

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2004-08-12** | Period of Report: **2004-08-12**
SEC Accession No. **0000014995-04-000052**

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FILER

DIXON TICONDEROGA CO

CIK: **14995** | IRS No.: **230973760** | State of Incorporation: **DE** | Fiscal Year End: **0930**
Type: **8-K** | Act: **34** | File No.: **001-08689** | Film No.: **04968755**
SIC: **3950** Pens, pencils & other artists' materials

Mailing Address

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STE 200
HEATHROW FL 32795-8413*

Business Address

*195 INTERNATIONAL PKWY
STE 200
HEATHROW FL 32746-5036
4078759000*

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

August 12, 2004

Date of Report (Date of earliest event reported)

DIXON TICONDEROGA COMPANY

(Exact name of registrant as specified in its charter)

DELAWARE

(State of
Incorporation)

1-8689

(Commission File
Number)

23-0973760

(IRS Employer I.D.
Number)

195 INTERNATIONAL PARKWAY
HEATHROW, FLORIDA 32746

(Address of Principal Executive Offices) (Zip Code)

(407) 829-9000

(Registrant's telephone number, including area code)

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Not Applicable.

(b) Not Applicable.

(c) Exhibits

Exhibit 99.1 Press Release issued by Dixon Ticonderoga
Company dated August 12, 2004

ITEM 9. REGULATION FD DISCLOSURE (Information Being Provided Under Item 12).

In accordance with SEC Release No. 33-8216, the following information, intended to be furnished under "Item 12 -- Results of Operations and Financial Condition," is instead furnished under "Item 9 -- Regulation FD Disclosure." 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.

On August 12, 2004, Dixon Ticonderoga Company (the "Company") issued a press release announcing its results of operations for the three-month and nine-month periods ended June 30, 2004. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Use of Non-GAAP Financial Information

To supplement the Company's consolidated financial statements presented in accordance with generally accepted accounting principles (GAAP), the Company uses non-GAAP measure of pro forma net income (loss) and pro forma net income (loss) per share that do not include the following financial measures that are normally included in GAAP: results from discontinued operations; debt refinancing costs; restructuring and related costs; other income; and investment banking and related costs, all net of related income taxes. In addition, valuation allowances for U.S. deferred tax assets are excluded from the pro forma measures.

The Company's management reviews these non-GAAP measures internally to evaluate the Company's performance and manage its operations. The Company believes that the inclusion of non-GAAP financial measure provides consistent and comparable measures to help stakeholders understand the Company's current future operating results and cash flows. The non-GAAP measures included in the press release attached hereto as Exhibit 99.1 have been reconciled to the

comparable GAAP measure as required under SEC rules regarding the use of non-GAAP financial measures. The Company urges investors to carefully review the GAAP financial information included as part of the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and quarterly earnings releases.

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.

DIXON TICONDEROGA COMPANY

Dated: August 12, 2004

By: /s/ Gino N. Pala

Gino N. Pala
Chairman of Board, Co-Chief
Executive Officer and Director

N E W S R E L E A S E

Dixon Ticonderoga Company

195 International Parkway Heathrow, Florida 32746 (407) 829-9000

August 12, 2004

Contact:

FOR IMMEDIATE RELEASE

Gino N. Pala, Chairman
(407) 829-9000

DIXON TICONDEROGA REPORTS STRONG THIRD QUARTER EARNINGS

HEATHROW, FL. ---- Dixon Ticonderoga Company (AMEX:DXT) today announced pro forma net income from continuing operations for its third quarter ended June 30, 2004 of \$1,666,177 or \$.52 per basic and diluted share, compared with pro forma net income from continuing operations of \$1,558,900 or \$0.49 per basic and diluted share in the prior year quarter. Including the fiscal 2004 effects of investment banking and related costs, as well as valuation allowances for U.S. deferred tax assets, the company reported net income of \$1,672,064 or \$0.52 per share. This compares with net income of \$1,790,558 or \$0.56 per share in the prior year after the fiscal 2003 effects of restructuring and related costs, other income and discontinued operations. Third quarter revenues rose to \$27,367,166 from \$26,940,174 last year. Weighted average shares outstanding during the quarter were 3,205,979 (basic) and 3,206,190 (diluted) compared with 3,199,043 (basic and diluted) a year ago.

For the first nine months of fiscal 2004, the Company reported that its pro forma net income from continuing operations rose 36% to \$1,504,165, or \$0.47 per basic and diluted share from \$1,103,012 or \$0.35 per basic and diluted share in the prior year period. Including the fiscal 2004 effects of investment banking and related costs, and valuation allowances for U.S. deferred tax assets, net income in the current year was \$818,876 or \$0.26 per share. This compares with net income of \$751,712 or \$0.24 per share in the 2003 period after the effects of debt refinancing costs, restructuring costs, other income and results of discontinued operations. Revenues in the first nine months of fiscal 2004 were up slightly to \$61,796,736 compared with to \$61,702,854 a year ago. Average shares outstanding during the period were 3,203,107 (basic and diluted) compared with a 3,194,902 (basic and diluted) last year.

