

BIO-RAD LABORATORIES, INC.

Form 10-Q

November 05, 2018

false--12-31Q320180000012208falseLarge Accelerated

Filerfalse25549000265590002467912751076742486015951035442467854551067572485957751026270.22P8YP7YP12YP12

0000012208 2018-01-01 2018-09-30 0000012208 us-gaap:CommonClassAMember 2018-10-25 0000012208
 us-gaap:CommonClassBMember 2018-10-25 0000012208 2017-12-31 0000012208 bio:TreasuryClassBMember
 2018-09-30 0000012208 2018-09-30 0000012208 us-gaap:CommonClassBMember 2017-12-31 0000012208
 us-gaap:CommonClassAMember 2017-12-31 0000012208 us-gaap:CommonClassBMember 2018-09-30 0000012208
 bio:TreasuryClassAMember 2018-09-30 0000012208 us-gaap:CommonClassAMember 2018-09-30 0000012208
 bio:TreasuryClassAMember 2017-12-31 0000012208 bio:TreasuryClassBMember 2017-12-31 0000012208
 2017-01-01 2017-09-30 0000012208 2018-07-01 2018-09-30 0000012208 2017-07-01 2017-09-30 0000012208
 2017-09-30 0000012208 2016-12-31 0000012208 srt:AsiaPacificMember 2018-07-01 2018-09-30 0000012208
 srt:AmericasMember 2018-07-01 2018-09-30 0000012208 country:US 2017-01-01 2017-09-30 0000012208
 srt:AmericasMember 2017-01-01 2017-09-30 0000012208 country:US 2017-07-01 2017-09-30 0000012208
 srt:EuropeMember 2017-07-01 2017-09-30 0000012208 srt:AmericasMember 2018-01-01 2018-09-30 0000012208
 srt:AsiaPacificMember 2017-01-01 2017-09-30 0000012208 srt:EuropeMember 2017-01-01 2017-09-30 0000012208
 srt:EuropeMember 2018-07-01 2018-09-30 0000012208 srt:AsiaPacificMember 2018-01-01 2018-09-30 0000012208
 country:US 2018-07-01 2018-09-30 0000012208 country:US 2018-01-01 2018-09-30 0000012208 srt:EuropeMember
 2018-01-01 2018-09-30 0000012208 srt:AsiaPacificMember 2017-07-01 2017-09-30 0000012208
 srt:AmericasMember 2017-07-01 2017-09-30 0000012208 us-gaap:NewAccountingPronouncementMember
 2018-07-01 2018-09-30 0000012208 us-gaap:NewAccountingPronouncementMember 2018-01-01 0000012208
 us-gaap:NewAccountingPronouncementMember 2018-09-30 0000012208
 us-gaap:NewAccountingPronouncementMember 2017-01-01 2017-09-30 0000012208
 us-gaap:AccountingStandardsUpdate201616Member 2018-01-01 0000012208
 us-gaap:NewAccountingPronouncementMember 2017-07-01 2017-09-30 0000012208
 us-gaap:AccountingStandardsUpdate201601Member 2018-09-30 0000012208
 us-gaap:AccountingStandardsUpdate201409Member 2018-01-01 0000012208 2018-01-01 0000012208
 us-gaap:NewAccountingPronouncementMember 2018-01-01 2018-09-30 0000012208
 us-gaap:NewAccountingPronouncementMember 2017-09-30 0000012208
 us-gaap:AccountingStandardsUpdate201601Member 2018-01-01 0000012208 us-gaap:OtherInvestmentsMember
 us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000012208
 us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000012208 us-gaap:ShortTermInvestmentsMember
 us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000012208
 bio:AnalyticalFlowCytometerPlatformMember bio:ProjectedVolatilityOfSalesMemberMember 2018-01-01
 2018-09-30 0000012208 bio:AnalyticalFlowCytometerPlatformMember bio:MarketPriceOfRiskMember 2018-01-01
 2018-09-30 0000012208 us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000012208
 us-gaap:ShortTermInvestmentsMember us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000012208
 us-gaap:OtherInvestmentsMember us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000012208
 us-gaap:FairValueInputsLevel2Member us-gaap:EstimateOfFairValueFairValueDisclosureMember 2017-12-31
 0000012208 us-gaap:FairValueInputsLevel2Member us-gaap:EstimateOfFairValueFairValueDisclosureMember
 2018-09-30 0000012208 us-gaap:CarryingReportedAmountFairValueDisclosureMember 2017-12-31 0000012208
 us-gaap:CarryingReportedAmountFairValueDisclosureMember 2018-09-30 0000012208
 bio:ForwardforeignexchangecontracttopurchaseforeigncurrencyMember 2018-01-01 2018-09-30 0000012208
 bio:ForwardforeignexchangecontracttopurchaseforeigncurrencyMember 2018-09-30 0000012208
 bio:ForwardforeignexchangecontracttosellforeigncurrencyMember 2018-01-01 2018-09-30 0000012208
 bio:ForwardforeignexchangecontracttosellforeigncurrencyMember 2018-09-30 0000012208
 us-gaap:ShortTermInvestmentsMember us-gaap:FairValueMeasurementsRecurringMember
 us-gaap:EquitySecuritiesMember 2017-12-31 0000012208 us-gaap:OtherLongTermInvestmentsMember
 us-gaap:FairValueMeasurementsRecurringMember us-gaap:EquitySecuritiesMember 2017-12-31 0000012208
 us-gaap:OtherLongTermInvestmentsMember us-gaap:FairValueMeasurementsRecurringMember

us-gaap:AvailableforsaleSecuritiesMember 2017-12-31 0000012208 us-gaap:ShortTermInvestmentsMember
us-gaap:FairValueMeasurementsRecurringMember us-gaap:MunicipalBondsMember 2017-12-31 0000012208
us-gaap:ShortTermInvestmentsMember us-gaap:FairValueMeasurementsRecurringMember
us-gaap:USTreasuryAndGovernmentMember 2017-12-31 0000012208 us-gaap:ShortTermInvestmentsMember
us-gaap:FairValueMeasurementsRecurringMember us-gaap:InterestBearingDepositsMember 2017-12-31 0000012208
us-gaap:ShortTermInvestmentsMember us-gaap:FairValueMeasurementsRecurringMember
us-gaap:AvailableforsaleSecuritiesMember 2017-12-31 0000012208 us-gaap:ShortTermInvestmentsMember
us-gaap:FairValueMeasurementsRecurringMember us-gaap:CorporateDebtSecuritiesMember 2017-12-31
0000012208 us-gaap:ShortTermInvestmentsMember us-gaap:FairValueMeasurementsRecurringMember
us-gaap:ForeignGovernmentDebtSecuritiesMember 2017-12-31 0000012208
us-gaap:OtherLongTermInvestmentsMember us-gaap:FairValueMeasurementsRecurringMember
us-gaap:AssetBackedSecuritiesMember 2017-12-31 0000012208 us-gaap:ShortTermInvestmentsMember
us-gaap:FairValueMeasurementsRecurringMember us-gaap:AssetBackedSecuritiesMember 2017-12-31 0000012208
us-gaap:FairValueMeasurementsRecurringMember us-gaap:CorporateDebtSecuritiesMember 2017-12-31
0000012208 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:CorporateDebtSecuritiesMember 2017-12-31 0000012208 us-gaap:FairValueInputsLevel3Member
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000012208 us-gaap:MoneyMarketFundsMember
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000012208
us-gaap:USTreasuryAndGovernmentMember us-gaap:FairValueMeasurementsRecurringMember 2017-12-31
0000012208 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:EquitySecuritiesMember 2017-12-31 0000012208 us-gaap:FairValueInputsLevel2Member
us-gaap:FairValueMeasurementsRecurringMember us-gaap:EquitySecuritiesMember 2017-12-31 0000012208
us-gaap:FairValueMeasurementsRecurringMember us-gaap:MunicipalBondsMember 2017-12-31 0000012208
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000012208
us-gaap:FairValueMeasurementsRecurringMember us-gaap:USTreasuryAndGovernmentMember 2017-12-31
0000012208 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:ForeignGovernmentDebtSecuritiesMember 2017-12-31 0000012208 us-gaap:FairValueInputsLevel2Member
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000012208 us-gaap:FairValueInputsLevel3Member
us-gaap:FairValueMeasurementsRecurringMember us-gaap:ForeignGovernmentDebtSecuritiesMember 2017-12-31
0000012208 us-gaap:BankTimeDepositsMember us-gaap:FairValueInputsLevel1Member
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000012208
us-gaap:USTreasuryAndGovernmentMember us-gaap:FairValueInputsLevel2Member
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000012208 us-gaap:CashEquivalentsMember
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000012208
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:InterestBearingDepositsMember 2017-12-31 0000012208 us-gaap:FairValueInputsLevel2Member
us-gaap:FairValueMeasurementsRecurringMember us-gaap:AssetBackedSecuritiesMember 2017-12-31 0000012208
us-gaap:CommercialPaperMember us-gaap:FairValueInputsLevel1Member
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000012208 us-gaap:FairValueInputsLevel1Member
us-gaap:FairValueMeasurementsRecurringMember us-gaap:InterestBearingDepositsMember 2017-12-31 0000012208
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:ForeignGovernmentDebtSecuritiesMember 2017-12-31 0000012208 us-gaap:BankTimeDepositsMember
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000012208 us-gaap:FairValueInputsLevel3Member
us-gaap:FairValueMeasurementsRecurringMember us-gaap:EquitySecuritiesMember 2017-12-31 0000012208
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:MunicipalBondsMember 2017-12-31 0000012208 us-gaap:FairValueMeasurementsRecurringMember
us-gaap:InterestBearingDepositsMember 2017-12-31 0000012208 us-gaap:USTreasuryAndGovernmentMember
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000012208
us-gaap:CashEquivalentsMember us-gaap:FairValueInputsLevel2Member
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000012208 us-gaap:FairValueInputsLevel2Member
us-gaap:FairValueMeasurementsRecurringMember us-gaap:MunicipalBondsMember 2017-12-31 0000012208

