

ESTEE LAUDER COMPANIES INC
Form 10-Q
May 03, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549-1004

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, 2016

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: 1-14064

The Estée Lauder Companies Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

11-2408943

(I.R.S. Employer Identification No.)

767 Fifth Avenue, New York, New York
(Address of principal executive offices)

10153
(Zip Code)

212-572-4200

(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 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
(Do not check if a smaller reporting company)

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

At April 26, 2016, 222,579,072 shares of the registrant's Class A Common Stock, \$.01 par value, and 146,658,737 shares of the registrant's Class B Common Stock, \$.01 par value, were outstanding.

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THE ESTÉE LAUDER COMPANIES INC.

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Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements.****THE ESTÉE LAUDER COMPANIES INC.****CONSOLIDATED STATEMENTS OF EARNINGS****(Unaudited)**

| | Three Months Ended March 31 | | Nine Months Ended March 31 | |
|--|--------------------------------------|-----------------|-------------------------------|-----------------|
| | 2016 | 2015 | 2016 | 2015 |
| | (In millions, except per share data) | | | |
| Net Sales | \$ 2,656.5 | \$ 2,580.5 | \$ 8,616.0 | \$ 8,256.0 |
| Cost of Sales | 504.2 | 502.9 | 1,670.4 | 1,612.6 |
| Gross Profit | 2,152.3 | 2,077.6 | 6,945.6 | 6,643.4 |
| Operating Expenses | | | | |
| Selling, general and administrative | 1,753.1 | 1,680.4 | 5,445.3 | 5,265.4 |
| Restructuring and other charges | 15.2 | | 33.7 | |
| Total operating expenses | 1,768.3 | 1,680.4 | 5,479.0 | 5,265.4 |
| Operating Income | 384.0 | 397.2 | 1,466.6 | 1,378.0 |
| Interest expense | 18.0 | 15.2 | 52.1 | 45.0 |
| Interest income and investment income, net | 4.2 | 3.1 | 10.4 | 8.5 |
| Earnings before Income Taxes | 370.2 | 385.1 | 1,424.9 | 1,341.5 |
| Provision for income taxes | 103.6 | 112.4 | 399.1 | 401.9 |
| Net Earnings | 266.6 | 272.7 | 1,025.8 | 939.6 |
| Net earnings attributable to noncontrolling interests | (1.0) | (0.6) | (4.7) | (3.7) |
| Net Earnings Attributable to The Estée Lauder Companies Inc. | \$ 265.6 | \$ 272.1 | \$ 1,021.1 | \$ 935.9 |
| Net earnings attributable to The Estée Lauder Companies Inc. per common share | | | | |
| Basic | \$ 0.72 | \$ 0.72 | \$ 2.76 | \$ 2.46 |
| Diluted | \$ 0.71 | \$ 0.71 | \$ 2.71 | \$ 2.42 |
| Weighted-average common shares outstanding | | | | |
| Basic | 369.1 | 378.5 | 370.4 | 380.1 |
| Diluted | 375.6 | 384.7 | 376.9 | 386.3 |

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| | | | | | | | | |
|---|----|-----|----|-----|----|-----|----|-----|
| Cash dividends declared per common share | \$ | .30 | \$ | .24 | \$ | .84 | \$ | .68 |
|---|----|-----|----|-----|----|-----|----|-----|

See notes to consolidated financial statements.

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THE ESTÉE LAUDER COMPANIES INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited)

**Three Months Ended
March 31**

**Nine Months Ended
March 31**