UNITED NATURAL FOODS INC
Form 10-Q
December 08, 2016

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

FORM 10-Q
(Mark One)

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

For the quarterly period ended October 29, 2016

OR

_ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Commission File Number: 000-21531
UNITED NATURAL FOODS, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	05-0376157
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
313 Iron Horse Way, Providence, RI	02908
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: (401) 528-8634

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 X 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 X 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 X	Accelerated filer _
Non-accelerated filer _	Smaller reporting company _
(Do not check if a 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 X

As of December 1, 2016 there were 50,584,496 shares of the registrant's Common Stock, $0.01 par value per share, outstanding.

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Item 1. Financial Statements

UNITED NATURAL FOODS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)
(In thousands, except for per share data)

	October 29, 2016	July 30, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	$13,556	$18,593
Accounts receivable, less allowances of $9,915 and $9,638	534,322	489,708
Inventories	1,077,931	1,021,663
Deferred income taxes	35,219	35,228
Prepaid expenses and other current assets	43,530	45,998
Total current assets	1,704,558	1,611,190
Property & equipment, net	608,296	616,605
Goodwill	375,226	366,168
Intangible assets, less accumulated amortization of $37,801 and $34,315	219,467	222,314
Other assets	35,494	35,878
Total assets	$2,943,041	$2,852,155
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$514,362	$445,430
Accrued expenses and other current liabilities	156,741	162,438
Current portion of long-term debt	11,919	11,854
Total current liabilities	683,022	619,722
Notes payable	421,241	426,519
Deferred income taxes	96,227	95,220
Other long-term liabilities	28,926	29,451
Long-term debt, excluding current portion	161,138	161,739
Total liabilities	1,390,554	1,332,651
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, par value $0.01 per share, authorized 5,000 shares; issued none	—	—
Common stock, par value $0.01 per share, authorized 100,000 shares; issued and outstanding 50,581 and 50,383	506	504
Additional paid-in capital	440,237	436,167
Accumulated other comprehensive loss	(22,685)	(22,379)
Retained earnings	1,134,429	1,105,212
Total stockholders' equity	1,552,487	1,519,504
Total liabilities and stockholders' equity	$2,943,041	$2,852,155

See Notes to Condensed Consolidated Financial Statements.

UNITED NATURAL FOODS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (unaudited)
(In thousands, except for per share data)

	13-Week Period Ending	
	October 29, 2016	October 31, 2015
Net sales	$2,278,364	$2,076,649
Cost of sales	1,929,348	1,762,712
Gross profit	349,016	313,937
Operating expenses	295,677	257,224
Restructuring and asset impairment expenses	—	2,809
Total operating expenses	295,677	260,033
Operating income	53,339	53,904
Other expense (income):		
Interest expense	4,522	3,748
Interest income	(99)	(152)
Other expense (income), net	383	173
Total other expense, net	4,806	3,769
Income before income taxes	48,533	50,135
Provision for income taxes	19,316	20,004
Net income	$29,217	$30,131
Basic per share data:		
Net income	$0.58	$0.60
Weighted average basic shares of common stock outstanding	50,475	50,194
Diluted per share data:		
Net income	$0.58	$0.60
Weighted average diluted shares of common stock outstanding	50,599	50,313

See Notes to Condensed Consolidated Financial Statements.

UNITED NATURAL FOODS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (unaudited)
(In thousands)

	13-Week Period Ending	
	October 29, 2016	October 31, 2015
Net income	$29,217	$ 30,131
Other comprehensive income (loss):		
Change in fair value of swap agreements, net of tax	1,595	(990)
Foreign currency translation adjustments	(1,901)	61
Total other comprehensive loss	(306)	(929)
Total comprehensive income	$28,911	$ 29,202

See Notes to Condensed Consolidated Financial Statements.

UNITED NATURAL FOODS, INC.
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (unaudited)
(In thousands)

	Common Stock		Additional Paid in Capital	Accumulated Other Comprehensive (Loss) Income	Retained Earnings	Total Stockholders' Equity
	Shares	Amount				
Balances at July 30, 2016	50,383	$ 504	$436,167	$ (22,379)	$1,105,212	$1,519,504
Stock option exercises and restricted stock vestings, net of tax	198	2	(1,162)			(1,160)
Share-based compensation			6,653			6,653
Tax deficit associated with stock plans			(1,421)			(1,421)
Fair value of swap agreements, net of tax				1,595		1,595
Foreign currency translation				(1,901)		(1,901)
Net income					29,217	29,217
Balances at October 29, 2016	50,581	$ 506	$440,237	$ (22,685)	$1,134,429	1,552,487

See Notes to Condensed Consolidated Financial Statements.

