

Edgar Filing: TORO CO - Form 10-Q

TORO CO

Form 10-Q

March 06, 2019

false--10-31Q120190000737758YesfalseLarge Accelerated FilerTORO

COfalseP2MP1YP2YP3YP10Y0.200.2251.001.001.00175000000175000000175000000106434655105600652105746538106

0000737758 2018-11-01 2019-02-01 0000737758 2019-02-27 0000737758 2017-11-01 2018-02-02 0000737758

2019-02-01 0000737758 2018-10-31 0000737758 2018-02-02 0000737758 ttc:NonvotingPreferredStockMember

2018-10-31 0000737758 ttc:VotingPreferredStockMember 2018-02-02 0000737758

ttc:NonvotingPreferredStockMember 2019-02-01 0000737758 ttc:VotingPreferredStockMember 2018-10-31

0000737758 ttc:NonvotingPreferredStockMember 2018-02-02 0000737758 ttc:VotingPreferredStockMember

2019-02-01 0000737758 2017-10-31 0000737758 us-gaap:AccumulatedOtherComprehensiveIncomeMember

2017-10-31 0000737758 us-gaap:RetainedEarningsMember 2018-11-01 2019-02-01 0000737758

us-gaap:RetainedEarningsMember 2017-11-01 2018-02-02 0000737758 us-gaap:RetainedEarningsMember

2019-02-01 0000737758 us-gaap:RetainedEarningsMember 2017-10-31 0000737758 us-gaap:CommonStockMember

2018-10-31 0000737758 us-gaap:CommonStockMember 2017-11-01 2018-02-02 0000737758

us-gaap:RetainedEarningsMember 2018-02-02 0000737758

us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-11-01 2018-02-02 0000737758

us-gaap:RetainedEarningsMember 2018-10-31 0000737758 us-gaap:CommonStockMember 2017-10-31 0000737758

us-gaap:AccumulatedOtherComprehensiveIncomeMember 2018-02-02 0000737758 us-gaap:CommonStockMember

2019-02-01 0000737758 2018-11-01 0000737758 us-gaap:AccumulatedOtherComprehensiveIncomeMember

2018-10-31 0000737758 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2018-11-01 2019-02-01

0000737758 us-gaap:RetainedEarningsMember 2018-11-01 0000737758 us-gaap:CommonStockMember 2018-11-01

2019-02-01 0000737758 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2019-02-01 0000737758

us-gaap:CommonStockMember 2018-02-02 0000737758 ttc:RedIronMember 2019-02-01 0000737758

ttc:RedIronMember 2018-11-01 2019-02-01 0000737758 ttc:RedIronMember

ttc:TwinCityFederalInventoryFinanceIncorporatedSecuredRevolvingCreditFacilityMember 2019-02-01 0000737758

ttc:RedIronMember 2019-01-31 0000737758 ttc:RedIronMember 2017-11-01 2018-02-02 0000737758

us-gaap:OtherIntangibleAssetsMember 2019-02-01 0000737758 us-gaap:DevelopedTechnologyRightsMember

2018-11-01 2019-02-01 0000737758 us-gaap:PatentsMember 2019-02-01 0000737758 us-gaap:TradeNamesMember

2019-02-01 0000737758 us-gaap:CustomerRelationshipsMember 2019-02-01 0000737758

us-gaap:NoncompeteAgreementsMember 2019-02-01 0000737758 us-gaap:CustomerRelationshipsMember

2018-11-01 2019-02-01 0000737758 us-gaap:PatentsMember 2018-11-01 2019-02-01 0000737758

us-gaap:OtherIntangibleAssetsMember 2018-11-01 2019-02-01 0000737758

us-gaap:DevelopedTechnologyRightsMember 2019-02-01 0000737758 us-gaap:TradeNamesMember 2018-11-01

2019-02-01 0000737758 us-gaap:NoncompeteAgreementsMember 2018-11-01 2019-02-01 0000737758

us-gaap:TradeNamesMember 2018-10-31 0000737758 us-gaap:CustomerRelationshipsMember 2018-10-31

0000737758 us-gaap:CustomerRelationshipsMember 2017-11-01 2018-10-31 0000737758

us-gaap:OtherIntangibleAssetsMember 2018-10-31 0000737758 us-gaap:DevelopedTechnologyRightsMember

2017-11-01 2018-10-31 0000737758 us-gaap:PatentsMember 2018-10-31 0000737758

us-gaap:NoncompeteAgreementsMember 2017-11-01 2018-10-31 0000737758 us-gaap:PatentsMember 2017-11-01

2018-10-31 0000737758 us-gaap:NoncompeteAgreementsMember 2018-10-31 0000737758 2017-11-01 2018-10-31

0000737758 us-gaap:TradeNamesMember 2017-11-01 2018-10-31 0000737758

us-gaap:DevelopedTechnologyRightsMember 2018-10-31 0000737758 us-gaap:OtherIntangibleAssetsMember

2017-11-01 2018-10-31 0000737758 ttc:CorporateReconcilingItemsAndEliminationsMember 2018-10-31

0000737758 us-gaap:OperatingSegmentsMember ttc:ResidentialSegmentMember 2018-11-01 2019-02-01

0000737758 us-gaap:OperatingSegmentsMember ttc:ResidentialSegmentMember 2019-02-01 0000737758

us-gaap:OperatingSegmentsMember ttc:ResidentialSegmentMember 2018-10-31 0000737758

us-gaap:OperatingSegmentsMember ttc:ProfessionalSegmentMember 2018-11-01 2019-02-01 0000737758

ttc:CorporateReconcilingItemsAndEliminationsMember 2019-02-01 0000737758

ttc:CorporateReconcilingItemsAndEliminationsMember 2018-11-01 2019-02-01 0000737758

us-gaap:OperatingSegmentsMember ttc:ProfessionalSegmentMember 2019-02-01 0000737758

