

PERKINELMER INC
Form 10-Q
May 08, 2018
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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 April 1, 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 001-5075

PerkinElmer, Inc.
(Exact name of Registrant as specified in its Charter)

Massachusetts 04-2052042
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)
940 Winter Street
Waltham, Massachusetts 02451
(Address of principal executive offices) (Zip code)
(781) 663-6900
(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, 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.

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

If an emerging growth company, indicate by check mark whether 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.

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

As of May 3, 2018, there were outstanding 110,634,371 shares of common stock, \$1 par value per share.

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PART I. FINANCIAL INFORMATION

Item 1. Unaudited Financial Statements

PERKINELMER, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended	
	April 1, 2018	April 2, 2017
	(In thousands, except per share data)	
Product revenue	\$447,608	\$333,714
Service revenue	196,364	180,401
Total revenue	643,972	514,115
Cost of product revenue	220,256	163,024
Cost of service revenue	131,494	111,335
Total cost of revenue	351,750	274,359
Selling, general and administrative expenses	199,725	147,008
Research and development expenses	45,984	33,286
Restructuring and contract termination charges, net	6,578	9,651
Operating income from continuing operations	39,935	49,811
Interest and other expense, net	11,430	9,828
Income from continuing operations before income taxes	28,505	39,983
Provision for income taxes	2,470	3,921
Income from continuing operations	26,035	36,062
Income from discontinued operations before income taxes	—	3,759
Provision for income taxes on discontinued operations and dispositions	11	1,218
(Loss) income from discontinued operations and dispositions	(11) 2,541
Net income	\$26,024	\$38,603
Basic earnings per share:		
Income from continuing operations	\$0.24	\$0.33
(Loss) income from discontinued operations and dispositions	(0.00) 0.02
Net income	\$0.24	\$0.35
Diluted earnings per share:		
Income from continuing operations	\$0.23	\$0.33
(Loss) income from discontinued operations and dispositions	(0.00) 0.02
Net income	\$0.23	\$0.35
Weighted average shares of common stock outstanding:		
Basic	110,296	109,468
Diluted	111,330	110,204
Cash dividends declared per common share	\$0.07	\$0.07

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

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PERKINELMER, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (Unaudited)

	Three Months Ended April 1, April 2, 2018 2017 (In thousands)	
Net income	\$26,024	\$38,603
Other comprehensive income:		
Foreign currency translation adjustments	18,499	19,208
Unrealized gains on securities, net of tax	41	23
Other comprehensive income	18,540	19,231
Comprehensive income	\$44,564	\$57,834

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

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PERKINELMER, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (Unaudited)

	April 1, 2018	December 31, 2017
	(In thousands, except share and per share data)	
Current assets:		
Cash and cash equivalents	\$ 180,800	\$ 202,134
Accounts receivable, net	575,740	552,304
Inventories	374,808	351,675
Other current assets	102,656	93,842
Total current assets	1,234,004	1,199,955
Property, plant and equipment:		
At cost	654,942	630,919
Accumulated depreciation	(347,708)	(332,853)
Property, plant and equipment, net	307,234	298,066
Intangible assets, net	1,334,566	1,346,940
Goodwill	2,997,851	3,002,198
Other assets, net	252,531	244,304
Total assets	\$6,126,186	\$