

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2003-02-10** | Period of Report: **2003-02-10**
SEC Accession No. **0000897101-03-000095**

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FILER

VALSPAR CORP

CIK: **102741** | IRS No.: **362443580** | State of Incorporation: **DE** | Fiscal Year End: **1031**
Type: **8-K** | Act: **34** | File No.: **001-03011** | Film No.: **03545983**
SIC: **2851** Paints, varnishes, lacquers, enamels & allied prods

Mailing Address

*1101 THIRD STREET SOUTH
MINNEAPOLIS MN 55415*

Business Address

*1101 THIRD ST SOUTH
MINNEAPOLIS MN 55415
6123327371*

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES ACT OF 1934

Date of Report (Date of earliest event reported): February 10, 2003

THE VALSPAR CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE (State or other jurisdiction of incorporation)	1-3011 (Commission File Number)	36-2443580 (I.R.S. Employer Identification No.)
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1101 THIRD STREET SOUTH, MINNEAPOLIS, MINNESOTA (Address of principal executive offices)	55415 (Zip Code)
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Registrant's telephone number, including area code: (612) 332-7371

NOT APPLICABLE
(Former name or former address, if changed since last report)

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(c) Exhibits

99.1 First Quarter Earnings Press Release dated February
10, 2003.

ITEM 9. REGULATION FD DISCLOSURE

On February 10, 2003, the Company issued the press release attached as Exhibit 99.1, which sets out the Company's results of operations for the first quarter of fiscal 2003.

SIGNATURE

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.

THE VALSPAR CORPORATION

Dated: February 10, 2003

By: /s/Rolf Engh

Name: Rolf Engh

Title: Secretary

FOR IMMEDIATE RELEASE

February 10, 2003

VALSPAR REPORTS FIRST QUARTER RESULTS

MINNEAPOLIS, MINNESOTA - The Valspar Corporation (NYSE-VAL), a leading coatings manufacturer, today reported net income for the first quarter ended January 24, 2003 of \$15,618,000, versus net income of \$12,608,000 for the comparable period last year. Diluted earnings were \$0.30 per share, up 20% from \$0.25 per share last year. Sales for the quarter increased 8.8% to \$468,971,000, compared to \$431,040,000 a year ago.

Commenting on first quarter results and the outlook for the year, Richard M. Rompala, Chairman and Chief Executive Officer, said, "We have seen a continuation of the trends from last year, including soft demand in the industrial markets. Nevertheless, we achieved strong sales growth with market share gains in all of our product lines. We believe that our growth and cost initiatives will continue to augment our performance in this challenging business environment and that we remain on track to achieve 15% earnings growth in 2003."

Commenting on expectations for the second quarter, Mr. Rompala stated, "Political and economic uncertainties are clouding our short-term outlook. In the event of an outbreak of war such as we experienced in 1991, we would expect a temporary slowdown in sales and earnings momentum. Assuming a continuation of current business conditions, we expect diluted earnings for the second quarter of 2003 to be in the range of 70(cent) to 75(cent) per share, compared to 67(cent) per share in the comparable period a year ago."

Contact: Deborah D. Weiss, Vice President and Treasurer - The Valspar Corporation - 612/375-7302

Note: Valspar will host a conference call on Monday, February 10th at 10:00 AM CST. The call can be heard live over the Internet at Valspar's website at <http://www.valspar.com> under Investor Relations or at WWW.SHAREHOLDER.COM/VAL. Those unable to participate during the live broadcast can access an archive of the call on the Valspar website. A taped replay of the call can also be accessed by dialing 800-475-6701 in the U.S. and 1-320-365-3844 outside the U.S., beginning at 12:00 Noon and using access code 672749.

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This press release contains certain "forward-looking" statements. These forward-looking statements are based on management's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company that could cause actual results to differ materially from such statements. These uncertainties and other factors include dependence of internal earnings growth on economic conditions and growth in the domestic and international coatings industry; risks related to any future significant acquisitions, including risks of adverse changes in the results of acquired businesses, risks of disruptions in business resulting from the integration process and higher interest costs resulting from further borrowing for any such acquisitions; our reliance on the efforts of vendors, government agencies, utilities and other third parties to achieve adequate compliance and avoid disruption of our business; changes in the Company's relationships with customers and suppliers; unusual weather conditions that might adversely affect sales; changes in raw materials pricing and availability; changes in governmental regulation, including more stringent environmental, health and safety regulations; the nature, cost and outcome of pending and future

litigation and other legal proceedings; the outbreak of war and other significant national and international events; and other risks and uncertainties. The foregoing list is not exhaustive, and the Company disclaims any obligation to subsequently revise any forward-looking statements to reflect events or circumstances after the date of such statements.

THE VALSPAR CORPORATION
COMPARATIVE CONSOLIDATED EARNINGS
For the Quarters Ended January 24, 2003 and January 25, 2002

<TABLE>
<CAPTION>
(Dollars in thousands, except per share amounts) (Unaudited) (Unaudited)

	2003	2002
<S>	<C>	<C>
NET SALES	\$ 468,971	\$ 431,040
COST OF SALES	325,323	299,340
OPERATING EXPENSES	106,501	98,160
INCOME FROM OPERATIONS	37,147	33,540
INTEREST EXPENSE	11,817	12,224
OTHER EXPENSE/(INCOME), NET	140	476
INCOME BEFORE INCOME TAXES	25,190	20,840
INCOME TAXES	9,572	8,232
NET INCOME	\$ 15,618	\$ 12,608
NET INCOME PER COMMON SHARE-BASIC	\$ 0.31	\$ 0.25
NET INCOME PER COMMON SHARE-DILUTED	\$ 0.30	\$ 0.25
AVERAGE NUMBER OF SHARES O/S-BASIC	50,205,519	49,547,786
AVERAGE NUMBER OF SHARES O/S-DILUTED	51,558,029	50,986,521

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THE VALSPAR CORPORATION
CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>
(Dollars in thousands) January 24, 2003 October 25, 2002 January 25, 2002

	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)
<S>	<C>	<C>	<C>
ASSETS			
CURRENT ASSETS:			
CASH AND CASH EQUIVALENTS	\$ 26,967	\$ 22,715	\$ 23,343
ACCOUNTS RECEIVABLE, NET	358,990	368,134	332,697
INVENTORIES	218,746	200,645	201,229
OTHER	107,541	110,294	105,085
TOTAL CURRENT ASSETS	712,244	701,788	662,354
GOODWILL, NET	946,476	938,759	937,049
OTHER ASSETS, NET	381,938	376,530	366,373
PROPERTY, PLANT & EQUIPMENT, NET	402,919	402,475	387,829
TOTAL ASSETS	\$ 2,443,577	\$ 2,419,552	\$ 2,353,605

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:

NOTES PAYABLE TO BANKS	\$	55,607	\$	40,579	\$	61,900
TRADE ACCOUNTS PAYABLE		184,459		197,047		166,431
INCOME TAXES		32,965		20,998		28,142
ACCRUED LIABILITIES		220,281		245,271		195,322

TOTAL CURRENT LIABILITIES		493,312		503,895		451,795
LONG TERM DEBT		890,236		885,819		1,003,248
DEFERRED LIABILITIES		300,273		292,585		233,076
STOCKHOLDERS' EQUITY		759,756		737,253		665,486

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	2,443,577	\$	2,419,552	\$	2,353,605
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