

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

Date of report (Date of earliest event reported): December 4, 2018

PARK ELECTROCHEMICAL CORP.  
(Exact Name of Registrant as  
Specified in Charter)

New York (State or Other Jurisdiction of Incorporation)	1-4415 (Commission File Number)	11-1734643 (IRS Employer Identification No.)
48 South Service Road, Melville, (Address of Principal Executive Offices)	New York	11747 (Zip Code)

Registrant's telephone number, including area code (631) 465-3600

Not Applicable

Former Name or Former Address, if Changed Since Last Report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has selected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.02 Termination of a Material Definitive Agreement.

On December 4, 2018, certain lease agreements (i) of Nelco Products, Inc. with James Emmi, dated December 12, 1989 and as subsequently amended and extended, regarding real property located at 1107 East Kimberly Avenue, Anaheim, California and at 1100 East Kimberly Avenue, Anaheim, California, (ii) of Nelco Products Pte. Ltd. with Jurong Town Corporation, dated May 26, 1982 and as subsequently assigned and extended, regarding real property located at 4 Gul Crescent, Jurong, Singapore and (iii) of Neltec, Inc. with NZ Properties, Inc., dated December 12, 1990 and as subsequently amended and extended, regarding real property located at 1420 W. 12th Place, Tempe, Arizona, are being transferred to the Buyer (as defined below) in connection with the closing of the Sale (as defined below).

Item 2.01 Completion of Acquisition or Disposition of Assets.

On December 4, 2018, Park Electrochemical Corp. (“Park” or the “Company”) completed the previously announced sale (the “Sale”) of its digital and radio frequency/microwave printed circuit materials business (collectively, the “Electronics Business”), including manufacturing facilities in Singapore, France, Arizona and California and R&D facilities in Arizona and Singapore, to AGC Inc., a Japanese corporation (the “Buyer”). The Sale was completed pursuant to the terms of the Stock Purchase Agreement (the “Purchase Agreement”), dated as of July 25, 2018, by and among the Company, its wholly-owned subsidiary, ParkNelco SNC, an entity organized under the laws of France, and the Buyer. Under the terms of the Purchase Agreement, the Buyer acquired all of the outstanding equity interests in Nelco Products, Inc., a Delaware corporation, Neltec, Inc., a Delaware corporation, Neltec SA, an entity organized under the laws of France, and Nelco Products Pte. Ltd., an entity organized under the laws of Singapore (collectively, the “Acquired Subsidiaries”), all of which were, directly or indirectly, wholly-owned subsidiaries of the Company, for an aggregate purchase price of \$145 million in cash, subject to post-closing adjustments for changes in working capital compared to a target, cash in the Acquired Subsidiaries and certain accrued and unpaid taxes of the Acquired Subsidiaries.

In connection with the closing of the Sale, the Company and Buyer and/or one or more of their respective affiliates, entered into a transition services agreement, pursuant to which both the Company and Buyer will provide transition services to the other party at the recipient’s cost following the closing.

The foregoing description of the Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of the Purchase Agreement, which is filed as Exhibit 2.1 to Park’s Current Report on Form 8-K filed with the Securities and Exchange Commission (“SEC”) on July 27, 2018 and is incorporated herein by reference.

The unaudited pro forma condensed consolidated financial information of the Company, giving effect to the Sale, is attached as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Effective as of the closing of the Sale, Christopher T. Mastrogioacomo, the former President and Chief Operating Officer of Park, resigned from employment with Park. Mr. Mastrogioacomo is a “Transferred Employee” (as defined in the Purchase Agreement).

Item 7.01 Regulation FD.

The Company issued a news release on December 4, 2018 regarding the Sale. The Company is furnishing the news release as Exhibit 99.1 hereto, which exhibit shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act except as shall be expressly stated by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(b) Pro forma financial information.

Unaudited pro forma condensed consolidated financial information of the Company to give effect to the Sale is included in Exhibit 99.2 filed herewith and is incorporated herein by reference. The unaudited pro forma condensed consolidated financial information has been prepared for comparative purposes only and does not purport to be indicative of the future results of operations or financial condition of the Company.

(d) Exhibits.

