

CHURCH & DWIGHT CO INC /DE/
Form 10-K
February 20, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2014
1-10585

Commission file number

CHURCH & DWIGHT CO., INC.

(Exact name of registrant as specified in its charter)

Delaware 13-4996950
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)
500 Charles Ewing Boulevard, Ewing, N.J. 08628

(Address of principal executive offices)

Registrant's telephone number, including area code: (609) 806-1200

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange
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on which registered

Common Stock, \$1 par value New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

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 twelve 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 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates as of June 30, 2014 (the last business day of the registrant's most recently completed second fiscal quarter) was approximately \$9.3 billion. For purposes of making this calculation only, the registrant included all directors, executive officers and beneficial owners of more than ten percent of the common stock (the "Common Stock") of Church & Dwight Co., Inc. (the "Company"). The aggregate market value is based on the closing price of such stock on the New York Stock Exchange on June 30, 2014.

As of February 18, 2015, there were 130,566,502 shares of Common Stock outstanding.

Documents Incorporated by Reference

Certain provisions of the registrant's definitive proxy statement to be filed not later than April 30, 2015 are incorporated by reference in Items 10 through 14 of Part III of this Annual Report on Form 10 K (this "Annual Report").

CAUTIONARY NOTE ON FORWARD-LOOKING INFORMATION

This Annual Report contains forward-looking statements, including, among others, statements relating to sales and earnings growth; the effect of product mix; volume growth, including the effects of new product launches into new and existing categories; the impact of unit dose laundry detergent; impairments and other charges; consumer demand and spending; the effects of competition; earnings per share; gross margin changes; trade and marketing spending; marketing expense as a percentage of net sales; cost savings programs; the Company's hedge programs; the impact of foreign exchange and commodity price fluctuations; the Company's share repurchase programs; the impact of acquisitions; capital expenditures; the effective tax rate; the impact of tax audits; tax changes and the lapse of applicable statutes of limitations; the impact of trade name impairment charges; environmental and regulatory matters; availability of raw materials; the effect of the credit environment on the Company's liquidity and capital expenditures; the Company's fixed rate debt; compliance with covenants under the Company's Credit Agreement and other debt instruments; the Company's commercial paper program; sufficiency of cash flows from operations; the Company's current and anticipated future borrowing capacity to meet capital expenditure program costs; payment of dividends; actual voluntary and expected cash contributions to pension plans; investments in the Natronx Technologies, LLC ("Natronx") joint venture; and adequacy of raw materials, including trona reserves. These statements represent the intentions, plans, expectations and beliefs of the Company, and are based on assumptions that the Company believes are reasonable but may prove to be incorrect. In addition, these statements are subject to risks, uncertainties and other factors, many of which are outside the Company's control and could cause actual results to differ materially from such forward-looking statements. Factors that might cause such differences include a decline in market growth, retailer distribution and consumer demand (as a result of, among other things, political, economic and marketplace conditions and events); unanticipated increases in raw material and energy prices; adverse developments affecting the financial condition of major customers and suppliers; competition, including The Procter & Gamble Company's participation in the value laundry detergent category; changes in marketing and promotional spending; growth or declines in various product categories and the impact of customer actions in response to changes in consumer demand and the economy, including increasing shelf space of private label products; consumer and competitor reaction to, and customer acceptance of, new product introductions and features; disruptions in the banking system and financial markets; foreign currency exchange rate fluctuations; the impact of natural disasters on the Company and its customers and suppliers, including third party information technology service providers; the acquisition or divestiture of assets; the outcome of contingencies, including litigation, pending regulatory proceedings and environmental matters; and changes in the regulatory environment.

For a description of additional factors that could cause actual results to differ materially from the forward looking statements, please see Item 1A, "Risk Factors" in this Annual Report.

The Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by the United States federal securities laws. You are advised, however, to consult any further disclosures the Company makes on related subjects in its filings with the United States Securities and Exchange Commission (the "Commission").

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PART I

ITEM 1. BUSINESS

GENERAL

The Company, founded in 1846, develops, manufactures and markets a broad range of household, personal care and specialty products. The Company sells its consumer products under a variety of brands through a broad distribution platform that includes supermarkets, mass merchandisers, wholesale clubs, drugstores, convenience stores, home stores, dollar, pet and other specialty stores and websites, all of which sell the products to consumers. The Company also sells specialty products to industrial customers and distributors.

