

LANCASTER COLONY CORP
Form 10-Q
April 30, 2019

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 March 31, 2019

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 000-04065

Lancaster
Colony
Corporation
(Exact name
of registrant
as specified
in its
charter)

Ohio 13-1955943
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

380 Polaris Parkway, Suite 400 43082
Westerville, Ohio
(Address of principal executive offices) (Zip Code)

614-224-7141
(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 every Interactive Data File required to be submitted 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 such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

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Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

As of April 18, 2019, there were approximately 27,505,000 shares of Common Stock, without par value, outstanding.

LANCASTER COLONY CORPORATION AND SUBSIDIARIES
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PART I – FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements
LANCASTER COLONY CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(Amounts in thousands, except share data)	March 31, 2019	June 30, 2018
ASSETS		
Current Assets:		
Cash and equivalents	\$ 187,389	\$ 205,752
Receivables	81,156	72,960
Inventories:		
Raw materials	36,407	32,673
Finished goods	56,713	58,188
Total inventories	93,120	90,861
Other current assets	5,640	9,304
Total current assets	367,305	378,877
Property, Plant and Equipment:		
Land, buildings and improvements	147,497	132,318
Machinery and equipment	326,061	293,409
Total cost	473,558	425,727
Less accumulated depreciation	249,060	234,914
Property, plant and equipment-net	224,498	190,813
Other Assets:		
Goodwill	210,429	168,030
Other intangible assets-net	71,551	56,176
Other noncurrent assets	12,502	10,595
Total	\$ 886,285	\$ 804,491
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 70,390	\$ 57,978
Accrued liabilities	38,407	35,789
Total current liabilities	108,797	93,767
Other Noncurrent Liabilities		
Deferred Income Taxes	42,464	41,638
Commitments and Contingencies	20,016	16,804
Shareholders' Equity:		
Preferred stock-authorized 3,050,000 shares; outstanding-none		
Common stock-authorized 75,000,000 shares; outstanding-March-27,504,669 shares; June-27,487,989 shares	121,565	119,232
Retained earnings	1,344,638	1,279,343
Accumulated other comprehensive loss	(8,129)	(8,259)
Common stock in treasury, at cost	(743,066)	(738,034)
Total shareholders' equity	715,008	652,282
Total	\$ 886,285	\$ 804,491

See accompanying notes to condensed consolidated financial statements.

LANCASTER COLONY CORPORATION AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 (UNAUDITED)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2019	2018	2019	2018
(Amounts in thousands, except per share data)				
Net Sales	\$317,882	\$296,174	\$984,117	\$914,755
Cost of Sales	242,485	228,263	736,129	687,430
Gross Profit	75,397	67,911	247,988	227,325
Selling, General and Administrative Expenses	37,981	29,875	109,902	97,005
Change in Contingent Consideration	88	521	(9,517)	1,514
Operating Income	37,328	37,515	147,603	128,806
Other, Net	1,329	525	3,682	1,595
Income Before Income Taxes	38,657	38,040	151,285	130,401
Taxes Based on Income	8,053			