

WD 40 CO  
Form 10-Q  
July 09, 2015  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended May 31, 2015

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: 000-06936

WD-40 COMPANY

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	95-1797918 (I.R.S. Employer Identification No.)
1061 Cudahy Place, San Diego, California (Address of principal executive offices)	92110 (Zip code)

Registrant's telephone number, including area code: (619) 275-1400

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      No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).    Yes      No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer      Accelerated filer      Non-accelerated filer      Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes      No

The number of outstanding shares of the registrant's common stock, par value \$0.001 per share, as of July 2, 2015 was 14,488,132.

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WD-40 COMPANY

QUARTERLY REPORT ON FORM 10-Q

For the Quarter Ended May 31, 2015

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## PART 1 - FINANCIAL INFORMATION

## Item 1. Financial Statements

## WD-40 COMPANY

## CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited and in thousands, except share and per share amounts)

	May 31, 2015	August 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 46,917	\$ 57,803
Short-term investments	48,261	45,050
Trade and other accounts receivable, less allowance for doubtful accounts of \$424 and \$406 at May 31, 2015 and August 31, 2014, respectively	62,213	63,618
Inventories	33,203	34,989
Current deferred tax assets, net	5,709	5,855
Other current assets	4,066	8,339
Total current assets	200,369	215,654
Property and equipment, net	11,214	9,702
Goodwill	96,440	95,499
Other intangible assets, net	23,749	23,671
Other assets	3,262	3,154
Total assets	\$ 335,034	\$ 347,680

## Liabilities and Shareholders' Equity

## Current liabilities:

Accounts payable	\$ 18,502	\$ 18,031
Accrued liabilities	15,937	18,382
Revolving credit facility, current portion	-	98,000
Accrued payroll and related expenses	11,186	15,969
Income taxes payable	28	1,529
Total current liabilities	45,653	151,911
Revolving credit facility	108,000	-
Long-term deferred tax liabilities, net	23,142	24,253
Other long-term liabilities	2,250	2,101
Total liabilities	179,045	178,265

## Commitments and Contingencies (Note 11)

## Shareholders' equity:

Common stock authorized 36,000,000 shares, \$0.001 par value; 19,527,923 and 19,464,310 shares issued at May 31, 2015 and August 31, 2014, respectively; and 14,481,172 and 14,754,362 shares outstanding at May 31, 2015 and August 31, 2014, respectively	20	19
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Additional paid-in capital	140,147	136,212
Retained earnings	254,503	237,596
Accumulated other comprehensive income (loss)	(7,280)	1,103
Common stock held in treasury, at cost 5,046,751 and 4,709,948 shares at May 31, 2015 and August 31, 2014, respectively	(231,401)	(205,515)
Total shareholders' equity	155,989	169,415
Total liabilities and shareholders' equity	\$ 335,034	\$ 347,680

See accompanying notes to condensed consolidated financial statements.

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WD-40 COMPANY  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
 (Unaudited and in thousands, except per share amounts)

	Three Months Ended		Nine Months Ended	
	May 31,		May 31,	
	2015	2014	2015	2014
Net sales	\$ 92,485	\$ 95,650	\$ 286,169	\$ 285,375
Cost of products sold	43,213	46,511	135,963	138,005
Gross profit	49,272	49,139	150,206	147,370
Operating expenses:				
Selling, general and administrative	26,640	26,887	81,424	80,237
Advertising and sales promotion	5,506	6,465	16,906	18,081
Amortization of definite-lived intangible assets	754	684	2,280	1,930
Total operating expenses	32,900	34,036	100,610	100,248
Income from operations	16,372	15,103	49,596	47,122
Other income (expense):				
Interest income	113	136	425	425
Interest expense	(343)	(268)	(912)	(709)
Other expense	(444)	(11)	(1,785)	(454)
Income before income taxes	15,698	14,960	47,324	46,384
Provision for income taxes	4,733	4,554	14,240	14,179
Net income				