The Company focuses its consumer products marketing efforts principally on its nine “power brands.” These well-recognized brand names include ARM & HAMMER (used in multiple product categories such as baking soda, cat litter, carpet deodorization and laundry detergent), TROJAN condoms, lubricants and vibrators, OXICLEAN stain removers, cleaning solutions, laundry detergents, dishwashing detergent and bleach alternatives, SPINBRUSH battery-operated and manual toothbrushes, FIRST RESPONSE home pregnancy and ovulation test kits, NAIR depilatories, ORAJEL oral analgesics and XTRA laundry detergent. The ninth “power brand” is the combination of the L’IL CRITTERS and VITAFUSION brand names for the Company’s gummy dietary supplement business. The Company considers four of these brands to be “mega brands”: ARM & HAMMER, OXICLEAN, TROJAN and L’IL CRITTERS and VITAFUSION, and is giving greatest focus to the growth of these brands.

The Company’s business is divided into three primary segments: Consumer Domestic, Consumer International and Specialty Products Division (“SPD”). The Consumer Domestic segment includes the power brands noted previously as well as other household and personal care products such as SCRUB FREE, KABOOM and ORANGE GLO cleaning products, ARRID antiperspirant and CLOSE-UP and AIM toothpastes and SIMPLY SALINE nasal saline moisturizer. The Consumer International segment primarily sells a variety of personal care products, some of which use the same brands as the Company’s domestic product lines, in international markets, including Canada, France, Australia, the United Kingdom, Mexico and Brazil. The SPD segment is the largest United States (“U.S.”) producer of sodium bicarbonate, which it sells together with other specialty inorganic chemicals for a variety of industrial, institutional, medical and food applications. This segment also sells a range of animal nutrition and specialty cleaning products. In 2014, the Consumer Domestic, Consumer International and SPD segments represented approximately 75%, 16% and 9%, respectively, of the Company’s net sales.

All domestic brand “rankings” contained in this Annual Report are based on dollar share rankings from ACNielsen AOC (All Outlets Combined) for the 52 weeks ended December 21, 2014. Foreign brand “rankings” are derived from several sources.

FINANCIAL INFORMATION ABOUT SEGMENTS

As noted above, the Company’s business is organized into three reportable segments: Consumer Domestic, Consumer International and SPD. These segments are based on differences in the nature of products and organizational and ownership structures. The businesses of these segments generally are not seasonal, although the Consumer Domestic and Consumer International segments are affected by sales of SPINBRUSH battery-operated toothbrushes (which typically are higher during the fall, in advance of the holiday season), sales of NAIR depilatories and waxes (which typically are higher in the spring and summer months), and sales of VITAFUSION and L’IL CRITTERS dietary supplements (which typically are slightly higher in the fourth quarter of each year, in advance of the cold and flu season and renewed commitments to health). Information concerning each of the segments is set forth in Note 17 to

the consolidated financial statements included in this Annual Report and in “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” which is Item 7 of this Annual Report.

CONSUMER PRODUCTS

Consumer Domestic

Principal Products

The Company’s founders first marketed baking soda in 1846 for use in home baking. Today, this product has a wide variety of uses in the home, including as a refrigerator and freezer deodorizer, scratch-free cleaner and deodorizer for kitchen surfaces and cooking appliances, bath additive, dentifrice, cat litter deodorizer and swimming pool pH stabilizer. The Company specializes in baking soda-based products, as well as other products which use the same raw materials or technology or are sold in the same markets. In addition, this segment includes other deodorizing and household cleaning products, as well as laundry and personal care products. The following table sets forth the principal products of the Company’s Consumer Domestic segment.

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Type of Product Key Brand Names

Household ARM & HAMMER Baking Soda
 ARM & HAMMER Carpet Deodorizers
 ARM & HAMMER Cat Litter Deodorizer
 ARM & HAMMER Clumping Cat Litters (including CLUMP & SEAL)
 ARM & HAMMER Powder, Liquid and Unit Dose Laundry Detergents
 ARM & HAMMER Super Washing Soda
 ARM & HAMMER FRESH'N SOFT Fabric Softeners
 CLEAN SHOWER Daily Shower Cleaner
 FELINE PINE Cat Litter
 KABOOM Cleaning Products
 NICE'N FLUFFY Fabric Softeners
 ORANGE GLO Cleaning Products
 OXICLEAN Dishwashing Detergent and Dishwashing Booster
 OXICLEAN Laundry and Cleaning Solutions
 SCRUB FREE Bathroom Cleaners
 XTRA Fabric Softeners
 XTRA Powder and Liquid Laundry Detergents

