

Edgar Filing: AMCON DISTRIBUTING CO - Form 8-K

AMCON DISTRIBUTING CO  
Form 8-K  
February 18, 2005

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 14, 2005  
-----

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 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

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

On February 14, 2005, AMCON issued a press release announcing its earnings for the first quarter ended December 31, 2004. The press release is furnished herewith as an exhibit and incorporated herein by reference.

The information in this Current Report (including the exhibit) shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

### ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

EXHIBIT NO.	DESCRIPTION
99.1	Press release, dated February 14, 2005, issued by AMCON Distributing Company

### 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 14, 2005

By : Michael D. James  
-----  
Name: Michael D. James  
Title: Treasurer & Chief Financial  
Officer

### EXHIBIT INDEX

-----

Exhibit	Description
99.1	Press release, dated February 14, 2005, issued by AMCON Distributing Company

Exhibit 99.1

NEWS RELEASE

AMCON REPORTS FIRST QUARTER

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

Omaha, NE, February 14, 2005 - AMCON Distributing Company (AMEX:DIT), an Omaha, NE based consumer products company, announced today the results of its first quarter. Sales for the quarter were \$215.2 million compared to \$193.0 million for the same quarter in the prior year. For the quarter, the Company incurred a loss of \$86,000 or \$0.16 per diluted share compared with a net income of \$514,000 or \$0.96 per diluted share for the first quarter of the prior year.

William F. Wright, Chairman of AMCON, stated that, "Sales for the first quarter increased by \$22.2 million during the quarter. Of this increase, \$14.4 million related to an extra week of operations during the quarter which resulted from a change in our reporting period from a 52-53 week year ending on the last Friday in September to calendar months ending on September 30 of each year. Without the change in our reporting period, comparable sales would have increased \$7.8 million with \$6.5 million coming from our wholesale distribution business and \$1.3 million coming from our beverage operations. Sales from Trinity Springs, Inc., which was acquired in June 2004, represented \$0.7 million of the beverage operations' increase.

"Income before taxes for the first quarter decreased by \$0.2 million in the wholesale distribution segment, \$0.2 million in the retail health food segment and \$0.6 million in the beverage segment. The decrease in the wholesale distribution segment was primarily related to a sale of securities in the prior year which provided \$0.4 million of income before taxes. The reduction in our retail health food segment was primarily due to a \$0.2 million increase in operating expenses. The reduction in the beverage segment was due primarily to marketing expenses incurred by Trinity Springs, which now is the Number 1 selling water in the retail health food industry, to develop distribution beyond the health food industry. The new expenses from Trinity were partially offset by a reduction of expenses from our beverage marketing and distribution subsidiary of \$0.6 million, which subsidiary was recently reorganized and downsized."

Wright added "Although we incurred a small loss for the first quarter, overall our performance is ahead of plan. We reorganized our beverage marketing and distribution subsidiary during the first quarter and plan to move more functions performed by it to other companies within our affiliated group. Our Trinity Springs brand is currently a leader in the retail health food channel and represents the fastest growing brand in the market. In addition, we hope to be successful in introducing our Hawaiian Springs bottled water brand and other specialty beverage products to the retail health food market over the remainder of the year. We expect our beverage segment will continue to incur losses during the second and third quarters of this year as we continue to market and position our brands."

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., operate health and natural product retail stores in central Florida (6), Kansas, Missouri, Nebraska and Oklahoma (4). The retail stores operate under the names Chamberlin's Market & Cafe and Akin's Natural Foods Market. Hawaiian Natural Water Company, Inc. produces and sells natural spring water under the Hawaiian Springs label in Hawaii and other foreign markets and purified bottled water on the island of Oahu in Hawaii. The natural spring water is bottled at the source on the Big Island of Hawaii. Trinity Springs, Inc., which was acquired in June 2004, produces and sells geothermal bottled water and a natural mineral supplement under the Trinity label. The water and mineral supplement are both bottled at the base of the Trinity Mountains in Paradise, Idaho, one of the world's deepest known sources. Trinity Springs also distributes Hawaiian Springs and

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

other premium beverage products on the U.S. mainland. The Beverage Group, Inc. primarily markets energy drinks including HYPE, Lightnin', and other private label energy drinks.

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 financial results. A number of factors could affect the future results of the Company and could cause those results to differ materially from those expressed in the Company's forward looking statements. Moreover, past financial performance should not be considered a reliable indicator of future performance. Accordingly, the Company claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 with respect to all such forward-looking statements.

