

Edgar Filing: AMCON DISTRIBUTING CO - Form 8-K

AMCON DISTRIBUTING CO
Form 8-K
February 10, 2004

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES ACT OF 1934

Date of Report (Date of earliest event reported) February 9, 2004

AMCON DISTRIBUTING COMPANY

(Exact name of registrant as specified in its charter)

DELAWARE	0-24708	47-0702918
-----	-----	-----
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

7405 Irvington Road, Omaha, NE 68122

(Address of principal executive offices) (Zip Code)

(402) 331-3727

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

Edgar Filing: AMCON DISTRIBUTING CO - Form 8-K

Omaha, NE based consumer products company, announced today net income of \$0.5 million or \$0.16 per diluted share for the first quarter ended December 2003 compared with \$0.3 million or \$0.09 per diluted share for the first quarter of the prior year. Sales for the first quarter were \$193.0 million compared to \$197.7 million for the same period in the prior year.

William F. Wright, Chairman of AMCON, stated that, "Even though sales for the first quarter were down, primarily due to the deflationary trend in cigarette prices, increases in sales due to increased volume in our wholesale segment and increases in sales in our retail health food and beverage segments tempered the sales loss by \$10.6 million.

Income (loss) before taxes for the first quarter improved by \$0.9 million in the wholesale segment and by \$0.4 million in the retail health food segment. Hawaiian Natural Water Company, Inc. also showed good improvement in the first quarter of the year, although this improvement was offset by greater losses in The Beverage Group ("TBG") due to the fact that last year TBG only operated for 16 days in the quarter."

Wright added "In our wholesale segment, manufacturer incentive programs ended in the fourth quarter of fiscal 2003 and final payments under those programs were received in the first quarter of this fiscal year. In an attempt to help alleviate the effect of the loss of these payments in future quarters, we (and many other wholesalers) raised our cigarette prices in the first quarter of this year without any corresponding price increase from manufacturers.

Our numbers for our retail health segment continued to improve with sales increasing by \$0.5 million over the first quarter of the prior year and the segment operating at break even for the quarter. New management and a new, fully integrated system implementation were the catalyst for improvement in our Midwest stores which lead to the decision to begin construction of a new store in the Midwest during the first quarter of fiscal 2004. Performance also improved in our Florida stores, as we continue to focus our efforts on further improvement in the Florida market over the remainder of the year.

In our beverage segment, Hawaiian Natural Water completed construction of its packaging and warehouse facility during the first quarter and changed to a new distributor in the Hawaii market. This lead to a 26% increase in natural spring water sales for the first quarter. In addition, sales of other specialty beverage products were \$0.5 million compared to no sales in the first quarter of the prior fiscal year. We anticipated this for the first quarter of the current fiscal year and believe that the beverage segment will increase overall margins for our Company and its shareholders as our Company continues to reduce its reliance upon our wholesale segment."

AMCON is a leading wholesale distributor of consumer products including beverages, candy, tobacco, groceries, food service, frozen and chilled foods, and health and beauty care products with distribution centers in Illinois, Missouri, Nebraska, North Dakota, South Dakota and Wyoming. Chamberlin's Natural Foods, Inc. and Health Food Associates, Inc., both wholly-owned subsidiaries of The Healthy Edge, Inc. (formerly Food For Health Co., Inc.), operate health and natural product retail stores in central Florida (7), Kansas, Missouri, Nebraska and Oklahoma (3). The retail stores operate under the names Chamberlin's Market & Cafe and Akin's Natural Foods Market. Hawaiian Natural Water Company, Inc., which was acquired in December of 2001, produces and sells natural spring water under the Hawaiian Springs label. The water is bottled at the source on the Big Island of Hawaii. The Beverage

Edgar Filing: AMCON DISTRIBUTING CO - Form 8-K

Group, Inc. markets and distributes Hawaiian Springs and other premium beverage products, including HYPE Energy Drink, Royal Kona Iced Coffee, Bottle Green Presse and Fruit Sodas, Bahia drinks and Xterra, a line of sports beverages and energy bars, in the United States, Canada and Mexico.