Personal Care AIM Toothpaste
 ANSWER Home Pregnancy and Ovulation Test Kits
 ARM & HAMMER Deodorants and Antiperspirants
 ARM & HAMMER TRULY RADIANT Toothpaste and Oral Rinses
 ARRID Antiperspirants
 CLOSE-UP Toothpaste
 FIRST RESPONSE Home Pregnancy and Ovulation Test Kits
 L'IL CRITTERS Dietary Supplements
 MENTADENT Toothpaste and Toothbrushes
 NAIR Depilatories, Lotions, Creams and Waxes
 ORAJEL Oral Analgesics
 PEPSODENT Toothpaste

 REPHRESH Feminine Hygiene Product

 REPLENS Feminine Hygiene Product
 SIMPLY SALINE Nasal Saline Moisturizer
 SPINBRUSH Battery-operated Toothbrushes
 TROJAN Condoms, Lubricants and Vibrating Products
 VITAFUSION Dietary Supplements

Household Products

In 2014, household products constituted approximately 59% of the Company's Domestic Consumer sales and approximately 45% of the Company's total sales.

The ARM & HAMMER trademark was adopted in 1867. ARM & HAMMER Baking Soda remains the number one leading brand of baking soda in terms of consumer recognition of the brand name and reputation for quality and

value. The deodorizing properties of baking soda have led to the development of several baking soda-based household products. For example, the Company markets ARM & HAMMER FRIDGE FRESH, a refrigerator deodorizer equipped with a baking soda filter to help keep food tasting fresher, and ARM & HAMMER Carpet Deodorizer.

The Company's laundry detergents constitute its largest consumer business, measured by net sales. The Company markets its ARM & HAMMER brand laundry detergents in powder, liquid and unit dose forms as value products, priced at a discount from products identified by the Company as market leaders. The Company markets its XTRA laundry detergent in both powder and liquid forms at a slightly lower price than ARM & HAMMER brand laundry detergents. The Company also markets XTRA LASTING SCENTSATIONS and XTRA FRESCO SCENTSATIONS, a line of highly fragranced and concentrated liquid laundry detergents, and OXICLEAN laundry stain fighting additives. OXICLEAN is the number one brand in the U.S. laundry stain fighting additive market. The Company markets ARM & HAMMER PLUS OXICLEAN liquid and powder laundry detergents, combining the benefits of these two powerful laundry detergent products, and ARM & HAMMER CRYSTAL BURST unit dose laundry detergent. In 2014, the Company launched ARM & HAMMER PLUS OXICLEAN Ultra Power liquid detergent, an ultra-concentrated version of

ARM & HAMMER PLUS OXICLEAN, ARM & HAMMER CLEAN SCENTSATIONS, a line of liquid detergents with fragrances inspired by U.S. National Parks, OXICLEAN laundry detergent, a premium-priced line of liquid, powder and unit dose laundry detergents, OXICLEAN dishwashing detergent, and OXICLEAN WHITE REVIVE additive, a line of bleach alternatives in both powder and unit dose forms. In 2015, the Company is introducing ARM & HAMMER PLUS OXICLEAN ODOR BLASTERS liquid laundry detergent, ARM & HAMMER CLEAN SCENTSATIONS scent booster, OXICLEAN WHITE REVIVE laundry detergent and liquid additive, OXICLEAN versatile stain remover plus ODOR BLASTERS, and OXICLEAN washing machine cleaner.

The Company's laundry products also include fabric softener sheets that prevent static cling and soften and freshen clothes. The Company markets ARM & HAMMER FRESH'N SOFT fabric softeners and offers a liquid fabric softener, NICE'N FLUFFY, at a slightly lower price enabling the Company to compete at several price points.

