

MANTECH INTERNATIONAL CORP  
Form 10-Q  
July 31, 2009  
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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 June 30, 2009

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 000-49604

**ManTech International Corporation**

(Exact name of registrant as specified in its charter)

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<b>Delaware</b> (State or other jurisdiction of incorporation or organization)	<b>22-1852179</b> (I.R.S. Employer Identification No.)
<b>12015 Lee Jackson Highway, Fairfax, VA</b> (Address of principal executive offices)	<b>22033</b> (Zip Code)
<b>(703) 218-6000</b> (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 (232.405 of this chapter) 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 definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

As of July 29, 2009 there were outstanding 21,991,219 shares of our Class A common stock and 13,678,345 shares of our Class B common stock.

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**MANTECH INTERNATIONAL CORPORATION**

**FORM 10-Q**

**FOR THE QUARTER ENDED June 30, 2009**

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**MANTECH INTERNATIONAL CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Dollars in Thousands Except Per Share Amounts)

	(unaudited)	
	June 30, 2009	December 31, 2008
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 33,441	\$ 4,375
Receivables net	378,677	407,248
Prepaid expenses and other	12,180	14,200
<b>Total Current Assets</b>	<b>424,298</b>	<b>425,823</b>
Property and equipment net	14,513	16,563
Goodwill	488,087	479,516
Other intangibles net	79,164	78,710
Employee supplemental savings plan assets	16,635	14,771
Other assets	5,891	6,329
<b>TOTAL ASSETS</b>	<b>\$ 1,028,588</b>	<b>\$ 1,021,712</b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Current portion of debt	\$ 20,000	\$ 44,100
Accounts payable and accrued expenses	129,926	157,407
Accrued salaries and related expenses	70,059	75,121
Billings in excess of revenue earned	8,470	8,451
<b>Total Current Liabilities</b>	<b>228,455</b>	<b>285,079</b>
Accrued retirement	17,621	15,930
Other long-term liabilities	7,881	7,769
Deferred income taxes non-current	34,478	32,398
<b>TOTAL LIABILITIES</b>	<b>288,435</b>	<b>341,176</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>STOCKHOLDERS EQUITY:</b>		
Common stock, Class A \$0.01 par value; 150,000,000 shares authorized; 22,173,268 and 21,765,004 shares issued at June 30, 2009 and December 31, 2008; 21,930,228 and 21,521,964 shares outstanding at June 30, 2009 and December 31, 2008	222	218
Common stock, Class B \$0.01 par value; 50,000,000 shares authorized; 13,678,345 and 13,958,345 shares issued and outstanding at June 30, 2009 and December 31, 2008	137	140
Additional paid-in capital	344,527	336,454

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Treasury stock, 243,040 shares at cost at June 30, 2009 and December 31, 2008	(9,114)	(9,114)
Retained earnings	405,988	352,978
Accumulated other comprehensive loss	(141)	(140)
Unearned Employee Stock Ownership Plan shares	(1,466)	
<b>TOTAL STOCKHOLDERS EQUITY</b>	<b>740,153</b>	<b>680,536</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS EQUITY</b>	<b>\$ 1,028,588</b>	<b>\$ 1,021,712</b>

See notes to condensed consolidated financial statements.

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**MANTECH INTERNATIONAL CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

(In Thousands Except Per Share Amounts)

	(unaudited)		(unaudited)	
	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
<b>REVENUES</b>	\$ 514,068	\$ 464,970	\$ 963,638	\$ 890,042
Cost of services	422,242	391,364	792,546	747,082
General and administrative expenses	46,953	36,496	85,861	71,296
<b>OPERATING INCOME</b>	44,873	37,110	85,231	71,664
Interest expense	(404)	(969)	(707)	(2,611)
Interest income	47	131	116	341
Other income (expense), net	111	(12)	108	(132)
<b>INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</b>	44,627	36,260	84,748	69,262
Provision for income taxes	(16,095)	(14,364)	(31,738)	(27,433)
<b>NET INCOME</b>	\$ 28,532	\$ 21,896	\$ 53,010	\$ 41,829
<b>BASIC EARNINGS PER SHARE:</b>				
<b>Class A basic earnings per share</b>	\$ 0.80	\$ 0.63	\$ 1.49	\$ 1.21
Weighted average common shares outstanding	21,909	20,835	21,752	20,577
<b>Class B basic earnings per share</b>	\$ 0.80	\$ 0.63	\$ 1.49	\$ 1.21
Weighted average common shares outstanding	13,678	14,033	13,795	14,135
<b>DILUTED EARNINGS PER SHARE:</b>				
<b>Class A diluted earnings per share</b>	\$ 0.80	\$ 0.62	\$ 1.48	\$ 1.19
Weighted average common shares outstanding	22,146	21,298	22,055	21,040
<b>Class B diluted earnings per share</b>	\$ 0.80	\$ 0.62	\$ 1.48	\$ 1.19
Weighted average common shares outstanding	13,678	14,033	13,795	14,135

See notes to condensed consolidated financial statements.

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**MANTECH INTERNATIONAL CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Dollars in Thousands)

	(unaudited)		(unaudited)	
	Three months ended June 30, 2009	2008	Six months ended June 30, 2009	2008
<b>NET INCOME</b>	\$ 28,532	\$ 21,896	\$ 53,010	\$ 41,829
<b>OTHER COMPREHENSIVE INCOME:</b>				
Translation adjustment	4	(48)	(1)	(46)
<b>Total other comprehensive income</b>	4	(48)	(1)	(46)
<b>COMPREHENSIVE INCOME</b>	\$ 28,536	\$ 21,848	\$ 53,009	\$ 41,783

See notes to condensed consolidated financial statements.

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**MANTECH INTERNATIONAL CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Dollars in Thousands)

	(unaudited)	
	Six months ended June 30, 2009	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 53,010	\$ 41,829
Adjustments to reconcile net income to net cash provided by operating activities:		
Stock-based compensation	3,572	3,363
Excess tax benefits from exercise of stock options	(243)	(3,301)
Deferred income taxes	1,224	3,121
Depreciation and amortization	8,839	8,311
Change in assets and liabilities net of effects from acquired businesses:		
Receivables-net	29,858	(16,635)
Prepaid expenses and other	2,871	(3,192)
Accounts payable and accrued expenses	(27,311)	13,897
Accrued salaries and related expenses	(5,420)	4,707
Billings in excess of revenue earned	19	(2,390)
Accrued retirement	(173)	(615)
Other	639	1,252
<b>Net cash flow from operating activities</b>	<b>66,885</b>	<b>50,347</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(1,553)	(3,076)
Investment in capitalized software for internal use	(1,353)	(1,001)
Proceeds from note receivable		5,126
Acquisition of businesses - net of cash acquired	(13,645)	(381)
<b>Net cash flow from investing activities</b>	<b>(16,551)</b>	<b>668</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from exercise of stock options	2,589	14,650
Excess tax benefits from the exercise of stock options	243	3,301
Net repayment under the line of credit	(24,100)	(67,000)
<b>Net cash flow from financing activities</b>	<b>(21,268)</b>	