

Edgar Filing: AMCON DISTRIBUTING CO - Form 8-K

AMCON DISTRIBUTING CO  
Form 8-K  
February 11, 2003

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES ACT OF 1934

Date of Report (Date of earliest event reported) February 10, 2003  
-----

AMCON DISTRIBUTING COMPANY  
-----

(Exact name of registrant as specified in its charter)

DELAWARE	0-24708	47-0702918
-----	-----	-----
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

7405 Irvington Road, Omaha, NE 68122  
-----

(Address of principal executive offices) (Zip Code)

(402) 331-3727  
-----

(Registrant's telephone number, including area code)

Not Applicable  
-----

(Former name or former address, if changed since last report)

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

Edgar Filing: AMCON DISTRIBUTING CO - Form 8-K

EXHIBIT NO.	DESCRIPTION
99.1	Press release, dated February 10, 2003, issued by AMCON Distributing Company

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On February 10, 2003, AMCON issued a press release announcing the its earnings for the first quarter ended December 27, 2002. The press release is furnished herewith as an exhibit and incorporated herein by reference.

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMCON DISTRIBUTING COMPANY  
(Registrant)

Date: February 10, 2003      By : Michael D. James  
-----  
Name: Michael D. James  
Title: Treasurer & Chief Financial Officer

EXHIBIT INDEX  
-----

Exhibit	Description
99.1	Press release, dated February 10, 2003, issued by AMCON Distributing Company

Exhibit 99.1

NEWS RELEASE

## Edgar Filing: AMCON DISTRIBUTING CO - Form 8-K

### AMCON REPORTS 1ST QUARTER EARNINGS

Omaha, NE, February 10, 2003 - AMCON Distributing Company (AMEX:DIT), an Omaha, NE based consumer products company, announced today that its net income for the first quarter ended December 2002 was \$274,974 or \$ 0.09 per diluted share compared with \$390,642 or \$0.14 per diluted share for the first quarter of the prior year. Sales for the first quarter were \$197.7 million compared to \$210.2 million for the same period in the prior year.

William F. Wright, Chairman of AMCON, stated that "In a fiercely competitive environment, as is the wholesale distribution business, our sales did decline from the comparable quarter of last year but, in spite of that fact, we were able to retain the net income contribution from the wholesale distribution business and manage our inventories and receivables in a way that resulted in cash flow and debt reduction in excess of \$12.0 million for the quarter. We were also able to control our operating expenses and continue our focus on customer service, which we believe sets us apart from our competitors.

The realignment of our management team in our retail health food segment showed dramatic results last fiscal year. Because of this, as previously announced, we have allocated additional resources to the expansion of this business to remodel certain locations and to expand into new markets. We believe that this approach will allow us to increase sales and more effectively utilize our management overhead expenses."

Wright added, "We announced last month the creation of a new beverage division which includes Hawaiian Springs Natural Water Company and The Beverage Group, Inc. The Beverage Group, Inc. will focus its efforts on the development of markets for Hawaiian Springs/R/ natural spring water products and other non-owned premium beverages on the U.S. mainland, Canada and Mexico. The upgrade to our water plant in Hawaii is now substantially completed and we expect a new warehouse and additional equipment presently being installed to be ready for the summer season. Additionally, we expect shortly to announce agreements with non-owned premium beverage manufacturers to distribute their products in our markets.

Finally, we have completed the required analysis of goodwill impairment and have been advised that there is no impairment and, accordingly, no charges will need to be taken by the Company."

AMCON is a leading wholesale distributor of consumer products including beverages, candy, tobacco, groceries, food service, frozen and chilled foods, and health and beauty care products with distribution centers in Illinois, Missouri, Nebraska, North Dakota, South Dakota and Wyoming. Chamberlin's Natural Foods, Inc. and Health Food Associates, Inc., both wholly-owned subsidiaries of The Healthy Edge, Inc. (formerly Food For Health Co., Inc.), operate health and natural product retail stores in central Florida (7), Kansas, Missouri, Nebraska and Oklahoma (3). The retail stores operate under the names Chamberlin's Market & Cafe and Akin's Natural Foods Market. Hawaiian Natural Water Company, Inc., which was acquired in December of 2001, produces and sells natural spring water under

the Hawaiian Springs label. The water is bottled at the source on the Big Island of Hawaii. The Beverage Group, Inc. markets and distributes Hawaiian Springs and other premium beverage products in the United States, Canada and Mexico.

