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CHROMCRAFT REVINGTON INC
Form 10-Q
May 14, 2002

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

FORM 10-Q

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

For the quarterly period ended March 30, 2002

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 1-13970

CHROMCRAFT REVINGTON, INC.

(Exact name of registrant as specified in its charter)

Delaware

35-1848094

(State or other jurisdiction of
incorporation or organization)

(IRS Employer Identification No.)

1100 North Washington Street, Delphi, IN 46923

(Address, including zip code, of registrant's principal executive offices)

(765) 564-3500

(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

The number of shares outstanding for each of the registrant's classes of common stock, as of the latest practicable date:

Common Stock, \$.01 par value -- 6,022,990 shares as of May 13, 2002

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PART I

Item 1. Financial Statements

Condensed Consolidated Statements of Earnings (Loss) (unaudited)
Chromcraft Revington, Inc.
(In thousands, except per share data)

| | Three Months Ended | |
|----------------------------------------------|--------------------|-------------------|
| | March 30, 2002 | March 31, 2001 |
| | ----- | ----- |
| Sales | \$ 60,814 | \$ 65,794 |
| Cost of sales | 47,322 | 51,100 |
| | ----- | ----- |
| Gross margin | 13,492 | 14,694 |
| Selling, general and administrative expenses | 7,996 | 8,660 |
| | ----- | ----- |

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| | | |
|-------------------------------------------------------------------------------------------------------|-------------|----------|
| Operating income | 5,496 | 6,034 |
| Interest expense | 127 | 310 |
| | ----- | ----- |
| Earnings before income taxes and cumulative effect of a change in accounting principle | 5,369 | 5,724 |
| Income tax expense | 2,040 | 2,232 |
| | ----- | ----- |
| Earnings before cumulative effect of a change in accounting principle | \$ 3,329 | \$ 3,492 |
| Cumulative effect of a change in accounting principle (net of tax benefit) | (26,727) | -- |
| | ----- | ----- |
| Net earnings (loss) | \$ (23,398) | \$ 3,492 |
| | ===== | ===== |
| Earnings per share of common stock before cumulative effect of a change in accounting principle | | |
| Basic | \$.39 | \$.36 |
| Diluted | \$.38 | \$.36 |
| Earnings (loss) per share of common stock after cumulative effect of a change in accounting principle | | |
| Basic | \$ (2.71) | \$.36 |
| Diluted | \$ (2.71) | \$.36 |
| Shares used in computing earnings per share | | |
| Basic | 8,618 | 9,573 |
| Diluted | 8,683 | 9,705 |

See accompanying notes to condensed consolidated financial statements.

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Condensed Consolidated Balance Sheets (unaudited)
Chromcraft Revington, Inc.
(In thousands)

| | March 30, 2002 | March 31, 2001 | December 31, 2001 |
|---------------------------|-------------------|-------------------|----------------------|
| | ----- | ----- | ----- |
| Assets | | | |
| ----- | | | |
| Cash and cash equivalents | \$ -- | \$ -- | \$ 8,207 |
| Accounts receivable | 25,173 | 27,742 | 21,025 |
| Inventories | 41,424 | 54,310 | 43,595 |
| Other assets | 6,119 | 3,636 | 5,112 |
| | ----- | ----- | ----- |
| Current assets | 72,716 | 85,688 | 77,939 |

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| | | | |
|--------------------------------------------|-----------|-----------|-----------|
| Property, plant and equipment, net | 41,215 | 44,163 | 42,107 |
| Goodwill | -- | 29,159 | 28,180 |
| Other long-term assets | 1,699 | 482 | 842 |
| | ----- | ----- | ----- |
| Total assets | \$115,630 | \$159,492 | \$149,068 |
| | ===== | ===== | ===== |
| Liabilities and Stockholders' Equity | | | |
| ----- | | | |
| Accounts payable | \$ 9,133 | \$ 7,553 | \$ 5,600 |
| Accrued liabilities | 16,287 | 17,481 | 12,068 |
| Current portion of bank debt | 5,000 | -- | -- |
| | ----- | ----- | ----- |
| Current liabilities | 30,420 | 25,034 | 17,668 |
| Bank debt | 38,000 | 10,300 | -- |
| Other long-term liabilities | 10,345 | 10,421 | 10,656 |
| | ----- | ----- | ----- |
| Total liabilities | 78,765 | 45,755 | 28,324 |
| Stockholders' equity | 36,865 | 113,737 | 120,744 |
| | ----- | ----- | ----- |
| Total liabilities and stockholders' equity | \$115,630 | \$159,492 | \$149,068 |
| | ===== | ===== | ===== |

See accompanying notes to condensed consolidated financial statements.

