

RENTRAK CORP
Form 10-Q
November 06, 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 September 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: 000-15159

RENTRAK CORPORATION
(Exact name of registrant as specified in its charter)

Oregon 93-0780536
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

7700 NE Ambassador Place, 97220
Portland, Oregon (Zip Code)

Registrant's telephone number, including area code: 503-284-7581

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.

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 issuer's classes of common stock, as of the latest practicable date.

Common stock \$0.001 par value
(Class)

12,364,924
(Outstanding at October 31, 2014)

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PART I

ITEM 1. FINANCIAL STATEMENTS

Rentrak Corporation and Subsidiaries

Condensed Consolidated Balance Sheets

(Unaudited)

(In thousands, except per share amounts)

	September 30, 2014	March 31, 2014
Assets		
Current Assets:		
Cash and cash equivalents	\$4,476	\$5,102
Marketable securities	18,833	16,868
Accounts receivable, net of allowances for doubtful accounts of \$85 and \$162	14,946	12,199
Taxes receivable and prepaid taxes	—	122
Deferred tax assets, net	38	44
Assets held for sale	4,256	5,443
Other current assets	1,888	2,818
Total Current Assets	44,437	42,596
Property and equipment, net of accumulated depreciation of \$25,584 and \$23,785	20,513	17,891
Goodwill	6,841	7,034
Other intangible assets, net of accumulated amortization of \$3,837 and \$3,447	12,156	12,724
Other assets	1,014	1,022
Total Assets	\$84,961	\$81,267
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	\$1,654	\$1,766
Accrued liabilities	1,275	370
Accrued data provider liabilities	8,500	4,460
Accrued compensation	5,445	6,743
Deferred revenue and other credits	3,423	2,644
Liabilities held for sale	2,995	3,858
Total Current Liabilities	23,292	19,841
Deferred rent, long-term	2,329	2,413
Accrued compensation, long-term	4,800	4,700
Taxes payable, long-term	542	520
Deferred tax liability, net, long-term	884	759
Total Liabilities	31,847	28,233
Commitments and Contingencies	—	—
Stockholders' Equity:		
Preferred stock, \$0.001 par value; 10,000 shares authorized; none issued	—	—
Common stock, \$0.001 par value; shares authorized: 75,000 and 30,000; shares issued and outstanding: 12,342 and 12,213	12	12
Capital in excess of par value	85,505	83,562
Accumulated other comprehensive income (loss)	(11) 409
Accumulated deficit	(33,162) (31,823
Stockholders' Equity attributable to Rentrak Corporation	52,344	52,160
Noncontrolling interest	770	874
Total Stockholders' Equity	53,114	53,034
Total Liabilities and Stockholders' Equity	\$84,961	\$81,267

See accompanying Notes to Condensed Consolidated Financial Statements.

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Rentrak Corporation and Subsidiaries
 Condensed Consolidated Statements of Operations
 (Unaudited)
 (In thousands, except per share amounts)

	For the Three Months Ended		For the Six Months Ended		
	September 30,		September 30,		
	2014	2013	2014	2013	
Revenue	\$25,241	\$17,843	\$47,585	\$34,525	
Cost of revenue	8,040	6,829	15,644	13,118	
Gross margin	17,201	11,014	31,941	21,407	
Operating expenses:					
Selling, general and administrative	14,544	11,332	27,378	22,186	
Research, technology and innovation	3,073	2,121	6,337	3,991	
Total operating expenses	17,617	13,453	33,715	26,177	
Loss from continuing operations	(416) (2,439) (1,774) (4,770)
Other income, net	20	44	40	91	
Loss from continuing operations before income taxes	(396) (2,395) (1,734)	