

IDEX CORP /DE/
Form 10-Q
May 08, 2009

Table of Contents

**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, 2009
- OR
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 1-10235

IDEX CORPORATION
(Exact Name of Registrant as Specified in its Charter)

Delaware
*(State or other jurisdiction of
incorporation or organization)*
630 Dundee Road, Northbrook, Illinois
(Address of principal executive offices)

36-3555336
*(I.R.S. Employer
Identification No.)*
60062
(Zip Code)

Registrant's telephone number: (847) 498-7070

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 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 Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

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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 of common stock of IDEX Corporation outstanding as of April 30, 2009: 80,693,173 (net of treasury shares).

TABLE OF CONTENTS

Part I. Financial Information

<u>Item 1.</u>	<u>Financial Statements</u>	1
	<u>Condensed Consolidated Balance Sheets</u>	1
	<u>Condensed Consolidated Statements of Operations</u>	2
	<u>Condensed Consolidated Statements of Shareholders' Equity</u>	3
	<u>Condensed Consolidated Statements of Cash Flows</u>	4
	<u>Notes to Condensed Consolidated Financial Statements</u>	5
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	17
	<u>Cautionary Statement Under the Private Securities Litigation Reform Act</u>	17
	<u>Historical Overview</u>	17
	<u>Results of Operations</u>	17
	<u>Liquidity and Capital Resources</u>	20
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	21
<u>Item 4.</u>	<u>Controls and Procedures</u>	22

PART II. Other Information

<u>Item 1.</u>	<u>Legal Proceedings</u>	22
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	23
<u>Item 5.</u>	<u>Other Information</u>	23
<u>Item 6.</u>	<u>Exhibits</u>	23
	<u>Signatures</u>	24
	<u>Exhibit Index</u>	25
	<u>EX-18</u>	
	<u>EX-31.1</u>	
	<u>EX-31.2</u>	
	<u>EX-32.1</u>	
	<u>EX-32.2</u>	

Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements.****IDEX CORPORATION AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS**
(in thousands except share and per share amounts)
(unaudited)

	March 31, 2009	December 31, 2008
ASSETS		
Current assets		
Cash and cash equivalents	\$ 63,097	\$ 61,353
Receivables, less allowance for doubtful accounts of \$5,960 at March 31, 2009 and \$5,600 at December 31, 2008	205,730	205,269
Inventories	176,805	181,200
Other current assets	31,867	32,866
Total current assets	477,499	480,688
Property, plant and equipment net	179,897	186,283
Goodwill	1,152,015	1,167,063
Intangible assets net	292,949	303,226
Other noncurrent assets	8,898	14,540
Total assets	\$ 2,111,258	\$ 2,151,800
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities		
Trade accounts payable	\$ 84,971	\$ 87,304
Accrued expenses	98,668	117,186
Short-term borrowings	1,786	5,856
Dividends payable		9,523
Total current liabilities	185,425	219,869
Long-term borrowings	541,766	548,144
Deferred income taxes	137,834	141,984
Other noncurrent liabilities	93,028	97,020
Total liabilities	958,053	1,007,017
Commitment and contingencies		
Shareholders equity		

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Preferred stock:

Authorized: 5,000,000 shares, \$.01 per share par value; Issued: None

Common stock:

Authorized: 150,000,000 shares, \$.01 per share par value Issued:

83,125,962 shares at March 31, 2009 and 82,786,045 shares at

December 31, 2008

Additional paid-in capital

Retained earnings

Treasury stock at cost: 2,515,501 shares at March 31, 2009 and

2,483,955 shares at December 31, 2008

Accumulated other comprehensive loss

Total shareholders equity

Total liabilities and shareholders equity

831	828
383,861	377,154
844,891	822,286
(55,597)	(55,393)
(20,781)	(92)
1,153,205	1,144,783
\$ 2,111,258	\$ 2,151,800

See Notes to Condensed Consolidated Financial Statements.