Edgar Filing: TORO CO - Form 10-Q

us-gaap:OperatingSegmentsMember ttc:ProfessionalSegmentMember 2018-10-31 0000737758
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-10-31 0000737758
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2018-11-01 2019-02-01 0000737758
us-gaap:AccumulatedTranslationAdjustmentMember 2018-11-01 2019-02-01 0000737758
us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2018-11-01 2019-02-01 0000737758
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2018-02-02 0000737758
us-gaap:AccumulatedTranslationAdjustmentMember 2017-11-01 2018-02-02 0000737758
us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2017-11-01 2018-02-02 0000737758
us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2018-10-31 0000737758
us-gaap:AccumulatedTranslationAdjustmentMember 2018-10-31 0000737758
us-gaap:AccumulatedTranslationAdjustmentMember 2017-10-31 0000737758
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-11-01 2018-02-02 0000737758
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2018-10-31 0000737758
us-gaap:AccumulatedTranslationAdjustmentMember 2019-02-01 0000737758
us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2019-02-01 0000737758
us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2017-10-31 0000737758
us-gaap:AccumulatedTranslationAdjustmentMember 2018-02-02 0000737758
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2019-02-01 0000737758
us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2018-02-02 0000737758
ttc:StockOptionAwardsMember 2017-11-01 2018-02-02 0000737758 ttc:StockOptionAwardsMember 2018-11-01
2019-02-01 0000737758 us-gaap:RestrictedStockMember 2018-11-01 2019-02-01 0000737758
us-gaap:PerformanceSharesMember 2017-11-01 2018-02-02 0000737758 us-gaap:PerformanceSharesMember
2018-11-01 2019-02-01 0000737758 us-gaap:StockCompensationPlanMember 2017-11-01 2018-02-02 0000737758
us-gaap:StockCompensationPlanMember 2018-11-01 2019-02-01 0000737758 us-gaap:RestrictedStockMember
2017-11-01 2018-02-02 0000737758 us-gaap:StockCompensationPlanMember ttc:BoardOfDirectorsMember
2018-11-01 2019-02-01 0000737758 srt:MaximumMember us-gaap:PerformanceSharesMember 2018-11-01
2019-02-01 0000737758 srt:MinimumMember us-gaap:PerformanceSharesMember 2018-11-01 2019-02-01
0000737758 ttc:RestrictedStockAndRestrictedStockUnitAwardsMember 2017-11-01 2018-02-02 0000737758
ttc:RestrictedStockAndRestrictedStockUnitAwardsMember 2018-11-01 2019-02-01 0000737758
us-gaap:StockCompensationPlanMember ttc:BoardOfDirectorsMember 2017-11-01 2018-02-02 0000737758
ttc:StockOptionAwardsMember ttc:NonemployeeMember 2018-11-01 2019-02-01 0000737758
ttc:StockOptionAwardsMember ttc:CertainEmployeesMember 2018-11-01 2019-02-01 0000737758
ttc:StockOptionAwardsMember ttc:BoardOfDirectorsMember 2018-11-01 2019-02-01 0000737758
ttc:CorporateReconcilingItemsAndEliminationsMember 2017-11-01 2018-02-02 0000737758
ttc:CorporateReconcilingItemsAndEliminationsMember 2018-02-02 0000737758
us-gaap:IntersegmentEliminationMember ttc:ResidentialSegmentMember 2018-11-01 2019-02-01 0000737758
us-gaap:OperatingSegmentsMember ttc:ProfessionalSegmentMember 2017-11-01 2018-02-02 0000737758
us-gaap:IntersegmentEliminationMember ttc:ResidentialSegmentMember 2017-11-01 2018-02-02 0000737758
us-gaap:IntersegmentEliminationMember 2017-11-01 2018-02-02 0000737758
us-gaap:IntersegmentEliminationMember ttc:ProfessionalSegmentMember 2017-11-01 2018-02-02 0000737758
us-gaap:OperatingSegmentsMember ttc:ResidentialSegmentMember 2017-11-01 2018-02-02 0000737758
us-gaap:OperatingSegmentsMember ttc:ResidentialSegmentMember 2018-02-02 0000737758
us-gaap:OperatingSegmentsMember ttc:ProfessionalSegmentMember 2018-02-02 0000737758
us-gaap:IntersegmentEliminationMember 2018-11-01 2019-02-01 0000737758
us-gaap:IntersegmentEliminationMember ttc:ProfessionalSegmentMember 2018-11-01 2019-02-01 0000737758
us-gaap:ForeignExchangeForwardMember us-gaap:CashFlowHedgingMember us-gaap:CostOfSalesMember
2017-11-01 2018-02-02 0000737758 us-gaap:CashFlowHedgingMember us-gaap:OtherIncomeMember 2017-11-01
2018-02-02 0000737758 us-gaap:ForeignExchangeForwardMember us-gaap:CashFlowHedgingMember
us-gaap:SalesMember 2017-11-01 2018-02-02 0000737758 us-gaap:ForeignExchangeForwardMember
us-gaap:CashFlowHedgingMember us-gaap:OtherIncomeMember 2018-11-01 2019-02-01 0000737758
us-gaap:ForeignExchangeForwardMember us-gaap:CashFlowHedgingMember us-gaap:SalesMember 2018-11-01

