

VOCERA COMMUNICATIONS, INC.

Form 10-Q

November 05, 2015

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington D.C. 20549

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FORM 10-Q

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(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: 001-35469

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VOCERA COMMUNICATIONS, INC.  
(Exact name of registrant as specified in its charter)

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Delaware	94-3354663
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Vocera Communications, Inc.	
525 Race Street	
San Jose, CA 95126	
(408) 882-5100	
(Address and telephone number of principal executive offices)	

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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.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at November 4, 2015
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Common Stock, \$0.0003 par value per share	26,205,328
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FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2015  
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Signatures

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## PART I: FINANCIAL INFORMATION

## Item 1. Financial Statements (Unaudited)

Vocera Communications, Inc.

Condensed Consolidated Balance Sheets

(In Thousands, Except Share and Par Amounts)

(Unaudited)

	September 30, 2015	December 31, 2014
Assets		
Current assets		
Cash and cash equivalents	\$16,448	\$22,615
Short-term investments	99,603	93,646
Accounts receivable, net of allowance	15,461	18,008
Other receivables	1,149	694
Inventories	1,921	3,462
Prepaid expenses and other current assets	2,252	2,017
Total current assets	136,834	140,442
Property and equipment, net	3,987	5,122
Intangible assets, net	2,593	3,171
Goodwill	9,988	9,988
Other long-term assets	898	905
Total assets	\$154,300	\$159,628
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	\$3,086	\$1,913
Accrued payroll and other current liabilities	10,738	10,863
Deferred revenue, current	27,195	28,474
Total current liabilities	41,019	41,250
Deferred revenue, long-term	6,875	6,974
Other long-term liabilities	2,028	1,692
Total liabilities	49,922	49,916
Commitments and contingencies (Note 7)		
Stockholders' equity		
Preferred stock, \$0.0003 par value - 5,000,000 shares authorized as of September 30, 2015 and December 31, 2014; zero shares issued and outstanding	—	—
Common stock, \$0.0003 par value - 100,000,000 shares authorized as of September 30, 2015 and December 31, 2014; 26,173,806 and 25,644,010 shares issued and outstanding as of September 30, 2015 and December 31, 2014, respectively	8	8
Additional paid-in capital	211,210	202,515
Accumulated other comprehensive income (loss)	12	(81
Accumulated deficit	(106,852	) (92,730
Total stockholders' equity	104,378	109,712
Total liabilities and stockholders' equity	\$154,300	\$159,628

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

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Vocera Communications, Inc.  
Condensed Consolidated Statements of Operations  
(In Thousands, Except Per Share Amounts)  
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
Revenue				
Product	\$14,144	\$12,020	\$39,926	\$38,059
Service	12,310	11,104	35,795	32,760
Total revenue	26,454	23,124	75,721	70,819
Cost of revenue				
Product	5,248	4,706	14,403	14,117
Service	4,968	4,883	14,733	14,225
Total cost of revenue	10,216	9,589	29,136	28,342
Gross profit	16,238	13,535	46,585	42,477
Operating expenses				
Research and development	4,252	5,113	12,977	13,541
Sales and marketing	12,178	11,942	34,694	37,299
General and administrative	4,146	4,237		