

SIFCO INDUSTRIES INC  
Form 10-Q  
August 09, 2016

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, 2016

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 number 1-5978

SIFCO Industries, Inc.  
(Exact name of registrant as specified in its charter)

Ohio 34-0553950  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)

970 East 64th Street, Cleveland Ohio 44103  
(Address of principal executive offices) (Zip Code)  
(216) 881-8600  
(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 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 (§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, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer", "non-accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer

Non-accelerated filer  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

The number of the Registrant's Common Shares outstanding at June 30, 2016 was 5,466,063.

## Part I. Financial Information

## Item 1. Financial Statements

## SIFCO Industries, Inc. and Subsidiaries

## Consolidated Condensed Statements of Operations

(Unaudited)

(Amounts in thousands, except per share data)

	Three Months		Nine Months	
	Ended		Ended	
	June 30,		June 30,	
	2016	2015	2016	2015
Net sales	\$31,004	\$28,717	\$87,240	\$73,412
Cost of goods sold	28,009	23,750	78,574	61,742
Gross profit	2,995	4,967	8,666	11,670
Selling, general and administrative expenses	4,157	5,863	12,907	14,793
Amortization of intangible assets	633	520	1,961	1,560
Loss on disposal of operating assets	—	61	32	63
Operating loss	(1,795)	(1,477)	(6,234)	(4,746)
Interest income	(9)	(3)	(41)	(10)
Interest expense	428	83	1,273	191
Foreign currency exchange (gain) loss, net	(8)	109	27	52
Other income, net	(107)	(180)	(322)	(394)
Loss from continuing operations before income tax benefit	(2,099)	(1,486)	(7,171)	(4,585)
Income tax benefit	(1,049)	(479)	(3,224)	(1,373)
Loss from continuing operations	(1,050)	(1,007)	(3,947)	(3,212)
Income from discontinued operations, net of tax	—	—	—	736
Net loss	\$(1,050)	\$(1,007)	\$(3,947)	\$(2,476)
Loss per share from continuing operations				
Basic	\$(0.19)	\$(0.19)	\$(0.72)	\$(0.59)
Diluted	\$(0.19)	\$(0.19)	\$(0.72)	\$(0.59)
Income per share from discontinued operations, net of tax				
Basic	\$—	\$—	\$—	\$0.14
Diluted	\$—	\$—	\$—	\$0.14
Net loss per share				
Basic	\$(0.19)	\$(0.19)	\$(0.72)	\$(0.45)
Diluted	\$(0.19)	\$(0.19)	\$(0.72)	\$(0.45)
Weighted-average number of common shares (basic)	5,466	5,448	5,460	5,435
Weighted-average number of common shares (diluted)	5,466	5,454	5,460	5,449

See notes to unaudited consolidated condensed financial statements.

SIFCO Industries, Inc. and Subsidiaries  
 Consolidated Condensed Statements of Comprehensive Loss  
 (Unaudited)  
 (Amounts in thousands)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2016	2015	2016	2015
Net loss	\$(1,050)	\$(1,007)	\$(3,947)	\$(2,476)
Other comprehensive income (loss):				
Foreign currency translation adjustment	(443 )	—	(128 )	—
Retirement plan liability adjustment, net of tax	134	137	390	398