

RAVEN INDUSTRIES INC  
Form 10-Q  
May 27, 2016

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 April 30, 2016

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: 001-07982

RAVEN INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

South Dakota

46-0246171

(State or other jurisdiction of incorporation or organization) (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  (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

As of May 23, 2016 there were 36,158,806 shares of common stock, \$1 par value, of Raven Industries, Inc. outstanding. There were no other classes of stock outstanding.

RAVEN INDUSTRIES, INC.  
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## 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, 2016	January 31, 2016	April 30, 2015
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$32,790	\$ 33,782	\$47,452
Short-term investments	—	—	250
Accounts receivable, net	41,013	38,069	45,233
Inventories	46,950	45,888	58,981
Deferred income taxes	—	3,110	3,581
Other current assets	5,343	4,884	6,361
Total current assets	126,096	125,733	161,858
Property, plant and equipment, net	113,767	116,162	118,429
Goodwill	44,900	44,756	52,216
Amortizable intangible assets, net	15,660	15,832	17,735
Other assets	4,245	4,127	4,359
<b>TOTAL ASSETS</b>	<b>\$304,668</b>	<b>\$ 306,610</b>	<b>\$ 354,597</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Current liabilities			
Accounts payable	\$9,356	\$ 6,038	\$9,123
Accrued liabilities	12,739	12,042	16,735
Customer advances	809	739	1,008
Total current liabilities	22,904	18,819	26,866
Other liabilities	17,259	18,926	25,581
Commitments and contingencies			
Shareholders' equity			
Common stock, \$1 par value, authorized shares 100,000; issued 67,041; 67,006; and 66,999, respectively	67,041	67,006	66,999
Paid-in capital	54,755	54,830	53,275
Retained earnings	233,926	233,156	244,055
Accumulated other comprehensive loss	(2,891 )	(3,501 )	(5,863 )
Treasury stock at cost, 30,882; 30,500; and 29,047 shares, respectively	(88,402 )	(82,700 )	(56,406 )
Total Raven Industries, Inc. shareholders' equity	264,429	268,791	302,060
Noncontrolling interest	76	74	90
Total shareholders' equity	264,505	268,865	302,150
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$304,668</b>	<b>\$ 306,610</b>	<b>\$ 354,597</b>

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

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## RAVEN INDUSTRIES, INC.

## CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(unaudited)

(Dollars in thousands, except per-share data)	Three Months Ended	
	April 30, 2016	April 30, 2015
Net sales	\$68,360	\$70,273
Cost of sales	48,684	49,914
Gross profit	19,676	20,359
Research and development expenses	4,409	3,536
Selling, general, and administrative expenses	7,660	9,609
Operating income	7,607	7,214
Other (expense), net	(97	) (44
Income before income taxes	7,510	7,170
Income taxes	1,985	2,309
Net income	5,525	4,861