Visit AMCON Distributing Company's web site at: [www.amcon.com](http://www.amcon.com)

AMCON Distributing Company and Subsidiaries  
Condensed Consolidated Unaudited Balance Sheets  
December 31, 2004 and September 24, 2004

---

	December 2004	September 2004
	-----	-----
ASSETS		
Current assets:		
Cash	\$ 904,670	\$ 416,073
Accounts receivable, less allowance for doubtful		

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

accounts of \$0.5 million and \$0.7 million, respectively	27,190,236	29,586,255
Inventories	36,617,385	36,481,014
Income tax receivable	955,839	1,162,625
Deferred income taxes	2,618,391	2,548,391
Other	1,179,421	708,916
	-----	-----
Total current assets	69,465,942	70,903,274
Fixed assets, net	20,958,714	20,095,334
Goodwill	6,449,741	6,449,741
Other intangible assets	13,216,751	13,271,211
Other assets	1,485,457	1,010,303
	-----	-----
	\$111,576,605	\$111,729,863
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 11,924,157	\$ 17,762,392
Accrued expenses	5,767,555	4,427,976
Accrued wages, salaries, bonuses	1,103,555	1,380,477
Current liabilities of discontinued operations	78,024	107,724
Current portion of long-term debt	9,562,560	11,409,234
Current portion of subordinated debt	1,076,219	7,876,219
	-----	-----
Total current liabilities	29,512,070	42,964,022
	-----	-----
Deferred income taxes	617,794	593,018
Other long-term liabilities	2,807,000	2,807,000
Long-term debt, less current portion	61,622,121	50,063,571
Minority interest	-	97,100
Commitments and contingencies		
Shareholders' equity:		
Series A and B cumulative, convertible preferred stock, \$.01 par value 180,000 and 100,000 shares authorized and issued, respectively	1,800	1,000
Common stock, \$.01 par value, 15,000,000 shares authorized, 527,062 shares issued	5,271	5,271
Additional paid-in capital- preferred stock	4,294,200	2,437,355
Additional paid-in capital- common stock	6,218,476	6,218,476
Accumulated other comprehensive income, net of tax of \$0.1 million and \$0.03 million, respectively	100,323	59,900
Retained earnings	6,397,550	6,483,150
	-----	-----
Total shareholders' equity	17,017,620	15,205,152
	-----	-----
	\$111,576,605	\$111,729,863
	=====	=====

AMCON Distributing Company and Subsidiaries  
Condensed Consolidated Unaudited Statements of Operations

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

for the three months ended December 31, 2004 and December 26, 2003

	2004	2003
Sales (including excise taxes of \$49.6 million and \$45.3 million, respectively)	\$ 215,178,466	\$ 193,037,116
Cost of sales	199,282,768	177,972,857
Gross profit	15,895,698	15,064,259
Selling, general and administrative expenses	14,383,140	13,370,097
Depreciation and amortization	676,083	561,118
	15,059,223	13,931,215
Income from operations	836,475	1,133,044
Other expense (income):		
Interest expense	1,076,082	778,908
Other income, net	(59,389)	(430,108)
	1,016,693	348,800
(Loss) income from operations before income taxes	(180,218)	784,244
Income tax (benefit) expense	(70,000)	270,000
Minority interest in loss, net of tax	(97,100)	-
Net (loss) income	\$ (13,118)	\$ 514,244
Preferred stock dividend requirements	72,481	-
(Loss) income available to common shareholders	\$ (85,599)	\$ 514,244
(Loss) earnings per share:		
Basic	\$ (0.16)	\$ 0.97
Diluted	\$ (0.16)	\$ 0.96
Dividends per share	\$ -	\$ 0.18
Weighted average shares outstanding:		
Basic	527,062	528,165
Diluted	527,062	535,549

Edgar Filing: AMCON DISTRIBUTING CO - Form 8-K

AMCON Distributing Company and Subsidiaries  
 Condensed Consolidated Unaudited Statements of Cash Flows  
 for the three months ended December 31, 2004 and December 26, 2003

	2004	2003
Net cash flows from operating activities	\$ (2,493,207)	\$ 4,759,176
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets	(1,278,617)	(422,123)
Proceeds from sales of fixed assets	16,500	55,000
Proceeds from sales of available-for-sale securities	-	457,053
Other	(6,476)	-
Net cash flows from investing activities	(1,268,593)	89,930
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net (payments) proceeds on bank credit agreements	13,621,209	(4,745,546)
Net proceeds from preferred stock issuance	1,857,645	-
Proceeds from borrowings of long-term debt	1,272,667	-
Preferred stock dividend requirements	(72,481)	-
Payments on long-term debt and subordinated debt	(11,982,000)	(149,172)
Proceeds from exercise of stock options	-	523
Debt issue costs	(446,643)	-
Net cash flows from financing activities	4,250,397	(4,894,195)
Net change in cash	488,597	(45,089)
Cash, beginning of period	416,073	668,073
Cash, end of period	\$ 904,670	\$ 622,984
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	\$ 1,012,476	\$ 855,112
Cash paid (refunded) during the period for income taxes	(206,786)	879,813

FOR FURTHER INFORMATION CONTACT:  
 Michael D. James  
 Chief Financial Officer  
 AMCON Distributing Company

Edgar Filing: AMCON DISTRIBUTING CO - Form 8-K

Tel 402-331-3727

Fax 402-331-4834

-end-