

HAIN CELESTIAL GROUP INC
Form 10-Q
May 11, 2015
Table of Contents

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

FORM 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended March 31, 2015

Transition Report pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934
for the transition period from _____ to _____
Commission File No. 0-22818

THE HAIN CELESTIAL GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

22-3240619
(I.R.S. Employer
Identification No.)

1111 Marcus Avenue
Lake Success, New York
(Address of principal executive offices)

11042
(Zip Code)

Registrant's telephone number, including area code: (516) 587-5000

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 (section 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 definitions of "accelerated filer," "large 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

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

Yes No

As of May 4, 2015 there were 102,598,538 shares outstanding of the registrant's Common Stock, par value \$.01 per share.

Table of Contents

THE HAIN CELESTIAL GROUP, INC.

Index

	Page
Part I - Financial Information	
Item 1.	<u>2</u>
	<u>2</u>
	<u>3</u>
	<u>4</u>
	<u>5</u>
	<u>6</u>
	<u>7</u>
Item 2.	<u>25</u>
Item 3.	<u>40</u>
Item 4.	<u>40</u>
Part II - Other Information	
Items 3, 4 and 5 are not applicable	
Item 1.	<u>41</u>
Item 1A.	<u>41</u>
Item 2.	<u>41</u>
Item 6.	<u>42</u>
<u>Signatures</u>	<u>43</u>
<u>Exhibit Index</u>	<u>44</u>

Table of Contents

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

THE HAIN CELESTIAL GROUP, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEETS
 MARCH 31, 2015 AND JUNE 30, 2014
 (In thousands, except share amounts)

	March 31, 2015 (Unaudited)	June 30, 2014 (Note)
ASSETS		
Current assets:		
Cash and cash equivalents	\$100,325	\$123,751
Accounts receivable, less allowance for doubtful accounts of \$2,142 and \$1,586	337,516	287,915
Inventories	369,968	320,251
Deferred income taxes	26,581	23,780
Prepaid expenses and other current assets	46,514	47,906
Total current assets	880,904	803,603
Property, plant and equipment, net	325,966	310,661
Goodwill	1,107,328	1,134,368
Trademarks and other intangible assets, net	631,866	651,482
Investments and joint ventures	3,449	36,511
Other assets	31,686	28,692
Total assets	\$2,981,199	\$2,965,317
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$226,497	\$239,162
Accrued expenses and other current liabilities	82,319	84,906
Current portion of long-term debt	33,870	100,096
Total current liabilities	342,686	424,164
Long-term debt, less current portion	845,103	767,827
Deferred income taxes	159,743	148,439
Other noncurrent liabilities	5,834	5,020
Total liabilities	1,353,366	1,345,450
Stockholders' equity:		
Preferred stock - \$.01 par value, authorized 5,000,000 shares, no shares issued	—	—
Common stock - \$.01 par value, authorized 150,000,000 shares, issued 105,826,674 and 103,143,018 shares (see Note 2)	1,058	1,031
Additional paid-in capital (see Note 2)	1,064,341	969,182
Retained earnings	726,442	629,618
Accumulated other comprehensive income (loss)	(105,937)) 60,128
	1,685,904	1,659,959
Less: 3,228,136 and 2,906,160 shares of treasury stock, at cost (See Note 2)	(58,071)) (40,092)
Total stockholders' equity	1,627,833	1,619,867
Total liabilities and stockholders' equity	\$2,981,199	\$2,965,317

Note: The balance sheet at June 30, 2014 has been derived from the audited financial statements at that date adjusted to retroactively reflect a two-for-one stock split of the Company's common stock in the form of a 100% stock

dividend. See notes to condensed consolidated financial statements.

2

Table of Contents

THE HAIN CELESTIAL GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2015 AND 2014
(In thousands, except per share amounts)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2015	2014	2015	2014
Net sales	\$662,739	\$557,420	\$1,990,379	\$1,569,783
Cost of sales	504,990	404,627	1,539,459	1,154,790
Gross profit	157,749	152,793	450,920	414,993
Selling, general and administrative expenses	83,068	78,268	262,613	227,092
Amortization/impairment of acquired intangibles	10,189	4,133	19,001	11,248
Acquisition related expenses, restructuring and integration charges, net	4,298	6,763	6,273	8,939
Operating income	60,194	63,629	163,033	167,714
Interest and other expenses, net	8,640	5,946	21,380	15,839
Income before income taxes and equity in earnings of equity-method investees	51,554	57,683	141,653	151,875
Provision for income taxes	18,147	19,748	45,144	48,247
Equity in net loss (income) of equity-method investees	13	(83) (315) (2,128
Income from continuing operations	33,394	38,018	96,824	105,756
Discontinued operations	—	(2,777)	