

LANCASTER COLONY CORP
Form 10-Q
May 08, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 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 March 31, 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 000-04065

Lancaster Colony Corporation

(Exact name of registrant as specified in its charter)

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Ohio
(State or other jurisdiction of
incorporation or organization)

13-1955943
(I.R.S. Employer
Identification No.)

37 West Broad Street

Columbus, Ohio
(Address of principal executive offices)

43215
(Zip Code)

614-224-7141
(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 (§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, 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 Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller Reporting Company
Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes No

As of April 26, 2013, there were approximately 27,316,000 shares of Common Stock, without par value, outstanding.

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LANCASTER COLONY CORPORATION AND SUBSIDIARIES

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Condensed Consolidated Financial Statements
LANCASTER COLONY CORPORATION AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS****(UNAUDITED)**

(Amounts in thousands, except share data)	March 31, 2013	June 30, 2012
ASSETS		
Current Assets:		
Cash and equivalents	\$ 100,611	\$ 191,636
Receivables (less allowance for doubtful accounts, March-\$853; June-\$678)	91,705	73,326
Inventories:		
Raw materials	32,865	36,005
Finished goods and work in process	58,643	73,699
Total inventories	91,508	109,704
Deferred income taxes and other current assets	23,812	17,073
Total current assets	307,636	391,739
Property, Plant and Equipment:		
Land, buildings and improvements	145,031	140,337
Machinery and equipment	291,889	276,951
Total cost	436,920	417,288
Less accumulated depreciation	244,954	233,158
Property, plant and equipment-net	191,966	184,130
Other Assets:		
Goodwill	89,840	89,840
Other intangible assets-net	6,559	7,267
Other noncurrent assets	7,624	9,659
Total	\$ 603,625	\$ 682,635
LIABILITIES AND SHAREHOLDERS EQUITY		
Current Liabilities:		
Accounts payable	\$ 40,171	\$ 40,708
Accrued liabilities	35,828	31,963
Total current liabilities	75,999	72,671
Other Noncurrent Liabilities		
Deferred Income Taxes	30,466	31,627
	14,458	14,070
Shareholders Equity:		
Preferred stock-authorized 3,050,000 shares; outstanding-none		
Common stock-authorized 75,000,000 shares; outstanding March-27,315,855 shares; June-27,286,861 shares	102,109	100,015
Retained earnings	1,124,665	1,208,027
Accumulated other comprehensive loss	(11,850)	(12,162)

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Common stock in treasury, at cost	(732,222)	(731,613)
Total shareholders' equity	482,702	564,267
Total	\$ 603,625	\$ 682,635

See accompanying notes to condensed consolidated financial statements.

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(Amounts in thousands, except per share data)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2013	2012	2013	2012
Net Sales	\$ 279,511	\$ 271,098	\$ 896,642	\$ 857,400
Cost of Sales	220,687	217,296	690,445	678,309
Gross Margin	58,824	53,802	206,197	179,091
Selling, General and Administrative Expenses	26,517	25,848	80,693	74,915
Operating Income	32,307	27,954	125,504	104,176
Other Income:				
Other income-Continued Dumping and Subsidy Offset Act			293	2,701
Interest Income and Other-Net	(63)	39	(88)	73
Income Before Income Taxes	32,244	27,993	125,709	106,950
Taxes Based on Income	10,411	9,771	41,937	37,097
Net Income	\$ 21,833	\$ 18,222	\$ 83,772	\$ 69,853
Net Income Per Common Share:				
Basic and Diluted	\$ 0.80	\$ 0.67	\$ 3.06	\$ 2.56
Cash Dividends Per Common Share	\$ 0.38	\$ 0.36	\$ 6.12	\$ 1.05
Weighted Average Common Shares Outstanding:				
Basic	27,259	27,216	27,244	27,237
Diluted	27,287	27,251	27,275	27,268

See accompanying notes to condensed consolidated financial statements.

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LANCASTER COLONY CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

(Amounts in thousands)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2013	2012	2013	2012
Net Income	\$ 21,833	\$ 18,222	\$ 83,772	\$ 69,853
Other Comprehensive Income:				
Defined Benefit Pension and Postretirement Benefit Plans:				
Amortization of loss, before tax	166	81	500	243
Amortization of prior service asset, before tax	(1)	(1)	(3)	(3)
Total Other Comprehensive Income, Before Tax	165	80	497	240
Tax Attributes of Items in Other Comprehensive Income:				
Amortization of loss, tax	(62)	(30)	(186)	(91)
Amortization of prior service asset, tax	1	1	1	1
Total Other Comprehensive Income, Tax	(61)	(29)	(185)	(90)
Other Comprehensive Income, Net of Tax	104	51	312	150
Comprehensive Income	\$ 21,937	\$ 18,273	\$ 84,084	\$ 70,003

See accompanying notes to condensed consolidated financial statements.

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LANCASTER COLONY CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(Amounts in thousands)	Nine Months Ended	
	2013	2012
Cash Flows From Operating Activities:		
Net income	\$ 83,772	\$ 69,853
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	15,124	15,158
Deferred income taxes and other noncash changes	(652)	4,364
Stock-based compensation expense	2,211	1,991
Loss (gain) on sale of property	318	(16)
Pension plan activity	(45)	