

ZEBRA TECHNOLOGIES CORP
Form 10-Q
August 06, 2013
Table of Contents

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 29, 2013

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: 000-19406

Zebra Technologies Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of

incorporation or organization)

36-2675536
(I.R.S. Employer

Identification No.)

475 Half Day Road, Suite 500, Lincolnshire, IL 60069

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(847) 634-6700**

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

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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 definition 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 (Do not check if 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

As of July 26, 2013, there were 50,768,805 shares of Class A Common Stock, \$.01 par value, outstanding.

Table of Contents

ZEBRA TECHNOLOGIES CORPORATION AND SUBSIDIARIES

QUARTER ENDED JUNE 29, 2013

INDEX

	PAGE
<u>PART I - FINANCIAL INFORMATION</u>	
Item 1. <u>Consolidated Financial Statements</u>	
<u>Consolidated Balance Sheets as of June 29, 2013 (unaudited) and December 31, 2012</u>	3
<u>Consolidated Statements of Earnings (unaudited) for the three and six months ended June 29, 2013 and June 30, 2012</u>	4
<u>Consolidated Statements of Comprehensive Income (unaudited) for the three and six months ended June 29, 2013 and June 30, 2012</u>	5
<u>Consolidated Statements of Cash Flows (unaudited) for the six months ended June 29, 2013 and June 30, 2012</u>	6
<u>Notes to Consolidated Financial Statements</u>	7
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	22
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	29
Item 4. <u>Controls and Procedures</u>	30
<u>PART II - OTHER INFORMATION</u>	
Item 1. <u>Legal Proceedings</u>	31
Item 1A. <u>Risk Factors</u>	31
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	31
Item 6. <u>Exhibits</u>	32
<u>SIGNATURES</u>	33

Table of Contents**PART I - FINANCIAL INFORMATION****Item 1. Consolidated Financial Statements****ZEBRA TECHNOLOGIES CORPORATION AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS**

(Amounts in thousands)

	June 29, 2013 (Unaudited)	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 55,886	\$ 64,740
Investments and marketable securities	389,799	324,140
Accounts receivable, net	170,856	168,732
Inventories, net	109,149	123,357
Deferred income taxes	13,190	13,484
Income taxes receivable	7,481	0
Prepaid expenses and other current assets	16,246	16,410
Total current assets	762,607	710,863
Property and equipment at cost, less accumulated depreciation and amortization	101,737	101,349
Long-term deferred income taxes	0	2,602
Goodwill	94,942	94,942
Other intangibles, net	35,425	39,151
Long-term investments and marketable securities	8,353	5,195
Other assets	15,491	13,646
Total assets	\$ 1,018,555	\$ 967,748
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 31,945	\$ 23,045
Accrued liabilities	50,584	57,234
Deferred revenue	12,416	13,326
Income taxes payable	6,870	1,609
Total current liabilities	101,815	95,214
Long-term deferred tax liability	1,544	0
Deferred rent	1,332	1,303
Other long-term liabilities	17,285	14,229
Total liabilities	121,976	110,746
Stockholders' equity:		
Preferred Stock	0	0
Class A Common Stock	722	722
Additional paid-in capital	137,342	139,523

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Treasury stock	(654,518)	(641,438)
Retained earnings	1,422,628	1,368,520
Accumulated other comprehensive loss	(9,595)	(10,325)
Total stockholders equity	896,579	857,002
Total liabilities and stockholders equity	\$ 1,018,555	\$ 967,748

See accompanying notes to consolidated financial statements.

Table of Contents**ZEBRA TECHNOLOGIES CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF EARNINGS**

(Amounts in thousands, except per share data)

(Unaudited)

	Three Months Ended		Six Months Ended	
	June 29, 2013	June 30, 2012	June 29, 2013	June 30, 2012
Net sales:				
Net sales of tangible products	\$ 239,909	\$ 234,708	\$ 465,030	\$ 467,184
Revenue from services and software	13,251	12,369	25,067	23,768
Total net sales	253,160	247,077	490,097	490,952
Cost of sales:				
Cost of sales of tangible products	125,664	119,980	242,775	239,013
Cost of services and software	6,589	6,720	13,350	11,679
Total cost of sales	132,253	126,700	256,125	250,692
Gross profit	120,907	120,377	233,972	240,260
Operating expenses:				
Selling and marketing	33,830	32,158	67,345	64,272
Research and development	23,201	22,336	45,059	42,752
General and administrative	24,053	24,402	49,329	48,722
Amortization of intangible assets	1,863	770	3,726	1,540
Acquisition costs	618	1,252	1,100	1,506
Exit and restructuring costs	1,101	0	2,996	0
Total operating expenses	84,666	80,918	169,555	158,792
Operating income	36,241	39,459	64,417	81,468
Other income (expense):				
Investment income	473	826	1,150	1,418
Foreign exchange loss	(462)	(80)	(560)	(422)
Other, net	1,464	(486)	1,473	(850)
Total other income	1,475	260	2,063	146
Income from continuing operations before income taxes	37,716	39,719	66,480	81,614
Income taxes	7,158	9,366	12,380	21,097
Income from continuing operations	30,558	30,353	54,100	60,517
Income from discontinued operations, net of tax	8	300	8	300

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Net income	\$ 30,566	\$ 30,653	\$ 54,108	\$ 60,817
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Basic earnings per share:

Income from continuing operations	\$ 0.60	\$ 0.58	\$ 1.06	\$ 1.16
Income from discontinued operations	0.00	0.01	0.00	0.01

Net income	\$ 0.60	\$ 0.59	\$ 1.06	\$ 1.17
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Diluted earnings per share:

Income from continuing operations	\$ 0.60	\$ 0.58	\$ 1.05	\$ 1.16
Income from discontinued operations	0.00	0.01	0.00	0.01