

VALMONT INDUSTRIES INC
Form 10-Q
July 31, 2009

Table of Contents

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Form 10-Q

(Mark One)

**QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **June 27, 2009**

Or

**TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to
Commission file number 1-31429

Valmont Industries, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

47-0351813
(I.R.S. Employer
Identification No.)

**One Valmont Plaza,
Omaha, Nebraska**
(Address of principal executive offices)

68154-5215
(Zip Code)

402-963-1000
(Registrant's telephone number, including area code)

(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

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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
(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

26,265,839

Outstanding shares of common stock as of July 21, 2009

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

INDEX TO FORM 10-Q

	Page No.
PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements:	
<u>Condensed Consolidated Statements of Operations for the thirteen and twenty-six weeks ended June 27, 2009 and June 28, 2008</u>	3
<u>Condensed Consolidated Balance Sheets as of June 27, 2009 and December 27, 2008</u>	4
<u>Condensed Consolidated Statements of Cash Flows for the twenty-six weeks ended June 27, 2009 and June 28, 2008</u>	5
<u>Condensed Consolidated Statements of Shareholders' Equity for the twenty-six weeks ended June 27, 2009 and June 28, 2008</u>	6
<u>Notes to Condensed Consolidated Financial Statements</u>	7-24
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	25-33
Item 3. <u>Quantitative and Qualitative Disclosure About Market Risk</u>	33
Item 4. <u>Controls and Procedures</u>	33
PART II. OTHER INFORMATION	
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	34
Item 5. <u>Other Information</u>	34
Item 6. <u>Exhibits</u>	34
Signatures	35

[Table of Contents](#)

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

PART I. FINANCIAL INFORMATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in thousands, except per share amounts)

(Unaudited)

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 27, 2009	June 28, 2008	June 27, 2009	June 28, 2008
Net sales	\$498,810	\$497,129	\$953,964	\$919,415
Cost of sales	354,129	359,926	680,967	666,404
Gross profit	144,681	137,203	272,997	253,011
Selling, general and administrative expenses	75,265	73,833	145,262	139,175
Operating income	69,416	63,370	127,735	113,836
Other income (expenses):				
Interest expense	(3,976)	(4,708)	(8,260)	(9,182)
Interest income	284	877	616	1,498
Miscellaneous	1,608	(515)	(190)	(1,858)
	(2,084)	(4,346)	(7,834)	(9,542)
Earnings before income taxes and equity in earnings (losses) of nonconsolidated subsidiaries	67,332	59,024	119,901	104,294
Income tax expense (benefit):				
Current	19,266	24,875	31,566	41,536
Deferred	2,785	(4,327)	7,740	(5,934)
	22,051	20,548	39,306	35,602
Earnings before equity in earnings (losses) of nonconsolidated subsidiaries	45,281	38,476	80,595	68,692
Equity in earnings (losses) of nonconsolidated subsidiaries	(71)	31	495	(43)
Net earnings	45,210	38,507	81,090	68,649
Less: Earnings attributable to noncontrolling interests	(980)	(1,223)	(996)	(1,686)
Net earnings attributable to Valmont Industries, Inc.	\$ 44,230	\$ 37,264	\$ 80,094	\$ 66,963
Earnings per share attributable to Valmont Industries, Inc. Basic	\$ 1.70	\$ 1.44	\$ 3.09	\$ 2.60
Earnings per share attributable to Valmont Industries Inc. Diluted	\$ 1.69	\$ 1.41	\$ 3.05	\$ 2.55

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Cash dividends per share	\$ 0.150	\$ 0.130	\$ 0.280	\$ 0.235
Weighted average number of shares of common stock outstanding Basic (000 omitted)	25,943	25,823	25,928	25,763
Weighted average number of shares of common stock outstanding Diluted (000 omitted)	26,223	26,377	26,224	26,306

See accompanying notes to condensed consolidated financial statements.

Table of Contents**VALMONT INDUSTRIES, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS****(Dollars in thousands)****(Unaudited)**

	June 27, 2009	December 27, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 96,262	\$ 68,567
Receivables, net	336,168	327,620
Inventories	251,621	313,411
Prepaid expenses	24,824	13,821
Refundable and deferred income taxes	28,444	32,380
Total current assets	737,319	755,799
Property, plant and equipment, at cost	654,271	630,410
Less accumulated depreciation and amortization	376,385	361,090
Net property, plant and equipment	277,886	269,320
Goodwill	177,158	175,291
Other intangible assets, net	101,713	104,506
Other assets	25,365	21,372
Total assets	\$1,319,441	\$ 1,326,288
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current installments of long-term debt	\$ 1,043	\$ 904
Notes payable to banks	17,634	19,552
Accounts payable	129,662	136,868
Accrued employee compensation and benefits	53,686	70,158
Accrued expenses	53,673	49,700
Dividends payable	3,940	3,402
Total current liabilities	259,638	280,584
Deferred income taxes	44,833	45,124
Long-term debt, excluding current installments	258,418	337,128
Other noncurrent liabilities	24,908	22,476
Shareholders' equity:		
Preferred stock of \$1 par value		
Authorized 500,000 shares; none issued		
Common stock of \$1 par value		
Authorized 75,000,000 shares; 27,900,000 issued	27,900	27,900
Retained earnings	701,714	624,254
Accumulated other comprehensive income	9,711	(533)
Treasury stock	(26,352)	(27,490)
Total Valmont Industries, Inc. shareholders' equity	712,973	624,131

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Noncontrolling interest in consolidated subsidiaries	18,671	16,845
Total shareholders' equity	731,644	640,976
Total liabilities and shareholders' equity	\$ 1,319,441	\$ 1,326,288

See accompanying notes to condensed consolidated financial statements.

Table of Contents

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)

(Unaudited)

	Twenty-Six Weeks Ended	
	June 27, 2009	June 28, 2008
Cash flows from operating activities:		
Net earnings	\$ 81,090	\$ 68,649
Adjustments to reconcile net earnings to net cash flows from operations:		
Depreciation and amortization	21,710	19,115
Stock-based compensation	2,993	2,630
Loss/(gain) on sale of property, plant and equipment	345	(646)
Equity in (earnings)/losses in nonconsolidated subsidiaries	(495)	43
Deferred income taxes	7,740	(5,934)
Other	(239)	189
Payment of deferred compensation		(589)
Changes in assets and liabilities, net of business acquisitions:		
Receivables	(5,356)	(34,839)
Inventories	65,061	(18,519)
Prepaid expenses	(10,369)	(6,270)
Accounts payable	(6,923)	21,510
Accrued expenses	(13,234)	4,048
Other noncurrent liabilities	(993)	(1,067)
Income taxes payable	(5,732)	1,151
Net cash flows from operating activities	135,598	49,471
Cash flows from investing activities:		
Purchase of		