

STEELCASE INC
Form 10-Q
June 25, 2013
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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 May 24, 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 1-13873

STEELCASE INC.

(Exact name of registrant as specified in its charter)

Michigan

38-0819050

(State or other jurisdiction
of incorporation or organization)

(I.R.S. employer identification no.)

901 44th Street SE

49508

Grand Rapids, Michigan

(Zip Code)

(Address of principal executive offices)

(Registrant's telephone number, including area code) (616) 247-2710

None

(Former name, former address and former fiscal year, if changed since last report)

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. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a 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 June 18, 2013, Steelcase Inc. had 88,024,660 shares of Class A Common Stock and 35,845,664 shares of Class B Common Stock outstanding.

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FOR THE QUARTERLY PERIOD ENDED MAY 24, 2013

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements:

STEELCASE INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(in millions, except per share data)

	Three Months Ended	
	May 24, 2013	May 25, 2012
Revenue	\$667.1	\$675.2
Cost of sales	457.2	474.1
Restructuring costs	0.2	5.1
Gross profit	209.7	196.0
Operating expenses	185.1	176.7
Restructuring costs	4.2	—
Operating income	20.4	19.3
Interest expense	(4.4) (4.5
Investment income	0.6	1.1
Other income, net	1.2	3.8
Income before income tax expense	17.8	19.7
Income tax expense	4.6	6.5
Net income	\$13.2	\$13.2
Earnings per share:		
Basic	\$0.10	\$0.10
Diluted	\$0.10	\$0.10
Dividends declared and paid per common share	\$0.10	\$0.09

See accompanying notes to the condensed consolidated financial statements.

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STEELCASE INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)
(in millions)

	Three Months Ended	
	May 24, 2013	May 25, 2012
Net income	\$13.2	\$13.2
Other comprehensive income (loss), net:		
Unrealized gain on investments	0.2	0.1
Minimum pension liability	(1.0) (1.5
Foreign currency translation adjustments	(1.5) (15.3
Total other comprehensive loss, net	(2.3) (16.7
Comprehensive income (loss)	\$10.9	\$(3.5)

See accompanying notes to the condensed consolidated financial statements.

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STEELCASE INC.
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (in millions)

	(Unaudited)	
	May 24, 2013	February 22, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 103.1	\$ 150.4
Short-term investments	43.7	100.5
Accounts receivable, net of allowances of \$13.8 and \$14.5	301.5	287.3
Inventories	146.8	137.5
Deferred income taxes	49.8	56.2
Other current assets	47.8	46.7
Total current assets	692.7	778.6
Property, plant and equipment, net of accumulated depreciation of \$1,214.8 and \$1,221.4	356.2	353.2
Company-owned life insurance	227.0	225.8
Deferred income taxes	107.8	101.7
Goodwill	121.4	121.4
Other intangible assets, net	18.5	19.2
Other assets	94.6	89.7
Total assets	\$ 1,618.2	\$ 1,689.6
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 211.9	\$ 198.6
Short-term borrowings and current maturities of long-term debt	2.6	2.6
Accrued expenses:		
Employee compensation	95.3	129.4
Employee benefit plan obligations	13.5	23.8
Other	133.2	130.4
Total current liabilities	456.5	484.8
Long-term liabilities:		
Long-term debt less current maturities	285.8	286.4
Employee benefit plan obligations	153.4	158.0
Other long-term liabilities	78.1	92.4
Total long-term liabilities	517.3	536.8
Total liabilities	973.8	