

REX STORES CORP
Form 10-Q
December 03, 2009

**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 31, 2009

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 001-09097

REX STORES CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

31-1095548
(I.R.S. Employer
Identification Number)

2875 Needmore Road, Dayton, Ohio
(Address of principal executive offices)

45414
(Zip Code)

(937) 276-3931
(Registrant's telephone number, including area 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

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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 during the preceding 12 months (or for such shorter 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 definition 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 (Do not check if a smaller reporting company)

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

At the close of business on December 2, 2009 the registrant had 9,153,853 shares of Common Stock, par value \$.01 per share, outstanding.

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REX STORES CORPORATION AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

REX STORES CORPORATION AND SUBSIDIARIES

Consolidated Condensed Balance Sheets

Unaudited

	October 31, 2009	January 31, 2009 (In Thousands)	October 31, 2008
Assets			
Current assets:			
Cash and cash equivalents	\$ 84,448	\$ 91,991	\$ 66,215
Restricted cash	1,025		1,318
Accounts receivable, net	9,261	4,197	4,643
Inventory, net	7,673	24,374	56,554
Refundable income taxes	4,703	7,790	2,501
Prepaid expenses and other	1,846	1,063	1,176
Deferred taxes, net	7,980	13,230	9,801
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Total current assets	116,936	142,645	142,208
Property and equipment, net	253,153	235,454	221,967
Other assets	9,837	12,414	12,953
Deferred taxes, net	25,435	18,697	21,929
Investments	43,038	42,078	44,052
	<hr/>	<hr/>	<hr/>
Total assets	\$ 448,399	\$ 451,288	\$ 443,109
Liabilities and shareholders' equity:			
Current liabilities:			
Current portion of long-term debt and capital lease obligations, alternative energy	\$ 12,802	\$ 5,898	\$ 4,852
Current portion of long-term debt, other	369	1,576	1,541
Accounts payable, trade	9,474	25,167	38,539
Deferred income	8,813	13,510	14,140
Derivative financial instruments	2,796	1,996	507
Other current liabilities	6,492	10,122	6,208
	<hr/>	<hr/>	<hr/>
Total current liabilities	40,746	58,269	65,787
Long-term liabilities:			
Long-term debt and capital lease obligations, alternative energy	127,450	94,003	73,089
Long-term debt, other	2,686	9,936	11,428
Deferred income	7,929	17,263	18,136
Derivative financial instruments	3,746	4,032	1,359
Other	4,462	4,152	1,176
	<hr/>	<hr/>	<hr/>
Total long-term liabilities	146,273	129,386	105,188
Equity:			
REX shareholders' equity:			
Common stock	299	299	299
Paid-in capital	142,806	142,486	142,310
Retained earnings	283,713	282,332	287,711
Treasury stock	(190,255)	(186,057)	(183,845)
Accumulated other comprehensive income, net of tax	49		
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Total REX shareholders' equity	236,612	239,060	246,475

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Noncontrolling interests	<u>24,768</u>	<u>24,573</u>	<u>25,659</u>
Total equity	<u>261,380</u>	<u>263,633</u>	<u>272,134</u>
Total liabilities and equity	<u>\$ 448,399</u>	<u>\$ 451,288</u>	<u>\$ 443,109</u>

The accompanying notes are an integral part of these unaudited consolidated condensed financial statements.

REX STORES CORPORATION AND SUBSIDIARIES
Consolidated Condensed Statements Of Operations
Unaudited

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2009	2008	2009	2008
(In Thousands, Except Per Share Amounts)				
Net sales and revenue	\$ 64,416	\$ 39,171	\$ 111,180	\$ 99,642
Cost of sales (excluding retail segment depreciation)	56,556	35,499	96,408	83,336
Gross profit	7,860	3,672	14,772	16,306
Selling, general and administrative expenses	(2,581)	(7,578)	(8,355)	(21,746)
Investment income	92	363	356	1,732
Interest expense	(1,642)	(1,070)	(3,250)	(2,074)
Equity in income of unconsolidated ethanol affiliates	1,221	1,044	1,144	2,966
Gains on sales of real estate		2,279		2,279
Other income	766	12	666	682
(Losses) gains on derivative financial instruments, net	(899)	(947)	(1,561)	481
Income (loss) from continuing operations before provision/benefit for income taxes and discontinued operations	4,817	(2,225)	3,772	626
(Provision) benefit for income taxes	(1,510)	41	(1,450)	(701)
Income (loss) from continuing operations including noncontrolling interest	3,307	(2,184)	2,322	(75)
Loss from discontinued operations, net of tax	(22)	(344)	(873)	(103)
Gain on disposal of discontinued operations, net of tax			127	190
Net income (loss) including noncontrolling interest	3,285	(2,528)	1,576	12
Net (income) loss attributable to noncontrolling interest	(1,012)	1,878	(195)	2,070
Net income (loss) attributable to REX common shareholders	\$ 2,273	\$ (650)	\$ 1,381	\$ 2,082
Weighted average shares outstanding basic	9,161	9,937	9,229	10,389
Basic income (loss) per share from continuing operations attributable to REX common shareholders	\$ 0.25	\$ (0.03)	\$ 0.23	\$ 0.19
Basic loss per share from discontinued operations attributable to REX common shareholders		(0.04)	(0.09)	(0.01)
Basic income per share on disposal of discontinued operations attributable to REX common shareholders			0.01	0.02
Basic net income (loss) per share attributable to REX common shareholders	\$ 0.25	\$ (0.07)	\$ 0.15	\$ 0.20
Weighted average shares outstanding diluted	9,464	9,937	9,478	11,029
Diluted income (loss) per share from continuing operations attributable to REX common shareholders	\$ 0.24	\$ (0.03)	\$ 0.23	\$ 0.18
Diluted loss per share from discontinued operations attributable to REX common shareholders		(0.04)	(0.09)	(0.01)

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Diluted income per share on disposal of discontinued operations attributable to REX common shareholders			0.01	0.02
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Diluted net income (loss) per share attributable to REX common shareholders	\$ 0.24	\$ (0.07)	\$ 0.15	\$ 0.19
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Amounts attributable to REX common shareholders:				
Income (loss) from continuing operations, net of tax	\$ 2,295	\$ (306)	\$ 2,127	\$ 1,995
(Loss) income from discontinued operations, net of tax	(22)	(344)	(746)	87
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net income (loss)	\$ 2,273	\$ (650)	\$ 1,381	\$ 2,082
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The accompanying notes are an integral part of these unaudited consolidated condensed financial statements.

REX STORES CORPORATION AND SUBSIDIARIES
Consolidated Condensed Statements Of Equity
Unaudited