

UNIVERSAL CORP /VA/
Form 10-Q
February 06, 2018
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 DECEMBER 31, 2017

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: 001-00652

UNIVERSAL CORPORATION

(Exact name of registrant as specified in its charter)

Virginia 54-0414210
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification Number)

9201 Forest Hill Avenue, 23235
Richmond, Virginia (Zip Code)
(Address of principal executive offices)

804-359-9311
(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, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):
Large accelerated filer Accelerated filer 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 in Rule 12b-2 of the Exchange Act). Yes No

As of February 2, 2018, the total number of shares of common stock outstanding was 25,045,631.

UNIVERSAL CORPORATION

FORM 10-Q

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

UNIVERSAL CORPORATION
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(in thousands, except share and per share data)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2017	2016	2017	2016
	(Unaudited)		(Unaudited)	
Sales and other operating revenues	\$653,581	\$668,771	\$1,426,451	\$1,421,188
Costs and expenses				
Cost of goods sold	545,063	533,318	1,171,000	1,145,694
Selling, general and administrative expenses	48,839	52,068	144,242	153,101
Restructuring and impairment costs	—	178	—	3,860
Operating income	59,679	83,207	111,209	118,533
Equity in pretax earnings of unconsolidated affiliates	6,404	4,495	6,636	5,625
Interest income	166	482	1,362	1,116
Interest expense	4,020	4,051	11,916	12,440
Income before income taxes and other items	62,229	84,133	107,291	112,834
Income taxes	12,010	27,071	25,445	36,778
Net income	50,219	57,062	81,846	76,056
Less: net (income) loss attributable to noncontrolling interests in subsidiaries	(4,819)	(3,415)	(6,702)	(2,621)
Net income attributable to Universal Corporation	45,400	53,647	75,144	73,435
Dividends on Universal Corporation convertible perpetual preferred stock	—	(3,687)	—	(11,061)
Earnings available to Universal Corporation common shareholders	\$45,400	\$49,960	\$75,144	\$62,374
Earnings per share attributable to Universal Corporation common shareholders:				
Basic	\$1.80	\$2.17	\$2.97	\$2.73
Diluted	\$1.78	\$1.92	\$2.94	\$2.63
Weighted average common shares outstanding:				
Basic	25,230,336	22,982,473	25,323,796	22,831,717
Diluted	25,460,409	27,996,583	25,546,070	27,967,215
Total comprehensive income, net of income taxes	\$53,971	\$58,717	\$96,159	\$76,038
Less: comprehensive income attributable to noncontrolling interests, net of income taxes	(5,128)	(3,214)	(6,900)	(1,976)
Comprehensive income attributable to Universal Corporation, net of income taxes	\$48,843	\$55,503	\$89,259	\$74,062
Dividends declared per common share	\$0.55	\$0.54	\$1.63	\$1.60

See accompanying notes.

UNIVERSAL CORPORATION
CONSOLIDATED BALANCE SHEETS
(in thousands of dollars)

December 31,