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## Invacare Corp. Q3 2008 Earnings Call Transcript

### Earnings Call Excerpt

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Invacare Corp. (IVC)

Q3 2008 Earnings Call Transcript

October 23, 2008 8:30 am ET

#### **Executives**

Mal Mixon - Chairman and CEO

Rob Gudbranson - SVP and CFO

#### **Analysts**

Eric Gommel - Stifel Nicolaus

Joshua Zable - Natixis Bleichroeder

Greg Williams - Sidoti & Company

Greg Halter - Great Lakes Review

Greg Macosko - Lord Abbett

#### **Presentation**

#### **Operator**

Good morning, ladies and gentlemen, and thank you for standing by. Welcome to the Invacare 2008 Third Quarter Earnings Conference Call. We are now ready to begin the call. Before I turn the call over to the Invacare's Chairman and Chief Executive Officer, Mr. Mal Mixon, I would like to remind you that all phone lines have been placed on mute for the first part of this call. After the management review, we will open the call up to questions. This conference is being recorded Thursday, October 23rd, 2008.

I would like to turn the call over to Mr. Mal Mixon, Chairman and Chief Executive Officer. Mr. Mixon, you may now begin.

#### **Mal Mixon**

Thank you very much. For today's call I have with me Rob Gudbranson, Invacare's Chief Financial Officer. I'd like to begin with our customary Safe Harbor statement, that is that this conference call may include statements regarding anticipated and future developments, that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Results may differ materially as a result of the risk factors included in the company's filings with the Securities and Exchange Commission, and other factors over which the company has no control.

I will now review Invacare's performance in the third quarter ended September 30th, 2008. We will focus on the highlights of the release, as opposed to covering all of the detail, which you can read in the release after the call.

I would refer investors to the company's earning release to review the definition of free cash flow and some of the adjusted earnings items which will be mentioned below. You can find the release on Invacare's website.

Invacare reported strong earnings growth in the third quarter. Adjusted earnings per share were \$0.42 for the third quarter of 2008, as compared to adjusted earnings per share for the same period last year of \$0.34. Adjusted net earnings for the quarter were \$13.4 million versus \$10.8 million last year.

Adjusted earnings before taxes for the third quarter were \$17.5 million, as compared to \$12.4 million for the third quarter last year. The significant improvement in adjusted earnings before income taxes was primarily the result of organic sales growth for both volume and selective price increases, cost reduction activities and reduced net interest expense, which were partially offset by increases commodities in costs.

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