UNITED NATURAL FOODS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

(In thousands)	13-Week Period Ended October 29, 2016	October 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$29,217	$ 30,131
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	21,215	16,704
Share-based compensation	6,653	5,973
Loss on disposals of property and equipment	265	194
Excess tax deficit (benefit) from share-based payment arrangements	1,421	(414)
Provision for doubtful accounts	626	3,207
Non-cash interest income	(96)	(102)
Changes in assets and liabilities, net of acquired businesses:		
Accounts receivable	(43,272)	(19,866)
Inventories	(55,127)	(100,387)
Prepaid expenses and other assets	1,581	4,455
Accounts payable	33,913	58,395
Accrued expenses and other liabilities	(3,651)	7,202
Net cash (used in) provided by operating activities	(7,255)	5,492
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(9,198)	(7,588)
Purchases of acquired businesses, net of cash acquired	(10,074)	(17)
Net cash used in investing activities	(19,272)	(7,605)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of long-term debt	(367)	(2,890)
Proceeds from borrowings under revolving credit line	94,356	122,650
Repayments of borrowings under revolving credit line	(99,408)	(169,591)
Increase in bank overdraft	29,787	47,084
Proceeds from exercise of stock options	—	921
Payment of employee restricted stock tax withholdings	(1,160)	(1,576)
Excess tax (deficit) benefit from share-based payment arrangements	(1,421)	414
Capitalized debt issuance costs	(180)	—
Net cash provided by (used in) financing activities	21,607	(2,988)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(117)	14
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,037)	(5,087)
Cash and cash equivalents at beginning of period	18,593	17,380
Cash and cash equivalents at end of period	$13,556	$ 12,293
Supplemental disclosures of cash flow information:		
Cash paid for interest	$4,522	$ 4,354
Cash paid for federal and state income taxes, net of refunds	$2,873	$ 1,768

See Notes to Condensed Consolidated Financial Statements.

UNITED NATURAL FOODS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
October 29, 2016 (unaudited)

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Nature of Business

United Natural Foods, Inc. and its subsidiaries (the “Company”) is a leading distributor and retailer of natural, organic and specialty products. The Company sells its products primarily throughout the United States and Canada.

(b) Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

The accompanying unaudited condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") for interim financial information, including the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, certain information and note disclosures normally required in complete financial statements prepared in conformity with accounting principles generally accepted in the United States have been condensed or omitted. In the Company’s opinion, these condensed consolidated financial statements include all adjustments necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods presented. The results of operations for interim periods, however, may not be indicative of the results that may be expected for a full year. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended July 30, 2016.

Net sales consist primarily of sales of natural, organic and specialty products to retailers, adjusted for customer volume discounts, returns and allowances. Net sales also include amounts charged by the Company to customers for shipping and handling and fuel surcharges. The principal components of cost of sales include the amounts paid to manufacturers and growers for product sold, plus the cost of transportation necessary to bring the product to the Company’s distribution facilities. Cost of sales also includes amounts incurred by the Company’s manufacturing subsidiary, United Natural Trading LLC, which does business as Woodstock Farms Manufacturing, for inbound transportation costs and depreciation of manufacturing equipment offset by consideration received from suppliers in connection with the purchase or promotion of the suppliers’ products. Operating expenses include salaries and wages, employee benefits, warehousing and delivery, selling, occupancy, insurance, administrative, share-based compensation and amortization expense. Operating expenses also include depreciation expense related to the wholesale and retail divisions. Other expense (income) includes interest on outstanding indebtedness, interest income and miscellaneous income and expenses.

As noted above, the Company includes shipping and handling fees billed to customers in net sales. Shipping and handling costs associated with inbound freight are generally recorded in cost of sales, whereas shipping and handling costs for selecting, quality assurance, and outbound transportation are recorded in operating expenses. Outbound shipping and handling costs, including allocated employee benefit expenses, totaled $126.9 million and $114.5 million for the first quarter of fiscal 2017 and 2016, respectively.

2. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In March 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-09, Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting, which is intended to improve the accounting for share-based payment transactions as part of the FASB's simplification initiative. This ASU will change aspects of accounting for share-based payment award transactions including accounting for income taxes, the classification of excess tax benefits and the classification of employee taxes paid when shares are withheld for tax-withholding purposes on the statement of cash flows, forfeitures, and minimum statutory tax withholding requirements. The ASU is effective for public companies with interim periods and fiscal years beginning after December 15, 2016, which for the Company will be the first quarter of the fiscal year ending July 28, 2018. Early adoption is permitted provided that the entire ASU is adopted. The Company has not yet adopted this standard, but if the Company had adopted this standard in the first quarter of fiscal 2017, the result would have been a reclassification from additional paid-in capital to income tax expense. For the first quarter of fiscal 2017 and 2016, the result would have increased current year income tax expense by $1.4 million and $0.2 million, respectively.

In February 2016, the FASB issued ASU No. 2016-2, Leases (Topic 842). The objective of this ASU is to establish the principles that lessees and lessors shall apply to report useful information to users of financial statements about the amount, timing, and uncertainty of cash flows arising from a lease. Lessees are permitted to make an accounting policy election to not recognize the asset and liability for leases with a term of twelve months or less. In addition, this ASU expands the disclosure requirements of lease arrangements. Lessees and lessors will use a modified retrospective transition approach, which includes a number of practical expedients. The ASU is effective for public companies with interim and annual periods in fiscal years beginning after December 15, 2018, which for the Company will be the first quarter of the fiscal year ending August 1, 2020, with early adoption permitted. We are currently reviewing the provisions of the new standard and evaluating its impact on the Company's financial statements.

In January 2016, the FASB issued ASU No. 2016-1, Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Liabilities, which will change the income statement impact of equity investments, and the recognition of changes in fair value of financial liabilities when the fair value option is elected. The ASU is effective for public companies with interim and annual periods in fiscal years beginning after December 15, 2017, which for the Company will be the first quarter of the fiscal year ending August 3, 2019. We do not expect the adoption of this guidance to have a significant impact on the Company’s consolidated financial statements.

In November 2015, the FASB issued ASU No. 2015-17, Balance Sheet Classification of Deferred Taxes, which requires entities with a classified balance sheet to present all deferred tax assets and liabilities as noncurrent. The new pronouncement is effective for public companies with annual periods, and interim periods within those periods, beginning after December 15, 2016, which for the Company will be the first quarter of fiscal 2018. Early adoption at the beginning of an interim or annual period is permitted. The Company expects to adopt this new guidance in fiscal year 2018. If the Company had adopted this standard in the first quarter of fiscal 2017, the result would have been a reclassification from current deferred income tax assets to noncurrent deferred income tax liabilities of $35.2 million as of October 29, 2016 and July 30, 2016.

In August 2015, the FASB issued ASU No. 2015-14, Revenue from Contracts with Customers, (Topic 606): Deferral of the Effective Date deferring the adoption of previously issued guidance published in May 2014, ASU No. 2014-09, Revenue from Contracts with Customers, (Topic 606). The core principle of the new guidance is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In March 2016, the FASB issued ASU 2016-08, Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net), which clarifies the implementation guidance on principal versus agent considerations. The collective guidance is effective for public companies with annual periods, and interim periods within those periods, beginning after December 15, 2017, which for the Company will be the first quarter of the fiscal year ending August 3, 2019. The Company expects to adopt this new guidance in fiscal year 2019 but has not yet selected a transition method. We are in the process of evaluating the impact of the pending adoption of this guidance on the Company's financial reporting.

3. ACQUISITIONS

Wholesale Segment - Wholesale Distribution Acquisitions

Nor-Cal Produce, Inc. On March 31, 2016 the Company acquired all of the outstanding equity securities of Nor-Cal Produce, Inc. ("Nor-Cal") and an affiliated entity as well as certain real estate. Founded in 1972, Nor-Cal is a distributor of conventional and organic produce and other fresh products in Northern California, with primary operations located in West Sacramento, California. Total cash consideration related to this acquisition was approximately $68.6 million, subject to certain customary post-closing adjustments. The identifiable intangible assets recorded based on provisional valuations include customer lists of $30.3 million, a tradename with an estimated fair value of $1.0 million, and a non-compete with an estimated fair value of $0.5 million, which are being amortized on a straight-line basis over estimated useful lives of approximately thirteen years, five years, and five years, respectively. The preliminary fair value of the identifiable intangible assets acquired was determined by using an income approach. Significant assumptions utilized in the income approach were based on company-specific information and projections, which are not observable in the market and are thus considered Level 3 measurements as defined by authoritative guidance. The goodwill of $40.3 million represents the future economic benefits expected to arise that could not be individually identified and separately recognized. Nor-Cal's operations have been combined with the existing Albert's business. The Company is in the process of finalizing certain post-closing net working capital adjustments. The Company did not record adjustments to the preliminary opening balance sheet during the first quarter of fiscal 2017.

