

SILGAN HOLDINGS INC
Form 10-Q
May 06, 2016

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, 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 000-22117

SILGAN HOLDINGS INC.

(Exact name of Registrant as specified in its charter)

| | |
|---|---|
| Delaware | 06-1269834 |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |

4 Landmark Square
Stamford, Connecticut 06901
(Address of principal executive offices) (Zip Code)

(203) 975-7110
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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 during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes ☒ 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 definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ [X]

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 ☒ [X]

As of April 29, 2016, the number of shares outstanding of the Registrant’s common stock, \$0.01 par value, was 60,468,347.

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SILGAN HOLDINGS INC.

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Part I. Financial Information

Item 1. Financial Statements

SILGAN HOLDINGS INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)

| | March 31, 2016 (unaudited) | March 31, 2015 (unaudited) | Dec. 31, 2015 |
|---|----------------------------------|----------------------------------|------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$66,614 | \$129,078 | \$99,945 |
| Trade accounts receivable, net | 338,933 | 382,805 | 281,041 |
| Inventories | 752,971 | 680,178 | 628,138 |
| Prepaid expenses and other current assets | 48,239 | 36,429 | 36,134 |
| Total current assets | 1,206,757 | 1,228,490 | 1,045,258 |
| Property, plant and equipment, net | 1,152,975 | 1,049,730 | 1,125,433 |
| Goodwill | 615,956 | 612,130 | 612,792 |
| Other intangible assets, net | 192,459 | 204,659 | 195,087 |
| Other assets, net | 216,318 | 235,150 | 214,109 |
| | \$3,384,465 | \$3,330,159 | \$3,192,679 |
| Liabilities and Stockholders' Equity | | | |
| Current liabilities: | | | |
| Revolving loans and current portion of long-term debt | \$449,512 | \$474,023 | \$152,398 |
| Trade accounts payable | 327,178 | 329,708 | 477,171 |
| Accrued payroll and related costs | 44,850 | 50,639 | 45,094 |
| Accrued liabilities | 112,814 | 67,012 | 106,550 |
| Total current liabilities | 934,354 | 921,382 | 781,213 |
| Long-term debt | 1,368,498 | 1,422,550 | 1,361,149 |
| Other liabilities | 413,583 | 443,324 | 411,133 |
| Stockholders' equity: | | | |
| Common stock | 876 | 876 | 876 |
| Paid-in capital | 240,204 | 229,463 | 237,291 |
| Retained earnings | 1,462,236 | 1,336,533 | 1,446,193 |
| Accumulated other comprehensive loss | (197,456) | (195,301) | (208,806) |
| Treasury stock | (837,830) | (828,668) | (836,370) |
| Total stockholders' equity | 668,030 | 542,903 | 639,184 |
| | \$3,384,465 | \$3,330,159 | \$3,192,679 |

See accompanying notes.

SILGAN HOLDINGS INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

For the three months ended March 31, 2016 and 2015

(Dollars and shares in thousands, except per share amounts)

(Unaudited)

| | 2016 | 2015 |
|--|-----------|-----------|
| Net sales | \$792,738 | \$816,601 |
| Cost of goods sold | 678,861 | 694,364 |
| Gross profit | 113,877 | 122,237 |
| Selling, general and administrative expenses | 55,360 | 54,451 |
| Rationalization charges | 1,071 | 725 |
| Income from operations | 57,446 | 67,061 |
| Interest and other debt expense | 16,455 | 16,443 |
| Income before income taxes | 40,991 | 50,618 |
| Provision for income taxes | 14,419 | 17,314 |
| Net income | \$26,572 | \$ |