

BECTON DICKINSON & CO

Form 10-Q

August 05, 2013

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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, 2013

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 001-4802

Becton, Dickinson and Company

(Exact name of registrant as specified in its charter)

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New Jersey
(State or other jurisdiction of
incorporation or organization)

22-0760120
(I.R.S. Employer
Identification No.)

1 Becton Drive, Franklin Lakes, New Jersey
(Address of principal executive offices)

07417-1880
(Zip Code)

(201) 847-6800

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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 checkmark 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. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by checkmark 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 issuer's classes of common stock, as of the latest practicable date.

Class of Common Stock
Common stock, par value \$1.00

Shares Outstanding as of June 30, 2013
194,212,346

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BECTON, DICKINSON AND COMPANY

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For the quarterly period ended June 30, 2013

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ITEM 1. FINANCIAL STATEMENTS

BECTON, DICKINSON AND COMPANY

CONDENSED CONSOLIDATED BALANCE SHEETS

Thousands of dollars

Assets	June 30, 2013 (Unaudited)	September 30, 2012
Current Assets:		
Cash and equivalents	\$ 1,962,086	\$ 1,671,165
Short-term investments	337,118	509,566
Trade receivables, net	1,254,595	1,249,549
Inventories:		
Materials	212,659	200,514
Work in process	282,994	247,217
Finished products	913,455	792,948
	1,409,108	1,240,679
Prepaid expenses, deferred taxes and other	471,604	515,255
Assets held for sale		135,857
Total Current Assets	5,434,511	5,322,071
Property, plant and equipment	7,239,004	7,046,045
Less allowances for depreciation and amortization	3,887,342	3,742,117
	3,351,662	3,303,928
Goodwill	1,092,337	1,076,077
Core and Developed Technology, Net	543,476	511,674
Other Intangibles, Net	297,672	301,010
Capitalized Software, Net	361,644	346,182
Other	505,745	499,967
Total Assets	\$ 11,587,047	\$ 11,360,909
Liabilities and Shareholders' Equity		
Current Liabilities:		
Short-term debt	\$ 207,432	\$ 405,142
Payables and accrued expenses	1,485,385	1,572,913
Total Current Liabilities	1,692,817	1,978,055
Long-Term Debt	3,762,567	3,761,112
Long-Term Employee Benefit Obligations	1,115,482	1,224,148
Deferred Income Taxes and Other	299,661	261,705
Commitments and Contingencies		
Shareholders' Equity:		
Common stock	332,662	332,662
Capital in excess of par value	2,040,249	1,920,035
Retained earnings	11,347,943	10,435,378
Deferred compensation	18,177	18,917
Common shares in treasury at cost	(8,158,359)	(7,769,292)
Accumulated other comprehensive loss	(864,152)	(801,811)

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Total Shareholders' Equity	4,716,520	4,135,889
Total Liabilities and Shareholders' Equity	\$ 11,587,047	\$ 11,360,909

See notes to condensed consolidated financial statements

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BECTON, DICKINSON AND COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

Thousands of dollars, except per share data

(Unaudited)

	Three Months Ended		Nine Months Ended	
	June 30,		June 30,	
	2013	2012	2013	2012
Revenues	\$ 2,052,664	\$ 1,980,530	\$ 5,953,232	\$ 5,741,211
Cost of products sold	992,673	947,395	2,868,993	2,789,044
Selling and administrative	534,320	469,130	1,544,808	1,439,094
Research and development	121,116	114,987	361,654	343,968
Total Operating Costs and Expenses	1,648,109	1,531,512	4,775,455	4,572,106
Operating Income	404,555	449,018	1,177,777	1,169,105
Interest income	6,272	6,253	26,012	38,379
Interest expense	(34,573)	(34,849)	(104,334)	(99,367)
Other income (expense), net	2,809	(1,881)	5,775	2,392
Income From Continuing Operations Before Income Taxes	379,063	418,541	1,105,230	1,110,509
Income tax provision	87,185	106,960	266,982	275,260
Income From Continuing Operations	291,878	311,581	838,248	835,249
Income from Discontinued Operations, net	9,672	15,285	364,375	45,635
Net Income	\$ 301,550	\$ 326,866	\$ 1,202,623	\$ 880,884
Basic Earnings per Share:				
Income from Continuing Operations	\$ 1.50	\$ 1.54	\$ 4.29	\$ 4.02
Income from Discontinued Operations	0.05	0.08	1.87	0.22
Basic Earnings per Share	\$ 1.55	\$ 1.62	\$ 6.16	\$ 4.24
Diluted Earnings per Share:				
Income from Continuing Operations	\$ 1.47	\$ 1.52	\$ 4.21	\$ 3.95
Income from Discontinued Operations	0.05	0.07	1.83	0.22
Diluted Earnings per Share	\$ 1.52	\$ 1.59	\$ 6.04	\$ 4.17
Dividends per Common Share	\$ 0.495	\$ 0.450	\$ 1.485	\$ 1.350

See notes to condensed consolidated financial statements

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BECTON, DICKINSON AND COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Thousands of dollars

(Unaudited)

	Three Months Ended		Nine Months Ended	
	June 30,		June 30,	
	2013	2012	2013	2012
Net Income	\$ 301,550	\$ 326,866	\$ 1,202,623	\$ 880,884
Other Comprehensive Income (Loss), Net of Tax				
Foreign currency translation adjustments	(75,263)	(263,223)	(108,963)	(203,081)
Defined benefit pension and postretirement plans	13,603	9,632	40,810	163,012
Unrealized (loss) gain on investments, net of amounts recognized	(2)	12	(2)	(19)
Unrealized gains on cash flow hedges, net of amounts realized	579	1,313	5,814	4,431
Other Comprehensive Loss, Net of Tax	(61,083)	(252,266)	(62,341)	(35,657)
Comprehensive Income	\$ 240,467	\$ 74,600	\$ 1,140,282	\$ 845,227