Edgar Filing: TORO CO - Form 10-Q

2019-02-01 0000737758 us-gaap:CashFlowHedgingMember us-gaap:CostOfSalesMember 2018-11-01 2019-02-01
0000737758 us-gaap:ForeignExchangeForwardMember us-gaap:CashFlowHedgingMember
us-gaap:OtherIncomeMember 2017-11-01 2018-02-02 0000737758 us-gaap:CashFlowHedgingMember
us-gaap:SalesMember 2018-11-01 2019-02-01 0000737758 us-gaap:ForeignExchangeForwardMember
us-gaap:CashFlowHedgingMember us-gaap:CostOfSalesMember 2018-11-01 2019-02-01 0000737758
us-gaap:CashFlowHedgingMember us-gaap:OtherIncomeMember 2018-11-01 2019-02-01 0000737758
us-gaap:CashFlowHedgingMember us-gaap:CostOfSalesMember 2017-11-01 2018-02-02 0000737758
us-gaap:CashFlowHedgingMember us-gaap:SalesMember 2017-11-01 2018-02-02 0000737758
us-gaap:ForeignExchangeForwardMember 2019-02-01 0000737758 us-gaap:ForeignExchangeForwardMember
us-gaap:NondesignatedMember us-gaap:OtherIncomeMember 2018-11-01 2019-02-01 0000737758
us-gaap:NondesignatedMember us-gaap:OtherIncomeMember 2017-11-01 2018-02-02 0000737758
us-gaap:NondesignatedMember us-gaap:OtherIncomeMember 2018-11-01 2019-02-01 0000737758
us-gaap:ForeignExchangeForwardMember us-gaap:NondesignatedMember us-gaap:OtherIncomeMember 2017-11-01
2018-02-02 0000737758 us-gaap:CashFlowHedgingMember 2017-11-01 2018-02-02 0000737758
us-gaap:CashFlowHedgingMember 2018-11-01 2019-02-01 0000737758
us-gaap:PrepaidExpensesAndOtherCurrentAssetsMember us-gaap:ForeignExchangeForwardMember
us-gaap:DesignatedAsHedgingInstrumentMember 2018-10-31 0000737758 us-gaap:AccruedLiabilitiesMember
us-gaap:ForeignExchangeForwardMember us-gaap:DesignatedAsHedgingInstrumentMember 2018-02-02
0000737758 us-gaap:PrepaidExpensesAndOtherCurrentAssetsMember us-gaap:ForeignExchangeForwardMember
us-gaap:DesignatedAsHedgingInstrumentMember 2018-02-02 0000737758
us-gaap:PrepaidExpensesAndOtherCurrentAssetsMember us-gaap:ForeignExchangeForwardMember
us-gaap:DesignatedAsHedgingInstrumentMember 2019-02-01 0000737758
us-gaap:PrepaidExpensesAndOtherCurrentAssetsMember us-gaap:ForeignExchangeForwardMember
us-gaap:NondesignatedMember 2018-10-31 0000737758 us-gaap:AccruedLiabilitiesMember
us-gaap:ForeignExchangeForwardMember us-gaap:DesignatedAsHedgingInstrumentMember 2018-10-31
0000737758 us-gaap:PrepaidExpensesAndOtherCurrentAssetsMember us-gaap:ForeignExchangeForwardMember
us-gaap:NondesignatedMember 2018-02-02 0000737758 us-gaap:AccruedLiabilitiesMember
us-gaap:ForeignExchangeForwardMember us-gaap:DesignatedAsHedgingInstrumentMember 2019-02-01
0000737758 us-gaap:AccruedLiabilitiesMember us-gaap:ForeignExchangeForwardMember
us-gaap:NondesignatedMember 2019-02-01 0000737758 us-gaap:AccruedLiabilitiesMember
us-gaap:ForeignExchangeForwardMember us-gaap:NondesignatedMember 2018-02-02 0000737758
us-gaap:PrepaidExpensesAndOtherCurrentAssetsMember us-gaap:ForeignExchangeForwardMember
us-gaap:NondesignatedMember 2019-02-01 0000737758 us-gaap:AccruedLiabilitiesMember
us-gaap:ForeignExchangeForwardMember us-gaap:NondesignatedMember 2018-10-31 0000737758
us-gaap:ForeignExchangeForwardMember 2018-02-02 0000737758 us-gaap:ForeignExchangeForwardMember
2018-10-31 0000737758 us-gaap:ForeignExchangeForwardMember us-gaap:FairValueInputsLevel1Member
us-gaap:FairValueMeasurementsRecurringMember 2019-02-01 0000737758
us-gaap:FairValueMeasurementsRecurringMember 2019-02-01 0000737758
us-gaap:ForeignExchangeForwardMember us-gaap:FairValueInputsLevel3Member
us-gaap:FairValueMeasurementsRecurringMember 2019-02-01 0000737758
us-gaap:ForeignExchangeForwardMember us-gaap:FairValueInputsLevel2Member
us-gaap:FairValueMeasurementsRecurringMember 2019-02-01 0000737758 us-gaap:FairValueInputsLevel2Member
us-gaap:FairValueMeasurementsRecurringMember 2019-02-01 0000737758
us-gaap:ForeignExchangeForwardMember us-gaap:FairValueMeasurementsRecurringMember 2019-02-01
0000737758 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember 2019-02-01
0000737758 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember 2019-02-01
0000737758 us-gaap:ForeignExchangeForwardMember us-gaap:FairValueMeasurementsRecurringMember
2018-02-02 0000737758 us-gaap:ForeignExchangeForwardMember us-gaap:FairValueInputsLevel1Member
us-gaap:FairValueMeasurementsRecurringMember 2018-02-02 0000737758 us-gaap:FairValueInputsLevel1Member
us-gaap:FairValueMeasurementsRecurringMember 2018-02-02 0000737758
us-gaap:ForeignExchangeForwardMember us-gaap:FairValueInputsLevel3Member

