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METTLER TOLEDO INTERNATIONAL INC/  
Form 8-K  
October 15, 2001

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15 (d) of  
the Securities Exchange Act of 1934

Date of Report: October 15, 2001

Mettler-Toledo International Inc.

-----  
(Exact name of registrant as specified in its charter)

|   |                          |   |
|---|--------------------------|---|
| Delaware  | 1-13595                  | 13-3668641                              |
| (State or other jurisdiction<br>of incorporation) | (Commission File Number) | (IRS Employer<br>Identification Number) |

Im Langacher, P.O. Box MT-100  
CH 8606 Greifensee, Switzerland

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(Address of principal executive offices)

Registrant's telephone number, including area code: 41-1-944-22-11

ITEM 5. OTHER MATTERS

On October 14, 2001, Mettler-Toledo International Inc., a Delaware corporation (the "Registrant"), announced that it had entered into a definitive agreement with Rainin Instrument Company, Inc., a Massachusetts corporation, Mr. Kenneth Rainin and Mettler-Toledo, Inc., a wholly owned subsidiary of the Registrant, whereby Mettler-Toledo, Inc. would acquire all of the issued and outstanding membership units of Rainin Instrument Company, LLC, a Delaware limited liability company for a cash purchase price of \$147,892,038 plus 3,388,132 shares of the Registrant's common stock, plus an additional contingent payment, if any, of up to \$60,000,000. Up to half of any additional contingent payment may be paid in shares of

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the Registrant's common stock and the remainder will be paid in cash. The acquisition is subject to certain customary closing conditions including receipt of antitrust and other regulatory approvals.

The press release issued by the Registrant on October 14, 2001 announcing the proposed acquisition is filed as Exhibit 99.1 hereto.

### ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

#### A. FINANCIAL STATEMENTS OF BUSINESSES ACQUIRED

At the time this Report on Form 8-K was filed with the Securities and Exchange Commission, it was impracticable to provide the required financial statements of Rainin Instrument Company, LLC. The required historical financial statements will be filed by amendment as soon as practicable in compliance with Item 7(a)(4) of Form 8-K.

#### B. PRO FORMA FINANCIAL INFORMATION

The Unaudited Pro Forma Combined Financial Statements required by this Item are included on pages 3 through 8 of this Form 8-K.

#### METTLER-TOLEDO INTERNATIONAL INC. UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

The Unaudited Pro Forma Combined Financial Statements have been prepared to give effect to the proposed acquisition of Rainin Instrument Company, LLC ("Rainin") by Mettler-Toledo International Inc. ("Mettler-Toledo" or the "Company") as of June 30, 2001 for the balance sheet, and for the beginning of the periods ended June 30, 2001 and December 31, 2000 for the respective statements of operations. The Rainin historical financial information was derived from unaudited financial information provided by the seller.

The pro forma data reflects adjustments directly related to the proposed acquisition, and does not include adjustments that may arise as a consequence of the acquisition. Accordingly, the Unaudited Pro Forma Combined Financial Statements do not purport to be indicative of what the Company's combined financial position or combined results of operations would actually have been had the proposed acquisition been completed on such date or the beginning of the periods indicated or to project the Company's combined results of operations for any future period.

The proposed acquisition has been accounted for under the purchase method of accounting. Under the purchase method of accounting, tangible and intangible assets acquired and liabilities assumed are recorded at their estimated fair values. The Company has accounted for these estimated fair values and related useful lives based primarily on a preliminary valuation by an independent third party which is subject to final valuation adjustments. The excess of the total acquisition purchase price over the net assets acquired is classified as goodwill and is not amortized in accordance with current generally accepted accounting principles.

