

LANCASTER COLONY CORP
Form 10-Q
October 31, 2016

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 September 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 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.)

37 West Broad Street 43215
Columbus, 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 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

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company” in Rule 12b-2 of the Exchange Act. (Check one):

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 by Rule 12b-2 of the Exchange Act). Yes No

As of October 20, 2016, there were 27,423,599 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)	September 30, 2016	June 30, 2016
ASSETS		
Current Assets:		
Cash and equivalents	\$ 145,747	\$ 118,080
Receivables (less allowance for doubtful accounts, September-\$90; June-\$125)	70,691	66,006
Inventories:		
Raw materials	31,659	26,153
Finished goods	58,106	49,944
Total inventories	89,765	76,097
Other current assets	4,071	7,644
Total current assets	310,274	267,827
Property, Plant and Equipment:		
Land, buildings and improvements	117,596	116,858
Machinery and equipment	265,741	263,336
Total cost	383,337	380,194
Less accumulated depreciation	215,458	210,599
Property, plant and equipment-net	167,879	169,595
Other Assets:		
Goodwill	143,788	143,788
Other intangible assets-net	44,175	44,866
Other noncurrent assets	8,252	8,656
Total	\$ 674,368	\$ 634,732
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 41,540	\$ 39,931
Accrued liabilities	51,242	33,072
Total current liabilities	92,782	73,003
Other Noncurrent Liabilities		
Deferred Income Taxes	26,794	26,698
Commitments and Contingencies	20,287	21,433
Shareholders' Equity:		
Preferred stock-authorized 3,050,000 shares; outstanding-none		
Common stock-authorized 75,000,000 shares; outstanding-September-27,423,599 shares; June-27,423,550 shares	111,824	110,677
Retained earnings	1,170,027	1,150,337
Accumulated other comprehensive loss	(11,272)	(11,350)
Common stock in treasury, at cost	(736,074)	(736,066)
Total shareholders' equity	534,505	513,598
Total	\$ 674,368	\$ 634,732

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended September 30,	
	2016	2015
(Amounts in thousands, except per share data)		
Net Sales	\$291,361	\$294,085
Cost of Sales	210,727	226,118
Gross Profit	80,634	67,967
Selling, General and Administrative Expenses	29,880	26,079
Operating Income	50,754	41,888
Other, Net	87	122
Income Before Income Taxes	50,841	42,010
Taxes Based on Income	17,441	14,382
Net Income	\$33,400	\$27,628
Net Income Per Common Share:		
Basic and diluted	\$1.22	\$1.01
Cash Dividends Per Common Share	\$0.50	\$0.46
Weighted Average Common Shares Outstanding:		
Basic	27,363	27,319
Diluted	27,430	27,344

See accompanying notes to condensed consolidated financial statements.

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

Three
Months
Ended
September
30,

(Amounts in thousands) 2016