

AMERICAN VANGUARD CORP

Form 10-Q

May 06, 2011

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**
FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2011

.. **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 001-13795

AMERICAN VANGUARD CORPORATION

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Delaware
(State or other jurisdiction of

95-2588080
(I.R.S. Employer

Incorporation or organization)

Identification Number)

4695 MacArthur Court, Newport Beach, California
(Address of principal executive offices)

92660
(Zip Code)

(949) 260-1200

(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 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, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, \$.10 Par Value 27,542,131 shares as of May 2, 2011.

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AMERICAN VANGUARD CORPORATION

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Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. FINANCIAL STATEMENTS****A AMERICAN VANGUARD CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF OPERATIONS****(In thousands, except share data)****(Unaudited)**

	For the three months ended March 31	
	2011	2010
Net sales	\$ 67,396	\$ 46,712
Cost of sales	39,123	27,788
Gross profit	28,273	18,924
Operating expenses	19,086	15,122
Operating income	9,187	3,802
Interest expense	806	807
Interest capitalized	(58)	(10)
Extinguishment of debt	546	
Income before income tax	7,893	3,005
Income tax expense	2,881	1,178
Net income	\$ 5,012	\$ 1,827
Earnings per common share - basic	\$.18	\$.07
Earnings per common share - assuming dilution	\$.18	\$.07
Weighted average shares outstanding - basic	27,596	27,346
Weighted average shares outstanding - assuming dilution	27,851	27,623

See notes to consolidated financial statements.

Table of Contents**AMERICAN VANGUARD CORPORATION AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS**

(In thousands, except share data)

ASSETS (note 7)

	Mar. 31, 2011 (Unaudited)	Dec. 31, 2010 (Note)
Current assets:		
Cash	\$ 1,274	\$ 1,158
Receivables:		
Trade, net of allowance for doubtful accounts of \$456 and \$447, respectively	63,671	33,833
Other	325	263
	63,996	34,096
Inventories	77,297	74,054
Prepaid expenses	3,371	2,591
Income taxes receivable		6,715
Total current assets	145,938	118,614
Property, plant and equipment, net	39,706	40,541
Intangible assets	120,560	115,249
Other assets	5,731	5,775
	\$ 311,935	\$ 280,179

LIABILITIES AND STOCKHOLDERS EQUITY

Current liabilities:		
Current installments of long-term debt	\$ 14,636	\$ 8,429
Current installments of other liabilities	2,040	
Accounts payable	21,910	13,961
Deferred revenue	35	5,568
Accrued program costs	20,621	16,976
Accrued expenses and other payables	4,826	4,634
Income taxes payable	1,418	
Total current liabilities	65,486	49,568
Long-term debt, excluding current installments	58,428	53,710
Other liabilities, excluding current installments	5,895	3
Deferred income taxes	10,461	10,461
Total liabilities	140,270	113,742
Commitments and contingent liabilities		
Stockholders' equity:		
Preferred stock, \$.10 par value per share; authorized 400,000 shares; none issued		
Common stock, \$.10 par value per share; authorized 40,000,000 shares; issued 29,803,127 shares at March 31, 2011 and 29,735,928 shares at December 31, 2010	2,980	2,974
Additional paid-in capital	44,470	43,403

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Accumulated other comprehensive loss	(457)	(448)
Retained earnings	127,825	123,661
	174,818	169,590
Less treasury stock, at cost, 2,260,996 shares at March 31, 2011 and at December 31, 2010	(3,153)	(3,153)
Total stockholders' equity	171,665	166,437
	\$ 311,935	\$ 280,179

Note: The balance sheet at December 31, 2010 has been derived from the audited financial statements at that date.

See notes to consolidated financial statements

Table of Contents**AMERICAN VANGUARD CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENT OF STOCKHOLDERS EQUITY AND COMPREHENSIVE INCOME**

(In thousands, except share data)

For The Three Months Ended March 31, 2011

(Unaudited)

	Common Stock			Retained Earnings	Accumulated Other Comprehensive Income		Treasury Stock		Total
	Shares	Amount	Additional Paid-in Capital		(Loss)	Comprehensive Income	Shares	Amount	
Balance, December 31, 2010	29,735,928	\$ 2,974	\$ 43,403	\$ 123,661	\$ (448)		2,260,996	\$ (3,153)	\$ 166,437
Stocks issued under ESPP	29,192	3	231						234
Cash dividends on common stock (\$0.03 per share)				(848)					(848)
Foreign currency translation adjustment, net					237	237			237
Stock based compensation			523						523
Change in fair value of interest rate swaps					(246)	(246)			(246)
Stock options exercised	38,007	3	313						316
Net income				5,012		5,012			5,012
Total comprehensive income						\$ 5,003			
Balance, March 31, 2011	29,803,127	\$ 2,980	\$ 44,470	\$ 127,825	\$ (457)		2,260,996	\$ (3,153)	\$ 171,665

See notes to consolidated financial statements

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AMERICAN VANGUARD CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

For The Three Months Ended March 31, 2011 and 2010

(Unaudited)

	2011	2010
Increase (decrease) in cash		
Cash flows from operating activities:		