

CASCADE CORP
Form 10-Q
June 08, 2010
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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 April 30, 2010

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 1-12557

CASCADE CORPORATION

(Exact name of registrant as specified in its charter)

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Oregon (State or other jurisdiction of incorporation or organization)	93-0136592 (I.R.S. Employer Identification No.)
2201 N.E. 201st Ave. Fairview, Oregon (Address of principal executive office)	97024-9718 (Zip Code)
Registrant's telephone number, including area code: (503) 669-6300	

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):

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Large accelerated filer Accelerated filer x
Non-accelerated filer (Do not check if a smaller reporting company) 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 x

The number of shares outstanding of the registrant's common stock as of May 17, 2010 was 10,928,049.

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CASCADE CORPORATION

FORM 10-Q

Quarter Ended April 30, 2010

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Forward-Looking Statements

This Form 10-Q, including Management's Discussion and Analysis of Financial Condition and Results of Operations (Item 2) contains forward-looking statements that involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including any projections of revenue, gross profit, expenses, earnings or losses from operations, synergies or other financial items; any statements of plans, strategies, and objectives of management for future operations; any statements regarding future economic conditions or performance; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. The risks, uncertainties, and assumptions referred to above include, but are not limited to:

General business and economic conditions globally, in particular North America, Europe, Asia Pacific and China;

Effectiveness of our cost reduction initiatives and reorganization plans;

Competitive factors and the cyclical nature of the materials handling industry and lift truck orders;

Risks and complexities associated with international operations;

Impact of tax law changes;

Foreign currency fluctuations;

Assumptions relating to pension and other postretirement costs;

Cost and availability of raw materials;

Environmental matters;

Fluctuations in interest rates;

Ability to comply with debt covenants;

Impact of acquisitions.

We undertake no obligation to publicly revise or update forward-looking statements to reflect events or circumstances that arise after the date of this report. See Risk Factors (Item 1A) for additional information on risk factors with the potential to impact our business.

Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****CASCADE CORPORATION****CONSOLIDATED STATEMENTS OF OPERATIONS****(Unaudited in thousands, except per share amounts)**

	Three Months Ended April 30	
	2010	2009
Net sales	\$ 94,392	\$ 76,316
Cost of goods sold	66,678	61,847
Gross profit	27,714	14,469
Selling and administrative expenses	18,149	18,691
European restructuring costs	75	4,777
Operating income (loss)	9,490	(8,999)
Interest expense	579	426
Interest income	(46)	(113)
Foreign currency loss, net	305	
Income (loss) before provision for income taxes	8,652	(9,312)
Provision for income taxes	2,986	2,761
Net income (loss)	\$ 5,666	\$ (12,073)
Basic earnings (loss) per share	\$ 0.52	\$ (1.12)
Diluted earnings (loss) per share	\$ 0.51	\$ (1.12)
Basic weighted average shares outstanding	10,831	10,801
Diluted weighted average shares outstanding	11,049	10,801

The accompanying notes are an integral part of the consolidated financial statements.

Table of Contents**CASCADE CORPORATION****CONSOLIDATED BALANCE SHEETS****(Unaudited in thousands, except per share amounts)**

	April 30 2010	January 31 2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 21,321	\$ 20,201
Accounts receivable, less allowance for doubtful accounts of \$1,363 and \$1,328	60,163	50,910
Inventories	60,996	63,466
Deferred income taxes	4,418	4,230
Assets available for sale	8,748	9,125
Prepaid expenses and other	13,198	12,334
Total current assets	168,844	160,266
Property, plant and equipment, net	71,148	73,408
Goodwill	87,368	84,122
Deferred income taxes	20,224	21,022
Intangible assets, net	715	763
Other assets	2,272	2,350
Total assets	\$ 350,571	\$ 341,931
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable to banks	\$ 2,567	\$ 2,927
Current portion of long-term debt	479	499
Accounts payable	21,697	20,542
Accrued payroll and payroll taxes	7,402	7,683
Accrued restructuring costs	2,432	5,260
Other accrued expenses	12,245	10,977
Total current liabilities	46,822	47,888
Long-term debt, net of current portion	56,234	55,990
Accrued environmental expenses	3,843	4,161
Deferred income taxes	4,731	4,839
Employee benefit obligations	9,239	9,120
Other liabilities	4,240	4,171
Total liabilities	125,109	126,169
Commitments and contingencies (Note 7)		
Shareholders' equity:		
Common stock, \$.50 par value, 40,000 authorized shares; 10,928 and 10,885 shares issued and outstanding	5,464	5,443
Additional paid-in capital	7,806	7,119
Retained earnings	185,194	179,747
Accumulated other comprehensive income	26,998	23,453
Total shareholders' equity	225,462	215,762

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Total liabilities and shareholders' equity

\$ 350,571 \$ 341,931

The accompanying notes are an integral part of the consolidated financial statements.

