

DSP GROUP INC /DE/
Form 10-Q
November 09, 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 September 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 1-35256

DSP GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of

incorporation or organization)

161 S. San Antonio Road, Suite 10

94-2683643

(I.R.S. employer identification number)

94022

Los Altos, California

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **(408) 986-4300**

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, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" 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 3, 2016, there were 21,622,432 shares of Common Stock (\$.001 par value per share) outstanding.

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PART 1. FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****DSP GROUP, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS****(U.S. dollars in thousands, except share and per share data)**

	September 30, 2016 Unaudited	December 31, 2015 Audited
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 13,908	\$ 13,704
Restricted deposit	71	168
Marketable securities and short-term deposits	25,432	18,070
Trade receivables	22,765	19,211
Other accounts receivable and prepaid expenses	3,457	3,319
Inventories	9,877	11,453
TOTAL CURRENT ASSETS	75,510	65,925
PROPERTY AND EQUIPMENT, NET	4,004	3,764
LONG-TERM ASSETS:		
Long-term marketable securities	81,150	89,714
Long-term prepaid expenses and lease deposits	1,290	743
Deferred income taxes	745	1,311
Severance pay fund	12,589	11,578
Investment in other companies	-	1,800
Intangible assets, net	4,905	3,851
Goodwill	6,243	5,276
	106,922	114,273
TOTAL ASSETS	\$ 186,436	\$ 183,962

Note: The balance sheet at December 31, 2015 has been derived from the audited financial statements on that date.

See notes to condensed consolidated financial statements.

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DSP GROUP, INC.**CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)**

(U.S. dollars in thousands, except share and per share data)

	September 30,	December 31,
	2016	2015
	Unaudited	Audited
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	\$ 10,692	\$ 13,103
Accrued compensation and benefits	8,587	7,788
Income tax accruals and payables	1,099	1,864
Accrued expenses and other accounts payable	3,775	5,026
Total current liabilities	24,153	27,781
LONG-TERM LIABILITIES:		
Deferred income taxes	600	476
Accrued severance pay	12,959	11,703
Accrued pensions	741	684
Total long-term liabilities	14,300	12,863
STOCKHOLDERS' EQUITY:		
Capital stock:		
Common stock, \$ 0.001 par value - Authorized shares: 50,000,000 shares at September 30, 2016 and December 31, 2015; Issued and outstanding shares: 22,008,701 and 21,572,616 shares at September 30, 2016 and December 31, 2015, respectively	22	22
Additional paid-in capital	364,737	361,023
Treasury stock	(121,476)	(125,697)
Accumulated other comprehensive loss	(700)	(1,267)
Accumulated deficit	(94,600)	(90,763)
Total stockholders' equity	147,983	143,318
Total liabilities and stockholders' equity	\$ 186,436	\$ 183,962

Note: The balance sheet at December 31, 2015 has been derived from the audited financial statements on that date.

See notes to condensed consolidated financial statements.

