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ENGINEERED SUPPORT SYSTEMS INC

Form 10-Q

June 13, 2001

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

Quarterly Report under Section 13 or 15 (d)

of the Securities Exchange Act of 1934

For the six months ended April 30, 2001 Commission file number 0-13880

ENGINEERED SUPPORT SYSTEMS, INC.

(Exact name of Registrant as specified in its charter)

Missouri 43-1313242
(State of Incorporation) (IRS Employer Identification Number)

201 Evans Lane, St. Louis, Missouri 63121
(Address of principal executive offices) (Zip Code)

Registrant's telephone number including area code: (314) 553-4000

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 ☐
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The number of shares of the Registrant's common stock, \$.01 par value, outstanding at May 31, 2001 was 9,314,271.

ENGINEERED SUPPORT SYSTEMS, INC.

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Part I - Financial Information

Item 1. Financial Statements

Condensed Consolidated Balance Sheets as of April 30, 2001 and

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ENGINEERED SUPPORT SYSTEMS, INC. CONDENSED CONSOLIDATED BALANCE SHEETS (in thousands, except per share amounts)

	April 30 2001	October 31 2000
	----- (Unaudited)	-----
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 2,036	\$ 71
Accounts receivable	31,207	33,96
Contracts in process and inventories	57,229	57,46
Other current assets	8,873	10,72
	-----	-----
Total Current Assets	99,345	102,87
Property, plant and equipment, less accumulated depreciation of \$25,724 and \$22,432	54,729	56,88
Goodwill, less accumulated amortization of \$6,411 and \$5,649	73,020	74,57
Other assets	3,697	4,01
	-----	-----
Total Assets	\$ 230,791	\$ 238,35
	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

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Current Liabilities			
Notes payable	\$	13,000	\$ 16,300
Current maturities of long-term debt		19,038	17,038
Accounts payable		19,214	26,821
Other current liabilities		27,297	25,650
		-----	-----
Total Current Liabilities		78,549	85,819
Long-term debt		52,519	63,021
Other liabilities		10,732	10,571
ESOP guaranteed bank loan			43
Shareholders' Equity			
Common stock, par value \$.01 per share; 30,000			
shares authorized; 10,283 and 8,298 shares issued		103	8
Additional paid-in capital		51,939	49,360
Retained earnings		51,700	43,571
Accumulated other comprehensive loss		(616)	
		-----	-----
		103,126	93,019
Less ESOP guaranteed bank loan			43
Less treasury stock at cost, 1,033 and 1,042 shares		14,135	14,081
		-----	-----
		88,991	78,501
		-----	-----
Total Liabilities and Shareholders' Equity	\$	230,791	\$ 238,350
		=====	=====

See notes to condensed consolidated financial statements.

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ENGINEERED SUPPORT SYSTEMS, INC. CONDENSED CONSOLIDATED STATEMENTS OF INCOME (in thousands, except per share amounts) (UNAUDITED)

	Three Months Ended April 30		
	2001	2000	
	-----	-----	-----
Net revenues	\$ 100,059	\$ 86,015	\$
Cost of revenues	80,646	69,941	
	-----	-----	-----
Gross profit	19,413	16,074	
Selling, general and administrative expense	10,338	9,577	
	-----	-----	-----

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Income from operations	9,075	6,497	
Interest expense	(1,702)	(2,316)	
Interest income	32	49	
Gain (loss) on sale of assets	2	51	
	-----	-----	-----
Income before income taxes	7,407	4,281	
Income tax provision	2,963	1,711	
	-----	-----	-----
Net income	\$ 4,444	\$ 2,570	\$
	=====	=====	=====
Basic earnings per share (1)	\$ 0.48	\$ 0.29	\$
	=====	=====	=====
Diluted earnings per share (1)	\$ 0.45	\$ 0.29	\$
	=====	=====	=====

See notes to condensed consolidated financial statements.