

Proto Labs Inc
Form 10-Q
May 05, 2016

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, 2016

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: 001-35435

Proto Labs, Inc.

(Exact name of registrant as specified in its charter)

Minnesota

(State or other jurisdiction of incorporation or organization)

41-1939628

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

5540 Pioneer Creek Drive

Maple Plain, Minnesota

(Address of principal executive offices)

55359

(Zip Code)

(763) 479-3680

(Registrant's telephone number, including area code)

Not Applicable

(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 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

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 26,360,113 shares of Common Stock, par value \$0.001 per share, were outstanding at April 29, 2016.

Proto Labs, Inc.

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PART I. FINANCIAL INFORMATION**Item 1. Financial Statements****Proto Labs, Inc.****Consolidated Balance Sheets****(In thousands, except share and per share amounts)**

	March 31, 2016 (Unaudited)	December 31, 2015
Assets		
Current assets		
Cash and cash equivalents	\$ 50,626	\$47,653
Short-term marketable securities	38,804	33,201
Accounts receivable, net of allowance for doubtful accounts of \$281 and \$330 as of March 31, 2016 and December 31, 2015, respectively	36,152	36,125
Inventory	9,920	9,771
Prepaid expenses and other current assets	6,617	5,224
Income taxes receivable	2,029	6,028
Total current assets	144,148	138,002
Property and equipment, net	130,341	125,475
Goodwill	28,916	28,916
Other intangible assets, net	3,150	3,337
Long-term marketable securities	67,726	64,789
Other long-term assets	554	517
Total assets	\$ 374,835	\$ 361,036
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable	\$ 13,541	\$ 13,643
Accrued compensation	8,747	9,993
Accrued liabilities and other	1,648	2,626
Total current liabilities	23,936	26,262
Long-term deferred tax liabilities	4,325	4,240
Other long-term liabilities	2,868	2,889

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Total liabilities	31,129	33,391
Shareholders' equity		
Preferred stock, \$0.001 par value, authorized 10,000,000 shares; issued and outstanding 0 shares as of each of March 31, 2016 and December 31, 2015	-	-
Common stock, \$0.001 par value, authorized 150,000,000 shares; issued and outstanding 26,301,688 and 26,200,718 shares as of March 31, 2016 and December 31, 2015, respectively	26	26
Additional paid-in capital	203,490	198,835
Retained earnings	144,658	133,996
Accumulated other comprehensive loss	(4,468)	(5,212)
Total shareholders' equity	343,706	327,645
Total liabilities and shareholders' equity	\$ 374,835	\$ 361,036

The accompanying notes are an integral part of these consolidated financial statements.

Proto Labs, Inc.**Consolidated Statements of Comprehensive Income****(In thousands, except share and per share amounts)****(Unaudited)**

	Three Months Ended March 31, 2016 2015	
Statements of Operations:		
Revenue	\$72,568	\$58,536
Cost of revenue	32,914	23,282
Gross profit	39,654	35,254
Operating expenses		
Marketing and sales	10,942	8,854
Research and development	5,318	4,314
General and administrative	8,251	6,245
Total operating expenses	24,511	19,413
Income from operations	15,143	15,841
Other income (expense), net	625	(457)
Income before income taxes	15,768	