

WEYERHAEUSER CO
Form 10-Q
April 27, 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: 1-4825

WEYERHAEUSER COMPANY

Washington 91-0470860
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification Number)

220 Occidental Avenue South 98104-7800
Seattle, Washington (Zip Code)
(Address of principal executive offices) (206) 539-3000
(Registrant's telephone number, including area code)

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, 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.

Large accelerated filer Accelerated filer Non-accelerated filer

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

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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

As of April 23, 2018, 757,013,955 shares of the registrant's common stock (\$1.25 par value) were outstanding.

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FINANCIAL INFORMATION

WEYERHAEUSER COMPANY
CONSOLIDATED STATEMENT OF OPERATIONS
(UNAUDITED)

DOLLAR AMOUNTS IN MILLIONS, EXCEPT PER-SHARE FIGURES	QUARTER ENDED	
	MARCH 2018	MARCH 2017
Net sales <u>(Note 3)</u>	\$1,865	\$1,693
Costs of products sold	1,348	1,272
Gross margin	517	421
Selling expenses	23	22
General and administrative expenses	78	87
Research and development expenses	2	4
Charges for integration and restructuring, closures and asset impairments <u>(Note 15)</u>	2	13
Charges (recoveries) for product remediation <u>(Note 16)</u>	(20)	—
Other operating costs, net <u>(Note 17)</u>	28	2
Operating income	404	293
Non-operating pension and other postretirement benefit costs	(24)	(22)
Interest income and other	12	9
Interest expense, net of capitalized interest	(93)	(99)
Earnings before income taxes	299	181
Income taxes <u>(Note 18)</u>	(30)	(24)
Net earnings	\$269	\$157
Earnings per share, basic and diluted <u>(Note 5)</u>	\$0.35	\$0.21
Dividends paid per share	\$0.32	\$0.31
Weighted average shares outstanding (in thousands) <u>(Note 5)</u> :		
Basic	756,815	750,665
Diluted	759,462	754,747

See accompanying Notes to Consolidated Financial Statements.

WEYERHAEUSER COMPANY
 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 (UNAUDITED)

DOLLAR AMOUNTS IN MILLIONS	QUARTER ENDED	
	MARCH 2018	MARCH 2017
Net earnings	\$269	\$ 157
Other comprehensive income (loss):		
Foreign currency translation adjustments	(15)	2
Amortization of net pension and other postretirement benefits actuarial loss, net of tax expense of \$19 and \$26	54	29
Amortization of net prior service credit, net of tax benefit of \$0 and \$0	(1)	(1)
Unrealized gains on available-for-sale securities	—	1
Total other comprehensive income	38	31
Total comprehensive income	\$307	\$ 188

See accompanying Notes to Consolidated Financial Statements.

WEYERHAEUSER COMPANY
CONSOLIDATED BALANCE SHEET
(UNAUDITED)

DOLLAR AMOUNTS IN MILLIONS	MARCH 31, DECEMBER 31,	
	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 598	\$ 824
Receivables, less discounts and allowances of \$1 and \$1	481	396
Receivables for taxes	24	14
Inventories <u>(Note 6)</u>	445	383
Prepaid expenses and other current assets	118	98
Current restricted financial investments held by variable interest entities <u>(Note 7)</u>	253	—
Total current assets	1,919	1,715
Property and equipment, less accumulated depreciation of \$3,354 and \$3,338	1,573	1,618
Construction in progress	275	225
Timber and timberlands at cost, less depletion	12,888	12,954
Minerals and mineral rights, less depletion	306	308
Goodwill	40	40
Deferred tax assets	244	268
Other assets	278	316
Restricted financial investments held by variable interest entities <u>(Note 7)</u>	362	615
Total assets	\$ 17,885	\$ 18,059
LIABILITIES AND EQUITY		
Current liabilities:		
Current maturities of long-term debt <u>(Note 10)</u>	\$ —	\$ 62
Current debt (nonrecourse to the company) held by variable interest entities <u>(Note 7)</u>	209	209
Accounts payable	245	249
Accrued liabilities <u>(Note 9)</u>	457	645
Total current liabilities	911	1,165
Long-term debt <u>(Note 10)</u>	5,928	5,930
Long-term debt (nonrecourse to the company) held by variable interest entities <u>(Note 7)</u>	302	302
Deferred pension and other postretirement benefits <u>(Note 8)</u>	1,454	1,487
Other liabilities	299	276
Total liabilities	8,894	