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AMCON DISTRIBUTING CO  
Form 8-K  
January 10, 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) January 7, 2005  
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AMCON DISTRIBUTING COMPANY  
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(Exact name of registrant as specified in its charter)

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

7405 Irvington Road, Omaha, NE 68122  
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(Address of principal executive offices) (Zip Code)

(402) 331-3727  
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(Registrant's telephone number, including area code)

Not Applicable  
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(Former name or former address, if changed since last report)

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

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On January 7, 2005, AMCON issued a press release announcing its earnings for the fourth quarter and fiscal year ended September 24, 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 January 7, 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: January 7, 2005

By : Michael D. James

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

EXHIBIT INDEX  
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Exhibit	Description
99.1	Press release, dated January 7, 2004, issued by AMCON Distributing Company

Exhibit 99.1

NEWS RELEASE

AMCON TAKES IMPAIRMENT CHARGE AND REPORTS LOSS FOR YEAR

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Omaha, NE, January 7, 2005 - AMCON Distributing Company (AMEX:DIT), an Omaha, NE based consumer products company, announced today that its sales increased by 6.7% for the fiscal year ended September 24, 2004. The Company incurred an overall loss available for common shareholders for the fiscal year of \$4.2 million or \$7.94 per fully diluted common share versus a profit of \$1.0 million or \$1.91 per fully diluted common share for the prior year. This loss included a pre-tax charge of \$3.6 million taken during the fiscal year related to the impairment of intangible assets in the Company's beverage segment.

William F. Wright, Chairman of the Board of AMCON, noted that, "In spite of our increase in sales, which was generated primarily by our profitable wholesale distribution segment, our year-end financial results are quite disappointing. Even though many good things happened during the last fiscal year, we are not at all satisfied with the financial performance.

"Recently, we have renewed, for a period of two and a half years, our \$55 million line of credit with a group led by LaSalle Bank, a subsidiary of ABN AMRO. Such renewal for our operating line was at less than the prime rate of interest. In addition, during the past six months, we have placed \$4.5 million of our Preferred Stock with a dividend rate under 6.8%. The proceeds from a \$5.0 million term loan, which was part of the bank refinancing, and \$1.8 million of Preferred Stock were used to retire all of the subordinated debt which originated from our original purchase of seven retail health food stores in the Midwest.

"The biggest contributor to our loss before impairment charges came from the operations of The Beverage Group, Inc. Recently, we have completed a total reorganization of that company which included the shifting of certain products to Trinity Springs, Inc. and Hawaiian Natural Water Company, Inc., two of our subsidiaries. This shift allowed us to significantly reduce personnel and other costs in The Beverage Group, the results of which will show up in the second quarter of our current fiscal year.

"We are also presently looking at a reorganization of our overall Company and are considering whether or not to structure ourselves as a holding company with three separate operating segments. With a streamlined holding company, we believe there are many benefits to our organization. Accordingly, we anticipate future announcements in this area.

"As discussed in the 2004 Annual Report to Shareholders, the Company is implementing a strategy to invest its cash resources into growth-oriented businesses and has therefore determined to suspend the payment of cash dividends for the foreseeable future. We will periodically revisit our dividend policy to determine whether we have adequate internally generated funds, together with other needed financing, to fund our growth and operations in order to resume the payment of cash dividends.

"Finally, Chris Atayan, the Senior Managing Director at Slusser and Associates, Inc., a New York City Investment Banking firm, has recently joined our Board of Directors. In addition to Chris' wealth of experience in investment banking and long-term relationship with AMCON since the late 1980s, Chris has been a successful investor and director in retail and beverage enterprises and grew up in a family owned convenience wholesale distribution business, so he is very familiar with all of our industry segments. Also this year, Bill Hoppner, a long-term director of the Company, was elected Senior Vice President of the Company and placed in charge of the retail health food and beverage segments."