No. Description

2.1\* [Stock Purchase Agreement, dated as of July 25, 2018, by and among AGC Inc., Park Electrochemical Corp. and ParkNelco SNC \(Reference is made to Exhibit 2.1 of the Company's Current Report on Form 8-K dated July 27, 2018, Commission File No. 1-4415, which is incorporated herein by reference\)](#)

99.1 [News Release, dated December 4, 2018](#)

99.2 [Unaudited pro forma condensed consolidated financial information of Park Electrochemical Corp.](#)

\*Certain exhibits and schedules to this agreement have been omitted in accordance with Item 601(b)(2) of Regulation S-K. A copy of any omitted exhibits and schedules will be furnished to the SEC upon request.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PARK ELECTROCHEMICAL CORP.

Date: December 10, 2018

By: /s/ P. Matthew Farabaugh

Name: P. Matthew Farabaugh

Title: Senior Vice President and Chief  
Financial Officer



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***NEWS RELEASE***

Contact: Martina Bar Kochva

48 South Service Road  
Melville, NY 11747  
(631) 465-3600

PARK ELECTROCHEMICAL CORP. ANNOUNCES COMPLETION OF SALE OF ITS ELECTRONICS BUSINESS TO AGC INC.

Melville, New York, Tuesday, December 4, 2018... Park Electrochemical Corp. (NYSE-PKE) announced the completion of the previously announced sale of its Electronics Business to AGC Inc., formerly Asahi Glass Co., Ltd., based in Tokyo, Japan, for USD \$145 million in cash. The Electronics Business develops and manufactures high-technology digital and RF/microwave printed circuit materials principally for the telecommunications and internet infrastructure, enterprise and military/aerospace markets, and includes manufacturing facilities in Singapore, France, Arizona and California and R&D facilities in Arizona and Singapore.

Brian Shore, Park's Chairman and CEO, said, "To AGC, I would like to wish you the best of luck and congratulate you on your purchase of Park's iconic and very special Electronics Business."

Brian Shore concluded, "To Park's Electronics Business employees, I would like to wish you the very best of luck in the future, and I would like to thank you for your outstanding service to Park over the years. Although most of you never met my father, I am quite sure that, if Jerry was still with us, he also would want to thank you for your outstanding service to Park over the years. I will think of you often, and I surely will miss you. I admire and respect you so very much, and it has been my honor and privilege to work with you over our many years together. I wish each and every one of you the very best of everything in the future."

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Park Electrochemical Corp. is an Aerospace Company which develops and manufactures solution and hot-melt advanced composite materials used to produce composite structures for the global aerospace markets. Park's advanced composite materials include film adhesives (undergoing qualification) and lightning strike materials. Park offers an array of composite materials specifically designed for hand lay-up or automated fiber placement (AFP) manufacturing applications. Park's advanced composite materials are used to produce primary and secondary structures for jet engines, large and regional transport aircraft, military aircraft, Unmanned Aerial Vehicles (UAVs commonly referred to as "drones"), business jets, general aviation aircraft and rotary wing aircraft. Park also offers specialty ablative materials for rocket motors and nozzles and specially designed materials for radome applications. As a complement to Park's advanced composite materials offering, Park designs and fabricates composite parts, structures and assemblies and low volume tooling for the aerospace industry. Target markets for Park's composite parts and structures (which include Park's patented composite Sigma Strut and Alpha Strut product lines) are, among others, prototype and development aircraft, special mission aircraft, spares for legacy military and civilian aircraft and exotic spacecraft. Park's objective is to do what others are either unwilling or unable to do. When nobody else wants to do it because it is too difficult, too small or too annoying, sign us up.

Certain portions of this news release include forward-looking statements that predict or indicate future events and trends and that do not report historical matters. Forward-looking statements in this news release include, but are not limited to, Park's expectations regarding developments and business strategies and growth opportunities; as well as the objectives of management following the closing of the sale of Park's Electronics Business. Forward-looking statements are qualified by important risks and uncertainties, many of which are beyond Park's control, and assumptions that could cause actual results to differ materially from those forecasted or indicated by such forward-looking statements and include, but are not limited to: potential disruption of management's attention to Park's Business due to transition services required after the sale; general conditions in the aerospace industry; legislative, regulatory and economic developments; Park's competitive position; the effect of the completion of the sale on the ability of the Company to maintain relationships with third parties, including its employees, customers and suppliers; and the various factors set forth under the caption "Factors That May Affect Future Results" in Item 1 and in Item 1A "Risk Factors" of Park's Annual Report on Form 10-K for the fiscal year ended February 25, 2018 and in subsequent reports of Park filed with or furnished to the Securities and Exchange Commission. Except as may be required by any applicable laws, Park assumes no obligation to update such forward-looking statements, which are made as of the date hereof or the earlier date specified herein, whether as a result of new information, future developments or otherwise.

