

AMETEK INC/
Form 10-Q
November 04, 2013
[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 September 30, 2013

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 Number 1-12981

AMETEK, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

14-1682544
(I.R.S. Employer
Identification No.)

1100 Cassatt Road

19312-1177

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Berwyn, Pennsylvania

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: **(610) 647-2121**

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.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

(Do not check if a smaller reporting company)

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

The number of shares of the registrant's common stock outstanding as of the latest practicable date was: Common Stock, \$0.01 Par Value, outstanding at October 25, 2013 was 244,753,755 shares.

Table of Contents

AMETEK, Inc.

Form 10-Q

Table of Contents

	Page
<u>PART I. FINANCIAL INFORMATION</u>	
<u>Item 1. Financial Statements</u>	
<u>Consolidated Statement of Income for the three and nine months ended September 30, 2013 and 2012</u>	2
<u>Consolidated Statement of Comprehensive Income for the three and nine months ended September 30, 2013 and 2012</u>	3
<u>Consolidated Balance Sheet at September 30, 2013 and December 31, 2012</u>	4
<u>Condensed Consolidated Statement of Cash Flows for the nine months ended September 30, 2013 and 2012</u>	5
<u>Notes to Consolidated Financial Statements</u>	6
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	16
<u>Item 4. Controls and Procedures</u>	22
<u>PART II. OTHER INFORMATION</u>	
<u>Item 6. Exhibits</u>	23
<u>SIGNATURES</u>	24

Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****AMETEK, Inc.****Consolidated Statement of Income****(In thousands, except per share amounts)****(Unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Net sales	\$ 890,006	\$ 839,373	\$ 2,651,668	\$ 2,492,423
Operating expenses:				
Cost of sales, excluding depreciation	572,125	541,454	1,713,797	1,609,490
Selling, general and administrative	98,969	96,021	291,489	286,703
Depreciation	14,226	13,734	41,848	40,312
Total operating expenses	685,320	651,209	2,047,134	1,936,505
Operating income	204,686	188,164	604,534	555,918
Other expenses:				
Interest expense	(18,243)	(18,958)	(54,720)	(56,638)
Other, net	(6,291)	(3,518)	(11,482)	(7,606)
Income before income taxes	180,152	165,688	538,332	491,674
Provision for income taxes	52,288	50,291	157,001	152,440
Net income	\$ 127,864	\$ 115,397	\$ 381,331	\$ 339,234
Basic earnings per share	\$ 0.52	\$ 0.48	\$ 1.56	\$ 1.41
Diluted earnings per share	\$ 0.52	\$ 0.47	\$ 1.55	\$ 1.39
Weighted average common shares outstanding:				
Basic shares	244,049	242,138	243,667	241,164
Diluted shares	245,930	244,229	245,815	243,552
Dividends declared and paid per share	\$ 0.06	\$ 0.06	\$ 0.18	\$ 0.16

See accompanying notes.

Table of Contents

AMETEK, Inc.

Consolidated Statement of Comprehensive Income

(In thousands)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Total comprehensive income	\$ 171,760	\$ 135,062	\$ 401,737	\$ 355,212

See accompanying notes.

Table of Contents**AMETEK, Inc.****Consolidated Balance Sheet****(In thousands)**

	September 30, 2013 (Unaudited)	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 254,878	\$ 157,984
Receivables, less allowance for possible losses	532,092	507,850
Inventories	449,133	428,935
Deferred income taxes	39,757	33,301
Other current assets	32,697	36,673
Total current assets	1,308,557	1,164,743
Property, plant and equipment, net	383,594	383,483
Goodwill	2,300,466	2,208,239
Other intangibles, net of accumulated amortization	1,342,935	1,309,727
Investments and other assets	125,670	123,864
Total assets	\$ 5,461,222	\$ 5,190,056
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings and current portion of long-term debt	\$ 164,926	\$ 320,654
Accounts payable	330,801	321,183
Income taxes payable	28,278	40,598
Accrued liabilities	208,216	197,534
Total current liabilities	732,221	879,969
Long-term debt	1,135,164	1,133,121
Deferred income taxes	498,494	482,852
Other long-term liabilities	161,115	158,963
Total liabilities	2,526,994	2,654,905
Stockholders' equity:		
Common stock	2,577	2,565
Capital in excess of par value	433,612	387,871
Retained earnings	2,844,992	2,507,419
Accumulated other comprehensive loss	(130,924)	(151,330)
Treasury stock	(216,029)	(211,374)
Total stockholders' equity	2,934,228	2,535,151
Total liabilities and stockholders' equity	\$ 5,461,222	\$ 5,190,056

See accompanying notes.

Table of Contents**AMETEK, Inc.****Condensed Consolidated Statement of Cash Flows****(In thousands)****(Unaudited)**

	Nine Months Ended September 30,	
	2013	2012
Cash provided by (used for):		
Operating activities:		
Net income	\$ 381,331	\$ 339,234
Adjustments to reconcile net income to total operating activities:		
Depreciation and amortization	86,941	77,845
Deferred income taxes	(1,656)	(1,414)
Share-based compensation expense	16,526	14,575
Gain on sale of facility	(11,590)	
Net change in assets and liabilities, net of acquisitions	(13,732)	(8,242)
Pension contribution and other	(6,713)	(2,824)
Total operating activities	451,107	419,174
Investing activities:		
Additions to property, plant and equipment	(37,147)	(33,256)
Purchases of businesses, net of cash acquired	(163,978)	(497,785)
Proceeds from sale of facility	12,799	
Other	4,837	649
Total investing activities	(183,489)	(530,392)
Financing activities:		
Net change in short-term borrowings	(155,208)	101,818
Additional long-term borrowings	872	
Reduction in long-term borrowings	(486)	(978)
Repurchases of common stock	(8,452)	(3,899)
Cash dividends paid	(43,759)	(38,556)
Excess tax benefits from share-based payments	12,861	12,319
Proceeds from employee stock plans	19,489	30,739
Total financing activities	(174,683)	101,443
Effect of exchange rate changes on cash and cash equivalents	3,959	2,234