

SEABOARD CORP /DE/  
Form 10-Q  
November 06, 2015  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 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 October 3, 2015

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Seaboard Corporation

(Exact name of registrant as specified in its charter)

Delaware	1-3390	04-2260388
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

9000 West 67th Street, Shawnee Mission, Kansas 66202  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (913) 676-8800

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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.

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 .

There were 1,170,550 shares of common stock, \$1.00 par value per share, outstanding on October 30, 2015.



## PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements

## SEABOARD CORPORATION AND SUBSIDIARIES

## Condensed Consolidated Statements of Comprehensive Income

(Thousands of dollars except share and per share amounts)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	October 3, 2015	September 27, 2014	October 3, 2015	September 27, 2014
Net sales:				
Products (includes sales to affiliates of \$240,544, \$205,644, \$664,714 and \$580,661)	\$ 1,139,144	\$ 1,350,329	\$ 3,464,235	\$ 3,981,200
Service revenues	242,732	218,988	743,687	655,148
Other	28,897	53,324	83,095	160,520
Total net sales	1,410,773	1,622,641	4,291,017	4,796,868
Cost of sales and operating expenses:				
Products	1,076,488	1,228,624	3,276,576	3,583,456
Services	223,002	198,276	666,318	595,265
Other	21,440	34,798	65,587	134,189
Total cost of sales and operating expenses	1,320,930	1,461,698	4,008,481	4,312,910
Gross income	89,843	160,943	282,536	483,958
Selling, general and administrative expenses	66,892	64,857	200,084	188,330
Operating income	22,951	96,086	82,452	295,628
Other income (expense):				
Interest expense	(3,630)	(8,408)	(11,920)	(17,084)
Interest income	1,700	2,344	7,625	11,148
Interest income from affiliates	7,082	6,775	21,321	20,011
Income from affiliates	16,026	9,892	39,062	25,293
Other investment income (loss), net	(26,192)	(2,990)	(22,380)	370
Foreign currency gains (losses), net	(152)	(530)	1,623	(9,217)
Gain on sale of controlling interest in subsidiary	-	64,392	-	64,392
Miscellaneous, net	(4,667)	655	(5,577)	(1,598)
Total other income (loss), net	(9,833)	72,130	29,754	93,315
Earnings before income taxes	13,118	168,216	112,206	388,943
Income tax expense	(10,317)	(63,536)	(44,167)	(140,421)
Net earnings	\$ 2,801	\$ 104,680	\$ 68,039	\$ 248,522
Less: Net loss (income) attributable to noncontrolling interests	226	469	(459)	(576)
Net earnings attributable to Seaboard	\$ 3,027	\$ 105,149	\$ 67,580	\$ 247,946

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Earnings per common share	\$ 2.59	\$ 89.83	\$ 57.73	\$ 209.91
Other comprehensive income (loss), net of income tax benefit of \$730, \$1,506, \$1,554 and \$11,894:				
Foreign currency translation adjustment	(7,001)	(3,120)	(21,795)	(32,685)
Unrealized gain (loss) on investments	(342)	(105)	332	919
Unrealized gain on cash flow hedges	-	149	-	235
Unrecognized pension cost	938	320	3,165	960
Other comprehensive loss, net of tax	\$ (6,405)	\$ (2,756)	\$ (18,298)	\$ (30,571)
Comprehensive income (loss)	(3,604)	101,924	49,741	217,951
Less: Comprehensive loss (income) attributable to the noncontrolling interests	226	476	(528)	(568)
Comprehensive income (loss) attributable to Seaboard	\$ (3,378)	\$ 102,400	\$ 49,213	\$ 217,383
Average number of shares outstanding	1,170,550	1,170,550	1,170,550	1,181,217

See accompanying notes to condensed consolidated financial statements.

SEABOARD CORPORATION AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(Thousands of dollars except share and per share amounts)

(Unaudited)

	October 3, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 49,208	\$ 36,459
Short-term investments	689,443	490,566
Receivables, net of allowance	456,100	633,965
Inventories	694,249	736,302
Deferred income taxes	56,042	45,647
Other current assets	115,894	