

CHURCH & DWIGHT CO INC /DE/

Form 10-Q

May 06, 2011

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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 quarter ended April 1, 2011

Commission file number 1-10585

CHURCH & DWIGHT CO., INC.

(Exact name of registrant as specified in its charter)

Delaware

13-4996950

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(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)
469 North Harrison Street, Princeton, N.J. 08543

(Address of principal executive offices)

Registrant's telephone number, including area code: (609) 683-5900

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 twelve 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.

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

As of May 4, 2011, there were 71,478,539 shares of Common Stock outstanding.

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(In millions, except per share data)	Three Months Ended	
	April 1,	April 2,
	2011	2010
Net Sales	\$ 642.3	\$ 634.6
Cost of sales	354.2	349.1
Gross Profit	288.1	285.5
Marketing expenses	69.2	68.9
Selling, general and administrative expenses	87.8	84.6
Income from Operations	131.1	132.0
Equity in earnings of affiliates	2.2	1.3
Investment earnings	0.5	0.1
Other income, net	0.5	0.2
Interest expense	(2.7)	(8.2)
Income before Income Taxes	131.6	125.4
Income taxes	48.0	45.4
Net Income	83.6	80.0
Noncontrolling interest	0	0
Net Income attributable to Church & Dwight Co., Inc.	\$ 83.6	\$ 80.0
Weighted average shares outstanding - Basic	71.4	70.8
Weighted average shares outstanding - Diluted	72.6	72.0
Net income per share - Basic	\$ 1.17	\$ 1.13
Net income per share - Diluted	\$ 1.15	\$ 1.11
Cash dividends per share	\$ 0.34	\$ 0.14

See Notes to Condensed Consolidated Financial Statements.

Table of Contents**CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS****(Unaudited)**

(Dollars in millions, except share and per share data)	April 1, 2011	December 31, 2010
Assets		
Current Assets		
Cash and cash equivalents	\$ 159.1	\$ 189.2
Accounts receivable, less allowances of \$5.4 and \$5.5	248.5	231.1
Inventories	213.1	195.4
Deferred income taxes	16.1	16.3
Other current assets	26.4	17.5
Total Current Assets	663.2	649.5
Property, Plant and Equipment, Net	468.2	468.3
Equity Investment in Affiliates	9.7	9.2
Tradenames and Other Intangibles	868.7	872.5
Goodwill	857.3	857.4
Other Assets	85.4	88.3
Total Assets	\$ 2,952.5	\$ 2,945.2
Liabilities and Stockholders' Equity		
Current Liabilities		
Short-term borrowings	\$ 0	\$ 90.0
Accounts payable and accrued expenses	338.6	355.3
Income taxes payable	21.9	1.8
Total Current Liabilities	360.5	447.1
Long-term Debt	249.7	249.7
Deferred Income Taxes	267.7	254.3
Deferred and Other Long-term Liabilities	86.5	85.2
Pension, Postretirement and Postemployment Benefits	37.1	38.0
Total Liabilities	1,001.5	1,074.3
Commitments and Contingencies		
Stockholders' Equity		
Preferred Stock, \$1.00 par value, Authorized 2,500,000 shares; none issued	0	0
Common Stock, \$1.00 par value, Authorized 300,000,000 shares; 73,213,775 shares issued	73.2	73.2
Additional paid-in capital	312.0	304.0
Retained earnings	1,561.1	1,501.8
Accumulated other comprehensive income	26.0	16.3
Common stock in treasury, at cost: 1,780,586 shares in 2011 and 2,009,000 shares in 2010	(21.5)	(24.6)

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Total Church & Dwight Co., Inc. Stockholders Equity	1,950.8	1,870.7
Noncontrolling interest	0.2	0.2
Total Stockholders Equity	1,951.0	1,870.9
Total Liabilities and Stockholders Equity	\$ 2,952.5	\$ 2,945.2

See Notes to Condensed Consolidated Financial Statements.

Table of Contents**CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW****(Unaudited)**

(Dollars in millions)	Three Months Ended	
	April 1, 2011	April 2, 2010
Cash Flow From Operating Activities		
Net Income	\$ 83.6	\$ 80.0
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	12.6	11.3
Amortization expense	6.8	6.9
Deferred income taxes	13.3	4.0
Equity in earnings of affiliates	(2.2)	(1.3)
Distributions from unconsolidated affiliates	1.6	2.4
Non cash compensation expense	1.8	1.8
Gain on sale of assets	0	(1.0)
Unrealized foreign exchange (gain) loss and other	(0.5)	(1.4)
Change in assets and liabilities:		
Accounts receivable	(15.0)	(24.2)
Inventories	(14.9)	(13.1)
Other current assets	(6.6)	(3.7)
Accounts payable and accrued expenses	(23.5)	(17.3)
Income taxes payable	25.2	25.6
Excess tax benefit on stock options exercised	(2.2)	(3.0)
Other liabilities	(0.5)	5.0
Net Cash Provided By Operating Activities	79.5	72.0
Cash Flow From Investing Activities		
Proceeds from sale of assets	0	8.2
Additions to property, plant and equipment	(6.8)	(9.2)
Proceeds from note receivable	1.1	1.4
Contingent acquisition payments	(0.1)	(0.2)
Other	(0.3)	0.7
Net Cash (Used In) Provided by Investing Activities	(6.1)	0.9
Cash Flow From Financing Activities		
Long-term debt repayment	0	(41.1)
Short-term debt repayments, net of borrowings	(90.0)	(30.1)
Proceeds from stock options exercised	5.8	5.4
Excess tax benefit on stock options exercised	2.2	3.0
Payment of cash dividends	(24.3)	(9.9)
Purchase of treasury stock	(0.1)	(0.1)
Net Cash Used In Financing Activities	(106.4)	(72.8)
Effect of exchange rate changes on cash and cash equivalents	2.9	(0.6)
Net Change In Cash and Cash Equivalents	(30.1)	(0.5)
Cash and Cash Equivalents at Beginning of Period	189.2	447.1

Cash and Cash Equivalents at End of Period	\$ 159.1	\$ 446.6
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See Notes to Condensed Consolidated Financial Statements.

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CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW-CONTINUED

(Unaudited)

(Dollars in millions)	Three Months Ended	
	April 1, 2011	April 2, 2010
Cash paid during the year for:		
Interest (net of amounts capitalized)	\$ 0.4	\$ 1.0
Income taxes	\$ 9.6	\$ 15.8
Supplemental disclosure of non-cash investing activities:		
Property, plant and equipment expenditures included in Accounts Payable	\$ 4.4	\$ 4.2

See Notes to Condensed Consolidated Financial Statements.

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CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY

For the Three Months Ended April 1, 2011 and April 2, 2010

(Unaudited)

(In millions)	Number of Shares Common Stock	Amounts
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