

CLARCOR INC
Form 10-Q
March 19, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q

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

For the quarterly period ended February 27, 2010

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 1-11024

CLARCOR Inc.
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

36-0922490
(I.R.S. Employer
Identification No.)

840 Crescent Centre Drive, Suite 600, Franklin, Tennessee 37067
(Address of principal executive offices)

Registrant's telephone number, including area code

615-771-3100

No Change

(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 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 definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

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Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

As of February 27, 2010, 50,433,773 common shares with a par value of \$1 per share were outstanding.

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* Item omitted because no answer is called for or item is not applicable

Part I – Item 1. Financial Statements

CLARCOR Inc.
 CONSOLIDATED CONDENSED BALANCE SHEETS
 (Dollars in thousands)

	February 27, 2010 (Unaudited)	November 28, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 61,107	\$ 59,277
Restricted cash	659	762
Short-term investments	20,604	32,171
Accounts receivable, less allowance for losses of \$13,071 for 2010 and \$15,150 for 2009	162,168	164,545
Inventories:		
Raw materials	58,259	57,579
Work in process	26,796	23,405
Finished products	79,718	76,432
Total inventories	164,773	157,416
Deferred income taxes	29,260	27,567
Prepaid expenses and other current assets	7,500	6,790
Total current assets	446,071	448,528
Plant assets at cost, less accumulated depreciation	449,505 (263,030)	447,241 (259,150)
	186,475	188,091
Goodwill	227,160	228,182
Acquired intangibles, less accumulated amortization	94,777	95,990
Deferred income taxes	630	630
Other noncurrent assets	12,245	12,469
Total assets	\$ 967,358	\$ 973,890
LIABILITIES		
Current liabilities:		
Current portion of long-term debt	\$ 92	\$ 99
Accounts payable	57,016	54,627
Accrued insurance liabilities	11,448	10,572
Accrued salaries, wages and commissions	10,367	8,599
Customer deposits	9,749	8,705
Compensated absences	7,197	7,903
Other accrued liabilities	34,950	36,018
Income taxes	7,738	5,419
Total current liabilities	138,557	131,942
Long-term debt, less current portion	31,993	52,096
Postretirement healthcare benefits	626	689
Long-term pension liabilities	62,344	61,746

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Deferred income taxes	33,215	32,136
Other long-term liabilities	4,653	5,394
Total liabilities	271,388	284,003
Contingencies		
Redeemable noncontrolling interest	1,361	1,412
SHAREHOLDERS' EQUITY		
Capital stock	50,434	50,393
Capital in excess of par value	39,663	36,814
Accumulated other comprehensive loss	(39,625)	(32,879)
Retained earnings	642,239	632,291
Total CLARCOR Inc. equity	692,711	686,619
Noncontrolling interests	1,898	1,856
Total shareholders' equity	694,609	688,475
Total liabilities and shareholders' equity	\$ 967,358	\$ 973,890

See Notes to Consolidated Condensed Financial Statements

CLARCOR Inc.
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS
(Dollars in thousands, except per share data)
(Unaudited)

	Three Months Ended	
	February 27, 2010	February 28, 2009
Net sales	\$ 215,131	\$ 213,690
Cost of sales	145,326	152,707
Gross profit	69,805	60,983
Selling and administrative expenses	46,909	47,296
Operating profit	22,896	13,687
Other income (expense):		
Interest expense	(123)	(928)
Interest income	21	142
Other, net	(392)	(20)
	(494)	(806)
Earnings before income taxes	22,402	12,881
Provision for income taxes	7,595	4,096
Net earnings	14,807	8,785
Less: Net losses attributable to noncontrolling interests	(59)	(6)
Net earnings attributable to CLARCOR Inc.	\$ 14,866	\$ 8,791
Net earnings per share attributable to CLARCOR Inc:		
Basic	\$ 0.29	\$ 0.17
Diluted	\$ 0.29	\$ 0.17
Average number of shares outstanding:		
Basic	50,594,234	51,059,182
Diluted	50,934,913	51,541,458
Dividends paid per share	\$ 0.0975	\$ 0.0900

See Notes to Consolidated Condensed Financial Statements

CLARCOR Inc.
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Dollars in thousands)
(Unaudited)

	Three Months Ended	
	February 27, 2010	February 28, 2009
Cash flows from operating activities:		
Net earnings	\$ 14,807	\$ 8,785
Depreciation	6,989	6,921
Amortization	1,164	1,215
Stock-based compensation expense	2,511	2,415
Excess tax benefit from stock-based compensation	(127)	(422)
Changes in short-term investments	11,567	(6,229)
Changes in assets and liabilities, excluding short-term investments	(1,647)	6,350
Other, net	1	(82)
Net cash provided by operating activities	35,265	18,953
Cash flows from investing activities:		
Additions to plant assets	(5,996)	(6,955)
Proceeds from disposition of plant assets	74	224
Business acquisitions, net of cash acquired	-	