

MOSAIC CO
Form 8-K
March 13, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 13, 2015

THE MOSAIC COMPANY
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-32327
(Commission File Number)

20-1026454
(IRS Employer
Identification No.)

3033 Campus Drive
Suite E490
Plymouth, Minnesota
(Address of principal executive offices)

55441
(Zip Code)

Registrant's telephone number, including area code: (800) 918-8270

Not applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

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- o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

The following information is being “furnished” in accordance with General Instruction B.2. of Form 8-K and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except as expressly set forth by specific reference in such filing:

MOSAIC SEGMENT REALIGNMENT

This report should be read in conjunction with The Mosaic Company’s annual report on Form 10-K for the fiscal year ended December 31, 2014, including the Management’s Discussion and Analysis of Results of Operations and Financial Condition and the consolidated financial statements and accompanying notes.

On March 13, 2015, The Mosaic Company (“Mosaic”, and individually or in any combination with its consolidated subsidiaries, “we”, “us”, “our”, or the “Company”) announced that it was realigning its business segments (the “Realignment”) more clearly reflect the Company’s evolving business model. Furnished herewith as Exhibit 99.1 and incorporated by reference herein is the text of Mosaic’s announcement regarding the Realignment.

Our business segments are determined by management based upon factors such as products and services, production processes, technologies, market dynamics, and for which segment financial information is readily available for our chief operating decision maker. As part of the Realignment, our international distribution activities, which had previously been reported in our Phosphates business segment, are being moved into a separate International Distribution segment, as this is how our chief operating decision maker began viewing and evaluating our operations during the first quarter. The Corporate and Other segment will now include inter-segment eliminations, mark-to-market gains/losses on derivatives that had previously been reported in our Phosphates and Potash business segments, debt expenses, and our legacy Argentina and Chile results.

The tables below provide certain performance data for our reportable segments for each of the eight quarters through the quarter ended December 31, 2014, adjusted to reflect the Realignment. The recasting of previously issued financial information does not represent a restatement of previously issued financial statements. The information contained in this Form 8-K is being furnished in order to provide the financial community with historical financial data that is presented on a basis consistent with the Company’s new reporting structure. Beginning with the quarter ending March 31, 2015, the Company’s financial statements will reflect the new reporting structure with prior periods adjusted accordingly.

The Mosaic Company
Selected Calendar Quarter Financial Information
(Unaudited)

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
Consolidated data (in millions, except per share)								
Diluted net earnings per share ^(a)	\$0.89	\$1.01	\$0.29	\$0.30	\$0.54	\$0.64	\$0.54	\$0.97
Diluted weighted average # of shares outstanding ^(b)	427.2	427.2	427.1	415.5	379.6	376.2	375.9	372.0
Total Net Sales	\$2,312	\$2,619	\$1,909	\$2,182	\$1,986	\$2,440	\$2,251	\$2,379
Gross Margin	\$642	\$665	\$387	\$322	\$412	\$521	\$415	\$579
As % of Sales	28 %	25 %	20 %	15 %	21 %	21 %	18 %	24 %
SG&A	92	116	94	91	120	88	84	91
Consolidated Foreign Currency Gain/(Loss)	17	22	(30)	25	43	(39)	27	47
Effective Tax Rate ^(c)	26 %	23 %	(6) %	51 %	(1) %	25 %	27 %	7 %
Net Income	\$380	\$430	\$124	\$129	\$218	\$248	\$202	\$361
As % of Sales	16 %	16 %	7 %	6 %	11 %	10 %	9 %	15 %
EBITDA ^(d)								
Potash	\$392	\$451	\$155	\$173	\$257	\$281	\$158	\$316
Phosphate	271	267	136	143	221	309	275	239
International Distribution	(8)	19	38	12	10	18	32	24
Corporate and Other ^(e)	(7)	(38)	(16)	23	(50)	(13)	(2)	(14)
Consolidated EBITDA ^(d)	\$648	\$699	\$313	\$351	\$438	\$595	\$463	\$565
Total Debt	\$1,081	\$1,033	\$1,027	\$3,032	\$3,051	\$3,026	\$3,816	\$3,833
Cash & cash equivalents	3,511	3,916	3,339	5,293	2,491	2,367	2,971	2,375
Net debt	\$(2,430)	\$(2,883)	\$(2,312)	\$(2,261)	\$560	\$659	\$845	\$1,458
Cash flow from operations	\$579	\$982	\$(45)	\$503	\$627	\$796	\$489	\$382
Cash flow from investments	(378)	(381)	(466)	(370)	(1,634)	(360)	(158)	(586)
Cash flow from financing	(85)	(152)	(89)	1,842	(1,770)	(575)	323	(319)
Effect of exchange rate changes on cash	(10)	(45)	23	(20)	(25)	15	(50)	(73)
Net cash flow	\$106	\$404	\$(577)	\$1,955	\$(2,802)	\$(124)	\$604	\$(596)
Cash dividends paid	\$(106)	\$(107)	\$(107)	\$(107)	\$(100)	\$(95)	\$(94)	\$(94)
Operating Earnings								
Potash	\$313	\$362	\$69	\$89	\$170	\$189	\$69	\$229
Phosphates	201	191	61	64	146	219	188	135
International Distribution	(10)	17	36	10	8	16	30	22
Corporate and Other ^(e)	(13)	(44)	(22)	16	(57)	(21)	(10)	(21)

