

BRUKER CORP
Form 10-Q
August 08, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT of 1934

For the quarterly period ended June 30, 2013

o 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 000-30833

BRUKER CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

04-3110160

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(State or other jurisdiction of
incorporation or organization)

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

40 Manning Road, Billerica, MA 01821

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(978) 663-3660**

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 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. (Check one):

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

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

Class
Common Stock, \$0.01 par value per share

Outstanding at August 1, 2013
167,149,191 shares

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Quarterly Report on Form 10-Q

For the Quarter Ended June 30, 2013

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Table of Contents**PART I FINANCIAL INFORMATION****ITEM 1. UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****BRUKER CORPORATION****UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

(in millions, except share and per share data)

	June 30, 2013	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 250.9	\$ 310.6
Accounts receivable, net	300.5	289.3
Inventories	601.8	611.5
Other current assets	110.6	98.3
Total current assets	1,263.8	1,309.7
Property, plant and equipment, net	287.8	283.6
Intangibles, net and other long-term assets	250.2	263.1
Total assets	\$ 1,801.8	\$ 1,856.4
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 1.1	\$ 1.3
Accounts payable	69.5	69.6
Customer advances	237.6	267.3
Other current liabilities	294.6	343.6
Total current liabilities	602.8	681.8
Long-term debt	335.4	335.9
Other long-term liabilities	140.9	129.0
Commitments and contingencies (Note 10)		
Shareholders' equity:		
Preferred stock, \$0.01 par value 5,000,000 shares authorized, none issued or outstanding		
Common stock, \$0.01 par value 260,000,000 shares authorized, 167,169,340 and 166,625,976 shares issued and 167,136,691 and 166,604,427 shares outstanding at June 30, 2013 and December 31, 2012, respectively	1.7	1.7
Treasury stock, at cost, 32,649 and 21,549 shares at June 30, 2013 and December 31, 2012, respectively	(0.4)	(0.2)
Accumulated other comprehensive income	114.2	137.8
Other shareholders' equity	603.4	567.3
Total shareholders' equity attributable to Bruker Corporation	718.9	706.6
Noncontrolling interest in consolidated subsidiaries	3.8	3.1
Total shareholders' equity	722.7	709.7

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Total liabilities and shareholders' equity	\$	1,801.8	\$	1,856.4
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The accompanying notes are an integral part of these statements.

Table of Contents**BRUKER CORPORATION****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**

(in millions, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Product revenue	\$ 395.6	\$ 370.6	\$ 734.9	\$ 722.4
Service revenue	52.7	47.2	106.2	99.3
Other revenue	6.6	2.9	7.2	4.6
Total revenue	454.9	420.7	848.3	826.3
Cost of product revenue	217.0	205.3	402.3	389.7
Cost of service revenue	36.3	27.2	69.9	58.0
Total cost of revenue	253.3	232.5	472.2	447.7
Gross profit	201.6	188.2	376.1	378.6
Operating expenses:				
Selling, general and administrative	107.1	110.6	213.9	215.0
Research and development	46.5	51.9	95.9	100.1
Other charges	4.5	3.6	10.6	7.0
Total operating expenses	158.1	166.1	320.4	322.1
Operating income	43.5	22.1	55.7	56.5
Interest and other income (expense), net	(7.8)	(2.8)	(11.7)	(10.3)
Income before income taxes and noncontrolling interest in consolidated subsidiaries	35.7	19.3	44.0	46.2
Income tax provision	12.4	9.4	15.0	21.2
Consolidated net income	23.3	9.9	29.0	25.0
Net income attributable to noncontrolling interest in consolidated subsidiaries	0.4		0.7	
Net income attributable to Bruker Corporation	\$ 22.9	\$ 9.9	\$ 28.3	\$ 25.0
Net income per common share attributable to Bruker Corporation shareholders:				
Basic and diluted	\$ 0.14	\$ 0.06	\$ 0.17	\$ 0.15
Weighted average common shares outstanding:				
Basic	166.8	166.0	166.6	165.9
Diluted	168.4	167.1	168.2	167.0
Comprehensive income (loss)	\$ 28.3	\$ (23.5)	\$ 5.4	\$ 10.1
Less: Comprehensive income (loss) attributable to noncontrolling interests	0.4		0.7	0.1
Comprehensive income (loss) attributable to Bruker Corporation	\$ 27.9	\$ (23.5)	\$ 4.7	\$ 10.0

The accompanying notes are an integral part of these statements.

Table of Contents**BRUKER CORPORATION****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****(in millions)**

	Six Months Ended June 30,	
	2013	2012
Cash flows from operating activities:		
Consolidated net income	\$ 29.0	\$ 25.0
Adjustments to reconcile consolidated net income to cash flows from operating activities:		
Depreciation and amortization	30.2	28.6
Write-down of demonstration inventories to net realizable value	16.0	14.1
Stock-based compensation expense	3.2	3.8
Deferred income taxes	(2.6)	(0.4)
Other non-cash expenses, net	(0.6)	1.1
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(20.9)	36.6
Inventories	(21.9)	(58.6)
Accounts payable and accrued expenses	(14.1)	(4.3)
Income taxes payable	(12.9)	(15.5)
Deferred revenue	5.0	(5.8)
Customer advances	(21.9)	22.2
Other changes in operating assets and liabilities, net	(13.4)	(4.9)
Net cash provided by (used in) operating activities	(24.9)	41.9
Cash flows from investing activities:		
Cash paid for acquisitions, net of cash acquired	(2.1)	(21.7)
Disposal of product line	0.5	
Purchases of property, plant and equipment	(31.1)	(30.4)
Sales of property, plant and equipment	0.6	1.7
Net cash used in investing activities	(32.1)	(50.4)
Cash flows from financing activities:		
Repayments of revolving lines of credit		(216.5)
Proceeds from revolving lines of credit		20.0
Proceeds from Note Purchase Agreement		240.0
Repayment of other debt, net	(0.5)	(26.3)
Payment of deferred financing costs		(1.4)
Proceeds from issuance of common stock, net	4.5	3.4
Changes in restricted cash	(1.3)	(1.1)
Cash payments to noncontrolling interest		(0.6)
Net cash provided by financing activities	2.7	17.5
Effect of exchange rate changes on cash and cash equivalents	(5.4)	(14.7)
Net change in cash and cash equivalents	(59.7)	(5.7)
Cash and cash equivalents at beginning of period	310.6	246.0
Cash and cash equivalents at end of period	\$ 250.9	\$ 240.3

The accompanying notes are an integral part of these statements.

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BRUKER CORPORATION

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS