

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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FILER

PREMIER INDUSTRIAL CORP

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended November 30, 1993

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 1-4903

PREMIER INDUSTRIAL CORPORATION
(Exact name of registrant as specified in its charter)

Ohio 34-0661122
(State or other jurisdiction of (I.R.S. employer identification no.)
incorporation or organization)

4500 Euclid Avenue, Cleveland, Ohio 44103
(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code (216) 391-8300

None
Former name, former address and former fiscal year, if changed since last
report

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 X No

Number of shares of Common Stock outstanding at January 3, 1994:
85,909,135

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Exhibit Index appears on page 11.

PREMIER INDUSTRIAL CORPORATION

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PART I - FINANCIAL INFORMATION

Item 1 - Financial Statements

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PREMIER INDUSTRIAL CORPORATION AND SUBSIDIARIES

Consolidated Statement of Earnings
(Unaudited)

(In thousands of dollars, except per share amounts)

<CAPTION>

	Three Months Ended		Six Months Ended	
	November 30,		November 30,	
	1993	1992	1993	1992
<S>	<C>	<C>	<C>	<C>
Operating revenues	\$183,166	\$171,677	\$360,924	\$338,495
Other income, net	971	1,043	2,151	2,321
	184,137	172,720	363,075	340,816
Costs and expenses:				
Cost of sales	98,877	89,863	195,144	177,683
Selling, administrative and general	45,755	45,514	91,927	91,161
Depreciation	1,889	1,793	3,762	3,620
Amortization of other assets	104	80	185	215
Interest	69	134	139	211
	146,694	137,384	291,157	272,890
Earnings before income taxes	37,443	35,336	71,918	67,926
Income taxes	13,395	12,797	25,790	24,836
Net earnings	\$ 24,048	\$ 22,539	\$ 46,128	\$ 43,090
Net earnings per share (1)	\$.28	\$.26	\$.54	\$.50

Dividends per share (1) \$.09 \$.08 \$.18 \$.16

Average number of common shares and
common stock equivalents (1) 86,036,896 86,699,831 86,211,574 86,685,329

(1) Adjusted to reflect 3-for-2 stock split effective December 23, 1992.

</TABLE>

See accompanying Notes to Consolidated Financial Statements

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<TABLE>

PREMIER INDUSTRIAL CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheet

<CAPTION>

(In thousands of dollars)	November 30, (Unaudited)	May 31, (Audited)	1993	1993
ASSETS	<C>	<C>		
<S>				
Current assets:				
Cash and equivalents	\$ 34,527	\$ 43,724		
Temporary investments	99,597	100,859		
Receivables, less allowance	100,222	102,888		
Inventories	153,590	131,484		
Prepaid expenses	10,812	5,352		
Total current assets	398,748	384,307		
Property, plant and equipment, at cost, less accumulated depreciation	48,559	47,995		
Other assets, at cost, less accumulated amortization	36,848	33,758		
	\$484,155	\$466,060		
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Payables	\$ 29,552	\$ 27,575		
Accrued liabilities	16,745	20,643		
Total current liabilities	46,297	48,218		
Deferred income taxes	16,549	12,883		
Long-term debt	6,500	6,500		
Shareholders' equity:				
Serial preferred stock, without par value; 1,500,000 shares authorized but unissued	-	-		
Common stock, without par value; stated value \$1 per share; 100,000,000 shares authorized, 87,076,321 issued at November 30, 1993 and May 31, 1993	87,076	87,076		
Retained earnings	359,440	332,498		
Foreign currency translation adjustment	(60)	766		
Treasury shares at cost (1,158,276 and 792,956 shares at November 30, 1993 and May 31, 1993, respectively)	(31,647)	(21,881)		
	414,809	398,459		
	\$484,155	\$466,060		

</TABLE>

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PREMIER INDUSTRIAL CORPORATION AND SUBSIDIARIES

<TABLE>

Consolidated Statement of Cash Flows
(Unaudited)

<CAPTION>

	Six Months Ended November 30,	
	1993	1992
(In thousands of dollars)		
<S>	<C>	<C>
Cash and equivalents at beginning of period	\$43,724	\$39,450
Cash flows from operating activities:		
Net earnings	46,128	43,090
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	3,947	3,835
Changes in:		
Receivables and prepaid expenses	(2,794)	1,350
Inventories	(22,106)	(7,063)
Payables	1,977	721
Accrued liabilities	(3,898)	(3,799)
Deferred income taxes	3,666	-
Other	(3,794)	(1,369)
Net cash provided by operating activities	23,126	36,765
Cash flows from investing activities:		
Net additions to property, plant and equipment	(4,326)	(4,751)
Purchase of temporary investments	(348,863)	(305,804)
Sale of temporary investments	350,125	295,411
Other	(288)	(4,686)
Net cash used in investing activities	(3,352)	(19,830)
Cash flow from financing activities:		
Dividends paid	(15,474)	(13,807)
Purchase of treasury shares	(22,828)	(1,515)
Proceeds from stock plans	9,331	8,646
Net cash used for financing activities	(28,971)	(6,676)
Cash and equivalents at end of period	\$34,527	\$49,709

</TABLE>

See accompanying Notes to Consolidated Financial Statements

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PREMIER INDUSTRIAL CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

1. The accompanying unaudited consolidated financial statements contain all adjustments (consisting only of normal recurring adjustments) which, in the opinion of management, are necessary to present fairly the consolidated financial position of Premier Industrial Corporation (the "Company") as of November 30, 1993 and the results of its operations for the three months and six months ended November 30, 1993 and November 30, 1992 and its cash flows for the six months ended November 30, 1993. Certain amounts in prior periods have been reclassified to conform to the current period's presentation.
2. Cash and equivalents include time deposits of \$13,000,000 and \$16,500,000, at November 30, 1993 and May 31, 1993, respectively. Temporary investments include tax exempt bonds of \$95,797,000 and \$96,793,000 at November 30, 1993 and May 31, 1993, respectively. Temporary investments are carried principally at cost which approximates market value.
3. The Company's inventories consist primarily of finished goods. Costs of certain inventories are determined using the dollar value LIFO method. If all inventory costs were determined on a FIFO basis, inventories would have been \$6,881,000 and \$6,931,000 higher than reported at November 30, 1993 and May 31, 1993, respectively.
4. Effective June 1, 1993, the Company adopted SFAS No. 109 "Accounting for Income Taxes." This change in accounting principle had no material impact on the Company's financial statements.

As of June 1, 1993, after the adoption of SFAS No. 109, the Company had aggregate deferred tax assets of \$5,418,000 and deferred tax liabilities of \$17,069,000. The principal components of the Company's deferred tax accounts include deferred tax liabilities relating to an investment in a tax lease of \$10,376,000, depreciation of \$1,863,000, pension assets of \$1,772,000 and oil and gas assets of \$1,106,000, and deferred tax assets relating to inventory of \$2,182,000.

5. In December, 1992 the Board of Directors approved a three-for-two split of outstanding Common Stock in the form of a 50% stock distribution. The distribution of shares to effect the three-for-two split was made January 8, 1993 to shareholders of record December 23, 1992. All shares and per share amounts reflected herein, except those shares in treasury, have been adjusted to give effect to this transaction.

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Item 2 - Management's Discussion and Analysis of Financial
Condition and Results of Operations

Results of Operations

Second Quarter Ended November 30, 1993 versus Second Quarter Ended November 30, 1992.

Operating revenues of \$183,166,000 were 6.7%, or \$11,489,000 ahead of the \$171,677,000 reported for the same period last year. The increase in revenues largely reflects continued gains in the Electronics Distribution Group. Cost of sales of \$98,877,000 increased 10.0%, primarily related to the revenue gain and changes in overall product mix. Selling, administrative, and general expenses were about even with last year, as a result of success in controlling expenses.

Primarily as a result of the above-noted factors, net earnings of

\$24,048,000 were up 6.7% and earnings per share of \$.28 were up 7.7%, compared with the second quarter of last year.

Six Months Ended November 30, 1993 versus Six Months Ended November 30, 1992

Operating revenues of \$360,924,00 were 6.6%, or \$22,429,000 ahead of the same period last year. The increase in revenues reflects gains particularly in the Electronics Distribution Group, where expansion and refinement of product lines continued. Cost of sales of \$195,144,000 increased 9.8%, primarily related to the revenue gain and changes in overall product mix. Selling, administrative, and general expenses increased only .8%, or \$766,000, compared with a year ago.

Primarily as a result of the above-noted factors, net earnings of \$46,128,000 and earnings per share of \$.54 were up 7.1% and 8.0%, respectively, compared with the same period last year.

Liquidity, Capital Resources and Cash Flows (Financial Condition)

The Company continues to maintain a strong financial condition. At November 30, 1993 working capital of \$352,451,000 compared with \$336,089,000 at May 31, 1993, an increase of \$16,362,000. The ratio of current assets to current liabilities was 8.6 to 1 at November 30, 1993. The Company requires significant funds to carry extensive product inventories, as product availability and customer service, including rapid delivery, are key factors in maintaining a strong competitive position in each industry segment. In addition, the Company maintains cash and invested funds to meet growth opportunities, including business expansion, and to have internal capital available for distributions to shareholders.

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The Company's long-term debt of \$6,500,000 in variable rate Industrial Development Bonds continues at November 30, 1993 to represent less than 2% of total capitalization.

