

ROPER INDUSTRIES INC  
Form 10-Q  
November 05, 2010

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 September 30, 2010.

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 1-12273

ROPER INDUSTRIES, INC.  
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	51-0263969 (I.R.S. Employer Identification No.)
6901 Professional Pkwy. East, Suite 200 Sarasota, Florida (Address of principal executive offices)	34240 (Zip Code)
(941) 556-2601 (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, 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

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Non-accelerated filer

Smaller reporting company

(do not check if smaller reporting company)

Indicate by check mark if the registrant is a shell company (as defined in Rule 12-b2 of the Act).  Yes  No

The number of shares outstanding of the registrant's common stock as of October 29, 2010 was approximately 94,670,518.

ROPER INDUSTRIES, INC.

REPORT ON FORM 10-Q FOR THE QUARTERLY PERIOD ENDED September 30, 2010

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## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

Roper Industries, Inc. and Subsidiaries  
Condensed Consolidated Statements of Earnings (unaudited)  
(in thousands, except per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Net sales	\$ 605,088	\$ 485,676	\$ 1,706,633	\$ 1,496,030
Cost of sales	283,339	240,156	803,372	744,304
Gross profit	321,749	245,520	903,261	751,726
Selling, general and administrative expenses	193,516	153,648	555,125	477,098
Income from operations	128,233	91,872	348,136	274,628
Interest expense	17,134	14,437	49,608	41,708
Other income	2,631	105	1,421	2,917
Earnings before income taxes	113,730	77,540	299,949	235,837
Income taxes	29,467	21,130	84,680	68,280
Net earnings	\$ 84,263	\$ 56,410	\$ 215,269	\$ 167,557
Net earnings per share:				
Basic	\$ 0.89	\$ 0.62	\$ 2.29	\$ 1.85
Diluted	0.87	0.61	2.23	1.81
Weighted average common shares outstanding:				
Basic	94,312	90,877	94,046	90,526
Diluted	96,671	92,908	96,374	92,635
Dividends declared per common share	\$ 0.0950	\$ 0.0825	\$ 0.2850	\$ 0.2475

See accompanying notes to condensed consolidated financial statements.



Roper Industries, Inc. and Subsidiaries  
Condensed Consolidated Balance Sheets (unaudited)  
(in thousands)

	September 30, 2010	December 31, 2009
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 250,813	\$ 167,708
Accounts receivable, net	378,323	381,658
Inventories, net	180,929	178,795
Deferred taxes	28,941	27,306
Unbilled receivables	76,928	57,153
Other current assets	41,708	58,125
Total current assets	957,642	870,745
Property, plant and equipment, net	105,878	109,493
Goodwill	2,727,249	2,388,432
Other intangible assets, net	1,128,435	868,900
Deferred taxes	60,828	33,123
Other assets	76,095	57,043
Total assets	\$ 5,056,127	\$ 4,327,736
<b>LIABILITIES AND STOCKHOLDERS' EQUITY:</b>		
Accounts payable	\$ 134,316	\$ 110,103
Accrued liabilities	269,309	253,441
Income taxes payable	-	-
Deferred taxes	9,933	1,671
Current portion of long-term debt, net	95,788	112,796
Total current liabilities	509,346	478,011
Long-term debt, net of current portion	1,380,742	1,040,962
Deferred taxes	466,356	328,299
Other liabilities	63,308	58,974
Total liabilities	2,419,752	1,906,246
Commitments and contingencies		
Common stock	967	958
Additional paid-in capital	1,019,993	982,321
Retained earnings	1,583,997	1,395,586
	52,514	63,945

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Accumulated other comprehensive  
earnings

Treasury stock	(21,096)	(21,320)
Total stockholders' equity	2,636,375	2,421,490

Total liabilities and stockholders'  
equity

\$	5,056,127	\$	4,327,736
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See accompanying notes to condensed consolidated financial statements.

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Roper Industries, Inc. and Subsidiaries  
 Condensed Consolidated Statements of Cash Flows (unaudited)  
 (in thousands)

	Nine months ended September	
	2010	2009
Cash flows from operating activities:		
Net earnings	\$ 215,269	\$ 167,557
Adjustments to reconcile net earnings to cash flows from operating activities:		
Depreciation and amortization of property, plant and equipment	27,271	25,828
Amortization of intangible assets	61,430	51,280
Amortization of deferred financing costs	1,772	1,580
Non-cash stock compensation	19,384	20,821
Changes in operating assets and liabilities, net of acquired businesses:		
Accounts receivable	4,277	53,303
Unbilled receivables	(17,395)	824
Inventories	(7,277)	14,496
Accounts payable and accrued liabilities	33,110	(64,729)
Income taxes payable	10,943	(24,146)
Other, net	(4,366)	1,035
Cash provided by operating activities	344,418	247,849
Cash flows from investing activities:		
Acquisitions of businesses, net of cash acquired	(536,413)	(1,248)
Capital expenditures	(20,391)	(18,708)
Proceeds from sale of assets	4,773	10,589
Other, net	(2,958)	(3,606)
Cash used in investing activities	(554,989)	(12,973)
Cash flows from financing activities:		
Payments/(borrowings) under revolving line of credit, net	318,000	(179,000)
Principal payments on convertible notes	(20,123)	(116,186)
Proceeds from senior notes	-	500,000
Payment of senior unsecured term loan	-	(350,000)
Debt issuance costs	-	(4,310)
Cash dividends to stockholders	(26,722)	(22,343)
Proceeds from stock option exercises	16,955	4,845
Stock award tax excess windfall benefit	4,287	1,055
Treasury stock sales	1,236	1,296
Other	(314)	(1,900)
Cash provided by/(used in) financing activities	293,319	(166,543)
Effect of foreign currency exchange rate changes on cash	357	9,622

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Net increase in cash and cash equivalents	83,105	77,955
Cash and cash equivalents, beginning of period	167,708	178,069
Cash and cash equivalents, end of period	\$ 250,813	\$ 256,024

See accompanying notes to condensed consolidated financial statements.

## Roper Industries, Inc. and Subsidiaries

## Condensed Consolidated Statements of Changes in Stockholders' Equity (unaudited)

(in thousands)

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive earnings	Treasury stock	Total
Balances at December 31, 2009	\$ 958	\$ 982,321	\$ 1,395,586	\$ 63,945	\$ (21,320)	\$ 2,421,490
Net earnings	-	-	215,269	-	-	215,269
Stock option exercises	5	16,950	-	-	-	16,955
Treasury stock sold	-	1,012	-	-	224	1,236
Currency translation adjustments, net of \$467 tax	-	-	-	(11,431)	-	(11,431)
Stock based compensation	-	18,266	-	-	-	18,266
Restricted stock grants	1	(3,723)	-	-	-	(3,722)
Stock option tax benefit, net of shortfalls	-	4,241	-	-	-	4,241
Conversion of senior subordinated convertible notes						