ECOLAB INC.
Form 10-Q
November 01, 2018

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 No. 1-9328

ECOLAB INC.

(Exact name of registrant as specified in its charter)

Delaware	41-0231510
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1 Ecolab Place, St. Paul, Minnesota 55102

(Address of principal executive offices)(Zip Code)

1-800-232-6522

(Registrant's telephone number, including area code)

(Not applicable)

(Former name, former address and former fiscal year,

if changed since last report)

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 Regulations 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, a 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of September 30, 2018.

288,873,052 shares of common stock, par value $1.00 per share.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED STATEMENT OF INCOME

(unaudited)

(millions, except per share amounts)	Third Quarter Ended September 30 2018	2017	Nine Months Ended September 30 2018	2017
Product and equipment sales	$3,090.3	$2,931.9	$8,985.7	$8,376.9
Service and lease sales	656.9	632.6	1,922.0	1,810.0
Net sales	3,747.2	3,564.5	10,907.7	10,186.9
Product and equipment cost of sales	1,811.4	1,676.9	5,259.9	4,834.2
Service and lease cost of sales	388.8	387.7	1,178.5	1,127.6
Cost of sales (including special charges (a))	2,200.2	2,064.6	6,438.4	5,961.8
Selling, general and administrative expenses	955.2	930.9	2,990.5	2,836.3
Special (gains) and charges	75.6	4.9	113.7	47.9
Operating income	516.2	564.1	1,365.1	1,340.9
Other (income) expense	(21.0)	(16.9)	(60.0)	(50.5)
Interest expense, net	55.7	55.1	168.4	177.2
Income before income taxes	481.5	525.9	1,256.7	1,214.2
Provision for income taxes	43.2	129.3	216.6	264.0
Net income including noncontrolling interest	438.3	396.6	1,040.1	950.2
Net income attributable to noncontrolling interest	2.9	3.4	6.1	8.2
Net income attributable to Ecolab	$435.4	$393.2	$1,034.0	$942.0
Earnings attributable to Ecolab per common share				
Basic	$ 1.51	$ 1.36	$ 3.58	$ 3.25
Diluted	$ 1.48	$ 1.34	$ 3.53	$ 3.20
Dividends declared per common share	$ 0.41	$ 0.37	$ 1.23	$ 1.11
Weighted-average common shares outstanding				
Basic	288.8	289.0	288.8	289.8
Diluted	293.4	293.4	293.1	294.2

(a) Cost of sales includes special (gains) and charges of $3.6 and $0.3 million in the third quarter of 2018 and 2017, respectively, and $3.5 and $26.2 million in the first nine months of 2018 and 2017, respectively, which is recorded in product and equipment cost of sales.

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

(unaudited)

	Third Quarter Ended September 30		Nine Months Ended September 30	
(millions)	2018	2017	2018	2017
Net income including noncontrolling interest	$438.3	$396.6	$1,040.1	$950.2
Other comprehensive income (loss), net of tax				
Foreign currency translation adjustments				
Foreign currency translation	(201.8)	150.0	(218.9)	274.6
Gain (loss) on net investment hedges	9.1	(50.9)	31.9	(103.7)
	(192.7)	99.1	(187.0)	170.9
Derivatives and hedging instruments	11.0	(20.8)	26.3	(29.1)
Pension and postretirement benefits				
Amortization of net actuarial loss and prior service costs included in net periodic pension and postretirement costs	7.8	1.3	24.1	8.2
Postretirement benefits changes	-	-	14.4	-
	7.8	1.3	38.5	8.2
Subtotal	(173.9)	79.6	(122.2)	150.0
Total comprehensive income, including noncontrolling interest	264.4	476.2	917.9	1,100.2
Comprehensive income attributable to noncontrolling interest	1.7	4.0	5.9	10.8
Comprehensive income attributable to Ecolab	$262.7	$472.2	$912.0	$1,089.4

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED BALANCE SHEET

(unaudited)

