

CACI INTERNATIONAL INC /DE/

Form 10-Q

May 06, 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 March 31, 2009

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)

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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 May 1, 2009: CACI International Inc Common Stock, \$0.10 par value, 29,959,710 shares.

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	Three Months Ended March 31,	
	2009	2008
Revenue	\$ 673,994	\$ 634,157
Costs of revenue:		
Direct costs	461,757	424,946
Indirect costs and selling expenses	155,445	153,406
Depreciation and amortization	11,818	12,334
Total costs of revenue	629,020	590,686
Income from operations	44,974	43,471
Interest expense and other, net	5,241	6,751
Income before income taxes	39,733	36,720
Income taxes	16,301	14,428
Net income	\$ 23,432	\$ 22,292
Basic earnings per share	\$ 0.78	\$ 0.74
Diluted earnings per share	\$ 0.77	\$ 0.73
Weighted-average basic shares outstanding	29,939	30,076
Weighted-average diluted shares outstanding	30,410	30,587

See Notes to Unaudited Condensed Consolidated Financial Statements

Table of Contents**CACI INTERNATIONAL INC****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**

(amounts in thousands, except per share data)

	Nine Months Ended March 31,	
	2009	2008
Revenue	\$ 2,001,261	\$ 1,765,521
Costs of revenue:		
Direct costs	1,366,790	1,183,771
Indirect costs and selling expenses	467,297	429,898
Depreciation and amortization	35,633	35,389
Total costs of revenue	1,869,720	1,649,058
Income from operations	131,541	116,463
Interest expense and other, net	17,103	18,641
Income before income taxes	114,438	97,822
Income taxes	47,923	38,048
Net income	\$ 66,515	\$ 59,774
Basic earnings per share	\$ 2.22	\$ 1.99
Diluted earnings per share	\$ 2.18	\$ 1.96
Weighted-average basic shares outstanding	29,979	30,034
Weighted-average diluted shares outstanding	30,446	30,562

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)

	March 31, 2009	June 30, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 174,307	\$ 120,396
Accounts receivable, net	460,433	441,732
Prepaid expenses and other current assets	40,895	40,697
Total current assets	675,635	602,825
Goodwill	1,067,355	1,067,472
Intangible assets, net	102,506	126,028
Property and equipment, net	28,249	25,361
Accounts receivable, long-term, net	7,940	8,782
Other long-term assets	54,558	72,185
Total assets	\$ 1,936,243	\$ 1,902,653
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 3,500	\$ 3,549
Accounts payable	82,878	74,175
Accrued compensation and benefits	124,859	126,649
Other accrued expenses and current liabilities	76,634	85,897
Total current liabilities	287,871	290,270
Long-term debt, net of current portion	633,643	639,074
Other long-term liabilities	56,021	55,424
Total liabilities	977,535	984,768
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, 39,076 and 38,948 shares issued and outstanding, respectively	3,908	3,895
Additional paid-in capital	382,926	370,127
Retained earnings	670,602	604,087
Accumulated other comprehensive (loss) income	(12,013)	6,768
Treasury stock, at cost (9,118 and 8,731 shares, respectively)	(86,715)	(66,992)
Total shareholders' equity	958,708	917,885
Total liabilities and shareholders' equity	\$ 1,936,243	\$ 1,902,653

See Notes to Unaudited Condensed Consolidated Financial Statements

Table of Contents**CACI INTERNATIONAL INC****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**

(amounts in thousands)

	Nine Months Ended March 31,	
	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 66,515	\$ 59,774
Reconciliation of net income to net cash provided by operating activities:		
Depreciation and amortization	35,633	35,389
Amortization of deferred financing costs	1,897	1,845
Stock-based compensation expense	13,084	13,684
Deferred income tax expense	12,239	3,657
Changes in operating assets and liabilities, net of effect of business acquisitions:		
Accounts receivable, net	(31,045)	(61,809)
Prepaid expenses and other current assets	3,133	(1,328)
Accounts payable and other accrued expenses	4,554	14,043
Accrued compensation and benefits	(6,208)	11,598
Income taxes payable and receivable	(325)	(1,056)
Other liabilities	(5,027)	2,758
Net cash provided by operating activities	94,450	78,555
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(9,080)	(10,289)
Cash paid for business acquisitions, net of cash acquired	(8,787)	(303,305)
Other	502	161
Net cash used in investing activities	(17,365)	(313,433)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings under bank credit facilities		9,790
Principal payments made under bank credit facilities	(3,672)	(16,145)
Proceeds from note receivable		3,891
Proceeds from employee stock purchase plans	4,668	3,300
Proceeds from exercise of stock options	2,069	1,988
Repurchases of common stock	(22,798)	(975)
Other	(1,123)	(270)
Net cash (used in) provided by financing activities	(20,856)	1,579
Effect of exchange rate changes on cash and cash equivalents	(2,318)	(113)
Net increase (decrease) in cash and cash equivalents	53,911	(233,412)
Cash and cash equivalents, beginning of period	120,396	285,682
Cash and cash equivalents, end of period	\$ 174,307	\$ 52,270

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

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Cash paid during the period for:		
Income taxes	\$ 35,583	\$ 31,029
Interest	\$ 13,704	\$ 18,353
Non-cash financing and investing activities:		
Landlord financed leasehold improvements	\$ 4,016	

See Notes to Unaudited Condensed Consolidated Financial Statements

Table of Contents**CACI INTERNATIONAL INC****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)****(amounts in thousands)**

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2009	2008	2009	2008
Net income	\$ 23,432	\$ 22,292	\$ 66,515	\$ 59,774
Change in foreign currency translation adjustment	(1,075)	146	(18,165)	(610)
Change in fair value of interest rate swap agreements, net	336	(1,847)	(617)	(2,620)
Comprehensive income	\$ 22,693	\$ 20,591	\$ 47,733	\$ 56,544

See Notes to Unaudited Condensed Co