

CIRRUS LOGIC INC
Form 10-Q
July 23, 2014

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 June 28, 2014

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 0-17795

CIRRUS LOGIC, INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of incorporation or
organization)

77-0024818
(I.R.S. Employer Identification
No.)

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800 W. 6th Street,
Austin, TX 78701

(Address of principal executive
offices)

Registrant's telephone number, including area code: (512) 851-4000

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 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

The number of shares of the registrant's common stock, \$0.001 par value, outstanding as of July 18, 2014 was 62,133,785.

CIRRUS LOGIC, INC.

FORM 10-Q QUARTERLY REPORT

QUARTERLY PERIOD ENDED JUNE 28, 2014

TABLE OF CONTENTS

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Consolidated Condensed Balance Sheets - June 28, 2014 (unaudited) and March 29, 2014 3

Consolidated Condensed Statements of Comprehensive Income (unaudited) - Three Months Ended June 28, 2014 and June 29, 2013 4

Consolidated Condensed Statements of Cash Flows (unaudited) - Three Months Ended June 28, 2014 and June 29, 2013 5

Notes to Consolidated Condensed Financial Statements (unaudited) 6

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations 13

Item 3. Quantitative and Qualitative Disclosures about Market Risk 18

Item 4. Controls and Procedures 18

PART II - OTHER INFORMATION

Item 1. Legal Proceedings 19

Item 1A. Risk Factors 19

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds 20

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Item 3. Defaults Upon Senior Securities	20
Item 4. Mine Safety Disclosures	20
Item 5. Other Information	20
Item 6. Exhibits	21
Signatures	21

Part I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CIRRUS LOGIC, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS
(in thousands)

	June 28, 2014 (unaudited)	March 29, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 268,544	\$ 31,850
Marketable securities	75,198	263,417
Accounts receivable, net	77,219	63,220
Inventories	92,002	69,743
Deferred tax assets	19,921	22,024
Other current assets	40,469	25,079
Total current assets	573,353	475,333
Long-term marketable securities	39,952	89,243
Property and equipment, net	102,765	103,650
Goodwill and intangibles, net	27,708	28,366
Deferred tax assets	25,034	25,065
Other assets	1,007	3,087
Total assets	\$ 769,819	\$ 724,744
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 75,695	\$ 51,932
Accrued salaries and benefits	11,598	13,388
Deferred income	7,398	5,631
Other accrued liabilities	14,080	11,572
Total current liabilities	108,771	82,523
Long-term liabilities	4,039	4,863
Stockholders' equity:		
Capital stock	1,088,493	1,078,878
Accumulated deficit	(430,663)	(440,634)
Accumulated other comprehensive loss	(821)	(886)
Total stockholders' equity	657,009	637,358

Total liabilities and stockholders' equity \$ 769,819 \$ 724,744

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

3

CIRRUS LOGIC, INC.
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE
INCOME

(in thousands, except per share amounts; unaudited)

	Three Months Ended	
	June 28, 2014	June 29, 2013
Net sales	\$ 152,565	\$ 155,125
Cost of sales	77,190	75,627
Gross profit	75,375	79,498
Operating expenses		
Research and development	39,777	28,530
Selling, general and administrative	19,683	19,198
Patent infringement settlements, net	-	695
Restructuring and other	-	(430)
Total operating expenses	59,460	47,993
Income from operations	15,915	31,505
Interest income	195	158
Interest expense	(662)	-
Other income (expense)	501	(17)
Income before income taxes	15,949	31,646
Provision for income taxes	5,701	11,004
Net income	10,248	20,642
Change in unrealized gain (loss) on marketable securities	100	(40)
Tax effect of unrealized (gain) loss on marketable securities	(35)	67
Comprehensive income	\$ 10,313	\$ 20,669
Basic earnings per share	\$ 0.17	\$ 0.33
Diluted earnings per share	\$ 0.16	\$ 0.31
Basic weighted average common shares outstanding	62,032	63,363
Diluted weighted average common shares outstanding	64,688	66,188

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

CIRRUS LOGIC, INC.
 CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
 (in thousands; unaudited)

	Three Months Ended	
	June 28, 2014	June 29, 2013
Cash flows from operating activities:		
Net income	\$ 10,248	\$ 20,642
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,097	3,367
Stock compensation expense	5,622	