The Company also markets a line of cat litter products, including ARM & HAMMER CLUMP & SEAL clumping cat litter, ARM & HAMMER SUPER SCOOP clumping cat litter and ARM & HAMMER ULTRA LAST, a longer lasting clumping cat litter. Other products include ARM & HAMMER Multi-Cat cat litter, designed for households with more than one cat, ARM & HAMMER ESSENTIALS clumping cat litter, a corn-based scoopable litter made for consumers who prefer to use products made with natural ingredients, and ARM & HAMMER Double Duty cat litter, which eliminates both urine and feces odors on contact. The Company markets its FELINE PINE cat litter in the natural litter segment, complementing the Company's ARM & HAMMER branded cat litter business and positioning the Company as a leading supplier of natural cat litter. In December 2014, the Company launched ARM & HAMMER CLUMP & SEAL lightweight cat litter and in 2015, the Company will launch ARM & HAMMER CLUMP & SEAL NATURALS cat litter.

In addition, the Company markets a line of household cleaning products including CLEAN SHOWER daily shower cleaner, and SCRUB FREE bathroom cleaners. The Company also markets KABOOM bathroom cleaners, ORANGE GLO household cleaning products and OXICLEAN Dishwashing Booster, which removes cloudy film and food particles on glasses and dishes. In 2014, the Company introduced KABOOM SHOWER GUARD, a daily shower cleaning product, and extended its OXICLEAN brand by launching its first OXICLEAN automatic dishwasher dishwashing detergent.

Personal Care Products

The Company's personal care business was founded on the unique strengths of its ARM & HAMMER trademark and baking soda technology. The Company has expanded its personal care business through its acquisition of antiperspirants, oral care products, depilatories, reproductive health products, oral analgesics, nasal saline moisturizers and dietary supplements under a variety of other leading brand names. In 2014, Personal Care Products constituted approximately 41% of the Company's Consumer Domestic sales and approximately 30% of the Company's total sales.

ARM & HAMMER Baking Soda, when used as a dentifrice, helps whiten and polish teeth, removes plaque and leaves the mouth feeling fresh and clean. These properties led to the development of a complete line of sodium bicarbonate-based dentifrice products that are marketed and sold nationally primarily under the ARM & HAMMER DENTAL CARE and ARM & HAMMER ADVANCE WHITE brand names, including a line of toothpaste for sensitive teeth under the ARM & HAMMER brand.

The Company also manufactures in the U.S. and markets in the U.S. (including Puerto Rico) and Canada CLOSE-UP, PEPSODENT and AIM toothpastes, which are priced at a discount from the market leaders, and the MENTADENT brand of toothpaste and toothbrushes. In addition, the Company markets deodorant and antiperspirant products under the ARM & HAMMER and ARRID brand names.

Condoms are recognized as highly reliable contraceptives as well as an effective means of reducing the risk of sexually transmitted diseases. The Company's TROJAN condom brand is the number one condom brand in the U.S., and has been in use for more than 90 years. The brand includes such products as ECSTASY, TROJAN EXTENDED PLEASURE, HER PLEASURE, TWISTED PLEASURE, MAGNUM and FIRE & ICE, TROJAN CHARGED, a condom with a sensate lubricant that has heating, cooling and tingling properties, and TROJAN Vibrations, a line of vibrating products. The Company also markets a line of lubrication products under the TROJAN brand. In 2014, the Company introduced line extensions into the TROJAN lubricant line, launched two new condoms: TROJAN DOUBLE ECSTASY and TROJAN MAGNUM RIBBED and introduced two new vibrating products under its TROJAN Vibrations line. In 2015, the Company is introducing TROJAN STUDED BARESKIN and MAGNUM BARESKIN condoms and TROJAN TONIGHT and TROJAN H2O lubricants.

The Company markets SPINBRUSH battery-operated toothbrushes in the U.S. (including Puerto Rico), the United Kingdom, Canada, France, China and Australia. In 2014, the SPINBRUSH battery-operated toothbrush was the number one leading brand of battery-operated toothbrushes in the U.S. The Company also markets SPINBRUSH PROCLEAN toothbrushes, a two-speed version of the product, SPINBRUSH PROCLEAN Recharge, a rechargeable toothbrush offering up to one week of power brushes between

charges, SPINBRUSH PROCLEAN Sonic, a value high speed battery-operated toothbrush which competes with much more expensive “sonic” toothbrushes, and ARM & HAMMER TOOTH TUNES battery-operated toothbrushes, with proprietary technology that delivers music while brushing. In 2014, the Company introduced a line of SPINBRUSH TRULY RADIANT toothpastes. In 2015, the Company is introducing a line of ARM & HAMMER SPINBRUSH manual toothbrushes with rotating heads as well as ARM & HAMMER TRULY RADIANT oral rinse.

