

NATIONAL PRESTO INDUSTRIES INC  
Form 10-Q  
August 12, 2011

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE QUARTERLY PERIOD ENDED July 3, 2011**
- 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 1-2451**

**NATIONAL PRESTO INDUSTRIES, INC.**

(Exact name of registrant as specified in its charter)

**WISCONSIN**

(State or other jurisdiction of incorporation or organization)

**3925 NORTH HASTINGS WAY  
EAU CLAIRE, WISCONSIN**  
(Address of principal executive offices)

**39-0494170**  
(I.R.S. Employer Identification No.)

**54703-3703**  
(Zip Code)

(Registrant's telephone number, including area code) 715-839-2121

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 Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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 definition 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  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

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There were 6,872,028 shares of the Issuer's Common Stock outstanding as of August 1, 2011.

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## PART I FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

NATIONAL PRESTO INDUSTRIES, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

July 3, 2011 and December 31, 2010

(Unaudited)

(Dollars in thousands)

	2011		2010	
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	\$	30,501	\$	49,719
Marketable securities		81,496		101,005
Accounts receivable, net		57,965		91,115
Inventories:				
Finished goods	\$	43,033	\$	37,144
Work in process		32,208		37,040
Raw materials		12,688	87,929	8,948
Deferred tax assets			6,268	6,268
Other current assets		24,279		14,301
Total current assets		288,438		345,540
PROPERTY, PLANT AND EQUIPMENT		116,149		107,099
Less allowance for depreciation		53,207	62,942	48,991
GOODWILL			11,485	11,485
	\$	362,865	\$	415,133

The accompanying notes are an integral part of the financial statements.

**NATIONAL PRESTO INDUSTRIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

July 3, 2011 and December 31, 2010

(Unaudited)

(Dollars in thousands)

	2011	2010
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 32,555	\$ 44,298
Federal and state income taxes		5,859
Accrued liabilities	15,601	16,572
Total current liabilities	48,156	66,729
DEFERRED INCOME TAXES	4,467	4,467
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>STOCKHOLDERS EQUITY</b>		
Common stock, \$1 par value:		
Authorized: 12,000,000 shares Issued: 7,440,518 shares	\$ 7,441	\$ 7,441
Paid-in capital	3,315	2,738
Retained earnings	317,086	351,571
Accumulated other comprehensive income	128	129
	327,970	361,879
Treasury stock, at cost	17,728	17,942
Total stockholders equity	310,242	343,937
	\$ 362,865	\$ 415,133

The accompanying notes are an integral part of the financial statements.

**NATIONAL PRESTO INDUSTRIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF EARNINGS**

Three Months and Six Months Ended July 3, 2011 and July 4, 2010

(Unaudited)

(In thousands except per share data)

	Three Months Ended		Six Months Ended	
	2011	2010	2011	2010
Net sales	\$ 98,268	\$ 117,075	\$ 207,154	\$ 223,475
Cost of sales	77,603	90,558	164,535	172,371
Gross profit	20,665	26,517	42,619	51,104
Selling and general expenses	4,294	3,311	9,109	7,833
Operating profit	16,371	23,206	33,510	43,271
Other income	485	636	1,025	1,389
Earnings before provision for income taxes	16,856	23,842	34,535	44,660
Income tax provision	6,039	8,867	12,355	16,486
Net earnings	\$ 10,817	\$ 14,975	\$ 22,180	\$ 28,174
Weighted average shares outstanding:				
Basic	6,871	6,862	6,868	6,860
Diluted	6,874	6,863	6,871	6,861
Net earnings per share:				
Basic	\$ 1.57	\$ 2.18	\$ 3.23	\$ 4.11
Diluted	\$ 1.57	\$ 2.18	\$ 3.23	\$ 4.11
Cash dividends declared and paid per common share	\$	\$	\$ 8.25	\$ 8.15

The accompanying notes are an integral part of the financial statements.

**NATIONAL PRESTO INDUSTRIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Six Months Ended July 3, 2011 and July 4, 2010

(Unaudited)

(Dollars in thousands)

	2011	2010
Cash flows from operating activities:		
Net earnings	\$ 22,180	\$ 28,174
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Provision for depreciation	4,266	4,375
Other	272	(574)
Changes in:		
Accounts receivable	33,150	37,711
Inventories	(4,797)	(13,489)
Other current assets	(9,858)	(11,294)
Accounts payable and accrued liabilities	(12,689)	(3,460)
Federal and state income taxes	(5,805)	(5,825)
Net cash provided by operating activities	26,719	35,618
Cash flows from investing activities:		
Marketable securities purchased	(25,838)	(37,122)
Marketable securities - maturities and sales	45,347	44,284
Acquisition of property, plant and equipment	(9,104)	(6,405)
Sale of property, plant and equipment	4	1,362
Other	(120)	(1,500)
Net cash provided by investing activities	10,289	619
Cash flows from financing activities:		
Dividends paid	(56,665)	(55,889)
Other	David P/ O Connor	

Chief Compliance Officer

General Counsel

DELAWARE MANAGEMENT HOLDINGS, INC.

