

CITRIX SYSTEMS INC
Form 10-Q
May 06, 2014

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, 2014

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, 2014 there were 163,863,398 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, 2014
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PART I: FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CITRIX SYSTEMS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2014	December 31, 2013
	(Unaudited)	(Derived from audited financial statements)
	(In thousands, except par value)	
Assets		
Current assets:		
Cash and cash equivalents	\$298,519	\$280,740
Short-term investments, available-for-sale	530,758	453,976
Accounts receivable, net of allowances of \$4,960 and \$5,354 at March 31, 2014 and December 31, 2013, respectively	510,862	654,821
Inventories, net	12,537	14,107
Prepaid expenses and other current assets	138,389	110,981
Current portion of deferred tax assets, net	47,836	48,470
Total current assets	1,538,901	1,563,095
Long-term investments, available-for-sale	998,831	855,700
Property and equipment, net	336,740	338,996
Goodwill	1,783,090	1,768,949
Other intangible assets, net	487,771	509,595
Long-term portion of deferred tax assets, net	70,779	115,418
Other assets	53,361	60,496
	\$5,269,473	\$5,212,249
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$76,661	\$78,452
Accrued expenses and other current liabilities	271,840	257,606
Income taxes payable	8,458	29,322
Current portion of deferred revenues	1,092,577	1,098,681
Total current liabilities	1,449,536	1,464,061
Long-term portion of deferred revenues	318,226	313,059
Other liabilities	87,694	115,322
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; 292,798 and 291,078 shares issued and outstanding at March 31, 2014 and December 31, 2013, respectively	293	291
Additional paid-in capital	4,034,515	3,974,297
Retained earnings	2,959,480	2,903,541
Accumulated other comprehensive income	4,250	4,951
	6,998,538	6,883,080
Less - common stock in treasury, at cost (108,158 and 107,789 shares at March 31, 2014 and December 31, 2013, respectively)	(3,584,521) (3,563,273

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Total stockholders' equity	3,414,017	3,319,807
	\$5,269,473	\$5,212,249
See accompanying notes.		

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

	Three Months Ended March 31, 2014 2013	
	(In thousands, except per share information)	
Revenues:		
Product and licenses	\$207,424	\$193,083
Software as a service	157,132	137,566
License updates and maintenance	343,758	315,738
Professional services	42,505	26,512
Total net revenues	750,819	672,899
Cost of net revenues:		
Cost of product and license revenues	31,337	25,794
Cost of services and maintenance revenues	78,683	64,411
Amortization of product related intangible assets	24,306	24,709
Total cost of net revenues	134,326	114,914
Gross margin	616,493	557,985
Operating expenses:		
Research and development	133,618	130,492
Sales, marketing and services	316,496	297,682
General and administrative	72,388	