

MAXIM INTEGRATED PRODUCTS INC
Form 10-Q
January 27, 2017

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 December 24, 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 1-34192

MAXIM INTEGRATED PRODUCTS, INC.

(Exact name of Registrant as Specified in its Charter)

Delaware

94-2896096

(State or Other Jurisdiction of Incorporation or Organization) (I.R.S. Employer I. D. No.)

160 Rio Robles

San Jose, California 95134

(Address of Principal Executive Offices including Zip Code)

(408) 601-1000

(Registrant's Telephone Number, Including Area Code)

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 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 definitions of "large accelerated filer," "accelerated filer" and "smaller" reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		(Do not check if a smaller reporting company)	

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

(Check one):

YES NO

As of January 20, 2017, there were 282,691,389 shares of Common Stock, par value \$.001 per share, of the registrant outstanding.

MAXIM INTEGRATED PRODUCTS, INC.
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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

MAXIM INTEGRATED PRODUCTS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	December 24, 2016	June 25, 2016
	(in thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,687,435	\$ 2,105,229
Short-term investments	399,461	125,439
Total cash, cash equivalents and short-term investments	2,086,896	2,230,668
Accounts receivable, net of allowances of \$23,332 at Q2'17 and \$32,108 at Q4'16	224,342	256,531
Inventories	236,040	227,929
Other current assets	75,284	91,920
Total current assets	2,622,562	2,807,048
Property, plant and equipment, net	660,660	692,551
Intangible assets, net	117,393	146,540
Goodwill	491,015	490,648
Other assets	55,188	84,100
Assets held for sale	1,156	13,729
TOTAL ASSETS	\$3,947,974	\$4,234,616
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 70,505	\$ 82,535
Income taxes payable	3,138	21,153
Accrued salary and related expenses	109,475	166,698
Accrued expenses	41,418	50,521
Deferred revenue on shipments to distributors	36,137	38,779
Current portion of debt	—	249,717
Total current liabilities	260,673	609,403
Long-term debt	991,281	990,090
Income taxes payable	514,498	480,645
Other liabilities	37,331	46,664
Total liabilities	1,803,783	2,126,802
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Common stock and capital in excess of par value	284	284
Retained earnings	2,155,698	2,121,749
Accumulated other comprehensive loss	(11,791)	(14,219)
Total stockholders' equity	2,144,191	2,107,814

TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$3,947,974	\$4,234,616
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See accompanying Notes to Condensed Consolidated Financial Statements.

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MAXIM INTEGRATED PRODUCTS, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 (Unaudited)

	Three Months Ended		Six Months Ended	
	December 26,		December 26,	
	2016	2015	2016	2015
	(in thousands, except per share data)			
Net revenues	\$550,998	\$ 510,831	\$1,112,394	\$ 1,073,341
Cost of goods sold	210,820	218,662	426,484	494,821
Gross margin	340,178	292,169	685,910	578,520
Operating expenses:				
Research and development	114,057	113,100	226,803	234,492
Selling, general and administrative	71,543	73,643	142,395	145,638
Intangible asset amortization	2,348	3,538	4,791	7,129
Impairment of long-lived assets	383	1,950	6,517	