

SONOCO PRODUCTS CO
Form 10-Q
August 26, 2015

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

FORM 10-Q

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

For the quarterly period ended June 28, 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 No. 001-11261
SONOCO PRODUCTS COMPANY

Incorporated under the laws
of South Carolina
1 N. Second St.
Hartsville, South Carolina 29550
Telephone: 843/383-7000

I.R.S. Employer Identification
No. 57-0248420

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 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock at July 31, 2015:
Common stock, no par value: 100,929,470

SONOCO PRODUCTS COMPANY
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Part I. FINANCIAL INFORMATION

Item 1. Financial Statements.

SONOCO PRODUCTS COMPANY

CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)

(Dollars and shares in thousands)

	June 28, 2015	December 31, 2014*
Assets		
Current Assets		
Cash and cash equivalents	\$217,775	\$161,168
Trade accounts receivable, net of allowances	676,578	653,737
Other receivables	41,003	38,580
Inventories:		
Finished and in process	148,126	151,150
Materials and supplies	269,843	269,126
Prepaid expenses	66,687	61,071
Deferred income taxes	28,820	38,957
	1,448,832	1,373,789
Property, Plant and Equipment, Net	1,114,375	1,148,607
Goodwill	1,160,932	1,177,962
Other Intangible Assets, Net	265,696	280,935
Long-term Deferred Income Taxes	43,239	45,442
Other Assets	172,415	167,176
Total Assets	\$4,205,489	\$4,193,911
Liabilities and Equity		
Current Liabilities		
Payable to suppliers	\$521,898	\$517,228
Accrued expenses and other	294,106	334,086
Notes payable and current portion of long-term debt	146,780	52,280
Accrued taxes	7,541	8,599
	970,325	912,193
Long-term Debt, Net of Current Portion	1,124,580	1,200,885
Pension and Other Postretirement Benefits	444,293	444,231
Deferred Income Taxes	77,277	91,157
Other Liabilities	45,879	41,598
Commitments and Contingencies		
Sonoco Shareholders' Equity		
Common stock, no par value		
Authorized 300,000 shares		
100,916 and 100,603 shares issued and outstanding at June 28, 2015 and December 31, 2014, respectively	7,175	7,175
Capital in excess of stated value	399,052	396,980
Accumulated other comprehensive loss	(661,705)	(608,851)
Retained earnings	1,775,042	1,692,891
Total Sonoco Shareholders' Equity	1,519,564	1,488,195
Noncontrolling Interests	23,571	15,652
Total Equity	1,543,135	1,503,847
Total Liabilities and Equity	\$4,205,489	\$4,193,911

* The year-end condensed consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America. See accompanying Notes to Condensed Consolidated Financial Statements

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SONOCO PRODUCTS COMPANY
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME (unaudited)
 (Dollars and shares in thousands except per share data)

	Three Months Ended		Six Months Ended	
	June 28, 2015	June 29, 2014 (as Restated)	June 28, 2015	June 29, 2014 (as Restated)
Net sales	\$1,248,590	\$1,247,616	\$2,454,642	\$2,437,648
Cost of sales	1,008,274	1,018,666	1,993,936	1,998,937
Gross profit	240,316	228,950	460,706	438,711
Selling, general and administrative expenses	130,887	126,455	227,552	250,205
Restructuring/Asset impairment charges	10,445	3,671	10,086	5,663
Income before interest and income taxes	98,984	98,824	223,068	182,843