

TORO CO
Form 10-Q
September 05, 2012
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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 August 3, 2012

THE TORO COMPANY

(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

1-8649
(Commission File Number)

41-0580470
(I.R.S. Employer Identification Number)

8111 Lyndale Avenue South

Bloomington, Minnesota 55420

Telephone number: (952) 888-8801

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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

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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.

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 in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of Common Stock outstanding as of August 21, 2012 was 58,736,691.

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THE TORO COMPANY

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Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. FINANCIAL STATEMENTS****THE TORO COMPANY AND SUBSIDIARIES****Condensed Consolidated Statements of Earnings (Unaudited)****(Dollars and shares in thousands, except per share data)**

	Three Months Ended		Nine Months Ended	
	August 3, 2012	July 29, 2011	August 3, 2012	July 29, 2011
Net sales	\$ 504,076	\$ 501,045	\$ 1,619,396	\$ 1,515,858
Cost of sales	325,954	333,384	1,059,201	997,998
Gross profit	178,122	167,661	560,195	517,860
Selling, general, and administrative expense	117,137	112,937	358,689	342,580
Operating earnings	60,985	54,724	201,506	175,280
Interest expense	(4,198)	(4,294)	(12,791)	(12,596)
Other income, net	2,681	1,861	5,231	4,560
Earnings before income taxes	59,468	52,291	193,946	167,244
Provision for income taxes	18,919	17,200	64,656	54,621
Net earnings	\$ 40,549	\$ 35,091	\$ 129,290	\$ 112,623
Basic net earnings per share of common stock	\$ 0.69	\$ 0.56	\$ 2.17	\$ 1.79
Diluted net earnings per share of common stock	\$ 0.67	\$ 0.55	\$ 2.13	\$ 1.76
Weighted-average number of shares of common stock outstanding Basic	59,045	62,353	59,642	62,982
Weighted-average number of shares of common stock outstanding Diluted	60,336	63,479	60,829	64,125

Shares and per share data have been adjusted for all periods presented to reflect a two-for-one stock split effective June 29, 2012.

See accompanying notes to condensed consolidated financial statements.

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THE TORO COMPANY AND SUBSIDIARIES

Condensed Consolidated Balance Sheets (Unaudited)

(Dollars in thousands)

	August 3, 2012	July 29, 2011	October 31, 2011
<u>ASSETS</u>			
Cash and cash equivalents	\$ 143,058	\$ 118,113	\$ 80,886
Receivables, net	197,023	199,012	148,140
Inventories, net	234,790	232,362	223,030
Prepaid expenses and other current assets	24,436	20,256	18,303
Deferred income taxes	62,368	59,908	62,523
Total current assets	661,675	629,651	532,882
Property, plant, and equipment	666,301	642,642	654,650
Less accumulated depreciation	488,578	454,994	463,510
	177,723	187,648	191,140
Deferred income taxes	76		