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Condensed Consolidated Statements of Cash Flows (unaudited)
Chromcraft Revington, Inc.
(In thousands)

| | Three Months Ended | |
|---------------------------------------------------------------------------------------|--------------------|-------------------|
| | March 30, 2002 | March 31, 2001 |
| | ----- | ----- |
| Operating Activities | | |
| Net earnings (loss) | \$ (23,398) | \$ 3,492 |
| Adjustments to reconcile net earnings to net cash provided by operating activities | | |
| Depreciation and amortization | 1,223 | 1,518 |
| Deferred income taxes | (63) | 149 |
| Non-cash goodwill impairment loss | 26,727 | -- |
| Changes in assets and liabilities | | |
| Accounts receivable | (4,148) | (2,190) |
| Inventories | 2,171 | 1,069 |
| Accounts payable and accrued liabilities | 7,766 | 4,866 |
| Other | (404) | 164 |
| | ----- | ----- |
| Cash provided by operating activities | 9,874 | 9,068 |
| | ----- | ----- |

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| | | |
|--------------------------------------------------|----------|---------|
| Investing Activities | | |
| Capital expenditures, net | (553) | (609) |
| | ----- | ----- |
| | | |
| Cash used by investing activities | (553) | (609) |
| | ----- | ----- |
| | | |
| Financing Activities | | |
| Net borrowing (repayment) under bank debt | 43,000 | (8,900) |
| Purchase of common stock by ESOP | (20,000) | -- |
| Stock repurchase and related costs | (40,583) | -- |
| Proceeds from exercise of stock options | 55 | -- |
| | ----- | ----- |
| | | |
| Cash used by financing activities | (17,528) | (8,900) |
| | ----- | ----- |
| | | |
| Decrease in cash and cash equivalents | (8,207) | (441) |
| | | |
| Cash and cash equivalents at beginning of period | 8,207 | 441 |
| | ----- | ----- |
| | | |
| Cash and cash equivalents at end of period | \$ -- | \$ -- |
| | ===== | ===== |

See accompanying notes to condensed consolidated financial statements.

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Notes to Condensed Consolidated Financial Statements (unaudited)
Chromcraft Revington, Inc.
March 30, 2002

Note 1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statement presentation.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended March 30, 2002 are not necessarily indicative of the results that may be expected for the year ending December 31, 2002.

The balance sheet at December 31, 2001 has been derived from the audited financial statements at that date but does not include all information and footnotes required by generally accepted accounting principles for complete financial statements.

For further information, refer to the consolidated financial statements and footnotes thereto included in Chromcraft Revington's annual report on Form 10-K for the year ended December 31, 2001.

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Note 2. Goodwill Impairment Loss

Chromcraft Revington adopted Financial Accounting Standards Board Statement No. 142, "Goodwill and Other Intangible Assets" ("Statement 142") effective January 1, 2002 and recorded a non-cash transition charge of \$26,727,000 (net of tax benefit), or \$3.10 loss per share, for impairment of goodwill. The charge was recorded as a cumulative effect of a change in accounting principle.

On January 1, 2002, the Company's fair value (based on quoted market prices) was less than the carrying value of its net assets, including goodwill, which indicated an impairment of goodwill. Under Statement 142, fair value was allocated to the assets and liabilities of the Company based on the purchase accounting method. This calculation indicated that the full amount of goodwill was impaired at the date of adoption of Statement 142.

The following table presents earnings before the cumulative effect of a change in accounting principle for the three months ended March 30, 2002 as compared to the prior year period, after adjustment for goodwill amortization.

