

# SECURITIES AND EXCHANGE COMMISSION

## FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1995-05-10** | Period of Report: **1995-03-31**  
SEC Accession No. **0000950124-95-001413**

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### FILER

#### MINUTEMAN INTERNATIONAL INC

CIK: **810876** | IRS No.: **362262931** | State of Incorporation: **IL** | Fiscal Year End: **1231**  
Type: **10-Q** | Act: **34** | File No.: **000-15582** | Film No.: **95536291**  
SIC: **3580** Refrigeration & service industry machinery

Mailing Address	Business Address
<i>111 SOUTH ROHLWING ROAD</i>	<i>111 S ROHLWING RD</i>
<i>ADDISON IL 60101</i>	<i>ADDISON IL 60101</i>
	<i>7086276900</i>



Cash & cash equivalents . . . . .	\$558	\$ 655
Short-term investments . . . . .	575	2,520
Accounts receivable, less allowances of \$452 in 1995 and \$400 in 1994 . . . . .	8,866	6,577
Due from affiliates . . . . .	475	407
Inventories (Note 3) . . . . .	11,747	9,686
Prepaid expenses . . . . .	153	142
Deferred income taxes . . . . .	405	405
	-----	-----
Total Current Assets . . . . .	22,779	20,392
	-----	-----
PROPERTY, PLANT AND EQUIPMENT, at cost . . . . .	14,730	14,457
Accumulated depreciation . . . . .	7,397	7,036
	-----	-----
Net property, plant and equipment . . . . .	7,333	7,421
	-----	-----
OTHER ASSETS . . . . .	250	254
	-----	-----
	\$30,362	\$28,067
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable . . . . .	\$2,505	\$ 1,049
Accrued expenses . . . . .	1,982	1,998
Income taxes payable . . . . .	584	138
	-----	-----
Total Current Liabilities . . . . .	5,071	3,185
	-----	-----
DEFERRED INCOME TAXES . . . . .	183	183
	-----	-----
SHAREHOLDERS' EQUITY		
Common stock, no-par value		
Authorized shares - 10,000,000		
Issued and outstanding shares -		
3,568,385 in 1995 and 1994 . . . . .	6,396	6,396
Retained earnings . . . . .	18,861	18,454
Currency translation adjustments . . . . .	(149)	(151)
	-----	-----
	25,108	24,699
	-----	-----
	\$30,362	\$28,067
	=====	=====

</TABLE>

See accompanying notes to condensed consolidated financial statements.

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MINUTEMAN INTERNATIONAL, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
(in thousands of dollars - unaudited)

<TABLE>  
<CAPTION>

	THREE MONTHS ENDED	
	3/31/95	3/31/94
	-----	-----
<S>	<C>	<C>
NET SALES . . . . .	\$11,869	\$10,269
COST OF SALES . . . . .	8,062	6,761
	-----	-----

Gross Profit . . . . .	3,807	3,508
	-----	-----
OPERATING EXPENSES:		
Selling . . . . .	2,089	1,825
General and administrative . . . . .	485	529
	-----	-----
Total operating expenses . . . . .	2,574	2,354
	-----	-----
Income from operations . . . . .	1,233	1,154
	-----	-----
OTHER INCOME (EXPENSE)		
Interest income . . . . .	25	20
Other income (expense), net . . . . .	(2)	69
	-----	-----
Total other income (expense) . . . . .	23	89
	-----	-----
Income before income taxes . . . . .	1,256	1,243
PROVISION FOR INCOME TAXES . . . . .	492	498
	-----	-----
NET INCOME . . . . .	\$ 764	\$ 745
	=====	=====
AVERAGE NUMBER OF COMMON SHARES		
OUTSTANDING . . . . .	3,568,385	3,568,385
	=====	=====
EARNINGS PER SHARE . . . . .	\$ 0.21	\$ 0.21
	=====	=====

</TABLE>

See accompanying notes to condensed consolidated financial statements.

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MINUTEMAN INTERNATIONAL, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(in thousands of dollars-unaudited)

<TABLE>  
<CAPTION>

	THREE MONTHS ENDED	
	3/31/95	3/31/94
	-----	-----
<S>	<C>	<C>
OPERATING ACTIVITIES		
Net income . . . . .	\$ 764	\$ 745
Adjustments to reconcile net income to net cash used by operating activities:		
Depreciation and amortization . . . . .	365	330
Other . . . . .	2	(44)
Cash provided (used) due to changes in operating assets and liabilities:		
Accounts receivable and due from affiliates . . . . .	(2,357)	(1,822)