Edgar Filing: BIO-RAD LABORATORIES, INC. - Form 10-Q

us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:USTreasuryAndGovernmentMember 2017-12-31 0000012208 us-gaap:MoneyMarketFundsMember
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000012208 us-gaap:CommercialPaperMember
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000012208
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:MunicipalBondsMember 2017-12-31 0000012208 us-gaap:CommercialPaperMember
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000012208 us-gaap:MoneyMarketFundsMember
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000012208
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:CorporateDebtSecuritiesMember 2017-12-31 0000012208 us-gaap:CommercialPaperMember
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000012208
us-gaap:FairValueMeasurementsRecurringMember us-gaap:ForeignGovernmentDebtSecuritiesMember 2017-12-31
0000012208 us-gaap:BankTimeDepositsMember us-gaap:FairValueInputsLevel3Member
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000012208
us-gaap:FairValueMeasurementsRecurringMember us-gaap:EquitySecuritiesMember 2017-12-31 0000012208
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:AssetBackedSecuritiesMember 2017-12-31 0000012208 us-gaap:FairValueMeasurementsRecurringMember
us-gaap:AssetBackedSecuritiesMember 2017-12-31 0000012208 us-gaap:BankTimeDepositsMember
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000012208
us-gaap:CashEquivalentsMember us-gaap:FairValueInputsLevel3Member
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000012208 us-gaap:FairValueInputsLevel1Member
us-gaap:FairValueMeasurementsRecurringMember us-gaap:USTreasuryAndGovernmentMember 2017-12-31
0000012208 us-gaap:USTreasuryAndGovernmentMember us-gaap:FairValueInputsLevel3Member
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000012208 us-gaap:FairValueInputsLevel3Member
us-gaap:FairValueMeasurementsRecurringMember us-gaap:InterestBearingDepositsMember 2017-12-31 0000012208
us-gaap:MoneyMarketFundsMember us-gaap:FairValueInputsLevel1Member
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000012208 us-gaap:FairValueInputsLevel3Member
us-gaap:FairValueMeasurementsRecurringMember us-gaap:CorporateDebtSecuritiesMember 2017-12-31
0000012208 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:AssetBackedSecuritiesMember 2017-12-31 0000012208 us-gaap:CashEquivalentsMember
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000012208 us-gaap:FairValueInputsLevel2Member
us-gaap:FairValueMeasurementsRecurringMember us-gaap:USTreasuryAndGovernmentMember 2017-12-31
0000012208 bio:AnalyticalFlowCytometerPlatformMember bio:SalesmilestonepercentageofannualinvoicesMember
2018-09-30 0000012208 bio:AnalyticalFlowCytometerPlatformMember 2018-07-01 2018-09-30 0000012208
bio:AnalyticalFlowCytometerPlatformMember 2016-12-01 2018-09-30 0000012208
bio:AnalyticalFlowCytometerPlatformMember 2018-09-30 0000012208
bio:AnalyticalFlowCytometerPlatformMember bio:SalesmilestonepercentageofannualinvoiceslowMember
2018-09-30 0000012208 bio:AnalyticalFlowCytometerPlatformMember 2018-01-01 2018-03-31 0000012208
bio:AnalyticalFlowCytometerPlatformMember bio:SalesmilestoneminimumamountMember 2018-09-30 0000012208
us-gaap:MoneyMarketFundsMember us-gaap:FairValueInputsLevel3Member
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000012208 us-gaap:FairValueInputsLevel3Member
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000012208 us-gaap:BankTimeDepositsMember
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000012208 us-gaap:AssetBackedSecuritiesMember
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000012208
us-gaap:FairValueMeasurementsRecurringMember us-gaap:CorporateDebtSecuritiesMember 2018-09-30
0000012208 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:USTreasuryAndGovernmentMember 2018-09-30 0000012208 us-gaap:CommercialPaperMember
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000012208
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:CorporateDebtSecuritiesMember 2018-09-30 0000012208
us-gaap:FairValueMeasurementsRecurringMember us-gaap:USTreasuryAndGovernmentMember 2018-09-30

Edgar Filing: BIO-RAD LABORATORIES, INC. - Form 10-Q

0000012208 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember 2018-09-30
0000012208 us-gaap:CommercialPaperMember us-gaap:FairValueMeasurementsRecurringMember 2018-09-30
0000012208 us-gaap:CashEquivalentsMember us-gaap:FairValueInputsLevel1Member
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000012208 us-gaap:FairValueInputsLevel2Member
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000012208 us-gaap:FairValueInputsLevel2Member
us-gaap:FairValueMeasurementsRecurringMember us-gaap:AssetBackedSecuritiesMember 2018-09-30 0000012208
us-gaap:MoneyMarketFundsMember us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000012208
us-gaap:AssetBackedSecuritiesMember us-gaap:FairValueInputsLevel3Member
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000012208 us-gaap:FairValueInputsLevel2Member
us-gaap:FairValueMeasurementsRecurringMember us-gaap:USTreasuryAndGovernmentMember 2018-09-30
0000012208 us-gaap:BankTimeDepositsMember us-gaap:FairValueInputsLevel1Member
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000012208 us-gaap:BankTimeDepositsMember
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000012208
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:MunicipalBondsMember 2018-09-30 0000012208 us-gaap:MoneyMarketFundsMember
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000012208
us-gaap:CashEquivalentsMember us-gaap:FairValueInputsLevel3Member
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000012208 us-gaap:FairValueInputsLevel2Member
us-gaap:FairValueMeasurementsRecurringMember us-gaap:MunicipalBondsMember 2018-09-30 0000012208
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:CorporateDebtSecuritiesMember 2018-09-30 0000012208 us-gaap:CommercialPaperMember
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000012208
us-gaap:CashEquivalentsMember us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000012208
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:ForeignGovernmentDebtSecuritiesMember 2018-09-30 0000012208 us-gaap:CommercialPaperMember
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000012208
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:USTreasuryAndGovernmentMember 2018-09-30 0000012208 us-gaap:FairValueInputsLevel1Member
us-gaap:FairValueMeasurementsRecurringMember us-gaap:AssetBackedSecuritiesMember 2018-09-30 0000012208
us-gaap:BankTimeDepositsMember us-gaap:FairValueInputsLevel3Member
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000012208 us-gaap:FairValueInputsLevel1Member
us-gaap:FairValueMeasurementsRecurringMember us-gaap:MunicipalBondsMember 2018-09-30 0000012208
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:AssetBackedSecuritiesMember 2018-09-30 0000012208 us-gaap:FairValueInputsLevel1Member
us-gaap:FairValueMeasurementsRecurringMember us-gaap:ForeignGovernmentDebtSecuritiesMember 2018-09-30
0000012208 us-gaap:AssetBackedSecuritiesMember us-gaap:FairValueInputsLevel2Member
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000012208
us-gaap:FairValueMeasurementsRecurringMember us-gaap:ForeignGovernmentDebtSecuritiesMember 2018-09-30
0000012208 us-gaap:FairValueMeasurementsRecurringMember us-gaap:AssetBackedSecuritiesMember 2018-09-30
0000012208 us-gaap:CashEquivalentsMember us-gaap:FairValueInputsLevel2Member
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000012208
us-gaap:FairValueMeasurementsRecurringMember us-gaap:MunicipalBondsMember 2018-09-30 0000012208
us-gaap:AssetBackedSecuritiesMember us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000012208
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:ForeignGovernmentDebtSecuritiesMember 2018-09-30 0000012208 us-gaap:FairValueInputsLevel2Member
us-gaap:FairValueMeasurementsRecurringMember us-gaap:CorporateDebtSecuritiesMember 2018-09-30
0000012208 us-gaap:MoneyMarketFundsMember us-gaap:FairValueInputsLevel1Member
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000012208
us-gaap:OtherNoncurrentLiabilitiesMember us-gaap:FairValueMeasurementsRecurringMember 2017-12-31
0000012208 us-gaap:OtherCurrentLiabilitiesMember us-gaap:FairValueMeasurementsRecurringMember 2017-12-31
0000012208 us-gaap:OtherCurrentLiabilitiesMember us-gaap:FairValueMeasurementsRecurringMember 2018-09-30