The Company markets two lines of home pregnancy and ovulation test kits. Its FIRST RESPONSE brand of diagnostic kits is the number one selling brand in the U.S. Its ANSWER home pregnancy and ovulation test kits compete in the value segment of the market. In 2014, the Company launched an enhanced FIRST RESPONSE pregnancy test kit that can tell a woman that she is pregnant up to six days before her expected period, with 99% accuracy from the day of her missed period. In 2015, the Company will launch a new stick design for its FIRST RESPONSE pregnancy test kit and an ovulation test and confirm kit.

The Company’s NAIR hair-removal brand is the number one selling depilatory brand in the U.S., with innovative products that address consumer needs for quick, complete and longer-lasting hair removal. The Company offers a full line of depilatory products for women and men under the NAIR brand name, including NAIR SHOWER POWER, SPRAYS AWAY, and the Moroccan Argan Oil line of depilatories and waxes. In 2015, the Company is introducing three new NAIR Moroccan Argan Oil hair-removal products, building on the success of the lines which were introduced in 2014.

The Company markets ORAJEL oral analgesics, which includes products for adults as well as babies, including ORAJEL Cooling Cucumber Teething Gel and BABY ORAJEL Tooth and Gum Cleanser. The ORAJEL teething and toothache line of products is the number one brand in the U.S. In 2014, the Company introduced several teething and toothache line extensions with licensed characters under the ORAJEL trademark. In 2015, the Company is introducing ORAJEL alcohol free mouth sore rinse.

The Company markets and sells the L’IL CRITTERS children’s gummy dietary supplement line and the VITAFUSION adult gummy dietary supplement line, both number one leading brands in the gummy-form dietary supplement category. The Company also markets and sells a line of gummy probiotics under the ACCUFLORA brand name, and private label gummy dietary supplements. In 2014, the Company introduced two new lines of gummy dietary supplements: VITAFUSION MULTIVITES PLUS and L’IL CRITTERS GUMMY VITES PLUS. In 2015, the Company is introducing VITAFUSION EXTRA STRENGTH line extensions and FIRST RESPONSE reproductive health dietary supplements.

The Company markets the SIMPLY SALINE brand of nasal saline moisturizers in the U.S., complementing the Company’s STERIMAR brand nasal saline solution business in Europe and other parts of the world. The Company also markets BATISTE dry shampoo in the U.S.

In 2014, the Company acquired the feminine care brands REPHRESH and REPLENS as part of the acquisition of the Lil’ Drug Store products.

Consumer International

The Consumer International segment markets a variety of personal care products, household and over-the-counter products in international markets, including Canada, France, Australia, China, the United Kingdom, Mexico and Brazil. Export sales from the U.S. are included in this segment.

Total Consumer International net sales represented approximately 16% of the Company’s consolidated net sales in 2014. Net sales of the businesses located in Europe, Canada, Australia and Mexico accounted for 35%, 34%, 10%

and 10%, respectively, of the Company's 2014 international net sales in this segment. No other country in which the Company operates accounts for more than 10% of its total international net sales and no product line accounts for more than 15% of total international net sales.

Certain of the Company's international product lines are similar to its domestic product lines and many are unique. For example, the Company markets its ARM & HAMMER and OXICLEAN laundry products and TROJAN condoms in Canada and Mexico, ARM & HAMMER cat litter in Canada, home pregnancy and ovulation test kits and oral care products in most of its international markets, waxes and depilatory products in virtually all international locations and L'IL CRITTERS and VITAFUSION gummy dietary supplements principally in Canada and Asia.

The Company also markets SPINBRUSH battery-operated toothbrushes internationally, primarily in the United Kingdom, Canada, France, China and Australia. The Company sells STERIMAR nasal hygiene products in a number of markets in Europe, as well as in Mexico, parts of Asia and Australia and other international markets. The Company also sells BATISTE dry shampoo principally in the United Kingdom, where it is the number one selling dry shampoo, Australia, Canada, France, Brazil, China and Mexico, as well as other markets including the United States. The Company also markets the CURASH line of baby care products in Australia, and GRAVOL anti-nauseant and RUB-A535 topical analgesic in Canada and other international markets.

