

GoPro, Inc.
Form 10-Q
July 29, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q
QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 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: 001-36514

GOPRO, INC.

(Exact name of registrant as specified in its charter)

Delaware 77-0629474
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

3000 Clearview Way 94402
San Mateo, California
(Address of principal executive offices) (Zip Code)

(650) 332-7600
(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 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 Website, 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 Smaller reporting company

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(Do not check if a 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

As of June 30, 2016, 102,936,387 and 36,503,793 shares of Class A and Class B common stock were outstanding,
respectively.

1

GoPro, Inc.
Index

	Page
PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements:	
<u>Condensed Consolidated Balance Sheets as of June 30, 2016 and December 31, 2015</u>	<u>3</u>
<u>Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2016 and June 30, 2015</u>	<u>4</u>
<u>Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2016 and June 30, 2015</u>	<u>5</u>
<u>Notes to Condensed Consolidated Financial Statements</u>	<u>6</u>
Item 2. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>20</u>
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>30</u>
Item 4. <u>Controls and Procedures</u>	<u>30</u>
 PART II. OTHER INFORMATION	
Item 1. <u>Legal Proceedings</u>	<u>31</u>
Item 1A. <u>Risk Factors</u>	<u>31</u>
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>32</u>
Item 3. <u>Defaults Upon Senior Securities</u>	<u>32</u>
Item 4. <u>Mine Safety Disclosures</u>	<u>32</u>
Item 5. <u>Other Information</u>	<u>32</u>
Item 6. <u>Exhibits</u>	<u>32</u>
<u>Signatures</u>	<u>33</u>
<u>Exhibit Index</u>	<u>34</u>

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

GoPro, Inc.

Condensed Consolidated Balance Sheets
(unaudited)

(in thousands, except par values)	June 30, 2016	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 163,512	\$ 279,672
Marketable securities	115,688	194,386
Accounts receivable, net	65,016	145,692
Inventory	89,889	188,232
Prepaid expenses and other current assets	38,057	25,261
Total current assets	472,162	833,243
Property and equipment, net	66,525	70,050
Intangible assets, net	46,073	31,027
Goodwill	146,459	57,095
Other long-term assets	133,161	111,561
Total assets	\$ 864,380	\$ 1,102,976
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 63,642	\$ 89,989
Accrued liabilities	151,102	192,446
Deferred revenue	11,605	12,742
Total current liabilities	226,349	295,177
Long-term liabilities	40,641	35,766
Total liabilities	266,990	330,943
Commitments, contingencies and guarantees (Note 11)		
Stockholders' equity:		
Preferred stock, \$0.0001 par value, 5,000 shares authorized; none issued	—	—
Common stock and additional paid-in capital, \$0.0001 par value, 500,000 Class A shares authorized, 102,936 and 100,596 shares issued and outstanding, respectively; 150,000 Class B shares authorized, 36,504 and 36,005 shares issued and outstanding, respectively	687,894	663,311
Treasury stock, at cost, 1,545 and 1,545 shares, respectively	(35,613)	(35,613)
Retained earnings (accumulated deficit)	(54,891)	144,335
Total stockholders' equity	597,390	772,033
Total liabilities and stockholders' equity	\$ 864,380	\$ 1,102,976
The accompanying notes are an integral part of these condensed consolidated financial statements.		

GoPro, Inc.
Condensed Consolidated Statements of Operations
(unaudited)

(in thousands, except per share data)	Three months ended		Six months ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Revenue	\$220,755	\$419,919	\$404,291	\$783,028
Cost of revenue	127,753	225,579	251,575	424,955
Gross profit	93,002	194,340	152,716	358,073
Operating expenses:				
Research and development	93,049	58,453	170,028	107,890
Sales and marketing	84,888	63,494	164,337	119,863
General and administrative	24,442	26,255	49,163	61,914
Total operating expenses	202,379	148,202	383,528	289,667
Operating income (loss)	(109,377)	46,138	(230,812)	68,406
Other income (expense), net	660	122	353	(2,122)
Income (loss) before income taxes	(108,717)	46,260	(230,459)	66,284
Income tax expense (benefit)	(16,950)	11,229	(31,233)	14,501
Net income (loss)	\$(91,767)	\$35,031	\$(199,226)	\$51,783