Edgar Filing: BIO-RAD LABORATORIES, INC. - Form 10-Q

0000012208 us-gaap:OtherNoncurrentLiabilitiesMember us-gaap:FairValueMeasurementsRecurringMember
2018-09-30 0000012208 bio:AnalyticalFlowCytometerPlatformMember 2018-01-01 2018-09-30 0000012208
us-gaap:ShortTermInvestmentsMember us-gaap:FairValueMeasurementsRecurringMember
us-gaap:DebtSecuritiesMember 2018-09-30 0000012208 us-gaap:ShortTermInvestmentsMember
us-gaap:FairValueMeasurementsRecurringMember us-gaap:AssetBackedSecuritiesMember 2018-09-30 0000012208
us-gaap:ShortTermInvestmentsMember us-gaap:FairValueMeasurementsRecurringMember
us-gaap:ForeignGovernmentDebtSecuritiesMember 2018-09-30 0000012208 us-gaap:ShortTermInvestmentsMember
us-gaap:FairValueMeasurementsRecurringMember us-gaap:USTreasuryAndGovernmentMember 2018-09-30
0000012208 us-gaap:ShortTermInvestmentsMember us-gaap:FairValueMeasurementsRecurringMember
us-gaap:CorporateDebtSecuritiesMember 2018-09-30 0000012208 us-gaap:ShortTermInvestmentsMember
us-gaap:FairValueMeasurementsRecurringMember us-gaap:MunicipalBondsMember 2018-09-30 0000012208
us-gaap:OtherLongTermInvestmentsMember us-gaap:FairValueMeasurementsRecurringMember
us-gaap:DebtSecuritiesMember 2018-09-30 0000012208 us-gaap:OtherLongTermInvestmentsMember
us-gaap:FairValueMeasurementsRecurringMember us-gaap:AssetBackedSecuritiesMember 2018-09-30 0000012208
us-gaap:CustomerRelationshipsMember 2018-09-30 0000012208 us-gaap:DevelopedTechnologyRightsMember
2018-09-30 0000012208 bio:KnowHowMember 2018-09-30 0000012208 us-gaap:LicensingAgreementsMember
2018-09-30 0000012208 us-gaap:NoncompeteAgreementsMember 2018-09-30 0000012208
us-gaap:TradeNamesMember 2018-09-30 0000012208 bio:ClinicalDiagnosticsMember 2018-01-01 2018-03-31
0000012208 bio:LifeScienceMember 2017-12-31 0000012208 bio:ClinicalDiagnosticsMember 2017-12-31
0000012208 bio:LifeScienceMember 2018-01-01 2018-09-30 0000012208 bio:ClinicalDiagnosticsMember
2018-09-30 0000012208 bio:ClinicalDiagnosticsMember 2018-01-01 2018-09-30 0000012208
bio:LifeScienceMember 2018-09-30 0000012208 us-gaap:CustomerRelationshipsMember 2017-12-31 0000012208
us-gaap:NoncompeteAgreementsMember 2017-12-31 0000012208 us-gaap:LicensingAgreementsMember
2017-12-31 0000012208 us-gaap:DevelopedTechnologyRightsMember 2017-12-31 0000012208
us-gaap:TradeNamesMember 2017-12-31 0000012208 bio:KnowHowMember 2017-12-31 0000012208
srt:MinimumMember us-gaap:TradeNamesMember 2018-01-01 2018-09-30 0000012208 srt:MinimumMember
us-gaap:NoncompeteAgreementsMember 2018-01-01 2018-09-30 0000012208 srt:MaximumMember
us-gaap:DevelopedTechnologyRightsMember 2017-01-01 2017-12-31 0000012208 srt:MaximumMember
bio:KnowHowMember 2017-01-01 2017-12-31 0000012208 srt:MaximumMember
us-gaap:NoncompeteAgreementsMember 2017-01-01 2017-12-31 0000012208 srt:MinimumMember
us-gaap:LicensingAgreementsMember 2017-01-01 2017-12-31 0000012208 srt:MaximumMember
bio:KnowHowMember 2018-01-01 2018-09-30 0000012208 srt:MaximumMember
us-gaap:DevelopedTechnologyRightsMember 2018-01-01 2018-09-30 0000012208 srt:MinimumMember
us-gaap:LicensingAgreementsMember 2018-01-01 2018-09-30 0000012208 srt:MinimumMember
bio:KnowHowMember 2017-01-01 2017-12-31 0000012208 srt:MaximumMember
us-gaap:LicensingAgreementsMember 2018-01-01 2018-09-30 0000012208 srt:MaximumMember
us-gaap:OtherIntangibleAssetsMember 2017-01-01 2017-12-31 0000012208 srt:MinimumMember
us-gaap:DevelopedTechnologyRightsMember 2018-01-01 2018-09-30 0000012208 srt:MinimumMember
bio:KnowHowMember 2018-01-01 2018-09-30 0000012208 srt:MaximumMember us-gaap:TradeNamesMember
2017-01-01 2017-12-31 0000012208 srt:MaximumMember us-gaap:CustomerRelationshipsMember 2018-01-01
2018-09-30 0000012208 srt:MaximumMember us-gaap:NoncompeteAgreementsMember 2018-01-01 2018-09-30
0000012208 srt:MinimumMember us-gaap:CustomerRelationshipsMember 2018-01-01 2018-09-30 0000012208
srt:MinimumMember us-gaap:NoncompeteAgreementsMember 2017-01-01 2017-12-31 0000012208
srt:MinimumMember us-gaap:CustomerRelationshipsMember 2017-01-01 2017-12-31 0000012208
srt:MinimumMember us-gaap:DevelopedTechnologyRightsMember 2017-01-01 2017-12-31 0000012208
srt:MaximumMember us-gaap:CustomerRelationshipsMember 2017-01-01 2017-12-31 0000012208
srt:MinimumMember us-gaap:OtherIntangibleAssetsMember 2017-01-01 2017-12-31 0000012208
srt:MaximumMember us-gaap:TradeNamesMember 2018-01-01 2018-09-30 0000012208 srt:MaximumMember
us-gaap:LicensingAgreementsMember 2017-01-01 2017-12-31 0000012208 srt:MinimumMember
us-gaap:OtherIntangibleAssetsMember 2018-01-01 2018-09-30 0000012208 srt:MaximumMember
us-gaap:OtherIntangibleAssetsMember 2018-01-01 2018-09-30 0000012208 srt:MinimumMember

Edgar Filing: BIO-RAD LABORATORIES, INC. - Form 10-Q

us-gaap:TradeNamesMember 2017-01-01 2017-12-31 0000012208 bio:SeniorNotes4.875due2020Member
us-gaap:UnsecuredDebtMember 2010-12-31 0000012208 us-gaap:StandbyLettersOfCreditMember 2018-09-30
0000012208 us-gaap:LineOfCreditMember 2018-09-30 0000012208 bio:SeniorNotes4.875due2020Member
us-gaap:UnsecuredDebtMember 2018-07-01 2018-09-30 0000012208 bio:SeniorNotes4.875due2020Member
us-gaap:UnsecuredDebtMember 2017-12-31 0000012208 bio:SeniorNotes4.875due2020Member
us-gaap:UnsecuredDebtMember 2018-09-30 0000012208 bio:CapitalLeasesandOtherDebtMember
us-gaap:CapitalLeaseObligationsMember 2017-12-31 0000012208 bio:CapitalLeasesandOtherDebtMember
us-gaap:CapitalLeaseObligationsMember 2018-09-30 0000012208
us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2018-01-01 2018-09-30 0000012208
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2018-01-01 2018-09-30 0000012208
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2018-01-01 2018-09-30 0000012208
us-gaap:AccumulatedTranslationAdjustmentMember 2017-12-31 0000012208
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-12-31 0000012208
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2018-09-30 0000012208
us-gaap:AccumulatedTranslationAdjustmentMember 2018-01-01 2018-09-30 0000012208
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-12-31 0000012208
us-gaap:AccumulatedTranslationAdjustmentMember 2018-09-30 0000012208
us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2017-12-31 0000012208
us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2018-09-30 0000012208
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2018-09-30 0000012208
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2016-12-31 0000012208
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-01-01 2017-09-30 0000012208
us-gaap:AccumulatedTranslationAdjustmentMember 2017-01-01 2017-09-30 0000012208
us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2016-12-31 0000012208
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-01-01 2017-09-30 0000012208
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-09-30 0000012208
us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2017-01-01 2017-09-30 0000012208
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2016-12-31 0000012208
us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2017-09-30 0000012208
us-gaap:AccumulatedTranslationAdjustmentMember 2017-09-30 0000012208
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-09-30 0000012208
us-gaap:AccumulatedTranslationAdjustmentMember 2016-12-31 0000012208
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember
us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2017-01-01 2017-09-30 0000012208
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember
us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2018-07-01 2018-09-30 0000012208
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2018-07-01 2018-09-30 0000012208
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember
us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2017-07-01 2017-09-30 0000012208
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember
us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2018-01-01 2018-09-30 0000012208
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2018-01-01 2018-09-30 0000012208
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-07-01 2017-09-30 0000012208
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-01-01 2017-09-30 0000012208 2017-01-01
2017-12-31 0000012208 bio:FederalandStateMember 2018-07-01 2018-09-30 0000012208 bio:USFederalMember
2017-01-01 2017-09-30 0000012208 bio:FederalandStateMember 2018-01-01 2018-09-30 0000012208
us-gaap:CorporateNonSegmentMember 2017-07-01 2017-09-30 0000012208

