

GoPro, Inc.  
Form 10-Q  
October 29, 2015

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 September 30, 2015

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: 001-36514

GOPRO, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

77-0629474

(I.R.S. Employer  
Identification No.)

3000 Clearview Way  
San Mateo, California

(Address of principal executive offices)  
(650) 332-7600

(Registrant's telephone number, including area code)

94402

(Zip 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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, 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

Smaller reporting company

(Do not check if a  
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 September 30, 2015, there were 101,654,028 shares of the Registrant's Class A common stock outstanding and 35,869,701 shares of the Registrant's Class B common stock outstanding.

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## PART I. FINANCIAL INFORMATION

## Item 1. Condensed Consolidated Financial Statements

GoPro, Inc.

Condensed Consolidated Balance Sheets  
(unaudited)

(in thousands, except par value)	September 30, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$279,969	\$319,929
Marketable securities	233,133	102,327
Accounts receivable, net	120,666	183,992
Inventory	289,521	153,026
Prepaid expenses and other current assets	79,976	63,769
Total current assets	1,003,265	823,043
Property and equipment, net	67,644	41,556
Intangible assets, net	32,547	2,937
Goodwill	57,095	14,095
Other long-term assets	48,730	36,060
Total assets	\$1,209,281	\$917,691
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$159,901	\$126,240
Accrued liabilities	166,116	115,775
Deferred revenue	13,095	14,022
Income taxes payable	6,630	2,732
Total current liabilities	345,742	258,769
Other long-term liabilities	32,849	17,718
Total liabilities	378,591	276,487
Commitments, contingencies and guarantees (see Note 9)		
Stockholders' equity:		
Common stock and additional paid-in capital, \$0.0001 par value, 500,000 Class		
A shares authorized, 101,654 and 52,091 shares issued and outstanding at September 30, 2015 and December 31, 2014, respectively; 150,000 Class B shares authorized, 35,870 and 77,023 shares issued and outstanding at September 30, 2015 and December 31, 2014, respectively	651,904	533,000
Retained earnings	178,786	108,204
Total stockholders' equity	830,690	641,204
Total liabilities and stockholders' equity	\$1,209,281	\$917,691

The accompanying notes are an integral part of these condensed consolidated financial statements.

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GoPro, Inc.  
Condensed Consolidated Statements of Operations  
(unaudited)

(in thousands, except per share data)	Three months ended		Nine months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Revenue	\$400,340	\$279,971	\$1,183,368	\$760,292
Cost of revenue	213,710	155,932	638,665	436,870
Gross profit	186,630	124,039	544,703	323,422
Operating expenses:				
Research and development	67,372	42,376	175,262	105,778
Sales and marketing	66,427	48,109	186,290	133,151
General and administrative	25,195	20,097	87,109	71,146
Total operating expenses	158,994	110,582	448,661	310,075
Operating income	27,636	13,457	96,042	13,347
Other expense, net	(363	) (1,784	) (2,485	) (4,945
Income before income taxes	27,273	11,673	93,557	8,402
Income tax expense (benefit)	8,474	(2,947	) 22,975	2,574
Net income	\$18,799	\$14,620	\$70,582	\$5,828