

SANFILIPPO JOHN B & SON INC
Form 10-Q
February 01, 2012
Table of Contents

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 December 29, 2011

OR

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

Commission File Number 0-19681

JOHN B. SANFILIPPO & SON, INC.

(Exact Name of Registrant as Specified in Its Charter)

Edgar Filing: SANFILIPPO JOHN B & SON INC - Form 10-Q

Delaware (State or Other Jurisdiction of Incorporation or Organization)	36-2419677 (I.R.S. Employer Identification No.)
1703 North Randall Road Elgin, Illinois (Address of Principal Executive Offices)	60123-7820 (Zip Code)
(847) 289-1800 (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 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 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. (Check One)

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input checked="" type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of February 1, 2012, 8,108,680 shares of the Registrant's Common Stock, \$0.01 par value per share and 2,597,426 shares of the Registrant's Class A Common Stock, \$0.01 par value per share, were outstanding.

Table of Contents

JOHN B. SANFILIPPO & SON, INC.

FORM 10-Q

FOR THE QUARTER ENDED DECEMBER 29, 2011

INDEX

	Page
<u>PART I. FINANCIAL INFORMATION</u>	
<u>Item 1. Financial Statements (Unaudited)</u>	
<u>Consolidated Statements of Operations and Comprehensive Income for the Quarter and Twenty-six Weeks Ended December 29, 2011 and December 23, 2010</u>	3
<u>Consolidated Balance Sheets as of December 29, 2011, June 30, 2011 and December 23, 2010</u>	4
<u>Consolidated Statements of Cash Flows for the Twenty-six Weeks Ended December 29, 2011 and December 23, 2010</u>	6
<u>Notes to Consolidated Financial Statements</u>	7
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	13
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	22
<u>Item 4. Controls and Procedures</u>	22
<u>PART II. OTHER INFORMATION</u>	
<u>Item 1. Legal Proceedings</u>	23
<u>Item 1A. Risk Factors</u>	23
<u>Item 6. Exhibits</u>	23
<u>SIGNATURE</u>	24

Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****JOHN B. SANFILIPPO & SON, INC.****CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME**

(Unaudited)

(Dollars in thousands, except earnings per share)

	For the Quarter Ended		For the Twenty-six Weeks Ended	
	December 29, 2011	December 23, 2010	December 29, 2011	December 23, 2010
Net sales	\$ 223,309	\$ 223,600	\$ 380,109	\$ 370,388
Cost of sales	187,868	196,364	322,902	322,611
Gross profit	35,441	27,236	57,207	47,777
Operating expenses:				
Selling expenses	12,320	11,781	22,345	21,987
Administrative expenses	7,339	5,566	13,589	12,417
Total operating expenses	19,659	17,347	35,934	34,404
Income from operations	15,782	9,889	21,273	13,373
Other expense:				
Interest expense (\$296, \$264, \$562 and \$530 to related parties)	(1,303)	(1,643)	(2,641)	(3,090)
Rental and miscellaneous expense, net	(301)	(202)	(607)	(507)
Total other expense, net	(1,604)	(1,845)	(3,248)	(3,597)
Income before income taxes	14,178	8,044	18,025	9,776
Income tax expense	4,824	2,872	6,229	3,525
Net income	\$ 9,354	\$ 5,172	\$ 11,796	\$ 6,251
Other comprehensive income, net of tax:				
Adjustment for prior service cost and actuarial gain amortization related to retirement plan	120	121	240	241
Net comprehensive income	\$ 9,474	\$ 5,293	\$ 12,036	\$ 6,492
Basic earnings per common share	\$ 0.87	\$ 0.48	\$ 1.10	\$ 0.59
Diluted earnings per common share	\$ 0.87	\$ 0.48	\$ 1.09	\$ 0.58

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**JOHN B. SANFILIPPO & SON, INC.****CONSOLIDATED BALANCE SHEETS**

(Unaudited)

(Dollars in thousands, except per share amounts)

	December 29, 2011	June 30, 2011	December 23, 2010
ASSETS			
CURRENT ASSETS:			
Cash	\$ 3,555	\$ 1,321	\$ 3,701
Accounts receivable, less allowances of \$4,663, \$2,873 and \$5,642	50,738	39,031	45,952
Inventories	155,938	128,938	160,794
Deferred income taxes	4,882	4,882	4,813
Prepaid expenses and other current assets	6,732	3,079	5,427
TOTAL CURRENT ASSETS	221,845	177,251	220,687
PROPERTY, PLANT AND EQUIPMENT:			
Land	9,463	9,463	9,463
Buildings	102,803	102,052	101,787
Machinery and equipment	157,083	157,563	157,249
Furniture and leasehold improvements	4,237	3,984	4,017
Vehicles	475	505	505
Construction in progress	2,480	1,188	1,098
	276,541	274,755	274,119
Less: Accumulated depreciation	155,762	151,405	145,341
	120,779	123,350	128,778
Rental investment property, less accumulated depreciation of \$5,807, \$5,358 and \$4,908	29,893	30,342	30,792
TOTAL PROPERTY, PLANT AND EQUIPMENT	150,672	153,692	159,570
Cash surrender value of officers' life insurance and other assets	7,009	6,928	7,581
Goodwill			5,662
Intangible assets, net	12,430	13,917	14,948
TOTAL ASSETS	\$ 391,956	\$ 351,788	\$ 408,448

The accompanying unaudited notes are an integral part of these consolidated financial statements.

Table of Contents**JOHN B. SANFILIPPO & SON, INC.****CONSOLIDATED BALANCE SHEETS**

(Unaudited)

(Dollars in thousands, except per share amounts)

	December 29, 2011	June 30, 2011	December 23, 2010
LIABILITIES & STOCKHOLDERS EQUITY			
CURRENT LIABILITIES:			
Revolving credit facility borrowings	\$ 24,994	\$ 47,985	\$ 42,260
Current maturities of long-term debt, including related party debt of \$285, \$274 and \$264	10,466	10,809	15,244
Accounts payable, including related party payables of \$157, \$35 and \$189	74,717	28,260	72,177
Book overdraft	4,535	1,639	5,830
Accrued payroll and related benefits	9,147	5,308	5,738
Accrued workers compensation	4,818	4,874	5,127
Other accrued expenses	9,708	12,222	13,857
Income taxes payable	3,188	817	2,196
TOTAL CURRENT LIABILITIES	141,573	111,914	162,429
LONG-TERM LIABILITIES:			
Long-term debt, less current maturities, including related party debt of \$12,737, \$12,882 and \$13,022	40,866	42,430	41,110
Retirement plan	10,662	10,567	10,021
Deferred income taxes	1,606	2,050	4,761
Other	1,064	1,120	3,378
TOTAL LONG-TERM LIABILITIES	54,198	56,167	59,270
COMMITMENTS AND CONTINGENCIES			
STOCKHOLDERS EQUITY:			
Class A Common Stock, convertible to Common Stock on a per share basis, cumulative voting rights of ten votes per share, \$.01 par value; 10,000,000 shares authorized, 2,597,426 shares issued and outstanding	26	26	26
Common Stock, non-cumulative voting rights of one vote per share, \$.01 par value; 17,000,000 shares authorized, 8,226,580, 8,182,580 and 8,174,765 shares issued	82	82	82
Capital in excess of par value	103,050	102,608	102,150
Retained earnings	97,233		