

HAWKINS INC
Form 10-Q
August 04, 2016

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 July 3, 2016

Commission file number 0-7647

HAWKINS, INC.

(Exact name of registrant as specified in its charter)

MINNESOTA 41-0771293
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)
2381 ROSEGATE, ROSEVILLE, MINNESOTA 55113
(Address of principal executive offices, including zip code)
(612) 331-6910
(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 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, or a non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Large Accelerated Filer Accelerated Filer Non-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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

CLASS	Shares Outstanding at July 29, 2016
Common Stock, par value \$.05 per share	10,604,490

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

HAWKINS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(In thousands, except share data)

	July 3, 2016	April 3, 2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$21,227	\$20,014
Trade receivables — less allowance for doubtful accounts: \$596 as of July 3, 2016 and \$602 as of April 3, 2016	57,485	59,271
Inventories	47,326	47,719
Income taxes receivable	3,549	6,062
Prepaid expenses and other current assets	3,498	4,222
Total current assets	133,085	137,288
PROPERTY, PLANT, AND EQUIPMENT:		
Less accumulated depreciation	91,766	88,527
Net property, plant, and equipment	117,780	116,321
OTHER ASSETS:		
Goodwill	97,724	97,724
Intangible assets — less accumulated amortization: \$7,891 as of July 3, 2016 and \$6,370 as of April 3, 2016	81,413	82,934
Other	2,120	2,224
Total other assets	181,257	182,882
Total assets	\$432,122	\$436,491
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable — trade	\$29,337	\$30,121
Dividends payable	—	4,226
Accrued payroll and employee benefits	5,811	8,787
Current portion of long-term debt	6,114	5,489
Due to sellers of acquired business	4,533	6,829
Container deposits	1,143	1,081
Other current liabilities	2,634	3,232
Total current liabilities	49,572	59,765
LONG-TERM DEBT, LESS CURRENT PORTION	121,775	123,616
PENSION WITHDRAWAL LIABILITY	6,204	6,282
DEFERRED INCOME TAXES	42,242	42,242
OTHER LONG-TERM LIABILITIES	2,661	3,611
Total liabilities	222,454	235,516
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY:		
Common stock; authorized: 30,000,000 shares of \$0.05 par value; 10,531,524 and 10,512,471 shares issued and outstanding as of July 3, 2016 and April 3, 2016, respectively	527	526
Additional paid-in capital	49,277	48,189
Retained earnings	159,869	152,265
Accumulated other comprehensive loss	(5) (5
Total shareholders' equity	209,668	200,975

Total liabilities and shareholders' equity	\$432,122	\$436,491
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See accompanying notes to condensed consolidated financial statements.

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HAWKINS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(In thousands, except share and per-share data)

	Three Months Ended	
	July 3, 2016	June 28, 2015
Sales	\$ 131,374	\$ 101,496
Cost of sales	(103,158)	(80,761)
Gross profit	28,216	20,735
Selling, general and administrative expenses		