

Manning & Napier, Inc.
Form 10-Q
May 09, 2013
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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 March 31, 2013

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: 001-35355

MANNING & NAPIER, INC.

(Exact name of registrant as specified in its charter)

Delaware 45-2609100
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

290 Woodcliff Drive 14450
Fairport, New York
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code:
(585) 325-6880

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 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:

Large accelerated filer 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

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Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class	Outstanding at May 7, 2013
Class A common stock, \$0.01 par value per share	13,583,873
Class B common stock, \$0.01 par value per share	1,000

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In this Quarterly Report on Form 10-Q, "we", "our", "us", the "Company", "Manning & Napier" and the "Registrant" refers to Manning & Napier, Inc. and, unless the context otherwise requires, its consolidated direct and indirect subsidiaries and predecessors.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

Manning & Napier, Inc.

Consolidated Statements of Financial Condition

(In thousands, except share data)

	March 31, 2013 (unaudited)	December 31, 2012
Assets		
Cash and cash equivalents	\$ 131,686	\$ 108,324
Accounts receivable	23,818	22,962
Accounts receivable—Manning & Napier Fund, Inc.	14,576	13,767
Investment securities, at fair value	10,558	13,082
Prepaid expenses and other assets	6,452	7,014
Total current assets	187,090	165,149
Property and equipment, net	4,420	4,460
Net deferred tax assets, non-current	48,571	48,571
Total non-current assets	52,991	53,031
Total assets	\$ 240,081	\$ 218,180
Liabilities		
Accounts payable	\$ 1,325	\$ 1,231
Accrued expenses and other liabilities	57,417	38,872
Deferred revenue	12,054	10,342
Total current liabilities	70,796	50,445
Amounts payable under tax receivable agreement, non-current	43,989	43,989
Total non-current liabilities	43,989	43,989
Total liabilities	\$ 114,785	\$ 94,434
Commitments and contingencies (Note 8)		
Shareholders' equity		
Class A common stock, \$0.01 par value; 300,000,000 shares authorized, 13,583,873 issued and outstanding at March 31, 2013 and December 31, 2012	\$ 136	\$ 136
Class B common stock, \$0.01 par value; 2,000 shares authorized, 1,000 shares issued and outstanding at March 31, 2013 and December 31, 2012	—	—
Additional paid-in capital	201,137	198,117
Retained deficit	(35,221) (33,392
Accumulated other comprehensive income	—	—
Total shareholders' equity	166,052	164,861
Noncontrolling interest	(40,756) (41,115
Total shareholders' equity and noncontrolling interest	125,296	123,746
Total liabilities, shareholders' equity and noncontrolling interest	\$ 240,081	\$ 218,180

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

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Manning & Napier, Inc.
 Consolidated Statements of Operations
 (In thousands, except share data)
 (Unaudited)

	Three months ended March 31,	
	2013	2012
Revenues		
Investment management services revenue	\$90,256	\$85,014
Expenses		
Compensation and related costs	48,483	27,732
Distribution, servicing and custody expenses	15,915	14,230
Other operating costs	7,779	7,033
Total operating expenses	72,177	48,995
Operating income	18,079	36,019
Non-operating income (loss)		
Interest expense	(3) (4
Interest and dividend income	63	19
Net capital gains on investments	250	380
Total non-operating income	310	395
Income before provision for income taxes	18,389	36,414
Provision for income taxes	1,997	1,990
Net income attributable to controlling and noncontrolling interests	16,392	34,424
Less: net income attributable to noncontrolling interests	16,048	31,521
Net income attributable to Manning & Napier, Inc.	\$344	\$2,903
Net income per share available to Class A common stock		