Edgar Filing: TORO CO - Form 10-Q

us-gaap:FairValueMeasurementsRecurringMember 2018-02-02 0000737758 us-gaap:FairValueInputsLevel2Member
us-gaap:FairValueMeasurementsRecurringMember 2018-02-02 0000737758 us-gaap:FairValueInputsLevel3Member
us-gaap:FairValueMeasurementsRecurringMember 2018-02-02 0000737758
us-gaap:ForeignExchangeForwardMember us-gaap:FairValueInputsLevel2Member
us-gaap:FairValueMeasurementsRecurringMember 2018-02-02 0000737758
us-gaap:FairValueMeasurementsRecurringMember 2018-02-02 0000737758
us-gaap:ForeignExchangeForwardMember us-gaap:FairValueMeasurementsRecurringMember 2018-10-31
0000737758 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember 2018-10-31
0000737758 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember 2018-10-31
0000737758 us-gaap:ForeignExchangeForwardMember us-gaap:FairValueInputsLevel1Member
us-gaap:FairValueMeasurementsRecurringMember 2018-10-31 0000737758
us-gaap:ForeignExchangeForwardMember us-gaap:FairValueInputsLevel2Member
us-gaap:FairValueMeasurementsRecurringMember 2018-10-31 0000737758
us-gaap:ForeignExchangeForwardMember us-gaap:FairValueInputsLevel3Member
us-gaap:FairValueMeasurementsRecurringMember 2018-10-31 0000737758
us-gaap:FairValueMeasurementsRecurringMember 2018-10-31 0000737758 us-gaap:FairValueInputsLevel3Member
us-gaap:FairValueMeasurementsRecurringMember 2018-10-31 0000737758 ttc:ProductRevenueMember
srt:MaximumMember 2018-11-01 2019-02-01 0000737758 ttc:ServiceRevenueMember srt:MinimumMember
2018-11-01 2019-02-01 0000737758 ttc:ServiceRevenueMember srt:MaximumMember 2018-11-01 2019-02-01
0000737758 2020-11-01 2019-02-01 0000737758 ttc:ProductRevenueMember srt:MinimumMember 2018-11-01
2019-02-01 0000737758 2019-02-02 2019-02-01 0000737758 ttc:WarrantyRevenueMember srt:MaximumMember
2018-11-01 2019-02-01 0000737758 ttc:WarrantyRevenueMember srt:MinimumMember 2018-11-01 2019-02-01
0000737758 2021-11-01 2019-02-01 0000737758 us-gaap:OperatingSegmentsMember
ttc:EquipmentProductsAndServicesMember ttc:ProfessionalSegmentMember 2017-11-01 2018-02-02 0000737758
us-gaap:OperatingSegmentsMember ttc:EquipmentProductsAndServicesMember ttc:ResidentialSegmentMember
2018-11-01 2019-02-01 0000737758 us-gaap:OperatingSegmentsMember ttc:IrrigationMember
ttc:ProfessionalSegmentMember 2018-11-01 2019-02-01 0000737758 us-gaap:OperatingSegmentsMember
country:US ttc:ProfessionalSegmentMember 2018-11-01 2019-02-01 0000737758
ttc:CorporateReconcilingItemsAndEliminationsMember country:US 2017-11-01 2018-02-02 0000737758
us-gaap:OperatingSegmentsMember ttc:EquipmentProductsAndServicesMember ttc:ProfessionalSegmentMember
2018-11-01 2019-02-01 0000737758 ttc:CorporateReconcilingItemsAndEliminationsMember ttc:IrrigationMember
2018-11-01 2019-02-01 0000737758 us-gaap:OperatingSegmentsMember us-gaap:NonUsMember
ttc:ResidentialSegmentMember 2017-11-01 2018-02-02 0000737758 country:US 2017-11-01 2018-02-02
0000737758 us-gaap:OperatingSegmentsMember country:US ttc:ResidentialSegmentMember 2017-11-01 2018-02-02
0000737758 us-gaap:OperatingSegmentsMember ttc:EquipmentProductsAndServicesMember
ttc:ResidentialSegmentMember 2017-11-01 2018-02-02 0000737758 us-gaap:OperatingSegmentsMember
ttc:IrrigationMember ttc:ProfessionalSegmentMember 2017-11-01 2018-02-02 0000737758
ttc:CorporateReconcilingItemsAndEliminationsMember ttc:EquipmentProductsAndServicesMember 2018-11-01
2019-02-01 0000737758 ttc:IrrigationMember 2018-11-01 2019-02-01 0000737758 country:US 2018-11-01
2019-02-01 0000737758 ttc:EquipmentProductsAndServicesMember 2018-11-01 2019-02-01 0000737758
ttc:CorporateReconcilingItemsAndEliminationsMember us-gaap:NonUsMember 2018-11-01 2019-02-01 0000737758
ttc:CorporateReconcilingItemsAndEliminationsMember ttc:EquipmentProductsAndServicesMember 2017-11-01
2018-02-02 0000737758 us-gaap:OperatingSegmentsMember us-gaap:NonUsMember
ttc:ResidentialSegmentMember 2018-11-01 2019-02-01 0000737758 ttc:EquipmentProductsAndServicesMember
2017-11-01 2018-02-02 0000737758 us-gaap:OperatingSegmentsMember us-gaap:NonUsMember
ttc:ProfessionalSegmentMember 2018-11-01 2019-02-01 0000737758 us-gaap:OperatingSegmentsMember
country:US ttc:ProfessionalSegmentMember 2017-11-01 2018-02-02 0000737758
ttc:CorporateReconcilingItemsAndEliminationsMember us-gaap:NonUsMember 2017-11-01 2018-02-02 0000737758
ttc:CorporateReconcilingItemsAndEliminationsMember ttc:IrrigationMember 2017-11-01 2018-02-02 0000737758
us-gaap:OperatingSegmentsMember us-gaap:NonUsMember ttc:ProfessionalSegmentMember 2017-11-01
2018-02-02 0000737758 us-gaap:OperatingSegmentsMember ttc:IrrigationMember ttc:ResidentialSegmentMember

2017-11-01 2018-02-02 0000737758 ttc:IrrigationMember 2017-11-01 2018-02-02 0000737758
us-gaap:OperatingSegmentsMember ttc:IrrigationMember ttc:ResidentialSegmentMember 2018-11-01 2019-02-01
0000737758 us-gaap:OperatingSegmentsMember country:US ttc:ResidentialSegmentMember 2018-11-01 2019-02-01
0000737758 us-gaap:NonUsMember 2018-11-01 2019-02-01 0000737758 us-gaap:NonUsMember 2017-11-01
2018-02-02 0000737758 ttc:CorporateReconcilingItemsAndEliminationsMember country:US 2018-11-01 2019-02-01
0000737758 ttc:CharlesMachineWorksIncMember us-gaap:ScenarioForecastMember
us-gaap:SubsequentEventMember 2019-05-04 2019-08-02 xbrli:pure xbrli:shares ttc:segment iso4217:USD
iso4217:USD xbrli:shares
[Table of Contents](#)

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 February 1, 2019

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Transition Period from _____ to _____

THE TORO COMPANY

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

1-8649

(Commission File Number)

41-0580470

(I.R.S. Employer Identification Number)

**8111 Lyndale Avenue South
Bloomington, Minnesota 55420**

Telephone Number: (952) 888-8801

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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 every Interactive Data File required to be submitted 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 such files). Yes No

Edgar Filing: TORO CO - Form 10-Q

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 the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

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

The number of shares of the registrant’s common stock outstanding as of February 27, 2019 was 106,110,375.

