

SYNAPTICS Inc
Form 10-Q
October 30, 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 26, 2015

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 000-49602

SYNAPTICS INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware 77-0118518
(State or other jurisdiction of (I.R.S. Employer

incorporation or organization) Identification No.)

1251 McKay Drive

San Jose, California 95131

(Address of principal executive offices) (Zip code)

(408) 904-1100

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(Registrant's telephone number, including area 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 Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) 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. (Check one):

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

Number of shares of Common Stock outstanding at October 23, 2015: 36,232,275

SYNAPTICS INCORPORATED

QUARTERLY REPORT ON FORM 10-Q

FOR THE QUARTER ENDED SEPTEMBER 26, 2015

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PART I—FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

SYNAPTICS INCORPORATED AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(in millions, except par value and share amounts)

(unaudited)

	September 30, 2015	June 30, 2015
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 274.5	\$ 399.9
Accounts receivable, net of allowances of \$2.9	349.1	324.6
Inventories	146.5	140.2
Prepaid expenses and other current assets	41.9	51.3
Total current assets	812.0	916.0
Property and equipment at cost, net of accumulated depreciation of \$75.0		
and \$67.4 at September 30, 2015 and June 30, 2015, respectively	117.4	123.4
Goodwill	206.8	206.8
Acquired intangibles, net	220.7	235.4
Non-current other assets	37.2	37.8
	\$ 1,394.1	\$ 1,519.4
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 169.4	\$ 188.5
Accrued compensation	33.7	35.9
Income taxes payable	25.4	34.7
Acquisition-related liabilities	97.6	102.2
Other accrued liabilities	77.5	74.1
Current portion of long-term debt	13.1	11.3
Total current liabilities	416.7	446.7
Long-term debt, net of issuance costs	227.5	231.1
Deferred tax liabilities	28.7	33.9
Other long-term liabilities	15.5	14.6
Total liabilities	688.4	726.3
Stockholders' Equity:		

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Common stock:

\$0.001 par value; 120,000,000 shares authorized,

58,460,636 and 58,249,107 shares issued, and 36,072,424 and 37,529,608

shares outstanding, at September 30, 2015 and June 30, 2015, respectively	0.1	0.1
Additional paid-in capital	858.3	843.8
Treasury stock: 22,388,212 and 20,719,499 common treasury shares at		
September 30, 2015 and June 30, 2015, respectively, at cost	(776.7)	(651.7)
Accumulated other comprehensive income	7.1	7.8
Retained earnings	616.9	593.1
Total stockholders' equity	705.7	793.1
	\$ 1,394.1	\$ 1,519.4

See accompanying notes to condensed consolidated financial statements (unaudited).

SYNAPTICS INCORPORATED AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share data)

(unaudited)

	Three Months Ended September 30,	
	2015	2014
Net revenue	\$470.0	\$282.8
Cost of revenue	306.2	162.5
Gross margin	163.8	120.3
Operating expenses:		
Research and development	80.5	57.5
Selling, general, and administrative	40.2	30.7
Acquired intangibles amortization	4.7	0.3
Change in contingent consideration	2.7	(4.5)
Restructuring costs	1.9	-
Total operating expenses	130.0	84.0
Operating income	33.8	36.3
Interest and other income/(expense), net	(0.8)	0.6
Income before provision for income taxes	33.0	36.9
Provision for income taxes	9.2	10.3
Net income	\$23.8	\$26.6
Net income per share:		
Basic	\$0.65	\$0.72
Diluted	\$0.62	\$0.68