

INVACARE CORP  
Form 10-Q  
May 07, 2009

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 001-15103

INVACARE CORPORATION  
(Exact name of registrant as specified in its charter)

Ohio  
(State or other jurisdiction of  
incorporation or organization)

95-2680965  
(IRS Employer Identification No)

One Invacare Way, P.O. Box 4028, Elyria, Ohio  
(Address of principal executive offices)

44036  
(Zip Code)

(440) 329-6000  
(Registrant's telephone number, including area code)

\_\_\_\_\_  
(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 (the "Exchange Act") 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, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act (Check

Edgar Filing: INVACARE CORP - Form 10-Q

One). 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 May 4, 2009, the registrant had 31,025,638 Common Shares and 1,109,685 Class B Common Shares outstanding.

---

INVACARE CORPORATION

INDEX

	Page No.
<u>Part I. FINANCIAL INFORMATION:</u>	
<u>Item 1. Financial Statements (Unaudited)</u>	
<u>Condensed Consolidated Balance Sheets - March 31, 2009 and December 31, 2008</u>	3
<u>Condensed Consolidated Statement of Operations – Three Months Ended March 31, 2009 and 2008</u>	4
<u>Condensed Consolidated Statement of Cash Flows – Three Months Ended March 31, 2009 and 2008</u>	5
<u>Notes to Condensed Consolidated Financial Statements - March 31, 2009</u>	6
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	22
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	30
<u>Item 4. Controls and Procedures</u>	30
<u>Part II. OTHER INFORMATION:</u>	
<u>Item 1A. Risk Factors</u>	30
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	30
<u>Item 6. Exhibits</u>	30
<u>SIGNATURES</u>	31

Index

Part I. FINANCIAL INFORMATION  
 Item 1. Financial Statements.

INVACARE CORPORATION AND SUBSIDIARIES  
 Condensed Consolidated Balance Sheets (unaudited)

	March 31, 2009	December 31, 2008
(In thousands)		
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 28,627	\$ 47,516
Marketable securities	92	72
Trade receivables, net	263,412	266,483
Installment receivables, net	4,055	4,267
Inventories, net	181,498	178,737
Deferred income taxes	1,786	2,051
Other current assets	59,219	51,932
<b>TOTAL CURRENT ASSETS</b>	<b>538,689</b>	<b>551,058</b>
<b>OTHER ASSETS</b>	<b>58,929</b>	<b>60,451</b>
<b>OTHER INTANGIBLES</b>	<b>81,737</b>	<b>84,766</b>
<b>PROPERTY AND EQUIPMENT, NET</b>	<b>136,538</b>	<b>143,512</b>
<b>GOODWILL</b>	<b>471,983</b>	<b>474,686</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,287,876</b>	<b>\$ 1,314,473</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 123,002	\$ 119,633
Accrued expenses	130,998	143,612
Accrued income taxes	1,097	3,054
Short-term debt and current maturities of long-term obligations	34,500	18,699
<b>TOTAL CURRENT LIABILITIES</b>	<b>289,597</b>	<b>284,998</b>
<b>LONG-TERM DEBT</b>	<b>379,441</b>	<b>407,707</b>
<b>OTHER LONG-TERM OBLIGATIONS</b>	<b>89,450</b>	<b>88,826</b>
<b>SHAREHOLDERS' EQUITY</b>		
Preferred shares	-	-
Common shares	8,119	8,119
Class B common shares	278	278
Additional paid-in-capital	216,177	215,279
Retained earnings	308,695	306,698
Accumulated other comprehensive earnings	44,340	50,789
Treasury shares	(48,221)	(48,221)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>529,388</b>	<b>532,942</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 1,287,876</b>	<b>\$ 1,314,473</b>

See notes to condensed consolidated financial statements.

3

---

Index

INVACARE CORPORATION AND SUBSIDIARIES  
Condensed Consolidated Statement of Operations - (unaudited)

(In thousands except per share data)	Three Months Ended	
	March 31,	
	2009	2008
Net sales	\$ 397,995	\$ 416,278
Cost of products sold	289,527	303,070