The Company's principal source of cash continues to be that provided by operating activities. Net cash provided by operating activities fluctuates as a result of variations in operating income, receivable and inventory levels and the timing of payment of liabilities and taxes. During the first six months of fiscal 1994, inventories increased \$22,106,000 to \$153,590,000 as a result of new product additions. The Company expects that net earnings generally will provide sufficient cash to meet the Company's presently anticipated needs for cash.

Net cash used in investing activities during the first six months of fiscal 1994 consisted of, among other things, net property, plant and equipment additions of \$4,326,000. Net cash used in financing activities included cash dividends paid to shareholders of \$15,474,000. The Company from time to time purchases shares of its common stock which are then held as treasury shares for general corporate purposes. During the first half of fiscal 1994 the Company purchased approximately 842,000 of its shares for \$22,828,000.

Item 4 - Submission of Matters To a Vote of Security Holders

The Annual Meeting of Shareholders of the Company (the "Annual Meeting") was held on October 13, 1993. Of the 85,844,160 shares of Common Stock outstanding and entitled to vote at the Annual Meeting, 75,800,444 shares were present in person or by proxy, each entitled to one vote on all matters to come before the meeting.

The following matters were submitted to a vote of security holders of the Company at the Annual Meeting, with the results indicated below:

1. Election of Board of Directors. The shareholders voted to fix the total number of Directors of the Company at ten and to re-elect all of the ten incumbent Directors, as follows:

Name of Director Nominee	Voting Results	
	For	Withheld
Edward B. Brandon	75,204,636	595,808
Hugh Calkins	75,204,041	596,403
John C. Colman	75,204,634	595,810
Scott S. Cowen	75,204,366	596,078
William M. Hamilton	75,203,913	596,531
Bruce W. Johnson	75,202,673	597,771
Jack N. Mandel	75,202,662	597,782
Joseph C. Mandel	75,202,662	597,782
Morton L. Mandel	75,201,973	598,471
Philip S. Sims	75,202,971	597,473

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2. Ratification of KPMG Peat Marwick as independent auditors of the Company for the fiscal year ending May 31, 1994.

For	Voting Results		Abstain
	Against		
75,658,088	64,654		77,702

3. The shareholder proposal, co-sponsored by the Adrian Dominican Sisters and Christian Brothers Investment Services, Inc., which called for both a public commitment to greater diversity in senior management and Board positions, with implementation plans including time line expectations and periodic progress reports to shareholders, and the establishment of a standing Nominating Committee of the Board of Directors to assist in greater review of women and minority Board candidates consistent with such public commitment. The results were as follows:

For	Voting Results			Broker Non-Votes
	Against	Abstain		
3,925,058	68,578,999	614,625		2,681,672

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Part II - OTHER INFORMATION

Item 6 - Exhibits and Reports on Form 8-K

- (a) Exhibits. See Exhibit Index on page 11 of this Quarterly Report on Form 10-Q.
- (b) Reports on Form 8-K. No reports on Form 8-K were filed during the quarter ended November 30, 1993.

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 thereunto duly authorized.

Date: January 12, 1994

Premier Industrial Corporation
(Registrant)

Philip S. Sims
 Vice Chairman of the Board
 (Principal financial officer and duly
 authorized signatory on behalf of
 registrant)

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Exhibit Index

Exhibit Number*	Description of Exhibit	Page Number
11	Computation of Net Earnings Per Share	12

*Numbered in accordance with Item 601 of Regulation S-K.

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Exhibit 11

PREMIER INDUSTRIAL CORPORATION AND SUBSIDIARIES

<TABLE>

Computation of Net Earnings Per Share

<CAPTION>

	Three Months Ended		Six Months Ended	
	November 30, 1993	November 30, 1992	November 30, 1993	November 30, 1992
<S>	<C>	<C>	<C>	<C>
Primary:				
Weighted average number of common shares outstanding during the period	85,649,234	86,298,235	85,801,190	86,295,464
Common stock equivalents:				
Incremental shares, as determined under the treasury stock method, upon the assumed exercise of options outstanding during the period using the average market price	387,662	401,596	410,384	389,865
	86,036,896	86,699,831	86,211,574	86,685,329
Net earnings	\$24,048,000	\$22,539,000	\$46,128,000	\$43,090,000
Net earnings per share	\$.28	\$.26	\$.54	\$.50
Fully diluted:				
Weighted average number of common shares outstanding during the period	85,649,234	86,298,235	85,801,190	86,295,464
Common stock equivalents:				
Incremental shares, as determined under the treasury stock method, upon the assumed exercise of options outstanding during the period using the quarter-ended market price if higher than the average market price	415,015	475,389	424,060	440,127
	86,064,249	86,773,624	86,225,250	86,735,591

Net earnings	\$24,048,000	\$22,539,000	\$46,128,000	\$43,090,000
Net earnings per share	\$.28	\$.26	\$.54	\$.50

</TABLE>

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