Edgar Filing: BIO-RAD LABORATORIES, INC. - Form 10-Q

us-gaap:MaterialReconcilingItemsMember us-gaap:ForeignCurrencyGainLossMember 2018-01-01 2018-09-30 0000012208 us-gaap:MaterialReconcilingItemsMember us-gaap:OtherNonoperatingIncomeExpenseMember 2018-07-01 2018-09-30 0000012208 us-gaap:MaterialReconcilingItemsMember us-gaap:ForeignCurrencyGainLossMember 2017-07-01 2017-09-30 0000012208 us-gaap:MaterialReconcilingItemsMember us-gaap:ForeignCurrencyGainLossMember 2018-07-01 2018-09-30 0000012208 us-gaap:MaterialReconcilingItemsMember us-gaap:OtherNonoperatingIncomeExpenseMember 2018-01-01 2018-09-30 0000012208 us-gaap:OperatingSegmentsMember 2018-01-01 2018-09-30 0000012208 us-gaap:MaterialReconcilingItemsMember us-gaap:OtherNonoperatingIncomeExpenseMember 2017-01-01 2017-09-30 0000012208 us-gaap:MaterialReconcilingItemsMember 2017-07-01 2017-09-30 0000012208 us-gaap:OperatingSegmentsMember 2017-07-01 2017-09-30 0000012208 us-gaap:MaterialReconcilingItemsMember us-gaap:ForeignCurrencyGainLossMember 2017-01-01 2017-09-30 0000012208 us-gaap:MaterialReconcilingItemsMember 2017-01-01 2017-09-30 0000012208 us-gaap:OperatingSegmentsMember 2018-07-01 2018-09-30 0000012208 us-gaap:CorporateNonSegmentMember 2017-01-01 2017-09-30 0000012208 us-gaap:CorporateNonSegmentMember 2018-01-01 2018-09-30 0000012208 us-gaap:OperatingSegmentsMember 2017-01-01 2017-09-30 0000012208 us-gaap:MaterialReconcilingItemsMember 2018-01-01 2018-09-30 0000012208 us-gaap:MaterialReconcilingItemsMember us-gaap:OtherNonoperatingIncomeExpenseMember 2017-07-01 2017-09-30 0000012208 us-gaap:MaterialReconcilingItemsMember 2018-07-01 2018-09-30 0000012208 us-gaap:CorporateNonSegmentMember 2018-07-01 2018-09-30 0000012208 bio:LifeScienceMember 2017-07-01 2017-09-30 0000012208 bio:LifeScienceMember 2018-07-01 2018-09-30 0000012208 bio:ClinicalDiagnosticsMember 2018-07-01 2018-09-30 0000012208 us-gaap:AllOtherSegmentsMember 2018-07-01 2018-09-30 0000012208 us-gaap:AllOtherSegmentsMember 2017-07-01 2017-09-30 0000012208 bio:ClinicalDiagnosticsMember 2017-07-01 2017-09-30 0000012208 bio:LifeScienceMember 2017-01-01 2017-09-30 0000012208 us-gaap:AllOtherSegmentsMember 2017-01-01 2017-09-30 0000012208 bio:ClinicalDiagnosticsMember 2017-01-01 2017-09-30 0000012208 us-gaap:AllOtherSegmentsMember 2018-01-01 2018-09-30 0000012208 bio:LifeScienceMember 2017-01-01 2017-03-31 0000012208 bio:TerminationofaDiagnosticsResearchandDevelopmentProjectMember 2018-07-01 2018-09-30 0000012208 us-gaap:FacilityClosingMember 2018-01-01 2018-09-30 0000012208 us-gaap:AccountsPayableAndAccruedLiabilitiesMember bio:EuropeanReorganizationMember 2018-09-30 0000012208 bio:EuropeanReorganizationMember 2016-05-01 2018-09-30 0000012208 us-gaap:ResearchAndDevelopmentExpenseMember bio:TerminationofaDiagnosticsResearchandDevelopmentProjectandaFacilityClosureMember 2018-01-01 2018-09-30 0000012208 us-gaap:CostOfGoodsTotalMember bio:TerminationofaDiagnosticsResearchandDevelopmentProjectandaFacilityClosureMember 2018-01-01 2018-09-30 0000012208 us-gaap:AccountsPayableAndAccruedLiabilitiesMember bio:TerminationofaDiagnosticsResearchandDevelopmentProjectandaFacilityClosureMember 2018-09-30 0000012208 bio:TerminationofaDiagnosticsResearchandDevelopmentProjectMember 2018-01-01 2018-09-30 0000012208 us-gaap:CostOfGoodsTotalMember bio:TerminationofaDiagnosticsResearchandDevelopmentProjectandaFacilityClosureMember 2018-07-01 2018-09-30 0000012208 us-gaap:ResearchAndDevelopmentExpenseMember bio:TerminationofaDiagnosticsResearchandDevelopmentProjectandaFacilityClosureMember 2018-07-01 2018-09-30 0000012208 bio:TerminationofaDiagnosticsResearchandDevelopmentProjectMember 2017-12-01 2018-09-30 0000012208 bio:TerminationofaDiagnosticsResearchandDevelopmentProjectandaFacilityClosureMember 2018-01-01 2018-09-30 0000012208 bio:TerminationofaDiagnosticsResearchandDevelopmentProjectandaFacilityClosureMember 2018-09-30 0000012208 bio:TerminationofaDiagnosticsResearchandDevelopmentProjectandaFacilityClosureMember 2017-12-31 0000012208 bio:EuropeanReorganizationMember 2018-01-01 2018-09-30 0000012208 bio:EuropeanReorganizationMember bio:LifeScienceMember 2018-01-01 2018-09-30 0000012208 bio:EuropeanReorganizationMember bio:ClinicalDiagnosticsMember 2018-09-30 0000012208 bio:EuropeanReorganizationMember bio:ClinicalDiagnosticsMember 2018-01-01 2018-09-30 0000012208 bio:EuropeanReorganizationMember 2017-12-31 0000012208 bio:EuropeanReorganizationMember 2018-09-30 0000012208 bio:EuropeanReorganizationMember bio:ClinicalDiagnosticsMember 2017-12-31 0000012208 bio:EuropeanReorganizationMember bio:LifeScienceMember 2017-12-31 0000012208

bio:EuropeanReorganizationMember bio:LifeScienceMember 2018-09-30 0000012208
us-gaap:FacilityClosingMember 2018-07-01 2018-09-30 iso4217:USD xbrli:shares iso4217:USD xbrli:pure
xbrli:shares

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark
One)

ý **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 1-7928

BIO-RAD LABORATORIES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

1000 Alfred Nobel Drive, Hercules, California

(Address of principal executive offices)

(510) 724-7000

(Registrant's telephone number, including area code)

No Change

(Former name, former address and former fiscal year, if changed since last report.)

94-1381833

(I.R.S. Employer Identification No.)

94547

(Zip 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 every Interactive Data File required to be submitted 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 files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth 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. (Check one):

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.

Edgar Filing: BIO-RAD LABORATORIES, INC. - Form 10-Q

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

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Title of Class	Shares Outstanding at October 25, 2018
Class A Common Stock, Par Value \$0.0001 per share	24,859,577
Class B Common Stock, Par Value \$0.0001 per share	5,102,627

BIO-RAD LABORATORIES, INC.