Haddon House Food Products, Inc. On May 13, 2016 the Company acquired all of the outstanding equity interests of Haddon House Food Products, Inc. ("Haddon") and certain affiliated entities and real estate. Haddon is a well-respected distributor and merchandiser of natural and organic and gourmet ethnic products throughout the Eastern United States. Haddon has a diverse, multi-channel customer base including conventional supermarkets, gourmet food stores and independently owned product retailers.

Total consideration related to this acquisition was approximately $219.1 million, $217.5 million of which was paid in cash and $1.6 million of which was included in accounts payable as of October 29, 2016. The purchase price is subject to certain customary post-closing adjustments. The identifiable intangible assets recorded based on provisional valuations include customer relationships with an estimated fair value of $62.7 million, the Haddon tradename with an estimated fair value of $0.7 million, non-compete agreements with an estimated fair value of $0.7 million, and a trademark asset related to Haddon owned branded product lines with an estimated fair value of $2.0 million. The customer relationship intangible asset is currently being amortized on a straight-line basis over an estimated useful life of approximately thirteen years, the Haddon tradename is being amortized over an estimated useful life of approximately three years, the non-compete agreements that the Company received from the owners of Haddon are being amortized over the five-year term of the agreements, and the Haddon trademark asset associated with its branded product lines is estimated to have an indefinite useful life. The preliminary fair value of the identifiable intangible assets acquired was determined by using an income approach. Significant assumptions utilized in the income approach were based on company-specific information and projections, which are not observable in the market and are thus considered Level 3 measurements as defined by authoritative guidance. The goodwill of $45.8 million represents the future economic benefits expected to arise that could not be individually identified and separately recognized.

The Company is in the process of finalizing certain post-closing net working capital adjustments, and has recorded adjustments in the current year. The following table summarizes the consideration paid for the acquisition and the amounts of assets acquired and liabilities assumed as of the acquisition date:

(in thousands)	Preliminary as of July 30, 2016	Adjustments in Current Fiscal Year	Preliminary as of October 29, 2016
Accounts receivable	$ 40,434	$ (300)	$ 40,134
Other receivable	3,621	—	3,621
Inventories	46,138	302	46,440
Prepaid expenses and other current assets	1,645	—	1,645
Property and equipment	54,501	—	54,501
Other assets	280	—	280
Customer relationships	62,700	—	62,700
Tradename	700	—	700
Non-compete	700	—	700
Other intangible assets	2,000	—	2,000
Goodwill	45,851	(2)	45,849
Total assets	$ 258,570	$ —	$ 258,570
Liabilities	39,510	—	39,510
Total purchase price	$ 219,060	$ —	$ 219,060

Gourmet Guru, Inc. On August 10, 2016, the Company acquired all of the outstanding stock of Gourmet Guru, Inc. ("Gourmet Guru"). Founded in 1996, Gourmet Guru is a distributor and merchandiser of fresh and organic food focusing on new and emerging brands. Total cash consideration related to this acquisition was approximately $10.1 million, subject to certain customary post-closing adjustments. The fair value of identifiable intangible assets acquired was determined by using an income approach. The identifiable intangible asset recorded based on a provisional valuation consisted of customer lists of $1.0 million, which are being amortized on a straight-line basis over an estimated useful life of approximately two years. The goodwill of $9.6 million represents the future economic benefits expected to arise that could not be individually identified and separately recognized. Gourmet Guru's operations have been combined with the Company's existing business; therefore, the Company does not record the expenses separately from the rest of the wholesale distribution business and results are not separable.

Cash paid for Nor-Cal, Haddon and Gourmet Guru was financed through borrowings under the Company’s amended and restated revolving credit facility. Acquisition costs were de minimus for the quarter ended October 29, 2016 and have been expensed as incurred within "operating expenses" in the Condensed Consolidated Statements of Income. The results of the acquired businesses' operations have been included in the consolidated financial statements since the applicable date of acquisitions.

