

UNIVERSAL CORP /VA/
Form 10-Q
August 07, 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 JUNE 30, 2018

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 August 3, 2018, the total number of shares of common stock outstanding was 24,957,418.

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,	
	2018	2017
	(Unaudited)	
Sales and other operating revenues	\$379,719	\$284,622
Costs and expenses		
Cost of goods sold	307,498	230,765
Selling, general and administrative expenses	63,852	47,480
Operating income	8,369	6,377
Equity in pretax earnings (loss) of unconsolidated affiliates	539	(435)
Other non-operating income (expense)	190	178
Interest income	512	670
Interest expense	3,949	3,932
Income before income taxes and other items	5,661	2,858
Income taxes	(5,399)	(463)
Net income	11,060	3,321
Less: net loss attributable to noncontrolling interests in subsidiaries	2,119	256
Net income attributable to Universal Corporation	\$13,179	\$3,577
Earnings per share:		
Basic	\$0.53	\$0.14
Diluted	\$0.52	\$0.14
Weighted average common shares outstanding:		
Basic	25,064,420	25,407,293
Diluted	25,284,700	25,632,157
Total comprehensive income (loss), net of income taxes	\$(2,477)	\$9,109
Less: comprehensive loss attributable to noncontrolling interests, net of income taxes	2,278	304
Comprehensive income (loss) attributable to Universal Corporation, net of income taxes	\$(199)	\$9,413
Dividends declared per common share	\$0.75	\$0.54

See accompanying notes.

UNIVERSAL CORPORATION
 CONSOLIDATED BALANCE SHEETS

(in thousands of dollars)

	June 30, 2018 (Unaudited)	June 30, 2017 (Unaudited)	March 31, 2018
ASSETS			
Current assets			
Cash and cash equivalents	\$ 66,008	\$ 128,605	\$ 234,128
Accounts receivable, net	247,812	209,321	377,119
Advances to suppliers, net	70,731	58,218	122,786
Accounts receivable—unconsolidated affiliates	101,483	62,239	2,040
Inventories—at lower of cost or net realizable value:			
Tobacco	947,520	917,945	679,428
Other	73,358	74,628	69,301
Prepaid income taxes	20,242	16,523	16,032
Other current assets	71,511	71,823	88,209
Total current assets	1,598,665	1,539,302	1,589,043
Property, plant and equipment			
Land	23,041	22,787	23,180
Buildings	268,789	267,740	271,757
Machinery and equipment	636,425	606,473	634,660
	928,255	897,000	929,597
Less accumulated depreciation	(604,765)	(580,927)	(605,803)
	323,490	316,073	323,794
Other assets			