

WEST PHARMACEUTICAL SERVICES INC
Form 10-Q
November 07, 2011

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, 2011

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 Number 1-8036

WEST PHARMACEUTICAL SERVICES, INC.
(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction of
incorporation or organization)

23-1210010
(I.R.S. Employer Identification Number)

101 Gordon Drive, PO Box 645,
Lionville, PA
(Address of principal executive offices)

19341-0645
(Zip Code)

Registrant's telephone number, including area code: 610-594-2900

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

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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	<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 October 31, 2011, there were 33,716,732 shares of the Registrant’s common stock outstanding.

Table of Contents

TABLE OF CONTENTS

	Page
<u>PART I. FINANCIAL INFORMATION</u>	
<u>ITEM 1.</u>	
FINANCIAL STATEMENTS (UNAUDITED)	
<u>Condensed Consolidated Statements of Income for the Three and Nine Months ended September 30, 2011 and 2010</u>	3
<u>Condensed Consolidated Balance Sheets at September 30, 2011 and December 31, 2010</u>	4
<u>Condensed Consolidated Statement of Equity for the Nine Months ended September 30, 2011</u>	5
<u>Condensed Consolidated Statements of Cash Flows for the Nine Months ended September 30, 2011 and 2010</u>	6
<u>Notes to Condensed Consolidated Financial Statements</u>	7
<u>ITEM 2.</u>	
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	18
<u>ITEM 3.</u>	
QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	30
<u>ITEM 4.</u>	
CONTROLS AND PROCEDURES	30
<u>PART II. OTHER INFORMATION</u>	
<u>ITEM 1.</u>	
LEGAL PROCEEDINGS	30
<u>ITEM 1A.</u>	
RISK FACTORS	30
<u>ITEM 2.</u>	
UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS	31
<u>ITEM 6.</u>	
EXHIBITS	31
<u>SIGNATURE</u>	33
<u>INDEX TO EXHIBITS</u>	F-1

Table of Contents

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

West Pharmaceutical Services, Inc. and Subsidiaries

(In millions, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Net sales	\$ 293.6	\$ 271.4	\$ 896.9	\$ 827.9
Cost of goods and services sold	212.2	196.7	642.9	587.8
Gross profit	81.4	74.7	254.0	240.1
Research and development	7.7	5.9	21.9	17.0
Selling, general and administrative expenses	45.7	44.9	144.8	137.2
Restructuring and other items (Note 2)	1.9	(1.4)	4.7	1.1
Operating profit	26.1	25.3	82.6	84.8
Interest expense	4.5	4.2	13.8	12.1
Interest income	(0.4)	(0.1)	(0.9)	(0.3)
Income before income taxes	22.0	21.2	69.7	73.0
Income tax expense	6.6	4.5	17.9	17.3
Equity in net income of affiliated companies	1.5	1.1	4.9	3.6
Net income	\$ 16.9	\$ 17.8	\$ 56.7	\$ 59.3
Net income per share:				
Basic	\$ 0.50	\$ 0.53	\$ 1.69	\$ 1.78
Diluted	\$ 0.49	\$ 0.51	\$ 1.62	\$ 1.70
Weighted average shares outstanding:				
Basic	33.8	33.4	33.6	33.3
Diluted	37.0	36.7	37.0	36.7
Dividends declared per share	\$ -	\$ -	\$ 0.34	\$ 0.32

See accompanying notes to condensed consolidated financial statements.

Table of Contents

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

West Pharmaceutical Services, Inc. and Subsidiaries

(In millions)

	September 30, 2011	December 31, 2010
ASSETS		
Current assets:		
Cash, including cash equivalents	\$ 119.2	\$ 110.2
Accounts receivable, net	153.1	126.4
Inventories	155.5	147.0
Deferred income taxes	10.7	10.5
Other current assets	65.0	42.5
Total current assets	503.5	436.6
Property, plant and equipment	1,135.1	1,077.2
Less accumulated depreciation and amortization	559.0	522.4
Property, plant and equipment, net	576.1	554.8
Investments in affiliated companies	55.0	48.2
Goodwill	113.6	112.5
Deferred income taxes		