

MANTECH INTERNATIONAL CORP  
Form 10-Q  
May 02, 2014

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 10-Q

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(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, 2014

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

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ManTech International Corporation  
(Exact name of registrant as specified in its charter)

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Delaware  
(State or other jurisdiction of  
incorporation or organization)

22-1852179  
(I.R.S. Employer  
Identification No.)

12015 Lee Jackson Highway, Fairfax, VA  
(Address of principal executive offices)  
(703) 218-6000  
(Registrant's telephone number, including area code)

22033  
(Zip Code)

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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.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company) 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

As of April 30, 2014 there were outstanding 24,028,014 shares of our Class A common stock and 13,192,845 shares of our Class B common stock.



MANTECH INTERNATIONAL CORPORATION  
FORM 10-Q  
FOR THE QUARTER ENDED March 31, 2014  
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## PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements

MANTECH INTERNATIONAL CORPORATION  
CONSOLIDATED BALANCE SHEETS  
(In Thousands Except Share Amounts)

	(unaudited)	
	March 31, 2014	December 31, 2013
<b>ASSETS</b>		
Cash and cash equivalents	\$275,629	\$269,001
Receivables—net	392,232	457,898
Prepaid expenses and other	19,690	19,384
Contractual inventory	246	3,962
Total Current Assets	687,797	750,245
Goodwill	780,905	752,867
Other intangible assets—net	157,461	152,523
Employee supplemental savings plan assets	32,118	31,765
Property and equipment—net	29,462	30,156
Other assets	3,282	5,846
<b>TOTAL ASSETS</b>	<b>\$1,691,025</b>	<b>\$1,723,402</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Current portion of debt	\$200,000	\$—
Accounts payable and accrued expenses	180,328	226,287
Accrued salaries and related expenses	66,394	56,617
Billings in excess of revenue earned	14,142	13,781
Total Current Liabilities	460,864	296,685
Long-term debt	—	200,000
Deferred income taxes—non-current	52,180	48,093
Accrued retirement	31,105	33,565
Other long-term liabilities	11,252	11,288
<b>TOTAL LIABILITIES</b>	<b>555,401</b>	<b>589,631</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, Class A—\$0.01 par value; 150,000,000 shares authorized; 24,270,660 and 24,245,893 shares issued at March 31, 2014 and December 31, 2013; 24,026,547 and 24,001,780 shares outstanding at March 31, 2014 and December 31, 2013	243	242
Common stock, Class B—\$0.01 par value; 50,000,000 shares authorized; 13,192,845 and 13,192,845 shares issued and outstanding at March 31, 2014 and December 31, 2013		132
Additional paid-in capital	423,832	423,787
Treasury stock, 244,113 and 244,113 shares at cost at March 31, 2014 and December 31, 2013	(9,158	) (9,158
Retained earnings	720,712	718,892
Accumulated other comprehensive loss	(137	) (124
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>1,135,624</b>	<b>1,133,771</b>

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$1,691,025	\$1,723,402
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See notes to consolidated financial statements.

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MANTECH INTERNATIONAL CORPORATION  
CONSOLIDATED STATEMENTS OF INCOME  
(In Thousands Except Per Share Amounts)

	(unaudited)	
	Three months ended	
	March 31,	
	2014	2013
REVENUES	\$452,033	\$646,008
Cost of services	393,009	562,297
General and administrative expenses	38,982	47,340
OPERATING INCOME	20,042	36,371
Interest expense	(4,119	) (4,051
Interest income	177	113
Other income (expense), net	(41	) 46
INCOME FROM OPERATIONS BEFORE INCOME TAXES AND EQUITY	16,059	32,479
METHOD INVESTMENTS		
Provision for income taxes	(6,368	) (12,299
Equity in losses of unconsolidated subsidiaries	(57	) —
NET INCOME	\$9,634	\$20,180
BASIC EARNINGS PER SHARE:		
Class A common stock	\$0.26	\$0.55
Class B common stock	\$0.26	\$0.55
DILUTED EARNINGS PER SHARE:		
Class A common stock	\$0.26	\$0.54
Class B common stock	\$0.26	\$0.54

See notes to consolidated financial statements.

MANTECH INTERNATIONAL CORPORATION  
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
 (In Thousands)

	(unaudited)	
	Three months ended	
	March 31,	
	2014	2013
NET INCOME	\$9,634	\$20,180
OTHER COMPREHENSIVE LOSS:		
Translation adjustments, net of tax	(13	) (1
Total other comprehensive loss	(13	) (1
COMPREHENSIVE INCOME	\$9,621	\$20,179

See notes to consolidated financial statements.

MANTECH INTERNATIONAL CORPORATION  
 CONSOLIDATED STATEMENTS OF CASH FLOWS  
 (In Thousands)

	(unaudited)	
	Three months ended	
	March 31,	
	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$9,634	\$20,180
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,592	7,686
Deferred income taxes	2,825	2,425