

SNAP-ON Inc
Form 10-Q
May 01, 2009

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 **April 4, 2009**

OR

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 1-7724

(Exact name of registrant as specified in its charter)

Delaware
(State of incorporation)

39-0622040
(I.R.S. Employer Identification No.)

2801 80th Street, Kenosha, Wisconsin

53143

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(Address of principal executive offices)

(Zip code)

(262) 656-5200

(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, or a smaller reporting company. See the 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

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date:

| Class | Outstanding at April 24, 2009 |
|--------------------------------|-------------------------------|
| Common Stock, \$1.00 par value | 57,605,983 shares |

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PART I. FINANCIAL INFORMATION

Item 1: Financial Statements

SNAP-ON INCORPORATED

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(Amounts in millions, except per share data)

(Unaudited)

| | Three Months Ended | |
|--|--------------------|-------------------|
| | April 4, 2009 | March 29, 2008 |
| Net sales | \$ 572.6 | \$ 721.6 |
| Cost of goods sold | (313.9) | (395.7) |
| Gross profit | 258.7 | 325.9 |
| Financial services revenue | 20.0 | 25.4 |
| Financial services expenses | (10.0) | (12.6) |
| Operating income from financial services | 10.0 | 12.8 |
| Operating expenses | (204.4) | (245.5) |
| Operating earnings | 64.3 | 93.2 |
| Interest expense | (8.6) | (9.5) |
| Other income (expense) net | (0.3) | 1.0 |
| Earnings before income taxes and equity earnings | 55.4 | 84.7 |
| Income tax expense | (18.3) | (28.3) |
| Net earnings before equity earnings | 37.1 | 56.4 |
| Equity earnings, net of tax | 0.1 | 1.3 |
| Net earnings | 37.2 | 57.7 |
| Net earnings attributable to noncontrolling interests | (2.4) | (1.1) |
| Net earnings attributable to Snap-on Incorporated | \$ 34.8 | \$ 56.6 |
| Net earnings per share attributable to Snap-on Incorporated: | | |
| Basic | \$ 0.61 | \$ 0.98 |
| Diluted | 0.60 | 0.97 |
| Weighted-average shares outstanding: | | |
| Basic | 57.5 | 57.5 |
| Effect of dilutive options | 0.3 | 0.7 |
| Diluted | 57.8 | 58.2 |
| Dividends declared per common share | \$ 0.30 | \$ 0.30 |

See Notes to Condensed Consolidated Financial Statements

SNAP-ON INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS

(Amounts in millions, except per share data)

(Unaudited)

| | April 4, 2009 | January 3, 2009 |
|--|------------------|--------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 400.7 | \$ 115.8 |
| Accounts receivable net of allowances | 478.3 | 522.1 |
| Inventories net | 340.7 | 359.2 |
| Deferred income tax assets | 56.5 | 64.1 |
| Prepaid expenses and other assets | 80.2 | 79.5 |
| Total current assets | 1,356.4 | 1,140.7 |
| Property and equipment | | |
| Land | 19.7 | 20.7 |
| Buildings and improvements | 220.7 | 227.6 |
| Machinery, equipment and computer software | 560.3 | 556.2 |
| | 800.7 | 804.5 |
| Accumulated depreciation and amortization | (479.2) | (476.7) |
| Property and equipment net | 321.5 | 327.8 |