Table of Contents**THE TORO COMPANY
INDEX TO FORM 10-Q**

	Page Number
<u>PART I. FINANCIAL INFORMATION:</u>	
<u>Item 1. Financial Statements</u>	
<u>Condensed Consolidated Statements of Earnings (Unaudited)</u>	<u>3</u>
<u>Condensed Consolidated Statements of Comprehensive Income (Unaudited)</u>	<u>3</u>
<u>Condensed Consolidated Balance Sheets (Unaudited)</u>	<u>4</u>
<u>Condensed Consolidated Statements of Cash Flows (Unaudited)</u>	<u>5</u>
<u>Condensed Consolidated Statements of Stockholders' Equity (Unaudited)</u>	<u>6</u>
<u>Notes to Condensed Consolidated Financial Statements (Unaudited)</u>	<u>7</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>23</u>
<u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u>	<u>36</u>
<u>Item 4. Controls and Procedures</u>	<u>37</u>
<u>PART II. OTHER INFORMATION:</u>	
<u>Item 1. Legal Proceedings</u>	<u>38</u>
<u>Item 1A. Risk Factors</u>	<u>38</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>39</u>
<u>Item 5. Other Information</u>	<u>39</u>
<u>Item 6. Exhibits</u>	<u>40</u>
<u>Signatures</u>	<u>41</u>

Table of Contents**PART I. FINANCIAL INFORMATION**

ITEM 1. FINANCIAL STATEMENTS

THE TORO COMPANY AND SUBSIDIARIES

Condensed Consolidated Statements of Earnings (Unaudited)

(Dollars and shares in thousands, except per share data)

	Three Months Ended	
	February 1,	February 2,
	2019	2018
Net sales	\$602,956	\$ 548,246
Cost of sales	387,339	344,007
Gross profit	215,617	204,239
Selling, general and administrative expense	145,563	137,317
Operating earnings	70,054	66,922
Interest expense	(4,742)	(4,818)
Other income, net	4,708	4,281
Earnings before income taxes	70,020	66,385
Provision for income taxes	10,480	43,781
Net earnings	\$59,540	\$ 22,604
Basic net earnings per share of common stock	\$0.56	\$ 0.21
Diluted net earnings per share of common stock	\$0.55	\$ 0.21
Weighted-average number of shares of common stock outstanding — Basic	106,258	107,225
Weighted-average number of shares of common stock outstanding — Diluted	107,781	109,855

See accompanying Notes to Condensed Consolidated Financial Statements.

THE TORO COMPANY AND SUBSIDIARIES

Condensed Consolidated Statements of Comprehensive Income (Unaudited)

(Dollars in thousands)

	Three Months Ended	
	February 1,	February 2,
	2019	2018
Net earnings	\$59,540	\$ 22,604
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	3,431	10,872
Derivative instruments, net of tax of \$(1,352) and \$(579), respectively	(4,009)	(2,779)
Other comprehensive income (loss), net of tax	(578)	8,093
Comprehensive income	\$58,962	\$ 30,697

See accompanying Notes to Condensed Consolidated Financial Statements.

Table of Contents

THE TORO COMPANY AND SUBSIDIARIES
Condensed Consolidated Balance Sheets (Unaudited)
(Dollars in thousands, except per share data)

	February 1, 2019	February 2, 2018	October 31, 2018
<u>ASSETS</u>			
Cash and cash equivalents	\$249,965	\$219,730	\$289,124
Receivables, net	225,528	198,736	193,178
Inventories, net	416,650	439,343	358,259
Prepaid expenses and other current assets	41,789	43,039	54,076
Total current assets	933,932	900,848	894,637
Property, plant and equipment, gross	950,640	883,462	928,981
Less accumulated depreciation	671,370	649,014	657,522
Property, plant and equipment, net	279,270	234,448	271,459
Deferred income taxes	39,589	44,752	38,252
Goodwill	227,091	205,954	225,290
Other intangible assets, net	104,017	102,366	105,649
Other assets	38,915	28,438	35,697
Total assets	\$1,622,814	\$1,516,806	\$1,570,984
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>			
Current portion of long-term debt	\$—	\$13,000	\$—
Accounts payable	281,526	266,586	256,575
Accrued liabilities	283,452	292,903	276,060
Total current liabilities	564,978	572,489	532,635
Long-term debt, less current portion	312,551	302,465	312,549
Deferred income taxes	1,410	1,839	1,397
Other long-term liabilities	49,478	59,232	55,487
Stockholders' equity:			
Preferred stock, par value \$1.00 per share, authorized 1,000,000 voting and 850,000 non-voting shares, none issued and outstanding	—	—	—
Common stock, par value \$1.00 per share, authorized 175,000,000 shares; issued and outstanding 105,746,538 shares as of February 1, 2019, 106,434,655 shares as of February 2, 2018, and 105,600,652 shares as of October 31, 2018	105,747	106,435	105,601
Retained earnings	613,165	490,373	587,252
Accumulated other comprehensive loss	(24,515)	(16,027)	(23,937)
Total stockholders' equity	694,397	580,781	668,916
Total liabilities and stockholders' equity	\$1,622,814	\$1,516,806	\$1,570,984

See accompanying Notes to Condensed Consolidated Financial Statements.

