

IROBOT CORP
Form 10-Q
August 03, 2018

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, 2018
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 001-36414

iROBOT CORPORATION
(Exact name of registrant as specified in its charter)

Delaware 77-0259 335
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)
8 Crosby Drive
Bedford, MA 01730
(Address of principal executive offices)

(781) 430-3000
(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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth 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
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the

Exchange Act. ”

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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 outstanding of the Registrant's Common Stock as of July 30, 2018 was 27,406,044.

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iROBOT CORPORATION
CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)
(unaudited)

	June 30, 2018	December 30, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$88,783	\$ 128,635
Short term investments	38,551	37,225
Accounts receivable, net	75,127	142,829
Inventory	115,377	106,932
Other current assets	30,608	19,105
Total current assets	348,446	434,726
Property and equipment, net	47,252	44,579
Deferred tax assets	33,154	31,531
Goodwill	118,319	121,440
Intangible assets, net	34,079	44,712
Other assets	15,531	14,534
Total assets	\$596,781	\$ 691,522
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$66,926	\$ 116,316
Accrued expenses	51,574	73,647
Deferred revenue and customer advances	2,223	7,761
Total current liabilities	120,723	197,724
Deferred tax liabilities	7,190	9,539
Other long-term liabilities	10,827	13,932
Total long-term liabilities	18,017	23,471
Total liabilities	138,740	221,195
Commitments and contingencies (Note 12)		
Preferred stock, 5,000 shares authorized and none outstanding	—	—
Common stock, \$0.01 par value, 100,000 shares authorized; 27,402 and 27,945 shares issued and outstanding at June 30, 2018 and December 30, 2017, respectively	274	279
Additional paid-in capital	151,556	190,067
Retained earnings	309,901	277,989
Accumulated other comprehensive (loss) income	(3,690)	1,992
Total stockholders' equity	458,041	470,327
Total liabilities and stockholders' equity	\$596,781	\$ 691,522

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

iROBOT CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2018	July 1, 2017	June 30, 2018	July 1, 2017
Revenue	\$226,317	\$183,148	\$443,385	\$351,615
Cost of revenue:				
Cost of product revenue	103,712	91,009	200,213	171,269
Amortization of intangible assets	4,679	2,248	9,461	3,112
Total cost of revenue (1)	108,391	93,257	209,674	174,381
Gross margin	117,926	89,891	233,711	177,234
Operating expenses:				
Research and development (1)	34,924	26,167	67,869	51,675
Selling and marketing (1)	45,910	40,123	77,239	62,698
General and administrative (1)	23,468	19,513	49,301	37,135
Amortization of intangible assets	269	—	542	—
Total operating expenses	104,571	85,803	194,951	151,508
Operating income	13,355	4,088	38,760	25,726
Other income, net	1,507	1,686	2,026	1,689
Income before income taxes	14,862	5,774	40,786	27,415
Income tax expense (benefit)	4,391			