FORM 10-Q SEPTEMBER 30, 2018

TABLE OF CONTENTS

<u>Part I – Financial Information</u>	<u>4</u>
<u>Item 1. Financial Statements</u>	<u>4</u>
<u>Condensed Consolidated Balance Sheets</u>	<u>4</u>
<u>Condensed Consolidated Statements of Income</u>	<u>5</u>
<u>Condensed Consolidated Statements of Comprehensive Income</u>	<u>6</u>
<u>Condensed Consolidated Statements of Cash Flows</u>	<u>7</u>
<u>Notes to Condensed Consolidated Financial Statements</u>	<u>8</u>
<u>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>29</u>
<u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u>	<u>37</u>
<u>Item 4. Controls and Procedures</u>	<u>37</u>
<u>Part II – Other Information</u>	<u>39</u>
<u>Item 1. Legal Proceedings</u>	<u>39</u>
<u>Item 1A. Risk Factors</u>	<u>39</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>52</u>
<u>Item 3. Defaults Upon Senior Securities</u>	<u>52</u>
<u>Item 4. Mine Safety Disclosures</u>	<u>52</u>
<u>Item 5. Other Information</u>	<u>52</u>
<u>Item 6. Exhibits</u>	<u>53</u>
<u>Signatures</u>	<u>54</u>

INFORMATION RELATING TO FORWARD-LOOKING STATEMENTS

Other than statements of historical fact, statements made in this report include forward-looking statements, such as statements with respect to our future financial performance, operating results, plans and objectives that involve risk and uncertainties. Forward-looking statements generally can be identified by the use of forward-looking terminology, such as “believe,” “expect,” “anticipate,” “may,” “will,” “intend,” “estimate,” “continue,” or similar expressions or the negative terms or expressions. Such statements involve risks and uncertainties, which could cause actual results to vary materially from those expressed in or indicated by the forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events. However, actual results may differ materially from those currently anticipated depending on a variety of risk factors including, but not limited to, those identified under “Part II, Item 1A, Risk Factors” of this Quarterly Report on Form 10-Q. We caution you not to place undue reliance on forward-looking statements, which reflect an analysis only and speak only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

BIO-RAD LABORATORIES, INC.

Condensed Consolidated Balance Sheets

(In thousands, except share data)

	September 30, 2018	December 31, 2017
	(Unaudited)	
ASSETS:		
Cash and cash equivalents	\$434,517	\$383,824
Short-term investments	426,053	371,154
Restricted investments	5,560	5,560
Accounts receivable, less allowance for doubtful accounts of \$26,559 million at 2018 and \$25,549 at 2017	381,526	464,847
Inventories:		
Raw materials	117,544	113,925
Work in process	149,249	142,589
Finished goods	334,260	338,290
Total inventories	601,053	594,804
Other current assets	185,488	156,460
Total current assets	2,034,197	1,976,649
Property, plant and equipment	1,295,884	1,305,150
Less: accumulated depreciation and amortization	(811,561)	(811,654)
Property, plant and equipment, net	484,323	493,496
Goodwill, net	501,903	506,069
Purchased intangibles, net	150,662	174,113
Other investments	3,474,321	1,027,736
Other assets	73,256	94,949
Total assets	\$6,718,662	\$4,273,012
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Accounts payable, accrued payroll and employee benefits	\$257,028	\$306,814
Current maturities of long-term debt and notes payable	1,772	420
Income and other taxes payable	44,783	39,941
Other current liabilities	149,576	155,521
Total current liabilities	453,159	502,696
Long-term debt, net of current maturities	438,803	434,581
Deferred income taxes	753,948	222,209
Other long-term liabilities	172,271	183,276
Total liabilities	1,818,181	1,342,762
Stockholders' equity:		
Class A common stock, shares issued 24,860,159 and 24,679,127 at 2018 and 2017, respectively; shares outstanding 24,859,577 and 24,678,545 at 2018 and 2017, respectively	2	2
Class B common stock, shares issued 5,103,544 and 5,107,674 at 2018 and 2017, respectively; shares outstanding 5,102,627 and 5,106,757 at 2018 and 2017, respectively	1	1
Additional paid-in capital	382,393	361,231

Edgar Filing: BIO-RAD LABORATORIES, INC. - Form 10-Q

Class A treasury stock at cost, 582 shares at 2018 and 2017	(128)	(128)
Class B treasury stock at cost, 917 shares at 2018 and 2017	(89)	(89)
Retained earnings	4,550,601		1,830,439	
Accumulated other comprehensive (loss)/income	(32,299)	738,794	
Total stockholders' equity	4,900,481		2,930,250	
Total liabilities and stockholders' equity	\$6,718,662		\$4,273,012	

The accompanying notes are an integral part of these condensed consolidated financial statements.

BIO-RAD LABORATORIES, INC.
Condensed Consolidated Statements of Income
(In thousands, except per share data)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Net sales	\$545,138	\$534,141	\$1,672,568	\$1,538,858
Cost of goods sold	258,422	235,133	781,982	696,412
Gross profit	286,716	299,008	890,586	842,446
Selling, general and administrative expense	201,196	198,169	620,751	605,060
Research and development expense	49,245	62,077	146,122	174,116
Income from operations	36,275	38,762	123,713	63,270
Interest expense	6,064	5,872	17,823	17,233
Foreign currency exchange losses, net	672	3,363	1,911	7,668
Change in fair market value of equity securities	(318,007)	—	(1,420,339)	—
Other (income) expense, net	(2,585)	(1,061)	(29,588)	(13,486)
Income before income taxes	350,131	30,588	1,553,906	51,855
Provision for income taxes	(80,805)	(8,521)	(359,763)	(12,340)
Net income	\$269,326	\$22,067	\$1,194,143	\$39,515
Basic earnings per share:				
Net income per basic share	\$9.02	\$0.74	\$40.04	\$1.33
Weighted average common shares - basic	29,863	29,660	29,822	29,618
Diluted earnings per share:				
Net income per diluted share	\$8.89	\$0.73	\$39.50	\$1.32
Weighted average common shares - diluted	30,292	30,052	30,234	29,994

The accompanying notes are an integral part of these condensed consolidated financial statements.

BIO-RAD LABORATORIES, INC.

Condensed Consolidated Statements of Comprehensive Income

(In thousands)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net income	\$269,326	\$22,067	\$1,194,143	\$39,515
Other comprehensive (loss) income:				
Foreign currency translation adjustments	(13,556)	10,604	(91,128)	71,126
Foreign other post-employment benefits adjustments, net of income taxes	105	192	1,281	(1,861)
Net holding (loss) gain on equity securities and net unrealized holding (loss) gain on available-for-sale investments, net of income taxes	(138)	(4,582)	(1,989)	130,131
Other comprehensive (loss) income, net of income taxes	(13,589)	6,214	(91,836)	199,396
Comprehensive income	\$255,737	\$28,281	\$1,102,307	\$238,911

The accompanying notes are an integral part of these condensed consolidated financial statements.

Edgar Filing: BIO-RAD LABORATORIES, INC. - Form 10-Q

BIO-RAD LABORATORIES, INC.
Condensed Consolidated Statements of Cash Flows
(In thousands, unaudited)

	Nine Months Ended	
	September 30,	
	2018	2017
Cash flows from operating activities:		
Cash received from customers	\$1,715,960	\$1,518,057
Cash paid to suppliers and employees	(1,494,794)	(1,430,371)
Interest paid, net	(11,721)	(11,397)
Income tax payments, net	(57,840)	(39,821)
Investment proceeds and miscellaneous receipts, net	21,601	14,338
Proceeds from (payments for) forward foreign exchange contracts, net	7,279	(16,034)
Net cash provided by operating activities	180,485	34,772
Cash flows from investing activities:		
Capital expenditures	(75,951)	(85,264)
Proceeds from dispositions of property, plant and equipment	4,273	62
Proceeds from divestiture of a product line	6,964	—
Proceeds from (payments for) acquisitions and long-term investments	266	(74,874)
Payments for purchases of intangible assets	(3)	(3,790)
Payments for purchases of marketable securities and investments	(286,826)	(233,766)
Proceeds from sales of marketable securities and investments	60,488	83,883
Proceeds from maturities of marketable securities and investments	158,622	151,260
Net cash used in investing activities	(132,167)	(162,489)
Cash flows from financing activities:		
Net payments on line-of-credit arrangements and notes payable	—	(36)
Payments on long-term borrowings	(1,595)	(220)
Payments of contingent consideration	(2,078)	(3,681)
Proceeds from issuances of common stock for share-based compensation, net	1,996	3,622
Payments for purchases of treasury stock	—	(2,920)
Net cash used in financing activities	(1,677)	(3,235)
Effect of foreign exchange rate changes on cash	3,965	3,823
Net increase (decrease) in cash, cash equivalents, and restricted cash	50,606	(127,129)
Cash, cash equivalents, and restricted cash at beginning of period	384,983	457,171
Cash, cash equivalents, and restricted cash at end of period	\$435,589	\$330,042

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Condensed Consolidated Balance Sheets that agrees to the same amounts shown in the Condensed Consolidated Statements of Cash Flows (in thousands):

	September 30, 2018	September 30, 2017
Cash and cash equivalents	\$ 434,517	\$328,894
Restricted cash included in Other current assets	102	812
Restricted cash included in Other assets	970	336
Total cash, cash equivalents, and restricted cash shown in the Condensed Consolidated Statements of Cash Flows	\$ 435,589	\$ 330,042

These restricted cash items are primarily related to performance guarantees.

