

MATRIA HEALTHCARE INC  
Form 10-Q  
November 07, 2007

**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 **September 30, 2007**

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 **0-20619**

**MATRIA HEALTHCARE, INC.**

(Exact name of registrant as specified in its charter)

**Delaware 20-2091331**  
(State or other (I.R.S.  
jurisdiction of Employer  
incorporation Identification  
or No.)  
organization)

**1850 Parkway**  
**Place (770)**  
**Marietta, 767-4500**  
**Georgia 30067**  
(Address of (Registrant's  
principal telephone  
executive number,  
offices) (Zip including area  
Code) 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

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined by Rule 12b-2 of the Exchange Act).

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes

No

The number of shares outstanding of the issuer's only class of common stock, \$.01 par value, as of November 1, 2007, was 21,415,777.

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**MATRIA HEALTHCARE, INC.**  
**QUARTERLY REPORT ON FORM 10-Q**  
**SEPTEMBER 30, 2007**

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**PART I - FINANCIAL INFORMATION****Item 1. Financial Statements**

**Matria Healthcare, Inc. and Subsidiaries**  
**Consolidated Condensed Balance Sheets**  
(Amounts in thousands, except per share amounts)  
(Unaudited)

	September 30, 2007	December 31, 2006
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 11,262	\$ 19,839
Restricted cash	-	1,372
Trade accounts receivable, less allowances of \$3,771 and \$4,397 at September 30, 2007 and December 31, 2006, respectively	53,231	52,985
Prepaid expenses and other current assets	11,613	14,234
Deferred income taxes	18,839	8,087
Total current assets	94,945	96,517
Property and equipment, net	40,348	38,950
Goodwill, net	495,459	500,830
Other intangibles, net	50,533	55,891
Deferred income taxes	-	5,564
Other assets	10,976	13,621
	\$ 692,261	\$ 711,373
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable, principally trade	\$ 8,199	\$ 13,846
Current installments of long-term debt	29,494	4,197
Unearned revenues	11,068	13,493
Acquisition contingent consideration	-	54,223
Accrued liabilities	16,551	22,661
Total current liabilities	65,312	108,420
Long-term debt, excluding current installments	266,260	275,938
Deferred tax liability	8,896	-
Other long-term liabilities	6,611	8,039
Total liabilities	347,079	392,397
Shareholders' equity:		
Preferred stock, \$.01 par value. Authorized 50,000 shares; none outstanding at September 30, 2007 and December 31, 2006	-	-
Common stock, \$.01 par value. Authorized 50,000 shares; issued and outstanding 21,385 and 21,255 at September 30, 2007 and December 31, 2006, respectively	214	213
Additional paid-in capital	427,318	415,950
Accumulated deficit	(81,223)	(97,149)

Accumulated other comprehensive earnings	(1,127)	(38)
Total shareholders' equity	345,182	318,976
	\$ 692,261	\$ 711,373

See accompanying notes to consolidated condensed financial statements.

**Matria Healthcare, Inc. and Subsidiaries**  
**Consolidated Condensed Statements of Operations**  
(Amounts in thousands, except per share amounts)  
(Unaudited)

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Revenues	\$ 89,604	\$ 84,186	\$ 263,748	\$ 247,719
Cost of revenues	26,850	27,243	80,062	&#1