(millions, except shares and per share amounts)	September 30 2018	December 31 2017
ASSETS		
Current assets		
Cash and cash equivalents	$203.6	$211.4
Accounts receivable, net	2,652.7	2,571.4
Inventories	1,587.9	1,446.5
Other current assets	378.1	365.0
Total current assets	4,822.3	4,594.3
Property, plant and equipment, net	3,778.0	3,707.1
Goodwill	7,078.4	7,167.1
Other intangible assets, net	3,820.4	4,017.6
Other assets	463.5	477.4
Total assets	$19,962.6	$19,963.5
LIABILITIES AND EQUITY		
Current liabilities		
Short-term debt	$769.4	$564.4
Accounts payable	1,195.3	1,177.1
Compensation and benefits	528.2	549.4
Income taxes	50.3	183.6
Other current liabilities	1,046.6	1,000.7
Total current liabilities	3,589.8	3,475.2
Long-term debt	6,334.8	6,758.3
Postretirement health care and pension benefits	966.9	1,025.5
Deferred income taxes	711.8	635.4
Other liabilities	376.3	415.3
Total liabilities	11,979.6	12,309.7
Equity (a)		
Common stock	356.5	354.7
Additional paid-in capital	5,586.0	5,435.7
Retained earnings	8,646.9	8,011.6
Accumulated other comprehensive loss	(1,765.4)	(1,643.4)
Treasury stock	(4,894.6)	(4,575.0)
Total Ecolab shareholders’ equity	7,929.4	7,583.6
Noncontrolling interest	53.6	70.2
Total equity	7,983.0	7,653.8
Total liabilities and equity	$19,962.6	$19,963.5

(a) Common stock, 800.0 million shares authorized, $1.00 par value per share, 288.9 million shares outstanding at September 30, 2018 and 289.3 million shares outstanding at December 31, 2017. Shares outstanding are net of treasury stock.

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited)

(millions)	Nine Months Ended September 30 2018	2017
OPERATING ACTIVITIES		
Net income including noncontrolling interest	$1,040.1	$950.2
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation	461.5	437.0
Amortization	238.9	228.5
Deferred income taxes	56.6	9.8
Share-based compensation expense	75.5	71.8
Pension and postretirement plan contributions	(46.0)	(131.0)
Pension and postretirement plan expense	23.4	26.5
Restructuring charges, net of cash paid	57.4	13.3
Other, net	20.0	19.9
Changes in operating assets and liabilities, net of effect of acquisitions:		
Accounts receivable	(161.3)	(23.2)
Inventories	(171.2)	(116.9)
Other assets	(22.9)	8.4
Accounts payable	52.2	57.0
Other liabilities	(173.8)	(106.4)
Cash provided by operating activities	1,450.4	1,444.9
INVESTING ACTIVITIES		
Capital expenditures	(634.1)	(594.0)
Property and other assets sold	29.5	4.1
Acquisitions and investments in affiliates, net of cash acquired	(77.6)	(831.2)
Divestiture of businesses	9.2	-
Settlement of net investment hedges	14.1	-
Other, net	10.0	(0.8)
Cash used for investing activities	(648.9)	(1,421.9)
FINANCING ACTIVITIES		
Net issuances of commercial paper and notes payable	115.7	187.8
Long-term debt borrowings	-	495.0
Long-term debt repayments	(301.8)	(20.1)
Reacquired shares	(321.4)	(587.7)
Dividends paid	(370.8)	(330.3)
Exercise of employee stock options	85.8	63.0
Acquisition related liabilities and contingent consideration	(10.2)	(8.2)
Acquisition of noncontrolling interests	(13.1)	-
Other, net	(3.7)	-
Cash used for financing activities	(819.5)	(200.5)

Effect of exchange rate changes on cash, cash equivalents and restricted cash	10.2	6.2
Decrease in cash, cash equivalents and restricted cash	(7.8)	(171.3)
Cash, cash equivalents and restricted cash, beginning of period (a)	211.4	380.4
Cash, cash equivalents and restricted cash, end of period (b)	$203.6	$209.1

(a) 2017 includes $53.0 million of restricted cash related to the Anios transaction, which was included in other assets on the Consolidated Balance Sheet as of December 31, 2016.

