

CSS INDUSTRIES INC
Form 10-Q
October 29, 2014
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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 September 30, 2014

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 1-2661

CSS INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)
1845 Walnut Street, Philadelphia, PA
(Address of principal executive offices)
(215) 569-9900
(Registrant's telephone number, including area code)

13-1920657
(I.R.S. Employer
Identification No.)
19103
(Zip 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 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

As of October 27, 2014, there were 9,324,027 shares of common stock outstanding which excludes shares which may still be issued upon exercise of stock options or upon vesting of restricted stock unit grants.

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CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except per share data)

| | Three Months Ended September 30, | | Six Months Ended September 30, | |
|--|-------------------------------------|-----------|-----------------------------------|-----------|
| | 2014 | 2013 | 2014 | 2013 |
| Sales | \$106,092 | \$112,487 | \$154,349 | \$159,604 |
| Costs and expenses | | | | |
| Cost of sales | 70,695 | 75,760 | 104,353 | 108,418 |
| Selling, general and administrative expenses | 19,895 | 20,675 | 36,652 | 37,679 |
| Interest expense (income), net | 17 | 50 | (4 |) 70 |
| Other income, net | — | (38 |) (79 |) (32 |
| | 90,607 | 96,447 | 140,922 | 146,135 |
| Income from continuing operations before income taxes | 15,485 | 16,040 | 13,427 | 13,469 |
| Income tax expense | 5,638 | 5,194 | 4,905 | 4,290 |
| Income from continuing operations | 9,847 | 10,846 | 8,522 | 9,179 |
| Discontinued operations, net of tax | — | 112 | — | 112 |
| Net income | \$9,847 | \$10,958 | \$8,522 | \$9,291 |
| Net income per common share: | | | | |
| Basic: | | | | |
| Continuing operations | \$1.06 | \$1.15 | \$0.91 | \$0.97 |
| Discontinued operations | \$— | \$0.01 | \$— | \$0.01 |
| Total | \$1.06 | \$1.16 | \$0.91 | \$0.98 |
| Net income per common share: | | | | |
| Diluted: | | | | |
| Continuing operations | \$1.05 | \$1.14 | \$0.91 | \$0.96 |
| Discontinued operations | \$— | \$0.01 | \$— | \$0.01 |
| Total (1) | \$1.05 | \$1.16 | \$0.91 | \$0.98 |
| Weighted average basic and diluted shares outstanding: | | | | |
| Basic | 9,323 | 9,458 | 9,316 | 9,482 |
| Diluted | 9,397 | 9,486 | 9,393 | 9,527 |
| Cash dividends per share of common stock | \$0.15 | \$0.15 | \$0.30 | \$0.30 |