

CAVCO INDUSTRIES INC.
Form 10-Q
February 05, 2019

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 December 29, 2018

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 000-08822

Cavco Industries, Inc.
(Exact name of registrant as specified in its charter)
Delaware 56-2405642
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

3636 North Central Avenue, Suite 1200
Phoenix, Arizona 85012
(Address of principal executive offices, including
zip code)
602-256-6263
(Registrant's telephone number, including area code)

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 every Interactive Data File required to be submitted 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 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 small reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of February 1, 2019, 9,098,320 shares of Registrant's Common Stock, \$.01 par value, were outstanding.

CAVCO INDUSTRIES, INC.
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PART 1. FINANCIAL INFORMATION

Item 1. Financial Statements

CAVCO INDUSTRIES, INC.

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except per share amounts)

	December 29, 2018	March 31, 2018
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 192,869	\$ 186,766
Restricted cash, current	11,284	11,228
Accounts receivable, net	35,903	35,043
Short-term investments	10,558	11,866
Current portion of consumer loans receivable, net	32,863	31,096
Current portion of commercial loans receivable, net	10,755	5,481
Inventories	115,409	109,152
Prepaid expenses and other current assets	40,096	27,961
Total current assets	449,737	418,593
Restricted cash	454	1,264
Investments	33,125	33,573
Consumer loans receivable, net	58,447	63,855
Commercial loans receivable, net	26,284	11,120
Property, plant and equipment, net	66,378	63,355
Goodwill and other intangibles, net	82,776	83,020
Total assets	\$ 717,201	\$ 674,780
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 20,284	\$ 23,785
Accrued liabilities	126,228	126,500
Current portion of securitized financings and other	39,596	26,044
Total current liabilities	186,108	176,329
Securitized financings and other	15,020	33,768
Deferred income taxes	7,001	7,577
Stockholders' equity:		
Preferred stock, \$.01 par value; 1,000,000 shares authorized; No shares issued or outstanding—	—	—
Common stock, \$.01 par value; 40,000,000 shares authorized; Outstanding 9,098,320 and 9,044,858 shares, respectively	91	90
Additional paid-in capital	249,018	246,197
Retained earnings	260,107	209,381
Accumulated other comprehensive income (loss)	(144) 1,438
Total stockholders' equity	509,072	457,106
Total liabilities and stockholders' equity	\$ 717,201	\$ 674,780
See accompanying Notes to Consolidated Financial Statements		

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CAVCO INDUSTRIES, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Dollars in thousands, except per share amounts)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	December 29, 2017		December 30, 2017	
	2018	2017	2018	2017
Net revenue	\$233,700	\$ 221,383	\$721,633	\$ 628,706
Cost of sales	184,679	171,527	571,720	502,330
Gross profit	49,021	49,856	149,913	126,376
Selling, general and administrative expenses	30,833	26,045	90,081	78,503
Income from operations	18,188	23,811	59,832	47,873
Interest expense	(923)	(1,236)	(2,836)	(3,305)
Other income, net	(318)	1,094	3,604	3,251
Income before income taxes	16,947	23,669	60,600	47,819
Income tax expense	(3,563)	(2,242)	(11,949)	(8,457)
Net income	\$13,384	\$ 21,427	\$48,651	\$ 39,362
Comprehensive income:				
Net income	\$13,384	\$ 21,427	\$48,651	\$ 39,362
Reclassification adjustment for net losses (gains) realized in income	14	8	38	(451)
Applicable income taxes	(3)	(3)	(8)	158
Net change in unrealized position of investments	62			