

MAGNETEK, INC.
Form 10-Q
October 30, 2008
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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 28, 2008

OR

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

For the transition period from

Commission file number 1-10233

MAGNETEK, INC.

(Exact name of Registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

95-3917584
(I.R.S. Employer
Identification Number)

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N49 W13650 Campbell Drive

Menomonee Falls, Wisconsin 53051

(Address of principal executive offices)

(262) 783-3500

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year,
if changed since last report)

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 is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "accelerated filer," "large 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 shares outstanding of Registrant's Common Stock, as of October 24, 2008, was 30,659,151 shares.

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MAGNETEK, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Amounts in thousands, except per share data, unaudited)

| | Three Months Ended | |
|---|---------------------------|----------------------|
| | (13 Weeks) | (13 Weeks) |
| | September 28, | September 30, |
| | 2008 | 2007 |
| Net sales | \$ 26,351 | \$ 22,799 |
| Cost of sales | 16,906 | 15,946 |
| Gross profit | 9,445 | 6,853 |
| Operating expenses: | | |
| Research and development | 870 | 780 |
| Selling, general and administrative | 6,544 | 4,937 |
| Income from operations | 2,031 | 1,136 |
| Non operating expense (income): | | |
| Interest expense | | 144 |
| Interest income | (67) | (356) |
| Income from continuing operations before provision for income taxes | 2,098 | 1,348 |
| Provision for income taxes | 362 | 304 |
| Income from continuing operations | 1,736 | 1,044 |
| Loss from discontinued operations, net of tax | (855) | (545) |
| Net income | \$ 881 | \$ 499 |
| Earnings (loss) per common share | | |
| Basic and diluted: | | |
| Earnings from continuing operations | \$ 0.06 | \$ 0.03 |
| Loss from discontinued operations | \$ (0.03) | \$ (0.02) |
| Net income | \$ 0.03 | \$ 0.02 |
| <u>Weighted average shares outstanding:</u> | | |
| Basic | 30,637 | 30,144 |
| Diluted | 30,873 | 30,404 |

See accompanying notes

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MAGNETEK, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Amounts in thousands)

| | September 28, 2008 (Unaudited) | June 29, 2008 |
|---|--------------------------------------|------------------|
| <u>ASSETS</u> | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 15,936 | \$ 15,210 |
| Restricted cash | 261 | 256 |
| Accounts receivable, net | 16,973 | 18,600 |
| Inventories | 14,769 | 12,525 |
| Prepaid expenses and other current assets | 3,184 | 2,133 |
| Assets held for sale | | 1,288 |
| Total current assets | 51,123 | 50,012 |
| Property, plant and equipment | 20,088 | 20,147 |
| Less: accumulated depreciation | 16,138 | 16,054 |
| Net property, plant and equipment | 3,950 | 4,093 |
| Goodwill | 30,446 | 30,464 |
| Other assets | 6,379 | 6,978 |
| Total Assets | \$ 91,898 | \$ 91,547 |

LIABILITIES AND STOCKHOLDERS' EQUITY