

IHS Inc.
Form 10-Q
June 24, 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 May 31, 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 001-32511

IHS INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

15 Inverness Way East
Englewood, CO 80112
(Address of Principal Executive Offices)
(303) 790-0600

(Registrant's telephone number, including area code)

13-3769440
(I.R.S. Employer
Identification No.)

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 (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

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As of May 31, 2013, there were 65,779,733 shares of our Class A Common Stock outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

IHS INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except for share and per-share amounts)

	As of May 31, 2013 (Unaudited)	As of November 30, 2012 (Audited)
Assets		
Current assets:		
Cash and cash equivalents	\$267,131	\$345,008
Accounts receivable, net	350,088	372,117
Income tax receivable	4,655	20,464
Deferred subscription costs	50,874	47,065
Deferred income taxes	50,164	55,084
Other	34,238	24,145
Total current assets	757,150	863,883
Non-current assets:		
Property and equipment, net	187,474	163,013
Intangible assets, net	562,731	554,552
Goodwill	2,058,516	1,959,223
Other	7,070	8,540
Total non-current assets	2,815,791	2,685,328
Total assets	\$3,572,941	\$3,549,211
Liabilities and stockholders' equity		
Current liabilities:		
Short-term debt	\$169,481	\$170,102
Accounts payable	51,767	52,079
Accrued compensation	25,601	50,497
Accrued royalties	30,514	33,637
Other accrued expenses	69,044	55,304
Deferred revenue	599,635	515,318
Total current liabilities	946,042	876,937
Long-term debt	839,538	890,922
Accrued pension and postretirement liability	22,632	30,027
Deferred income taxes	122,712	139,235
Other liabilities	29,157	27,732
Commitments and contingencies		
Stockholders' equity:		
Class A common stock, \$0.01 par value per share, 160,000,000 shares authorized, 67,621,367 shares issued, and 65,779,733 and 65,577,530 shares outstanding at May 31, 2013 and November 30, 2012, respectively	676	676
Additional paid-in capital	680,715	681,409
Treasury stock, at cost: 1,841,634 and 2,043,837 shares at May 31, 2013 and November 30, 2012, respectively	(145,659)	(139,821)
Retained earnings	1,156,348	1,088,787
Accumulated other comprehensive loss	(79,220)	(46,693)
Total stockholders' equity	1,612,860	1,584,358

Total liabilities and stockholders' equity	\$3,572,941	\$3,549,211
See accompanying notes.		

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IHS INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except for per-share amounts)

	Three months ended May 31,		Six months ended May 31,	
	2013	2012	2013	2012
Revenue:				
Products	\$355,927	\$326,517	\$697,405	624,498
Services	62,216	60,642	103,263	105,404
Total revenue	418,143	387,159	800,668	729,902
Operating expenses:				
Cost of revenue:				
Products	143,632	135,532	283,917	260,354
Services	28,792	29,739	48,582	51,507
Total cost of revenue	172,424	165,271	332,499	311,861
Selling, general and administrative	143,609	126,845	285,838	252,021
Depreciation and amortization	32,877	28,992	65,356	55,293
Restructuring charges	3,231	3,628	8,019	11,113
Acquisition-related costs	1,665	501	3,560	1,368
Net periodic pension and postretirement expense	2,242	1,997	4,482	3,997
Other expense (income), net	511	(566)) 2,930	(1,302)
Total operating expenses	356,559	326,668	702,684	