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| | (in thousands, except per share amounts) Three Months Ended | |
|--------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------|
| | March 30, 2002 | March 30, 2001 |
| | ----- | ----- |
| Earnings before cumulative effect of a change in accounting principle | | |
| As reported | \$ 3,329 | \$ 3,422 |
| Goodwill amortization (net of tax benefit) | -- | 2 |
| | ----- | ----- |
| Adjusted | \$ 3,329 | \$ 3,720 |
| | ===== | ===== |
| Basic earnings per share before cumulative effect of a change in accounting principle | | |
| As reported | \$.39 | \$.39 |
| Goodwill amortization (net of tax benefit) | -- | .00 |
| | ----- | ----- |
| Adjusted | \$.39 | \$.39 |
| | ===== | ===== |
| Diluted earnings per share before cumulative effect of a change in accounting principle | | |
| As reported | \$.38 | \$.38 |
| Goodwill amortization (net of tax benefit) | -- | .00 |
| | ----- | ----- |
| Adjusted | \$.38 | \$.38 |
| | ===== | ===== |

Note 3. Stockholders' Equity

On March 15, 2002, Chromcraft Revington and the Chromcraft Revington Employee

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Stock Ownership Trust (the "ESOP Trust"), which forms a part of the Chromcraft Revington Employee Stock Ownership Plan (the "ESOP"), completed the purchase of 5,695,418 shares of common stock of Chromcraft Revington, comprising approximately 59% of Chromcraft Revington's issued and outstanding shares of common stock on such date, from Court Square Capital Limited ("Court Square"), an affiliate of Citigroup Inc. With respect to the shares of common stock purchased from Court Square, 3,695,418 shares were repurchased by Chromcraft Revington (the "Company Stock Transaction") and 2,000,000 shares were purchased by the ESOP Trust (the "ESOP Stock Transaction" and together with the Company Stock Transaction being referred to herein as the "Transaction"). Chromcraft Revington and the ESOP Trust each paid \$10 per share for the shares acquired from Court Square for a total purchase price of \$56,954,180. In addition, Chromcraft Revington paid Court Square and its designee an aggregate transaction fee of \$2,800,000.

The funds required to pay the total consideration and certain related expenses of the Transaction were obtained using available cash and borrowings of approximately \$45,000,000 under bank financing. Chromcraft Revington loaned \$20,000,000 to the ESOP Trust to finance the ESOP Stock Transaction. Immediately following consummation of the Transaction, the ESOP Trust held approximately 33.6% of the issued and outstanding shares of Chromcraft Revington's common stock. See Notes 4 and 5, "Bank Debt" and "Employee Stock Ownership Plan," for additional information on the Company's bank financing and the ESOP.

Note 4. Bank Debt

On March 12, 2002, Chromcraft Revington entered into a \$75,000,000 bank credit agreement (the "Credit Facility") with a group of banks. The Credit Facility provides for a \$25,000,000 term loan and a \$50,000,000 revolving credit line. The term loan has a five-year term and is payable in quarterly installments of \$1,250,000.

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The revolving credit line expires on March 13, 2007. The interest rate under the Credit Facility is determined at the time of borrowing at either the prime rate or LIBOR plus a spread based on a leverage ratio. At March 30, 2002, the Company had approximately \$27,600,000 in unused availability under the revolving credit line portion of the Credit Facility. The weighted average interest rate on borrowings outstanding as of March 30, 2002 was 4.4%. The Credit Facility requires compliance with certain financial loan covenants related to net worth, fixed charge coverage and debt leverage. The Company has granted a security interest in all of its assets to the banks under the Credit Facility. The Company also has pledged to the banks the shares of common stock owned by the ESOP Trust and pledged by the ESOP Trust to the Company.

