

ICU MEDICAL INC/DE
Form 10-Q
May 06, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

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

For the quarterly period ended: March 31, 2015

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.: 0-19974
ICU MEDICAL, INC.
(Exact name of Registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	33-0022692 (I.R.S. Employer Identification No.)
951 Calle Amanecer, San Clemente, California (Address of principal executive offices)	92673 (Zip Code)
(949) 366-2183 (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 (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 the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

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Class	Outstanding at April 21, 2015
Common	15,777,942

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act):

Yes No

ICU Medical, Inc.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

ICU Medical, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(Amounts in thousands, except per share data)

	March 31, 2015 (unaudited)	December 31, 2014 (1)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$308,533	\$275,812
Investment securities	46,254	70,952
Cash, cash equivalents and investment securities	354,787	346,764
Accounts receivable, net of allowance for doubtful accounts of \$1,046 at March 31, 2015 and \$1,127 at December 31, 2014	42,595	39,051
Inventories	37,660	36,933
Prepaid income taxes	4,941	3,963
Prepaid expenses and other current assets	6,634	5,818
Deferred income taxes	7,393	4,683
Total current assets	454,010	437,212
PROPERTY AND EQUIPMENT, net	82,288	86,091
GOODWILL	1,478	1,478
INTANGIBLE ASSETS, net	6,657	7,063
DEFERRED INCOME TAXES	9,911	9,258
	\$554,344	\$541,102
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$12,548	\$11,378
Accrued liabilities	20,349	17,350
Total current liabilities	32,897	28,728
DEFERRED INCOME TAXES	2,123	1,376
INCOME TAX LIABILITY	1,222	2,746
COMMITMENTS AND CONTINGENCIES	—	—
STOCKHOLDERS' EQUITY:		
Convertible preferred stock, \$1.00 par value Authorized—500 shares; Issued and outstanding— none	—	—
Common stock, \$0.10 par value — Authorized, 80,000 shares; Issued, 15,778 shares at March 31, 2015 and 15,595 shares at December 31, 2014; Outstanding, 15,769 shares March 31, 2015 and 15,595 shares at December 31, 2014	1,578	1,559
Additional paid-in capital	118,367	107,336
Treasury stock, at cost — 9 shares at March 31, 2015 and 0 shares at December 31, 2014	(795))
Retained earnings	418,597	408,911
Accumulated other comprehensive loss	(19,645)) (9,554)
Total stockholders' equity	518,102	508,252
	\$554,344	\$541,102

(1) December 31, 2014 balances were derived from audited consolidated financial statements.
The accompanying notes are an integral part of these condensed consolidated financial statements.

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ICU Medical, Inc. and Subsidiaries
 Condensed Consolidated Statements of Income
 (Amounts in thousands, except per share data)
 (unaudited)

	Three months ended March 31,	
	2015	2014
REVENUES:		
Net sales	\$81,323	\$73,113
Other	161	117
TOTAL REVENUE	81,484	73,230
COST OF GOODS SOLD	38,970	37,203
Gross profit	42,514	36,027
OPERATING EXPENSES:		
Selling, general and administrative	20,174	22,519
Research and development	4,308	3,631
Legal settlement	7,059	—
Total operating expenses	31,541	26,150
Income from operations	10,973	9,877
OTHER INCOME	526	210
Income before income taxes	11,499	10,087
PROVISION FOR INCOME TAXES	(1,813) (3,430)
NET INCOME	\$9,686	\$6,657
NET INCOME PER SHARE		
Basic	\$0.62	\$0.44
Diluted	\$0.60	\$0.43
WEIGHTED AVERAGE NUMBER OF SHARES		