

APTARGROUP INC
Form 10-Q
May 04, 2015
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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, 2015

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 1-11846

AptarGroup, Inc.

DELAWARE
(State of Incorporation)

36-3853103
(I.R.S. Employer Identification No.)

475 WEST TERRA COTTA AVENUE, SUITE E, CRYSTAL LAKE, ILLINOIS 60014

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815-477-0424

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 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. (Check one):

Large accelerated filer 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 28, 2015
Common Stock, \$.01 par value per share	62,599,783 shares

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Form 10-Q

Quarter Ended March 31, 2015

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PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

AptarGroup, Inc.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

In thousands, except per share amounts

Three Months Ended March 31,	2015	2014
Net Sales	\$ 589,811	\$ 676,051
Operating Expenses:		
Cost of sales (exclusive of depreciation and amortization shown below)	385,979	453,411
Selling, research & development and administrative	96,187	106,674
Depreciation and amortization	34,060	37,247
	516,226	597,332
Operating Income	73,585	78,719
Other (Expense) Income:		
Interest expense	(7,303)	(4,881)
Interest income	1,731	1,016
Equity results of affiliates	(119)	(1,546)
Miscellaneous, net	(199)	372
	(5,890)	(5,039)
Income before Income Taxes	67,695	73,680
Provision for Income Taxes	22,596	25,272
Net Income	45,099	48,408
Net Loss (Income) Attributable to Noncontrolling Interests	72	(19)
Net Income Attributable to AptarGroup, Inc.	\$ 45,171	\$ 48,389
Net Income Attributable to AptarGroup, Inc. Per Common Share:		
Basic	\$ 0.73	\$ 0.74
Diluted	\$ 0.70	\$ 0.71
Average Number of Shares Outstanding:		
Basic	62,292	65,468
Diluted	64,494	68,232
Dividends per Common Share	\$ 0.28	\$ 0.25

See accompanying Unaudited Notes to Condensed Consolidated Financial Statements.

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AptarGroup, Inc.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

In thousands

Three Months Ended March 31,	2015	2014
Net Income	\$ 45,099	\$ 48,408
Other Comprehensive (Loss) Income:		
Foreign currency translation adjustments	(139,246)	563
Changes in treasury locks, net of tax	6	6
Defined benefit pension plan, net of tax		
Amortization of prior service cost included in net income, net of tax	43	53
Amortization of net loss included in net income, net of tax	1,126	665
Total defined benefit pension plan, net of tax	1,169	718
Total other comprehensive (loss) income	(138,071)	1,287
Comprehensive (Loss) Income	(92,972)	49,695
Comprehensive Loss (Income) Attributable to Noncontrolling Interests	72	(9)
Comprehensive (Loss) Income Attributable to AptarGroup, Inc.	\$ (92,900)	\$ 49,686

See accompanying Unaudited Notes to Condensed Consolidated Financial Statements.

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CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

In thousands

	March 31, 2015	December 31, 2014
Assets		
Current Assets:		
Cash and equivalents	\$ 385,693	\$ 399,762
Accounts and notes receivable, less allowance for doubtful accounts of \$3,719 in 2015 and \$4,251 in 2014	421,560	406,976
Inventories	284,579	311,072
Prepaid and other	103,494	96,128
	1,195,326	1,213,938
Property, Plant and Equipment:		
Buildings and improvements	331,573	353,683
Machinery and equipment	1,805,608	1,919,507
	2,137,181	2,273,190
Less: Accumulated depreciation	(1,402,011)	(1,484,546)
	735,170	788,644
Land	21,318	23,011
	756,488	811,655
Other Assets:		
Investments in affiliates	5,146	5,760
Goodwill	309,396	329,741
Intangible assets, net	35,210	40,045
Miscellaneous	33,460	36,051
	383,212	411,597
Total Assets	\$ 2,335,026	\$ 2,437,190

See accompanying Unaudited Notes to Condensed Consolidated Financial Statements.

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CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

In thousands, except per share amounts

	March 31, 2015	December 31, 2014
Liabilities and Stockholders Equity		
Current Liabilities:		
Notes payable	\$ 3,993	\$ 233,284
Current maturities of long-term obligations	18,594	18,692
Accounts payable and accrued liabilities	340,334	352,762
	362,921	604,738
Long-Term Obligations	812,232	588,892
Deferred Liabilities and Other:		
Deferred income taxes	21,655	25,521
Retirement and deferred compensation plans	107,157	109,517
Deferred and other non-current liabilities	4,263	4,606
Commitments and contingencies (Note 9)	--	--
	133,075	139,644
Stockholders Equity:		
AptarGroup, Inc. stockholders equity		
Common stock, \$.01 par value, 199 million shares authorized; 86.8 and 86.3 million shares issued as of March 31, 2015 and December 31, 2014, respectively	867	862
Capital in excess of par value	540,563	507,313
Retained earnings	1,767,774	1,740,005
Accumulated other comprehensive (loss)	(248,116)	(110,045)
Less treasury stock at cost, 24.3 million shares as of March 31, 2015 and December 31, 2014	(1,034,727)	(1,034,728)
Total AptarGroup, Inc. Stockholders Equity	1,026,361	1,103,407
Noncontrolling interests in subsidiaries	437	509
Total Stockholders Equity	1,026,798	1,103,916
Total Liabilities and Stockholders Equity	\$ 2,335,026	\$ 2,437,190

See accompanying Unaudited Notes to Condensed Consolidated Financial Statements.

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AptarGroup, Inc.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited)

In thousands

		AptarGroup, Inc. Stockholders Equity						
		Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Common Stock Par Value	Treasury Stock	Capital in Excess of Par Value	Non-Controlling Interest	Total Equity
Balance	December 31, 2013:	\$ 1,619,419	\$ 109,751	\$ 853	\$ (744,213)	\$ 493,947	\$ 551	\$ 1,480,308
Net income								