

LITTELFUSE INC /DE
Form 10-K/A
July 23, 2014
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

Amendment No. 1

(Mark one) Annual Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
for the fiscal year ended December 28, 2013
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 0-20388

LITTELFUSE, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

36-3795742
(I.R.S. Employer Identification No.)

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

773-628-1000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Name of Each Exchange On Which Registered</u>
Common Stock, \$0.01 par value	NASDAQ Global Select Market SM

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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

(Cover continued from previous page)

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 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 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 "small 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 aggregate market value of 22,224,090 shares of voting stock held by non-affiliates of the registrant was approximately \$1,658,139,355 based on the last reported sale price of the registrant's Common Stock as reported on the NASDAQ Global Select MarketSM on June 29, 2013.

As of February 14, 2014, the registrant had outstanding 22,460,247 shares of Common Stock.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Littelfuse, Inc. Proxy Statement for the 2014 Annual Meeting of Stockholders (the "Proxy Statement") are incorporated by reference into Part III of this Form 10-K.

EXPLANATORY NOTE

Littelfuse, Inc. (the “Company,” “we,” “us” or “our”) is filing this Amendment No. 1 on Form 10-K/A to our Annual Report on Form 10-K for the year ended December 28, 2013, originally filed with the Securities and Exchange Commission (the “SEC”) on February 25, 2014 (the “Original Form 10-K”), in response to a comment received from the SEC regarding a revision to the report of independent registered public accounting firm for omitted language.

In response to the SEC’s comment, this Form 10-K/A sets forth the Original Form 10-K in its entirety with the exception of the report of independent registered public accounting firm, which has been amended and restated in its entirety to correct for previously omitted language.

Other than the revision discussed above, this Form 10-K/A speaks as of the original filing date of the Original Form 10-K and has not been updated to reflect other events occurring subsequent to the original filing date. This includes forward-looking statements and all other sections of this Form 10-K/A that were not revised, which should be read in their historical context.

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FORWARD-LOOKING STATEMENTS

Certain statements contained in this Annual Report on Form 10-K that are not historical facts are intended to constitute “forward-looking statements” entitled to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995 (“PSRLA”). These statements may involve risks and uncertainties, including, but not limited to, risks relating to product demand and market acceptance, economic conditions, the impact of competitive products and pricing, product quality problems or product recalls, capacity and supply difficulties or constraints, coal mining exposures, failure of an indemnification for environmental liability, exchange rate fluctuations, commodity price fluctuations, the effect of the company’s accounting policies, labor disputes, restructuring costs in excess of expectations, pension plan asset returns being less than assumed, integration of acquisitions and other risks that may be detailed in “Item 1A. Risk Factors” below and in the company’s other Securities and Exchange Commission filings.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of Littelfuse, Inc.

We have audited the accompanying consolidated balance sheets of Littelfuse, Inc., as of December 28, 2013 and December 29, 2012, and the related consolidated statements of net income, comprehensive income, equity, and cash flows for each of the three years in the period ended December 28, 2013. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Littelfuse, Inc., as of December 28, 2013 and December 29, 2012, and its results of operations and its cash flows for each of the three years in the period ended December 28, 2013, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Littelfuse, Inc.'s internal control over financial reporting as of December 28, 2013, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework), and our report dated February 25, 2014 expressed an adverse opinion thereon.

/s/ Ernst & Young LLP

Chicago, Illinois

February 25, 2014

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of Littelfuse, Inc.

We have audited Littelfuse, Inc.'s internal control over financial reporting as of December 28, 2013, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) (the COSO criteria). Littelfuse, Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As indicated in the accompanying Management's Annual Report On Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Hamlin, Inc., and subsidiaries, which are included in the 2013 consolidated financial statements of Littelfuse, Inc., and constituted approximately 18.3% of total assets as of December 28, 2013, approximately 6.7% of total revenue and approximately 1.9% of consolidated operating income for the year then ended. Our audit of internal control over financial reporting of Littelfuse, Inc. also did not include an evaluation of the internal control over financial reporting of Hamlin, Inc., and subsidiaries.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weakness has been identified and included in management's assessment: A material weakness in internal control over financial reporting relating to the company's evaluation of the income tax considerations, including deferred tax valuation allowances, relating to the write-off of its investment in Shocking Technologies, Inc. during the first quarter of 2013.

In our opinion, because of the effect of the material weakness described above on the achievement of the objectives of the control criteria, Littelfuse, Inc., has not maintained effective internal control over financial reporting as of December 28, 2013, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the accompanying consolidated balance sheets of Littelfuse, Inc., as of December 28, 2013 and December 29, 2012, and the related consolidated statements of net income and comprehensive income, equity, and cash flows for each of the three years in the period ended December 28, 2013. This material weakness was considered in determining the nature, timing and extent of audit tests applied in our audit of the 2013 consolidated financial statements, and this report does not affect our report dated February 25, 2014, which expressed an unqualified opinion on those consolidated financial statements.

/s/ Ernst & Young LLP

Chicago, Illinois

February 25, 2014

CONSOLIDATED BALANCE SHEETS

(In thousands of USD)	December 28, 2013	December 29, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 305,192	\$ 235,404
Short-term investments	6,886	—
Accounts receivable, less allowances (2013 - \$16,907; 2012 - \$13,508)	127,887	100,559
Inventories	92,591	75,580
Deferred income taxes	10,463	11,890
Prepaid expenses and other current assets	17,080	16,532
Assets held for sale	5,500	5,500
Total current assets	565,599	445,465
Property, plant, and equipment:		
Land	4,382	6,243
Buildings	59,699	54,559
Equipment	354,475	304,954
Accumulated depreciation	(268,383)	(244,845)
Net property, plant and equipment	150,173	120,911
Intangible assets, net of amortization:		
Patents, licenses and software	25,166	11,144
Distribution network	42,685	9,773
Customer lists, trademarks and tradenames	30,506	27,895
Goodwill	186,464	133,592
Investment in unconsolidated affiliate	—	8,666
Other investments	12,286	10,327
Deferred income taxes	5,092	8,090
Other assets	6,402	1,865
Total assets	\$ 1,024,373	\$ 777,728
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 33,872	\$ 27,226
Accrued payroll	29,437	20,540
Accrued expenses	13,087	11,062