Additional corporation information is available on the Company's web site at [www.parkelectro.com](http://www.parkelectro.com).

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**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

On December 4, 2018, Park Electrochemical Corp. (“Park” or the “Company”) completed the previously announced sale (the “Sale”) of its digital and radio frequency/microwave printed circuit materials business (collectively, the “Electronics Business”), including manufacturing facilities in Singapore, France, Arizona and California and R&D facilities in Arizona and Singapore, to AGC Inc., a Japanese corporation (the “Buyer”). The Sale was completed pursuant to the terms of the Stock Purchase Agreement (the “Purchase Agreement”), dated as of July 25, 2018, by and among the Company, its wholly-owned subsidiary, ParkNelco SNC, an entity organized under the laws of France, and the Buyer. Under the terms of the Purchase Agreement, the Buyer acquired all of the outstanding equity interests in Nelco Products, Inc., a Delaware corporation, Neltec, Inc., a Delaware corporation, Neltec SA, an entity organized under the laws of France, and Nelco Products Pte. Ltd., an entity organized under the laws of Singapore (collectively, the “Acquired Subsidiaries”), all of which were, directly or indirectly, wholly-owned subsidiaries of the Company, for an aggregate purchase price of \$145 million in cash, subject to post-closing adjustments for changes in working capital compared to a target, cash in the Acquired Subsidiaries and certain accrued and unpaid taxes of the Acquired Subsidiaries.

The following unaudited pro forma condensed consolidated balance sheet and statements of operations have been derived by the application of adjustments to the Company’s historical financial statements as previously filed. The unaudited pro forma balance sheet as of August 26, 2018 depicts the impact of the Sale as if it had occurred on August 26, 2018. The unaudited pro forma statements of operations for the six months ended August 26, 2018 and the year ended February 25, 2018 depict the pro forma impact of the Sale as if the transaction had occurred on February 27, 2017. The unaudited pro forma financial statements are presented for comparative purposes only and are not intended to be indicative of the balance sheet and statements of operations which would have been realized had the Sale been consummated as of the date or during the periods for which the unaudited pro forma financial statements are presented or for any future period or date. The unaudited pro forma condensed consolidated financial statements should be read in conjunction with Park’s historical financial statements and related notes for the periods presented.

**Park Electrochemical Corporation**  
**Unaudited Pro Forma Condensed Consolidated Balance Sheet**  
**As of August 26, 2018**  
**(Amounts in thousands)**

	Historical	Sale of Electronics Business Adjustments	Other Pro Forma Adjustments	Pro Forma
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 20,854	\$ -	\$ 123,416(a)	\$ 144,270
Marketable securities	87,456	-	-	87,456
Accounts receivable, net	5,878	-	-	5,878
Inventories	3,994	-	-	3,994
Prepaid expenses and other current assets	1,578	-	-	1,578
Current Assets - Discontinued Operations	22,624	(22,624)	-	-
<b>Total current assets</b>	<b>142,384</b>	<b>(22,624)</b>	<b>123,416</b>	<b>243,176</b>
Property, plant and equipment, net	9,111	-	-	9,111
Goodwill and other intangible assets	9,818	-	-	9,818
Other assets	377	-	-	377
Non-current Assets - Discontinued Operations	11,406	(11,406)	-	-
<b>Total assets</b>	<b>\$ 173,096</b>	<b>\$ (34,030)</b>	<b>\$ 123,416</b>	<b>\$ 262,482</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>Current liabilities:</b>				
Accounts payable	\$ 1,091	\$ -	\$ -	\$ 1,091
Accrued liabilities	1,108	-	-	1,108
Income taxes payable	1,467	-	-	1,467
Current Liabilities - Discontinued Operations	8,170	(8,170)	1,834(b)	1,834
<b>Total current liabilities</b>	<b>11,836</b>	<b>(8,170)</b>	<b>1,834</b>	<b>5,500</b>
Non-current income taxes payable	18,594	-	-	18,594
Deferred income taxes	3,309	-	-	3,309
Other liabilities	314	-	-	314
Non-current Liabilities - Discontinued Operations	846	(846)	-	-
<b>Total liabilities</b>	<b>34,899</b>	<b>(9,016)</b>	<b>1,834</b>	<b>27,717</b>
<b>Total shareholders' equity</b>	<b>138,197</b>	<b>(25,014)</b>	<b>121,582(c)</b>	<b>234,765</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 173,096</b>	<b>\$ (34,030)</b>	<b>\$ 123,416</b>	<b>\$ 262,482</b>

(a) Reflects the receipt of cash proceeds of \$123,000 from the Sale, net of transaction costs and taxes. Includes an additional \$413 for transaction expenses previously paid.

