

RENTRAK CORP
Form 10-Q
August 10, 2015

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, 2015

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
(Address of principal executive offices) (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)

15,346,934
(Outstanding at July 27, 2015)

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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)

	June 30, 2015	March 31, 2015
Assets		
Current Assets:		
Cash and cash equivalents	\$7,965	\$3,691
Marketable securities	70,991	80,318
Accounts receivable, net of allowances for doubtful accounts of \$69 and \$179	17,569	16,884
Deferred tax assets, net	97	60
Other current assets	3,531	3,928
Total Current Assets	100,153	104,881
Property and equipment, net of accumulated depreciation of \$30,929 and \$29,121	26,874	23,035
Goodwill	135,952	135,890
Other intangible assets, net of accumulated amortization of \$4,669 and \$4,203	16,111	16,384
Other assets	4,347	4,333
Total Assets	\$283,437	\$284,523
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	\$5,925	\$3,967
Accrued liabilities	550	592
Accrued data provider liabilities	7,109	6,690
Accrued compensation	5,912	11,724
Deferred revenue and other credits	3,485	3,812
Total Current Liabilities	22,981	26,785
Deferred rent, long-term	2,285	2,358
Accrued compensation, long-term	92	90
Taxes payable, long-term	470	465
Deferred tax liability, net, long-term	2,813	2,228
Total Liabilities	28,641	31,926
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; shares issued and outstanding: 15,339 and 15,251	15	15
Capital in excess of par value	285,835	285,280
Accumulated other comprehensive income	613	464
Accumulated deficit	(32,243) (33,811
Stockholders' Equity attributable to Rentrak Corporation	254,220	251,948
Noncontrolling interest	576	649
Total Stockholders' Equity	254,796	252,597
Total Liabilities and Stockholders' Equity	\$283,437	\$284,523
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 June		
	30,	2014	
	2015	2014	
Revenue	\$27,529	\$22,344	
Cost of revenue	9,893	7,604	
Gross margin	17,636	14,740	
Operating expenses:			
Selling, general and administrative	11,660	12,834	
Research, technology and innovation	3,979	3,264	
Total operating expenses	15,639	16,098	
Income (loss) from continuing operations	1,997	(1,358)
Other income, net	151	20	
Income (loss) from continuing operations before income taxes	2,148	(1,338)
Provision for income taxes	653	29	
Income (loss) from continuing operations, net of income taxes	1,495	(1,367)
Income from discontinued operations, net of income taxes	—	348	
Net income (loss)	1,495	(1,019)
Net loss attributable to noncontrolling interest	(73) (53)
Net income (loss) attributable to Rentrak Corporation	\$1,568	\$ (966)
Income (loss) per share from continuing operations attributable to Rentrak Corporation common stockholders:			
Basic	\$0.10	\$ (0.11)
Diluted	\$0.10	\$ (0.11)
Income per share from discontinued operations attributable to Rentrak Corporation common stockholders:			
Basic	\$—	\$0.03	
Diluted	\$		