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Consolidated Operating Earnings	\$491	\$526	\$144	\$179	\$267	\$403	\$277	\$365	
Segment data (in millions, except per tonne)									
Phosphates									
Sales volumes ('000 tonnes) ^{(f)(g)}	2,065	2,077	1,754	2,395	2,051	2,637	2,176	2,392	
Realized average DAP price/tonne ^(h)	\$486	\$476	\$436	\$370	\$413	\$465	\$463	\$447	
Revenue	\$1,143	\$1,182	\$893	\$1,072	\$959	\$1,333	\$1,133	\$1,212	
Segment Gross Margin	\$252	\$257	\$129	\$134	\$200	\$271	\$236	\$231	
As % of Sales	22	% 22	% 14	% 13	% 21	% 20	% 21	% 19	%
Potash									
Sales volumes ('000 tonnes) ^(g)	2,007	2,448	1,380	1,862	2,355	2,500	1,808	2,309	
Realized average MOP price/tonne ^(h)	\$376	\$366	\$342	\$303	\$267	\$267	\$291	\$295	
Revenue	\$825	\$974	\$523	\$652	\$733	\$762	\$593	\$763	
Segment Gross Margin	\$404	\$405	\$162	\$135	\$216	\$226	\$154	\$327	
As % of Sales	49	% 42	% 31	% 21	% 29	% 30	% 26	% 43	%
International Distribution									
Sales volumes ('000 tonnes)	792	1,102	1,282	1,133	870	1,185	1,398	1,113	
Realized average Blend price/tonne ^(h)	\$557	\$557	\$504	\$455	\$449	\$454	\$469	\$427	
Revenue	\$456	\$615	\$665	\$549	\$393	\$542	\$684	\$516	
Segment Gross Margin	\$6	\$36	\$50	\$29	\$22	\$34	\$51	\$41	
As % of Sales	1	% 6	% 8	% 5	% 6	% 6	% 7	% 8	%

The Mosaic Company - Potash Segment
Selected Calendar Quarter Financial Information
(Unaudited)

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
Net Sales and Gross Margin (in millions, except per tonne)								
Segment income statement								
North America	\$440	\$480	\$279	\$470	\$515	\$447	\$396	\$494
International	385	494	244	182	218	315	197	269
Net Sales	\$825	\$974	\$523	\$652	\$733	\$762	\$593	\$763
Cost of Goods Sold	421	569	361	517	517	536	439	436
Gross Margin	\$404	\$405	\$162	\$135	\$216	\$226	\$154	\$327
As % of Sales	49	% 42	% 31	% 21	% 29	% 30	% 26	% 43
Freight included in revenue & cost of goods sold (in millions) ⁽ⁱ⁾	\$44	\$51	\$28	\$61	\$73	\$57	\$51	\$69
Net sales less freight	\$781	\$923	\$495	\$591	\$660	\$705	\$542	\$694
Cost of Goods Sold less freight	\$377	\$518	\$333	\$456	\$444	\$479	\$388	\$367
Resources Taxes	\$32	\$67	\$31	\$57	\$30	\$45	\$46	\$48
Royalties	15	14	11	9	6	7	6	8
Total Resources Taxes & Royalties	\$47	\$81	\$42	\$66	\$36	\$52	\$52	\$56
Gross Margin (excluding Resources Taxes & Royalties) ⁽ⁱ⁾	\$451	\$486	\$204	\$201	\$252	\$278	\$206	\$383
As % of Sales	55	% 50	% 39	% 31	% 34	% 36	% 35	% 50
Segment Operating Earnings	\$313	\$362	\$69	\$89	\$170	\$189	\$69	\$229
Depreciation, Depletion and Amortization	79	89	86	84	87	92	89	87
EBITDA ^(d)	\$392	\$451	\$155	\$173	\$257	\$281	\$158	\$316
Cost of Goods Sold Detail (in millions)								
COGS additional detail								
Resource Taxes	\$32	\$67	\$31	\$57	\$30	\$45	\$46	\$48
Royalties	15	14	11	9	6	7	6	8
Brine Inflow Expenses	53	51	48	50	44	46	44	47
Depreciation, Depletion and Amortization	79	89	86	84	87	92	89	87
Total	\$179	\$221	\$176	\$200	\$167	\$190	\$185	\$190
Operating Data								
Sales volumes ('000 tonnes)								
Crop Nutrients North America ^(g)	705	804	417	933	1,111	873		