

NATIONAL PRESTO INDUSTRIES INC
Form 10-Q
November 14, 2011

**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 October 2, 2011

£ 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 1-2451

NATIONAL PRESTO INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

WISCONSIN 39-0494170
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

3925 NORTH HASTINGS WAY **54703-3703**
EAU CLAIRE, WISCONSIN
(Address of principal executive offices) (Zip Code)

(Registrant's telephone number, including area code) **715-839-2121**

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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 Website, 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 definition of “large accelerated filer,” “accelerated filer,” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer 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

There were 6,873,647 shares of the Issuer’s Common Stock outstanding as of November 1, 2011.

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

NATIONAL PRESTO INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

October 2, 2011 and December 31, 2010

(Unaudited)

(Dollars in thousands)

	2011		2010	
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	\$	46,265	\$	49,719
Marketable securities		71,352		101,005
Accounts receivable, net		69,650		91,115
Inventories:				
Finished goods	\$	44,559	\$	37,144
Work in process		33,788		37,040
Raw materials		11,026	89,373	8,948
Deferred tax assets			6,268	6,268
Other current assets			21,836	14,301
Total current assets		304,744		345,540
PROPERTY, PLANT AND EQUIPMENT		119,519		107,099
Less allowance for depreciation		55,520	63,999	48,991
GOODWILL			11,485	11,485
	\$	380,228	\$	415,133

The accompanying notes are an integral part of the financial statements.

NATIONAL PRESTO INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

October 2, 2011 and December 31, 2010

(Unaudited)

(Dollars in thousands)

	2011	2010
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	\$ 33,876	\$ 44,298
Federal and state income taxes	3,665	5,859
Accrued liabilities	15,458	16,572
Total current liabilities	52,999	66,729
DEFERRED INCOME TAXES	4,457	4,467
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS EQUITY		
Common stock, \$1 par value:		
Authorized: 12,000,000 shares Issued: 7,440,518 shares	\$ 7,441	\$ 7,441
Paid-in capital	3,426	2,738
Retained earnings	329,472	351,571
Accumulated other comprehensive income	110	129
	340,449	361,879
Treasury stock, at cost	17,677	17,942
Total stockholders equity	322,772	343,937
	\$ 380,228	\$ 415,133

The accompanying notes are an integral part of the financial statements.

NATIONAL PRESTO INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS

Three Months and Nine Months Ended October 2, 2011 and October 3, 2010

(Unaudited)

(In thousands except per share data)

	Three Months Ended		Nine Months Ended	
	2011	2010	2011	2010
Net sales	\$ 104,861	\$ 113,547	\$ 312,015	\$ 337,022
Cost of sales	81,204	89,184	245,739	261,555
Gross profit	23,657	24,363	66,276	75,467
Selling and general expenses	4,403	4,237	13,512	12,070
Operating profit	19,254	20,126	52,764	63,397
Other income	264	570	1,289	1,959
Earnings before provision for income taxes	19,518	20,696	54,053	65,356
Income tax provision	7,132	7,483	19,487	23,969
Net earnings	\$ 12,386	\$ 13,213	\$ 34,566	\$ 41,387
Weighted average shares outstanding:				
Basic	6,872	6,863	6,870	6,861
Diluted	6,875	6,865	6,873	6,862
Net earnings per share:				
Basic	\$ 1.80	\$ 1.93	\$ 5.03	\$ 6.03
Diluted	\$ 1.80	\$ 1.92	\$ 5.03	\$ 6.03
Cash dividends declared and paid per common share	\$	\$	\$ 8.25	\$ 8.15

The accompanying notes are an integral part of the financial statements.

NATIONAL PRESTO INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

Nine Months Ended October 2, 2011 and October 3, 2010

(Unaudited)

(Dollars in thousands)

	2011	2010
Cash flows from operating activities:		
Net earnings	\$ 34,566	\$ 41,387
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Provision for depreciation	6,608	6,566
Other	470	(387)
Changes in:		
Accounts receivable	21,465	26,748
Inventories	(6,241)	(26,747)
Other current assets	(7,375)	(8,425)
Accounts payable and accrued liabilities	(11,500)	493
Federal and state income taxes	(2,187)	(5,800)
Net cash provided by operating activities		