

TreeHouse Foods, Inc.
Form 10-Q
November 04, 2009

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 and Exchange Act of 1934
For the Quarterly Period Ended September 30, 2009.

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 001-32504

TreeHouse Foods, Inc.
(Exact name of the registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or
organization)

20-2311383
(I.R.S. employer identification no.)

Two Westbrook Corporate Center, Suite 1070
Westchester, IL
(Address of principal executive offices)

60154
(Zip Code)

(Registrant's telephone number, including area code) (708) 483-1300

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.

Edgar Filing: TreeHouse Foods, Inc. - Form 10-Q

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

There were 31,928,672 shares of Common Stock, par value \$0.01 per share, outstanding as of October 30, 2009.

Table of Contents

Table of Contents

	Page
<u>Part I — Financial Information</u>	
<u>Item 1 — Financial Statements (Unaudited)</u>	3
<u>Item 2 — Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	17
<u>Item 3 — Quantitative and Qualitative Disclosures About Market Risk</u>	28
<u>Item 4 — Controls and Procedures</u>	29
<u>Report of Independent Registered Public Accounting Firm</u>	30
<u>Part II — Other Information</u>	
<u>Item 1 — Legal Proceedings</u>	31
<u>Item 1A — Risk Factors</u>	31
<u>Item 2 — Unregistered Sales of Equity Securities and Use of Proceeds</u>	31
<u>Item 3 — Defaults Upon Senior Securities</u>	31
<u>Item 4 — Submission of Matters to a Vote of Security Holders</u>	31
<u>Item 5 — Other Information</u>	31
<u>Item 6 — Exhibits</u>	32

Table of Contents

Part I — Financial Information

Item 1. Financial Statements

TREEHOUSE FOODS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

	September 30, 2009	December 31, 2008
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,654	\$ 2,687
Receivables, net	105,765	86,837
Inventories, net	303,955	245,790
Deferred income taxes	7,418	6,769
Prepaid expenses and other current assets	8,991	10,315
Assets held for sale	4,081	4,081
Total current assets	433,864	356,479
Property, plant and equipment, net	278,702	270,664
Goodwill	576,094	560,874
Identifiable intangible and other assets, net	166,848	167,665
Total assets	\$ 1,455,508	\$ 1,355,682
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 176,499	\$ 187,795
Current portion of long-term debt	597	475
Total current liabilities	177,096	188,270
Long-term debt	475,477	475,233
Deferred income taxes	44,092	27,485
Other long-term liabilities	38,319	44,563
Total liabilities	734,984	735,551
Commitments and contingencies (Note 16)		
Stockholders' equity:		
Preferred stock, par value \$0.01 per share, 10,000,000 shares authorized, none issued	—	—
Common stock, par value \$0.01 per share, 90,000,000 and 40,000,000 shares authorized, respectively, 31,928,544 and 31,544,515 shares issued and outstanding, respectively	319	315
Additional paid-in capital	582,348	569,262
Retained earnings	173,173	113,948
Accumulated other comprehensive loss	(35,316)	(63,394)
Total stockholders' equity	720,524	620,131
Total liabilities and stockholders' equity	\$ 1,455,508	\$ 1,355,682

See Notes to Condensed Consolidated Financial Statements.

Table of Contents

TREEHOUSE FOODS, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 (In thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2009	2008	2009	2008
	(Unaudited)		(Unaudited)	
Net sales	\$378,865	\$374,576	\$1,106,866	\$1,102,568
Cost of sales	298,347	301,416	874,793	890,390
Gross profit	80,518	73,160	232,073	212,178
Operating expenses:				
Selling and distribution	25,671	29,060	79,969	