The accompanying notes are an integral part of these condensed consolidated financial statements.

BIO-RAD LABORATORIES, INC

Notes to Condensed Consolidated Financial Statements
(Unaudited)

I. BASIS OF PRESENTATION AND USE OF ESTIMATES

Basis of Presentation

In this report, "Bio-Rad," "we," "us," "the Company" and "our" refer to Bio-Rad Laboratories, Inc. and its subsidiaries. The accompanying unaudited condensed consolidated financial statements of Bio-Rad have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and reflect all adjustments which are, in the opinion of management, necessary to fairly state the results of the interim periods presented. All such adjustments are of a normal recurring nature. Results for the interim period are not necessarily indicative of the results for the entire year. The condensed consolidated balance sheet at December 31, 2017 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by GAAP for complete financial statements. The condensed consolidated financial statements should be read in conjunction with the notes to the consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2017.

We evaluate subsequent events and the evidence they provide about conditions existing at the date of the balance sheet as well as conditions that arose after the balance sheet date but through the date the financial statements are issued. The effects of conditions that existed at the balance sheet date are recognized in the financial statements. Events and conditions arising after the balance sheet date but before the financial statements are issued are evaluated to determine if disclosure is required to keep the financial statements from being misleading. To the extent such events and conditions exist, disclosures are made regarding the nature of events and the estimated financial effects of those events and conditions.

Use of Estimates

The preparation of the condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingencies at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting periods. Bio-Rad bases its estimates on historical experience and on various other market-specific and other relevant assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ materially from those estimates.

Revenue Recognition

On January 1, 2018, we adopted Accounting Standards Codification ("ASC") 606, "Revenue from Contracts with Customers," using the modified retrospective method applied to those contracts which were not completed as of January 1, 2018. Results for reporting periods beginning after January 1, 2018 are presented under ASC 606, while prior period amounts are not adjusted and continue to be reported under prior revenue guidance ASC 605, "Revenue Recognition."

We recorded a net reduction to opening retained earnings of \$0.1 million as of January 1, 2018 due to the cumulative impact of adopting ASC 606 with the impact primarily related to a customer loyalty program in the United States for which the resulting non-cash consideration is treated as variable consideration under the new revenue recognition accounting standard. The impact to revenue as a result of applying ASC 606 as compared to ASC 605 for the nine months ended September 30, 2018 was not significant.

We recognize revenue from operations through the sale of products, services, and rental of instruments. Revenue from contracts with customers is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. We

8

enter into contracts that can include various combinations of products and services, which are generally accounted for as distinct performance obligations. Revenue is recognized net of any taxes collected from customers (sales tax, value added tax, etc.), which are subsequently remitted to government authorities.

Our contracts from customers often include promises to transfer multiple products and services to a customer. Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment and may or may not impact the timing of revenue recognition. Revenue associated with equipment that requires factory installation is not recorded until installation is complete and customer acceptance, if required, has occurred. Certain equipment requires installation due to the fact that the instruments are being operated in a clinical/laboratory environment, and the installation services could result in modification of the equipment in order to ensure that the instruments are working according to specifications of the customer which are subject to validation tests upon completion of the installation. In these arrangements, which require factory installation, the delivery of the equipment and the installation are separate performance obligations. We will recognize the transaction price allocated to the equipment only upon customer acceptance, as the transfer of control has occurred in relation to the equipment at that point in time as the customer has the ability to direct the use of and obtain substantially all of the remaining benefits from the asset. The transaction price allocated to the installation services is also recognized upon completion of the services because without the completion of the installation services and related customer acceptance the customer cannot receive any of the benefits of the service. At the time revenue is recognized, a provision is recognized for estimated product returns as this right is considered variable consideration. Accordingly, when product revenues are recognized, the transaction price is reduced to the estimated amount that we expect to receive in exchange for transferring control for those products.

Service revenues on extended warranty contracts are recognized ratably over the life of the service agreement as a stand-ready performance obligation. For arrangements that include a combination of products and services, transaction prices are allocated to performance obligations based on stand-alone selling prices. The method used to determine the stand-alone selling prices for service revenues is based on the observable prices when the services have been sold separately.

In those instances where the timing of revenue recognition differs from the timing of invoicing, we have determined that our contracts generally do not include a significant financing component. The primary purpose of our invoicing terms is to provide customers with simple and predictable methods of purchasing our products and services, not to either provide or receive financing to or from our customers. We record contract liabilities when cash payments are received or due in advance of our performance.

We do not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less and for contracts in which we recognize revenue at the amount to which we have the right to invoice for services performed. Our payment terms vary by the type and location of our customer, and the products and services offered. The term between invoicing and when payment is due is not significant.

Reagent Rental Agreements

Reagent rental agreements are a diagnostic industry sales method that provides use of an instrument and consumables (reagents) to a customer on a per test basis. These agreements may also include maintenance of the underlying instruments retained at customer locations as well as initial training. We concluded that the use of the instrument and related maintenance services (collectively known as “lease elements”) are not within the guidance of ASC 606 but rather ASC 840 Leases. Accordingly, we first allocate the transaction price between the lease elements and the non-lease elements based on relative standalone selling prices. The determination of the transaction price requires judgment and requires consideration of any fixed/minimum payments as well as estimates of variable consideration. After determining what portion of the transaction price should be allocated to the lease elements, any fixed consideration would be considered the minimum lease payment to be amortized straight line over the lease term and any variable consideration would be contingent rent to be recognized monthly as earned, which coincides with the transfer of control of the non-lease elements.

For the portion of the transaction price allocated to the non-lease elements, which are principally the reagents, the related revenue will be recognized at a point in time when control transfers. Generally, the terms of the arrangements result in the transfer of control upon either (i) when the consumables are delivered or (ii) when the consumables are consumed by the customer.

Revenue allocated to the lease elements of these reagent rental arrangements represent approximately 5% of total revenue and are included as part of the Net sales in our Condensed Consolidated Statements of Income.

Contract costs:

As a practical expedient, we expense as incurred costs to obtain contracts as the amortization period would have been one year or less. These costs, recorded within Selling, general and administrative expense, include our internal sales force compensation programs and certain partner sales incentive programs, as we have determined that annual compensation is commensurate with annual selling activities.

Disaggregation of Revenue:

The following table presents our revenues disaggregated by geographic region based primarily on the location of the use of the product or service (in millions, unaudited):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Europe	\$182.7	\$190.3	\$579.5	\$539.3
Pacific Rim	110.3	105.7	341.7	307.9
United States	218.3	203.3	649.8	593.2
Other (primarily Canada and Latin America)	33.8	34.8	101.6	98.5
Total Net sales	\$545.1	\$534.1	\$1,672.6	\$1,538.9

The disaggregation of our revenue by industry segment sources is presented in our Segment Information footnote (see Note 10).

Deferred revenues represent mostly unrecognized fees billed or collected for extended service arrangements. Deferred revenues are recognized as (or when) we perform under the contract, which is generally recognized ratably over the term of the service contract. A majority of our deferred revenue balance is classified as current with an expected length of one year or less. The increase in our total deferred revenue balance from \$36.7 million at December 31, 2017 to \$39.3 million at September 30, 2018 is primarily driven by \$30.8 million, net, of cash payments received or due in advance of satisfying our performance obligations, offset by \$28.2 million of revenue recognized that were included in our deferred revenue balance as of December 31, 2017.

We warrant certain equipment against defects in design, materials and workmanship, generally for a period of one year. Upon revenue recognition of that equipment, we establish, as part of Cost of goods sold, a provision for the expected costs of such warranty based on historical experience, specific warranty terms and customer feedback. A review is performed on a quarterly basis to assess the adequacy of our warranty accrual.

Components of the warranty accrual, included in Other current liabilities and Other long-term liabilities in the Condensed Consolidated Balance Sheets, were as follows (in millions):

January 1, 2018	\$18.7
Provision for warranty	25.8
Actual warranty costs (27.7)	
September 30, 2018	\$16.8

Recent Accounting Pronouncements Adopted

In February 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. ("ASU") 2018-03, "Technical Corrections and Improvements to Financial Instruments - Recognition and Measurement of Financial Assets and Financial Liabilities." ASU 2018-03 amends certain items in ASU 2016-01 (see below) such as equity securities without a readily determinable fair value. ASU 2018-03 clarifies that an entity that uses the measurement alternative for equity securities without readily determinable fair values can change its measurement approach to fair value and once made the election is irrevocable. If an entity measures equity securities without readily determinable fair values at fair value, it must record a cumulative-effect adjustment to Retained earnings as of the beginning of the fiscal year in which the guidance is adopted. We adopted ASU 2018-03 on January 1, 2018 and made an irrevocable election to account for our investment of the ordinary shares of Sartorius AG at fair value (see ASU 2016-01 below).

