

Spectrum Brands, Inc.
Form 10-Q
August 08, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

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

For the quarterly period ended June 30, 2013

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 001-34757

Spectrum Brands, Inc.
(Exact name of registrant as specified in its charter)

Delaware 22-2423556
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification Number)

601 Rayovac Drive 53711
Madison, Wisconsin (Zip Code)
(Address of principal executive offices)

(608) 275-3340
(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 (§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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

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 FOR QUARTER ENDED June 30, 2013
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

SPECTRUM BRANDS, INC.

Condensed Consolidated Statements of Financial Position

June 30, 2013 and September 30, 2012

(Unaudited)

(Amounts in thousands)

	June 30, 2013	September 30, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$98,904	\$ 157,872
Receivables:		
Trade accounts receivable, net of allowances of \$32,591 and \$21,870, respectively	479,307	335,301
Other	74,943	40,067
Inventories	707,340	452,633
Deferred income taxes	21,252	28,143
Prepaid expenses and other	69,800	49,273
Total current assets	1,451,546	1,063,289
Property, plant and equipment, net of accumulated depreciation of \$180,596 and \$139,994, respectively	355,250	214,017
Deferred charges and other	22,389	27,711
Goodwill	1,470,180	694,245
Intangible assets, net	2,169,404	1,714,929
Debt issuance costs	71,903	39,320
Total assets	\$5,540,672	\$3,753,511
Liabilities and Shareholders' Equity		
Current liabilities:		
Current maturities of long-term debt	\$40,783	\$ 16,414
Accounts payable	427,539	325,023
Accrued liabilities:		
Wages and benefits	63,623	82,119
Income taxes payable	29,586	30,272
Accrued interest	26,906	30,473
Other	155,410	124,597
Total current liabilities	743,847	608,898
Long-term debt, net of current maturities	3,185,271	1,652,886
Employee benefit obligations, net of current portion	109,340	89,994
Deferred income taxes	503,454	377,465
Other	24,845	31,578
Total liabilities	4,566,757	2,760,821
Commitments and contingencies		
Shareholders' equity:		
Other capital	1,385,806	1,359,946
Accumulated deficit	(406,513) (333,821
Accumulated other comprehensive loss	(56,310) (33,435
Total shareholders' equity	922,983	992,690

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Non-controlling interest	50,932	—
Total equity	973,915	992,690
Total liabilities and equity	\$5,540,672	\$3,753,511

See accompanying notes which are an integral part of these condensed consolidated financial statements
(Unaudited).

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SPECTRUM BRANDS, INC.

Condensed Consolidated Statements of Operations

For the three and nine month periods ended June 30, 2013 and July 1, 2012

(Unaudited)

(Amounts in thousands)

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	2013	2012	2013	2012
Net sales	\$1,089,825	\$824,803	\$2,947,849	\$2,419,859
Cost of goods sold	706,053	531,069	1,949,332	1,575,803
Restructuring and related charges	1,013	2,038	4,698	8,303
Gross profit	382,759	291,696	993,819	835,753
Selling	165,178	129,851	464,961	391,522
General and administrative	70,057	50,726	196,077	157,493
Research and development	11,486	8,597	31,517	23,790
Acquisition and integration related charges	7,747	5,274	40,558	20,625
Restructuring and related charges	12,232			