This news release contains forward looking statements that are subject to risks and uncertainties and which reflect management's current beliefs and estimates of future economic circumstances, industry conditions, Company performance and



Edgar Filing: AMCON DISTRIBUTING CO - Form 8-K

respectively	26,488,856	31,216,783
Inventories	28,321,040	35,744,074
Income tax receivable	904,760	981,054
Deferred income taxes	324,369	324,369
Other	493,092	393,365
	-----	-----
Total current assets	56,650,492	68,789,736
Fixed assets, net	16,009,266	16,096,124
Available-for-sale investments	710,590	562,000
Goodwill	6,091,402	6,091,402
Other Intangible Assets	11,728,084	11,804,284
Other assets	1,287,244	1,242,923
	-----	-----
	\$ 92,477,078	\$104,586,469
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 19,960,502	\$ 19,873,851
Accrued expenses	3,390,965	3,969,164
Accrued wages, salaries, bonuses	1,595,735	1,371,310
Current liabilities of discontinued operations	87,378	93,558
Current portion of long-term debt	4,597,488	14,783,967
Current portion of subordinated debt	1,708,987	1,708,986
	-----	-----
Total current liabilities	31,341,055	41,800,836
	-----	-----
Deferred income taxes	844,780	788,316
Non-current liabilities of discontinued operations	188,025	197,024
Long-term debt, less current portion	34,375,600	36,362,099
Subordinated debt, less current portion	8,738,886	8,738,886
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, \$.01 par value, 1,000,000 shares authorized, none outstanding	-	-
Common stock, \$.01 par value, 15,000,000 shares authorized, 3,168,961 and 3,156,962 issued, respectively	31,690	31,570
Additional paid-in capital	5,998,006	5,977,643
Accumulated other comprehensive income, net of tax of \$0.2 million and \$0.2 million, respectively	386,897	294,771
Retained earnings	10,572,139	10,395,324
	-----	-----
Total shareholders' equity	16,988,732	16,699,308
	-----	-----
	\$ 92,477,078	\$104,586,469
	=====	=====

Edgar Filing: AMCON DISTRIBUTING CO - Form 8-K

AMCON Distributing Company and Subsidiaries  
 Condensed Consolidated Statements of Operations  
 for the three months ended December 2002 and 2001  
 (Unaudited)

	2002	2001
Sales (including excise taxes of \$41.7 million and \$38.4 million, respectively)	\$ 197,720,887	\$ 210,153,847
Cost of sales	183,877,011	195,043,632
Gross profit	13,843,876	15,110,215
Selling, general and administrative expenses	12,175,703	12,557,354
Depreciation and amortization	556,346	719,284
	12,732,049	13,276,638
Income from operations	1,111,827	1,833,577
Other expense (income):		
Interest expense	843,655	1,084,098
Other income, net	(171,802)	(46,797)
Equity in loss of unconsolidated affiliate	-	95,007
	671,853	1,132,308
Income before income taxes	439,974	701,269
Income tax expense	165,000	310,627
Net income	\$ 274,974	\$ 390,642
Earnings per share:		
Basic	\$ 0.09	\$ 0.14
Diluted	\$ 0.09	\$ 0.14
Dividends per share	\$ 0.03	\$ 0.03
Weighted average shares outstanding:		
Basic	3,157,790	2,788,633
Diluted	3,232,023	2,859,271

Edgar Filing: AMCON DISTRIBUTING CO - Form 8-K

FOR FURTHER INFORMATION CONTACT:

Michael D. James

Chief Financial Officer

AMCON Distributing Company

Tel 402-331-3727

Fax 402-331-4834