

BIO RAD LABORATORIES INC
Form 10-Q
August 09, 2012

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 June 30, 2012
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

94-1381833

(State or other jurisdiction of incorporation or
organization)

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

1000 Alfred Nobel Drive, Hercules, California

94547

(Address of principal executive offices)

(Zip Code)

(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.)

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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

(Do not check if smaller reporting company)

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 July 31, 2012
Class A Common Stock, Par Value \$0.0001 per share	23,193,829
Class B Common Stock, Par Value \$0.0001 per share	5,105,222

BIO-RAD LABORATORIES, INC.

FORM 10-Q JUNE 30, 2012

TABLE OF CONTENTS

<u>Part I – Financial Information</u>	<u>3</u>
<u>Item 1. Financial Statements</u>	<u>3</u>
<u>Condensed Consolidated Balance Sheets</u>	<u>3</u>
<u>Condensed Consolidated Statements of Income</u>	<u>4</u>
<u>Condensed Consolidated Statements of Comprehensive Income</u>	<u>5</u>
<u>Condensed Consolidated Statements of Cash Flows</u>	<u>6</u>
<u>Notes to Condensed Consolidated Financial Statements</u>	<u>7</u>
<u>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>22</u>
<u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u>	<u>30</u>
<u>Item 4. Controls and Procedures</u>	<u>30</u>
<u>Part II – Other Information</u>	<u>32</u>
<u>Item 1. Legal Proceedings</u>	<u>32</u>
<u>Item 1A. Risk Factors</u>	<u>32</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>40</u>
<u>Item 3. Defaults Upon Senior Securities</u>	<u>40</u>
<u>Item 4. Mine Safety Disclosures</u>	<u>40</u>
<u>Item 5. Other Information</u>	<u>40</u>
<u>Item 6. Exhibits</u>	<u>41</u>
<u>Signatures</u>	<u>42</u>

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

BIO-RAD LABORATORIES, INC.

Condensed Consolidated Balance Sheets

(In thousands, except share data)

	June 30, 2012	December 31, 2011
ASSETS:	(Unaudited)	
Cash and cash equivalents	\$456,487	\$574,231
Short-term investments	378,770	238,884
Accounts receivable, net	373,817	398,674
Inventories:		
Raw materials	93,707	99,326
Work in process	122,227	120,191
Finished goods	233,523	213,993
Total inventories	449,457	433,510
Prepaid expenses, taxes and other current assets	152,541	152,856
Total current assets	1,811,072	1,798,155
Property, plant and equipment, at cost	937,723	881,912
Less: accumulated depreciation and amortization	(557,067)	(532,411)
Property, plant and equipment, net	380,656	349,501
Goodwill, net	466,157	468,933
Purchased intangibles, net	241,341	259,497
Other assets	269,669	220,717
Total assets	\$3,168,895	\$3,096,803
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Accounts payable	\$119,448	\$129,124
Accrued payroll and employee benefits	113,435	112,564
Notes payable and current maturities of long-term debt	783	814
Income and other taxes payable	32,609	52,285
Accrued royalties	21,445	25,219
Other current liabilities	129,464	139,109
Total current liabilities	417,184	459,115
Long-term debt, net of current maturities	732,054	731,698
Other long-term liabilities	167,165	161,608
Total liabilities	1,316,403	1,352,421
Stockholders' equity:		
Bio-Rad stockholders' equity:		
Class A common stock, shares issued 23,193,951 and 23,020,215 at 2012 and 2011, respectively; shares outstanding 23,193,829 and 23,020,215 at 2012 and 2011, respectively	2	2
Class B common stock, shares issued 5,106,139 and 5,164,765 at 2012 and 2011, respectively; shares outstanding 5,105,222 and 5,164,765 at 2012 and 2011, respectively	1	1
Additional paid-in capital	198,492	185,334
Class A treasury stock at cost, 122 and zero shares at 2012 and 2011, respectively	(12)	—
Class B treasury stock at cost, 917 and zero shares at 2012 and 2011, respectively	(89)	—

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

Retained earnings	1,439,258	1,359,910
Accumulated other comprehensive income	214,236	198,690
Total Bio-Rad stockholders' equity	1,851,888	1,743,937
Noncontrolling interests	604	445
Total stockholders' equity	1,852,492	1,744,382
Total liabilities and stockholders' equity	\$3,168,895	\$3,096,803

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

3

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

	Three Months Ended		Six Months Ended	
	June 30, 2012	2011	June 30, 2012	2011
Net sales	\$510,422	\$521,656	\$996,699	\$1,006,777
Cost of goods sold	222,522	228,520	430,217	436,030
Gross profit	287,900	293,136	566,482	570,747
Selling, general and administrative expense	162,256	176,740	333,549	344,503
Research and development expense	52,336	48,210	105,259	90,940
Income from operations	73,308	68,186	127,674	135,304
Interest expense	12,401	12,041	25,597	28,807
Foreign exchange losses, net	1,619	2,744	3,060	5,786
Other (income) expense, net				