

SEABOARD CORP /DE/
Form 10-Q
May 06, 2016
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 April 2, 2016

OR

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

For the transition period from _____ to _____

Seaboard Corporation

(Exact name of registrant as specified in its charter)

| | | |
|--|--------------------------|--------------------------------------|
| Delaware | 1-3390 | 04-2260388 |
| (State or other jurisdiction of incorporation) | (Commission File Number) | (I.R.S. Employer Identification No.) |

9000 West 67th Street, Merriam, Kansas 66202
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (913) 676-8800

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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 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 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 (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 .

There were 1,170,550 shares of common stock, \$1.00 par value per share, outstanding on April 29, 2016.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

SEABOARD CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Comprehensive Income

(Unaudited)

| (Millions of dollars except share and per share amounts) | Three Months | |
|---|---------------------------|------------------|
| | Ended April 2, 2016 | April 4, 2015 |
| Net sales: | | |
| Products (includes sales to affiliates of \$224 and \$212) | \$ 1,066 | \$ 1,177 |
| Services revenues | 236 | 249 |
| Other | 17 | 26 |
| Total net sales | 1,319 | 1,452 |
| Cost of sales and operating expenses: | | |
| Products | 990 | 1,119 |
| Services | 212 | 219 |
| Other | 17 | 21 |
| Total cost of sales and operating expenses | 1,219 | 1,359 |
| Gross income | 100 | 93 |
| Selling, general and administrative expenses | 64 | 65 |
| Operating income | 36 | 28 |
| Other income (expense): | | |
| Interest expense | (8) | (5) |
| Interest income | 4 | 3 |
| Interest income from affiliates | 6 | 7 |
| Income from affiliates | 22 | 11 |
| Other investment income, net | 5 | 7 |
| Foreign currency gains, net | 7 | 1 |
| Miscellaneous, net | (3) | (4) |
| Total other income, net | 33 | 20 |
| Earnings before income taxes | 69 | 48 |
| Income tax expense | (14) | (15) |
| Net earnings | \$ 55 | \$ 33 |
| Less: Net income attributable to noncontrolling interests | (1) | — |
| Net earnings attributable to Seaboard | \$ 54 | \$ 33 |
| Earnings per common share | \$ 45.91 | \$ 28.11 |
| Other comprehensive income (loss), net of income tax benefit of \$10 and \$0: | | |
| Foreign currency translation adjustment | (26) | (6) |

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| | | |
|---|---------|--------|
| Unrealized gain on investments | — | 1 |
| Unrecognized pension cost | 1 | 1 |
| Other comprehensive loss, net of tax | \$ (25) | \$ (4) |
| Comprehensive income | 30 | 29 |
| Less: Comprehensive income attributable to noncontrolling interests | (1) | — |
| Comprehensive income attributable to Seaboard | \$ 29 | \$ 29 |

Average number of shares outstanding