

IDEX CORP /DE/  
Form 10-Q  
August 06, 2009

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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 June 30, 2009
- 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)*  
**630 Dundee Road, Northbrook, Illinois**  
*(Address of principal executive offices)*

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

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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

Number of shares of common stock of IDEX Corporation outstanding as of July 31, 2009: 80,713,235 (net of treasury shares).

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**Table of Contents****PART I. FINANCIAL INFORMATION****Item 1. Financial Statements.****IDEX CORPORATION AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(in thousands except share and per share amounts)**  
**(unaudited)**

	<b>June 30, 2009</b>	<b>December 31, 2008</b>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 67,916	\$ 61,353
Receivables, less allowance for doubtful accounts of \$6,179 at June 30, 2009 and \$5,600 at December 31, 2008	200,995	205,269
Inventories	166,977	181,200
Other current assets	31,656	32,866
Total current assets	467,544	480,688
Property, plant and equipment net	181,376	186,283
Goodwill	1,176,820	1,167,063
Intangible assets net	292,052	303,226
Other noncurrent assets	10,464	14,540
Total assets	\$ 2,128,256	\$ 2,151,800
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>		
Current liabilities		
Trade accounts payable	\$ 75,221	\$ 87,304
Accrued expenses	101,418	117,186
Short-term borrowings	7,038	5,856
Dividends payable	9,550	9,523
Total current liabilities	193,227	219,869
Long-term borrowings	500,845	548,144
Deferred income taxes	144,694	141,984
Other noncurrent liabilities	88,467	97,020
Total liabilities	927,233	1,007,017
Commitment and contingencies		
Shareholders equity		

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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: 83,210,322 shares at June 30, 2009 and 82,786,045 shares at

December 31, 2008

Additional paid-in capital

Retained earnings

Treasury stock at cost: 2,520,882 shares at June 30, 2009 and

2,483,955 shares at December 31, 2008

Accumulated other comprehensive income (loss)

Total shareholders equity

Total liabilities and shareholders equity

832	828
388,736	377,154
853,484	822,286
(56,158)	(55,393)
14,129	(92)
1,201,023	1,144,783
\$ 2,128,256	\$ 2,151,800

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)

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Net sales	\$ 336,455	\$ 397,310	\$ 663,068	\$ 768,972
Cost of sales	205,354	235,800	408,773	454,982
Gross profit	131,101	161,510	254,295	313,990
Selling, general and administrative expenses	81,116	89,400	162,898	176,468
Restructuring expenses	3,250		5,501	
Operating income	46,735	72,110	85,896	137,522
Other income (expense) net	(385)	987	(576)	1,162
Interest expense	4,440	4,092	9,261	9,758
Income before income taxes	41,910	69,005	76,059	128,926
Provision for income taxes	13,988	23,945	25,532	44,263
Net income	\$ 27,922	\$ 45,060	\$ 50,527	\$ 84,663
Basic earnings per common share	\$ 0.35	\$ 0.55	\$ 0.63	\$ 1.03
Diluted earnings per common share	\$ 0.34	\$ 0.54	\$ 0.62	\$ 1.02
<i>Share data:</i>				
Basic weighted average common shares outstanding	79,675	81,322	79,594	81,194
Diluted weighted average common shares outstanding	80,507	82,746	80,363	82,511

See Notes to Condensed Consolidated Financial Statements.

Table of Contents**IDEX CORPORATION AND SUBSIDIARIES**

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

	<b>Common Stock and Additional Paid-In Capital</b>		<b>Accumulated Other Comprehensive Income (Loss) Net Actuarial Losses and Prior Service Costs on Pensions and Other Post- Retirement Benefit Plans</b>		<b>Cumulative Retirement Benefit Plans</b>		<b>Cumulative Unrealized (Losses) Gains on Derivatives Designated as Cash Flow Hedges</b>		<b>Treasury Stock</b>		<b>Total Shareholders Equity</b>
Balance, December 31, 2008, as previously stated	\$ 377,982	\$ 845,396	\$ 39,873	\$ (33,654)	\$ (6,642)	\$ (55,393)	\$ 1,167,562				
Impact of adopting change in accounting related to inventory (see Note 5)		(23,110)	331								(22,779)
Balance, December 31, 2008, as restated	\$ 377,982	\$ 822,286	\$ 40,204	\$ (33,654)	\$ (6,642)	\$ (55,393)	\$ 1,144,783				
Net income		50,527									50,527
Other comprehensive income, net of tax:											
Cumulative translation adjustment			12,334				12,334				
Amortization of retirement obligations				1,698			1,698				
Unrealized gain on derivatives designated as cash flow hedges						189	189				
											14,221



Other comprehensive income							
Comprehensive income							64,748
Issuance of 171,040 shares of common stock from exercise of stock options and deferred compensation plans, net of tax benefit	2,615						2,615
Share-based compensation Unvested shares surrendered for tax withholding	8,971					(765)	8,971
Cash dividends declared \$ .24 per common share		(19,329)					(19,329)
Balance, June 30, 2009	\$ 389,568	\$ 853,484	\$ 52,538	\$ (31,956)	\$ (6,453)	\$ (56,158)	\$ 1,201,023

See Notes to Condensed Consolidated Financial Statements.

Table of Contents**IDEX CORPORATION AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****(in thousands)****(unaudited)**

	<b>Six Months Ended June 30,</b>	
	<b>2009</b>	<b>2008</b>
Cash flows from operating activities		
Net income	\$ 50,527	\$ 84,663
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss on sale of fixed assets	684	
Depreciation and amortization	15,620	16,435
Amortization of intangible assets	12,138	7,778
Amortization of debt issuance expenses	154	155
Stock-based compensation expense	8,971	8,211
Deferred income taxes	6,692	1,497
Excess tax benefit from stock-based compensation	(1,260)	(2,359)
Changes in (net of the effect from acquisitions):		
Receivables	6,681	(15,032)
Inventories	14,084	(5,348)
Trade accounts payable	(13,363)	7,076
Accrued expenses	(21,197)	(3,475)
Other net	(6,820)	(4,324)