

MAXLINEAR INC
Form 10-Q
July 30, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended June 30, 2010

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: 001-34666

MaxLinear, Inc.

(Exact name of Registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

14-1896129
(I.R.S. Employer
Identification No.)

2051 Palomar Airport Road, Suite 100

Carlsbad, California
(Address of principal executive offices)

92011
(Zip Code)

(760) 692-0711

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a 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, 2010, the registrant has 7,410,714 shares of Class A common stock, par value \$0.0001, and 23,846,613 shares of Class B common stock, par value \$0.0001, outstanding.

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MAXLINEAR, INC.

QUARTERLY REPORT ON FORM 10-Q

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Table of Contents**PART I FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****MAXLINEAR, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS****(in thousands, except par amounts)**

	June 30, 2010 (unaudited)	December 31, 2009
Assets		
Current assets:		
Cash and cash equivalents	\$ 17,780	\$ 17,921
Investments, available-for-sale	74,219	
Accounts receivable	8,350	9,707
Inventory	4,241	2,850
Prepaid and other current assets	1,361	262
Total current assets	105,951	30,740
Property and equipment, net	3,564	2,627
Intangible assets	880	
Other long-term assets	177	2,406
Total assets	\$ 110,572	\$ 35,773
Liabilities and stockholders' equity (deficit)		
Current liabilities:		
Accounts payable	\$ 2,899	\$ 4,162
Deferred revenue and deferred profit	7,218	9,850
Accrued expenses	1,560	1,346
Accrued compensation	1,888	1,721
Amounts due to related party	2,971	2,508
Current portion of capital lease obligations	113	124
Total current liabilities	16,649	19,711
Deferred rent	175	71
Capital lease obligations, net of current portion	65	115
Commitments and contingencies		
Convertible preferred stock, \$0.0001 par value; 22,492 shares authorized:		
Series A convertible preferred stock, no shares and 11,696 shares authorized at June 30, 2010 (unaudited) and December 31, 2009, respectively; no shares and 7,554 shares issued and outstanding at June 30, 2010 (unaudited) and December 31, 2009, respectively; liquidation preference of \$0 and \$15,351 at June 30, 2010 (unaudited) and December 31, 2009, respectively		15,351
Series B convertible preferred stock, no shares and 10,796 shares authorized at June 30, 2010 (unaudited) and December 31, 2009, respectively; no shares and 6,972 shares issued and outstanding at June 30, 2010 (unaudited) and December 31, 2009, respectively; liquidation preference of \$0 and \$20,000 at June 30, 2010 (unaudited) and December 31, 2009, respectively		20,000
Stockholders' equity (deficit):		
Preferred stock, \$0.0001 par value; 25,000 shares authorized, no shares issued or outstanding		

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Common stock, \$0.0001 par value; 550,000 shares authorized, no shares and 10,737 shares issued and outstanding at June 30, 2010 (unaudited) and December 31, 2009, respectively

Class A common stock, \$0.0001 par value; 500,000 shares authorized, 7,411 shares and no shares issued and outstanding at June 30, 2010 (unaudited) and December 31, 2009, respectively	1	
Class B common stock, \$0.0001 par value; 500,000 shares authorized, 23,843 shares and no shares issued and outstanding at June 30, 2010 (unaudited) and December 31, 2009, respectively	2	
Additional paid-in capital	112,409	2,301
Accumulated other comprehensive loss	(52)	
Accumulated deficit	(18,677)	(21,777)
Total stockholders' equity (deficit)	93,683	(19,475)
Total liabilities and stockholders' equity (deficit)	\$ 110,572	\$ 35,773

See accompanying notes.

Table of Contents**MAXLINEAR, INC.****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

(in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Net revenue	\$ 18,176	\$ 11,176	\$ 34,313	\$ 19,947
Cost of net revenue	5,471	3,898	10,629	6,960
Gross profit	12,705	7,278	23,684	12,987
Operating expenses:				
Research and development	6,922	4,955	13,001	8,818
Selling, general and administrative	4,194	2,119	7,721	3,855
Total operating expenses	11,116	7,074	20,722	12,673
Income from operations	1,589	204	2,962	314
Interest income	99		115	9
Interest expense	(7)	(9)	(16)	(26)
Other expense, net	(7)	(27)	(9)	(27)
Income before income taxes	1,674	168	3,052	270
Provision (benefit) for income taxes	(92)	15	(48)	25
Net income	1,766	153	3,100	245
Net income allocable to preferred stockholders		(153)	(1,215)	(245)
Net income attributable to common stockholders	\$ 1,766	\$	\$ 1,885	\$
Net income per share attributable to common stockholders ⁽¹⁾ :				
Basic	\$ 0.06	\$	\$ 0.09	\$
Diluted	\$ 0.05	\$	\$ 0.08	\$
Shares used to compute net income per share attributable to common stockholders:				
Basic	31,243	9,942	21,966	9,928
Diluted	34,492	10,437	24,871	10,457

⁽¹⁾ As a result of the conversion of the Company's preferred stock into 14,526 shares of its Class B common stock immediately prior to the completion of the Company's initial public offering in March 2010, there is a lack of comparability in the basic and diluted net income per share amounts between the periods presented herein and any historical or future periods.

See accompanying notes.

Table of Contents**MAXLINEAR, INC.****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(in thousands)

	Six Months Ended June 30,	
	2010	2009
Operating Activities		
Net income	\$ 3,100	\$ 245
Adjustments to reconcile net income to cash provided by operating activities:		
Amortization and depreciation	765	366
Amortization of investment premiums, net	352	(1)
Stock-based compensation	1,750	272
Write down of property and equipment	33	32
Changes in operating assets and liabilities:		
Accounts receivable	1,357	(3,188)
Inventory	(1,391)	1,204
Prepaid and other assets	(1,195)	(82)
Accounts payable and accrued expenses	(1,884)	2,182
Amounts due to related party	463	862
Accrued compensation	(143)	774
Deferred revenue and deferred profit	(2,632)	(1,677)
Deferred rent	104	
Net cash provided by operating activities	679	989
Investing Activities		
Purchase of property and equipment	(1,181)	(469)
Purchases of intangibles	(613)	
Purchases of available-for-sale securities	(74,622)	
Sales of available-for-sale securities		1,800
Net cash (used in) provided by investing activities	(76,416)	1,331
Financing Activities		
Payments on capital leases	(61)	(54)
Proceeds on exercise of common stock options, net of repurchases	107	58
Proceeds from initial public offering, net of costs	75,550	
Net cash provided by financing activities	75,596	4
Effect of excha		