

Edgar Filing: WestRock Co - Form 10-Q

WestRock Co
Form 10-Q
May 03, 2018

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 March 31, 2018

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 001-37484

WestRock Company

(Exact Name of Registrant as Specified in Its Charter)

Delaware (State or Other Jurisdiction of Incorporation or Organization)	47-3335141 (I.R.S. Employer Identification No.)
1000 Abernathy Road NE, Atlanta, Georgia (Address of Principal Executive Offices)	30328 (Zip Code)

Registrant's Telephone Number, Including Area Code: (770) 448-2193

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

Edgar Filing: WestRock Co - Form 10-Q

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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	(Do not check if smaller reporting company)	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 (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 the latest practicable date:

Class	Outstanding as of April 20, 2018
Common Stock, \$0.01 par value	256,451,876

WESTROCK COMPANY

INDEX

	Page
PART I <u>FINANCIAL INFORMATION</u>	
Item 1. <u>Financial Statements (Unaudited)</u>	
<u>Condensed Consolidated Statements of Income for the three and six months ended March 31, 2018 and 2017</u>	3
<u>Condensed Consolidated Statements of Comprehensive Income for the three and six months ended March 31, 2018 and 2017</u>	4
<u>Condensed Consolidated Balance Sheets at March 31, 2018 and September 30, 2017</u>	5
<u>Condensed Consolidated Statement of Equity for the six months ended March 31, 2018</u>	6
<u>Condensed Consolidated Statements of Cash Flows for the six months ended March 31, 2018 and 2017</u>	7
<u>Notes to Condensed Consolidated Financial Statements</u>	9
Item 2. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	31
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	49
Item 4. <u>Controls and Procedures</u>	49
PART II <u>OTHER INFORMATION</u>	50
Item 1. <u>Legal Proceedings</u>	50
Item 1A. <u>Risk Factors</u>	50
Item 6. <u>Exhibits</u>	51
<u>Index to Exhibits</u>	52

PART I: FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS (UNAUDITED)
WESTROCK COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In Millions, Except Per Share Data)

	Three Months		Six Months Ended	
	Ended		March 31,	
	March 31,	2017	2018	2017
Net sales	\$4,017.0	\$3,656.3	\$7,911.0	\$7,103.5
Cost of goods sold	3,220.4	2,980.9	6,332.0	5,836.8
Selling, general and administrative, excluding intangible				
amortization	381.2	349.1	747.4	685.4
Selling, general and administrative intangible				
amortization	75.2	49.6	147.7	102.2
Multiemployer pension withdrawal	—	—	180.0	—
Pension lump sum settlement	—	28.7	—	28.7
Land and Development impairment	—	42.7	27.6	42.7
Restructuring and other costs	31.7	18.3	48.0	99.3
Operating profit	308.5	187.0	428.3	308.4
Interest expense, net	(78.3)	(52.9)	(143.1)	(107.0)
Gain (loss) on extinguishment of debt	0.1			