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METTLER-TOLEDO INTERNATIONAL INC.  
 UNAUDITED PRO FORMA COMBINED BALANCE SHEET  
 AS OF JUNE 30, 2001  
 (IN THOUSANDS, EXCEPT PER SHARE DATA)

|  | HISTORICAL<br>METTLER-TOLEDO | HISTORICAL<br>RAININ | ASSETS NOT<br>ACQUIRED<br>FROM<br>RAININ ( |
|--|------------------------------|----------------------|--|
| ASSETS   |                              |                      |  |
| Current assets:  |                              |                      |  |
| Cash and cash equivalents  | \$ 23,212                    | \$ 4,482             | \$   |
| Trade accounts receivable, less allowances                                   | 210,031                      | 9,724                |  |
| Inventories, net   | 137,412                      | 12,346               |  |
| Other current assets and prepaid expenses                                    | 40,636                       | 279                  |  |
|  | -----                        | -----                | -----                                      |
| Total current assets   | 411,291                      | 26,831               |  |
| Property, plant and equipment, net   | 182,988                      | 8,025                | (2,8                                       |
| Excess of cost over net assets acquired, net                                 | 221,023                      | 944                  |  |
| Identified intangible assets   |                              |                      |  |
| Other assets   | 39,982                       | 8,795                | (8,2                                       |
|  | -----                        | -----                | -----                                      |
| Total assets   | \$ 855,284                   | \$ 44,595            | \$ (11,0                                   |
|  | =====                        | =====                | =====                                      |
| LIABILITIES AND SHAREHOLDERS' EQUITY   |                              |                      |  |
| Current liabilities:   |                              |                      |  |
| Trade accounts payable   | \$ 67,898                    | \$ 1,023             | \$   |
| Accrued and other liabilities  | 111,635                      | 3,355                |  |
| Accrued compensation and related items                                       | 38,788                       | -                    |  |
| Taxes payable  | 65,618                       | 203                  |  |
| Short-term borrowings and current maturities<br>of long-term debt            | 49,930                       | -                    |  |
|  | -----                        | -----                | -----                                      |
| Total current liabilities  | 333,869                      | 4,581                |  |
| Long term debt   | 200,493                      | -                    |  |
| Non-current deferred taxes   | 22,939                       | -                    |  |
| Other non-current liabilities  | 96,366                       | -                    |  |
|  | -----                        | -----                | -----                                      |
| Total liabilities  | 653,667                      | 4,581                |  |
| Shareholders' equity:  |                              |                      |  |
| Preferred stock, \$0.01 par value per share;<br>authorized 10,000,000 shares | -                            | -                    |  |
| Common stock, \$0.01 par value per share;<br>authorized 125,000,000 shares   | 400                          | -                    |  |
| Additional paid-in capital   | 303,494                      | -                    |  |
| Accumulated deficit  | (47,127)                     | -                    |  |
| Accumulated other comprehensive loss   | (55,150)                     | -                    |  |

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|  |            |           |          |
|--|------------|-----------|----------|
| Historical Rainin equity                   |            | 40,014    | (11,0    |
|  | -----      | -----     | -----    |
| Total shareholders' equity                 | 201,617    | 40,014    | (11,0    |
|  | -----      | -----     | -----    |
| Commitments and contingencies              |            |           |          |
| Total liabilities and shareholders' equity | \$ 855,284 | \$ 44,595 | \$ (11,0 |
|  | =====      | =====     | =====    |

The accompanying notes are an integral part of these pro forma combined financial statements.

METTLER-TOLEDO INTERNATIONAL INC.  
 UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS  
 SIX MONTHS ENDED JUNE 30, 2001  
 (IN THOUSANDS, EXCEPT PER SHARE DATA)