Table of Contents

THE TORO COMPANY AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows (Unaudited)

(Dollars in thousands)

	Three Months Ended	
	February 1,	February 2,
	2019	2018
Cash flows from operating activities:		
Net earnings	\$59,540	\$ 22,604
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Non-cash income from finance affiliate	(2,429)	(2,192)
Contributions to finance affiliate, net	(459)	(252)
Provision for depreciation and amortization	15,583	15,226
Stock-based compensation expense	3,924	3,124
Deferred income taxes	(1,225)	19,682
Other	—	(26)
Changes in operating assets and liabilities, net of effect of acquisitions:		
Receivables, net	(31,331)	(12,989)
Inventories, net	(52,380)	(107,017)
Prepaid expenses and other assets	8,119	(2,588)
Accounts payable, accrued liabilities, deferred revenue and other long-term liabilities	26,643	72,523
Net cash provided by operating activities	25,985	8,095
Cash flows from investing activities:		
Purchases of property, plant and equipment	(14,180)	(10,784)
Proceeds from asset disposals	3	—
Investment in unconsolidated entities	(150)	—
Acquisitions, net of cash acquired	(12,498)	—
Net cash used in investing activities	(26,825)	(10,784)
Cash flows from financing activities:		
Payments on long-term debt	—	(18,017)
Proceeds from exercise of stock options	7,569	4,436
Payments of withholding taxes for stock awards	(1,872)	(3,077)
Purchases of Toro common stock	(20,043)	(50,066)
Dividends paid on Toro common stock	(23,923)	(21,425)
Net cash used in financing activities	(38,269)	(88,149)
Effect of exchange rates on cash and cash equivalents	(50)	312
Net decrease in cash and cash equivalents	(39,159)	(90,526)
Cash and cash equivalents as of the beginning of the fiscal period	289,124	310,256
Cash and cash equivalents as of the end of the fiscal period	\$249,965	\$ 219,730

See accompanying Notes to Condensed Consolidated Financial Statements.

Table of Contents

THE TORO COMPANY AND SUBSIDIARIES

Condensed Consolidated Statements of Stockholders' Equity (Unaudited)

(Dollars in thousands, except per share data)

	Common Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balance as of October 31, 2018	\$ 105,601	\$ 587,252	\$ (23,937)	\$ 668,916
Cash dividends paid on common stock - \$0.225 per share	—	(23,923)	—	(23,923)
Issuance of 537,786 shares for stock options exercised and restricted stock units vested	538	5,627	—	6,165
Stock-based compensation expense	—	3,924	—	3,924
Contribution of stock to a deferred compensation trust	—	1,404	—	1,404
Purchase of 391,900 shares of common stock	(392)	(21,523)	—	(21,915)
Cumulative transition adjustment due to the adoption of ASU 2014-09	—	864	—	864
Other comprehensive loss	—	—	(578)	(578)
Net earnings	—	59,540	—	59,540
Balance as of February 1, 2019	\$ 105,747	\$ 613,165	\$ (24,515)	\$ 694,397
Balance as of October 31, 2017	\$ 106,883	\$ 534,329	\$ (24,120)	\$ 617,092
Cash dividends paid on common stock - \$0.20 per share	—	(21,425)	—	(21,425)
Issuance of 506,991 shares for stock options exercised and restricted stock units vested	507	2,492	—	2,999
Stock-based compensation expense	—	3,124	—	3,124
Contribution of stock to a deferred compensation trust	—	1,437	—	1,437
Purchase of 955,308 shares of common stock	(955)	(52,188)	—	(53,143)
Other comprehensive income	—	—	8,093	8,093
Net earnings	—	22,604	—	22,604
Balance as of February 2, 2018	\$ 106,435	\$ 490,373	\$ (16,027)	\$ 580,781

See accompanying Notes to Condensed Consolidated Financial Statements.

Table of Contents

THE TORO COMPANY AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

February 1, 2019

Note 1 — Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with the instructions to Form 10-Q and do not include all the information and notes required by United States ("U.S.") generally accepted accounting principles ("GAAP") for complete financial statements. Unless the context indicates otherwise, the terms "company," "Toro," "we," "our," or "us" refer to The Toro Company and its consolidated subsidiaries. All intercompany accounts and transactions have been eliminated from the unaudited Condensed Consolidated Financial Statements.

In the opinion of management, the unaudited Condensed Consolidated Financial Statements include all adjustments, consisting primarily of recurring accruals, considered necessary for the fair presentation of the company's Consolidated Financial Position, Results of Operations, and Cash Flows for the periods presented. Since the company's business is seasonal, operating results for the three months ended February 1, 2019 cannot be annualized to determine the expected results for the fiscal year ending October 31, 2019.

The company's fiscal year ends on October 31, and quarterly results are reported based on three-month periods that generally end on the Friday closest to the quarter end. For comparative purposes, however, the company's second and third quarters always include exactly 13 weeks of results so that the quarter end date for these two quarters is not necessarily the Friday closest to the calendar month end.

For further information, refer to the Consolidated Financial Statements and Notes to Consolidated Financial Statements included in the company's Annual Report on Form 10-K for the fiscal year ended October 31, 2018. The policies described in that report are used for preparing quarterly reports.

Accounting Policies

In preparing the Condensed Consolidated Financial Statements in conformity with U.S. GAAP, management must make decisions that impact the reported amounts of assets, liabilities, revenues, expenses, and the related disclosures, including disclosures of contingent assets and liabilities. Such decisions include the selection of the appropriate accounting principles to be applied and the assumptions on which to base accounting estimates. Estimates are used in determining, among other items, sales promotion and incentive accruals, incentive compensation accruals, income tax accruals, inventory valuation, warranty reserves, allowance for doubtful accounts, pension and post-retirement accruals, self-insurance accruals, useful lives for tangible and definite-lived intangible assets, and future cash flows associated with impairment testing for goodwill, indefinite-lived intangible assets and other long-lived assets. These estimates and assumptions are based on management's best estimates and judgments at the time they are made and are generally derived from management's understanding and analysis of the relevant circumstances, historical experience, and actuarial valuations. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors that management believes to be reasonable under the circumstances, including the current economic environment. Management adjusts such estimates and assumptions when facts and circumstances dictate. As future events and their effects cannot be determined with certainty, actual amounts could differ significantly from those estimated at the time the Condensed Consolidated Financial Statements are prepared.