(b) There was no restricted cash as of September 30, 2018 and 2017 and December 31, 2017.

The accompanying notes are an integral part of the consolidated financial statements.

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CONSOLIDATED STATEMENT OF EQUITY

(unaudited)

(millions)	Ecolab Shareholders Common Stock	Additional Paid-in Capital	Retained Earnings	OCI (Loss)	Treasury Stock	Ecolab Shareholders' Equity	Non-Controll Interest
Balance, December 31, 2015	$350.3	$5,086.1	$6,160.3	$(1,423.3)	$(3,263.5)	$6,909.9	$70.5
New accounting guidance adoption (a)			(29.3)			(29.3)	
Net income			1,229.0			1,229.0	17.5
Comprehensive income (loss) activity				(289.6)		(289.6)	(1.3)
Cash dividends declared			(414.9)			(414.9)	(16.9)
Stock options and awards	2.3	200.2			3.2	205.7	
Reacquired shares		(15.5)			(724.1)	(739.6)	
Balance, December 31, 2016	352.6	5,270.8	6,945.1	(1,712.9)	(3,984.4)	6,871.2	69.8
New accounting guidance adoption (b)			1.9			1.9	
Net income			1,504.6			1,504.6	14.0
Comprehensive income (loss) activity				69.5		69.5	1.7
Cash dividends declared			(440.0)			(440.0)	(19.3)
Acquisition of noncontrolling interests							4.0
Stock options and awards	2.1	170.3			4.3	176.7	
Reacquired shares		(5.4)			(594.9)	(600.3)	
	354.7	5,435.7	8,011.6	(1,643.4)	(4,575.0)	7,583.6	70.2

Balance, December 31, 2017							
New accounting guidance adoption (c)			(43.6)			(43.6)	
Net income			1,034.0			1,034.0	6.1
Comprehensive income (loss) activity				(122.0)		(122.0)	(0.2)
Cash dividends declared			(355.1)			(355.1)	(15.4)
Changes in noncontrolling interests		(7.7)				(7.7)	(7.1)
Stock options and awards	1.8	158.0			1.8	161.6	
Reacquired shares		-			(321.4)	(321.4)	
Balance, September 30, 2018	$356.5	$5,586.0	$8,646.9	$(1,765.4)	$(4,894.6)	$7,929.4	$53.6

(a) Upon adoption of Topic 606, Revenue from Contracts with Customers and the related amendments, the Company changed its accounting policy for revenue recognition and has established deferred revenue for service revenues with the cumulative effect reflected as an adjustment to retained earnings.
(b) In 2017, upon adoption of ASU 2016-09, Compensation – Stock Compensation, the Company released a valuation allowance for previously unrecognized excess tax benefits resulting in an adjustment to retained earnings.
(c) Upon adoption of ASU 2016-16, Intra-Entity Transfers of Assets Other than Inventory, the Company recorded an adjustment to retained earnings representing the write-off of income tax effects that had been deferred from past transactions and the recording of deferred tax assets which previously were not allowed to be recognized.

See Note 17 for additional information regarding adoption of new accounting standards.

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

1. CONSOLIDATED FINANCIAL INFORMATION

The unaudited consolidated financial information for the third quarter and nine months ended September 30, 2018 and 2017 reflect, in the opinion of company management, all adjustments necessary for a fair statement of the financial position, results of operations, comprehensive income (loss), equity and cash flows of Ecolab Inc. ("Ecolab" or "the Company") for the interim periods presented. Any adjustments consist of normal recurring items.

The financial results for any interim period are not necessarily indicative of results for the full year. The consolidated balance sheet data as of December 31, 2017 was derived from the audited consolidated financial statements but does not include all disclosures required by accounting principles generally accepted in the United States of America. The unaudited consolidated financial information should be read in conjunction with the consolidated financial statements and notes thereto incorporated in the Company's Annual Report on Form 10-K for the year ended December 31, 2017.

