

TENNANT CO
Form 10-Q
April 28, 2011

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 March 31, 2011

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 1-16191

TENNANT COMPANY
(Exact name of registrant as specified in its charter)

Minnesota
(State or other jurisdiction of incorporation or organization)

41-0572550
(I.R.S. Employer Identification No.)

701 North Lilac Drive
P.O. Box 1452
Minneapolis, Minnesota 55440
(Address of principal executive offices)
(Zip Code)

(763) 540-1200
(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

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 definition of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer		Accelerated filer	<input type="checkbox"/>
	(Do not check if a smaller		
Non-accelerated filer	reporting company)	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of April 20, 2011, there were 19,142,889 shares of Common Stock outstanding.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

TENNANT COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited)

(In thousands, except shares and per share data)	Three Months Ended March 31	
	2011	2010
Net Sales	\$ 172,591	\$ 150,106
Cost of Sales	100,660	86,346
Gross Profit	71,931	63,760
Operating Expense:		
Research and Development Expense	6,280	5,536
Selling and Administrative Expense	57,459	51,730
Total Operating Expense	63,739	57,266
Profit from Operations	8,192	6,494
Other Income (Expense):		
Interest Income	68	45
Interest Expense	(415)	(433)
Net Foreign Currency Transaction Gains (Losses)	527	(186)
Other Income, Net	31	-
Total Other Income (Expense), Net	211	(574)
Profit Before Income Taxes	8,403	5,920
Income Tax Expense	2,537	1,829
Net Earnings	\$ 5,866	\$ 4,091
Earnings per Share:		
Basic	\$ 0.31	\$ 0.22
Diluted	\$ 0.30	\$ 0.21
Weighted Average Shares Outstanding:		
Basic	18,963,177	18,682,335
Diluted	19,556,036	19,090,423
Cash Dividend Declared per Common Share	\$ 0.17	\$ 0.14

See accompanying Notes to the Condensed Consolidated Financial Statements.

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TENNANT COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In thousands, except shares and per share data)	March 31, 2011	December 31, 2010
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 38,919	\$ 39,529
Accounts Receivable, less Allowances of \$4,582 and \$4,311, respectively	131,067	127,542
Inventories	66,704	61,746
Prepaid Expenses	13,343	7,993
Deferred Income Taxes, Current Portion	9,733	11,459
Other Current Assets	28	-
Total Current Assets	259,794	248,269
Property, Plant and Equipment	285,402	287,751
Accumulated Depreciation	(200,542)	(200,123)
Property, Plant and Equipment, Net	84,860	87,628
Deferred Income Taxes, Long-Term Portion	14,004	14,182