Table of Contents**IDEX CORPORATION AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**(in thousands except per share amounts)
(unaudited)

	Three Months Ended	
	March 31,	
	2009	2008
Net sales	\$ 326,613	\$ 371,662
Cost of sales	203,419	219,182
Gross profit	123,194	152,480
Selling, general and administrative expenses	81,782	87,068
Restructuring expenses	2,251	
Operating income	39,161	65,412
Other income (expense) net	(191)	175
Interest expense	4,821	5,666
Income before income taxes	34,149	59,921
Provision for income taxes	11,544	20,318
Net earnings	\$ 22,605	\$ 39,603
Basic earnings per common share	\$ 0.28	\$ 0.49
Diluted earnings per common share	\$ 0.28	\$ 0.48
<i>Share data:</i>		
Basic weighted average common shares outstanding	79,513	81,067
Diluted weighted average common shares outstanding	80,219	82,288

See Notes to Condensed Consolidated Financial Statements.

Table of Contents**IDEX CORPORATION AND SUBSIDIARIES**

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY
(in thousands except share amounts)
(unaudited)

	Accumulated Other Comprehensive Income (Loss)						
			Net Actuarial Losses and Prior Service Costs on Pensions and Other		Cumulative Unrealized		
	Common Stock and Additional		Cumulative	Post-Retirement Benefit Plans	Losses on Derivatives Designated as Cash Flow Hedges	Treasury Stock	Total Shareholders Equity
	Paid-In Capital	Retained Earnings	Translation Adjustment	Benefit Plans	as Cash Flow Hedges	Stock	Equity
Balance, December 31, 2008, as previously stated	\$ 377,982	\$ 845,396	\$ 39,873	\$ (33,654)	\$ (6,642)	\$ (55,393)	\$ 1,167,562
Impact of adopting change in accounting related to inventory (see Note 5)		(23,110)	331				(22,779)
Balance, December 31, 2008, as restated	\$ 377,982	\$ 822,286	\$ 40,204	\$ (33,654)	\$ (6,642)	\$ (55,393)	\$ 1,144,783
Net income		22,605					22,605
Other comprehensive income, net of tax:							
Cumulative translation adjustment			(19,695)				(19,695)
Amortization of retirement obligations				847			847
Unrealized loss on derivatives designated as cash flow hedges					(1,841)		(1,841)
Other comprehensive income							(20,689)

Comprehensive income								1,916
Issuance of 74,243 shares of common stock from exercise of stock options and deferred compensation plans, net of tax benefit	1,165							1,165
Share-based compensation	5,545							5,545
Unvested shares surrendered for tax withholding							(204)	(204)
Balance, March 31, 2009	\$ 384,692	\$ 844,891	\$ 20,509	\$ (32,807)	\$ (8,483)	\$ (55,597)	\$	1,153,205

See Notes to Condensed Consolidated Financial Statements.

Table of Contents**IDEX CORPORATION AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****(in thousands)****(unaudited)**

	Three Months Ended March 31,	
	2009	2008
Cash flows from operating activities		
Net income	\$ 22,605	\$ 39,603
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,591	8,087
Amortization of intangible assets	6,003	3,962
Amortization of debt issuance expenses	73	96
Stock-based compensation expense	5,545	2,915
Deferred income taxes	6,327	2,996
Excess tax benefit from stock-based compensation	(640)	(122)
Changes in (net of the effect from acquisitions):		
Receivables	(5,025)	(18,577)
Inventories	213	(9,831)
Trade accounts payable	(721)	9,066
Accrued expenses	(18,024)	(4,150)
Other net	(6,304)	(3,492)
Net cash flows provided by operating activities	17,643	30,553
Cash flows from investing activities		
Additions to property, plant and equipment	(4,852)	(6,276)
Acquisition of businesses, net of cash acquired		(155,582)
Proceeds from fixed assets disposals	1,610	
Change in restricted cash		140,005
Other net	250	
Net cash flows used in investing activities	(2,992)	(21,853)
Cash flows from financing activities		
Borrowings under credit facilities	32,310	166,413
Payments under credit facilities	(37,271)	(22,301)
Payment of senior notes		(150,000)
Dividends paid	(9,523)	(9,789)
Proceeds from stock option exercises	1,116	525
Excess tax benefit from stock-based compensation	640	122
Other net	(204)	(432)
Net cash flows used in financing activities	(12,932)	(15,462)
Effect of exchange rate changes on cash and cash equivalents	25	3,821

Net increase (decrease) in cash	1,744	(2,941)
Cash and cash equivalents at beginning of year	61,353	