

J&J SNACK FOODS CORP
Form 10-Q
April 27, 2015

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 period ended March 28, 2015

or

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

Commission File Number: 0-14616

J & J SNACK FOODS CORP.

(Exact name of registrant as specified in its charter)

New Jersey 22-1935537
(State or other jurisdiction of (I.R.S. Employer

incorporation or organization) Identification No.)

6000 Central Highway, Pennsauken, NJ 08109

(Address of principal executive offices)

Telephone (856) 665-9533

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.

X 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).

X 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," "non-accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated filer (X)

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 X No

As April 20, 2015 there were 18,691,274 shares of the Registrant's Common Stock outstanding.

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J & J SNACK FOODS CORP. AND SUBSIDIARIES**CONSOLIDATED BALANCE SHEETS****(in thousands, except share amounts)**

	March 28, 2015 (unaudited)	September 27, 2014
Assets		
Current assets		
Cash and cash equivalents	\$ 88,615	\$ 91,760
Accounts receivable, net	95,826	99,972
Inventories, net	87,043	76,083
Prepaid expenses and other	5,588	3,695
Deferred income taxes	4,236	4,096
Total current assets	281,308	275,606
Property, plant and equipment, at cost		
Land	2,496	2,496
Buildings	26,741	26,741
Plant machinery and equipment	201,801	195,566
Marketing equipment	261,437	256,389
Transportation equipment	6,875	6,913
Office equipment	19,564	18,556
Improvements	28,083	26,635
Construction in progress	5,640	4,785
Total Property, plant and equipment, at cost	552,637	538,081
Less accumulated depreciation and amortization	390,419	380,552
Property, plant and equipment, net	162,218	157,529
Other assets		
Goodwill	86,442	86,442
Other intangible assets, net	48,282	50,989
Marketable securities held to maturity	-	2,000
Marketable securities available for sale	127,754	128,117
Other	3,309	4,090
Total other assets	265,787	271,638
Total Assets	\$ 709,313	\$ 704,773
Liabilities and Stockholder's Equity		
Current Liabilities		
Current obligations under capital leases	\$ 273	\$ 146
Accounts payable	55,216	59,968
Accrued insurance liability	11,318	10,578

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Accrued income taxes	-	-
Accrued liabilities	5,471	5,007
Accrued compensation expense	11,164	14,286
Dividends payable	6,729	5,972
Total current liabilities	90,171	95,957
Long-term obligations under capital leases	1,334	374
Deferred income taxes	44,915	44,785
Other long-term liabilities	1,037	1,139
Stockholders' Equity		
Preferred stock, \$1 par value; authorized 10,000,000 shares; none issued	-	-
Common stock, no par value; authorized, 50,000,000 shares; issued and outstanding 18,689,000 and 18,663,000 respectively	33,777	32,621
Accumulated other comprehensive loss	(10,246)	(5,988)
Retained Earnings	548,325	535,885
Total stockholders' equity	571,856	562,518
Total Liabilities and Stockholder's Equity	\$ 709,313	\$ 704,773

The accompanying notes are an integral part of these statements.

J & J SNACK FOODS CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS

(Unaudited)

(in thousands, except per share amounts)

	Three months ended		Six months ended	
	March	March	March	March
	28,	29,	28,	29,
	2015	2014	2015	2014
Net Sales	\$225,008	\$205,321	\$437,760	\$408,844
Cost of goods sold ⁽¹⁾	158,058	144,208	309,709	287,825
Gross Profit	66,950	61,113	128,051	121,019
Operating expenses				
Marketing ⁽²⁾	19,986	17,519	39,473	35,551
Distribution ⁽³⁾	17,633	16,382	35,154	32,502
Administrative ⁽⁴⁾	7,462	6,781	14,987	13,765
Other general expense	64	99	22	898
	45,145	40,781	89,636	82,716
Operating Income	21,805	20,332	38,415	38,303
Other income (expense)				
Investment income	1,278	976	2,632	2,114
Interest expense & other	(30)	(27)	(54)	(63)
Earnings before income taxes	23,053	21,281	40,993	40,354
Income taxes	8,416	7,760	15,100	14,407
NET EARNINGS	\$14,637	\$13,521	\$25,893	\$25,947
Earnings per diluted share	\$0.78	\$0.72	\$1.38	\$1.38
Weighted average number of diluted shares	18,821	18,819	18,811	18,806
Earnings per basic share	\$0.78	\$0.72	\$1.39	\$1.39
Weighted average number of basic shares	18,689	18,693	18,679	18,686

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- (1) Includes share-based compensation expense of \$108 and \$220 for the three months and six months ended March 28, 2015, respectively and \$117 and \$235 for the three months and six months ended March 29, 2014.
- (2) Includes share-based compensation expense of \$158 and \$330 for the three months and six months ended March 28, 2015, respectively and \$170 and \$340 for the three months and six months ended March 29, 2014.
- (3) Includes share-based compensation expense of \$10 and \$21 for the three months and six months ended March 28, 2015, respectively and \$11 and \$21 for the three months and six months ended March 29, 2014.
- (4) Includes share-based compensation expense of \$209 and \$438 for the three months and six months ended March 28, 2015, respectively and \$227 and \$453 for the three months and six months ended March 29, 2014.

See accompanying notes to the consolidated financial statements

J&J SNACK FOODS CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

(in thousands)

	Three months ended		Six months ended	
	March 28, 2015	March 29, 2014	March 28, 2015	March 29, 2014
Net Earnings	\$14,637	\$13,521	\$25,893	\$25,947
Foreign currency translation adjustments	(914)	(172)	(2,869)	(276)
Unrealized holding gain(loss)on marketable securities	533	956	(1,389)	1,429
Total Other Comprehensive Income, net of tax	(381)	784	(4,258)	1,153