Long-term bank debt consisted of the following at March 30, 2002:

| | (In thousands) |
|-----------------------------------|----------------|
| Term loan | \$ 25,000 |
| Revolving credit line | 18,000 |
| | 43,000 |
| Less current portion of term loan | 5,000 |
| | \$ 38,000 |

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Note 5. Employee Stock Ownership Plan

Chromcraft Revington sponsors a leveraged employee stock ownership plan that covers substantially all employees who have completed six months of service. Chromcraft Revington makes annual contributions to the ESOP Trust equal to the ESOP Trust's repayment of its loan to the Company. Chromcraft Revington loaned \$20,000,000 to the ESOP Trust to finance the ESOP Stock Transaction. The loan to the ESOP Trust provides for repayment to Chromcraft Revington over a 30-year term at a fixed rate of interest of 5.48% per annum. The shares of common stock owned by the ESOP Trust are pledged to the Company as collateral for the Company's loan to the ESOP Trust. As the ESOP loan is repaid, shares are released from collateral and allocated to ESOP accounts of active employees based on the proportion of debt service paid in the year. Chromcraft Revington accounts for its ESOP in accordance with Statement of Position 93-6. Accordingly, unearned ESOP shares are reported as a reduction of stockholders' equity in the Condensed Consolidated Balance Sheets of the Company. As shares are committed to be released, Chromcraft Revington reports compensation expense equal to the current market price of the shares, and the shares become outstanding for earnings per share computations. ESOP compensation expense for the three months ended March 30, 2002 was \$38,000. The ESOP shares as of March 30, 2002 were as follows:

| | (In thousands) |
|------------------------------------------------------|----------------|
| \ | |
| Allocated shares | -- |
| Committed to be released shares | 3 |
| Unearned ESOP shares | 1,997 |
| | ----- |
| Total ESOP shares | 2,000 |
| | ===== |
| | |
| Unearned ESOP shares | \$ 19,970 |
| | ===== |
| Fair value of unearned ESOP shares at March 30, 2002 | \$ 25,461 |
| | ===== |

Note 6. Earnings per Share of Common Stock

Weighted average shares used in the calculation of diluted earnings per share included dilutive potential common shares (stock options) of approximately 65,000 and 132,000 for the three months ended March 30, 2002 and

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March 31, 2001, respectively.

Certain stock options to purchase shares of common stock were outstanding during the first three months of 2002 and 2001, but were not included in the computation of diluted earnings per share because the options' exercise prices were greater than the average market price of the common shares during those periods and, therefore, their effect would be antidilutive. Options excluded from the computation of diluted earnings per share and their weighted average exercise prices at March 30, 2002 and March 31, 2001 were 333,560 shares at \$13.88 and 376,060 shares at \$13.48, respectively.

Note 7. Inventories

The components of inventories consisted of the following:

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| | (In thousands) | | |
|--------------------------|-------------------|-------------------|----------------------|
| | March 30, 2002 | March 31, 2001 | December 31, 2001 |
| Raw materials | \$ 12,458 | \$ 16,736 | \$ 13,334 |
| Work in process | 7,877 | 9,631 | 8,194 |
| Finished goods | 23,164 | 30,439 | 24,110 |
| Inventories at FIFO cost | 43,499 | 56,806 | 45,638 |
| LIFO reserve | (2,075) | (2,496) | (2,043) |
| | \$ 41,424 | \$ 54,310 | \$ 43,595 |
| | ===== | ===== | ===== |

Note 8. Accrued Liabilities

Accrued liabilities consisted of the following:

| | (In thousands) | | |
|---------------------------------|-------------------|-------------------|----------------------|
| | March 30, 2002 | March 31, 2001 | December 31, 2001 |
| Employee benefit plans | \$ 3,383 | \$ 3,759 | \$ 2,704 |
| Salaries, wages and commissions | 1,811 | 2,117 | 1,379 |
| Income taxes payable | 1,926 | 1,844 | -- |
| Vacation and holiday pay | 1,229 | 1,332 | 1,005 |
| Workers' compensation plans | 1,390 | 1,079 | 1,203 |
| Other accrued liabilities | 6,548 | 7,350 | 5,777 |
| | \$ 16,287 | \$ 17,481 | \$ 12,068 |
| | ===== | ===== | ===== |

Note 9. Reclassifications

Certain amounts for 2001 have been reclassified to conform to the current year presentation.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

General

Chromcraft Revington designs, manufactures and sells residential and commercial furniture through its wholly owned subsidiaries Chromcraft Corporation, Peters-Revington Corporation, Silver Furniture Co., Inc., Cochrane Furniture Company, Inc. and Korn Industries, Incorporated.