/s/ Brian L. Murray

/s/ David P.

Signature

O Connor  
Signature

Brian L. Murray

David P/  
O Connor

Chief Compliance Officer

General Counsel

THE MACQUARIE PARTIES (LISTED ON ANNEX B HERETO)

ATTEST BY:

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/s/ Gus Wong

Signature

Gus Wong  
Attorney-in-Fact

/s/ Heidi  
Mortensen  
Signature

Heidi Mortensen  
Attorney-in-Fact

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JOINT FILING AGREEMENT AMENDMENT

Macquarie Americas Corp. may be deemed to be a direct or indirect beneficial owner of the same equity securities for the purpose of the reporting requirements of Section 13(d) of the Securities Exchange Act of 1934, as amended, as the parties to the Joint Filing Agreement dated February 6<sup>th</sup>, 2012 and hereby agree to become a Macquarie party thereto by execution of the below counterpart to such agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement by their duly authorized officers on March 2, 2012.

MACQUARIE AMERICAS CORP.

ATTEST BY:

/s/ Paul Beck  
Signature

Paul Beck  
Executive Director

/s/ Brian Hughes  
Signature

Brian Hughes  
Executive Director



JOINT FILING AGREEMENT AMENDMENT

Macquarie Group (US) Holdings No. 1 Pty Ltd. may be deemed to be a direct or indirect beneficial owner of the same equity securities for the purpose of the reporting requirements of Section 13(d) of the Securities Exchange Act of 1934, as amended, as the parties to the Joint Filing Agreement dated February 6<sup>th</sup>, 2012 and hereby agree to become a Macquarie party thereto by execution of the below counterpart to such agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement by their duly authorized officers on September 20, 2012.

Macquarie Group (US) Holdings No. 1 Pty Ltd

ATTEST BY:

/s/ Heidi Mortensen  
Signature

Heidi Mortensen  
Attorney-in-Fact

/s/ Gus Wong  
Signature

Gus Wong  
Attorney-in-Fact

Annex A Delaware Investments Family of Funds

DELAWARE GROUP EQUITY FUNDS I

DELAWARE GROUP EQUITY FUNDS II

DELAWARE GROUP EQUITY FUNDS III

DELAWARE GROUP EQUITY FUNDS IV

DELAWARE GROUP EQUITY FUNDS V

DELAWARE GROUP INCOME FUNDS

DELAWARE GROUP LIMITED-TERM GOVERNMENT FUNDS

DELAWARE GROUP CASH RESERVE

DELAWARE GROUP GOVERNMENT FUND

DELAWARE GROUP STATE TAX-FREE INCOME TRUST

DELAWARE GROUP TAX-FREE FUND

DELAWARE GROUP GLOBAL & INTERNATIONAL FUNDS

DELAWARE GROUP TAX-FREE MONEY FUND

DELAWARE GROUP ADVISER FUNDS

DELAWARE VIP TRUST

DELAWARE POOLED TRUST

DELAWARE GROUP FOUNDATION FUNDS

DELAWARE INVESTMENTS DIVIDEND AND INCOME FUND, INC.

DELAWARE ENHANCED GLOBAL DIVIDEND AND INCOME FUND

VOYAGEUR INSURED FUNDS

VOYAGEUR INTERMEDIATE TAX FREE FUNDS

VOYAGEUR MUTUAL FUNDS

VOYAGEUR MUTUAL FUNDS II

VOYAGEUR MUTUAL FUNDS III

VOYAGEUR TAX FREE FUNDS

DELAWARE INVESTMENTS COLORADO MUNICIPAL INCOME FUND, INC.

DELAWARE INVESTMENTS NATIONAL MUNICIPAL INCOME FUND



Annex B the Macquarie Parties

Macquarie Group Limited

Macquarie Bank Limited

Macquarie Affiliated Managers (USA) Inc.

Macquarie Affiliated Managers Holdings (USA) Inc.

Macquarie Americas Holdings Pty Ltd.

Macquarie B.H. Pty Limited

Macquarie FG Holdings Inc.

Macquarie Funding Holdings Inc.

Macquarie Investment Management Limited

Macquarie Americas Corp.

Macquarie Group (US) Holdings No. 1 Pty Ltd

**EXHIBIT B**

Powers of Attorney for Macquarie Group Limited and Macquarie Bank Limited incorporated by reference to 13G filings made by Macquarie Group Limited and Macquarie Bank Limited on September 9, 2011.