

SILICON LABORATORIES INC
Form 10-Q
October 25, 2017
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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 September 30, 2017

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: 000-29823

SILICON LABORATORIES INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

74-2793174

(I.R.S. Employer Identification No.)

400 West Cesar Chavez, Austin, Texas

(Address of principal executive offices)

78701

(Zip Code)

(512) 416-8500

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 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.

Large accelerated filer

Accelerated filer

Non-accelerated filer

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.

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 October 17, 2017, 42,565,135 shares of common stock of Silicon Laboratories Inc. were outstanding.

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	Cautionary Statement

Except for the historical financial information contained herein, the matters discussed in this report on Form 10-Q (as well as documents incorporated herein by reference) may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements include declarations

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regarding the intent, belief or current expectations of Silicon Laboratories Inc. and its management and may be signified by the words believe, estimate, expect, intend, anticipate, plan, project, will or similar language. You are cautioned that any such forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties. Actual results could differ materially from those indicated by such forward-looking statements. Factors that could cause or contribute to such differences include those discussed under Risk Factors and elsewhere in this report. Silicon Laboratories disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Table of Contents**Part I. Financial Information****Item 1. Financial Statements****Silicon Laboratories Inc.****Condensed Consolidated Balance Sheets****(In thousands, except per share data)****(Unaudited)**

	September 30, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 236,459	\$ 141,106
Short-term investments	482,396	153,961
Accounts receivable, net	76,188	74,401
Inventories	72,895	59,578
Prepaid expenses and other current assets	37,563	61,805
Total current assets	905,501	490,851
Long-term investments	5,471	5,196
Property and equipment, net	129,075	129,559
Goodwill	288,629	276,130
Other intangible assets, net	89,859	103,565
Other assets, net	59,251	76,543
Total assets	\$ 1,477,786	\$ 1,081,844
Liabilities and Stockholders Equity		
Current liabilities:		
Accounts payable	\$ 38,857	\$ 39,577
Accrued expenses	60,376	50,100
Deferred income on shipments to distributors	56,701	45,568
Income taxes	4,057	4,450
Total current liabilities	159,991	139,695
Long-term debt		72,500
Convertible debt	338,717	
Other non-current liabilities	36,246	42,691
Total liabilities	534,954	254,886
Commitments and contingencies		
Stockholders equity:		
Preferred stock \$0.0001 par value; 10,000 shares authorized; no shares issued		
Common stock \$0.0001 par value; 250,000 shares authorized; 42,562 and 41,889 shares issued and outstanding at September 30, 2017 and December 31, 2016, respectively	4	4
Additional paid-in capital	87,004	24,463
Retained earnings	856,159	801,999
Accumulated other comprehensive income (loss)	(335)	492
Total stockholders equity	942,832	826,958
Total liabilities and stockholders equity	\$ 1,477,786	\$ 1,081,844

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The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

Table of Contents**Silicon Laboratories Inc.****Condensed Consolidated Statements of Income****(In thousands, except per share data)****(Unaudited)**

	Three Months Ended		Nine Months Ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Revenues	\$ 198,723	\$ 178,083	\$ 567,849	\$ 515,016
Cost of revenues	82,149	69,880	232,922	202,988
Gross margin	116,574	108,203	334,927	312,028
Operating expenses:				
Research and development	52,000	48,437	156,756	149,118
Selling, general and administrative	39,606	38,034	119,587	116,716
Operating expenses	91,606	86,471	276,343	265,834