

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2005-05-02** | Period of Report: **2005-04-27**
SEC Accession No. **0000333002-05-000013**

([HTML Version](#) on secdatabase.com)

FILER

ENNIS, INC.

CIK: **33002** | IRS No.: **750256410** | State of Incorporation: **TX** | Fiscal Year End: **0228**
Type: **8-K** | Act: **34** | File No.: **001-05807** | Film No.: **05787707**
SIC: **2761** Manifold business forms

Mailing Address
2441 *PRESIDENTIAL*
PARKWAY
MIDLOTHIAN TX 76065

Business Address
2441 *PRESIDENTIAL*
PARKWAY
MIDLOTHIAN TX 76065
9727759801

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of Earliest Event Reported): April 27, 2005

ENNIS, INC.

(Exact name of registrant as specified in its charter)

TEXAS

1-5807

75-0256410

(State or other Jurisdiction
of incorporation)

(Commission
File Number)

(I. R. S. Employer
Identification No.)

2441 Presidential Pkwy, Midlothian, Texas

76065

(Address of principal executive offices)

(Zip Code)

(972) 775-9801

(Registrant's telephone number, including area code)

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

Check the appropriate box below if the Form 8-K filing is intended to
simultaneously satisfy the filing obligation of the registrant under
any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities
Act (17 CFR 230.425)

- [] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- [] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- [] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

Item 7.01 Regulation FD Disclosure

The following information is furnished pursuant to Item 2.02, "Results of Operations and Financial Condition" and Item 7.01, "Regulation FD Disclosure."

On April 27 and 28, 2005, Ennis, Inc. issued press releases announcing its year-end operating results and provided additional information on year-end results. This information shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing. A copy of the press release is attached hereto as Exhibit 99 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

Exhibit 99 Press release dated April 27, 2005, announcing year-end operating results.

Exhibit 99.1 Press release dated April 28, 2005, announcing additional information on year-end results.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ENNIS, INC.

Date: April 29, 2005

/s/ Harve Cathey

Harve Cathey
Vice President - Finance and CFO,
Secretary, Principal Financial and
Accounting Officer

(Ennis Logo)

Press Release

2441 Presidential Parkway (bullet) Midlothian, Texas 76065
(bullet) Phone 972.775.9801 (bullet) Fax 800.579.4271 (bullet)
www.ennis.com

FOR IMMEDIATE RELEASE

FOR ADDITIONAL INFORMATION
CONTACT: Keith S. Walters,
Chairman President & CEO
(800) 752-5386

Midlothian, Texas, April 27, 2005

ENNIS, INC. YEAR-END RESULTS

Midlothian, Texas -- Ennis, Inc. (NYSE: EBF) today reported increased sales and operating results for the year ended February 28, 2005.

"The acquisitions of Crabar/GBF, Inc., Alstyle Apparel and Royal Business Forms, Inc. were easily the most significant events in what was the most active acquisition year in the history of the Company", Keith S. Walters, Chairman, President and Chief Executive Officer of Ennis, Inc. stated. "The addition of Alstyle Apparel establishes a new growth platform for the Company plus bringing estimated annual revenue in excess of \$200,000,000. Crabar/GBF, Inc. and Royal Business Forms, Inc. strengthen the Forms Solutions Group by adding estimated annual revenues of approximately \$70,000,000, along with the addition of product capabilities and geographical coverage. While much of the year was focused on acquisitions, the existing operating units continued to perform solidly. The major negative event impacting the performance of the Company was the over \$1,500,000 incurred to prepare for the challenges of compliance with the requirements of the Sarbanes-Oxley Act of 2002."

Since the completion of the acquisitions in November 2004, the focus of management has been directed toward the integration of these companies into the Ennis, Inc. operating structure. Because of the company's familiarity with business conducted by Crabar/GBF, Inc., integration of this operation was largely completed by the end of the third quarter, and has progressed

satisfactorily. The same can be said for Royal Business Forms, Inc., which is a much smaller operation. Alstyle Apparel is much larger than any organization ever acquired by the Company. At this time, while there is still a significant amount of work to be done to finish the integration, the process is moving forward at a satisfactory rate. This acquisition has added a cyclical nature to the business, which did not previously exist in our business. Sales of activewear are heaviest in the first and second fiscal quarters of Ennis, Inc., with the third quarter being historically less than the previous quarter and the fourth quarter being the low point in the cycle. The Company continues to believe the acquisitions completed during the fiscal year will be accretive to net earnings by the completion of twelve months from the closing of the transactions.

