

LANCASTER COLONY CORP
Form 10-Q
February 06, 2019

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 December 31, 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 January 24, 2019, there were 27,507,995 shares of Common Stock, without par value, outstanding.

LANCASTER COLONY CORPORATION AND SUBSIDIARIES
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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)	December 31, 2018	June 30, 2018
ASSETS		
Current Assets:		
Cash and equivalents	\$ 194,531	\$ 205,752
Receivables	72,069	72,960
Inventories:		
Raw materials	37,549	32,673
Finished goods	54,778	58,188
Total inventories	92,327	90,861
Other current assets	6,586	9,304
Total current assets	365,513	378,877
Property, Plant and Equipment:		
Land, buildings and improvements	146,376	132,318
Machinery and equipment	314,639	293,409
Total cost	461,015	425,727
Less accumulated depreciation	245,980	234,914
Property, plant and equipment-net	215,035	190,813
Other Assets:		
Goodwill	211,347	168,030
Other intangible assets-net	72,824	56,176
Other noncurrent assets	10,739	10,595
Total	\$ 875,458	\$ 804,491
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 73,891	\$ 57,978
Accrued liabilities	35,965	35,789
Total current liabilities	109,856	93,767
Other Noncurrent Liabilities		
Deferred Income Taxes	19,282	16,804
Commitments and Contingencies		
Shareholders' Equity:		
Preferred stock-authorized 3,050,000 shares; outstanding-none		
Common stock-authorized 75,000,000 shares; outstanding-December-27,505,463 shares; June-27,487,989 shares	120,828	119,232
Retained earnings	1,331,908	1,279,343
Accumulated other comprehensive loss	(8,172)	(8,259)
Common stock in treasury, at cost	(739,793)	(738,034)
Total shareholders' equity	704,771	652,282
Total	\$ 875,458	\$ 804,491

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended December 31,		Six Months Ended December 31,	
(Amounts in thousands, except per share data)	2018	2017	2018	2017
Net Sales	\$349,581	\$319,665	\$666,235	\$618,581
Cost of Sales	258,189	235,726	493,644	459,167
Gross Profit	91,392	83,939	172,591	159,414
Selling, General and Administrative Expenses	39,842	36,319	71,921	67,130
Change in Contingent Consideration	(9,605)	505	(9,605)	993
Operating Income	61,155	47,115	110,275	91,291
Other, Net	1,039	562	2,353	1,070
Income Before Income Taxes	62,194	47,677	112,628	92,361
Taxes Based on Income	14,287	1,757	25,693	