

RAVEN INDUSTRIES INC
Form 10-Q
May 31, 2013

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 April 30, 2013

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: 001-07982

RAVEN INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

South Dakota

(State or other jurisdiction of incorporation or
organization)

46-0246171

(IRS Employer Identification No.)

205 East 6th Street, P.O. Box 5107, Sioux Falls, SD 57117-5107

(Address of principal executive offices)

(605) 336-2750

(Registrant's telephone number including area code)

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 Smaller reporting company

(Do not check if a 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

As of May 28, 2013 there were 36,361,827 shares of common stock, \$1 par value, of Raven Industries, Inc. outstanding. There were no other classes of stock outstanding.

RAVEN INDUSTRIES, INC.
INDEX

PAGE

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements:

<u>Consolidated Balance Sheets (unaudited)</u>	<u>3</u>
<u>Consolidated Statements of Income and Comprehensive Income (unaudited)</u>	<u>4</u>
<u>Consolidated Statements Shareholders' Equity (unaudited)</u>	<u>5</u>
<u>Consolidated Statements of Cash Flows (unaudited)</u>	<u>6</u>
<u>Notes to Consolidated Financial Statements (unaudited)</u>	<u>7</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>13</u>
<u>Item 3. Quantitative and Qualitative Disclosures about Market Risks</u>	<u>19</u>
<u>Item 4. Controls and Procedures</u>	<u>19</u>

PART II - OTHER INFORMATION

<u>Item 1. Legal Proceedings</u>	<u>21</u>
<u>Item 1A. Risk Factors</u>	<u>21</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>21</u>
<u>Item 3. Defaults Upon Senior Securities</u>	<u>21</u>
<u>Item 4. Mine Safety Disclosures</u>	<u>21</u>
<u>Item 5. Other Information</u>	<u>21</u>
<u>Item 6. Exhibits</u>	<u>21</u>
<u>Signatures</u>	<u>22</u>

PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

RAVEN INDUSTRIES, INC.
CONSOLIDATED BALANCE SHEETS
(unaudited)

(Dollars and shares in thousands, except per-share data)	April 30, 2013	January 31, 2013	April 30, 2012
ASSETS			
Current assets			
Cash and cash equivalents	\$51,105	\$49,353	\$43,536
Accounts receivable, net	59,238	56,303	58,641
Inventories	49,031	46,189	54,664
Deferred income taxes	3,246	3,107	3,182
Other current assets	3,591	1,796	4,886
Total current assets	166,211	156,748	164,909
Property, plant and equipment, net	86,099	81,238	64,888
Goodwill	22,274	22,274	22,274
Amortizable intangible assets, net	8,606	8,681	9,220
Other assets, net	4,144	4,269	4,434
TOTAL ASSETS	\$287,334	\$273,210	\$265,725
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable	\$13,923	\$14,438	\$17,134
Accrued liabilities	21,732	17,192	31,965
Customer advances	1,000	1,431	1,200
Total current liabilities	36,655	33,061	50,299
Other liabilities	18,787	18,702	18,931
Commitments and contingencies			
Shareholders' Equity			
Common stock, \$1 par value, authorized shares 100,000; issued 65,240; 65,223; and 65,152, respectively	65,240	65,223	32,576
Paid in capital	6,729	5,885	10,240
Retained earnings	215,312	205,695	208,871
Accumulated other comprehensive loss	(2,119)	(2,095)	(1,901)
Treasury stock at cost, 28,897 shares	(53,362)	(53,362)	(53,362)
Total Raven Industries, Inc. shareholders' equity	231,800	221,346	196,424
Noncontrolling interest	92	101	71
Total shareholders' equity	231,892	221,447	196,495
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$287,334	\$273,210	\$265,725

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

RAVEN INDUSTRIES, INC.
 CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
 (unaudited)

	Three Months Ended	
	April 30, 2013	April 30, 2012
(Dollars in thousands, except per-share data)		
Net sales	\$103,680	\$117,915
Cost of sales	68,764	76,780
Gross profit	34,916	41,135
Research and development expenses	4,236	3,400
Selling, general and administrative expenses	9,746	9,303
Operating income	20,934	28,432
Other (expense), net	(198) (52
Income before income taxes	20,736	28,380
Income taxes	6,742	9,357
Net income	13,994	