

SCHWEITZER MAUDUIT INTERNATIONAL INC
Form 10-Q
May 06, 2015
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

OR

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

For the transition period from _____ to _____

1-13948

(Commission file number)

SCHWEITZER-MAUDUIT INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

62-1612879
(I.R.S. Employer Identification No.)

100 North Point Center East, Suite 600
Alpharetta, Georgia
(Address of principal executive offices)

30022
(Zip Code)

1-800-514-0186
(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 (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if a 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
o No x

The Company had 30,474,314 shares of common stock issued and outstanding as of May 6, 2015.

SCHWEITZER-MAUDUIT INTERNATIONAL, INC.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

SCHWEITZER-MAUDUIT INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(dollars in millions, except per share amounts)

(Unaudited)

	Three Months Ended	
	March 31, 2015	March 31, 2014
Net Sales	\$188.0	\$204.7
Cost of products sold	136.6	147.1
Gross Profit	51.4	57.6
Selling expense	5.4	5.5
Research expense	3.3	4.1
General expense	16.2	14.8
Total nonmanufacturing expenses	24.9	24.4
Restructuring expense	4.0	0.1
Operating Profit	22.5	33.1
Interest expense	1.7	1.5
Other income, net	2.1	0.8
Income from Continuing Operations before Income Taxes and Income from Equity Affiliates	22.9	32.4
Provision for income taxes	5.5	9.8
Income from equity affiliates, net of income taxes	1.4	0.6
Income from Continuing Operations	18.8	23.2
Loss from Discontinued Operations	—	—
Net Income	\$18.8	\$23.2
Net Income per Share - Basic:		
Income per share from continuing operations	\$0.62	\$0.75
Loss per share from discontinued operations	—	—
Net income per share – basic	\$0.62	\$0.75
Net Income per Share – Diluted:		
Income per share from continuing operations	\$0.61	\$0.75
Loss per share from discontinued operations	—	—
Net income per share – diluted	\$0.61	\$0.75
Weighted Average Shares Outstanding:		
Basic	30,178,300	30,665,900
Diluted	30,293,200	30,778,200

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

SCHWEITZER-MAUDUIT INTERNATIONAL, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(dollars in millions)

(Unaudited)

	Three Months Ended	
	March 31, 2015	March 31, 2014
Net Income	\$18.8	\$23.2
Other Comprehensive Income (Loss), net of tax:		
Foreign currency translation adjustments	(48.7) (1.7
Unrealized gains (losses) on derivative instruments	(7.0) 5.7
Less: Reclassification adjustment for gains (losses) on derivative instruments included in net income	(3.1) (1.4
Net gain from postretirement benefit plans	—	—
Less: Amortization of postretirement benefit plans' costs included in net periodic benefit cost	(0.6) 0.8
Other Comprehensive (Loss) Income	(59.4) 3.4
Comprehensive (Loss) Income	\$(40.6) \$26.6

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

SCHWEITZER-MAUDUIT INTERNATIONAL, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEETS

(dollars in millions, except per share amounts)

(Unaudited)

	March 31, 2015	December 31, 2014
ASSETS		
Current Assets		
Cash and cash equivalents	\$267.3	\$290.3
Accounts receivable, net	114.8	93.9
Inventories	100.2	108.4
Income taxes receivable	7.4	11.5
Current deferred income tax benefits	7.9	9.2
Other current assets	9.1	6.1
Total Current Assets	506.7	519.4