

IDEX CORP /DE/
Form 10-Q
May 08, 2008

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

FORM 10-Q

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2008
- OR
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 1-10235

IDEX CORPORATION
(Exact Name of Registrant as Specified in its Charter)

Delaware
*(State or other jurisdiction of
incorporation or organization)*

36-3555336
*(I.R.S. Employer
Identification No.)*

630 Dundee Road, Northbrook, Illinois
(Address of principal executive offices)

60062
(Zip Code)

Registrant's telephone number: (847) 498-7070

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 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

Number of shares of common stock of IDEX Corporation outstanding as of April 30, 2008: 82,323,339 (net of treasury shares).

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	<u>Section 1350 Certification</u>	

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CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands except share and per share amounts)
(unaudited)

	March 31, 2008	December 31, 2007
ASSETS		
Current assets		
Cash and cash equivalents	\$ 99,816	\$ 102,757
Restricted cash		140,005
Receivables, less allowance for doubtful accounts of \$5,561 at March 31, 2008 and \$5,746 at December 31, 2007	241,525	193,326
Inventories	200,925	177,435
Other current assets	26,377	23,615
Total current assets	568,643	637,138
Property, plant and equipment net	179,762	172,999
Goodwill	1,091,044	977,019
Intangible assets net	240,781	191,766
Other noncurrent assets	5,731	10,672
Total assets	\$ 2,085,961	\$ 1,989,594
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities		
Trade accounts payable	\$ 101,370	\$ 84,209
Accrued expenses	104,838	99,125
Short-term borrowings	5,964	5,830
Dividends payable		9,789
Total current liabilities	212,172	198,953
Long-term borrowings	443,638	448,901
Deferred income taxes	149,899	124,472
Other noncurrent liabilities	51,768	54,545
Total liabilities	857,477	826,871
Commitment and contingencies		

Shareholders' equity

Preferred stock:

Authorized: 5,000,000 shares, \$.01 per share par value; Issued: None

Common stock:

Authorized: 150,000,000 shares, \$.01 per share par value Issued:

81,764,824 shares at March 31, 2008 and 81,736,244 shares at

December 31, 2007

Additional paid-in capital

Retained earnings

Treasury stock at cost: 171,213 shares at March 31, 2008 and

156,986 shares at December 31, 2007

Accumulated other comprehensive income

Total shareholders' equity

Total liabilities and shareholders' equity

818	817
350,132	346,450
794,898	753,519
(4,875)	(4,443)
87,511	66,380
1,228,484	1,162,723
\$ 2,085,961	\$ 1,989,594

See Notes to Condensed Consolidated Financial Statements.

Table of Contents**IDEX CORPORATION AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**(in thousands except per share amounts)
(unaudited)

	First Quarter Ended March 31,	
	2008	2007
Net sales	\$ 371,662	\$ 333,268
Cost of sales	216,495	193,604
Gross profit	155,167	139,664
Selling, general and administrative expenses	87,068	78,112
Operating income	68,099	61,552
Other income net	175	573
Interest expense	5,666	6,379
Income from continuing operations before income taxes	62,608	55,746
Provision for income taxes	21,229	18,915
Income from continuing operations	41,379	36,831
Loss from discontinued operations, net of tax		(164)
Net income	\$ 41,379	\$ 36,667
<i>Basic earnings per common share:</i>		
Continuing operations	\$ 0.51	\$ 0.46
Discontinued operations		
Net income	\$ 0.51	\$ 0.46
<i>Diluted earnings per common share:</i>		
Continuing operations	\$ 0.50	\$ 0.45
Discontinued operations		
Net income	\$ 0.50	\$ 0.45
<i>Share data:</i>		
Basic weighted average common shares outstanding	81,067	80,264
Diluted weighted average common shares outstanding	82,288	81,677

See Notes to Condensed Consolidated Financial Statements.

Table of Contents**IDEX CORPORATION AND SUBSIDIARIES**

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY
(in thousands except share amounts)
(unaudited)

	Accumulated Other Comprehensive Income						
			Net				
			Actuarial	Cumulative			
			Losses	Unrealized			
			and Prior		Losses		
			Service		on		
			Costs on		Derivatives		Total
			Pensions		Designated		
			as		as		
			Cash		Flow		
			Hedges		Treasury		
			Stock		Shareholders		
	Paid-In	Retained	Translation	Cumulative	Cash	Treasury	Shareholders
	Capital	Earnings	Adjustment	Adjustment	Flow	Stock	Equity
	Capital	Earnings	Adjustment	Adjustment	Hedges	Stock	Equity
Balance, December 31, 2007	\$ 347,267	\$ 753,519	\$ 86,755	\$ (20,375)	\$	\$ (4,443)	\$ 1,162,723
Net income		41,379					41,379
Other comprehensive income, net of tax:							
Cumulative translation adjustment			21,619				21,619
Amortization of retirement obligations					416		416
Unrealized loss on derivatives designated as cash flow hedges						(904)	(904)
Other comprehensive income							21,131
Comprehensive income							62,510
Issuance of 27,329 shares of common stock from exercise of stock options and deferred compensation plans	768						768
Share-based compensation Unvested shares surrendered for tax withholding	2,915						2,915
						(432)	(432)

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Balance, March 31, 2008 \$ 350,950 \$ 794,898 \$ 108,374 \$ (19,959) \$ (904) \$ (4,875) \$ 1,228,484

See Notes to Condensed Consolidated Financial Statements.

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(unaudited)

	Three Months Ended March 31,	
	2008	2007
Cash flows from operating activities of continuing operations		
Net income	\$ 41,379	\$ 36,667
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss from discontinued operations		164
Depreciation and amortization	8,087	7,125
Amortization of intangible assets	3,962	2,014
Amortization of debt issuance expenses	96	115
Stock-based compensation expense	2,915	2,444
Deferred income taxes	3,907	(1,763)
Excess tax benefit from stock-based compensation	(122)	(1,784)
Changes in (net of the effect from acquisitions):		
Receivables	(18,577)	(21,965)
Inventories	(12,892)	(4,101)
Trade accounts payable	7,177	8,253
Accrued expenses	(4,150)	(5,947)
Other net	(3,490)	(5,553)
Net cash flows provided by operating activities of continuing operations	28,292	15,669
Cash flows from investing activities of continuing operations		
Additions to property, plant and equipment	(6,276)	(5,418)
Acquisition of businesses, net of cash acquired	(155,582)	(24,917)
Changes in restricted cash	140,005	
Net cash flows used in investing activities of continuing operations	(21,853)	(30,335)
Cash flows from financing activities of continuing operations		
Borrowings under credit facilities for acquisitions		12,885
Borrowings under credit facilities	166,413	31,638
Payments under credit facilities	(22,301)	(32,000)
Payment of senior notes	(150,000)	
Dividends paid	(9,789)	(8,055)
Distributions for discontinued operations		(331)
Proceeds from stock option exercises	525	4,268
Excess tax benefit from stock-based compensation	122	1,784
Other net	1,457	1,269
Net cash flows provided by (used in) financing activities of continuing operations	(13,573)	11,458
Cash flows from discontinued operations		

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Net cash used in operating activities of discontinued operations		(329)
Net cash provided by financing activities of discontinued operations		331
Net cash flows provided by discontinued operations		2
Effect of exchange rate changes on cash and cash equivalents	4,193	2,767
Net decrease in cash	(2,941)	(439)
Cash and cash equivalents at beginning of year	102,757	