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CASCADE CORPORATION

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited in thousands, except per share amounts)

	Common Stock		Additional	Retained	Accumulated	Total	Year-To-Date
	Shares	Amount	Paid-In	Earnings	Other	Shareholders'	Comprehensive
			Capital		Comprehensive	Equity	Income
					Income		
Balance at January 31, 2010	10,885	\$ 5,443	\$ 7,119	\$ 179,747	\$ 23,453	\$ 215,762	
Net income				5,666		5,666	\$ 5,666
Dividends (\$ 0.02 per share)				(219)		(219)	
Common stock issued	43	21	(7)			14	
Share-based compensation			694			694	
Currency translation adjustment					3,545	3,545	3,545
Balance at April 30, 2010	10,928	\$ 5,464	\$ 7,806	\$ 185,194	\$ 26,998	\$ 225,462	\$ 9,211

The accompanying notes are an integral part of the consolidated financial statements.

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CASCADE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited in thousands)

	Three Months Ended April 30	
	2010	2009
Cash flows from operating activities:		
Net income (loss)	\$ 5,666	\$ (12,073)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Fixed asset write off due to restructuring	13	912
Depreciation	2,533	3,034
Amortization	48	114
Share-based compensation	694	1,149
Deferred income taxes	292	(227)
Loss (gain) on disposition of assets, net	(9)	21
Changes in operating assets and liabilities:		
Accounts receivable	(9,475)	12,383
Inventories	1,919	11,127
Prepaid expenses and other	(2,068)	1,817
Accounts payable and accrued expenses	(308)	(2,878)
Income taxes payable and receivable	899	55
Other assets and liabilities	28	(363)
Net cash provided by operating activities	232	15,071
Cash flows from investing activities:		
Capital expenditures	(755)	(784)
Proceeds from disposition of assets	20	36
Net cash used in investing activities	(735)	(748)
Cash flows from financing activities:		
Payments on long-term debt	(10,123)	(23,117)
Proceeds from long-term debt	10,500	2,000
Notes payable to banks, net	(316)	(884)
Common stock issued under share-based compensation plans	14	
Net cash provided by (used in) financing activities	75	(22,001)
Effect of exchange rate changes	1,548	(1,499)
	(409,633)	(412,811)
Total shareholders' equity	29,100	25,283
Total liabilities and shareholders' equity	\$ 30,209	\$ 28,026

Approved by the Board of Directors

Racy A. S

/s/ Tracy A. Stevenson /s/ John M. Clark

Tracy A. Stevenson John M. Clark

Director Director

The accompanying notes are an integral part of these consolidated financial statements.

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VISTA GOLD CORP.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME/(LOSS) AND COMPREHENSIVE INCOME/(LOSS)

(Dollar amounts in U.S. dollars and in thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Operating expense:				
Exploration, property evaluation and holding costs	\$ (1,306)	\$ (755)	\$ (3,265)	\$ (3,176)
Corporate administration	(832)	(134)	(2,674)	(2,497)
Depreciation and amortization	(163)	(219)	(531)	(660)
Write-down value-added tax receivable	(572)	—	(572)	—
Gain on disposal of mineral property, net (Note 3)	—	—	1,958	—
Total operating expense	(2,873)	(1,108)	(5,084)	(6,333)
Non-operating income/(expense):				
Gain/(loss) on sale of marketable securities	—	2	12	24
Unrealized loss on other investments (Note 2)	(624)	(3,792)	(1,326)	(2,370)
Realized gain/(loss) on other investments, net (Note 2)	—	—	(348)	155
Research and development grant, net (Note 10)	4,357	—	10,220	—
Interest income	11	2	14	9
Interest expense	—	—	—	(78)
Other income/(expense)	(335)	(12)	(310)	(374)
Total non-operating income/(expense)	3,409	(3,800)	8,262	(2,634)
Income/(loss) before income taxes	536	(4,908)	3,178	(8,967)
Deferred income tax/(expense) benefit	—	—	—	—
Net income/(loss)	\$ 536	\$ (4,908)	\$ 3,178	\$ (8,967)