

UNITED NATURAL FOODS INC
Form 10-Q
December 06, 2018

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 October 27, 2018

OR

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

Commission File Number: 001-15723

UNITED NATURAL FOODS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware 05-0376157

(State or Other Jurisdiction of (I.R.S. Employer Identification No.)

Incorporation or Organization)

313 Iron Horse Way, Providence, RI 02908

(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: (401) 528-8634

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 every Interactive Data File required to be submitted 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 such files). Yes 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 the definitions 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

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 Exchange Act).
Yes No

As of November 26, 2018 there were 50,814,104 shares of the registrant's common stock, \$0.01 par value per share, outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

UNITED NATURAL FOODS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)

(In thousands, except for per share data)

	October 27, 2018	July 28, 2018
ASSETS		
Cash and cash equivalents	\$53,910	\$23,315
Restricted cash	566,353	—
Accounts receivable, net	1,114,015	579,702
Inventories	2,405,017	1,135,775
Prepaid expenses and other current assets	158,967	50,122
Current assets of discontinued operations	191,779	—
Total current assets	4,490,041	1,788,914
Property and equipment, net	1,543,952	571,146
Goodwill	707,950	362,495
Intangible assets, less accumulated amortization of \$68,133 and \$64,438	1,278,205	193,209
Other assets	145,138	48,708
Long-term assets of discontinued operations	422,327	—
Total assets	\$8,587,613	\$2,964,472
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	\$1,485,783	\$517,125
Accrued expenses and other current liabilities	308,110	103,526
Accrued compensation and benefits	167,889	66,132
Current portion of long-term debt and capital lease obligations	730,401	12,441
Current liabilities of discontinued operations	140,610	—
Total current liabilities	2,832,793	699,224
Notes payable	1,315,453	210,000
Deferred income taxes	223,001	44,384
Other long-term liabilities	227,032	27,200
Long-term debt and capital lease obligations, excluding current portion	1,924,221	137,709
Pension and other postretirement benefit obligations	233,436	—
Long-term liabilities of discontinued operations	1,361	—
Total liabilities	6,757,297	1,118,517
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, par value \$0.01 per share, authorized 5,000 shares; issued none	—	—
Common stock, par value \$0.01 per share, authorized 100,000 shares; 51,426 shares issued and 50,811 shares outstanding at October 27, 2018, 51,025 shares issued and 50,411 shares outstanding at July 28, 2018	514	510
Additional paid-in capital	489,103	483,623
Treasury stock at cost	(24,231)	(24,231)
Accumulated other comprehensive loss	(14,655)	(14,179)
Retained earnings	1,381,215	1,400,232
Total United Natural Foods, Inc. stockholders' equity	1,831,946	1,845,955
Noncontrolling interests	(1,630)	—

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Total stockholders' equity	1,830,316	1,845,955
Total liabilities and stockholders' equity	\$8,587,613	\$2,964,472

See Notes to Condensed Consolidated Financial Statements.

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UNITED NATURAL FOODS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (unaudited)
(In thousands, except for per share data)

	13-Week Period Ended	
	October 27, 2018	October 28, 2017
Net sales	\$2,868,156	\$2,457,545
Cost of sales	2,455,825	2,090,329
Gross profit	412,331	367,216