

ACUITY BRANDS INC
Form 10-Q
April 08, 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 February 28, 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 001-16583

ACUITY BRANDS, INC.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

58-2632672
(I.R.S. Employer
Identification Number)

1170 Peachtree Street, N.E., Suite 2400, Atlanta, Georgia
(Address of principal executive offices)

30309
(Zip Code)

(404) 853-1400

(Registrant's telephone number, including area code)

None

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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 is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See 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 (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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock \$0.01 Par Value 40,913,005 shares as of March 31, 2009.

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Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****ACUITY BRANDS, INC.****CONSOLIDATED BALANCE SHEETS***(In thousands, except share and per-share data)*

	February 28, 2009 (unaudited)	August 31, 2008
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 72,310	\$ 297,096
Accounts receivable, less reserve for doubtful accounts of \$1,500 at February 28, 2009 and \$1,640 at August 31, 2008	215,883	268,971
Inventories	165,333	145,725
Deferred income taxes	23,949	18,251
Prepayments and other current assets	31,956	26,104
Total Current Assets	509,431	756,147
Property, Plant, and Equipment, at cost:		
Land	6,590	9,501
Buildings and leasehold improvements	108,430	126,450
Machinery and equipment	330,070	334,641
Total Property, Plant, and Equipment	445,090	470,592
Less Accumulated depreciation and amortization	306,433	309,086
Property, Plant, and Equipment, net	138,657	161,506
Other Assets:		
Goodwill	373,335	342,306
Intangible assets	126,878	129,319
Deferred income taxes	2,281	2,226
Other long-term assets	19,279	17,187
Total Other Assets	521,773	491,038
Total Assets	\$ 1,169,861	\$ 1,408,691
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities:		
Accounts payable	\$ 159,622	\$ 205,776
Current maturities of long-term debt		159,983
Accrued compensation	41,221	67,463
Other accrued liabilities	78,187	89,344

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Total Current Liabilities	279,030	522,566
Long-Term Debt	203,965	203,953
Accrued Pension Liabilities, less current portion	25,943	26,686
Deferred Income Taxes	22,676	23,983
Self-Insurance Reserves, less current portion	9,477	8,853
Other Long-Term Liabilities	47,778	47,104
Commitments and Contingencies (see Note 8)		
Stockholders' Equity:		
Preferred stock, \$0.01 par value; 50,000,000 shares authorized; none issued		
Common stock, \$0.01 par value; 500,000,000 shares authorized; 49,807,424 issued and 40,319,724 outstanding at February 28, 2009; and 49,689,408 issued and 40,201,708 outstanding at August 31, 2008	498	497
Paid-in capital	640,311	626,435
Retained earnings	389,589	366,904
Accumulated other comprehensive loss	(53,935)	(22,819)
Treasury stock, at cost, 9,487,700 shares at February 28, 2009 and 9,487,700 at August 31, 2008	(395,471)	(395,471)
Total Stockholders' Equity	580,992	575,546
Total Liabilities and Stockholders' Equity	\$ 1,169,861	\$ 1,408,691

The accompanying *Notes to Consolidated Financial Statements* are an integral part of these statements.

Table of Contents**ACUITY BRANDS, INC.****CONSOLIDATED STATEMENTS OF INCOME (Unaudited)***(In thousands, except per-share data)*

	Three Months Ended		Six Months Ended	
	February 28, 2009	February 29, 2008	February 28, 2009	February 29, 2008
Net Sales	\$ 386,139	\$ 482,584	\$ 838,164	\$ 991,449
Cost of Products Sold	244,741	290,548	522,041	596,224
Gross Profit	141,398	192,036	316,123	395,225
Selling, Distribution, and Administrative Expenses	108,217	131,307	227,143	264,952
Special Charge	4,568		26,630	14,638
Operating Profit	28,613	60,729	62,350	115,635
Other Expense (Income):				
Interest expense, net	7,508	7,107	15,510	14,101
Miscellaneous expense (income), net	(27)	192	(4,208)	(116)
Total Other Expense	7,481	7,299	11,302	13,985
Income from Continuing Operations before Provision for Income Taxes	21,132	53,430	51,048	101,650
Provision for Income Taxes	6,764	19,286	17,266	36,581
Income from Continuing Operations	14,368	34,144	33,782	65,069
Income from Discontinued Operations				147
Net Income	\$ 14,368	\$ 34,144	\$ 33,782	\$ 65,216
Earnings Per Share:				
Basic Earnings per Share from Continuing Operations	\$ 0.36	\$ 0.84	\$ 0.84	\$ 1.58
Basic Earnings per Share from Discontinued Operations				0.00
Basic Earnings per Share	\$ 0.36	\$ 0.84	\$ 0.84	\$ 1.58
Basic Weighted Average Number of Shares Outstanding	40,200	40,446	40,073	41,164
Diluted Earnings per Share from Continuing Operations	\$ 0.35	\$ 0.82	\$ 0.83	\$ 1.54
Diluted Earnings per Share from Discontinued Operations				0.00
Diluted Earnings per Share	\$ 0.35	\$ 0.82	\$ 0.83	\$ 1.55
Diluted Weighted Average Number of Shares Outstanding	40,784	41,475	40,732	42,124
Dividends Declared per Share	\$ 0.13	\$ 0.13	\$ 0.26	\$ 0.28

The accompanying *Notes to Consolidated Financial Statements* are an integral part of these statements.

Table of Contents**ACUITY BRANDS, INC.****CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)***(In thousands)*

	Six Months Ended	
	February 28, 2009	February 29, 2008
Cash Provided by (Used for) Operating Activities:		
Net income	\$ 33,782	\$ 65,216
Less: Income from Discontinued Operations		147
Income from Continuing Operations	33,782	65,069
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Depreciation and amortization	17,425	16,592
Excess tax benefits from share-based payments	(570)	(4,194)
Gain on the sale or disposal of property, plant, and equipment	(29)	(16)
Impairments	1,558	
Deferred income taxes	(6,615)	(1,153)
Other non-cash items	3,464	512
Change in assets and liabilities, net of effect of acquisitions, divestitures and foreign currency:		
Accounts receivable	46,766	24,774
Inventories	(21,900)	(114)
Prepayments and other current assets	(1,448)	4,078
Accounts payable	(44,464)	(31,179)
Other current liabilities	(37,432)	(27,710)
Other	5,594	8,912
Net Cash (Used for) Provided by Operating Activities	(3,869)	55,571
Cash Provided by (Used for) Investing Activities:		
Purchases of property, plant, and equipment	(11,736)	(14,612)
Proceeds from sale of property, plant, and equipment	128	95