4. RESTRUCTURING ACTIVITIES AND ASSET IMPAIRMENTS

2016 Cost-Saving Measures

During the fourth quarter of fiscal 2015, the Company announced that its contract as a distributor to Albertsons Companies, Inc., which includes the Albertsons, Safeway and Eastern Supermarket chains, would terminate on September 20, 2015 rather than upon the original contract end date of July 31, 2016. During fiscal 2016, the Company implemented Company-wide cost-saving measures in response to this lost business which resulted in total restructuring costs of $4.4 million, all of which was recorded during the first and second quarters of fiscal 2016. There were no additional costs recorded during the first quarter of fiscal 2017. These initiatives resulted in a reduction of employees, the majority of which were terminated during the first quarter of fiscal 2016, across the Company. The total work-force reduction charge of $3.4 million recorded during fiscal 2016 was primarily related to severance and fringe benefits. In addition to workforce reduction charges, the Company recorded $0.9 million during fiscal 2016 for costs due to an early lease termination and facility closure and operational transfer costs associated with these initiatives.

Earth Origins Market

During the fourth quarter of fiscal 2016, the Company recorded restructuring and impairment charges of $0.8 million related to the Company's Earth Origins Market ("Earth Origins") retail business. The Company made the decision during the fourth quarter of fiscal 2016 to close two of its stores, one store located in Florida and the other located in Maryland, which resulted in restructuring costs of $0.5 million primarily related to severance and closure costs. The stores were closed during the first quarter of fiscal 2017. In addition, the restructuring charge includes an impairment charge of $0.3 million on long-lived assets which was recorded during the fourth quarter of fiscal 2016.

Canadian Facility Closure

During fiscal 2015, the Company ceased operations at its Canadian facility located in Scotstown, Quebec. In connection with this closure, the Company recognized restructuring and impairment charges of $0.8 million during the first and second quarters of fiscal 2015. Additionally, during the second quarter of fiscal 2016, the Company recognized an additional impairment charge of $0.4 million related to the long lived assets at the facility.

The following is a summary of the restructuring costs the Company recorded in fiscal 2016, as well as the remaining liability as of October 29, 2016 (in thousands):

	Restructuring Costs	Cash Payments	Restructuring Cost Liability as of October 29, 2016
Severance	$ 3,443	$ (3,365)	$ 78
Early lease termination and facility closing costs	368	(368)	—
Operational transfer costs	570	(570)	—
Earth Origins:			
Severance	41	(13)	28
Store closing costs	443	(271)	172
Total	$ 4,865	$ (4,587)	$ 278

5. EARNINGS PER SHARE

The following is a reconciliation of the basic and diluted number of shares used in computing earnings per share (in thousands):

	13-Week Period Ended	
	October 29, 2016	October 31, 2015
Basic weighted average shares outstanding	50,475	50,194
Net effect of dilutive stock awards based upon the treasury stock method	124	119
Diluted weighted average shares outstanding	50,599	50,313

For the first quarters of fiscal 2017 and 2016, there were 48,808 and 50,453 anti-dilutive share-based awards outstanding, respectively. These anti-dilutive share-based awards were excluded from the calculation of diluted earnings per share.

6. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Hedging of Interest Rate Risk

The Company manages its debt portfolio with interest rate swaps from time to time to achieve an overall desired position of fixed and floating rates. Details of outstanding swap agreements as of October 29, 2016, which are all pay fixed and receive floating, are as follows:

Maturity Date of Swap	Notional Value (in millions)	Fixed Coupon Rate on Hedged Debt	Floating Interest Rate on Swap	Floating Rate Reset Terms
August 3, 2022	$ 140.0	1.7950 %	One-Month LIBOR	Monthly
June 9, 2019	$ 50.0	0.8725 %	One-Month LIBOR	Monthly
April 29, 2021	$ 25.0	1.0650 %	One-Month LIBOR	Monthly
June 24, 2019	$ 50.0	0.7265 %	One-Month LIBOR	Monthly
April 29, 2021	$ 25.0	0.9260 %	One-Month LIBOR	Monthly

Interest rate swap agreements are entered into for periods consistent with related underlying exposures and do not constitute positions independent of those exposures. The Company’s interest rate swap agreements are designated as cash flow hedges at October 29, 2016 and are reflected at their fair