

TORO CO
Form 10-Q
June 03, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended May 1, 2015

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

For the Transition Period from to

THE TORO COMPANY

(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

1-8649
(Commission File Number)

41-0580470
(I.R.S. Employer Identification Number)

8111 Lyndale Avenue South
Bloomington, Minnesota 55420

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Telephone number: (952) 888-8801

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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 the 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 ☒

The number of shares of common stock outstanding as of May 27, 2015 was 55,038,136.

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THE TORO COMPANY

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Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. FINANCIAL STATEMENTS****THE TORO COMPANY AND SUBSIDIARIES****Condensed Consolidated Statements of Earnings (Unaudited)**

(Dollars and shares in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	May 1, 2015	May 2, 2014	May 1, 2015	May 2, 2014
Net sales	\$ 826,242	\$ 745,030	\$ 1,300,453	\$ 1,191,011
Cost of sales	544,270	480,490	849,482	762,957
Gross profit	281,972	264,540	450,971	428,054
Selling, general, and administrative expense	143,517	133,661	268,094	256,577
Operating earnings	138,455	130,879	182,877	171,477
Interest expense	(4,768)	(3,683)	(9,484)	(7,436)
Other income, net	2,450	1,920	4,717	3,830
Earnings before income taxes	136,137	129,116	178,110	167,871
Provision for income taxes	42,374	42,030	53,397	54,916
Net earnings	\$ 93,763	\$ 87,086	\$ 124,713	\$ 112,955
Basic net earnings per share of common stock	\$ 1.68	\$ 1.54	\$ 2.23	\$ 1.99
Diluted net earnings per share of common stock	\$ 1.64	\$ 1.51	\$ 2.18	\$ 1.95
Weighted-average number of shares of common stock outstanding Basic	55,864	56,493	55,954	56,758
Weighted-average number of shares of common stock outstanding Diluted	57,073	57,773	57,157	58,040

THE TORO COMPANY AND SUBSIDIARIES**Condensed Consolidated Statements of Comprehensive Income (Unaudited)**

(Dollars in thousands)

	Three Months Ended		Six Months Ended	
	May 1, 2015	May 2, 2014	May 1, 2015	May 2, 2014
Net earnings	\$ 93,763	\$ 87,086	\$ 124,713	\$ 112,955
Other comprehensive (loss) income, net of tax:				
Foreign currency translation adjustments	1,012	3,388	(7,114)	1,161
Derivative instruments, net of tax of \$(2,598), \$(482), \$(148), and \$360, respectively	(4,117)	(719)	(1,339)	590
Other comprehensive (loss) income	(3,105)	2,669	(8,453)	1,751

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Comprehensive income	\$	90,658	\$	89,755	\$	116,260	\$	114,706
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See accompanying notes to condensed consolidated financial statements.

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THE TORO COMPANY AND SUBSIDIARIES

Condensed Consolidated Balance Sheets (Unaudited)

(Dollars in thousands, except per share data)