Certain amounts in prior periods have been reclassified to conform to the current period presentation. The reclassifications are primarily related to the adoption of new accounting standards as described further in Note 17. Except for the changes due to the adoption of the new accounting standards, the Company has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

With respect to the unaudited financial information of the Company for the third quarter and nine months ended September 30, 2018 and 2017 included in this Form 10-Q, PricewaterhouseCoopers LLP reported that they have applied limited procedures in accordance with professional standards for a review of such information. Their separate report dated November 1, 2018 appearing herein states that they did not audit and they do not express an opinion on that unaudited financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. PricewaterhouseCoopers LLP is not subject to the liability provisions of Section 11 of the Securities Act of 1933, as amended (the "Act"), for their report on the unaudited financial information because that report is not a "report" or a "part" of a registration statement prepared or certified by PricewaterhouseCoopers LLP within the meaning of Sections 7 and 11 of the Act.

2. SPECIAL (GAINS) AND CHARGES

Special (gains) and charges reported on the Consolidated Statement of Income include the following:

(millions)	Third Quarter Ended September 30 2018	2017	Nine Months Ended September 30 2018	2017
Cost of sales				
Restructuring activities	$5.9	$-	$6.3	$2.2
Acquisition and integration activities	(0.1)	0.3	(0.6)	12.9
Other	(2.2)	-	(2.2)	11.1
Subtotal	3.6	0.3	3.5	26.2
Special (gains) and charges				
Restructuring activities	73.1	4.1	82.3	34.6
Acquisition and integration activities	2.4	1.8	4.7	12.7
Venezuela related gain	-	(3.2)	-	(8.5)
Other	0.1	2.2	26.7	9.1
Subtotal	75.6	4.9	113.7	47.9
Total special (gains) and charges	$79.2	$5.2	$117.2	$74.1

For segment reporting purposes, special (gains) and charges are not allocated to reportable segments, which is consistent with the Company’s internal management reporting.

Restructuring activities

Restructuring activities are comprised of actions taken in 2018 related to Accelerate 2020 (described below) and other actions taken in years prior to 2018. These activities have been included as a component of special (gains) and charges on the Consolidated Statement of Income. Restructuring liabilities have been classified as a component of both other current and other noncurrent liabilities on the Consolidated Balance Sheet.

Accelerate 2020

During the third quarter of 2018, the Company formally commenced a restructuring plan Accelerate 2020 (“the Plan”), to leverage technology and systems investments and organizational changes. The Company expects that the restructuring activities will be completed by the end of 2020, with total anticipated costs of $170 million ($130 million after tax) over the next three years. The costs are expected to be primarily cash expenditures for severance costs and some facility closure costs relating to team reorganizations. Actual costs may vary from these estimates depending on actions taken.

The Company recorded restructuring charges of $79.4 million ($60.5 million after tax) and $89.5 million ($68.1 million after tax) in the third quarter and first nine months of 2018, respectively. The liability related to this Plan was $75.8 million as of the end of the third quarter.

Restructuring activity related to the Plan since inception of the underlying actions includes the following:

(millions)	Employee Termination Costs	Asset Disposals	Other	Total
2018 Activity				
Recorded expense	88.7	-	0.8	89.5
Net cash payments	(13.3)	-	(0.2)	(13.5)
Non-cash charges	-	-	-	-
Effect of foreign currency translation	(0.2)	-	-	(0.2)
Restructuring liability, September 30, 2018	$ 75.2	$ -	$ 0.6	$ 75.8

Other Restructuring Activities

Prior to 2018, the Company engaged in a number of restructuring plans. During the second quarter of 2017, the Company commenced restructuring and other cost-saving actions in order to streamline operations. These actions include a reduction of the Company's global workforce, as well as asset disposals and lease terminations. Actions were substantially completed in 2017. The Company also has restructuring plans that commenced prior to 2015. During the third quarter and first nine months of 2018, net restructuring gains related to the prior year plans were $0.4 million ($0.3 million after tax) and $0.9 million ($0.6 million after tax), respectively. During the third quarter and first nine months of 2017, the Company recorded restructuring charges of $4.1 million ($1.7 million after tax) and $36.8 million ($25.9 million after tax), respectively, related primarily to employee termination costs. The restructuring liability balance for all plans commencing prior to 2018 was $22.5 million and $41.5 million as of September 30, 2018 and December 31, 2017, respectively. The reduction in liability was driven primarily by severance and other cash payments. The majority of pretax charges represent net cash expenditures which are expected to be paid over a period of a few months to several quarters and will continue to be funded from operating activities. Cash payments during 2018 related to restructuring plans commencing prior to 2018 were $17.8 million.