|   | HISTORICAL<br>METTLER-TOLEDO | HISTORICAL<br>RAININ | PRO FORMA<br>ADJUSTMENTS |
|---|------------------------------|----------------------|--------------------------|
| Net sales                                   | \$ 544,677                   | \$ 38,517            | \$ (1,248)               |
| Cost of sales                               | 299,518                      | 14,071               | (517)                    |
|   | -----                        | -----                | -----                    |
| Gross profit                                | 245,159                      | 24,446               | (986)                    |
| Research and development                    | 30,310                       | 1,621                | -                        |
| Selling, general and administrative         | 144,124                      | 10,347               | (125)                    |
|   |                              |                      | (189)                    |
|   |                              |                      | 200                      |
|   |                              |                      | 250                      |
| Amortization                                | 6,237                        | -                    | 1,537                    |
| Interest expense                            | 9,346                        | -                    | 4,485                    |
| Other charges, net                          | 15,297                       | 15                   | (200)                    |
|   | -----                        | -----                | -----                    |
| Earnings before taxes and minority interest | 39,845                       | 12,463               | (6,944)                  |
| Provision for taxes                         | 18,665                       | -                    | 2,208                    |
|   | -----                        | -----                | -----                    |
| Net earnings                                | \$ 21,180                    | \$ 12,463            | \$ (9,152)               |
|   | =====                        | =====                | =====                    |
| Basic earnings per common share:            |                              |                      |                          |
| Net earnings                                | \$ 0.53                      |                      |                          |
| Weighted average number of common shares    | 39,914,687                   |                      | 3,388,132                |
| Diluted earnings per common share:          |                              |                      |                          |
| Net earnings                                | \$ 0.50                      |                      |                          |
| Weighted average number of common shares    | 42,505,268                   |                      | 3,388,132                |

The accompanying notes are an integral part of these pro forma combined financial statements.

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METTLER-TOLEDO INTERNATIONAL INC.  
 UNAUDITED PRO FORMA COMBINED STATEMENTS OF OPERATIONS  
 YEAR ENDED DECEMBER 31, 2000  
 (IN THOUSANDS, EXCEPT PER SHARE DATA)

|  | HISTORICAL<br>METTLER-TOLEDO | HISTORICAL<br>RAININ | PRO FORMA<br>ADJUSTMENTS |
|--|------------------------------|----------------------|--------------------------|
| Net sales                                      | \$1,095,547                  | \$ 66,033            | \$ (2,417) (f)           |
|  |                              |                      | (34) (e)                 |
| Cost of sales                                  | 600,185                      | 25,051               | (1,020) (f)              |
|  |                              |                      | 1,300 (g)                |
| Gross profit                                   | 495,362                      | 40,982               | (2,731)                  |
| Research and development                       | 56,334                       | -                    | 2,769 (i)                |
| Selling, general and administrative            | 296,187                      | 20,346               | (2,769) (i)              |
|  |                              |                      | (242) (f)                |
|  |                              |                      | 37 (e)                   |
|  |                              |                      | 1,200 (g)                |
|  |                              |                      | 300 (i)                  |
| Amortization                                   | 11,564                       | -                    | 3,075 (h)                |
| Interest expense                               | 20,034                       | -                    | 8,970 (c)                |
| Other charges, net                             | 2,638                        | 1,764                | (300) (i)                |
| Earnings before taxes and<br>minority interest | 108,605                      | 18,872               | (15,771)                 |
| Provision for taxes                            | 38,510                       | 839                  | 401 (j)                  |
| Minority interest                              | (24)                         | -                    | -                        |
| Net earnings                                   | \$ 70,119                    | \$ 18,033            | \$ (16,172)              |
| Basic earnings per common share:               |                              |                      |                          |
| Net earnings                                   | \$ 1.80                      |                      |                          |
| Weighted average number of common shares       | 38,897,879                   |                      | 3,388,132 (c)            |
| Diluted earnings per common share:             |                              |                      |                          |
| Net earnings                                   | \$ 1.66                      |                      |                          |
| Weighted average number of common shares       | 42,141,548                   |                      | 3,388,132 (c)            |

The accompanying notes are an integral part of these pro forma combined financial statements.

