

Edgar Filing: ANHEUSER BUSCH COMPANIES INC - Form 10-Q

ANHEUSER BUSCH COMPANIES INC

Form 10-Q

May 10, 2002

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Under Section 13 or 15(d)  
of the Securities Exchange Act of 1934

For Quarter Ended March 31, 2002

Commission file number 1-7823

ANHEUSER-BUSCH COMPANIES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of  
incorporation or organization)

43-1162835

(I.R.S. Employer  
Identification No.)

One Busch Place, St. Louis, Missouri

(Address of principal executive offices)

63118

(Zip Code)

314-577-2000

(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 the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

\$1 Par Value Common Stock - 876,505,708 shares as of March 31, 2002

CONSOLIDATED BALANCE SHEET

Anheuser-Busch Companies, Inc., and Subsidiaries (Unaudited)

March 31,            Dec. 31,

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| (In millions)                                                         | 2002       | 2001       |
|-----------------------------------------------------------------------|------------|------------|
| <hr/>                                                                 |            |            |
| Assets                                                                |            |            |
| Current Assets:                                                       |            |            |
| Cash and marketable securities.....                                   | \$ 177.7   | \$ 162.6   |
| Accounts and notes receivable.....                                    | 779.9      | 620.9      |
| Inventories:                                                          |            |            |
| Raw materials and supplies.....                                       | 330.3      | 352.4      |
| Work in progress.....                                                 | 89.5       | 79.8       |
| Finished goods.....                                                   | 231.9      | 159.6      |
| Total inventories.....                                                | 651.7      | 591.8      |
| Other current assets.....                                             | 177.4      | 175.1      |
| Total current assets.....                                             | 1,786.7    | 1,550.4    |
| Investments in affiliated companies.....                              | 2,939.3    | 2,855.0    |
| Other assets.....                                                     | 1,150.9    | 1,149.5    |
| Plant and equipment, net.....                                         | 8,339.7    | 8,390.0    |
| Total Assets.....                                                     | \$14,216.6 | \$13,944.9 |
| <hr/>                                                                 |            |            |
| Liabilities and Shareholders Equity                                   |            |            |
| Current Liabilities:                                                  |            |            |
| Accounts payable.....                                                 | \$ 851.9   | \$ 945.0   |
| Accrued salaries, wages and benefits...                               | 215.1      | 255.8      |
| Accrued taxes.....                                                    | 353.2      | 161.1      |
| Other current liabilities.....                                        | 419.7      | 374.6      |
| Total current liabilities.....                                        | 1,839.9    | 1,736.5    |
| Postretirement benefits.....                                          | 481.6      | 482.9      |
| Debt.....                                                             | 6,006.0    | 5,983.9    |
| Deferred income taxes.....                                            | 1,389.7    | 1,367.2    |
| Other long-term liabilities.....                                      | 320.7      | 312.9      |
| Shareholders Equity:                                                  |            |            |
| Common stock, \$1.00 par value,<br>1.6 billion shares authorized..... | 1,449.6    | 1,445.2    |
| Capital in excess of par value.....                                   | 925.6      | 810.2      |
| Retained earnings.....                                                | 11,556.2   | 11,258.2   |
| Treasury stock, at cost.....                                          | (9,337.3)  | (8,981.6)  |
| Accumulated other comprehensive income.                               | (325.1)    | (338.3)    |
| ESOP debt guarantee.....                                              | (90.3)     | (132.2)    |
| Total Shareholders Equity.....                                        | 4,178.7    | 4,061.5    |
| Commitments and Contingencies.....                                    | --         | --         |
| Total Liabilities and Shareholders<br>Equity.....                     | \$14,216.6 | \$13,944.9 |
| <hr/>                                                                 |            |            |

See accompanying Notes to Consolidated Financial Statements on pages 5 through 10.

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## CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

Anheuser-Busch Companies, Inc., and Subsidiaries (Unaudited)

| (In millions, except per share data)                                | Three Months<br>Ended March 31, |            |
|---------------------------------------------------------------------|---------------------------------|------------|
|                                                                     | 2002                            | 2001       |
| Sales.....                                                          | \$ 3,637.4                      | \$ 3,537.3 |
| Less excise taxes.....                                              | (500.8)                         | (493.1)    |
| Net sales.....                                                      | 3,136.6                         | 3,044.2    |
| Cost of products and services.....                                  | (1,914.6)                       | (1,926.9)  |
| Gross profit.....                                                   | 1,222.0                         | 1,117.3    |
| Marketing, distribution and administrative<br>expenses.....         | (517.0)                         | (479.9)    |
| Gain on sale of SeaWorld Cleveland.....                             | ---                             | 17.8       |
| Operating income.....                                               | 705.0                           | 655.2      |
| Interest expense.....                                               | (89.6)                          | (91.6)     |
| Interest capitalized.....                                           | 4.3                             | 7.2        |
| Interest income.....                                                | 0.1                             | 0.2        |
| Other expense, net.....                                             | (0.9)                           | (3.5)      |
| Income before income taxes.....                                     | 618.9                           | 567.5      |
| Provision for income taxes.....                                     | (259.9)                         | (227.5)    |
| Equity income, net of tax.....                                      | 97.1                            | 54.4       |
| Net income.....                                                     | 456.1                           | 394.4      |
| Retained earnings, beginning of period.....                         | 11,258.2                        | 10,164.4   |
| Common stock dividends (per share: 2002-\$.18;<br>2001-\$.165)..... | (158.1)                         | (148.2)    |
| Retained earnings, end of period.....                               | \$11,556.2                      | \$10,410.6 |
| Basic earnings per share.....                                       | \$ .52                          | \$ .44     |
| Diluted earnings per share.....                                     | \$ .51                          | \$ .43     |