Acquisition and integration related costs

Acquisition and integration costs reported in special (gains) and charges on the Consolidated Statement of Income include $2.4 million ($1.6 million after tax) and $4.7 million ($3.3 million after tax) in the third quarter and first nine months of 2018, respectively. Charges are related to Laboratoires Anios ("Anios") integration costs, advisory and legal fees. Acquisition and integration gain reported in product and equipment cost of sales on the Consolidated Statement of Income in the third quarter and first nine months of 2018 relate to changes in estimates related to an early lease exit.

Acquisition and integration costs reported in cost of sales on the Consolidated Statement of Income include $0.3 million ($0.2 million after tax) and $12.9 million ($8.2 million after tax) during the third quarter and first nine months of 2017, respectively, related primarily to recognition of accelerated rent expense upon the closure of Swisher plants and disposal of excess inventory. The first nine months of 2017 also include amounts related to recognition of fair value step-up in the Anios inventory.

Acquisition and integration costs reported in special (gains) and charges on the Consolidated Statement of Income include $1.8 million ($1.2 million after tax) and $12.7 million ($8.5 million after tax) of acquisition costs, advisory and legal fees, and integration charges for the Anios and Swisher acquisitions during the third quarter and first nine months of 2017, respectively.

Further information related to the Company's acquisitions is included in Note 3.

Venezuela related gain

Effective as of the end of the fourth quarter of 2015, the Company deconsolidated its Venezuelan subsidiaries. During the third quarter and first nine months of 2017, the Company recorded gains of $3.2 million ($2.0 million after tax) and $8.5 million ($5.3 million after tax), respectively, resulting from U.S. dollar cash recoveries of intercompany receivables written off at the time of deconsolidation. No such gains occurred in 2018.

Other

During the third quarter and first nine months of 2018, the Company recorded other special charges of $0.1 million ($0.1 million net of tax) and $26.7 million ($20.6 million net of tax) in special (gains) and charges, respectively, which primarily consisted of a $25.0 million ($18.9 million after tax) commitment to the Ecolab Foundation in response to the new U.S. tax law. Other charges were minimal in both the third quarter and first nine months of 2018. Other special gains reported in product and equipment cost of sales on the Consolidated Statement of Income in the third quarter of 2018 of $2.2 million ($1.7 million net of tax) relate to changes in estimates for an inventory LIFO reserve.

During the third quarter of 2017, the Company recorded charges of $2.2 million ($1.4 million after tax) related to litigation. During the first nine months of 2017, the Company recorded charges of $20.2 million ($15.9 million after tax) related to litigation and a Global Energy vendor contract termination. These charges have been included as a component of both cost of sales and special (gains) and charges on the Consolidated Statement of Income.

3. ACQUISITIONS AND DISPOSITIONS

Acquisitions

The Company makes business acquisitions that align with its strategic business objectives. The assets and liabilities of the acquired businesses have been recorded as of the acquisition date, at their respective fair values, and are included in the Consolidated Balance Sheet. The purchase price allocation is based on estimates of the fair value of assets acquired and liabilities assumed. The aggregate purchase price of acquisitions has been reduced for any cash or cash equivalents acquired with the acquisition. Acquisitions during the first nine months of 2018 and 2017 were not significant to the Company’s consolidated financial statements; therefore, pro forma financial information is not presented.

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Anios Acquisition

On February 1, 2017, the Company acquired Anios for total consideration of $798.3 million, including satisfaction of outstanding debt. Anios had annualized pre-acquisition sales of approximately $245 million and is a leading European manufacturer and marketer of hygiene and disinfection products for the healthcare, food service, and food and beverage processing industries. Anios provides an innovative product line that expands the solutions the Company is able to offer, while also providing a complementary geographic footprint within the healthcare market. During 2016, the Company deposited €50 million in an escrow account that was released to the Company upon closing of the transaction in February 2017.