AMCON is a leading wholesale distributor of consumer products including beverages, candy, tobacco, groceries, food service, frozen and chilled foods,

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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 (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. The 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 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)

### CONSOLIDATED BALANCE SHEETS

#### AMCON Distributing Company and Subsidiaries

Fiscal Year End September	2004	2003
ASSETS		
Current assets:		
Cash	\$ 416,073	\$ 668,073
Accounts receivable, less allowance		

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for doubtful accounts of \$0.7 million and \$0.8 million in 2004 and 2003, respectively	29,586,255	28,170,129
Available-for-sale investments	-	512,694
Inventories	36,481,014	32,489,051
Income tax receivable	1,162,625	-
Deferred income taxes	2,548,391	1,568,476
Other	708,916	581,950
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Total current assets	70,903,274	63,990,373
Fixed assets, net	20,095,334	16,951,615
Goodwill	6,449,741	6,091,397
Other intangible assets	13,271,211	11,420,542
Other assets	1,010,303	1,045,503
	-----	-----
	\$ 111,729,863	\$ 99,499,430
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 17,762,392	\$ 15,092,091
Accrued expenses	4,427,976	3,715,370
Accrued wages, salaries, bonuses	1,380,477	1,462,678
Income tax payable	-	540,414
Current liabilities of discontinued operations	107,724	117,612
Current portion of long-term debt	11,409,234	15,348,167
Current portion of subordinated debt	7,876,219	7,762,666
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Total current liabilities	42,964,022	44,038,998
Deferred income taxes	593,018	1,367,367
Noncurrent liabilities of discontinued operations	-	161,025
Other long-term liabilities	2,807,000	-
Long-term debt, less current portion	50,063,571	35,654,423
Subordinated debt, less current portion	-	976,220
Minority interest	97,100	-
Commitments and contingencies		
Shareholders' equity:		
Series A cumulative, convertible preferred stock, \$.01 par value 100,000 shares authorized and issued	1,000	-
Common stock, \$.01 par value, 15,000,000 shares authorized, 527,062 and 528,159 issued in 2004 and 2003, respectively	5,271	31,690
Additional paid-in capital - preferred stock	2,437,355	-
Additional paid-in capital - common stock	6,218,476	5,997,977
Accumulated other comprehensive income, net of tax of \$0.1 million in 2004 and 2003, respectively	59,900	220,732
Retained earnings	6,483,150	11,050,998
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	15,205,152	17,301,397
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	\$ 111,729,863	\$ 99,499,430
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CONSOLIDATED STATEMENTS OF OPERATIONS

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### AMCON Distributing Company and Subsidiaries

Fiscal Years Ended September	2004	2003	2002
Sales (including excise taxes of \$191.6 million, \$172.2 million and \$166.5 million in 2004, 2003 and 2002, respectively)	\$ 823,805,300	\$ 772,135,351	\$ 847,116,997
Cost of sales	765,630,341	711,974,154	785,192,882
Gross profit	58,174,959	60,161,197	61,924,115
Selling, general and administrative expenses	56,053,767	53,049,723	51,610,419
Depreciation and amortization	2,386,767	2,284,608	3,163,549
Impairment charges	3,578,255	-	-
	62,018,789	55,334,331	54,773,968
(Loss) income from operations	(3,843,830)	4,826,866	7,150,147
Other expense (income):			
Interest expense	3,385,394	3,269,777	4,272,783
Other income, net	(576,677)	(98,384)	(505,712)
Equity in loss of unconsolidated affiliate	-	-	95,007
	2,808,717	3,171,393	3,862,078
(Loss) income from operations before income taxes	(6,652,547)	1,655,473	3,288,069
Income tax (benefit) expense	(2,423,000)	629,000	1,316,000
Minority interest, net of tax	(91,000)	-	-
Net (loss) income	(4,138,547)	1,026,473	1,972,069
Preferred stock dividend requirements	49,474	-	-
(Loss) income available to common shareholders	\$ (4,188,021)	\$ 1,026,473	\$ 1,972,069
Basic (loss) earnings per share	\$ (7.94)	\$ 1.95	\$ 3.90
Diluted (loss) earnings per share	\$ (7.94)	\$ 1.91	\$ 3.81
Weighted average shares outstanding:			
Basic	527,774	527,699	505,414
Diluted	527,774	537,042	518,197

FOR FURTHER INFORMATION CONTACT:

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