

WATTS WATER TECHNOLOGIES INC
Form 10-Q
May 08, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 30, 2008

or

o 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 001-11499

WATTS WATER TECHNOLOGIES, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation or
Organization)

04-2916536
(I.R.S. Employer Identification No.)

815 Chestnut Street, North Andover, MA

01845

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(Address of Principal Executive Offices)

(Zip Code)

Registrant's Telephone Number, Including Area Code: **(978) 688-1811**

(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 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

(Do not check if a 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 issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 28, 2008
Class A Common Stock, \$0.10 par value	29,340,868
Class B Common Stock, \$0.10 par value	7,293,880

WATTS WATER TECHNOLOGIES, INC. AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION**ITEM 1. Financial Statements**

WATTS WATER TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Amounts in millions, except share information)

(Unaudited)

	March 30, 2008	December 31, 2007
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 273.0	\$ 290.3
Short-term investment securities		22.0
Trade accounts receivable, less allowance for doubtful accounts of \$16.8 million at March 30, 2008 and \$14.9 million at December 31, 2007	249.1	235.7
Inventories, net:		
Raw materials	116.8	108.9
Work in process	47.4	45.7
Finished goods	194.6	187.0
Total Inventories	358.8	341.6
Prepaid expenses and other assets	22.9	18.6
Deferred income taxes	43.0	38.1
Assets of discontinued operations	10.6	10.4
Total Current Assets	957.4	956.7
PROPERTY, PLANT AND EQUIPMENT:		
Property, plant and equipment, at cost	461.7	437.4
Accumulated depreciation	(229.4)	(213.7)
Property, plant and equipment, net	232.3	223.7
OTHER ASSETS:		
Goodwill	397.5	385.8
Long-term investment securities	15.0	17.0
Other, net	146.2	146.1
TOTAL ASSETS	\$ 1,748.4	\$ 1,729.3
LIABILITIES AND STOCKHOLDERS EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 123.4	\$ 108.0
Accrued expenses and other liabilities	113.6	113.6
Accrued compensation and benefits	39.2	38.2
Current portion of long-term debt	1.1	1.3
Liabilities of discontinued operations	29.1	28.6
Total Current Liabilities	306.4	289.7
LONG-TERM DEBT, NET OF CURRENT PORTION	435.8	432.2
DEFERRED INCOME TAXES	41.1	42.9
OTHER NONCURRENT LIABILITIES	48.9	45.6
MINORITY INTEREST	0.7	3.4

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STOCKHOLDERS EQUITY:

Preferred Stock, \$0.10 par value; 5,000,000 shares authorized; no shares issued or outstanding		
Class A Common Stock, \$0.10 par value; 80,000,000 shares authorized; 1 vote per share; issued and outstanding, 29,331,618 shares at March 30, 2008 and 30,600,056 shares at December 31, 2007	2.9	3.1
Class B Common Stock, \$0.10 par value; 25,000,000 shares authorized; 10 votes per share; issued and outstanding, 7,293,880 shares at March 30, 2008 and December 31, 2007	0.7	0.7
Additional paid-in capital	381.8	377.6
Retained earnings	436.2	465.4
Accumulated other comprehensive income	93.9	68.7
Total Stockholders Equity	915.5	915.5
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$	