

CACI INTERNATIONAL INC /DE/
Form 10-Q
November 04, 2010
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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 September 30, 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)

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 November 1, 2010: CACI International Inc Common Stock, \$0.10 par value, 30,323,088 shares.

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	Three Months Ended September 30,	
	2010	2009
Revenue	\$ 833,971	\$ 739,518
Costs of revenue:		
Direct costs	589,470	510,540
Indirect costs and selling expenses	179,322	171,795
Depreciation and amortization	13,082	11,155
Total costs of revenue	781,874	693,490
Income from operations	52,097	46,028
Interest expense and other, net	5,833	7,262
Income before income taxes	46,264	38,766
Income taxes	17,439	14,685
Net income before noncontrolling interest in earnings of joint venture	28,825	24,081
Noncontrolling interest in earnings of joint venture	(170)	(226)
Net income attributable to CACI	\$ 28,655	\$ 23,855
Basic earnings per share	\$ 0.95	\$ 0.79
Diluted earnings per share	\$ 0.92	\$ 0.78
Weighted-average basic shares outstanding	30,304	30,034
Weighted-average diluted shares outstanding	31,102	30,464

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)

	September 30, 2010	June 30, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 110,146	\$ 254,543
Accounts receivable, net	550,546	531,033
Prepaid expenses and other current assets	46,827	55,170
Total current assets	707,519	840,746
Goodwill	1,165,433	1,161,861
Intangible assets, net	99,669	108,298
Property and equipment, net	58,739	58,666
Other long-term assets	88,244	75,195
Total assets	\$ 2,119,604	\$ 2,244,766
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 150,051	\$ 278,653
Accounts payable	79,538	98,421
Accrued compensation and benefits	136,314	152,790
Other accrued expenses and current liabilities	134,637	128,559
Total current liabilities	500,540	658,423
Long-term debt, net of current portion	255,193	252,451
Deferred income taxes	46,418	42,990
Other long-term liabilities	127,386	117,747
Total liabilities	929,537	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, 39,597 and 39,366 shares issued, respectively	3,960	3,937
Additional paid-in capital	468,968	468,959
Retained earnings	822,932	794,277
Accumulated other comprehensive loss	(4,934)	(9,807)
Noncontrolling interest in joint venture	2,611	2,442
Treasury stock, at cost (9,506 and 9,117 shares, respectively)	(103,470)	(86,653)
Total shareholders' equity	1,190,067	1,173,155
Total liabilities and shareholders' equity	\$ 2,119,604	\$ 2,244,766

See Notes to Unaudited Condensed Consolidated Financial Statements

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CACI INTERNATIONAL INC

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(amounts in thousands)

	Three Months Ended September 30,	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before noncontrolling interest in earnings of joint venture	\$ 28,825	\$ 24,081
Reconciliation of net income before noncontrolling interest to net cash provided by operating activities:		
Depreciation and amortization	13,082	11,155
Non-cash interest expense	2,742	2,563
Amortization of deferred financing costs	740	745
Stock-based compensation expense	4,906	6,671
Deferred income tax expense	2,969	825
Changes in operating assets and liabilities, net of effect of business acquisitions:		
Accounts receivable, net	(14,925)	(12,965)
Prepaid expenses and other assets	(10,192)	(6,969)
Accounts payable and other accrued expenses	(23,340)	14,462
Accrued compensation and benefits	(22,247)	(10,574)
Income taxes payable and receivable	16,901	13,773
Other liabilities	8,583	7,148
Net cash provided by operating activities	8,044	50,915
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(3,308)	(9,241)
Cash paid for business acquisitions, net of cash acquired	(387)	(939)
Investment in unconsolidated joint venture, net	(5,279)	(348)
Other	159	(231)
Net cash used in investing activities	(8,815)	(10,759)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments made under bank credit facilities	(128,601)	(51,371)
Proceeds from employee stock purchase plans	1,507	1,934
Proceeds from exercise of stock options	253	1,806
Repurchases of common stock	(17,767)	(854)
Other	139	14
Net cash used in financing activities	(144,469)	(48,471)
Effect of exchange rate changes on cash and cash equivalents	843	(333)
Net decrease in cash and cash equivalents	(144,397)	(8,648)
Cash and cash equivalents, beginning of period	254,543	208,488
Cash and cash equivalents, end of period	\$ 110,146	\$ 199,840

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash (received) paid during the period for income taxes, net	\$ (2,551)	\$ 119
Cash paid during the period for interest	\$ 1,291	\$ 2,385
Non-cash financing and investing activities:		
Landlord-financed leasehold improvements	\$ 504	6,951

See Notes to Unaudited Condensed Consolidated Financial Statements

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CACI INTERNATIONAL INC
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
(amounts in thousands)

	Three Months Ended	
	September 30,	
	2010	2009
Net income before noncontrolling interest in earnings of joint venture	\$ 28,825	\$ 24,081
Change in foreign currency translation adjustment	4,873	(1,480)
Effect of changes in actuarial assumptions and recognition of prior service cost		(47)
Change in fair value of interest rate swap agreements, net		471
Comprehensive income	\$ 33,698	\$ 23,025

See Notes to Unaudited Condensed Consolidated Financial Statements

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