New Accounting Pronouncements Adopted

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Updates ("ASU") No. 2014-09, *Revenue from Contracts with Customers* that updates the principles for recognizing revenue. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. The guidance also requires enhanced disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606)*, which deferred the effective date of this standard by one year. The company adopted ASU 2014-09 effective November 1, 2018, during the first quarter of fiscal 2019, using the modified retrospective method of adoption, which was applied to all contracts for which the company's performance obligations were not completed as of October 31, 2018. In adopting ASU 2014-09, the company elected the following allowable exemptions or practical expedients:

Portfolio approach practical expedient relative to the estimation of variable consideration.

Table of Contents

• Shipping and handling practical expedient to account for shipping and handling activities that occur after control of the related good transfers as fulfillment activities.

• Costs of obtaining a contract practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset is one year or less.

• Immaterial goods or services practical expedient to not assess whether promised goods or services are performance obligations if they are immaterial in the context of the contract with the customer.

• Sales taxes practical expedient to exclude sales taxes and other similar taxes from the transaction price.

• Exemption to not disclose the unfulfilled performance obligation balance for contracts with an original length of one year or less.

Upon adoption of ASU 2014-09, the company recognized an immaterial transition adjustment within the company's fiscal 2019 beginning retained earnings balance on the Condensed Consolidated Balance Sheets for the cumulative effect of the change in accounting standard. Results for reporting periods beginning after November 1, 2018 are presented under the guidelines of Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers*, while prior reporting period amounts have not been adjusted and continue to be reported under ASC 605, *Revenue Recognition*. The adoption of ASU 2014-09 did not materially impact the amount of revenue recognized or any other financial statement line item as of and for the three months ended February 1, 2019. Additionally, the company identified and implemented the appropriate changes to its business processes, information systems, and internal controls to support the preparation of financial information, which did not materially affect the company's internal controls over financial reporting. Refer to Note 14, *Revenue*, for the additional disclosures required under ASC 606.

In May 2017, the FASB issued ASU No. 2017-09, *Compensation-Stock Compensation (Topic 718): Scope of Modification Accounting*, which provides guidance on the types of changes to the terms or conditions of share-based payment awards to which an entity would be required to apply modification accounting under Topic 718. The amended guidance was adopted in the first quarter of fiscal 2019 and did not have a material impact on the company's Condensed Consolidated Financial Statements.

Note 2 — Acquisitions

Northeastern U.S. Distribution Company

Effective November 30, 2018, during the first quarter of fiscal 2019, the company completed the acquisition of substantially all of the assets of, and assumed certain liabilities for, a Northeastern U.S. distribution company. The purchase price of this acquisition was allocated to the identifiable assets acquired and liabilities assumed based on estimates of their fair value, with the excess purchase price recorded as goodwill. This acquisition was immaterial based on the company's Consolidated Financial Condition and Results of Operations. Additional purchase accounting disclosures have been omitted given the immateriality of this acquisition in relation to the company's Consolidated Financial Condition and Results of Operations.

L.T. Rich Products, Inc.

Effective March 19, 2018, during the second quarter of fiscal 2018, the company completed the acquisition of substantially all of the assets of, and assumed certain liabilities for, L.T. Rich Products, Inc., a manufacturer of professional zero-turn spreader/sprayers, aerators, and snow and ice management equipment. The addition of these products broadens and strengthens the company's Professional segment solutions for landscape contractors and grounds professionals. The purchase price of this acquisition was allocated to the identifiable assets acquired and liabilities assumed based on estimates of their fair value, with the excess purchase price recorded as goodwill. This acquisition was immaterial based on the company's Consolidated Financial Condition and Results of Operations.

Additional purchase accounting disclosures have been omitted given the immateriality of this acquisition in relation to the company's Consolidated Financial Condition and Results of Operations.

Note 3 — Investment in Joint Venture

In fiscal 2009, the company and TCF Inventory Finance, Inc. ("TCFIF"), a subsidiary of TCF National Bank, established Red Iron Acceptance, LLC ("Red Iron"), a joint venture in the form of a Delaware limited liability company that primarily provides inventory financing to certain distributors and dealers of the company's products in the U.S. On November 29, 2016, during the first quarter of fiscal 2017, the company entered into amended agreements for its Red Iron joint venture with TCFIF. As a result, the amended term of Red Iron will continue until October 31, 2024, subject to two-year extensions thereafter. Either the company or TCFIF may elect not to extend the amended term, or any subsequent term, by giving one-year written notice to the other party.

The company owns 45 percent of Red Iron and TCFIF owns 55 percent of Red Iron. The company accounts for its investment in Red Iron under the equity method of accounting. The company and TCFIF each contributed a specified amount of the estimated

Table of Contents

cash required to enable Red Iron to purchase the company's inventory financing receivables and to provide financial support for Red Iron's inventory financing programs. Red Iron borrows the remaining requisite estimated cash utilizing a \$550 million secured revolving credit facility established under a credit agreement between Red Iron and TCFIF. The company's total investment in Red Iron as of February 1, 2019 was \$25.4 million. The company has not guaranteed the outstanding indebtedness of Red Iron.

The company has agreed to repurchase products repossessed by Red Iron and the TCFIF Canadian affiliate, up to a maximum aggregate amount of \$7.5 million in a calendar year. Under the repurchase agreement between Red Iron and the company, Red Iron provides financing for certain dealers and distributors. These transactions are structured as an advance in the form of a payment by Red Iron to the company on behalf of a distributor or dealer with respect to invoices financed by Red Iron. These payments extinguish the obligation of the dealer or distributor to make payment to the company under the terms of the applicable invoice.

