

EDGEWELL PERSONAL CARE Co
Form 10-Q
August 08, 2017

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 30, 2017

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: 001-15401

EDGEWELL PERSONAL CARE COMPANY

(Exact name of registrant as specified in its charter)

Missouri

(State or other jurisdiction of incorporation or organization) (I. R. S. Employer Identification No.)

43-1863181

1350 Timberlake Manor Parkway

Chesterfield, Missouri

(Address of principal executive offices)

63017

(Zip Code)

(314) 594-1900

(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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth 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

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:
Common shares, \$0.01 par value - 56,971,319 shares as of July 31, 2017.

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EDGEWELL PERSONAL CARE COMPANY
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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

EDGEWELL PERSONAL CARE COMPANY
 CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME
 (unaudited, in millions, except per share data)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2017	2016	2017	2016
Net sales	\$637.5	\$645.1	\$1,733.5	\$1,751.4
Cost of products sold	315.4	333.9	873.8	901.6
Gross profit	322.1	311.2	859.7	849.8
Selling, general and administrative expense	97.5	104.8	295.2	304.9
Advertising and sales promotion expense	114.2	122.5	247.3	254.1
Research and development expense	16.4	17.5	50.2	50.2
Restructuring charges	12.5	5.8	24.9	29.3
Industrial sale charges	—	—	—	0.2
Interest expense associated with debt	17.6	18.3	52.3	53.8
Other (income) expense, net	(1.6)	8.2	(10.1)	1.2
Earnings before income taxes	65.5	34.1	199.9	156.1
Income tax provision (benefit)	10.6	(2.6)	45.8	29.6
Net earnings	\$54.9	\$36.7	\$154.1	\$126.5
Earnings per share:				
Basic net earnings per share	\$0.96	\$0.62	\$2.68	\$2.13
Diluted net earnings per share	0.95	0.61	2.67	2.11
Statement of Comprehensive Income:				
Net earnings	\$54.9	\$36.7	\$154.1	\$126.5
Other comprehensive income (loss), net of tax				
Foreign currency translation adjustments	43.8	(8.0)	15.1	(0.7)
Pension and postretirement activity, net of tax of \$0.6, \$0.4, \$1.7 and \$1.1	(1.4)	3.4	3.1	(2.6)
Deferred (loss) gain on hedging activity, net of tax of \$0.8, \$0.5, (\$1.5) and \$3.4	(1.8)	(0.3)	2.7	(6.5)
Total other comprehensive income (loss), net of tax	40.6	(4.9)	20.9	(9.8)
Total comprehensive income	\$95.5	\$31.8	\$175.0	\$116.7

See accompanying Notes to Condensed Consolidated Financial Statements.

EDGEWELL PERSONAL CARE COMPANY
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (unaudited, in millions, except share data)

	June 30, 2017	September 30, 2016
Assets		
Current assets		
Cash and cash equivalents	\$ 454.9	\$ 738.9
Trade receivables, less allowance for doubtful accounts of \$5.8 and \$4.9	312.9	260.7
Inventories	343.1	309.2
Other current assets	125.1	143.2
Total current assets	1,236.0	1,452.0
Property, plant and equipment, net	458.4	486.1