

PERKINELMER INC
Form 10-Q
August 14, 2009
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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 July 5, 2009

or

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

Commission File Number 001-5075

PerkinElmer, Inc.

(Exact name of Registrant as specified in its Charter)

Massachusetts
(State or other jurisdiction of incorporation or organization)

940 Winter Street

Waltham, Massachusetts 02451

04-2052042
(I.R.S. Employer Identification No.)

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(Address of principal executive offices) (Zip code)

(781) 663-6900

(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 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 (§232.405 of this chapter) 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 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

(Do not check if a 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

As of August 7, 2009, there were outstanding 116,703,357 shares of common stock, \$1 par value per share.

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	Three Months Ended		Six Months Ended	
	July 5, 2009	June 29, 2008	July 5, 2009	June 29, 2008
	(In thousands, except			
	per share data)			
Sales	\$ 434,575	\$ 504,965	\$ 866,149	\$ 963,685
Cost of sales	247,102	289,935	490,721	556,541
Selling, general and administrative expenses	123,962	141,750	252,376	272,584
Research and development expenses	25,568	28,924	51,541	56,771
Restructuring and lease (reversals) charges, net		(305)	7,823	(305)
Operating income from continuing operations	37,943	44,661	63,688	78,094
Interest and other expense, net	4,181	4,949	9,018	10,259
Income from continuing operations before income taxes	33,762	39,712	54,670	67,835
Provision for income taxes	10,807	10,120	16,654	17,504
Net income from continuing operations	22,955	29,592	38,016	50,331
(Loss) income from discontinued operations, net of income taxes	(1,051)	904	(3,964)	672
Loss on disposition of discontinued operations, net of income taxes	(399)	(6,790)	(1,988)	(7,159)
Net income	\$ 21,505	\$ 23,706	\$ 32,064	\$ 43,844
Basic earnings (loss) per share:				
Continuing operations	\$ 0.20	\$ 0.25	\$ 0.33	\$ 0.43
(Loss) income from discontinued operations, net of income taxes	(0.01)	0.01	(0.03)	0.01
Loss on disposition of discontinued operations, net of income taxes	(0.00)	(0.06)	(0.02)	(0.06)
Net income	\$ 0.19	\$ 0.20	\$ 0.28	\$ 0.37
Diluted earnings (loss) per share:				
Continuing operations	\$ 0.20	\$ 0.25	\$ 0.33	\$ 0.42
(Loss) income from discontinued operations, net of income taxes	(0.01)	0.01	(0.03)	0.01
Loss on disposition of discontinued operations, net of income taxes	(0.00)	(0.06)	(0.02)	(0.06)
Net income	\$ 0.18	\$ 0.20	\$ 0.28	\$ 0.37
Weighted average shares of common stock outstanding:				
Basic	116,063	117,811	116,235	117,558
Diluted	116,268	119,263	116,410	118,861
Cash dividends per common share	\$ 0.07	\$ 0.07	\$ 0.14	\$ 0.14

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The accompanying unaudited notes are an integral part of these condensed consolidated financial statements.

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PERKINELMER, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

	July 5, 2009	December 28, 2008
	(In thousands, except share and per share data)	
Current assets:		
Cash and cash equivalents	\$ 151,339	\$ 179,110
Accounts receivable, net	328,228	327,636
Inventories, net	216,320	197,967
Other current assets	107,447	111,087
Current assets of discontinued operations	16,620	14,947
Total current assets	819,954	830,747
Property, plant and equipment, net:		
At cost	581,471	570,257
Accumulated depreciation	(380,601)	(365,843)
Property, plant and equipment, net	200,870	204,414
Marketable securities and investments	2,031	3,459
Intangible assets, net	456,363	452,473
Goodwill	1,425,437	1,396,292
Other assets, net	35,747	38,760
Long-term assets of discontinued operations	5,471	5,622
Total assets	\$ 2,945,873	\$ 2,931,767
Current liabilities:		
Short-term debt	\$	\$ 40
Accounts payable	153,905	169,447
Accrued restructuring and integration costs	9,017	5,904
Accrued expenses	317,197	323,815
Current liabilities of discontinued operations	16,689	17,036
Total current liabilities	496,808	516,242
Long-term debt	524,000	509,040
Long-term liabilities	347,472	335,354
Long-term liabilities of discontinued operations	3,261	3,188
Total liabilities	1,371,541	1,363,824
Commitments and contingencies (see Note 19)		
Stockholders' equity:		
Preferred stock \$1 par value per share, authorized 1,000,000 shares; none issued or outstanding		
Common stock \$1 par value per share, authorized 300,000,000 shares; issued and outstanding 116,703,000 and 117,112,000 shares at July 5, 2009 and December 28, 2008, respectively	116,703	117,112
Capital in excess of par value	242,984	246,549

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Retained earnings	1,251,276	1,235,521
Accumulated other comprehensive loss	(36,631)	(31,239)
Total stockholders equity	1,574,332	1,567,943
Total liabilities and stockholders equity	\$ 2,945,873	\$ 2,931,767

The accompanying unaudited notes are an integral part of these condensed consolidated financial statements.

Table of Contents**PERKINELMER, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****(Unaudited)**

	Six Months Ended	
	July 5, 2009	June 29, 2008
	(In thousands)	
Operating activities:		
Net income	\$ 32,064	\$ 43,844
Add: loss (income) from discontinued operations, net of income taxes	3,964	(672)
Add: loss on disposition of discontinued operations, net of income taxes	1,988	7,159
Net income from continuing operations	38,016	50,331
Adjustments to reconcile net income from continuing operations to net cash provided by continuing operations:		
Restructuring and lease charges (reversals), net	7,823	(305)
Depreciation and amortization	43,879	43,916
Stock-based compensation	8,165	8,272
Amortization of deferred debt issuance costs	1,270	797
Gains on dispositions, net		(1,158)
Amortization of acquired inventory revaluation	215	
Changes in operating assets and liabilities which (used) provided cash, excluding effects from companies purchased and divested:		
Accounts receivable, net	(2,760)	7,199
Inventories, net	(14,116)	(11,761)
Accounts payable	(14,723)	6,317
Accrued expenses and other	(9,559)	(6,862)
Net cash provided by operating activities of continuing operations	58,210	96,746
Net cash used in operating activities of discontinued operations	(6,990)	(1,884)
Net cash provided by operating activities	51,220	94,862
Investing activities:		
Capital expenditures	(13,047)	(17,896)
Changes in restricted cash balances	1,412	
Payments for business development activity		(148)
Proceeds from disposition of investments, net		1,158
Payments for acquisitions and investments, net of cash and cash equivalents acquired	(49,222)	(86,358)