

BEMIS CO INC  
Form 10-Q  
October 27, 2017  
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 September 30, 2017

Commission File Number 1-5277

BEMIS COMPANY, INC.  
(Exact name of registrant as specified in its charter)

Missouri	43-0178130
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

One Neenah Center 4th Floor, P.O. Box 669 Neenah, Wisconsin	54957-0669
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (920) 527-5000

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

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company. YES  NO

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date. As of October 25, 2017, the registrant had 90,805,017 shares of Common Stock, \$0.10 par value, issued and outstanding.

## Forward-Looking Statements

Unless otherwise indicated, references to "Bemis Company," the "Company," "we," "our," and "us" in this Quarterly Report on Form 10-Q refer to Bemis Company, Inc. and its consolidated subsidiaries.

This Quarterly Report contains certain estimates, predictions, and other "forward-looking statements" (as defined in the Private Securities Litigation Reform Act of 1995, and within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended). Forward-looking statements are generally identified with the words "believe," "expect," "anticipate," "intend," "estimate," "target," "may," "will," "project," "should," "continue," "outlook," "approximately," "would," "could," or the negative thereof or other similar expressions or discussion of future goals or aspirations, which are predictions of or indicate future events and trends and which do not relate to historical matters. Such statements are based on information available to management as of the time of such statements and relate to, among other things, expectations of the business environment in which we operate, projections of future performance (financial and otherwise), including those of acquired companies, perceived opportunities in the market and statements regarding our strategy and vision. Forward-looking statements involve known and unknown risks, uncertainties, and other factors, which may cause actual results, performance, or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Factors that could cause actual results to differ from those expected include, but are not limited to:

- The costs, availability, and terms of acquiring our raw materials (particularly for polymer resins and adhesives), as well as our ability to pass any price changes on to our customers;
- Our ability to retain and build upon the relationships and sales of our key customers;
- The potential loss of business or increased costs due to customer or vendor consolidation;
- The ability of our operations to maintain working efficiencies, as well as properly adjust to continuing changes in global politics, legislation, and economic conditions;
- A failure to realize the full potential of our restructuring activities;
- Variances in key exchange rates that could affect the translation of the financial statements of our foreign entities;
- Our ability to effectively implement and update our global enterprise resource planning ("ERP") systems;
- Our ability to realize the benefits of our acquisitions and divestitures, and whether we are able to properly integrate those businesses we have acquired;
- Fluctuations in interest rates and our borrowing costs, along with other key financial variables;
- A potential failure in our information technology infrastructure or applications and their ability to protect our key functions from cyber-crime and other malicious content;
- Unexpected outcomes in our current and future administrative and litigation proceedings;
- Changes in governmental regulations, particularly in the areas of environmental, health and safety matters, fiscal incentives, and foreign investment;
- Changes in the competitive conditions within our markets, as well as changes in the demand for our goods;
- Our ability to effectively introduce new products into the market and to protect or retain our intellectual property rights;
- Changes in our ability to attract and retain high performance employees;
- Changes in the value of our goodwill and other intangible assets;
- Changes in import and export regulation that could subject us to liability or impair our ability to compete in international markets;
- Our ability to manage all costs associated with our pension plans; and
- Changes in our credit rating.

These and other risks, uncertainties, and assumptions identified from time to time in our filings with the Securities and Exchange Commission, including without limitation, those described under Item 1A "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2016 and our quarterly reports on Form 10-Q, could cause actual future results to differ materially from those projected in the forward-looking statements. In addition, actual future results could differ materially from those projected in the forward-looking statements as a result of changes in the assumptions used in making such forward-looking statements.

PART I — FINANCIAL INFORMATION  
ITEM 1. FINANCIAL STATEMENTS  
BEMIS COMPANY, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENT OF INCOME  
(Unaudited)  
(in millions, except per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2017	2016	2017	2016
Net sales	\$1,035.1	\$1,027.2	\$3,042.6	\$3,016.4
Cost of products sold	827.4	802.4	2,451.1	2,365.8
Gross profit	207.7	224.8	591.5	650.6
Operating expenses:				
Selling, general, and administrative expenses	94.6	95.8	286.8	295.6
Research and development	10.0	11.6	33.6	34.7
Restructuring and other costs	12.9	4.4	41.1	24.8
Other operating income	(7.8 )	(3.2 )	(13.9 )	(9.1 )
Operating income	98.0	116.2	243.9	304.6
Interest expense	16.7	15.1	48.7	44.5
Other non-operating income	(0.7 )	(0.6 )	(2.2 )	(1.1 )
Income before income taxes	82.0	101.7	197.4	261.2
Provision for income taxes	26.4	33.1	62.7	85.5
Net income	\$55.6	\$68.6	\$134.7	\$175.7
Basic earnings per share	\$0.61	\$0.73	\$1.47	\$1.86
Diluted earnings per share	\$0.61	\$0.72	\$1.46	\$1.84
Cash dividends paid per share	\$0.30	\$0.29	\$0.90	\$0.87

See accompanying notes to condensed consolidated financial statements.

BEMIS COMPANY, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
(Unaudited)  
(in millions)

	Three Months		Nine Months	
	Ended		Ended	
	September 30,		September 30,	
	2017	2016	2017	2016
Net income	\$ 55.6	\$ 68.6	\$ 134.7	\$ 175.7
Other comprehensive income (loss):				
Translation adjustments	31.7	(10.9 )	57.6	