1

For the fourth quarter ended February 28, 2005, net sales amounted to \$134,493,000 compared to \$63,085,000 for the same period last year, an increase of 113%. Net earnings for the quarter amounted to \$6,903,000, compared to \$4,875,000 for the corresponding period last year, an increase of 41.6%. Fully diluted earnings per share were \$.27 for the current quarter, compared to \$.29 in the prior year. Per share earnings computations were based on 25,743,051 fully diluted shares for the quarter compared to 16,675,256 shares fully diluted for the prior period. The difference in weighted average shares outstanding results from the impact of the shares issued in Alstyle and Royal transactions being outstanding for the entire quarter.

For the twelve months ended February 28, 2005, net sales amounted to \$365,353,000 compared to \$259,360,000 for the same period last year, an increase of 41%. Net earnings for the twelve months amounted to \$22,959,000, compared to \$17,951,000, an increase of 27.9%. Fully diluted earnings per share were \$1.19 for the current year, compared to \$1.08 in the prior year. Per share earnings computations were based upon 19,259,550 fully diluted shares for the current fiscal year compared to 16,601,838 fully diluted shares for the prior year. The difference in weighted average shares outstanding for the year is also the result of the shares issued in the Alstyle and Royal transactions.

Ennis, Inc. (www.ennis.com) (formerly Ennis Business Forms, Inc.) is primarily engaged in the production of and sale of business forms, apparel and other business products. The Company is one of the largest private-label printed business product suppliers in the United States. Headquartered in Midlothian, Texas, the Company has 41 production and distribution facilities located throughout 16 states, Mexico and Canada, strategically

located to serve the Company's national network of distributors. The Company, together with its subsidiaries, operates in four business segments: the Forms Solutions Group, Promotional Solutions Group, Financial Solutions Group and Apparel Solutions Group. The Forms Solutions Group is primarily engaged in the business of manufacturing and selling business forms and other printed business products. The Promotional Solutions Group is primarily engaged in the business of design, production and distribution of printed and electronic media, presentation products, flexographic printing, advertising specialties and Post-it (registered trademark) Notes. The Financial Solutions Group designs, manufactures and markets printed forms and specializes in internal bank forms, secure and negotiable documents and custom products. The Apparel Solutions Group manufactures T-Shirts and distributes T-Shirts and other activewear apparel through six distribution centers located throughout North America.

Management's report to shareholders contains forward-looking statements that reflect the Company's current view with respect to future revenues and earnings including the expectation that net earnings will be accretive in the future and the future impact of the cyclical nature of the business. These statements are subject to numerous uncertainties, including (but not limited to) the rate at which the traditional business forms market is contracting, the application of technology to the production of business forms, demand for the Company's products in the context of a contracting market, variability in the prices of paper and other raw materials, and competitive conditions associated with the Company's products. Because of such uncertainties readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of April 27, 2005.

(Ennis Logo)

Press Release

2441 Presidential Parkway (bullet) Midlothian, Texas 76065
(bullet) Phone 972.775.9801 (bullet) Fax 800.579.4271 (bullet)
www.ennis.com

FOR IMMEDIATE RELEASE

FOR ADDITIONAL INFORMATION
CONTACT: Keith S. Walters,
Chairman President & CEO
(800) 752-5386

Midlothian, Texas, April 28, 2005

ENNIS, INC. REPORTS ADDITIONAL INFORMATION ON YEAR-END RESULTS

Midlothian, Texas -- Ennis, Inc. (NYSE: EBF) today is supplementing the information contained in yesterday's report on year-end results with the following information and inclusion of the year-end summary financial statements.

To clarify the information regarding the costs incurred for compliance with the Sarbanes-Oxley Act of 2002, the \$1,500,000 (pre-tax) occurred over the last three quarters of the fiscal year in relatively equal amounts, and was not entirely absorbed into the fourth quarter.