In January 2016, the FASB issued ASU 2016-01, "Recognition and Measurement of Financial Assets and Financial Liabilities." Amendments under ASU 2016-01, among other items, require that all equity investments in unconsolidated entities (other than those accounted for using the equity method of accounting) will generally be measured at fair value through earnings. Changes in fair value for equity securities will no longer be reported in other comprehensive income. For equity investments without readily determinable fair values, the cost method is also eliminated. We adopted ASU 2016-01 on January 1, 2018 and record equity investments without readily determinable fair values at cost, less impairment, and plus or minus subsequent adjustments for observable price changes and were valued at \$0.6 million as of September 30, 2018. Changes in the basis of these equity investments are reported in current earnings. For equity securities that are affected by ASU 2016-01 and ASU 2018-03, see Note 2 to the condensed consolidated financial statements, which primarily consists of our investment in Sartorius AG.

The impact of the adoption of ASU 2016-01 and ASU 2018-03 on January 1, 2018 was through a cumulative-effect adjustment of \$864.5 million to Total stockholders' equity by increasing Retained earnings of \$1,543.7 million and decreasing Accumulated other comprehensive income of \$679.2 million, including increasing Deferred income taxes by \$232.9 million and an increase in Other investments of \$1,097.4 million in our Condensed Consolidated Balance Sheet. As a result of ASU 2016-01 and ASU 2018-03 for the three and nine months ended September 30, 2018, we recorded \$318.0 million and \$1,420.3 million, respectively, for the Change in fair market value of equity securities in the Condensed Consolidated Statement of Income that resulted in a deferred tax expense for the three and nine months ended September 30, 2018 of \$70.0 million and \$313.7 million, respectively.

In March 2017, the FASB issued ASU 2017-07, "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost," which changed how we present the net periodic benefit cost of our defined benefit pension and/or other postretirement plans. We adopted ASU 2017-07 on January 1, 2018 and applied the practical expedient to estimate amounts for comparative purposes utilizing the information disclosed in Note 12 to the consolidated financial statements in our Form 10-K for the year ended December 31, 2017. The interest costs are recorded in Interest expense, and the other costs are recorded in Other (income) expense, net in the Condensed Consolidated Statements of Income. For the third quarter of 2017 for interest costs and other costs, we reclassified \$0.076 million, \$0.538 million, and \$0.036 million from Costs of goods sold (COGS), Selling, general and administrative expense (SG&A) and Research and development expense (R&D), respectively, to Interest expense of \$0.275 million and Other (income) expense, net of \$0.375 million. For the first nine months of 2017 for interest costs

and other costs, we reclassified \$0.228 million, \$1.614 million, and \$0.108 million from COGS, SG&A and R&D, respectively, to Interest expense of \$0.825 million and Other (income) expense, net of \$1.125 million.

In November 2016, the FASB issued ASU 2016-18, "Restricted Cash," which required us to cease to present transfers between cash and cash equivalents and restricted cash and restricted cash equivalents in the statement of cash flows. We adopted ASU 2016-18 on January 1, 2018 and updated the Condensed Consolidated Statements of Cash Flows to incorporate restricted cash included in Other current assets and Other assets of \$1.1 million as of September 30, 2018 and \$1.1 million as of September 30, 2017.

In October 2016, the FASB issued ASU 2016-16, "Intra-Entity Transfers of Assets Other Than Inventory," which required immediate recognition of income tax consequences of intercompany asset transfers, other than inventory transfers. We adopted ASU 2016-16 on January 1, 2018 on a modified retrospective basis through a cumulative-effect adjustment by decreasing Retained earnings by \$17.6 million, and decreasing Prepaid taxes by \$22.8 million and increasing Deferred tax assets by \$5.2 million that are both recorded in Other assets in our Condensed Consolidated Balance Sheet.

In August 2016, FASB issued ASU 2016-15, "Classification of Certain Cash Receipts and Cash Payments" and adopted it on January 1, 2018, which did not have an impact to our statement of cash flows presentation.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers ("ASC 606"), an updated standard on revenue recognition. The new standard provides enhancements to the quality and consistency of how revenue is reported under the principle that revenue should be recognized in an amount that reflects the consideration to which we expect to be entitled in exchange for the transfer of promised goods or services. We adopted ASC 606 as of January 1, 2018 using the cumulative effect transition method as more fully described above under the caption "Revenue Recognition."

Recent Accounting Pronouncements to be Adopted

In August 2018, the FASB issued ASU 2018-15, "Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract." ASU 2018-15 amends the definition of a hosting arrangement and requires a customer in a hosting arrangement that is a service contract to capitalize certain implementation costs as if the arrangement was an internal-use software project. The internal-use software guidance states that only qualifying costs incurred during the application development stage can be capitalized. ASU 2018-15 is effective for fiscal years ending after December 15, 2019. Early adoption is permitted and entities have the option to apply the guidance prospectively to all implementation costs incurred after the date of adoption or retrospectively. We are currently evaluating the effect ASU 2018-15 will have on our consolidated financial statements.

In August 2018, the FASB issued ASU 2018-14, "Disclosure Framework - Changes to the Disclosure Requirements for Defined Benefit Plans." ASU 2018-14 eliminates and adds certain disclosures for defined benefit plans. ASU 2018-14 is effective for fiscal years ending after December 15, 2020 using a retrospective approach, with early adoption permitted. We are currently evaluating the disclosures and the timing of adoption but do not expect ASU 2018-14 to have a material impact to our disclosures for defined benefit plans.

In August 2018, the FASB issued ASU 2018-13, "Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement." ASU 2018-13 eliminates, adds and modifies certain disclosures for fair value measurements. ASU 2018-13 is effective for fiscal years beginning after December 15, 2019 and for interim periods within those fiscal years. Early adoption is permitted in interim periods, including periods for which financial statements have not yet been issued. We do not expect ASU 2018-13 to have a material impact to our fair value disclosures and we currently do not plan to early adopt.

In June 2016, the FASB issued ASU 2016-13, "Measurement of Credit Losses on Financial Instruments." ASU 2016-13 will replace the current incurred loss approach with an expected loss model for instruments measured at

amortized cost and require entities to record allowances for available-for-sale debt securities rather than reduce the carrying amount under the current other-than-temporary impairment model. ASU 2016-13 is effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption is permitted

for all entities for annual periods beginning after December 15, 2018, and interim periods therein. We are currently evaluating the effect ASU 2016-13 will have on our consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, "Leases," which will require, among other items, lease accounting to recognize most leases as assets and liabilities on the balance sheet. Qualitative and quantitative disclosures will be enhanced to better understand the amount, timing and uncertainty of cash flows arising from leases. In July 2018, the FASB issued ASU 2018-11, "Targeted Improvements," which gives the option to apply the transition provisions of ASU 2016-02 at its adoption date instead of at the earliest comparative period presented in its financial statements. In addition, ASU 2018-11 provides a practical expedient that permits lessors to not separate nonlease components from the associated lease component if certain conditions are met. Also in July 2018, the FASB issued ASU 2018-10, "Codification Improvements to Topic 842, Leases," which clarifies certain aspects of ASU 2016-02. We will adopt ASU 2016-02 on a modified retrospective basis on its adoption date of January 1, 2019 with practical expedients, instead of at the earliest comparative period presented in our financial statements. We are currently gathering, documenting and analyzing lease agreements where we act as lessee related to this ASU and anticipate material additions to the balance sheet for right-of-use assets, and the associated liabilities. We are also gathering, documenting and analyzing the impact on those contracts where we act as a lessor in reagent rental arrangements and do not anticipate a significant impact to our financial statements, as the associated assets are already included in our Condensed Consolidated Balance Sheets. Such reagent rental arrangements are more fully described above under the caption "Reagent Rental Agreements."