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The following table sets forth the Condensed Consolidated Statements of Earnings (Loss) of Chromcraft Revington for the three months ended March 30, 2002 and March 31, 2001 expressed as a percentage of sales.

| | Three Months Ended | |
|-------------------------------------------------------------------------------------------|--------------------|-------------------|
| | March 30, 2002 | March 31, 2001 |
| Sales | 100.0 % | 100.0 % |
| Cost of sales | 77.8 | 77.7 |
| Gross margin | 22.2 | 22.3 |
| Selling, general and administrative expenses | 13.2 | 13.1 |
| Operating income | 9.0 | 9.2 |
| Interest expense | .2 | .5 |
| Earnings before income taxes and cumulative effect of a change in accounting principle | 8.8 | 8.7 |
| Income tax expense | 3.3 | 3.4 |
| Earnings before cumulative effect of a change in accounting principle | 5.5 | 5.3 |
| Cumulative effect of a change in accounting principle | (44.0) | -- |
| Net earnings (loss) | (38.5)% | 5.3 % |

Three Months Ended March 30, 2002 Compared to Three Months Ended March 31, 2001

Consolidated sales for the three months ended March 30, 2002 were \$60,814,000, a 7.6% decrease from sales of \$65,794,000 for the three months ended March 31, 2001. The first quarter 2002 sales decrease was primarily due to lower shipments of commercial furniture resulting from the downturn in the office furniture industry. Shipments of occasional and upholstery furniture were flat compared to the prior year period with dining and bedroom furniture shipments down about 5%. The consolidated sales order backlog at March 30, 2002 was slightly lower as compared to March 31, 2001. In general, selling prices for the first three months of 2002 were at approximately the same level as compared to the prior year period.

Gross margin as a percentage of sales remained at approximately the same level for the three months ended March 30, 2002 and March 31, 2001.

Selling, general and administrative expenses as a percentage of sales were slightly higher in 2002 as compared to 2001.

Interest expense during the first quarter of 2002 was \$127,000 as compared to \$310,000 during the first quarter of 2001. The decrease in interest expense for 2002 was due to lower average bank borrowings during the period.

Chromcraft Revington's effective income tax rate was 38% and 39% for the three month periods ended March 30, 2002 and March 31, 2001, respectively. The decrease in the effective tax rate for 2002 was primarily due to

the elimination of non-tax deductible goodwill amortization expense upon

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implementation of Statement 142.

The Company adopted Statement 142 effective January 1, 2002 and recorded a one time non-cash transition charge of \$26,727,000 (net of tax benefit) for impairment of goodwill. The loss was recorded as a cumulative effect of a change in accounting principle. See Note 2 "Goodwill Impairment Loss" to the Condensed Consolidated Financial Statements.

Liquidity and Capital Resources

Operating activities provided \$9,874,000 of cash during the three months ended March 30, 2002, an increase of \$806,000 from the amount provided during the three months ended March 31, 2001. The increase in cash flow from operating activities for the first quarter of 2002 was primarily due to a reduction in working capital investment.

Investing activities used \$553,000 and \$609,000 of cash for capital expenditures during the first quarter of 2002 and 2001, respectively. Chromcraft Revington expects capital expenditures in 2002 to be less than \$3,500,000.

Financing activities used \$17,528,000 of cash during the first quarter of 2002. On March 15, 2002, Chromcraft Revington and the Chromcraft Revington Employee Stock Ownership Trust (the "ESOP Trust"), which forms a part of the Chromcraft Revington Employee Stock Ownership Plan (the "ESOP"), completed the purchase of 5,695,418 shares of common stock of Chromcraft Revington, comprising approximately 59% of Chromcraft Revington's issued and outstanding shares of common stock on such date, from Court Square Capital Limited ("Court Square"), an affiliate of Citigroup Inc. With respect to the shares of common stock purchased from Court Square, 3,695,418 shares were repurchased by Chromcraft Revington (the "Company Stock Transaction") and 2,000,000 shares were purchased by the ESOP Trust (the "ESOP Stock Transaction" and together with the Company Stock Transaction being referred to herein as the "Transaction"). Chromcraft Revington and the ESOP Trust each paid \$10 per share for the shares acquired from Court Square for a total purchase price of \$56,954,180. In addition, Chromcraft Revington paid Court Square and its designee an aggregate transaction fee of \$2,800,000. The funds required to pay the total consideration and certain related expenses of the Transaction were obtained using available cash and borrowings of approximately \$45,000,000 under Chromcraft Revington's new \$75,000,000 secured bank credit agreement. Of the debt incurred, \$25,000,000 was borrowed under a 5-year term loan and approximately \$20,000,000 was borrowed under Chromcraft Revington's \$50,000,000 revolving line of credit facility. The term loan is payable in quarterly installments of \$1,250,000. The revolving line of credit expires on March 13, 2007. Interest rates under the agreement are determined at the time of borrowing at either the prime rate or LIBOR plus a spread based on a leverage ratio. The weighted average interest rate on borrowings outstanding as of March 30, 2002 was 4.4%. Chromcraft Revington loaned \$20,000,000 to the ESOP Trust to finance the ESOP Stock Transaction. The loan to the ESOP Trust provides for repayment to Chromcraft Revington over a 30-year term at a fixed rate of interest of 5.48% per annum.

