

BIO-TECHNE Corp
Form 10-Q
November 07, 2018

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 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 September 30, 2018, 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 0-17272

BIO-TECHNE CORPORATION

(Exact name of registrant as specified in its charter)

**Minnesota
(State or other jurisdiction of**

**41-1427402
(I.R.S. Employer**

incorporation or organization)

Identification No.)

614 McKinley Place N.E.

(612) 379-8854

Minneapolis, MN 55413

(Address of principal executive offices) (Zip Code) (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", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

At November 2, 2018, 37,765,765 shares of the Company's Common Stock (par value \$0.01) were outstanding.

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	<i>Quarter Ended</i>	
	<i>September 30,</i>	
	<i>2018</i>	<i>2017</i>
Net sales	\$162,970	\$144,613
Cost of sales	55,367	46,745
Gross margin	107,603	97,868
Operating expenses:		
Selling, general and administrative	67,051	58,289
Research and development	14,789	13,548
Total operating expenses	81,840	71,837
Operating income	25,763	26,031
Other (expense) income	(8,177)	(3,064)
Earnings before income taxes	17,586	22,967
Income taxes	183	7,104
Net earnings	\$17,403	\$15,863
Other comprehensive (loss) income:		
Foreign currency translation adjustments	(1,136)	6,968
Unrealized gains and losses on available-for-sale investments	-	(7,792)
Other comprehensive (loss) income	(1,136)	(824)
Comprehensive income	\$16,267	\$15,039
Earnings per share:		
Basic	\$0.46	\$0.42
Diluted	\$0.45	\$0.42
Cash dividends per common share:	\$0.32	\$0.32
Weighted average common shares outstanding:		
Basic	37,697	37,376
Diluted	38,813	37,705

See Notes to Condensed Consolidated Financial Statements.

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	<i>September 30, 2018 (unaudited)</i>	<i>June 30, 2018</i>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 94,674	\$ 121,990
Short-term available-for-sale investments	69,047	59,764
Accounts receivable, less allowance for doubtful accounts of \$1,007 and \$839, respectively	114,753	120,296
Inventories	90,918	85,648
Other current assets	13,720	10,668
Total current assets	383,112	398,366
Property and equipment, net	146,511	145,348
Goodwill	704,790	597,890
Intangible assets, net	632,686	446,332
Other assets	5,099	5,266
Total assets	\$ 1,872,198	\$ 1,593,202
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 18,259	\$ 18,452
Salaries, wages and related accruals	15,180	23,710
Accrued expenses	23,509	20,361
Contract liabilities	8,762	8,109
Income taxes payable	5,232	8,878
Current portion of long-term debt obligations	12,500	-
Total current liabilities	83,442	79,510
Deferred income taxes	113,843	86,293
Long-term debt obligations, net of deferred financing costs of \$402 and \$0, respectively	548,973	339,000
Long-term contingent consideration payable	6,800	-
Other long-term liabilities	9,671	9,338
Shareholders' equity:		
Common stock, par value \$.01 per share; authorized 100,000,000; issued and outstanding 37,802,998 and 37,607,500, respectively	378	376
Additional paid-in capital	274,584	246,568
Retained earnings		