

3D SYSTEMS CORP
Form 10-Q
August 03, 2016

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 30, 2016

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 No. 001-34220

3D SYSTEMS CORPORATION

(Exact name of Registrant as specified in its Charter)

DELAWARE	95 4431352
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
333 THREE D SYSTEMS CIRCLE	
ROCK HILL, SOUTH CAROLINA	29730
(Address of Principal Executive Offices)	(Zip Code)

(Registrant's Telephone Number, Including Area Code): (803) 326 3900

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 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

APPLICABLE ONLY TO CORPORATE ISSUERS:

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

Shares of Common Stock, par value \$0.001, outstanding as of July 27, 2016: 112,207,399

1

3D SYSTEMS CORPORATION

Quarterly Report on Form 10-Q for the

Quarter and Six Months Ended June 30, 2016

TABLE OF CONTENTS

<u>PART I — FINANCIAL INFORMATION</u>	
<u>Item 1. Financial Statements.</u>	3
<u>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.</u>	19
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk.</u>	31
<u>Item 4. Controls and Procedures.</u>	31
<u>PART II — OTHER INFORMATION</u>	
<u>Item 1. Legal Proceedings.</u>	31
<u>Item 1A. Risk Factors.</u>	31
<u>Item 6. Exhibits.</u>	31
Exhibit 31.1	
Exhibit 31.2	
Exhibit 32.1	
Exhibit 32.2	

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements.

3D SYSTEMS CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(in thousands, except par value)	June 30, 2016	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 176,248	\$ 155,643
Accounts receivable, net of reserves — \$16,151 (2016) and \$14,139 (2015)	125,095	157,406
Inventories, net of reserves — \$22,281 (2016) and \$28,225 (2015)	123,157	105,877
Prepaid expenses and other current assets	15,997	13,541
Total current assets	440,497	432,467
Property and equipment, net	87,258	85,995
Intangible assets, net	141,081	157,466
Goodwill	187,569	187,875
Long term deferred income tax asset	2,789	3,216
Other assets, net	25,117	26,256
Total assets	\$ 884,311	\$ 893,275
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of capitalized lease obligations	\$ 564	\$ 529
Accounts payable	42,356	46,869
Accrued and other liabilities	50,756	54,699
Customer deposits	6,005	8,229
Deferred revenue	43,706	35,145
Total current liabilities	143,387	145,471
Long term portion of capitalized lease obligations	7,917	8,187
Long term deferred income tax liability	15,526	17,944
Other liabilities	58,077	58,155
Total liabilities	224,907	229,757
Redeemable noncontrolling interests	8,872	8,872
Commitments and contingencies (Note 13)		
Stockholders' equity:		