

PERKINELMER INC
Form 10-Q
November 14, 2005
Table of Contents

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 October 2, 2005

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)

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Massachusetts
(State or other jurisdiction of
incorporation or organization)

04-2052042
(I.R.S. employer
identification no.)

45 William Street, Wellesley, Massachusetts
(Address of principal executive offices)

02481
(Zip Code)

(781) 237-5100

(Registrant's telephone number, including area code)

NONE

(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 is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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

Number of shares outstanding of each of the issuer's classes of common stock:

<u>Class</u>	<u>Outstanding at November 7, 2005</u>
Common Stock, \$1 par value per share	130,797,274

Table of Contents

TABLE OF CONTENTS

	Page

PART I. FINANCIAL INFORMATION	
Item 1. <u>Financial Statements</u>	3
<u>Condensed Consolidated Income Statements</u>	3
<u>Condensed Consolidated Balance Sheets</u>	4
<u>Condensed Consolidated Statements of Cash Flows</u>	5
<u>Notes to Consolidated Financial Statements</u>	6
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	20
<u>Overview</u>	20
<u>Consolidated Results of Continuing Operations</u>	21
<u>Reporting Segment Results of Continuing Operations</u>	30
<u>Liquidity and Capital Resources</u>	31
<u>Off-Balance Sheet Arrangements</u>	33
<u>Application of Critical Accounting Policies and Estimates</u>	34
<u>Forward-Looking Information and Factors Affecting Future Performance</u>	34
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	39
Item 4. <u>Controls and Procedures</u>	40
PART II. OTHER INFORMATION	
Item 1. <u>Legal Proceedings</u>	41
Item 6. <u>Exhibits</u>	42
<u>Signature</u>	43
<u>Exhibit Index</u>	44

Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. *Financial Statements*

PERKINELMER, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INCOME STATEMENTS

(Unaudited)

	Three Months Ended		Nine Months Ended	
	October 2, 2005	September 26, 2004	October 2, 2005	September 26, 2004
	(In thousands, except per share data)		(In thousands, except per share data)	
Sales	\$ 361,901	\$ 341,601	\$ 1,092,270	\$ 1,028,396
Cost of sales	204,510	198,567	621,017	597,101
Research and development expenses	21,808	20,435	66,674	60,748
Selling, general and administrative expenses	87,722	83,430	278,449	264,826
Restructuring charges, net			14,245	
Amortization of intangible assets	7,159	6,920	21,452	20,658
In-process research and development charge			194	
Operating income from continuing operations	40,702	32,249	90,239	85,063
Interest expense, net	6,397	8,428	20,684	25,789
Extinguishment of debt		345	6,210	1,877
Gains on dispositions of investments and other, net	(304)	(743)	(5,263)	(932)
Other expense, net	6,093	8,030	21,631	26,734
Income from continuing operations before income taxes	34,609	24,219	68,608	58,329
Provision for (benefit from) income taxes	8,464	5,825	(3,151)	13,844
Income from continuing operations	26,145	18,394	71,759	44,485
Income from discontinued operations, net of income taxes	5,500	5,889	13,337	14,102
Gain (loss) on disposition of discontinued operations, net of income taxes	188	(269)	(4,537)	(467)
Net income	\$ 31,833	\$ 24,014	\$ 80,559	\$ 58,120
Basic earnings (loss) per share:				
Continuing operations	\$ 0.20	\$ 0.14	\$ 0.56	\$ 0.35
Income from discontinued operations, net of income tax	0.04	0.05	0.10	0.11
Loss on disposition of discontinued operations, net of income tax			(0.04)	

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Net income	\$ 0.25	\$ 0.19	\$ 0.62	\$ 0.46
Diluted earnings (loss) per share:				
Continuing operations	\$ 0.20	\$ 0.14	\$ 0.55	\$ 0.34
Income from discontinued operations, net of income tax	0.04	0.05	0.10	0.11
Loss on disposition of discontinued operations, net of income tax			(0.04)	
Net income	\$ 0.24	\$ 0.19	\$ 0.62	\$ 0.45
Weighted average shares of common stock outstanding:				
Basic	129,543	127,562	129,135	127,123
Diluted	131,291	129,395	131,021	129,230
Cash dividends per common share	0.07	0.07	0.21	0.21

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

Table of Contents**PERKINELMER, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS****(Unaudited)**

	October 2, 2005	January 2, 2005
	(In thousands, except share and per share data)	
Current assets:		
Cash and cash equivalents	\$ 166,057	\$ 197,513
Accounts receivable, net	247,599	258,405
Inventories	168,632	170,383
Other current assets	72,033	67,689
Current assets of discontinued operations	54,980	53,640
Total current assets	709,301	747,630
Property, plant and equipment:		
At cost	487,699	501,238
Accumulated depreciation	(307,372)	(296,489)
Net property, plant and equipment	180,327	204,749
Marketable securities and investments	9,268	10,479
Intangible assets, net	378,915	392,019
Goodwill	1,027,890	1,043,027
Other assets	101,451	107,574
Long-term assets of discontinued operations	86,546	70,029
Total assets	\$ 2,493,698	\$ 2,575,507
Current liabilities:		
Short-term debt	\$ 5,850	\$ 9,714
Accounts payable	127,920	127,936
Accrued restructuring costs and integration costs	10,754	3,045
Accrued expenses	252,066	273,913
Current liabilities of discontinued operations	47,450	31,363
Total current liabilities	444,040	445,971
Long-term debt	268,390	364,874
Long-term liabilities	283,043	292,340
Long-term liabilities of discontinued operations	12,120	12,237
Total liabilities	1,007,593	1,115,422
Commitments and contingencies		
Stockholders' equity:		

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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 130,319,000 and 129,059,000 at October 2, 2005 and January 2, 2005, respectively	130,319	129,059
Capital in excess of par value		561,558	545,000
Unearned compensation		(6,670)	(4,202)
Retained earnings		786,228	732,878
Accumulated other comprehensive income		14,670	57,350
		<u>1,486,105</u>	<u>1,460,085</u>
Total stockholders equity		1,486,105	1,460,085
Total liabilities and stockholders equity		\$ 2,493,698	\$ 2,575,507

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)

	Nine Months Ended	
	October 2, 2005	September 26, 2004
	(In thousands)	
Operating activities:		
Net income	\$ 80,559	\$ 58,120
Income from discontinued operations, net of income taxes	(13,337)	(14,102)
Loss on disposition of discontinued operations, net of income taxes	4,537	467