

BRIGHTPOINT INC
Form 10-Q
October 27, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended September 30, 2011

1-12845

(Commission File no.)

Brightpoint, Inc.

(Exact name of registrant as specified in its charter)

Indiana
State or other jurisdiction of

35-1778566
(I.R.S. Employer Identification No.)

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incorporation or organization

7635 Interactive Way, Suite 200, Indianapolis, Indiana
(Address of principal executive offices)

46278
(Zip Code)

(317) 707-2355

(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 or a non-accelerated filer, or a smaller reporting company. See definition of accelerated filer, large accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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

The number of shares of Common Stock outstanding as of October 24, 2011: 68,198,181

PART 1 FINANCIAL INFORMATION

Item 1. Financial Statements

Brightpoint, Inc.

Consolidated Statements of Operations

(Amounts in thousands, except per share data)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Revenue				
Distribution revenue	\$ 1,207,996	\$ 808,937	\$ 3,284,634	\$ 2,236,385
Logistic services revenue	130,149	80,092	403,306	236,550
Total revenue	1,338,145	889,029	3,687,940	2,472,935
Cost of revenue				
Cost of distribution revenue	1,162,934	773,676	3,163,968	2,133,649
Cost of logistic services revenue	80,956	38,867	250,060	119,622
Total cost of revenue	1,243,890	812,543	3,414,028	2,253,271
Gross profit				
Distribution gross profit	45,062	35,261	120,666	102,736
Logistic services gross profit	49,193	41,225	153,246	116,928
Total gross profit	94,255	76,486	273,912	219,664
Selling, general and administrative expenses	65,071	57,407	200,180	167,760
Amortization expense	5,987	3,666	17,819	11,190
Restructuring charge	3,138	940	7,307	2,774
Operating income from continuing operations	20,059	14,473	48,606	37,940
Interest, net	3,899	1,667	11,224	5,363
Gain on investment in Intcomex, Inc.			(3,038)	
Loss on legal settlement		852		852
Other expense (income)	960	(1,081)	2,356	(1,457)
Income from continuing operations before income taxes	15,200	13,035	38,064	33,182
Income tax expense	2,080	1,598	5,172	9,750
Income from continuing operations	13,120	11,437	32,892	23,432
Discontinued operations, net of income taxes:				
Gain (loss) from discontinued operations	(62)	(609)	908	(9,064)
Gain (loss) on disposal of discontinued operations	739	(1,023)	(33)	(123)
Total discontinued operations, net of income taxes	677	(1,632)	875	(9,187)
Net income attributable to common shareholders	\$ 13,797	\$ 9,805	\$ 33,767	\$ 14,245
Earnings per share attributable to common shareholders basic:				
Income from continuing operations	\$ 0.19	\$ 0.16	\$ 0.49	\$ 0.33

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Discontinued operations, net of income taxes	0.01	(0.02)	0.01	(0.13)
Net income	\$ 0.20	\$ 0.14	\$ 0.50	\$ 0.20
Earnings per share attributable to commonshareholders diluted:				
Income from continuing operations	\$ 0.19	\$ 0.16	\$ 0.48	\$ 0.33
Discontinued operations, net of income taxes	0.01	(0.02)	0.01	(0.13)
Net income	\$ 0.20	\$ 0.14	\$ 0.49	\$ 0.20
Weighted average common shares outstanding:				
Basic	67,833	68,724	67,708	69,674
Diluted	68,853	69,425	68,990	70,716

See accompanying notes

Brightpoint, Inc.**Consolidated Balance Sheets**

(Amounts in thousands, except per share data)

	September 30, 2011 (Unaudited)	December 31, 2010
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 25,827	\$ 41,658
Accounts receivable (less allowance for doubtful accounts of \$8,688 in 2011 and \$9,892 in 2010)	423,649	487,376
Inventories	389,015	311,804
Other current assets	56,860	75,068
Total current assets	895,351	915,906
Property, plant and equipment	146,574	111,107
Goodwill	79,446	78,821
Other intangibles, net	105,435	122,122
Other assets	41,980	19,885
Total assets	\$ 1,268,786	\$ 1,247,841
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 647,400	\$ 744,995
Accrued expenses	143,448	140,191
Other short-term borrowings	1,025	408
Total current liabilities	791,873	885,594
Long-term liabilities:		
Lines of credit, long term	170,523	90,000
Other long-term liabilities	27,399	27,894
Total long-term liabilities	197,922	117,894
Total liabilities	989,795	1,003,488
Shareholders equity:		
Preferred stock, \$0.01 par value: 1,000 shares authorized; no shares issued or outstanding		
Common stock, \$0.01 par value: 100,000 shares authorized; 91,461 issued in 2011 and 90,354 issued in 2010	915	904
Additional paid-in-capital	653,731	641,895
Treasury stock, at cost, 23,223 shares in 2011 and 22,917 shares in 2010	(168,027)	(164,242)
Accumulated deficit	(222,206)	(255,974)
Accumulated other comprehensive income	14,578	21,770
Total shareholders equity	278,991	244,353
Total liabilities and shareholders equity	\$ 1,268,786	\$ 1,247,841

See accompanying notes

Brightpoint, Inc.**Consolidated Statements of Cash Flows**

(Amounts in thousands)

(Unaudited)

	Nine Months Ended September 30,	
	2011	2010
Operating activities		
Net Income	\$ 33,767	\$ 14,245
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	34,927	25,700
Non-cash compensation	9,586	7,916
Restructuring charge	7,307	2,774
Change in deferred taxes	5,384	5,464
Gain on investment in Intcomex, Inc.	(3,038)	
Other non-cash	469	2,709
Changes in operating assets and liabilities, net of effects from acquisitions and divestitures:		
Accounts receivable	56,795	