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Super Micro Computer, Inc.
Form 10-Q
February 06, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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 December 31, 2012

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 001-33383

Super Micro Computer, Inc.
(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)
980 Rock Avenue
San Jose, CA 95131
(Address of principal executive offices)
(408) 503-8000
(Registrant's telephone number, including area code)

77-0353939
(IRS Employer Identification Number)

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, 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

As of January 24, 2013, there were 42,080,357 shares of the registrant's common stock, \$0.001 par value, outstanding, which is the only class of common or voting stock of the registrant issued.

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SUPER MICRO COMPUTER, INC.

QUARTERLY REPORT ON FORM 10-Q
FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2012

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PART I: FINANCIAL INFORMATION

Item 1.

SUPER MICRO COMPUTER, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share amounts)

(unaudited)

	December 31, 2012	June 30, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$88,398	\$80,826
Accounts receivable, net of allowances of \$1,071 and \$1,106 at December 31, 2012 and June 30, 2012, respectively (including amounts receivable from a related party of \$618 and \$1,036 at December 31, 2012 and June 30, 2012, respectively)	118,912	102,014
Inventory	243,597	276,599
Deferred income taxes-current	14,361	12,638
Prepaid income taxes	4,338	3,478
Prepaid expenses and other current assets	5,889	6,357
Total current assets	475,495	481,912
Long-term investments	2,650	2,923
Property, plant and equipment, net	96,712	97,419
Deferred income taxes-noncurrent	5,707	3,459
Other assets	3,003	3,390
Total assets	\$583,567	\$589,103
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable (including amounts due to a related party of \$37,203 and \$51,470 at December 31, 2012 and June 30, 2012, respectively)	\$149,441	\$173,991
Accrued liabilities	32,015	30,401
Income taxes payable	2,799	2,754
Short-term debt and current portion of long-term debt	29,195	13,362
Total current liabilities	213,450	220,508
Long-term debt-net of current portion	7,933	19,395
Other long-term liabilities	10,764	10,849
Total liabilities	232,147	250,752
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Common stock and additional paid-in capital, \$0.001 par value		
Authorized shares: 100,000,000		
Issued shares: 42,514,990 and 42,034,416 at December 31, 2012 and June 30, 2012, respectively	150,870	143,806
Treasury stock (at cost), 445,028 shares at December 31, 2012 and June 30, 2012	(2,030)	(2,030)
Accumulated other comprehensive loss	(52)	(76)
Retained earnings	202,464	196,651
Total Super Micro Computer, Inc. stockholders' equity	351,252	338,351
Noncontrolling interest	168	—

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Total stockholders' equity	351,420	338,351
Total liabilities and stockholders' equity	\$583,567	\$589,103

See accompanying notes to condensed consolidated financial statements.

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SUPER MICRO COMPUTER, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (in thousands, except per share amounts)
 (unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2012	2011	2012	2011
Net sales (including related party sales of \$2,898 and \$2,643 in the three months ended December 31, 2012 and 2011, respectively, and \$5,791 and \$5,478 in the six months ended December 31, 2012 and 2011, respectively)	\$291,487	\$249,915	\$562,194	\$497,800
Cost of sales (including related party purchases of \$38,683 and \$38,340 in the three months ended December 31, 2012 and 2011, respectively, and \$87,940 and \$75,733 in the six months ended December 31, 2012 and 2011, respectively)	251,365	207,301	487,057	415,560
Gross profit	40,122	42,614	75,137	82,240
Operating expenses:				
Research and development	18,824	15,657	37,045	29,481
Sales and marketing	7,945	8,032	16,711	15,742
General and administrative	5,745	5,207	12,091	9,785
Total operating expenses	32,514	28,896	65,847	55,008
Income from operations	7,608	13,718	9,290	27,232
Interest and other income, net	7	20	22	37
Interest expense	(152) (173) (307) (367
Income before income tax provision	7,463	13,565	9,005	26,902
Income tax provision	2,549	4,791	3,192	9,636
Net income	\$4,914	\$8,774		

Power of Attorney (included in the signature page to this registration statement).