As a result of the Transaction, Chromcraft Revington's bank debt and interest expense will be higher in 2002 as compared to 2001 and there will be fewer shares of Chromcraft Revington's common stock outstanding. The lower number of common shares outstanding as compared to last year is expected to favorably impact earnings per share in 2002. At March 30, 2002, Chromcraft Revington had unused capacity under its bank revolving line of credit of approximately \$27,600,000.

2002 Outlook

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Chromcraft Revington expects that second quarter earnings per share, on a diluted basis, will be between \$.44 and \$.48, as compared to \$.26 for the prior year period. For the full year 2002, the Company expects diluted earnings per share, before the cumulative effect of a change in accounting principle, to be in the \$1.75 to \$1.85 range as compared to \$1.09 reported for 2001.

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Recently Issued Accounting Standards

The Financial Accounting Standards Board recently issued Statement No. 143, "Accounting for Asset Retirement Obligations" that establishes accounting standards for the recognition and measurement of obligations associated with the retirement of tangible assets. The effective date of Statement No. 143 is January 1, 2003. Chromcraft Revington does not expect the adoption of this Statement to have a significant effect on its results of operations or its financial position.

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

Certain matters included in this discussion may contain forward-looking statements regarding Chromcraft Revington's future performance. These forward-looking statements can be generally identified as such because they include future tenses or dates or are not historical or current facts or include words such as "believes," "plans," "may," "anticipates," "estimates," "expects," or "likely" or words of similar import. These forward-looking statements are based upon certain assumptions as well as current expectations and projections about future events and are subject to uncertainties. As a result, the forward-looking statements contained in this report could turn out significantly different from expectations and projections or may not occur. Further, actual results may differ materially from those described in any forward-looking statements. Additional information concerning potential factors that could affect Chromcraft Revington's actual financial results is included in its Form 10-K for the year ended December 31, 2001.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Borrowings under Chromcraft Revington's bank credit facility bear interest at a variable rate and, therefore, are subject to changes in interest rates. The Company sources certain raw materials and finished goods inventory from the Far East and Mexico. These purchases are payable in U.S. dollars and, therefore, the Company has no foreign exchange rate risk exposure.

PART II

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

None

(b) Reports on Form 8-K

On January 15, 2002, Chromcraft Revington filed a Current Report on Form 8-K reporting that on January 10, 2002, Court Square accepted

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Chromcraft Revington's proposal to purchase all of the 5,695,418 shares of common stock of Chromcraft Revington owned by Court Square for total consideration of \$59,754,180, or approximately \$10.49 per share.

On March 20, 2002, Chromcraft Revington filed a Current Report on Form 8-K reporting that on March 15, 2002, Court Square completed its sale of 5,695,418 shares of common stock of Chromcraft Revington to the Company (3,695,418 shares) and to the Chromcraft Revington Employee Stock Ownership Trust (2,000,000 shares), which forms a part of the Chromcraft Revington Employee Stock Ownership Plan.

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SIGNATURES

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

Chromcraft Revington, Inc.

(Registrant)

Date: March 14, 2002

By: /s/ Frank T. Kane

Frank T. Kane
Vice President - Finance
(Duly Authorized Officer and
Chief Financial Officer)

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