

WINNEBAGO INDUSTRIES INC
Form 10-Q
January 03, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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 November 30, 2013

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: 001-06403

WINNEBAGO INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Iowa

(State or other jurisdiction of incorporation or organization)

42-0802678

(I.R.S. Employer Identification No.)

P. O. Box 152, Forest City, Iowa

(Address of principal executive offices)

50436

(Zip Code)

(641) 585-3535

(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 company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller Reporting Company

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes
 No x

The number of shares of common stock, par value \$0.50 per share, outstanding January 2, 2014 was 27,718,043.

Winnebago Industries, Inc.
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Glossary

The following terms and abbreviations appear in the text of this report and are defined as follows:

3M	3M Company
AOCI	Accumulated Other Comprehensive Income (Loss)
ARS	Auction Rate Securities
ASC	Accounting Standards Codification
ASP	Average Sales Price
ASU	Accounting Standards Update
COLI	Company Owned Life Insurance
Credit Agreement	Credit Agreement dated as of October 31, 2012 by and between Winnebago Industries, Inc. and Winnebago of Indiana, LLC, as Borrowers, and General Electric Capital Corporation, as Agent
DCF	Discounted Cash Flow
FASB	Financial Accounting Standards Board
FIFO	First In, First Out
GAAP	Generally Accepted Accounting Principles
GECC	General Electric Capital Corporation
IRS	Internal Revenue Service
LIBOR	London Interbank Offered Rate
LIFO	Last In, First Out
NMF	Non-Meaningful Figure
NYSE	New York Stock Exchange
RV	Recreation Vehicle
RVIA	Recreation Vehicle Industry Association
SEC	U.S. Securities and Exchange Commission
SERP	Supplemental Executive Retirement Plan
Stat Surveys	Statistical Surveys, Inc.
SunnyBrook	SunnyBrook RV, Inc.
Towables	Winnebago of Indiana, LLC, a wholly-owned subsidiary of Winnebago Industries, Inc.
US	United States of America
XBRL	eXtensible Business Reporting Language

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PART I. FINANCIAL INFORMATION

Item 1. Condensed Financial Statements

Winnebago Industries, Inc.
Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

(In thousands, except per share data)	Three Months Ended	
	November 30, 2013	December 1, 2012
Net revenues	\$222,670	\$193,554
Cost of goods sold	196,708	172,807
Gross profit	25,962	20,747
Operating expenses:		
Selling	4,333	4,961
General and administrative	5,623	5,812
Loss on sale of asset held for sale	—	28
Total operating expenses	9,956	10,801
Operating income	16,006	9,946
Non-operating income	91	614
Income before income taxes	16,097	10,560
Provision for taxes	4,951	3,169
Net income	\$11,146	\$7,391
Income per common share:		
Basic	\$0.40	\$0.26
Diluted	\$0.40	\$0.26
Weighted average common shares outstanding:		
Basic	27,851	28,301
Diluted	27,971	28,361
Net income	\$11,146	\$7,391
Other comprehensive (loss) income:		
Amortization of prior service credit (net of tax of \$482 and \$442)	(800)	(734)
Amortization of net actuarial loss (net of tax of \$99 and \$149)	164	253
Unrealized appreciation (depreciation) of investments (net of tax of \$91 and \$0)	151	(1)
Total other comprehensive loss	(485)	(482)
Comprehensive income	\$10,661	\$6,909

See notes to consolidated financial statements.

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Consolidated Balance Sheets
(Unaudited)

(In thousands, except per share data)	November 30, 2013	August 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	\$49,737	\$64,277
Receivables, less allowance for doubtful accounts (\$152 and \$152)	42,944	29,145
Inventories	122,478	112,541
Prepaid expenses and other assets		