Inventories . . . . .	(2,061)	(1,397)
Prepaid expenses and refundable income taxes . .	(11)	34
Accounts payable, accrued expenses and income taxes payable . . . . .	1,886	1,639
	-----	-----
NET CASH USED BY OPERATIONS . . . . .	(1,412)	(515)
	-----	-----
INVESTING ACTIVITIES		
Purchases of property, plant and equipment, net . . . .	(273)	(636)
Purchases of short-term investments . . . . .	(100)	(198)
Maturities of short-term investments . . . . .	2,045	904
	-----	-----
CASH PROVIDED BY INVESTING ACTIVITIES . . . . .	1,672	70
	-----	-----
FINANCING ACTIVITIES		
Dividends paid . . . . .	(357)	(285)
	-----	-----
CASH USED BY FINANCING ACTIVITIES . . . . .	(357)	(285)
	-----	-----
DECREASE IN CASH AND CASH EQUIVALENTS . . . . .	(97)	(730)
Cash and cash equivalents at beginning of period . . . . .	655	1,078
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD . . . . .	\$ 558	\$ 348
	=====	=====

</TABLE>

See accompanying notes to condensed consolidated financial statements.

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MINUTEMAN INTERNATIONAL, INC.  
AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 1995

- (1) THE CONDENSED CONSOLIDATED BALANCE SHEETS, AS OF MARCH 31, 1995 AND DECEMBER 31, 1994, AND THE CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND CASH FLOWS FOR THE THREE MONTH PERIODS ENDED MARCH 31, 1995 AND 1994, IN THE OPINION OF THE COMPANY, REFLECT ALL ADJUSTMENTS (WHICH, EXCEPT AS NOTED BELOW, INCLUDE ONLY NORMAL RECURRING ADJUSTMENTS) NECESSARY TO PRESENT FAIRLY THE FINANCIAL POSITION, THE RESULTS OF OPERATIONS AND CASH FLOWS, AS OF AND FOR THE PERIODS THEN ENDED. CERTAIN INFORMATION AND FOOTNOTE DISCLOSURES NORMALLY INCLUDED IN FINANCIAL STATEMENTS, PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES HAVE BEEN CONDENSED OR OMITTED, PURSUANT TO S.E.C. RULES AND REGULATIONS, ALTHOUGH THE COMPANY BELIEVES THAT THE DISCLOSURES ARE ADEQUATE TO MAKE THE INFORMATION PRESENTED NOT MISLEADING. IT IS SUGGESTED THAT THESE CONDENSED FINANCIAL STATEMENTS BE READ IN CONJUNCTION WITH THE FINANCIAL STATEMENTS AND THE NOTES, THERETO, INCLUDED IN THE COMPANY'S ANNUAL REPORT ON FORM 10-K, FOR THE YEAR-ENDED DECEMBER 31, 1994.
- (2) THE RESULTS OF OPERATIONS FOR THE THREE MONTH PERIODS ENDED MARCH 31, 1995 AND 1994 ARE NOT NECESSARILY INDICATIVE OF THE RESULTS TO BE EXPECTED FOR THE FULL YEAR.

MINUTEMAN INTERNATIONAL, INC.  
AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 1995

(3) IT IS THE COMPANY'S POLICY TO TAKE AN ANNUAL PHYSICAL INVENTORY, IN CONJUNCTION WITH THE PREPARATION OF THE ANNUAL FINANCIAL STATEMENTS. AT TIMES, OTHER THAN YEAR-END, IT IS NECESSARY TO ESTIMATE THE BREAKDOWN OF RAW MATERIALS, WORK-IN-PROCESS, AND FINISHED GOODS INVENTORIES. THE ESTIMATE FOR THE PERIOD ENDED MARCH 31, 1995, AND THE COMPONENTS OF THE DECEMBER 31, 1994 INVENTORIES, BASED ON THE PHYSICAL COUNT, BOTH PRIMARILY ON A LIFO BASIS, WERE AS FOLLOWS:

<TABLE>  
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	3-31-95 (000'S) -----	12-31-94 (000'S) -----
<S>	<C>	<C>
FINISHED GOODS	\$4,350	\$3,684
WORK IN PROCESS	7,715	6,362
RAW MATERIALS	1,963	1,521
	-----	-----
LESS LIFO RESERVE	\$14,028 (2,281) -----	\$11,567 (1,881) -----
TOTAL AT LIFO COST	\$11,747 =====	\$ 9,686 =====

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MINUTEMAN INTERNATIONAL, INC.  
AND SUBSIDIARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
MARCH 31, 1995

LIQUIDITY, CAPITAL RESOURCES AND FINANCIAL POSITION:

THE COMPANY HAD WORKING CAPITAL OF \$17.7 MILLION AT MARCH 31, 1995 AND \$17.2 MILLION AT DECEMBER 31, 1994. THIS REPRESENTS A CURRENT RATIO OF 4.5 AND 6.4 FOR THESE PERIODS, RESPECTIVELY.