To assist investors in their understanding of the results of the Alstyle Apparel operation, it is important to know that not only was the fourth quarter the low point in their annual operating cycle, but also that Alstyle Apparel's operating margins were lower than normal as a result of higher costs of goods sold than otherwise would have been expected. Alstyle Apparel was required to account for its finished goods inventory at acquisition date at the expected selling price less costs to dispose and a reasonable selling profit as required by Financial Accounting Standard No. 141. The adjustment totaled \$1,225,000 and proportionally effected cost of sales as finished goods inventories were sold during the fourth quarter. The increase in cost of sales for the quarter on a pre-tax basis was \$1,063,000 or \$.03 per fully diluted share after income taxes.

Further, to the statement in the April 27 press release

related to the Company's position that the Alstyle Apparel transaction would be accretive to earnings in the first full years' financials, the Company continues to believe that the information provided to shareholders in the June 25, 2004 announcement of the Alstyle Apparel merger are accurate. Additionally, the Company believes the process of integration of Alstyle Apparel is not only moving forward at a satisfactory rate, but is ahead of schedule, and that the financial benefits of integration are significant.

1

Ennis, Inc. (www.ennis.com) (formerly Ennis Business Forms, Inc.) is primarily engaged in the production of and sale of business forms, apparel and other business products. The Company is one of the largest private-label printed business product suppliers in the United States. Headquartered in Midlothian, Texas, the Company has 41 production and distribution facilities located throughout 16 states, Mexico and Canada, strategically located to serve the Company's national network of distributors. The Company, together with its subsidiaries, operates in four business segments: the Forms Solutions Group, Promotional Solutions Group, Financial Solutions Group and Apparel Solutions Group. The Forms Solutions Group is primarily engaged in the business of manufacturing and selling business forms and other printed business products. The Promotional Solutions Group is primarily engaged in the business of design, production and distribution of printed and electronic media, presentation products, flexographic printing, advertising specialties and Post-it (registered trademark) Notes. The Financial Solutions Group designs, manufactures and markets printed forms and specializes in internal bank forms, secure and negotiable documents and custom products. The Apparel Solutions Group manufactures T-Shirts and distributes T-Shirts and other activewear apparel through six distribution centers located throughout North America.

2

ENNIS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(Dollars in Thousands Except Per Share Amounts)
(Unaudited)

Three Months Ended February	2005	2004
	-----	-----
NET SALES	\$ 134,493	\$ 63,085

COSTS AND EXPENSES:		
Cost of sales	103,022	46,168
Selling, general and administrative expenses	18,053	9,051
	-----	-----
	121,075	55,219
	-----	-----
EARNINGS FROM OPERATIONS	13,418	7,866
OTHER INCOME (EXPENSE):		
Investment income	22	(4)
Interest expense	(2,166)	(168)
Other expense, net	270	(10)
	-----	-----
	(1,874)	(182)
	-----	-----
EARNINGS BEFORE INCOME TAXES	11,544	7,684
PROVISIONS FOR INCOME TAXES	4,641	2,809
	-----	-----
NET EARNINGS	\$ 6,903	\$ 4,875
	=====	=====
PER SHARE AMOUNTS:		
Basic net earnings	\$ 0.27	\$ 0.30
	=====	=====
Diluted net earnings	\$ 0.27	\$ 0.29
	=====	=====
Dividends	\$ 0.155	\$ 0.155
	=====	=====
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC	25,413,682	16,385,335
	=====	=====
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - DILUTED	25,743,051	16,675,256
	=====	=====
Twelve Months Ended February	2005	2004
	-----	-----
NET SALES	\$ 365,353	\$ 259,360
	-----	-----
COSTS AND EXPENSES:		
Cost of sales	274,596	190,812

