

ESCALADE INC
Form 10-Q
November 05, 2009

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 quarter ended October 03, 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 0-6966

ESCALADE, INCORPORATED

(Exact name of registrant as specified in its charter)

Indiana

13-2739290

(State of incorporation)

(I.R.S. EIN)

817 Maxwell Ave, Evansville, Indiana

47711

(Address of principal executive office)

(Zip Code)

812-467-4449

(Registrant's Telephone Number)

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 a definition of "accelerated filer, large accelerated filer and smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

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Non-accelerated filer

Smaller reporting company

(do not check if a smaller reporting company)

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12 b-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.

Class	Outstanding at October 26, 2009
Common, no par value	12,623,542

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ESCALADE, INCORPORATED AND SUBSIDIARIES
 CONSOLIDATED CONDENSED BALANCE SHEETS
 (All amounts in thousands except share information)

	October 3, 2009	October 4, 2008	December 27, 2008
	(Unaudited)	(Unaudited)	(Audited)
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 5,735	\$ 3,342	\$ 3,617
Receivables, less allowance of \$1,635; \$950; and \$1,114; respectively	22,007	31,549	27,178
Inventories	27,428	36,070	29,860
Prepaid expenses	1,944	3,965	1,254
Assets held for sale	3,325	—	3,325
Deferred income tax benefit	1,966	2,069	2,015
Income tax receivable	2,146	3,613	5,327
TOTAL CURRENT ASSETS	64,551	80,608	72,576
Property, plant and equipment, net	19,094	24,453	20,209
Intangible assets	17,446	19,340	19,153
Goodwill	26,325	25,527	25,811
Investments	9,176	10,442	8,129
Deferred income tax benefit	873	—	723
Other assets	706	1,438	1,100
	\$ 138,171	\$ 161,808	\$ 147,701
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities:			
Notes payable	\$ 36,577	\$ 49,032	\$ 46,525
Trade accounts payable	3,765	7,659	3,272
Accrued liabilities	14,164	15,915	16,698
Income taxes payable	—	—	1,239
TOTAL CURRENT LIABILITIES	54,506	72,606	67,734
Other Liabilities:			
Long-term debt	—	2,729	—
Other non-current income tax liability	—	1,237	—
Deferred income tax liability	—	589	—
Deferred compensation	1,262	1,149	1,177

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55,768 78,310 68,911

Stockholders' equity:

Preferred stock:

Authorized 1,000,000 shares; no par value, none issued

Common stock:

Authorized 30,000,000 shares; no par value, issued and outstanding – 12,623,542; 12,616,042; and 12,616,042; respectively

12,624 12,616 12,616

Retained earnings

64,019 67,238 63,050

Accumulated other comprehensive income

5,760 3,644 3,124

82,403 83,498 78,790

\$ 138,171 \$ 161,808 \$ 147,701

See notes to Consolidated Condensed Financial Statements.

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ESCALADE, INCORPORATED AND SUBSIDIARIES
 CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS (UNAUDITED)
 (All amounts in thousands, except per share amounts)

	Three Months Ended		Nine Months Ended	
	October 3, 2009	October 4, 2008	October 3, 2009	October 4, 2008
Net sales	\$ 26,358	\$ 40,797	\$ 86,957	\$ 115,759
Costs, expenses and other income:				
Cost of products sold	18,558	31,576	60,233	85,594
Selling, general and administrative expenses	6,571	8,520	23,342	30,140
Amortization	617	619	2,024	1,788
Operating income (loss)	612	82	1,358	(1,763)
Interest expense, net	(630)	(552)	(1,530)	(1,699)
Other income (expense)	966	(61)	1,197	144
Income (loss) before income taxes (benefit)	948	(531)	1,025	(3,318)
Provision (benefit) for income tax	330	834	480	(401)