

COMPASS MINERALS INTERNATIONAL INC
Form 10-Q
July 28, 2015

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

FORM 10-Q

R QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 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 001-31921

Compass Minerals International, Inc.

(Exact name of registrant as specified in its charter)

Delaware	36-3972986
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

9900 West 109th Street
Suite 100
Overland Park, KS 66210
(913) 344-9200

(Address of principal executive offices, zip code and 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: R 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: R No: £

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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:

The number of shares outstanding of the registrant’s common stock, \$0.01 par value per share, at July 24, 2015 was 33,693,102 shares.

COMPASS MINERALS INTERNATIONAL, INC.

TABLE OF CONTENTS

Page		
	PART I. FINANCIAL INFORMATION	
Item 1.	<u>Financial Statements</u>	
	<u>Consolidated Balance Sheets as of June 30, 2015 (unaudited) and December 31, 2014</u>	2
	<u>Consolidated Statements of Operations for the three and six months ended June 30, 2015 and 2014 (unaudited)</u>	3
	<u>Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2015 and 2014 (unaudited)</u>	4
	<u>Consolidated Statement of Stockholders' Equity for the six months ended June 30, 2015 (unaudited)</u>	5
	<u>Consolidated Statements of Cash Flows for the six months ended June 30, 2015 and 2014 (unaudited)</u>	6
	<u>Notes to Consolidated Financial Statements (unaudited)</u>	7
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	18
Item 3.	<u>Quantitative and Qualitative Disclosures about Market Risk</u>	26
Item 4.	<u>Controls and Procedures</u>	26
	PART II. OTHER INFORMATION	
Item 1.	<u>Legal Proceedings</u>	27
Item 1A.	<u>Risk Factors</u>	27
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	27
Item 3.	<u>Defaults Upon Senior Securities</u>	27
Item 4.	<u>Mine Safety Disclosures</u>	27
Item 5.	<u>Other Information</u>	27
Item 6.	<u>Exhibits</u>	27
	<u>SIGNATURES</u>	28
	<u>EXHIBIT INDEX</u>	29

Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

COMPASS MINERALS INTERNATIONAL, INC.

CONSOLIDATED BALANCE SHEETS

(in millions, except share data)

	(Unaudited) June 30, 2015	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 233.7	\$ 266.8
Receivables, less allowance for doubtful accounts of \$1.5 in 2015 and \$1.4 in 2014	90.5	213.0
Inventories	224.3	199.0
Deferred income taxes, net	6.9	9.7
Other	15.6	14.2
Total current assets	571.0	702.7
Property, plant and equipment, net	736.5	700.9
Intangible assets, net	98.9	106.2
Goodwill	64.1	68.5
Other	59.8	58.9
Total assets	\$ 1,530.3	\$ 1,637.2
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 3.9	\$ 3.9
Accounts payable	63.6	97.6
Accrued expenses	46.6	60.6
Accrued salaries and wages	19.3	24.4
Income taxes payable	0.8	44.4
Accrued interest	5.9	6.8
Total current liabilities	140.1	237.7
Long-term debt, net of current portion	620.6	622.5
Deferred income taxes, net	85.5	88.9
Other noncurrent liabilities	33.3	34.5
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Common stock: \$0.01 par value, 200,000,000 authorized shares; 35,367,264 issued shares	0.4	0.4
Additional paid-in capital	88.1	82.5
Treasury stock, at cost — 1,674,680 shares at June 30, 2015 and 1,757,997 shares at December 31, 2014	(3.2)	(3.3)
Retained earnings	618.5	589.5
Accumulated other comprehensive loss	(53.0)	(15.5)
Total stockholders' equity	650.8	653.6
Total liabilities and stockholders' equity	\$ 1,530.3	\$ 1,637.2

The accompanying notes are an integral part of the consolidated financial statements.

Table of Contents

COMPASS MINERALS INTERNATIONAL, INC.
 CONSOLIDATED STATEMENTS OF OPERATIONS
 (Unaudited, in millions, except share and per share data)

	Three Months Ended June 30, 2015		Six Months Ended June 30, 2014	
Sales	\$183.7	\$186.6	\$576.7	\$608.6
Shipping and handling cost	40.8	44.8	142.7	175.5
Product cost	92.3	104.3	270.2	303.3
Gross profit	50.6	37.5	163.8	129.8
Selling, general and administrative expenses	26.6	24.1	55.1	49.4
Operating earnings	24.0	13.4	108.7	80.4
Other (income) expense:				
Interest expense	5.3	4.5	10.7	8.9
Other, net	(1.2)	7.1	(4.7)	4.0
Earnings before income taxes	19.9	1.8	102.7	67.5
Income tax expense	6.7	2.5	28.9	18.0
Net earnings (loss)	\$13.2	\$(0.7)	\$73.8	\$49.5
Basic net earnings (loss) per common share	\$0.39	\$(0.02)	\$2.18	\$1.47
Diluted net earnings (loss) per common share	\$0.39	\$(0.02)		