

VALHI INC /DE/
Form 10-Q
August 09, 2012
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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 quarter ended June 30, 2012

Commission file number 1-5467

VALHI, INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

87-0110150
(IRS Employer
Identification No.)

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5430 LBJ Freeway, Suite 1700,

Dallas, Texas
(Address of principal executive offices)

75240-2697
(Zip Code)

Registrant's telephone number, including area code: (972) 233-1700

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

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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Whether the Registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer or a smaller reporting company (as defined in Rule 12b-2 of the Act).

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

Number of shares of the Registrant's common stock outstanding on August 3, 2012: 339,115,449.

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VALHI, INC. AND SUBSIDIARIES

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VALHI, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions)

	December 31, 2011	June 30, 2012 (unaudited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 96.4	\$ 103.2
Restricted cash equivalents	5.3	5.5
Marketable securities	22.5	.8
Accounts and other receivables, net	316.0	457.2
Inventories, net	464.5	661.2
Other current assets	20.7	16.4
Deferred income taxes	18.8	18.8
Total current assets	944.2	1,263.1
Other assets:		
Marketable securities	354.1	329.9
Investment in affiliates	105.7	125.1
Note receivable from affiliate	11.2	11.2
Goodwill	400.1	400.2
Deferred income taxes	132.7	106.0
Other noncurrent assets	166.2	153.0
Total other assets	1,170.0	1,125.4
Property and equipment:		
Land	53.0	51.9
Buildings	276.8	273.4
Equipment	1,188.3	1,206.3
Mining properties	63.5	56.5
Construction in progress	111.2	82.4
	1,692.8	1,670.5
Less accumulated depreciation	969.0	959.8
Net property and equipment	723.8	710.7
Total assets	\$ 2,838.0	\$ 3,099.2

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VALHI, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)

(In millions)

	December 31, 2011	June 30, 2012 (unaudited)
LIABILITIES AND EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$ 19.0	\$ 34.9
Accounts payable and accrued liabilities	363.7	414.5
Income taxes	26.5	25.3
Deferred income taxes	6.4	6.2
Total current liabilities	415.6	480.9
Noncurrent liabilities:		
Long-term debt	717.4	828.9
Deferred income taxes	457.2	448.9
Accrued pension costs	144.4	133.5
Accrued environmental remediation and related costs	34.6	44.7
Accrued postretirement benefits costs	20.4	20.2
Other liabilities	55.4	56.8
Total noncurrent liabilities	1,429.4	1,533.0
Equity:		
Valhi stockholders' equity:		
Preferred stock	667.3	667.3
Common stock	3.6	3.6
Additional paid-in capital	78.6	78.9
Retained earnings (deficit)	(19.4)	82.8
Accumulated other comprehensive loss	(23.3)	(50.8)
Treasury stock	(49.6)	(49.6)
Total Valhi stockholders' equity	657.2	732.2
Noncontrolling interest in subsidiaries	335.8	353.1
Total equity	993.0	1,085.3
Total liabilities and equity	\$ 2,838.0	\$ 3,099.2

Commitments and contingencies (Notes 12 and 14)

See accompanying Notes to Condensed Consolidated Financial Statements.

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VALHI, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(In millions, except per share data)

	Three months ended June 30,		Six months ended June 30,	
	2011	2012	2011	2012
	(unaudited)			
Revenues and other income:				
Net sales	\$ 573.1	\$ 583.8	\$ 1,028.8	\$ 1,181.7
Other income, net	8.8	22.6	25.6	31.9
Total revenues and other income	581.9	606.4	1,054.4	1,213.6
Costs and expenses:				
Cost of sales	372.4	418.3	679.2	752.3
Selling, general and administrative	79.1	70.3	140.4	150.9
Loss on prepayment of debt		7.2	3.3	7.2
Interest	15.9	14.4	33.1	27.9
Total costs and expenses	467.4	510.2	856.0	938.3
Income before income taxes	114.5	96.2	198.4	275.3
Provision for income taxes	41.6	34.6	72.3	94.2
Net income	72.9	61.6	126.1	181.1
Noncontrolling interest in net income of subsidiaries	20.5	17.2	35.7	47.8
Net income attributable to Valhi stockholders	\$ 52.4	\$ 44.4	\$ 90.4	\$ 133.3
Amounts attributable to Valhi stockholders:				
Basic and diluted earnings per share	\$.15	\$.13	\$.26	\$.39
Cash dividends per share	\$.042	\$.05	\$.075	\$.092
Basic and diluted weighted average shares outstanding	341.9	342.0	342.2	342.0

See accompanying Notes to Condensed Consolidated Financial Statements.

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VALHI, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In millions)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2011	2012	2011	2012
	(unaudited)			
Net income	\$ 72.9	\$ 61.6	\$ 126.1	\$ 181.1
Other comprehensive income (loss), net of tax:				
Currency translation				