

Nuance Communications, Inc.
Form 10-Q
August 09, 2016
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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 June 30, 2016

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 001-36056

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

Delaware	94-3156479
(State or Other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1 Wayside Road	01803
Burlington, Massachusetts	(Zip Code)
(Address of principal executive offices)	
Registrant's telephone number, including area code:	
(781) 565-5000	

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. (Check one):

Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	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

The number of shares of the Registrant's Common Stock, outstanding as of July 29, 2016 was 279,689,801.

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Part I. Financial Information

Item 1. Condensed Consolidated Financial Statements (unaudited)

NUANCE COMMUNICATIONS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended		Nine Months Ended	
	June 30,		June 30,	
	2016	2015	2016	2015
	(Unaudited)			
	(In thousands, except per share amounts)			
Revenues:				
Product and licensing	\$ 153,015	\$ 162,806	\$ 490,687	\$ 506,945
Professional services and hosting	242,331	234,253	709,662	684,927
Maintenance and support	82,505	80,880	242,350	235,145
Total revenues	477,851	477,939	1,442,699	1,427,017
Cost of revenues:				
Product and licensing	20,785	21,276	65,020	68,498
Professional services and hosting	158,412	153,646	466,383	461,220
Maintenance and support	13,574	13,702	40,496	41,091
Amortization of intangible assets	15,107	15,776	47,077	46,538
Total cost of revenues	207,878	204,400	618,976	617,347
Gross profit	269,973	273,539	823,723	809,670
Operating expenses:				
Research and development	67,761	78,188	205,512	233,337
Sales and marketing	96,012	99,285	289,439	303,785
General and administrative	40,328	42,130	126,769	141,366
Amortization of intangible assets	26,748	26,371	80,229	78,526
Acquisition-related costs, net	4,721	2,423	8,426	13,702
Restructuring and other charges, net	5,717	10,808	20,257	12,703
Total operating expenses	241,287	259,205	730,632	783,419
Income from operations	28,686	14,334	93,091	26,251
Other income (expense):				
Interest income	1,012	670	3,511	1,859
Interest expense	(33,184)	(29,486)	(95,392)	(89,417)
Other expense, net	(489)	(18,375)	(7,284)	(19,270)
Loss before income taxes	(3,975)	(32,857)	(6,074)	(80,577)
Provision for income taxes	7,846	6,533	24,858	23,406
Net loss	\$(11,821)	\$(39,390)	\$(30,932)	\$(103,983)
Net loss per share:				
Basic	\$(0.04)	\$(0.13)	\$(0.10)	\$(0.33)
Diluted	\$(0.04)	\$(0.13)	\$(0.10)	\$