

MANTECH INTERNATIONAL CORP  
Form 10-Q  
July 30, 2010  
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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 June 30, 2010

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. 000-49604

**ManTech International Corporation**

(Exact name of registrant as specified in its charter)

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<b>Delaware</b> (State or other jurisdiction of incorporation or organization)	<b>22-1852179</b> (I.R.S. Employer Identification No.)
<b>12015 Lee Jackson Highway, Fairfax, VA</b> (Address of principal executive offices)	<b>22033</b> (Zip Code)
<b>(703) 218-6000</b> (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 definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/>

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 July 28, 2010 there were outstanding 23,054,744 shares of our Class A common stock and 13,277,345 shares of our Class B common stock.

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**MANTECH INTERNATIONAL CORPORATION**

**FORM 10-Q**

**FOR THE QUARTER ENDED June 30, 2010**

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**MANTECH INTERNATIONAL CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Dollars in Thousands Except Per Share Amounts)

	(unaudited)	
	June 30, 2010	December 31, 2009
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 162,274	\$ 86,190
Receivables net	466,092	399,239
Prepaid expenses and other	11,304	11,182
<b>Total Current Assets</b>	<b>639,670</b>	<b>496,611</b>
Property and equipment net	15,591	14,498
Goodwill	631,989	488,217
Other intangibles net	157,554	73,684
Employee supplemental savings plan assets	20,152	21,065
Other assets	11,203	6,672
<b>TOTAL ASSETS</b>	<b>\$ 1,476,159</b>	<b>\$ 1,100,747</b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 235,398	\$ 157,358
Accrued salaries and related expenses	79,140	55,429
Deferred income taxes current	734	0
Billings in excess of revenue earned	8,841	7,737
<b>Total Current Liabilities</b>	<b>324,113</b>	<b>220,524</b>
Debt	200,000	0
Accrued retirement	20,873	22,033
Other long-term liabilities	6,717	6,877
Deferred income taxes non-current	34,725	33,848
<b>TOTAL LIABILITIES</b>	<b>586,428</b>	<b>283,282</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>STOCKHOLDERS EQUITY:</b>		
Common stock, Class A \$0.01 par value; 150,000,000 shares authorized; 23,235,371 and 22,602,110 shares issued at June 30, 2010 and December 31, 2009; 22,992,331 and 22,359,070 shares outstanding at June 30, 2010 and December 31, 2009	232	226
Common stock, Class B \$0.01 par value; 50,000,000 shares authorized; 13,277,345 and 13,605,345 shares issued and outstanding at June 30, 2010 and December 31, 2009	133	136

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Additional paid-in capital	375,303	362,730
Treasury stock, 243,040 shares at cost at June 30, 2010 and December 31, 2009	(9,114)	(9,114)
Retained earnings	524,450	464,742
Accumulated other comprehensive loss	(190)	(172)
Unearned Employee Stock Ownership Plan Shares	(1,083)	(1,083)
<b>TOTAL STOCKHOLDERS EQUITY</b>	<b>\$ 889,731</b>	<b>\$ 817,465</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS EQUITY</b>	<b>\$ 1,476,159</b>	<b>\$ 1,100,747</b>

See notes to condensed consolidated financial statements.

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**MANTECH INTERNATIONAL CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

(In Thousands Except Per Share Amounts)

	(unaudited) Three months ended June 30,		(unaudited) Six months ended June 30,	
	2010	2009	2010	2009
<b>REVENUES</b>	\$ 661,611	\$ 514,068	\$ 1,249,168	\$ 963,638
Cost of services	562,306	422,242	1,061,872	792,546
General and administrative expenses	42,776	46,953	85,535	85,861
<b>OPERATING INCOME</b>	56,529	44,873	101,761	85,231
Interest expense	(3,598)	(404)	(4,595)	(707)
Interest income	57	47	185	116
Other (expense) income, net	(270)	111	(332)	108
<b>INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</b>	52,718	44,627	97,019	84,748
Provision for income taxes	(20,551)	(16,095)	(37,311)	(31,738)
<b>NET INCOME</b>	\$ 32,167	\$ 28,532	\$ 59,708	\$ 53,010
<b>BASIC EARNINGS PER SHARE:</b>				
<b>Class A basic earnings per share</b>	\$ 0.89	\$ 0.80	\$ 1.65	\$ 1.49
Weighted average common shares outstanding	22,872	21,909	22,645	21,752
<b>Class B basic earnings per share</b>	\$ 0.89	\$ 0.80	\$ 1.65	\$ 1.49
Weighted average common shares outstanding	13,317	13,678	13,460	13,795
<b>DILUTED EARNINGS PER SHARE:</b>				
<b>Class A diluted earnings per share</b>	\$ 0.88	\$ 0.80	\$ 1.64	\$ 1.48
Weighted average common shares outstanding	23,126	22,146	22,925	22,055
<b>Class B diluted earnings per share</b>	\$ 0.88	\$ 0.80	\$ 1.64	\$ 1.48
Weighted average common shares outstanding	13,317	13,678	13,460	13,795

See notes to condensed consolidated financial statements.

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**MANTECH INTERNATIONAL CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Dollars in Thousands)

	(unaudited) Three months ended June 30,		(unaudited) Six months ended June 30,	
	2010	2009	2010	2009
<b>NET INCOME</b>	\$ 32,167	\$ 28,532	\$ 59,708	\$ 53,010
<b>OTHER COMPREHENSIVE INCOME:</b>				
Translation adjustment	(10)	4	(32)	(1)
Actuarial gain (loss) on defined benefit pension plans, net of tax	0	0	14	0
<b>Total other comprehensive income</b>	(10)	4	(18)	(1)
<b>COMPREHENSIVE INCOME</b>	\$ 32,157	\$ 28,536	\$ 59,690	\$ 53,009

See notes to condensed consolidated financial statements.

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**MANTECH INTERNATIONAL CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Dollars in Thousands)

	(unaudited) Six months ended June 30,	
	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 59,708	\$ 53,010
Adjustments to reconcile net income to net cash provided by operating activities:		
Stock-based compensation	3,251	3,572
Excess tax benefits from the exercise of stock options	(502)	(243)
Deferred income taxes	4,674	1,224
Depreciation and amortization	14,176	8,839
Change in assets and liabilities net of effects from acquired businesses:		
Receivables net	3,017	29,858
Prepaid expenses and other	(2,177)	2,871
Accounts payable and accrued expenses	9,194	(27,311)
Accrued salaries and related expenses	20,624	(5,420)
Billings in excess of revenue earned	1,104	19
Accrued retirement	(1,160)	(173)
Other	840	639
<b>Net cash flow from operating activities</b>	<b>112,749</b>	<b>66,885</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		