The Company incurred certain acquisition and integration costs associated with the transaction that were expensed and are reflected in the Consolidated Statement of Income. See Note 2 for additional information related to the Company's special (gains) and charges related to such activities.

The components of the cash paid for Anios are shown in the following table.

(millions)	2017
Tangible assets	$139.8
Identifiable intangible assets	
Customer relationships	252.0
Trademarks	65.7
Other technology	16.1
Total assets acquired	473.6
Goodwill	511.7
Total liabilities	187.0
Total consideration transferred	798.3
Long-term debt repaid upon close	192.8
Net consideration transferred to sellers	$605.5

Tangible assets are primarily comprised of accounts receivable of $64.8 million, property, plant and equipment of $24.7 million and inventory of $29.1 million. Liabilities primarily consist of deferred tax liabilities of $102.3 million and current liabilities of $62.5 million.

Customer relationships, trademarks, and other technology are being amortized over weighted average lives of 20, 17, and 11 years, respectively.

Goodwill of $511.7 million arising from the acquisition consists largely of the synergies and economies of scale expected through adding complementary geographies and innovative products to the Company's healthcare portfolio. The goodwill was allocated to the Institutional, Healthcare, and Specialty operating segments within the Global Institutional reportable segment and the Food & Beverage and Life Sciences operating segments within the Global Industrial reportable segment. None of the goodwill recognized is expected to be deductible for income tax purposes. The purchase price allocation was completed during the fourth quarter of 2017.

Other Acquisitions

During the first nine months of 2018, the Company paid $77.6 million for business acquisitions, of which $45.9 million was attributed to certain identifiable intangible assets and $30.5 million to goodwill. The weighted average useful life of these identifiable intangible assets acquired was 11 years. There were insignificant purchase price adjustments related to prior year acquisitions.

Excluding the Anios acquisition, during the first nine months of 2017, the Company paid $32.6 million for business acquisitions, of which $18.4 million was attributed to certain identifiable intangible assets. The weighted average useful life of these identifiable intangible assets acquired was 12 years. Additionally, there were insignificant purchase price adjustments related to prior year acquisitions.

Dispositions

There were no significant business dispositions during the first nine months of 2018, and there were no business dispositions in the first nine months of 2017. In November 2017, the Company completed the sale of its Equipment Care business to a third party. Annualized Equipment Care sales were approximately $180 million and were included in the Other segment.

4. BALANCE SHEET INFORMATION

(millions)	September 30 2018	December 31 2017
Accounts receivable, net		
Accounts receivable	$2,721.7	$2,642.9
Allowance for doubtful accounts	(69.0)	(71.5)
Total	$2,652.7	$2,571.4
Inventories		
Finished goods	$1,061.8	$974.9
Raw materials and parts	513.9	438.7
Inventories at FIFO cost	1,575.7	1,413.6
FIFO cost to LIFO cost difference	12.2	32.9
Total	$1,587.9	$1,446.5
Other current assets		
Prepaid assets	$133.2	$153.5
Taxes receivable	174.5	129.2
Derivative assets	33.2	28.8
Other	37.2	53.5
Total	$378.1	$365.0
Property, plant and equipment, net		
Land	$214.7	$224.1
Buildings and leasehold improvements	1,249.0	1,207.4
Machinery and equipment	2,345.9	2,280.9
Merchandising and customer equipment	2,550.3	2,399.4
Capitalized software	653.1	585.8
Construction in progress	443.6	438.7
	7,456.6	7,136.3
Accumulated depreciation	(3,678.6)	(3,429.2)
Total	$3,778.0	$3,707.1
Other intangible assets, net		
Intangible assets not subject to amortization		
Trade names	$1,230.0	$1,230.0
Intangible assets subject to amortization		
Customer relationships	3,620.3	3,620.3
Trademarks	382.0	380.6
Patents	467.7	462.7
Other technology	236.7	232.6