CASH, CASH EQUIVALENTS, AND SHORT-TERM INVESTMENTS REPRESENTED 6.4% AND 18.5% OF THIS WORKING CAPITAL AT MARCH 31, 1995 AND DECEMBER 31, 1994 WHICH, WHEN NOT IN USE, IS INVESTED IN BANK CERTIFICATES OF DEPOSIT, EURO DOLLAR CERTIFICATE INVESTMENTS, AND A MANAGED PORTFOLIO OF HIGH QUALITY VARIABLE RATE NOTES AND TAX-EXEMPT SEVEN DAY BONDS. THIS DECREASE IS DUE PRIMARILY TO SIGNIFICANTLY HIGHER SALES DURING MARCH OF 1995 CAUSING HIGHER RECEIVABLES AND THE USE OF CASH TO PURCHASE INVENTORIES RELATED PRIMARILY TO NEW PRODUCT INTRODUCTIONS.

THE COMPANY HAD SHAREHOLDERS' EQUITY OF \$25.1 MILLION AT MARCH 31, 1995 AND

\$24.7 MILLION AT DECEMBER 31, 1994 WHICH, WHEN COMPARED TO TOTAL LIABILITIES, REPRESENTED AN EQUITY TO LIABILITY RATIO OF 4.8 AND 7.3, RESPECTIVELY.

THE COMPANY HAS NO DEBT, MORE THAN SUFFICIENT CAPITAL RESOURCES, AND IS IN A STRONG FINANCIAL POSITION TO MEET ALL BUSINESS AND LIQUIDITY NEEDS AS THEY ARISE. THE COMPANY FORESEES NO UNUSUAL FUTURE EVENTS THAT WILL MATERIALLY CHANGE THE AFOREMENTIONED SUMMARIZATION.

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MINUTEMAN INTERNATIONAL, INC.  
AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

MARCH 31, 1995

RESULTS OF OPERATIONS:

NET SALES WERE \$11,869,000 FOR THE THREE MONTHS ENDED MARCH 31, 1995, COMPARED WITH \$10,269,000 FOR THE SAME PERIOD OF LAST YEAR. DURING THE FIRST QUARTER COMPETITIVE PRESSURES FORCED DOWNWARD PRICE ADJUSTMENTS ON SOME OF OUR PRODUCT LINES, BUT INCREASED VOLUME RELATED TO THESE AND NEW PRODUCT INTRODUCTIONS MORE THAN OFFSET THIS DECREASE TO ACCOUNT FOR OUR 15.6% NET SALES INCREASE OVER THE PRIOR YEAR.

THE EFFECTS OF THIS DOWNWARD PRICE ADJUSTMENT AND CONTINUED PRICE INCREASES ON RAW MATERIALS ADVERSELY AFFECTED GROSS PROFIT BUT WERE MORE THAN OFFSET BY HIGHER VOLUME RESULTING IN GROSS PROFITS INCREASING \$299,000 FOR THE 1995 FIRST QUARTER AS COMPARED WITH LAST YEAR.

OPERATING EXPENSES WERE \$2,574,000 FOR THE FIRST QUARTER ENDED MARCH 31, 1995, AS COMPARED TO \$2,354,000 FOR THE FIRST QUARTER, 1994. THIS 9.3% INCREASE WAS DUE TO HIGHER PERSONNEL AND BENEFIT EXPENSES.

NET INTEREST INCOME WAS \$25,000 FOR THE FIRST QUARTER ENDED 1995, AS COMPARED WITH \$20,000 FOR THE COMPARABLE PERIOD OF 1994. THIS INCREASE IS ATTRIBUTABLE TO HIGHER INTEREST YIELDS. OTHER EXPENSE WAS \$2,000 FOR THE FIRST QUARTER OF 1995 COMPARED TO OTHER INCOME OF \$69,000 FOR THE FIRST QUARTER OF 1994. INCLUDED IN 1994 INCOME WAS THE SUCCESSFUL SETTLEMENT OF PATENT INFRINGEMENT LITIGATION.

NET INCOME FOR THE FIRST QUARTER ENDED MARCH 31, 1995, INCREASED 2.6% TO \$764,000, OR 21 CENTS PER SHARE, UP FROM \$745,000, ALSO 21 CENTS PER SHARE IN THE FIRST QUARTER, 1994.

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MINUTEMAN INTERNATIONAL, INC.  
AND SUBSIDIARIES

PART II - OTHER INFORMATION

MARCH 31, 1995

(4) SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS:

NO MATTERS WERE SUBMITTED TO VOTE OF SECURITY HOLDERS DURING THE QUARTER ENDED MARCH 31, 1995.

ITEM 6(B):

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.

MINUTEMAN INTERNATIONAL, INC.

\_\_\_\_\_  
JEROME E. RAU  
PRESIDENT AND DIRECTOR  
(PRINCIPAL EXECUTIVE OFFICER)

\_\_\_\_\_  
DATE

\_\_\_\_\_  
THOMAS J. NOLAN  
CHIEF FINANCIAL OFFICER,  
SECRETARY & TREASURER  
(PRINCIPAL FINANCIAL OFFICER AND  
PRINCIPAL ACCOUNTING OFFICER)

\_\_\_\_\_  
DATE



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<FISCAL-YEAR-END>	DEC-31-1994
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