

UNIVERSAL CORP /VA/
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 JUNE 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: 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, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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

As of July 31, 2016, the total number of shares of common stock outstanding was 22,766,981.

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 June 30,	
	2016	2015
	(Unaudited)	
Sales and other operating revenues	\$295,475	\$275,419
Costs and expenses		
Cost of goods sold	243,278	227,030
Selling, general and administrative expenses	60,199	51,296
Restructuring and impairment costs	—	2,389
Operating income (loss)	(8,002)	(5,296)
Equity in pretax earnings (loss) of unconsolidated affiliates	(130)	(616)
Interest income	363	239
Interest expense	4,054	3,884
Income (loss) before income taxes	(11,823)	(9,557)
Income tax expense (benefit)	(4,319)	(3,432)
Net income (loss)	(7,504)	(6,125)
Less: net loss attributable to noncontrolling interests in subsidiaries	2,028	178
Net income (loss) attributable to Universal Corporation	(5,476)	(5,947)
Dividends on Universal Corporation convertible perpetual preferred stock	(3,687)	(3,687)
Earnings (loss) available to Universal Corporation common shareholders	\$(9,163)	\$(9,634)
Earnings (loss) per share attributable to Universal Corporation common shareholders:		
Basic	\$(0.40)	\$(0.43)
Diluted	\$(0.40)	\$(0.43)
Weighted average common shares outstanding:		
Basic	22,734,225	22,622,930
Diluted	22,734,225	22,622,930
Total comprehensive (loss) income, net of income taxes	\$(12,330)	\$2,380
Less: comprehensive loss attributable to noncontrolling interests, net of income taxes	2,245	264
Comprehensive income (loss) attributable to Universal Corporation, net of income taxes	\$(10,085)	\$2,644
Dividends declared per common share	\$0.53	\$0.52

See accompanying notes.

UNIVERSAL CORPORATION
 CONSOLIDATED BALANCE SHEETS

(in thousands of dollars)

	June 30, 2016 (Unaudited)	June 30, 2015 (Unaudited)	March 31, 2016
ASSETS			
Current assets			
Cash and cash equivalents	\$ 316,087	\$ 130,439	\$ 319,447
Accounts receivable, net	218,665	257,349	428,659
Advances to suppliers, net	69,044	58,041	101,890
Accounts receivable—unconsolidated affiliates	46,794	65,821	2,316
Inventories—at lower of cost or market:			
Tobacco	846,356	921,920	637,132
Other	66,080	69,851	60,888
Prepaid income taxes	19,948	28,828	17,814
Other current assets	50,772	72,898	70,400
Total current assets	1,633,746	1,605,147	1,638,546
Property, plant and equipment			
Land	22,927	16,853	22,987
Buildings			