

CITRIX SYSTEMS INC
Form 10-Q
May 08, 2015

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 March 31, 2015

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 0-27084

CITRIX SYSTEMS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

75-2275152
(IRS Employer
Identification No.)

851 West Cypress Creek Road
Fort Lauderdale, Florida
(Address of principal executive offices)

33309
(Zip Code)

Registrant's Telephone Number, Including Area Code:
(954) 267-3000

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 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

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As of April 30, 2015 there were 160,287,615 shares of the registrant's Common Stock, \$.001 par value per share, outstanding.

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CITRIX SYSTEMS, INC.
 Form 10-Q
 For the Quarterly Period Ended March 31, 2015
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PART I: FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CITRIX SYSTEMS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2015 (Unaudited)	December 31, 2014 (Derived from audited financial statements)
	(In thousands, except par value)	
Assets		
Current assets:		
Cash and cash equivalents	\$402,933	\$260,149
Short-term investments, available-for-sale	580,386	529,260
Accounts receivable, net of allowances of \$5,494 and \$5,976 at March 31, 2015 and December 31, 2014, respectively	438,177	674,401
Inventories, net	12,024	12,617
Prepaid expenses and other current assets	186,222	166,005
Current portion of deferred tax assets, net	48,914	45,892
Total current assets	1,668,656	1,688,324
Long-term investments, available-for-sale	986,295	1,073,110
Property and equipment, net	373,384	367,779
Goodwill	1,858,080	1,796,851
Other intangible assets, net	411,469	390,717
Long-term portion of deferred tax assets, net	81,680	128,198
Other assets	75,072	67,028
Total assets	\$5,454,636	\$5,512,007
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$81,109	\$79,884
Accrued expenses and other current liabilities	275,834	298,079
Income taxes payable	6,768	12,053
Short-term debt	95,000	—
Current portion of deferred revenues	1,175,227	1,200,093
Total current liabilities	1,633,938	1,590,109
Long-term portion of deferred revenues	340,794	357,771
Convertible notes	1,300,872	1,292,953
Other liabilities	78,701	97,529
Commitments and contingencies		
Stockholders' equity:		
Preferred stock at \$.01 par value: 5,000 shares authorized, none issued and outstanding	—	—
Common stock at \$.001 par value: 1,000,000 shares authorized; 296,384 and 294,674 shares issued and outstanding at March 31, 2015 and December 31, 2014, respectively	296	295
Additional paid-in capital	4,340,836	4,292,706
Retained earnings	3,184,151	3,155,264
Accumulated other comprehensive loss	(35,972)	(36,790)
	7,489,311	7,411,475
	(5,388,980)	(5,237,830)

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Less - common stock in treasury, at cost (136,292 and 133,898 shares at
March 31, 2015 and December 31, 2014, respectively)

Total stockholders' equity	2,100,331	2,173,645
Total liabilities and stockholders' equity	\$5,454,636	\$5,512,007

See accompanying notes.

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CITRIX SYSTEMS, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 (Unaudited)

	Three Months Ended March 31,	
	2015	2014
	(In thousands, except per share information)	
Revenues:		
Product and licenses	\$ 183,281	\$ 207,424
Software as a service	169,364	157,132
License updates and maintenance	371,297	343,758
Professional services	36,860	42,505
Total net revenues	760,802	750,819
Cost of net revenues:		
Cost of product and license revenues	24,684	31,337
Cost of services and maintenance revenues	89,190	78,683
Amortization of product related intangible assets	18,732	24,306
Total cost of net revenues	132,606	134,326
Gross margin	628,196	616,493
Operating expenses:		
Research and development	144,641	133,618