

ASPEN TECHNOLOGY INC /DE/
Form 10-Q
October 29, 2015
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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, 2015

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: 001-34630

ASPEN TECHNOLOGY, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

04-2739697
(I.R.S. Employer Identification No.)

20 Crosby Drive
Bedford, Massachusetts
(Address of principal executive offices)

01730
(Zip Code)

(781) 221-6400

(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 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

(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 Act): Yes No

As of October 22, 2015, there were 83,285,474 shares of the registrant's common stock (par value \$0.10 per share) outstanding.

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ASPENONE is one of our registered trademarks. All other trade names, trademarks and service marks appearing in this Form 10-Q are the property of their respective owners.

Our fiscal year ends on June 30, and references to a specific fiscal year are to the twelve months ended June 30 of such year (for example, fiscal 2016 refers to the year ending June 30, 2016).

Table of Contents**PART I - FINANCIAL INFORMATION****Item 1. Financial Statements.***Consolidated Financial Statements (unaudited)***ASPEN TECHNOLOGY, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF OPERATIONS****(Unaudited)**

	Three Months Ended September 30,	
	2015	2014
	(Dollars in Thousands, Except per Share Data)	
Revenue:		
Subscription and software	\$ 111,859	\$ 98,743
Services and other	8,437	8,383
Total revenue	120,296	107,126
Cost of revenue:		
Subscription and software	5,242	5,201
Services and other	7,730	7,180
Total cost of revenue	12,972	12,381
Gross profit	107,324	94,745
Operating expenses:		
Selling and marketing	22,436	21,618
Research and development	16,597	16,268
General and administrative	12,862	12,225
Total operating expenses	51,895	50,111
Income from operations	55,429	44,634
Interest income	82	135
Interest expense	(1)	(3)
Other income, net	896	188
Income before provision for income taxes	56,406	44,954
Provision for income taxes	19,635	15,987
Net income	\$ 36,771	\$ 28,967
Net income per common share:		
Basic	\$ 0.44	\$ 0.32
Diluted	\$ 0.44	\$ 0.32
Weighted average shares outstanding:		
Basic	83,876	91,183
Diluted	84,320	91,891

See accompanying Notes to these unaudited consolidated financial statements.

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ASPEN TECHNOLOGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended September 30,	
	2015	2014
	(Dollars in Thousands)	
Net income	\$ 36,771	\$ 28,967
Other comprehensive loss:		
Net unrealized gains (losses) on available for sale securities, net of tax effects of (\$12) and \$21 for the three months ended September 30, 2015 and 2014	23	(39)
Foreign currency translation adjustments	(1,733)	(1,529)
Total other comprehensive loss	(1,710)	(1,568)
Comprehensive income	\$ 35,061	\$ 27,399

See accompanying Notes to these unaudited consolidated financial statements.

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ASPEN TECHNOLOGY, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Unaudited)

	September 30, 2015	June 30, 2015
	(Dollars in Thousands, Except Share Data)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 129,739	\$ 156,249
Short-term marketable securities	51,757	59,197
Accounts receivable, net	21,951	30,721
Current portion of installments receivable, net	262	1,589
Unbilled services	1,005	1,108
Prepaid expenses and other current assets	8,529	8,055
Prepaid income taxes	538	542
Current deferred tax assets	6,156	6,169
Total current assets	219,937	263,630
Long-term marketable securities		3,047
Non-current installments receivable, net	255	253
Property, equipment and leasehold improvements, net	17,353	18,039
Computer software development costs, net	841	1,026
Goodwill	16,610	17,360
Non-current deferred tax assets	10,377	10,444
Other non-current assets		