

CACI INTERNATIONAL INC /DE/
Form 10-Q
February 04, 2011
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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 December 31, 2010

OR

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

Commission File Number 001-31400

CACI International Inc

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

54-1345888
(I.R.S. Employer
Identification No.)

1100 North Glebe Road, Arlington, VA 22201
(Address of principal executive offices)

(703) 841-7800
(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 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.

Large accelerated filer Accelerated filer
Non-accelerated filer 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 Registrant's classes of Common Stock, as of February 1, 2011: CACI International Inc Common Stock, \$0.10 par value, 30,402,439 shares.

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Table of Contents**PART I****FINANCIAL INFORMATION****Item 1. Financial Statements****CACI INTERNATIONAL INC****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)****(amounts in thousands, except per share data)**

	Three Months Ended December 31,	
	2010	2009
Revenue	\$ 867,278	\$ 776,727
Costs of revenue:		
Direct costs	608,536	543,117
Indirect costs and selling expenses	185,247	172,603
Depreciation and amortization	14,060	13,546
Total costs of revenue	807,843	729,266
Income from operations	59,435	47,461
Interest expense and other, net	5,991	7,124
Income before income taxes	53,444	40,337
Income taxes	19,945	14,233
Net income before noncontrolling interest in earnings of joint venture	33,499	26,104
Noncontrolling interest in earnings of joint venture	(264)	(52)
Net income attributable to CACI	\$ 33,235	\$ 26,052
Basic earnings per share	\$ 1.10	\$ 0.87
Diluted earnings per share	\$ 1.08	\$ 0.85
Weighted-average basic shares outstanding	30,288	30,109
Weighted-average diluted shares outstanding	30,906	30,580

See Notes to Unaudited Condensed Consolidated Financial Statements

Table of Contents**CACI INTERNATIONAL INC****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**

(amounts in thousands, except per share data)

	Six Months Ended December 31,	
	2010	2009
Revenue	\$ 1,701,249	\$ 1,516,245
Costs of revenue:		
Direct costs	1,198,006	1,053,657
Indirect costs and selling expenses	364,569	344,398
Depreciation and amortization	27,142	24,701
Total costs of revenue	1,589,717	1,422,756
Income from operations	111,532	93,489
Interest expense and other, net	11,824	14,386
Income before income taxes	99,708	79,103
Income taxes	37,384	28,918
Net income before noncontrolling interest in earnings of joint venture	62,324	50,185
Noncontrolling interest in earnings of joint venture	(434)	(278)
Net income attributable to CACI	\$ 61,890	\$ 49,907
Basic earnings per share	\$ 2.04	\$ 1.66
Diluted earnings per share	\$ 2.00	\$ 1.64
Weighted-average basic shares outstanding	30,296	30,071
Weighted-average diluted shares outstanding	31,004	30,522

See Notes to Unaudited Condensed Consolidated Financial Statements

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(amounts in thousands, except per share data)

	December 31, 2010	June 30, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 46,671	\$ 254,543
Accounts receivable, net	564,364	531,033
Prepaid expenses and other current assets	48,975	55,170
Total current assets	660,010	840,746
Goodwill	1,259,280	1,161,861
Intangible assets, net	126,511	108,298
Property and equipment, net	60,910	58,666
Other long-term assets	95,619	75,195
Total assets	\$ 2,202,330	\$ 2,244,766
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 7,500	\$ 278,653
Accounts payable	92,748	98,421
Accrued compensation and benefits	146,248	152,790
Other accrued expenses and current liabilities	163,140	128,559
Total current liabilities	409,636	658,423
Long-term debt, net of current portion	400,474	252,451
Deferred income taxes	62,279	42,990
Other long-term liabilities	96,885	117,747
Total liabilities	969,274	1,071,611
COMMITMENTS AND CONTINGENCIES		
Shareholders' equity:		
Preferred stock \$0.10 par value, 10,000 shares authorized, no shares issued		
Common stock \$0.10 par value, 80,000 shares authorized, 39,925 and 39,366 shares issued, respectively	3,993	3,937
Additional paid-in capital	482,480	468,959
Retained earnings	856,167	794,277
Accumulated other comprehensive loss	(6,952)	(9,807)
Noncontrolling interest in joint venture	2,184	2,442
Treasury stock, at cost (9,536 and 9,117 shares, respectively)	(104,816)	(86,653)
Total shareholders' equity	1,233,056	1,173,155
Total liabilities and shareholders' equity	\$ 2,202,330	\$ 2,244,766

See Notes to Unaudited Condensed Consolidated Financial Statements

Table of Contents**CACI INTERNATIONAL INC****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**

(amounts in thousands)

	Six Months Ended December 31,	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before noncontrolling interest in earnings of joint venture	\$ 62,324	\$ 50,185
Reconciliation of net income before noncontrolling interest to net cash provided by operating activities:		
Depreciation and amortization	27,142	24,701
Non-cash interest expense	5,522	5,160
Amortization of deferred financing costs	1,762	1,282
Stock-based compensation expense	8,413	12,745
Deferred income tax expense	7,084	1,896
Changes in operating assets and liabilities, net of effect of business acquisitions:		
Accounts receivable, net	(17,458)	(51,110)
Prepaid expenses and other current assets	(8,962)	(4,082)
Accounts payable and other accrued expenses	(3,651)	26,437
Accrued compensation and benefits	(13,430)	(4,614)
Income taxes payable and receivable	(8,584)	(4,957)
Other liabilities	9,108	9,506
Net cash provided by operating activities	69,270	67,149
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(5,767)	(16,111)
Cash paid for business acquisitions, net of cash acquired	(126,387)	(62,004)
Investment in unconsolidated joint venture, net	(5,018)	
Other	1,019	(203)
Net cash used in investing activities	(136,153)	(78,318)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings under bank credit facilities, net of financing costs	193,987	
Principal payments made under bank credit facilities	(328,653)	(52,114)
Proceeds from employee stock purchase plans	2,393	