

ECOLAB INC
Form 10-Q
August 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 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 No. 1-9328

ECOLAB INC.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

41-0231510
(I.R.S. Employer
Identification No.)

370 Wabasha Street N., St. Paul, Minnesota 55102

(Address of principal executive offices) (Zip Code)

1-800-232-6522

(Registrant's telephone number, including area code)

(Not Applicable)

(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 Regulations 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.

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 No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of June 30, 2015.

295,092,229 shares of common stock, par value \$1.00 per share.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

ECOLAB INC.

CONSOLIDATED STATEMENT OF INCOME

(unaudited)

(millions, except per share amounts)	Second Quarter Ended	
	2015	2014
	June 30	
Net sales	\$ 3,389.1	\$ 3,568.2
Cost of sales (including special charges of \$11.0 in 2015 and \$1.1 in 2014)	1,806.5	1,909.4
Selling, general and administrative expenses	1,079.2	1,152.7
Special (gains) and charges	65.6	(6.1)
Operating income	437.8	512.2
Interest expense, net	61.2	66.2
Income before income taxes	376.6	446.0
Provision for income taxes	67.8	131.0
Net income including noncontrolling interest	308.8	315.0
Less: Net income attributable to noncontrolling interest	6.8	3.6
Net income attributable to Ecolab	\$ 302.0	\$ 311.4
Earnings attributable to Ecolab per common share		
Basic	\$ 1.02	\$ 1.04
Diluted	\$ 1.00	\$ 1.02
Dividends declared per common share	\$ 0.3300	\$ 0.2750
Weighted-average common shares outstanding		
Basic	296.2	299.6
Diluted	301.1	305.2

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

ECOLAB INC.

CONSOLIDATED STATEMENT OF INCOME

(unaudited)

(millions, except per share amounts)	Six Months Ended June 30	
	2015	2014
Net sales	\$ 6,686.7	\$ 6,904.8
Cost of sales (including special charges of \$11.6 in 2015 and \$7.1 in 2014)	3,571.8	3,728.6
Selling, general and administrative expenses	2,216.0	2,289.6
Special (gains) and charges	73.4	23.5
Operating income	825.5	863.1
Interest expense, net	123.7	131.3
Income before income taxes	701.8	731.8
Provision for income taxes	157.6	222.3
Net income including noncontrolling interest	544.2	509.5
Less: Net income attributable to noncontrolling interest	8.8	7.1
Net income attributable to Ecolab	\$ 535.4	\$ 502.4
Earnings attributable to Ecolab per common share		
Basic	\$ 1.80	\$ 1.67
Diluted	\$ 1.77	\$ 1.64
Dividends declared per common share	\$ 0.6600	\$ 0.5500
Weighted-average common shares outstanding		
Basic	297.2	300.1
Diluted	302.2	305.9

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

ECOLAB INC.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

(unaudited)

**Second Quarter Ended
June 30**

** nbsp;nbsp;**

Six Months Ended