

LANCASTER COLONY CORP
Form 10-Q
November 01, 2018

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 September 30, 2018

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)

Ohio 13-1955943
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

380 Polaris Parkway, Suite 400 43082
Westerville, Ohio
(Address of principal executive offices) (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 every Interactive Data File required to be submitted 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 such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

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Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected 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.

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 October 18, 2018, there were 27,489,456 shares of Common Stock, without par value, outstanding.

LANCASTER COLONY CORPORATION AND SUBSIDIARIES
TABLE OF CONTENTS

<u>PART I – FINANCIAL INFORMATION</u>	<u>3</u>
Item 1. <u>Condensed Consolidated Financial Statements (unaudited):</u>	
<u>Condensed Consolidated Balance Sheets – September 30, 2018 and June 30, 2018</u>	<u>3</u>
<u>Condensed Consolidated Statements of Income – Three Months Ended September 30, 2018 and 2017</u>	<u>4</u>
<u>Condensed Consolidated Statements of Comprehensive Income – Three Months Ended September 30, 2018 and 2017</u>	<u>5</u>
<u>Condensed Consolidated Statements of Cash Flows – Three Months Ended September 30, 2018 and 2017</u>	<u>6</u>
<u>Notes to Condensed Consolidated Financial Statements</u>	<u>7</u>
Item 2. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>16</u>
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>21</u>
Item 4. <u>Controls and Procedures</u>	<u>21</u>
<u>PART II – OTHER INFORMATION</u>	<u>22</u>
Item 1A. <u>Risk Factors</u>	<u>22</u>
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>22</u>
Item 6. <u>Exhibits</u>	<u>22</u>
<u>SIGNATURES</u>	<u>23</u>
<u>INDEX TO EXHIBITS</u>	<u>24</u>

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)	September 30, 2018	June 30, 2018
ASSETS		
Current Assets:		
Cash and equivalents	\$217,935	\$205,752
Receivables	83,398	72,960
Inventories:		
Raw materials	37,568	32,673
Finished goods	65,254	58,188
Total inventories	102,822	90,861
Other current assets	6,315	9,304
Total current assets	410,470	378,877
Property, Plant and Equipment:		
Land, buildings and improvements	133,409	132,318
Machinery and equipment	302,911	293,409
Total cost	436,320	425,727
Less accumulated depreciation	240,548	234,914
Property, plant and equipment-net	195,772	190,813
Other Assets:		
Goodwill	168,030	168,030
Other intangible assets-net	55,211	56,176
Other noncurrent assets	10,700	10,595
Total	\$840,183	\$804,491
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$67,483	\$57,978
Accrued liabilities	40,018	35,789
Total current liabilities	107,501	93,767
Other Noncurrent Liabilities		
Deferred Income Taxes	41,298	41,638
Commitments and Contingencies	17,365	16,804
Shareholders' Equity:		
Preferred stock-authorized 3,050,000 shares; outstanding-none		
Common stock-authorized 75,000,000 shares; outstanding-September-27,489,554 shares; June-27,487,989 shares	119,985	119,232
Retained earnings	1,301,876	1,279,343
Accumulated other comprehensive loss	(8,215)	(8,259)
Common stock in treasury, at cost	(739,627)	(738,034)
Total shareholders' equity	674,019	652,282
Total	\$840,183	\$804,491

See accompanying notes to condensed consolidated financial statements.

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

	Three Months	
	Ended	
	September 30,	
(Amounts in thousands, except per share data)	2018	2017
Net Sales	\$316,654	\$298,916
Cost of Sales	235,455	223,441
Gross Profit	81,199	75,475
Selling, General and Administrative Expenses	32,079	31,299
Operating Income	49,120	44,176
Other, Net	1,314	508
Income Before Income Taxes	50,434	44,684
Taxes Based on Income	11,406	15,298
Net Income	\$39,028	\$29,386
Net Income Per Common Share:		
Basic and diluted	\$1.42	\$1.07
Cash Dividends Per Common Share	\$0.60	\$0.55
Weighted Average Common Shares Outstanding:		
Basic	27,424	27,396
Diluted	27,514	27,451

See accompanying notes to condensed consolidated financial statements.

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

Three
Months
Ended
September
30,