This news release contains forward looking statements that are subject to risks and uncertainties and which reflect management's current beliefs and estimates of future economic circumstances, industry conditions, Company performance and financial results. A number of factors could affect the future results of the Company and could cause those results to differ materially from those expressed in the Company's forward looking statements. Moreover, past financial performance should not be considered a reliable indicator of future performance. Accordingly, the Company claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 with respect to all such forward-looking statements.

Visit AMCON Distributing Company's web site at: www.amcon.com

2

AMCON Distributing Company and Subsidiaries
Condensed Consolidated Balance Sheets
December 2003 and September 2003

	(Unaudited) December 2003	September 2003
ASSETS		
Current assets:		
Cash	\$ 622,984	\$ 668,073
Available-for-sale investments	97,500	512,694
Accounts receivable, less allowance for doubtful		

Edgar Filing: AMCON DISTRIBUTING CO - Form 8-K

accounts of \$0.8 million and \$0.8 million, respectively	25,463,399	28,170,129
Inventories	33,646,348	32,489,051
Income tax receivable	12,242	-
Deferred income taxes	1,568,476	1,568,476
Other	584,945	581,950
	-----	-----
Total current assets	61,995,894	63,990,373
Fixed assets, net	16,790,340	16,951,615
Goodwill	6,091,397	6,091,397
Other intangible assets	11,340,720	11,420,542
Other assets	1,302,231	1,045,503
	-----	-----
	\$ 97,520,582	\$ 99,499,430
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 18,439,514	\$ 15,092,091
Accrued expenses	3,610,175	3,715,370
Accrued wages, salaries, bonuses	1,675,260	1,462,678
Income tax payable	-	540,414
Current liabilities of discontinued operations	108,951	117,612
Current portion of long-term debt	10,470,304	15,348,167
Current portion of subordinated debt	7,692,666	7,762,666
	-----	-----
Total current liabilities	41,996,870	44,038,998
	-----	-----
Deferred income taxes	1,258,473	1,367,367
Non-current liabilities of discontinued operations	14,025	161,025
Long-term debt, less current portion	35,732,436	35,654,423
Subordinated debt, less current portion	976,220	976,220
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, \$.01 par value, 1,000,000 shares authorized, none outstanding	-	-
Common stock, \$.01 par value, 15,000,000 shares authorized, 3,169,154 and 3,168,954 issued, respectively	31,692	31,690
Additional paid-in capital	5,998,497	5,997,977
Accumulated other comprehensive income, net of tax of \$0.03 million and \$0.1 million, respectively	42,164	220,732
Retained earnings	11,470,205	11,050,998
	-----	-----
Total shareholders' equity	17,542,558	17,301,397
	-----	-----
	\$ 97,520,582	\$ 99,499,430
	=====	=====

Edgar Filing: AMCON DISTRIBUTING CO - Form 8-K

AMCON Distributing Company and Subsidiaries
Condensed Consolidated Statements of Operations
for the three months ended December 2003 and 2002
(Unaudited)

	2003	2002
Sales (including excise taxes of \$45.3 million and \$41.7 million, respectively)	\$ 193,037,116	\$ 197,720,887
Cost of sales	177,972,857	183,877,011
Gross profit	15,064,259	13,843,876
Selling, general and administrative expenses	13,370,097	12,175,703
Depreciation and amortization	561,118	556,346
	13,931,215	12,732,049
Income from operations	1,133,044	1,111,827
Other expense (income):		
Interest expense	778,908	843,655
Other income, net	(430,108)	(171,802)
	348,800	671,853
Income before income taxes	784,244	439,974
Income tax expense	270,000	165,000
Net income	\$ 514,244	\$ 274,974
Earnings per share:		
Basic	\$ 0.16	\$ 0.09
Diluted	\$ 0.16	\$ 0.09
Dividends per share	\$ 0.03	\$ 0.03
Weighted average shares outstanding:		
Basic	3,168,987	3,157,790
Diluted	3,213,292	3,232,023

FOR FURTHER INFORMATION CONTACT:
Michael D. James
Chief Financial Officer
AMCON Distributing Company
Tel 402-331-3727
Fax 402-331-4834

-end-

