

INGLES MARKETS INC
Form 10-Q
May 09, 2018

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 quarterly period ended March 31, 2018

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 0-14706.

INGLES MARKETS, INCORPORATED

(Exact name of registrant as specified in its charter)

North Carolina (State or other jurisdiction of incorporation or organization)	56-0846267 (I.R.S. Employer Identification No.)
P.O. Box 6676, Asheville NC (Address of principal executive offices)	28816 (Zip Code)

(828) 669-2941

Registrant's telephone number, including area code

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, smaller reporting company or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company.)	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 Exchange Act).
Yes ☐ No ☒.

As of May 7, 2018 the Registrant had 14,127,544 shares of Class A Common Stock, \$0.05 par value per share, outstanding and 6,132,232 shares of Class B Common Stock, \$0.05 par value per share, outstanding.

INGLES MARKETS, INCORPORATED

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Part I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

INGLES MARKETS, INCORPORATED AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	March 31, 2018	September 30, 2017
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 6,930,976	\$ 23,912,100
Receivables - net	73,726,783	66,329,164
Inventories	358,831,862	349,333,013
Other current assets	14,490,768	6,265,737
Total Current Assets	453,980,389	445,840,014
Property and Equipment - Net	1,296,264,023	1,265,112,350
Other Assets	24,331,422	22,353,410
Total Assets	\$ 1,774,575,834	\$ 1,733,305,774
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current portion of long-term debt	\$ 12,773,953	\$ 12,210,571
Accounts payable - trade	168,898,211	150,901,051
Accrued expenses and current portion of other long-term liabilities	68,911,947	82,451,857
Total Current Liabilities	250,584,111	245,563,479
Deferred Income Taxes	46,923,000	69,918,000
Long-Term Debt	876,109,482	865,659,744
Other Long-Term Liabilities	41,966,680	41,112,548
Total Liabilities	1,215,583,273	1,222,253,771
Stockholders' Equity		
Preferred stock, \$0.05 par value; 10,000,000 shares authorized; no shares issued	—	—
Common stocks:		
Class A, \$0.05 par value; 150,000,000 shares authorized; 14,126,044 shares issued and outstanding March 31, 2018; 14,084,044 shares issued and outstanding at September 30, 2017	706,302	704,202
Class B, convertible to Class A, \$0.05 par value; 100,000,000 shares authorized; 6,133,732 shares issued and outstanding March 31, 2018; 6,175,732 shares	306,687	308,787

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issued and outstanding at September 30, 2017

Paid-in capital in excess of par value	12,311,249	12,311,249
Retained earnings	545,668,323	497,727,765
Total Stockholders' Equity	558,992,561	511,052,003
Total Liabilities and Stockholders' Equity	\$ 1,774,575,834	\$ 1,733,305,774

See notes to unaudited condensed consolidated financial statements.

INGLES MARKETS, INCORPORATED AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

Three
Months
Ended
March
31, 25,
20182017

Net sales