

SYNIVERSE TECHNOLOGIES INC

Form 10-Q

August 07, 2009

Table of Contents

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 June 30, 2009

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 001-32432

333-88168

SYNIVERSE HOLDINGS, INC.

SYNIVERSE TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Delaware
Delaware
(State or other jurisdiction of
incorporation or organization)

30-0041666
06-1262301
(I.R.S. Employer
Identification No.)

8125 Highwoods Palm Way

Tampa, Florida 33647

(Address of principal executive office)

(Zip code)

(813) 637-5000

(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 past 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 Regulations 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.

Large accelerated filer

Accelerated filer

Non-accelerated filer

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

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock, as of the latest practicable date.

Shares Outstanding as of August 5, 2009

Syniverse Holdings, Inc.: 68,757,763 shares of common stock, \$0.001 par value

Syniverse Technologies, Inc.: 2,000 shares of common stock, no par value,

all of which are owned by Syniverse Holdings, Inc.

Table of Contents

TABLE OF CONTENTS

	Page
PART I: <u>FINANCIAL INFORMATION</u>	
ITEM 1: <u>Financial Statements</u>	3
<u>Condensed Consolidated Balance Sheets as of June 30, 2009 (Unaudited) and December 31, 2008</u>	3
<u>Condensed Consolidated Statements of Income (Unaudited) for the three and six months ended June 30, 2009 and 2008</u>	4
<u>Condensed Consolidated Statements of Cash Flows (Unaudited) for the six months ended June 30, 2009 and 2008</u>	5
<u>Notes to Condensed Unaudited Consolidated Financial Statements</u>	6
ITEM 2: <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	24
ITEM 3: <u>Quantitative and Qualitative Disclosures About Market Risk</u>	36
ITEM 4: <u>Controls and Procedures</u>	36
PART II: <u>OTHER INFORMATION</u>	
ITEM 1: <u>Legal Proceedings</u>	37
ITEM 1A: <u>Risk Factors</u>	37
ITEM 2: <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	37
ITEM 3: <u>Defaults Upon Senior Securities</u>	37
ITEM 4: <u>Submission of Matters to a Vote of Security Holders</u>	37
ITEM 5: <u>Other Information</u>	38
ITEM 6: <u>Exhibits</u>	38
<u>SIGNATURES</u>	39
<u>EXHIBIT INDEX</u>	40

Table of Contents**PART 1****FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****SYNIVERSE HOLDINGS, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS****(AMOUNTS IN THOUSANDS, EXCEPT SHARE DATA)**

	June 30, 2009 (Unaudited)	December 31, 2008
ASSETS		
Current assets:		
Cash	\$ 187,846	\$ 165,605
Accounts receivable, net of allowances of \$4,018 and \$2,347, respectively	86,005	88,782
Prepaid and other current assets	30,626	20,971
Total current assets	304,477	275,358
Property and equipment, net	54,749	50,251
Capitalized software, net	59,752	60,184
Deferred costs, net	8,255	7,288
Goodwill	601,588	596,662
Identifiable intangibles, net	199,508	208,518
Other assets	1,701	1,573
Total assets	\$ 1,230,030	\$ 1,199,834
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 12,049	\$ 7,311
Accrued payroll and related benefits	7,275	20,111
Accrued interest	5,177	5,160
Accrued income taxes	2,168	9,891
Deferred revenues	3,916	4,260
Other accrued liabilities	27,552	28,975
Current portion of Term Note B	3,427	3,431
Total current liabilities	61,564	79,139
Long-term liabilities:		
Deferred tax liabilities	73,625	65,546
7 ³ / ₄ % senior subordinated notes due 2013	175,000	175,000
Term Note B, less current maturities	333,237	335,382
Other long-term liabilities	10,089	8,925
Total liabilities	653,515	663,992

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Stockholders' equity:

Preferred stock, \$0.001 par value; 300,000 shares authorized; no shares issued		
Common stock, \$0.001 par value; 100,300,000 shares authorized; 68,930,279 shares issued and 68,738,281 shares outstanding and 68,847,632 shares issued and 68,455,634 shares outstanding at June 30, 2009 and December 31, 2008, respectively	68	68
Additional paid-in capital	474,768	471,524
Retained earnings	115,878	83,315
Accumulated other comprehensive loss	(15,173)	(19,035)
Common stock held in treasury, at cost; 191,998 and 391,998 at June 30, 2009 and December 31, 2008, respectively.	(15)	(30)
Total Syniverse Holdings, Inc. stockholders' equity	575,526	535,842
Noncontrolling interest	989	
Total equity	576,515	535,842
Total liabilities and equity	\$ 1,230,030	\$ 1,199,834

See Notes to Condensed Unaudited Consolidated Financial Statements

Table of Contents**SYNIVERSE HOLDINGS, INC.****CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)****(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Revenues	\$ 113,478	\$ 127,619	\$ 222,402	\$ 243,264
Costs and expenses:				
Cost of operations (excluding depreciation and amortization shown separately below)	40,904	41,589	80,862	79,567
Sales and marketing	8,835	12,200	17,523	22,954
General and administrative	17,005	19,868	34,003	38,010
Depreciation and amortization	14,037	13,791	27,621	27,424
Restructuring				17
	80,781	87,448	160,009	167,972
Operating income	32,697	40,171	62,393	75,292
Other income (expense), net:				
Interest income	49	482	241	912
Interest expense	(7,495)	(9,407)	(14,851)	(19,127)
Other, net	851	(272)	1,134	(215)
	(6,595)	(9,197)	(13,476)	(18,430)
Income before provision for income taxes	26,102	30,974	48,917	56,862
Provision for income taxes	9,624	10,622	16,407	21,117
Net income	16,478	20,352	32,510	35,745
Less: Net loss attributable to noncontrolling interest	(53)		(53)	
Net income attributable to Syniverse Holdings, Inc.	\$ 16,531	\$ 20,352	\$ 32,563	\$ 35,745
Net income per common share:				
Basic	\$ 0.24	\$ 0.30	\$ 0.47	\$ 0.53
Diluted	\$ 0.24	\$ 0.30	\$ 0.47	\$ 0.52
Weighted average common shares outstanding:				
Basic	67,945	67,619	67,907	67,564
Diluted	68,029	67,740	67,980	67,649

See Notes to Condensed Unaudited Consolidated Financial Statements

Table of Contents

SYNIVERSE HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(AMOUNTS IN THOUSANDS)

A/NASDAQ Trade Reporting Facility (**FNTRF**) the correct symbol indicating whether transactions were buy, sell, sell short, sell short exempt or cross for transa

third party examiner. Within 420 days after the date of notice of acceptance of this AWC, Merrill Lynch shall require its third party examiner to submit a written final

Page 22 of 30

with all terms of the Order and provide a written report to the SEC setting forth its findings and its recommendations regarding any revisions or improvements to BAS

Page 24 of 30

aws, regulations and NASD rules concerning the registration of associated persons, the front-running of orders in CQS securities, SEC rules 11AC1-5 and 11AC1-6,

