

VOCERA COMMUNICATIONS, INC.

Form 10-Q

May 06, 2016

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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 March 31, 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: 001-35469

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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 (I.R.S. Employer  
incorporation or organization) 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  Accelerated filer

Non-accelerated filer  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

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 May 5, 2016

Common Stock, \$0.0003 par value per share 26,502,591

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FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2016  
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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)

|   | March 31,<br>2016 | December 31,<br>2015 |
|---|-------------------|----------------------|
| Assets  |                   |                      |
| Current assets  |                   |                      |
| Cash and cash equivalents   | \$22,400          | \$ 20,572            |
| Short-term investments  | 97,829            | 96,202               |
| Accounts receivable, net of allowance   | 14,433            | 22,605               |
| Other receivables   | 1,112             | 1,009                |
| Inventories   | 3,613             | 2,713                |
| Prepaid expenses and other current assets   | 2,242             | 2,165                |
| Total current assets  | 141,629           | 145,266              |
| Property and equipment, net   | 4,523             | 3,620                |
| Intangible assets, net  | 2,189             | 2,375                |
| Goodwill  | 9,988             | 9,988                |
| Other long-term assets  | 1,288             | 1,012                |
| Total assets  | \$159,617         | \$ 162,261           |
| Liabilities and stockholders' equity  |                   |                      |
| Current liabilities   |                   |                      |
| Accounts payable  | \$4,212           | \$ 2,932             |
| Accrued payroll and other current liabilities   | 10,787            | 13,339               |
| Deferred revenue, current   | 30,975            | 31,495               |
| Total current liabilities   | 45,974            | 47,766               |
| Deferred revenue, long-term   | 7,865             | 8,097                |
| Other long-term liabilities   | 2,116             | 1,967                |
| Total liabilities   | 55,955            | 57,830               |
| Commitments and contingencies (Note 7)  |                   |                      |
| Stockholders' equity  |                   |                      |
| Preferred stock, \$0.0003 par value - 5,000,000 shares authorized as of March 31, 2016 and December 31, 2015; zero shares issued and outstanding  | —                 | —                    |
| Common stock, \$0.0003 par value - 100,000,000 shares authorized as of March 31, 2016 and December 31, 2015; 26,442,307 and 26,322,322 shares issued and outstanding as of March 31, 2016 and December 31, 2015, respectively | 8                 | 8                    |
| Additional paid-in capital  | 217,064           | 214,421              |
| Accumulated other comprehensive income (loss)   | 10                | (162 )               |
| Accumulated deficit   | (113,420 )        | (109,836 )           |
| Total stockholders' equity  | 103,662           | 104,431              |
| Total liabilities and stockholders' equity  | \$159,617         | \$ 162,261           |

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<br>ended March 31, |            |
|--|---------------------------------|------------|
|  | 2016                            | 2015       |
| Revenue  |                                 |            |
| Product  | \$13,802                        | \$12,462   |
| Service  | 12,975                          | 11,356     |
| Total revenue  | 26,777                          | 23,818     |
| Cost of revenue  |                                 |            |
| Product  | 4,449                           | 4,432      |
| Service  | 5,650                           | 4,851      |
| Total cost of revenue                                      | 10,099                          | 9,283      |
| Gross profit   | 16,678                          | 14,535     |
| Operating expenses   |                                 |            |
| Research and development                                   | 3,972                           | 4,483      |
| Sales and marketing  | 12,026                          | 10,414     |
| General and administrative                                 | 4,336                           | 4,000      |
| Total operating expenses                                   | 20,334                          | 18,897     |
| Loss from operations                                       | (3,656 )                        | (4,362 )   |
| Interest income  | 178                             | 110        |
| Other expense, net   | (14 )                           | (132 )     |
| Loss before income taxes                                   | (3,492 )                        | (4,384 )   |
| Provision for income taxes                                 | (92 )                           | (103 )     |
| Net loss   | \$(3,584 )                      | \$(4,487 ) |
| Net loss per share   |                                 |            |
| Basic and diluted  | \$(0.14 )                       | \$(0.17 )  |
| Weighted average shares used to compute net loss per share |                                 |            |
| Basic and diluted  | 26,379                          | 25,667     |