COMPETITION FOR CONSUMER DOMESTIC AND CONSUMER INTERNATIONAL

The Company competes in the household and personal care consumer product categories, which are highly innovative categories, characterized by a continuous flow of new products and line extensions, and require significant advertising and promotion. The Company competes in these categories primarily on the basis of product innovation and performance, brand recognition, price, value and other consumer benefits. Consumer products, particularly laundry and household cleaning products, as well as certain toothpaste products, are subject to significant price competition. As a result, the Company from time to time may need to reduce the prices for some of its products to respond to competitive and customer pressures and to maintain market share.

Internationally, the Company competes in similar competitive categories for most of its products.

The Company's competitors include The Procter & Gamble Company ("P&G"), The Sun Products Corporation, The Clorox Company, Colgate-Palmolive Company, S.C. Johnson & Son, Inc., Nestle Purina PetCare Company, Henkel AG & Co. KGaA, Reckitt Benckiser Group plc, Johnson & Johnson, Ansell Limited, Pfizer Inc., Bayer AG, Alere Inc., NBTY, Inc. and Pharmavite LLC. Many of these companies have greater financial resources than the Company and have the capacity to outspend the Company if they attempt to gain market share.

Product introductions typically involve heavy marketing and trade spending in the year of launch, and the Company usually is not able to determine whether the new products and line extensions will be successful until a period of time has elapsed following the introduction of the new products or the extension of the product line.

Because of the competitive environment facing retailers, the Company faces pricing pressure from customers, particularly high-volume retailer store customers, who have increasingly sought to obtain pricing concessions or better trade terms. These concessions or terms could reduce the Company's margins. Furthermore, if the Company is unable to maintain price or trade terms acceptable to its customers, they could increase product purchases from competitors and reduce purchases from the Company, which would harm the Company's sales and profitability.

DISTRIBUTION FOR CONSUMER DOMESTIC

Products in the Consumer Domestic segment are marketed throughout the U.S. primarily through a broad distribution platform that includes supermarkets, mass merchandisers, wholesale clubs, drugstores, convenience stores, home stores, dollar, pet and other specialty stores, and websites, all of which sell the products to consumers. The Company employs a sales force based regionally throughout the U.S. and utilizes the services of independent food brokers, who represent the Company's products in the food, mass, pet, dollar and club, as well as numerous other classes of trade. The Company's products are stored in Company plants and third-party owned warehouses and are either delivered by independent trucking companies or picked up by customers at the Company's facilities.

DISTRIBUTION FOR CONSUMER INTERNATIONAL

Products in the Consumer International segment are sold broadly across retail platforms that include supermarkets, wholesale clubs, pharmacies and drugstores, convenience stores, discount stores and websites, all of which sell the products to consumers. The Company's Consumer International distribution network is well-established and varies according to the needs of each market. Subsidiary countries primarily utilize internal warehousing and distribution capabilities that enable direct shipment to key retailers. Export markets primarily rely upon third party suppliers to market, warehouse and distribute products to end customers.

Specialty Products Division

Principal Products

The Company's SPD segment focuses on sales to businesses and participates in three product areas: Specialty Chemicals, Animal Nutrition and Specialty Cleaners, and accounted for approximately 9% of the Company's consolidated net sales in 2014. The following table sets forth the principal products of the Company's SPD segment.

Type of Product	Key Brand Names
Specialty Chemicals	<p>ARM & HAMMER Performance Grade Sodium Bicarbonate</p> <p>ARMAND PRODUCTS COMPANY Potassium Carbonate and Potassium Bicarbonate⁽¹⁾</p> <p>Enprove Ground Trona ⁽²⁾</p> <p>Enprove Sodium Bicarbonate ⁽²⁾</p>
Animal Nutrition	<p>ARM & HAMMER Feed Grade Sodium Bicarbonate</p> <p>BIO-CHLOR and FERMENTEN Rumen Fermentation Enhancers</p> <p>DCAD PLUS Feed Grade Potassium Carbonate ⁽³⁾</p> <p>MEGALAC Rumen Bypass Fat ⁽⁴⁾</p> <p>MEGALAC -R Omega 3 & Omega 6 Essential Fatty Acids ⁽⁴⁾</p> <p>MEGAMINE-L, Rumen Bypass Lysine</p> <p>SQ-810 Natural Sodium Sesquicarbonate</p> <p>CELMANAX Refined Functional Carbohydrate ⁽⁶⁾</p>