

Edgar Filing: ENGINEERED SUPPORT SYSTEMS INC - Form 10-Q

ENGINEERED SUPPORT SYSTEMS INC
Form 10-Q
March 18, 2002

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

Quarterly Report under Section 13 or 15(d)

of the Securities Exchange Act of 1934

For the three months ended January 31, 2002 Commission file number 0-13880

ENGINEERED SUPPORT SYSTEMS, INC.
(Exact name of Registrant as specified in its charter)

Missouri 43-1313242
(State of Incorporation) (IRS Employer Identification Number)

201 Evans Lane, St. Louis, Missouri 63121
(Address of principal executive offices) (Zip Code)

Registrant's telephone number including area code: (314) 553-4000

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 X No

The number of shares of the Registrant's common stock, \$.01 par value, outstanding at February 28, 2002 was 10,273,820.

1

ENGINEERED SUPPORT SYSTEMS, INC.

INDEX

Page

Part I - Financial Information

Item 1. Financial Statements

Condensed Consolidated Balance Sheets as of January 31, 2002 and
October 31, 2001..... 3

Condensed Consolidated Statements of Income for the three months

Edgar Filing: ENGINEERED SUPPORT SYSTEMS INC - Form 10-Q

ended January 31, 2002 and 2001.....	4
Condensed Consolidated Statements of Cash Flows for the three months ended January 31, 2002 and 2001.....	5
Notes to Condensed Consolidated Financial Statements.....	6
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.....	10
 Part II - Other Information	
Items 1-6.....	15
Signatures.....	17
Exhibits.....	18

2

ENGINEERED SUPPORT SYSTEMS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)

	January 31 2002 ----- (Unaudited)	October 31 2001 -----
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 9,289	\$ 1,015
Accounts receivable	29,682	34,028
Contracts in process and inventories	45,875	53,984
Deferred income taxes	16,701	19,901
Other current assets	3,327	2,309
	-----	-----
Total Current Assets	104,874	111,237
Property, plant and equipment, less accumulated depreciation of \$29,342 and \$27,947		
	52,047	52,670
Goodwill	71,427	71,427
Other assets	4,976	5,101
	-----	-----
Total Assets	\$233,324 =====	\$240,435 =====

LIABILITIES AND SHAREHOLDERS' EQUITY

Edgar Filing: ENGINEERED SUPPORT SYSTEMS INC - Form 10-Q

Current Liabilities		
Notes payable	\$	\$ 700
Current maturities of long-term debt	21,028	21,038
Accounts payable	16,479	21,940
Other current liabilities	23,543	26,294
	-----	-----
Total Current Liabilities	61,050	69,972
Long-term debt	36,750	42,000
Deferred income taxes	1,238	1,142
Other liabilities	17,399	17,929
Shareholders' Equity		
Common stock, par value \$.01 per share; 30,000 shares authorized; 11,698 and 11,672 shares issued	117	117
Additional paid-in capital	87,549	85,682
Retained earnings	67,160	61,823
Accumulated other comprehensive loss	(5,404)	(5,554)
	-----	-----
	149,422	142,068
Less treasury stock at cost, 1,429 and 1,467 shares	32,535	32,676
	-----	-----
	116,887	109,392
	-----	-----
Total Liabilities and Shareholders' Equity	\$233,324	\$240,435
	=====	=====

See notes to condensed consolidated financial statements.

3

ENGINEERED SUPPORT SYSTEMS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts)

	Three Months Ended January 31	
	2002	2001
	-----	-----
Net revenues	\$94,116	\$91,101
Cost of revenues	74,270	73,131
	-----	-----
Gross profit	19,846	17,970
Selling, general and administrative expense	9,956	9,588
	-----	-----
Income from operations	9,890	8,382

Edgar Filing: ENGINEERED SUPPORT SYSTEMS INC - Form 10-Q

Interest expense	(859)	(2,071)
Interest income	22	93
Gain (loss) on sale of assets	3	(3)
	-----	-----
Income before income taxes	9,056	6,401
Income tax provision	3,532	2,560
	-----	-----
Net income	\$ 5,524	\$ 3,841
	=====	=====
Basic earnings per share (1)	\$ 0.54	\$ 0.42
	=====	=====
Diluted earnings per share (1)	\$ 0.52	\$ 0.40
	=====	=====

See notes to condensed consolidated financial statements.