

SYPRIS SOLUTIONS INC
Form 10-Q
November 16, 2016

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 October 2, 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: 0-24020

SYPRIS SOLUTIONS, INC.

(Exact name of registrant as specified in its charter)

Delaware

61-1321992

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

101 Bullitt Lane, Suite 450
Louisville, Kentucky 40222 (502) 329-2000
(Address of principal executive offices) (Zip code) (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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such reports). 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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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

As of November 7, 2016 the Registrant had 21,242,190 shares of common stock outstanding.

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Part I. Financial Information**Item 1. Financial Statements****Sypris Solutions, Inc.****Consolidated Statements of Operations****(in thousands, except for per share data)**

	Three Months Ended		Nine Months Ended	
	October 2, 2016	October 4, 2015	October 2, 2016	October 4, 2015
	(Unaudited)		(Unaudited)	
Net revenue:				
Outsourced services	\$16,908	\$29,089	\$54,252	\$93,903
Products	4,476	9,348	17,574	22,299
Total net revenue	21,384	38,437	71,826	116,202
Cost of sales:				
Outsourced services	18,160	29,278	57,330	100,390
Products	3,945	6,691	13,768	16,535
Total cost of sales	22,105	35,969	71,098	116,925
Gross profit (loss)	(721)	2,468	728	(723)
Selling, general and administrative	5,208	5,969	16,952	22,414
Research and development	104	119	318	647
Severance	0	457	522	1,023
Operating loss	(6,033)	(4,077)	(17,064)	(24,807)
Interest expense, net	2,828	1,783	4,668	3,271
Loss on extinguishment of debt	1,521	0	1,521	0
Other (income), net	(31,595)	(7,841)	(34,166)	(8,595)
Income (loss) before taxes	21,213	1,981	10,913	(19,483)
Income tax expense, net	220	2,255	222	