

SUPREME INDUSTRIES INC
Form 10-Q
November 10, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 26, 2009

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: 1-8183

SUPREME INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

75-1670945
(I.R.S. Employer Identification No.)

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2581 E. Kercher Rd., P.O. Box 237, Goshen, Indiana 46528

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (574) 642-3070

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.

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)
Class A
Class B

Outstanding at October 30, 2009
12,158,823
2,188,490

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Consolidated Balance Sheets

	September 26, 2009 (Unaudited)	December 27, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 66,890	\$ 932,608
Investments	1,640,288	2,509,848
Accounts receivable, net	19,791,045	25,423,842
Inventories	34,909,064	44,248,516
Other current assets	8,502,347	6,335,740
Total current assets	64,909,634	79,450,554
Property, plant and equipment, at cost	89,967,644	94,128,405
Less, Accumulated depreciation and amortization	46,812,757	48,349,497
Property, plant and equipment, net	43,154,887	45,778,908
Other assets	1,183,544	295,109
Total assets	\$ 109,248,065	\$ 125,524,571

See accompanying notes to consolidated financial statements.

Table of Contents**Supreme Industries, Inc. and Subsidiaries**

Consolidated Balance Sheets, Concluded

	September 26, 2009 (Unaudited)	December 27, 2008
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$ 613,489	\$ 823,297
Revolving line of credit	20,314,490	
Trade accounts payable	8,352,821	8,266,945
Accrued income taxes	662,380	675,200
Other accrued liabilities	7,933,137	9,349,112
Total current liabilities	37,876,317	19,114,554
Long-term debt	1,335,675	32,805,350
Deferred income taxes	2,403,698	2,403,698
Other long-term liabilities	585,158	818,053
Total liabilities	42,200,848	55,141,655
Stockholders equity	67,047,217	70,382,916
Total liabilities and stockholders equity	\$ 109,248,065	\$ 125,524,571

See accompanying notes to consolidated financial statements.

Table of Contents**Supreme Industries, Inc. and Subsidiaries**

Consolidated Statements of Operations (Unaudited)

	Three Months Ended		Nine Months Ended	
	September 26, 2009	September 27, 2008	September 26, 2009	September 27, 2008
Net sales	\$ 50,101,178	\$ 61,086,346	\$ 148,978,349	\$ 212,317,770
Cost of sales	46,215,513	55,666,495	138,652,416	191,907,710
Gross profit	3,885,665	5,419,851	10,325,933	20,410,060
Selling, general and administrative expenses	5,328,645	6,797,403	16,511,198	20,787,125
Other income	(102,972)	(160,959)	(780,998)	(670,470)
Operating income (loss)	(1,340,008)	(1,216,593)	(5,404,267)	293,405
Interest expense	623,566	508,368	1,780,330	1,625,273
Loss before income taxes	(1,963,574)	(1,724,961)	(7,184,597)	(1,331,868)
Income tax benefit	(435,000)	(1,094,910)	(3,151,000)	(1,144,910)
Net loss	\$ (1,528,574)	\$ (630,051)	\$ (4,033,597)	\$ (186,958)
Loss Per Share:				
Basic	\$ (0.11)	\$ (0.04)	\$ (0.28)	\$ (0.01)
Diluted	(0.11)	(0.04)	(0.28)	(0.01)
Shares used in the computation of loss per share:				
Basic	14,198,782	14,186,973	14,180,168	14,073,863
Diluted	14,198,782	14,186,973	14,180,168	14,073,863
Cash dividends per common share	\$	\$	\$	\$ 0.19

See accompanying notes to consolidated financial statements.

Table of Contents**Supreme Industries, Inc. and Subsidiaries**

Consolidated Statements of Cash Flows (Unaudited)

	Nine Months Ended	
	September 26, 2009	September 27, 2008
Cash flows from operating activities:		
Net loss	\$ (4,033,597)	\$ (186,958)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	3,117,219	3,194,638
Amortization of intangibles		36,278
Provision for losses on doubtful receivables	78,736	170,918
Stock-based compensation expense	469,810	465,616
Losses (gains) on sale of property, plant and equipment, net	(239,708)	28,868
Changes in operating assets and liabilities	11,281,311	544,351
Net cash provided by operating activities	10,673,771	4,253,711
Cash flows from investing activities:		
Additions to property, plant and equipment	(1,655,555)	(2,823,868)
Proceeds from sale of property, plant and equipment	507,071	60,401
Purchases of investments	(85,625)	(1,142,316)
Proceeds from sale of investments	1,053,054	832,670
Decrease in other assets	6,559	6,559
Net cash used in investing activities	(174,496)	(3,066,554)
Cash flows from financing activities:		
Proceeds from revolving line of credit and long-term debt	55,813,354	89,915,986
Repayments of revolving line of credit and long-term debt	(67,178,347)	(90,044,061)
Payment of cash dividends		(2,491,484)
Proceeds from exercise of stock options		247,500
Net cash used in financing activities	(11,364,993)	(2,372,059)
Change in cash and cash equivalents	(865,718)	(1,184,902)
Cash and cash equivalents, beginning of period		