

SANFILIPPO JOHN B & SON INC
Form 10-Q
November 02, 2011
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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 29, 2011

OR

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

Commission File Number 0-19681

JOHN B. SANFILIPPO & SON, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

36-2419677
(I.R.S. Employer
Identification No.)

1703 North Randall Road

Elgin, Illinois
(Address of Principal Executive Offices)

60123-7820
(Zip Code)

(847) 289-1800

(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 files). 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. (Check One)

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

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 2, 2011, 8,066,930 shares of the Registrant's Common Stock, \$0.01 par value per share and 2,597,426 shares of the Registrant's Class A Common Stock, \$0.01 par value per share, were outstanding.

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JOHN B. SANFILIPPO & SON, INC.

FORM 10-Q

FOR THE QUARTER ENDED SEPTEMBER 29, 2011

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****JOHN B. SANFILIPPO & SON, INC.****CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME**

(Unaudited)

(Dollars in thousands, except earnings per share)

	For the Quarter Ended	
	September 29, 2011	September 23, 2010
Net sales	\$ 156,800	\$ 146,788
Cost of sales	135,034	126,247
Gross profit	21,766	20,541
Operating expenses:		
Selling expenses	10,025	10,206
Administrative expenses	6,250	6,851
Total operating expenses	16,275	17,057
Income from operations	5,491	3,484
Other expense:		
Interest expense (\$278 and \$266 to related parties)	(1,338)	(1,447)
Rental and miscellaneous expense, net	(306)	(305)
Total other expense, net	(1,644)	(1,752)
Income before income taxes	3,847	1,732
Income tax expense	1,405	653
Net income	\$ 2,442	\$ 1,079
Other comprehensive income, net of tax:		
Adjustment for prior service cost and actuarial gain amortization related to retirement plan	120	120
Net comprehensive income	\$ 2,562	\$ 1,199
Basic and diluted earnings per common share	\$ 0.23	\$ 0.10

The accompanying unaudited notes are an integral part of these consolidated financial statements.

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JOHN B. SANFILIPPO & SON, INC.
CONSOLIDATED BALANCE SHEETS

(Unaudited)

(Dollars in thousands, except per share amounts)

	September 29, 2011	June 30, 2011	September 23, 2010
ASSETS			
CURRENT ASSETS:			
Cash	\$ 1,709	\$ 1,321	\$ 874
Accounts receivable, less allowances of \$3,761, \$2,873 and \$3,275	49,031	39,031	47,184
Inventories	113,450	128,938	115,781
Income taxes receivable	329		
Deferred income taxes	4,882	4,882	4,274
Prepaid expenses and other current assets	2,416	3,079	4,831
TOTAL CURRENT ASSETS	171,817	177,251	172,944
PROPERTY, PLANT AND EQUIPMENT:			
Land	9,463	9,463	9,463
Buildings	102,398	102,052	101,459
Machinery and equipment	156,949	157,563	156,540
Furniture and leasehold improvements	4,183	3,984	3,998
Vehicles	471	505	505
Construction in progress	1,564	1,188	993
	275,028	274,755	272,958
Less: Accumulated depreciation	153,297	151,405	142,085
	121,731	123,350	130,873
Rental investment property, less accumulated depreciation of \$5,582, \$5,358 and \$4,683	30,118	30,342	31,017
TOTAL PROPERTY, PLANT AND EQUIPMENT	151,849	153,692	161,890
Cash surrender value of officers' life insurance and other assets	7,151	6,928	7,565
Goodwill			5,662
Intangible assets, net	13,174	13,917	15,499
TOTAL ASSETS	\$ 343,991	\$ 351,788	\$ 363,560

The accompanying unaudited notes are an integral part of these consolidated financial statements.

Table of Contents**JOHN B. SANFILIPPO & SON, INC.****CONSOLIDATED BALANCE SHEETS**

(Unaudited)

(Dollars in thousands, except per share amounts)

	September 29, 2011	June 30, 2011	September 23, 2010
LIABILITIES & STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Revolving credit facility borrowings	\$ 39,105	\$ 47,985	\$ 36,886
Current maturities of long-term debt, including related party debt of \$280, \$274 and \$258	10,646	10,809	15,399
Accounts payable, including related party payables of \$151, \$35 and \$363	30,645	28,260	43,104
Book overdraft	1,671	1,639	1,918
Accrued payroll and related benefits	5,219	5,308	8,604
Accrued workers compensation	4,721	4,874	5,153
Other accrued expenses	10,049	12,222	12,085
Income taxes payable		817	135
TOTAL CURRENT LIABILITIES	102,056	111,914	123,284
LONG-TERM LIABILITIES:			
Long-term debt, less current maturities, including related party debt of \$12,810, \$12,882 and \$13,090	41,610	42,430	41,840
Retirement plan	10,614	10,567	9,986
Deferred income taxes	2,134	2,050	4,539
Other	1,092	1,120	2,636
TOTAL LONG-TERM LIABILITIES	55,450	56,167	59,001
COMMITMENTS AND CONTINGENCIES			
STOCKHOLDERS' EQUITY:			
Class A Common Stock, convertible to Common Stock on a per share basis, cumulative voting rights of ten votes per share, \$.01 par value; 10,000,000 shares authorized, 2,597,426 shares issued and outstanding	26	26	26
Common Stock, non-cumulative voting rights of one vote per share, \$.01 par value; 17,000,000 shares authorized, 8,184,330, 8,182,580 and 8,170,599 shares issued	82	82	82
Capital in excess of par value	102,824	102,608	101,969
Retained earnings	87,879	85,437	83,681
Accumulated other comprehensive loss	(3,122)	(3,242)	(3,279)
Treasury stock, at cost; 117,900 shares of Common Stock	(1,204)	(1,204)	(1,204)
TOTAL STOCKHOLDERS EQUITY	186,485	183,707	181,275
TOTAL LIABILITIES & STOCKHOLDERS EQUITY	\$ 343,991	\$ 351,788	\$ 363,560

The accompanying unaudited notes are an integral part of these consolidated financial statements.

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JOHN B. SANFILIPPO & SON, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(Dollars in thousands)

	For the Quarter Ended	
	September 29, 2011	September 23, 2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 2,442	\$ 1,079
Depreciation and amortization	4,354	4,347
Loss on disposition of properties	8	36
Deferred income tax expense	84	182
Stock-based compensation expense	205	152
Change in assets and liabilities:		
Accounts receivable, net	(10,000)	(7,386)
Inventories	15,488	(1,418)