

OWENS ILLINOIS INC /DE/
Form 10-Q
October 31, 2018
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended

September 30, 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 1-9576

OWENS-ILLINOIS, INC.

(Exact name of registrant as specified in its charter)

| | |
|---|--------------------------------------|
| Delaware | 22-2781933 |
| (State or other jurisdiction of incorporation or organization) | (IRS Employer Identification No.) |

| | |
|--|------------|
| One Michael Owens Way, Perrysburg, Ohio | 43551 |
| (Address of principal executive offices) | (Zip Code) |

Registrant's telephone number, including area code: (567) 336-5000

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 every Interactive Data File required to be submitted 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 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 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

The number of shares of common stock, par value \$.01, of Owens-Illinois, Inc. outstanding as of September 30, 2018 was 158,698,663.

Part I — FINANCIAL INFORMATION

Item 1. Financial Statements.

The Condensed Consolidated Financial Statements of Owens-Illinois, Inc. (the “Company”) presented herein are unaudited but, in the opinion of management, reflect all adjustments necessary to present fairly such information for the periods and at the dates indicated. All adjustments are of a normal recurring nature. Because the following unaudited condensed consolidated financial statements have been prepared in accordance with Article 10 of Regulation S-X, they do not contain all information and footnotes normally contained in annual consolidated financial statements; accordingly, they should be read in conjunction with the Consolidated Financial Statements and notes thereto appearing in the Company’s Annual Report on Form 10-K for the year ended December 31, 2017.

OWENS-ILLINOIS, INC.

CONDENSED CONSOLIDATED RESULTS OF OPERATIONS

(Dollars in millions, except per share amounts)

(Unaudited)

| | Three months ended | | Nine months ended | |
|---|--------------------|----------|-------------------|----------|
| | September 30, | | September 30, | |
| | 2018 | 2017 | 2018 | 2017 |
| Net sales | \$ 1,734 | \$ 1,791 | \$ 5,242 | \$ 5,157 |
| Cost of goods sold | (1,410) | (1,438) | (4,253) | (4,143) |
| Gross profit | 324 | 353 | 989 | 1,014 |
| Selling and administrative expense | (115) | (120) | (367) | (362) |
| Research, development and engineering expense | (17) | (15) | (50) | (46) |
| Interest expense, net | (63) | (63) | (199) | (204) |
| Equity earnings | 19 | 22 | 57 | 55 |
| Other income (expense), net | 20 | (5) | (49) | (61) |
| Earnings from continuing operations before income taxes | 168 | 172 | 381 | 396 |
| Provision for income taxes | (41) | (37) | (95) | (65) |
| Earnings from continuing operations | 127 | 135 | 286 | |