

PUBLIX SUPER MARKETS INC
Form 10-Q
August 03, 2015

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 27, 2015
Commission File Number 0-00981

PUBLIX SUPER MARKETS, INC.
(Exact name of Registrant as specified in its charter)
Florida
(State of incorporation)

59-0324412
(I.R.S. Employer Identification No.)

3300 Publix Corporate Parkway
Lakeland, Florida
(Address of principal executive offices)

33811
(Zip code)

Registrant's telephone number, including area code: (863) 688-1188

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 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 during the preceding 12 months.

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 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

The number of shares of the Registrant's common stock outstanding as of July 15, 2015 was 774,808,000.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

PUBLIX SUPER MARKETS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Amounts are in thousands, except par value)

	June 27, 2015 (Unaudited)	December 27, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$277,244	407,493
Short-term investments	1,147,371	999,169
Trade receivables	565,474	549,443
Merchandise inventories	1,529,304	1,597,683
Deferred tax assets	68,468	71,142
Prepaid expenses	61,480	108,619
Total current assets	3,649,341	3,733,549
Long-term investments	5,700,274	5,231,561
Other noncurrent assets	399,965	395,428
Property, plant and equipment	10,109,305	9,666,790
Accumulated depreciation	(4,144,566)	(3,943,848)
Net property, plant and equipment	5,964,739	5,722,942
	\$15,714,319	15,083,480
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$1,476,418	1,538,108
Accrued expenses:		
Contribution to retirement plans	346,897	477,154
Self-insurance reserves	149,789	151,153
Salaries and wages	218,591	120,372
Other	410,555	373,086
Current portion of long-term debt	22,498	24,936
Federal and state income taxes	42,119	12,982
Total current liabilities	2,666,867	2,697,791
Deferred tax liabilities	340,966	388,667
Self-insurance reserves	216,444	213,213
Accrued postretirement benefit cost	106,745	106,570
Long-term debt	212,030	192,702
Other noncurrent liabilities	119,122	139,314
Total liabilities	3,662,174	3,738,257
Common stock related to Employee Stock Ownership Plan (ESOP)	3,030,271	2,680,528
Stockholders' equity:		
Common stock of \$1 par value. Authorized 1,000,000 shares; issued 782,252 shares in 2015 and 774,472 shares in 2014	782,252	774,472
Additional paid-in capital	2,509,382	2,200,892
Retained earnings	8,946,645	8,218,340
Treasury stock at cost, 7,575 shares in 2015	(305,428)	—
Accumulated other comprehensive earnings	82,042	109,134
Common stock related to ESOP	(3,030,271)	(2,680,528)
Total stockholders' equity	8,984,622	8,622,310

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Noncontrolling interests	37,252	42,385
Total equity	12,052,145	11,345,223
	\$15,714,319	15,083,480

See accompanying notes to condensed consolidated financial statements.

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PUBLIX SUPER MARKETS, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
 (Amounts are in thousands, except per share amounts)

	Three Months Ended	
	June 27, 2015 (Unaudited)	June 28, 2014
Revenues:		
Sales	\$7,955,474	7,505,586
Other operating income	62,557	59,074
Total revenues	8,018,031	7,564,660
Costs and expenses:		
Cost of merchandise sold	5,722,339	5,468,593
Operating and administrative expenses	1,627,252	1,535,148
Total costs and expenses	7,349,591	7,003,741
Operating profit	668,440	560,919
Investment income	45,404	37,932
Other nonoperating income, net	8,932	4,927
Earnings before income tax expense	722,776	603,778
Income tax expense	240,035	199,718
Net earnings	\$482,741	404,060
Weighted average shares outstanding	776,730	782,132
Basic and diluted earnings per share	\$0.62	0.52
Dividends paid per common share	\$0.39	0.37

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS
 (Amounts are in thousands)

	Three Months Ended	
	June 27, 2015 (Unaudited)	June 28, 2014
Net earnings	\$482,741	404,060
Other comprehensive earnings:		
Unrealized (loss) gain on available-for-sale (AFS) securities net of income taxes of \$(444) and \$24,140 in 2015 and 2014, respectively	(705)	38,335
Reclassification adjustment for net realized gain on AFS securities net of income taxes of \$(8,837) and \$(5,863) in 2015 and 2014, respectively	(14,032)	(9,312)
Adjustment to postretirement benefit plan obligation net of income taxes of \$92 and \$53 in 2015 and 2014, respectively	145	85
Comprehensive earnings	\$468,149	433,168

See accompanying notes to condensed consolidated financial statements.

PUBLIX SUPER MARKETS, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
 (Amounts are in thousands, except per share amounts)

	Six Months Ended	
	June 27, 2015 (Unaudited)	June 28, 2014
Revenues:		
Sales	\$ 16,304,791	15,320,326
Other operating income	125,985	120,036
Total revenues	16,430,776	15,440,362
Costs and expenses:		
Cost of merchandise sold	11,723,570	11,079,461
Operating and administrative expenses	3,264,972	3,092,928
Total costs and expenses	14,988,542	14,172,389
Operating profit	1,442,234	1,267,973
Investment income	81,167	63,560
Other nonoperating income, net	16,582	12,419
Earnings before income tax expense	1,539,983	1,343,952
Income tax expense	508,324	446,186
Net earnings	\$ 1,031,659	897,766
Weighted average shares outstanding	776,014	780,056
Basic and diluted earnings per share	\$ 1.33	1.15
Dividends paid per common share	\$ 0.39	0.37

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS
 (Amounts are in thousands)

	Six Months Ended	
	June 27, 2015 (Unaudited)	June 28, 2014
Net earnings	\$ 1,031,659	897,766
Other comprehensive earnings:		
Unrealized (loss) gain on AFS securities net of income taxes of \$(2,466) and \$31,642 in 2015 and 2014, respectively	(3,917)	50,248
Reclassification adjustment for net realized gain on AFS securities net of income taxes of \$(14,778) and \$(8,028) in 2015 and 2014, respectively	(23,465)	(12,749)
Adjustment to postretirement benefit plan obligation net of income taxes of \$183 and \$106 in 2015 and 2014, respectively	290	169
Comprehensive earnings	\$ 1,004,567	935,434

See accompanying notes to condensed consolidated financial statements.

PUBLIX SUPER MARKETS, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (Amounts are in thousands)

	Six Months Ended	
	June 27, 2015 (Unaudited)	June 28, 2014
Cash flows from operating activities:		
Cash received from customers	\$ 16,321,489	15,338,994
Cash paid to employees and suppliers	(14,284,168)	(13,352,472)
Income taxes paid	(436,729)	(533,388)
Self-insured claims paid	(140,840)	(154,078)
Dividends and interest received	106,524	109,856
Other operating cash receipts	122,676	