## CONSOLIDATED STATEMENT OF CASH FLOWS

Anheuser-Busch Companies, Inc., and Subsidiaries (Unaudited)

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| (In millions)                                                                    | Three months<br>ended March 31, |          |
|----------------------------------------------------------------------------------|---------------------------------|----------|
|                                                                                  | 2002                            | 2001     |
| -----                                                                            |                                 |          |
| Cash flow from operating activities:                                             |                                 |          |
| Net income.....                                                                  | \$ 456.1                        | \$ 394.4 |
| Adjustments to reconcile net income to cash<br>provided by operating activities: |                                 |          |
| Depreciation and amortization.....                                               | 207.1                           | 203.3    |
| Deferred income taxes.....                                                       | 22.5                            | 12.4     |
| Gain on sale of SeaWorld Cleveland.....                                          | --                              | (17.8)   |
| Undistributed earnings of affiliated companies.                                  | (94.1)                          | (54.4)   |
| Other, net.....                                                                  | 67.2                            | 1.9      |
|                                                                                  | -----                           |          |
| Operating cash flow before change in working<br>capital.....                     | 658.8                           | 539.8    |
| Increase in working capital.....                                                 | (97.2)                          | (57.8)   |
|                                                                                  | -----                           |          |
| Cash provided by operating activities.....                                       | 561.6                           | 482.0    |
|                                                                                  | -----                           |          |
| Cash flow from investing activities:                                             |                                 |          |
| Capital expenditures.....                                                        | (181.7)                         | (306.0)  |
| New business acquisitions.....                                                   | --                              | (366.2)  |
| Proceeds from sale of SeaWorld Cleveland.....                                    | --                              | 110.0    |
|                                                                                  | -----                           |          |
| Cash used for investing activities.....                                          | (181.7)                         | (562.2)  |
|                                                                                  | -----                           |          |
| Cash flow from financing activities:                                             |                                 |          |
| Increase in long-term debt.....                                                  | 72.6                            | 706.8    |
| Decrease in long-term debt.....                                                  | (0.8)                           | (214.9)  |
| Dividends paid to shareholders.....                                              | (158.1)                         | (148.2)  |
| Acquisition of treasury stock.....                                               | (355.7)                         | (295.0)  |
| Shares issued under stock plans.....                                             | 77.2                            | 16.0     |
|                                                                                  | -----                           |          |
| Cash (used for)/provided by financing activities...                              | (364.8)                         | 64.7     |
|                                                                                  | -----                           |          |
| Net increase/(decrease) in cash during the period....                            | 15.1                            | (15.5)   |
| Cash beginning of period.....                                                    | 162.6                           | 159.9    |
|                                                                                  | -----                           |          |
| Cash, end of period.....                                                         | \$ 177.7                        | \$ 144.4 |
|                                                                                  | =====                           |          |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Unaudited Financial Statements

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The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles and applicable SEC guidelines pertaining to interim financial information, and include all adjustments necessary for a fair

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presentation. These statements should be read in conjunction with the Consolidated Financial Statements and Notes included in the Company's Annual Report to Shareholders for the year ended December 31, 2001.

### 2. Business Segments Information

Three Months Ended March 31, (in millions)

|                               | Domestic Beer | Int'l Beer | Packaging | Entertain. | Other |
|-------------------------------|---------------|------------|-----------|------------|-------|
| 2002                          |               |            |           |            |       |
| Gross Sales                   | \$3,027.6     | 144.0      | 469.6     | 125.8      | 17.4  |
| Net Sales:                    |               |            |           |            |       |
| - Intersegment                | -             | -          | \$209.3   | -          | 4.3   |
| - External                    | \$2,548.2     | 122.6      | 260.3     | 125.8      | 13.1  |
| Income Before<br>Income Taxes | \$736.0       | 16.7       | 30.7      | (14.5)     | (1.4) |
| Equity Income,<br>Net of Tax  | -             | \$97.1     | -         | -          | -     |
| Net Income                    | \$456.3       | 107.5      | 19.0      | (9.0)      | (0.9) |

|                               | Domestic Beer | Int'l Beer | Packaging | Entertain. | Other |
|-------------------------------|---------------|------------|-----------|------------|-------|
| 2001                          |               |            |           |            |       |
| COMPARABLE BASIS*             |               |            |           |            |       |
| Gross Sales                   | \$2,897.1     | 134.1      | 494.7     | 127.7      | 18.9  |
| Net Sales:                    |               |            |           |            |       |
| - Intersegment                | -             | -          | \$194.8   | -          | 4.0   |
| - External                    | \$2,423.6     | 114.5      | 299.9     | 127.7      | 14.9  |
| Income Before<br>Income Taxes | \$673.6       | 10.7       | 26.2      | 0.2        | (1.4) |
| Equity Income,<br>Net of Tax  | -             | \$58.8     | -         | -          | -     |
| Net Income                    | \$417.7       | 65.5       | 16.3      | (5.4)      | (0.9) |