Selling, general and administrative expenses	51,159	38,521
	-----	-----
	325,755	229,333
	-----	-----
EARNINGS FROM OPERATIONS	39,598	30,027
OTHER INCOME (EXPENSE):		
Investment income	246	29
Interest expense	(2,755)	(830)
Other expense, net	376	(336)
	-----	-----
	(2,133)	(1,137)
	-----	-----
EARNINGS BEFORE INCOME TAXES	37,465	28,890
PROVISIONS FOR INCOME TAXES	14,506	10,939
	-----	-----
NET EARNINGS	\$ 22,959	\$ 17,951
	=====	=====
PER SHARE AMOUNTS:		
Basic net earnings	\$ 1.21	\$ 1.10
	=====	=====
Diluted net earnings	\$ 1.19	\$ 1.08
	=====	=====
Dividends	\$ 0.620	\$ 0.620
	=====	=====
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC	18,935,533	16,358,107
	=====	=====
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - DILUTED	19,259,550	16,601,838
	=====	=====

3

ENNIS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in Thousands)
(Unaudited)

	February	February
Assets	2005	2004
	-----	-----

CURRENT ASSETS:

Cash and cash equivalents	\$ 10,694	\$ 15,067
Accounts receivable, net	46,685	29,800
Inventories	79,900	13,721
Other current assets	11,894	5,017
	-----	-----
Total current assets	149,173	63,605
	-----	-----

PROPERTY, PLANT AND EQUIPMENT, NET	72,019	46,480
GOODWILL, NET	178,472	34,420
OTHER ASSETS	97,582	9,538
	-----	-----
	\$497,246	\$154,043
	=====	=====

Liabilities and Shareholders' Equity

CURRENT LIABILITIES:

Current installments of long-term debt	\$ 21,702	\$ 6,335
Accounts payable	33,887	5,804
Accrued expenses	25,794	13,261
	-----	-----
Total current liabilities	81,383	25,400
	-----	-----

LONG-TERM DEBT,

LESS CURRENT INSTALLMENTS	112,342	7,800
---------------------------	---------	-------

DEFERRED CREDITS, PRINCIPALLY

FEDERAL INCOME TAXES	31,790	10,261
----------------------	--------	--------

SHAREHOLDERS' EQUITY:

Preferred stock, at par value	--	--
Common stock, at par value	75,134	53,125
Additional capital	123,640	126
Retained earnings	156,666	145,653
Accumulated other comprehensive income	6	(114)
	-----	-----
	355,446	198,790
Treasury stock	83,715	88,208
	-----	-----
Total shareholders' equity	271,731	110,582
	-----	-----
	\$497,246	\$154,043
	=====	=====

ENNIS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in Thousands)
(Unaudited)

	Twelve Months Ended February	
	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	\$ 22,959	\$ 17,951
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	11,076	9,348
Gain on sale of property, plant and equipment	(316)	(65)
Bad debt expense	814	890
Changes in operating assets and liabilities	(14,487)	(1,875)
	20,046	26,249
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(6,143)	(4,543)
Purchase of operating assets, net of cash acquired	(115,429)	--
Proceeds from disposal of property	481	176
Other	--	(179)
	(121,091)	(4,546)
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Debt issued to finance acquisitions	114,200	--
Repayment of debt issued to finance acquisition	(6,375)	(11,038)
Issue (purchase) of treasury shares, net	420	688
Dividends	(11,573)	(10,146)
Net cash provided by (used in)		

financing activities	(96,672)	(20,496)
	-----	-----
NET CHANGE IN CASH AND EQUIVALENTS	(4,373)	1,207
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	15,067	13,860
	-----	-----
CASH AND EQUIVALENTS AT END OF PERIOD	\$ 10,694	\$ 15,067
	=====	=====

Forward-looking Statements

Statements made in this release concerning the Company's or management's intentions, expectations, or predictions about future results or events are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements reflect management's current expectations or beliefs, and are subject to risks and uncertainties that could cause actual results or events to vary from stated expectations, which variations could be material and adverse. Factors that could produce such a variation include, but are not limited to, the following: the inherent unreliability of earnings, revenue and cash flow predictions due to numerous factors, many of which are beyond the Company's control; developments in the demand for the Company's products and services; relationships with the Company's major customers and suppliers; unanticipated delays, costs and expenses inherent in the development and marketing of new products and services; risks and uncertainties associated with the successful integration of the acquisitions of Alstyle Apparel, Crabar/GBF, Inc. and Royal Business Forms, Inc.; the impact of governmental laws and regulations; and competitive factors. The Company's cash dividends are declared by the board of directors on a current basis, and therefore may be subject to change. Because of such uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of April 28, 2005.