

ALAMO GROUP INC  
Form 10-Q  
August 11, 2008

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended JUNE 30, 2008

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 0-21220**

## **ALAMO GROUP INC.**

(Exact name of registrant as specified in its charter)

**DELAWARE**  
(State or other jurisdiction of  
incorporation or organization)

**74-1621248**  
(I.R.S. Employer  
Identification Number)

**1627 East Walnut, Seguin, Texas 78155**

(Address of principal executive offices)

**830-379-1480**

(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 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 REQUIREMENT FOR THE PAST 90 DAYS.  
YES  NO

INDICATE BY CHECK MARK WHETHER REGISTRANT IS A LARGE ACCELERATED FILER, AN ACCELERATED FILER, OR A NON-ACCELERATED FILER. SEE DEFINITION OF ACCELERATED FILER AND LARGE ACCELERATED FILER IN EXCHANGE ACT RULE 12B-2.

LARGE ACCELERATED FILER  ACCELERATED FILER  NON-ACCELERATED FILER

INDICATE BY CHECK MARK WHETHER THE REGISTRANT IS A SHELL COMPANY (AS DEFINED IN RULE 12B-2 OF THE EXCHANGE ACT).

YES  NO

AT AUGUST 1, 2008, 9,846,829 SHARES OF COMMON STOCK, \$.10 PAR VALUE, OF THE REGISTRANT WERE OUTSTANDING.

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**Alamo Group Inc. and Subsidiaries**

INDEX

	PAGE
PART I.	FINANCIAL INFORMATION
Item 1.	Interim Consolidated Financial Statements (Unaudited)
	<u>Interim Consolidated Balance Sheets</u> 3
	June 30, 2008 and December 31, 2007 (Audited)
	<u>Interim Consolidated Statements of Income</u> 4
	Three months and Six months ended June 30, 2008 and June 30, 2007
	<u>Interim Consolidated Statements of Cash Flows</u> 5
	Six months ended June 30, 2008 and June 30, 2007
	<u>Notes to Interim Consolidated Financial Statements</u> 6
Item 2.	<u>Management's Discussion and Analysis of Financial Condition</u> 14
	and Results of Operations
Item 3.	<u>Quantitative and Qualitative Disclosures about Market Risks</u> 21
Item 4.	<u>Controls and Procedures</u> 22
PART II.	<u>OTHER INFORMATION</u> 23

- Item 1. None
- Item 2. None
- Item 3. None
- Item 4. None
- Item 5. Other Information
- Item 6. Exhibits

SIGNATURES

# Alamo Group Inc. and Subsidiaries

## Interim Consolidated Balance Sheets

	<b>June 30,</b>	<b>December 31,</b>
(in thousands, except share amounts)	<b>2008</b>	<b>2007</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,334	\$ 4,459
Accounts receivable, net	149,809	109,260
Inventories	134,709	118,285
Deferred income taxes	1,977	2,131
Prepaid expenses	3,285	2,834
Total current assets	293,114	236,969
Property, plant and equipment	135,310	124,665
Less: Accumulated depreciation	(66,231)	(61,513)
	69,079	63,152
Goodwill	58,657	43,946
Intangible assets	4,029	4,081
Assets held for sale	291	291
Other assets	1,666	2,191
Total assets	\$ 426,836	\$ 350,630
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Trade accounts payable	\$ 65,414	\$ 39,248
Income taxes payable	2,301	2,289
Accrued liabilities	34,219	22,673
Current maturities of long-term debt	5,475	3,368
Total current liabilities	107,409	67,578
Long-term debt, net of current maturities	105,355	78,527
Deferred pension liability	730	1,040
Other long-term liabilities	4,042	4,100
Deferred income taxes	877	687
Stockholders' equity:		
Common stock, \$.10 par value, 20,000,000 shares authorized;		
9,864,429 and 9,839,429 issued and outstanding at June 30,		
2008 and December 31, 2007		

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	986	984
Additional paid-in capital	54,153	53,610
Treasury stock, at cost; 42,600 shares at June 30, 2008 and December 31, 2007	(426)	(426)
Retained earnings	130,647	123,426
Accumulated other comprehensive income	23,063	21,104
Total stockholders' equity	208,423	198,698
Total liabilities and stockholders' equity	\$ 426,836	\$ 350,630

See accompanying notes.

# Alamo Group Inc. and Subsidiaries

## Interim Consolidated Statements of Income

(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2008	2007	June 30, 2008	2007
(in thousands, except per share amounts)				
Net sales:				
North American				
Industrial	\$ 72,452	\$ 67,591	\$ 135,063	\$ 125,648
Agricultural	32,768	29,917	65,271	59,311
European	46,940	34,478	85,607	67,174
Total net sales	152,160	131,986	285,941	252,133
Cost of sales	121,656	105,632	230,456	204,222
Gross profit	30,504	26,354	55,485	47,911
Selling, general and administrative expense	21,104	18,721	40,723	37,213
Income from operations	9,400	7,633	14,762	10,698
Interest expense	(1,889)	(2,207)	(3,724)	(4,390)
Interest income	529	344	939	633
Other income (expense), net	408	181	659	234
Income before income taxes	8,448	5,951	12,636	7,175
Provision for income taxes	2,883	1,916	4,239	2,307
Net income	\$ 5,565	\$ 4,035	\$ 8,397	\$ 4,868
Net income per common share:				
Basic	\$ 0.57	\$ 0.41	\$ 0.86	\$ 0.50
Diluted	\$ 0.56	\$ 0.41	\$ 0.84	\$ 0.49
Average common shares				
Basic	9,799	9,770	9,798	9,768
Diluted	9,957	9,962	9,939	9,955

Dividends declared \$ 0.06