

MONOLITHIC POWER SYSTEMS INC
Form 10-Q
November 03, 2010

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, 2010

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 000-51026

Monolithic Power Systems, Inc.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

Delaware
(State or other jurisdiction of
incorporation or organization)

77-0466789
(I.R.S. Employer
Identification Number)

6409 Guadalupe Mines Road, San Jose, CA 95120 (408) 826-0600
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES, INCLUDING ZIP CODE AND TELEPHONE NUMBER)

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 ☒

There were 35,840,935 shares of the registrant’s common stock issued and outstanding as of October 29, 2010.

MONOLITHIC POWER SYSTEMS, INC.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MONOLITHIC POWER SYSTEMS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except par value and share amounts)

(Unaudited)

	September 30, 2010	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$44,275	\$46,717
Short-term investments	140,731	118,914
Accounts receivable, net of allowances of \$0 in both 2010 and 2009	32,289	15,521
Inventories	19,459	19,616
Deferred income tax assets, net - current	8	5
Prepaid expenses and other current assets	2,904	2,726
Total current assets	239,666	203,499
Property and equipment, net	32,461	17,968
Long-term investments	19,415	19,445
Deferred income tax assets, net - long-term	175	175
Other assets	715	734
Total assets	\$292,432	\$241,821
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$17,755	\$7,787
Accrued compensation and related benefits	7,094	8,454
Accrued liabilities	8,563	7,681
Total current liabilities	33,412	23,922
Non-current income tax liability	4,915	4,915
Other long-term liabilities	756	27
Total liabilities	39,083	28,864
Stockholders' equity:		
Common stock, \$0.001 par value, \$36 and \$35 in 2010 and 2009, respectively; shares authorized: 150,000,000; shares issued and outstanding: 35,823,034 and 35,165,316 in 2010 and 2009, respectively	188,840	175,518
Retained earnings	63,066	37,085
Accumulated other comprehensive income	1,443	354
Total stockholders' equity	253,349	212,957
Total liabilities and stockholders' equity	\$292,432	\$241,821

See accompanying notes to condensed consolidated financial statements.

MONOLITHIC POWER SYSTEMS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amounts)

(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Revenue	\$65,843	\$47,966	\$171,783	\$118,461
Cost of revenue	29,857	18,868	74,067	48,122
Gross profit	35,986	29,098	97,716	70,339
Operating expenses:				
Research and development	11,291	10,080	34,116	27,929
Selling, general and administrative	10,296	9,438	32,304	26,567
Litigation expense	964	2,811	4,759	7,090
Litigation provision reversal, net	-	(6,356)	-	(6,356)
Total operating expenses	22,551	15,973	71,179	55,230
Income from operations	13,435	13,125	26,537	15,109
Other income (expense):				
Interest and other income	240	161		