

COUPONS.com Inc
Form 10-Q
November 06, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 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: 001-36331

Coupons.com Incorporated

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

77-0485123
(I.R.S. Employer
Identification No.)

400 Logue Avenue, Mountain View, California
(Address of Principal Executive Offices)

94043
(Zip Code)

(650) 605-4600

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(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 checkmark 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 time 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 definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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

As of November 3, 2014, the registrant had 79,943,811 shares of common stock outstanding.

COUPONS.COM INCORPORATED

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REPORT ON FORM 10-Q

FOR THE QUARTER ENDED SEPTEMBER 30, 2014

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

COUPONS.COM INCORPORATED

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

(Unaudited)

	September 30, 2014	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	\$ 193,197	\$38,972
Accounts receivable, net of allowance for doubtful accounts of \$415 and \$332 at September 30, 2014 and December 31, 2013, respectively	47,601	42,185
Prefunded coupons cash deposits	996	920
Prepaid expenses and other current assets	3,565	3,100
Total current assets	245,359	85,177
Property and equipment, net	25,101	29,942
Intangible assets, net	11,645	1,813
Goodwill	28,501	9,887
Deferred tax assets	843	195
Other assets	9,283	7,222
Total assets	\$ 320,732	\$ 134,236
Liabilities, Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	\$ 5,894	\$5,589
Accrued compensation and benefits	12,691	13,721
Other current liabilities	15,341	13,699
Prefunded coupons cash obligations	996	920
Deferred revenues	7,090	6,751
Debt obligations	7,500	7,500
Debt obligations, related party	—	15,577
Total current liabilities	49,512	63,757
Other non-current liabilities	4,087	1,046
Deferred rent	880	1,222
Deferred tax liabilities	1,894	195
Total liabilities	56,373	66,220
Commitments and contingencies (Note 14)		

Redeemable convertible preferred stock, \$0.00001 par value—no shares authorized, issued and		
outstanding, and aggregate liquidation preference of \$0 at September 30, 2014; 50,437,000 shares		
authorized and 41,529,721 shares issued and outstanding, and aggregate liquidation preference of		
\$282,990 at December 31, 2013	—	270,262
Stockholders' equity (deficit):		
Preferred stock, \$0.00001 par value—10,000,000 shares authorized and no shares issued or		
outstanding at September 30, 2014; no shares authorized, issued or outstanding at		
December 31, 2013	—	—
Common stock, \$0.00001 par value—250,000,000 shares authorized and 84,521,239 shares		
issued and 79,676,333 outstanding at September 30, 2014; 96,000,000 shares authorized and		
25,934,206 shares issued and 21,089,300 outstanding at December 31, 2013	1	—
Additional paid-in capital	516,730	28,403
Treasury stock, at cost	(61,935)	(61,935)
Accumulated other comprehensive income (loss)	35	37
Accumulated deficit	(190,472)	(168,751)
Total stockholders' equity (deficit)	264,359	(202,246)
Total liabilities, redeemable convertible preferred stock and stockholders' equity (deficit)	\$ 320,732	\$ 134,236
See Accompanying Notes to Condensed Consolidated Financial Statements		

COUPONS.COM INCORPORATED

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2014	2013	September 30, 2014	2013
Revenues	\$58,544	\$39,716	\$161,760	\$115,295
Costs and expenses:				
Cost of revenues	23,061	12,111	64,464	37,845
Sales and marketing	19,047	14,504	56,179	43,574
Research and development	11,351	9,519	38,599	30,123
General and administrative	7,400	5,014	25,307	15,912
Change in fair value of contingent consideration	(2,806)	—	(2,806)	—
Total costs and expenses	58,053	41,148	181,743	127,454
Income (loss) from operations	491	(1,432)	(19,983)	(12,159)
Interest expense	(241)	(211)	(843)	(646)
Other income (expense), net	19	—	(88)	34
Income (loss) before income taxes	269	(1,643)	(20,914)	(12,771)
Provision for income taxes	1,051	—	807	—
Net loss	\$(782)	\$(1,643)	\$	\$