

LANDEC CORP \CA\
Form 10-Q
October 05, 2018

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the Fiscal Quarter Ended August 26, 2018, or

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

For the Transition period for _____ to _____.

Commission file number: **0-27446**

LANDEC CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

94-3025618

(IRS Employer Identification Number)

5201 Great America Parkway, Suite 232

Santa Clara, California 95054

(Address of principal executive offices)

Registrant's telephone number, including area code:

(650) 306-1650

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Common Stock	The NASDAQ Global Select Stock Market

Securities registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Act 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 ___

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

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

Large Accelerated Filer	___	Accelerated Filer	<u>X</u>
Non Accelerated Filer	___	Smaller Reporting Company	___

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of September 21, 2018, there were 27,749,280 shares of Common Stock outstanding.

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	August 26, 2018 (unaudited)	May 27, 2018
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,359	\$ 2,899
Accounts receivable, less allowance for doubtful accounts	48,660	53,877
Inventories	29,986	31,819
Prepaid expenses and other current assets	8,312	7,958
Other current assets, discontinued operations	—	510
Total Current Assets	88,317	97,063
Investment in non-public company, fair value	67,500	66,500
Property and equipment, net	165,875	159,624
Goodwill	54,510	54,510
Trademarks/tradenames, net	16,028	16,028
Customer relationships, net	5,576	5,814
Other assets	5,095	5,164
Total Assets	\$ 402,901	\$ 404,703
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 27,027	\$ 34,668
Accrued compensation	4,953	9,978
Other accrued liabilities	8,845	8,706
Deferred revenue	2,062	2,625
Line of credit	39,000	27,000
Current portion of long-term debt	4,940	4,940
Other current liabilities, discontinued operations	—	458
Total Current Liabilities	86,827	88,375
Long-term debt, net	36,125	37,360
Capital lease obligation, less current portion	3,615	3,641
Deferred taxes, net	17,394	17,485
Other non-current liabilities	5,559	5,280
Total Liabilities	149,520	152,141
Stockholders' Equity:	28	28

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Common stock, \$0.001 par value; 50,000 shares authorized; 27,749 and 27,702 shares issued and outstanding at August 26, 2018 and May 27, 2018, respectively

Additional paid-in capital	142,805	142,087
Retained earnings	109,489	109,299
Accumulated other comprehensive income	1,059	1,148
Total Stockholders' Equity	253,381	252,562
Total Liabilities and Stockholders' Equity	\$ 402,901	\$ 404,703

See accompanying notes to the consolidated financial statements.

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LANDEC CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

(In thousands, except per share amounts)

	Three Months Ended	
	August	August
	26, 2018	27, 2017
Product sales	\$124,668	\$115,781
Cost of product sales	108,331	96,979
Gross profit	16,337	