



Edgar Filing: INTERFACE INC - Form 10-Q

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, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Smaller reporting company

Large accelerated filer Accelerated filer Non-accelerated filer

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.

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

Shares outstanding of each of the registrant's classes of common stock at May 5, 2017:

<u>Class</u>	<u>Number of Shares</u>
Common Stock, \$.10 par value per share	62,808,165



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INTERFACE, INC.

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## PART I - FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

## INTERFACE, INC. AND SUBSIDIARIES

## CONSOLIDATED CONDENSED BALANCE SHEETS

(IN THOUSANDS)

	<b>APRIL 2, 2017</b>	<b>JANUARY 1, 2017</b>
	<b>(UNAUDITED)</b>	
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and Cash Equivalents	\$ 80,046	\$ 165,672
Accounts Receivable, net	116,674	126,004
Inventories	177,725	156,083
Prepaid Expenses and Other Current Assets	26,790	23,123
<b>TOTAL CURRENT ASSETS</b>	<b>401,235</b>	<b>470,882</b>
PROPERTY AND EQUIPMENT, less accumulated depreciation	204,442	204,508
DEFERRED TAX ASSET	38,108	33,117
GOODWILL	63,033	61,218
OTHER ASSETS	66,912	65,714
<b>TOTAL ASSETS</b>	<b>\$ 773,730</b>	<b>\$ 835,439</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts Payable	\$ 48,316	\$ 45,380
Current Portion of Long-Term Debt	15,000	15,000
Accrued Expenses	92,307	98,703
<b>TOTAL CURRENT LIABILITIES</b>	<b>155,623</b>	<b>159,083</b>
LONG-TERM DEBT	208,035	255,347
DEFERRED INCOME TAXES	5,024	4,728
OTHER	74,019	75,552
<b>TOTAL LIABILITIES</b>	<b>442,701</b>	<b>494,710</b>
Commitments and Contingencies		
<b>SHAREHOLDERS' EQUITY:</b>		
Preferred Stock	0	0

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Common Stock	6,276	6,424
Additional Paid-In Capital	329,228	359,451
Retained Earnings	150,811	140,238
Accumulated Other Comprehensive Income (Loss) – Foreign Currency Translation Adjustment	(99,492)	) (110,522 )
Accumulated Other Comprehensive Income (Loss) – Pension Liability	(55,794)	) (54,862 )
TOTAL SHAREHOLDERS' EQUITY	331,029	340,729
	\$ 773,730	\$ 835,439

See accompanying notes to consolidated condensed financial statements.

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INTERFACE, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS

(UNAUDITED)

(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	<b>THREE MONTHS ENDED</b>	
	<b>APRIL 2, 2017</b>	<b>APRIL 3, 2016</b>
NET SALES	\$221,102	\$222,554
Cost of Sales	133,300	135,922
<b>GROSS PROFIT ON SALES</b>	<b>87,802</b>	<b>86,632</b>
Selling, General and Administrative Expenses	65,175	65,605
Restructuring and Asset Impairment Charges	7,299	0
<b>OPERATING INCOME</b>	<b>15,328</b>	<b>21,027</b>
Interest Expense	1,617	1,519
Other Expense	933	449