(b) Reflects accrued liabilities relating to a closed facility that was not purchased by the Buyer.

(c) This adjustment reflects the estimated gain arising from the Sale, and includes a (\$77) adjustment to other comprehensive income related to foreign currency translation. This estimated gain has not been reflected in the pro forma consolidated statement of operations as it is considered to be nonrecurring. No adjustment has been made to the proceeds of the Sale to give effect to any potential post-closing adjustments under the terms of the Purchase Agreement.

**Park Electrochemical Corporation**  
**Unaudited Pro Forma Condensed Consolidated Statement of Operations**  
**For the 26 Weeks Ended August 26, 2018**  
 (Amounts in thousands, except per share amounts)

	Historical	Sale of Electronics Business Adjustments	Other Pro Forma Adjustments	Pro Forma
Net sales	\$ 21,604	\$ -	\$ -	\$ 21,604
Cost of sales	15,607	-	-	15,607
<b>Gross profit</b>	<b>5,997</b>	<b>-</b>	<b>-</b>	<b>5,997</b>
Selling, general and administrative expenses	4,217	-	-	4,217
<b>Earnings from operations</b>	<b>1,780</b>	<b>-</b>	<b>-</b>	<b>1,780</b>
Interest and other income	697	-	-	697
<b>Earnings before income taxes</b>	<b>2,477</b>	<b>-</b>	<b>-</b>	<b>2,477</b>
Income tax (benefit) provision	(163)	-	-	(163)
<b>Net earnings</b>	<b>2,640</b>	<b>-</b>	<b>-</b>	<b>2,640</b>
<b>Earnings (Loss) from discontinued operations, net of tax</b>	<b>3,228</b>	<b>(3,228)</b>	<b>-</b>	<b>-</b>
<b>Net Earnings</b>	<b>\$ 5,868</b>	<b>\$ (3,228)</b>	<b>\$ -</b>	<b>\$ 2,640</b>

**Earnings per share :**

<b>Basic:</b>				
Continuing Operations	\$ 0.13	\$ -	\$ -	\$ 0.13
Discontinued Operations	0.16	(0.16)	-	-
Basic earnings per share	\$ 0.29	\$ (0.16)	\$ -	\$ 0.13
Basic weighted average shares	20,253			20,253

<b>Diluted:</b>				
Continuing Operations	\$ 0.13	\$ -	\$ -	\$ 0.13
Discontinued Operations	0.16	(0.16)	-	-
Diluted earnings per share	\$ 0.29	\$ (0.16)	\$ -	\$ 0.13
Diluted weighted average shares	20,382			20,382



**Park Electrochemical Corporation**  
**Unaudited Pro Forma Condensed Consolidated Statement of Operations**  
**For the Fiscal Year Ended February 25, 2018**  
 (Amounts in thousands, except per share amounts)

	Historical	Sale of Electronics Business Adjustments	Other Pro Forma Adjustments	Pro Forma
Net sales	\$ 111,196	\$ (70,966)	\$ -	\$ 40,230
Cost of sales	84,737	(56,528)	-	28,209
<b>Gross profit</b>	<b>26,459</b>	<b>(14,438)</b>	<b>-</b>	<b>12,021</b>
Selling, general and administrative expenses	19,371	(9,509)	-	9,862
Restructuring charges	5,022	(4,876)	-	146
<b>Earnings from operations</b>	<b>2,066</b>	<b>(53)</b>	<b>-</b>	<b>2,013</b>
Interest expense	2,269	-	-	2,269
Interest and other income	2,675	(34)	-	2,641
Loss on sale of marketable securities	(1,342)	-	-	(1,342)
<b>Earnings before income taxes</b>	<b>1,130</b>	<b>(87)</b>	<b>-</b>	<b>1,043</b>
Income tax (benefit) provision	(19,465)	2,115	-	(17,350)
<b>Net earnings</b>	<b>\$ 20,595</b>	<b>\$ (2,202)</b>	<b>\$ -</b>	<b>\$ 18,393</b>
<b>Earnings per share:</b>				
Basic earnings per share	\$ 1.02	\$ (0.11)	\$ -	\$ 0.91
Basic weighted average shares	20,237			20,237
Diluted earnings per share	\$ 1.02	\$ (0.11)	\$ -	\$ 0.91
Diluted weighted average shares	20,267			20,267