2. FAIR VALUE MEASUREMENTS

We determine the fair value of an asset or liability based on the assumptions that market participants would use in pricing the asset or liability in an orderly transaction between market participants at the measurement date. The identification of market participant assumptions provides a basis for determining what inputs are to be used for pricing each asset or liability. A fair value hierarchy has been established which gives precedence to fair value measurements calculated using observable inputs over those using unobservable inputs. This hierarchy prioritizes the inputs into three broad levels as follows:

- Level 1: Quoted prices in active markets for identical instruments
- Level 2: Other significant observable inputs (including quoted prices in active markets for similar instruments)
- Level 3: Significant unobservable inputs (including assumptions in determining the fair value of certain investments)

Financial assets and liabilities carried at fair value and measured on a recurring basis as of September 30, 2018 are classified in the hierarchy as follows (in millions):

	Level 1	Level 2	Level 3	Total
Financial Assets Carried at Fair Value:				
Cash equivalents:				
Commercial paper	\$—	\$70.7	\$—	\$70.7
Asset backed	—	0.1	—	0.1
Time deposits	24.0	10.0	—	34.0
Money market funds	35.0	—	—	35.0
Total cash equivalents (a)	59.0	80.8	—	139.8
Restricted investment	5.6	—	—	5.6
Equity securities (b)	3,502.7	—	—	3,502.7
Available-for-sale investments:				
Corporate debt securities	—	223.5	—	223.5
U.S. government sponsored agencies	—	76.1	—	76.1
Foreign government obligations	—	3.3	—	3.3
Municipal obligations	—	15.6	—	15.6
Asset-backed securities	—	61.0	—	61.0
Total available-for-sale investments (c)	—	379.5	—	379.5
Forward foreign exchange contracts (d)	—	1.5	—	1.5
Total financial assets carried at fair value	\$3,567.3	\$461.8	\$—	\$4,029.1
Financial Liabilities Carried at Fair Value:				
Forward foreign exchange contracts (e)	\$—	\$1.5	\$—	\$1.5
Contingent consideration (f)	—	—	8.1	8.1
Total financial liabilities carried at fair value	\$—	\$1.5	\$8.1	\$9.6

As of first quarter 2018, our equity securities are no longer reported as Available-for-sale investments due to the implementation of ASU 2016-01. Changes in fair value of equity securities are now reported on the Condensed Consolidated Statements of Income rather than Other Comprehensive Income (see Note 1).

Financial assets and liabilities carried at fair value and measured on a recurring basis as of December 31, 2017 are classified in the hierarchy as follows (in millions):

	Level 1	Level 2	Level 3	Total
Financial Assets Carried at Fair Value:				
Cash equivalents:				
Commercial paper	\$—	\$36.0	\$—	\$36.0
Time deposits	43.7	10.0	—	53.7
U.S. government sponsored agencies	—	11.2	—	11.2
Money market funds	3.4	—	—	3.4
Total cash equivalents (a)	47.1	57.2	—	104.3
Restricted investment	5.6	—	—	5.6
Available-for-sale investments:				
Corporate debt securities	—	185.7	—	185.7
U.S. government sponsored agencies	—	67.6	—	67.6
Foreign government obligations	—	3.4	—	3.4
Brokered certificates of deposit	—	0.7	—	0.7
Municipal obligations	—	15.0	—	15.0
Marketable equity securities	973.4	—	—	973.4
Asset-backed securities	—	55.6	—	55.6
Total available-for-sale investments (c)	973.4	328.0	—	1,301.4
Forward foreign exchange contracts (d)	—	0.5	—	0.5
Total financial assets carried at fair value	\$1,026.1	\$385.7	\$—	\$1,411.8
Financial Liabilities Carried at Fair Value:				
Forward foreign exchange contracts (e)	\$—	\$1.6	\$—	\$1.6
Contingent consideration (f)	—	—	16.7	16.7
Total financial liabilities carried at fair value	\$—	\$1.6	\$16.7	\$18.3

(a) Cash equivalents are included in Cash and cash equivalents in the Condensed Consolidated Balance Sheets.

(b) Equity securities are included in the following accounts in the Condensed Consolidated Balance Sheets (in millions):

	September 30, 2018
Short-term investments	\$ 46.7
Other investments	3,456.0
Total	\$ 3,502.7

The unrealized gains on our equity securities still held as of September 30, 2018 are \$1,420.3 million and are primarily due to our investment in Sartorius AG and is recorded in our Condensed Consolidated Statements of Income due to the adoption of ASU 2016-01 (see Note 1).

(c) Available-for-sale investments are included in the following accounts in the Condensed Consolidated Balance Sheets (in millions):

	September 30, December 31,	
	2018	2017
Short-term investments	\$ 379.3	\$ 371.2
Other investments	0.2	930.2
Total	\$ 379.5	\$ 1,301.4

In accordance with our adoption of ASU 2016-01 January 1, 2018, our investment in Sartorius AG preferred shares, which was reported within marketable equity securities as Available-for-sale as of December 31, 2017, is now reported as an Equity security as of September 30, 2018 (see Note 1 and footnote (b) above).

(d) Forward foreign exchange contracts in an asset position are included in Other current assets in the Condensed Consolidated Balance Sheets.

(e) Forward foreign exchange contracts in a liability position are included in Other current liabilities in the Condensed Consolidated Balance Sheets.

(f) Contingent consideration liability is included in the following accounts in the Condensed Consolidated Balance Sheets (in millions):

	September 30, December 31,	
	2018	2017
Other current liabilities	\$ 3.1	\$ 2.7
Other long-term liabilities	5.0	14.0
Total	\$ 8.1	\$ 16.7

During the first quarter of 2016, we recognized a contingent consideration liability upon our acquisition of a high performance analytical flow cytometer platform from Propel. At the acquisition date, the amount of contingent consideration was determined based on a probability-weighted income approach related to the achievement of sales milestones, ranging from 39% to 20% for the calendar years 2018 through 2020. The sales milestones could potentially range from \$0 to an unlimited amount. In the first and third quarters of 2018, we paid \$1.3 million and \$0.8 million, respectively, per the purchase agreement. Since 2016 we have decreased the cumulative valuation of the sales milestones by \$12.5 million. The contingent consideration was accrued at its estimated fair value of \$8.1 million as of September 30, 2018.

The following table provides a reconciliation of the Level 3 analytical flow cytometer platform contingent consideration liabilities measured at estimated fair value (in millions):

January 1, 2018	\$16.7
Payment of sales milestone	(2.1)
Decrease in estimated fair value of contingent consideration included in Selling, general and administrative expense	(6.5)
September 30, 2018	\$8.1

analytical flow cytometer platform

September 30, 2018

	Valuation Technique	Unobservable Input
Analytical flow cytometer platform	Probability-weighted income approach	<u>Sales</u> <u>milestones:</u>
		Discount rate 11.3 %
		Cost of debt 4.9 %

To estimate the fair value of Level 2 debt securities as of September 30, 2018 and December 31, 2017, our primary pricing provider uses Securities Evaluations as the primary pricing source. Our pricing process allows us to select a hierarchy of pricing sources for securities held. If Securities Evaluations does not price a Level 2 security that we hold, then the pricing provider will utilize our custodian supplied pricing as the secondary pricing source.

For commercial paper as of September 30, 2018 and December 31, 2017, pricing is determined by a straight-line calculation, starting with the purchase price on the date of purchase and increasing to par at maturity. Interest bearing certificates of deposit and commercial paper are priced at par. In the event that an additional lot of the same commercial paper issue has been purchased within the same account, then the price of all holdings of that issue in that account will be the price of the most recent lot purchased.

Our pricing provider performs daily reasonableness testing of the Securities Evaluations prices. Price changes of 5% or greater are investigated and resolved. In addition, we perform a quarterly comparison of the Securities Evaluations prices to custodian reported prices. Price differences outside a tolerable variance of approximately 1% are investigated and resolved.

Available-for-sale investments consist of the following (in millions):

	September 30, 2018			Estimated
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Short-term investments:				
Corporate debt securities	\$224.7	\$ 0.1	\$ (1.3)	\$ 223.5
Municipal obligations	15.7	—	(0.1)	15.6
Asset-backed securities	61.1	—	(0.3)	60.8
U.S. government sponsored agencies	77.6	—	(1.5)	76.1
Foreign government obligations	3.3	—	—	3.3
	382.4	0.1	(3.2)	379.3
Long-term investments:				
Asset-backed securities	0.2	—	—	0.2
	0.2	—	—	0.2
Total	\$382.6	\$ 0.1	\$ (3.2)	\$ 379.5

The following is a summary of the amortized cost and estimated fair value of our debt securities at September 30, 2018 by contractual maturity date (in millions):

17

	Amortized Cost	Estimated Fair Value
Mature in less than one year	\$ 170.3	\$ 170.0
Mature in one to five years	164.9	163.3
Mature in more than five years	47.4	46.2
Total	\$ 382.6	\$ 379.5

Available-for-sale investments consist of the following (in millions):

	December 31, 2017			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Short-term investments:				
Corporate debt securities	\$ 185.9	\$ 0.3	\$ (0.5)	\$ 185.7
Brokered certificates of deposit	0.7	—	—	0.7
Municipal obligations	15.1	—	(0.1)	15.0
Asset-backed securities	55.6	—	(0.2)	55.4
U.S. government sponsored agencies	68.3	—	(0.7)	67.6
Foreign government obligations	3.4	—	—	