

MARKETAXESS HOLDINGS INC

Form 10-Q

July 25, 2014

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, 2014

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 001-34091

MARKETAXESS HOLDINGS INC.

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of

incorporation or organization)

299 Park Avenue, 10th Floor New York, New York  
(Address of principal executive offices)

52-2230784  
(IRS Employer

Identification No.)

10171  
(Zip Code)

(212) 813-6000

(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 R 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 R 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 definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer R Accelerated filer "

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

As of July 24, 2014, the number of shares of the Registrant's voting common stock outstanding was 37,506,035.

MARKETAXESS HOLDINGS INC.

FORM 10-Q FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2014

TABLE OF CONTENTS

	Page
<u>PART I — Financial Information</u>	
Item 1. <u>Financial Statements (Unaudited)</u>	3
<u>Consolidated Statements of Financial Condition as of June 30, 2014 and December 31, 2013</u>	3
<u>Consolidated Statements of Operations for the Three and Six Months Ended June 30, 2014 and 2013</u>	4
<u>Consolidated Statements of Comprehensive Income for the Three and Six Months Ended June 30, 2014 and 2013</u>	5
<u>Consolidated Statement of Changes in Stockholders' Equity for the Six Months Ended June 30, 2014</u>	6
<u>Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2014 and 2013</u>	7
<u>Notes to Consolidated Financial Statements</u>	8
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	20
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	35
Item 4. <u>Controls and Procedures</u>	36
 <u>PART II — Other Information</u>	
Item 1. <u>Legal Proceedings</u>	37
Item 1A. <u>Risk Factors</u>	37
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	37
Item 3. <u>Defaults Upon Senior Securities</u>	37
Item 4. <u>Mine Safety Disclosures</u>	37
Item 5. <u>Other Information</u>	37
Item 6. <u>Exhibits</u>	38

## PART I — Financial Information

## Item 1. Financial Statements

## MARKETAXESS HOLDINGS INC.

## CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(Unaudited)

	As of	
	June 30, 2014	December 31, 2013
	(In thousands, except share and  per share amounts)	
<b>ASSETS</b>		
Cash and cash equivalents	\$133,154	\$132,691
Securities available-for-sale, at fair value	65,742	67,742
Accounts receivable, net of allowance of \$14 and \$133 as of		
June 30, 2014 and December 31, 2013, respectively	40,896	34,158
Goodwill and intangible assets, net of accumulated amortization	67,558	68,697
Furniture, equipment, leasehold improvements and capitalized		
software, net of accumulated depreciation and amortization	34,396	32,703
Prepaid expenses and other assets	12,356	10,640
Deferred tax assets, net	2,617	4,947
<b>Total assets</b>	<b>\$356,719</b>	<b>\$351,578</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Accrued employee compensation	\$12,196	\$23,811
Deferred revenue	2,950	2,713
Accounts payable, accrued expenses and other liabilities	18,594	14,692
<b>Total liabilities</b>	<b>33,740</b>	<b>41,216</b>
Commitments and Contingencies (Note 11)	—	—
<b>Stockholders' equity</b>		
Preferred stock, \$0.001 par value, 4,855,000 shares authorized,		
no shares issued and outstanding as of June 30, 2014 and		
December 31, 2013	—	—
Series A Preferred Stock, \$0.001 par value, 110,000 shares	—	—

authorized, no shares issued and outstanding as of		
June 30, 2014 and December 31, 2013		
Common stock voting, \$0.003 par value, 110,000,000 shares		
authorized, 39,306,981 shares and 39,224,016 shares issued		
and 37,569,035 shares and 37,728,857 shares outstanding		
as of June 30, 2014 and December 31, 2013, respectively	119	119
Common stock non-voting, \$0.003 par value, 10,000,000		
shares authorized, no shares issued and outstanding as of		
June 30, 2014 and December 31, 2013	—	—
Additional paid-in capital	298,661	295,557
Treasury stock - Common stock voting, at cost, 1,737,946		
and 1,495,159 shares as of June 30, 2014 and December 31,		
2013, respectively	(46,021 )	(32,273 )
Retained earnings	74,650	51,042
Accumulated other comprehensive loss	(4,430 )	(4,083 )
Total stockholders' equity	322,979	310,362
Total liabilities and stockholders' equity	\$356,719	\$351,578

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

MARKETAXESS HOLDINGS INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

Three Months Ended June 30, 2014	Six Months Ended June 30,
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