METTLER-TOLEDO INTERNATIONAL INC.  
 NOTES TO THE PRO FORMA COMBINED FINANCIAL STATEMENTS  
 (In thousands, except per share data)

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- (a) Represents the elimination of certain historical non-current assets that have not been acquired by the Company.
- (b) Represents the preliminary allocation of the excess of the purchase price over the estimated assets and liabilities acquired. The actual allocation of the purchase price may differ from that reflected in the Unaudited Pro Forma Combined Financial Statements after completion of valuations performed as of the date of the acquisition. The preliminary allocation is as follows:

|   |            |
|---|------------|
| TOTAL PURCHASE PRICE:   |            |
| Shares of Mettler-Toledo common stock to be issued  | 3,388,132  |
| Price per share*  | \$ 42.60   |
|   | -----      |
| Value of Mettler-Toledo common stock to be issued   | \$ 144,334 |
| Cash paid to seller   | 147,892    |
| Estimated Mettler-Toledo transaction costs  | 2,000      |
|   | -----      |
| Total purchase price  | 294,226    |
| APPLICATION OF CONSIDERATION TO ACQUIRED ASSETS:  |            |
| Historical Rainin net assets acquired, adjusted for the elimination of existing goodwill of \$944 | (28,003)   |
| Fair value adjustments relating to:   |            |
| Accrual for trade-in liability  | 8,500      |
| Customer relationships  | (67,383)   |
| Technology - patents  | (17,352)   |
| Intellectual property license   | (19,905)   |
| Tradename   | (22,434)   |
|   | -----      |
| Preliminary goodwill  | \$147,649  |
|   | =====      |

\* Based on the average 5 days closing price before the announcement of the acquisition.

- (c) Adjustments pertaining to financing the total acquisition purchase price of \$294.2 million include additional borrowings of \$149.9 million and related interest expense under the Company's existing credit facilities at an assumed interest rate of 6% per annum, and the issuance of approximately 3.4 million shares of Mettler-Toledo common stock at a fair market value of \$144.3 million.

Pursuant to the acquisition agreement, the Company may be required to make additional earn-out payments of up to \$60.0 million. Up to half of any additional contingent payment will be paid in shares of the Company's common stock and the remainder will be paid in cash.

METTLER-TOLEDO INTERNATIONAL INC.  
 NOTES TO THE PRO FORMA COMBINED FINANCIAL STATEMENTS  
 (CONTINUED)  
 (In thousands, except per share data)

- (d) Represents the elimination of Rainin's historical equity and net

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goodwill of \$944.

- (e) Reflects an adjustment to account for Rainin's trade-in program on an accrual basis to conform with the Company's accounting principles.
- (f) Represents an adjustment to eliminate sales, cost of sales and selling, general and administrative expense associated with pipette sales that are purchased from a direct competitor of Rainin that will be terminated as a result of the transaction.
- (g) Represents the incremental rent and other related costs for certain of Rainin's facilities on the post-transaction negotiated "arms length" basis.
- (h) Reflects an adjustment to amortize identifiable intangible assets on a straight-line basis over periods ranging from 11-45 years.
- (i) Reflects a reclassification to conform with the Company's financial statement presentation.
- (j) Reflects the tax effect on Rainin's historical financial results and pro forma adjustments at the combined U.S. federal and state statutory tax rate of 40%, as if the transaction had occurred at the beginning of each period presented. Since Rainin was organized as a Subchapter S Corporation of the Internal Revenue Code, the Company's historical statements make no provisions for federal income taxes and for certain state income taxes where a Subchapter S election has been made.

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C. EXHIBITS

A copy of the press release announcing the acquisition is attached hereto as Exhibit 99.1 and incorporated by reference.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

METTLER-TOLEDO INTERNATIONAL INC.  
(Registrant)

Dated: October 15, 2001

By: /S/ WILLIAM P. DONNELLY

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William P. Donnelly  
Vice President and  
Chief Financial Officer