Under separate agreements between Red Iron and the dealers and distributors, Red Iron provides loans to the dealers and distributors for the advances paid by Red Iron to the company. The net amount of receivables financed for dealers and distributors under this arrangement for the three months ended February 1, 2019 and February 2, 2018 were \$428.8 million and \$386.3 million, respectively. As of January 31, 2019, Red Iron's total assets were \$501.7 million and total liabilities were \$445.2 million.

Note 4 — Inventories

Inventories are valued at the lower of cost or net realizable value, with cost determined by the last-in, first-out ("LIFO") method for a majority of the company's inventories and the first-in, first-out ("FIFO") method for all other inventories. The company establishes a reserve for excess, slow-moving, and obsolete inventory that is equal to the difference between the cost and estimated net realizable value for that inventory. These reserves are based on a review and comparison of current inventory levels to planned production, as well as planned and historical sales of the inventory.

Inventories were as follows:

(Dollars in thousands)	February 1, 2019	February 2, 2018	October 31, 2018
Raw materials and work in process	\$ 124,458	\$ 114,150	\$ 115,280
Finished goods and service parts	364,393	391,994	315,179
Total FIFO value	488,851	506,144	430,459
Less: adjustment to LIFO value	72,201	66,801	72,200
Total inventories, net	\$ 416,650	\$ 439,343	\$ 358,259

Note 5 — Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill by reportable segment for the first three months of fiscal 2019 were as follows:

(Dollars in thousands)	Professional	Residential	Other	Total
Balance as of October 31, 2018	\$ 214,827	\$ 10,463	\$—	\$225,290
Goodwill acquired	—	—	1,534	1,534
Translation adjustments	215	52	—	267
Balance as of February 1, 2019	\$ 215,042	\$ 10,515	\$1,534	\$227,091

Table of Contents

The components of other intangible assets as of February 1, 2019 were as follows:

(Dollars in thousands)	Weighted-Average Useful Life	Gross Carrying Amount	Accumulated Amortization	Net
Patents	9.9	\$ 18,255	\$ (12,524)	\$ 5,731
Non-compete agreements	5.5	6,891	(6,794)	97
Customer-related	18.5	89,702	(24,929)	64,773
Developed technology	7.6	31,079	(28,774)	2,305
Trade names	5.0	2,319	(1,850)	469
Other	1.0	800	(800)	—
Total amortizable	14.2	149,046	(75,671)	73,375
Non-amortizable - trade names		30,642	—	30,642
Total other intangible assets, net		\$ 179,688	\$ (75,671)	\$ 104,017

The components of other intangible assets as of October 31, 2018 were as follows:

(Dollars in thousands)	Weighted-Average Useful Life	Gross Carrying Amount	Accumulated Amortization	Net
Patents	9.9	\$ 18,235	\$ (12,297)	\$ 5,938
Non-compete agreements	5.5	6,872	(6,771)	101
Customer-related	18.5	89,622	(23,653)	65,969
Developed technology	7.6	31,029	(28,471)	2,558
Trade names	5.0	2,307	(1,805)	502
Other	1.0	800	(800)	—
Total amortizable	14.3	148,865	(73,797)	75,068
Non-amortizable - trade names		30,581	—	30,581
Total other intangible assets, net		\$ 179,446	\$ (73,797)	\$ 105,649

Amortization expense for definite-lived intangible assets during the first quarter of fiscal 2019 and fiscal 2018 was \$1.8 million and \$1.9 million, respectively. Estimated amortization expense for the remainder of fiscal 2019 and succeeding fiscal years is as follows: fiscal 2019 (remainder), \$5.0 million; fiscal 2020, \$6.2 million; fiscal 2021, \$5.7 million; fiscal 2022, \$5.6 million; fiscal 2023, \$5.2 million; fiscal 2024, \$4.9 million; and after fiscal 2024, \$40.8 million.

Note 6 — Stockholders' Equity***Accumulated Other Comprehensive Loss***

Components of accumulated other comprehensive loss ("AOCL"), net of tax, were as follows:

(Dollars in thousands)	February 1, February 2, October 31,		
	2019	2018	2018
Foreign currency translation adjustments	\$ 26,280	\$ 10,162	\$ 29,711
Pension and post-retirement benefits	561	2,281	561
Cash flow derivative instruments	(2,326)	3,584	(6,335)
Total accumulated other comprehensive loss	\$ 24,515	\$ 16,027	\$ 23,937

Table of Contents

The components and activity of AOCL for the first three months of fiscal 2019 and 2018 were as follows:

(Dollars in thousands)	Foreign Currency Translation Adjustments	Pension and Post-Retirement Benefits	Cash Flow Hedging Derivative Instruments	Total
Balance as of October 31, 2018	\$ 29,711	\$ 561	\$ (6,335)	\$23,937
Other comprehensive (income) loss before reclassifications	(3,431)	—	5,490	2,059
Amounts reclassified from AOCL	—	—	(1,481)	(1,481)
Net current period other comprehensive (income) loss	(3,431)	—	4,009	578
Balance as of February 1, 2019	\$ 26,280	\$ 561	\$ (2,326)	\$24,515

(Dollars in thousands)	Foreign Currency Translation Adjustments	Pension and Post-Retirement Benefits	Cash Flow Hedging Derivative Instruments	Total
Balance as of October 31, 2017	\$ 21,303	\$ 2,012	\$ 805	\$24,120
Other comprehensive (income) loss before reclassifications	(11,141)	269	3,612	(7,260)
Amounts reclassified from AOCL	—	—	(833)	(833)
Net current period other comprehensive (income) loss	(11,141)	269	2,779	(8,093)
Balance as of February 2, 2018	\$ 10,162	\$ 2,281	\$ 3,584	