Commenting on the improved year to date results, Chairman and Co-Chief Executive Officer Gino N. Pala said, "We are extremely pleased with the strong continued improvement of our consumer products business, particularly in the U.S., as we begin to enjoy the benefits of our exhaustive consolidation and cost reduction efforts over the past several years. Our company's pro forma net income from continuing operations year-to-date has improved from approximately \$300,000 to \$1.5 million over the past two years. We now believe that, with the most difficult restructuring efforts behind us, we are well-positioned for future growth and the related enhanced profitability it will bring to our company."

Dixon Ticonderoga Company, with operations dating back to 1795, is one of the oldest publicly-held companies in the U.S. Its consumer group manufactures and markets a wide range of writing instruments, art materials and office supplies, including the well-known Ticonderoga(R), Prang(R) and Dixon(R) brands. Headquartered in Heathrow, Florida, Dixon Ticonderoga employs approximately

1,600 people at 8 facilities in the U.S., Canada, Mexico and the U.K. The company has been listed on the American Stock Exchange since 1988 under the symbol DXT.

Forward-Looking Statements

Any "forward-looking" statements in this press release (including, among others, management's belief that it is positioned for future growth and enhanced profitability) involve known and unknown risks, uncertainties and other factors that could cause the actual results to differ materially from those expressed or implied by such forward-looking statements. Such risks include (but are not limited to) difficulties encountered with the company's consolidation and cost reduction programs; manufacturing inefficiencies; increased competition; reduced revenues; U.S. and foreign economic factors; interest rate fluctuation risk; and foreign currency exchange risk, among others.

	#	#	#	#	
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DIXON TICONDEROGA COMPANY - - - EARNINGS HIGHLIGHTS					

<S>	<C>	<C>	<C>	<C>	<C>
		Three Months Ended June 30,	2004	2003	Nine Months Ended June 30,
			2004	2003	2004
			-----	-----	-----
Revenues			\$27,367,166	\$26,940,174	\$61,796,736
			=====	=====	=====
Operating Income			\$ 3,293,039	\$ 3,223,088	\$ 4,158,527
Other Income		--	611,680		--
Interest Expense			(912,476)	(990,806)	(2,519,481)
Income Taxes			(682,231)	(971,733)	(786,971)
Minority Interest			(26,268)	(21,948)	(33,199)
			-----	-----	-----
Income from Continuing Operations			1,672,064	1,850,281	818,876
Loss From Discontinued Operations		--	(59,723)		--
			-----	-----	-----
Net Income			\$ 1,672,064	\$ 1,790,558	\$ 818,876
			=====	=====	=====
Earnings (Loss) Per Share (Basic and Diluted):					
Continuing Operations			\$ 0.52	\$ 0.58	\$ 0.26
Discontinued Operations			--	(0.02)	--
			-----	-----	-----
Net Income			\$ 0.52	\$ 0.56	\$ 0.26
			=====	=====	=====
Weighted Average Shares (Basic)			3,205,979	3,199,043	3,203,107
			=====	=====	=====
Weighted Average Shares (Diluted)			3,206,190	3,199,043	3,203,107
			=====	=====	=====

Reconciliation of Income (Loss) From Continuing Operations
To Pro Forma Net Income (Loss) From Continuing Operations

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2004	2003	2004	2003
Income From Continuing Operations	\$ 1,672,064	\$ 1,850,281	\$ 818,876	\$ 1,062,873
Debt Refinancing Costs, Net of Income Taxes	--	--	--	424,770
Restructuring and Related Costs, Net of Income Taxes	--	124,561	--	331,069
Other Income, Net of Income Taxes (1)	--	(415,942)	--	(715,700)
Investment Banking and Related Costs, Net of Income Taxes	84,667	--	309,271	--
Valuation Allowances for U.S. Deferred Tax Assets (2)	(90,554)	--	376,018	--
Pro Forma Net Income from Continuing Operations	\$ 1,666,177	\$ 1,558,900	\$ 1,504,165	\$ 1,103,012
Pro Forma Net Income Per Share from Continuing Operations	\$ 0.52	\$ 0.49	\$ 0.47	\$ 0.35

</TABLE>

(1) Other income in the 2003 periods represents gains on receipt of securities from insurance company demutualizations and certain import duty rebates.

(2) Beginning in the fourth fiscal quarter of 2003, the Company has provided full valuation allowances for any tax benefits generated in the U.S. given the recent history of U.S. tax losses. In the comparable 2003 periods, tax benefits were recognized for such U.S. losses.