pension or other post-retirement plans by removing and adding certain disclosures for these plans. The eliminated disclosures include (a) the amounts in OCI expected to be recognized in net periodic benefit costs over the next fiscal year, and (b) the effects of a one percentage point change in assumed health care cost trend rates on the net periodic benefit costs and the benefit obligation for post-retirement health care benefits. Additional disclosures include descriptions of significant gains and losses affecting the benefit obligation for the period. The adoption of this guidance will modify our disclosures but will not have a material effect on our Consolidated Financial Statements.

In August 2018, the FASB issued ASU No. 2018-15, "Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract (a consensus of the FASB Emerging Issues Task Force)." ASU 2018-15 aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). The guidance is effective for fiscal years beginning after December 15, 2019 and for interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating this guidance on its Consolidated Financial Statements.

2. Acquisitions

The Company accounts for acquisitions using the acquisition method in accordance with ASC 805, “Business Combinations,” in which assets acquired and liabilities assumed are recorded at fair value as of the date of acquisition. The operating results of the acquired business are included in the Company’s Consolidated Financial Statements from the date of the acquisition.

IXYS Corporation

On January 17, 2018, the Company acquired IXYS Corporation (“IXYS”), a global pioneer in the power semiconductor and integrated circuit markets with a focus on medium to high voltage power control semiconductors across the industrial, communications, consumer and medical markets. IXYS has a broad customer base, serving more than 3,500 customers through

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its direct sales force and global distribution partners. The acquisition of IXYS is expected to accelerate the Company's growth across the power control market driven by IXYS's extensive power semiconductor portfolio and technology expertise. With IXYS, the Company will be able to diversify and expand its presence within industrial electronics markets, leveraging the strong IXYS industrial OEM customer base. The Company also expects to increase long-term penetration of its power semiconductor portfolio in automotive markets, expanding its global content per vehicle.

Upon completion of the acquisition, at IXYS stockholders' election and subject to proration, each share of IXYS common stock, par value \$0.01 per share, owned immediately prior to the effective time was canceled and extinguished and automatically converted into the right to receive: (i) \$23.00 in cash (subject to applicable withholding tax), without interest (referred to as the cash consideration), or (ii) 0.1265 of a share of common stock, par value \$0.01 per share, of Littelfuse (referred to as the stock consideration). IXYS stockholders received cash in lieu of any fractional shares of Littelfuse common stock that the IXYS stockholders would otherwise have been entitled to receive. Additionally, each outstanding option to purchase shares of IXYS common stock granted under an IXYS equity plan were assumed by Littelfuse and converted into an option to acquire (i) a number of shares of Littelfuse common stock equal to the number of shares of IXYS common stock subject to such option immediately prior to the effective time multiplied by 0.1265, rounded down to the nearest whole share, with (ii) an exercise price per share of Littelfuse common stock equal to the exercise price of such IXYS stock option immediately prior to the effective time divided by 0.1265, rounded up to the nearest whole cent.

Based on the \$207.5 per share opening price of Littelfuse common stock on January 17, 2018, the consideration IXYS stockholders received in exchange of their IXYS common stock in the acquisition had a value of \$814.8 million comprised of \$380.6 million of cash and \$434.2 million of Littelfuse stock. In addition to the consideration transferred related to IXYS common stock, the value of consideration transferred, and included in the purchase price, related to IXYS stock options that were converted to Littelfuse stock options, or cash settled, had a value of \$41.7 million. As a result, total consideration was valued at \$856.5 million.

The total purchase price of \$856.5 million has been allocated, on a preliminary basis, to assets acquired and liabilities assumed, as of the completion of the acquisition, based on preliminary estimated fair values. The purchase price allocation is preliminary because the evaluations necessary to assess the fair values of the net assets acquired are still in process. The primary area that is not yet finalized relates to the completion of the computation of the adoption of the Tax Act. As a result, these allocations are subject to change during the purchase price allocation period as the computation is finalized.

The following table summarizes the purchase price allocation of the fair value of assets acquired and liabilities assumed in the IXYS acquisition:

(in thousands)	Purchase Price Allocation
Total purchase consideration:	
Cash, net of cash acquired	\$302,865
Cash settled stock options	3,622
Littelfuse stock	434,192
Converted stock options	38,109
Total purchase consideration	\$778,788
Allocation of consideration to assets acquired and liabilities assumed:	
Current assets, net	\$155,930
Property, plant, and equipment	77,442
Intangible assets	212,720

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Goodwill	379,619
Other non-current assets	31,570
Other non-current liabilities	(78,493)
	\$778,788

Included in IXYS's current assets, net was approximately \$49.1 million of receivables. All IXYS goodwill, other assets and liabilities were recorded in the Electronics segment and primarily reflected in the Americas and European geographic areas. The goodwill resulting from this acquisition consists largely of the Company's expected future product sales and synergies from