

JUNIPER NETWORKS INC
Form 10-Q
November 07, 2018

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 September 30, 2018

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: 001-34501

JUNIPER NETWORKS, INC.

(Exact name of registrant as specified in its charter)

Delaware

77-0422528

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

1133 Innovation Way

Sunnyvale, California

94089

(Address of principal executive offices)

(Zip code)

(408) 745-2000

(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 every Interactive Data File required to be submitted 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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

There were 345,154,400 shares of the Company's Common Stock, par value \$0.00001, outstanding as of November 2, 2018.

Juniper Networks, Inc.
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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

Juniper Networks, Inc.
Condensed Consolidated Statements of Operations
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Net revenues:				
Product	\$794.7	\$869.7	\$2,330.4	\$2,615.8
Service	385.1	388.1	1,136.1	1,171.9
Total net revenues	1,179.8	1,257.8	3,466.5	3,787.7
Cost of revenues:				
Product	312.5	336.0	955.5	1,026.4
Service	156.3	149.4	480.7	440.4
Total cost of revenues	468.8	485.4	1,436.2	1,466.8
Gross margin	711.0	772.4	2,030.3	2,320.9
Operating expenses:				
Research and development	253.8	236.4	772.0	752.8
Sales and marketing	224.8	232.5	702.5	716.6
General and administrative	67.9	70.6	178.1	176.7
Restructuring charges	4.4	2.0	2.3	29.4
Total operating expenses	550.9	541.5	1,654.9	1,675.5
Operating income	160.1	230.9	375.4	645.4
Other expense, net	(8.1)	(5.1)	(31.1)	(33.8)
Income before income taxes	152.0	225.8	344.3	611.6
Income tax (benefit) provision	(71.8)	60.1	(30.4)	157.3
Net income	\$223.8	\$165.7	\$374.7	\$454.3
Net income per share:				
Basic	\$0.65	\$0.44	\$1.07	\$1.20
Diluted	\$0.64	\$0.43	\$1.05	\$1.18
Shares used in computing net income per share:				
Basic	346.2	378.3	350.1	380.0
Diluted	350.5	382.7	355.2	386.5

See accompanying Notes to Condensed Consolidated Financial Statements

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Juniper Networks, Inc.

Condensed Consolidated Statements of Comprehensive Income

(In millions)

(Unaudited)

	Three Months		Nine Months	
	Ended		Ended	
	September 30,	September 30,	September 30,	September 30,
	2018	2017	2018	2017
Net income	\$223.8	\$165.7	\$374.7	\$454.3
Other comprehensive (loss) income, net of tax:				
Available-for-sale debt securities:				