

CACI INTERNATIONAL INC /DE/

Form 10-Q

May 04, 2012

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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 March 31, 2012

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 May 1, 2012: CACI International Inc Common Stock, \$0.10 par value, 26,630,334 shares.

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	Three Months Ended March 31,	
	2012	2011
Revenue	\$ 927,962	\$ 913,369
Costs of revenue:		
Direct costs	632,570	645,404
Indirect costs and selling expenses	208,843	191,403
Depreciation and amortization	13,768	14,777
Total costs of revenue	855,181	851,584
Income from operations	72,781	61,785
Interest expense and other, net	6,175	5,674
Income before income taxes	66,606	56,111
Income taxes	25,475	19,397
Net income including portion attributable to noncontrolling interest in earnings of joint venture	41,131	36,714
Noncontrolling interest in earnings of joint venture	(275)	(287)
Net income attributable to CACI	\$ 40,856	\$ 36,427
Basic earnings per share	\$ 1.54	\$ 1.20
Diluted earnings per share	\$ 1.45	\$ 1.16
Weighted-average basic shares outstanding	26,537	30,373
Weighted-average diluted shares outstanding	28,086	31,300

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)

	Nine Months Ended March 31,	
	2012	2011
Revenue	\$ 2,825,600	\$ 2,614,618
Costs of revenue:		
Direct costs	1,946,899	1,843,410
Indirect costs and selling expenses	613,666	555,972
Depreciation and amortization	41,894	41,919
Total costs of revenue	2,602,459	2,441,301
Income from operations	223,141	173,317
Interest expense and other, net	18,313	17,498
Income before income taxes	204,828	155,819
Income taxes	80,304	56,781
Net income including portion attributable to noncontrolling interest in earnings of joint venture	124,524	99,038
Noncontrolling interest in earnings of joint venture	(467)	(721)
Net income attributable to CACI	\$ 124,057	\$ 98,317
Basic earnings per share	\$ 4.54	\$ 3.24
Diluted earnings per share	\$ 4.37	\$ 3.16
Weighted-average basic shares outstanding	27,303	30,321
Weighted-average diluted shares outstanding	28,402	31,102

See Notes to Unaudited Condensed Consolidated Financial Statements

Table of Contents**CACI INTERNATIONAL INC****CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)**

(amounts in thousands, except per share data)

	March 31, 2012	June 30, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 48,929	\$ 164,817
Accounts receivable, net	669,275	573,042
Prepaid expenses and other current assets	43,861	44,219
Total current assets	762,065	782,078
Goodwill	1,404,626	1,266,285
Intangible assets, net	122,183	108,102
Property and equipment, net	66,373	62,755
Other long-term assets	113,845	100,911
Total assets	\$ 2,469,092	\$ 2,320,131
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 7,500	\$ 7,500
Accounts payable	128,004	98,893
Accrued compensation and benefits	173,494	173,586
Other accrued expenses and current liabilities	152,101	157,242
Total current liabilities	461,099	437,221
Long-term debt, net of current portion	565,757	402,437
Deferred income taxes	86,777	68,123
Other long-term liabilities	116,797	102,734
Total liabilities	1,230,430	1,010,515
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, 40,619 and 40,273 shares issued, respectively	4,062	4,027
Additional paid-in capital	519,717	504,156
Retained earnings	1,062,551	938,495
Accumulated other comprehensive loss	(3,688)	(3,115)
Treasury stock, at cost (14,005 and 10,077 shares, respectively)	(346,140)	(136,631)
Total CACI shareholders' equity	1,236,502	1,306,932
Noncontrolling interest in joint venture	2,160	2,684
Total shareholders' equity	1,238,662	1,309,616
Total liabilities and shareholders' equity	\$ 2,469,092	\$ 2,320,131

See Notes to Unaudited Condensed Consolidated Financial Statements

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

(amounts in thousands)

	Nine Months Ended March 31,	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income including portion attributable to noncontrolling interest in earnings of joint venture	\$ 124,524	\$ 99,038
Reconciliation of net income including portion attributable to noncontrolling interest to net cash provided by operating activities:		
Depreciation and amortization	41,894	41,919
Non-cash interest expense	8,946	8,359
Amortization of deferred financing costs	1,743	2,274
Stock-based compensation expense	11,095	13,109
Deferred income tax expense	18,109	7,805
Undistributed earnings of unconsolidated joint venture	(1,133)	(1,187)
Other	1,274	
Changes in operating assets and liabilities, net of effect of business acquisitions:		
Accounts receivable, net	(73,120)	(24,787)
Prepaid expenses and other assets	(9,397)	(15,314)
Accounts payable and other accrued expenses	35,571	5,615
Accrued compensation and benefits	(12,037)	6,392
Income taxes payable and receivable	(9,787)	(9,079)
Other liabilities	7,116	11,508
Net cash provided by operating activities	144,798	145,652
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(12,794)	(9,170)
Cash paid for business acquisitions, net of cash acquired	(179,746)	(129,621)
Investment in unconsolidated joint venture, net		(4,264)
Other	(1,128)	749